

ANNUAL REPORT
OF THE
FEDERAL DEPOSIT INSURANCE CORPORATION
FOR THE YEAR ENDED
DECEMBER 31, 1946



LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D. C., June 27, 1947.

SIRS: Pursuant to the provisions of subsection (r) of section 12B of the Federal Reserve Act, as amended, the Federal Deposit Insurance Corporation has the honor to submit its annual report.

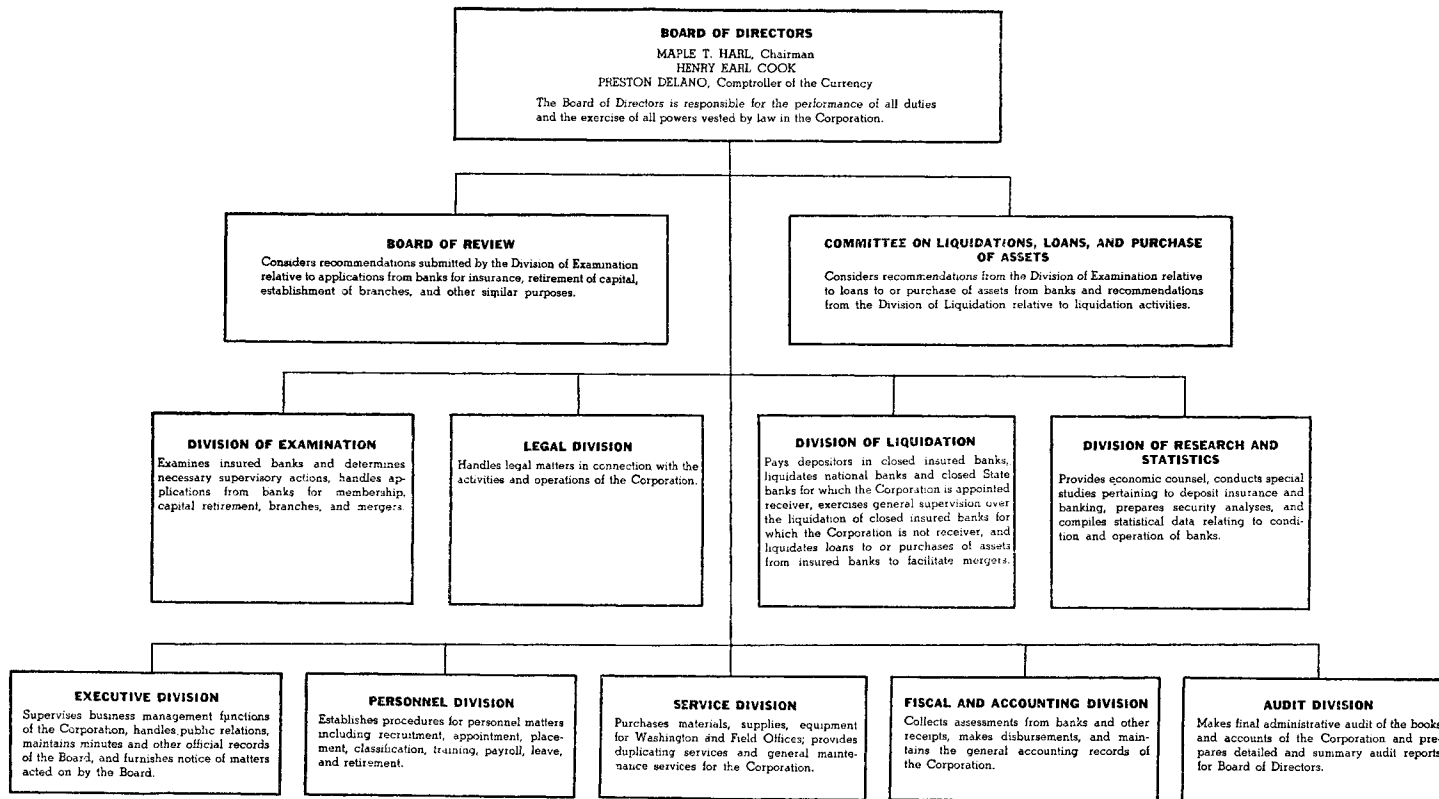
Respectfully,

MAPLE T. HARL, *Chairman*

THE PRESIDENT OF THE SENATE *pro tem*

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

NATIONAL PRESS BUILDING — WASHINGTON 25, D. C.

FIELD BUILDING — CHICAGO 3, ILLINOIS

BOARD OF DIRECTORS

Chairman..... MAPLE T. HARL
Directors..... { H. E. COOK
PRESTON DELANO

OFFICIALS—JUNE 27, 1947

WASHINGTON 25, D. C.

Secretary..... Miss E. F. Downey
Executive Officer..... Walter F. Oakes (Acting)
Consultant to Board of Directors..... Nathaniel Dyke, Jr.
Assistant to Chairman..... Lyle L. Robertson
Special Assistant to Chairman..... J. Forbes Campbell
Assistant to Director..... Albert G. Towers
Associate General Counsel..... Norris C. Bakke
Chief, Division of Examination..... Vance L. Sailor
Mutual Savings Bank Adviser..... Raymond T. Cahill
Special Assistant to Board of Directors,
(Federal Credit Union Section)..... C. R. Orchard
Chief, Division of Research and Statistics..... Florence Helm (Acting)
Director of Personnel..... Carl W. Satterlee
Chief, Service Division..... Henry T. Ivey
Librarian..... Miss Amy Dene Early

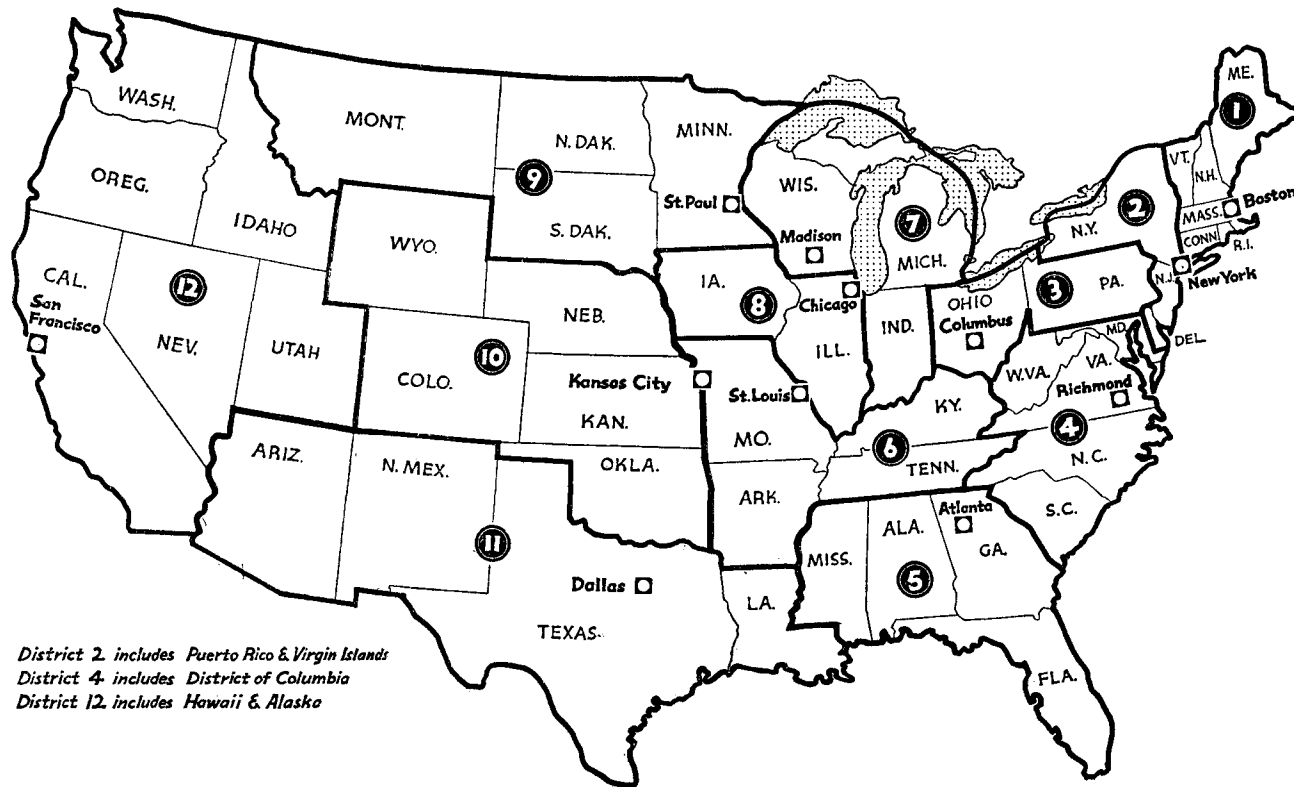
CHICAGO 3, ILLINOIS

Chief, Division of Liquidation..... Edward C. Tefft
Fiscal Agent..... W. G. Loeffler
Chief, Audit Division..... Mark A. Heck
Solicitor..... James M. Kane

DISTRICT OFFICES

<u>DIST. No.</u>	<u>SUPERVISING EXAMINER</u>	<u>ADDRESS</u>	<u>STATES IN DISTRICT</u>
1.	Lundie W. Barlow	Room 765, No. 10 Post Square, Boston 9, Mass.	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut
2.	Neil G. Greensides	Room 1900, 14 Wall Street, New York 5, N. Y.	New York, New Jersey, Delaware
3.	A. F. Shafer (Assistant)	City National Bank Building, 20 East Broad Street, Columbus 15, Ohio	Ohio, Pennsylvania
4.	Robert N. McLeod	909 State Planters Bank & Trust Company Building, Richmond 19, Va.	District of Columbia, Maryland, Virginia, West Virginia, North Carolina, South Carolina
5.	W. Clyde Roberts	625 First National Bank Building, Atlanta 3, Ga.	Georgia, Florida, Alabama, Mississippi
6.	E. R. Gover (Assistant)	1059 Arcade Building, St. Louis 1, Mo.	Kentucky, Tennessee, Missouri, Arkansas
7.	Raby L. Hopkins	715 Tenney Building Madison 3, Wis.	Indiana, Michigan, Wisconsin
8.	Carol L. Pitman	741 Federal Reserve Bank Building, 164 W. Jackson Blvd., Chicago 4, Ill.	Illinois, Iowa
9.	Rollin O. Bishop	1200 Minnesota Building, St. Paul 1, Minn.	Minnesota, North Dakota, South Dakota, Montana
10.	Gerhard F. Roetzel	901 Federal Reserve Bank Building, Kansas City 6, Missouri	Nebraska, Kansas, Oklahoma, Colorado, Wyoming
11.	Linton J. Davis	Federal Reserve Bank Building, Station K, Dallas 13, Tex.	Louisiana, Texas, New Mexico, Arizona
12.	William P. Funsten	Suite 1120, 315 Montgomery Street, San Francisco 4, Calif.	Idaho, Utah, Nevada, Washington, Oregon, California

FEDERAL DEPOSIT INSURANCE CORPORATION DISTRICTS



District 2 includes Puerto Rico & Virgin Islands
District 4 includes District of Columbia
District 12 includes Hawaii & Alaska

CONTENTS

Summary	Page 3
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PART ONE OPERATIONS AND POLICIES OF THE CORPORATION

Insurance of bank deposits	7
Deposit insurance protection	12
Supervisory activities	19
Legal developments	24
Organization and financial statements of the Corporation	26

PART TWO BANKING DEVELOPMENTS

Banks and branches	43
Assets and deposits	46
Capital	54
Earnings of insured commercial banks	57
Earnings of insured mutual savings banks	65

PART THREE SPECIAL REPORTS

Examination of mutual savings banks	71
Types of deposits in insured commercial banks, 1936-1945	79

PART FOUR LEGISLATION

Federal legislation	95
State banking legislation	99
Regulations of the Corporation	102

PART FIVE STATISTICS OF BANKS AND DEPOSIT INSURANCE

Number, offices, and deposits of operating banks	106
Assets and liabilities of operating banks	120
Examiners' evaluation of insured commercial banks	132
Earnings, expenses, and dividends of insured banks	138
Deposit insurance disbursements	166

LIST OF CHARTS

	Page
Organization chart of the Federal Deposit Insurance Corporation.....	iv
Map: Federal Deposit Insurance Corporation districts.....	vii
A. Ratios of total capital accounts of insured banks and the Federal Deposit Insurance Corporation to total deposits of insured banks, December 31, 1934-1946.....	11
B. Number of bank suspensions in three thirteen-year periods, 1908-1946....	13
C. Percentage recovery and loss on FDIC disbursements in receiverships and mergers, 1934-1946.....	18
D. United States Government obligations held by insured commercial banks, June 30 and December 31, 1941-1946.....	50
E. Percentage increase during 1946 in total real estate loans of insured commercial banks.....	53

LIST OF TABLES

PART ONE

OPERATIONS AND POLICIES OF THE CORPORATION

DEPOSIT INSURANCE PROTECTION:

1. Disbursements by the Corporation to protect depositors in insured banks placed in receivership or merged with the financial aid of the Corporation, 1934-1946.....	14
2. Number of depositors, amount of deposits, recoveries, and losses in insured banks placed in receivership or merged with the financial aid of the Corporation, 1934-1946.....	15
3. Payment by the Corporation and receivers of deposits in insured banks placed in receivership, 1934-1946.....	16
4. Disbursements to protect depositors, recoveries, and losses by the Corporation from insured banks placed in receivership or merged with its financial aid, 1934-1946.....	18

SUPERVISORY ACTIVITIES:

5. Action to terminate insured status of banks charged with engaging in unsafe or unsound practices or violations of law or regulations, 1936-1946.....	20
6. Actions by the Federal Deposit Insurance Corporation on applications from banks for admission to insurance, 1935-1946.....	21
7. Actions by the Federal Deposit Insurance Corporation on applications for approval of establishment or continued operation of branches, 1935-1946.....	22

ORGANIZATION AND FINANCIAL STATEMENTS OF THE CORPORATION:

8. Officers and employees of the Corporation, December 31, 1946.....	27
9. Income and expenses of the Federal Deposit Insurance Corporation, calendar year 1946.....	28
10. Income and expenses of the Federal Deposit Insurance Corporation since beginning operations.....	29
11. Assets and liabilities of the Federal Deposit Insurance Corporation, 1934-1946.....	30

	Page
ORGANIZATION AND FINANCIAL STATEMENTS OF THE CORPORATION—Continued	
12. Assets and liabilities of the Federal Deposit Insurance Corporation, December 31, 1946, and December 31, 1945.....	31
13. Federal Deposit Insurance Corporation income and surplus statement, exclusive of loss and deficit from Federal Credit Union activities, for the fiscal years ended June 30, 1945 and 1944, and comparison.....	32
14. Federal Deposit Insurance Corporation net loss and deficit statement from Federal Credit Union activities for the fiscal years ended June 30, 1945 and 1944, and comparison.....	33
15. Federal Deposit Insurance Corporation balance sheet, June 30, 1945 and 1944, and comparison.....	34
16. Federal Deposit Insurance Corporation comparative income statements for the fiscal years ended June 30, 1946 and 1945—from Auditors' Report.....	37
17. Federal Deposit Insurance Corporation comparative balance sheets June 30, 1946 and 1945—from Auditors' Report.....	38

PART TWO

BANKING DEVELOPMENTS

BANKS AND BRANCHES:

18. Number of operating banks and branches in United States and possessions, December 31, 1941-1946.....	43
19. Number of insured and noninsured banks in the United States and possessions, 1941-1946.....	44
20. Changes in the number of insured banks in the United States and possessions, 1936-1946.....	44
21. Changes among branches of insured banks, in the United States and possessions, 1936-1946.....	45

ASSETS, AND DEPOSITS:

22. Assets and liabilities of all banks in the United States and possessions, December 31, 1946 and 1945.....	46
23. Assets and liabilities of all commercial banks and all mutual savings banks in the United States and possessions, December 31, 1946 and 1945.....	47
24. Maturities of United States Government obligations, direct and guaranteed, held by insured commercial banks, 1946, 1945, and 1941.	49
25. Distribution of banks submitting reports to the Federal Deposit Insurance Corporation according to ratio of obligations of States and political subdivisions to total capital accounts, December 31, 1946	51
26. Change in loans and discounts of insured commercial banks during 1946.....	52

CAPITAL:

27. Change in capital accounts and capital ratios of all commercial banks and all mutual savings banks during 1946.....	54
28. Distribution of insured commercial banks according to ratio of adjusted capital accounts to appraised value of total assets, examinations in 1946 and 1938.....	55
29. Substandard asset ratios of insured commercial banks examined in 1939-1946.....	56
30. Distribution of insured commercial banks according to ratio of substandard assets to adjusted capital accounts, examinations in 1946 and 1945.....	56

	Page
EARNINGS OF INSURED COMMERCIAL BANKS:	
31. Earnings, expenses, and profits of insured commercial banks, 1934-1946.....	57
32. Percentage distribution of insured commercial banks according to rate of net profit on total capital accounts, 1938, 1942-1946.....	58
33. Distribution of insured commercial banks according to ratio of net profits to total capital accounts and by amount of deposits, 1946....	59
34. Amounts and rates of income received and interest paid by insured commercial banks, 1934-1946.....	60
35. Average number and average salary of employees of insured commercial banks, 1943-1946.....	61
36. Rates of charge-offs on assets of insured commercial banks, 1934-1946.....	63
37. Rates of net profit, before and after income taxes, and of cash dividends to average total capital accounts, all insured commercial banks, 1934-1946.....	64
 EARNINGS OF INSURED MUTUAL SAVINGS BANKS:	
38. Amounts and rates of income received and dividends paid by insured mutual savings banks, 1943-1946.....	66

PART THREE

SPECIAL REPORTS

TYPES OF DEPOSITS IN INSURED COMMERCIAL BANKS, 1936-1945	
39. Accounts fully protected and deposits insured with coverage of \$5,000, \$10,000 and \$25,000.....	80
40. Total and insured deposits in insured commercial banks, 1936-1945 <i>Grouped by type of deposit</i>	82
41. Number of accounts in insured commercial banks, 1936-1945 <i>Grouped by type of deposit</i>	83
42. Percentage distribution of deposits of insured commercial banks according to type of deposit, October 10, 1945 <i>Banks grouped by amount of deposits</i>	84
43. Distribution of demand and savings and time deposits of individuals, partnerships, and corporations according to size of account, October 10, 1945 <i>Insured commercial banks grouped by amount of deposits</i>	85
44. Distribution of demand and savings and time accounts of individuals, partnerships, and corporations according to size, October 10, 1945 <i>Insured commercial banks grouped by amount of deposits</i>	86
45. Distribution of demand accounts of individuals, partnerships, and corporations according to size of account, October 10, 1945 <i>Insured commercial banks grouped by State</i>	88
46. Distribution of demand deposits of individuals, partnerships, and corporations according to size of account, October 10, 1945 <i>Insured commercial banks grouped by State</i>	89
47. Distribution of savings and time accounts of individuals, partnerships, and corporations according to size of account, October 10, 1945 <i>Insured commercial banks grouped by State</i>	90
48. Distribution of savings and time deposits of individuals, partnerships, and corporations according to size of account, October 10, 1945 <i>Insured commercial banks grouped by State</i>	91

PART FIVE
STATISTICS OF BANKS AND DEPOSIT INSURANCE

	Page
NUMBER, OFFICES, AND DEPOSITS OF OPERATING BANKS:	
Explanatory note.....	107
101. Changes in number and classification of operating banks and branches in the United States and possessions during 1946.....	108
102. Number of operating banks and branches, December 31, 1946 <i>Grouped according to insurance status and class of bank, and by State and type of office.</i>	110
103. Number and deposits of operating commercial and mutual savings banks, December 31, 1946 <i>Banks grouped according to insurance status and by district and State</i>	118
ASSETS AND LIABILITIES OF OPERATING BANKS:	
Explanatory note.....	121
104. Summary of assets and liabilities of operating banks in the United States and possessions, June 29, 1946 <i>Banks grouped according to insurance status and type of bank.</i>	122
105. Summary of assets and liabilities of operating banks in the United States and possessions, December 31, 1946 <i>Banks grouped according to insurance status and type of bank.</i>	123
106. Assets and liabilities of operating insured commercial banks, December 31, 1946, June 29, 1946, and December 30, 1945.....	124
107. Summary of assets and liabilities of operating banks in the United States and possessions, 1944-1946 <i>Banks grouped according to insurance status and type of bank.</i>	126
108. Assets and liabilities of operating insured commercial banks, call dates, 1941-1946.....	128
109. Percentage distribution of assets and liabilities of operating insured commercial banks, call dates, 1941-1946.....	129
110. Assets and liabilities of all operating banks in the United States and possessions, December 31, 1946 <i>Banks grouped by district and State.</i>	130
EXAMINERS' EVALUATION OF INSURED COMMERCIAL BANKS:	
Explanatory note.....	133
111. Examiners' appraisal of assets, liabilities, and capital of insured commercial banks examined in 1939-1946.....	134
112. Examiners' appraisal of assets, liabilities, and capital of insured commercial banks examined in 1946 <i>Banks grouped according to amount of deposits.</i>	135
113. Examiners' appraisal of assets, liabilities, and capital of insured commercial banks examined in 1946 <i>Banks grouped by Federal Deposit Insurance Corporation district and State.</i>	136
EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED BANKS:	
Explanatory note.....	139
114. Earnings, expenses, and dividends of insured commercial banks, 1934, 1941-1946.....	140
115. Ratios of earnings, expenses, and dividends of insured commercial banks, 1934, 1941-1946.....	142

	Page
EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED BANKS—Continued	
116. Earnings, expenses, and dividends of insured banks, 1946 <i>By class of bank</i>	144
117. Ratios of earnings, expenses, and dividends of insured banks, 1946 <i>By class of bank</i>	146
118. Earnings, expenses, and dividends of insured commercial banks operating throughout 1946 <i>Banks grouped according to amount of deposits</i>	148
119. Ratios of earnings, expenses, and dividends of insured commercial banks operating throughout 1946 <i>Banks grouped according to amount of deposits</i>	150
120. Amounts and ratios of earnings, expenses, and dividends of insured commercial banks, by State, 1946	152
121. Earnings, expenses, dividends, and assets and liabilities of insured mutual savings banks, 1934, 1941-1946	162
122. Ratios of earnings, expenses, and dividends of insured mutual savings banks, 1934, 1941-1946	164
 DEPOSIT INSURANCE DISBURSEMENTS:	
Explanatory note	167
123. Disbursements by the Federal Deposit Insurance Corporation to protect depositors; number and deposits of insured banks placed in receivership or merged with the financial aid of the Corporation, 1934-1946 <i>Banks grouped by class of bank, year of disbursement, amount of deposits, and State</i>	168
124. Assets and liabilities of insured banks placed in receivership and of insured banks merged with the financial aid of the Federal Deposit Insurance Corporation, 1934-1946 <i>As shown by books of bank at date of closing</i>	170
125. Depositors and deposits of insured banks placed in receivership, 1934- 1945 <i>As shown by books of FDIC, December 31, 1946</i>	171
126. Disbursements to protect depositors, recoveries, and losses by the Federal Deposit Insurance Corporation from insured banks placed in receivership or merged with the financial aid of the Corporation, 1934-1946 <i>As shown by books of FDIC, December 31, 1946</i>	172

SUMMARY

SUMMARY

Federal insurance of bank deposits, inaugurated January 1, 1934, developed under favorable circumstances in the succeeding 13 years (p. 7). The Corporation made disbursements of \$262 million to protect 1,300,000 depositors with total deposits of \$505 million, in the 399 banks which required aid from the Corporation. The Corporation's ultimate loss on these disbursements is expected to be less than \$29 million.

At its establishment the Corporation was provided by Congress with an original capital of \$289 million. During its 13 years of operation, its net worth has grown through the accumulation of surplus to a total of \$1,058 million, or 71/100 of 1 percent of total deposits of insured banks (p. 30). The Corporation proposes that provision be made for the orderly repayment to the Treasury of the original capital investment (p. 11).

Insured banks with few exceptions have disposed of or charged off practically all of the substandard assets which they held in 1934 (p. 7). The high level of business activity of recent years which contributed to these favorable results, also resulted in a much more rapid growth of assets and deposits than of the capital in banks (p. 8). As a result, their capital cushion has declined to an alarming extent.

During 1946 total bank assets and deposits declined as a result of the Federal debt retirement program (p. 46). Loans and deposits of business and individuals rose substantially, however. As a result of the larger volume of loans and higher average rate of income on loans, earnings of insured commercial banks rose 15 percent to the highest levels on record (p. 57). Net profits after taxes amounted to 10 percent of the total capital accounts. The improvement in rates of net profits in 1946 over preceding years was widespread (p. 58). In 1946, as in each year for a number of years, more banks had satisfactory and high rates of net profit, and fewer banks had losses or unsatisfactory rates of net profit.

Dividends were conservative in 1946 as in each year since the banking crisis of 1933; as a result the retained earnings provided substantial net additions to total capital account (p. 65). If banks are to continue to assume the greater risks inherent in meeting increased loan needs of business and individuals, additional capital stock should be sold to the public (p. 10).

During the year, the Corporation instituted a new method of determining the condition of mutual savings banks. The new technique of examination provides a more satisfactory classification of assets and more adequate provision for losses, and places less emphasis than formerly upon current market value of assets (p. 71).

PART ONE
OPERATIONS AND POLICIES OF THE CORPORATION

INSURANCE OF BANK DEPOSITS

In 1946, for the second consecutive calendar year, no bank depositor experienced a loss as a result of banking difficulties. No insured bank has been placed in receivership since May 1944. One bank which encountered financial difficulty in 1946 was merged with another insured bank as a result of assistance given by the Federal Deposit Insurance Corporation. In this bank, as in the case of the one merger in 1945, and the one in 1944, banking services were continued in the community without interruption and without loss to any depositor.

During the thirteen years of the Corporation's existence, 1934-1946, 399 insured banks experienced financial difficulties which required disbursements by the Federal Deposit Insurance Corporation to protect their depositors. More than one-half of the 399 banks were closed during the first five years of the Corporation's operation, and many of these had been in a weak condition when admitted to insurance. Following the indicated intent of Congress, the Corporation, upon its establishment, admitted to insurance all applicant banks with assets equal to their liabilities. Some of these banks were unable to continue operating in a satisfactory manner.

The 399 banks requiring aid from the Corporation had total deposits of \$505 million; the Corporation disbursed \$262 million to protect 1,300,000 depositors. It is estimated that the Corporation's ultimate loss will be less than \$29 million.

Banking developments, 1934-1946. The program of Federal insurance of bank deposits inaugurated January 1, 1934, has developed since that time under favorable circumstances. With the exception of 1937, banks continuously expanded both their deposits and their assets until the close of 1945. From 1942 to 1945 the rate of expansion was exceptionally rapid as a result of war conditions. In 1946 a decline occurred in total bank deposits and assets but was confined almost entirely to banks in the financial centers of New York and Chicago. The decline in these banks resulted from Government withdrawals from its war loan accounts and redemption of United States Government obligations in carrying out the program of debt reduction. Deposits of individuals, partnerships, and corporations, and the loans of insured banks, both increased during 1946.

By the end of 1946 insured banks, with few exceptions, had sold or charged off most of the substandard assets which they held in 1934. Unfortunately, not all banks have been able to remove all substandard assets from their portfolios, and a few banks have tended to increase their holdings of substandard assets, both loans and investments. Until

the end of 1945 types of assets carrying comparatively little risk were increased in proportion to total assets. At the close of 1945, 78 percent of the assets of all insured banks consisted of cash and United States Government obligations; during 1946, this ratio declined to 72 percent because of the increase in loans and decrease in holdings of United States Government obligations. The remaining assets of insured banks, for the most part, were considered acceptable for bank investment.

As a result of the criterion used in admitting banks to insurance, when the Corporation began operations, many banks which had little or no capital after adjustment for losses became insured. However, more than 5,600 of the 14,000 insured banks were strengthened by the addition of about \$1 billion to their capital accounts through the Reconstruction Finance Corporation. Since that time insured banks have retired more than four-fifths of this investment, and at the same time have increased their total capital accounts from \$6.3 billion to \$10.5 billion.

The increase in bank capital was largely the result of the retention of profits made possible by a favorable earnings situation. An appreciable part resulted from the sale of stock to individuals by forward-looking banks. During the first two years of deposit insurance the earnings and profits of insured banks were markedly affected by the necessity of writing off large amounts of substandard assets which had been previously acquired. Since 1935, however, the earnings and profits position of the banks has greatly improved. In 1946, as in 1944 and 1945, the net profits of insured banks averaged about 10 percent of their total capital accounts.

The conditions just described, which in general were favorable, do not give the full picture. Some unfavorable conditions in the banking structure have developed or have continued to exist. One condition which is still unsatisfactory though more favorable than in former years, is the holding of substandard assets by certain banks. Some insured banks still have relatively large amounts of such assets. Another condition which has not improved sufficiently is the protection provided by the banks against losses from defalcation. With the exception of the banks which were in a very weak condition at the time they became insured in 1934, defalcations have been responsible for the difficulties of a large proportion of the banks requiring the financial assistance of the Corporation. Bank assets have doubled in amount during the past five years, and every bank should examine the adequacy of its fidelity insurance. Each bank should survey its present risk of loss, install proper internal controls, and purchase insurance sufficient in amount to cover any probable loss.

By far the most unfavorable situation which has developed among banks is a decline in the ratio of capital to assets. The capital accounts have not grown nearly as rapidly as assets and deposits. The ratio of total capital accounts to total assets declined for all insured banks from 13.2 percent at the close of 1934 to 6.5 percent at the close of 1946. For a

time the seriousness of this decline was somewhat obscured by the fact that the proportion of bank assets bearing relatively little risk—cash and United States Government obligations—was increasing. Much emphasis has been placed upon this change in the character of bank assets, and the improvement which occurred in the early 1940's in the ratio between bank capital and assets other than cash and United States Government obligations. However, the ratio of total capital accounts of insured banks to their assets other than cash and United States Government obligations turned downward in 1944 and declined further both in 1945 and in 1946. At the end of 1946 this ratio was less than 24 percent, the lowest reported since the beginning of deposit insurance except in 1941.

The decline in the ratio of bank capital to so-called "risk assets" is the result primarily of the fact that the banks have been meeting the demands made upon them for credit. During 1946, the first full year after the cessation of active combat of World War II, no delay because of inadequate banking service hindered reconversion from production for war to production for peace-time consumption. Bank loans on real estate increased 34 percent, commercial and industrial loans 48 percent, and consumer loans 71 percent. The aggregate amount of these types of loans held by all insured banks increased from less than \$20 billion at the beginning to more than \$28 billion at the close of 1946.

The demand for an increasing volume of business and individual loans probably will continue. Further commercial and industrial loans will be needed as business enterprises expand their plants and add to their materials in process and their inventories of finished goods. Many businessmen will soon exhaust the liquid assets they accumulated during the war. Individuals will seek additional credit when more durable goods, such as automobiles, farm implements, electric refrigerators, and washing machines, are available. The demand for real estate loans will increase for the construction of both homes and commercial buildings—offices, hotels, and theaters—when materials and workers can be secured more readily. Banks are in a position to meet reasonable demands on them for credit.

Obligations issued by States and minor subdivisions of government are also likely to increase, and insured banks should be in a position to assist with this financing. Large capital outlays will be needed to rehabilitate municipal facilities and services which deteriorated materially during the war, and to make up deficiencies resulting from population growth. Especially in metropolitan communities the solution of urgent problems, such as transportation and housing, will require large expenditures for new community facilities. A substantial volume of municipal financing for airport construction is in prospect. Furthermore, major improvements to the highway system and additional facilities for the school system cannot be delayed much longer. Payments to veterans

in the form of special compensation for military service will entail bond issues.

One of the chief reasons for the existence of banks is to supply the credit needed in the economy. To do this, banks must have capital accounts sufficiently large to warrant assumption of the risks involved. Banks have been adding to their capital from retained earnings, but the growth has been much too slow in the light of the credit needs of the present time and the foreseeable needs of the future. New capital stock should be sold to the public to hasten the accumulation of capital commensurate with the added risks which banks are assuming in meeting the loan needs of business and individuals. In addition, the remaining capital supplied by the Reconstruction Finance Corporation should be promptly replaced by capital furnished by individuals. The excellent earnings of the past three years should prove sufficient inducement for the investing public to purchase bank stock.

Position of the Corporation. The thirteen years which were favorable for banking operations were also advantageous for the firm establishment of the Federal Deposit Insurance Corporation. In the banking history of the United States, periods of small banking losses have on several occasions followed periods of large banking losses. Since the banking holiday of 1933 banking losses have been small, and the Corporation has accumulated a surplus of \$769 million. Its total income has amounted to \$844 million, \$671 million from assessments paid by insured banks and \$173 million chiefly from income on investments. Its operating costs and losses for the period amounted to \$75 million.

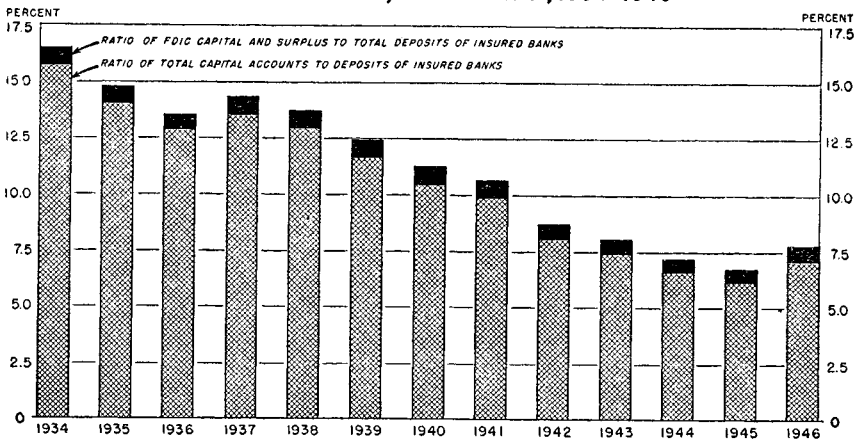
No real test has occurred to show the demands which may be made upon the resources of the Corporation in a severe or lengthy period of declining bank deposits, production, and employment. The business depression which occurred in 1937 and 1938 was followed by increased demands on the Corporation in 1939 and 1940. It is imperative that the financial position of the Corporation be strong enough so that all bank depositors will be convinced that the Corporation can discharge any obligations which may result from a period of adversity. Depositors should not only be assured of protection from loss as provided by law, but should also be assured that they will not be deprived of the use of their deposits for more than a few days.

The Federal Deposit Insurance Corporation has been given the responsibility by Congress of protecting bank depositors. The first line of protection for deposits in any one bank is the capital of that bank. In individual cases this line of protection may become insufficient. The resources of the Federal Deposit Insurance Corporation are mobile and are available to supplement the protection given depositors by bank capital whenever any bank is unable to meet the claims of its depositors. The capital funds of the Corporation therefore add to the protection

afforded by bank capital. Maintenance of complete confidence of depositors in the banking system is necessary to prevent panic withdrawals of deposits. Such withdrawals in the past have affected adversely strong as well as weak banks.

Chart A indicates the change since 1934 in the capital bulwark—including both the capital of the individual banks and that of the Federal Deposit Insurance Corporation—which protects depositors. The chart shows for December 31 of each year the ratio of the total capital accounts of insured banks and that of the Corporation to the total deposits of the banks.

CHART A
RATIOS OF TOTAL CAPITAL ACCOUNTS OF INSURED BANKS AND THE
FEDERAL DEPOSIT INSURANCE CORPORATION TO TOTAL DEPOSITS
OF INSURED BANKS, DECEMBER 31, 1934-1946



The bankers who obtain the profits from the business of supplying the nation with the larger part of the circulating medium and with a large portion of the credit which is needed in the conduct of business should supply all the capital which is required by the banking business. To do this, they must not only strengthen the capital structure of their banks but also replace the capital invested by the Federal Government and the Federal Reserve banks in the Federal Deposit Insurance Corporation. This Corporation has recommended legislation authorizing repayment to the Treasury and to the Federal Reserve banks of the capital initially subscribed by them in 1933, provided that the surplus of the Corporation accumulated from the assessments paid by the banks is maintained at an amount adequate to meet deposit insurance requirements.

Not until the capital stock of the Corporation has been repaid and an adequate insurance fund accumulated should consideration be given to

the possibility of reducing the assessment from its present annual rate of 1/12 of 1 percent of total deposit liabilities. As long as bank earnings remain high the banks should continuously add to the capital accounts which protect their depositors—both to the capital of individual banks and to the more mobile funds of the Federal Deposit Insurance Corporation. Such provision is necessary in order for the banking system to be in a position to meet potential losses.

Provision for handling banks in financial difficulty. The experience of the Corporation during the thirteen years of its existence indicates that its losses can be reduced, and those of depositors fully averted, by extending its aid to a bank without placing the bank in receivership. The use which has been made of this procedure is described on pages 14-15 and 17-18. Under the present law this kind of procedure can be followed only when the merger of a bank in difficulty with another bank can be facilitated. The Corporation recommends that it be authorized to purchase assets from an insured bank in financial difficulty, without the requirement of a merger, whenever such action will reduce the risk or avert a threatened loss to the Corporation.

DEPOSIT INSURANCE PROTECTION

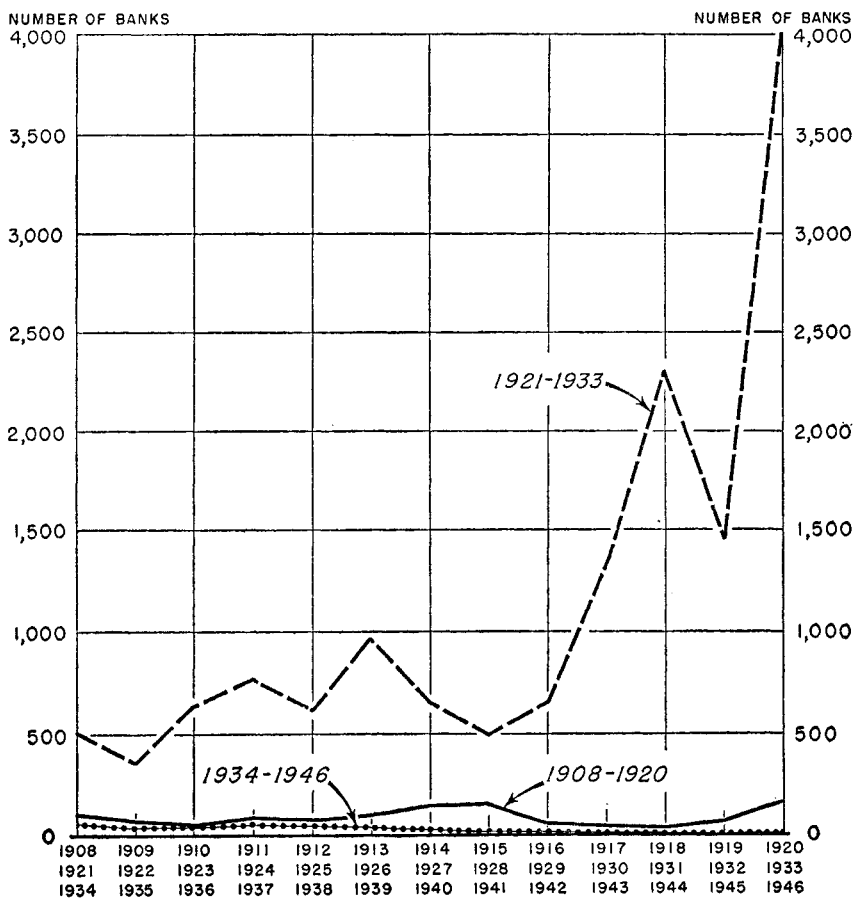
During 1946 no insured bank was placed in receivership and only one bank received assistance from the Corporation to protect its depositors. When this bank was merged with an established insured bank, its depositors with balances aggregating \$316,000 experienced no loss, not even the inconvenience of a break in banking services. The Corporation advanced \$265,000 which, with the acceptable assets taken over by the absorbing bank, fully covered the liabilities assumed.

Since the Federal Deposit Insurance Corporation began operations on January 1, 1934, 402 banks have closed because of financial difficulties. Three of these banks subsequently reopened or were taken over by other insured banks without financial aid from this Corporation. During the past four years, business failures in general have been few and only ten banks were closed because of financial difficulties. The vast amount of money spent during the war period has enabled business concerns to remain solvent regardless of efficiency or business acumen. But with the return of peacetime conditions, business operations are subject to more normal risks, and business failures are beginning to increase. Bank assets are also becoming subject to greater risk and therefore bank failures may also increase.

Chart B shows the number of bank suspensions during the period since establishment of the Corporation compared with two preceding periods of equal length: 1908-1920, covering the period from the financial panic of 1907 to the close of World War I and its postwar boom; and

1921-1933, covering two severe business depressions and an intervening plateau of prosperity. The figure for bank suspensions since establishment of the Corporation does not include 154 banks merged with other institutions through the financial aid of the Corporation. Without this aid most of these undoubtedly would have had to suspend operations. Bank suspensions during the entire period of operation of the Corporation were fewer than in any one of the years in the period, 1921-1933, preceding the establishment of the Corporation. In many respects, however, the past thirteen years are more comparable with the period of 1908-1920, than with the period just prior to establishment of the Corporation. The early parts of both the 1908-1920 and 1934-1946 periods were times of recovery from financial panic; the later parts of both periods were times of war and immediate post-war expansion.

CHART B
NUMBER OF BANK SUSPENSIONS IN THREE THIRTEEN-YEAR PERIODS
1908-1946



Methods of protecting depositors. The Federal Deposit Insurance Corporation has used two procedures in fulfilling its responsibility to protect bank depositors from loss. It has paid depositors up to the \$5,000 maximum in insured banks placed in receivership and has made advances to facilitate mergers of insolvent insured banks with other institutions. The latter procedure has proved more advantageous than the former. A receivership may disrupt the economic life of the community; the merger procedure avoids this and enables business to continue with little or no deviation from normal routine.

Table 1 shows by years the use which has been made of each method of protecting depositors. During the first six years of the Corporation's operations, more banks were placed in receivership than were merged with the aid of the Corporation; during the past seven years more have been merged. No insured bank has been placed in receivership since May 1944.

Table 1. DISBURSEMENTS BY THE CORPORATION TO PROTECT DEPOSITORS IN INSURED BANKS PLACED IN RECEIVERSHIP OR MERGED WITH THE FINANCIAL AID OF THE CORPORATION, 1934-1946

Year	Number of banks			Amount of disbursements ¹ (in thousands of dollars)		
	Total	Placed in receivership	Merged	Total	Insured deposits paid in receiverships	Loans made and assets purchased in mergers
Total.....	399	245	154	\$262,133	\$87,034	\$175,099
1946.....	1		1	265		265
1945.....	1		1	1,768		1,768
1944.....	2	1	1	1,515	399	1,116
1943.....	5	4	1	7,217	5,500	1,717
1942.....	20	6	14	10,958	1,612	9,346
1941.....	15	8	7	23,880	12,278	11,602
1940.....	43	19	24	74,380	4,895	69,485
1939.....	69	32	28	67,804	26,196	41,608
1938.....	74	50	24	30,480	9,087	21,393
1937.....	75	50	25	19,202	12,045	7,157
1936.....	69	42	27	14,833	8,056	6,777
1935.....	25	24	1	8,890	6,025	2,865
1934.....	9	9		941	941	

¹ Does not include expenses of \$38,993,000 incident to the disbursements.

During the first 13 years of its operation the Corporation protected over 1,300,000 depositors in 399 closed insured banks with total deposits of \$505 million. In giving this protection the Corporation made principal disbursements of \$262 million. Only about 3,000 depositors who filed claims against the 245 banks placed in receivership will sustain any loss and their loss will be less than \$2.5 million, or about 2 percent of the deposits in these receivership cases. All of the depositors in the 154 banks which were merged were fully protected.

Data on deposits and depositors in insured banks placed in receivership or merged with the financial aid of the Corporation are given in Table 2.

Table 2. NUMBER OF DEPOSITORS, AMOUNT OF DEPOSITS, RECOVERIES, AND LOSSES IN INSURED BANKS PLACED IN RECEIVERSHIP OR MERGED WITH THE FINANCIAL AID OF THE CORPORATION, 1934-1946

Item	Total	Banks placed in receivership	Banks merged with financial aid of FDIC
Number of banks.....	399	245	154
Number of depositors.....	1,313,351	382,756	930,595
Estimated number with no loss.....	1,261,121	330,526	930,595
Estimated number with some loss ¹	2,978	2,978	.....
Estimated number with claims barred by termination of insurance or receivership.....	49,252	49,252	.....
Amount of deposits.....	\$505,246,000	\$109,592,000	\$395,654,000
Estimated recovery by depositors.....	502,494,000	106,840,000	395,654,000
Estimated loss by depositors ¹	2,310,000	2,310,000	.....
Insurance terminated or claims barred.....	442,000	442,000	.....
Disbursement by FDIC.....	\$262,133,000	\$ 87,034,000	\$175,099,000
Estimated loss to FDIC.....	\$ 28,896,000	\$ 16,579,000	\$ 12,317,000

¹ 1,584 depositors will lose an estimated \$2,268,000 in accounts which exceeded the limit of \$5,000 insurance and were not otherwise protected, and 1,394 depositors will lose about \$42,000 in accounts which had been restricted or deferred prior to 1934 or were otherwise ineligible for insurance protection.

Receiverships of insured banks. Whenever the Corporation is notified by the Comptroller of the Currency or by a State banking authority that an insured bank has been closed on account of inability to meet the demands of its depositors, preparations are made to pay depositors up to the \$5,000 maximum provided by law. Payments are started as soon as records can be verified to establish the amount of the claims, usually in a week or ten days after the closing of a bank. A letter is sent to each depositor urging that claims be filed promptly and explaining the simple procedure to be followed; notices are also printed in the local newspapers. Unless the insured deposit is claimed within 18 months after appropriate notice, the right of the depositor against the Corporation is barred.

About 80 percent of the deposits in insured banks placed in receivership were paid by the Corporation. Of the remaining 20 percent of deposits, a part was fully covered by the pledge of security or was paid from the first proceeds of the liquidation because of preferred status. Some depositors owed money to the bank and their deposits were offset against these claims. Less than 10 percent of the deposits were dependent for repayment entirely upon a proportionate share of the proceeds of liquidation. Table 3 shows the amount of deposits which had been paid by the Corporation or by receivers and the amount remaining unpaid on December 31, 1946.

Table 3. PAYMENT BY THE CORPORATION AND RECEIVERS OF DEPOSITS IN INSURED BANKS PLACED IN RECEIVERSHIP, 1934-1946

(Amounts in thousands of dollars)

Status of deposits	Total	Paid by Dec. 31, 1946	Unpaid on Dec. 31, 1946
Deposits—total	\$109,592	\$106,715	\$2,877
Insured	87,119	87,034	85
Secured, preferred, and subject to offset	11,403	11,402	1
In excess of \$5,000, not otherwise protected	9,692	7,340	2,352
Other uninsured	936	894	42
Insurance terminated or claims barred ¹	442	45	397
Deposits, terminated receiverships—total	\$56,750	\$55,818	\$932
Insured	45,084	45,084	.....
Secured, preferred, and subject to offset	6,975	6,975	.....
In excess of \$5,000, not otherwise protected	4,345	3,562	783
Other uninsured	194	152	42
Insurance terminated or claims barred ¹	152	45	107
Deposits, active receiverships—total	\$52,842	\$50,897	\$1,945
Insured	42,035	41,950	85
Secured, preferred, and subject to offset	4,428	4,427	1
In excess of \$5,000, not otherwise protected	5,347	3,778	1,569
Other uninsured	742	742	.....
Insurance terminated or claims barred	290	.....	290

¹ In a few cases payments have been made by receivers on deposits on which insurance had terminated either directly to the depositors or into a trust to meet claims presented after termination of receiverships.

The Corporation not only pays insured deposits in banks placed in receivership, but also acts as receiver for all national banks and in most States may be appointed receiver or liquidator for closed State banks. In the past 13 years the Corporation has served as receiver for 21 national and 56 State banks. Most of these receiverships have been terminated. At the close of 1946 the Corporation was receiver for 6 national banks with deposits at closing of \$9 million and for 8 State banks with deposits of \$6 million.

The Corporation also has been kept informed on the progress of liquidation of the 168 State banks for which it was not receiver. By agreement with State banking authorities the Corporation obtained during the year quarterly reports from the receivers or liquidators of the remaining 26 State banks in which deposit insurance payments had been made, but for which the Corporation was not receiver. These 26 banks had deposits of \$38 million at the time of failure.

The Corporation at competitive public sale sometimes buys the residue of the assets from the receiver. This reduces the expenses of liquidation and expedites the termination of receiverships. At the end of 1946, \$1.2 million had been disbursed to purchase assets from the receivers of 65 banks. Most of these assets had been liquidated by the Corporation without a net loss.

By December 31, 1946, the Corporation had recovered \$70 million of the \$87 million which had been paid to depositors in insured banks in receivership. It was estimated that almost \$1 million additional would

be recovered and that losses would amount to \$16.6 million. In addition, interest amounting to over a quarter of a million dollars had been collected by the Corporation on subrogated claims.

Advances to facilitate mergers. Under the Banking Act of 1935 the Corporation was given the power to make advances to facilitate the merger or consolidation (including sale with assumption of liabilities) of an insured bank with another insured bank. This power may be used only when such action will reduce the risk or avert a threatened loss to the Corporation. In effecting a consolidation, acceptable assets of the merged bank are transferred to the absorbing bank and the Corporation makes available enough cash so that the amount of the assets and the cash equals the amount of liabilities assumed by the absorbing bank. When the transaction is completed, the Corporation sends a letter to each depositor explaining what has occurred.

Assets unacceptable to the absorbing banks are taken by the Corporation to secure its advances. Due to increases in market prices of most bank assets, the Corporation has been able to dispose of those which it acquired almost without loss. Assets acquired in the next few years may decline in price as the Corporation seeks to liquidate them.

From 1935 to 1940 an advance was usually made by the Corporation through the extension of a loan to the insolvent bank secured by the unacceptable assets. More than 100 such loans were made. In connection with these loans some assets were purchased at the time the loan was made and other assets were purchased to facilitate its termination. During 1939 and 1940 a new technique for making advances was developed. Assets were purchased under an arrangement whereby additional payment was to be made to the selling bank should the liquidation of the assets produce an excess over the amount of the advance, expenses incident to liquidation, and a return equivalent to 4 percent. The payment, in the form of an additional cash purchase price, equals the amount of the excess recovery. This technique has been used exclusively in the mergers which have taken place since 1941. In each of the last four years one merger has been consummated.

Recoveries and losses in receiverships and mergers. Table 4 shows the disbursements, recoveries, and losses of the Corporation to December 31, 1946, from insured banks placed in receivership, and from those merged with its financial aid. The recoveries in receiverships from the beginning of the Corporation's operations through 1946 have amounted to \$69.7 million, or 80 percent of disbursements, with estimated additional recoveries of \$0.9 million, or 1 percent of disbursements. In mergers, recoveries have amounted to \$158.5 million, or 91 percent of disbursements, with estimated additional recoveries of \$4.2 million, or 2 percent. Estimated losses in receiverships are 19 percent and in mergers 7 percent of disbursements; in the two groups together, 11 percent of disbursements.

Table 4. DISBURSEMENTS TO PROTECT DEPOSITORS, RECOVERIES, AND LOSSES BY THE CORPORATION FROM INSURED BANKS PLACED IN RECEIVERSHIP OR MERGED WITH ITS FINANCIAL AID, 1934-1946

(Amounts in thousands of dollars)

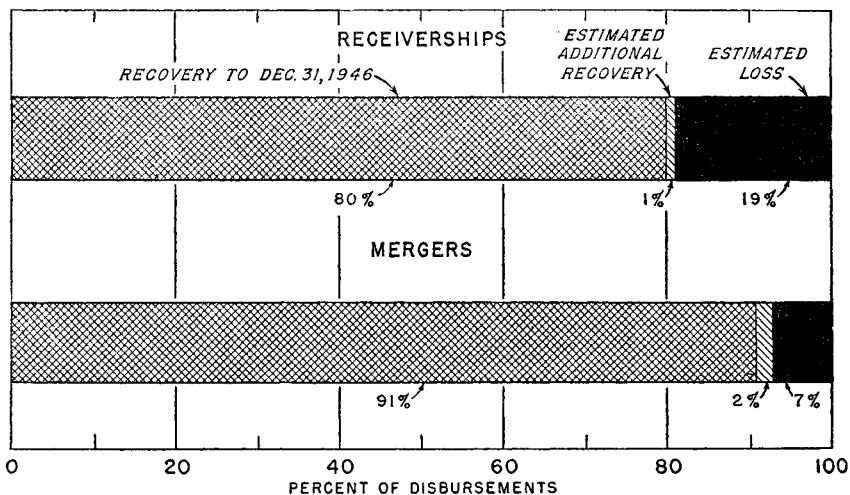
Book entry Dec. 31, 1946	Total	Liquidation terminated	Liquidation active
Disbursements	\$262,133	\$66,824	\$195,309
Receiverships	87,034	45,084	41,950
Mergers	175,099	21,740	153,359
Estimated additional disbursements in receiverships¹	\$85		\$85
Recoveries	\$228,221	\$57,927	\$170,294
Receiverships	69,672	36,861	32,811
Mergers	158,549	21,066	137,483
Estimated additional recoveries	\$ 5,101		\$ 5,101
Receiverships	868		868
Mergers	4,233		4,233
Losses by FDIC²	\$ 28,896	\$ 8,897	\$ 19,999
Receiverships	16,579	8,223	8,356
Mergers	12,317	674	11,643
Number of banks	399	281	118
Receiverships	245	205	40
Mergers	154	76	78

¹ Estimated additional disbursements in receiverships are the insured deposits which have not been paid. See Table 3.

² Losses in terminated cases are the established losses; those in active cases are estimated.

In Chart C are presented the Corporation's recovery, estimated additional recovery, and estimated loss under the two methods used to protect bank depositors from loss.

CHART C
**PERCENTAGE RECOVERY AND LOSS ON FDIC DISBURSEMENTS
IN RECEIVERSHIPS AND MERGERS, 1934-1946**



There is no loss whatsoever to depositors in those banks which have been merged with other financial institutions. In receiverships, there was sometimes a loss of money for those depositors with accounts in excess of \$5,000, those restricted or deferred, and those whose insurance has been terminated or barred because of failure to file claims within the legal time limit. In individual cases these losses have been small.

SUPERVISORY ACTIVITIES

Bank examinations. The policy of the Corporation from its establishment has been to make regular annual examinations of each insured State bank which is not a member of the Federal Reserve System; to make such additional and special examinations of these banks as the Corporation's interests appear to require; and with the prior consent of the Comptroller of the Currency or the Board of Governors of the Federal Reserve System, to make such examinations of national banks or State banks members of the Federal Reserve System as special deposit insurance considerations appear to require.

In 1946 the Corporation was again unable to conduct all the examinations called for under its established policy. This was because of a continued shortage of examining personnel. The number of regular examinations completed, 5,353, compares with 5,284 made in 1945 and represents 83.5 percent of the number required to meet a full year's program. As in 1945, the amount of examiners' time spent in investigating new bank proposals was heavy.

At the beginning of the year, the Corporation had a serious deficiency in the number of examiners and assistants considered necessary to the carrying out of a full examination program. During the year 86 assistant examiners were recruited and 75 examiners and assistants either returned from military furlough or were transferred from other divisions of the Corporation. This increase was offset in part by the loss of 70 men through resignations and separations for various other reasons, so that the number of examiners and assistants at the close of the year was still considerably under the number required. Recruiting efforts were retarded throughout the year by the fact that only temporary appointments were possible under Civil Service regulations. Many qualified prospective applicants were unwilling to abandon their employment to accept appointment with the Corporation on this basis. Correction of this situation is expected in 1947 with reestablishment of the procedure for permanent appointment of assistant examiners which was discontinued at the beginning of the war. The Corporation's 1947 examination record will depend to a considerable degree upon the time when this procedure is again put into operation.

In July 1946 the Corporation instituted an improved method of examination of mutual savings banks. A description of this method of examination is given in Part Three of this report.

Unsafe and unsound banking practices and violations of law or regulations. During 1946 proceedings were initiated against one insured bank for engaging in unsafe and unsound banking practices and were continued against four other banks. The bank against which proceedings were initiated was charged with continued violation of law to which it was subject, with the maintenance of lax lending and collection policies, and with continued operation in an extended condition and by a self-serving and hazardous management. Of the five cases, corrections were made in two banks; the other three were pending at the close of the year.

The number of banks charged with unsafe and unsound practices since the effective date of the Banking Act of 1935, and the disposition of these cases, are given in Table 5.

Table 5. ACTION TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH ENGAGING IN UNSAFE OR UNSOUND PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936-1946

Disposition or status	Total cases 1936-1946 ¹	Pending beginning of 1946	Started during 1946
Total banks against which action was taken	132	4	1
Cases closed:			
Corrections made.....	23	2	.....
Insured status terminated, or date for such termination set by Corporation, for failure to make corrections:			
Banks suspended prior to or on date of termination of insured status.....	7	.....	.....
Banks continued in operation ²	3	.....	.....
Banks suspended prior to setting of date of termination of insured status by Corporation.....	32	.....	.....
Banks absorbed or succeeded by other banks:			
With financial aid of the Corporation.....	60	.....	.....
Without financial aid of the Corporation.....	4	.....	.....
Cases pending December 31, 1946:			
Corrective program pending.....	1	1	.....
Recapitalization program pending.....	1	1	.....
Action deferred pending examination.....	1	.....	1

¹ No action to terminate the insured status of any bank was taken before 1936. In 4 cases where initial action was replaced by action based upon additional charges, only the later action is included.

² One of these suspended 4 months after its insured status was terminated.

Back data—See the following Annual Reports of the Corporation for 1945, p. 22.

Approval of banks for insurance. During 1946 the Corporation approved the applications of 157 banks for admission to insurance. Of these, 109 were new banks, including one which reopened after having been inactive and six which succeeded branches of other banks. The remaining 48 banks approved for insurance consisted of thirty banks or successors thereto which were operating as noninsured banks at the beginning of the year and eighteen insured banks which obtained new charters or withdrew from the Federal Reserve System and applied for

insurance as banks not members of that System. In addition, the Corporation approved applications of six insured banks previously engaged only in certain banking functions, which wished to change their business to that of regular banks of deposit and discount or to engage in a special type of banking or fiduciary business. Eleven applications for admission to insurance were disapproved because, in the opinion of the Board of Directors, the conditions specified in the deposit insurance law were not met. One application was approved and later rescinded because the bank changed its plans.

The number of banks approved for insurance in a year differs from the number admitted. Some new banks approved for insurance are not opened, or the effective date of insurance is delayed for other reasons, until the subsequent year. In a few cases banks alter their plans or do not meet conditions specified by the Corporation. Banks which are chartered as national banks, and State banks which are admitted to the Federal Reserve System, become insured without action by the Corporation. For changes during 1946 in the number of insured banks, see page 44.

The total number of applications for admission to insurance acted upon by the Corporation during each year since the beginning of the permanent plan of deposit insurance on August 23, 1935, together with the final action of the Corporation on these cases, is given in Table 6.

Table 6. ACTIONS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON APPLICATIONS FROM BANKS FOR ADMISSION TO INSURANCE, 1935-1946

Year	Number of applications ¹			
	Acted upon	Approved ²	Approved but later rescinded	Dis-approved
1935-1946	1,346	1,162	41	143
1946	175	163	1	11
1945	124	117	2	5
1944	108	105	2	1
1943	198	190	4	4
1942	51	42	2	7
1941	81	78	2	1
1940	67	58	3	6
1939	85	72	3	10
1938	82	67	3	12
1937	133	111	8	14
1936	165	114	10	41
1935	77	45	1	31

¹ Figures for years prior to 1942 may differ slightly from those given in the Annual Report of the Corporation for 1941, p. 184, because of later rescissions of cases approved or revision of the data.

² Includes approvals of change in type of business conducted. Excludes cases where approval was later rescinded.

Approval of establishment of branches. During 1946 the Corporation approved the establishment of 80 branches by insured banks not members of the Federal Reserve System. Of these, 73 were for the establishment of new banking offices. The remaining 7 cases related to

five absorbed banks to be converted into branches, and two branches to be established at former locations of head offices after the relocation of such offices. In four other cases the Corporation approved the establishment of a regular branch in place of tellers' windows or facilities provided as agents of the Government; and in three cases the Corporation approved continuation of operation of branches previously operated by an absorbed bank or other bank from which the branch had been purchased. The Corporation disapproved four applications for permission to establish branches.

The number of branches established by insured banks in a year differs from the number approved by the Corporation. Some branches approved are opened in a subsequent year, and in a few cases the banks change their plans or fail to meet conditions specified by the Corporation. Early in 1946 the Corporation established a policy under which approval of a branch is automatically abrogated if the branch is not in operation within six months after date of approval, unless the bank receives an extension of time. Approval by the Corporation is not required for the establishment of branches by national banks or State banks members of the Federal Reserve System. For changes in the number of branches of insured banks, see page 45.

The number of applications received each year from banks not members of the Federal Reserve System for approval of the establishment of branches or continued operation of branches which had been absorbed or operated prior to admission to insurance or relocation, together with their final disposition, is given in Table 7.

Table 7. ACTIONS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON APPLICATIONS FOR APPROVAL OF ESTABLISHMENT OR CONTINUED OPERATION OF BRANCHES, 1935-1946

Year	Number of applications ¹			
	Acted upon	Approved ²	Approved but later rescinded	Dis-approved
1935-1946	775	705	29	41
1946	91	87		4
1945	61	58	1	2
1944	49	46		3
1943	105	101	2	2
1942	36	32	2	2
1941	49	46	3	
1940	44	40	2	2
1939	61	53	3	5
1938	82	71	6	5
1937	89	82	5	2
1936	93	80	5	8
1935	15	9		6

¹ Figures for years prior to 1942 may differ slightly from those given in the Annual Report of the Corporation for 1941, p. 185, because of later rescissions of cases approved or revision of the data.

² Excludes cases where approval was later rescinded.

Capital and other financial adjustments. Insured State banks not members of the Federal Reserve System, except those in the District of Columbia, are required by law to secure the Corporation's approval to retire any part of their capital issues. Applications for approval of the retirement of capital were filed by 462 such banks in 1946. Retirement of capital issues held by the Reconstruction Finance Corporation aggregating \$7,941,000, and those held by others aggregating \$1,501,000 was approved. The Corporation disapproved retirement of capital issues amounting to \$1,046,000 because, in the opinion of the Board of Directors, retirement would leave the applicant banks with inadequate capital.

Reports from banks. Semi-annual statements of average deposit liabilities were submitted by each insured bank as required by law for the purpose of determining the amount of the insurance assessment. The Corporation called for reports of assets, liabilities, and capital accounts as of June 29 and December 31, 1946, and for reports of earnings, expenses, and disposition of profits for the calendar year 1946, from each insured bank required by law to submit such reports to the Corporation. The reports are required from all insured State banks not members of the Federal Reserve System except those in the District of Columbia.

Summaries of the tabulations from the reports of assets, liabilities, and capital accounts for June 29 and December 31, 1946, are given in the pamphlets, "Assets and Liabilities, Operating Insured Commercial and Mutual Savings Banks," Reports No. 25 and 26, and in Table 106 of this report, page 124. Summaries of the reports of earnings, expenses, and disposition of profits are given in Tables 116-122, pages 144-165 of this report.

Federal Credit Unions. By Executive Order of the President, No. 9148, of April 27, 1942, all functions, powers, and duties of the Farm Credit Administration and of the Governor thereof under the Federal Credit Union Act, as amended, were transferred to this Corporation until six months after the termination of the war.¹ Under this temporary transfer of authority, supervision of Federal credit unions was continued by the Corporation throughout the year 1946. These cooperative associations, organized to encourage thrift and to provide for their members sources of limited credit at reasonable rates, are chartered and examined by the Corporation, but their shares are not insured.

On December 31, 1946, there were 3,776 Federal credit unions in actual operation, and 187 either inactive or in liquidation. During the year 157 new charters were granted and 151 charters were cancelled or revoked following completion of liquidation of credit unions which had ceased operation. Because of the continued shortage of examining personnel only 2,814 of the operating credit unions were examined in 1946.

¹ Reorganization Plan No. 1 of 1946 which was submitted by the President to the Congress on May 16, 1946, and which would have made this transfer permanent, was disapproved by Congress.

Federal credit unions submit statements of operation to the Corporation on June 30 and December 31 of each year. A summary of the December 31 statement is included in the Corporation's "Report of Operations of Federal Credit Unions," which is published annually.

LEGAL DEVELOPMENTS

The 1946 session of the 79th Congress produced little legislation of particular applicability to the Corporation and its operations; and the Federal banking laws underwent no substantial change. Three subjects of considerable interest and importance to the banking system, although widely discussed, were left unresolved; branch banking, bank holding companies, and the retirement of the capital stock of the Corporation. It is anticipated that the 80th Congress will see a renewal of the proposals affecting these questions. Although the first two present questions of a controversial nature, the third has the approval not only of the Administration but of the banking fraternity generally.

Statute of limitations on Government checks. Public Law 308, approved March 6, 1946, fixes a six-year statute of limitations for suits by the Government to enforce the liability of an endorser, transferor, depositary, or financial agent, arising out of a forged or altered Government check. The full text of this Act appears at page 95 of this report.

Administrative Procedure Act. Public Law 404, approved June 11, 1946, is designed to assure administration of Government, through administrative officers and agencies, in accordance with established and published procedures which adequately protect the private interests involved, the making of only reasonable and authorized regulations, the settlement of disputes in accordance with law and the evidence, the impartial conferring of authorized benefits or privileges, and the effectuation of the declared policies of Congress. It is designed to provide publicity of information, fairness in administrative operation, and adequacy of judicial review. In substance, the Act requires all agencies to issue as rules certain specified information as to their organization and procedure, and to make available other materials of administrative law; states the essentials of the several forms of administrative proceedings and the general limitations on administrative powers; provides in detail the requirements for administrative hearings and decisions in cases in which statutes require such hearings; and sets forth a simplified statement of judicial review designed to afford a remedy for every legal wrong.

In accordance with the requirements of this Act, the Corporation published in the Federal Register of September 11, 1946, a revised edition of its rules and regulations, and in the near future will furnish a reprint thereof, in pamphlet form, to all insured banks.

Federal Credit Unions. Public Law 574, approved July 31, 1946, amended the Federal Credit Union Act in a number of particulars, among others (1) fixing a penalty for charging excessive interest by providing for the forfeiture of the entire interest received; (2) permitting shares to be held in joint tenancy with right of survivorship; (3) increasing the amount of unsecured loans from \$100 to \$300, retaining, however, the requirement that the aggregate of loans to a member may not exceed \$200 or 10% of the credit union's paid-in and unimpaired capital and surplus, whichever is greater; (4) providing in greater detail for the procedure to be followed in the case of liquidation of a Federal credit union; and (5) extending the Act to the Panama Canal Zone. The full text of this Act appears at pages 96-98 of this report.

The President's plan to make permanent the transfer to the Federal Deposit Insurance Corporation of the administration and supervision of Federal credit unions, which was included in the President's Reorganization Plan No. 1 of 1946, failed to become effective because, in accordance with the provisions of the Reorganization Act of 1945, the Congress adopted a concurrent resolution of disapproval.

Regulations of the Corporation. During the year, and prior to the complete revision pursuant to the Administrative Procedure Act, the regulations of the Corporation were amended in several particulars:

Part 303, the regulation relating to the advertisement of membership, was amended to include an additional exception for radio advertisements which do not exceed 30 seconds in time (section 303.2(c)(3)(xvii)). In addition, the section dealing with the approved emblem and approved short title was clarified (section 303.3), and section 303.4 dealing with penalties was amended. Part 305, governing the recognition of deposit ownership not on the bank's records, was amended by adding a new section (305.4) to cover deposits in custodial accounts which made it possible to repeal the old section 305.4 as well as sections 305.5 and 305.6. Three new regulations, designated Parts 332, 333, and 334, were adopted. Applicable to State nonmember insured banks, these regulations, respectively, prohibit the exercise of powers inconsistent with the purposes of the Federal deposit insurance law, and forbid any such bank from changing its general character or type of business or moving its principal place of business without, in either case, the prior written consent of the Corporation.

The texts of these regulations, as amended and adopted, are given at pages 102-104 of this report.

State legislation. Twenty-four States held legislative sessions during 1946. Regular sessions were held in eleven States, Georgia, Kentucky, Louisiana, Massachusetts, Mississippi, Missouri, New Jersey, New York, Rhode Island, South Carolina and Virginia. Extra or special sessions

were held in seventeen States, Arizona, California, Connecticut, Idaho, Illinois, Maine, Maryland, Michigan, New Jersey, Ohio, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming.

Banking legislation was enacted in thirteen States. A summary of this legislation is given on pages 99-101 of this report.

The Federal Congress enacted Public Law 508, approved July 13, 1946, providing that every Saturday shall be a holiday in the District of Columbia for banks and building and loan associations. The full text of this Act appears at page 98 of this report.

ORGANIZATION AND FINANCIAL STATEMENTS OF THE CORPORATION

Directors. Mr. Maple T. Harl became Chairman of the Board of Directors of the Corporation on January 5, 1946. Mr. Preston Delano, Comptroller of the Currency, served throughout the year as *ex officio* member of the Board of Directors. Mr. Phillips Lee Goldsborough, who had been a director of the Corporation since April 24, 1935, died on October 22, 1946. Mr. Henry Earl Cook was appointed by the President as his successor.

Staff and organization. On December 31 the personnel of the Corporation consisted of 1,181 officers and employees compared with 1,184 at the beginning of the year and 2,538 at the close of 1941. In two Divisions of the Corporation the number of persons employed changed substantially; a reduction occurring in the Division of Liquidation and an increase in the Division of Examination. The reduction in personnel of the Division of Liquidation, from 342 at the beginning of the year to 214 at the close, resulted from the small number of banks currently requiring financial aid from the Corporation and from completion as speedily as possible of the liquidation of assets previously acquired.

The increase in personnel in the Division of Examination, from 497 at the beginning of the year to 647 at the close, was due to efforts to replace losses in personnel during the war years and to eliminate delays in conducting examinations. An increase in personnel was also needed because of rapidly expanding loan portfolios, an increasing volume of trust business, an increase in the number of new bank and branch applications, and a growth in bank assets of 100 percent since 1940.

Since 1939, when most employees of the Corporation were placed under Civil Service and salaries paid by the Corporation were adjusted to those specified by Congress for employees in the classified service, two increases in pay have been granted employees of the Corporation. One of these was effective on July 1, 1945, when overtime working hours in force during the war were reduced; the other was effective on July 1, 1946.

The two increases together raised rates of pay of employees of the Corporation from 35 percent for lower-paid employees to 25 percent for higher-paid employees, with no increase resulting in a salary above \$10,000. The cost of living has risen approximately 55 percent since 1939, according to the consumers' price index for moderate income families in large cities.

The number of officers and employees of each Division of the Corporation as of December 31, 1946, is given in Table 8.

Table 8. OFFICERS AND EMPLOYEES OF THE CORPORATION, DECEMBER 31, 1946

Division and office	Total	Officers and administrative, supervisory, and technical employees	Clerical, stenographic, and custodial employees
Total	1,181	722	459
<i>Washington office</i>	233	102	131
<i>Chicago office</i>	198	90	108
<i>Field offices</i>	750	530	220
Directors.....	2	2	.....
Executive Division.....	26	16	10
<i>Washington office</i>	26	16	10
Legal Division.....	33	18	15
<i>Washington office</i>	17	10	7
<i>Chicago office</i>	16	8	8
Division of Examination.....	647	485	162
<i>Washington office</i>	55	32	23
<i>District and field</i>	592	453	139
Division of Liquidation.....	214	103	111
<i>Chicago office</i>	58	28	30
<i>District and field</i>	156	75	81
Division of Research and Statistics.....	50	27	23
<i>Washington office</i>	48	25	23
<i>Field offices</i>	2	2	.....
Personnel Division.....	24	11	13
<i>Washington office</i>	20	9	11
<i>Chicago office</i>	4	2	2
Service Division.....	99	12	87
<i>Washington office</i>	65	3	57
<i>Chicago office</i>	34	4	30
Audit Division.....	30	24	6
<i>Chicago office</i>	30	24	6
Fiscal and Accounting Division.....	56	24	32
<i>Chicago office</i>	56	24	32

Income and expenses. The income of the Corporation in 1946 was \$131 million, consisting of \$107 million from assessments upon insured banks and \$24 million from investments and other sources.

Total expenses of the Corporation in 1946 amounted to \$4.5 million, almost all of which were administrative expenses. Insurance losses were only \$11,000. Wages and salaries comprise three-fourths of the administrative expenses of the Corporation. This item amounted to \$3.4

million in 1946, an increase of 19 percent over the previous year. Over one-third of the increase was due to adoption by the Board of Directors, effective July 1, 1946, of salary increases commensurate with those adopted by Congress for Federal Government employees.

The surplus of the Corporation was increased by \$129 million during the year. Of this increase, \$126 million was income in excess of expenses and \$3 million was an adjustment in surplus applicable to prior periods. The surplus adjustment resulted from reduction in the Corporation's reserve for loss on assets acquired from banks placed in receivership or merged with the aid of the Corporation.

A detailed statement of the income and expenses of the Corporation for the year 1946 is given in Table 9. A summary statement for each year since its organization is given in Table 10.

Table 9. INCOME AND EXPENSES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, CALENDAR YEAR 1946

Income or expense item	Amount
Income:	
Deposit insurance assessments	\$107,032,510.84
Interest earned (less provision for amortization of premiums) on government obligations	23,584,719.93
Other income	281,443.05
Total income	130,898,673.82
Expenses:	
Deposit insurance losses and expenses	10,952.26
Administrative expenses (see below)	4,459,757.64
Furniture, fixtures, and equipment purchased and charged off	65,619.53
Total expenses	4,536,329.43
Net income added to surplus	126,362,344.39
Surplus December 31, 1945:	
As previously reported	639,851,659.07
Plus—Net adjustments applicable to periods prior to January 1, 1946	2,971,435.78
Surplus December 31, 1945, as adjusted	642,823,094.85
Surplus December 31, 1946	\$769,185,439.24
DISTRIBUTION OF ADMINISTRATIVE EXPENSES	
Salaries	\$ 3,407,081.29
Professional services	6,918.23
Services of other governmental agencies	593.90
Transportation	132,815.44
Subsistence	424,199.34
Office rental	315,415.99
Printing, stationery and supplies	79,880.06
Postage, telephone and telegraph	62,183.28
Insurance and fidelity bond premiums	937.05
Subscriptions	12,050.62
Equipment rental	10,116.56
Repairs and alterations	16,741.82
Transportation of things	13,904.71
Miscellaneous	11,181.72
.....	4,494,020.01
Less:	
Inter-departmental expense transfers	21,439.87
Fees for services rendered	12,822.50
.....	34,262.37
Administrative expenses for the year ended December 31, 1946	\$ 4,459,757.64

Table 10. INCOME AND EXPENSES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION SINCE BEGINNING OPERATIONS¹

(In millions of dollars)

Year	Income			Expenses			Net income added to surplus
	Total	Deposit insurance assessments ²	Investment and other income	Total	Deposit insurance losses and expenses	Administrative expenses ³	
1933-1946	844.2	670.7	173.5	75.0	29.0	46.0	769.2
1946	130.9	107.1	23.8	4.5	.1	4.4	126.4
1945	121.2	95.7	27.5	4.0	.1	3.9	117.2
1944	99.5	80.9	18.6	3.9	.1	3.8	95.6
1943	86.7	70.0	16.7	4.5	.2	4.3	82.2
1942	69.4	56.5	12.9	4.5	.6	3.9	64.9
1941	62.0	51.4	10.6	4.5	.8	3.7	57.5
1940	55.9	46.2	9.7	9.4	5.8	3.6	46.5
1939	51.2	40.7	10.5	12.8	9.4	3.4	38.4
1938	47.8	38.3	9.5	5.5	2.5	3.0	42.3
1937	48.1	38.8	9.3	6.4	3.7	2.7	41.7
1936	43.8	35.6	8.2	5.1	2.6	2.5	38.7
1935	20.7	11.5	9.2	5.5	2.8	2.7	15.2
1933-34*	7.0	.....	7.0	4.4	.3	4.1 ⁴	2.6

¹ Figures of total expenses, deposit insurance losses and expenses, and net income added to surplus for years prior to 1946 differ from those shown in previous Annual Reports because of revisions in estimates of losses allocated to the different years.

² Assessments collected from insured banks, members of the temporary insurance funds, were credited to their accounts in total at the termination of the temporary funds, being applied toward subsequent assessments under the permanent insurance fund, and resulting in no income to the Corporation from assessments for the term of the temporary insurance funds.

³ Includes furniture, fixtures, and equipment purchased and charged off.

⁴ Includes expenses from date of organization, September 11, 1933, to December 31, 1934.

* After deducting portion of expenses and losses charged to banks withdrawing from the temporary funds on June 30, 1934.

Assets and liabilities. On December 31, 1946, the total assets of the Corporation were \$1,061 million. These assets included the following items:

Assets acquired through bank receiverships and mergers amounting to a face value of \$25 million which were carried on the books of the Corporation at an appraised value of \$6 million;

United States Government obligations valued at \$1,048 million.

Cash amounting to \$7 million.

Liabilities of the Corporation at the end of 1946 were \$2 million. Total capital of the Corporation consisted of \$289 million capital stock issued at its organization and \$769 million accumulated surplus. A summary of the assets and liabilities of the Corporation at the close of each year since its organization is given in Table 11. A more detailed statement of assets and liabilities at the beginning and end of the year is given in Table 12.

Table 11. ASSETS AND LIABILITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1946

(In millions of dollars)

Dec. 31	Cash	U. S. Government obligations	In-surance assets	Other assets	Total assets and liabilities	Lia-bilities	Capital and surplus	Total deposits in insured banks	Ratio—FDIC capital and surplus to deposits in insured banks
1946	7.3	1,047.7	5.6	.1	1,060.7	2.2	1,058.5	148,457.0	.71%
1945	15.7	900.0	15.1	.3	931.1	1.9	929.2	158,174.1	.59
1944	17.8	762.0	26.1	.3	806.2	1.9	804.3	134,662.1	.60
1943	20.0	638.8	46.2	.5	705.5	2.4	703.1	111,649.8	.63
1942	19.4	536.8	62.0	.5	618.7	1.8	616.9	89,868.7	.69
1941	20.0	453.9	81.7	.1	555.7	2.2	553.5	71,209.3	.78
1940	20.4	384.5	92.2	.1	497.2	1.2	496.0	65,287.4	.76
1939	28.3	363.5	64.2	.1	456.1	3.4	452.7	57,485.8	.79
1938	22.2	372.8	26.5	.1	421.6	1.1	420.5	50,790.2	.83
1937	20.6	348.5	16.1	.1	385.3	2.2	383.1	48,227.8	.79
1936	9.1	332.6	11.4	.1	353.2	9.8	343.4	50,280.9	.68
1935	33.5	298.2	5.4	.1	337.2	31.2	306.0	45,125.1	.68
1934	16.0	316.7	.5	.1	333.3	41.6	291.7	40,059.9	.73

Audit. In the past the Corporation has followed the policy of having an annual audit of the accounts of the Corporation by independent auditors. All Government corporations are now required to be audited by the General Accounting Office. Reports of such audits are submitted to Congress.

The audit of the Corporation as of June 30, 1945, made by George Rossiter and Company under direction of the Comptroller General, was published in House Document No. 639, 79th Congress, 2nd Session, *Report on Audit of Federal Deposit Insurance Corporation, 1945*. The income and surplus statement of the Corporation, exclusive of Federal Credit Union activities, from this audit, is shown in Table 13; the income and expense statement of Federal Credit Union activities in Table 14; and the asset and liability statement in Table 15. The auditors' opinion is shown on page 36.

The audit of the Corporation as of June 30, 1946, was made under the direction of the Comptroller General. The income statement of the Corporation, as shown in this audit, is given in Table 16; and the asset and liability statement in Table 17. The auditors' opinion is shown on page 40.

Table 12. ASSETS AND LIABILITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1946, AND DECEMBER 31, 1945

Asset, liability, or capital item	Dec. 31, 1946	Dec. 31, 1945
ASSETS		
Assets acquired through bank suspensions and mergers:		
Subrogated claims of depositors against closed insured banks	\$ 9,144,440.20	\$ 12,929,038.88
Net balances of depositors in closed insured banks pending settlement or not claimed, to be subrogated when paid—contra	84,766.59	111,997.59
Loans to merging insured banks, to avert deposit insurance losses, and recoverable liquidation expenses	6,664,819.55	11,851,807.69
Assets purchased from merging insured banks, to avert deposit insurance losses, under agreements to return any excess recovery to selling banks	8,261,221.79	12,250,284.39
Assets purchased from merging insured banks, and receivers of closed insured banks to avert deposit insurance losses	387,846.12	539,278.45
Total at face value	24,543,094.25	37,682,407.00
Less: Reserve for losses	18,991,520.60	22,560,230.48
Total at book value	5,551,573.65	15,122,176.52
Cash on hand and on deposit	7,337,224.71	15,722,797.69
United States Government obligations (cost less reserve for amortization of premiums) and accrued interest receivable	1,047,720,660.50	899,944,277.33
Due from Governmental agencies	32,728.86	200,512.01
Miscellaneous receivables	22,818.52	24,739.28
Furniture, fixtures and equipment	1.00	1.00
Deferred charges	73,996.38	75,808.69
Total assets	\$1,060,739,003.62	\$ 931,090,312.52
LIABILITIES		
Current liabilities:		
Accounts and assessment rebates payable	\$ 349,436.50	\$ 317,706.90
Earnest money deposits and collections in suspense	722,288.95	983,505.64
Net balances of depositors in closed insured banks pending settlement or not claimed—contra	84,766.59	111,997.59
Deferred credits	1,050,931.67	481,939.54
Reserve for deposit insurance expenses	46,583.68	43,946.79
Total liabilities	\$ 2,254,007.39	\$ 1,939,096.46
CAPITAL		
Capital stock:		
United States	\$ 150,000,000.00	\$ 150,000,000.00
Federal Reserve banks	139,299,556.99	139,299,556.99
Total capital stock	289,299,556.99	289,299,556.99
Surplus—(see Table 9)	769,185,439.24	639,851,659.07
Total capital	1,058,484,996.23	929,151,216.06
Total liabilities and capital	\$1,060,739,003.62	\$ 931,090,312.52

Table 13. FEDERAL DEPOSIT INSURANCE CORPORATION INCOME AND SURPLUS STATEMENT, EXCLUSIVE OF LOSS AND DEFICIT FROM FEDERAL CREDIT UNION ACTIVITIES, FOR THE FISCAL YEARS ENDED JUNE 30, 1945 AND 1944, AND COMPARISON

	Fiscal year ended June 30—		Increase or decrease (-)
	1945	1944	
Operating income:			
Deposit insurance assessments	\$ 86,386,791	\$ 77,159,328	\$ 9,227,463
Interest earned on U. S. Government securities, less amortization of premiums	18,228,298	15,782,882	2,445,416
Other income:			
Interest and allowable return realized on assets ac- quired through bank suspensions and mergers:			
Loans to merged insured banks	162,045	276,754	-114,709
Subrogated claims of depositors	26,704	101,907	-75,203
Assets purchased from merged insured banks under agreements to return any excess recoveries	52,999	149,805	-96,806
Fees received from receivership supervision	15,426	16,317	-891
Net income from assets purchased from merged in- sured banks and receivers of closed insured banks	18,231	27,985	-9,754
Profit on sale of assets purchased from merged insured banks and receivers of closed insured banks, net..	163,297	143,584	19,713
Miscellaneous	1,184	19,659	-18,475
Total operating income	105,054,975	93,678,221	11,376,754
Operating expenses:			
Administrative expenses	3,441,331	3,600,184	-158,853
Furniture, fixtures, and equipment purchased	52,625	16,669	35,956
Other expenses and losses:			
Expenses of investigating and liquidating assets ac- quired from merged insured banks	18,317	21,177	-2,860
Provision for expenses of paying insured deposits		30,000	-30,000
Provision for losses on assets acquired during the cur- rent year through bank suspensions, mergers, etc.:			
Subrogated claims of depositors against closed insured banks		1,641,667	-1,641,667
Assets purchased from merged insured banks to reduce or avert deposit insurance losses	200,000	150,000	50,000
Other assets purchased	10,047		10,047
Miscellaneous	5,180		5,180
Total operating expenses	3,727,500	5,459,697	-1,732,197
Income from operations ¹	101,327,475	88,218,524	13,108,951
Other income, profit on sales of U. S. Government securities	7,707,494	1,098,381	6,609,113
Net income ¹	109,034,969	89,316,905	19,718,064
Surplus credit, restoration to surplus of excess reserves provided in prior years:			
For possible losses on assets acquired through bank suspensions and mergers	7,327,017	4,359,660	2,967,357
For expenses of paying insured deposits	1,425	42,610	-41,185
Total	7,328,442	4,402,270	2,926,172
Net increase in surplus for the year ¹	116,363,411	93,719,175 ¹	22,644,236
Surplus at beginning of the year ¹	463,280,782	369,561,607 ¹	93,719,175
Surplus at end of the year ¹	579,644,193	463,280,782	116,363,411

¹ Before deduction of losses from Federal credit-union activities, as shown in exhibit C (Table 14).

NOTE: From *Report on Audit of Federal Deposit Insurance Corporation, 1945*, House Document No. 639, 79th Congress, 2d Session, Exhibit B, p. 22.

Table 14. FEDERAL DEPOSIT INSURANCE CORPORATION NET LOSS AND DEFICIT STATEMENT FROM FEDERAL CREDIT UNION ACTIVITIES FOR THE FISCAL YEARS ENDED JUNE 30, 1945 AND 1944, AND COMPARISON

	Fiscal year ended June 30—		Increase or decrease (-)
	1945	1944	
Income: Fees from credit unions.....	\$165,394	\$140,797	\$24,597
Operating expenses:			
Administrative expenses:			
Personal services, salaries.....	256,234	286,516	-30,282
Subsistence.....	47,706	57,368	-9,662
Transportation:			
Individuals.....	14,070	16,442	-2,372
Other.....	1,200	1,578	-378
Telephone and telegraph.....	2,359	2,991	-632
Postage.....	212	306	-94
Office rental.....	15,130	20,983	-5,853
Repairs and alterations:			
Office.....	95	18	77
Equipment.....	330	357	-27
Utilities and services.....	809	124	685
Printing and stationery.....	2,615	1,446	1,169
Supplies.....	1,736	3,058	-1,322
Legal and professional.....		2,654	-2,654
Miscellaneous.....	47	158	-111
Total administrative expenses.....	342,543	393,999	-51,456
Furniture, fixtures, and equipment purchased.....	1,556	524	1,032
Total operating expenses.....	344,099	394,523	-50,424
Net loss from operations.....	178,705	253,726	-75,021
Deficit at beginning of the year.....	296,056	42,330	253,726
Deficit at end of the year.....	474,761	296,056	178,705

NOTE: From Report on Audit of Federal Deposit Insurance Corporation, 1945, House Document No. 639, 79th Congress, 2d Session, Exhibit C, p. 23.

**Table 15. FEDERAL DEPOSIT INSURANCE CORPORATION BALANCE SHEET,
JUNE 30, 1945 AND 1944, AND COMPARISON**

ASSETS

	June 30—		Increase or decrease (-)
	1945	1944	
Cash:			
On deposit with the Treasurer of the United States . . .	\$ 9,922,558	\$ 25,491,956	\$-15,569,398
On hand, in transit, and on deposit with banks	851,918	1,695,177	-843,259
Total cash	10,774,476	27,187,133	-16,412,657
U. S. Government securities owned—at cost less amorti- zation (principal amount, \$835,086,600, and market value, \$857,903,586 at June 30, 1945)	835,576,027	687,761,912	147,814,115
Accrued interest receivable on U.S. Government securities	2,494,517	2,452,368	42,149
Assets acquired through bank suspensions and mergers, less collections:			
Subrogated claims of depositors against closed in- sured banks	14,271,794	22,160,091	-7,888,297
Depositors' net balances in closed insured banks pending settlement or not claimed, to be subro- gated when paid (per contra)	131,619	254,409	-122,790
Loans to merged insured banks to reduce or avert deposit-insurance losses, including liquidation expenses (note 1)	15,775,745	24,555,079	-8,779,334
Assets purchased from merged insured banks to reduce or avert deposit-insurance losses, including liquidation expenses (note 1)	16,133,867	23,724,303	-7,590,436
Other assets purchased:			
From merged insured banks	530,433	521,700	8,733
From receivers of closed insured banks	34,002	74,367	-40,365
Total	46,877,460	71,289,949	-24,412,489
Less reserve for losses	25,998,453	35,172,158	-9,173,705
Remainder, net book value of assets acquired through bank suspensions and mergers, less collections	20,879,007	36,117,791	-15,238,784
Miscellaneous receivables and deferred charges:			
Receivables from other governmental agencies	286,140	376,136	-89,996
Federal credit union fees receivable	21,490	23,411	-1,921
Other	79,737	101,896	-22,159
Total miscellaneous receivables and deferred charges .	387,367	501,443	-114,076
Furniture, fixtures, and equipment, at nominal value . .	1	1	
Total	870,111,395	754,020,648	116,090,747

NOTE: From *Report on Audit of Federal Deposit Insurance Corporation, 1945*, House Document No. 639, 79th Congress, 2d Session, Exhibit A, pp. 20-21.

Table 15. FEDERAL DEPOSIT INSURANCE CORPORATION BALANCE SHEET, JUNE 30, 1945 AND 1944, AND COMPARISON—Continued

LIABILITIES

	June 30—		Increase or decrease (-)
	1945	1944	
Payables:			
Accounts payable.....	\$ 494,255	\$ 368,133	\$ 126,122
Earnest money, escrow deposits, and collections held in suspense, arising from assets acquired through bank suspensions and mergers, etc.....	634,017	961,637	-327,620
Depositors' net balances in closed insured banks pending settlement or not claimed (per contra)....	131,619	254,409	-122,790
Expenses of paying insured deposits (estimated).....	50,535	65,306	-14,771
Total payables.....	1,310,426	1,649,485	-339,059
Deferred credits, interest earned on loans and allowable returns on purchased assets from merged insured banks, etc. (note 1).....	331,980	86,880	245,100
Capital stock and surplus:¹			
Capital stock, without nominal or par value (nonvoting and not entitled to dividends):			
Owned by U. S. Government.....	150,000,000	150,000,000	
Owned by Federal Reserve banks.....	139,299,557	139,299,557	
Total capital stock.....	289,299,557	289,299,557	
Surplus (deficit (-)):			
Deposit insurance activities, per exhibit B (Table 13).....	579,644,193	463,280,782	116,363,411
Federal credit union activities, per exhibit C (Table 14).....	-474,761	-296,056	-178,705
Net surplus.....	579,169,432	462,984,726	116,184,706
Total capital stock and surplus.....	868,468,989	752,284,283	116,184,706
Total.....	870,111,395	754,020,648	116,090,747

¹ The entire capital stock and surplus is considered by the Corporation to constitute a reserve for future deposit insurance losses and related expenses with respect to insured banks. The Corporation estimates that the insured deposits in operating insured banks amounted to approximately \$55,000,000,000 at June 30, 1945.

The attached notes are an integral part of the above statement:

NOTES ATTACHED TO AND MADE AN INTEGRAL PART OF BALANCE SHEET, JUNE 30, 1945

(1) Loans to merged insured banks are evidenced by demand notes bearing interest at the rate of 4 percent per annum, and the Corporation is entitled to a return of 4 percent per annum with respect to its investments in assets purchased from merged insured banks under agreements to return any excess recoveries to the selling banks. The Corporation follows the practice of taking into income only such amounts of interest and allowable return as are realized after recovery in full of its investments (including recoverable liquidation expenses) in the respective loans and purchased assets.

(2) Under the provisions of section 12B of the Federal Reserve Act, as amended by section 101 of the Banking Act of 1935 (subsec. o), the Corporation is authorized and empowered to issue and to have outstanding its notes, debentures, bonds, or other such obligations in a par amount of \$974,600,000 at June 30, 1945.

The Secretary of the Treasury, at his discretion, is authorized to purchase any such obligations of the Corporation. Upon the request of the Board of Directors of the Federal Deposit Insurance Corporation, whenever in their judgment additional funds are required for insurance purposes, the Secretary of the Treasury is authorized and directed to purchase such obligations in an amount not to exceed \$250,000,000, par value.

Further, upon the request of the Board of Directors of the Federal Deposit Insurance Corporation, whenever in their judgment additional funds are required for insurance purposes, the Reconstruction Finance Corporation is authorized and directed to purchase such obligations in an amount not to exceed \$250,000,000, par value. In the event the Reconstruction Finance Corporation fails to make such purchases, the Secretary of the Treasury is authorized and directed to do so in its stead.

The Corporation has never used the borrowing power granted to it by this section.

(3) No provision has been made in the balance sheet for the liability of the Corporation in connection with accrued annual leave of employees. This procedure is in accordance with accepted governmental accounting practice.

AUDITORS' OPINION¹

COMPTROLLER GENERAL OF THE UNITED STATES, *Washington, D. C.*

We have examined the balance sheet of the FEDERAL DEPOSIT INSURANCE CORPORATION (a corporation created by section 12B of the Federal Reserve Act under the provisions of section 8 of the Banking Act of 1933 and as amended by section 101 of the Banking Act of 1935) as of June 30, 1945, and the income and surplus statements for the year ended that date. In connection therewith, we reviewed the system of internal control and the accounting procedures of the Corporation and, without making a detailed audit of transactions, have examined or tested accounting records and other supporting evidence by methods and to the extent we deemed appropriate in view of the work performed by the Corporation's internal auditing staff.

The Corporation maintains an internal auditing staff which makes extensive and independent examinations of various phases of the operations of the Corporation. We had access to the working papers of such staff which we reviewed in considerable detail both as to the work performed and the conditions disclosed by such examinations. The internal auditing staff is a separate and distinct organization, and the Chief of the Staff reports directly to the Board of Directors of the Corporation.

We examined the records maintained for one receivership, where the Corporation is the receiver, of a closed insured bank to determine that proper accounting records and procedures are being maintained. In connection with the other active receiverships, where the Corporation is the receiver, we relied on the work of the internal auditors who are charged with the responsibility of examining such records. However, in our opinion, the number of examinations made of the receiverships during the current fiscal year was not adequate.

We examined or otherwise satisfactorily accounted for the collateral for two loans to merged insured banks and the documents evidencing ownership of assets purchased in two instances from merged insured banks at the offices of the respective liquidating agents of the Corporation. The collateral under each loan and the documents evidencing ownership in each instance where assets are purchased are examined by the internal auditors. These examinations are made on a rotating basis approximately every 18 months. Our review of the reports of the internal auditors on the examinations made by them during the current fiscal year indicated that satisfactory verifications were made.

The accompanying balance sheet as of June 30, 1944, and the income and surplus statements for the year ended that date were taken from the report prepared by another firm of certified public accountants and were not examined by us.

In our opinion, the accompanying balance sheet as of June 30, 1945, and the income and surplus statements for the year ended that date, together with the notes thereto, fairly present, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, the financial position of the Federal Deposit Insurance Corporation at June 30, 1945, and the results of its operations for the year ended that date.

GEORGE ROSSETTER & Co.,
Certified Public Accountants.

Chicago, Ill., March 19, 1946.

¹ From *Report on Audit of Federal Deposit Insurance Corporation, 1945*, House Document No. 689, 79th Congress, 2d Session, p. 19.

Table 16. FEDERAL DEPOSIT INSURANCE CORPORATION COMPARATIVE INCOME STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 1946 AND 1945—FROM AUDITORS' REPORT

	Year ended June 30,		Increase (-decrease)
	1946	1945	
DEPOSIT INSURANCE AND INVESTMENT ACTIVITIES:			
Deposit insurance assessments	\$101,207,998	86,386,791	14,821,207
Income from investments:			
Interest earned on U. S. Government securities, less amortization of premiums and discounts.....	21,973,207	18,228,298	3,749,909
Profit on sale of U. S. Government securities.....	20,516	7,707,494	-7,686,978
Total	21,998,723	25,935,792	-3,937,069
Income from bank suspensions and mergers:			
Interest and allowable return on assets acquired....	165,476	242,932	-77,456
Receivership fees.....	10,707	15,426	-4,719
Profit on sale of assets purchased.....	78,724	163,297	-84,573
Net income from assets purchased from merged insured banks and receivers of closed insured banks..	5,329	18,231	-12,902
Total	260,236	439,886	-179,650
Deduct:			
Expenses of maintenance and preservation of assets purchased.....	3,877	5,130	-1,303
Expenses of investigating and liquidating assets acquired from merged insured banks.....	16,345	18,317	-1,972
Provision for losses on assets acquired through bank suspensions and mergers.....	100	210,047	-209,947
Total	20,322	233,544	-213,222
Income from bank suspensions and mergers ...	239,914	206,342	33,572
Total income	123,446,635	112,528,925	10,917,710
Operating expenses	3,597,066	3,493,956	103,110
Net operating income from deposit insurance and investment activities	119,849,569	109,034,969	10,814,600
Add net reduction of reserves provided in prior years in excess of currently estimated requirements:			
Reduction in reserve for possible losses on assets acquired from merged and suspended banks.....	4,636,381	7,327,017	-2,690,636
Less increase (-decrease) in reserve for possible additional expenses required for paying insured deposits.....	14,263	-1,425	15,688
Net reduction of reserves	4,622,118	7,328,442	-2,706,324
Net increase in surplus from deposit insurance and investment activities for the year	124,471,687	116,363,411	8,108,276
CREDIT UNION ACTIVITIES:			
Income from fees.....	161,664	165,394	-3,730
Less administrative expenses.....	358,232	344,099	14,133
Net loss from Federal credit union activities for the year	196,568	178,705	17,863
Net increase in surplus	124,275,119	116,184,706	8,090,413

NOTE: Furnished by the Comptroller General of the United States.

Table 17. FEDERAL DEPOSIT INSURANCE CORPORATION COMPARATIVE BALANCE SHEETS, JUNE 30, 1946 AND 1945—FROM AUDITORS' REPORT

ASSETS	June 30, 1946	June 30, 1945	Increase (-decrease)
Cash:			
On deposit with the Treasurer of the United States	\$ 5,910,906	9,922,558	-4,011,652
On hand, in transit, and on deposit with banks	874,289	851,918	22,371
Total cash	6,785,195	10,774,476	-3,989,281
U. S. Government securities owned, at cost less amortization (face value, \$975,787,100, and market value \$1,018,074,562, at June 30, 1946)	976,167,460	835,576,027	140,591,433
Accrued interest receivable thereon	2,330,790	2,494,517	-113,727
Total securities	978,548,250	838,070,544	140,477,706
Assets acquired through bank suspensions and mergers:			
Subrogated claims of depositors against closed insured banks, less collections (Note 1)	10,357,716	14,271,794	-3,914,078
Depositors' net balances in closed insured banks pending settlement, to be subrogated when paid (per contra)	110,796	131,619	-20,823
Assets received and liquidation expenses incurred through loans to merged insured banks to reduce or avert deposit insurance losses, less collections (Note 2)	8,804,657	15,775,745	-6,971,088
Assets purchased from merged insured banks, and liquidation expenses incurred, to reduce or avert deposit insurance losses, less collections (Note 2)	10,053,597	16,133,867	-6,080,270
Other assets purchased (cost less collections):			
From merged insured banks	467,853	530,433	-62,580
From receivers of closed insured banks	28,191	34,002	-5,811
Total	29,822,810	46,877,460	-17,054,650
Less reserve for losses and expenses	20,647,394	26,048,988	-5,401,594
Remainder, net book value of assets acquired through bank suspensions and mergers	9,175,416	20,828,472	-11,653,056
Miscellaneous receivables and deferred charges:			
Receivables from other Government agencies	137,601	286,140	-148,539
Other	103,348	101,227	2,121
Total miscellaneous receivables and deferred charges	240,949	387,367	-146,418
Furniture, fixtures, and equipment, at nominal value	1	1	0
	994,749,811	870,060,860	124,688,951

NOTES:

1. The Corporation properly does not reflect in its balance sheet the assets of closed insured banks, wherein it acts as receiver; these assets had a total bank book value of \$3,391,737 at June 30, 1946. The recovery value was estimated to be \$1,493,375, which, when collected, will be applied against the unpaid creditors' claims of \$2,422,620, including depositors' claims subrogated to the Corporation in the amount of \$2,194,533.

2. Loans to merged insured banks are evidenced by demand notes bearing interest at the rate of 4 percent per annum. The Corporation is entitled to a return of 4 percent per annum with respect to its investments in assets purchased from merged insured banks. Under both arrangements it has agreed to return any excess recoveries to the selling banks. The Corporation follows the practice of taking into income only such amounts of interest and allowable return as are realized after recovery in full of its investments (including recoverable liquidation expenses) in the respective loans and purchased assets which have been completely liquidated. In those cases where loans and assets purchased have not been completely liquidated and the Corporation has recovered in full its investment, the interest and allowable return appear in deferred credits in the amount of \$685,313 and \$327,033, respectively, as of June 30, 1946 and 1945.

3. The liability of the Corporation in connection with accrued annual leave of employees as of June 30, 1946 and 1945, estimated by the Corporation to be approximately \$730,000 and \$500,000, respectively, has not been reflected in the balance sheets in accordance with general Government corporation accounting practice.

4. It has been proposed to the Congress to repay the United States Treasury and the Federal Reserve banks the amount of capital invested by them in the Corporation. In this connection, it should be noted that by action of Congress no dividends have been paid or are payable on this capital. However, the capital has been invested in United States Government obligations, and the income therefrom has been accumulated in the overall surplus from insurance operations; this has the effect of a grant of funds to

NOTE: Furnished by the Comptroller General of the United States.

Table 17. FEDERAL DEPOSIT INSURANCE CORPORATION COMPARATIVE BALANCE SHEETS, JUNE 30, 1946 AND 1945—FROM AUDITORS' REPORT—Continued

LIABILITIES	1946	June 30, 1945	Increase (-decrease)
Current liabilities:			
Accounts payable.....	\$ 453,994	494,255	-40,261
Earnest money, escrow funds, and collections held for others.....	744,596	634,017	110,579
Depositors' net balances in closed insured banks pending settlement (per contra).....	110,796	131,619	-20,823
Total current liabilities (Note 3).....	1,309,386	1,259,891	49,495
Deferred credits, interest earned on loans, and allowable returns on purchased assets (Note 2)....	696,317	331,980	364,337
Investment of U. S. Government and Government agencies, represented by nonvoting capital stock without par value (Notes 4 and 5):			
U. S. Treasury.....	150,000,000	150,000,000	—
Federal Reserve banks.....	139,299,557	139,299,557	—
Total investment.....	289,299,557	289,299,557	—
Surplus, considered as a reserve for future deposit insurance losses and related expenses (Notes 4 and 6 and Exhibit 2 [Table 16]).....	703,444,551	579,169,432	124,275,119
	<u>994,749,811</u>	<u>870,060,860</u>	<u>124,688,951</u>

the Corporation by the United States Government. On a compound interest basis, considering the average rate earned year by year on United States Government obligations, the total amount of the grant thus accumulated has been calculated to be \$113,808,238 at June 30, 1946, including \$9,481,208 for the fiscal year 1946. However, the Corporation has carried on the extraneous function of supervising Federal credit unions for the United States Government without reimbursement from the United States Treasury for the excess of costs of the activities over fees charged the credit unions (no appropriations were requested); the net costs charged to surplus to June 30, 1946, were \$671,329, including \$196,568 for the fiscal year 1946.

5. Under the provisions of section 12b of the Federal Reserve Act, as amended by section 101 of the Banking Act of 1935 (subsection "o"), the Corporation is authorized and empowered to issue and to have outstanding notes, debentures, bonds, or other such obligations, in a par amount of \$974,600,000 at June 30, 1946.

The Secretary of the Treasury, at his discretion, is authorized to purchase any such obligations of the Corporation, upon the request of the Board of Directors of the Federal Deposit Insurance Corporation, whenever in their judgment additional funds are required for insurance purposes. The Secretary of the Treasury is authorized and directed to purchase such obligations in an amount not to exceed \$250,000,000, par value.

Further, upon the request of the Board of Directors of the Federal Deposit Insurance Corporation, whenever in their judgment additional funds are required for insurance purposes, the Reconstruction Finance Corporation is authorized and directed, in accordance with subsection "b" of section 5e of the Reconstruction Finance Corporation Act, as amended, to purchase such obligations in an amount not to exceed \$250,000,000, par value. In the event the Reconstruction Finance Corporation fails to make such purchases, the Secretary of the Treasury is authorized and directed to do so in its stead.

The Corporation has never used the borrowing power granted to it by this section.

6. The Corporation estimates that the insured deposits in operating insured banks amounted to approximately \$69,000,000,000 at June 30, 1946, as compared with \$55,000,000,000 at June 30, 1945.

GENERAL ACCOUNTING OFFICE

WASHINGTON 25

CORPORATION AUDITS DIVISION

AUDITORS' OPINION

We have examined the balance sheet of the FEDERAL DEPOSIT INSURANCE CORPORATION as of June 30, 1946, and the income statement for the year ended that date. In connection therewith, we reviewed the system of internal control and the accounting procedures of the Corporation and, without making a detailed audit of transactions, have examined or tested accounting records and other supporting evidence by methods and to the extent deemed appropriate in view of the work performed by the Corporation's internal auditing staff. This examination was made pursuant to the requirements of section 5 of the Act of Congress of February 24, 1945 (59 Stat. 6), a full report of which is being submitted to the Comptroller General of the United States. A similar examination of the balance sheet of the Corporation as of June 30, 1945, and the income statement for the year ended that date was made by George Rossetter & Co., independent public accountants, under our direction.

We did not inspect the collateral under loans to merged insured banks or the documents evidencing ownership of assets purchased from merged or closed insured banks, which collateral and assets for the most part are held by liquidating agents of the Corporation at various locations throughout the country, but we reviewed the reports of the Corporation's internal auditors on their examination of such collateral and purchased assets.

In our opinion, the accompanying balance sheets as of June 30, 1945 and 1946, and the income statements for the two years ended on those dates fairly present, in conformity with generally accepted accounting principles applied on a consistent basis, the financial position of the Federal Deposit Insurance Corporation at June 30, 1945 and 1946, and the results of its operations for the two years ended on those dates.

T. COLEMAN ANDREWS

Director

Washington, D. C.

January 30, 1947

PART TWO
BANKING DEVELOPMENTS

BANKS AND BRANCHES

Banks and banking offices. At the close of 1946, 14,759 banks were operating in the United States and possessions. With branches, these banks were doing business in 18,979 offices.¹ There was a net increase of 34 operating banks during the year, compared with 15 in the preceding year. The increase in the number of banks during the past two years is a reversal of the trend toward a smaller number of banks which existed during the previous eleven years.

Branches of operating banks, including offices or "facilities" at military establishments, increased by 52 during 1946, compared with 27 in the preceding year. The increase in 1946 was substantially smaller than during the war years, 1943 and 1944, when large numbers of "facilities" were opened. Many of these were closed in the latter part of 1945 or in 1946. The increase during 1946 in the number of branches other than "facilities" was 193, a larger number than in any other year since the beginning of deposit insurance.

Changes in the number of operating banks and branches during each year since December 31, 1940, and the number at the close of each year, are given in Table 18.

Table 18. NUMBER OF OPERATING BANKS AND BRANCHES IN THE UNITED STATES AND POSSESSIONS, DECEMBER 31, 1941-1946

Year	Number of banking offices at end of year			Net change during the year		
	Total	Banks	Branches	Total	Banks	Branches
1946	18,979	14,759	4,220	+ 86	+ 34	+ 52
1945	18,898	14,725	4,168	+ 42	+ 15	+ 27
1944	18,851	14,710	4,141	+100	- 41	+141
1943	18,751	14,751	4,000	+ 85	-102	+187
1942	18,666	14,853	3,813	-103	-147	+ 44
1941	18,769	15,000	3,769	- 34	- 73	+ 39

Insured and noninsured banks. Of the banks in operation at the close of 1946, 13,550 were insured and 1,209 noninsured. The number insured represents a larger proportion of all operating banks than at any previous time. When the permanent insurance plan went into effect in August 1935, 89 percent of all operating banks were insured; at the end of 1946, 92 percent. A substantial number of the banks which were not insured at the time the permanent insurance plan went into effect have since been admitted to insurance, and most of the banks beginning business since that time have become insured.

¹ The Corporation's statistics of banks and banking offices include those possessions where banks are eligible for admission to insurance. The statistics cover commercial and mutual savings banks and trust companies in continental United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

The number of operating banks, both insured and noninsured, has also been affected by absorptions, mergers, and voluntary liquidations. Bank failures have been comparatively few in recent years. The number of insured and noninsured banks by years since 1940 is given in Table 19.

Table 19. NUMBER OF INSURED AND NONINSURED BANKS IN THE UNITED STATES AND POSSESSIONS, 1941-1946

Dec. 31	Total number of banks	Insured	Noninsured	Percentage insured
1946.....	14,759	13,550	1,209	91.8
1945.....	14,725	13,494	1,231	91.6
1944.....	14,710	13,460	1,250	91.5
1943.....	14,751	13,458	1,293	91.2
1942.....	14,853	13,403	1,450	90.2
1941.....	15,000	13,482	1,518	89.9

Admissions to and terminations of insurance. The character of changes in the number of insured banks during 1946, during each of the preceding four years, and during the 6-year period from the beginning of 1936 (the first full year under the permanent deposit insurance plan) to the end of 1941, is given in Table 20.

Table 20. CHANGES IN THE NUMBER OF INSURED BANKS IN THE UNITED STATES AND POSSESSIONS, 1936-1946 EXCLUDING BANKS SUCCEEDING OTHER INSURED BANKS

Type of change	1936-46	1946	1945	1944	1943	1942	1936-41
Net change.....	-632	+ 56	+ 34	+ 2	+ 55	- 79	-700
Admission of banks—total.....	984	161	122	100	180	40	381
By action of FDIC: ¹							
Banks beginning deposit operations.	435	100	78	48	29	13	167
Banks previously in operation or successors thereto.....	406	26	18	39	143	18	162
Without action of FDIC: ²							
Banks beginning deposit operations.	111	32	25	13	7	2	32
Banks previously in operation or successors thereto.....	32	3	1	.....	1	7	20
Terminations of insurance—total ...	1,616	105	88	98	125	119	1,081
Banks ceasing operations:							
Suspended banks not reopened or succeeded.....	207	.....	.....	1	4	6	196
Mergers with aid of the Corporation—net decrease.....	127	1	.....	1	1	13	111
Other mergers, consolidations and absorptions—net decrease.....	941	89	72	67	76	63	574
Other liquidations.....	320	12	15	27	43	36	187
Other terminations of insurance:							
Insured status terminated by FDIC.	3	.....	.....	.....	.....	.....	3
Withdrawals from insurance.....	6	1	.....	.....	1	.....	4
Successions or absorptions by noninsured banks.....	12	2	1	2	.....	1	6

¹ The number of banks admitted to insurance in each year by action of the Corporation differs from the number approved for insurance (see pages 20-21 of this report) because of differences between the dates of approval and the dates of opening of new banks or the effective date of deposit insurance.

² National banks and State banks admitted to the Federal Reserve System become insured without action by the Corporation.

During 1946, 161 banks were admitted to insurance. Of these, 132 were banks beginning deposit operations during the year, and 29 were previously operating banks or successors to such banks which were admitted to insurance. Of the 161 banks admitted, 126 were banks which had been approved for insurance by the Board of Directors of the Corporation; the other 35 were banks which were granted charters by the Comptroller of the Currency or were admitted to the Federal Reserve System and thereby became automatically insured by operation of law.

These admissions to insurance were partially offset by 102 banks which ceased operation by absorption or voluntary liquidation and 3 which were succeeded by noninsured banks or withdrew from insurance.

Changes among branches of insured banks. In 1946 insured banks opened 214 branches, excluding cases of transfer or sale of a branch by one bank to another. Of these, 71 were branches which were approved by the Corporation and 143 were established by national banks and State banks members of the Federal Reserve System. Similar figures for each of the preceding four years and for the 6-year period, 1936-1941, are shown in Table 21.

Table 21. CHANGES AMONG BRANCHES OF INSURED BANKS IN THE UNITED STATES AND POSSESSIONS, 1936-1946

Type of change	1936-46	1946	1945	1944	1943	1942	1936-41
Net change	+897	+ 46	+ 23	+135	+249	+ 41	+403
Branches opened for business—total	1,549	214	169	166	231	88	681
Approved by FDIC: ¹							
Facilities approved as agents of the Government.....	35	2	8	9	14	2	.....
Absorbed banks converted into branches or replacing other offices closed or relocated.....	236	10	10	15	11	18	172
Other branches opened.....	293	59	20	25	10	16	163
Without action by FDIC: ²							
Facilities approved as agents of the Government.....	347	8	56	86	174	23	.....
Absorbed banks converted into branches or replacing other offices closed or relocated.....	326	46	34	19	16	11	200
Other branches opened.....	312	89	41	12	6	18	146
Branches of banks admitted to insurance—total	96	1	.....	2	62	2	29
Approved by the Corporation ¹	94	.....	.....	2	62	2	28
Without action of the Corporation ²	2	1	.....	.....	.....	.....	1
Branches of bank withdrawing from Federal Reserve System and insurance	2	.....	.....	.....	.....	.....	2
Branches discontinued—total	746	169	146	33	44	49	305
Facilities approved as agents of the Government.....	296	149	131	16	.....	.....	.....
Other branches discontinued.....	450	20	15	17	44	49	305

¹ The number of branches established with the approval of the Corporation in any given year differs from the number approved by the Corporation during the same year because of differences between dates of approval and dates of establishment of branches.

² Approval by the Corporation is not required for establishment of branches by national banks or State banks members of the Federal Reserve System.

A large proportion of the branches opened and discontinued during the past four years were "facilities" at military establishments.

ASSETS AND DEPOSITS

The contraction in bank assets and deposits in 1946 was a result of the Federal debt retirement program. Just as the increase in Federal debt was the major factor in the expansion of bank assets during the war, the repayments made on the debt brought a decline in bank assets. This decline was not accompanied by any contraction in loans to and deposits of business and individuals. On the contrary, these loans and deposits rose substantially during the first full postwar year.

Assets and deposits of all banks. Total assets of all commercial and mutual savings banks decreased 5 percent during the year from \$178 billion on December 31, 1945, to \$169 billion on December 31, 1946. Holdings of United States Government obligations by all banks were reduced \$15 billion to \$87 billion at the end of 1946, while holdings of other securities increased by \$1 billion. Loans, discounts, and overdrafts increased \$5 billion in 1946 to \$36 billion. Changes in assets and liabilities of all banks in 1946 are shown in Table 22.

Table 22. ASSETS AND LIABILITIES OF ALL BANKS IN THE UNITED STATES AND POSSESSIONS, DECEMBER 31, 1946 AND 1945

(Amounts in millions of dollars)

Asset, liability, or capital account item	Dec. 31, 1946	Dec. 31, 1945	Change during 1946	
			Amount	Percent
Total assets	\$169,256	\$178,203	\$ -8,947	-5.0%
Cash and amounts due from other banks	35,185	35,585	-400	-1.1
United States Government obligations	87,032	101,822	-14,790	-14.5
Other securities	9,517	8,595	922	10.7
Loans, discounts, and overdrafts	35,810	30,473	5,337	17.5
Miscellaneous assets	1,712	1,728	-16	-0.9
Total liabilities and capital accounts	169,256	178,203	-8,947	-5.0
Total deposits	156,753	166,474	-9,721	-5.8
Business and personal	133,956	121,776	12,180	10.0
Demand	81,276	73,876	7,400	10.0
Time	50,284	45,285	4,999	11.0
Certified checks, etc.	2,396	2,615	-219	-8.4
United States Government	3,164	24,770	-21,606	-87.2
States and political subdivisions	6,895	5,786	1,109	19.2
Interbank (including postal savings)	12,738	14,142	-1,404	-9.9
Miscellaneous liabilities	1,158	1,203	-45	-3.7
Total capital accounts	11,345	10,526	819	7.8
Number of banks	14,655	14,621	34	.2

Business and individual deposits in all commercial and mutual savings banks continued to rise during the first postwar year, but at a slower rate than during the war. On December 31, 1946, these deposits amounted

to \$134 billion, 10 percent larger than at the preceding year-end. For the year 1946 as a whole, the 10 percent growth in demand deposits was about the same as the 11 percent rise in time deposits. In 1944 and 1945 time deposits had accumulated at a more rapid rate than demand deposits; in the last six months of 1946, however, this relation was reversed and demand deposits increased 6 percent while time deposits rose only 4 percent.

The expansion in deposits for private account was more than counterbalanced by the reduction of \$22 billion in United States Government deposits which amounted to only \$3 billion at the end of 1946. Accordingly, total deposits of all commercial and mutual savings banks fell. Total deposits of \$157 billion on December 31, 1946, were 6 percent less than the \$166 billion held at the end of 1945.

Comparative changes during 1946 in principal assets and liabilities of all commercial banks and all mutual savings banks are shown in Table 23.

Table 23. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS AND ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES AND POSSESSIONS, DECEMBER 31, 1946 AND 1945

(Amounts in millions of dollars)

Asset, liability, or capital account item	All commercial banks			All mutual savings banks		
	Dec. 31, 1946	Dec. 31, 1945	Percentage change during 1946	Dec. 31, 1946	Dec. 31, 1945	Percentage change during 1946
Total assets	\$150,552	\$161,182	-6.6%	\$18,704	\$17,021	9.9%
Cash and amounts due from other banks	34,366	34,975	-1.7	819	610	34.3
United States Government obligations	75,253	91,149	-17.4	11,779	10,673	10.4
Other securities	8,118	7,340	10.6	1,399	1,255	11.5
Loans, discounts, and overdrafts	31,283	26,193	19.4	4,527	4,280	5.8
Miscellaneous assets	1,532	1,525	0.5	180	203	-11.3
Total liabilities and capital accounts	150,552	161,182	-6.6	18,704	17,021	9.9
Total deposits	139,883	151,089	-7.4	16,870	15,385	9.7
Business and personal—total	117,092	106,397	10.1	16,865	15,379	9.7
Demand	81,265	73,867	10.0	11	9	22.2
Time	33,432	29,917	11.7	16,852	15,363	9.7
Certified checks, etc.	2,395	2,613	-8.3	2	2	0.0
United States Government States and political subdivisions	3,161	24,767	-87.2	2	4	-50.0
Interbank (including postal savings)	6,893	5,784	19.2	2	2	0.0
Miscellaneous liabilities	12,737	14,141	-9.9	1	1	.....
Miscellaneous liabilities	1,108	1,160	-4.5	50	43	16.3
Total capital accounts	9,561	8,933	7.0	1,784	1,593	12.0
Number of banks	14,114	14,079	0.2	541	542	-0.2

¹ Less than \$500,000.

Total assets of commercial banks on December 31, 1946, amounted to \$151 billion, a contraction of almost \$11 billion during the year. The

dominant factor in this decline was the \$16 billion decrease in holdings of United States Government obligations which was partially offset by a \$5 billion expansion in total loans.

Assets of mutual savings banks continued to rise during 1946 to \$19 billion, an increase of 10 percent. Most of this increase in assets of mutual savings banks was accounted for by the \$1 billion addition to United States Government obligation portfolios which amounted to almost \$12 billion at the end of the year. Unlike commercial banks, mutual savings banks held only a small amount of the short-term issues which were redeemed under the Federal debt retirement program. Loans were expanded about 6 percent during the year to \$4.5 billion after declining moderately during the war period.

The contrast between the commercial and mutual savings banks was also apparent on the liability side of the balance sheet. Commercial banks held almost all of the United States Government war loan accounts and felt the full impact of the Federal debt retirement program during 1946. United States Government deposits in these banks were drawn down \$22 billion during the year. This reduction was double the increase in non-government deposits; in consequence, total deposits in all commercial banks decreased 7 percent from \$151 billion on December 31, 1945, to \$140 billion at the end of 1946. Business and personal deposits continued to expand to \$117 billion on December 31, 1946, an increase of \$11 billion or 10 percent during the year.

While total deposits of commercial banks were declining, total deposits of mutual savings banks rose to \$17 billion at the end of 1946. However, the 10 percent growth during 1946 in mutual savings bank deposits, most of which are time deposits of individuals, was at a less rapid rate than the 12 percent growth in time deposits of commercial banks.

Insured commercial banks. More detailed information is available for loans and investments of insured commercial banks than for all commercial banks. For this reason the following paragraphs on loans and investments refer to insured commercial banks. In view of the fact that 95 percent of total commercial bank assets are held by insured commercial banks, data for this group may be accepted as representative of all commercial banks.

United States Government obligations. The reduction in insured commercial bank holdings of United States Government obligations during 1946 was limited to short-term issues. Holdings of Treasury bills, certificates of indebtedness, and Treasury notes declined by \$17 billion while holdings of bonds rose \$2 billion during the year. As a result, the average maturity was lengthened substantially in 1946, in contrast to the wartime trend of increasing the proportion of short-term Government obligations in bank portfolios.

Table 24 shows the maturity distribution of United States Government obligations held by insured commercial banks at the end of 1946, 1945, and 1941. Holdings of bills, certificates, and notes declined from 42 percent of the total Government obligations at the end of 1945 to 28 percent at the end of 1946. The proportion of short-term issues, including bonds maturing in less than five years, held on December 31, 1946, was less than that on December 31, 1945, and moved toward the proportion held at the end of 1941.

Table 24. MATURITIES OF UNITED STATES GOVERNMENT OBLIGATIONS, DIRECT AND GUARANTEED, HELD BY INSURED COMMERCIAL BANKS, DECEMBER 31, 1946, 1945, AND 1941

(Amounts in millions of dollars)

Type and maturity	Amount			Percentage distribution		
	1946	1945	1941	1946	1945	1941
Total U. S. Government obligations	\$73,575	\$88,933	\$21,047	100.0%	100.0%	100.0%
Marketable issues:						
Direct:						
Treasury bills ¹	1,272	2,456	988	1.7	2.8	4.7
Certificates of indebtedness ¹	12,293	19,075	.....	16.7	21.5	.....
Treasury notes ¹	6,781	16,047	3,159	9.2	18.0	15.0
Bonds—total	52,033	50,139	12,798	70.8	56.4	60.8
Bonds maturing in: ²						
5 years or less	12,728	9,030	1,551	17.3	10.2	7.4
5 to 10 years	29,700	32,230	3,970	40.4	36.2	18.8
10 to 20 years	6,597	6,092	5,930	9.0	6.9	28.2
Over 20 years	3,008	2,787	1,347	4.1	3.1	6.4
Guaranteed issues	15	22	4,102	(*)	(*)	19.5
Non-marketable issues ⁴	1,181	1,194	.....	1.6	1.3	.....

¹ Treasury bills are generally issued with maturities of 91 days; certificates of indebtedness have maturities of approximately one year; and Treasury notes are issued with maturities of from one to five years.

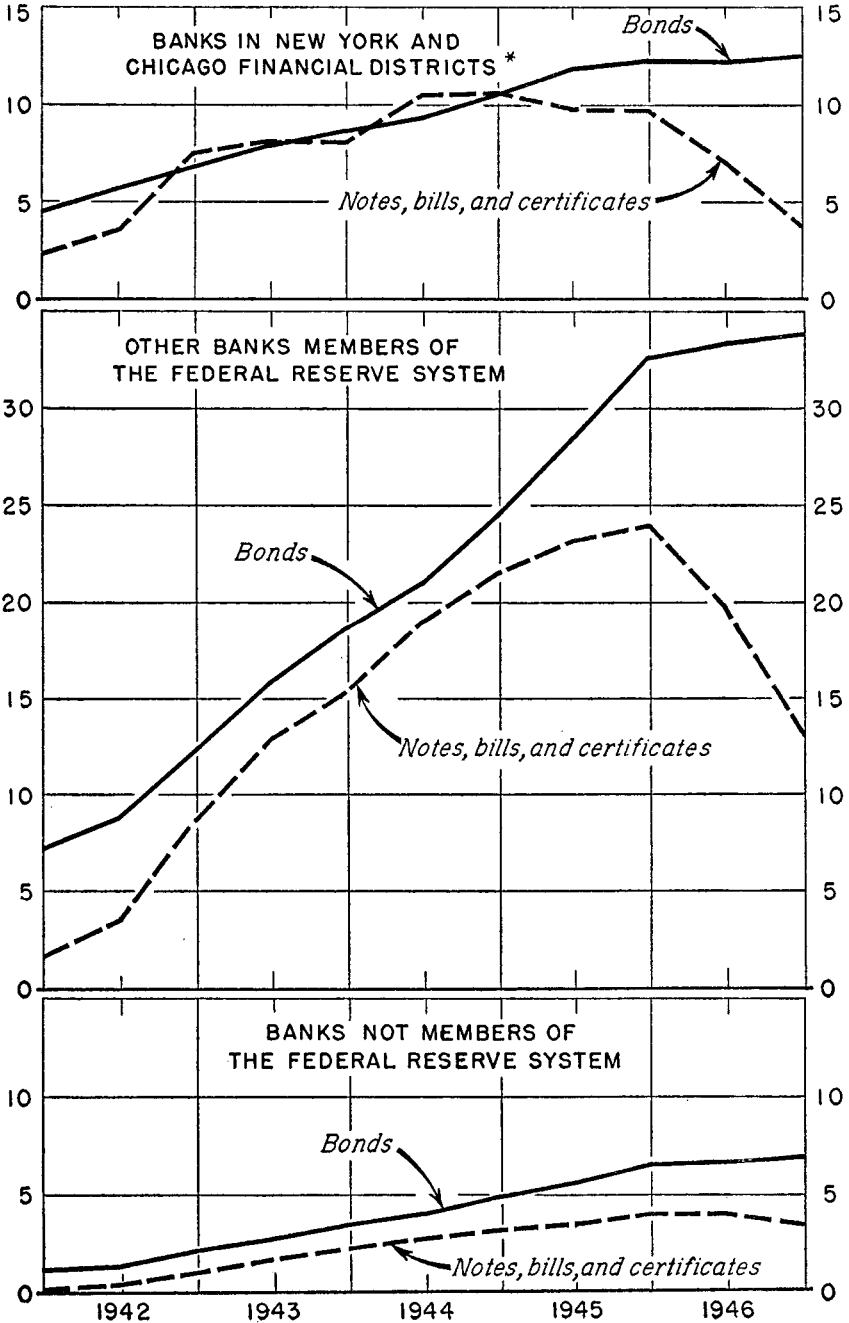
² Based upon number of years to final maturity.

³ Less than 0.05 percent.

⁴ United States savings bonds.

Since the larger banks located in the larger centers had higher proportions of short-term obligations, their total portfolios decreased more in 1946 than those of the smaller banks. Holdings of Treasury notes, bills, and certificates of banks members of the Federal Reserve System located in the financial districts of New York and Chicago declined about 60 percent in 1946 while elsewhere the decline for member banks was 46 percent. For insured banks not members of the Federal Reserve System, which are for the most part smaller banks located in smaller centers, the decrease in short-term holdings was only 13 percent. Investments in Federal Government bonds increased in all three groups of banks although the rise in the Federal Reserve member banks in New York and Chicago was small. Comparison of holdings of bonds with those of Treasury notes, bills and certificates by these three groups of banks during the period 1941 to 1946 is shown in Chart D.

CHART D
**UNITED STATES GOVERNMENT OBLIGATIONS HELD BY INSURED
 COMMERCIAL BANKS, JUNE 30 AND DECEMBER 31, 1941-1946**
 BILLIONS OF DOLLARS



* Central reserve city banks, members of the Federal Reserve System.

State and local obligations. Obligations of States and political subdivisions held by insured commercial banks at the end of 1946 amounted to \$4.3 billion. These holdings have increased moderately since 1941. As a result of this increase and because the net amount of such obligations outstanding has declined from \$15 billion in 1941 to \$13 billion in 1946, insured commercial banks now hold about 30 percent of the total as compared with 24 percent in 1941.

Insured commercial bank holdings of obligations of States and political subdivisions were equal to 46 percent of their total capital accounts at the end of 1946. State-wide averages of bank investments in such securities ranged from 242 percent of total capital accounts in Mississippi to 3 percent in the District of Columbia. There was an even wider range of variation in this ratio among the individual banks. A distribution is available for the 6,454 insured commercial banks submitting reports to the Federal Deposit Insurance Corporation and is shown in Table 25. These banks had about three-quarters of a billion dollars invested in State and local government obligations, or an amount equal to about 63 percent of their capital accounts on December 31, 1946. Some banks do not invest in this type of obligation. No such securities were reported by 1,380 banks or 21 percent of the total. Another 61 percent of the banks reported holdings amounting to less than their capital accounts. The remaining 18 percent held amounts equal to more than their total capital accounts and 5 of these reported holdings of more than 10 times their capital accounts.

Table 25. DISTRIBUTION OF BANKS SUBMITTING REPORTS TO THE FEDERAL DEPOSIT INSURANCE CORPORATION ACCORDING TO RATIO OF OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS TO TOTAL CAPITAL ACCOUNTS, DECEMBER 31, 1946

Bank group	Number of banks	Percentage distribution
All banks	6,454	100.0%
Banks with a ratio of State, county and municipal obligations to total capital accounts of—		
None	1,380	21.4
0.1% to 49%	3,127	48.5
50% to 99%	816	12.6
100% to 199%	635	9.8
200% to 299%	250	3.9
300% to 399%	121	1.9
400% to 499%	61	0.9
500% or more	64	1.0

Changes in types of bank loans. A decline in the volume of loans for purchasing or carrying securities during 1946 was more than offset by substantial increases in other types of loans outstanding at insured

commercial banks. Total loans increased \$5 billion and amounted to \$31 billion at the end of the year. Commercial and industrial loans rose 48 percent to \$14 billion, consumer loans to individuals rose 71 percent to \$4 billion, and real estate loans rose 52 percent to \$7 billion. Loans for purchasing or carrying securities decreased by almost \$4 billion to \$3 billion outstanding on December 31, 1946. Most of the increase in this type of loan during the war was to provide credit for the purpose of purchasing or carrying Government obligations. The amount of the different types of loans outstanding at the end of 1945 and 1946, together with the change during 1946, is shown in Table 26.

Table 26. CHANGE IN LOANS AND DISCOUNTS OF INSURED COMMERCIAL BANKS DURING 1946

(Amounts in millions of dollars)

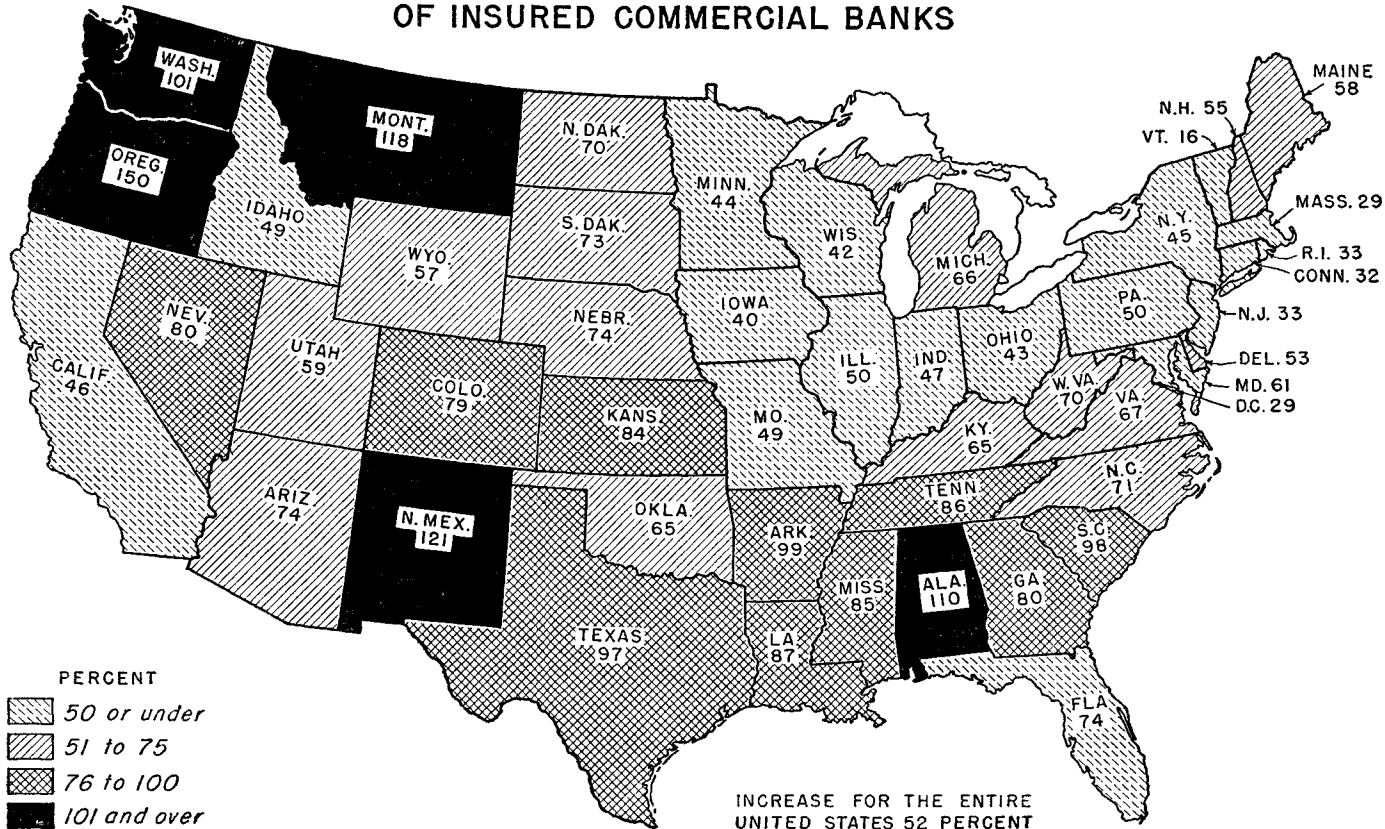
Type of loan	Dec. 31, 1946	Dec. 31, 1945	Change during 1946	
			Amount	Percent
Loans and discounts—total	\$30,740	\$25,769	\$4,971	19.3%
Commercial and industrial.....	14,019	9,462	4,557	48.2
Agricultural (excluding loans on farm land).....	1,358	1,314	44	3.3
Consumer.....	4,031	2,361	1,670	70.7
For purchasing or carrying securities.....	3,127	6,771	-3,644	-53.8
Real estate—total.....	7,107	4,680	2,427	51.9
<i>On farm land</i>	684	507	177	34.9
<i>On residential properties</i>	5,058	3,332	1,726	51.8
<i>On other properties</i>	1,365	841	524	62.3
All other loans (including overdrafts).....	1,098	1,181	-83	-7.0

The largest degree of expansion of total loans took place in the smaller banks. These banks not only expanded their commercial, consumer, and real estate loans to a greater extent than did the large banks, but they were relatively little affected by the decline in security loans. This was in marked contrast to the contraction in total loans of the large banks in New York, where the curtailment of security loans was greater than the expansion in other types of loans.

Real estate loans. The 52 percent expansion of real estate loans was greater in 1946 than in any other year for which these data are available. This type of loan accounted for 5 percent of total assets and 23 percent of total loans at the end of 1946 compared with 3 percent of total assets and 18 percent of total loans on December 31, 1945.

Every State reported substantial percentage gains in real estate loans during the year. These percentage increases by State are displayed in Chart E. Insured commercial banks in five States—Oregon, Montana, Washington, New Mexico, and Alabama—more than doubled their real estate loans in 1946. States in the South and West showed generally larger increases in these loans than States in the northeastern section of the country.

CHART E
 PERCENTAGE INCREASE DURING 1946 IN TOTAL REAL ESTATE LOANS
 OF INSURED COMMERCIAL BANKS



ASSETS AND DEPOSITS

The smallest percentage increase in real estate loans was reported for Vermont, where the proportion of total assets invested in real estate loans was 21 percent, the largest for any State. California, with the second highest ratio of real estate loans to total assets, had a relatively smaller proportionate increase in these loans than other States on the Pacific Coast.

Loans on farm lands increased 35 percent to \$0.7 billion, while loans on urban residential properties increased 52 percent to \$5.1 billion during 1946. Loans on all other properties, which include loans on commercial and industrial real estate, showed the largest relative gain, 62 percent, and totaled \$1.4 billion at the close of 1946.

CAPITAL

Total capital accounts of all commercial and mutual savings banks continued to grow in 1946, and amounted to \$11.4 billion at the end of the year. For all commercial banks, capital accounts amounted to \$9.6 billion on December 31, 1946, while total surplus and capital accounts of mutual savings banks were \$1.8 billion. Changes during 1946 for the different types of capital accounts are presented in Table 27.

Table 27. CHANGE IN CAPITAL ACCOUNTS AND CAPITAL RATIOS OF ALL COMMERCIAL BANKS AND ALL MUTUAL SAVINGS BANKS DURING 1946

(Amounts in millions of dollars)

Type of capital account or capital ratio	All commercial banks			All mutual savings banks		
	Dec. 31, 1946	Dec. 31, 1945	Percentage increase during 1946	Dec. 31, 1946	Dec. 31, 1945	Percentage increase during 1946
Capital accounts—total.....	\$9,561	\$8,933	7.0%	\$1,784	\$1,593	12.0%
Capital stock, notes, and debentures.....	3,243	3,130	3.6	5	5	.....
Surplus.....	4,155	3,873	7.3	1,218	1,101	10.6
Undivided profits, including all other capital accounts..	2,163	1,930	12.1	561	487	15.2
Ratio of total capital accounts to:						
Total assets.....	6.4%	5.5%	.....	9.5%	9.4%	.....
Assets other than cash and United States Government obligations.....	23.4	25.5	.....	29.2	27.8	.....

The 7 percent growth in capital accounts of all commercial banks during 1946 was at about the same rate as during the war years. Total assets, however, declined during the year; accordingly the ratio of total capital accounts to total assets increased from 5.5 percent to 6.4 percent. Although there has been a steady growth in total capital accounts since the business recession of 1938, the increase in total assets had been

relatively much greater in each year through 1945, so that the capital ratio declined from 11.8 percent at the end of 1937 to a low of 5.5 percent at the end of 1945. During 1946, however, the continued growth in capital accounts was coupled with a decline in total assets and the persistent downward movement in this ratio was reversed for the first time since 1937.

In contrast to the increase in the ratio of total capital accounts to total assets in 1946 was the drop in the ratio of capital accounts to assets other than cash and United States Government obligations. Early in the war this capital ratio rose chiefly because of the decline in loans; during the rest of the war it remained high because almost all of the increase in bank assets represented investment in Federal securities. With the sharp postwar expansion in loans, however, this ratio has declined from 25.5 percent at the end of 1945 to 23.4 percent at the close of 1946.

Examiners' adjustment of capital and appraisal of assets. The decline in the average ratio of capital to total assets since 1938 is emphasized by the change in the distribution of the ratios for individual banks. Such distributions for insured commercial banks examined in 1946 and 1938 based on the value of assets and capital accounts as adjusted by the examiners, are shown in Table 28.¹

Table 28. DISTRIBUTION OF INSURED COMMERCIAL BANKS ACCORDING TO RATIO OF ADJUSTED CAPITAL ACCOUNTS TO APPRAISED VALUE OF TOTAL ASSETS EXAMINATIONS IN 1946 AND 1938

Bank group	Number of banks		Percentage Distribution	
	1946	1938	1946	1938
All banks examined.....	12,493	13,350	100.0%	100.0%
Banks with a ratio of adjusted capital accounts to appraised value of total assets of:				
0.0% to 4.9%.....	4,578	248	36.7	1.9
5.0% to 9.9%.....	7,087	3,021	56.7	22.6
10.0% to 14.9%.....	704	5,524	5.6	41.4
15.0% or more.....	124	4,557	1.0	34.1

In 1938, three-fourths of the banks examined had adjusted capital ratios of 10 percent or more as compared with less than a tenth of the banks in 1946². Conversely, more than a third of the banks had capital amounting to less than 5 percent of their total assets in 1946, while only 2 percent of the banks had a capital ratio that low in 1938.

¹ The number of banks included in tabulations of examination data is less than that included in tabulations of reports of assets and liabilities since current examination reports are not available for all of the insured commercial banks operating at the end of each year. See page 133.

² Adjusted capital accounts equal book value of total capital accounts plus the value of assets not shown on the books, less examiners' deductions from total assets, and less liabilities not shown on the books.

Assets of the insured commercial banks examined in 1946 were appraised at virtually 100 percent of book value. Assets classified as substandard amounted to only \$526 million or 0.36 percent of the appraised value of total assets, as compared with 0.45 percent in 1945 and 5.12 percent in 1939. The trend since 1939 of the ratios of substandard assets to the appraised value of total assets and to adjusted capital accounts is shown in Table 29.

Table 29. SUBSTANDARD ASSET RATIOS OF INSURED COMMERCIAL BANKS EXAMINED IN 1939-1946

Year	Ratio of substandard assets to--	
	Appraised value of total assets	Adjusted capital accounts
1946.....	0.36%	6.02%
1945.....	0.45	7.58
1944.....	0.69	10.92
1943.....	1.24	17.84
1942.....	2.13	25.26
1941.....	2.84	31.12
1940.....	3.93	40.35
1939.....	5.12	48.21

The distribution of insured commercial banks according to the ratio of substandard assets to adjusted capital accounts in 1946 and 1945 is shown in Table 30.

Table 30. DISTRIBUTION OF INSURED COMMERCIAL BANKS ACCORDING TO RATIO OF SUBSTANDARD ASSETS TO ADJUSTED CAPITAL ACCOUNTS EXAMINATIONS IN 1946 AND 1945

Bank group	Number of banks		Percentage distribution	
	1946	1945	1946	1945
All banks.....	12,493	12,473	100.0%	100.0%
Banks with a ratio of substandard assets to adjusted capital accounts of--				
None.....	3,741	3,106	29.9	24.9
9.9% or less.....	5,753	5,902	46.0	47.3
10.0% to 19.9%.....	1,558	1,836	12.5	14.7
20.0% to 29.9%.....	640	769	5.1	6.2
30.0% to 39.9%.....	345	332	2.8	2.7
40.0% to 49.9%.....	183	202	1.5	1.6
50.0% to 99.9%.....	228	230	1.8	2.2
100.0% or more.....	45	46	.4	.4

The percentage of substandard assets to adjusted capital accounts continued to decline to 6.02 percent for banks examined in 1946 from 7.6 percent in 1945. These relatively low ratios stand out in contrast to

the ratio of 48.2 percent of adjusted capital accounts in 1939. In 1946, 3,741 of the insured banks examined had no assets classified as substandard, while 273 insured banks had substandard assets which amounted to 50 percent or more of adjusted capital accounts.

EARNINGS OF INSURED COMMERCIAL BANKS

Both total and net current operating earnings of insured commercial banks have increased in each year since 1938, and in 1946 attained the highest levels on record. The 1946 increases, in each case 15 percent, reflected chiefly the higher average rate of return secured on loans and the larger volume of loans. Net profits after taxes were slightly below the level attained in 1945 because charge-offs and income taxes were higher, and recoveries and profits on assets sold were lower. The 1946 net profits represented a rate of 10 percent of total capital accounts. The amounts of major items of earnings and expenses, 1934-1946, and percentage changes to 1946 from selected earlier years are presented in Table 31.

Table 31. EARNINGS, EXPENSES, AND PROFITS OF INSURED COMMERCIAL BANKS 1934-1946

(Amounts in millions of dollars)

Year	Total current operating earnings	Total current operating expenses ¹	Net current operating earnings ¹	Profits on securities sold	Net charge-offs ² on assets	Income taxes ³	Net profits after taxes	Cash dividends declared and interest paid on capital
1946..	2,863	1,763	1,100	209	83	323	902	299
1945..	2,482	1,523	960	267	22	299	906	274
1944..	2,215	1,357	858	130	34	203	751	253
1943..	1,959	1,256	703	103	41	128	638	233
1942..	1,790	1,222	569	66	114	79	441	228
1941..	1,730	1,216	514	145	154	50	455	253
1940..	1,631	1,170	461	178	215	23	401	237
1939..	1,605	1,148	457	215	272	12	388	232
1938..	1,584	1,148	436	173	299	10	300	222
1937..	1,634	1,156	478	117	203	11	381	226
1936..	1,567	1,114	453	268	185	12	524	223
1935..	1,486	1,078	408	231 ⁴	426 ⁴	5	207	208
1934..	1,518	1,114	404	148 ⁴	890 ⁴	3	-340 ⁵	188
Percentage change:								
1945 to 1946	15.4%	15.8%	14.6%	-21.7%	277.3%	8.0%	-0.4%	9.1%
1941 to 1946	65.5	45.0	114.0	44.1	-46.1	546.0	98.2	18.2
1935 to 1946	92.7	63.5	169.6	-9.5	-80.5	6360.0	335.7	43.8

¹ Figures for 1934-1941 are estimates and differ from reported figures by the amount of estimated income taxes excluded from total current operating expenses. See footnote 3.

² Book value of assets charged off minus recoveries on assets previously charged off.

³ Includes surtax and excess profits tax. Figures for 1934-1941 are estimates, based upon Bureau of Internal Revenue figures of income taxes paid by national banks for 1934-1937, and paid by "all banks and trust companies" for 1938-1941. Income taxes have been reported separately since 1936 for insured banks not members of the Federal Reserve System and since 1942, for banks members of the Federal Reserve System.

⁴ Estimated; profits on securities sold were not reported separately from recoveries on securities by banks not submitting reports to the FDIC.

⁵ Net loss.

Detailed figures for 1941-1946—See Table 114, pages 140-41.

Dividends paid to stockholders, though higher than in any previous year of deposit insurance, absorbed about one-third of net profits after taxes. Continuance of the conservative dividend policy followed by the banks during the war years resulted in substantial net additions to total capital accounts. These additions, coupled with a decline in total assets, brought about a rise in the ratio of total capital accounts to total assets—the first rise since 1937.

Widespread character of profitable operations. The improvement in the profitability of banking operations, which has been characteristic of recent years, has been general throughout the banking system. In each of the last three years, practically no banks have sustained net losses after taxes.

The improvement in rates of net profit in 1946 over the preceding year was also widespread; it occurred among banks throughout the country, except the larger banks in the large centers. It was the latter which had shown the most favorable rates of net profit in 1945, due in considerable extent to large profits on securities sold, chiefly United States Government obligations, and to a large expansion in security holdings. It was these banks which were most affected by the Treasury retirement program and by the less favorable market for United States Government obligations.

In 1946, as in each year for a number of years, there have been more banks with satisfactory and high rates of net profit, and fewer banks with losses or unsatisfactory rates of net profit. The increase in the percentage of banks with high rates of net profit over the three preceding years and 1938 is shown in Table 32.

Table 32. PERCENTAGE DISTRIBUTION OF INSURED COMMERCIAL BANKS ACCORDING TO RATE OF NET PROFIT ON TOTAL CAPITAL ACCOUNTS, 1938, 1943-1946

Rate of profit	1946	1945	1944	1943	1938
Number of banks.....	13,174	13,149	13,141	13,145	13,487
All banks ¹	100.0%	100.0%	100.0%	100.0%	100.0%
Banks with net loss.....	0.6	0.6	0.9	2.0	16.0
Banks with net profit after taxes per \$100 of total capital accounts of—²					
\$ 0.00 to \$ 4.99.....	5.7	8.1	9.8	17.4	29.3
5.00 to 9.99.....	28.4	36.0	38.5	43.2	32.0
10.00 to 14.99.....	35.3	34.6	34.1	26.0	15.4
15.00 to 19.99.....	19.0	14.2	12.3	8.1	5.2
20.00 or more.....	11.0	6.5	4.4	3.3	2.1

¹ Excludes banks submitting reports covering less than the full year's operations or materially affected by mergers.

² Total capital accounts are averages of figures at beginning, mid-year, and year-end call dates; except in 1938 and 1946 when total capital accounts for banks members of the Federal Reserve System are averages of figures for four call dates and three call dates, respectively.

In 1946, over 65 percent of all insured banks reported a rate of net profit after taxes of more than 10 percent of total capital accounts, as compared with 55 percent in 1945, 37 percent in 1943, and 23 percent in 1938. In 1938, the earliest year for which comparable figures are available, 16 percent of the banks sustained a net loss, whereas in each of the last three years less than 1 percent of the banks reported a net loss.

There was little relationship between size of bank and the ratio of net profits to total capital accounts in 1946. This is shown by the distribution of banks according to amount of deposits, given in Table 33. The smallest and the largest banks showed somewhat less favorable results than the intermediate groups. About 30 percent of all insured commercial banks had net profits in excess of 15 percent of total capital accounts. This proportion was exceeded by banks with deposits of from \$1 million to \$10 million each; the next smaller and next larger size groups showed a somewhat smaller proportion. However, only 14 percent of the smaller banks, with deposits of less than \$1 million each, and only 13 percent of the largest banks, with deposits of \$50 million or more each, attained such favorable results. Furthermore, almost 25 percent of the smallest banks, with deposits of less than \$500,000, but only 6 percent of all insured commercial banks, reported net losses or net profits of less than 5 percent of total capital accounts.

Table 33. DISTRIBUTION OF INSURED COMMERCIAL BANKS ACCORDING TO RATIO OF NET PROFITS TO TOTAL CAPITAL ACCOUNTS AND BY AMOUNT OF DEPOSITS, 1946

Size of bank	All banks ¹	Banks with net loss	Banks with net profits after taxes per \$100 of total capital accounts of— ²				
			\$0.00 to \$4.99	\$5.00 to \$9.99	\$10.00 to \$14.99	\$15.00 to \$19.99	\$20.00 or more
All banks ¹	13,174	83	753	3,744	4,648	2,496	1,450
Banks with deposits of—							
\$500,000 or less	541	11	113	209	130	51	27
\$500,000 to \$1,000,000	1,961	21	167	641	689	296	147
\$1,000,000 to \$2,000,000	3,364	17	163	915	1,190	676	403
\$2,000,000 to \$5,000,000	4,080	19	151	1,008	1,454	907	541
\$5,000,000 to \$10,000,000	1,703	7	77	441	623	345	210
\$10,000,000 to \$50,000,000	1,218	7	63	402	443	192	111
\$50,000,000 to \$100,000,000	135	1	11	49	53	15	5
More than \$100,000,000	172	.....	8	79	66	14	6

¹ Excludes banks submitting reports covering less than the full year's operations or materially affected by mergers.

² Total capital accounts are averages of figures for three call dates.

Sources of current earnings. In 1946, increases over 1945 were reported in all major categories of current earnings. Income from loans showed the largest gain, increasing 31 percent to \$951 million, the highest amount in any year since the establishment of Federal insurance of

deposits. Income from loans accounted for 33 percent of total current operating earnings in 1946, as compared with 29 percent in 1945. This increase in the proportion of income derived from loans represented a reversal of the downward trend since 1942. Income from loans had accounted for from 42 to 49 percent of total current earnings in each year from 1934 through 1941. The amount of income on loans and on securities, 1934-1946, is presented in Table 34.

Table 34. AMOUNTS AND RATES OF INCOME RECEIVED AND INTEREST PAID BY INSURED COMMERCIAL BANKS, 1934-1946

Year	Income on loans (in millions of dollars)	Income on securities (in millions of dollars)	Income on loans per \$100 of loans ¹	Income on securities per \$100 of securities ¹	Interest paid per \$100 of time & savings deposits ¹
1946.....	\$951	\$1,395	\$3.43	\$1.56	\$0.84
1945.....	726	1,300	3.09	1.46	0.87
1944.....	698	1,090	3.44	1.49	0.87
1943.....	706	861	3.85	1.52	0.93
1942.....	817	610	4.08	1.69	1.10
1941.....	848	509	4.27	1.95	1.20
1940.....	769	500	4.41	2.16	1.30
1939.....	727	522	4.46	2.38	1.43
1938.....	705	532	4.36	2.56	1.55
1937.....	710	572	4.28	2.68	1.62
1936.....	663	574	4.34	2.66	1.72
1935.....	643	548	4.40	2.87	2.01
1934.....	691	550	4.63	3.17	2.40

¹ Loans, securities, and deposits are averages of figures reported at beginning, middle, and end of year by banks submitting statements of assets and liabilities.

Detailed figures for 1946—See Tables 114 and 115, pages 140-43.

The gain in income from loans resulted both from a growth in the volume of loans and an increase in the rate of income from loans. Average loan holdings were about one-fifth higher in 1946 than in 1945, and the rate of income on loans was about one-tenth higher. For the first time since 1939, there was an increase in 1946 in the rate of income from loans. This reflected some firming of interest rates, but primarily a change in the composition of the loan portfolio. Banks held a higher proportion of high-income-producing loans, such as consumer instalment loans, and a lower proportion of low-income-producing loans, such as those made for the purpose of purchasing and carrying United States Government obligations.

The amount of income on securities increased in 1946, as it has in every year since 1940. From 1940 through 1945, the relative importance of securities as a source of income had increased steadily. However, in 1946 income from securities provided 49 percent of total current operating earnings, as compared with 52 percent in the prior year. Interest on United States Government obligations increased from \$1,133 million to \$1,219 million in 1946. Interest and dividend income from other securities also increased, from \$167 million to \$177 million.

The average rate of income on securities rose to 1.56 percent in 1946 from 1.46 percent in 1945; the rate had declined in every previous year since 1937 when the rate was 2.68 percent. The average rate of return on United States Government obligations was higher, 1.49 percent as compared with 1.37 percent in 1945, reflecting smaller holdings of bills, certificates and notes, and larger bond holdings. The average rate of income on securities of other obligors declined further in 1946 to 2.34 percent, from 2.52 percent in 1945.

The remaining portion of current operating earnings—somewhat less than one-fifth—was derived from various sources. Income from trust department and service charges on deposit accounts each accounted for slightly under 5 percent of total current earnings. These, as well as commissions, fees, safe deposit and real estate rentals, and other income grew at a rate commensurate with the growth in total current earnings.

Current operating expenses. Four-fifths of the increase in current operating expenses of banks since 1934 occurred in the last three years. All major categories of expense shared in the increase.

Salaries and wages, the most important item of bank expense in recent years, accounted for one-half of the increase in all current operating expenses over the three-year period. The largest increase occurred during 1946. The 1946 figure of \$831 million represented a 20 percent rise from 1945 and a 43 percent rise since 1943. The increase in the number of employees was a less important influence than higher salaries in causing the larger payrolls. Figures for number of employees and average salaries are shown in Table 35.

Table 35. AVERAGE NUMBER AND AVERAGE SALARY OF EMPLOYEES OF INSURED COMMERCIAL BANKS, 1943-1946

Salary item	1946	1945	1944	1943
Number of banks, December 31	13,359	13,302	13,268	13,274
Average number of employees (full and part-time):				
Officers.....	60,908	57,806	55,902	55,117
Others.....	258,335	237,326	227,512	221,060
Salaries and wages (in thousands of dollars):				
Officers.....	\$309,220	\$266,018	\$240,354	\$225,142
Others.....	521,709	424,881	386,346	356,958
Average salary per—¹				
Officer.....	\$ 5,077	\$ 4,602	\$ 4,300	\$ 4,035
Others.....	2,020	1,790	1,698	1,615

¹ These averages are derived by dividing the total salary payment by the average of the number of full- and part-time employees at the beginning and end of the year.

From 1945 to 1946, the average number of officers and employees increased 5 and 9 percent, respectively. The average salary of officers increased 10 percent; that of employees, 13 percent. From 1943 to 1946,

the average number of officers and employees increased 11 and 17 percent, respectively. During the same period the average salary of officers increased 24 percent; that of employees 25 percent.

Interest on time and savings deposits, \$269 million in 1946, rose 16 percent from 1945 and 64 percent from 1943. The increase since 1943 accounted for one-fifth of the increase in all current operating expenses in the last three years. The passage of the Banking Act of 1933 provided for elimination of interest on demand deposits. Prior to that date interest on demand and on time deposits combined had been the largest single item of current operating expense in most banks, and consistently amounted to about one-third of total current operating earnings. Since 1933, interest on time and savings deposits has been the second largest single item of expense, after salaries and wages. From 1934 through 1943 the amount of interest paid on time and savings deposits declined as a result of the progressive lowering of the rate paid on such deposits, as shown in Table 34. The significant increase since 1943 in the amount paid, in the face of continued decline in the rate, is attributable to the 81 percent increase in the amount of such deposits outstanding.

Taxes, other than those based upon or measured by net income, and recurring depreciation have fluctuated slightly from year to year, without significant change in level. Other expenses at \$526 million in 1946 absorbed 18 percent of total earnings and have increased in recent years at about the same rate as total operating expenses.

Charge-offs, recoveries, and profits on assets sold. In 1946 insured commercial banks reported profits on securities sold, chiefly United States Government obligations, of \$209 million. Although this was 22 percent less than the 1945 figure, it was significantly higher than the amount reported for the other war years (see Table 31). Profits in 1946 were exceeded in only three other years of the thirteen since establishment of Federal insurance of deposits. These profits on security sales contributed materially in 1946, as in 1945, to the high level of net profits.

Recoveries on securities, at \$60 million, were less than one-half the 1945 figure. Recoveries on loans, and recoveries and profits on other assets did not differ greatly from the amounts reported in recent years.

In 1946, insured commercial banks made provision for losses on assets by charge-offs or by additions to valuation allowances at the rate of about one-fifth of 1 percent of total assets or \$283 million. Recoveries in 1946 on losses previously charged off, and reductions in valuation allowances, amounted to almost three-quarters of charge-offs. As a result, the rate of net charge-offs in 1946 was only one-twentieth of 1 percent of total assets. In the preceding ten years, net charge-offs averaged about one-fourth of 1 percent, and during the first two years of deposit insurance were much higher.

Charge-offs on loans amounted to one-fourth of 1 percent in 1946. As in the three preceding years, recoveries exceeded charge-offs, thus resulting in net recoveries on loans in each of these years. Charge-offs on securities were no higher than in the preceding year, but recoveries were much lower, so that net charge-offs were significantly higher than in the preceding war years.

Rates of net charge-offs on assets of insured commercial banks, for each of the years 1934-1946, are presented in Table 36. Figures for charge-offs on securities as reported by the banks do not segregate losses and charge-offs, or recoveries, on United States Government obligations from those on other securities. It is not possible, therefore, to determine rates of charge-offs separately for classes of securities. It is probable that the high rate of losses and charge-offs on securities shown in the early years of deposit insurance were sustained largely on securities other than United States Government obligations. In 1945 and 1946, however, it is probable that a significant proportion of the charge-offs on securities represented lump-sum charge-offs or additions to valuation allowances to cover premiums on United States Government obligations purchased at prices above par.

Table 36. RATES OF NET CHARGE-OFFS¹ ON ASSETS OF INSURED COMMERCIAL BANKS, 1934-1946

Year	All net charge-offs per \$100 of total assets	Net charge-offs on loans per \$100 of loans	Net charge-offs on securities per \$100 of securities	Net charge-offs on securities per \$100 of "other" securities ²
1946	\$0.05	\$0.01 ³	\$0.08	\$0.96
1945	0.01	0.05 ³	0.01	0.16
1944	0.11	0.07 ³	0.02	0.29
1943	0.04	0.06 ³	0.04	0.39
1942	0.14	0.06	0.18	0.95
1941	0.21	0.16	0.33	1.25
1940	0.32	0.27	0.52	1.72
1939	0.45	0.43	0.68	2.15
1938	0.54	0.58	0.77	2.35
1937	0.37	0.31	0.56	1.65
1936	0.34	0.92	0.09 ⁴	0.28 ²
1935	0.88	1.62	0.80 ⁴	2.33 ⁴
1934	1.98	3.36	1.93 ⁴	5.33 ⁴

¹ Net charge-offs equals losses, charge-offs and additions to valuation allowances, less the sum of recoveries and reductions in valuation allowances. Asset items are averages of figures reported at beginning, middle, and end of year.

² "Other" securities consist of securities other than U. S. Government obligations, direct and guaranteed.

³ Net recoveries, i.e., excess of recoveries over charge-offs.

⁴ Recoveries on securities of banks not submitting reports to the Federal Deposit Insurance Corporation were not reported separately from profits on securities sold in 1934 and 1935. Recoveries on securities were estimated to be about 38 percent of total recoveries and profits on securities.

The net charge-off record since the establishment of deposit insurance, as shown in Table 36, may be broken into three periods. The high rate of net charge-offs during the early years of deposit insurance was due to the elimination of assets upon which losses had accumulated prior to

and during the depression. During the last four years, net charge-offs have been at an abnormally low level, reflecting the high rate and profitable character of business activity during the war, and immediately after cessation of hostilities. During the intervening period, the level of net charge-offs was materially above that of recent years, and materially below that of the early years. That intervening period, considered as a whole, was one of moderately rising prices and of increasing but less feverish business activity than in recent years. The net charge-offs reported then were for the most part sustained by banks on the assets acquired during those years. It seems probable that net charge-offs in the years ahead will be significantly higher than those sustained in recent years.

Net profits before income taxes. Net profits before income taxes of insured commercial banks, at \$1,226 million, were 2 percent larger than in 1945, and amounted to 13.6 percent of total capital accounts. Both the amount and the rate for 1946 were more than double the estimated amount and rate for each of the pre-war years since the inception of deposit insurance, except 1936. Rates of net profit, before and after taxes, are shown in Table 37.

Table 37. RATES OF NET PROFIT, BEFORE AND AFTER INCOME TAXES, AND OF CASH DIVIDENDS TO AVERAGE TOTAL CAPITAL ACCOUNTS, ALL INSURED COMMERCIAL BANKS, 1934-1946

Year	Amounts per \$100 of total capital accounts ¹			
	Net profit before income taxes	Net profit after taxes	Cash dividends declared and interest paid on capital	Net profit after cash dividends
1946.....	\$13.60	\$10.01	\$3.32	\$6.69
1945.....	14.46	10.87	3.29	7.58
1944.....	12.36	9.73	3.28	6.45
1943.....	10.57	8.82	3.23	5.59
1942.....	7.48	6.34	3.28	3.06
1941.....	7.47	6.72	3.75	2.97
1940.....	6.42	6.08	3.59	2.49
1939.....	6.16	5.99	3.58	2.41
1938.....	4.84	4.68	3.46	1.22
1937.....	6.15	5.97	3.54	2.43
1936.....	8.54	8.35	3.56	4.79
1935.....	3.42	3.35	3.35	²
1934.....	-5.44	-5.49	3.03	-8.52

¹ Total capital accounts are averages of figures for beginning, mid-year, and year-end call dates.

² Less than \$0.005.

Income taxes. Federal income taxes, at \$301 million, were 9 percent larger than in 1945, and were more than four times the amount paid in 1942. State income taxes at \$22 million were virtually unchanged from the preceding year. Federal and State income taxes absorbed 26 percent

of net profits before taxes in 1946, compared with 25 percent in 1945 and 15 percent in 1942. The amount of income taxes for the years 1934-1946 is presented in Table 31, page 57.

Net profits after taxes. Net profits after taxes, at \$902 million, were fractionally below the unprecedented amount reported in 1945. The rate of net profit, 10 percent of total capital accounts, was higher than in any year, except 1945, since the beginning of deposit insurance. The amount of net profits, 1934-1946, is presented in Table 31.

Dividends and additions to capital. Notwithstanding the unprecedented growth in net profits over the last four years, the rate of cash dividends declared by insured commercial banks has remained practically unchanged. The \$299 million of dividends paid, including interest on capital notes and debentures, in 1946 was 3.3 percent of total capital accounts. This conservative dividend policy is a continuance of the practice which has been characteristic of insured commercial banks since the banking crisis of 1933. In 1933 and each of the succeeding 13 years, dividends have amounted to less than 4 percent of total capital accounts. This represents a lower level than in any of the preceding 65 years for which adequate bank records are available. As a result of this conservative dividend policy the proportion of net profits retained for addition to net worth has been higher during recent years than during any previous period. In 1946, such additions to net worth amounted to 67 percent of net profits, or \$603 million. In recent years retained profits have constituted the major source of growth in total capital accounts.

EARNINGS OF INSURED MUTUAL SAVINGS BANKS

Both total and net current operating earnings of insured mutual savings banks have increased yearly since the beginning of World War II. At \$351 million, total current operating earnings were 9 percent larger in 1946 than in 1945. Net current operating earnings, at \$265 million, were 8 percent larger than in the preceding year.

In the past, one-half or more of total current operating earnings of mutual savings banks has consisted of income on real estate mortgage loans; the bulk of other current operating earnings consisted of income from securities of the types designated as legal for savings bank investment. In 1946 income from United States Government obligations provided 49 percent of total current operating earnings, reflecting the increased investment in such securities in recent years. At \$171 million, such income was 26 percent larger than in 1945 and 124 percent larger than in 1943. This increased investment has been accompanied by an increase in the rate of return, due to a lengthening of average maturities. Income from other securities has decreased throughout this period, reflecting chiefly a decline in the rate of interest return on such securities.

The amount and the rate of income on loans and on securities, 1943-1946, is shown in Table 38.

Table 38. AMOUNTS AND RATES OF INCOME RECEIVED AND DIVIDENDS PAID BY INSURED MUTUAL SAVINGS BANKS, 1943-1946

Year	Income on loans (in millions of dollars)	Income on securities (in millions of dollars)	Income on loans per \$100 of loans ¹	Income on securities per \$100 of securities ¹	Dividends paid depositors per \$100 of time & savings deposits ¹
1946.....	\$144	\$194	4.58	2.35	\$1.47
1945.....	143	160	4.61	2.30	1.49
1944.....	141	128	4.53	2.38	1.60
1943.....	139	101	4.44	2.54	1.65

¹ Loans, securities, and deposits are averages of figures reported at beginning, middle, and end of year.

Detailed figures for 1934, 1941-1946—See Tables 121 and 122.

Income on loans has remained almost constant in amount, and has represented a declining proportion of total current operating earnings in recent years. In 1946, at \$144 million, this amounted to 41 percent of such earnings. The rate of income on loans has remained practically constant at 4.6 percent, in sharp contrast to the decline experienced by commercial banks.

All other income, about 4 percent of total current operating earnings in 1946, was down sharply from recent years. This decline reflected the rapid disposal over the period of other assets, chiefly real estate acquired in settlement for mortgage loans in default.

Total current operating expenses at \$86 million were lower in 1946 than in 1943 or 1944, but were 10 percent larger than in 1945. Expenses declined as a ratio of total current operating earnings, from 32 percent in 1943 to 24 percent in 1945 and 1946. About one-half of that percentage decline occurred in taxes as a result of the disposal of real estate assets. Salaries and wages of officers and employees have risen in each of the recent years. This increase has been at a rate commensurate with the growth in total current operating earnings, the amount remaining at about 11 percent of the latter. All other expenses have remained approximately constant in amount in recent years. The decrease in maintenance and other real estate expenses, resulting from the disposal of real estate, has offset the increase in general operating costs of a more purely banking character.

In mutual savings banks, the return paid depositors constitutes a dividend, the amount of which is subject to determination by the Board of Directors or Trustees of the individual institution after the results of operations of a specific period have been ascertained. For this reason such dividends are not considered a current expense of the bank, although they are similar to interest paid on time deposits in commercial banks.

The amount of dividends paid has increased sharply in recent years, by 12 percent in the last year, and by 36 percent since 1943. The increase in amount is attributable entirely to the increase in the amount of time and savings deposits held, since the rate of dividends has declined steadily.

As in the case of commercial banks, insured mutual savings banks have secured substantial recoveries and profits on securities sold in recent years. Recoveries and profits on securities totaled \$127 million in 1945 and \$124 million in 1946. Charge-offs on securities have also been high, at \$37 and \$72 million, respectively. Net recoveries and profits on all assets amounted to \$46 million in 1945 and \$44 million in 1946. This situation stands out in contrast to the normal one in which charge-offs exceed recoveries, so that net charge-offs result.

Net profits after taxes at \$146 million in 1945 and \$144 million in 1946 amounted to 1.4 percent and 1.2 percent of average total assets of these mutual institutions. Profits retained as net additions to surplus and capital accounts during these years were 15 and 13 percent of such accounts. At the end of 1946, surplus and capital accounts represented 9.3 percent of total assets.

PART THREE
SPECIAL REPORTS

EXAMINATION OF MUTUAL SAVINGS BANKS
TYPES OF DEPOSITS IN INSURED COMMERCIAL BANKS, 1936-1945

EXAMINATION OF MUTUAL SAVINGS BANKS

Examinations of insured banks by the Federal Deposit Insurance Corporation have two aims: first, to determine as accurately as possible the condition of each bank and thereby the risk which the Corporation has assumed in insuring its deposits; second, to be helpful to bank officials in handling the affairs of their banks with the maximum service and minimum loss to depositors, investors, and customers of the bank. These objectives of bank examination require for their accomplishment: (a) classification of bank assets in terms of quality; (b) elimination from the bank's books of known or determinable losses; and (c) provision for losses which are expected to occur though not immediately ascertainable with respect to specific assets.

On July 1, 1946, the Federal Deposit Insurance Corporation instituted a new method of determining the condition of mutual savings banks which will achieve a more satisfactory classification of assets and a more adequate provision for losses. This new technique of examination gives more emphasis to the close relationship existing between managerial methods of asset administration and the examining process of asset classification and valuation.

Classification of assets. Classification of bank assets, by segregating into appropriate groups assets of similar or like qualities, provides both management and supervisory authorities with the basis for appraising the results of a bank's selection of loans and investments. The classification of assets of mutual savings banks under the new system is designed to give primary attention to the probable ultimate loss on each group of assets, and to avoid the emphasis formerly placed on current market value. The assets are placed in groups according to the degree of risk to the bank, judged by stated objective standards. Four basic groups are used: Standard, Borderline, Substandard, and Specific Losses.

The Standard Group comprises those assets in which there is no credit risk, as distinguished from market risk, and, also, those assets in which there is no more than the normal risk inherent in lending operations.

The Borderline Group is made up of assets which are weak because of narrow margins of equity protection or other characteristics making them very vulnerable to changing conditions. During periods of high business activity such assets may appear to be adequately supported by appraisals or ratings and are current with respect to debt service requirements. However, they deteriorate rapidly with adverse circumstances in the local or national economy. If held in large volume, such assets produce losses in times of stress which quickly impair the capital accounts of the holding institution.

The Substandard Group contains assets lacking those qualities which are essential to assets suitable for bank investment. These assets do not have sufficient compensating factors to offset or counterbalance weakness of equity; and have characteristics which, in their present form, would preclude their acquisition by the bank. Each of these assets involves a high probability of loss, though the amount of loss on any one item can not be specifically determined at the time of the examination. Assets in this Group and in the Borderline Group require an unusual degree of managerial attention and judgment, and current provision for loss even though the final amount of loss is not predictable.

The Specific Losses Group includes those assets in which losses are definitely established, or which are otherwise devoid of bankable value.

Assets in two of the basic groups—Standard and Substandard—are subclassified, making six categories in all. The definitions of these categories, given below, are phrased in general terms, so as to permit the flexibility necessary to cover all possible degrees of variation in the quality of bank assets.

Standard

A-1. Assets in which the credit risk is non-existent.

A. Acceptable assets in which the margin of protection is adequate to meet ordinary contingencies and in which only nominal losses are likely to develop.

Borderline

B. Assets in which the limited margin of protection suggests the likelihood of future losses.

Substandard

C. Assets in which the margin of protection is negligible or non-existent, and in which losses are already in evidence or are likely to develop even under favorable circumstances.

D. Assets lacking qualities essential for investments suitable for banks of deposit.

Specific Losses

X. Assets which are definitely established losses or otherwise devoid of bankable value.

The report of examination contains a summary of the book values of the assets placed in each category, with lists of the assets classified lower than A. Specific assets affected by unusual circumstances are made the subject of special narrative comment.

Elimination of known losses. The method of providing for losses before the amount of such losses are determinable in amount, which is

described below, will result in the creation and maintenance of a valuation allowance account to which subsequently established losses will in most cases be charged. However, currently known losses which are subject to immediate elimination by a direct charge against the bank's current earnings or net worth (rather than against the valuation allowance as prescribed) are placed in classification X. It will be applicable ordinarily to assets devoid of bankable value which therefore are not subject to classifications B, C, or D. It is expected that the use of this classification will be infrequent after the new procedure is fully established.

Valuation allowances for losses not specifically determined.

Maintenance of a sound bank requires, as an adjunct to constant managerial attention, capital accounts and cushions adequate to absorb all future losses. The process of maintaining soundness starts with the correction of weakness in those assets which have lost some or all of the characteristics which make them suitable savings bank investments. Accordingly, the program of providing for losses, the amount of which cannot be determined for each specific asset, is based upon those assets bearing classifications B, C, and D. Provision for the losses in these categories of assets is to be accomplished by the establishment and maintenance of a valuation charge-off account. Additions to this account are to be made periodically, preferably from current earnings or nonrecurring profits, but if necessary by a transfer from surplus accounts.

The program provides that each year there will be added to the valuation charge-off account a sum equal to 2-1/2 percent of the B classification, 5 percent of the C classification, and 7-1/2 percent of the D classification until such time as the aggregate provision reaches a minimum of 20 percent of B, 33-1/3 percent of C, and 50 percent of D. Further, if an asset is placed in the D classification each year for a period of 10 years, an addition to the valuation charge-off account, by a charge against profit and loss, will be made in an amount sufficient to reduce the book value of that specific asset to a nominal value. It is also contemplated that this account will be used as a flexible and mobile account to which all established losses may be charged.

The required amount to be accumulated in the valuation charge-off account set forth above constitutes a desirable minimum only, and is not to be considered a deterrent to the provision of a larger sum if a bank's management desires to do so. It is axiomatic that valuation allowances do not of themselves cure asset weaknesses and the accumulation of such funds is not the primary objective. The objective is acquisition and retention by banks of acceptable assets only; the methods of loss elimination are intended to be efficient tools in the hands of management to that end.

Banks which have already accumulated substantial valuation allowances are in a more advantageous position than are institutions with

a similar volume of Substandard and Borderline assets which have made little or no provision for losses on those assets. Valuation allowances, both allocated and unallocated, on a bank's books at the time of the first examination under the new method are given consideration and have the effect of reducing the amount to be periodically added to the valuation charge-off account. Existing valuation allowances against loans, securities, or other types of assets are allocated to the B, C, and D groups of assets according to the percentage which the existing valuation allowance bears to the contemplated ultimate minimum provision for each of these types of assets.

The new system, by using gradations of quality in classifying assets and by shifting emphasis from current market values to the probable amount of loss to the bank, provides a more accurate evaluation of the condition of savings banks. It provides the Federal Deposit Insurance Corporation with an appraisal of the condition of savings banks on a "going concern" basis rather than on a "liquidation" basis as heretofore. In addition, it promotes corrective action on the part of management by focusing attention upon those assets which are no longer sound. The use of the system will be of valuable assistance to bank managements in the control and administration of the assets and in preparing for the uncertainties of the future.

Development of the new plan of examination. The new system of examining mutual savings banks has evolved out of the examining and liquidation experience of the Federal Deposit Insurance Corporation. The evolution has occurred both with respect to the concepts and to the methods of implementation.

When the Corporation was established, banks had just passed through a period of violent economic distortion resulting in depositor unrest and bank insolvency. Accordingly, bank supervisory authorities were then most concerned with such immediate factors as liquidity of assets and the losses which were depleting capital.

At that time bank supervisory authorities generally followed the practice in examination reports of classifying criticized assets as "estimated loss," "doubtful," or "slow." In the case of loans, the first of these three categories represented those loans or parts of loans which, in the opinion of the examiner, could not be collected; and the second those in which there existed, in the examiner's opinion, a substantial probable loss not yet definitely ascertainable in amount, as a consequence of which the ultimate collection or value was doubtful.

There was considerable confusion, however, as to the meaning of the "slow" classification. In the latter part of 1934 an effort was made to clarify this classification and to avoid an imputation of inferior credit quality to assets on which no loss was regarded as probable, solely because

they were not immediately salable or collectible at full value. During the following years attempts were made to divorce the term "slow" used in loan classification from its temporal connotation and to restrict this term to the concept of inferior credit quality. The executive committee of the National Association of Supervisors of State Banks studied the problem and on April 5, 1938, this committee recommended that the term "slow" no longer be used in examinations of State banks and that the term "substandard" be substituted.

In June 1938, in an agreement by the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Board of Directors of the Federal Deposit Insurance Corporation, all three of the captions, "Slow," "Doubtful," and "Loss," were abandoned. Substituted for them were the numerals II, III, and IV, respectively. Loans not criticized were to be placed in Classification I.¹

These efforts to clarify the concepts and terms used in loan classification were manifestations of a fundamental change in attitude not only of bank supervisors but also of other individuals and groups concerned with loans and lending. The collapse of prices during the depression of the early 1930's had made it clear that market price could not be relied upon as a dependable criterion of asset quality in periods of stress.

The inadequacy of market price as a criterion of quality was perhaps most clearly demonstrated in the case of real estate other than bank buildings. Unlike most assets of a bank, which are obtained by direct investment, "other real estate" is always acquired in consequence of a previously contracted loan which has become uncollectable. In most instances the market for such assets is narrow, and in the 1930's opportunities to sell such assets at satisfactory prices were especially limited. Use of market price was clearly not an acceptable method of evaluation, and an alternative was needed. The most logical alternative was to abandon market price and to substitute an immediate appraised value not in excess of book value, combined with a realistic program for periodic downward adjustments pending removal of the asset.

The Federal Deposit Insurance Corporation initiated such a program soon after it began operations. Arrangements were made with the majority of the State supervisory authorities whereby unsold real estate was appraised at book value after initial adjustment, provided that thereafter write-downs were made or valuation allowances created at fixed annual rates. These rates, in most instances, contemplated complete write-off of each unsold parcel of other real estate within a period of ten years.

¹ These classifications are defined in the 1938 Annual Report of the Federal Deposit Insurance Corporation, pp. 63-64.

The results of this program for "other real estate" were highly satisfactory. Reliance upon current markets as a measure of examination value was eliminated; deterrents to the actual realization of losses were removed by requiring prior provision for such losses, thus encouraging and facilitating disposition of all "other real estate" regardless of quality; and the periodic write-down reduced the impact of the losses upon the capital structure of banks.

A similar problem existed in the case of securities owned by banks, but a new method of appraising the value of securities was not as quickly developed. For four years the Corporation, in its examination of banks, followed the customary procedure and valued securities on the basis of market prices. The net amount by which the market or estimated value of a bank's securities was below book value was reflected in the analysis of capital as an "estimated loss" and, conversely, the excess of market over book value was treated as an addition under the term of "unrealized appreciation." One consequence of this was that any fluctuation in bond prices was directly reflected in the adjusted capital accounts of banks. The extent of this effect on capital was proportional to the holdings of securities relative to capital. For example, in the case of a bank holding securities totaling approximately three times its capital, a common relationship at that time, a 5 percent increase in security prices increased the adjusted capital account by 15 percent. Conversely, a decline of 5 percent in security prices reduced the adjusted capital account by 15 percent. The proportion of securities to capital has now risen to approximately ten to one, which means that a 1-1/2 percent change in security prices would produce, if market prices were used in evaluating a bank's assets, a 15 percent change in the adjusted capital account.

To remedy this situation a uniform procedure was adopted in 1938 by the Federal and by most of the State bank supervisory agencies which in effect accomplished for securities what had been done for "other real estate."² Under the uniform procedure securities classified in Group I were appraised at book value or amortized cost, irrespective of market value; lower grade and substandard securities were appraised by methods designed to emphasize constantly their weakness and unsuitability as bank assets. This procedure encouraged the write-down or disposal of assets of inferior grade.

These methods of evaluating loans, "other real estate," and securities, developed for use in examining commercial banks, were also applied to the comparatively few insured mutual savings banks. In 1943 a large number of mutual savings banks was admitted to Federal deposit insurance and at that time the Corporation deemed it opportune to develop an examination procedure which would recognize the special characteristics of this group of banks.

² This procedure is described in the Annual Report of the Corporation for 1938, pp. 64-68.

In its examining procedure the Corporation has developed and embraced the principle that the determination of net worth on a liquidation basis through the use of market value is undependable and unsatisfactory. It is further aware of the fact that, particularly in the case of mortgage loans, there had been overemphasis on the "estimated loss" classification in reports of examination, and inadequate consideration of the much larger group of assets—the marginal, borderline, and substandard—from which subsequent losses flow. In other words, the emphasis upon the immediacy of some losses diverted needed consideration from the larger loss potentialities contained in unsound assets. It was the evaluation of these unsound assets that was distorted most by fluctuations in current market prices. The over-emphasis given market value had the effect of forcing recourse to improvisations and expedients not in keeping with the maintenance of a sound asset structure.

The programs in connection with "other real estate" and with securities have proved to be effective means of approaching and solving these problems in advance of the development of serious losses. Accordingly, the principles which underlay those programs were further developed and adapted to meet the problems peculiar to mutual savings banks. By the middle of 1946 sufficient progress had been made to permit utilization of the new system of examination for these banks. It is believed this procedure will better serve the purposes of the Corporation as well as the interests of the banks in that it will tend (a) to portray more quickly and accurately the development of unsound situations in individual mutual savings banks, and (b) to effect the necessary corrections, as promptly as possible.

TYPES OF DEPOSITS IN INSURED COMMERCIAL BANKS, 1936-1945

The surveys of deposits by size of account made by the Corporation in 1936, 1938, 1941, and 1945, included information on types of deposits.¹ Comparative data regarding the major classes of deposits in insured commercial banks on these dates are given here, together with more detailed tabulations for the 1945 date.

The insurance protection in a bank placed in receivership, under present law, is limited to \$5,000 for each depositor in a single right and capacity. Table 39 shows by class of deposit, for available dates, the percentage of deposits, protected under this maximum and the percentage of the number of deposit accounts fully protected; and also the corresponding percentages if the maximum insurance coverage had been \$10,000 and \$25,000, respectively.²

Percentage of total deposits protected by insurance. In 1945 insured deposits amounted to 43 percent of total deposits. However, there was great variation in the insurance coverage of the various types of deposits. In 1945, 89 percent of the savings and time deposits of individuals, partnerships and corporations was covered by insurance, and 39 percent of their demand deposits was protected. The types of deposits with the least insurance protection were those of the United States Government (including postal savings) and those of other banks, with 1 and 3 percent, respectively.

In 1936 insured deposits were also 43 percent of total deposits. However, during the nine years from 1936 to 1945 some changes occurred in the proportions of the various types of deposits protected by insurance. Coverage of savings and time deposits increased by several percentage points; that of uninvested trust funds and of demand deposits of individuals, partnerships, and corporations were almost the same in the two years; while that of the other categories of deposits declined.

An increase to \$10,000 in the maximum insurance for each depositor would have raised the insured deposits in 1945 to 49 percent of all deposits, and an increase to \$25,000 would have raised the amount to 57 percent of all deposits. With a \$10,000 coverage, savings and time deposits of individuals, partnerships and corporations would have been protected by insurance to the extent of 95 percent and their demand deposits to 48 percent; the protection with coverage of \$25,000 per depositor would have been 98 percent and 58 percent, respectively.

¹ The surveys were made on the following dates: May 13, 1936; September 21, 1938; September 24, 1941; and October 10, 1945. Reports of the surveys were published in previous annual reports of the Corporation, as follows: 1936, pp. 65-77; 1938, pp. 79-99; 1941, pp. 63-78; and 1945, pp. 63-80.

² Technically, the figures shown in the table refer to accounts with balances not in excess of \$5,000, \$10,000, and \$25,000, respectively, and to the balances in those accounts, plus \$5,000, \$10,000, or \$25,000, respectively, in each of the larger accounts. Since two or more accounts belonging to the same person in the same capacity will be combined when depositors in a failed insured bank are paid off by the Corporation, the actual insurance protection is slightly less than that indicated by the percentages in the table.

Table 39. ACCOUNTS FULLY PROTECTED AND DEPOSITS INSURED WITH COVERAGE OF \$5,000, \$10,000, AND \$25,000

Type of deposit	Percent of deposits insured				Percent of accounts fully protected			
	1945	1941	1938	1936	1945	1941	1938	1936
With maximum coverage of \$5,000—total	43%	38%	45%	43%	96.5%	98.1%	98.4%	98.4%
Deposits of individuals, partnerships, and corporations:								
Demand.....	39	33	38	38	95.1	97.5	98.1	98.1
Savings and time.....	89	86	84	82	97.9	98.9	98.9	99.0
Interbank deposits.....	3	4	5	6	16.3	25.2	29.5	29.0
Deposits of States and political subdivisions.....	10	11	13	12	73.6	79.2	80.3	80.0
U. S. Government and postal savings deposits.....	1	3	4	3	72.4	78.3	74.0	61.2
Uninvested trust funds.....	31	29	35	30	93.4	94.7	95.7	94.9
Drafts.....	41	42	49	52	96.7	97.5	98.3	97.9
Other items.....	33	38	42	44	99.1	99.2	99.4	98.7
With maximum coverage of \$10,000—total	49%	44%	51%	Not available	98.6%	99.2%	99.3%	Not available
Deposits of individuals, partnerships, and corporations:								
Demand.....	48	39	46	.....	97.7	98.7	99.0	.....
Savings and time.....	95	92	90	.....	99.6	99.8	99.8	.....
Interbank deposits.....	6	7	10	.....	24.0	35.0	41.9	.....
Deposits of States and political subdivisions.....	15	16	20	.....	82.1	86.2	87.1	.....
U. S. Government and postal savings deposits.....	1	5	6	.....	78.4	84.9	80.0	.....
Uninvested trust funds.....	41	37	44	.....	96.4	97.1	97.8	.....
Drafts.....	51	52	60	.....	98.3	98.7	99.1	.....
Other items.....	38	44	49	.....	99.6	99.6	99.7	.....
With maximum coverage of \$25,000—total	57%	51%	59%	Not available	99.5%	99.6%	99.7%	Not available
Deposits of individuals, partnerships, and corporations:								
Demand.....	58	49	55	.....	99.2	99.5	99.6	.....
Savings and time.....	98	95	94	.....	99.9	99.9	99.9	.....
Interbank deposits.....	14	15	20	.....	39.1	51.4	61.0	.....
Deposits of States and political subdivisions.....	24	25	31	.....	90.2	92.8	93.4	.....
U. S. Government and postal savings deposits.....	3	9	11	.....	84.3	90.3	87.1	.....
Uninvested trust funds.....	55	48	55	.....	98.6	98.8	99.2	.....
Drafts.....	66	67	74	.....	99.3	99.5	99.7	.....
Other items.....	46	52	59	.....	99.8	99.8	99.9	.....

NOTE: Percentages were calculated from the original figures before rounding.

Percentage of accounts fully protected. The proportion of accounts fully protected by deposit insurance is much larger than the proportion of deposits which are insured. However, due to the growth in the amount of deposits and the corresponding growth in the size of most accounts the percentage of accounts fully protected declined to 96.5 percent in 1945 from 98.4 percent in 1936. The decline in percentage of accounts fully protected occurred in each type of deposit with the exception of United States Government accounts and "other items."

The percentage of accounts fully protected by deposit insurance in 1945 ranged from 16 percent in the case of interbank accounts to 97.9 percent in the case of savings and time accounts of individuals, partnerships, and corporations and 99.1 percent in "other items." Ninety-five

percent of demand accounts of individuals, partnerships, and corporations were fully protected.

A maximum insurance coverage of \$10,000 for each depositor would have raised the proportion of all accounts fully protected to 98.6 percent and a coverage of \$25,000 to 99.5 percent. The coverage of \$10,000 would have fully protected 99.6 percent of the savings and time accounts of individuals, partnerships and corporations and 97.7 percent of their demand accounts. A coverage of \$25,000 would have raised these percentages to 99.9 percent and 99.2 percent, respectively.

Further details regarding the percentage of accounts fully protected, and also the percentage of deposits insured at each of the four special call dates are given in the table on the preceding page.

Amount of insured deposits. Table 40 shows the amount of total deposits and of insured deposits by type of deposit on the four special call dates; and for the call dates in 1938, 1941, and 1945, the additional amount of deposits which would have been insured with insurance coverage of \$10,000 and \$25,000, respectively.

Total deposits in insured banks rose to \$130 billion in 1945 from \$45 billion in 1936. At the same time insured deposits increased to \$57 billion from \$20 billion. About three-fourths of the increase in deposits occurred during the war period. Of the insured deposits in 1945, \$29 billion were in demand accounts of individuals, partnerships and corporations and \$25 billion in their savings and time accounts. The other types of insured deposits together aggregated less than \$3 billion.

The amount of savings and time deposits protected by insurance in 1945 was about two and one-half times the amount thus protected in 1936; while in the case of demand deposits of individuals, partnerships, and corporations insured deposits in 1945 were nearly four times the amount in 1936. This difference reflects the more rapid growth in demand than in savings and time deposits. The amount of other types of insured deposits in 1945 was about one and one-half times that in 1936.

With an insurance coverage of \$10,000 per depositor nearly \$9 billion of additional deposits or a total of \$65 billion, would have been insured in 1945. Of the increase, about \$6 billion would have been in the form of demand deposits of individuals, partnerships, and corporations, less than \$2 billion in savings and time accounts, and about \$1 billion in other types of accounts.

A maximum coverage of \$25,000 per depositor would have added another \$10 billion to insured deposits. Of this \$7 billion would have been in the form of demand deposits of individuals, partnerships, and corporations, less than \$1 billion in savings and time deposits, about \$1 billion in interbank deposits, and \$1 billion in other types of accounts.

Table 40. TOTAL AND INSURED DEPOSITS IN INSURED COMMERCIAL BANKS, 1936-1945

GROUPED BY TYPE OF DEPOSIT

Type of deposit	Amount (in millions)			
	1945	1941	1938	1936
All deposits—total	\$130,477	\$ 67,778	\$ 48,220	\$ 45,188
Deposits of individuals, partnerships and corporations:				
Demand	71,879	34,197	21,972	19,737
Savings and time	28,173	14,773	13,612	12,559
Interbank deposits	12,999	11,055	6,798	6,315
Deposits of States and political subdivisions	5,177	4,112	3,116	3,360
U. S. Government and postal savings deposits	7,984	886	839	1,165
Uninvested trust funds	1,645	1,464	997	1,150
Drafts	908	515	336	318
Other items	1,712	776	550	584
Insured deposits with coverage of \$5,000—total	\$ 56,514	\$ 26,043	\$ 21,705	\$ 19,578
Deposits of individuals, partnerships and corporations:				
Demand	28,705	11,389	8,535	7,620
Savings and time	25,252	12,774	11,557	10,351
Interbank deposits	461	445	396	379
Deposits of States and political subdivisions	529	462	425	422
U. S. Government and postal savings deposits	93	35	34	37
Uninvested trust funds	526	425	356	343
Drafts	375	216	167	167
Other items	573	297	235	259
Additional insured deposits with coverage of \$10,000	\$ 8,606	\$ 3,930	\$ 3,098	Not available
Deposits of individuals, partnerships and corporations:				
Demand	5,886	2,283	1,594	.....
Savings and time	1,633	826	811	.....
Interbank deposits	413	365	312	.....
Deposits of States and political subdivisions	268	216	199	.....
U. S. Government and postal savings deposits	53	17	20	.....
Uninvested trust funds	161	119	86	.....
Drafts	97	56	38	.....
Other items	95	48	38	.....
Further additional insured deposits with coverage of \$25,000	\$ 10,022	\$ 5,219	\$ 3,937	.....
Deposits of individuals, partnerships and corporations:				
Demand	7,142	3,138	2,155	.....
Savings and time	742	476	489	.....
Interbank deposits	1,053	381	692	.....
Deposits of States and political subdivisions	489	381	345	.....
U. S. Government and postal savings deposits	120	32	41	.....
Uninvested trust funds	213	169	114	.....
Drafts	133	77	46	.....
Other items	125	65	55	.....
Uninsured deposits with coverage of \$25,000	\$ 55,335	\$ 32,586	\$ 19,480	.....
Deposits of individuals, partnerships and corporations:				
Demand	30,146	17,387	9,688	.....
Savings and time	546	897	755	.....
Interbank deposits	11,072	9,364	5,398	.....
Deposits of States and political subdivisions	3,891	3,053	2,147	.....
U. S. Government and postal savings deposits	7,718	802	744	.....
Uninvested trust funds	740	751	441	.....
Drafts	303	166	85	.....
Other items	919	366	222	.....

Uninsured deposits under the \$5,000 limitation amounted to \$74 billion in 1945, or 57 percent of all deposits in insured commercial banks. With maximum coverages of \$10,000 and \$25,000 per depositor the amounts of uninsured deposits would have been reduced to \$65 billion and \$55 billion, respectively.

Number of deposit accounts. Table 41 shows the number of accounts in insured commercial banks, by type of deposit, on each of the four special call dates.

Table 41. NUMBER OF ACCOUNTS IN INSURED COMMERCIAL BANKS, 1936-1945

GROUPED BY TYPE OF DEPOSIT

Type of deposit	Number (in thousands)			
	1945	1941	1938	1936
All accounts—total	81,655	66,918	61,392	57,398
Deposits of individuals, partnerships and corporations:				
Demand	35,610	26,291	23,770	22,106
Saving and time	40,955	37,318	34,328	32,563
Interbank deposits	103	104	97	93
Deposits of States and political subdivisions	247	255	249	244
U. S. Government and postal savings deposits	44	18	17	14
Uninvested trust funds	680	620	579	516
Drafts	810	611	596	469
Other items	3,206	1,701	1,761	1,393
Accounts of \$5,000 or less—total	78,773	65,668	60,399	56,476
Deposits of individuals, partnerships and corporations:				
Demand	33,851	25,641	23,312	21,690
Saving and time	40,095	36,915	33,954	32,231
Interbank deposits	17	26	23	27
Deposits of States and political subdivisions	132	202	200	195
U. S. Government and postal savings deposits	32	14	13	9
Uninvested trust funds	635	587	554	490
Drafts	783	596	586	459
Other items	3,178	1,687	1,751	1,375
Accounts of \$5,000 to \$10,000—total	1,729	698	565	Not available
Deposits of individuals, partnerships and corporations:				
Demand	939	317	226	.....
Saving and time	711	323	237	.....
Interbank deposits	8	10	12	.....
Deposits of States and political subdivisions	21	18	17	.....
U. S. Government and postal savings deposits	2	1	1	.....
Uninvested trust funds	21	15	12	.....
Drafts	12	7	5	.....
Other items	15	7	5	.....
Accounts of \$10,000 to \$25,000—total	722	314	254	.....
Deposits of individuals, partnerships and corporations:				
Demand	521	193	137	.....
Saving and time	131	67	68	.....
Interbank deposits	15	17	18	.....
Deposits of States and political subdivisions	20	17	16	.....
U. S. Government and postal savings deposits	3	1	1	.....
Uninvested trust funds	15	10	8	.....
Drafts	9	5	3	.....
Other items	8	4	3	.....
Accounts of more than \$25,000	431	238	174	.....
Deposits of individuals, partnerships and corporations:				
Demand	299	140	95	.....
Saving and time	18	13	14	.....
Interbank deposits	63	51	38	.....
Deposits of States and political subdivisions	24	18	16	.....
U. S. Government and postal savings deposits	7	2	2	.....
Uninvested trust funds	9	8	5	.....
Drafts	6	3	2	.....
Other items	5	3	2	.....

From 1936 to 1945 the total number of accounts increased from 57 million to 82 million, or by 42 percent. The relative change in the number

of accounts with balances over \$5,000 was much greater than in those with \$5,000 or less. The latter increased by 39 percent, the former by 213 percent.

Savings and time deposits of individuals, partnerships, and corporations accounted for one-half of the total number of accounts in 1945, 41 million out of 82 million. Demand deposits of individuals, partnerships and corporations accounted for 36 million accounts, and all other types of deposits for about 5 million accounts. The proportions were similar in the case of accounts with balances of \$5,000 or less.

Types of deposits in banks grouped by size. The percentage distribution of amount of deposits by type in banks in various size groups in 1945 is given in Table 42. There is a substantial difference in the distribution of deposits by type among the banks in the various size groups. Demand deposits of individuals, partnerships, and corporations ranged from a little over one-half of total deposits in banks with total deposits of more than \$10 million each to over 70 percent in banks having total deposits of less than one-half million dollars. In contrast, savings and time deposits of individuals, partnerships, and corporations are a larger percentage of total deposits in banks in the middle-sized groups than in the smallest or the largest banks—the range being from 35 percent of total deposits in banks with deposits of \$5 million to \$10 million each, to about 14 percent in banks with less than \$250,000 deposits and also in those with more than \$100 million of deposits.

Table 42. PERCENTAGE DISTRIBUTION OF DEPOSITS OF INSURED COMMERCIAL BANKS ACCORDING TO TYPE OF DEPOSIT, OCTOBER 10, 1945
BANKS GROUPED BY AMOUNT OF DEPOSITS

	Total	Deposits of individuals, partnerships, and corporations		Inter-bank deposits	Public funds of States, etc.	U. S. Government deposits	Trust funds	Drafts	Other items
		Demand	Savings and time						
All banks.....	100.0%	55.1%	21.6%	10.0%	4.0%	6.1%	1.2%	0.7%	1.3%
Banks with deposits of—									
\$250,000 or less.....	100.0	78.2	13.6	.8	3.9	.5	1.6	1.7	.2
\$250,000 to \$500,000.....	100.0	72.7	18.4	.3	5.4	1.0	.2	1.6	.4
\$500,000 to \$1,000,000.....	100.0	68.6	22.7	.1	5.4	1.3	.1	1.5	.3
\$1,000,000 to \$2,000,000...	100.0	63.9	26.8	.3	5.6	1.5	.1	1.4	.4
\$2,000,000 to \$5,000,000...	100.0	58.1	31.1	.6	5.5	2.5	.2	1.4	.6
\$5,000,000 to \$10,000,000...	100.0	52.9	34.6	1.5	5.0	3.7	.4	1.2	.7
\$10,000,000 to \$25,000,000.	100.0	51.3	32.8	3.5	4.9	4.5	.9	1.2	.9
\$25,000,000 to \$50,000,000.	100.0	51.0	27.8	6.7	5.0	5.6	2.0	1.0	.9
\$50,000,000 to \$100,000,000	100.0	51.3	22.2	12.4	5.2	5.8	1.6	.6	.9
More than \$100,000,000....	100.0	55.6	14.6	15.2	2.9	8.0	1.6	.3	1.8

NOTE: Percentages were calculated from the original figures before rounding.

Interbank deposits are concentrated chiefly in banks in the larger size groups, such deposits amounting to 15 percent of total deposits in the banks having more than \$100 million deposits to a fraction of one percent in the smaller banks. United States Government deposits likewise tended to be concentrated in the larger banks, though the divergence is not as great as in the case of interbank deposits. Public funds of States and local governments are more evenly distributed, ranging from 4 to 6 percent of deposits in banks in all size groups except the largest where they constitute 3 percent.

Table 43 shows the distribution in 1945 of the demand deposits and of the savings and time deposits of individuals, partnerships, and corporations, both by size of account and by size of bank, together with the percentage of deposits insured in the banks in each size group.

Table 43. DISTRIBUTION OF DEMAND AND SAVINGS AND TIME DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS ACCORDING TO SIZE OF ACCOUNT, OCTOBER 10, 1945

INSURED COMMERCIAL BANKS GROUPED BY AMOUNT OF DEPOSITS

	Deposits (in millions)					Deposits insured with \$5,000 maximum coverage	
	Total	In accounts of—				Amount (in millions)	Per cent
		\$5,000 or less	\$5,000 to \$10,000	\$10,000 to \$25,000	More than \$25,000		
Demand accounts—total...	\$71,879	\$19,908	\$6,479	\$7,879	\$37,613	\$28,705	39%
In banks with deposits of—							
\$250,000 or less.....	13	10	2	1	(1)	12	91
\$250,000 to \$500,000.....	194	153	23	14	4	175	90
\$500,000 to \$1,000,000....	1,154	848	161	102	43	1,010	87
\$1,000,000 to \$2,000,000...	3,264	2,173	506	374	211	2,701	82
\$2,000,000 to \$5,000,000...	6,946	4,025	1,079	967	875	5,233	75
\$5,000,000 to \$10,000,000..	5,683	2,717	832	890	1,244	3,731	65
\$10,000,000 to \$25,000,000.	6,635	2,471	860	1,068	2,236	3,611	54
\$25,000,000 to \$50,000,000.	4,610	1,394	531	712	1,973	2,140	46
\$50,000,000 to \$100,000,000	4,816	1,105	439	633	2,639	1,761	36
More than \$100,000,000....	38,564	5,012	2,046	3,118	28,388	8,331	21
Savings and time accounts—total.....	\$28,173	\$20,954	\$4,439	\$1,786	\$ 994	\$25,252	89%
In banks with deposits of—							
\$250,000 or less.....	2	2	(1)	(1)	.....	2	95
\$250,000 to \$500,000.....	49	43	5	1	(1)	47	96
\$500,000 to \$1,000,000....	382	317	49	13	3	361	94
\$1,000,000 to \$2,000,000...	1,372	1,099	196	63	14	1,281	93
\$2,000,000 to \$5,000,000...	3,719	2,891	561	205	62	3,426	92
\$5,000,000 to \$10,000,000..	3,717	2,864	559	212	82	3,401	91
\$10,000,000 to \$25,000,000.	4,233	3,228	639	249	117	3,847	90
\$25,000,000 to \$50,000,000.	2,520	1,897	377	144	102	2,262	89
\$50,000,000 to \$100,000,000	2,087	1,562	320	122	83	1,871	89
More than \$100,000,000....	10,092	7,051	1,733	777	531	8,754	86

¹ Less than \$500,000.

NOTE: Percentages were calculated from the original figures before rounding.

A larger proportion of deposits in the smaller banks is insured than in the larger banks. This difference is especially striking for demand deposits of individuals, partnerships, and corporations, where the range is from 21 percent in banks in the largest size group to 91 percent in the smallest size group.

Table 44 shows the number of demand and of time and savings accounts of individuals, partnerships, and corporations grouped by size in banks grouped by the amount of their deposits. The small banks have comparatively few accounts with large balances, most of those accounts being in the larger banks. In the case of demand accounts, the percentage of accounts fully covered varies from 91 percent in the largest banks to 99 percent in the smallest banks; for savings and time accounts the variation is from 97 percent to 99 percent.

Table 44. DISTRIBUTION OF DEMAND AND SAVINGS AND TIME ACCOUNTS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS ACCORDING TO SIZE, OCTOBER 10, 1945

INSURED COMMERCIAL BANKS GROUPED BY AMOUNT OF DEPOSITS

	Total	Number of accounts (in thousands)				Percent of accounts of \$5,000 or less
		\$5,000 or less	\$5,000 to \$10,000	\$10,000 to \$25,000	More than \$25,000	
Demand accounts—total	35,610	33,851	939	521	299	95.1%
In banks with deposits of—						
\$250,000 or less	25	25	(1)	(1)	(1)	98.8
\$250,000 to \$500,000	340	335	4	1	(1)	98.7
\$500,000 to \$1,000,000	1,730	1,698	24	7	1	98.1
\$1,000,000 to \$2,000,000	4,246	4,140	75	26	5	97.5
\$2,000,000 to \$5,000,000	7,688	7,447	158	66	17	96.9
\$5,000,000 to \$10,000,000	5,081	4,878	121	60	22	96.0
\$10,000,000 to \$25,000,000	4,411	4,183	125	70	33	94.8
\$25,000,000 to \$50,000,000	2,491	2,342	76	47	26	94.0
\$50,000,000 to \$100,000,000	1,923	1,792	63	41	27	93.2
More than \$100,000,000	7,675	7,011	293	203	168	91.3
Savings and time accounts—total	40,955	40,095	711	131	18	97.9%
In banks with deposits of—						
\$250,000 or less	4	4	(1)	(1)	.....	99.0
\$250,000 to \$500,000	79	78	1	(1)	(1)	98.9
\$500,000 to \$1,000,000	569	560	8	1	(1)	98.4
\$1,000,000 to \$2,000,000	1,961	1,924	32	5	(1)	98.1
\$2,000,000 to \$5,000,000	5,749	5,643	90	15	1	98.1
\$5,000,000 to \$10,000,000	5,978	5,871	90	15	2	98.2
\$10,000,000 to \$25,000,000	6,827	6,703	103	18	3	98.2
\$25,000,000 to \$50,000,000	3,859	3,785	61	11	2	98.1
\$50,000,000 to \$100,000,000	3,139	3,078	51	9	1	98.0
More than \$100,000,000	12,790	12,449	275	57	9	97.3

¹ Less than 500 accounts.

NOTE: Percentages were calculated from the original figures before rounding.

Distribution of accounts and deposits by size of account and by State. Table 45 shows for each State the distribution by size of account of the number of demand accounts of individuals, partnerships, and corporations; and Table 46 shows the amount of insured deposits in these accounts. The percentage of accounts fully protected by insurance under the \$5,000 limitation and the amount of insured deposits are also given in the tables.

The proportion of demand deposits insured was lowest in New York and in Massachusetts, 18 and 29 percent, respectively; and highest in North and South Dakota, 78 percent each. The range among the States in fully protected accounts was not so great; in New York and Massachusetts fully protected demand accounts of individuals, partnerships, and corporations were 90.7 percent and 91.6 percent, respectively, while in Alabama and West Virginia the percentages were each 97.7.

Similar distributions of savings and time deposits of individuals, partnerships, and corporations are given in Tables 47 and 48. The percentage of these accounts fully protected by insurance ranged from 95.2 percent in Nevada to 98.9 percent in Connecticut and Nebraska. The proportion of savings and time deposits insured ranged from 83 percent in California to 94 percent in Connecticut, Massachusetts, Minnesota, Nebraska, South Dakota, and Vermont.

Table 45. DISTRIBUTION OF DEMAND ACCOUNTS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS ACCORDING TO SIZE OF ACCOUNT, OCTOBER 10, 1945

INSURED COMMERCIAL BANKS GROUPED BY STATE

State	Number of demand accounts of—					Percent of accounts of \$5,000 or less
	Total	\$5,000 or less	\$5,000 to \$10,000	\$10,000 to \$25,000	More than \$25,000	
United States and possessions—total	35,610,317	33,850,922	939,069	521,673	298,653	95.1%
United States—total	35,597,596	33,838,746	938,731	521,515	298,604	95.1%
State						
Alabama.....	786,836	768,889	10,349	5,486	2,612	97.7
Arizona.....	135,417	128,342	4,027	2,184	864	94.8
Arkansas.....	501,262	487,893	8,365	3,794	1,710	97.2
California.....	2,466,537	2,310,650	82,602	47,703	25,582	93.7
Colorado.....	307,503	287,609	11,656	5,750	2,488	93.5
Connecticut.....	281,559	263,234	9,389	5,734	3,202	93.5
Delaware.....	101,193	95,385	2,929	1,750	1,129	94.3
District of Columbia.....	337,668	322,379	7,800	4,664	2,825	95.5
Florida.....	628,803	597,011	13,107	9,631	4,054	94.9
Georgia.....	762,227	737,958	13,139	7,259	3,871	96.8
Idaho.....	163,779	154,870	5,518	2,550	841	94.6
Illinois.....	1,780,203	1,653,724	65,592	36,940	23,947	92.9
Indiana.....	1,010,271	970,511	23,379	11,141	5,240	96.1
Iowa.....	832,661	798,090	22,730	9,040	2,801	95.8
Kansas.....	731,363	700,956	19,644	8,304	2,459	95.8
Kentucky.....	869,997	846,296	14,927	6,251	2,523	97.3
Louisiana.....	585,729	561,972	12,328	7,165	3,664	95.9
Maine.....	108,335	102,020	3,396	1,956	993	94.2
Maryland.....	474,201	453,215	10,676	6,499	3,811	95.6
Massachusetts.....	645,116	590,878	24,396	17,459	12,333	91.6
Michigan.....	811,790	765,660	23,640	14,089	8,401	94.3
Minnesota.....	668,603	642,222	14,811	7,398	4,172	96.1
Mississippi.....	515,781	503,459	7,486	3,594	1,242	97.6
Missouri.....	1,324,377	1,274,661	28,029	13,935	7,752	96.2
Montana.....	179,266	167,236	7,606	3,435	989	93.3
Nebraska.....	474,573	450,630	15,407	6,330	2,161	95.0
Nevada.....	42,172	39,329	1,562	913	373	93.3
New Hampshire.....	77,579	74,002	1,910	1,102	565	95.4
New Jersey.....	1,096,904	1,041,389	30,583	16,881	8,051	94.9
New Mexico.....	135,155	129,125	3,635	1,840	555	95.5
New York.....	3,090,607	2,803,672	124,946	83,386	73,603	90.7
North Carolina.....	796,593	771,878	13,467	7,299	3,949	96.9
North Dakota.....	211,675	201,467	7,351	2,323	529	95.2
Ohio.....	1,437,579	1,359,065	40,356	23,449	14,709	94.5
Oklahoma.....	890,295	864,063	16,135	7,209	2,888	97.1
Oregon.....	390,001	367,477	13,252	6,466	2,806	94.2
Pennsylvania.....	2,435,448	2,314,927	63,370	36,167	20,984	95.1
Rhode Island.....	210,482	202,976	3,308	2,354	1,344	96.4
South Carolina.....	376,621	363,678	7,572	3,806	1,565	96.6
South Dakota.....	235,094	226,513	6,047	2,027	507	96.3
Tennessee.....	870,927	847,568	13,158	6,745	3,456	97.3
Texas.....	2,777,490	2,674,054	59,285	30,269	13,882	96.3
Utah.....	144,017	137,721	3,381	1,883	1,032	95.6
Vermont.....	81,162	78,616	1,424	804	318	96.9
Virginia.....	1,000,530	976,154	13,656	7,255	3,565	97.6
Washington.....	564,955	532,150	18,162	10,025	4,618	94.2
West Virginia.....	547,840	535,381	7,030	3,668	1,761	97.7
Wisconsin.....	600,256	563,285	17,852	9,205	4,914	94.7
Wyoming.....	99,059	94,456	2,771	1,388	444	96.4
Possessions—total	12,721	12,176	338	158	49	95.7

Table 46. DISTRIBUTION OF DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS ACCORDING TO SIZE OF ACCOUNT, OCTOBER 10, 1945

INSURED COMMERCIAL BANKS GROUPED BY STATE

State	Deposits (in thousands)					Deposits insured with \$5,000 maximum coverage	
	Total	In accounts of—				Amount (in thousands)	Percent
		\$5,000 or less	\$5,000 to \$10,000	\$10,000 to \$25,000	More than \$25,000		
United States and possessions—total.....	\$71,878,895	\$19,908,149	\$6,479,432	\$7,878,846	\$37,612,468	\$28,705,124	39%
United States—total State	\$71,863,524	\$19,899,852	\$6,477,141	\$7,876,484	\$37,610,047	\$28,694,102	39%
Alabama.....	711,128	318,480	70,670	82,297	239,681	410,715	57
Arizona.....	209,897	87,531	27,609	32,901	61,856	122,906	58
Arkansas.....	461,123	256,715	56,942	56,443	91,023	326,060	70
California.....	5,633,072	1,755,347	575,850	712,543	2,589,332	2,534,782	45
Colorado.....	601,053	214,491	80,255	86,189	220,118	313,961	52
Connecticut.....	634,377	164,206	64,539	86,870	318,762	255,831	40
Delaware.....	241,756	55,063	20,406	26,301	139,986	84,103	34
District of Columbia.....	580,431	162,117	54,231	70,796	293,287	233,562	41
Florida.....	906,569	343,388	125,043	146,382	291,756	502,348	55
Georgia.....	910,066	350,347	91,617	108,749	359,353	471,692	51
Idaho.....	238,794	112,165	37,705	37,606	51,318	156,710	65
Illinois.....	5,572,756	1,154,757	451,888	563,678	3,402,433	1,787,152	32
Indiana.....	1,361,787	565,196	159,901	167,532	469,158	763,996	56
Iowa.....	971,426	497,577	155,556	131,990	186,303	670,432	69
Kansas.....	880,336	446,358	134,487	120,528	178,963	598,393	68
Kentucky.....	856,695	458,074	101,636	93,152	203,833	576,579	67
Louisiana.....	781,896	290,378	89,099	108,478	293,941	409,163	52
Maine.....	177,948	62,890	23,655	29,454	61,949	94,465	53
Maryland.....	746,117	221,970	76,642	100,800	347,425	326,900	43
Massachusetts.....	2,250,375	391,723	170,895	270,195	1,417,652	662,913	29
Michigan.....	1,938,215	464,124	163,590	212,258	1,098,243	694,774	35
Minnesota.....	1,069,724	377,396	101,652	111,549	479,127	509,301	47
Mississippi.....	413,873	245,289	51,538	53,703	63,843	306,899	74
Missouri.....	2,013,504	721,125	192,000	213,233	887,146	969,705	48
Montana.....	292,914	133,921	52,074	49,184	57,735	194,071	66
Nebraska.....	708,785	320,314	105,037	91,940	191,494	439,804	62
Nevada.....	76,334	29,756	9,934	13,773	22,871	43,971	57
New Hampshire.....	101,177	37,246	13,244	16,644	34,043	55,131	54
New Jersey.....	1,689,772	573,802	210,965	252,007	652,998	851,377	50
New Mexico.....	159,315	80,818	24,820	27,490	26,187	110,968	69
New York.....	18,811,127	1,964,224	863,601	1,354,860	14,628,442	3,398,899	18
North Carolina.....	870,847	350,098	92,363	110,259	318,127	473,673	54
North Dakota.....	268,661	159,003	49,485	33,404	26,769	210,043	78
Ohio.....	3,074,769	812,528	280,271	356,039	1,625,931	1,205,098	39
Oklahoma.....	910,082	432,038	109,946	106,614	261,484	568,198	61
Oregon.....	704,135	281,069	90,815	97,625	234,626	393,689	55
Pennsylvania.....	4,892,515	1,283,553	437,908	543,740	2,627,314	1,886,158	38
Rhode Island.....	301,315	52,440	23,249	36,127	189,499	89,970	29
South Carolina.....	393,819	188,660	51,899	59,024	94,236	253,375	64
South Dakota.....	247,699	150,302	40,926	29,623	28,848	193,207	78
Tennessee.....	874,042	402,873	89,824	102,169	279,176	519,668	59
Texas.....	3,890,842	1,450,864	410,629	457,369	1,071,980	1,968,044	58
Utah.....	247,312	69,561	23,269	28,818	125,664	101,041	40
Vermont.....	74,003	33,540	9,809	12,124	18,530	46,270	62
Virginia.....	871,509	377,968	93,512	109,228	290,781	500,368	57
Washington.....	1,042,569	360,961	124,751	151,403	405,454	524,986	50
West Virginia.....	448,776	219,507	48,604	55,262	125,403	281,802	62
Wisconsin.....	1,129,171	360,898	123,646	138,527	506,100	520,753	46
Wyoming.....	119,116	57,181	19,154	20,324	22,457	80,196	67
Possessions—total.....	15,371	8,297	2,291	2,362	2,421	11,022	71

Table 47. DISTRIBUTION OF SAVINGS AND TIME ACCOUNTS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS ACCORDING TO SIZE OF ACCOUNT, OCTOBER 10, 1945

INSURED COMMERCIAL BANKS GROUPED BY STATE

State	Number of accounts					Percent of accounts of \$5,000 or less
	Total	\$5,000 or less	\$5,000 to \$10,000	\$10,000 to \$25,000	More than \$25,000	
United States and possessions—total.....	40,954,813	40,095,113	710,488	131,281	17,931	97.9%
United States—total.....	40,937,013	40,078,052	709,843	131,195	17,923	97.9%
State						
Alabama.....	343,640	336,427	5,787	1,234	192	97.9
Arizona.....	90,961	87,992	2,362	536	71	96.7
Arkansas.....	101,368	98,890	1,997	419	62	97.6
California.....	4,354,003	4,167,073	145,425	36,100	5,405	95.7
Colorado.....	267,500	262,102	4,457	833	108	98.0
Connecticut.....	684,291	627,107	6,338	783	63	98.9
Delaware.....	83,243	81,428	1,417	357	41	97.8
District of Columbia.....	323,690	318,367	4,136	987	200	98.4
Florida.....	319,214	310,313	7,220	1,458	223	97.2
Georgia.....	508,393	500,566	6,427	1,218	182	98.5
Idaho.....	84,834	81,973	2,402	393	61	96.6
Illinois.....	2,966,451	2,900,428	54,416	10,455	1,152	97.8
Indiana.....	1,028,456	1,008,854	16,945	2,343	314	98.1
Iowa.....	615,232	603,595	9,845	1,651	141	98.1
Kansas.....	235,593	232,834	2,263	449	47	98.8
Kentucky.....	294,547	289,517	4,182	751	97	98.3
Louisiana.....	479,737	473,985	4,718	878	156	98.3
Maine.....	371,845	367,848	3,623	594	30	98.3
Maryland.....	684,960	673,017	9,741	1,929	273	98.3
Massachusetts.....	1,337,091	1,320,298	14,623	1,994	176	98.7
Michigan.....	2,359,598	2,309,533	41,490	7,540	1,035	97.9
Minnesota.....	976,875	960,870	14,163	1,698	144	98.4
Mississippi.....	139,794	136,437	2,637	632	88	97.6
Missouri.....	1,012,691	999,026	11,840	1,655	170	98.7
Montana.....	102,334	99,927	1,955	414	38	97.6
Nebraska.....	219,353	216,926	2,043	351	33	98.9
Nevada.....	40,054	38,149	1,541	318	46	95.2
New Hampshire.....	128,964	127,375	1,329	226	34	98.8
New Jersey.....	2,969,806	2,921,441	42,262	5,556	547	98.4
New Mexico.....	42,724	41,563	878	241	42	97.3
New York.....	4,281,877	4,199,187	69,749	11,317	1,624	98.1
North Carolina.....	406,867	400,844	4,947	926	150	98.5
North Dakota.....	90,299	88,245	1,758	279	17	97.7
Ohio.....	2,986,447	2,925,660	51,033	8,562	1,192	98.0
Oklahoma.....	166,417	164,087	1,914	351	65	98.6
Oregon.....	400,280	389,821	9,328	1,023	108	97.4
Pennsylvania.....	4,222,821	4,155,904	55,388	9,919	1,610	98.4
Rhode Island.....	251,170	245,083	5,188	791	103	97.6
South Carolina.....	130,163	127,968	1,757	378	60	98.3
South Dakota.....	85,039	83,580	1,268	176	15	98.3
Tennessee.....	523,996	513,109	8,774	1,849	264	97.9
Texas.....	562,958	550,661	9,846	2,054	397	97.8
Utah.....	222,515	217,965	3,886	595	69	98.0
Vermont.....	213,964	210,585	3,027	314	38	98.4
Virginia.....	815,996	802,671	10,873	2,167	285	98.4
Washington.....	579,293	563,474	13,493	2,054	272	97.3
West Virginia.....	407,167	401,224	4,994	837	112	98.5
Wisconsin.....	1,425,031	1,396,177	23,201	3,369	284	98.1
Wyoming.....	49,471	48,241	957	236	37	97.5
Possessions—total.....	17,800	17,061	645	86	8	95.8

Table 48. DISTRIBUTION OF SAVINGS AND TIME DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS ACCORDING TO SIZE OF ACCOUNT, OCTOBER 10, 1945

INSURED COMMERCIAL BANKS GROUPED BY STATE

State	Deposits (in thousands)					Deposits insured with \$5,000 maximum coverage	
	Total	In accounts of—				Amount (in thousands)	Per cent
		\$5,000 or less	\$5,000 to \$10,000	\$10,000 to \$25,000	More than \$25,000		
United States and possessions—total	\$28,172,547	\$20,953,733	\$4,439,258	\$1,785,364	\$994,192	\$25,252,233	89%
United States—total State	\$28,154,476	\$20,941,096	\$4,435,186	\$1,784,252	\$993,942	\$25,235,901	89%
Alabama.....	221,033	160,626	35,609	16,956	7,842	196,691	82
Arizona.....	76,737	51,192	14,766	7,485	3,294	66,037	86
Arkansas.....	82,036	61,107	12,428	5,749	2,752	73,497	89
California.....	4,501,240	2,801,797	937,476	485,898	276,069	3,736,447	83
Colorado.....	188,512	143,926	27,548	11,339	5,699	170,916	90
Connecticut.....	336,025	281,651	39,355	10,104	4,915	317,571	94
Delaware.....	53,954	37,601	8,966	4,965	2,422	46,676	86
District of Columbia.....	201,532	148,599	26,163	13,534	13,236	175,214	86
Florida.....	249,815	171,870	44,324	19,732	13,889	216,375	86
Georgia.....	270,016	205,699	39,544	16,820	7,953	244,834	90
Idaho.....	77,065	54,760	14,587	5,377	2,341	69,065	89
Illinois.....	2,042,939	1,510,231	339,978	142,722	50,008	1,840,166	90
Indiana.....	691,586	539,157	103,140	31,879	17,410	637,347	92
Iowa.....	422,156	332,024	62,210	22,644	5,278	390,209	92
Kansas.....	130,201	107,712	14,894	6,124	1,971	130,201	93
Kentucky.....	186,577	147,217	25,287	10,285	3,788	172,367	92
Louisiana.....	230,072	181,750	28,722	12,192	7,408	210,510	91
Maine.....	169,504	135,422	22,995	8,077	3,010	156,907	92
Maryland.....	384,561	283,792	60,563	26,916	13,290	343,507	89
Massachusetts.....	707,494	581,868	90,968	24,455	10,203	665,833	94
Michigan.....	1,779,380	1,354,143	260,465	104,110	60,662	1,604,468	90
Minnesota.....	657,344	541,148	87,399	22,985	5,812	621,173	94
Mississippi.....	110,362	81,082	16,454	8,975	3,851	97,367	88
Missouri.....	562,410	454,493	74,155	23,372	10,390	522,818	93
Montana.....	83,769	64,520	12,163	5,644	1,442	76,555	91
Nebraska.....	120,656	101,837	12,902	4,833	1,084	113,972	94
Nevada.....	41,431	25,438	9,773	4,245	1,975	34,963	84
New Hampshire.....	59,662	46,657	8,463	3,045	1,497	54,602	91
New Jersey.....	1,709,327	1,353,548	254,371	73,795	27,613	1,595,373	93
New Mexico.....	33,963	23,277	5,458	3,305	1,923	29,082	85
New York.....	2,937,520	2,212,900	434,204	154,118	136,298	2,626,350	89
North Carolina.....	263,527	212,378	30,290	12,859	8,000	242,493	92
North Dakota.....	73,123	57,739	11,001	3,798	585	63,009	93
Ohio.....	2,077,040	1,577,786	315,844	117,787	65,623	1,881,721	91
Oklahoma.....	98,421	78,269	11,932	4,950	3,280	89,909	90
Oregon.....	339,962	266,444	55,144	13,655	4,719	318,739	93
Pennsylvania.....	2,434,465	1,839,747	344,091	137,035	113,542	2,174,332	89
Rhode Island.....	185,841	138,992	32,327	10,723	3,799	169,402	91
South Carolina.....	73,817	55,004	11,053	5,364	2,396	65,979	89
South Dakota.....	61,751	50,938	7,795	2,388	630	58,233	94
Tennessee.....	341,432	248,366	54,600	25,253	13,213	302,801	88
Texas.....	379,172	265,914	62,107	28,648	22,503	327,399	86
Utah.....	150,894	115,673	23,442	8,092	3,637	138,423	91
Vermont.....	121,712	97,725	18,106	4,205	1,676	114,620	94
Virginia.....	466,851	365,764	67,892	29,615	13,580	422,389	90
Washington.....	507,387	384,749	82,330	27,970	12,338	463,344	91
West Virginia.....	221,701	174,172	30,922	11,574	5,033	203,887	92
Wisconsin.....	1,001,005	797,487	145,442	45,319	12,757	931,757	93
Wyoming.....	37,496	26,915	6,038	3,287	1,256	33,065	88
Possessions—total	18,071	12,637	4,072	1,112	250	16,332	90

PART FOUR
LEGISLATION AND REGULATIONS

FEDERAL LEGISLATION

GOVERNMENT CHECKS AND WARRANTS—CLAIMS

[PUBLIC LAW 308—79TH CONGRESS]

[CHAPTER 48—2D SESSION]

[H. R. 129]

AN ACT

To provide for the barring of certain claims by the United States in connection with Government checks and warrants.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no proceeding in any court shall be brought by the United States or by any agency or official of the United States to enforce the liability of any endorser, transferor, or depositary, or financial agent, arising out of a forged or unauthorized signature or endorsement upon or alteration of any check, checks, warrant, or warrants issued by the Secretary of the Treasury, the Postmaster General, the Treasurer and Assistant Treasurers of the United States, or by disbursing officers and agents of the United States, unless such proceeding is commenced within six years after the presentation to the Treasurer of the United States or other drawee of such issued checks or warrants for payment of such check, checks, warrant, or warrants, or unless within that period written notice shall have been given by the United States or an agency thereof to such endorser, transferor, or depositary, or financial agent of a claim on account of such liability. Unless a court proceeding shall have been brought or such notice given within the period prescribed herein, any claim against such endorser, transferor, or depositary, or financial agent on account of such liability shall be forever barred: *Provided,* That in connection with any claim presented to the General Accounting Office within the time limitation prescribed by section 2 of the Act of June 22, 1926 (44 Stat. 76; U. S. C., title 31, sec. 122), the period within which such a proceeding may be brought or such notice given shall be extended by an additional one hundred and eighty days, and unless such notice shall be given or a court proceeding brought within such extended period any claim against such endorser, transferor, depositary, or financial agent on account of such liability shall be forever barred.

SEC. 2. The Comptroller General of the United States is authorized and directed to allow credit in the accounts of the Treasurer of the United States for the amount of any check, checks, warrant, or warrants with respect to which court proceedings shall have been barred pursuant to the provisions of this Act upon a showing that the barring of such proceedings did not result from any negligence on the part of the Treasurer of the United States in failing to give the notice required by the provision of section 1 of the Act.

SEC. 3. If any endorser, transferor, or depositary, or financial agent who is liable to any of the actions mentioned in this Act shall fraudulently conceal the cause of such action from the knowledge of the United States or any agency or official of the United States entitled to bring such action, the action may be commenced at any time within two years after the United States or any agency or official of the United States who is entitled to bring the same shall discover that the United States or any agency or official of the United States had such cause of action, although such action would be otherwise barred by the provisions of this Act.

Approved March 6, 1946.

FEDERAL CREDIT UNION ACT—AMENDMENT

[PUBLIC LAW 574—79TH CONGRESS]
 [CHAPTER 711—2D SESSION]
 [H. R. 6372]

AN ACT

To amend the Federal Credit Union Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Credit Union Act, as amended, is hereby further amended as follows: Paragraph (5) of section 7 is amended by adding at the end thereof the following: "The taking, receiving, reserving, or charging a rate of interest greater than is allowed by this subsection, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid the person by whom it has been paid, or his legal representatives, may recover back, in an action in the nature of an action of debt, the entire amount of interest thus paid from the credit union taking or receiving the same: Provided, That such action is commenced within two years from the time the usurious transaction occurred."

SEC. 2. Section 9 of such Act is amended by adding at the end thereof the following:

"Shares may be issued in joint tenancy with right of survivorship with any person designated by the credit union member, but no joint tenant shall be permitted to vote, obtain loans, or hold office, unless he is within the field of membership and is a qualified member."

SEC. 3. Subsection (c) of section 11 of such Act is amended by striking out the clause "fix the amount and character of the surety bond required of any officer having custody of funds" and inserting in lieu thereof the following: "require any officer or employee having custody of or handling funds to give bond with good and sufficient surety in an amount and character to be determined, from time to time, by the board and authorize the payment of the premium or premiums therefor from the funds of the Federal credit union".

SEC. 4. Subsection (d) of section 11 of such Act is amended by striking out in the first sentence thereof the following: "(by the treasurer)".

SEC. 5. The fourth sentence of subsection (d) of section 11 of such Act is amended to read as follows: "No loan shall be made to any member which shall cause such member to become indebted to the Federal credit union in the aggregate, upon loans made to such member, in excess of \$200 or 10 per centum of the Federal credit union's paid-in and unimpaired capital and surplus, whichever is greater, or in excess of \$300 unless such excess over \$300 is adequately secured."

SEC. 6. Subsection (e) of section 11 of such Act is amended by adding at the end thereof the following:

"As used in this subsection the term 'passbook' shall include any book, statement of account, or other record approved by the Governor for use by Federal credit unions."

SEC. 7. At the end of such Act a new section is added as follows:

"SEC. 22. The provisions of this Act shall be extended to and include the Panama Canal Zone."

SEC. 8. Subsection (b) of section 16 of such Act is amended to read as follows:

"(b)⁽¹⁾ The Governor may suspend or revoke the charter of any Federal credit union, or place the same in involuntary liquidation and appoint a liquidating agent

therefor, upon his finding that the organization is bankrupt or insolvent or has violated any provisions of its charter, its bylaws, or of this chapter, or of any regulations issued thereunder.

“(2) The Governor, through such persons as he shall designate, may examine any Federal credit union in voluntary liquidation and, upon his finding that such voluntary liquidation is not being conducted in an orderly or efficient manner or in the best interests of its members, may terminate such voluntary liquidation and place such organization in involuntary liquidation and appoint a liquidating agent therefor.

“(3) Such liquidating agent shall have power and authority, subject to the control and supervision of the Governor and under such rules and regulations as the Governor may prescribe, (i) to receive and take possession of the books, records, assets, and property of every description of the Federal credit union in liquidation, to sell, enforce collection of, and liquidate all such assets and property, to compound all bad or doubtful debts, and to sue in his own name or in the name of the Federal credit union, in liquidation, and defend such actions as may be brought against him as liquidating agent or against the Federal credit union; (ii) to receive, examine, and pass upon all claims against the Federal credit union in liquidation, including claims of members on shares; (iii) to make distribution and payment to creditors and members as their interests may appear; and (iv) to execute such documents and papers and to do such other acts and things which he may deem necessary or desirable to discharge his duties hereunder.

“(4) Subject to the control and supervision of the Governor and under such rules and regulations as the Governor may prescribe, the liquidating agent of a Federal credit union in involuntary liquidation shall (i) cause notice to be given to creditors and members to present their claims and make legal proof thereof, which notice shall be published once a week in each of three successive weeks in a newspaper of general circulation in each county in which the Federal credit union in liquidation maintained an office or branch for the transaction of business on the date it ceased unrestricted operations: *Provided*, That whenever the aggregate book value of the assets and property of a Federal credit union in involuntary liquidation is less than \$1,000, unless the Governor shall find that its books and records do not contain a true and accurate record of its liabilities, he shall declare such Federal credit union in liquidation to be a ‘no publication’ liquidation, and publication of notice to creditors and members shall not be required in such case; (ii) from time to time, make a ratable dividend on all such claims as may have been proved to his satisfaction or adjudicated in a court of competent jurisdiction and, after the assets of such organization have been liquidated, shall make further dividends on all claims previously proved or adjudicated; and the liquidating agent may accept in lieu of a formal proof of claim on behalf of any creditor or member the statement of any amount due to such creditor or member as shown on the books and records of the credit union: *Provided*, That all claims not filed before payment of the final dividend shall be barred and claims rejected or disallowed by the liquidating agent shall be likewise barred unless suit be instituted thereon within three months after notice of rejection or disallowance; (iii) in a ‘no publication’ liquidation, determine from all sources available to him, and within the limits of available funds of the Federal credit union, the amounts due to creditors and members, and after sixty days shall have elapsed from the date of his appointment, shall distribute the funds of the Federal credit union to creditors and members ratably and as their interests may appear.

“(5) Upon certification by the liquidating agent in the case of an involuntary liquidation, and upon such proof as shall be satisfactory to the Governor in the case of a voluntary liquidation, that distribution has been made and that liquidation has been completed, as provided herein, the Governor shall cancel the charter of such Federal credit union: *Provided*, That the corporate existence of the Federal credit union

shall continue for a period of three years from the date of such cancellation of its charter, during which period the liquidating agent, or his duly appointed successor, or such persons as the Governor shall designate, may act on behalf of the Federal credit union for the purpose of paying, satisfying, and discharging any existing liabilities or obligations, collecting and distributing its assets, and doing all other acts required to adjust and wind up its business and affairs, and it may sue and be sued in its corporate name.

“(b) After the expiration of five years from the date of cancellation of the charter of a Federal credit union the Governor may, in his discretion, destroy any or all books and records of such Federal credit union in his possession or under his control.”

Approved July 31, 1946.

DISTRICT OF COLUMBIA BANKS—SATURDAY HOLIDAY

[PUBLIC LAW 508—79TH CONGRESS]

[CHAPTER 576—2D SESSION]

[S. 2307]

AN ACT

To provide that every Saturday shall be a holiday for banks and building and loan associations in the District of Columbia.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth sentence of section 1389 of the Act entitled “An Act to establish a code of law for the District of Columbia”, approved March 3, 1901, as amended (D. C. Code, 1940 edition, sec. 28-616), is amended by inserting before the period at the end thereof a colon and the following: “*Provided,* That every Saturday shall be a holiday in the District and not a business day for (1) every bank or banking institution having an office or banking house located within the District, (2) every Federal savings and loan association whose main office is in the District, and (3) every building association, building and loan association, or savings and loan association, incorporated or unincorporated, organized and operating under the laws of and having an office located within the District; and any act which would otherwise be required, authorized, or permitted to be performed on Saturday in the District at the office or banking house of, or by, any such bank or banking institution, Federal savings and loan association, building association, building and loan association, or savings and loan association, if Saturday were not a holiday, shall or may be so performed on the next succeeding business day, and no liability or loss of rights of any kind shall result from such delay.”

Approved July 13, 1946.

STATE BANKING LEGISLATION

Some of the more important subjects dealt with in State banking legislation during 1946 are listed below:

SUPERVISORY AUTHORITY

Creation of Department of Banking	Kentucky (Ch. 191)
Appointment and qualification	Kentucky (Ch. 191)
Authority to prescribe maximum rates of interest on deposits . .	New Jersey (Ch. 264)
Examination of banks	Mississippi (Ch. 396)
Examination of trust companies and affiliates	Massachusetts (Ch. 66)
Fees for examination	Virginia (Ch. 8)

ORGANIZATION AND CAPITAL CHANGES OF BANKS

Organization	Kentucky (Ch. 141)
Increase of capital stock	Kentucky (Ch. 141)
Branches . .	Massachusetts (Ch. 87), New Jersey (Ch. 315, 317), New York (Ch. 788)
Merger or consolidation	Massachusetts (Ch. 87), New York (Ch. 788)

OPERATIONS

Surplus requirements from earnings	Missouri (Senate Bill 293)
Reserve requirements	New York (Ch. 64)
Transmission of money by savings bank	New York (Ch. 184)

Deposits:

Deposits of, or security for, public funds	
. Louisiana (Act 308), Mississippi (Ch. 303, 422), New York (Ch. 394, 778)	
Escheat of unclaimed deposits	New Jersey (Ch. 78), New York (Ch. 906, 907)
Maximum rates of interest on deposits prescribed by Commissioner	
. New Jersey (Ch. 264)	
Deposits in banking companies subject to withdrawal by check	
. Massachusetts (Ch. 115)	

Loans:

Loans pursuant to Servicemen's Readjustment Act:

Modification of loan limitations	California (Ch. 53), Massachusetts (Ch. 63, 126), Mississippi (Ch. 360), New York (Ch. 275), Rhode Island (Ch. 1656)
Validation of contracts of minor veterans . .	Idaho (House Bill No. 28X), Louisiana (Act 185), Michigan (Act 15), New Jersey (Ch. 134), New York (Ch. 275)
Validation of contracts of minor veterans and minor veterans' spouses	
. Mississippi (Ch. 321), South Carolina (Act 461)	
Loan limitation enlarged or made inapplicable to loans secured by obligations or guarantee of United States or its agencies	
. Kentucky (Ch. 177), Rhode Island (Ch. 1656), Virginia (Ch. 7, 14)	

Loans:—Continued

- Loan limitation enlarged or made inapplicable to loans secured by obligations or guarantee of enacting State or its subdivisions Kentucky (Ch. 177)
- Real estate loans Massachusetts (Ch. 154, 255, 256), Michigan (Act 7), Rhode Island (Ch. 1656), Virginia (Ch. 7)
- Instalment personal loans Kentucky (Ch. 60), New York (Ch. 88, 634)
- Limitation on total liability of one borrower
Massachusetts (Ch. 255), Missouri (Senate Bills 189, 245), Virginia (Ch. 14)
- Loan secured by stock of lending bank prohibited Virginia (Ch. 12)

Investments:

Savings bank investments:

- Personal loans Massachusetts (Senate Bill 280)
- Real estate mortgages
. Massachusetts (Ch. 256), New York (Ch. 560), Rhode Island (Ch. 1656)
- Urban development projects Massachusetts (Ch. 129)
- Rehabilitation loans on residential property New York (Ch. 185)
- Banking premises and alterations Massachusetts (Ch. 122)
- Railway bonds New Jersey (Ch. 58)
- Public utility securities New Jersey (Ch. 311)
- Obligations issued or guaranteed by International Bank for Reconstruction and Development New York (Ch. 507)
- Industrial obligations New Jersey (Ch. 311)
- Port of New York authority New Jersey (Ch. 95)
- Banking premises and alterations Massachusetts (Ch. 122, 123)
- Securities Missouri (Senate Bills 189, 245), New Jersey (Ch. 95)

Trust Activities:

- Common trust fund Kentucky (Ch. 176)
- Charitable trusts Louisiana (Act 224)
- Unclaimed money held as agent or trustee for payment of security holders exempted from abandoned property law New York (Ch. 908)
- Escheat of unclaimed dividend or other payment received by banking organization or its nominee as record holder of any stock or security for an unknown person New York (Ch. 920)

Directors, officers, and employees:

- Qualifications of directors or trustees
. Kentucky (Ch. 141, 175), Massachusetts (Ch. 64), New York (Ch. 165)
- Service of savings bank officers on board of investment Massachusetts (Ch. 34)
- Report of savings bank investment board to board of trustees
. Massachusetts (Ch. 32)
- Insurance on officers' lives by savings banks New York (Ch. 424)
- Indemnification of directors, officers, and employees New York (Ch. 686)
- Notice of by-laws regulating directors' election New York (Ch. 428)

Holidays:

- Locally designated days of public rest Louisiana (Act 306)
 Saturday closing from June to September, inclusive
 Massachusetts (Ch. 284), New York (Ch. 111)
 Saturday closing from May to September, inclusive New Jersey (Ch. 55)
 Emergency holidays designated by Governor for banks and cash depositories
 South Carolina (Act 698)

Taxation:

- Stock Virginia (Ch. 107)
 Shares of stock and real estate Louisiana (Act 7), New Jersey (Ch. 146)
 Net income of banks Missouri (House Bill 888)
 Banks shares exempted from financial business tax New Jersey (Ch. 174)
 Exemption of interest on share savings accounts Massachusetts (Ch. 539)
 Savings deposits Rhode Island (Ch. 1801)

LIQUIDATION

- Voluntary liquidation New York (Ch. 73)
 Enforcement of stockholders liability Kentucky (Ch. 141)
 Disposal of unclaimed amounts due from closed banks New York (Ch. 68)
 Vesting of title and prosecution of claims against property of foreign banking corporation in involuntary liquidation New York (Ch. 65)
 Notice of unpaid or unclaimed dividends of bank or trust company in liquidation
 Virginia (Ch. 313)

MISCELLANEOUS

- Annuities or pensions to members of savings bank employees associations
 Massachusetts (Ch. 280)
 Uniform Stock Transfer Act Mississippi (Ch. 222)
 Interest rate of investment companies New York (Ch. 198)
 Abandoned property law inapplicable to Federal Reserve Banks . . New York (Ch. 373)
 Safekeeping deposits and safe deposit boxes Rhode Island (Ch. 1655)
 Assignment of accounts receivable South Carolina (Act 461)
 Liability for payment of forged or raised notes and acceptances and liability on forged endorsements Virginia (Ch. 9, 11)

REGULATIONS OF THE CORPORATION

PART 303—ADVERTISEMENT OF MEMBERSHIP

As Amended February 20 and August 30, 1946

Section 303.0* * *

303.1* * *

303.2 Mandatory requirements with regard to the official advertising statement and manner of use—* * *

(c) * * *.

(3) * * *.

(xvii) Advertisements by radio which do not exceed thirty (30) seconds in time.
* * *.

303.3 Approved emblem and approved short title which insured banks may use at their option—(a) Emblem. The only emblem approved for use by insured banks, when reference therein is made to deposit insurance or membership in the Corporation, is the one reproduced below:



(b) **Short title.** The following short title is approved for use by insured banks only on signs or plates attached to the outside of the bank building: "MEMBER OF FDIC".

(c) **Use of emblem or short title.** No insured bank is required to use the emblem or short title to any extent whatsoever. If any insured bank desires to use the emblem, it may do so in any of its advertisements and on any of its bank supplies. Since the approved emblem contains the official advertising statement in the outside circle, its use in the type of advertisements listed in § 303.2 (c) will satisfy the mandatory requirements of that section.

Any insured bank may, in addition to the requirements of this part, use any proper advertising of insurance of its deposits. For example, as an addition to the official advertising statement, any insured bank may, at its option, use the following in any of its advertisements:

"Deposits in this bank are insured with maximum insurance of \$5,000 for each depositor."

Further, in the case of display signs in the banking offices which, under the provisions of this part, are not required to include the official advertising statement, any insured bank may use, for example, any of the following:

(1) "The Federal Deposit Insurance Corporation insures deposits in this bank with \$5,000 maximum insurance for each depositor."

(2) "Deposits in this bank are insured by the Federal Deposit Insurance Corporation with \$5,000 maximum insurance for each depositor."

(3) Electric sign or other display reproductions of the official sign.

303.4 Penalties. No bank will violate any provision of paragraph (2) of subsection (v) of section 12B of the Federal Reserve Act, as amended (12 U.S.C. 264 (v) (2)), or any provisions of this part if it complies with the provisions of §§ 303.1 and 303.2.

PART 305—RECOGNITION OF DEPOSIT OWNERSHIP NOT ON BANK RECORDS

As Amended February 20, 1946

Section 305.1* * *.

305.2 * * *.

305.3 * * *.

305.4 Deposits in custodial accounts. The owner of any portion of a deposit appearing on the records of a closed bank under a name other than that of the claimant, whose name or interest as such owner is not disclosed on the records of the closed bank as part owner of said deposit, will be recognized for all purposes of claim for insured deposits to the same extent as if his name and interest were disclosed on the records of the bank: **Provided**, That the deposit is maintained in a specifically designated deposit account or accounts in such a manner as to disclose the custodial nature thereof and, **Provided further**, That the name and interest of such owner in the deposit is disclosed on the records of the person in whose name the deposit is maintained and such records have been maintained in good faith and in the regular course of business.

305.5 Revoked.

305.6 Revoked.

PART 332—POWERS INCONSISTENT WITH PURPOSES OF FEDERAL DEPOSIT INSURANCE LAW

Adopted August 30, 1946

Section 332.1 Inconsistent powers. A State nonmember insured bank (except a District bank) which does not have any of the powers hereinafter enumerated, or which, although it has any such power, does not exercise the same, shall not hereafter exercise, take, or assume the power: (a) to do a surety business; (b) to insure the fidelity of others; (c) to engage in insuring, guaranteeing or certifying titles to real estate, or (d) to guarantee or become surety upon the obligations of others.¹

332.2 Exercise prohibited. After the effective date of this part, any State nonmember bank (except a District bank) becoming an insured bank shall not thereafter exercise any of the powers enumerated in the preceding section.

¹ The limitations prescribed in clause (d) do not include acceptances or endorsements made in the usual course of the banking business.

PART 333—EXTENSION OF CORPORATE POWERS

Adopted August 30, 1946

Section 333.1 Classification of general character of business. State nonmember insured banks are divided into six categories for the purpose of classifying their general character or type of business,¹ viz: commercial banks, banks and trust companies, trust companies (without banking powers), savings banks (including mutual and stock), industrial banks, and cash depositories.

333.2 Change in general character of business. No State nonmember insured bank (except a District bank) or branch thereof shall hereafter cause or permit any change to be made in the general character or type of business exercised by it after the effective date of this part without the prior written consent of the Corporation.

¹ A bank's business may include two or more of the general classifications.

PART 334—REMOVAL OF PRINCIPAL PLACE OF BUSINESS

Adopted August 30, 1946

Section 334.1 Removal of principal place of business. No State nonmember insured bank (except a District bank) shall move its principal place of business without the prior written consent of the Corporation.

PART FIVE

STATISTICS OF BANKS AND DEPOSIT INSURANCE

NUMBER, OFFICES, AND DEPOSITS OF OPERATING BANKS

- Table 101. Changes in number and classification of operating banks and branches in the United States and possessions during 1946
- Table 102. Number of operating banks and branches, December 31, 1946
Grouped according to insurance status and class of bank, and by State and type of office
- Table 103. Number and deposits of operating commercial and mutual savings banks, December 31, 1946
Banks grouped according to insurance status and by District and State

The line of demarcation between banks and other types of financial institutions is not always clear. In these tables provision of deposit facilities for the general public is the chief criterion. However, trust companies not engaged in deposit banking are included because uninvested trust funds may be insured by the Federal Deposit Insurance Corporation, and credit unions which accept deposits are excluded. A more detailed statement of institutions included and excluded is given in the Annual Report of the Corporation for 1943, pages 59-60.

The data in the tables which follow relate to banks operating in the continental United States and in Alaska, Hawaii, Puerto Rico, and the Virgin Islands, including branches of foreign banks which engage in a general deposit business in this area.

Banks are classified on the following bases:

Insurance status

Commercial and mutual savings

Membership in the Federal Reserve System

A bank is classified as an insured bank when its deposits are insured by the Federal Deposit Insurance Corporation. All banks members of the Federal Reserve System are required by law to be insured banks. Other banks may be admitted to deposit insurance upon meeting conditions prescribed by law.

The traditional distinction between commercial banks and mutual savings banks has been followed. Mutual savings banks, with a few

exceptions, accept only savings deposits, while most banks classified as commercial banks also accept checking accounts and other deposits subject to withdrawal on demand. However, a few banks included in the commercial group hold only savings and time deposits. Trust companies are included with commercial banks since most institutions known as trust companies accept checking accounts.

Banks members of the Federal Reserve System are separated into two groups: national and State. All national banks in the continental United States are required to be members of the Federal Reserve System; State chartered banks may become members of the Federal Reserve System upon meeting certain conditions. None of the six national banks in the possessions is a member of the Federal Reserve System; four have been admitted to deposit insurance.

Sources of data:

Insured banks: records of the Federal Deposit Insurance Corporation; Office of the Comptroller of the Currency; and Board of Governors of the Federal Reserve System.

Noninsured banks: Board of Governors of the Federal Reserve System; State banking authorities; *Rand McNally Bankers Directory*; and *Polk's Bankers Encyclopedia*.

**Table 101. CHANGES IN NUMBER AND CLASSIFICATION OF OPERATING BANKS AND BRANCHES
IN THE UNITED STATES AND POSSESSIONS DURING 1946**

Type of change	All banks			Commercial banks and trust companies							Mutual savings banks		
	Total	In- sured	Non- insured	Total	Insured ¹				Noninsured		Total	In- sured ²	Non- insured
					Total	Members F. R. System		Not members F. R. System	Banks of de- posit	Trust com- panies not ac- cepting deposits			
						National	State						
BANKS													
Number of banks, December 31, 1946	14,759	13,550	1,209	14,218	13,359	5,007	1,890	6,462	776	83	541	191	350
Number of banks, December 31, 1945	14,725	13,494	1,231	14,183	13,302	5,017	1,864	6,421	798	83	542	192	350
Net change during year	+34	+56	-22	+35	+57	-10	+26	+41	-22		-1	-1	
Changes resulting from—													
Banks beginning deposit operations	145	132	16	148	132	21	11	100	16				
New banks	145	130	15	145	130	21	11	98	15				
Closed banks reopening	2	2		2	2			2					
Financial institution becoming bank of deposit	1		1	1					1				
Banks ceasing deposit operations	114	102	12	113	101	42	16	43	11	1	1	1	
Suspended bank not reopened or succeeded	1		1	1					1				
Merged with financial aid of FDIC—net decrease	1	1		1	1				1				
Mergers and absorptions (without FDIC aid)—net decrease	93	89	4	92	88	39	15	34	4		1	1	
Other liquidations	19	12	7	19	12	3	1	8	6	1			
Noninsured banks becoming insured		+29	-29		+29		+3	+26	-29				
Successions to noninsured banks		+6	-6		+6			+6	-6				
Admissions to insurance, operating banks ³		+20	-20		+20			+20	-20				
Admissions to F. R. System		+3	-3		+3		+3		-3				
Insured banks becoming noninsured		-3	+3		-3		-2	-1	+2	+1			
Successions to insured banks		-2	+2		-2		-1	-1	+2				
Withdrawal from F. R. System		-1	+1		-1		-1			+1			
Other changes in classification among banks						+11	+30	-41					
National banks succeeding State banks						+14	-11	-3					
State banks succeeding national banks						-3	+1	+2					
Admissions to F. R. System							+50	-50					
Withdrawals from F. R. System							-10	+10					
Changes not involving number in any class:													
Successions	8	5	3	8	5	1		4	3				
Changes in title, location, or name of location	95	91	4	94	90	24	7	59	4		1	1	
Changes in corporate powers	6	6		6	6			6					

BRANCHES													
Number of branches, December 31, 1946	4,220	4,043	177	4,063	3,928	1,787	1,132	1,009	134	1	157	115	42
Number of branches, December 31, 1945	4,168	3,997	171	4,025	3,896	1,814	1,099	983	128	1	143	101	42
Net change during year	+52	+46	+6	+38	+32	-27	+33	+26	+6		+14	+14	
Changes resulting from—													
Branches opened for business	226	214	12	211	200	81	62	57	11		15	14	1
Facilities provided as agents of the government	10	10		10	10	7	1	2					
Absorbed banks converted into branches	55	53	2	55	59	23	23	7	2				
Branches replacing offices closed or relocated	3	3		3	9			3					
Other branches opened	158	148	10	143	134	51	38	45	9		15	14	1
Branches discontinued	174	169	5	173	169	118	27	24	4		1		1
Facilities provided as agents of the government	151	149	2	151	149	115	22	12	2				
Other branches discontinued	23	20	3	22	20	3	5	12	2		1		1
Other changes in classification among branches		+1	-1		+1	+10	-2	-7	-1				
Branches transferred as result of absorption		+1	-1		+1	+10	-10	-1	-1				
Admissions to F. R. System							+10	-10					
Withdrawals from F. R. System							-2	+2					
Changes not involving number in any class:													
Branches transferred as result of absorptions	7	7		7	7	3	3	1					
Changes in title, location, or name of location	49	48	1	47	46	20	12	14	1		2	2	
ALL BANKING OFFICES													
Number of offices, December 31, 1946	18,979	17,593	1,386	18,281	17,287	6,794	3,022	7,471	910	84	698	306	392
Number of offices, December 31, 1945	18,893	17,491	1,402	18,208	17,198	6,831	2,963	7,404	926	84	685	293	392
Net change during year	+86	+102	-16	+73	+89	-37	+59	+67	-16		+13	+13	
Offices opened	374	346	28	359	332	102	73	157	27		15	14	1
Banks	148	132	16	148	132	21	11	100	16				
Branches	226	214	12	211	200	81	62	57	11		15	14	1
Offices closed	288	271	17	286	270	160	43	67	15	1	2	1	1
Banks	114	102	12	113	101	42	16	43	11	1	1	1	
Branches	174	169	5	173	169	118	27	24	4		1		1
Changes in classification		+27	-27		+27	+21	+29	-23	-28	+1			
Noninsured banks to insured banks		+29	-29		+29		+3	+26	-29				
Insured banks to noninsured banks		-3	+3		-3		-2	-1	+2	+1			
Among insured banks						+11	+30	-41					
Among branches of insured banks		+1	-1		+1	+10	-2	-7	-1				

¹ Includes 8 trust companies not engaged in deposit banking on December 31, 1946, and 9 on December 31, 1945.

² Includes three mutual savings banks members of the Federal Reserve System, for December 31, 1946, and December 31, 1945.

³ Operating at beginning of year.

Table 102. NUMBER OF OPERATING BANKS AND BRANCHES, DECEMBER 31, 1946
 GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and trust companies							Mutual savings banks			Insured banks as percentages of—		
	Total	Insured	Non-insured	Total	Insured ¹				Noninsured		Total	In-sured ²	Non-insured	All banks	Com-mercial banks	Mutual savings banks
					Total	Members F. R. System	Not members F. R. System	Banks of deposit	Trust companies not accepting deposits							
					National	State										
United States and possessions	18,979	17,593	1,386	18,281	17,287	6,794	3,022	7,471	910	84	698	306	392	92.7	94.6	43.8
All banks.....	14,759	13,550	1,209	14,218	13,359	5,007	1,890	6,462	776	83	541	191	350	91.8	94.0	35.3
Unit banks.....	13,565	12,436	1,129	13,114	12,301	4,740	1,694	5,367	731	82	451	135	316	91.7	93.3	29.9
Banks operating branches.....	1,194	1,114	80	1,104	1,053	267	196	595	45	1	90	56	34	93.3	95.3	62.2
Branches.....	4,220	4,043	177	4,063	3,928	1,787	1,132	1,009	134	1	157	115	42	95.8	96.7	73.2
United States	18,863	17,586	1,277	18,165	17,280	6,794	3,022	7,464	806	79	698	306	392	93.2	95.1	43.8
All banks.....	14,715	13,545	1,170	14,174	13,354	5,007	1,890	6,457	742	78	541	191	350	92.0	94.2	35.3
Unit banks.....	13,532	12,433	1,099	13,081	12,293	4,740	1,694	5,364	706	77	451	135	316	91.9	94.0	29.9
Banks operating branches.....	1,183	1,112	71	1,093	1,056	267	196	593	36	1	90	56	34	94.0	96.6	62.2
Branches.....	4,148	4,041	107	3,991	3,926	1,787	1,132	1,007	64	1	157	115	42	97.4	98.4	73.2
Possessions	116	7	109	116	7			7	104	5				6.0	6.0	
All banks.....	44	5	39	44	5			5	34	5				11.4	11.4	
Unit banks.....	33	3	30	33	3			3	25	5				9.1	9.1	
Banks operating branches.....	11	2	9	11	2			2	9					18.2	18.2	
Branches.....	72	2	70	72	2			2	70					2.8	2.8	
State																
Alabama	242	239	3	242	239	88	20	131	3					98.8	98.8	
All banks.....	219	216	3	219	216	66	19	131	3					98.6	98.6	
Unit banks.....	214	211	3	214	211	62	18	131	3					98.6	98.6	
Banks operating branches.....	5	5		5	5	4	1							100.0	100.0	
Branches.....	23	23		23	23	22	1							100.0	100.0	
Arizona	47	45	2	47	45	31	2	12		2				95.7	95.7	
All banks.....	12	10	2	12	10	3	2	5		2				83.3	83.3	
Unit banks.....	7	5	2	7	5	1	2	2		2				71.4	71.4	
Banks operating branches.....	5	5		5	5	2								100.0	100.0	
Branches.....	35	35		35	35	28		7						100.0	100.0	
Arkansas	249	233	16	249	233	51	16	166	13	3				93.6	93.6	
All banks.....	229	213	16	229	213	50	16	147	13	3				93.0	93.0	
Unit banks.....	211	195	16	211	195	49	16	130	13	3				92.4	92.4	
Banks operating branches.....	18	18		18	18	1		17						100.0	100.0	
Branches.....	20	20		20	20	1		19						100.0	100.0	

California	1,079	1,064	15	1,079	1,064	804	148	112	6	9					98.6	98.6	
All banks.....	201	187	14	201	187	92	21	74	5	9					93.0	93.0	
Unit banks.....	168	155	13	168	155	82	13	60	4	9					92.3	92.3	
Banks operating branches.....	33	32	1	33	32	10	8	14	1						97.0	97.0	
Branches.....	878	877	1	878	877	712	127	38	1						99.9	99.9	
Colorado	152	137	15	152	137	78	15	44	15						90.1	90.1	
All banks.....	151	136	15	151	136	77	15	44	15						90.1	90.1	
Unit banks.....	150	135	15	150	135	76	15	44	15						90.0	90.0	
Banks operating branches.....	1	1		1	1	1									100.0	100.0	
Branches.....	1	1		1	1	1									100.0	100.0	
Connecticut	207	109	98	135	107	56	16	35	27	1	72	2	70	52.7	79.3	2.8	
All banks.....	187	99	88	115	97	50	13	34	17	1	72	2	70	52.9	84.3	2.8	
Unit banks.....	179	92	87	107	90	46	11	33	16	1	72	2	70	51.4	84.1	2.8	
Banks operating branches.....	8	7	1	8	7	7	2	1	1						87.5	87.5	
Branches.....	20	10	10	20	10	6	3	1	10						50.0	50.0	
Delaware	56	52	4	53	52	13	8	31	1		3		3	92.9	98.1		
All banks.....	41	38	3	39	38	13	4	21	1		2		2	92.7	97.4		
Unit banks.....	33	31	2	32	31	13	1	17	1		1		1	93.9	96.9		
Banks operating branches.....	8	7	1	7	7	7	3	4			1		1	87.5	100.0		
Branches.....	15	14	1	14	14	4	4	10			1		1	93.3	100.0		
District of Columbia	55	55		55	55	28	21	6						100.0	100.0		
All banks.....	20	20		20	20	9	7	4						100.0	100.0		
Unit banks.....	8	8		8	8	3	2	3						100.0	100.0		
Banks operating branches.....	12	12		12	12	6	5	1						100.0	100.0		
Branches.....	35	35		35	35	19	14	2						100.0	100.0		
Florida	185	178	7	185	178	62	10	106	4	3				96.2	96.2		
All banks.....	182	176	6	182	176	60	10	106	3	3				96.7	96.7		
Unit banks.....	179	174	5	179	174	58	10	106	2	3				97.2	97.2		
Banks operating branches.....	3	2	1	3	2	2			1					66.7	66.7		
Branches.....	3	2	1	3	2	2			1					66.7	66.7		
Georgia	406	333	73	406	333	70	16	247	73					82.0	82.0		
All banks.....	375	304	71	375	304	49	11	244	71					81.1	81.1		
Unit banks.....	362	293	69	362	293	43	9	241	69					80.9	80.9		
Banks operating branches.....	13	11	2	13	11	6	2	3	2					84.6	84.6		
Branches.....	31	29	2	31	29	21	5	3	2					93.5	93.5		
Idaho	89	87	2	89	87	55	10	22	2					97.8	97.8		
All banks.....	47	45	2	47	45	15	10	20	2					95.7	95.7		
Unit banks.....	41	39	2	41	39	10	10	19	2					95.1	95.1		
Banks operating branches.....	6	6		6	6	5								100.0	100.0		
Branches.....	42	42		42	42	40		1						100.0	100.0		
Illinois	879	859	20	879	859	376	127	356	14	6				97.7	97.7		
All banks.....	876	856	20	876	856	373	127	356	14	6				97.7	97.7		
Unit banks.....	873	853	20	873	853	370	127	356	14	6				97.7	97.7		
Banks operating branches.....	3	3		3	3	3								100.0	100.0		
Branches.....	3	3		3	3	3								100.0	100.0		

Table 102. NUMBER OF OPERATING BANKS AND BRANCHES, DECEMBER 31, 1946—Continued
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and trust companies							Mutual savings banks			Insured banks as percentages of—		
	Total	Insured	Non-insured	Total	Insured ¹		Not members F. R. System	Noninsured		Total	Insured ²	Non-insured	All banks	Commercial banks	Mutual savings banks	
					Total	Members F. R. System		Banks of deposit	Trust companies not accepting deposits							
					National	State										
Indiana	576	559	17	572	556	140	126	290	13	3	4	3	1	97.0	97.2	75.0
All banks.....	493	477	16	489	474	126	112	236	12	3	4	3	1	96.8	96.9	75.0
Unit banks.....	442	427	15	438	424	117	110	197	11	3	4	3	1	96.6	96.8	75.0
Banks operating branches.....	51	50	1	51	50	9	2	39	1					98.0	98.0	
Branches.....	83	82	1	83	82	14	14	54	1					98.8	98.8	
Iowa	820	750	70	820	750	97	67	586	70					91.5	91.5	
All banks.....	659	596	63	659	596	97	67	432	63					90.4	90.4	
Unit banks.....	540	482	58	540	482	97	67	318	58					89.3	89.3	
Banks operating branches.....	119	114	5	119	114			114	5					95.8	95.8	
Branches.....	161	154	7	161	154			154	7					95.7	95.7	
Kansas	615	453	162	615	453	175	40	238	160	2				73.7	73.7	
All banks.....	614	452	162	614	452	174	40	238	160	2				73.6	73.6	
Unit banks.....	613	451	162	613	451	173	40	238	160	2				73.6	73.6	
Banks operating branches.....	1	1		1	1	1								100.0	100.0	
Branches.....	1	1		1	1	1								100.0	100.0	
Kentucky	425	396	29	425	396	110	28	258	24	5				93.2	93.2	
All banks.....	390	362	28	390	362	93	21	248	24	4				92.8	92.8	
Unit banks.....	373	346	27	373	346	91	17	238	24	3				92.8	92.8	
Banks operating branches.....	17	16	1	17	16	2	4	10		1				94.1	94.1	
Branches.....	35	34	1	35	34	17	7	10		1				97.1	97.1	
Louisiana	217	216	1	217	216	64	13	139	1					99.5	99.5	
All banks.....	155	154	1	155	154	33	10	111	1					99.4	99.4	
Unit banks.....	121	120	1	121	120	25	7	88	1					99.2	99.2	
Banks operating branches.....	34	34		34	34	8	3	23						100.0	100.0	
Branches.....	62	62		62	62	31	3	28						100.0	100.0	
Maine	166	121	45	132	115	39	34	42	17		34	6	28	72.9	87.1	17.6
All banks.....	96	61	35	64	55	33	5	17	9		32	6	26	63.5	85.9	18.8
Unit banks.....	71	43	28	41	37	29	1	7	4		30	6	24	60.6	90.2	20.0
Banks operating branches.....	25	18	7	23	18	4	4	10	5		2		2	72.0	78.3	
Branches.....	70	60	10	68	60	6	29	25	8		2		2	85.7	88.2	

Maryland	287	274	13	264	260	76	65	119	3	1	23	14	9	95.5	98.5	60.9
All banks.....	179	169	10	170	167	63	16	88	2	1	9	2	7	94.4	98.2	22.2
Unit banks.....	149	142	7	143	141	59	10	72	1	1	6	1	5	95.3	98.6	16.7
Banks operating branches.....	30	27	3	27	26	4	6	16	1	.....	3	1	2	90.0	96.3	33.3
Branches.....	108	105	3	94	93	13	49	31	1	.....	14	12	2	97.2	98.9	85.7
Massachusetts	560	326	234	336	326	197	86	43	10	.....	224	.....	224	58.2	97.0	.....
All banks.....	381	183	198	191	183	121	29	33	8	.....	190	.....	190	48.0	95.8	.....
Unit banks.....	312	142	170	149	142	102	13	27	7	.....	168	.....	163	45.5	95.3	.....
Banks operating branches.....	69	41	28	42	41	19	16	6	1	.....	27	.....	27	59.4	97.6	.....
Branches.....	179	143	36	145	143	76	57	10	2	.....	34	.....	34	79.9	98.6	.....
Michigan	646	604	42	646	604	147	236	221	34	8	.....	.....	.....	93.5	93.5	.....
All banks.....	448	417	31	448	417	78	150	189	23	8	.....	.....	.....	93.1	93.1	.....
Unit banks.....	390	363	27	390	363	66	137	160	19	8	.....	.....	.....	93.1	93.1	.....
Banks operating branches.....	58	54	4	58	54	12	13	29	4	.....	.....	.....	.....	93.1	93.1	.....
Branches.....	198	187	11	198	187	69	86	32	11	.....	.....	.....	.....	94.4	94.4	.....
Minnesota	684	653	31	683	652	187	27	438	29	2	1	1	.....	95.5	95.5	100.0
All banks.....	678	647	31	677	646	181	27	438	29	2	1	1	.....	95.4	95.4	100.0
Unit banks.....	676	645	31	675	644	179	27	438	29	2	1	1	.....	95.4	95.4	100.0
Banks operating branches.....	2	2	.....	2	2	2	.....	.....	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches.....	6	6	.....	6	6	6	.....	.....	.....	.....	.....	.....	.....	100.0	100.0	.....
Mississippi	255	250	5	255	250	25	6	219	5	.....	.....	.....	.....	98.0	98.0	.....
All banks.....	203	198	5	203	198	24	6	168	5	.....	.....	.....	.....	97.5	97.5	.....
Unit banks.....	175	170	5	175	170	23	6	141	5	.....	.....	.....	.....	97.1	97.1	.....
Banks operating branches.....	28	28	.....	28	28	1	.....	27	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches.....	52	52	.....	52	52	1	.....	51	.....	.....	.....	.....	.....	100.0	100.0	.....
Missouri	596	565	31	596	565	81	100	384	29	2	.....	.....	.....	94.8	94.8	.....
All banks.....	596	565	31	596	565	81	100	384	29	2	.....	.....	.....	94.8	94.8	.....
Unit banks.....	596	565	31	596	565	81	100	384	29	2	.....	.....	.....	94.8	94.8	.....
Banks operating branches.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Branches.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Montana	110	110	.....	110	110	39	38	33	.....	.....	.....	.....	.....	100.0	100.0	.....
All banks.....	110	110	.....	110	110	39	38	33	.....	.....	.....	.....	.....	100.0	100.0	.....
Unit banks.....	110	110	.....	110	110	39	38	33	.....	.....	.....	.....	.....	100.0	100.0	.....
Banks operating branches.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Branches.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nebraska	419	358	61	419	358	129	18	211	53	8	.....	.....	.....	85.4	85.4	.....
All banks.....	417	356	61	417	356	127	18	211	53	8	.....	.....	.....	85.4	85.4	.....
Unit banks.....	415	354	61	415	354	125	18	211	53	8	.....	.....	.....	85.3	85.3	.....
Banks operating branches.....	2	2	.....	2	2	2	.....	.....	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches.....	2	2	.....	2	2	2	.....	.....	.....	.....	.....	.....	.....	100.0	100.0	.....
Nevada	26	26	.....	26	26	18	5	3	.....	.....	.....	.....	.....	100.0	100.0	.....
All banks.....	8	8	.....	8	8	5	1	2	.....	.....	.....	.....	.....	100.0	100.0	.....
Unit banks.....	3	3	.....	3	3	1	.....	1	.....	.....	.....	.....	.....	100.0	100.0	.....
Banks operating branches.....	5	5	.....	5	5	3	.....	1	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches.....	18	18	.....	18	18	13	4	1	.....	.....	.....	.....	.....	100.0	100.0	.....

NUMBER, OFFICES, AND DEPOSITS OF OPERATING BANKS 113

Table 102. NUMBER OF OPERATING BANKS AND BRANCHES, DECEMBER 31, 1946—Continued
 GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and trust companies							Mutual savings banks			Insured banks as percentages of—			
	Total	Insured	Non-insured	Total	Insured ¹				Noninsured			Total	In-sured ²	Non-insured	All banks	Com-mercial banks	Mutual savings banks
					Total	Members F. R. System		Not mem-bers F. R. System	Banks of de-posit	Trust com-panies not ac-cepting deposits							
						National	State										
New Hampshire	109	57	52	66	57	52	1	4	9	3	43	43	52.3	86.4			
All banks.....	106	56	50	64	56	51	1	4	8	3	42	42	52.8	87.5			
Unit banks.....	103	55	48	62	55	50	1	4	7	3	41	41	53.4	88.7			
Banks operating branches.....	3	1	2	2	1	1			1		1	1	33.3	50.0			
Branches.....	3	1	2	2	1	1			1		1	1	33.3	50.0			
New Jersey	509	502	7	480	475	258	154	63	2	3	29	27	2	98.6	99.0	93.1	
All banks.....	370	363	7	346	341	216	78	47	2	3	24	22	2	98.1	98.6	91.7	
Unit banks.....	309	302	7	288	283	194	50	39	2	3	21	19	2	97.7	98.3	90.5	
Banks operating branches.....	61	61		53	53	22	23	8			3	3		100.0	100.0	100.0	
Branches.....	139	139		134	134	42	76	16			5	5		100.0	100.0	100.0	
New Mexico	50	50		50	50	23	8	19						100.0	100.0		
All banks.....	44	44		44	44	23	8	13						100.0	100.0		
Unit banks.....	38	38		38	38	23	8	7						100.0	100.0		
Banks operating branches.....	6	6		6	6			6						100.0	100.0		
Branches.....	6	6		6	6			6						100.0	100.0		
New York	1,567	1,554	13	1,364	1,351	582	634	135	13		203	203		99.2	99.0	100.0	
All banks.....	802	790	12	671	659	392	186	81	12		131	131		98.5	98.2	100.0	
Unit banks.....	651	641	10	566	556	355	136	65	10		85	85		98.5	98.2	100.0	
Banks operating branches.....	151	149	2	105	103	37	50	16	2		46	46		98.7	98.1	100.0	
Branches.....	765	764	1	693	692	190	448	54	1		72	72		99.9	99.9	100.0	
North Carolina	388	381	7	388	381	58	18	305	6	1				98.2	98.2		
All banks.....	227	222	5	227	222	45	8	169	4	1				97.8	97.8		
Unit banks.....	176	172	4	176	172	39	5	123	3	1				97.7	97.7		
Banks operating branches.....	51	50	1	51	50	6	3	41	1					98.0	98.0		
Branches.....	161	159	2	161	159	13	10	136	2					98.8	98.8		
North Dakota	176	168	8	176	168	41		127	7	1				95.5	95.5		
All banks.....	151	145	6	151	145	41		104	5	1				96.0	96.0		
Unit banks.....	134	130	4	134	130	41		89	3	1				97.0	97.0		
Banks operating branches.....	17	15	2	17	15			15	2					88.2	88.2		
Branches.....	25	23	2	25	23			23	2					92.0	92.0		

Ohio	853	838	15	850	835	280	300	255	15	3	3	98.2	98.2	100.0
All banks.....	677	662	15	674	659	239	187	233	15	3	3	97.8	97.8	100.0
Unit banks.....	638	623	16	635	620	230	171	219	15	3	3	97.6	97.6	100.0
Banks operating branches.....	39	39		39	39	9	16	14				100.0	100.0	
Branches.....	176	176		176	176	41	113	22				100.0	100.0	
Oklahoma	386	375	11	386	375	201	20	154	9	2		97.2	97.2	
All banks.....	385	374	11	385	374	200	20	154	9	2		97.1	97.1	
Unit banks.....	384	373	11	384	373	199	20	154	9	2		97.1	97.1	
Banks operating branches.....	1	1		1	1	1						100.0	100.0	
Branches.....	1	1		1	1	1						100.0	100.0	
Oregon	147	144	3	146	143	94	10	39	1	2	1	98.0	97.9	100.0
All banks.....	71	68	3	70	67	23	10	34	1	2	1	95.8	95.7	100.0
Unit banks.....	64	61	3	63	60	21	10	29	1	2	1	95.3	95.2	100.0
Banks operating branches.....	7	7		7	7	2		5				100.0	100.0	
Branches.....	76	76		76	76	71		5				100.0	100.0	
Pennsylvania	1,164	1,143	21	1,141	1,120	729	141	250	19	2	23	98.2	98.2	100.0
All banks.....	1,022	1,005	17	1,015	998	657	112	229	15	2	7	98.3	98.3	100.0
Unit banks.....	959	945	14	956	942	626	100	216	12	2	3	98.5	98.5	100.0
Banks operating branches.....	63	60	3	59	56	31	12	13	3		4	95.2	94.9	100.0
Branches.....	142	138	4	126	122	72	29	21	4		16	97.2	96.8	100.0
Rhode Island	78	49	29	67	49	17	22	10	15	3	11	62.8	73.1	
All banks.....	32	14	18	23	14	9	2	3	6	3	9	43.8	60.9	
Unit banks.....	20	7	13	12	7	6		1	2	3	8	35.0	58.3	
Banks operating branches.....	12	7	5	11	7	3	2	2			1	58.3	63.6	
Branches.....	46	35	11	44	35	8	20	7	9		2	76.1	79.5	
South Carolina	179	156	23	179	156	47	8	101	23			87.2	87.2	
All banks.....	149	126	23	149	126	23	6	97	23			84.6	84.6	
Unit banks.....	142	119	23	142	119	21	4	94	23			83.8	83.8	
Banks operating branches.....	7	7		7	7	2		3				100.0	100.0	
Branches.....	30	30		30	30	24	2	4				100.0	100.0	
South Dakota	213	213		213	213	55	28	130				100.0	100.0	
All banks.....	169	169		169	169	35	28	106				100.0	100.0	
Unit banks.....	145	145		145	145	31	23	86				100.0	100.0	
Banks operating branches.....	24	24		24	24	4		20				100.0	100.0	
Branches.....	44	44		44	44	20		24				100.0	100.0	
Tennessee	366	357	9	366	357	102	22	233	5	4		97.5	97.5	
All banks.....	298	289	9	298	289	70	11	208	5	4		97.0	97.0	
Unit banks.....	273	264	9	273	264	63	9	192	5	4		96.7	96.7	
Banks operating branches.....	25	25		25	25	7	2	16				100.0	100.0	
Branches.....	68	68		68	68	32	11	25				100.0	100.0	
Texas	877	815	62	877	815	438	116	261	61	1		92.9	92.9	
All banks.....	873	811	62	873	811	434	116	261	61	1		92.9	92.9	
Unit banks.....	868	806	62	868	806	429	116	261	61	1		92.9	92.9	
Banks operating branches.....	5	5		5	5	5						100.0	100.0	
Branches.....	4	4		4	4	4						100.0	100.0	

Table 102. NUMBER OF OPERATING BANKS AND BRANCHES, DECEMBER 31, 1946—Continued
 GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and trust companies							Mutual savings banks			Insured banks as percentages of—			
	Total	Insured	Non-insured	Total	Insured ¹			Noninsured				Total	In-sured ²	Non-insured	All banks	Com-mercial banks	Mutual savings banks
					Total	Members F. R. System		Not mem-bers F. R. System	Banks of deposit	Trust com-pa-nies not ac-cepting deposits							
						National	State										
Utah	71	71		71	71	22	22	27						100.0	100.0		
All banks.....	59	59		59	59	12	22	25						100.0	100.0		
Unit banks.....	55	55		55	55	10	22	23						100.0	100.0		
Banks operating branches.....	4	4		4	4	2		2						100.0	100.0		
Branches.....	12	12		12	12	10		2						100.0	100.0		
Vermont	98	97	1	81	80	41	1	38		1	17	17		99.0	98.8	109.0	
All banks.....	80	79	1	72	71	39	1	31		1	8	8		98.8	98.6	100.0	
Unit banks.....	72	71	1	65	64	37	1	26		1	7	7		98.6	98.5	100.0	
Banks operating branches.....	8	8		7	7	2		5			1	1		100.0	100.0	100.0	
Branches.....	18	18		9	9	2		7			9	9		100.0	100.0	100.0	
Virginia	401	401		401	401	160	84	157						100.0	100.0		
All banks.....	315	315		315	315	131	72	112						100.0	100.0		
Unit banks.....	272			272	272	119	66	87						100.0	100.0		
Banks operating branches.....	43	43		43	43	12	6	25						100.0	100.0		
Branches.....	86	86		86	86	29	12	45						100.0	100.0		
Washington	243	240	3	240	237	147	18	72	3		3	3		98.8	98.8	130.0	
All banks.....	124	121	3	122	119	38	16	65	3		2	2		97.6	97.5	100.0	
Unit banks.....	112	109	3	111	108	31	15	62	3		1	1		97.3	97.3	100.0	
Banks operating branches.....	12	12		11	11	7	1	3			1	1		100.0	100.0	100.0	
Branches.....	119	119		118	118	109	2	7			1	1		100.0	100.0	100.0	
West Virginia	180	175	5	180	175	76	32	67	4	1				97.2	97.2		
All banks.....	180	175	5	180	175	76	32	67	4	1				97.2	97.2		
Unit banks.....	180	175	5	180	175	76	32	67	4	1				97.2	97.2		
Banks operating branches.....																	
Branches.....																	
Wisconsin	704	693	11	700	690	109	74	507	8	2	4	3	1	98.4	98.6	75.0	
All banks.....	558	548	10	554	545	95	68	382	7	2	4	3	1	98.2	98.4	75.0	
Unit banks.....	470	461	9	466	458	92	64	302	6	2	4	3	1	98.1	98.3	75.0	
Banks operating branches.....	88	87	1	88	87	3	4	80	1					98.9	98.9		
Branches.....	146	145	1	146	145	14	6	125	1					99.3	99.3		

Wyoming	56	55	1	56	55	26	11	18		1			98.2	98.2
All banks.....	56	55	1	56	55	26	11	18		1			98.2	98.2
Unit banks.....	56	55	1	56	55	26	11	18		1			98.2	98.2
Banks operating branches.....														
Branches.....														
Possessions														
Alaska ²	20	4	16	20	4			4	16				28.0	20.0
All banks.....	18	3	15	18	3			3	15				16.7	16.7
Unit banks.....	16	2	14	16	2			2	14				12.5	12.5
Banks operating branches.....	2	1	1	2	1			1	1				50.0	50.0
Branches.....	2	1	1	2	1			1	1				50.0	50.0
Hawaii ⁴	52	1	51	52	1			1	46	5			1.9	1.9
All banks.....	9	1	8	9	1			1	3	5			11.1	11.1
Unit banks.....	7	1	6	7	1			1	1	5			14.3	14.3
Banks operating branches.....	2		2	2					2					
Branches.....	43		43	43					43					
Puerto Rico	41		41	41					41					
All banks.....	15		15	15					15					
Unit banks.....	9		9	9					9					
Banks operating branches.....	6		6	6					6					
Branches.....	26		26	26					26					
Virgin Islands ⁵	3	2	1	3	2			2	1				66.7	66.7
All banks.....	2	1	1	2	1			1	1				50.0	50.0
Unit banks.....	1		1	1					1					
Banks operating branches.....	1	1		1	1			1					100.0	100.0
Branches.....	1	1		1	1			1					100.0	100.0

¹ Includes 8 trust companies not regularly engaged in deposit banking: 1 national in Kansas; 2 State banks members of the Federal Reserve System, 1 each in California and Massachusetts; and 5 State banks not members of the Federal Reserve System, 1 each in Florida, Missouri and Wisconsin, and 2 in Pennsylvania.

² Includes 3 mutual savings banks, members of the Federal Reserve System.

³ Includes 4 national banks, 3 among insured banks not members of the Federal Reserve System, and 1 among noninsured banks.

⁴ Includes, among noninsured banks, 1 national bank operating 20 branches.

⁵ Includes, among insured banks not members of the Federal Reserve System, 1 national bank operating 1 branch.

Back figures—See Annual Report for 1945, pp. 98-104, and earlier reports.

Table 103. NUMBER AND DEPOSITS OF OPERATING COMMERCIAL AND MUTUAL SAVINGS BANKS, DECEMBER 31, 1946
BANKS GROUPED ACCORDING TO INSURANCE STATUS AND BY DISTRICT AND STATE

FDIC District and State	Number of banks								Deposits (in thousands of dollars)						
	All banks	Commercial banks and trust companies				Mutual savings banks			All banks	Commercial banks and trust companies			Mutual savings banks		
		Total	In-sured ¹	Noninsured		Total	In-sured	Noninsured		Total	Insured	Noninsured	Total	Insured	Noninsured
				Banks of deposit	Trust companies not accepting deposits										
United States and possessions	14,759	14,218	13,359	776	83	541	191	350	156,751,343	139,882,004	137,029,289	2,852,715	16,869,339	11,427,706	5,441,633
United States	14,715	14,174	13,354	742	78	541	191	350	155,923,085	139,053,746	136,990,254	2,063,492	16,869,339	11,427,706	5,441,633
Possessions	44	44	5	34	5				828,258	828,258	39,035	789,223			
FDIC District															
District 1.....	882	529	476	48	5	353	16	337	12,289,921	7,134,831	6,674,500	460,331	5,155,090	133,650	5,021,440
District 2.....	1,230	1,073	1,039	31	3	157	153	4	45,759,215	36,034,838	35,233,176	801,712	9,724,327	9,620,249	104,078
District 3.....	1,699	1,689	1,657	30	2	10	10		17,462,798	16,232,400	16,175,901	56,499	1,230,398	1,230,398	
District 4.....	1,070	1,061	1,025	33	3	9	2	7	8,108,990	7,726,115	7,613,982	112,133	382,875	78,796	304,079
District 5.....	979	979	894	82	3				5,433,655	5,433,655	5,386,537	47,118			
District 6.....	1,513	1,513	1,429	71	13				8,164,141	8,164,141	8,106,454	57,687			
District 7.....	1,499	1,491	1,436	42	13	8	6	2	10,377,059	10,324,561	10,188,875	135,686	52,498	40,462	12,036
District 8.....	1,535	1,535	1,452	77	6				13,170,833	13,170,833	13,035,880	134,953			
District 9.....	1,108	1,107	1,070	34	3	1	1		4,337,417	4,197,330	4,099,837	97,493	140,087	140,087	
District 10.....	1,623	1,623	1,373	237	13				5,522,017	5,522,017	5,299,075	222,942			
District 11.....	1,084	1,084	1,019	62	3				7,835,279	7,835,279	7,719,386	115,893			
District 12.....	537	534	489	29	16	3	3		18,290,018	18,105,954	17,495,686	610,268	184,064	184,064	
State															
Alabama.....	219	219	216	3					1,225,539	1,225,539	1,223,488	2,051			
Arizona.....	12	12	10		2				393,043	393,043	393,043				
Arkansas.....	229	229	213	13	3				787,898	787,898	783,122	4,776			
California.....	201	201	187	5	9				13,085,851	13,085,851	13,016,908	68,943			
Colorado.....	151	151	136	15					1,091,245	1,091,245	1,083,466	7,779			
Connecticut.....	187	115	97	17	1	72	2	70	2,626,060	1,411,133	1,218,598	192,535	1,214,927	24,450	1,190,477
Delaware.....	41	39	38	1		2		2	547,999	468,372	466,593	1,779	79,627		79,627
Dist. of Columbia.....	20	20	20						1,021,899	1,021,899	1,021,899				
Florida.....	182	182	176	3	3				1,739,990	1,739,990	1,732,850	7,140			
Georgia.....	375	375	304	71					1,714,953	1,714,953	1,686,776	28,177			

Idaho.....	47	47	45	2					436,367	436,367	426,899	9,468					
Illinois.....	876	876	856	14	6				10,945,094	10,945,094	10,911,119	33,975					
Indiana.....	493	489	474	12	3	4	3	1	2,881,389	2,840,527	2,815,932	24,595	40,862	29,285	11,577		
Iowa.....	659	659	596	63					2,225,739	2,225,739	2,124,761	100,978					
Kansas.....	614	614	452	160	2				1,529,885	1,529,885	1,364,257	165,628					
Kentucky.....	390	390	362	24	4				1,506,385	1,506,385	1,480,001	26,384					
Louisiana.....	155	155	154	1					1,546,450	1,546,450	1,545,513	937					
Maine.....	96	64	55	9		32	6	26	693,141	469,573	431,564	38,009	223,568	25,629	197,939		
Maryland.....	179	170	167	2	1	9	2	7	1,919,187	1,536,312	1,482,312	54,000	352,875	78,796	304,079		
Massachusetts.....	381	191	183	8		190		190	7,112,684	4,032,254	3,934,621	97,633	3,080,430		3,080,430		
Michigan.....	448	448	417	23	8				4,658,788	4,557,788	4,557,371	100,917					
Minnesota.....	678	677	646	29	2	1	1		2,825,069	2,684,982	2,665,153	19,829	140,087	140,087			
Mississippi.....	203	203	198	5					753,173	753,173	743,423	9,750					
Missouri.....	596	596	565	29	2				3,986,105	3,986,105	3,965,123	20,982					
Montana.....	110	110	110						531,024	531,024	531,024						
Nebraska.....	417	417	356	53	8				1,264,445	1,264,445	1,220,620	43,825					
Nevada.....	8	8	8						163,747	163,747	163,747						
New Hampshire.....	106	64	56	8		42		42	523,299	226,941	210,136	16,805	296,358		296,358		
New Jersey.....	370	346	341	2	3	24	22	2	4,815,895	4,342,916	4,336,192	6,724	472,979	448,528	24,451		
New Mexico.....	44	44	44						271,493	271,493	271,493						
New York.....	802	671	659	12		131	131		40,106,540	30,934,819	30,426,493	508,326	9,171,721	9,171,721			
North Carolina.....	227	227	222	4	1				1,852,680	1,852,680	1,827,005	25,675					
North Dakota.....	151	151	145	5	1				526,690	526,690	449,026	77,664					
Ohio.....	677	674	659	15		3	3		6,954,093	6,731,334	6,716,427	14,907	222,759	222,759			
Oklahoma.....	385	385	374	9	2				1,407,990	1,407,990	1,402,280	5,710					
Oregon.....	71	70	67	1	2	1	1		1,343,366	1,335,841	1,335,841	7,525	11,452	11,452			
Pennsylvania.....	1,022	1,015	998	15	2	7	7		10,508,705	9,501,066	9,459,474	41,592	1,007,639	1,007,639			
Rhode Island.....	32	23	14	6	3	9		9	1,010,740	754,504	639,155	115,349	256,236		256,236		
South Carolina.....	149	149	126	23					675,631	675,631	655,528	20,108					
South Dakota.....	169	169	169						454,634	454,634	454,634						
Tennessee.....	298	298	289	5	4				1,883,753	1,883,753	1,878,208	5,545					
Texas.....	873	873	811	61	1				5,624,293	5,624,293	5,509,337	114,956					
Utah.....	59	59	59						553,337	553,337	553,337						
Vermont.....	80	72	71		1	8	8		323,997	240,426	240,426		83,571	83,571			
Virginia.....	315	315	315						1,785,346	1,785,346	1,785,346						
Washington.....	124	122	119	3		2	2		2,156,421	1,983,809	1,963,817	19,992	172,612	172,612			
West Virginia.....	180	180	175	4	1				854,247	854,247	841,892	12,355					
Wisconsin.....	558	554	545	7	2	4	3	1	2,836,882	2,825,246	2,815,072	10,174	11,636	11,177	459		
Wyoming.....	56	56	55		1				228,452	228,452	228,452						
Possessions																	
Alaska.....	18	18	3	15					61,953	61,953	20,178	41,775					
Hawaii.....	9	9	1	3	5				477,524	477,524	14,959	462,565					
Puerto Rico.....	15	15		15					284,739	284,739		284,739					
Virgin Islands.....	2	2	1	1					4,042	4,042	3,898	144					

¹ Includes 8 trust companies not engaged in deposit banking: 2 in Pennsylvania and 1 each in California, Florida, Kansas, Massachusetts, Missouri and Wisconsin.
Back figures—See the following Annual Reports: 1945, pp. 106-107; 1944, pp. 120-121; 1943, pp. 76-77; 1942, pp. 76-77; 1941, pp. 108-109.

ASSETS AND LIABILITIES OF OPERATING BANKS

- Table 104. Summary of assets and liabilities of operating banks in the United States and possessions, June 29, 1946
Banks grouped according to insurance status and type of bank
- Table 105. Summary of assets and liabilities of operating banks in the United States and possessions, December 31, 1946
Banks grouped according to insurance status and type of bank
- Table 106. Assets and liabilities of operating insured commercial banks, December 31, 1946, June 29, 1946, and December 31, 1945
- Table 107. Summary of assets and liabilities of operating banks in the United States and possessions, 1944-1946
Banks grouped according to insurance status and type of bank
- Table 108. Assets and liabilities of operating insured commercial banks, call dates, 1941-1946
- Table 109. Percentage distribution of assets and liabilities of operating insured commercial banks, call dates, 1941-1946
- Table 110. Assets and liabilities of all operating banks in the United States and possessions, December 31, 1946
Banks grouped by district and State

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

Assets and liabilities held in or administered by a savings, bond, insurance, real estate, foreign, or any other department of a bank, except a trust department, are consolidated with the respective assets and liabilities of the commercial department. "Deposits of individuals, partnerships, and corporations" include trust funds deposited by a trust department in a commercial or savings department. Other assets held in trust are not included in statements of assets and liabilities.

In the case of banks with one or more domestic branches, the assets and liabilities reported are consolidations of figures for the head office and all domestic branches. In the case of a bank with foreign branches, net amounts due from its own foreign branches are included in "Other assets", and net amounts due to its own foreign branches are included in "Other liabilities".

Since June 30, 1942, 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.

Instalment loans are ordinarily reported net if the instalment payments are applied directly to the reduction of the loan. Such loans are

reported gross if, under contract, the payments do not immediately reduce the unpaid balances of the loan but are assigned or pledged to assure repayment at maturity.

Total deposits shown in these tables are not the same as the deposits upon which assessments paid to the Federal Deposit Insurance Corporation are based. The assessment base is slightly lower due to certain deductions which may be claimed.

Data for noninsured trust companies not accepting deposits are excluded. Data for some noninsured commercial banks are omitted because of unavailability of reports. On December 31, 1946, 83 noninsured trust companies and 21 noninsured commercial banks were excluded. Because of these exclusions, the number of noninsured banks in the following tables does not agree with the number shown in the previous section.

Sources of Data:

National banks and State banks in the District of Columbia not members of the Federal Reserve System: Office of the Comptroller of the Currency.

State banks members of the Federal Reserve System: Board of Governors of the Federal Reserve System.

Other insured banks: Federal Deposit Insurance Corporation.

Noninsured banks: State banking authorities; *Rand McNally Bankers Directory*; and *Polk's Bankers Encyclopedia*.

Table 104. SUMMARY OF ASSETS AND LIABILITIES OF OPERATING BANKS IN THE UNITED STATES AND POSSESSIONS, JUNE 29, 1946

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	All banks	Commercial banks			Mutual savings banks		
		Total	Insured ¹	Noninsured	Total	Insured	Noninsured
ASSETS							
Cash, balances with other banks, and cash items in process of collection	33,209,612	32,462,761	31,853,309	609,452	746,851	550,288	196,563
Securities—total	105,600,987	92,833,391	90,641,839	2,191,552	12,767,596	8,321,549	4,446,047
United States Government obligations, direct and guaranteed	96,402,828	84,964,684	82,997,854	1,966,830	11,438,144	7,661,641	3,776,508
Obligations of States and political subdivisions	4,174,571	4,083,555	3,975,354	108,201	91,016	73,670	17,346
Other bonds, notes, and debentures	4,519,418	3,426,945	3,354,207	72,738	1,092,473	573,060	519,413
Corporate stocks	492,567	346,604	314,424	32,180	145,963	13,178	132,785
Not classified	11,603	11,603		11,603			
Loans, discounts, and overdrafts (including rediscounts)	31,629,090	27,271,624	26,796,235	475,389	4,357,466	3,131,940	1,225,526
Miscellaneous assets—total	1,727,787	1,545,587	1,451,983	93,604	182,200	134,035	48,165
Bank premises owned, furniture and fixtures	1,010,897	917,746	899,703	18,043	93,151	69,961	23,190
Other real estate—direct and indirect	116,644	98,311	92,253	6,058	18,333	13,995	4,338
All other miscellaneous assets	600,246	529,530	460,027	69,503	70,716	50,079	20,637
Total assets	172,167,476	154,113,363	150,743,366	3,369,997	18,054,113	12,137,812	5,916,301
LIABILITIES							
Deposits—total	159,989,490	143,708,691	140,648,764	3,059,927	16,280,799	10,979,154	5,301,645
Demand deposits of individuals, partnerships, and corporations	76,693,129	76,682,372	75,404,533	1,277,839	10,757	8,988	1,769
Time deposits of individuals, partnerships, and corporations	48,422,753	32,161,049	31,504,915	656,134	16,261,704	10,963,134	5,298,570
States and political subdivisions	6,619,048	6,617,077	6,361,024	256,053	1,971	1,723	248
United States Government	13,514,394	13,511,980	13,045,857	466,123	2,414	1,632	782
Interbank	12,320,361	12,319,908	12,007,591	312,317	453	420	33
Certified and officers' checks, cash letters of credit, etc.	2,352,413	2,348,913	2,320,252	28,661	3,500	3,257	243
Not classified, including postal savings	67,892	67,392	4,592	62,800			
Miscellaneous liabilities—total	1,125,071	1,067,130	1,024,999	42,131	57,941	36,208	21,733
Rediscounts and other borrowed money	87,700	86,603	83,229	3,374	1,097	117	980
All other miscellaneous liabilities	1,037,371	980,527	941,770	38,757	56,844	36,091	20,753
Total liabilities (excluding capital accounts)	161,114,561	144,775,821	141,673,763	3,102,058	16,338,740	11,015,362	5,323,378
CAPITAL ACCOUNTS							
Capital accounts—total	11,052,915	9,337,542	9,069,603	267,939	1,715,373	1,122,450	592,923
Capital stock, notes, and debentures	3,175,457	3,170,555	3,070,706	99,849	4,902	4,902	
Surplus	5,184,522	4,024,776	3,932,822	91,954	1,159,746	836,581	323,165
Undivided profits, including all other capital accounts	2,692,936	2,142,211	2,066,075	76,136	550,725	280,967	269,758
Total liabilities and capital accounts	172,167,476	154,113,363	150,743,366	3,369,997	18,054,113	12,137,812	5,916,301
Number of banks included	14,633	14,092	13,385	757	541	191	350

¹Includes 8 trust companies not engaged in deposit banking.

Back figures—See the following Annual Reports: 1945, pp. 110-111; 1944, pp. 124-125; 1943, pp. 78-79; 1942, pp. 78-79; 1941, pp. 122-125.

Federal Reserve Bank of St. Louis

Table 105. SUMMARY OF ASSETS AND LIABILITIES OF OPERATING BANKS IN THE UNITED STATES AND POSSESSIONS, DECEMBER 31, 1946

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	All banks	Commercial banks			Mutual savings banks		
		Total	Insured ¹	Noninsured	Total	Insured	Noninsured
ASSETS							
Cash, balances with other banks, and cash items in process of collection	35,184,749	34,366,535	33,704,314	662,221	818,214	611,547	206,667
Securities—total	96,547,949	83,369,809	81,468,377	1,901,432	13,178,140	8,640,886	4,537,254
United States Government obligations, direct and guaranteed	87,031,186	75,252,740	73,574,908	1,677,832	11,778,446	7,945,635	3,832,811
Obligations of States and political subdivisions	4,471,244	4,410,674	4,300,705	109,969	60,570	45,625	14,945
Other bonds, notes, and debentures	4,559,381	3,368,638	3,295,002	73,636	1,190,743	636,283	554,460
Corporate stocks	477,055	328,674	297,762	30,912	148,381	13,343	135,038
Not classified	9,083	9,083		9,088			
Loans, discounts, and overdrafts (including rediscounts)	35,810,090	31,283,348	30,739,973	543,375	4,526,742	3,250,208	1,276,534
Miscellaneous assets—total	1,712,228	1,531,774	1,451,879	79,895	180,454	134,061	46,393
Bank premises owned, furniture and fixtures	1,012,869	920,657	902,457	18,200	92,212	69,652	22,560
Other real estate—direct and indirect	104,951	90,755	84,768	5,987	14,196	11,009	3,187
All other miscellaneous assets	594,408	520,362	464,654	55,708	74,046	53,400	20,646
Total assets	169,255,016	150,551,466	147,364,543	3,186,923	18,703,550	12,636,702	6,066,848
LIABILITIES							
Deposits—total	156,751,343	139,882,004	137,029,289	2,852,715	16,869,339	11,427,706	5,441,633
Demand deposits of individuals, partnerships, and corporations	81,275,673	81,265,119	79,902,589	1,362,530	10,554	8,549	2,005
Time deposits of individuals, partnerships, and corporations	50,283,768	33,432,102	32,761,111	670,991	16,851,666	11,412,938	5,438,728
States and political subdivisions	6,895,161	6,892,965	6,632,984	259,981	2,196	1,913	283
United States Government	3,163,242	3,160,885	3,046,649	114,236	2,857	1,903	454
Interbank	12,666,810	12,666,134	12,320,105	346,029	676	642	34
Certified and officers' checks, cash letters of credit, etc.	2,396,215	2,394,325	2,360,828	33,497	1,890	1,761	129
Not classified, including postal savings	70,474	70,474	5,023	65,451			
Miscellaneous liabilities—total	1,158,942	1,108,597	1,047,214	61,383	50,345	36,407	13,938
Rediscounts and other borrowed money	45,161	45,063	38,888	6,175	98	84	14
All other miscellaneous liabilities	1,113,781	1,063,534	1,008,326	55,208	50,247	36,323	13,924
Total liabilities (excluding capital accounts)	157,910,285	140,990,601	138,076,503	2,914,098	16,919,684	11,464,113	5,455,571
CAPITAL ACCOUNTS							
Capital accounts—total	11,344,731	9,560,865	9,288,040	272,825	1,783,866	1,172,589	611,277
Capital stock, notes, and debentures	3,247,762	3,242,862	3,141,878	100,984	4,900	4,900	
Surplus	5,372,915	4,154,513	4,060,047	94,466	1,218,402	879,400	339,002
Undivided profits, including all other capital accounts	2,724,054	2,163,490	2,086,115	77,375	560,564	288,289	272,275
Total liabilities and capital accounts	169,255,016	150,551,466	147,364,543	3,186,923	18,703,550	12,636,702	6,066,848
Number of banks included	14,655	14,114	13,359	755	541	191	350

¹ Includes 8 trust companies not engaged in deposit banking.

Back figures—See the following Annual Reports: 1945, pp. 110-111; 1944, pp. 124-125; 1943, pp. 78-79; 1942, pp. 78-79; 1941, pp. 122-125.

**Table 106. ASSETS AND LIABILITIES OF OPERATING INSURED COMMERCIAL BANKS, DECEMBER 31, 1946,
JUNE 29, 1946, AND DECEMBER 31, 1945**
(Amounts in thousands of dollars)

ASSETS	Dec. 31,	June 29,	Dec. 31,	LIABILITIES AND CAPITAL	Dec. 31,	June 29,	Dec. 31,
	1946	1946	1945		1946	1946	1945
Cash, balances with other banks, and cash items in process of collection—total..	33,704,314	31,853,309	34,302,704	Deposits of individuals, partnerships, and corporations—total.....	112,663,700	106,909,448	101,900,844
Currency and coin.....	2,014,710	1,473,274	1,831,755	Demand.....	79,902,589	75,404,533	72,605,736
Reserve with Federal Reserve banks.....	16,013,442	15,999,368	15,810,286	Time.....	32,761,111	31,504,915	29,295,108
Demand balances with banks in the United States (except private banks and American branches of foreign banks).....	9,428,590	9,036,691	11,006,547	Certified and officers' checks, cash letters of credit and travelers' checks outstanding, and amounts due to Federal Reserve banks.....	2,360,828	2,320,252	2,584,897
Other balances with banks in the United States.....	60,399	72,555	75,427	Government deposits—total.....	9,684,656	19,411,473	29,441,712
Balances with banks in foreign countries.....	56,777	34,086	24,017	United States Government—demand:			
Cash items in process of collection.....	6,130,396	5,237,335	5,554,672	War loan and Series E bond accounts.....	2,709,074	12,718,443	23,476,945
Obligations of the United States Government—total.....	73,574,908	82,997,854	88,933,380	Other accounts.....	223,248	225,491	266,147
Direct:				United States Government—time.....	114,327	101,923	98,277
Treasury bills.....	1,271,662	1,220,038	2,455,731	Postal savings.....	5,023	4,592	4,926
Treasury certificates of indebtedness.....	12,293,195	17,641,607	19,074,630	States and political subdivisions—demand.....	5,968,462	5,808,920	5,099,450
Treasury notes.....	6,781,379	12,006,539	16,047,429	States and political subdivisions—time.....	664,522	552,124	495,967
United States savings bonds.....	1,180,326	1,194,592	1,194,764	Interbank deposits—total.....	12,320,105	12,007,591	13,883,529
Other bonds maturing in 5 years or less.....	12,727,955	9,933,205	9,029,883	Banks in the United States—demand.....	10,888,080	10,584,438	12,566,058
Other bonds maturing in 5 to 10 years.....	29,700,350	32,278,820	32,230,258	Banks in the United States—time.....	49,199	51,259	51,957
Bonds maturing in 10 to 20 years.....	6,597,224	5,725,858	6,092,145	Banks in foreign countries—demand.....	1,864,022	1,346,281	1,247,905
Bonds maturing after 20 years.....	3,007,790	2,973,453	2,786,871	Banks in foreign countries—time.....	18,804	25,613	17,609
Guaranteed obligations.....	15,027	23,742	21,669	Total deposits.....	137,029,289	140,648,764	147,810,982
Other securities—total.....	7,893,469	7,643,985	7,133,315	Demand.....	103,416,303	108,408,358	117,847,138
Obligations of States and political subdivisions.....	4,300,705	3,975,354	3,874,729	Time.....	33,612,986	32,240,406	29,963,844
Other bonds, notes, and debentures.....	3,295,002	3,354,207	2,938,313	Miscellaneous liabilities—total.....	1,047,214	1,024,999	1,099,022
Corporate stocks:				Bills payable, rediscounts, and other liabilities for borrowed money.....	38,888	83,229	215,300
Federal Reserve banks.....	186,796	182,798	176,895	Acceptances outstanding.....	133,458	109,799	76,824
Other corporate stocks.....	110,966	131,626	143,378	Dividends declared but not yet payable.....	57,497	48,428	56,508
Total securities.....	81,468,377	90,641,839	96,066,695	Income collected but not earned.....	101,261	78,908	58,280
Loans, discounts, and overdrafts (including rediscounts)—total.....	30,739,973	26,796,235	25,768,677	Expenses accrued and unpaid.....	381,709	394,189	367,271
Commercial and industrial loans (including open market paper).....	14,018,991	10,336,173	9,462,256	Other liabilities.....	334,401	310,446	324,839
Loans to farmers directly guaranteed by the Commodity Credit Corporation.....	102,139	97,000	304,685	Total liabilities (excluding capital accounts).....	138,076,503	141,673,763	148,910,004
Other loans to farmers (excluding loans on real estate).....	1,255,805	1,268,775	1,009,608				

Loans to brokers and dealers in securities . . .	1,517,318	2,416,515	3,164,060				
Other loans for the purpose of purchasing or carrying securities	1,609,335	2,656,333	3,606,474	Capital accounts—total	9,288,040	9,069,603	8,672,396
Real estate loans:				Capital stock, notes, and debentures	3,141,878	3,070,706	3,032,331
On farm land	683,569	617,848	507,342	Surplus	4,060,047	3,932,822	3,784,722
On residential properties	5,057,538	4,041,033	3,331,504	Undivided profits	1,495,456	1,485,019	1,293,271
On other properties	1,365,361	1,081,480	840,404	Reserves	590,659	581,056	562,072
Other loans to individuals:							
Retail automobile instalment paper	514,029	348,829	224,762	Total liabilities and capital accounts	147,364,543	150,743,366	157,582,400
Other retail instalment paper	328,229	398,645	266,346				
Repair and modernization instalment loans	311,309						
Instalment cash loans	674,938	524,498	398,296				
Single-payment loans	2,202,897	1,797,620	1,471,836	MEMORANDA			
Loans to banks	81,068	57,274	43,599	Pledged assets and securities loaned	13,664,608	23,895,648	32,517,937
All other loans (including overdrafts)	1,017,447	1,154,212	1,132,505				
Loans and securities—total	112,208,350	117,438,074	121,835,372	Capital stock, notes, and debentures:			
Bank premises, furniture and fixtures, and other real estate—total	987,225	991,956	1,003,336	Par or face value—total	3,143,231	3,072,408	3,034,144
Bank premises	824,029	828,309	835,787	Common stock	2,995,594	2,909,612	2,838,661
Furniture and fixtures	78,428	71,394	67,138	Capital notes and debentures	35,368	40,034	42,892
Real estate owned other than bank premises	20,326	24,903	31,239	Preferred stock	112,269	122,762	152,591
Investments and other assets indirectly representing bank premises or other real estate	64,442	67,350	69,172	Retireable value of preferred stock	191,752	204,986	260,591
Miscellaneous assets—total	464,654	460,027	440,988				
Customers' liability on acceptances outstanding	118,339	92,056	66,459	PERCENTAGES			
Income accrued but not collected	230,023	240,990	252,033	Percentages of total assets:			
Prepaid expenses	19,501	20,720	18,641	Cash and balances with other banks	22.9%	21.1%	21.8%
Other assets	96,791	106,261	103,855	U. S. Government obligations, direct and guaranteed	49.9	55.0	56.4
				Other securities	5.3	5.1	4.5
				Loans and discounts	20.9	17.8	16.4
				Other assets	1.0	1.0	.9
				Total capital accounts	6.3	6.0	5.5
Total assets	147,364,543	150,743,366	157,582,400				
Number of banks	13,359	13,335	13,302	Number of banks	13,359	13,335	13,302

¹ Includes obligations of United States Government corporations and agencies not guaranteed by the United States Government.

Back figures—See the following Annual Reports: 1945, pp. 112-113; 1944, pp. 126-127; 1943, pp. 80-81; 1942, pp. 80-81; 1941, pp. 126-129; 1940, pp. 144-147; 1938, pp. 164-167.

Table 107. SUMMARY OF ASSETS AND LIABILITIES OF OPERATING BANKS IN THE UNITED STATES AND POSSESSIONS, 1944-1946
BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK
 (Amounts in millions of dollars)

Asset, liability, or capital account item	June 30, 1944			December 30, 1944			June 30, 1945		
	ALL BANKS	INSURED	NONINSURED	ALL BANKS	INSURED	NONINSURED	ALL BANKS	INSURED	NONINSURED
Total assets	139,227	131,766	7,461	152,618	144,440	8,178	162,845	154,114	8,731
Cash and amounts due from other banks	28,279	27,571	708	30,910	30,145	765	30,846	30,081	765
United States Government obligations ¹	76,017	71,856	4,161	86,281	81,405	4,876	94,169	88,790	5,379
Other securities	7,552	6,750	802	7,563	6,761	802	8,013	7,185	828
Loans, discounts, and overdrafts	25,487	23,843	1,644	26,080	24,465	1,615	28,086	26,468	1,618
Miscellaneous assets	1,892	1,746	146	1,784	1,664	120	1,731	1,590	141
Total liabilities and capital accounts	139,227	131,766	7,461	152,618	144,440	8,178	162,845	154,114	8,731
Total deposits	129,128	122,415	6,713	142,077	134,662	7,415	151,859	143,953	7,906
Miscellaneous liabilities	824	782	42	926	896	30	913	863	50
Total capital accounts	9,275	8,569	706	9,615	8,882	733	10,073	9,298	775
Number of banks included	14,608	13,461	1,147	14,597	13,460	1,137	14,601	13,474	1,127
	ALL COMMERCIAL	INSURED COMMERCIAL	NONINSURED COMMERCIAL	ALL COMMERCIAL	INSURED COMMERCIAL	NONINSURED COMMERCIAL	ALL COMMERCIAL	INSURED COMMERCIAL	NONINSURED COMMERCIAL
Total assets	125,386	122,647	2,739	137,830	134,613	3,217	146,894	143,456	3,438
Cash and amounts due from other banks	27,736	27,190	546	30,327	29,746	581	30,262	29,659	603
United States Government obligations ¹	68,716	67,104	1,612	77,953	75,896	2,057	84,581	82,422	2,159
Other securities	6,294	6,124	170	6,331	6,157	174	6,774	6,579	195
Loans, discounts, and overdrafts	21,071	20,732	339	21,708	21,355	353	23,777	23,379	398
Miscellaneous assets	1,569	1,497	72	1,511	1,459	52	1,500	1,417	83
Total liabilities and capital accounts	125,386	122,647	2,739	137,830	134,613	3,217	146,894	143,456	3,438
Total deposits	116,655	114,180	2,475	128,702	125,752	2,950	137,434	134,282	3,152
Miscellaneous liabilities	778	757	21	891	871	20	865	833	32
Total capital accounts	7,953	7,710	243	8,237	7,990	247	8,595	8,341	254
Number of banks included	14,064	13,269	795	14,054	13,268	786	14,059	13,282	777
	ALL MUTUAL SAVINGS	INSURED MUTUAL SAVINGS	NONINSURED MUTUAL SAVINGS	ALL MUTUAL SAVINGS	INSURED MUTUAL SAVINGS	NONINSURED MUTUAL SAVINGS	ALL MUTUAL SAVINGS	INSURED MUTUAL SAVINGS	NONINSURED MUTUAL SAVINGS
Total assets	13,841	9,119	4,722	14,788	9,827	4,961	15,951	10,658	5,293
Cash and amounts due from other banks	543	381	162	583	399	184	584	422	162
United States Government obligations ¹	7,301	4,752	2,549	8,328	5,509	2,819	9,588	6,368	3,220
Other securities	1,258	626	632	1,232	604	628	1,239	606	633
Loans, discounts, and overdrafts	4,416	3,111	1,305	4,372	3,110	1,262	4,309	3,089	1,220
Miscellaneous assets	323	249	74	273	205	68	231	173	58
Total liabilities and capital accounts	13,841	9,119	4,722	14,788	9,827	4,961	15,951	10,658	5,293
Total deposits	12,473	8,235	4,238	13,375	8,910	4,465	14,425	9,671	4,754
Miscellaneous liabilities	46	25	21	35	25	10	48	30	18
Total capital accounts	1,322	859	463	1,378	892	486	1,478	957	521
Number of banks included	544	192	352	543	192	351	542	192	350

	December 31, 1945			June 29, 1946			December 31, 1946		
	ALL BANKS	INSURED	NONINSURED	ALL BANKS	INSURED	NONINSURED	ALL BANKS	INSURED	NONINSURED
Total assets	178,203	169,006	9,197	172,167	162,881	9,286	169,256	160,002	9,254
Cash and amounts due from other banks.....	35,585	34,732	853	33,209	32,403	806	35,185	34,316	869
United States Government obligations ¹	101,822	96,093	5,729	96,403	90,660	5,743	87,032	81,521	5,511
Other securities.....	8,595	7,789	856	9,199	8,304	895	9,517	8,589	928
Loans, discounts, and overdrafts.....	30,473	28,850	1,623	31,628	29,928	1,700	35,810	33,990	1,820
Miscellaneous assets.....	1,728	1,592	136	1,728	1,586	142	1,712	1,586	126
Total liabilities and capital accounts	178,203	169,006	9,197	172,167	162,881	9,286	169,256	160,002	9,254
Total deposits.....	166,474	158,174	8,300	159,990	151,628	8,362	156,753	148,458	8,295
Miscellaneous liabilities.....	1,203	1,125	78	1,125	1,062	63	1,158	1,083	75
Total capital accounts.....	10,526	9,707	819	11,052	10,191	861	11,345	10,461	884
Number of banks included.....	14,621	13,494	1,127	14,633	13,526	1,107	14,655	13,550	1,105
	ALL COMMERCIAL	INSURED COMMERCIAL	NONINSURED COMMERCIAL	ALL COMMERCIAL	INSURED COMMERCIAL	NONINSURED COMMERCIAL	ALL COMMERCIAL	INSURED COMMERCIAL	NONINSURED COMMERCIAL
Total assets	161,182	157,582	3,600	154,113	150,743	3,370	150,552	147,365	3,187
Cash and amounts due from other banks.....	34,975	34,303	672	32,462	31,853	609	34,366	33,704	662
United States Government obligations ¹	91,149	88,933	2,216	84,965	82,998	1,967	75,253	73,575	1,678
Other securities.....	7,340	7,133	207	7,869	7,644	225	8,118	7,894	224
Loans, discounts, and overdrafts.....	26,193	25,769	424	27,271	26,796	475	31,283	30,740	543
Miscellaneous assets.....	1,525	1,444	81	1,546	1,452	94	1,532	1,452	80
Total liabilities and capital accounts	161,182	157,582	3,600	154,113	150,743	3,370	150,552	147,365	3,187
Total deposits.....	151,089	147,811	3,278	143,709	140,649	3,060	139,883	137,030	2,853
Miscellaneous liabilities.....	1,160	1,099	61	1,067	1,025	42	1,108	1,047	61
Total capital accounts.....	8,933	8,672	261	9,337	9,069	268	9,561	9,288	273
Number of banks included.....	14,079	13,302	777	14,092	13,335	757	14,114	13,359	755
	ALL MUTUAL SAVINGS	INSURED MUTUAL SAVINGS	NONINSURED MUTUAL SAVINGS	ALL MUTUAL SAVINGS	INSURED MUTUAL SAVINGS	NONINSURED MUTUAL SAVINGS	ALL MUTUAL SAVINGS	INSURED MUTUAL SAVINGS	NONINSURED MUTUAL SAVINGS
Total assets	17,021	11,424	5,597	18,054	12,138	5,916	18,704	12,637	6,067
Cash and amounts due from other banks.....	610	429	181	747	550	197	819	612	207
United States Government obligations ¹	10,673	7,160	3,513	11,438	7,662	3,776	11,779	7,946	3,833
Other securities.....	1,255	606	649	1,330	660	670	1,399	695	704
Loans, discounts, and overdrafts.....	4,230	3,081	1,199	4,857	3,132	1,225	4,527	3,250	1,277
Miscellaneous assets.....	203	148	55	182	134	48	180	134	46
Total liabilities and capital accounts	17,021	11,424	5,597	18,054	12,138	5,916	18,704	12,637	6,067
Total deposits.....	15,385	10,363	5,022	16,281	10,979	5,302	16,870	11,428	5,442
Miscellaneous liabilities.....	43	26	17	58	37	21	50	36	14
Total capital accounts.....	1,593	1,035	558	1,715	1,122	593	1,784	1,173	611
Number of banks included.....	542	192	350	541	191	350	541	191	350

¹ Includes both direct and guaranteed obligations.

Back figures—See the following Annual Reports: 1945, pp. 114-115; 1944, pp. 128-129; 1941, pp. 122-125.

Table 108. ASSETS AND LIABILITIES OF OPERATING INSURED COMMERCIAL BANKS, CALL DATES, 1941-1946

(Amounts in millions of dollars)

Asset, liability, or capital account item	1941		1942		1943		1944		1945		1946	
	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 30	June 30	Dec. 31	June 29	Dec. 31
Total assets	72,984	76,827	78,709	95,459	102,405	112,246	122,647	134,613	143,456	157,582	150,743	147,365
Cash, balances with other banks, and cash items in process of collection	24,998	25,793	24,382	27,593	25,538	27,191	27,190	29,746	29,659	34,303	31,853	33,704
Securities—total	26,279	28,032	32,726	47,344	57,890	64,678	73,228	82,053	89,001	96,066	90,642	81,469
United States Government obligations, direct and guaranteed.....	19,371	21,047	25,936	40,712	51,542	58,693	67,104	75,896	82,422	88,933	82,998	73,575
Obligations of States and political subdivisions.....	3,551	3,652	3,494	3,533	3,441	3,288	3,394	3,424	3,686	3,875	3,975	4,301
Other bonds, notes, and debentures.....	2,890	2,890	2,865	2,680	2,520	2,342	2,388	2,386	2,567	2,938	3,354	3,295
Corporate stocks.....	467	443	431	419	387	355	342	347	326	320	315	298
Loans, discounts, and overdrafts (including rediscounts)	19,913	21,262	19,923	18,907	17,392	18,844	20,732	21,355	23,379	25,769	26,796	30,740
Miscellaneous assets—total	1,794	1,740	1,678	1,615	1,585	1,533	1,497	1,459	1,417	1,444	1,452	1,452
Bank premises owned, furniture and fixtures.....	1,067	1,060	1,060	1,048	1,022	994	972	940	919	903	900	902
Other real estate—direct and indirect.....	429	370	340	301	257	207	172	139	115	100	92	85
All other miscellaneous assets.....	298	310	278	266	306	332	353	380	383	441	460	465
Total liabilities and capital accounts	72,984	76,827	78,709	95,459	102,405	112,246	122,647	134,613	143,456	157,582	150,743	147,365
Deposits—total	65,617	69,421	71,162	87,820	94,582	104,116	114,180	125,752	134,282	147,811	140,649	137,030
Demand deposits of individuals, partnerships, and corporations.....	34,331	36,547	39,266	47,128	53,423	58,346	57,364	64,149	65,508	72,606	75,405	79,903
Time deposits of individuals, partnerships, and corporations.....	15,207	15,151	14,890	15,706	16,897	18,572	20,544	23,363	26,363	29,295	31,505	32,761
States and political subdivisions.....	4,010	4,170	4,337	4,394	4,675	4,749	4,812	4,944	5,182	5,595	6,361	6,633
United States Government.....	666	1,763	1,771	8,215	7,765	10,068	18,865	19,862	23,583	23,841	13,046	3,047
Postal savings.....	65	59	56	13	9	7	6	5	5	5	5	5
Interbank.....	10,546	10,654	10,076	11,145	10,681	10,705	11,038	12,074	12,401	13,884	12,007	12,320
Certified and officers' checks, cash letters of credit, etc.....	792	1,077	766	1,219	1,132	1,669	1,551	1,355	1,240	2,585	2,320	2,361
Miscellaneous liabilities—total	594	564	594	583	594	676	757	871	833	1,099	1,025	1,047
Rediscounts and other borrowed money.....	10	10	11	10	25	45	84	121	65	215	83	39
All other miscellaneous liabilities.....	584	554	583	573	569	631	673	750	768	884	942	1,008
Capital accounts—total	6,773	6,842	6,953	7,056	7,229	7,454	7,710	7,990	8,341	8,672	9,069	9,288
Capital stock, notes, and debentures.....	2,858	2,849	2,859	2,849	2,841	2,875	2,898	2,912	2,978	3,032	3,070	3,142
Surplus.....	2,603	2,686	2,741	2,801	2,887	3,090	3,190	3,402	3,529	3,785	3,393	4,060
Undivided profits, including all other capital accounts.....	1,312	1,307	1,353	1,406	1,501	1,489	1,625	1,676	1,834	1,855	2,066	2,086
Number of banks included	13,423	13,427	13,408	13,347	13,302	13,274	13,269	13,268	13,282	13,302	13,335	13,859

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**Table 109. PERCENTAGE DISTRIBUTION OF ASSETS AND LIABILITIES OF OPERATING INSURED COMMERCIAL BANKS,
CALL DATES, 1941-1946**

Asset, liability, or capital account item	1941		1942		1943		1944		1945		1946	
	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 30	June 30	Dec. 31	June 29	Dec. 31
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cash, balances with other banks, and cash items in process of collection	34.3	33.6	31.0	28.9	24.9	24.2	22.2	22.0	20.7	21.8	21.1	22.9
Securities—total	36.0	36.5	41.6	49.6	56.6	57.6	59.7	61.0	62.0	61.0	60.1	55.2
United States Government obligations, direct and guaranteed	26.5	27.3	33.1	42.7	50.3	52.3	54.7	56.4	57.4	56.4	55.1	49.9
Obligations of States and political subdivisions	4.9	4.8	4.4	3.7	3.4	2.9	2.8	2.5	2.6	2.5	2.6	2.9
Other bonds, notes, and debentures	4.0	3.8	3.6	2.8	2.5	2.1	1.9	1.8	1.8	1.9	2.2	2.2
Corporate stocks .....	.6	.6	.5	.4	.4	.3	.3	.3	.2	.2	.2	.2
Loans, discounts, and overdrafts (including rediscounts)	27.2	27.6	25.3	19.8	17.0	16.8	16.9	15.9	16.3	16.3	17.8	20.9
Miscellaneous assets—total	2.5	2.3	2.1	1.7	1.5	1.4	1.2	1.1	1.0	.9	1.0	1.0
Bank premises owned, furniture and fixtures	1.5	1.4	1.3	1.1	1.0	.9	.8	.7	.6	.6	.6	.6
Other real estate—direct and indirect .....	.6	.5	.4	.3	.2	.2	.1	.1	.1	.1	.1	.1
All other miscellaneous assets .....	.4	.4	.4	.3	.3	.3	.3	.3	.3	.3	.3	.3
Total liabilities 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%	100.0%
Deposits—total	89.9	90.4	90.4	92.0	92.3	92.8	93.1	93.5	93.6	93.8	93.3	93.0
Demand deposits of individuals, partnerships, and corporations	47.1	47.6	49.8	49.3	52.1	52.1	46.7	47.6	45.7	46.1	50.0	54.2
Time deposits of individuals, partnerships, and corporations	20.8	19.7	18.9	16.5	16.5	16.5	16.8	17.4	18.4	18.6	20.9	22.2
States and political subdivisions	5.5	5.4	5.5	4.6	4.6	4.2	3.9	3.7	3.6	3.6	4.2	4.5
United States Government .....	.9	2.3	2.3	8.6	7.6	9.0	15.4	14.8	16.4	15.1	8.7	2.1
Postal savings .....	.1	.1	.1									
Interbank	14.4	13.9	12.8	11.7	10.4	9.5	9.0	9.0	8.6	8.8	8.0	8.4
Certified and officers' checks, cash letters of credit, etc.	1.1	1.4	1.0	1.3	1.1	1.5	1.3	1.0	.9	1.6	1.5	1.6
Miscellaneous liabilities—total .....	.8	.7	.8	.6	.6	.6	.6	.6	.6	.7	.7	.7
Rediscounts and other borrowed money												
All other miscellaneous liabilities .....	.8	.7	.8	.6	.6	.6	.5	.5	.5	.6	.6	.7
Capital accounts—total	9.3	8.9	8.8	7.4	7.1	6.6	6.3	5.9	5.8	5.5	6.0	6.3
Capital stock, notes, and debentures	3.9	3.7	3.6	3.0	2.8	2.6	2.4	2.2	2.1	1.9	2.0	2.1
Surplus	3.6	3.5	3.5	2.9	2.8	2.7	2.6	2.5	2.4	2.4	2.6	2.8
Undivided profits, including all other capital accounts	1.8	1.7	1.7	1.5	1.5	1.3	1.3	1.2	1.3	1.2	1.4	1.4
Number of banks included	13,423	13,427	13,403	13,347	13,302	13,274	13,269	13,268	13,282	13,302	13,335	13,359

Back figures—See the following Annual Reports: 1945, p. 117; 1944, p. 130.

Table 110. ASSETS AND LIABILITIES OF ALL OPERATING BANKS IN THE UNITED STATES AND POSSESSIONS, DECEMBER 31, 1946
BANKS GROUPED BY DISTRICT AND STATE
 (Amounts in millions of dollars)

District and State	Number of banks	Assets					Total	Liabilities and capital accounts				
		Cash and due from banks	U. S. Government obligations	Other securities	Loans, discounts, and overdrafts	Miscellaneous assets		Deposits			Miscellaneous liabilities	Total capital accounts
								Business and personal ¹	Government ²	Inter-bank ³		
United States and possessions	14,655	35,183	87,032	9,517	35,810	1,712	169,256	134,023	10,058	12,672	1,158	11,345
United States	14,616	35,029	86,536	9,477	35,647	1,678	168,367	133,403	9,863	12,659	1,134	11,308
Possessions	39	156	496	40	163	34	889	620	195	13	24	37
FDIC District												
District 1.....	877	1,768	7,616	955	3,083	156	13,578	11,889	492	410	86	1,201
District 2.....	1,227	8,914	26,874	2,348	11,731	615	50,482	39,071	2,009	4,682	583	4,137
District 3.....	1,697	3,760	9,845	1,667	3,612	231	19,115	15,504	1,050	909	107	1,545
District 4.....	1,067	2,026	4,476	408	1,675	95	8,680	6,883	637	587	48	525
District 5.....	972	1,559	2,600	359	1,186	53	5,757	4,369	598	466	25	299
District 6.....	1,500	2,371	3,844	445	1,932	61	8,653	6,266	618	1,230	30	459
District 7.....	1,485	2,264	6,138	599	1,913	78	10,992	9,230	725	422	31	584
District 8.....	1,526	3,310	7,173	785	2,637	82	13,987	10,788	956	1,427	57	759
District 9.....	1,105	1,044	2,565	200	754	29	4,592	3,564	379	395	16	238
District 10.....	1,603	1,680	2,893	292	939	32	5,836	4,435	552	535	15	299
District 11.....	1,075	2,584	3,338	401	1,878	89	8,290	6,159	731	946	34	420
District 12.....	521	3,905	9,670	1,058	4,470	191	19,294	16,365	1,311	613	126	879
State												
Alabama.....	219	347	582	99	261	12	1,301	1,010	139	76	6	70
Arizona.....	10	90	195	12	109	4	410	343	46	4	2	15
Arkansas.....	226	265	379	56	126	4	830	663	65	60	1	41
California.....	192	2,719	6,854	773	3,333	149	13,828	11,800	356	430	106	636
Colorado.....	144	334	577	42	190	6	1,149	947	49	95	3	55
Connecticut.....	186	393	1,672	228	564	39	2,896	2,505	80	41	12	258
Delaware.....	41	99	316	89	99	6	609	487	57	4	3	58
District of Columbia.....	20	276	580	42	175	18	1,091	940	32	49	6	64
Florida.....	179	479	950	96	293	18	1,836	1,393	210	137	5	91
Georgia.....	371	519	744	62	483	17	1,825	1,357	156	202	12	98

Idaho.....	47	100	271	9	72	2	454	387	43	7	1	16
Illinois.....	869	2,764	5,940	659	2,209	70	11,642	8,935	727	1,283	55	642
Indiana.....	490	701	1,694	145	490	20	3,050	2,480	271	130	7	162
Iowa.....	657	546	1,233	126	428	12	2,345	1,853	229	144	2	117
Kansas.....	612	445	833	75	251	8	1,612	1,219	208	103	2	80
Kentucky.....	386	407	788	62	342	9	1,608	1,251	112	143	6	96
Louisiana.....	155	480	704	138	291	19	1,632	1,173	171	203	10	75
Maine.....	96	97	454	59	150	5	765	658	26	9	5	67
Maryland.....	178	368	1,250	97	335	23	2,073	1,708	100	111	7	147
Massachusetts.....	381	1,032	4,357	472	1,915	86	7,862	6,485	290	338	54	695
Michigan.....	439	963	2,710	236	939	36	4,934	4,193	303	163	18	257
Minnesota.....	676	666	1,596	143	533	21	3,009	2,287	203	335	13	171
Mississippi.....	203	214	324	102	149	6	795	609	93	51	2	40
Missouri.....	594	1,156	1,850	191	994	29	4,220	2,906	293	787	15	219
Montana.....	110	148	327	15	61	3	554	448	52	31	1	22
Nebraska.....	409	370	695	65	196	7	1,333	1,019	77	168	6	63
Nevada.....	8	31	95	8	36	2	172	143	19	1	2	7
New Hampshire.....	106	66	303	71	137	4	581	498	18	8	1	56
New Jersey.....	367	805	2,965	445	905	68	5,188	4,427	343	46	21	351
New Mexico.....	44	85	117	11	68	1	282	227	33	11	.....	11
New York.....	802	7,953	23,454	1,793	10,648	512	44,360	34,000	1,487	4,622	536	3,715
North Carolina.....	226	518	916	112	399	19	1,964	1,412	212	228	16	96
North Dakota.....	150	114	373	21	42	2	552	434	77	16	1	24
Ohio.....	677	1,564	3,785	444	1,565	65	7,423	6,106	550	298	35	434
Oklahoma.....	383	456	669	101	265	10	1,501	1,055	197	156	4	89
Oregon.....	69	313	746	81	269	15	1,424	1,209	109	37	5	64
Pennsylvania.....	1,020	2,196	6,060	1,223	2,047	166	11,692	9,398	500	611	72	1,111
Rhode Island.....	29	140	676	97	185	17	1,115	931	68	12	12	92
South Carolina.....	149	208	348	37	111	4	708	578	74	24	2	30
South Dakota.....	169	116	269	21	68	3	477	395	47	13	1	21
Tennessee.....	294	543	827	136	470	19	1,995	1,446	148	290	8	103
Texas.....	866	1,929	2,322	240	1,410	65	5,966	4,416	481	728	22	319
Utah.....	59	141	234	17	139	3	584	456	50	47	2	29
Vermont.....	79	40	154	28	132	5	359	312	10	2	2	33
Virginia.....	315	448	884	80	482	22	1,916	1,501	141	143	9	122
Washington.....	124	502	1,063	151	537	15	2,268	1,907	161	88	9	103
West Virginia.....	179	208	498	40	173	9	928	744	78	32	8	66
Wisconsin.....	556	600	1,734	168	484	22	3,008	2,557	151	129	6	165
Wyoming.....	55	75	119	9	37	1	241	195	21	13	.....	12
Possessions												
Alaska.....	18	22	29	1	13	1	66	57	4	1	.....	4
Hawaii.....	4	77	328	18	71	4	498	406	69	2	1	20
Puerto Rico.....	15	56	137	21	78	29	321	154	121	10	23	13
Virgin Islands.....	2	1	2	.....	1	.....	4	3	1	.....	.....	.....

¹ Demand and time deposits of individuals, partnerships, and corporations, certified and officers' checks, cash letters of credit, etc., and unclassified deposits of \$65,451,000 in noninsured commercial banks.

² Deposits of the United States Government; and deposits of States and political subdivisions.

³ Interbank deposits; and postal savings deposits.

Back figures—See the Annual Report for 1945, pp. 118-119.

EXAMINERS' EVALUATION OF INSURED COMMERCIAL BANKS

Table 111. Examiners' appraisal of assets, liabilities, and capital of insured commercial banks examined in 1939-1946

Table 112. Examiners' appraisal of assets, liabilities, and capital of insured commercial banks examined in 1946

Banks grouped according to amount of deposits

Table 113. Examiners' appraisal of assets, liabilities, and capital of insured commercial banks examined in 1946

Banks grouped by district and State

The tables in this section present a summary of the evaluation of bank assets and liabilities made by examiners of the Federal supervisory agencies. Since bank examinations are made at various dates during the year, these tables differ from those in the previous sections, which are based on reports submitted by the banks for specified dates. These tables have been prepared from reports of examination available during the year and do not cover precisely the banks examined in that year. The figures for 1946, include 12,461 insured commercial banks operating at the close of the year and 32 banks which ceased operations or were taken over by other banks during the year. Figures for 901 insured banks operating at the close of the year were not included in the tabulations: 8 because they were not engaged in deposit banking, and 893 because reports of examination were, for various reasons, not available for tabulation. For 408 banks the figures are derived from reports of examination made in the last three months of 1945.

Evaluation of Assets

Book value of assets is the net value, after deduction of valuation and premium allowances, at which the assets are carried on the books of the banks at the time of examination.

Assets not on the books represent the determinable sound value of assets which are not included in the bank's statement of assets or are carried at nominal values.

Examiners' deductions from total assets represent the difference between the appraised value and book value of assets shown on the books.

Examiners' deductions (net) from total assets in Table 113 is the difference between examiners' deductions and the determinable sound values of assets not shown on the books.

Appraised value of total assets represents the value of all assets as determined by examiners and is segregated into two groups: (1) not criticized, which represents the appraised value of assets regarded as suitable for bank investment; and (2) substandard, which represents the appraised value of assets believed by the examiners to involve a substantial degree of risk, or to be otherwise undesirable for bank investment. For a description of the procedure followed in examiners' evaluation of assets, see the Annual Report of the Corporation for 1938, pages 61-78.

Evaluation of Liabilities and Capital

Adjusted liabilities include all liabilities shown on the books and such others as have been determined by the examiners.

Book value of capital accounts refers to the net worth or equity of the stockholders (including holders of capital notes and debentures) shown on the books at the time of examination.

Adjusted capital accounts equal book value of total capital accounts plus the value of assets not shown on the books, less examiners' deductions from total assets, and less liabilities not shown on the books. The term "adjusted capital accounts" corresponds to the term "net sound capital" used in the Annual Reports of the Corporation for the years 1939-1943.

Table III. EXAMINERS' APPRAISAL OF ASSETS, LIABILITIES, AND CAPITAL OF INSURED COMMERCIAL BANKS EXAMINED IN 1939-1946

(Amounts in thousands of dollars)

Asset, liability, or capital account item	1939	1940	1941	1942	1943	1944	1945	1946
Total assets—book value	58,254,425	65,184,983	71,697,320	80,449,956	102,021,738	118,843,675	138,032,336	147,828,793
Assets not on the books.....	38,996	36,777	19,851	20,089	26,346	20,897	20,283	16,017
Examiners' deductions.....	340,697	255,876	174,037	145,741	97,144	54,193	29,354	25,095
Appraised value.....	57,952,724	64,965,884	71,543,134	80,324,304	101,950,940	118,810,379	138,023,265	147,819,715
Not criticized.....	54,982,653	62,413,390	69,512,512	78,610,078	100,690,843	117,984,985	137,404,382	147,293,671
Substandard.....	2,970,071	2,552,494	2,030,622	1,714,226	1,260,097	825,394	618,883	526,044
Total liabilities—book value	51,781,865	58,627,148	65,012,512	73,529,826	94,882,516	111,242,503	129,849,891	139,081,529
Total deposits.....	50,976,656	57,919,547	64,218,740	72,755,007	94,087,113	110,177,295	128,263,849	137,221,546
Other liabilities—book value.....	805,209	707,601	793,772	774,819	795,403	1,065,208	1,586,042	1,859,983
Liabilities not on the books.....	10,436	12,927	6,084	7,362	4,491	7,563	3,731	4,719
Adjusted total liabilities.....	51,792,301	58,640,075	65,018,596	73,537,188	94,887,007	111,250,066	129,853,622	139,086,248
Total capital accounts—book value	6,472,560	6,557,835	6,684,808	6,920,130	7,139,222	7,601,172	8,182,445	8,747,264
Assets not on the books.....	38,996	36,777	19,851	20,089	26,346	20,897	20,283	16,017
Examiners' deductions from total assets.....	340,697	255,876	174,037	145,741	97,144	54,193	29,354	25,095
Liabilities not on the books.....	10,436	12,927	6,084	7,362	4,491	7,563	3,731	4,719
Adjusted capital accounts.....	6,160,423	6,325,809	6,524,538	6,787,116	7,063,933	7,560,313	8,169,643	8,733,467
Adjusted capital accounts per \$100 of—								
Appraised value of total assets.....	\$10.63	\$9.74	\$9.12	\$8.45	\$6.93	\$6.36	\$5.92	\$5.91
Book capital.....	95.18	96.46	97.60	98.08	98.95	99.46	99.84	99.84
Substandard assets per \$100 of—								
Appraised value of total assets.....	5.12	3.93	2.84	2.13	1.24	.69	.45	.36
Adjusted capital accounts.....	48.21	40.35	31.12	25.26	17.84	10.92	7.58	6.02
Number of banks	13,505	13,437	13,308	13,303	13,207	12,983	12,473	12,493

Table 112. EXAMINERS' APPRAISAL OF ASSETS, LIABILITIES, AND CAPITAL OF INSURED COMMERCIAL BANKS EXAMINED IN 1946

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Asset, liability, or capital account item	All banks	Banks with deposits of—							
		\$500,000 or less	\$500,000 to \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	More than \$100,000,000
(Amounts in thousands of dollars)									
Total assets—book value	147,828,793	227,297	1,496,833	4,957,277	12,791,187	12,216,384	25,660,584	10,207,272	86,271,959
Assets not on the books.....	16,017	156	971	2,675	3,909	2,289	4,128	393	1,496
Examiners' deductions.....	25,095	128	541	1,472	3,449	2,812	5,179	1,071	10,443
Appraised value.....	147,819,715	227,325	1,497,263	4,958,480	12,791,647	12,215,861	25,659,583	10,206,594	80,263,012
Not criticized.....	<i>147,293,671</i>	<i>225,222</i>	<i>1,487,636</i>	<i>4,931,040</i>	<i>12,733,655</i>	<i>12,161,051</i>	<i>25,552,227</i>	<i>10,160,181</i>	<i>80,042,659</i>
Substandard.....	<i>526,044</i>	<i>2,103</i>	<i>9,627</i>	<i>27,440</i>	<i>57,992</i>	<i>54,810</i>	<i>107,306</i>	<i>46,413</i>	<i>220,353</i>
Total liabilities—book value	139,081,529	205,705	1,393,251	4,656,546	12,045,080	11,513,121	24,223,226	9,676,922	75,367,678
Total deposits.....	137,221,546	204,767	1,390,511	4,646,934	12,017,142	11,475,553	24,093,905	9,599,428	73,793,306
Other liabilities—book value.....	1,859,983	938	2,740	9,612	27,938	37,568	129,321	77,494	1,574,372
Liabilities not on the books.....	4,719	32	142	212	431	305	466	1,715	1,416
Adjusted total liabilities.....	139,086,248	205,737	1,393,393	4,656,758	12,045,511	11,513,426	24,223,692	9,678,637	75,369,094
Total capital accounts—book value	8,747,264	21,592	103,582	300,731	746,107	703,263	1,437,358	530,350	4,904,281
Assets not on the books.....	16,017	156	971	2,675	3,909	2,289	4,128	393	1,496
Examiners' deductions from total assets.....	25,095	128	541	1,472	3,449	2,812	5,179	1,071	10,443
Liabilities not on the books.....	4,719	32	142	212	431	305	466	1,715	1,416
Adjusted capital accounts.....	8,733,467	21,588	103,870	301,722	746,136	702,435	1,435,841	527,957	4,893,918
Adjusted capital accounts per \$100 of—									
Appraised value of total assets.....	\$5.91	\$9.50	\$6.94	\$6.08	\$5.83	\$5.75	\$5.60	\$5.17	\$6.10
Book capital.....	99.84	99.98	100.28	100.33	100.00	99.88	99.89	99.55	99.79
Substandard assets per \$100 of—									
Appraised value of total assets.....	.36	.93	.64	.55	.45	.45	.42	.45	.27
Adjusted capital accounts.....	6.02	9.74	9.27	9.09	7.77	7.80	7.47	8.79	4.50
Number of banks	12,493	538	1,826	3,159	3,812	1,641	1,204	135	178

Back figures—See the following Annual Reports: 1945, pp. 124-125, and earlier reports.

Table 113. EXAMINERS' APPRAISAL OF ASSETS, LIABILITIES, AND CAPITAL OF INSURED COMMERCIAL BANKS EXAMINED IN 1946

BANKS GROUPED BY FEDERAL DEPOSIT INSURANCE CORPORATION DISTRICT AND STATE

(Amounts in thousands of dollars)

FDIC District and State	Number of banks	Total assets					Total liabilities		Total capital accounts		Adjusted capital accounts per \$100 of appraised value of total assets	Substandard assets per \$100 of—	
		Book value	Examiners' deductions (net) ¹	Appraised value			Book value	Adjusted value	Book value	Adjusted value		Appraised value of total assets	Adjusted capital accounts
				Total	Not criticized	Sub-standard							
United States and possessions.....	12,493	147,828,793	9,078	147,819,715	147,293,671	526,044	139,081,529	139,086,248	8,747,264	8,733,467	\$5.91	\$.36	\$6.02
United States.....	12,488	147,788,745	9,054	147,779,691	147,253,788	525,903	139,043,296	139,048,015	8,745,449	8,731,676	5.91	.36	6.02
Possessions.....	5	40,048	24	40,024	39,883	141	38,233	38,233	1,815	1,791	4.47	.35	7.87
FDIC District													
District 1.....	461	7,547,754	901	7,546,853	7,517,669	29,184	7,006,701	7,006,715	541,053	540,138	7.16	.89	5.40
District 2 ^a	1,010	40,287,844	8,138	40,279,706	40,060,096	219,610	37,356,619	37,359,188	2,931,225	2,920,518	7.25	.55	7.52
District 3.....	1,627	17,564,927	2,914	17,562,013	17,489,804	72,209	16,311,955	16,312,171	1,252,972	1,249,842	7.12	.41	5.78
District 4.....	901	7,779,845	12	7,779,833	7,757,588	22,245	7,350,316	7,350,404	429,529	429,429	5.52	.29	5.18
District 5.....	649	5,286,191	398	5,285,793	5,251,328	34,465	5,084,395	5,084,446	251,796	251,347	4.76	.65	13.71
District 6.....	1,418	8,748,568	888	8,748,956	8,710,332	38,624	8,316,131	8,316,289	432,437	432,667	4.95	.44	8.93
District 7.....	1,364	10,638,204	398	10,639,102	10,618,966	20,136	10,104,236	10,104,299	533,968	534,803	5.03	.19	3.77
District 8.....	1,358	13,899,631	889	13,900,520	13,875,694	24,826	13,191,203	13,191,236	708,428	709,284	5.10	.18	3.50
District 9.....	949	4,060,016	694	4,060,710	4,050,943	9,767	3,858,906	3,858,961	201,110	201,749	4.97	.24	4.84
District 10.....	1,865	5,641,062	1,198	5,642,260	5,627,083	15,177	5,366,899	5,367,404	274,163	274,856	4.87	.27	5.52
District 11.....	943	8,071,951	215	8,071,736	8,056,137	15,599	7,687,186	7,687,231	384,765	384,505	4.76	.19	4.06
District 12 ^b	448	18,302,800	567	18,302,233	18,278,031	24,202	17,496,982	17,497,904	805,818	804,329	4.39	.13	3.01
State													
Alabama.....	167	1,223,481	107	1,223,374	1,219,152	4,222	1,160,502	1,160,514	62,979	62,860	5.14	.35	6.72
Arizona.....	10	394,465	58	394,407	393,206	1,201	381,318	381,319	13,147	13,088	3.32	.30	9.18
Arkansas.....	213	804,674	62	804,736	803,342	1,394	765,995	766,011	38,673	38,725	4.81	.17	3.60
California.....	175	13,629,340	179	13,629,161	13,610,813	18,348	13,015,918	13,016,828	613,422	612,333	4.49	.13	3.00
Colorado.....	134	1,135,974	1,140	1,137,114	1,134,483	2,631	1,083,919	1,083,960	52,055	53,154	4.67	.23	4.95
Connecticut.....	86	1,301,048	187	1,300,861	1,295,698	5,163	1,211,990	1,211,992	89,058	88,869	6.83	.40	5.81
Delaware.....	27	390,519	77	390,442	385,481	4,961	352,728	352,738	37,791	37,704	9.66	1.27	13.16
Dist. of Columbia.....	21	1,128,183	224	1,127,959	1,123,840	4,119	1,065,400	1,065,400	62,783	62,559	5.55	.37	6.58
Florida.....	125	1,731,246	401	1,730,845	1,715,734	15,111	1,653,672	1,653,674	77,574	77,171	4.46	.87	19.58
Georgia.....	196	1,658,792	71	1,658,863	1,650,916	7,947	1,580,502	1,580,529	78,290	78,334	4.72	.48	10.15

Idaho.....	43	399,539	32	399,571	399,480	91	384,785	384,785	14,754	14,786	3.70	.02	.62
Illinois.....	836	11,859,188	173	11,859,361	11,843,664	15,697	11,250,249	11,250,264	608,939	609,097	5.14	.13	2.58
Indiana.....	466	2,969,072	190	2,969,622	2,960,728	8,534	2,818,893	2,818,919	150,179	150,343	5.06	.29	5.68
Iowa.....	522	2,040,443	716	2,041,159	2,032,030	9,129	1,940,954	1,940,972	99,489	100,187	4.91	.45	9.11
Kansas.....	449	1,422,606	30	1,422,576	1,419,055	3,521	1,356,541	1,356,654	66,065	65,922	4.63	.25	5.34
Kentucky.....	363	1,550,966	190	1,551,096	1,546,440	4,656	1,459,747	1,459,776	91,219	91,320	5.89	.30	5.10
Louisiana.....	132	1,609,066	233	1,609,299	1,605,911	3,388	1,536,889	1,536,898	72,177	72,401	4.50	.21	4.68
Maine.....	55	493,813	81	493,732	490,934	2,798	458,915	458,917	34,898	34,815	7.05	.57	8.04
Maryland.....	163	1,643,120	45	1,643,165	1,639,984	3,181	1,550,229	1,550,234	92,891	92,931	5.66	.19	3.42
Massachusetts.....	180	4,548,742	381	4,548,361	4,537,505	10,856	4,223,789	4,223,797	324,953	324,564	7.14	.24	3.34
Michigan.....	386	4,798,431	330	4,798,761	4,793,270	5,491	4,567,950	4,567,968	230,481	230,793	4.81	.11	2.38
Minnesota.....	552	2,682,985	521	2,683,506	2,677,345	6,161	2,538,700	2,538,723	144,285	144,783	5.40	.23	4.26
Mississippi.....	161	672,672	39	672,711	665,526	7,185	639,719	639,729	32,953	32,982	4.90	1.07	21.78
Missouri.....	554	4,355,246	169	4,355,405	4,333,857	21,548	4,147,731	4,147,766	207,515	207,639	4.77	.49	10.38
Montana.....	110	526,358	6	526,364	524,617	1,747	505,101	505,128	21,257	21,236	4.03	.33	8.23
Nebraska.....	355	1,289,009	329	1,289,338	1,286,427	2,911	1,280,404	1,230,532	58,605	58,806	4.56	.23	4.95
Nevada.....	7	165,844	9	165,835	165,267	568	159,426	159,426	6,418	6,409	3.86	.34	8.86
New Hampshire.....	56	240,976	32	240,944	239,810	1,134	220,750	220,750	20,226	20,194	8.38	.47	5.62
New Jersey.....	331	4,469,338	792	4,468,546	4,421,115	47,431	4,199,806	4,200,063	269,532	268,483	6.01	1.06	17.67
New Mexico.....	39	270,470	133	270,337	262,882	1,455	261,158	261,160	9,312	9,177	3.39	.54	15.85
New York.....	651	35,423,604	7,269	35,416,335	35,249,209	167,126	32,800,021	32,802,323	2,623,583	2,614,012	7.38	.47	6.39
North Carolina.....	171	1,605,052	63	1,605,115	1,599,864	5,251	1,528,147	1,528,202	76,905	76,913	4.79	.33	6.83
North Dakota.....	136	426,896	56	426,952	426,126	826	410,248	410,251	16,648	16,701	3.91	.19	4.95
Ohio.....	659	7,358,519	209	7,358,728	7,350,691	8,037	6,953,781	6,953,826	404,738	404,902	5.50	.11	1.98
Oklahoma.....	372	1,574,526	185	1,574,341	1,569,297	5,044	1,488,662	1,488,775	85,864	85,566	5.44	.32	5.89
Oregon.....	62	1,397,337	30	1,397,307	1,396,055	1,252	1,339,456	1,339,459	57,881	57,848	4.14	.09	2.16
Pennsylvania.....	968	10,206,408	3,123	10,203,285	10,189,113	64,172	9,358,174	9,358,345	848,234	844,940	8.28	.63	7.59
Rhode Island.....	13	695,436	27	695,409	691,689	3,720	648,453	648,454	46,983	46,955	6.75	.53	7.92
South Carolina.....	91	601,850	103	601,953	600,393	1,065	576,332	576,844	25,018	25,114	4.17	.18	4.24
South Dakota.....	151	423,777	111	423,888	422,855	1,083	404,857	404,859	18,920	19,029	4.49	.24	5.43
Tennessee.....	288	2,037,682	37	2,037,719	2,026,693	11,026	1,942,658	1,942,736	95,024	94,983	4.66	.54	11.61
Texas.....	762	5,797,950	257	5,797,693	5,788,138	9,555	5,507,821	5,507,854	290,129	289,339	5.00	.16	3.30
Utah.....	53	538,565	22	538,543	538,173	370	514,198	514,200	24,367	24,343	4.52	.07	1.52
Vermont.....	71	267,739	193	267,546	262,033	5,513	242,804	242,805	24,935	24,741	9.25	2.06	22.28
Virginia.....	294	1,878,379	27	1,878,397	1,872,123	6,274	1,765,633	1,765,642	112,737	112,755	6.00	.33	5.56
Washington.....	104	2,136,510	335	2,136,175	2,132,651	3,524	2,049,030	2,049,037	87,480	87,138	4.08	.16	4.04
West Virginia.....	161	923,270	31	923,239	920,384	2,355	864,075	864,032	59,195	59,157	6.41	.26	3.98
Wisconsin.....	512	2,870,701	373	2,871,079	2,864,963	6,111	2,717,393	2,717,412	153,308	153,667	5.35	.21	3.98
Wyoming.....	55	218,947	56	218,891	217,821	1,070	207,373	207,483	11,574	11,408	5.21	.49	9.38

¹ Examiners' deductions (net) is net of assets not on the books. Figures in italics represent excess of appraised value of assets over book value.

² Includes 1 national bank in the Virgin Islands, not a member of the Federal Reserve System.

³ Includes 3 national banks in Alaska and 1 State bank in Hawaii, not members of the Federal Reserve System.

EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED BANKS

- Table 114. Earnings, expenses, and dividends of insured commercial banks, 1934, 1941-1946
- Table 115. Ratios of earnings, expenses, and dividends of insured commercial banks, 1934, 1941-1946
- Table 116. Earnings, expenses, and dividends of insured commercial banks, 1946
By class of bank
- Table 117. Ratios of earnings, expenses, and dividends of insured commercial banks, 1946
By class of bank
- Table 118. Earnings, expenses, and dividends of insured commercial banks operating throughout 1946
Banks grouped according to amount of deposits
- Table 119. Ratios of earnings, expenses, and dividends of insured commercial banks operating throughout 1946
Banks grouped according to amount of deposits
- Table 120. Amounts and ratios of earnings, expenses, and dividends of insured commercial banks, 1946
By State
- Table 121. Earnings, expenses, dividends, and assets and liabilities, of insured mutual savings banks, 1934, 1941-1946
- Table 122. Ratios of earnings, expenses, and dividends of insured mutual savings banks, 1934, 1941-1946

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

Earnings 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 members of the Federal Reserve System in operation during part of the year but not at the end of the year.

Averages of assets and liabilities shown in Tables 114-117 and 120-122 are based upon figures at the beginning, middle, and end of each year, as reported by banks operating on those dates. Consequently, the asset and liability averages are not strictly comparable with the earnings data, but the differences are not large enough to affect the totals significantly. Some further incomparability is also introduced into the data by class of bank by shifts between those classes during the year.

Assets and liabilities shown in Table 118, and utilized for computation of ratios shown in Table 119, are for the identical banks to which the

earnings data pertain. For national banks and State banks members of the Federal Reserve System, assets and liabilities are as of December 31, 1946, and for other banks, are averages of beginning, middle, and end of the year.

Table 120 presents for the first time the amount of earnings, expenses, and dividends, and selected ratios of insured commercial banks, by State.

Sources of data :

National banks, and State banks not members of the Federal Reserve System in the District of Columbia: 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 114. EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, 1934-1946

(Amounts in thousands of dollars)

Earnings or expense item	1934	1941	1942	1943	1944	1945	1946
Current operating earnings—total	1,518,449	1,729,901	1,790,692	1,959,481	2,214,905	2,482,278	2,862,875
Interest and dividends on:							
United States Government obligations.....							
Other securities.....	550,092	509,175	610,298	861,412	1,090,253	1,132,977	1,218,517
Interest and discount on loans.....	690,601	847,832	804,717	692,305	680,708	707,738	936,554
Service charges and other fees on bank's loans.....	(¹)	(¹)	12,084	13,513	17,320	18,860	14,564
Service charges on deposit accounts.....	34,609		84,309	95,332	107,375	109,789	124,696
Other service charges, commissions, fees, and collection and exchange charges.....	41,139	139,698	55,148	67,533	78,485	90,617	97,995
Trust department.....	78,190	(¹)	100,652	104,710	112,486	120,317	140,340
Other current operating earnings.....	123,818	233,196	123,484	124,676	128,278	134,782	153,589
Current operating expenses—total	2,114,167	2,125,766	1,222,157	1,256,025	1,356,680	1,522,778	1,762,634
Salaries—officers.....	211,311	219,388	219,388	225,142	240,354	266,018	309,220
Salaries and wages—employees.....	402,038	302,627	333,171	356,958	386,346	424,881	521,709
Fees paid to directors and members of executive, discount, and other committees.....		13,151	11,541	11,775	12,907	14,610	16,936
Interest on time and savings deposits.....	302,603	190,256	174,674	163,900	186,773	233,321	268,624
Interest and discount on borrowed money.....	7,324	374	386	502	1,112	2,448	2,364
Taxes other than on net income.....	274,043	2103,371	97,085	99,915	97,307	98,583	96,314
Recurring depreciation on banking house, furniture and fixtures.....	247,747	364,414	39,917	40,008	41,845	40,329	40,850
Other current operating expenses.....	230,412	230,262	346,045	357,825	290,036	442,483	506,617
Net current operating earnings	2404,282	2514,135	568,535	703,456	858,225	959,500	1,100,241
Recoveries and profits—total	292,027	324,453	222,775	353,015	361,726	509,329	408,608
Recoveries on securities.....	457,994	73,589	55,947	91,891	92,778	122,364	59,515
Profits on securities sold or redeemed.....	148,345	145,189	66,457	103,143	129,834	266,764	208,700
Recoveries on loans.....	52,874	70,947	68,546	85,664	84,224	67,014	74,499
All other.....	32,814	34,728	31,825	72,317	54,890	53,187	65,894
Losses and charge-offs—total	1,033,278	333,966	271,118	290,645	265,881	264,122	283,175
On securities.....	391,547	161,073	120,614	116,383	110,439	132,870	132,254
On loans.....	552,857	103,868	80,647	75,223	70,090	55,901	71,253
All other.....	88,874	69,025	69,857	99,039	85,352	75,351	79,668

Net profits before income taxes	2-336,969	2504,622	520,192	765,826	954,070	1,204,707	1,225,674
Taxes on net income—total	53,000	650,000	79,541	127,865	202,821	298,795	323,328
Federal.....	(1)	(1)	(1)	114,316	187,032	277,538	301,048
State.....	(1)	(1)	(1)	13,549	15,789	21,257	22,280
Net profits after taxes	-339,969	454,622	440,651	637,961	751,249	905,912	902,346
Dividends and interest on capital—total	187,769	253,396	227,608	233,490	253,193	274,438	298,983
Dividends declared on preferred stock and interest paid on capital notes and debentures.....	17,796	17,563	14,523	14,324	13,645	11,769	8,345
Cash dividends declared on common stock.....	169,973	235,833	213,085	219,166	239,548	262,669	290,638
Net additions to capital from profits	-527,738	201,226	213,043	404,471	498,056	631,474	603,363
Average assets and liabilities^a							
Assets—total	44,941,293	73,510,130	83,666,451	103,370,189	123,168,863	145,217,438	151,896,770
Cash and due from banks.....	10,272,448	25,693,758	25,922,701	26,774,094	28,042,727	31,236,090	33,286,775
U. S. Government obligations.....	11,075,592	19,160,565	29,231,826	50,315,698	67,231,161	82,417,236	81,835,381
Other securities.....	6,259,203	6,997,406	6,802,771	6,321,794	6,088,482	6,623,089	7,556,923
Loans and discounts.....	14,901,832	19,857,387	20,030,625	18,380,838	20,310,112	23,500,772	27,768,296
All other assets.....	2,432,218	1,801,014	1,678,528	1,577,765	1,496,381	1,440,251	1,449,395
Liabilities and capital—total	44,941,293	73,510,130	83,666,451	103,370,189	123,168,863	145,217,438	151,896,770
Total deposits.....	37,424,125	66,168,797	76,134,514	95,506,221	114,682,390	135,948,387	141,829,678
Demand deposits.....	24,823,179	50,327,462	60,245,967	77,878,606	93,267,114	108,968,917	109,890,600
Time and savings deposits.....	12,600,946	15,841,335	15,888,547	17,627,615	21,415,276	26,979,470	31,939,078
Borrowings and other liabilities.....	1,319,221	578,370	580,544	617,535	768,280	934,381	1,057,079
Total capital accounts.....	6,197,947	6,762,963	6,951,393	7,246,433	7,718,193	8,334,670	9,010,013
Number of active officers, December 31.....	(1)	57,067	54,925	55,309	56,494	59,119	62,697
Number of other employees, December 31.....	(1)	211,115	216,473	225,647	229,377	245,275	271,395
Number of banks, December 31 ⁷	14,137	13,427	13,347	13,274	13,268	13,302	13,359

¹ Not available separately.

² Differs from reported figures as a result of the estimate made of taxes on net income. See footnote 5.

³ In 1934; and for banks not submitting reports to FDIC in 1941, consists of regular and extraordinary depreciation allowances on banking house, furniture and fixtures. In 1941 for banks submitting reports to FDIC, consists of regular depreciation allowances on banking house, furniture and fixtures plus other expenses of occupancy and maintenance of banking quarters.

⁴ Estimated; profits on securities sold were not reported separately from recoveries on securities by banks not submitting reports to the FDIC.

⁵ Estimated; based upon Bureau of Internal Revenue figures of income taxes paid by national banks for 1934, and paid by all banks and trust companies for 1941. Banks submitting reports to the FDIC have reported income taxes separately since 1936.

⁶ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

⁷ In 1934 excludes 1 and in 1941, 3 trust companies not engaged in deposit banking, which submit reports to FDIC.

NOTE: Minus (-) indicates net loss.

Back figures—See the Annual Report for 1941, pp. 158-159.

Table 115. RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, 1934, 1941-1946

Earnings or expense item	1934	1941	1942	1943	1944	1945	1946
Amounts per \$100 of current operating earnings:							
Current operating earnings—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Interest and dividends on:							
United States Government obligations.....	36.23	29.43	34.08	43.96	49.22	45.64	42.56
Other securities.....						6.74	6.17
Income on loans.....	45.48	49.01	45.61	36.02	31.52	29.27	33.22
Service charges on deposit accounts.....	2.28		4.71	4.87	4.85	4.42	4.36
Other service charges, commissions, fees, and collection and exchange charges.....	2.71	8.08	3.08	3.45	3.54	3.65	3.42
Other current operating earnings.....	13.30	13.48	12.52	11.70	10.87	10.28	10.27
Current operating expenses—total	73.38	70.28	68.25	64.10	61.25	61.35	61.57
Salaries, wages, and fees.....	26.48	30.47	31.50	30.31	28.88	28.42	29.62
Interest on time and savings deposits.....	19.93	11.00	9.76	8.36	8.43	9.40	9.38
Taxes other than on net income.....	14.88	15.98	5.42	5.10	4.39	3.98	3.36
Recurring depreciation on banking house, furniture and fixtures.....	33.14	33.72	2.23	2.04	1.89	1.62	1.43
Other current operating expenses.....	18.95	19.11	19.34	18.29	17.66	17.93	17.78
Net current operating earnings	26.62	29.72	31.75	35.90	38.75	38.65	38.43
Amounts per \$100 of total assets³							
Current operating earnings—total.....	3.38	2.35	2.14	1.90	1.80	1.71	1.88
Current operating expenses—total.....	12.48	11.65	1.46	1.22	1.10	1.05	1.16
Net current operating earnings.....	1.90	1.70	.68	.68	.70	.66	.72
Recoveries and profits—total.....	.65	.44	.26	.34	.29	.35	.27
Losses and charge-offs—total.....	2.30	.45	.32	.28	.22	.18	.18
Net profits before income taxes.....	1.75	1.69	.62	.74	.77	.83	.81
Net profits after income taxes.....	-.76	.62	.53	.62	.61	.62	.59
Amounts per \$100 of total capital accounts³							
Net current operating earnings.....	16.52	17.60	8.18	9.71	11.12	11.51	12.21
Recoveries and profits—total.....	4.71	4.80	3.20	4.87	4.69	6.11	4.53
Losses and charge-offs—total.....	16.67	4.93	3.90	4.01	3.45	3.16	3.14
Net profits before income taxes.....	15.44	17.47	7.48	10.57	12.36	14.46	13.60
Taxes on net income.....	4.05	4.75	1.14	1.75	2.63	3.59	3.59
Net profits after income taxes.....	5.49	6.72	6.34	8.82	9.73	10.87	10.01
Cash dividends declared.....	3.03	3.75	3.28	3.23	3.28	3.29	3.32
Net additions to capital from profits.....	8.52	2.97	3.06	5.59	6.45	7.58	6.69

Special ratios³							
Income on loans per \$100 of loans.....	4.63	4.27	4.08	3.85	3.44	3.09	3.48
Income on securities per \$100 of securities.....	3.17	1.95	1.69	1.52	1.49	1.46	1.56
Service charges per \$100 of demand deposits.....	.14	(⁵) .14	.14	.12	.12	.10	.11
Interest paid per \$100 of time and savings deposits.....	2.40	1.20	1.10	.93	.87	.87	.84
Assets and liabilities per \$100 of total assets³							
Assets—total.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cash and due from banks.....	22.86	34.95	30.98	25.91	22.77	21.51	21.91
U. S. Government obligations.....	24.64	26.07	34.94	48.70	54.59	56.76	53.88
Other securities.....	13.93	9.52	8.13	6.11	4.94	4.56	4.98
Loans and discounts.....	33.16	27.01	28.94	17.75	16.49	16.18	18.28
All other assets.....	5.41	2.45	2.01	1.53	1.21	.99	.95
Liabilities and capital—total.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total deposits.....	83.27	90.01	91.00	92.33	93.11	93.62	93.37
<i>Demand deposits.....</i>	<i>55.23</i>	<i>63.46</i>	<i>72.01</i>	<i>75.39</i>	<i>75.72</i>	<i>75.04</i>	<i>72.34</i>
<i>Time and savings deposits.....</i>	<i>28.04</i>	<i>21.55</i>	<i>18.99</i>	<i>17.00</i>	<i>17.39</i>	<i>18.58</i>	<i>21.03</i>
Borrowings and other liabilities.....	2.94	.79	.69	.60	.62	.64	.70
Total capital accounts.....	13.79	9.20	8.31	7.01	6.27	5.74	5.93
Number of banks, December 31⁶.....	14,137	13,427	13,347	13,274	13,268	13,302	13,359

¹ Differs from reported figures as a result of the estimate made of taxes on net income. See footnote 4.

² In 1934; and for banks not submitting reports to FDIC in 1941, consists of regular and extraordinary depreciation allowances on banking house, furniture and fixtures. In 1941 for banks submitting reports to FDIC, consists of regular depreciation allowances on banking house, furniture and fixtures plus other expenses of occupancy and maintenance of banking quarters.

³ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

⁴ Estimated; based upon Bureau of Internal Revenue figures of income taxes paid by national banks for 1934, and paid by all banks and trust companies for 1941. Banks submitting reports to the FDIC have reported income taxes separately since 1936.

⁵ Not available.

⁶ In 1934 excludes 1 and in 1941, 3 trust companies not engaged in deposit banking, which submit reports to FDIC.

NOTE: Minus (-) indicates net loss.

Table 116. EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, 1946

BY CLASS OF BANK

(Amounts in thousands of dollars)

Earnings or expense item	Total	Members F. R. System		Not members F. R. System	Operating throughout the year	Operating less than full year ¹
		National	State			
Current operating earnings—total	2,862,875	1,568,151	833,994	460,730	2,836,645	26,230
Interest and dividends on:						
United States Government obligations.....	1,218,517	698,662	354,636	165,219	1,209,304	9,213
Other securities.....	176,620	102,412	45,137	29,071	173,742	2,878
Interest and discount on loans.....	936,554	506,020	254,548	175,986	930,914	5,640
Service charges and other fees on bank's loans.....	14,564	7,702	4,014	2,848	14,493	71
Service charges on deposit accounts.....	124,696	69,103	30,531	25,062	124,057	639
Other service charges, commissions, fees, and collection and exchange charges.....	97,995	44,475	23,347	30,173	97,384	611
Trust department.....	140,340	50,397	80,797	9,146	134,635	5,705
Other current operating earnings.....	153,589	89,380	40,984	23,225	152,116	1,473
Current operating expenses—total	1,762,634	947,813	520,443	294,378	1,747,994	14,640
Salaries—officers.....	309,220	158,207	84,177	66,836	306,514	2,706
Salaries and wages—employees.....	521,709	283,748	173,240	64,721	517,461	4,248
Fees paid to directors and members of executive, discount, and other committees.....	16,936	8,187	4,212	4,537	16,829	107
Interest on time and savings deposits.....	268,624	143,224	68,215	57,185	267,126	1,498
Interest and discount on borrowed money.....	2,364	1,101	1,074	189	2,353	11
Taxes other than on net income.....	96,314	54,233	27,576	14,505	95,493	821
Recurring depreciation on banking house, furniture and fixtures.....	40,850	23,176	10,853	6,821	40,642	208
Other current operating expenses.....	506,617	275,937	151,096	79,584	501,576	5,041
Net current operating earnings	1,100,241	620,338	313,551	166,352	1,088,651	11,590
Recoveries and profits—total	408,608	214,345	141,444	52,819	400,534	8,074
Recoveries on securities.....	59,515	33,804	19,782	5,929	58,852	663
Profits on securities sold or redeemed.....	208,700	110,266	72,730	25,704	207,430	1,270
Recoveries on loans.....	74,499	41,280	22,461	10,758	74,017	482
All other.....	65,894	28,995	26,471	10,428	60,235	5,659

Losses and charge-offs—total	283,175	155,386	91,569	36,220	281,935	1,240
On securities.....	132,254	74,605	40,844	16,805	131,869	385
On loans.....	71,253	44,485	17,007	9,761	70,954	299
All other.....	79,668	36,296	33,718	9,654	79,112	556
Net profits before income taxes	1,225,674	679,297	363,426	182,951	1,207,250	18,424
Taxes on net income—total	323,328	185,451	99,575	38,302	320,366	2,962
Federal.....	301,048	173,913	90,599	36,536	298,188	2,860
State.....	22,280	11,538	8,976	1,766	22,178	102
Net profits after taxes	902,346	493,846	263,851	144,649	886,884	15,462
Dividends and interest on capital—total	298,983	169,741	96,906	32,336	295,451	3,532
Dividends declared on preferred stock and interest paid on capital notes and debentures.....	8,345	2,423	3,450	2,472	8,319	26
Cash dividends declared on common stock.....	290,638	167,318	93,456	29,864	287,132	3,506
Net additions to capital from profits	603,363	324,105	166,945	112,313	591,433	11,930
Average assets and liabilities²						
Assets—total	151,896,770	86,826,715	45,471,960	19,598,095		
Cash and due from banks.....	33,288,775	19,577,701	9,590,687	4,118,387		
U. S. Government obligations.....	81,835,381	46,726,359	24,480,355	10,628,667		
Other securities.....	7,556,923	4,489,004	1,893,718	1,174,201		
Loans and discounts.....	27,768,296	15,222,047	9,033,493	3,512,756		
All other assets.....	1,449,395	811,604	473,707	164,084		
Liabilities and capital—total	151,896,770	86,826,715	45,471,960	19,598,095		
Total deposits.....	141,829,678	81,308,649	42,129,157	18,391,872		
Demand deposits.....	109,890,600	63,899,638	33,618,602	12,312,860		
Time and savings deposits.....	31,939,078	17,409,011	8,480,555	6,079,012		
Borrowings and other liabilities.....	1,057,079	686,871	357,460	62,748		
Total capital accounts.....	9,010,013	4,881,195	2,985,343	1,143,475		
Number of active officers, December 31.....	62,697	29,616	12,886	20,195	62,171	526
Number of other employees, December 31.....	271,395	147,206	83,215	40,974	269,699	1,696
Number of banks, December 31.....	13,359	5,007	1,890	6,462	13,195	164

¹ Includes banks operating less than full year and trust companies not engaged in deposit banking.

² Asset and liability items are averages of figures reported at beginning, middle, and end of year.

Back figures—See Table 114, p. 140. See also the Annual Report for 1945, pp. 132-133, and earlier reports.

Table 117. RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, 1946

BY CLASS OF BANK

Earnings or expense item	Total	Members F. R. System		Not members F. R. System
		National	State	
Amounts per \$100 of current operating earnings				
Current operating earnings—total	\$100.00	\$100.00	\$100.00	\$100.00
Interest and dividends on:				
United States Government obligations.....	42.56	44.55	42.53	35.86
Other securities.....	6.17	6.53	5.41	6.31
Income on loans.....	33.22	32.76	31.00	38.82
Service charges on deposit accounts.....	4.36	4.41	3.66	5.44
Other service charges, commissions, fees and collection and exchange charges.....	3.42	2.84	2.80	6.55
Other current operating earnings.....	10.27	8.91	14.60	7.02
Current operating expenses—total	61.57	60.44	62.40	63.89
Salaries, wages, and fees.....	29.62	28.71	31.37	29.54
Interest on time and savings deposits.....	9.38	9.13	8.18	12.41
Taxes other than on net income.....	3.36	3.46	3.31	3.15
Recurring depreciation on banking house, furniture and fixtures.....	1.43	1.48	1.30	1.43
Other current operating expenses.....	17.78	17.66	18.24	17.31
Net current operating earnings	38.43	39.56	37.60	36.11
Amounts per \$100 of total assets¹				
Current operating earnings—total.....	1.88	1.80	1.83	2.35
Current operating expenses—total.....	1.16	1.09	1.14	1.50
Net current operating earnings.....	.72	.71	.69	.85
Recoveries and profits—total.....	.27	.25	.31	.27
Losses and charge-offs—total.....	.18	.18	.20	.19
Net profits before income taxes.....	.81	.78	.80	.93
Net profits after income taxes.....	.59	.57	.58	.74
Amounts per \$100 of total capital accounts¹				
Net current operating earnings.....	12.21	12.71	10.50	14.55
Recoveries and profits—total.....	4.53	4.39	4.74	4.62
Losses and charge-offs—total.....	3.14	3.18	3.07	3.17
Net profits before income taxes.....	13.60	13.92	12.17	16.00
Taxes on net income.....	3.59	3.80	3.33	3.35
Net profits after income taxes.....	10.01	10.12	8.84	12.65
Cash dividends declared.....	3.32	3.48	3.25	2.83
Net additions to capital from profits.....	6.69	6.64	5.59	9.82

Special ratios¹				
Income on loans per \$100 of loans	3.43	3.37	2.86	5.09
Income on securities per \$100 of securities	1.56	1.56	1.52	1.65
Service charges per \$100 of demand deposits . . . . .	.11	.11	.09	.20
Interest paid per \$100 of time and savings deposits . . . . .	.84	.82	.80	.95
Assets and liabilities per \$100 of total assets¹				
Assets—total	100.00	100.00	100.00	100.00
Cash and due from banks	21.91	22.55	21.09	21.02
U. S. Government obligations	53.88	53.82	53.34	54.23
Other securities	4.98	5.17	4.16	5.99
Loans and discounts	18.23	17.53	19.37	17.92
All other assets . . . . .	.95	.93	1.04	.84
Liabilities and capital—total	100.00	100.00	100.00	100.00
Total deposits	93.37	93.65	92.65	93.85
<i>Demand deposits</i>	<i>72.34</i>	<i>73.60</i>	<i>74.00</i>	<i>62.98</i>
<i>Time and savings deposits</i>	<i>21.03</i>	<i>20.05</i>	<i>18.65</i>	<i>30.87</i>
Borrowings and other liabilities . . . . .	.70	.73	.79	.32
Total capital accounts	5.93	5.62	6.56	5.83
Number of banks, December 31	13,359	5,007	1,890	6,462

¹ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

Back figures—See Table 115, p. 142. See also the Annual Report for 1945, pp. 134-135, and earlier reports.

Table 118. EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1946

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Earnings or expense item	All banks ¹	Banks with deposits of— ²							
		\$500,000 or less	\$500,000 to \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	More than \$100,000,000
(Amounts in thousands of dollars)									
Current operating earnings—total	2,836,645	5,347	33,676	111,966	302,957	279,178	556,205	194,898	1,352,418
Interest and dividends on:									
United States Government obligations.....	1,209,304	1,265	11,068	40,848	121,201	116,002	235,838	81,763	601,319
Other securities.....	173,742	185	1,465	6,206	20,136	20,045	35,976	10,757	78,972
Interest and discount on loans.....	930,914	2,644	14,974	45,634	114,212	99,705	178,325	62,062	413,358
Service charges and other fees on bank's loans.....	14,493	99	242	549	1,178	1,154	1,894	985	8,392
Service charges on deposit accounts.....	124,057	275	1,974	6,566	18,206	17,206	32,421	9,037	38,372
Other service charges, commissions, fees and collection and exchange charges.....	97,384	600	3,210	9,014	17,506	11,422	18,293	5,133	32,206
Trust department.....	134,635	58	14	176	1,464	3,452	20,312	10,960	98,199
Other current operating earnings.....	152,116	221	729	2,973	9,054	10,192	33,146	14,201	81,600
Current operating expenses—total	1,747,994	3,526	21,220	69,344	188,109	176,952	361,120	126,536	801,187
Salaries—officers.....	306,514	1,457	7,888	22,101	48,741	36,529	60,508	19,361	109,929
Salaries and wages—employees.....	517,461	396	2,606	10,267	34,574	40,316	100,700	39,033	289,569
Fees paid to directors and members of executive, discount, and other committees.....	16,829	76	449	1,562	3,901	2,916	3,929	888	3,108
Interest on time and savings deposits.....	267,126	319	2,918	12,051	37,126	36,286	65,406	17,743	95,277
Interest and discount on borrowed money.....	2,353	4	18	43	108	89	362	170	1,559
Taxes other than on net income.....	95,493	211	1,069	3,688	10,584	10,010	20,283	7,193	42,455
Recurring depreciation on banking house, furniture and fixtures.....	40,642	84	522	1,717	5,055	4,862	9,619	3,618	15,165
Other current operating expenses.....	501,576	979	5,750	17,915	48,020	45,944	100,313	38,530	244,125
Net current operating earnings	1,088,651	1,821	12,456	42,622	114,848	102,226	195,085	68,362	551,231
Recoveries and profits—total	400,534	397	2,375	8,597	30,829	35,525	85,778	33,759	203,274
Recoveries on securities.....	58,852	47	319	1,277	4,007	4,728	10,452	4,900	33,122
Profits on securities sold or redeemed.....	207,430	107	734	3,427	15,287	19,560	48,727	20,824	98,764
Recoveries on loans.....	74,017	162	893	2,477	6,694	6,778	14,388	4,866	37,759
All other.....	60,235	81	429	1,416	4,841	4,459	12,211	3,169	33,629
Losses and charge-offs—total	281,935	300	1,896	6,876	21,609	21,486	50,451	20,284	159,033
On securities.....	131,869	74	702	3,256	11,202	12,326	27,324	11,767	65,218
On loans.....	70,954	163	829	2,325	5,857	4,673	9,548	3,859	43,700
All other.....	79,112	63	365	1,295	4,550	4,487	13,579	4,658	50,115

Net profits before income taxes	1,207,250	1,918	12,935	44,343	124,068	116,265	230,412	81,837	595,472
Taxes on net income—total	320,366	327	2,129	7,835	23,787	27,410	62,820	23,432	172,626
Federal.....	298,188	311	2,017	7,421	22,769	26,402	60,237	22,269	156,762
State.....	22,178	16	112	414	1,018	1,008	2,583	1,163	15,864
Net profits after taxes	886,884	1,591	10,806	36,508	100,281	88,855	167,592	58,405	422,846
Dividends and interest on capital—total	295,451	459	2,826	9,112	23,750	20,779	42,730	15,711	180,084
Dividends declared on preferred stock and interest paid on capital notes and debentures.....	8,319	32	103	255	897	1,127	1,987	1,627	2,291
Cash dividends declared on common stock.....	287,132	427	2,723	8,857	22,853	19,652	40,743	14,084	177,793
Net additions to capital from profits	591,433	1,132	7,980	27,396	76,531	68,076	124,862	42,694	242,762
Average assets and liabilities¹									
Assets—total	146,208,737	192,968	1,426,201	5,019,611	14,179,137	12,941,791	26,514,745	9,854,536	76,079,748
Cash and due from banks.....	33,544,661	67,767	411,925	1,309,550	3,298,419	2,739,205	5,712,755	2,351,442	17,653,598
U. S. Government obligations.....	73,368,363	80,876	710,221	2,612,510	7,564,745	6,936,110	14,079,528	4,936,965	36,447,408
Other securities.....	7,763,447	6,024	56,357	246,680	861,485	902,768	1,640,995	495,051	3,553,587
Loans and discounts.....	30,080,933	37,003	240,219	824,614	2,365,259	2,264,755	4,800,152	1,951,576	17,597,355
All other assets.....	1,451,333	1,298	6,979	26,257	89,229	98,953	281,315	119,502	827,800
Liabilities and capital—total	146,208,737	192,968	1,426,201	5,019,611	14,179,137	12,941,791	26,514,745	9,854,536	76,079,748
Total deposits.....	135,983,258	173,896	1,324,851	4,704,364	13,322,290	12,151,463	24,827,729	9,240,286	70,238,379
Demand deposits.....	102,876,278	144,409	1,034,292	3,444,033	9,189,230	7,345,773	16,597,350	6,945,602	57,675,534
Time and savings deposits.....	33,106,980	29,487	290,559	1,260,326	4,133,010	4,805,690	8,230,379	2,294,684	12,562,845
Borrowings and other liabilities.....	1,040,314	714	2,339	8,407	30,271	36,358	119,854	56,002	786,369
Total capital accounts.....	9,185,165	18,358	99,011	306,840	826,576	753,970	1,567,162	558,248	5,055,000
Number of active officers, December 31.....	62,171	839	3,868	8,700	14,838	8,502	10,253	2,627	12,544
Number of other employees, December 31.....	269,699	472	2,734	8,806	24,308	24,620	55,884	21,112	131,763
Number of banks, December 31.....	13,195	474	1,812	3,311	4,304	1,750	1,239	131	174

¹ This group of banks is the same as the group shown in Table 116 under the heading "Operating throughout the year".

² Deposits are as of December 31, 1946.

³ Asset and liability items are averages of figures reported at beginning, middle, and end of year for banks submitting reports to FDIC and are as of December 31, 1946, for banks not submitting reports to FDIC.

Back figures—See the Annual Report for 1945, pp. 136-137, and earlier reports.

Table 119. RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1946

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Earnings or expense item	All banks ¹	Banks with deposits of— ²							
		\$500,000 or less	\$500,000 to \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	More than \$100,000,000
Amounts per \$100 of current operating earnings									
Current operating earnings—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Interest and dividends on:									
United States Government obligations.....	42.63	23.66	32.87	36.48	40.00	41.55	42.40	41.95	44.46
Other securities.....	6.13	3.46	4.35	5.54	6.65	7.18	6.47	5.52	5.84
Income on loans.....	33.33	51.30	45.18	41.25	38.09	36.13	32.40	32.35	31.19
Service charges on deposit accounts.....	4.37	5.14	5.86	5.87	6.01	6.16	5.83	4.64	2.84
Other service charges, commissions, fees and collection and exchange charges.....	3.43	11.22	9.53	8.05	5.78	4.09	3.29	2.63	2.38
Other current operating earnings.....	10.11	5.22	2.21	2.81	3.47	4.89	9.61	12.91	13.29
Current operating expenses—total	61.62	65.94	63.01	61.93	62.09	63.38	64.93	64.92	59.24
Salaries, wages, and fees.....	29.64	36.08	32.50	30.30	28.79	28.57	29.69	30.41	29.77
Interest on time and savings deposits.....	9.42	5.96	8.66	10.77	12.25	13.00	11.76	9.10	7.04
Taxes other than on net income.....	3.37	3.95	3.17	3.29	3.49	3.58	3.65	3.69	3.14
Recurring depreciation on banking house, furniture and fixtures.....	1.43	1.57	1.55	1.53	1.67	1.74	1.73	1.86	1.12
Other current operating expenses.....	17.76	18.38	17.13	16.04	15.89	16.49	18.10	19.86	18.17
Net current operating earnings	38.38	34.06	36.99	38.07	37.91	36.62	35.07	35.08	40.76
Amounts per \$100 of total assets³									
Current operating earnings—total.....	1.94	2.77	2.36	2.23	2.14	2.16	2.10	1.98	1.78
Current operating expenses—total.....	1.20	1.83	1.49	1.38	1.33	1.37	1.36	1.29	1.06
Net current operating earnings.....	.74	.94	.87	.85	.81	.79	.74	.69	.72
Recoveries and profits—total.....	.27	.21	.17	.17	.22	.27	.32	.34	.27
Losses and charge-offs—total.....	.19	.16	.13	.14	.15	.17	.19	.20	.21
Net profits before income taxes.....	.82	.99	.91	.88	.88	.89	.87	.83	.78
Net profits after income taxes.....	.61	.82	.76	.73	.71	.69	.63	.59	.56
Amounts per \$100 of total capital accounts³									
Net current operating earnings.....	11.85	9.92	12.58	13.89	13.89	13.56	12.45	12.24	10.90
Recoveries and profits—total.....	4.36	2.16	2.40	2.80	3.73	4.71	5.47	6.05	4.02
Losses and charge-offs—total.....	3.07	1.63	1.92	2.24	2.61	2.85	3.22	3.63	3.15
Net profits before income taxes.....	13.14	10.45	13.06	14.45	15.01	15.42	14.70	14.66	11.77
Taxes on net income.....	3.49	1.78	2.15	2.55	2.88	3.64	4.01	4.20	3.41
Net profits after income taxes.....	9.65	8.67	10.91	11.90	12.13	11.78	10.69	10.46	8.36
Cash dividends declared.....	3.21	2.50	2.85	2.97	2.87	2.75	2.72	2.81	3.56
Net additions to capital from profits.....	6.44	6.17	8.06	8.93	9.26	9.03	7.97	7.65	4.80

Special ratios ¹									
Income on loans per \$100 of loans.....	3.14	7.41	6.33	5.60	4.88	4.45	3.75	3.23	2.40
Income on securities per \$100 of securities.....	1.70	1.67	1.63	1.65	1.68	1.74	1.73	1.70	1.70
Service charges per \$100 of demand deposits.....	.12	.19	.19	.19	.20	.22	.20	.13	.07
Interest paid per \$100 of time and savings deposits.....	.81	1.08	1.00	.96	.90	.84	.79	.77	.76
Assets and liabilities per \$100 of total assets ²									
Assets—total.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cash and due from banks.....	22.94	35.12	23.88	26.09	23.26	21.17	21.55	23.86	23.20
U. S. Government obligations.....	50.18	41.91	49.80	52.05	53.35	53.59	53.10	50.10	47.91
Other securities.....	5.31	3.12	3.99	4.91	6.08	6.98	6.19	5.02	4.67
Loans and discounts.....	20.58	19.18	16.84	16.43	16.68	17.50	18.10	19.80	23.13
All other assets.....	.99	.67	.49	.52	.63	.76	1.06	1.22	1.09
Liabilities and capital—total.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total deposits.....	93.01	90.12	92.89	93.72	93.96	93.89	93.64	93.77	92.32
<i>Demand deposits.....</i>	<i>70.36</i>	<i>74.84</i>	<i>72.52</i>	<i>68.61</i>	<i>64.81</i>	<i>60.62</i>	<i>62.60</i>	<i>70.48</i>	<i>75.81</i>
<i>Time and savings deposits.....</i>	<i>22.65</i>	<i>15.28</i>	<i>20.37</i>	<i>25.11</i>	<i>29.15</i>	<i>33.27</i>	<i>31.04</i>	<i>23.29</i>	<i>16.51</i>
Borrowings and other liabilities.....	.71	.37	.16	.17	.21	.28	.45	.57	1.03
Total capital accounts.....	6.28	9.51	6.95	6.11	5.83	5.83	5.91	5.66	6.65
Number of banks, December 31.....	13,195	474	1,812	3,311	4,304	1,750	1,239	131	174

¹ This group of banks is the same as the group shown in Table 116 under the heading "Operating throughout the year". These ratios differ slightly from the ratios for all insured commercial banks shown in Tables 115 and 117.

² Deposits are as of December 31, 1946.

³ Asset and liability items are averages of figures reported at beginning, middle, and end of year for banks submitting reports to FDIC and are as of December 31, 1946, for banks not submitting reports to FDIC.

Back figures—See Table 115, p. 142. See also Annual Report for 1945, pp. 138-139, and earlier reports.

Table 120. AMOUNTS AND RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, BY STATE, 1946

(Amounts, except in ratios, in thousands of dollars)

Earnings or expense item	U. S. and possessions	Possessions	United States	Alabama	Arizona	Arkansas	California	Colorado	Connecticut	Delaware
Current operating earnings—total	2,862,875	935	2,861,940	26,318	8,616	16,153	284,778	20,089	30,415	9,229
Interest and dividends on:										
United States Government obligations.....	1,218,517	328	1,218,189	8,910	2,898	5,402	106,304	8,089	12,403	3,700
Other securities.....	176,620	45	176,575	1,948	180	1,219	16,653	892	1,198	781
Interest and discount on loans.....	936,554	293	936,261	10,479	4,073	5,443	113,716	7,082	9,796	2,756
Service charges and other fees on bank's loans.....	14,564	5	14,559	98	100	71	2,429	69	47	20
Service charges on deposit accounts.....	124,696	27	124,669	1,369	391	1,143	13,424	1,738	1,711	169
Other service charges, commissions, fees, and collection and exchange charges.....	97,995	206	97,789	1,882	313	2,081	7,766	651	581	141
Trust department.....	140,340		140,340	538	164	125	10,719	753	2,768	1,419
Other current operating earnings.....	153,589	31	153,558	1,094	497	719	13,767	815	1,911	243
Current operating expenses—total	1,762,634	622	1,762,012	15,344	6,220	9,104	182,283	11,700	19,903	5,238
Salaries—officers.....	309,220	114	309,106	3,220	974	2,487	25,101	2,410	3,945	1,293
Salaries and wages—employees.....	521,709	177	521,532	4,030	2,210	2,112	62,387	3,431	5,587	1,382
Fees paid to directors and members of committees.....	16,936	9	16,927	169	11	182	576	159	240	112
Interest on time and savings deposits.....	268,624	171	268,453	2,208	710	720	43,044	1,473	3,275	590
Interest and discount on borrowed money.....	2,364		2,364	9		2	12		33	6
Taxes other than on net income.....	96,314	12	96,302	511	216	475	6,264	371	955	176
Recurring depreciation on banking house, furniture and fixtures.....	40,850	12	40,838	354	102	212	3,636	220	682	136
Other current operating expenses.....	506,617	127	506,490	4,843	1,997	2,914	41,263	3,634	5,186	1,543
Net current operating earnings	1,100,241	313	1,099,928	10,974	2,396	7,049	102,495	8,389	10,512	3,991
Recoveries and profits—total	408,608	75	408,533	2,795	720	1,737	28,440	2,049	4,754	979
Recoveries on securities.....	59,515	9	59,506	108	183	187	3,392	457	300	49
Profits on securities sold or redeemed.....	208,700	58	208,642	1,504	427	855	8,368	625	3,076	728
Recoveries on loans.....	74,499	4	74,495	748	67	298	10,508	666	1,038	141
All other.....	65,894	4	65,890	435	43	397	6,172	301	340	61
Losses and charge-offs—total	283,175	24	283,151	2,104	585	1,038	33,774	1,758	2,461	280
On securities.....	132,254	9	132,245	616	175	540	9,046	862	792	117
On loans.....	71,253	8	71,245	545	155	268	19,684	513	343	85
All other.....	79,668	7	79,661	943	255	230	5,044	388	1,326	78
Net profits before income taxes	1,225,674	364	1,225,310	11,665	2,531	7,748	97,161	8,680	12,805	4,690
Taxes on net income—total	323,328	126	323,202	3,063	673	1,454	25,200	2,487	3,912	1,362
Federal.....	301,048	126	300,922	2,589	567	1,454	22,090	2,172	3,584	1,362
State.....	22,280		22,280	524	106		3,110	315	328	
Net profits after taxes	902,346	238	902,108	8,602	1,858	6,294	71,961	6,193	8,893	3,328
Dividends and interest on capital—total	298,983	53	298,930	2,161	627	1,337	30,621	1,387	2,594	1,715
Dividends on preferred stock and interest on capital notes and debentures.....	8,345	3	8,342	45	21	44	651	13	381	4
Cash dividends declared on common stock.....	290,638	50	290,588	2,116	606	1,293	29,970	1,374	2,556	1,711
Net additions to capital from profits	603,363	185	603,178	6,441	1,231	4,957	41,340	4,806	6,299	1,613

AVERAGE ASSETS AND LIABILITIES ¹										
Assets—total	151,896,770	39,294	151,857,476	1,326,367	395,921	806,114	13,726,935	1,129,019	1,395,147	504,848
Cash and due from banks.....	33,286,776	10,594	33,276,182	349,527	91,843	252,735	2,596,382	324,749	281,112	94,376
U. S. Government obligations.....	81,835,381	20,695	81,814,686	644,622	207,270	389,669	7,595,516	605,928	817,284	299,128
Other securities.....	7,556,923	2,606	7,554,317	93,279	7,968	50,530	725,039	37,699	58,234	32,979
Loans and discounts.....	27,768,295	5,182	27,763,113	226,097	85,626	109,404	2,666,892	155,569	219,965	73,826
All other assets.....	1,449,395	217	1,449,178	12,842	3,214	3,776	143,106	5,074	18,552	4,539
Liabilities and capital—total	151,896,770	39,294	151,857,476	1,326,367	395,921	806,114	13,726,935	1,129,019	1,395,147	504,848
Total deposits.....	141,829,679	37,428	141,792,251	1,254,564	380,443	766,784	13,026,255	1,074,894	1,291,812	457,099
<i>Demand deposits</i>	<i>109,890,600</i>	<i>18,825</i>	<i>109,871,775</i>	<i>1,014,404</i>	<i>294,995</i>	<i>675,388</i>	<i>7,939,377</i>	<i>862,982</i>	<i>939,973</i>	<i>390,927</i>
<i>Time and savings deposits</i>	<i>31,939,079</i>	<i>18,603</i>	<i>31,920,476</i>	<i>240,160</i>	<i>85,448</i>	<i>91,396</i>	<i>5,086,378</i>	<i>211,912</i>	<i>351,839</i>	<i>66,172</i>
Borrowings and other liabilities.....	1,057,078	48	1,057,030	4,565	1,541	911	86,178	2,546	7,440	2,617
Total capital accounts.....	9,010,013	1,818	9,008,195	67,238	13,937	38,419	614,502	51,579	95,895	45,132
Number of active officers, December 31.....	62,697	19	62,678	787	188	717	4,278	563	616	228
Number of other employees, December 31.....	271,395	84	271,311	2,443	1,206	1,430	27,520	2,064	2,892	890
Number of banks, December 31.....	13,359	5	13,354	216	10	213	187	136	97	38
RATIOS										
Amounts per \$100 of current operating earnings										
Current operating earnings—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Interest and dividends on:										
United States Government obligations.....	42.56	35.08	42.57	33.86	33.64	33.44	37.33	40.26	40.78	40.09
Other securities.....	6.17	4.81	6.17	7.40	2.09	7.55	5.85	4.44	3.94	8.46
Income on loans.....	33.22	31.87	33.22	40.19	48.43	34.14	40.78	35.60	32.36	30.08
All other current operating earnings.....	18.05	28.24	18.04	18.55	15.84	24.87	16.04	19.70	22.92	21.37
Current operating expenses—total	\$61.57	\$66.52	\$61.57	\$58.30	\$72.19	\$56.36	\$64.01	\$58.24	\$65.44	\$56.76
Salaries, wages, and fees.....	29.62	32.09	29.62	28.19	37.08	29.60	30.92	29.87	32.13	30.20
Interest on time and savings deposits.....	9.38	18.29	9.38	8.39	8.24	4.46	15.12	7.33	10.77	6.39
Taxes other than on net income.....	3.36	1.28	3.36	1.94	2.51	2.94	2.20	1.85	3.14	1.91
All other current operating expenses.....	19.21	14.86	19.21	19.78	24.36	19.36	15.77	19.19	19.40	18.26
Amounts per \$100 of total assets¹										
Current operating earnings—total.....	\$1.88	\$2.38	\$1.88	\$1.98	\$2.18	\$2.00	\$2.07	\$1.78	\$2.18	\$1.83
Current operating expenses—total.....	1.16	1.58	1.16	1.16	1.57	1.13	1.33	1.04	1.43	1.04
Net current operating earnings.....	.72	.80	.72	.82	.61	.87	.74	.74	.75	.79
Amounts per \$100 of total capital accounts¹										
Net profits after income taxes.....	\$10.01	\$13.09	\$10.01	\$12.79	\$13.33	\$16.38	\$11.71	\$12.01	\$9.27	\$7.37
Cash dividends declared.....	3.32	2.92	3.32	3.21	4.50	3.48	4.98	2.69	2.71	3.80
Special ratios¹										
Income on loans per \$100 of loans.....	\$3.43	\$5.75	\$3.42	\$4.68	\$4.87	\$5.04	\$4.36	\$4.60	\$4.47	\$3.76
Income on securities per \$100 of securities.....	1.56	1.60	1.56	1.47	1.43	1.50	1.48	1.40	1.55	1.35
Interest paid per \$100 of time and savings deposits.....	.84	.92	.84	.92	.83	.79	.85	.70	.93	.89

¹ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

Table 120. AMOUNTS AND RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, BY STATE, 1946—Continued

(Amounts, except in ratios, in thousands of dollars)

Earnings or expense item	District of Columbia	Florida	Georgia	Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana
Current operating earnings—total	20,124	35,214	39,624	8,093	204,273	56,760	42,598	24,971	30,018	30,111
Interest and dividends on:										
United States Government obligations...	9,304	15,341	12,848	3,970	98,630	26,883	18,270	11,015	12,596	11,327
Other securities.....	608	2,339	1,603	177	14,308	3,189	1,983	950	1,649	2,812
Interest and discount on loans.....	5,695	9,080	16,451	2,614	63,906	17,081	15,432	8,885	11,404	9,772
Service charges and other fees on bank's loans.....	22	86	415	12	1,605	219	69	66	143	32
Service charges on deposit accounts.....	1,423	2,639	1,838	624	8,875	2,969	3,224	1,760	1,179	1,694
Other service charges, commissions, fees, and collection and exchange charges.....	600	2,240	4,007	283	4,078	2,262	1,804	875	622	2,162
Trust department.....	1,328	712	1,221	72	13,130	1,229	478	194	1,157	336
Other current operating earnings.....	1,144	2,777	1,746	341	9,741	2,928	1,338	1,226	1,268	1,976
Current operating expenses—total	13,532	21,407	24,633	4,771	124,032	37,010	25,490	14,924	17,221	19,432
Salaries—officers.....	2,198	3,877	4,878	1,066	21,017	7,039	6,896	4,472	4,091	3,496
Salaries and wages—employees.....	4,639	5,864	5,798	1,309	36,029	8,588	5,372	3,311	4,239	4,913
Fees paid to directors and members of committees.....	166	198	299	32	888	445	285	216	251	240
Interest on time and savings deposits.....	1,508	2,459	2,832	791	19,925	6,755	4,319	1,129	1,649	2,394
Interest and discount on borrowed money.....	2	52	45	.....	79	10	9	5	43	6
Taxes other than on net income.....	1,113	882	1,979	120	7,573	3,610	889	754	1,519	1,990
Recurring depreciation on banking house, furniture and fixtures.....	392	760	613	105	2,069	816	528	397	401	578
Other current operating expenses.....	3,514	7,315	8,189	1,348	36,452	9,747	7,192	4,640	5,028	5,815
Net current operating earnings	6,592	13,807	14,991	3,322	80,241	19,750	17,108	10,047	12,797	10,679
Recoveries and profits—total	1,855	4,029	2,356	424	33,973	6,503	3,745	1,717	3,205	2,477
Recoveries on securities.....	126	384	90	8	7,795	1,172	346	166	497	222
Profits on securities sold or redeemed.....	977	2,508	1,064	343	12,791	2,939	2,321	522	1,546	1,386
Recoveries on loans.....	483	324	522	50	4,913	925	679	591	759	511
All other.....	269	813	680	23	8,474	1,467	399	438	363	358
Losses and charge-offs—total	686	1,736	1,759	346	28,498	4,695	3,042	1,827	2,619	4,045
On securities.....	205	1,131	535	237	16,723	2,345	1,834	1,045	1,422	2,393
On loans.....	184	266	740	77	4,522	917	512	444	590	663
All other.....	297	339	484	32	7,253	1,433	696	338	607	989
Net profits before income taxes	7,761	16,100	15,588	3,400	85,716	21,558	17,811	9,937	13,383	9,111
Taxes on net income—total	2,322	4,593	3,708	930	21,287	5,197	4,237	2,178	3,219	2,553
Federal.....	2,322	4,593	3,708	917	21,287	5,197	4,237	2,178	3,219	2,553
State.....	.....	.....	.....	13	.....	.....	.....	.....	.....	.....
Net profits after taxes	5,439	11,507	11,880	2,470	64,429	16,361	13,574	7,759	10,164	6,558
Dividends and interest on capital—total	1,902	2,125	4,018	569	19,598	3,836	3,221	2,176	2,890	2,025
Dividends on preferred stock and interest on capital notes and debentures.....	.....	10	14	2	51	234	63	19	74	55
Cash dividends declared on common stock.....	1,902	2,115	4,004	567	19,547	3,602	3,158	2,157	2,816	1,970
Net additions to capital from profits	3,537	9,382	7,862	1,901	44,831	12,525	10,353	5,583	7,274	4,533

AVERAGE ASSETS AND LIABILITIES ¹										
Assets—total	1,106,969	1,875,994	1,832,935	424,101	11,908,991	2,968,226	2,167,488	1,439,071	1,590,353	1,655,438
Cash and due from banks.....	260,486	508,680	484,547	96,149	2,617,879	677,967	489,080	404,856	392,456	481,462
U. S. Government obligations.....	645,497	1,010,737	848,094	260,223	6,587,234	1,723,334	1,189,758	781,425	844,985	769,173
Other securities.....	33,301	90,899	57,333	8,059	648,544	141,249	117,861	57,276	59,556	126,442
Loans and discounts.....	149,467	248,142	425,428	57,622	1,986,541	405,510	359,317	188,523	284,394	258,367
All other assets.....	18,218	17,536	17,533	2,048	68,793	20,166	11,472	6,991	8,962	19,994
Liabilities and capital—total	1,106,969	1,875,994	1,832,935	424,101	11,908,991	2,968,226	2,167,488	1,439,071	1,590,353	1,655,438
Total deposits.....	1,040,366	1,785,923	1,731,550	407,612	11,240,766	2,811,688	2,058,592	1,371,317	1,492,600	1,573,557
Demand deposits.....	325,907	1,476,613	1,434,993	321,158	3,325,308	2,053,664	1,593,247	1,234,778	1,289,933	1,313,447
Time and savings deposits.....	214,459	309,310	296,557	86,454	2,415,458	758,024	465,345	136,539	202,667	260,110
Borrowings and other liabilities.....	5,003	5,695	10,390	838	50,896	5,707	2,133	1,841	7,414	9,492
Total capital accounts.....	61,600	84,376	90,995	15,651	617,329	150,831	106,713	65,913	90,339	72,389
Number of active officers, December 31.....	320	844	1,157	232	3,831	1,851	1,903	1,421	1,257	736
Number of other employees, December 31.....	2,411	3,387	3,459	864	17,909	5,397	3,679	2,233	2,946	2,801
Number of banks, December 31.....	20	176	304	45	856	474	596	452	362	154
RATIOS										
Amounts per \$100 of current operating earnings										
Current operating earnings—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Interest and dividends on:										
United States Government obligations.....	46.23	43.57	31.16	49.05	48.28	47.36	42.89	44.11	41.96	37.62
Other securities.....	3.02	6.64	4.05	2.19	7.00	5.62	4.66	3.81	5.49	9.34
Income on loans.....	23.41	26.03	42.56	32.45	27.18	30.48	36.39	35.85	38.47	32.56
All other current operating earnings.....	22.34	23.76	22.23	16.31	17.54	16.54	16.06	16.23	14.08	20.48
Current operating expenses—total	\$67.24	\$60.79	\$62.17	\$58.95	\$60.72	\$65.20	\$59.84	\$59.77	\$57.37	\$64.53
Salaries, wages, and fees.....	34.80	28.22	27.70	29.74	28.36	28.32	29.47	32.04	28.59	28.72
Interest on time and savings deposits.....	7.49	6.98	7.15	9.77	9.75	11.90	10.14	4.52	5.49	7.95
Taxes other than on net income.....	5.53	2.51	4.99	1.48	3.71	6.36	2.09	3.02	5.06	6.61
All other current operating expenses.....	19.42	23.08	22.33	17.96	18.90	18.62	18.14	20.19	18.23	21.25
Amounts per \$100 of total assets¹										
Current operating earnings—total.....	\$1.82	\$1.88	\$2.16	\$1.91	\$1.71	\$1.91	\$1.97	\$1.74	\$1.89	\$1.82
Current operating expenses—total.....	1.22	1.14	1.34	1.13	1.04	1.25	1.18	1.04	1.08	1.17
Net current operating earnings.....	.60	.74	.82	.78	.67	.66	.79	.70	.81	.65
Amounts per \$100 of total capital accounts¹										
Net profits after income taxes.....	\$8.83	\$13.64	\$13.05	\$15.78	\$10.44	\$10.85	\$12.72	\$11.77	\$11.25	\$9.06
Cash dividends declared.....	3.08	2.52	4.42	3.64	3.17	2.54	3.02	3.30	3.20	2.80
Special ratios¹										
Income on loans per \$100 of loans.....	\$3.82	\$3.69	\$3.96	\$4.56	\$2.79	\$4.27	\$4.31	\$4.75	\$4.06	\$3.79
Income on securities per \$100 of securities.....	1.46	1.60	1.54	1.55	1.56	1.61	1.55	1.43	1.57	1.53
Interest paid per \$100 of time and savings deposits.....	.70	.79	.95	.91	.82	.89	.93	.83	.81	.92

¹ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

Table 120. AMOUNTS AND RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, BY STATE, 1946—Continued

(Amounts, except in ratios, in thousands of dollars)

Earnings or expense item	Maine	Maryland	Massachusetts	Michigan	Minnesota	Mississippi	Missouri	Montana	Nebraska	Nevada	New Hampshire
Current operating earnings—total	10,847	29,349	93,450	92,543	57,474	17,810	72,522	9,646	22,289	3,647	5,754
Interest and dividends on:											
United States Government obligations...	4,891	15,098	38,413	44,056	25,340	5,065	29,484	4,661	10,078	1,521	2,316
Other securities.....	720	1,088	5,632	4,937	2,494	2,312	3,863	286	935	135	421
Interest and discount on loans.....	3,700	9,303	28,907	30,429	17,095	6,078	28,513	2,829	7,207	1,442	2,068
Service charges and other fees on bank's loans	10	70	445	632	165	34	255	41	48	21	7
Service charges on deposit accounts.....	600	1,179	4,127	4,535	2,592	912	3,026	681	1,411	129	404
Other service charges, commissions, fees, and collection and exchange charges.....	244	659	2,175	3,377	6,106	2,795	2,070	633	1,136	94	133
Trust department.....	338	844	6,652	1,326	1,578	67	2,375	45	239	100	101
Other current operating earnings.....	344	1,108	7,099	3,251	2,104	547	2,936	470	1,235	205	304
Current operating expenses—total	7,366	19,207	56,701	62,676	36,962	10,990	43,802	5,913	13,605	2,240	3,768
Salaries—officers.....	1,189	2,963	9,486	9,107	8,201	2,686	8,828	1,376	3,608	385	734
Salaries and wages—employees.....	1,637	5,229	17,823	17,714	8,702	2,392	12,707	1,327	2,990	590	809
Fees paid to directors and members of committees.....	115	317	539	505	481	146	405	44	171	8	66
Interest on time and savings deposits.....	1,926	3,789	7,025	15,499	7,395	1,041	4,670	622	1,005	573	821
Interest and discount on borrowed money.....	3	49	57	175	59	4	87	.....	30	.....	4
Taxes other than on net income.....	377	1,425	2,190	3,094	1,036	1,024	2,634	638	999	149	186
Recurring depreciation on banking house, furniture and fixtures.....	156	357	1,476	1,316	574	203	815	132	262	43	110
Other current operating expenses.....	1,963	5,078	18,105	15,266	10,514	3,494	13,656	1,774	4,540	492	1,038
Net current operating earnings	3,481	10,142	36,749	29,867	20,512	6,820	28,720	3,733	8,684	1,407	1,986
Recoveries and profits—total	1,750	5,003	13,951	8,657	5,955	1,358	12,583	821	2,378	61	1,229
Recoveries on securities.....	193	692	1,056	1,191	854	239	3,272	219	411	8	316
Profits on securities sold or redeemed.....	1,136	3,487	7,110	5,707	1,954	531	6,344	101	1,156	32	696
Recoveries on loans.....	302	484	3,968	951	1,144	339	1,886	386	461	6	156
All other.....	119	340	1,817	808	2,003	249	1,081	115	350	15	61
Losses and charge-offs—total	1,072	1,923	16,240	4,891	3,808	1,850	6,720	1,717	1,896	108	743
On securities.....	636	1,259	4,017	2,624	1,842	1,104	4,203	1,073	1,257	21	491
On loans.....	146	301	2,760	874	871	499	1,765	417	311	64	104
All other.....	290	363	9,463	1,393	1,095	247	752	227	328	23	148
Net profits before income taxes	4,159	13,222	34,460	33,633	22,659	6,328	34,583	2,837	9,166	1,360	2,472
Taxes on net income—total	1,044	3,161	11,958	6,976	5,651	1,151	8,143	805	2,219	356	589
Federal.....	1,044	3,161	9,664	6,976	4,668	1,151	8,080	773	2,219	356	589
State.....	.....	.....	2,294	.....	983	.....	63	32	.....	.....	.....
Net profits after taxes	3,115	10,061	22,502	26,657	17,008	5,177	26,440	2,032	6,947	1,004	1,883
Dividends and interest on capital—total	976	3,234	11,771	7,199	4,875	1,311	7,540	869	2,050	149	464
Dividends on preferred stock and interest on capital notes and debentures.....	95	54	117	645	53	116	104	5	23	.....	16
Cash dividends declared on common stock.....	881	3,180	11,654	6,554	4,822	1,195	7,436	864	2,027	149	448
Net additions to capital from profits	2,139	6,827	10,731	19,458	12,133	3,866	18,900	1,163	4,897	855	1,419

156 FEDERAL DEPOSIT INSURANCE CORPORATION

AVERAGE ASSETS AND LIABILITIES ¹											
Assets—total	480,784	1,653,017	4,606,961	4,922,848	2,856,960	795,905	4,273,557	526,658	1,283,090	167,509	236,442
Cash and due from banks.....	83,645	332,160	900,708	919,357	639,948	225,526	1,111,523	137,854	350,844	30,642	48,979
U. S. Government obligations.....	284,555	981,428	2,528,085	2,935,659	1,614,588	337,201	2,079,612	321,393	699,797	99,741	124,532
Other securities.....	24,553	42,747	127,194	274,649	121,821	94,136	193,512	12,254	59,633	7,092	14,605
Loans and discounts.....	84,060	279,893	987,245	759,234	460,860	133,799	861,119	62,179	166,237	28,414	46,314
All other assets.....	3,971	16,789	63,729	33,949	19,743	5,243	27,791	2,978	6,579	1,620	2,012
Liabilities and capital—total	480,784	1,653,017	4,606,961	4,922,848	2,856,960	795,905	4,273,557	526,658	1,283,090	167,509	236,442
Total deposits.....	443,891	1,555,229	4,229,056	4,668,201	2,695,025	756,223	4,047,319	504,603	1,221,243	159,775	215,449
<i>Demand deposits</i>	<i>259,150</i>	<i>1,134,939</i>	<i>3,456,756</i>	<i>2,731,293</i>	<i>1,947,116</i>	<i>632,915</i>	<i>3,439,920</i>	<i>417,163</i>	<i>1,092,425</i>	<i>111,472</i>	<i>150,672</i>
<i>Time and savings deposits</i>	<i>184,741</i>	<i>420,290</i>	<i>772,300</i>	<i>1,936,908</i>	<i>747,879</i>	<i>123,308</i>	<i>607,399</i>	<i>87,440</i>	<i>128,818</i>	<i>48,303</i>	<i>64,777</i>
Borrowings and other liabilities.....	2,016	5,597	42,132	16,847	10,464	1,426	17,638	698	3,532	1,417	612
Total capital accounts.....	34,877	92,191	335,773	237,800	151,471	38,256	208,600	21,357	58,315	6,317	20,381
Number of active officers, December 31.....	288	716	1,380	1,742	2,270	707	2,194	366	1,063	80	190
Number of other employees, December 31.....	1,063	3,116	9,405	9,128	5,238	1,616	7,479	892	1,994	355	512
Number of banks, December 31.....	55	167	183	417	646	198	565	110	356	8	56
RATIOS											
Amounts per \$100 of current operating earnings											
Current operating earnings—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Interest and dividends on:											
United States Government obligations.....	45.09	51.44	41.10	47.61	44.09	28.44	40.65	48.32	45.22	41.71	40.25
Other securities.....	6.64	3.71	6.03	5.33	4.34	12.98	5.33	2.97	4.19	3.70	7.32
Income on loans.....	34.20	31.94	31.41	33.56	30.03	34.32	39.67	29.75	32.55	40.11	36.06
All other current operating earnings.....	14.07	12.91	21.46	13.50	21.54	24.26	14.35	18.96	18.04	14.48	16.37
Current operating expenses—total	\$67.91	\$65.44	\$60.68	\$67.73	\$64.31	\$61.71	\$60.40	\$61.30	\$61.04	\$61.42	\$65.48
Salaries, wages, and fees.....	27.11	28.99	29.80	29.53	30.25	29.33	30.25	28.48	30.37	26.95	27.96
Interest on time and savings deposits.....	17.76	12.91	7.52	16.75	12.87	5.85	6.44	6.45	4.51	15.71	14.27
Taxes other than on net income.....	3.48	4.86	2.34	3.34	1.80	5.75	3.63	6.61	4.48	4.09	3.23
All other current operating expenses.....	19.56	18.68	21.02	18.11	19.39	20.78	20.08	19.76	21.68	14.67	20.02
Amounts per \$100 of total assets¹											
Current operating earnings—total.....	\$2.25	\$1.77	\$2.03	\$1.88	\$2.01	\$2.24	\$1.70	\$1.83	\$1.74	\$2.18	\$2.43
Current operating expenses—total.....	1.53	1.16	1.23	1.27	1.29	1.38	1.03	1.12	1.06	1.34	1.59
Net current operating earnings.....	.72	.61	.80	.61	.72	.86	.67	.71	.68	.84	.84
Amounts per \$100 of total capital accounts¹											
Net profits after income taxes.....	\$8.93	\$10.91	\$6.70	\$11.21	\$11.23	\$13.53	\$12.67	\$9.51	\$11.91	\$15.89	\$9.24
Cash dividends declared.....	2.80	3.51	3.51	3.03	3.22	3.43	3.61	4.07	3.52	2.36	2.28
Special ratios¹											
Income on loans per \$100 of loans.....	\$4.41	\$3.35	\$2.97	\$4.09	\$3.75	\$4.57	\$3.34	\$5.50	\$4.36	\$5.15	\$4.48
Income on securities per \$100 of securities.....	1.82	1.58	1.66	1.53	1.60	1.71	1.47	1.48	1.45	1.55	1.97
Interest paid per \$100 of time and savings deposits.....	1.04	.90	.91	.80	.99	.84	.77	.71	.78	1.19	1.27

¹ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

Table 120. AMOUNTS AND RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, BY STATE, 1946—Continued

(Amounts, except in ratios, in thousands of dollars)

Earnings or expense item	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina
Current operating earnings—total	98,769	5,926	602,109	36,372	8,721	140,574	31,832	27,336	236,451	13,658	11,960
Interest and dividends on:											
United States Government obligations...	47,146	1,793	269,731	13,177	4,047	61,523	10,765	13,807	104,502	7,251	4,316
Other securities.....	8,261	188	31,642	2,406	224	8,933	1,892	1,884	25,316	433	624
Interest and discount on loans.....	27,998	3,082	171,718	12,963	1,744	45,756	13,509	8,163	62,462	3,812	4,011
Service charges and other fees on bank's loans	159	8	3,798	316	61	819	138	41	519	10	27
Service charges on deposit accounts.....	4,864	339	16,519	1,877	436	6,509	2,141	1,315	6,403	458	1,052
Other service charges, commissions, fees, and collection and exchange charges.....	1,882	228	12,686	3,582	1,846	3,584	1,162	829	4,582	176	1,504
Trust department.....	3,811	31	52,180	1,051	35	5,999	319	520	19,328	540	206
Other current operating earnings.....	4,648	257	43,835	1,000	328	7,451	1,906	777	13,339	978	220
Current operating expenses—total	67,260	3,512	350,111	21,786	5,156	93,984	17,531	15,688	143,852	9,171	6,915
Salaries—officers.....	10,444	782	53,614	4,785	1,413	13,297	4,817	2,656	23,440	1,172	1,751
Salaries and wages—employees.....	17,305	1,041	132,852	5,267	997	22,964	4,687	5,316	40,127	2,176	1,899
Fees paid to directors and members of committees.....	1,005	29	2,570	197	74	838	151	41	2,098	85	83
Interest on time and savings deposits.....	14,960	321	25,454	2,909	842	19,198	836	3,072	24,156	2,394	651
Interest and discount on borrowed money.....	72	1	1,013	50	.....	106	46	.....	140	10	4
Taxes other than on net income.....	3,947	208	12,855	950	164	12,300	479	393	9,375	712	125
Recurring depreciation on banking house, furniture and fixtures.....	2,368	58	6,723	516	102	2,170	574	342	4,224	201	158
Other current operating expenses.....	17,159	1,072	115,030	7,112	1,564	23,111	5,941	3,868	40,292	2,421	2,244
Net current operating earnings	31,509	2,414	251,998	14,586	3,565	46,590	14,301	11,648	92,599	4,487	5,045
Recoveries and profits—total	24,814	517	103,286	2,991	601	20,123	2,507	1,860	55,960	1,941	407
Recoveries on securities.....	2,675	123	14,952	144	60	1,661	112	126	11,389	383	44
Profits on securities sold or redeemed.....	15,561	61	58,719	2,188	103	11,086	1,428	1,280	26,067	755	197
Recoveries on loans.....	4,339	273	16,259	318	138	4,843	578	122	5,955	694	67
All other.....	2,239	60	13,356	341	300	2,533	389	332	12,549	109	99
Losses and charge-offs—total	13,370	558	57,855	2,480	818	9,883	1,821	1,445	32,823	1,844	455
On securities.....	8,985	120	20,796	1,231	208	5,077	616	745	20,415	284	247
On loans.....	1,856	317	15,716	551	79	1,935	802	176	3,650	575	100
All other.....	2,529	121	21,343	698	531	2,871	403	524	8,758	985	108
Net profits before income taxes	42,953	2,373	297,429	15,097	3,348	56,830	14,987	12,063	115,736	4,584	4,997
Taxes on net income—total	10,208	455	90,655	4,373	883	13,371	3,785	3,428	27,848	1,538	1,308
Federal.....	10,208	455	78,430	4,285	850	13,371	3,198	2,515	27,848	1,342	1,186
State.....	.....	.....	12,225	88	33	.....	587	913	.....	196	122
Net profits after taxes	32,745	1,918	206,774	10,724	2,465	43,459	11,202	8,635	87,888	3,046	3,689
Dividends and interest on capital—total	7,680	350	86,950	2,653	628	10,952	3,135	1,642	28,367	1,807	860
Dividends on preferred stock and interest on capital notes and debentures.....	2,287	8	1,579	33	8	727	3	3	325	.....	18
Cash dividends declared on common stock.....	5,393	342	85,371	2,620	620	10,225	3,132	1,639	28,042	1,807	842
Net additions to capital from profits	25,065	1,568	119,824	8,071	1,837	32,507	8,067	6,993	59,521	1,239	2,829

AVERAGE ASSETS AND LIABILITIES ¹											
Assets—total	4,771,608	279,331	36,469,765	1,859,639	439,410	7,364,489	1,545,010	1,413,797	10,855,153	694,166	655,767
Cash and due from banks.....	773,364	87,385	7,482,064	465,577	94,733	1,471,468	481,089	291,366	2,122,355	110,597	192,218
U. S. Government obligations.....	2,902,204	126,091	19,220,609	984,379	295,425	4,068,486	732,702	817,084	6,020,929	453,599	335,084
Other securities.....	327,291	9,714	1,485,700	100,244	12,249	408,440	88,676	80,034	888,479	14,560	29,734
Loans and discounts.....	705,486	54,971	7,886,755	341,450	34,743	1,351,545	232,393	212,748	1,671,653	103,692	94,470
All other assets.....	63,263	1,170	394,637	17,989	2,260	64,550	10,150	12,565	151,737	11,718	4,261
Liabilities and capital—total	4,771,608	279,331	36,469,765	1,859,639	439,410	7,364,489	1,545,010	1,413,797	10,855,153	694,166	655,767
Total deposits.....	4,469,384	269,469	33,299,302	1,758,742	421,735	6,926,398	1,456,445	1,350,235	9,805,734	640,769	627,054
Demand deposits.....	2,596,096	231,406	29,672,968	1,445,877	336,507	4,563,549	1,349,652	979,562	7,071,003	434,090	346,817
Time and savings deposits.....	1,873,288	38,063	3,626,334	312,865	85,228	2,362,849	106,793	370,673	2,734,731	206,679	80,237
Borrowings and other liabilities.....	18,009	193	561,486	11,873	672	32,623	3,830	4,493	54,123	5,901	1,450
Total capital accounts.....	284,215	9,669	2,608,977	89,024	17,003	405,468	84,735	59,069	995,296	47,496	27,263
Number of active officers, December 31.....	1,974	186	6,368	1,065	447	2,845	1,354	611	4,595	193	460
Number of other employees, December 31.....	9,254	641	59,700	3,229	738	12,341	2,996	2,887	21,226	1,380	1,138
Number of banks, December 31.....	341	44	659	222	145	659	374	67	998	14	126
RATIOS											
Amounts per \$100 of current operating earnings											
Current operating earnings—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Interest and dividends on:											
United States Government obligations.....	47.73	30.26	44.80	36.23	46.40	43.77	33.82	50.51	44.20	53.09	36.09
Other securities.....	8.37	3.17	5.26	6.61	2.57	6.35	5.94	6.89	10.71	3.17	5.22
Income on loans.....	23.51	52.14	29.15	36.51	20.70	33.13	42.87	30.01	26.63	27.98	33.76
All other current operating earnings.....	15.39	14.43	20.79	20.65	30.33	16.75	17.37	12.59	18.46	15.76	24.93
Current operating expenses—total	\$68.10	\$59.26	\$58.15	\$59.90	\$59.12	\$66.86	\$55.07	\$57.39	\$60.84	\$67.15	\$57.82
Salaries, wages, and fees.....	29.11	31.25	31.40	28.18	28.48	26.39	30.33	29.31	27.77	25.14	31.21
Interest on time and savings deposits.....	15.15	5.42	4.23	8.00	9.66	13.66	2.63	11.24	10.22	17.53	5.44
Taxes other than on net income.....	4.00	3.51	2.13	2.61	1.88	8.75	1.50	1.44	3.96	5.21	1.05
All other current operating expenses.....	19.84	19.08	20.39	21.11	19.10	18.06	20.61	15.40	18.89	19.27	20.12
Amounts per \$100 of total assets¹											
Current operating earnings—total.....	\$2.07	\$2.12	\$1.65	\$1.95	\$1.98	\$1.91	\$2.06	\$1.93	\$2.18	\$1.97	\$1.82
Current operating expenses—total.....	1.41	1.26	.96	1.17	1.17	1.28	1.13	1.11	1.33	1.32	1.05
Net current operating earnings.....	.66	.86	.69	.78	.81	.63	.93	.82	.85	.65	.77
Amounts per \$100 of total capital accounts¹											
Net profits after income taxes.....	\$11.52	\$19.84	\$7.93	\$12.05	\$14.50	\$10.72	\$13.22	\$14.62	\$8.83	\$6.41	\$13.53
Cash dividends declared.....	2.70	3.62	3.33	2.98	3.69	2.70	3.70	2.78	2.85	3.80	3.15
Special ratios¹											
Income on loans per \$100 of loans.....	\$3.99	\$5.62	\$2.23	\$3.89	\$5.20	\$3.45	\$5.87	\$3.86	\$3.77	\$3.69	\$4.27
Income on securities per \$100 of securities.....	1.72	1.46	1.46	1.61	1.39	1.57	1.54	1.75	1.88	1.64	1.35
Interest paid per \$100 of time and savings deposits.....	.80	.84	.70	.93	.99	.81	.78	.83	.88	1.16	.81

¹ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

Table 120. AMOUNTS AND RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, BY STATE, 1946—Continued

(Amounts, except in ratios, in thousands of dollars)

Earnings or expense item	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming
Current operating earnings—total	9,682	40,376	111,341	12,126	7,692	41,356	43,367	20,296	54,841	4,440
Interest and dividends on:										
United States Government obligations . . .	3,465	13,771	36,975	4,306	2,202	15,674	17,402	8,797	27,665	1,561
Other securities	389	3,446	4,705	355	643	2,044	3,091	969	3,652	166
Interest and discount on loans	3,157	16,939	51,202	5,290	4,026	17,553	16,480	7,665	15,655	1,840
Service charges and other fees on bank's loans	26	136	423	81	30	278	110	91	254	3
Service charges on deposit accounts	755	1,399	5,894	588	287	1,913	2,449	838	2,525	347
Other service charges, commissions, fees, and collection and exchange charges	1,478	2,325	3,984	686	132	1,044	1,679	490	1,933	207
Trust department	45	718	1,340	351	126	1,516	878	493	790	55
Other current operating earnings	367	1,642	6,818	469	246	1,334	1,278	953	2,317	261
Current operating expenses—total	5,817	23,206	65,925	7,075	5,268	25,759	27,110	11,927	36,724	2,761
Salaries—officers	1,776	4,396	15,328	1,304	785	5,078	4,816	2,287	7,430	712
Salaries and wages—employees	1,183	5,852	17,478	1,894	927	6,183	8,691	2,848	8,076	648
Fees paid to directors and members of committees	105	197	707	122	111	368	118	169	560	33
Interest on time and savings deposits	785	3,520	3,442	1,430	1,991	5,120	4,965	2,549	9,388	323
Interest and discount on borrowed money	3	18	18	10	1	21	10	40	17	1
Taxes other than on net income	137	1,840	5,447	180	245	1,575	658	518	872	173
Recurring depreciation on banking house, furniture and fixtures	146	720	2,003	132	97	805	700	376	897	81
Other current operating expenses	1,682	6,663	21,502	2,003	1,111	6,609	7,152	3,140	9,484	790
Net current operating earnings	3,865	17,170	45,416	5,051	2,424	15,597	16,257	8,369	18,117	1,679
Recoveries and profits—total	401	5,092	10,694	847	1,522	3,786	4,862	3,170	7,234	414
Recoveries on securities	29	378	1,184	57	172	320	490	260	938	76
Profits on securities sold or redeemed	78	3,359	4,902	522	696	1,804	3,314	1,300	4,328	160
Recoveries on loans	201	690	2,686	155	455	1,112	538	598	996	132
All other	93	665	1,922	113	199	550	520	1,012	472	46
Losses and charge-offs—total	517	4,800	8,625	521	702	2,734	3,678	1,238	4,368	395
On securities	275	3,220	3,632	176	356	1,390	2,208	636	2,930	153
On loans	65	766	2,823	231	255	621	710	256	987	154
All other	177	814	2,170	114	91	723	760	346	451	88
Net profits before income taxes	3,749	17,462	47,485	5,377	3,244	16,649	17,441	10,301	20,983	1,698
Taxes on net income—total	938	4,139	12,736	1,398	669	4,306	3,207	2,519	4,627	383
Federal	877	4,082	12,736	1,276	640	4,306	3,207	2,519	4,548	383
State	61	57	.....	122	29	.....	.....	.....	79	.....
Net profits after taxes	2,811	13,323	34,749	3,979	2,575	12,343	14,234	7,782	16,356	1,315
Dividends and interest on capital—total	773	3,425	11,469	1,078	561	4,047	2,854	1,813	4,255	391
Dividends on preferred stock and interest on capital notes and debentures	7	120	80	16	190	83	31	39	193	26
Cash dividends declared on common stock	766	3,305	11,389	1,062	371	3,964	2,823	1,774	4,062	365
Net additions to capital from profits	2,038	9,898	23,280	2,901	2,014	8,296	11,380	5,969	12,101	924

AVERAGE ASSETS AND LIABILITIES ¹										
Assets—total	440,898	1,994,469	5,937,729	575,227	264,057	1,938,253	2,142,079	933,225	3,000,603	225,753
Cash and due from banks.....	108,329	530,695	1,904,484	132,937	37,072	447,562	473,791	217,990	595,682	69,952
U. S. Government obligations.....	253,296	905,965	2,526,458	306,398	115,229	989,207	1,125,434	525,499	1,820,245	113,895
Other securities.....	17,913	132,414	196,102	16,455	23,206	75,156	129,482	36,142	156,686	7,186
Loans and discounts.....	58,547	405,785	1,259,002	116,012	85,677	404,639	400,265	144,090	404,696	33,450
All other assets.....	2,813	18,610	51,683	3,425	2,873	21,689	13,107	9,504	22,684	1,270
Liabilities and capital—total	440,898	1,994,469	5,937,729	575,227	264,057	1,938,253	2,142,079	933,225	3,000,003	225,753
Total deposits.....	420,071	1,890,380	5,636,850	546,115	238,605	1,812,000	2,048,815	865,316	2,833,222	213,774
<i>Demand deposits</i>	<i>54,047</i>	<i>1,500,133</i>	<i>5,173,717</i>	<i>333,587</i>	<i>101,045</i>	<i>1,231,726</i>	<i>1,501,927</i>	<i>621,795</i>	<i>1,699,302</i>	<i>171,539</i>
<i>Time and savings deposits</i>	<i>72,024</i>	<i>390,247</i>	<i>463,133</i>	<i>162,528</i>	<i>137,560</i>	<i>580,274</i>	<i>546,888</i>	<i>243,521</i>	<i>1,133,920</i>	<i>42,235</i>
Borrowings and other liabilities.....	754	7,154	14,458	1,628	951	8,396	7,202	6,089	7,867	242
Total capital accounts.....	20,073	96,935	286,421	27,484	24,501	117,857	86,062	61,820	158,914	11,737
Number of active officers, December 31.....	575	1,151	3,566	264	236	1,312	866	588	1,895	202
Number of other employees, December 31....	864	8,734	10,321	1,043	583	3,838	4,348	1,672	4,709	400
Number of banks, December 31.....	169	289	811	59	71	315	119	175	545	55
RATIOS										
Amounts per \$100 of current operating earnings										
Current operating earnings—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Interest and dividends on:										
United States Government obligations...	35.79	34.11	33.20	35.51	28.63	37.90	40.13	43.35	50.45	35.16
Other securities.....	4.02	8.53	4.23	2.93	8.36	4.94	7.13	4.77	6.66	3.74
Income on loans.....	32.88	42.29	46.37	44.29	52.73	43.12	38.25	38.21	29.01	41.51
All other current operating earnings.....	27.31	15.07	16.20	17.27	10.28	14.04	14.49	13.67	13.88	19.59
Current operating expenses—total	\$60.08	\$57.47	\$59.21	\$58.35	\$68.49	\$62.29	\$62.51	\$58.77	\$66.96	\$62.18
Salaries, wages, and fees.....	31.65	25.87	30.10	27.38	23.70	23.12	31.42	26.14	29.29	31.37
Interest on time and savings deposits.....	8.11	8.72	3.09	11.79	25.88	12.38	11.45	12.56	17.12	7.27
Taxes other than on net income.....	1.41	4.55	4.89	1.49	3.19	3.81	1.51	2.55	1.59	3.90
All other current operating expenses.....	18.91	18.33	21.13	17.69	15.72	17.98	18.13	17.52	18.96	19.64
Amounts per \$100 of total assets¹										
Current operating earnings—total.....	\$2.20	\$2.02	\$1.88	\$2.11	\$2.91	\$2.13	\$2.02	\$2.17	\$1.83	\$1.97
Current operating expenses—total.....	1.32	1.16	1.11	1.23	2.00	1.33	1.27	1.28	1.22	1.22
Net current operating earnings.....	.88	.86	.77	.88	.91	.80	.75	.89	.61	.75
Amounts per \$100 of total capital accounts¹										
Net profits after income taxes.....	\$14.00	\$13.74	\$12.13	\$14.48	\$10.51	\$10.47	\$16.54	\$12.59	\$10.29	\$11.20
Cash dividends declared.....	3.85	3.53	4.00	3.92	2.29	3.43	3.32	2.93	2.68	3.33
Special ratios¹										
Income on loans per \$100 of loans.....	\$5.44	\$4.20	\$4.10	\$4.63	\$4.73	\$4.41	\$4.14	\$5.38	\$3.93	\$5.51
Income on securities per \$100 of securities...	1.42	1.66	1.53	1.44	2.06	1.66	1.63	1.74	1.58	1.43
Interest paid per \$100 of time and savings deposits.....	1.09	.90	.74	.88	1.45	.97	.91	1.05	.83	.76

¹ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

Table 121. EARNINGS, EXPENSES, DIVIDENDS, AND ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS, 1934, 1941-1946

(Amounts in thousands of dollars)

Earnings, expense, asset or liability item	1934	1941	1942	1943	1944	1945	1946
Current operating earnings—total	47,819	69,547	76,287	273,479	295,709	322,795	350,951
Interest, discount, and other income on real estate loans.....	24,602	26,554	31,212	137,950	140,002	141,001	142,538
Interest, discount, and income on other loans.....	457	1,195	1,119	1,241	1,260	1,627	1,893
Interest on U. S. Government obligations, direct and guaranteed.....	18,866	12,955	17,134	76,510	97,856	135,627	171,139
Interest and dividends on other securities.....	44	18,068	16,923	24,607	29,694	24,652	22,609
Collection and exchange charges, commissions, and fees.....	3,850	123	154	321	538	1,033	1,301
Other current operating earnings.....		10,652	9,745	32,850	26,359	18,855	11,471
Current operating expenses—total	11,943	23,344	24,520	87,847	86,575	77,705	85,523
Salaries—officers.....	3,166	2,205	2,715	9,467	10,093	10,567	11,967
Salaries and wages—employees.....	208	5,080	5,915	19,792	20,658	22,179	26,938
Directors', trustees', and managers' fees ¹	2,866	316	389	1,704	1,903	855	1,045
Taxes other than on net income.....	94	5,432	5,104	17,015	14,838	8,410	7,243
Recurring depreciation on banking house, furniture and fixtures ²	5,609	668	743	3,046	3,359	2,649	2,574
Other current operating expenses.....		9,643	9,654	36,823	35,724	33,045	35,756
Net current operating earnings	35,876	46,203	51,767	185,632	209,134	245,090	265,428
Dividends (interest) paid on deposits	26,701	29,684	33,209	117,985	132,430	143,359	160,134
Net operating earnings after dividends on deposits	9,175	16,519	18,558	67,647	76,704	101,740	105,294
Profits and recoveries on assets—total	5,481	23,014	19,092	129,160	101,473	181,982	186,720
Recoveries on securities ⁴	833	3,432	5,164	40,402	31,423	47,560	34,920
Profits on securities sold or exchanged.....	1,355	13,996	7,112	31,376	30,677	79,389	89,554
Recoveries on loans ⁴	702	462	653	11,094	14,763	4,055	2,097
All other profits and recoveries ⁵	2,591	5,124	6,163	46,288	24,610	50,978	60,149
Losses and charge-offs—total	11,097	34,848	33,486	168,891	113,691	135,783	142,499
On securities ⁶	5,300	16,470	10,379	32,818	17,625	36,635	72,320
On loans ⁶	2,567	6,030	9,211	74,327	68,179	28,825	3,375
All other ⁷	3,230	12,348	13,896	61,746	27,887	70,323	66,804

Net profits before income taxes.....	3,559	4,685	4,164	27,916	64,486	147,939	149,515
Taxes on net income.....	(⁸)	97	33	345	122	2,034	5,759
Net profits after income taxes.....	3,559	4,588	4,131	27,571	64,364	145,905	143,756
Interest paid on capital notes and debentures.....	⁹ 1,550	344	318	294	482	271	264
Net profits after interest and dividends.....	2,009	4,244	3,813	27,277	63,882	145,634	143,492
Average assets and liabilities ¹⁰							
Assets—total.....	1,177,936	1,973,635	2,089,328	7,945,687	9,164,873	10,636,400	12,066,095
Cash and due from banks.....	65,643	184,743	141,377	494,112	449,751	416,762	530,271
U. S. Government obligations.....	140,129	581,795	725,595	3,322,146	4,723,004	6,345,344	7,588,938
Other securities.....	320,949	445,939	416,107	663,101	628,821	605,362	653,589
Real estate loans.....	552,188	604,701	661,599	3,104,849	3,085,567	3,056,494	3,112,879
Other loans and discounts.....	13,129	35,151	30,078	28,145	30,372	36,934	41,588
All other assets.....	85,898	121,306	114,572	333,334	247,358	175,504	188,830
Liabilities and capital—total.....	1,177,936	1,973,635	2,089,328	7,945,687	9,164,873	10,636,400	12,066,095
Total deposits.....	1,042,388	1,803,002	1,900,429	7,134,660	8,280,998	9,648,308	10,923,361
Demand deposits.....	1,042,388	1,803,002	1,900,429	7,134,660	8,280,998	9,648,308	10,910,163
Time and savings deposits.....							
Borrowings and other liabilities.....	8,399	7,248	6,556	22,331	23,974	27,085	32,934
Total surplus and capital accounts.....	127,149	163,385	182,243	788,696	859,901	961,007	1,109,800
Number of active officers, December 31.....	(¹¹)	317	363	1,209	1,276	1,337	1,410
Number of other employees, December 31.....	(¹¹)	2,823	2,884	9,581	9,719	10,852	11,414
Number of banks, December 31 ¹²	68	52	56	184	192	192	191

¹ Includes professional fees from 1941 through 1944.

² Includes income taxes.

³ In 1934, and for banks not submitting reports to FDIC in 1941, consists of regular and extraordinary depreciation allowances on banking house, furniture and fixtures.

⁴ In 1934, and in 1941-1944; and for banks not submitting reports to FDIC in 1945-1946, includes reductions in valuation allowances.

⁵ In 1945 and 1946 for banks submitting reports to FDIC, includes all reductions in valuation allowances.

⁶ In 1934, and in 1941-1944; and for banks not submitting reports to FDIC in 1945-1946, includes additions to valuation allowances.

⁷ In 1945 and 1946 for banks submitting reports to FDIC, includes all additions to valuation allowances.

⁸ Not available; see footnote 2.

⁹ Also includes interest on borrowed money.

¹⁰ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

¹¹ Not available.

¹² For 1941-1946, includes three mutual savings banks, members of the Federal Reserve System.

Back figures—See the Annual Report for 1941, p. 173.

Table 122. RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED MUTUAL SAVINGS BANKS, 1934, 1941-1946

Earnings or expense item	1934	1941	1942	1943	1944	1945	1946
Amounts per \$100 of current operating earnings:							
Current operating earnings—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Income on real estate loans.....	51.45	38.18	40.91	50.44	47.34	43.68	40.62
Income on other loans.....	.96	1.72	1.47	.46	.43	.50	.54
Interest on U. S. Government obligations.....	39.45	18.63	22.46	27.97	33.09	42.02	48.76
Interest and dividends on other securities.....	.09	25.98	22.18	9.00	10.04	7.64	6.44
Collection and exchange charges, commissions, and fees.....	.09	.17	.20	.12	.18	.32	.37
Other current operating earnings.....	8.05	15.32	12.78	12.01	8.92	5.84	3.27
Current operating expenses—total	24.98	33.57	32.14	32.12	29.28	24.07	24.37
Salaries, wages and fees ¹	7.06	10.93	11.82	11.32	11.04	10.41	11.38
Taxes other than on net income.....	5.99	7.81	6.69	6.22	5.02	2.60	2.06
Recurring depreciation on banking house, furniture and fixtures ².....	.20	.96	.97	1.11	1.14	.82	.74
Other current operating expenses.....	11.73	13.87	12.66	13.47	12.08	10.24	10.19
Net current operating earnings	75.02	66.43	67.86	67.88	70.72	75.93	75.63
Dividends (interest) paid on deposits	55.84	42.68	43.53	43.14	44.78	44.41	45.63
Net operating earnings after dividends on deposits	19.18	23.75	24.33	24.74	25.94	31.52	30.00
Amounts per \$100 of total assets³							
Current operating earnings—total.....	4.06	3.52	3.65	3.44	3.23	3.03	2.91
Current operating expenses—total.....	1.01	1.18	1.17	1.10	.95	.73	.71
Net current operating earnings.....	3.05	2.34	2.48	2.34	2.28	2.30	2.20
Dividends (interest) paid on deposits.....	2.27	1.50	1.59	1.49	1.44	1.35	1.33
Net operating earnings after dividends on deposits.....	.78	.84	.89	.85	.84	.95	.87
Recoveries and profits—total.....	.46	1.17	.91	1.63	1.11	1.71	1.55
Losses and charge-offs—total.....	.94	1.77	1.60	2.13	1.24	1.27	1.18
Net profits before income taxes.....	4.30	.24	.20	.35	.71	1.39	1.24
Net additions to surplus and capital accounts.....	.17	.22	.18	.34	.70	1.37	1.19

Special ratios ¹							
Income on real estate loans per \$100 of real estate loans.....	4.46	4.39	4.72	4.44	4.54	4.61	4.58
Income on other loans per \$100 of other loans.....	3.48	3.40	3.72	4.41	4.15	4.41	4.55
Interest on U. S. Government obligations per \$100 of U. S. Government obligations.....	4.09	2.23	2.36	2.30	2.07	2.14	2.26
Income on other securities per \$100 of other securities.....		4.05	4.07	3.71	4.72	4.07	3.46
Dividends paid on deposits per \$100 of time and savings deposits.....	2.56	1.65	1.75	1.65	1.60	1.49	1.47
Net additions to surplus and capital accounts per \$100 of total surplus and capital accounts.....	1.58	2.60	2.09	3.46	7.43	15.15	12.93
Assets and liabilities per \$100 of total assets⁵							
Assets—total.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cash and due from banks.....	5.57	9.36	6.77	6.22	4.91	3.92	4.40
U. S. Government obligations.....	11.90	29.48	34.73	41.30	51.53	59.66	62.89
Other securities.....	27.25	22.59	19.91	8.35	6.86	5.69	5.42
Loans and discounts.....	47.99	32.42	33.11	39.43	34.00	29.08	26.14
All other assets.....	7.29	6.15	5.48	4.20	2.70	1.65	1.15
Liabilities and capital—total.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total deposits.....	88.49	91.35	90.96	89.79	90.36	90.71	90.53
<i>Demand deposits.....</i>	<i>88.49</i>	<i>91.35</i>	<i>90.96</i>	<i>89.79</i>	<i>90.36</i>	<i>90.71</i>	<i>.11</i>
<i>Time and savings deposits.....</i>							<i>90.42</i>
Borrowings and other liabilities.....	.71	.37	.32	.28	.26	.25	.27
Total capital accounts.....	10.80	8.28	8.72	9.93	9.38	9.04	9.20
Number of banks, December 31.....	68	52	56	184	192	192	191

¹ Includes professional fees from 1941 through 1944.

² Includes income taxes.

³ In 1934, and for banks not submitting reports to FDIC in 1941, consists of regular and extraordinary depreciation allowances on banking house, furniture and fixtures.

⁴ See footnote 2.

⁵ Asset and liability items are averages of figures reported at beginning, middle, and end of year.

DEPOSIT INSURANCE DISBURSEMENTS

- Table 123. Disbursements by the Federal Deposit Insurance Corporation to protect depositors; number and deposits of insured banks placed in receivership or merged with the financial aid of the Corporation, 1934-1946
Banks grouped by class of bank, year of disbursement, amount of deposits, and State
- Table 124. Assets and liabilities of insured banks placed in receivership and of insured banks merged with the financial aid of the Federal Deposit Insurance Corporation, 1934-1946
As shown by books of bank at date of closing
- Table 125. Depositors and deposits of insured banks placed in receivership, 1934-1946
As shown by books of FDIC, December 31, 1946
- Table 126. Disbursements to protect depositors, recoveries, and losses by the Federal Deposit Insurance Corporation in connection with insured banks placed in receivership or merged with the financial aid of the Corporation, 1934-1946
As shown by books of FDIC, December 31, 1946

Disbursements by the Federal Deposit Insurance Corporation to protect depositors are made whenever insured banks because of financial difficulties are placed in receivership or are merged with the aid of the Corporation. In receiverships the disbursement is the amount paid by the Corporation on insured deposits. In mergers the Corporation's disbursement is the amount loaned to merging banks, or the price paid for assets purchased from them.

Depositors and deposits in insured banks placed in receivership have been grouped in Table 125 to show the ways in which depositors' claims against these banks were met. Because the claim of a single depositor may be paid in several ways, the number of depositors cannot be correlated with the amount of deposits in the various categories as given in the table.

Depositors **eligible for insurance protection** are all depositors except those holding only accounts which were restricted or deferred prior to 1934, and those whose deposits were made after the termination of a bank's insured status. Depositors **not eligible for insurance protection** are those whose total accounts are thus excluded from insurance, and those whose accounts are barred from payment by FDIC because the accounts were not claimed before the expiration of the period set by law.

Depositors **paid by FDIC** are all those who receive any payment from the Corporation. Depositors **fully paid by other methods** are those who receive no payment from FDIC, but do receive full compensation for their accounts by offset, by sale of security, or by direct payment from the receiver because of their preferred status. **Unpaid** depositors are primarily those whose claims are disputed, and those whose claims although not filed are not yet legally barred from payment by FDIC.

Insured deposits are the deposits for which FDIC is legally liable. This includes the net amount due each depositor after deductions of offset, of amounts in excess of \$5,000, and of amounts not eligible for insurance protection as described in preceding paragraphs. **Secured** deposits are those covered by pledge of specific assets. **Preferred** deposits are those which, under Federal or State law, are paid from proceeds of the liquidation before common claims against the bank are met. Deposits **subject to offset** are those met by claims which the bank holds against the depositor. Deposits **uninsured, unsecured, not preferred, and not subject to offset** are those not covered by insurance or other specific arrangement. They may be paid in full, however, by the receiver as common claims.

Deposits of insured banks placed in receivership as given in tables with data taken from the books of FDIC at the end of the year, will differ from the deposits in tables with data taken from books of bank at date of closing. This is because the former include deposits discovered or reclassified after the date of a bank's closing.

Noninsured bank failures:

One noninsured bank failed in 1946, none in 1945 or 1944. The Englewood Industrial Bank, Englewood, Colorado, with deposits of \$147,000, closed June 30, 1946. For suspensions of noninsured banks, 1934-1943, see the Annual Report of the Corporation for 1943, page 102.

Sources of data:

Books of bank at date of closing; and books of FDIC, December 31, 1946.

Table 123. DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION TO PROTECT DEPOSITORS; NUMBER AND DEPOSITS OF INSURED BANKS PLACED IN RECEIVERSHIP OR MERGED WITH THE FINANCIAL AID OF THE CORPORATION, 1934-1946

BANKS GROUPED BY CLASS OF BANK, YEAR OF DISBURSEMENT, AMOUNT OF DEPOSITS, AND STATE

Classification	Disbursement by FDIC (in thousands of dollars)			Number of banks			Deposits (in thousands of dollars)		
	Total	Receiverships ¹	Mergers ¹	Total	Receiverships	Mergers	Total	Receiverships ¹	Mergers ²
All banks	262,133	87,034	175,099	399	245	154	505,246	109,592	395,654
Class of bank									
National banks.....	46,038	14,808	31,230	65	21	44	94,716	19,474	75,242
State banks members F. R. System.....	99,411	20,934	78,477	20	6	14	179,081	26,538	152,543
Banks not members F. R. System.....	116,684	51,292	65,392	314	218	96	231,449	63,580	167,869
Calendar year									
1934.....	941	941	.....	9	9	.....	1,968	1,968	.....
1935.....	8,890	6,025	2,865	25	24	1	13,320	9,091	4,229
1936.....	14,833	8,056	6,777	69	42	27	27,528	11,241	16,287
1937.....	19,202	12,045	7,157	75	50	25	33,345	14,960	18,385
1938.....	30,480	9,087	21,393	74	50	24	59,724	10,296	49,428
1939.....	67,804	26,196	41,608	60	32	28	157,779	32,740	125,039
1940.....	74,880	4,895	69,485	43	19	24	142,389	5,657	136,732
1941.....	23,880	12,278	11,602	15	8	7	29,721	14,730	14,991
1942.....	10,958	1,612	9,346	20	6	14	19,011	1,816	17,195
1943.....	7,217	5,500	1,717	5	4	1	12,535	6,637	5,898
1944.....	1,515	399	1,116	2	1	1	1,915	456	1,459
1945.....	1,768	.....	1,768	1	.....	1	5,695	.....	5,695
1946.....	265	.....	265	1	.....	1	316	.....	316
Banks with deposits of—									
\$100,000 or less.....	4,956	4,309	647	106	83	23	6,358	4,947	1,411
\$100,000 to \$250,000.....	12,859	11,549	1,310	108	86	22	17,611	13,920	3,691
\$250,000 to \$500,000.....	14,604	10,218	4,386	59	36	23	20,972	12,462	8,510
\$500,000 to \$1,000,000.....	24,160	13,901	10,259	49	24	25	36,807	17,591	19,216
\$1,000,000 to \$2,000,000.....	26,714	8,961	17,753	35	9	26	49,320	11,748	37,572
\$2,000,000 to \$5,000,000.....	42,329	12,421	29,908	25	5	20	77,568	16,279	61,289
\$5,000,000 to \$10,000,000.....	21,949	.....	21,949	9	.....	9	57,486	.....	57,486
\$10,000,000 to \$50,000,000.....	114,562	25,675	88,887	8	2	6	239,124	32,645	206,479
More than \$50,000,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

State												
Alabama	237	94	143	2	1	1	529	101	428			
Arkansas	840	840		5	5		1,163	1,168				
California	861		861	1		1	1,073		1,078			
Colorado	8	8		1	1							
Connecticut	1,242	1,242		2	2		1,526	1,526				
Florida	300	203	97	2	1	1	491	217	274			
Georgia	363	846	17	8	7	1	1,027	998	29			
Illinois	3,295	1,242	2,053	14	6	8	6,409	1,637	4,772			
Indiana	4,335	3,092	1,243	18	15	3	9,710	3,932	5,778			
Iowa	1,462	385	1,077	6	3	3	5,516	498	5,018			
Kansas	974	482	492	9	5	4	1,233	539	694			
Kentucky	4,614	3,329	1,285	22	13	4	7,950	3,953	3,997			
Louisiana	668	668		3	3		1,652	1,652				
Maryland	3,110	735	2,375	5	2	3	4,569	828	3,741			
Massachusetts	1,571		1,571	2		2	3,019		3,019			
Michigan	5,340	139	5,201	7	3	4	12,404	160	12,244			
Minnesota	840	640		5	5		813	818				
Mississippi	257	257		3	3		334	334				
Missouri	4,920	4,335	585	45	34	11	7,001	5,116	1,885			
Montana	213	186	27	4	3	1	298	215	83			
Nebraska	469	469		4	4		538	538				
New Hampshire	118		118	1		1	296		296			
New Jersey	79,246	25,103	54,143	37	11	26	184,511	30,916	153,595			
New York	67,666	10,835	56,831	25	3	22	138,826	13,286	125,540			
North Carolina	1,448	1,156	292	6	2	4	2,291	1,421	870			
North Dakota	2,658	1,392	1,266	29	18	11	3,830	1,552	2,278			
Ohio	1,610	1,610		2	2		2,345	2,345				
Oklahoma	1,218	1,133	85	7	5	2	2,226	1,659	567			
Oregon	962		962	1		1	1,114		1,114			
Pennsylvania	47,509	10,133	37,376	25	8	17	67,430	14,340	53,090			
South Carolina	136	136		1	1		136	136				
South Dakota	2,411	2,388	23	23	22	1	2,988	2,862	126			
Tennessee	1,279	1,164	115	12	8	4	1,943	1,621	322			
Texas	2,512	2,468	44	17	16	1	3,316	3,239	77			
Vermont	3,445	3,259	186	3	2	1	3,725	3,375	350			
Virginia	4,919	511	4,408	8	3	5	10,746	629	10,117			
Washington	935		935	1		1	1,538		1,538			
West Virginia	1,458	1,458		3	3		2,007	2,007				
Wisconsin	6,384	5,096	1,288	30	20	10	8,700	5,966	2,734			

¹ Data from books of FDIC, December 31, 1946.

² Data from books of bank at date of closing.

Table 124. ASSETS AND LIABILITIES OF INSURED BANKS PLACED IN RECEIVERSHIP AND OF INSURED BANKS MERGED WITH THE FINANCIAL AID OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1946

AS SHOWN BY BOOKS OF BANK AT DATE OF CLOSING

Year	Assets							Total	Liabilities and capital accounts				
	Cash and due from banks	U. S. Government obligations	Other securities	Loans, discounts, and overdrafts	Banking house, furniture & fixtures	Other real estate	Other assets		Total deposits	Other liabilities	R. F. C. capital	Private capital stock	Other capital accounts ¹
Total	\$108,145,353	\$76,409,369	\$73,563,320	\$231,760,363	\$22,227,985	\$59,544,599	\$13,444,784	\$585,695,773	\$563,028,743	\$11,468,774	\$25,130,464	\$37,487,461	\$7,980,331
RECEIVERSHIPS													
Total	\$22,620,382	\$10,154,078	\$15,946,562	\$65,569,217	\$5,375,616	\$12,293,686	\$8,330,507	\$140,290,048	\$107,374,564	\$10,122,023	\$5,896,246	\$12,254,299	\$4,642,916
1934	185,056	603,519	273,638	1,329,865	79,365	120,319	69,565	2,661,327	1,951,992	104,963	90,000	432,100	82,272
1935	1,974,181	698,440	510,479	6,842,116	459,055	242,274	1,597,403	12,323,948	8,700,485	2,111,886	223,000	950,000	338,577
1936	2,194,712	902,215	1,955,104	6,454,624	459,700	734,374	273,559	12,974,788	11,039,098	93,695	788,000	1,069,350	-15,355
1937	2,238,648	1,293,683	2,307,696	11,107,699	486,995	837,966	1,010,689	19,283,376	14,715,286	1,132,758	755,250	2,498,815	181,267
1938	1,610,297	451,570	2,215,638	6,574,061	412,911	2,125,022	530,408	13,919,907	10,124,255	1,213,354	1,052,900	1,059,200	470,198
1939	3,329,557	1,052,424	4,855,519	21,839,422	1,845,901	7,221,558	3,781,385	43,925,766	32,557,805	4,695,520	2,249,996	2,775,001	1,647,144
1940	1,018,215	452,574	1,519,677	3,314,762	694,900	435,526	523,899	7,959,553	5,599,438	455,788	422,750	1,045,533	436,044
1941	6,462,157	3,493,431	1,810,346	5,398,218	91,311	106,615	449,458	17,811,536	14,627,158	298,526	195,500	1,582,000	1,108,352
1942	500,513	119,650	52,364	777,953	70,685	55,222	25,030	1,601,417	1,379,526	1,520	81,750	140,000	-1,379
1943	2,910,826	968,872	405,011	1,846,467	772,493	414,310	63,677	7,381,656	6,274,311	13,582	32,500	675,000	386,263
1944	196,220	117,700	41,090	84,030	2,300	.....	5,434	446,774	405,210	131	4,600	27,300	9,533
MERGERS													
Total	\$85,524,971	\$66,255,291	\$57,616,758	\$166,191,146	\$16,852,369	\$47,250,913	\$5,114,277	\$444,805,725	\$395,654,179	\$1,346,751	\$19,234,218	\$25,233,162	\$3,337,415
1935	404,834	233,395	1,403,807	2,256,417	608,467	.....	10,808	4,917,728	4,228,816	140	.....	315,000	373,772
1936	3,109,830	2,071,296	2,080,059	8,917,554	1,277,605	1,184,658	325,362	18,966,364	16,287,262	19,769	310,000	1,664,000	685,333
1937	4,717,074	2,495,254	3,520,186	8,678,629	562,181	924,558	186,497	21,086,180	18,384,923	262,651	609,200	1,808,400	21,006
1938	8,133,887	7,018,796	10,377,037	20,896,236	2,873,257	3,913,009	2,380,489	55,592,711	49,428,833	168,674	3,726,463	2,697,650	-428,459
1939	27,451,442	27,929,162	16,266,036	44,289,765	5,142,882	15,459,743	1,049,600	137,588,630	125,038,946	679,659	6,103,500	6,381,000	-614,475
1940	30,227,874	17,183,076	17,987,527	60,687,428	4,553,388	22,840,095	458,831	153,938,219	136,731,549	157,765	7,186,655	8,566,162	1,196,087
1941	3,167,243	801,273	2,835,309	8,178,623	798,028	1,014,582	197,669	16,992,727	14,990,768	57,508	289,000	1,111,250	544,201
1942	4,159,617	3,547,766	2,275,392	7,731,137	759,861	1,824,586	354,362	20,652,721	17,195,146	584	913,400	1,748,200	795,391
1943	1,216,987	2,903,771	555,383	1,675,734	274,331	15,844	34,523	6,676,573	5,897,691	.....	96,000	300,000	382,882
1944	368,633	585,251	230,282	367,086	.....	67,428	32,108	1,650,788	1,459,091	.....	.....	200,000	-8,303
1945	2,440,786	1,371,925	55,504	2,435,488	.....	4,609	83,603	6,391,915	5,695,202	.....	.....	331,500	365,213
1946	126,764	114,326	30,236	77,049	2,369	.....	425	351,169	316,402	.....	.....	10,000	24,767

¹ Includes surplus, undivided profits, and reserve funds minus operating deficit, if any, as shown by books. Minus (-) indicates net operating deficit.

NOTE: No insured bank was placed in receivership in 1945 or 1946. One insured bank was merged with the financial aid of FDIC during 1946. The Augusta County Bank, Inc., Churchville, Virginia, (Case No. 154) with 1,404 accounts was merged with the National Valley Bank of Staunton, Staunton, Va., on September 16, 1946. A disbursement of \$264,638 was made by the Corporation in connection with this merger.

Table 125. DEPOSITORS AND DEPOSITS OF INSURED BANKS PLACED IN RECEIVERSHIP, 1934-1946

AS SHOWN BY BOOKS OF FDIC, DECEMBER 31, 1946

Year	Number of depositors					Amount of deposits							
	Total	Eligible for insurance protection			Not eligible for insurance protection	Total	Insured			Secured and preferred	Subject to offset	Uninsured, unsecured, not preferred, and not subject to offset	
		Paid by FDIC	Fully paid by other methods	Unpaid			Total	Paid	Unpaid			In excess of insurance maximum	Other
Total	382,756	289,537	36,129	7,837	49,253	109,592,068	87,118,993	87,034,226	84,767	5,099,085	6,304,236	9,691,620	1,378,134
1934	15,767	11,262	974	.....	3,531	1,968,480	941,008	941,008	.....	831,894	90,114	30,607	74,857
1935	32,332	23,432	2,889	1,019	4,992	9,090,660	6,028,290	6,025,513	2,777	538,890	561,369	1,935,772	26,339
1936	43,225	30,924	4,677	22	7,602	11,240,969	8,055,591	8,055,564	27	659,381	660,362	1,048,035	817,600
1937	74,147	56,800	7,710	26	9,611	14,959,944	12,046,824	12,044,562	2,262	1,138,193	1,084,541	644,077	46,309
1938	44,284	31,766	7,389	17	5,112	10,296,244	9,087,490	9,087,444	46	340,536	524,302	253,924	89,992
1939	90,208	72,232	6,250	3,889	7,837	32,739,738	26,247,978	26,196,419	51,559	587,417	1,910,854	3,961,357	32,132
1940	20,667	15,683	2,932	.....	2,052	5,656,661	4,895,050	4,895,050	.....	182,462	341,708	221,323	16,118
1941	38,594	29,887	1,710	.....	6,997	14,730,243	12,278,001	12,278,001	.....	391,881	793,302	997,813	269,246
1942	5,717	4,210	562	.....	945	1,816,179	1,612,049	1,612,049	.....	59,824	80,896	60,561	2,849
1943	16,914	12,567	940	2,833	574	6,637,025	5,520,888	5,499,548	21,340	368,607	241,472	503,366	2,692
1944	901	774	96	31	.....	455,925	405,824	399,068	6,756	.....	15,316	34,785	.....
1945	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1946	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Back figures—See the Annual Report for 1945, p. 145, and earlier reports.

DEPOSIT INSURANCE DISBURSEMENTS

Table 126. DISBURSEMENTS TO PROTECT DEPOSITORS, RECOVERIES, AND LOSSES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN CONNECTION WITH INSURED BANKS PLACED IN RECEIVERSHIP OR MERGED WITH THE FINANCIAL AID OF THE CORPORATION, 1934-1946

AS SHOWN BY BOOKS OF FDIC, DECEMBER 31, 1946

(Amounts in thousands of dollars)

Types and status of case	Total	Banks placed in receivership or merged in--												
		1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
All banks placed in receivership or merged														
Disbursement by FDIC.....	\$262,133	\$941	\$8,890	\$14,833	\$19,202	\$30,480	\$67,804	\$74,380	\$23,880	\$10,958	\$7,217	\$1,515	\$1,768	\$265
Receiverships.....	87,034	941	6,025	8,056	12,045	9,087	26,196	4,895	12,278	1,612	5,500	399	.....	.....
Mergers.....	175,099	.....	2,865	6,777	7,157	21,393	41,608	69,485	11,602	9,346	1,717	1,116	1,768	265
Recoveries by FDIC.....	228,221	734	6,069	12,296	15,387	27,589	56,506	66,297	22,885	10,046	6,914	1,475	1,768	255
Receiverships.....	69,672	734	4,218	6,596	9,290	7,712	17,897	4,313	12,059	1,297	6,197	359	.....	.....
Mergers.....	158,549	.....	1,851	5,700	6,097	19,877	38,609	61,984	10,826	8,749	1,717	1,116	1,768	255
Estimate of losses by FDIC.....	28,896	207	2,769	2,497	3,622	2,509	9,727	5,942	737	667	189	30	.....	.....
Receiverships.....	16,579	207	1,769	1,460	2,571	1,187	8,080	582	214	290	189	30	.....	.....
Mergers.....	12,317	.....	1,000	1,037	1,051	1,322	1,647	5,360	523	377	.....	.....	.....	.....
Terminated liquidations														
Disbursement by FDIC.....	66,824	941	5,434	8,374	10,622	8,937	14,205	6,953	4,314	3,804	2,124	1,116	.....	.....
Receiverships.....	45,084	941	5,434	7,758	8,951	6,195	8,088	4,671	1,820	824	407	.....	.....	.....
Mergers.....	21,740	.....	.....	616	1,671	2,742	6,122	2,282	2,494	2,980	1,717	1,116	.....	.....
Recoveries by FDIC.....	57,927	734	3,886	6,807	8,297	8,056	12,775	6,367	4,108	3,703	2,078	1,116	.....	.....
Receiverships.....	36,861	734	3,886	6,298	6,890	5,543	6,723	4,089	1,614	723	361	.....	.....	.....
Mergers.....	21,066	.....	.....	509	1,407	2,513	6,052	2,278	2,494	2,980	1,717	1,116	.....	.....
Losses by FDIC.....	8,897	207	1,548	1,567	2,325	881	1,430	586	206	101	46	.....	.....	.....
Receiverships.....	8,223	207	1,548	1,460	2,061	652	1,360	582	206	101	46	.....	.....	.....
Mergers.....	674	.....	.....	107	264	229	70	4	.....	.....	.....	.....	.....	.....

Active liquidations														
Disbursement by FDIC	195,309		3,456	6,459	8,580	21,543	53,599	67,427	19,566	7,154	5,093	399	1,768	265
Receiverships	41,950		591	298	3,094	2,892	18,113	224	10,458	788	5,093	399	1,768	265
Mergers	153,359		2,865	6,161	5,486	18,651	35,486	67,203	9,108	6,366			1,768	265
Recoveries by FDIC	170,294		2,183	5,489	7,090	19,533	43,731	59,930	18,777	6,343	4,836	359	1,768	255
Receiverships	82,811		332	298	2,400	2,169	11,174	224	10,445	574	4,836	359	1,768	255
Mergers	137,483		1,851	5,191	4,690	17,364	32,557	59,706	8,332	5,769			1,768	255
Estimate of losses by FDIC	19,999		1,221	930	1,297	1,628	8,297	5,356	531	566	143	30		
Receiverships	8,356		221		510	535	6,720		8	189	143	30		
Mergers	11,643		1,000	930	787	1,093	1,577	5,356	523	377				
Number of banks	399	9	25	69	75	74	60	43	15	20	5	2	1	1
Receiverships	245	9	24	42	50	50	32	19	8	6	4	1	1	1
Mergers	154		1	27	25	24	28	24	7	14	1	1	1	1
Liquidation terminated	281	9	19	56	60	58	38	24	5	9	2	1		
Receiverships	205	9	19	40	43	45	24	16	4	4	1	1		
Mergers	76		16	17	13	14	14	8	1	5	1	1		
Liquidation active	118		6	13	15	16	22	19	10	11	3	1	1	1
Receiverships	40		5	2	7	5	8	8	4	2	3	1	1	1
Mergers	78		1	11	8	11	14	16	6	9			1	1

NOTE: Estimates of losses for banks placed in receivership are based on total insured deposits, unpaid as well as paid. For amounts unpaid on insured deposits see Table 125, p. 171. The disbursements in the receiverships as given in the table are the amounts paid on insured deposits by December 31, 1946. For estimated additional disbursements and estimated additional recoveries see Table 4, p. 18.

INDEX

I N D E X

	Page
Absorptions, consolidations, and mergers:	
Of insured banks, 1934-46. <i>See</i> Mergers of insured banks with financial aid of the Corporation.	
Of operating banks, 1946	108-109
Accounts in insured commercial banks, number of. <i>See</i> Insurance coverage.	
Adjusted capital account. <i>See</i> Capital of banks.	
Adjusted liabilities. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal.	
Admission to insurance:	
Applications approved	7, 20-21
By class of bank, 1946	108-109
Number of banks, 1936-1946	44
Possessions where banks are eligible	43
Applications from banks:	
For admission to insurance	20-21
For approval of capital retirement or reduction	23
For approval of establishment of branches	22
Appraised value of assets. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal.	
Assessments on insured banks for deposit insurance:	
Amount	10, 27, 28, 29
Recommendations of the Corporation	12
Assets and liabilities of closed banks. <i>See</i> Receivership, insured banks placed in.	
Assets and liabilities of insured commercial banks, examiners' appraisal:	
Banks examined in 1939-1946	134
Banks examined in 1946, grouped by amount of deposits	135
Banks examined in 1946, grouped by FDIC District and State	136-137
Definitions of terms used: adjusted liabilities; appraised value; book value; examiners' deductions; not criticized; substandard	133
Sources of data	133
Substandard assets:	
Banking development, with respect to	7, 8
Ratio to:	
Adjusted capital accounts, 1939-1946	56-57
Adjusted capital accounts, distribution of insured commercial banks	56
Total assets, appraised value, 1939-1946	56
Assets and liabilities of insured mutual savings banks, examiners' classification:	
Definition of terms used: Borderline; specific losses; standard; substandard	71-72
Valuation allowances and charge-offs, treatment of	73-74
Assets and liabilities of operating banks (<i>See also</i> Assets and liabilities of insured commercial banks, examiners' appraisal; Capital of banks; Deposits):	
All banks by district and State, December 31, 1946	130-131
All banks, December 31, 1945, and 1946	46
All banks, grouped according to insurance status and type	126-127
All banks, June 29 and December 31, 1946	122, 123
Commercial banks, December 31, 1945, and 1946	47
Commercial banks, June 29 and December 31, 1946	122, 123
Growth	7
Insured banks	8

	Page
Assets and liabilities of operating banks:—Continued	
Insured commercial banks:	
Call dates, 1941-1946	128
Charge-offs and recoveries on assets	62-64
December 31, 1946, June 29, 1946, and December 31, 1945	124-125
Percentage distribution, call dates, 1941-1946	129
Reports of	23
Mutual savings banks, December 31, 1945, June 29, 1946, and December 31, 1946	47, 48, 122, 123
Noninsured banks, June 29 and December 31, 1946	122, 123
Sources of data	107
Assets and liabilities of the Federal Deposit Insurance Corporation	29-30, 31, 34-35
Assets purchased by the Federal Deposit Insurance Corporation:	
From banks in receivership to facilitate liquidation	16, 34
From banks merged with financial aid of the Corporation. <i>See</i> Mergers of insured banks with financial aid of the Corporation.	
Liquidation of	16
Assets of insured banks, quality of. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal.	
Assets pledged to secure bank obligations	125
Bank supervision (<i>See also</i> Examinations of banks):	
Activities of the Federal Deposit Insurance Corporation in 1946	20
State legislation, 1946	25-26, 99-101
Banking offices, establishment of:	
Banks beginning operations, 1946	108
Branches, establishment approved by Corporation	21, 45
Branches opened, 1946	109
Policy of the Corporation	22
Banking offices, number of. <i>See</i> Number of operating banks and branches.	
Banking practices. <i>See</i> Unsafe and unsound banking practices.	
Banks and branches ceasing operations:	
All banks and branches, 1946	108, 109
Branches of insured banks, 1936-1946	45
Insured banks, 1936-1946	44
Noninsured banks, 1946	167
Suspensions 1908 to 1946	12-13
Banks beginning operations. <i>See</i> Banking offices, establishment of.	
Banks in financial difficulties (<i>See also</i> Mergers of insured banks with financial aid of the Corporation; Receiverships, insured banks placed in):	
Depositors protected by the Corporation in closed banks:	
Fully protected, in insured banks placed in receivership, or merged with the financial aid of the Corporation	15
Number of	14
Number of, in insured banks merged with financial aid of the Corporation	14, 15
Number of, in insured banks placed in receivership	7, 14, 15, 171
Depositors sustaining loss in closed insured banks, number of	14
Insured banks closed:	
Deposits of	14
Deposits protected	15, 171
Disbursements by the Corporation in connection with	15-18, 171
Loss to depositors	7, 14, 15, 19
Loss to Federal Deposit Insurance Corporation	15, 17, 172
Number, 1934-1946	7, 12, 14, 18
Methods of handling under existing law	14
Noninsured bank suspensions, 1943-1946	167
Recommendations of the Corporation	12

	Page
Banks, number of. <i>See</i> Number of operating banks and branches.	
Banks operating branches. <i>See</i> Banking offices, establishment of; Number of operating banks and branches.	
Board of Directors of the Federal Deposit Insurance Corporation.....	iv, v, 26
Board of Governors of the Federal Reserve System, data obtained from.....	107, 139
Book value of bank assets and liabilities. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal; Assets and liabilities of operating banks; Capital of banks.	
Branches. <i>See</i> Banking offices, establishment of; Classification of banks and banking offices; Number of operating banks and branches.	
Capital of banks (<i>See also</i> Assets and liabilities of operating banks; Earnings, expenses, profits, and dividends of insured banks):	
Adequacy of.....	10
Definition of terms used in examiners' appraisal of:	
Adjusted capital accounts; book value of capital accounts; net sound capital.....	133
Examiners' appraisal, insured commercial banks:	
In 1939-1946, by years.....	134
In 1946, banks grouped by amount of deposits.....	135
In 1946, banks grouped by FDIC Districts and State.....	136-137
Ratio of adjusted capital accounts to appraised value of total assets, distribution of banks according to, 1946 and 1938.....	55
Growth.....	8
Of insured banks placed in receivership.....	170
Ratios to assets:	
All commercial banks; all mutual savings banks.....	54
All commercial banks, historical trend.....	54
Insured banks, 1934 to 1946.....	8, 11
Insured commercial banks.....	54-55, 125, 147, 151
Insured mutual savings banks, 1934, 1941-1946.....	165
Ratios to assets other than cash and U. S. Government obligations:	
All commercial banks.....	54, 55
All mutual savings banks.....	54
Recommendations of the Corporation.....	10
Retirement approved and disapproved by the Corporation.....	23
Total capital accounts:	
All commercial and mutual savings banks, December 31, 1945 and December 31, 1946.....	46, 47, 54
Commercial and mutual savings banks, insured and noninsured, June 29, and December 31, 1946.....	122, 123
Insured banks.....	8
Insured commercial banks.....	125, 135-136
Charge-offs by banks. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Class of bank, banking data presented by:	
Admissions to and terminations of insurance.....	108, 109
Assets and liabilities.....	122, 123
Banks which suspended operations, 1934-1946.....	168
Deposits.....	118-119, 122, 123
Earnings of insured commercial banks.....	144, 145
Insured banks placed in receivership or merged with financial aid of the Corporation.....	168
Number of banking offices.....	108-109, 110-117
Number of banks.....	108-109, 110-117, 118-119
Classification of banks and banking offices.....	107
Closed banks. <i>See</i> Banks and branches ceasing operations; Banks in financial difficulties; Receivership, insured banks placed in.	

	Page
Commercial banks. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal; Assets and liabilities of operating banks; Capital of banks; Deposits; Earnings, expenses, profits, and dividends of insured banks; Number of operating banks and branches.	
Comptroller of the Currency:	
Data obtained from	107, 138
Director of Corporation	iv, v, 26
Consolidations. <i>See</i> Absorptions, consolidations, and mergers.	
Consumer loans. <i>See</i> Instalment loans; Loans by banks.	
Criticized assets. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal.	
Demand deposits. <i>See</i> Assets and liabilities of operating banks; Deposits, classified by type of deposit.	
Depositors (<i>See also</i> Insurance coverage):	
Claims against closed insured banks. <i>See</i> Receivership, insured banks placed in.	
Losses. <i>See</i> Banks in financial difficulties; Receivership, insured banks placed in.	
Protected in insolvent or hazardous banks suspended or merged. <i>See</i> Banks in financial difficulties.	
Deposits:	
Amount of, banks grouped by:	
Banks which received financial aid from the Corporation	7, 168, 169
Insured commercial banks examined in 1946	135
Business and personal (deposits of individuals, partnerships, and corporations)	7, 46
Classified by type of deposit:	
All banks, 1945-1946	46
Commercial banks, 1946	122, 123
Insured banks placed in receivership, 1934-1946	15, 171
Insured commercial banks, call dates, December 31, 1946, June 29, 1946, and December 30, 1945	124-125
Insured commercial banks, call dates, 1941-1946	128
Insured commercial banks, special call dates, 1936-1945	80, 82
Percentage distribution of types of deposits, by deposit size of bank, October 10, 1945	84
Demand. <i>See</i> Deposits, classified by type of deposit.	
Growth	7
Governmental. <i>See</i> Deposits, classified by type of deposit.	
Insured and otherwise protected:	
In banks merged with financial aid of the Corporation	15
In banks placed in receivership	16, 171
Interbank. <i>See</i> Deposits, classified by type of deposit.	
Interest on time and savings deposits	62
Of individuals, partnerships, and corporations, demand and time, amount of, in insured commercial banks: (<i>See also</i> , Deposits, classified by type of deposit).	
Distributed according to size of account and size of banks, October 10, 1945	85
Distributed according to size of account and by State, October 10, 1945	89, 91
Paid and unpaid in closed insured banks. <i>See</i> Banks in financial difficulties.	
Postal savings deposits. <i>See</i> Deposits, classified by type of deposit.	
Preferred. <i>See</i> Deposits, secured and preferred.	
Protected by the Corporation. <i>See</i> Deposits, insured and otherwise protected.	
Public funds. <i>See</i> Deposits, classified by type of deposit.	
Savings and time. <i>See</i> Deposits, classified by type of deposit.	
Secured and preferred, in insured banks placed in receivership, 1934-1946	171
Sources of data	171
Subject to offset. <i>See</i> Receivership, insured banks placed in.	
Uninsured deposits of insured banks placed in receivership	171

	Page
Deposits in:	
All commercial and mutual savings banks:	
December 31, 1945, and December 31, 1946	47, 118, 123
June 29, 1946	122
June 30 and December 31, 1944-1946	126-127
All commercial banks:	
Call dates, December 31, 1945, to December 31, 1946	124-125
December 31, 1946	118
June 29, 1946	122
Percentage change, 1946	47
All insured banks:	
December 31, 1946	118, 123
June 29, 1946	122
1934-1946	30
June 30 and December 31, 1944-1946	126-127
All mutual savings banks:	
December 31, 1946	118, 123
June 29, 1946	122
Bank for which the Corporation is receiver	16
Banks located in each State and possession, December 31, 1946	118-119, 130-131
Banks which received financial aid from the Corporation	14-15, 168-170
Insured banks merged with financial aid of the Corporation	15, 168-170
Insured banks placed in receivership	15, 168-170
Insured commercial banks:	
At time of examination. <i>See</i> Assets and liabilities of insured commercial banks, examiners' analysis.	
Call dates, December 31, 1946, June 29, 1946, and December 31, 1945	124-125
Call dates, 1941-1946	128
Call dates, special, 1936, 1938, 1941, and 1945	80, 82, 84-85, 89, 91
December 31, 1946	118, 123
June 29, 1946	122
Type of deposits	80, 82, 84, 89, 91
Insured mutual savings banks:	
December 31, 1946	118, 123
June 29, 1946	122
Noninsured banks:	
December 31, 1946	118, 123
June 29, 1946	122
June 30 and December 31, 1944-1946	126-127
Depreciation. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Dividends:	
To depositors in mutual savings banks	162
To stockholders of operating insured commercial banks. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Earnings, expenses, profits, and dividends of insured banks:	
Insured banks:	
Losses from defalcations	8
Net profits	8
Insured commercial banks:	
Amounts, 1934-1946	57
Amounts, 1934, 1941-1946	140-141
Amounts by class of bank, 1946	144-145
Amounts by size of bank, 1946	148-149
Amounts by State	152-161
Charge-offs and recoveries	57, 62-64
Current operating earnings	57
Current operating expenses	57, 61
Dividends	57, 58, 65
Income on loans and securities	60
Income on service charges	61
Income on U. S. Government obligations	60
Interest on deposits	62, 60
Net earnings	57, 142-150

	Page
Earnings, expenses, profits and dividends of insured banks:—Continued	
Insured commercial banks:—Continued	
Net losses.....	58
Net profits.....	57, 58, 64–65, 142–150
Profits on sale of assets.....	57, 62
Profits retained for addition to capital.....	65
Rate of net profit and cash dividends to total capital account, 1934–1946.	64
Rate of net profit on total capital accounts, percentage distribution of banks, 1938, 1943–1946.....	58
Rates of net profits on total capital accounts, by amount of deposits, distribution of banks, 1946.....	59
Ratios to average total capital accounts.....	59, 142, 146, 150
Ratios to total assets.....	142–143, 146–147, 150–151
Ratios to total assets, special ratios, etc., by States.....	152–161
Ratios to total current earnings.....	142, 146, 150
Salary and wage expense.....	61
Sources of earnings.....	59–61
Taxes.....	57, 62, 64
Insured mutual savings banks:	
Amounts, 1934, 1941–1946.....	162–163
Changes during 1946.....	65–67
Ratios to total assets, special ratios, etc., 1934, 1941–1946.....	164–165
Sources of data.....	139
Employees:	
Federal Deposit Insurance Corporation.....	19, 26–27
Insured commercial banks:	
Number and salary, December 31, 1946.....	144–145, 148–149
Number and salary, 1943–1946.....	61, 140–141, 152–161
Insured mutual savings banks, December 31, 1946.....	162–163
Examinations of banks (<i>see also</i> Assets and liabilities of insured commercial banks, examiners' appraisal; Capital of banks):	
Banks cited for unsafe and unsound practices.....	20
Banks examined by the Federal Deposit Insurance Corporation.....	19
Data from reports of examination.....	132–137
Definition of terms.....	133
Mutual savings banks, new plan of examination for.....	71–77
Policy of the Corporation.....	19
Expenses of banks. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Expenses of the Corporation. <i>See</i> Federal Deposit Insurance Corporation.	
Facilities provided as agents of the Government. <i>See</i> Number of operating banks and branches.	
Federal bank supervisory authorities. <i>See</i> Board of Governors of the Federal Reserve System; Comptroller of the Currency; Federal Deposit Insurance Corporation.	
Federal credit unions.....	23, 25, 33, 37, 96–98
Federal Deposit Insurance Corporation:	
Actions on applications from banks. <i>See</i> Applications from banks.	
Assessments on insured banks.....	10, 28, 29
Assets and liabilities.....	29–31, 34–35, 38–39
Audits.....	30, 36–40
Banks examined by, and submitting reports to.....	23
Bank supervision by. <i>See</i> Bank supervision.	
Board of Directors.....	iv, v, 26
Capital, amount of.....	10, 29, 30, 31, 35, 39
Capital and surplus relative to deposits of insured banks, 1934–1946.....	11, 30
Depositors protected by. <i>See</i> Banks in financial difficulties.	
Disbursements for protection of depositors.....	7, 14, 15, 18, 168–169, 172–173
Districts.....	vi, vii
Divisions.....	iv, 27

	Page
Federal Deposit Insurance Corporation:—Continued	
Employees:	
Examiners, recruitment of	19
Number of	26, 27
Examination of banks. <i>See</i> Examinations of banks.	
Expenses	10, 27–28, 32, 37
Federal credit union activities, 1944–1945.	33
Income	10, 27–28, 32, 37
Income and expenses, 1933–1946.	29
Insured banks receiving financial aid from. <i>See</i> Banks in financial difficulties;	
Mergers of insured banks with financial aid of the Corporation;	
Receivership, insured banks placed in.	
Insured deposits. <i>See</i> Deposits, insured and otherwise protected.	
Loans to and purchase of assets from insured banks. <i>See</i> Mergers of insured	
banks with financial aid of the Corporation.	
Losses incurred:	
During 1946	28–29
During 1934–1946.	10, 18, 29, 172–173
Reserve for	34, 37
Ultimate, 1934–1946 (estimated).	7, 17, 18
Methods for protecting depositors. <i>See</i> Banks in financial difficulties.	
Officers	v, vi, 27
Organization and staff	iv, 26
Payments to insured depositors	16, 171
Policies	7, 19, 22
Powers	17, 35, 39
Protection of depositors. <i>See</i> Banks in financial difficulties.	
Purchase of assets to facilitate completion of liquidation of banks in	
receivership	16
Receiver for insured banks	170
Recommendations of the Corporation	10–12
Recoveries from banks in financial difficulties	16, 17, 18, 172–173
Regulations	25, 102–104
Reports from banks	23
Reserves for losses	34, 37
Supervisory activities	19–23
Surplus	10, 28, 30–32, 35, 37, 39
Federal Deposit Insurance Corporation Districts:	
Banks classified by	118
States and possessions served	vi, vii
Federal Reserve System. <i>See</i> Board of Governors of the Federal Reserve System.	
Fixed and miscellaneous assets. <i>See</i> Assets and liabilities of insured commercial	
banks, examiners' appraisal; Assets and liabilities of operating banks;	
Receivership, insured banks placed in.	
Insolvent banks. <i>See</i> Banks in financial difficulties.	
Instalment loans, how reported	121
Insurance coverage:	
Accounts, in insured commercial banks, with coverage of \$5,000, \$10,000,	
and \$25,000 per depositor:	
Number of, grouped by type of deposit, special call dates, 1936–1945.	83
Percent of, fully protected, by type of deposit, special call dates,	
1936–1945.	80
Accounts, demand and time, of individuals, partnerships, and corporations,	
number of, distributed by size and deposit size of insured commercial	
banks, October 10, 1945.	86
Accounts, of individuals, partnerships, and corporations, number of, in	
insured commercial banks, distributed by size and State, October	
10, 1945:	
Demand	88
Savings and time	90
Changes, October 1934–October 1945.	79

	Page
Insurance coverage:—Continued	
Deposits in insured commercial banks with coverage of \$5,000, \$10,000 and \$25,000 per depositor:	
Insured and uninsured, amount of, grouped by type of deposit, special call dates, 1936-1945.	82
Percent of, fully protected, by type of deposit, special call dates, 1936-1945.	80
Deposits, demand and time, of individuals, partnerships, and corporations, amount distributed according to size of account and deposit-size of insured commercial banks, October 10, 1945.	85
Deposits of individuals, partnerships, and corporations, amount in insured commercial banks, distributed by size of account and by State, October 10, 1945:	
Demand.	89
Savings and time.	91
Insured status, banks classified by:	
Assets and liabilities of.	122, 123, 126-127
Deposits of.	118-119, 126-127
Number of.	108-119, 126-127
Insured banks. <i>See</i> :	
Absorptions, consolidations, and mergers;	
Admission to insurance;	
Assets and liabilities of insured commercial banks, examiners' appraisal;	
Assets and liabilities of insured mutual savings banks, examiners' classification;	
Assets and liabilities of operating banks;	
Banking offices, establishment of;	
Banks and branches ceasing operations;	
Banks in financial difficulties;	
Capital of banks;	
Class of bank, banking data presented by;	
Deposits;	
Deposits in;	
Earnings, expenses, profits, and dividends of insured banks;	
Employees;	
Examinations of banks;	
Insurance coverage;	
Loans by banks;	
Mergers of insured banks with financial aid of the Corporation;	
Mutual savings banks;	
Number of operating banks and branches;	
Receivership, insured banks placed in;	
Securities;	
States, banking data classified by;	
Unsafe and unsound banking practices.	
Insured commercial banks not members of the Federal Reserve System. <i>See</i> Class of bank, banking data presented by.	
Insured commercial banks submitting reports to the Corporation.	23
Insured deposits. <i>See</i> Deposits, insured and otherwise protected.	
Insured mutual savings banks. <i>See</i> Mutual savings banks.	
Insured State banks members of the Federal Reserve System. <i>See</i> Class of bank, banking data presented by.	
Interbank deposits. <i>See</i> Deposits, classified by type of deposit.	
Interest. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Investments of banks. <i>See</i> Assets and liabilities of insured commercial banks; examiners' appraisal; Assets and liabilities of operating banks; Securities.	
Law, violations of by insured banks.	20

	Page
Legislation related to banking and deposit insurance:	
Federal, enacted in 1946:	
Administrative Procedure Act.....	24
Federal Credit Unions.....	25, 96-98
Saturday closing of banks, District of Columbia.....	26, 98
Statute of limitation on Government checks.....	24, 95
Recommended by the Corporation.....	11, 12
State, enacted in 1946.....	25-26, 99-101
Liquidation, banks placed in.....	108, 166-173
Loans by banks: <i>See also</i> Assets and liabilities of operating banks.	
Amounts and types:	
All types.....	9, 46, 47, 52
Commercial and industrial.....	9, 52
Consumer.....	9, 52
Real estate.....	9, 52, 53
Changes in type, insured commercial banks.....	52
Examiners' evaluation. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal.	
Interest on. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Loans to insolvent or hazardous insured banks by Federal Deposit Insurance Corporation. <i>See</i> Mergers of insured banks with financial aid of the Corporation.	
Losses:	
Of banks charged off. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Of depositors. <i>See</i> Banks in financial difficulties, Receivership, insured banks placed in.	
Of the Federal Deposit Insurance Corporation. <i>See</i> Federal Deposit Insurance Corporation.	
Provision for, in mutual savings banks.....	73
Mergers. <i>See</i> Absorptions, consolidations, and mergers; Mergers of insured banks with financial aid of the Corporation.	
Mergers of insured banks with financial aid of the Corporation (<i>see also</i> Banks in financial difficulties):	
Banks cited for unsafe and unsound practices.....	20
Classification of banks merged.....	168
Collections by Corporation on assets purchased or held as collateral.....	172-173
Deposits protected.....	12, 15
Disbursements by Corporation.....	14, 17, 18, 168-169, 171-173
Loans made and assets purchased by the Corporation.....	14
Losses incurred by Corporation.....	17, 18, 172-173
Name and location of bank merged, 1946.....	17, 170
Number of banks merged.....	7, 14-15, 18, 168-169, 173
Number of depositors.....	15
Procedure.....	17, 167
Recoveries by the Corporation.....	17, 18, 172-173
Mutual savings banks:	
Insured:	
Assets and liabilities, June 29 and December 31, 1946.....	122, 123
Assets and liabilities, examiners' classification.....	71-72
Deposits.....	118, 119, 122, 123
Earnings, expenses, profits and dividends.....	65-67, 162-165
Examination.....	71-77
Number.....	108-119
Insured and noninsured:	
Assets and liabilities, December 31, 1946 and 1945.....	47
Assets and liabilities, June 29 and December 31, 1946.....	122, 123
Classification.....	107
Deposits, by State, December 31, 1946.....	118-119
Number.....	108-119

	Page
National banks. <i>See</i> Class of bank, banking data presented by.	
Net earnings of insured commercial banks. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Net profits of insured commercial banks. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Net sound capital of insured commercial banks. <i>See</i> Capital of banks.	
New banks. <i>See</i> Banking offices, establishment of.	
Noninsured banks. <i>See</i> :	
Absorptions, consolidations, and mergers;	
Admission to insurance;	
Assets and liabilities of operating banks;	
Capital of banks;	
Class of bank, banking data presented by;	
Deposits;	
Number of operating banks and branches.	
Number of operating banks and branches:	
Admitted to insurance.	44, 45, 108-109
Approved for admission to insurance.	20, 21
All banks:	
Changes during 1946.	43, 46, 47, 108-109
December 31, 1946, by class of bank, FDIC district, and States and possessions.	118-119
June 29 and December 31, 1946.	122, 123
All banks and branches:	
Changes during 1946.	43, 108-109
Changes during 1941-1946.	43
December 31, 1946, by class of bank and States and possessions.	110-117
Banks operating branches.	110-117
Branches:	
Changes during 1946.	43, 45, 108-109
Changes during 1936-1946.	45
December 31, 1946, by class of bank and States and possessions.	110-117
Commercial banks:	
Changes during 1946.	47, 108-109
December 31, 1946, by class of bank, FDIC district, and States and possessions.	118-119
June and December 31, 1946.	122, 123
Insured banks:	
Branches.	45
Changes, 1936-1946.	44
December 31, 1946.	43, 44
Insured commercial banks:	
Changes during 1946.	108-109
December 31, 1946, by FDIC district, and States and possessions.	118-119
December 31, 1946, June 29, 1946, and December 31, 1945.	124-125
Examined in 1946 by amount of deposits.	135
Operating throughout 1946, by amount of deposits.	149
Mutual savings banks. <i>See</i> Mutual savings banks.	
Noninsured banks:	
Changes during 1946.	43, 44, 108-109
December 31, 1946, by class of bank, FDIC district, and States and possessions.	118-119
June 29 and December 31, 1946.	122, 123
Termination of insurance.	44, 45
Unit banks, December 31, 1946, by class of bank and States and possessions.	110-117

Officers, active, of insured banks. *See* Employees.

Officers and employees of the Federal Deposit Insurance Corporation. v, 27

Operating banks. *See* Number of operating banks and branches.

	Page
Payments to depositors in closed insured banks. <i>See</i> Receivership, insured banks placed in.	
Polk's Bankers Encyclopedia, data obtained from.....	107
Possessions, banks and branches located in:	
Deposits of.....	118-119
Number of.....	110-117, 118-119
Postal savings deposits. <i>See</i> Deposits, classified by type of deposit.	
Preferred deposits. <i>See</i> Deposits, secured and preferred.	
Profits. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Protection of depositors. <i>See</i> Banks in financial difficulties; Deposits, insured and otherwise protected.	
Public funds. <i>See</i> Deposits, classified by type of deposit.	
Publications of the Corporation.....	23, 24, 30
Purchase of bank assets by Corporation. <i>See</i> Assets purchased by the Federal Deposit Insurance Corporation.	
Rand McNally Bankers Directory, data obtained from.....	107
Real estate:	
Acquired by mutual savings banks, examiners' appraisal of.....	75
Loans on. <i>See</i> Loans by banks.	
Receivership, insured banks placed in (<i>see also</i> Banks in financial difficulties):	
Activities of Corporation as receiver of.....	15, 16, 170
Assets and liabilities of, at dates of suspension, 1934-1946.....	170
Depositors:	
Extent of protection by insurance.....	171
Losses.....	15, 19
Methods of protection.....	14
Number eligible for protection, paid and unpaid.....	171
Number.....	15, 171
Payments to.....	14, 16, 171
Deposits:	
Amounts, 1934-1946.....	15, 168, 170
Insured, paid and unpaid by December 31, 1946.....	16, 171
Not eligible for insurance protection.....	171
Paid and unpaid, December 31, 1946.....	16, 171
Secured, preferred, and subject to offset.....	16, 171
Unclaimed accounts.....	15
Uninsured.....	16, 171
Disbursements by the Corporation.....	18, 168-169
Losses by Corporation on disbursements.....	17, 18, 172-173
Name and location of, during 1946.....	170
Number of banks.....	7, 12, 14, 18, 168-169, 173
Payments to depositors.....	15-16, 171
Recoveries by the Corporation on disbursements.....	16, 17, 18, 172-173
Receivers.....	167, 170
Sources of data.....	166-167
Reconstruction Finance Corporation, capital of insured banks held by:	
Amount, total and portion repaid.....	8
Number of banks.....	8
Recommendations of the Federal Deposit Insurance Corporation.....	10
Retirements approved by Federal Deposit Insurance Corporation.....	23
Recoveries:	
By banks on assets charged off. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
By the Corporation on disbursements.....	16-18, 172-173

	Page
Reports from banks.....	23
Reserves:	
In bank assets and liabilities. <i>See</i> Assets and liabilities of operating banks.	
Of Federal Deposit Insurance Corporation.....	31, 34, 38
Salaries and wages:	
Federal Deposit Insurance Corporation.....	27, 28
Insured banks. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Savings and time deposits. <i>See</i> Deposits, classified by type of deposit.	
Secured and preferred deposits. <i>See</i> Deposits, secured and preferred; Receivership, insured banks placed in.	
Securities:	
Charge-offs on securities held by insured banks.....	63
Examiners' appraisal of, method used.....	76
Held by Federal Deposit Insurance Corporation.....	31, 34, 38
Held by insured banks placed in receivership, 1934-1946.....	170
Held by insured commercial banks. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal.	
Held by operating banks. <i>See</i> Assets and liabilities of operating banks.	
Interest on securities held by banks. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Profits on securities sold by insured banks. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Rate of income on.....	143, 147, 151, 152-160, 165
United States Government obligations:	
Held by all banks, December 31, 1945 and December 31, 1946.....	46, 47
Held by commercial and mutual savings banks, changes during 1946... ..	47
Held by Federal Deposit Insurance Corporation.....	29-31, 34, 38
Held by insured commercial banks, 1941-1946.....	48-50
Held by insured banks placed in receivership or merged with financial aid of the Corporation.....	170
Types and maturities held by insured commercial banks, 1946, 1945, 1941	49
Size of banks, banks classified by. <i>See</i> Deposits, amount of banks grouped by.	
State and local government obligations.....	9, 51
State and local government obligations in relation to total capital accounts of banks reporting to the Corporation.....	51
State banks members of the Federal Reserve System. <i>See</i> Class of bank, banking data presented by.	
State banks not members of the Federal Reserve System. <i>See</i> Class of bank, banking data presented by.	
State bank supervisory authorities:	
Data obtained from.....	107
State legislation regarding.....	99-102
State, banking data classified by:	
Deposits, December 31, 1946:	
Commercial banks, insured and noninsured.....	118-119
Mutual savings banks, insured and noninsured.....	118-119
Deposits and accounts in insured commercial banks, October 10, 1945:	
Demand deposits of individuals, partnerships and corporations.....	87, 88-89
Time deposits of individuals, partnerships and corporations.....	87, 90-91
Disbursements by the Corporation, 1934-1946.....	169
Earnings, expenses, profits, and dividends of insured commercial banks, 1946.....	152-161
Number and deposits of insured banks placed in receivership or merged with the financial aid of the Corporation.....	169

	Page
State, banking data classified by:—Continued	
Number of operating banks or offices, December 31, 1946:	
All banking offices, by class of bank and type of office.....	110-117
All banks.....	118-119
Commercial banks, insured and noninsured.....	118-119
Mutual savings banks, insured and noninsured.....	118-119
Real estate loans, percentage increases during 1946.....	52, 53
Stockholders of banks:	
Losses of. <i>See</i> Banks in financial difficulties.	
Net profits of insured commercial banks, available for. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Substandard assets. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal.	
Supervision. <i>See</i> Bank supervision.	
Suspensions. <i>See</i> Banks in financial difficulties; Receivership, insured banks placed in.	
Taxes paid by insured banks. <i>See</i> Earnings, expenses, profits, and dividends of insured banks.	
Terminations of insurance for unsafe and unsound practices. <i>See</i> Number of operating banks and branches.	
Time and savings deposits. <i>See</i> Deposits, classified by type of deposit.	
Trust companies:	
Classification of.....	107
Number not engaged in deposit banking.....	118-119, 122, 123
Unit banks. <i>See</i> Number of operating banks and branches.	
United States Government obligations. <i>See</i> Assets and liabilities of insured commercial banks, examiners' appraisal; Assets and liabilities of operating banks, Securities.	
Unsafe and unsound banking practices:	
Actions of the Corporation.....	20
Number of banks cited.....	20
Unsecured deposits. <i>See</i> Receivership, insured banks placed in.	
Valuation allowances:	
Commercial banks.....	121
Mutual savings banks.....	73
Valuation charge-off account, mutual savings banks.....	73-74
Violations of law or regulations.....	20

