ANNUAL REPORT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION 1973

A preliminary report, highlighting the Corporation's operations during 1973, was published and submitted to the Congress on May 17, 1974.

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C., July 20, 1974

SIRS: Pursuant to the provisions of Section 17(a) of the Federal Deposit Insurance Act, the Federal Deposit Insurance Corporation is pleased to submit its annual report for the calendar year 1973.

Respectfully yours,

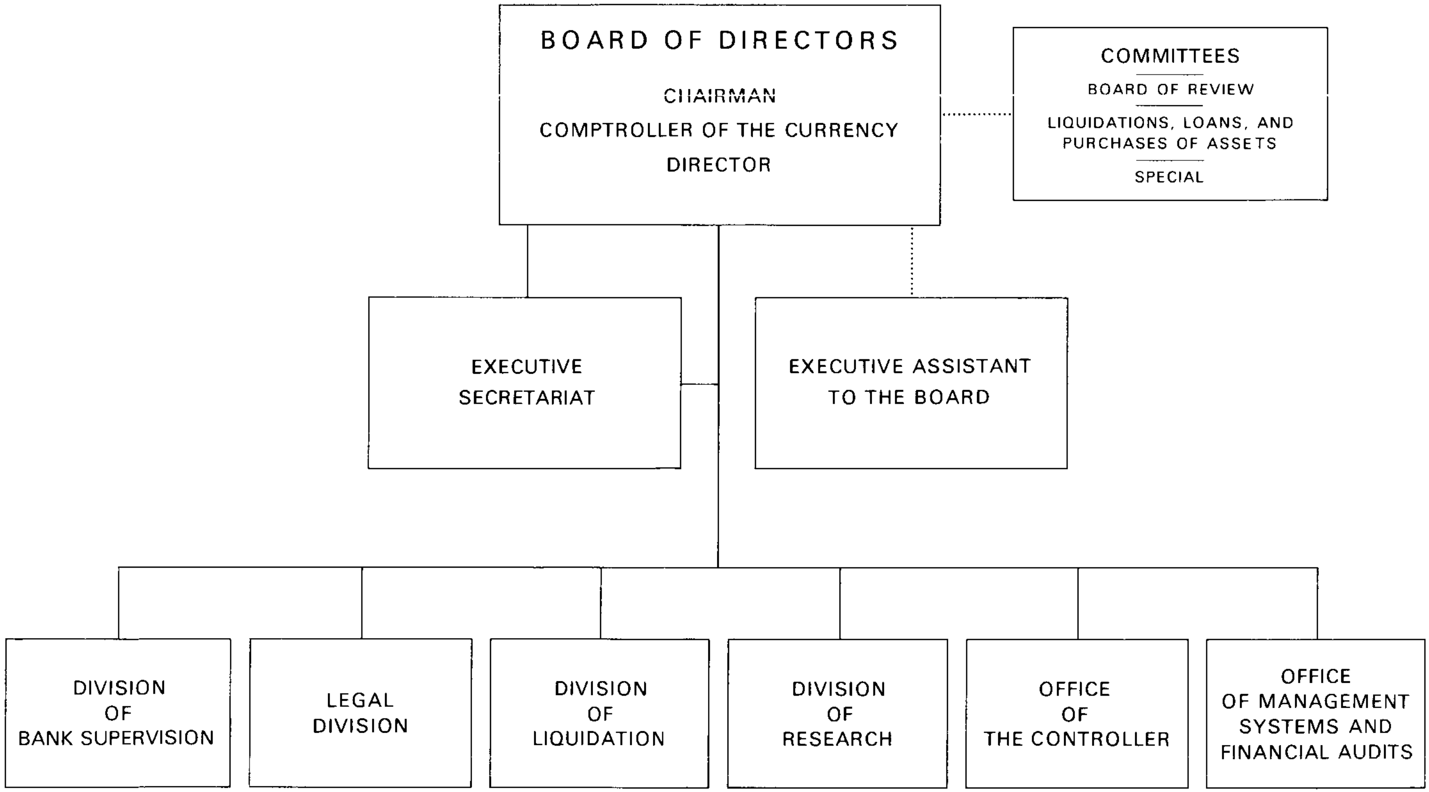
Frank Wille

FRANK WILLE
Chairman

THE PRESIDENT OF THE SENATE

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

BOARD OF DIRECTORS

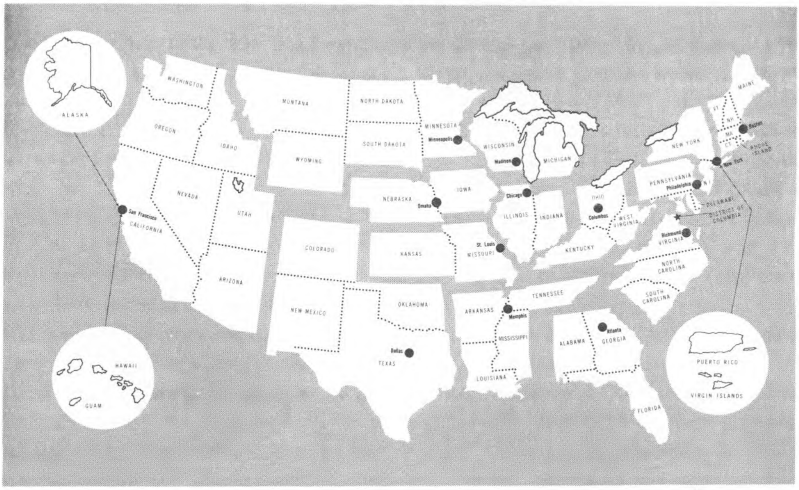
Chairman	Frank Wille
Director	George A. LeMaistre
Comptroller of the Currency	James E. Smith

OFFICIALS

Deputy to the Chairman	Robert E. Barnett
Assistant to the Director	John C.H. Miller, Jr.
Assistant to the Director (Comptroller of the Currency)	Albert J. Faulstich
Executive Secretary	Alan R. Miller
General Counsel	Edward Bransilver
Director, Division of Bank Supervision	Edward J. Roddy
Chief, Division of Liquidation	John J. Slocum
Director, Division of Research	Paul M. Horvitz
Controller	Edward F. Phelps, Jr.
Director, Office of Management Systems and Financial Audits	Robert E. Barnett
Special Assistant to the Chairman	Stephen C. Hansen
Special Assistant to the Chairman	Edwin B. Burr
Executive Assistant to the Board	Timothy J. Reardon, Jr.

December 31, 1973

FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS



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BANKING OFFICES—BANK PERFORMANCE—1973

A total of 14,194 commercial banks, and 482 mutual savings banks, were in operation in the United States at the end of 1973. The number of commercial banks beginning operations has increased annually in the past several years, and the number in 1973, 340, was the most in many years. The 98 commercial banks that ceased operations due to mergers was the lowest number in any recent year except 1971. The net result was an increase in commercial banks of 244, the largest yearly rise in recent times. In the absence of any mutual savings banks beginning operation in 1973, mergers caused a decline by 4 in the total number of those banks in the United States.

The number of insured commercial banks rose by 243 during 1973 to 13,976, this total consisting of 4,661 national banks, 1,076 State bank members of the Federal Reserve System, and 8,239 State nonmember insured banks. Reflecting the changes in number of operating banks, as well as shifts by banks from one supervisory class to another, the number of national banks increased by 47, State member banks declined by 16, and State nonmember banks increased by 212. The number of noninsured commercial banks increased by one in 1973 to 218.

The number of commercial bank branches continued to grow substantially in 1973, as the total increased by 1,846, to 26,718 in operation at the end of the year.

Additional details of changes in numbers of banks and branches during 1973 are contained in tables 101-102 of this report.

Commercial banks operated in an atmosphere of strong economic expansion during most of 1973 and substantial price inflation throughout the entire year. Reflecting these factors, total assets of insured commercial banks increased by $97 billion, or 13.0 percent, following a 15 percent increase during 1972. Total deposits grew by 10.6 percent in 1973, largely in the form of time certificates of deposit carrying substantially higher rates of interest. Banks also increased other borrowings, at record high interest rates, thereby incurring substantial increases in costs of borrowed money. Demand deposits and savings deposits scored relatively modest increases during the year.

Bank loans increased by almost $81 billion, or about 19.3 percent, from the December 1972 level, with substantial gains in all major loan categories. To finance this substantial increase, insured commercial banks bid aggressively for time deposits and borrowed heavily, and also drew down their holdings of U.S. Treasury securities. Total investments rose by only 2.5 percent in the year. As a result, the banks' ratio of cash, U.S. Treasury, and Federal agency securities to deposits declined during the year.

Reflecting primarily a sharp rise in income on loans, insured commercial banks' operating revenue increased by nearly $13 billion, or 31.8 percent, in 1973 from the year before. Interest paid on borrowed funds (excluding capital notes and debentures)—up 185 percent—and interest on deposits—up 43.3 percent—climbed even more sharply, boosting operating expenses by more than one-third. However, net income after taxes and sales of securities rose by 16.4 percent, a somewhat higher rate than the growth of total assets, and net income as a percentage of total assets rose to .85 in 1973, from .83 in 1972. The 1973 ratio of earnings to equity capital also was higher, 12.86 in 1973 compared to 12.25 in 1972.

Deposits at all mutual savings banks increased by $4.9 billion (5.4 percent) in 1973, compared to $10.2 billion (12.5 percent) in 1972. Most of the deposit growth (which, for the year as a whole, merely approximated the amount of interest credited on deposits) occurred during the first half of the year. In the second half of the year, there were a few months in which net deposit withdrawals exceeded interest accumulations. This disintermediation in savings banks was caused by record high interest rates on competing money market instruments, which reached their peak in the third quarter of 1973. As deposit flows dried up, savings banks sold investments to obtain funds for purchasing mortgages; Treasury securities and corporate bond holdings by the end of 1973 were down significantly from previous year-end levels. Savings banks thereby were able to increase their holdings of mortgages by $5.7 billion (8.4 percent), putting a large percentage of this money into 1-4 family conventionally financed mortgages.

During 1973, savings banks were able to invest their funds in assets with a gross yield substantially higher than the average earned on existing loans and investments. The ratio of operating income to average total assets for FDIC-insured mutual savings banks was 6.68 percent in 1973, an increase of 30 basis points from the comparable ratio for 1972. Average interest payments on time and savings deposits increased to 5.44 percent in 1973, from 5.22 percent in 1972, as a result of the shift from regular savings accounts to the higher yielding time and other special accounts in the second half of the year. Net operating income after dividends and interest of FDIC-insured mutual savings banks increased 13.5 percent between 1972 and 1973. However, because of greater losses on securities sales and higher taxes, net income in dollar terms remained fairly constant.

Statistics of assets and liabilities, and income and expenses, of banks in 1973 are contained in tables 106-113, and 114-120, respectively, in the rear of this report.

DEPOSIT INSURANCE PARTICIPATION AND COVERAGE

Incorporated banks and trust companies that are engaged in the business of receiving deposits may participate in Federal deposit insurance. About 98.5 percent of all commercial banks in the United States on December 31, 1973 were insured. The 218 noninsured institutions consisted of 71 nondeposit trust companies, 16 private banks, and 131 other commercial banks of deposit. While one or more noninsured banks or nondeposit trust companies were operating in 39 States, two States, Colorado and New York, accounted for nearly one-third of these banks. Of 482 mutual savings banks operating in the United States at the end of 1973, 322 were insured by FDIC; 159 banks in Massachusetts were covered under that State's deposit insurance program. One mutual savings bank not insured by the Corporation was located in the State of Maine.

The basic amount of insurance available to each depositor has been established by law at $20,000 since December 23, 1969. In each insured bank, the different types of deposits—demand, savings, and other time deposits—held by each depositor in the same right and capacity are therefore insured up to $20,000 in the aggregate. Different accounts, which may include, for example, accounts of a single holder, valid joint accounts, or accounts of irrevocable trusts, in which the interest of any single depositor in each of such accounts represents a different right and capacity, are separately insured up to $20,000.

On December 31, 1973, of the total deposits in all banks insured by the Corporation, an estimated 60.7 percent were covered by Federal deposit insurance. Reflecting the differences in the average size of deposit accounts among commercial banks, the estimated percentages of coverage for State-chartered commercial banks not members of the Federal Reserve System, and for all member banks, were 73.4 and 51.7 respectively. For FDIC-insured mutual savings banks, the estimated coverage was 94.4 percent.

OPERATIONS OF THE CORPORATION
PART ONE

DEPOSIT INSURANCE DISBURSEMENTS

Protection of depositors since 1934. Since the beginning of Federal deposit insurance, there have been 502 failing insured banks that involved the payment of insured deposits, of which 297 were closed for liquidation. When an insured bank is closed by the chartering authority, the Corporation's claim agents must analyze its deposit accounts for the purpose of bringing together all deposits held by each depositor in the same right and capacity. The total of each such verified account, from which any matured debt owed by the depositor to the bank may be deducted, is paid by the Corporation up to the maximum of insurance established by law. Depositors having deposits in excess of the insurance limit per depositor may receive additional recoveries through the proceeds of asset liquidation which are distributed pro rata to the bank's creditors as liquidating dividends.

The Corporation has provided financial assistance to enable 205 failing institutions to be absorbed by other insured banks since 1934. As provided by the Federal Deposit Insurance Act, the Corporation may assist in the merger of a failing insured bank whenever, in the judgment of the Corporation's Board of Directors, it will reduce the risk or avert a threatened loss to the Corporation. The Corporation's financial assistance to the bank or its receiver may take the form of the purchase of assets of the distressed bank, the granting of a loan secured by assets, or a loan guaranteeing an insured bank against loss by reason of its taking over the assets and assuming the deposit liabilities of another insured bank. In deposit assumption cases, all deposits are made available in full immediately upon transfer of the accounts to the absorbing bank, subject to any time requirements applicable to the original deposit contract.

Under authority given to the Corporation in 1950 in section 13(c) of the Federal Deposit Insurance Act, the Corporation may provide financial assistance to an operating insured bank, upon a finding that (a) but for the contemplated assistance, the bank is in danger of closing and (b) the bank is essential in providing adequate banking service to the community. The Corporation used its section 13(c) authority for the first time in 1971, and on a second occasion in 1972.

The Federal Deposit Insurance Act requires that the Corporation be appointed receiver for all national banks that are placed in receivership, and that it accept appointment as receiver for closed State banks when such appointment is authorized by State law and is tendered by the State authorities. The Corporation's Division of Liquidation has responsibility for liquidating the assets of closed insured banks, as well as the assets that the Corporation acquires when it provides financial assistance in deposit assumption cases. At the end of 1973, the Division of Liquidation was handling a total of 61 liquidation cases.

In all cases of failing insured banks through 1973, the Corporation had disbursed a total of $903 million, including principal disbursements of $542 million in deposit assumption cases, and $285 million in deposit payoff cases, and other disbursements totaling $76 million. These disbursements had enabled all depositors to receive full recovery of their deposits in the deposit assumption cases, and the Corporation's disbursements were primarily responsible for the fact that 93.8 percent of deposits had been paid or made available in deposit payoff cases (Chart A and table 1). A total of 4.7 percent of the amounts paid or made available in all cases resulted from offset, security or preference, and liquidation of assets. Losses experienced by the Corporation in deposit payoff and assumption cases, including estimated amounts in active cases, had amounted to $124.3 million, or 13.8 percent of its disbursements in these cases, through the end of 1973 (table 2).

Banks failing in 1973. To protect depositors in 1973, the Corporation made disbursements in six cases (table 3). The amount disbursed through the end of the year in these cases, including some estimated additional required disbursements, totaled $185 million.

Chart A

DEPOSITS AND LOSSES
IN FAILED INSURED BANKS, 1934–1973

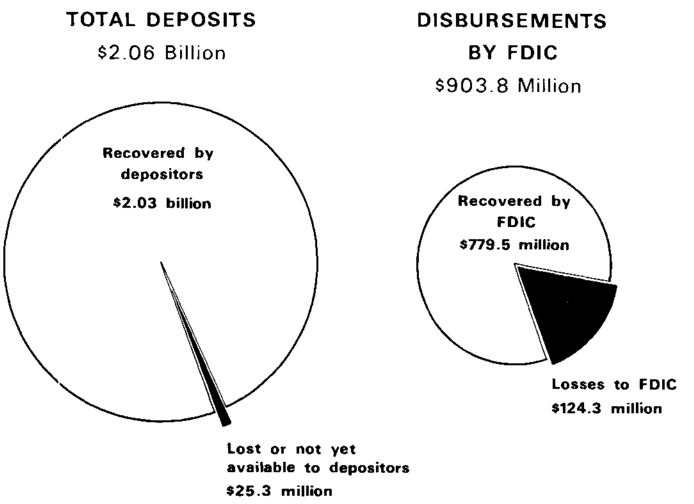


Table 1. PROTECTION OF DEPOSITORS OF INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1973

Item	All cases (502 banks)		Deposit payoff cases (297 banks)		Deposit assumption cases (205 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total[1]	**2,152,136**	**100.0**	**595,410**	**100.0**	**1,556,726**	**100.0**
Full recovery received or available	**2,145,307**	**99.7**	**588,581**	**98.9**	**1,556,726**	**100.0**
From FDIC[2]	2,098,476	97.5	541,750[3]	91.0	1,556,726	100.0
From offset[4]	40,831	2.0	40,831	6.9	....	.....
From security or preference[5]	3,107	0.1	3,107	0.5	....	.....
From asset liquidation[6]	2,893	0.1	2,893	0.5	....	.....
Full recovery not received as of December 31, 1973	**6,829**	**0.3**	**6,829**	**1.1**	....	.....
Terminated cases	3,412	0.1	3,412	0.5	....	.....
Active cases	3,417	0.2	3,417	0.6	....	.....
Amount of deposits (in thousands)—total	**2,055,171[12]**	**100.0**	**406,897**	**100.0**	**1,648,274**	**100.0**
Paid or made available	**2,029,834**	**98.8**	**381,560**	**93.8**	**1,648,274**	**100.0**
By FDIC[2]	1,933,861	94.1	285,587[7]	70.2	1,648,274	100.0
By offset[8]	20,997	1.1	20,997	5.1	....	.....
By security or preference[9]	37,272	1.8	37,272	9.2	....	.....
By asset liquidation[10]	37,704	1.8	37,704	9.3	....	.....
Not paid as of December 31, 1973	**25,337[12]**	**1.2**	**25,337**	**6.2**	....	.....
Terminated cases	2,355	0.1	2,355	0.6	....	.....
Active cases[11]	22,982	1.1	22,982	5.6	....	.....

[1] Number of depositors in deposit payoff cases; number of accounts in deposit assumption cases.
[2] Through direct payment to depositors in deposit payoff cases; through assumption of deposits by other insured banks, facilitated by FDIC disbursements of $542,392 thousand, in deposit assumption cases.
[3] Includes 59,798 depositors, in terminated cases, who failed to claim their insured deposits (see note 7).
[4] Includes only depositors with claims offset in full; most of these would have been fully protected by insurance in the absence of offsets.
[5] Excludes depositors, paid in part by FDIC, whose deposit balances were less than the insurance maximum.
[6] The insured portions of these depositor claims were paid by the Corporation.
[7] Includes $232 thousand unclaimed insured deposits in terminated cases (see note 3).
[8] Includes all amounts paid by offset.
[9] Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by the Corporation.
[10] Includes unclaimed deposits paid to authorized public custodians.
[11] Includes $13,850 thousand representing deposits available, expected through offset, or expected from proceeds of liquidations.
[12] Does not include an estimated $2.7 million of letters of credit in litigation.

In three cases, the Corporation provided financial assistance to enable other insured banks to assume the deposit liabilities of the failed banks. In each of the other cases, the banks were closed and the Corporation was appointed as receiver. In two of the six cases, one of which involved by far the largest failing insured bank in the Corporation's history, there had existed self-serving, unsafe and unsound loan practices and policies. Two cases involved check kites and other manipulations. One failure resulted from embezzlement or other manipulations, and another from managerial weaknesses in loan portfolio management.

United States National Bank. In October 1973, the deposit liabilities of United States National Bank, San Diego, California, were assumed by the Crocker National Bank, San Francisco, with the financial assistance of the Corporation, acting under authority of section 13(e) of the Federal Deposit Insurance Act. United States National Bank, on October 18, 1973, the date of its closing by the Comptroller of the Currency, had total assets of almost $1.3 billion and operated 64 offices. In all, 335,000 depositors with almost $920 million in deposits, including 3,300 whose individual deposits exceeded the $20,000 insurance limit, were fully protected as a result of the assumption transaction.

Upon assuming the liabilities of USNB of approximately $1.07 billion, Crocker National Bank acquired the assets unrelated to the control stockholder of the bank, which were valued at $850 million, and received $130 million in cash which was disbursed by the Corporation as Receiver. The excess in the amount of liabilities assumed above the value of assets received is represented by an amount of $89.5 million that the assuming bank paid in competitive bidding as a premium for the deposits and going business of USNB. The Corporation as Receiver also made a disbursement of $30 million in settlement of indebtedness of USNB to the Federal Reserve Bank of San Francisco, for which the Receiver acquired assets that had been pledged against this obligation. In addition, the assuming bank, through its parent holding company, exercised its option under the assumption agreement to borrow from the Corporation, in the form of a 5-year note, a sum of $50 million for the purpose of augmenting its capital funds in reflection of the large increase in its liabilities that occurred in the transaction.

The Corporation sought bids from several California banking organizations, which were selected for consideration in part because each was regarded as having sufficient size and management capabilities to take over the operations and offices of a bank of USNB's size. In addition, none of these banks were heavily concentrated in the five counties of Southern California where USNB had branches,

Table 2. ANALYSIS OF DISBURSEMENTS, RECOVERIES, AND LOSSES IN DEPOSIT INSURANCE TRANSACTIONS, JANUARY 1, 1934–DECEMBER 31, 1973
(In thousands)

Type of disbursement	Disbursements	Recoveries[1]	Losses
All disbursements—total	**$903,831**	**$779,466**	**$124,365**
Principal disbursements in deposit assumption and payoff cases—total	**827,530**	**715,415**	**112,115**
Loans and assets purchased (205 deposit assumption cases):			
Total December 31, 1973	542,632	345,211	63,945
Estimated additional	....	133,476	....
Deposits paid (297 deposit payoff cases):			
To December 31, 1973	283,837	191,020	48,170
Estimated additional	1,061	45,708	....
Advances and expenses in deposit assumption and payoff cases—total	**$ 67,427**	**$ 59,518**	**$ 7,909**
Expenses in liquidating assets:			
Advances to protect assets	39,255	39,255	....
Liquidation expenses	20,623	20,263	....
Insurance expenses	2,172	(2)	2,172
Field payoff and other insurance expenses in 297 deposit payoff cases	5,737	(2)	5,737
Other disbursements—total	**$ 8,874**	**$ 4,533**	**$ 4,341**
Assets purchased to facilitate termination of liquidations:			
To December 31, 1973	8,303	3,895	3,770
Estimated additional	....	638	....
Unallocated insurance expenses	571	(2)	571

[1]Excludes amounts returned to closed bank equity holders and $15.8 million of interest and allowable return received by FDIC.
[2]Not recoverable.

Table 3. INSURED BANKS CLOSED DURING 1973 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION[1]

Name and location	Date of closing or deposit assumption	Number of depositors	Amount of deposits (in thousands)[2]	Date of first payment to depositors or disbursement by FDIC	Depositors receiving full recovery	Deposits paid (in thousands)[2]
Total		**352,552**	**$971,311**		**350,733**	**$968,998**
Deposit payoff						
Delta Security Bank & Trust Company Ferriday, Louisiana	January 19, 1973	2,908	8,094	January 25, 1973	2,637	7,460
Elm Creek State Bank Elm Creek, Nebraska	May 7, 1973	4,157	2,915	May 19, 1973	3,145	2,698
The First State Bank Vernon, Texas	July 16, 1973	4,170	14,802	July 21, 1973	3,634	13,340
Deposit assumption						
Skyline National Bank Denver, Colorado	March 26, 1973	1,752	6,006	March 26, 1973	1,752	6,006
First National Bank of Eldora Eldora, Iowa	October 5, 1973	4,565	7,540	October 5, 1973	4,565	7,540
United States National Bank San Diego, California	October 18, 1973	335,000	931,954	October 18, 1973	335,000	931,954

[1]Figures adjusted to and as of December 31, 1973.
[2]Includes $16,499 thousand paid by FDIC claim agents in deposit payoff cases. With FDIC assistance, all deposits were made available in full through the assuming banks in deposit assumption cases.

or in San Diego County, where USNB's share of the market was most significant. The highest of the bids that were received in this case was accepted.

Subsequent to the assumption transaction, the Corporation as Receiver held assets of USNB having a book value of approximately $420 million, against which the Corporation held a claim represented by its advances to the Receiver of $160 million. The recoveries will depend on the collectibility of assets held by the Receiver and the final aggregate amount of claims against the receivership estate.

SUPERVISORY ACTIVITIES

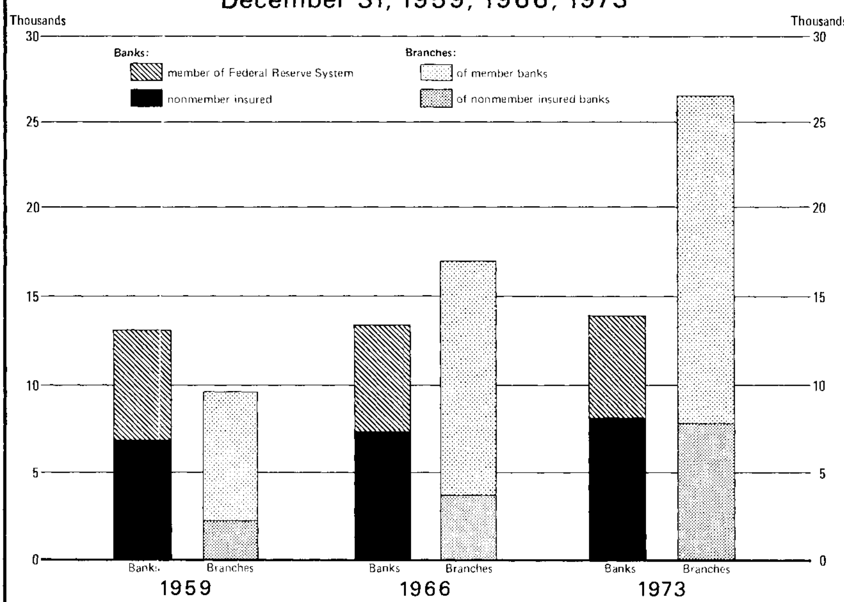
The Corporation has general supervisory responsibilities for insured commercial banks that are not members of the Federal Reserve System, and for FDIC-insured mutual savings banks. These banks, supervised also by the State authorities, represent about 58.1 percent of all commercial banks and 66.8 percent of all mutual savings banks, respectively, in the United States. About 32.8 percent of all commercial banks in the United States are national banks, 7.6 percent are State bank members of the Federal Reserve, and 1.5 percent are State noninsured banks. While the commercial banks that are supervised by the Corporation represent a majority of operating commercial banks, they held only 20.6 percent of the total assets, and operated 38.8 percent of all offices, of commercial banks in the U.S. on December 31, 1973.

At the end of 1973, there were 1,354 more insured nonmember commercial banks in the U.S. than at the end of 1959, and 492 fewer member banks (Chart B). In every year since then, the number of banks that began operations as nonmember insured banks exceeded the number that were merged, and annually there were shifts on balance of member banks to the nonmember insured classification. During this period, a total of 2,492 commercial banks began operations with Federal deposit insurance, of which 1,533 were nonmember insured banks, and 268 noninsured banks were admitted to insured status during the period, of which 258 became insured nonmember banks.

For every branch or an insured commercial bank at the end of 1959 there were 2.7 branches in 1973; for the entire period the increase in numbers of branches averaged more than 12 percent per year. About 66 percent of all insured commercial banks, and 71 percent of nonmember insured banks, were unit banks in 1973, compared to 83 percent and 86 percent respectively, in 1959. For all insured commercial banks in 1973, about 71 percent of the unit banks were located in States where branching is prohibited under the laws of the States.

Under the Bank Holding Company Act, as enacted in 1956, holding companies that controlled two or more banks were required to

Chart B INSURED COMMERCIAL BANKS AND BRANCHES IN THE UNITED STATES, December 31, 1959, 1966, 1973



register with the Board of Governors of the Federal Reserve System. In 1970, the registration and other provisions of the Act were extended to holding companies that control one or more banks. In order to form a bank holding company as defined by the Act, and before any acquisition by a holding company of a bank or bank-related business as permitted by the Act, the approval of the Board of Governors must be obtained. As of December 31, 1973, there were 251 multi-bank holding companies in the United States, with 1,815 affiliated banks.

Examinations. Section 10(b) of the Federal Deposit Insurance Act authorizes the Corporation to examine any insured bank for insurance purposes. However, in the case of national banks, and State banks that are members of the Federal Reserve System, the Corporation receives from the Comptroller of the Currency and Federal Reserve Board, respectively, the reports of examinations, or has access to those reports, and thus the Corporation rarely makes its own examination of any member bank.

By means of regular supervisory examinations, the Corporation is able to determine the current condition of the banks that it supervises, and to evaluate their managements, and by this means it seeks also to discover and obtain correction of any unsafe or unsound practices or violations of laws and regulations. Other examination and investigation activities of the Corporation are involved with applications for deposit insurance, applications for branches, proposed mergers, and various other activities of nonmember insured banks for which the prior approval of the Corporation is required. During 1973, the numbers of the various special examinations and investigations increased by 21 percent, while total examinations of main offices declined slightly from the number in 1972 (table 4).

Table 4. BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1972 AND 1973

Activity	Number	
	1973	1972
Field examinations and investigations—total	**19,959**	**19,626**
Examinations of main offices—total	**7,995**	**8,177**
Regular examinations of insured banks not members of Federal Reserve System	7,863	8,009
Reexaminations or other than regular examinations	111	148
Entrance examinations of operating noninsured banks	14	16
Special examinations	7	4
Examinations of departments and branches	**7,474**	**7,738**
Examinations of trust departments	1,452	1,748
Examinations of branches	6,022	5,990
Investigations	**4,490**	**3,711**
New bank investigations	431	280
State banks members of Federal Reserve System	15	15
Banks not members of Federal Reserve System	416	265
New branch investigations	1,118	976
Mergers and consolidations	264	220
Miscellaneous investigations	2,677	2,235

In 13 States the Corporation and the State authorities conduct most or all of their supervisory examinations jointly, that is, all examiners work as a single team and make a single examination report. The Corporation has encouraged the use of joint examinations where State law lends itself to, and the State authorities are in agreement with, this procedure.

Late in 1973 the Corporation announced that, at the turn of the year, it would begin a 13-month experimental program for decentralizing certain examination activities in selected States. The result of several months of planning, the program initially would be conducted in the States of Iowa, Georgia, and Washington. In its announcement, the Corporation stated that it would rely heavily upon the examination reports of the three State Banking Departments as to the financial condition of a substantial percentage of the total number of insured nonmember banks in each State, while the Corporation itself would withdraw from normal examination activity as to those banks. The Corporation will continue, during the test period, to examine all nonmember insured banks in the three States for compliance with certain Federal laws, including the Truth-in-Lending Act, the Fair Credit Reporting Act, the Bank Protection Act, the Bank Secrecy Act, and certain disclosure and equal opportunity laws. The Corporation's announcement stated also that, following the experimental period, the results of the program would be evaluated to determine if the program should be continued in any of three States, expanded to include other States, and if so on what conditions, or rejected as a technique in the supervision of State-chartered nonmember banks.

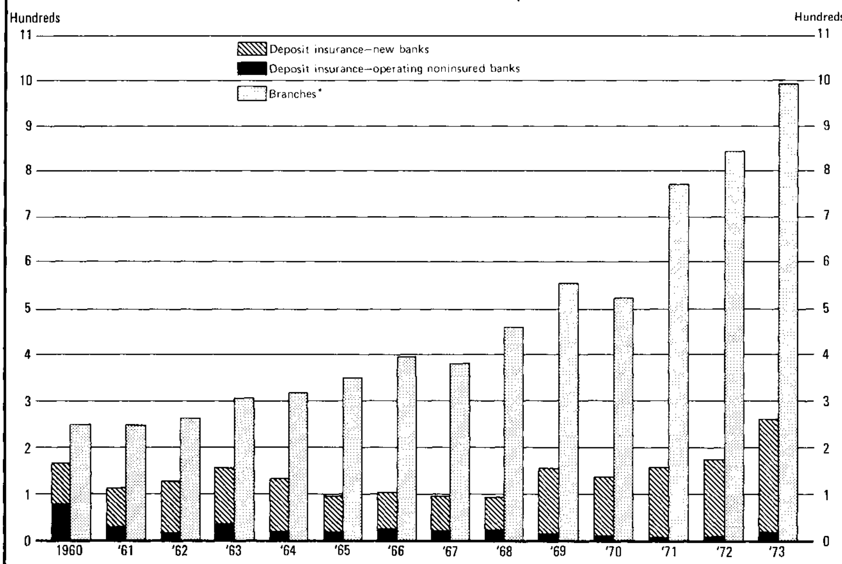
Applications for deposit insurance and branches. Section 6 of the Federal Deposit Insurance Act requires that, before approving an application for deposit insurance, the Corporation shall consider the financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community, and finally, the consistency of the bank's corporate powers with the purposes of the Act. When a national bank receives its charter, or a State chartered bank becomes a member of the Federal Reserve System, Federal deposit insurance, which is mandatory in either case, is granted upon certification by the responsible agency that the above criteria have been considered. State banks that are not members of the Federal Reserve make application directly to the Corporation for deposit insurance.

During 1973, the Corporation approved 243 applications for deposit insurance filed by newly organized banks, and 18 applications received from previously noninsured banks. Five applications were denied (two of which were subsequently approved following amendment of the applications). The number of approvals of deposit insurance was 76 more than in 1972 (Chart C). As in other years, certain unit-banking States, notably Florida, Texas, and Illinois, accounted for above-average numbers of applications. However, a total of 167 applications were approved for newly established banks in States where Statewide or limited-area branching is permitted.

The Federal Deposit Insurance Act requires that the Corporation's approval be obtained before a nonmember insured bank may establish or change the location of a branch office. A "branch" is defined in section 3(o) of the Act as " . . . any branch place of business . . . at which deposits are received, checks paid, or money lent." This definition includes tellers' windows and other limited-service facilities that may not be "branches" under the laws of the respective States.

During 1973, the Corporation approved 993 applications for branches, or 17 percent more than in 1972. Seven applications were denied, two of which were based primarily on the fact that they appeared substantially anticompetitive under the facts presented, and the remainder on one, or a combination of more than one, of the other factors considered.

Chart C APPLICATIONS FOR DEPOSIT INSURANCE AND BRANCHES APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1960–1973



*Includes facilities and other limited-service offices

Effective March 1, 1973, the Corporation's Board of Directors, through the Director of the Division of Bank Supervision, delegated authority to the fourteen Regional Directors to approve applications for *de novo* branches under certain circumstances. To insure uniformity throughout the various regions, certain criteria were set forth that an applicant would have to satisfy as a minimum, though not necessarily a sufficient requirement, for approval of an application by a Regional Director. The Corporation's Board of Directors however, may approve an application even though such application fails to meet all specified requirements that are applicable to approvals by Regional Directors. The delegation of authority does not include the power of denial; only the Corporation's Board of Directors itself may deny an application for a branch office. During 1973, a total of 611 applications (including also applications for facilities or other limited-power branches), were approved by Regional Directors under the delegated authority. Further explanation of the revised procedures may be found on pages 158-159 of this report.

Effective April 1, 1973, the Corporation adopted changes in its rules and regulations which are designed to improve its application procedures for deposit insurance, *de novo* branches, and office relocations. The revisions relate to procedures for public notification of the filing of applications, and expression of views on applications by interested persons. A detailed explanation of the revisions to the Corporation's rules and regulations is contained on pages 159-160 of this report.

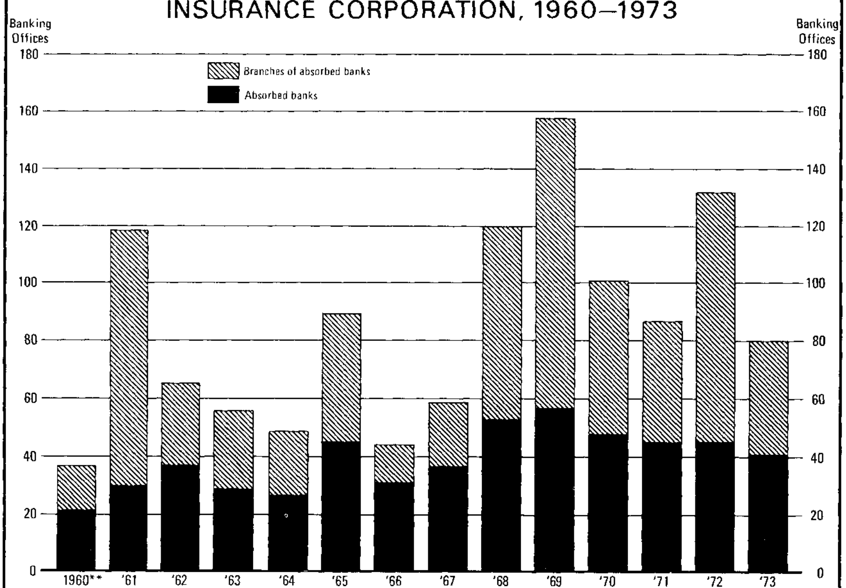
Mergers. Before 1960, only two categories of mergers involving insured banks were subject to the requirement of prior approval by a Federal bank supervisory agency. Approval by the Corporation was required before an insured bank could enter into a merger, consolidation, or deposit assumption transaction with, or convert into, a noninsured bank or institution. Approval of the appropriate Federal bank supervisory agency was required before an insured bank could merge or consolidate with an insured State bank under the charter of a State bank or assume liability to pay any deposits made in another insured bank where the capital stock or surplus of the resulting or assuming bank would be less than the aggregate capital stock or aggregate surplus, respectively, of all the merging or consolidating banks or of all parties to the assumption transaction. The Bank Merger Act of 1960, amending section 18(c), and as subsequently amended in 1966, requires that the prior approval of the appropriate Federal bank supervisory agency be obtained before any insured bank may engage in a merger transaction. The Corporation is the deciding agency whenever the surviving institution is to be an insured nonmember bank, or in any merger of an insured bank with a noninsured institution.

Section 18(c) specifies several factors that must be considered by the deciding Federal agency before it may approve a merger transaction. In the interest of uniform standards, it is further required that before acting on any merger, the deciding agency shall request from the other two Federal bank supervisory agencies, and from the Attorney General of the United States, a report on the competitive factors involved in the case. The Corporation submitted a total of 165 of these advisory reports in 1973, compared to 158 in 1972. The Act requires that descriptive material on each merger case that is approved, the basis for approval, and the Attorney General's advisory report, be published in the deciding agency's annual report. This information for the year 1973 is contained on pages 35-153 of this report.

In 1973, the Corporation approved 96 mergers, consolidations, and other absorptions, 50 of which involved holding companies' acquisitions of banks, or other internal reorganizations. (The merger statistics used in Chart D do not include corporate reorganizations of individual banking institutions, such as banks in process of forming one-bank holding companies, and other merger transactions which did not have the effect of lessening the number of existing operating banks - see table 7, note 1).

Included in the 1973 approvals was one case, in the State of

Chart D BANKS ABSORBED IN SECTION 18(c) APPROVALS* BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1960–1973



*Does not include all mergers approved – see text, and Table 5, note 1.
**Period beginning May 13, 1960 to end of year.

Washington, that had been denied previously by the Corporation, first in 1970, and reaffirmed in 1971, in each instance after a finding by the Corporation's Board of Directors that the anticompetitive effects of the proposed merger would not be offset by benefits to the public from the merger. In this case, the Corporation, which was concerned about existing high levels of banking concentration in the State of Washington, sought to draw a line against further acquisitions by the largest mutual savings bank in this statewide branching State, where the bank already held nearly 23 percent of all thrift institution deposits in the State and where alternative merger partners were readily available to the institution it sought to acquire. Subsequent court action brought by the applicant mutual savings bank resulted in decisions by the District Court and United States Court of Appeals that were adverse to the Corporation's position in the case. In view of these decisions and the determination of the Solicitor General not to seek a review by the United States Supreme Court, the Corporation was required, effective October 11, 1973, to comply with the order by the District Court to approve the merger.

Merger approvals by each of the Federal bank supervisory agencies under section 18(c) of the Federal Deposit Insurance Act in 1973 are detailed in Tables 5 and 6 (excluding internal reorganization mergers—see above and table 5, note 1). The number of banks absorbed in all of these approved cases was about 10 percent less than in 1972. In the period 1969-1973, for 640 banks merged in all approved cases, the "average" bank was a $30.7 million institution having two branches. Over three-fourths of merged banks in the five-year period had resources of less than $25 million, about 17 percent had resources of $25-100 million, and less than 7 percent had resources of over $100 million. Slightly over one-half of all surviving banks prior to the mergers had resources of less than $100 million, about one-third had resources of $100-500 million, and just over 16 percent had resources of over $500 million.

Cease-and-desist and termination-of-deposit insurance proceedings. In most cases of violations of law or regulations, or unsafe or unsound banking practices on the part of insured nonmember banks, the Corporation is able to gain corrective action by consultation with the bank's management and other supervisory officials. In a small number of cases it has been necessary to initiate cease-and-desist and termination-of-deposit insurance proceedings against the bank involved.

Cease-and-desist proceedings under section 8(b) of the Federal Deposit Insurance Act are initiated by the issuance of a Notice of Charges, and after an administrative hearing, or upon the bank's formal consent to the issuance of a corrective order, the Corporation may order the bank not only to stop the violation or practice

Table 5. MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1973

Banks	Number of banks	Resources (in thousands)	Offices operated	
			Prior to transaction	After transaction
ALL CASES[1]				
Banks involved	198	$34,802,140	2314	2318
Absorbing banks	97[2]	31,550,781[3]	2048[3]	2318[3]
Absorbed banks	101	3,251,359	266	
National	38	1,852,626	144	
State member FRS	10	259,924	24	
Not member FRS	49	1,100,553	94	
Noninsured institutions	4[5]	38,256	4	
CASES WITH RESULTING BANK A NATIONAL BANK				
Banks involved	106	24,730,594	1705	1708
Absorbing banks	51	22,580,326	1529	1708
Absorbed banks	55	2,150,268	176	
National	25	1,648,602	117	
State member FRS	6	217,926	19	
Not member FRS	24	283,740	40	
CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	10	187,108	16	16
Absorbing banks	5	120,591	6	16
Absorbed banks	5	66,517	10	
National	1	1,804	1	
State member FRS	3	11,910	3	
Not member FRS	1	52,803	6	
CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	82	9,884,438	593	594
Absorbing banks	41	8,849,864	513	594
Absorbed banks	41	1,034,574[4]	80[4]	
National	12	202,220	26	
State member FRS	1	30,088	2	
Not member FRS	24	764,010	48	
Noninsured institutions	4[5]	38,256	4	

[1]Omitted are corporate reorganizations and other absorptions involving banks that prior to the transaction did not individually operate an office in the United States, and mergers of banks within the same holding company.
[2]The number of absorbing banks is smaller than the number of cases because a few banks participated in more than one case.
[3]Where an absorbing bank engaged in more than one transaction, the resources included are those of the bank before the latest transaction, and the number of offices before the first and after the latest transaction.
[4]In two cases, approval was given for an operating bank to acquire one or more branches of other banks; these branches and resources are included in this table.
[5]All merged institutions were savings and loan associations.

but also to take affirmative action to correct the conditions that had resulted. In 1973 the Corporation initiated 10 section 8(b) proceedings, eight of which culminated in the entry of a cease-and-desist order (table 7). One of the actions was discontinued during the year by a Written Agreement between the Corporation and the bank pursuant to which the bank agreed to take the corrective action sought by the Corporation. The other action had been submitted to the Board of Directors for a final determination after the completion of an administrative hearing. This action was dismissed by the Board of Directors in 1974.

In termination-of-deposit insurance proceedings initiated under section 8(a), a failure to correct the specified unsafe or unsound

Table 6. APPROVALS UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1973, BANKS GROUPED BY SIZE AND IN STATES ACCORDING TO STATUS OF BRANCH BANKING

Absorbing banks		Absorbed banks							
					Number of banks by size (resources in $mil)				
Number of banks by size (resources in $mil)[1]		Number of banks	Number of branches	Resources (in thousands)	–5	5–10	10–25	25–100	Over 100
Total–U.S.	**97**	**101**	**165**	**$3,251,359**	**26**	**21**	**29**	**20**	**5**
–5	2	2	0	8,897	1	1	0	0	0
5–10	2	2	0	5,525	2	0	0	0	0
10–25	10	10	9	114,169	6	0	3	1	0
25–100	29	28	27	496,254	11	5	6	5	1
100–500	41	45	36	923,665	6	13	14	11	1
Over 500	13	14	93	1,702,849	0	2	6	3	3
(A) Statewide branching[2]	**39**	**42**	**133**	**2,231,020**	**6**	**8**	**13**	**12**	**3**
10–25	3	3	2	24,157	2	0	1	0	0
25–100	7	6	18	251,067	1	1	0	3	1
100–500	19	22	24	436,667	3	5	7	7	0
Over 500	10	11	89	1,519,129	0	2	5	2	2
(B) Limited-area branching[2]	**54**	**55**	**31**	**809,629**	**19**	**12**	**15**	**8**	**1**
–5	1	1	0	3,564	1	0	0	0	0
5–10	2	2	0	5,525	2	0	0	0	0
10–25	6	6	7	75,286	4	0	1	1	0
25–100	21	21	9	242,655	9	4	6	2	0
100–500	21	22	11	298,879	3	8	7	4	0
Over 500	3	3	4	183,720	0	0	1	1	1
(C) Unit banking[2]	**4**	**4**	**1**	**210,710**	**1**	**1**	**1**	**0**	**1**
–5	1	1	0	5,333	0	1	0	0	0
10–25	1	1	0	14,726	0	0	1	0	0
25–100	1	1	0	2,532	1	0	0	0	0
100–500	1	1	1	188,119	0	0	0	0	1

[1]See table 7, note 1.
[2]For the purposes of this table, 20 States and the District of Columbia were included in group A, 15 in group B, and 15 in group C.

practices, conditions, or violations, within the designated period may result, following an administrative hearing, in a Board of Directors' order to terminate the bank's deposit insurance. Should the insurance be terminated, insured funds on deposit at the time of termination, less any subsequent withdrawals, continue to be insured for a period of 2 years.

In the five termination-of-deposit insurance cases which remained open at the end of 1972, three banks voluntarily complied with the Corporation's corrective orders, and deposit insurance was therefore not terminated. During 1973, the Corporation initiated one new proceeding to terminate deposit insurance. Thus, termination proceedings against three banks remained open at the end of 1973

Table 7. CEASE-AND-DESIST ORDERS AND ACTIONS TO CORRECT SPECIFIC UNSAFE OR UNSOUND PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1973

Total actions taken: 1971-1973	**30**
Cease-and-desist orders issued in 1973[1]	**8**
Cease-and-desist orders discontinued	5
Cease-and-desist orders outstanding as of December 31, 1973	16

[1]The FDIC's authority to issue cease-and-desist orders was added in 1966 (12 U.S.C. 1818(b)). The first use of this authority occurred in 1971.

awaiting completion of the correction period, the reexamination of the bank, or analysis of its most recent report of examination (table 8).

Removal proceedings. Pursuant to section 8(e) of the Federal Deposit Insurance Act, the Corporation may initiate removal proceedings against an officer, director, or other person participating in the conduct of the affairs of an insured State nonmember bank who violates a law, rule, regulation, or final cease-and-desist order or who engages in an unsafe or unsound banking practice that constitutes a breach of his fiduciary duty and that involves personal dishonesty. This action may be taken by the Corporation if it determines that the conduct will cause substantial financial loss or other damage to the bank or will seriously prejudice the interests of the bank's depositors. Following an administrative hearing, or upon the individual's formal consent to the issuance of an order, the Corporation may issue an Order of Removal. During 1973, no Orders of Removal were issued. One officer of an insured State nonmember bank resigned before a notice to remove him pursuant to section 8(e) of the Federal Deposit Insurance Act was served upon him.

Suspension proceedings. Under section 8(g) of the Federal Deposit Insurance Act, the Corporation may also suspend or prohibit personnel of an insured nonmember bank from participating in the affairs of the bank when the officer, director, or other person is charged, in an information, indictment, or complaint authorized by a U.S. attorney, with the commission of, or participation in, a felony involving dishonesty or a breach of trust.

Suspension proceedings are initiated by the issuance of a Notice

Table 8. ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936–1973

Disposition or status	1936–1973[1]	Started during 1973
Total banks against which action was taken	**221**	**1**
Cases closed	**218**	....
Corrections made	93	....
Banks absorbed or succeeded by other banks	73	....
With financial aid of the Corporation	64	....
Without financial aid of the Corporation	9	....
Banks suspended prior to setting date of termination of insured status by Corporation	37	....
Insured status terminated, or date for such termination set by Corporation, for failure to make corrections	13	....
Banks suspended prior to or on date of termination of insured status	9	....
Banks continued in operation[2]	4	....
Formal written corrective program imposed and 8(a) action discontinued	1	....
Cease-and-desist order issued and 8(a) action discontinued	1	....
Cases not closed December 31, 1973	**3**	**1**
Action deferred pending completion of correction period, reexamination of the bank, or analysis of its most recent report of examination	3	1

[1]No action to terminate the insured status of any bank was taken before 1936. In 5 cases where initial action was replaced by action based upon additional charges, only the last action is included.

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

and Order of Suspension and Prohibition, served on the individual involved, that specifies the charges and further orders the individual to be suspended and prohibited from participating in the affairs of the bank. The Corporation may issue a formal Order of Removal on the person if he has been found guilty of the offenses charged. A finding of not guilty or other disposition of the charges does not preclude the Corporation from thereafter instituting removal or prohibition proceedings pursuant to section 8(e).

During 1973 the Board of Directors issued three orders which suspended four directors or officers who were charged with felonies involving dishonesty or breach of trust from their offices in insured State nonmember banks. Thirteen directors or officers charged with felonies involving dishonesty or breach of trust voluntarily suspended themselves and four directors or officers resigned from their positions with 13 different insured State nonmember banks following indications that the Corporation might initiate suspension proceedings against them if they continued to hold their offices.

Regulation of bank securities. Since enactment of Public Law 88-467 in 1964, the Federal bank supervisory agencies have had responsibility for administering certain registration, reporting, and disclosure provisions of the Securities Exchange Act of 1934 with respect to insured banks. These provisions are presently applicable to banks that have assets of at least $1 million and 500 or more stockholders. The covered banks must file an initial registration statement, provide supplemental and periodic reports, and submit proxy information before use. Reports are required on a monthly basis of changes in the holdings of certain stockholders, directors, and officers of their bank's securities.

During 1973, the Corporation received securities registration statements from 35 nonmember insured banks, bringing the total registered number of these banks to 262 compared to 243 a year earlier. Additions included 5 registered banks that withdrew from the Federal Reserve System and 3 banks that converted from national to State charters. Termination of the registration of 24 banks resulted primarily from these banks' merging into other operating banks or becoming subsidiaries of bank holding companies.

Changes in bank ownership and loans secured by bank stock. During 1973 the Corporation received 524 notices of change in control involving insured nonmember banks pursuant to section 7 of the Federal Deposit Insurance Act as amended in 1964.

The chief executive officer of an insured bank is required by section 7 to report to the appropriate Federal supervisory agency any change in the bank's outstanding voting stock resulting in a change in control of the bank. Any insured bank that makes a loan secured by 25 percent or more of the outstanding stock of an insured bank (except stock held for more than 1 year or for newly organized banks) is required to file a report with the Federal agency having primary supervisory responsibility for the bank whose stock secures the loan. Within the 12-month period following a change in control, any change or replacement of the chief executive officer or a director must be reported promptly. The bank's report must include a statement of the past and current business and professional affiliations of the new chief executive officer or officers.

Truth-in-lending. The Corporation has responsibility for administrative enforcement of the Truth-in-Lending Act (Title I of the Consumer Credit Protection Act) with respect to insured banks which are not members of the Federal Reserve System. The Act requires disclosure of the terms of consumer credit used for personal, family, household, and agricultural purposes, and it regulates consumer credit advertising. Enforcement functions are assigned to the Corporation's 14 Regional offices, as part of their overall examination and supervisory responsibilities, and to a Consumer Affairs Unit in the Division of Bank Supervision, which coordinates the regional enforcement activities and also processes inquiries, requests, and complaints referred to the Washington Office.

When a violation of the Truth-in-Lending Act occurs, the Corporation's examiners on the scene may be able to obtain corrective action. If this informal approach fails, or if the required corrections are extensive, the next step involves sending a letter report to the subject bank's board of directors, and a routine supervisory follow-up by the Regional office. A copy of this letter is sent to the appropriate banking authority of the State, with which the Corporation cooperates closely in all such cases. Should all efforts to obtain voluntary compliance prove unsuccessful, the Corporation may institute proceedings for an order to cease-and-desist, a violation of which is enforceable in the United States district court in the district in which the bank is located, or ultimately, may begin proceedings to terminate the deposit insurance of the bank. The Corporation issued in 1973 its first cease-and-desist order, consented to by the bank, for violations of truth-in-lending provisions. In addition to administrative enforcement, the Corporation routinely refers possible criminal violations of Federal law to the Department of Justice.

With respect to the States of Connecticut, Maine, Massachusetts, Oklahoma, and Wyoming, the Board of Governors of the Federal Reserve System has exempted various classes of credit transactions from the disclosure requirements, on grounds that the laws of each of these States contain requirements applying to such class of credit transactions that are essentially similar to those imposed under Federal law, and in addition, there is adequate provision for enforcement. Primary responsibility in each case for enforcement of the applicable State law rests with the appropriate State authorities, however, the Corporation is continuing to assist those authorities in the enforcement of Truth-in-Lending requirements with respect to insured nonmember banks.

Bank security. The Corporation has responsibility under the Bank Protection Act of 1968, with respect to banks under its general supervision, to establish minimum standards for the installation, maintenance, and operation of security devices and procedures to discourage certain external bank crimes and to assist in apprehending persons who commit those crimes. In early 1969, the Corporation adopted Part 326 of its rules and regulations to implement the Bank Protection Act. Effective November 1, 1973 the Corporation adopted several revisions, which are discussed on page 164 of this report, to Part 326. The amendments were similar to revisions proposed for comment in January by the Corporation, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Home Loan Bank Board, that were approved unanimously by the Interagency Coordinating Committee.

Part 326.5 of the Corporation's rules and regulations requires each bank to submit compliance reports as of the last business day of June of each calendar year, and to submit crime reports following the perpetration of a robbery, burglary, or nonbank employee larceny. During 1973, the Corporation received 635 external crime reports filed pursuant to this regulation.

Corporation training activities. The Corporation's formal training programs for bank examiners include a course in the fundamentals of banking and bank accounting, for new trainees; a second course emphasizing accrual accounting, audit techniques, and bank operations, with a portion devoted to examinations of computerized banks, for assistant examiners; and a program centering on credit analysis, asset appraisal, bank management simulation, and Corporation policies and objectives, for senior assistant examiners. Included also is an advanced course in examination of computerized banks, and two courses (basic and advanced) in examining trust departments.

Approximately 1,100 examiners from the Corporation, State banking departments, and foreign central banks participated in programs of the Bank Examination School in 1973. The participation by the State banking departments involved approximately 150 examiners under a joint program sponsored with the Conference of State Bank Supervisors.

Enrollment of employees in training courses outside the Corporation during 1973 included 100 in graduate and specialized banking schools, and others at the American Institute of Banking and in miscellaneous programs sponsored by government agencies and private organizations.

Publications and statistical reports from banks. Each insured bank submits a quarterly report of assets and liabilities, and an annual report of income and expenses, to the appropriate Federal bank supervisory agency. The Corporation receives these reports from nonmember insured banks, and also semi-annual reports of condition from noninsured banks. Data collected on June 30 and December 31 for all banks are published in *Assets and Liabilities—Commercial and Mutual Savings Banks.* In the end-of-year condition reports for 1973, nonmember insured banks were requested to provide additional information on their holdings of large-denomination time deposits, the amounts of standby letters of credit outstanding, and their usage of electronic funds transfer equipment.

During 1973, the Corporation implemented a policy, that had been announced during the previous year, of making available to the public the full contents of the reports of income and condition of nonmember insured banks. In providing this service, beginning with the 1972 year end reports, the usual procedure is to reproduce upon request the reports in the form in which they are received from the banks. The Corporation does not bear responsibility for the accuracy or completeness of the reports. A nominal charge is made for limited numbers of copies, and the charges for microfilm rolls of bank reports are based on the costs of reproducing them. During 1973, the Corporation filled 1,037 requests for copies of Reports of Condition and Income, involving nearly eleven thousand documents. The Corporation also continued its policy of filling other requests for statistical data on an ad hoc basis, with cost reimbursement where appropriate.

The Corporation in 1973 conducted a special survey of deposits, on an individual office basis, for all commercial and mutual savings banks in the United States which operate more than one banking office. Unlike the regular surveys of deposits and deposit accounts in all commercial and mutual savings banks which the Corporation conducts biennially, this survey did not gather information on numbers or size of deposit accounts. Information obtained in the survey, supplemented with data on deposits in various classes of accounts in unit banks that were available from the regular call reports, was published in *Summary of Deposits in All Commercial and Mutual Savings Banks—June 30, 1973.*

Interest rates paid on savings and other time deposits held by individuals and businesses at insured nonmember commercial banks and FDIC-insured mutual savings banks were surveyed in 1973, again on a quarterly basis. Data obtained in these surveys are published by the Board of Governors of the Federal Reserve System. The Corporation participated with other Federal bank supervisory agencies in the fifth survey of trust assets held in commercial banks, and the survey results were published in *Trust Assets of Insured*

Commercial Banks—1973. The monthly surveys of mortgage rates and mortgage lending activity were continued in 1973. Another survey collected data on acquisitions and dispositions, as well as outstanding balances, of construction and long-term mortgage loans of a selected panel of insured commercial banks and mutual savings banks.

"New Minority-Owned Commercial Banks: A Comparative Analysis of Their Early Years of Experience," by John T. Boorman, a 50-page report of a study of minority-owned banks that were established during 1963 through 1965, was published by the Corporation in 1973. Employing data drawn primarily from the regular bank reports submitted to the Federal bank supervisory agencies, the study identifies areas of minority bank operations that seem to be controlled most efficiently as well as the problem areas that have persistently reduced the earnings capabilities of these institutions. A survey of banks' holdings of municipal securities conducted by the Corporation, the Board of Governors of the Federal Reserve System, and Office of the Comptroller of the Currency, resulted in publication in 1973 of a monograph, by Elizabeth Hobby, entitled "Maturity Distribution of Obligations of States and Political Subdivisions Held by Insured Commercial Banks, June 30, 1972."

During 1973 several "Working Papers" were prepared by staff members of the Division of Research. These papers are not to be construed as official Corporation publications. The analytical techniques used and the conclusions reached are the responsibility of the author and in no way represent a policy determination endorsed by the Federal Deposit Insurance Corporation.

1973 Working Paper Number

73—1 "Computers and the Cost of Producing Banking Services: Planning and Control Considerations" by William A. Longbrake *(Journal of Bank Research,* Autumn 1973). To provide general guidelines for banks deciding whether or not to automate, or to determine which services to automate, this paper examines data for demand and time deposits and for business, installment, and real estate loans from 975 commercial banks. The functional cost analysis information presented can assist individual banks in planning and controlling operations by allowing them to compare their experience with the average experience of banks that have already automated.

73—2 "Demand for Mutual Savings Bank Deposits in Two Local Economic Markets" by Sandra Cohan (*Proceedings of a Conference on Bank Structure and Competition,* Federal Reserve Bank of Chicago, 1971). This paper investigates the responsiveness of households to interest rate changes, in terms of deposit flows

1973 Working Paper Number

among mutual savings banks and between these banks and commercial bank time deposits and money market instruments, in a local economic market setting. Speed of adjustments to rate changes and wealth effects on deposit flows also are examined.

73–3 (see paper of this number and monograph above by John T. Boorman)

73–4 "Interest Rate Ceilings and Consumer Credit Rationing: A Multivariate Analysis of a Survey of Borrowers" by Robert A. Eisenbeis and Neil B. Murphy (forthcoming in *Southern Economic Journal).* This paper analyzes the results of a survey in Maine of borrowers whose loan requests were denied as a result of the State's "36 Month Rule," which limits the true annual interest rate that finance companies may charge on any loan with a maturity exceeding 36 months. The study concludes that these rate ceilings tend to reduce the availability of credit, and the evidence suggests that in Maine, at least, banks, credit unions, and finance companies are real alternative suppliers and compete in the same product market.

73–5 "Effects of Imperfectly Competitive Loan and Security Markets on Bank Asset Management" by David A. Walker. This analysis is concerned with the proportions of a bank's assets that should be held in cash, investments, and loans to satisfy regulators and provide a maximum profit level. It is assumed that the unit profits on loans and securities are directly related to the levels of these assets. Considering the asset portfolios of previous periods, deposit growth, changes in liquidity needs, and other changes in a dynamic environment, this study, as compared to previous studies, allows excess reserves to play a greater role and includes a wider range of market conditions for loans and securities.

73–6 "The Allocative Effects of Branch Banking Restrictions on Business Loan Markets" by Robert A. Eisenbeis. A traditional argument against branch banking has been that branching results in a reduction in the availability of loans to small locally limited businesses relative to large, nonlocally limited firms or that it leads to increases in small loan rates. To test the validity of that argument, this study examines the lending behavior of banks operating under differing branching restrictions. The data show that although large banks, in general, make a greater proportion of non-local loans than small banks do, large banks in branching or limited branching states make a much greater proportion of their business loans in local markets than do similar-sized banks in unit banking states.

1972 Working Paper Number

72–1 "Dividend Disbursal Practices in Commercial Banking," by David A. Walker and M. C. Gupta (forthcoming in *Journal of Financial and Quantitative Analysis*).

72–2 "Predicting De Novo Expansion in Bank Merger Cases," by Gary G. Gilbert (*Journal of Finance,* September 1973).

1972 Working Paper Number

72–3	"Deposit Costs and Bank Portfolio Policy," by Stanley C. Silverberg (*Journal of Finance,* September 1973).
72–4	"Some Evidence on Intra-Regional Differences in Yields and Costs of Mortgage Lending," by Manferd O. Peterson (*Land Economics,* February 1973).
72–5	"Determining the Relative Significance of Individual and Subsets of Variables in Discriminant Analysis," by Robert A. Eisenbeis, Gary G. Gilbert, and Robert B. Avery (*Communications in Statistics,* 1973).
72–6	"An Analysis of Federal Regulatory Decisions on Market Extension Bank Mergers," by Gary G. Gilbert (forthcoming in *Journal of Money, Credit, and Banking).*
72–7	"An Evaluation of the Recommendations of the Hunt Commission Related to Housing Expenditures and the Mortgage Market," by John T. Boorman and Manferd O. Peterson (published in revised form in the *Journal of Bank Research,* Autumn 1972).
72–8	"Some Evidence on Household Money Holdings and the Demand Deposit Rate," by Joseph F. Sinkey, Jr.
72–9	"Taxable Alternatives to Tax-exempt Borrowing," by Panos Konstas.
72–10	"Productive Efficiency in Commercial Banking—The Impact of Bank Organizational Structure and Bank Size on the Cost of Demand Deposit Services," by William A. Longbrake (forthcoming in the *Journal of Money, Credit and Banking*).
72–11	"The Start-Up Experience of Minority-Owned Commercial Banks: A Comparative Analysis," by John T. Boorman and Myron Kwast (forthcoming in revised form in the *Journal of Finance*).
72–12	"The Instability of Savings Flows and Mortgage Lending by Financial Institutions," by John T. Boorman and Manferd O. Peterson (*Southern Economic Journal,* October 1973).
72–13	"Disclosure Requirements, Adverse Publicity, and Bank Deposit Flows," by Joseph F. Sinkey, Jr. and Robert D. Kurtz (*Journal of Bank Research,* Autumn 1973).
72–14	"Differences in Federal Regulatory Agencies' Bank Merger Policies," by Robert A. Eisenbeis (forthcoming in revised form in the *Journal of Money, Credit, and Banking*).
72–15	"Competitive Position of Commercial Banks Vis-a-Vis Mutual Savings Banks in Massachusetts," by Sandra B. Cohan
72–16	"Some Empirical Evidence on the Substitutability Between Bank and Nonbank Deposits," by Joseph F. Sinkey, Jr.
72–17	"Computers and the Cost of Producing Various Types of Banking Services," by William A. Longbrake (forthcoming in the *Journal of Business*).

1972 Working Paper Number	
72–18	"Market Power and Structure and Commercial Bank Installment Lending," by Alan S. McCall (forthcoming in *Journal of Money, Credit, and Banking).*
72–19	"Functional Cost Analysis for Decision Making in Commercial Banks," by William A. Longbrake (published under the title of "Statistical Cost Analysis" in *Financial Management,* Spring 1973).
72–20	"Murphy's Method for Determining the Weights Assigned to Demand Deposit Activity Items—A Clarification and Extension," by William A. Longbrake (*Journal of Bank Research,* Summer 1973).
72–21	"The Effects of Branching by Financial Institutions on Competition, Productive Efficiency, and Stability—An Examination of the Evidence," by Gary G. Gilbert and William A. Longbrake (published in two parts in the *Journal of Bank Research,* Autumn 1973 and Winter 1974).

In 1973, the Corporation announced the awarding of Fellowships to four Ph.D candidates in the fields of banking, finance, and economics. These Fellowships are intended to promote research in banking and related fields as part of a program to improve and expand the information available to the bank supervisory agencies and the banking community. They are designed to provide graduate students an opportunity to devote full time to the preparation of their dissertations. Selection was based on the assessment of the importance of their proposed research, the relevance of their research to the interests of the Corporation, and the ability of the applicants to complete their projects successfully and within the time covered by the Fellowships.

ADMINISTRATION OF THE CORPORATION

Structure and employees. The Corporation's 3-member Board of Directors consists of two Directors that are appointed to the Board by the President of the United States, with the advice and consent of the Senate, and the Comptroller of the Currency, also a Presidential appointee. Members appointed directly to the Board serve 6 years, while the Comptroller of the Currency serves a 5-year term of office. Mr. Frank Wille, who took office and was elected Chairman of the Board on April 1, 1970, continued to serve as Chairman throughout 1973. Director Irvine H. Sprague resigned from the Board on February 15, 1973, and was succeeded, on August 1, 1973, by Mr. George A. LeMaistre. Comptroller of the Currency James E. Smith began his term of office on July 5, 1973, succeeding Mr. William B. Camp, who resigned on March 23, 1973.

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

Total employment of the Corporation was 2,641 on December 31, 1973, compared to 2,619 a year earlier (table 9). Almost three-fourths of the Corporation's personnel are employed in the Regional offices, and of these, over 93 percent are assigned to the Division of Bank Supervision, and the remaining 7 percent primarily to the Division of Liquidation.

A total of 177 bank examiners resigned from the Corporation during 1973, including 55 who left to accept employment in banks. The turnover rate for field examiners was 11.2 percent compared to 8.7 percent for 1972. For all employees, not including temporary field liquidation personnel, college students participating in the Corporation's cooperative work-study program, and temporary summer personnel, the turnover rate was 13.6 percent compared to 12.3 percent in 1972.

Executive Secretariat. In early 1973, the office of the Executive Secretariat of the Corporation was created. This office, headed by the Executive Secretary, was assigned functions formerly performed by the Secretary to the Corporation and the Assistant to the Board of Directors. The Executive Secretary also performs certain review functions for the Board of Directors, and has general supervision over the Corporation's Information Office.

FINANCES OF THE CORPORATION

Assets and liabilities. The assets of the Corporation amounted to $5,923 million on December 31, 1973 (table 10). Obligations of the U.S. Government, at amortized cost plus accrued interest, totaled $5,639 million, or about 95 percent of total assets. Various assets acquired in receivership and deposit assumption transactions, less reserves for losses, amounted to slightly under $180 million. Cash, assistance to operating insured banks, land and building at the headquarters location, and miscellaneous assets, totaled $104 million.

Table 9. NUMBER OF OFFICERS AND EMPLOYEES
OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1972 AND 1973

Unit	Total		Washington office		Regional and other field offices	
	1973	1972	1973	1972	1973	1972
Total	**2,641***	**2,619***	**691**	**670**	**1,950**	**1,949**
Directors	3	3	3	3	0	0
Executive Offices	41	27	41	27	0	0
Legal Division	79	79	70	72	9	7
Division of Bank Supervision	1,943	1,923	121	120	1,822	1,803
Division of Liquidation	190	211	83	84	107	127
Division of Research	89	84	89	84	0	0
Office of the Controller	190	185	178	173	12	12
Office of Management Systems and Financial Audits	106	107	106	107	0	0

*Includes 143 nonpermanent employees on a short-term appointment or when actually employed basis in 1973, and 150 in 1972. Nonpermanent employees include college students participating in the work-study program, clerical workers employed on a temporary basis at banks in process of liquidation, and other personnel.

Table 10. STATEMENT OF FINANCIAL CONDITION,
FEDERAL DEPOSIT INSURANCE CORPORATION,
DECEMBER 31, 1973
(In thousands)

ASSETS		
Cash		$ 8,645
U.S. Government obligations:		
Securities at amortized cost (face value $5,569,459; cost $5,536,125)	$5,554,072	
Accrued interest receivable	85,444	5,639,516
Assets acquired in receivership and deposit assumption transactions:[1]		
Subrogated claims of depositors against closed insured banks	$ 76,192	
Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability	1,061	
Equity in assets acquired under agreements with insured banks	185,611	
Assets purchased outright	4,838	
	$ 267,702	
Less reserves for losses	87,880	$ 179,822
Assistance to operating insured banks		87,730
Miscellaneous assets		661
Land and office building, less depreciation on building		6,959
Total assets		$5,923,333
LIABILITIES AND DEPOSIT INSURANCE FUND[2]		
Accounts payable and accrued liabilities		$ 3,863
Earnest money, escrow funds, and collections held for others		1,144
Accrued annual leave of employees		2,869
Due insured banks:		
Net assessment income credits available July 1, 1974 (see table 12)	$ 283,300	
Other assessment credits available immediately	15,760	299,060
Net insured balances of depositors in closed insured banks—see related asset		1,061
Total liabilities		$ 307,997
Deposit insurance fund, net income accumulated since inception (see table 11)		5,615,336
Total liabilities and deposit insurance fund		$5,923,333

[1]Reported hereunder is the book value of assets in process of liquidation. An analysis of all assets acquired in receivership and deposit assumption transactions, including those assets which have been liquidated, is furnished in table 2.
[2]Capital stock was retired by payments to the U.S. Treasury in 1947 and 1948.

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

The Corporation's liabilities on December 31, 1973 amounted to $308 million, of which 97 percent were net assessment credits. About $283 million of these credits were to become available on July 1, 1974, and the remainder were carry-over, immediately available credits.

The net assets of the Corporation, less its liabilities, comprise the deposit insurance fund, this representing the resources initially available to the Corporation for protecting depositors in failing banks. At the close of 1973, the deposit insurance fund amounted to $5,615 million. Section 14 of the Federal Deposit Insurance Act authorizes the Corporation to borrow from the U.S. Treasury, and the Secretary of the Treasury is authorized and directed to lend, up to $3 billion upon a judgment by the Corporation's Board of Directors that the funds are required for insurance purposes. Thus far the Corporation has not had occasion to use its borrowing authority.

Income and expenses. The Corporation's total income in 1973 was $561 million, of which slightly under 44 percent was derived from net assessments, and the remainder almost entirely from interest on its holdings of U.S. Government securities (table 11). Expenses and provision for losses, which rose substantially from the level in 1972 primarily because of the additions to loss reserves in connection with the failure of United States National Bank, amounted to $104 million. After all expenses and losses, the addition to the deposit insurance fund in 1973 was nearly $457 million.

Insured banks pay deposit insurance assessments at a basic rate of 1/12 of 1 percent of their deposits (the assessment base is total deposits with several adjustments; for example, a deduction is allowed for cash items in possession not charged to deposits). This basic rate of assessments established by law has remained unchanged since 1935. In 1950, enactment of the Federal Deposit Insurance Act included a provision for a credit which has had the effect of reducing the assessments paid to an amount substantially below the specified rate. The credit, which an insured bank may apply against its gross assessments payable in cash in any calendar year, is each bank's pro rata share of 66 2/3 of the Corporation's gross assessment income after allowance for expenses and losses during the immediately preceding calendar year. In 1973, assessments were paid at an effective rate of about 1/26 of 1 percent of

Table 11. STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1973
(In thousands)

Income:		
Deposit insurance assessments:		
Assessments earned in 1973	$529,350	
Less net assessment income credits to insured banks	283,326	$ 246,024
Adjustment of assessments earned in prior years		–80
		$ 245,944
Net income from U.S. Government securities		311,056
Other income		3,982
Total income		**$ 560,982**
Expenses and losses:		
Administrative and operating expenses:		
Salaries	$ 39,730	
Travel expenses	8,117	
Office rentals, communications, and other expenses	6,601	$ 54,448
Provisions for insurance losses:		
Applicable to banks assisted in 1973	$ 52,500	
Adjustments applicable to banks assisted in prior years	–3,923	48,577
Nonrecoverable insurance expenses incurred to protect depositors–net		1,336
Total expenses and losses		**$ 104,361**
Net addition to the deposit insurance fund–1973		**$ 456,621**
Deposit insurance fund, January 1, 1973		**5,158,715**
Deposit insurance fund, December 31, 1973, net income accumulated since inception		**$5,615,336**

Table 12. DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1973
(In thousands)

Determination of net assessment income:		
Total assessments that became due during the calendar year		$529,350
Less:		
Administrative and operating expenses		$ 54,448
Net additions to reserve to provide for insurance losses:		
Provisions applicable to banks assisted in 1973	$ 52,500	
Adjustments to provisions for banks assisted in prior years	−3,923	48,577
Nonrecoverable insurance expenses incurred to protect depositors—net		1,336
Total deductions		$104,361
Net assessment income for 1973		**$424,989**
Distribution of net assessment income, December 31, 1973:		
Net assessment income for 1973:		
33 1/3% transferred to the deposit insurance fund		$141,663
66 2/3% credited to insured banks		283,326
Total		**$424,989**
Allocation of net assessment income credit among insured banks, December 31, 1973:		Percentage of total assessment becoming due in 1973
Credit for 1973	$283,326	53.523%
Adjustments of credits for prior years	25	.005
Total	**$283,351**	**53.528%**

total assessable deposits. While the dollar amount of the assessment credit allocated to insured banks in 1973 was slightly above the amount in 1972, the proportion of gross assessments that was credited to banks declined because of larger additions to reserves for losses in the year.

The determination and allocation of net assessment income in 1973, and sources and application of funds, are shown in tables 12 and 13.

Table 13. SOURCES AND APPLICATION OF FUNDS, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1973
(In thousands)

		Percent
Funds provided by:		
Net deposit insurance assessments	$ 245,944	13.3
Income from U.S. Government securities, less amortized net discounts	318,944	17.3
Maturities and sales of U.S. Government securities	1,239,613	67.2
Collections on assets acquired in receivership and deposit assumption transactions	30,253	1.6
Increase in assessment credits due insured banks	10,523	.6
Total funds provided	**$1,845,277**	**100.0**
Funds applied to:		
Administrative, operating, and insurance expenses, less miscellaneous credits	$ 51,666	2.8
Acquisition of assets in receivership and deposit assumption transactions	236,958	12.8
Purchase of U.S. Government securities	1,548,233	83.9
Net changes in other assets and liabilities	8,420	.5
Total funds applied	**$1,845,277**	**100.0**

Income and the deposit insurance fund. The Corporation's income, expenses and losses, and amounts added to the insurance fund each year are shown in table 14. Since the beginning of Federal deposit insurance, expenses and losses have amounted to less than 12 percent of income, leaving over 88 percent for addition to the fund (Chart E).

Total deposits in insured banks have grown at an average rate of about 12 percent annually since 1950, but insured deposits have

Table 14. INCOME AND EXPENSES, FEDERAL DEPOSIT INSURANCE CORPORATION, BY YEAR, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, TO DECEMBER 31, 1973, ADJUSTED TO DECEMBER 31, 1973

(In millions)

Year	Income			Expenses and losses				Net income added to deposit insurance fund[4]
	Total	Deposit insurance assessments[1]	Investments and other sources[2]	Total	Deposit insurance losses and expenses	Interest on capital stock[3]	Administrative and operating expenses	
1933–73..	**$6,353.9**	**$3,458.5**	**$2,895.4**	**$738.6**	**$124.3**	**$80.6**	**$533.7**	**$5,615.3**
1973.....	561.0	246.0	315.0	108.2	53.8	.....	54.4	452.8
1972.....	467.0	188.5	278.5	59.7	10.1	.....	49.6	407.3
1971.....	415.3	175.8	239.5	60.3	13.4	.....	46.9	355.0
1970.....	382.7	159.3	223.4	46.0	3.8	.....	42.2	336.7
1969.....	335.8	144.0	191.8	34.5	1.0	.....	33.5	301.3
1968.....	295.0	132.4	162.6	29.1	.1	.....	29.0	265.9
1967.....	263.0	120.7	142.3	27.3	2.9	.....	24.4	235.7
1966.....	241.0	111.7	129.3	19.9	.1	.....	19.8	221.1
1965.....	214.6	102.2	112.4	22.9	5.2	.....	17.7	191.7
1964.....	197.1	93.0	104.1	18.4	2.9	.....	15.5	178.7
1963.....	181.9	84.2	97.7	15.1	0.7	.....	14.4	166.8
1962.....	161.1	76.5	84.6	13.8	0.1	.....	13.7	147.3
1961.....	147.3	73.4	73.9	14.8	1.6	.....	13.2	132.5
1960.....	144.6	79.6	65.0	12.5	0.1	.....	12.4	132.1
1959.....	136.5	78.6	57.9	12.1	0.2	.....	11.9	124.4
1958.....	126.8	73.8	53.0	11.6	.....	.....	11.6	115.2
1957.....	117.3	69.1	48.2	9.7	0.1	.....	9.6	107.6
1956.....	111.9	68.2	43.7	9.4	0.3	.....	9.1	102.5
1955.....	105.7	66.1	39.6	9.0	0.3	.....	8.7	96.7
1954.....	99.7	62.4	37.3	7.8	0.1	.....	7.7	91.9
1953.....	94.2	60.2	34.0	7.3	0.1	.....	7.2	86.9
1952.....	88.6	57.3	31.3	7.8	0.8	.....	7.0	80.8
1951.....	83.5	54.3	29.2	6.6	.....	.....	6.6	76.9
1950.....	84.8	54.2	30.6	7.8	1.4	.....	6.4	77.0
1949.....	151.1	122.7	28.4	6.4	0.3	.....	6.1	144.7
1948.....	145.6	119.3	26.3	7.0	0.7	0.6	5.7	138.6
1947.....	157.5	114.4	43.1	9.9	0.1	4.8	5.0	147.6
1946.....	130.7	107.0	23.7	10.0	0.1	5.8	4.1	120.7
1945.....	121.0	93.7	27.3	9.4	0.1	5.8	3.5	111.6
1944.....	99.3	80.9	18.4	9.3	0.1	5.8	3.4	90.0
1943.....	86.6	70.0	16.6	9.8	0.2	5.8	3.8	76.8
1942.....	69.1	56.5	12.6	10.1	0.5	5.8	3.8	59.0
1941.....	62.0	51.4	10.6	10.1	0.6	5.8	3.7	51.9
1940.....	55.9	46.2	9.7	12.9	3.5	5.8	3.6	43.0
1939.....	51.2	40.7	10.5	16.4	7.2	5.8	3.4	34.8
1938.....	47.7	38.3	9.4	11.3	2.5	5.8	3.0	36.4
1937.....	48.2	38.8	9.4	12.2	3.7	5.8	2.7	36.0
1936.....	43.8	35.6	8.2	10.9	2.6	5.8	2.5	32.9
1935.....	20.8	11.5	9.3	11.3	2.8	5.8	2.7	9.5
1933–34..	7.0	(4)	7.0	10.0	0.2	5.6	4.2[5]	–3.0

[1]For the period from 1950 to 1973, inclusive, figures are net after deducting the portion of net assessment income credited to insured banks pursuant to provisions of the Federal Deposit Insurance Act of 1950, as amended. Assessment credits to insured banks for these years amount to $3,408 million.

[2]Includes $11.0 million of interest and allowable return received on funds advanced to receivership and deposit assumption cases by the Corporation.

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

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

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

Chart E

INCOME, EXPENSES AND LOSSES, AND ADDITIONS TO THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, 1950–1973

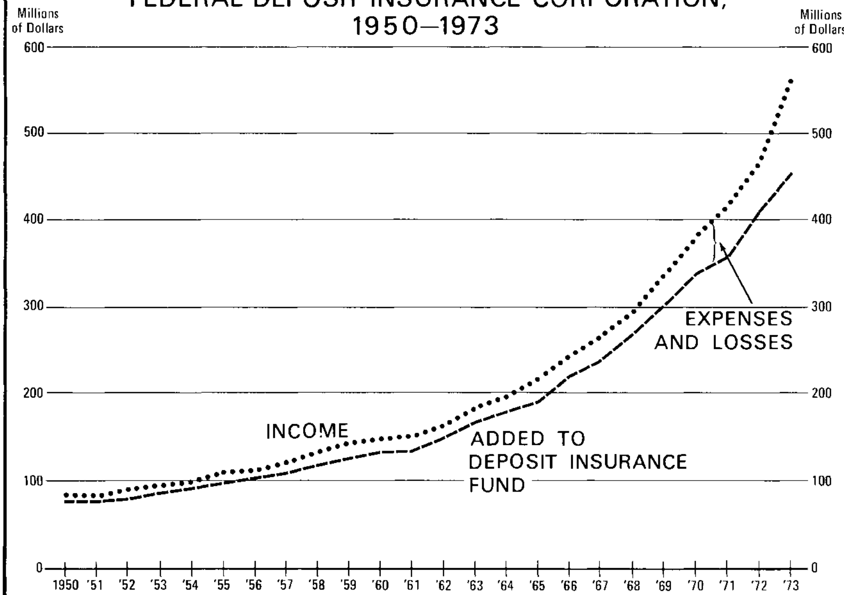
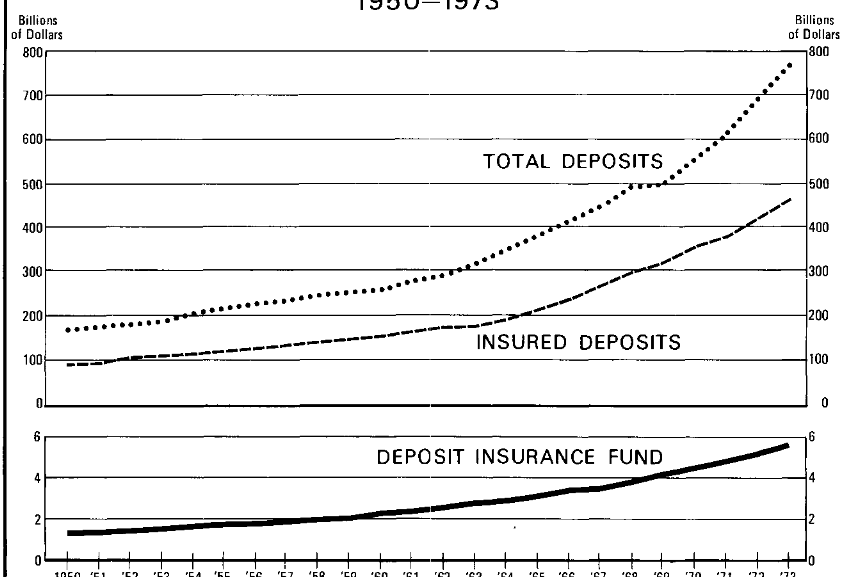


Chart F

DEPOSITS IN INSURED BANKS, AND THE DEPOSIT INSURANCE FUND, 1950–1973



increased somewhat more, primarily because of the statutory increases in the limit of insurance per depositor that occurred in 1966 and 1969 (Chart F). While the percentage relationship of the deposit insurance fund to insured deposits in this period thus has declined, as it has from the level at the beginning of Federal deposit insurance, the percentage of the fund to total deposits in insured banks has remained relatively stable (table 15).

Audit. Each year, an audit of the financial transactions of the Corporation is conducted by the General Accounting Office. A continuous internal audit is provided by the Financial Audits Branch, Office of Management Systems and Financial Audits.

Table 15. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934–1973

Year (Dec. 31)	Deposits in insured banks (in millions)		Percentage of deposits insured	Deposit insurance fund (in millions)	Ratio of deposit insurance fund to-	
	Total	Insured[1]			Total deposits	Insured deposits
1973	$766,509	$465,600	60.7%	$5,615.3	.73%	1.21%
1972	697,480	419,756	60.2	5,158.7	.74	1.23
1971	610,685	374,568[4]	61.3[4]	4,739.9	.78	1.27[4]
1970	545,198	349,581	64.1	4,379.6	.80	1.25
1969	495,858	313,085	63.1	4,051.1	.82	1.29
1968	491,513	296,701	60.2	3,749.2	.76	1.26
1967	448,709	261,149	58.2	3,485.5	.78	1.33
1966	401,096	234,150	58.4	3,252.0	.81	1.39
1965	377,400	209,690	55.6	3,036.3	.80	1.45
1964	348,981	191,787	55.0	2,844.7	.82	1.48
1963	313,304[2]	177,381	56.6	2,667.9	.85	1.50
1962	297,548[3]	170,210[4]	57.2[4]	2,502.0	.84	1.47[4]
1961	281,304	160,309[4]	57.0[4]	2,353.8	.84	1.47[4]
1960	260,495	149,684	57.5	2,222.2	.85	1.48
1959	247,589	142,131	57.4	2,089.8	.84	1.47
1958	242,445	137,698	56.8	1,965.4	.81	1.43
1957	225,507	127,055	56.3	1,850.5	.82	1.46
1956	219,393	121,008	55.2	1,742.1	.79	1.44
1955	212,226	116,380	54.8	1,639.6	.77	1.41
1954	203,195	110,973	54.6	1,542.7	.76	1.39
1953	193,466	105,610	54.6	1,450.7	.75	1.37
1952	188,142	101,842	54.1	1,363.5	.72	1.34
1951	178,540	96,713	54.2	1,282.2	.72	1.33
1950	167,818	91,359	54.4	1,243.9	.74	1.36
1949	156,786	76,589	48.8	1,203.9	.77	1.57
1948	153,454	75,320	49.1	1,065.9	.69	1.42
1947	154,096	76,254	49.5	1,006.1	.65	1.32
1946	148,458	73,759	49.7	1,058.5	.71	1.44
1945	157,174	67,021	42.4	929.2	.59	1.39
1944	134,662	56,398	41.9	804.3	.60	1.43
1943	111,650	48,440	43.4	703.1	.63	1.45
1942	89,869	32,837	36.5	616.9	.69	1.88
1941	71,209	28,249	39.7	553.5	.78	1.96
1940	65,288	26,638	40.8	496.0	.76	1.86
1939	57,485	24,650	42.9	452.7	.79	1.84
1938	50,791	23,121	45.5	420.5	.83	1.82
1937	48,228	22,557	46.8	383.1	.79	1.70
1936	50,281	22,330	44.4	343.4	.68	1.54
1935	45,125	20,158	44.7	306.0	.68	1.52
1934	40,060	18,075	45.1	291.7	.73	1.61

[1] Figures estimated by applying, to the deposits in the various types of account at the regular call dates, the percentages insured as determined from special reports secured from insured banks.

[2] December 20, 1963.

[3] December 28, 1962.

[4] Revised.

MERGER DECISIONS OF THE CORPORATION
PART TWO

BANKS INVOLVED IN ABSORPTIONS APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1973

State	Town or City	Bank	Page
Alabama	Bay Minette	Bank of Bay Minette (in organization; change title to Baldwin County Bank)	152
		Baldwin County Bank	152
	Sulligent	Bank of Sulligent	151
		Lamar County Bank (in organization; change title to The Bank of Sulligent)	151
Arizona	Tucson	Union Bank	152
		Union Industries, Inc.	152
California	Culver City	Charter Bank	125
	Los Angeles	Lincoln Bank	123
		Union Bank	123
		Manufacturers Bank	123
	Oxnard	Bank of A. Levy	90
	San Francisco	The Sanwa Bank of California	125
Delaware	Wilmington	Endowment Building and Loan Association	96
		Wilmington Savings Fund Society	96
Georgia	Atlanta	Citizens Trust Company (change title to Citizens Trust Bank)	151
		C.T.B. Bank (in organization)	151
Illinois	Joliet	L.J. Bank (in organization; change title to Louis Joliet Bank)	152
		Louis Joliet Bank	152
Iowa	Council Bluffs	State Bank and Trust	57
	Goodell	State Savings Bank (change title to North Iowa State Bank)	92
	Klemme	The First National Bank of Klemme	92
	Modale	Modale Savings Bank	57
Louisiana	Metairie	First Metropolitan Bank	62
		Metropolitan Investment Trust	62
Maryland	Annapolis	Colonial Bank and Trust Company	127
	Bethesda	Bank of Bethesda	71
		Bethesda Trust Company	71
	Hyattsville	Suburban Trust Company	127
Massachusetts	Cambridge	University Trust Company (change title to University Bank and Trust Company)	129
	Newton	Garden City Trust Company	129
	Winchendon	The First National Bank of Winchendon	40
	Worcester	Guaranty Bank & Trust Company	40
Michigan	Cadillac	First National Bank of Cadillac	150
		FNB Bank (in organization; change title to First Bank of Cadillac)	150
		North Central State Bank (in organization; change title to The Cadillac State Bank)	150
		The Cadillac State Bank	150
	Chesaning	Chesaning State Bank	81
	Detroit	Bank and Trust Company of Detroit (in organization)	150
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		American State Bank (in organization)	151
	Moline	MSB Bank (in organization; change title to The Moline State Bank)	152
		The Moline State Bank	152
	Stambaugh	Stambaugh State Bank (in organization; change title to The Commercial Bank of Stambaugh)	150
		The Commercial Bank of Stambaugh	150
Mississippi	Clarksdale	Bank of Clarksdale	116
	Grenada	Grenada Bank	130
	Gulfport	Hancock Bank	119
	Houston	Houston State Bank	130
	Olive Branch	Bank of Olive Branch	113
	Oxford	Bank of Oxford	116
	Poplarville	Bank of Commerce of Poplarville	119
	Tupelo	Bank of Mississippi	94, 113
	West Point	The Bank of West Point	94
New Hampshire	Rochester	Rochester Building and Loan Association	79
	Somersworth	Granite State Savings Bank	79
New Jersey	East Brunswick Township	Mid State Bank and Trust Company	108
	Franklin Township	Franklin State Bank	101
	Freehold Township	The Central Jersey Bank and Trust Company	108
	Linden	Community State Bank and Trust Company	72
	Piscataway	The First National Bank	72
	Union	First New Jersey Bank	101
New York	Fishkill	Fishkill Savings Bank (change title to Mid-Hudson Savings Bank)	83
	New York (Queens)	Richmond Hill Savings Bank	63
		Savings and Loan Association of Richmond Hill	63
	Rochester	The Community Savings Bank of Rochester	51
	Wappingers Falls	Wappinger Savings Bank	83
	Watertown	Jefferson Savings Bank	51
North Carolina	Davidson	P. B. T. Bank (in organization; change title to Piedmont Bank and Trust Company)	150
		Piedmont Bank and Trust Company	150
	Macclesfield	Merchants & Farmers Bank	106
	Mount Olive	Southern Bank and Trust Company	106
	Sanford	The Carolina Bank	152
		The Sanford Bank (in organization; change title to The Carolina Bank)	152
Ohio	Carrollton	The Carrollton Bank (in organization; change title to The Cummings Bank Company)	153
		The Cummings Bank Company	153
	Middletown	The Barnitz Bank	133
	Oxford	The First Citizens Bank	133
	Vandalia	The Imperial State Bank	153
		The Ohio State Bank (in organization)	153

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Pennsylvania	Bangor	First National Bank in Bangor	65
	Berwick	The Berwick Bank	59
	Butler	First Seneca Bank and Trust Company	42
	Hegins	Tri-Valley National Bank	142
	Lansford	First Valley Bank	65, 135
	Matamoras	The Bank of Matamoras	98
	Montgomery	First Citizens National Bank	68
	Montoursville	The First National Bank of Montoursville (change title to Bank of Central Pennsylvania)	137
	Muncy	Commonwealth Bank and Trust Company	139
	Pittsburgh	Pittsburgh National Bank	42
	Pittston	The Liberty National Bank of Pittston	135
	Reading	American Bank and Trust Company of Pennsylvania	142
	Shinglehouse	The First National Bank of Shinglehouse	139
	South Williamsport	Bank of South Williamsport	137
	Stroudsburg	Monroe Security Bank and Trust Company (change title to Security Bank and Trust Company)	98
	Wilkes-Barre	United Penn Bank	59
	Williamsport	Northern Central Bank and Trust Company	68
South Carolina	Greenville	Crescent Bank and Trust Company (in organization; change title to Southern Bank and Trust Company	152
		Southern Bank and Trust Company	49, 152
	Winnsboro	Merchants and Planters Bank	49
Tennessee	Cleveland	Merchants Bank	150
		Third State Bank in Cleveland (in organization)	150
	Elizabethton	Citizens Bank	152
		State Bank of Elizabethton (in organization; change title to Citizens Bank)	152
	Gallatin	Sumner County Bank and Trust Company	153
		Sumner County State Bank (in organization; change title to Sumner County Bank and Trust Company)	153
	Jackson	Jackson State Bank	153
		The Bank of Jackson (in organization; change title to Jackson State Bank)	153
	Johnson City	Hamilton Bank of Johnson City	153
		Hamilton State Bank of Johnson City (in organization; change title to Hamilton Bank of Johnson City)	153
	Knoxville	Bank of Knoxville	150
		First State Bank (in organization; change title to The Fountain City Bank)	152
		Knoxville Interim Bank (in organization)	151
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		Milan Interim Bank (in organization)	151
	Mosheim	First Tennessee Bank of Greene County (in organization)	153
		Mosheim Bank	153
	Pulaski	The Union Bank	153
		Third State Bank in Pulaski (in organization; change title to The Union Bank)	153
	South Pittsburg	Hamilton Bank of Marion County	153
		Hamilton State Bank of Marion County (in organization; change title to Hamilton Bank of Marion County)	153
	Spring City	Hamilton Bank of Rhea County	153
		Hamilton State Bank of Rhea County (in organization; change title to Hamilton Bank of Rhea County)	153
Texas	Arlington	Arlington Bank of Commerce	151
		Bowen Road State Bank (in organization; change title to Arlington Bank of Commerce)	151
	Beaumont	Concord State Bank (in organization; change title to The Village State Bank)	151
		The Village State Bank	151
	Carrizo Springs	New Union State Bank (in organization; change title to Union State Bank)	151
		Union State Bank	150
	Carrollton	Beltline State Bank (in organization; change title to The Dallas County State Bank)	152
		The Dallas County State Bank	152
	Dallas	American Bank and Trust Company	151
		Cowboys State Bank (in organization; change title to Park Cities Bank and Trust Company)	151
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		Park Cities Bank and Trust Company	151
		Pleasant State Bank (in organization; change title to Grove State Bank)	151
		Twelfth Street State Bank (in organization; change title to American Bank and Trust Company)	151
	Houston	Bank of Texas	108
		Continental Bank (change title to Continental Bank of Texas)	108
	Irving	Irving Bank and Trust Company	152
		Irving Commerce Bank (in organization; change title to Irving Bank and Trust Company)	152
		Plymouth Park State Bank (in organization; change title to Southwest Bank and Trust Company)	151
		Southwest Bank and Trust Company	151
	Lancaster	Bank of Lancaster	151
		Lancaster State Bank (in organization; change title to Bank of Lancaster)	151

State	Town or City	Bank	Page
	Malakoff	Bancorp State Bank (in organization; change title to Citizens State Bank)	151
		Citizens State Bank	151
	Midland	Commercial Bank & Trust Co.	153
		Commercial New Bank (in organization; change title to Commercial Bank & Trust Company)	153
	Sugar Land	Highway State Bank (in organization; change title to Sugar Land State Bank)	151
		Sugar Land State Bank	151
Utah	Salt Lake City	Tracy-Collins Bank and Trust Company	103
		Valley Bank (in organization)	150
		Valley Bank and Trust Company	150
	West Bountiful	Farmers State Bank	103
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	Bennington	The County National Bank of Bennington	86
	Bethel	National White River Bank in Bethel	145
	Brattleboro	First Vermont Bank and Trust Company	54
	Burlington	Chittenden Trust Company	86
	Proctor	Proctor Trust Company	145
Virginia	Arlington County	Clarendon Bank & Trust	44
	Fairfax County	Woodlawn National Bank	44
	Falmouth	Falmouth Bank (in organization; change title to The Peoples Bank of Stafford)	152
	Gretna	Peoples Bank of Gretna	153
		United Virginia Bank/Peoples of Gretna (in organization)	153
	Lynchburg	The Fidelity National Bank	144
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		City Bank of Petersburg (in organization; change title to City Savings Bank and Trust Company)	152
		City Savings Bank and Trust Company	152
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		Capital City Bank (in organization; change title to Virginia Trust Company)	150
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	Spotsylvania	Bank of Spotsylvania	152
	Court House	United Virginia Bank of Spotsylvania (in organization)	152
	Stafford	The Peoples Bank of Stafford	152
	Williamsburg	Tidewater Bank and Trust Company	144
Washington	Aberdeen	Grays Harbor Savings and Loan Association	118
	Seattle	Pioneer Mutual Savings Bank	74
		Washington Mutual Savings Bank	118
	Spokane	Fidelity Mutual Savings Bank	74
Wisconsin	Allenton	Allenton State Bank	77
	Kewaskum	Bank of Kewaskum	77

BANK ABSORPTIONS APPROVED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Guaranty Bank & Trust Company Worcester, Massachusetts	215,427	20	21
to consolidate with			
The First National Bank of Winchendon Winchendon	4,352	1	

Summary report by Attorney General, November 10,1972

First National is the smallest bank in Worcester County and ranks 151st in total deposits out of 152 banks in Massachusetts. The closest branch of Guaranty Bank is located 16 miles southwest of Winchendon; Guaranty Bank is opening a branch 13 miles southwest of Winchendon next year. Therefore, it appears that the merger may eliminate a limited amount of direct competition, although, in view of the small size of First National and the presence of larger intervening banking alternatives, the elimination of direct competition does not appear significant.

Countywide branching is permitted in Massachusetts and Guaranty Bank could enter Winchendon *de novo.* Guaranty Bank has been branching aggressively in the past 15 years and presently has applications approved or pending to operate three additional branches. However, in view of the small service area of the acquired bank, and since there are a number of other banks that could branch into Winchendon, this merger appears unlikely to have a significantly adverse effect on potential competition.

Basis for Corporation approval, January 5, 1973

Guaranty Bank & Trust Company, Worcester, Massachusetts ("Guaranty"), an insured State nonmember bank with total resources of $215,427,000 and total IPC deposits of $155,921,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with The First National Bank of Winchendon, Winchendon, Massachusetts ("FNB Winchendon"), with total resources of $4,352,000 and total IPC deposits of $3,165,000. The banks would consolidate under the charter and title of Guaranty and, as an incident to the consolidation, the sole office of FNB Winchendon would become a branch of the resulting bank, increasing the number of its authorized offices to 24.

Competition. Guaranty operates a total of 20 offices in Worcester County, Massachusetts, and has approval for three additional branches, also in Worcester County. All but one of these branches are located in the central or southern portions of the county. Worcester County comprises a large part of central Massachusetts, running north and south to the State's borders, and had a 1970 population of 637,969, up 9.4 percent during the 1960s. The county has a considerable volume and range of industrial activity. Guaranty, which is not affiliated with any multibank holding company, is the second largest commercial bank in Worcester County, with 22.6 percent of the county's total commercial bank IPC deposits. Worcester County National Bank, the dominant local bank, controls 45.7 percent of such commercial bank IPC deposits.

FNB Winchendon operates its only office in the town of Winchendon (1970 population 6,635) in the extreme northern section of Worcester County, only a few miles from the New Hampshire State line. Winchendon has some lumber products manufacturing, although there is still agricultural activity as well.

The only office Guaranty has in the northern part of Worcester County was acquired by merger in May 1972. This office is located in Athol, about 16 miles southwest of Winchendon, and is Guaranty's nearest office to FNB Winchendon. Most of FNB Winchendon's business is drawn from Winchendon and its immediate environs, but even if the relevant local banking market, for purposes of analyzing the proposed consolidation, is defined as extending to a radius of about 16 miles from Winchendon, thereby including Athol, FNB Winchendon would have the fifth largest share of local IPC deposits held by seven commercial banks, with 6.2 percent of the total, while Guaranty would have the smallest such share, with 3.0 percent of the total. The consolidated bank, ranking fourth in this local banking market, would be overshadowed locally by the county's largest bank (with 35.0 percent of the market), First Safety Fund National Bank, Fitchburg (with 23.8 percent of the market), and First National Bank of Athol (with 17.6 percent of the market).

The proposed consolidation would elimate only a small amount of existing competition, if any, between Guaranty and FNB Winchendon and should have the effect of stimulating competition locally with banks holding a much larger share of the relevant banking market.

Massachusetts law restricts branching and merging to the limits of the main office county, although multibank holding companies are permitted to operate on a statewide basis. Either of the participating banks could, therefore, enter the area served by the other through *de novo* branching. FNB Winchendon has neither the financial nor the managerial resources to expand in this manner and has never attempted to branch *de novo* since it was organized in 1864. Guaranty, on the other hand, has the managerial and financial resources, as well as the will, to branch *de novo* throughout Worcester County, but it is unlikely to find Winchendon and its environs attractive for this purpose because of its limited population and economic activity. Thus, the proposed transaction would not eliminate any significant potential for increased competition between the two banks in the future through *de novo* branching. There would remain, moreover, numerous banks headquartered in Worcester County that might, through holding company affiliations in the future, be considered equally capable of *de novo* entry into the Winchendon area if the future growth of that area should warrant such facilities.

Statewide, the consolidated bank would hold only 1.7 percent of total commercial bank IPC deposits.

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

Financial and Managerial Resources; Future Prospects. Guaranty has, and the resulting bank would also have, satisfactory financial and managerial resources and satisfactory prospects for the future. FNB Winchendon has satisfactory financial resources, but it has aging management and has not competed aggressively, possibly due to a substantial stock interest held by the Winchendon Savings Bank and two board members in common. The proposed consolidation would resolve this management succession problem, substantially reduce the stock interest of the Winchendon Savings Bank and eliminate the interlocks. It would appear that FNB Winchendon's future prospects would be more favorable as part of the resulting bank than operating independently.

Convenience and Needs of the Community to be Served. The proposed consolidation would bring to customers of FNB Winchendon a larger commercial bank offering many services not now offered by FNB Winchendon. These services include real estate mortgage loans, 90-day notice accounts, term deposits, a full range of trust services, and well organized, highly developed commercial loan skills. In addition, the resulting bank would offer a much larger lending limit ($2 million, as compared with $40,000) and would pay a higher rate of interest on passbook savings deposits.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Seneca Bank and Trust Company Butler, Pennsylvania	211,826	23	26
to acquire a portion of the assets and assume a portion of the deposit liabilities of			
Pittsburgh National Bank Pittsburgh	13,764*	3*	

Summary report by Attorney General, December 13, 1972

The three branches of Pittsburgh National Bank being acquired by First Seneca are located in Aliquippa (population 22,277), Ambridge (population 11,324), and Rochester (population 4,819), all in Beaver County. These branches had, as of September 30, 1972, assets of $13.8 million, total deposits of $13.4 million (including IPC demand deposits of $2.5 million), and loans of $5.8 million, of which nearly 64 per cent were installment loans and approximately 20 per cent were C&I loans. The instant transaction is part of a plan of Pittsburgh National Bank to move its home office to Westmoreland County, presumably in order to qualify under Pennsylvania law for additional branching rights.

First Seneca Bank and Trust Co. does not operate offices in Beaver County, nor, according to the application, does it derive any significant deposit or loan business from the county. It does not appear that the transfer of the three branches in question from Pittsburgh National Bank to First Seneca Bank and

*Resources and branch offices to be acquired by First Seneca.

Trust Co. will eliminate any significant existing competition. Moreover, while First Seneca Bank and Trust Co. now has the ability to open *de novo* branches in Beaver County, its purchase of the three branches, which together hold only about 3 per cent of Beaver County deposits, would appear to constitute a foothold entry into the county, and thus not eliminate significant potential competition.

The overall effect of the instant transaction on competition would not be adverse.

Basis for Corporation approval, January 10, 1973

First Seneca Bank and Trust Company, Butler, Pennsylvania ("First Seneca"), an insured State nonmember bank with total resources of $211,826,000 and total deposits of $183,236,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of, and assume liability to pay deposits made in, three offices of Pittsburgh National Bank, Pittsburgh, Pennsylvania, located in the towns of Aliquippa, Ambridge, and Rochester, Beaver County, Pennsylvania ("the Pittsburgh National offices"), with assets of $13,764,000 and total deposits of $13,390,000.*

Competition. First Seneca presently operates 23 offices in six counties in western Pennsylvania: seven in Lawrence County, six each in Mercer and Clarion Counties, two in Venango County, and one each in Butler and Beaver Counties. Within these six counties,First Seneca holds approximately 14.6 percent of all commercial bank deposits, ranking second to Mellon National Bank and Trust Company, Pittsburgh, Pennsylvania, which holds 15.8 percent. First Seneca has no offices in three counties presently open to it under Pennsylvania law (Allegheny, Westmoreland, and Armstrong), but it ranks fifth largest among commercial banks in its legal nine-county branching and merging area — substantially outdistanced in size and number of branch offices by the four major Pittsburgh banks.

Pittsburgh National Bank, Pittsburgh, Pennsylvania, currently headquartered in Allegheny County, operates 88 offices throughout the Pittsburgh SMSA, including the three Pittsburgh National offices sought to be acquired by First Seneca. Pittsburgh National proposes to move its main office from Allegheny to Westmoreland County so as to gain the legal right to branch into Cambria, Somerset, Indiana, and Fayette Counties. Under State law, this move requires the divestiture of its present Beaver County offices, since Westmoreland and Beaver Counties are not contiguous and a commercial bank in Pennsylvania may branch only within its main office county and counties contiguous thereto.

Twelve banks operate 39 offices in Beaver County, but the banking market is effectively concentrated in the four largest Pittsburgh banks: Mellon National Bank and Trust Company, total resources $4.7 billion; Pittsburgh National Bank, a $1.9 billion institution; Western Pennsylvania National Bank, a $1.2 billion institution; and The Union National Bank of Pittsburgh, an $837 million institution. Among them, these four banks hold 63.7 percent of Beaver County deposits, with Mellon National Bank and Trust Company dominating

*Data as of June 30, 1972, adjusted for subsequent merger of First Seneca with Lawrence Savings and Trust Company, New Castle, Pennsylvania.

with 32.9 percent. Pittsburgh National Bank has achieved the least market penetration of the four Pittsburgh banks, holding only 4.6 percent of total Beaver County deposits, and ranking seventh in this regard among the 12 banks with offices in Beaver County. The existing Beaver County office of First Seneca is located in Franklin Township on the northern boundary of the county and is approximately 10 miles away from the closest Pittsburgh National office (located in Rochester). This existing First Seneca office, with only 0.1 percent of Beaver County's total commercial bank deposits, is not a significant competitive factor in Beaver County and its market share indicates that little, if any, existing competition between First Seneca and Pittsburgh National Bank would be eliminated by the proposed transaction.

The net effect of the proposed transaction would be to transfer the Beaver County market share of the second largest bank in Western Pennsylvania to the fifth largest. The resulting bank will hold 15.7 percent of the deposits in its current six-county service area, but will still rank a distant fifth in Western Pennsylvania generally, with the fourth largest bank approximately four times its size. The transaction would, however, enable First Seneca to establish a strong foothold in Beaver County, substantially increase its competitive posture there by providing Beaver County residents and businessmen a realistic banking alternative to the dominant Pittsburgh banks, and last and perhaps most importantly, further encourage First Seneca's entry into the populous and highly concentrated Pittsburgh SMSA banking market.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable for both participants involved in this proposal, and they are so projected for the resulting bank.

Convenience and Needs of the Community to be Served. The principal area affected by the proposed acquistion would be Beaver County. However, as the transaction would simply involve the replacement of one bank by another, both offering virtually identical services, in existing offices, there would be no significant change in the convenience and needs of the Beaver County communities now being served by Pittsburgh National Bank.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Clarendon Bank & Trust Arlington County, Virginia	166,395	9	13
to merge with			
Woodlawn National Bank Fairfax County	12,986	4	

Summary report by Attorney General, November 2, 1972

Commercial banking in the Northern Virginia area is highly concentrated; of the 22 banking organizations in the area the four largest hold approximately 71.7 percent of total deposits. Financial General is currently the leading banking organization in the Northern Virginia area; as of June 30, 1970, it held, through its subsidiaries, Arlington Trust Company, Alexandria National Bank and Clarendon, total deposits of $270.2 million or 24.13 per cent of the total deposits held by all commercial banks. As of the same date, Woodlawn held approximately .67 per cent of total deposits.

The offices of Woodlawn are located at distances of 10 miles or less from various banking offices of the respective subsidiaries of Financial General; in one instance, an office of Alexandria National Bank is located midway, at a distance of 3-4 miles, between Woodlawn's main and branch offices on Richmond Highway. Woodlawn and Financial General's Northern Virginia subsidiaries are direct competitors.

Because of the elimination of existing and potentially increasing competition between Financial General subsidiaries and Woodlawn, and the leading position of the former in this area, the proposed merger would have an adverse effect on competition.

Basis for Corporation approval, January 10, 1973

Clarendon Bank & Trust, Arlington County, Virginia ("Clarendon"), a State nonmember insured bank with total resources of $166,395,000 and total IPC deposits of $131,413,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval of its merger with Woodlawn National Bank, Fairfax County, Virginia ("Woodlawn"), which has total resources of $12,986,000 and total IPC deposits of $11,070,000, under the charter and title of Clarendon. Permission is also requested to designate the present office of Woodlawn at 6911 Richmond Highway in Fairfax County as the main office of the resulting bank and to establish the existing and approved but unopened offices of both banks as branches, after which the resulting bank would have a total of 15 offices.

Competition. Clarendon and Woodlawn, although headquartered in different counties, both operate in the Virginia portion of the Washington, D.C., SMSA. Clarendon is headquartered in Arlington County, just across the Potomac River to the west of the District of Columbia, and its 9 offices are all located there. Woodlawn, which was organized in 1964, is headquartered in Fairfax County approximately 8 miles south of Clarendon's main office, and has all of its offices in that county. These two counties, plus the independent cities of Fairfax, Falls Church, and Alexandria, constitute an area that is hereinafter referred to as "Northern Virginia." Since there is very substantial commutation each day between parts of Northern Virginia and the District of Columbia, the Corporation has utilized the District of Columbia plus Northern Virginia as the relevant geographic market area for purposes of analyzing the antitrust implications of the proposed merger.

Clarendon at present is 55 percent owned by Financial General Bankshares, Inc. ("Financial General"), a registered multibank holding company headquartered in the District of Columbia. In addition to its controlling interest in Clarendon, Financial General also owns controlling interests in four other banks in Northern Virginia and the District of Columbia: the $186 million Arlington Trust Company (80 percent owned), the $95 million Alexandria National Bank (63 percent owned), the $178 million First National Bank of Washington (89 percent owned), and the $249 million Union Trust Company of the District of Columbia (67 percent owned). Since these five Financial General banks today control 16.7 percent of the total deposits held at all commercial bank offices in the District of Columbia and Northern Virginia, the current application raises a serious question of public policy as to the extent to which Financial General should be permitted to expand further in this section of the Washington, D.C., SMSA by merger rather than *de novo* efforts.

In contrast to a slight loss of population in the District of Columbia during the 1960s, Arlington County's population increased 6.7 percent, to 174,284 persons, in 1970, while Fairfax County's population increased by a dramatic 65.5 percent, to 455,021 persons, in 1970. The independent city of Fairfax grew in population by 61.7 percent, Alexandria increased in population by almost 22 percent, and Falls Church remained relatively stable during the same period. Thus, with limited space and relatively mature land development in the District of Columbia and those portions of Northern Virginia closest to the District, Fairfax County offers the most likely area of future growth in the Northern Virginia area. Between 1970 and 1972, Fairfax County outgained all other Washington, D.C., suburbs in retail sales and recorded the highest effective per capita purchasing income. The county also has about 15 times the land area of Arlington County, with substantial acreage, particularly in the northern and western sections of the county, available for development. Clarendon's incentive to expand into this fast-growing section of the SMSA is obvious, particularly since Arlington County itself is likely to have only the limited growth in the future permitted by new transportation facilities and the conversion of older residential areas into commercial sections. Under Virginia law, which permits statewide mergers and holding companies but restricts *de novo* branching to the headquarters county of a bank and any independent cities immediately adjacent, Clarendon can obtain the right to branch throughout Fairfax County only by merger with a bank that has been in existence 5 years.

Clarendon alone holds about 3.2 percent of all commercial bank deposits in the District of Columbia and Northern Virginia, and this figure would probably overstate, because of the location of its offices, the business it derives from Fairfax County. Woodlawn in the same large area holds only 0.3 percent of total commercial bank deposits, but its banking business originates largely in southern Fairfax County, where all of its existing offices are located. Thus, although the nearest offices of the two banks are 5.8 miles apart in a densely populated area (with numerous competing offices between them), the amount of existing competition likely to be eliminated between Clarendon and Woodlawn within the relevant local banking market may be viewed as insignificant. The same conclusion may be reached as to any existing competition between Woodlawn and other Financial General banks in the market, even though two offices of Alexandria National Bank are actually closer to Woodlawn offices than any office of Clarendon. The deposits held in these various offices are clearly an insignificant fraction of the total commercial bank deposits in the market. While some existing competition, therefore, between Woodlawn and banks affiliated with Financial General is likely to be eliminated by the proposed merger, the amount of this competition appears minimal.

Within Fairfax County, where Woodlawn has its four existing offices and one authorized but unopened office, the proposed merger is likely to have procompetitive results. As of June 30, 1972, 20 commercial banks had a total of 85 offices in the county.* At that time, two Financial General subsidiaries, the Alexandria National Bank and Arlington Trust Company, each had three offices in Fairfax County and these six offices together held only 1.8 percent of the IPC deposits held at all 85 commercial bank offices in Fairfax County. In addition to Financial General, seven other multibank holding companies were represented by one or more banks in Fairfax County, with an additional 50 offices holding 62.7 percent of the county's total commercial bank IPC deposits.** These holding companies included United Virginia Bankshares, Inc., with 20.0 percent of such deposits, First Virginia Bankshares Corp., with 17.5 percent of such deposits, Dominion Bankshares Corp., with 8.7 percent of such deposits, and Virginia Commonwealth Bankshares, Inc., with 5.0 percent of such deposits. Ten banks not formally affiliated with multibank holding companies held the remaining 35.5 percent of such deposits in 29 offices. These included only two banks of significant size: The Northern Virginia Bank with 15.9 percent of such deposits held at 5 offices, and Fairfax County National Bank (a majority of whose shares are controlled by American Security and Trust Company, Washington, D.C.), with 8.6 percent of such deposits held at nine offices. Woodlawn's share of these deposits was 2.8 percent. Woodlawn's merger into Clarendon should enable the resulting bank, and Financial General as an organization, to compete more effectively for deposit, loan, and trust business as well as for future *de novo* branching sites with the six banking organizations having a greater share of Fairfax County's commercial banking business.

The one troubling aspect of the proposed merger relates to Financial General's present control of commercial bank business in Northern Virginia and the District of Columbia as a whole. As previously stated, the five banks it presently controls in Northern Virginia and the District hold 16.7 percent of all commercial bank deposits in the combined area—a figure that would be increased to 17.0 percent by consummation of Clarendon's proposed merger with Woodlawn. Within this overall market area, Financial General's holdings are exceeded only by the 20.8 percent share held by The Riggs National Bank (which has no affiliate at all in Northern Virginia). Despite the present policy of Financial General to permit the greatest possible competitive rivalry between its affiliated banks, to permit them the widest possible operating autonomy and to minimize public recognition of their common affiliation, the fact remains that Financial General's control position permits it to change those policies at any time and to have its affiliated banks act collectively as one competitive unit rather than several. Under these circumstances, it is clear that any proposed acquisition of bank assets by Financial General or any of its affiliates in the District of Columbia or Northern Virginia should be reviewed with the greatest of supervisory care and should in most cases, if substantial

*These figures have been adjusted for the subsequent merger of Bank of Virginia-Fairfax and Bank of Virginia-Potomac, which was consummated on December 29, 1972.

**These figures have been adjusted to include the approved acquisition of Citizens National Bank of Herndon by Fidelity American Bankshares, Inc.

bank assets are involved or if less anticompetitive alternatives are readily available and clearly preferable either for Financial General or the bank being acquired, be denied.

In this particular case, the increment to Financial General's holdings in the Northern Virginia-District of Columbia market is relatively small and insubstantial, and the impact in Fairfax County is likely to be procompetitive. Clarendon or Financial General could initiate the organization of a *de novo* bank in Fairfax County, but Clarendon's merger with such a bank, under Virginia law, would have to be postponed 5 years. Only three unaffiliated banks headquartered in Fairfax County have a percentage share of the county's commercial bank IPC deposits smaller than Woodlawn's, and there appears little reason why any of them should be preferred to Woodlawn, in terms of competitive impact, as a vehicle for Clarendon's entry. Clarendon itself cannot branch directly into Fairfax County *de novo,* while Alexandria National Bank (absent a change in main office) cannot branch *de novo* more than 5 miles from the city limits of Alexandria. Arlington Trust Company, whose main office is now in Fairfax County, can branch *de novo* throughout the county, but has only 1.4 percent of the county's total commercial bank IPC deposits. For Woodlawn, there appear to be only two Virginia-based multibank holding companies not presently operating in Fairfax County or other parts of Northern Virginia that might be considered appropriate alternatives to acquisition by a Financial General affiliate, given the low percentage of Fairfax County deposits held by Financial General. There are, however, an adequate number of independent banks headquartered in Fairfax County among the 20 that have offices there that would provide each of these unrepresented holding companies with a suitable vehicle for entry if, at some future date, they desired to move into this growing part of the Northern Virginia-District of Columbia banking market.

In the State of Virginia as a whole, the various Financial General affiliates hold only 5.3 percent of all commercial bank deposits in the State, a percentage share that would be increased 0.1 percent by the proposed merger. Six banking organizations have a larger share of statewide commercial bank resources than Financial General.

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

Financial and Managerial Resources; Future Prospects. Clarendon has adequate financial and managerial resources, as would the resulting bank. The economic development of Fairfax County is expected to continue and the future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. This proposed transaction would provide no obvious benefits to the present customers of Clarendon, but customers of Woodlawn would have access to a wider range of commercial banking services. Services that would be offered by the resulting bank but that are not now available to Woodlawn customers include: personal, corporate, and agency trust services; 5 percent special savings accounts; 5-3/4 percent time deposits for accounts under $100,000; credit card services; personal revolving credit program; a much larger lending limit; specialized commercial loan and customer services; and increased operational capabilities from improved data processing procedures.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Southern Bank and Trust Company Greenville, South Carolina	124,513	25	26
to merge with **Merchants & Planters Bank** Winnsboro	7,367	1	

Summary report by Attorney General, January 8, 1973

The branches of Southern nearest to Merchants are located in the communities of Rock Hill and York, both of which are approximately 50 miles north of Winnsboro. There does not appear to be any significant direct competition between the two banks which would be eliminated as a result of the proposed merger.

Three relatively small independent banks (with aggregate deposits of about $14.2 million) presently serve Fairfield County. Merchants is the second largest bank (though by only a very narrow margin), and holds approximately 42.5 per cent of total deposits.

Though South Carolina law permits statewide branching and Southern has the resources and capacity to enter the area *de novo,* the below average growth of Fairfield County does not appear to make such expansion attractive at this time. In addition, since Southern is the state's sixth largest bank, there are larger potential entrants also capable of entering the area *de novo.* We conclude, therefore, that the proposed merger would not have an adverse effect on potential competition.

Basis for Corporation approval, January 22, 1973

Southern Bank and Trust Company, Greenville, South Carolina ("Southern"), a State nonmember insured bank with total resources of $124,513,000 and total deposits of $106,569,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval of its merger with Merchants & Planters Bank, Winnsboro, South Carolina ("Merchants"), which has total resources of $7,367,000 and total deposits of $6,049,000, under the charter and title of Southern. As an incident to the proposed transaction, the one office of Merchants would become a branch of the resulting bank, increasing the number of its offices to 26.

Competition. Southern, the sixth largest bank in South Carolina, is a regional system operating 25 offices in seven of the State's 46 counties, all located in the northwestern section of the State. The only office of Merchants is in Fairfield County, which is located in the central portion of the State.

The geographic area in which the effects of the proposed merger will be most direct and immediate can be approximated by Fairfield County, which constitutes the principal trade area of Merchants. Winnsboro, the county seat, is located approximately 28 miles north of Columbia, the State capital, and 100 miles south of Greenville, where Southern is headquartered. The population of Fairfield County decreased 3.4 percent between 1960 and 1970, to 19,999. During this same period of time, the population of the city of Winnsboro declined 2.0 percent, from 3,479 to 3,411. Fairfield County is a relatively undeveloped and economically depressed area that is sparsely populated, with only 28.7 people per square mile, as compared to the State average of 85.7. In 1970 the county's total work force averaged 6,800, with an unemployment rate of 7.4 percent. Income levels have been consistently below the South Carolina average in recent years. The major industrial enterprise for Winnsboro and Fairfield County is a textile plant which employs 1,400. Agriculture is of secondary and declining importance, with livestock, dairies, and grains being the major income producers. Winnsboro serves as the county's retail center and only distribution point, but it has limited facilities that do not include any large shopping centers. Many of the residents commute to the Columbia metropolitan area for employment.

The only commercial banking offices in Fairfield County are three unit banks with total deposits of approximately $15,147,000. Merchants had 45.7 percent of this market as of June 30, 1972, Bank of Fairfield, Winnsboro, had 40.0 percent and Bank of Ridgeway, Ridgeway, had 14.3 percent. Ridgeway is located 12 miles southeast of Winnsboro, and Bank of Ridgeway derives only a limited amount of business from the Winnsboro area. The banking structure in Winnsboro reflects a rather balanced competitive situation, but Merchants' competitive edge has been declining in recent years. As of December 31, 1968, the total deposits held by the two banks in Winnsboro was $7,503,000, of which Merchants had 58.0 percent, but as of December 31, 1971, total deposits had increased to $11,141,000, of which Merchants had 52.0 percent.

The closest office of Southern to Winnsboro is approximately 53 miles away, and there are numerous offices of other commercial banks in the intervening area. The trade areas served by Southern and Merchants are separate and distinct, and there is no existing competition between them that would be eliminated by this proposed transaction.

State law provides for statewide *de novo* branching so that each of the participating banks could legally branch *de novo* into the trade area of the other. This does not seem likely, however. Merchants lacks the financial and managerial resources to embark upon a *de novo* branching program into the trade area served by Southern, while Southern, because of economic conditions in Fairfield County and the county's lack of growth, would be unlikely to branch *de novo* into Merchants' trade area. Thus, there appears to be no significant potential for increased competition between Southern and Merchants as a result of *de novo* branching that would be eliminated by this proposed transaction.

Consummation of the proposed merger would have no perceptible effect on the commercial bank structure of the State. Southern would remain the sixth largest commercial bank in the State (based on June 30, 1972, figures), and its share of the State's total commercial bank deposits would be increased from

3.7 percent to 3.9 percent. The four largest commercial banks in South Carolina, with individual shares ranging from 8.5 percent to 21.2 percent, would continue to hold 53.0 percent of the State's total commercial bank deposits.

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has adequate financial resources, as would the resulting bank. Southern has satisfactory managerial resources, as would the resulting bank and future prospects for the resulting bank are favorable. Significant improvements in Merchants' internal controls and management depth could be expected.

Convenience and Needs of the Community to be Served. Initially the proposed merger is not expected to provide significant benefits in the trade area served by Merchants since few, if any policy changes are anticipated. The major additional services to be offered by the resulting bank—a higher lending limit and trust services—are not in significant demand. Eventually, the resulting bank can be expected to implement modern banking techniques, institute more progressive lending practices, and pay the maximum interest rates allowed by law on time deposits. Residents and businessmen in Fairfield County should benefit from these changes and also from the more aggressive competitive stance likely to be taken locally by the resulting bank.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Community Savings Bank of Rochester Rochester, New York	553,077	10	12
to merge with **Jefferson Savings Bank** Watertown	136,738	2	

Summary report by Attorney General, January 23, 1973

Under the present New York State Banking Law, neither of the merging institutions may branch outside of the banking district in which its home office is located. Thus, neither of the parties may branch into the service area of the other. This branching restriction, however, will no longer be effective after January 1, 1976, when statewide branching will be permitted. Community Savings and Jefferson Savings are the largest savings institutions in their respective service areas, and hold very substantial shares of savings deposits therein. While after 1976, Community Savings and Jefferson Savings would be potential entrants into one another's markets, the existence of numerous larger potential entrants makes the loss of potential competition attending this merger less significant.

Basis for Corporation approval, January 31, 1973

The Community Savings Bank of Rochester, Rochester, New York ("Community"), an insured mutual savings bank with total resources of $553,077,000 and total deposits of $497,136,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Jefferson Savings Bank, Watertown, New York ("Jefferson"), also an insured mutual savings bank with total resources of $136,738,000 and total deposits of $125,220,000. As an incident to the proposed merger, the two offices of Jefferson would become branches of Community, increasing the number of its offices to 12. The Corporation, upon the request of the Superintendent of Banks of the State of New York, has heretofore advised the Attorney General and the other banking agencies of the existence of an emergency requiring expeditious action pursuant to paragraph 6 of Section 18(c) of the Federal Deposit Insurance Act. All reports requested of these agencies have been received and the publication required by the Bank Merger Act has been completed.

Background Information. Community operates a total of 10 offices, all located in Monroe County (1970 population 711,917) in New York's Eighth Banking District. Its main office is in Rochester (1970 population 296,233), the county's seat and largest city. As of December 31, 1971, Community was the second largest mutual thrift institution in the Eighth Banking District, with 20.4 percent of the total deposits held by all such institutions in that district.

Jefferson operates its main office and only branch in Watertown (1970 population 30,787), the county seat and largest city in Jefferson County (1970 population 88,508), which is located in New York's Fifth Banking District. As of December 31, 1971, Jefferson was the largest mutual thrift institution in the Fifth Banking District, with 36.9 percent of the total deposits held by all such institutions in that district.

Ordinarily, it would not be possible for Community and Jefferson to consummate the proposed merger under New York law since they are not both headquartered in the same banking district or in the same or an adjoining county. The State Banking Board, however, on October 4, 1972, acting under a provision of law that empowers it to "make variations from the requirements of [the New York Banking law], provided such variations are in harmony with the spirit of the law, if the board shall find that such variations are necessary because of the existence of unusual and extraordinary circumstances," authorized the State Superintendent of Banks to approve a merger such as the one proposed after making the required findings, based upon a review of Jefferson's financial condition and managerial resources. While the Comptroller of the Currency has questioned, in his competitive factors report, the legality of the variation granted by the State Banking Board, the New York State Banking Department has submitted on this point a memorandum of law supporting its action. The Corporation's Board of Directors, in turn, has been advised by its General Counsel that there has been no judicial interpretation of the provision of law under which the State Banking Board acted and that:

"It is an accepted principle of administrative law that a statutory interpretation by the agency responsible for the administration of such statute is to be upheld if it is not an irrational or unreasonable interpretation. *In the Matter of Betty Howard v. George K. Wyman, Commissioner,* 28 N.Y. 2d 434,438 (1971). Accordingly, while the propriety of the exercise by the Banking Board of its authority under § 14.1(q) in the given instance is not free from doubt, a court deciding a challenge to the Banking Board's actions could be expected to accord great, and perhaps conclusive, weight to the opinion of the [State's] Deputy Superintendent and Counsel, which I find to be neither irrational nor unreasonable. I believe that the Board of Directors of the Corporation may thus itself properly rely on the interpretation given to the New York Banking Law by the New York State Banking Department."

Competition. Accordingly, turning to the competitive aspects of the proposed merger, the Corporation finds that the closest offices of the merging banks are about 125 miles apart and numerous other cities and towns lie between these two locations, including the city of Syracuse. The areas presently served by the two banks do not overlap, and neither bank draws any substantial business from areas served by the other. It is apparent, therefore, that no significant competition exists between Community and Jefferson today that would be eliminated by the proposed merger.

New York law, on and after January 1, 1976, will permit statewide merging and *de novo* branching for both mutual thrift institutions and commercial banks. Subsequent to that date, but not before, Community and Jefferson could technically be considered potential competitors since each could then branch *de novo* into geographic areas presently served by the other. Such expansion on Jefferson's part is not at all likely, given its present financial condition and managerial resources. While Community is one of the larger upstate savings banks and might be considered a likely *de novo* entrant, at least in time, into the Watertown market, approximately 30 other mutual savings banks larger than Community and Jefferson combined (based on year-end 1971 figures) would also have the legal capacity to enter the Watertown area *de novo* after January 1, 1976. Moreover, New York law limits each mutual thrift institution to the approval of one *de novo* branch per year, and Community would undoubtedly find many other banking markets in the State more attractive for *de novo* branching than the Watertown area. The proposed merger, accordingly, would eliminate no significant potential for increased competition between Jefferson and Community through *de novo* branching in the foreseeable future.

Finally, the proposed merger would not result in any undue concentration of banking resources in New York State as a whole. The resulting bank would have less than 1 percent of all mutual thrift institution deposits in New York State, and an even smaller percentage share of statewide savings if retail savings accounts at commercial banks were included in the base.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of Jefferson are inadequate, and its future viability as an independent institution is in doubt. Community is an aggressively and ably managed mutual savings bank with adequate financial and managerial resources to absorb Jefferson and has favorable future prospects. The banking factors present in this application present significant weight in favor of the proposed merger.

Convenience and Needs of the Community. Consummation of the proposed merger would maintain existing thrift institution services available to the Watertown public, intensify competition locally among mutual thrift institutions in the Fifth Banking District, and provide Jefferson customers with the advantages of a stronger, better managed institution noted for its record of service to its present customers in the Rochester area.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted. Under Section 18(c) of the Federal Deposit Insurance Act, the proposed merger may be consummated on the fifth calendar day after the date of this approval.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Vermont Bank and Trust Company Brattleboro, Vermont	107,783	11	12
to merge with **The Peoples National Bank of Barre** Barre	27,468	1	

Summary report by Attorney General, December 13, 1972

The closest office of First Vermont to Peoples is located 65 miles southwest of Barre in Rutland. In view of this substantial distance between the two banks, it appears that no direct competition would be eliminated by the proposed merger.

Under Vermont law, First Vermont could be permitted to enter the Barre-Montpelier area by establishing *de novo* branches. It is the largest Vermont bank not already operating in this area, and has the resources to establish *de novo* branches in attractive new markets. While the population of Barre itself has remained static in recent years, that of Washington County generally has continued a modest growth rate. The Barre-Montpelier area, and the populous section of the state surrounding the City of Burlington, appear to be among the most attractive areas for expansion by First Vermont, which has traditionally been oriented toward the southern and central portions of Vermont.

Six banks operate offices in the Barre-Montpelier area served by Peoples. Three of these banks, including Peoples, are headquartered in the area, and rank first through third in terms of local deposits. Peoples' share, the third largest, is about 17 per cent. The other three banks are headquartered in Burlington, and, while holding shares of local deposits ranging from 8 per cent to 17 per cent, are all substantially larger in overall size than the locally headquartered banks.

The proposed merger would eliminate some potential competition in Barre-Montpelier. This anticompetitive effect is lessened by the generally balanced competitive structure of banking in the area and the fact that Peoples is not a dominant banking force.

Basis for Corporation approval, January 31, 1973

First Vermont Bank and Trust Company, Brattleboro, Vermont ("First Vermont"), a State nonmember insured bank with total resources of $107,783,000 and total IPC deposits of $90,975,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Peoples National Bank of Barre, Barre, Vermont ("Peoples"), with total resources of $27,468,000 and total IPC deposits of $23,402,000. The banks would merge under the charter and title of First Vermont and, as an incident to the merger, the sole office of Peoples would become a branch of the resulting bank, increasing the number of its authorized offices to 13.

Competition. First Vermont operates 11 offices in southern Vermont, three of which are in Windham County (population 33,074, up 11.1 percent since 1960), its headquarters county. Three branches are in Bennington County (population 29,282, up 16.7 percent since 1960), four are in Rutland County (population 52,637, up 12.7 percent since 1960), and one is in Windsor County (population 44,082, up 3.8 percent since 1960). First Vermont also has supervisory approval for one additional branch in West Brattleboro in Windham County. The bank operates no offices in Washington County (the location of Peoples' only office) or in any county contiguous thereto. First Vermont is the third largest commercial bank in Vermont, with 9.3 percent of the State's total commercial bank deposits.

Peoples operates its only office in Barre, Washington County (population 47,659, up 11.2 percent since 1960). In the local Barre-Montpelier market, Peoples faces competition from six other commercial banks including all three Burlington-based commercial banks, which are, respectively, the largest, second largest, and fifth largest commercial banks in the State. In terms of this local market, Peoples holds the third largest share (17.1 percent) of commercial bank IPC deposits, with two other local independent banks holding the two larger shares of such deposits. Peoples is the 10th largest commercial bank in Vermont, with 2.3 percent of the total deposits held by all commercial banks in the State.

The State of Vermont (1970 population 444,330, up 14.0 percent since 1960) is largely rural, but significant changes are occurring. Manufacturing activity is on the rise, and tourism and recreation are significant in the State's economy. The economy of Washington County includes granite quarrying and agriculture, while Montpelier is the State's capital.

The closest office of First Vermont to Peoples' only office is in Rutland, some 64 miles southwest, and these offices are separated by rugged terrain. Further, there are offices of other commerical banks intervening. It is apparent that the proposed merger would eliminate no significant existing competition between First Vermont and Peoples.

The effect of the proposed merger in the Barre-Montpelier market should be procompetitive in that it will permit Vermont's third largest commercial bank, whose influence has heretofore been confined to the southern half of the State, to engage effectively for the first time in direct competition in a local market in northern Vermont with the State's three large Burlington-based commercial banks.

Vermont law allows statewide merging and *de novo* branching. Peoples has no experience in *de novo* branching and has never applied for permission to establish a branch office in its 70 years of existence. The likelihood of *de novo* branching on its part into areas of the State served by First Vermont is considered remote. First Vermont, on the other hand, has the resources and experience to establish new offices successfully, but the existing commercial banking structure in Washington County serves to discourage *de novo* entry by banks that are as far removed geographically from the local banking market as First Vermont is. There are already 10 offices of seven commerical banks in the Barre-Montpelier area, or one for approximately every 4,000 persons, including five offices of the State's largest, second largest, and fifth largest commercial banks, all of which are based in Burlington. Average income levels in this local market are below the statewide averages, and the Vermont averages themselves are approximately 10 percent below the comparable national averages. In view of the limited population growth in this local banking market, the below-average income levels that prevail, and the number of existing bank facilities available to local residents and businessmen, the proposed merger appears unlikely to result in any significant loss of potential competition between First Vermont and Peoples as a result of *de novo* branching.

First Vermont is the largest commercial bank in southern Vermont, with 24.3 percent of the total deposits held by all commercial banks in the State's four southernmost counties. Until now, its activities have been confined to this four-county area, but the proposed merger would have no competitive effect in this area. It should, however, as previously noted, bring First Vermont into direct competition for the first time with the three large Burlington-based banks that have all concentrated their past competitive efforts in northern and central Vermont. While the proposed merger would increase First Vermont's share of the State's total commercial bank deposits from 9.3 percent to 11.7 percent, its consummation should also encourage an apparent trend toward more vigorous competition between commercial banks in northern Vermont and those in southern Vermont, each operating on a more broadly-based statewide basis.

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

Financial and Managerial Resources; Future Prospects. Both Vermont and Peoples have satisfactory financial and managerial resources and satisfactory prospects for the future, as would the resulting bank.

Convenience and Needs of the Community to be Served. The proposed merger would not affect commerical banking services offered in any of the areas where First Vermont presently operates. Individuals and businesses in the Barre-Montpelier area, however, would be benefited to the extent that the merger would add another alternative for certain commercial banking services now available from the three Burlington-based banks with local offices, including increased lending limits, expanded trust services, and computer services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
State Bank and Trust Council Bluffs, Iowa	39,423	5	6
to acquire the assets and assume the liabilities of			
Modale Savings Bank Modale	2,532	1	

Summary report by Attorney General, November 10, 1972

The closest offices of the banks involved in this transaction are 23 miles apart, and the head offices are 32 miles apart. The two banks have only one depositor in common, and do not appear to serve the same area. In view of the distance between the banks and the presence of intervening banking alternatives, the proposed merger will not eliminate any significant direct competition.

Under Iowa law, State Bank could enter Harrison County *de novo* by establishing a banking office with limited facilities, although Iowa does not permit branching, or State Bank's parent, Hawkeye, could establish a subsidiary. However, available business in the service area of the acquired bank does not presently appear sufficient to support a *de novo* subsidiary of Hawkeye. Moreover, deposits in Modale Bank are presently a very small proportion of county business. Therefore, it is unlikely that this acquisition would have an adverse effect on potential competition.

Basis for Corporation approval, February 14, 1973

State Bank and Trust, Council Bluffs, Iowa ("State Bank"), a State nonmember insured bank with total resources of $39,423,000 and total IPC deposits of $26,917,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of, and assume liability to pay deposits made in, Modale Savings Bank, Modale, Iowa ("Modale Bank"), a State nonmember insured bank with total resources of $2,532,000 and total IPC deposits of $1,925,000. The single office of Modale Bank would become an office of the resulting bank, increasing the number of its offices to six.

Competition. State Bank operates five offices in two of the seven counties in which it may legally open offices under Iowa law. Four of these offices, including the bank's main office in Council Bluffs, are in Pottawattamie County. One office is operated in Mills County, to the southeast. Modale Bank's single office is operated in the agricultural town of Modale (population 297) in Harrison County, which is to the north of Pottawattamie County.

Hawkeye Bancorporation, Inc., Des Moines, Iowa ("Hawkeye"), a registered bank holding company, controls State Bank. Hawkeye is the third largest multibank holding company operating in the State, with 3.3 percent of Iowa's total commercial bank deposits.

The competitive impact of the proposal would occur almost exclusively in Harrison County, within a radius of 10 to 12 miles of Modale. Harrison County

(1970 population 16,240, down 7.7 percent from 1960) has an agrarian economy with median family income of $7,076, 15.8 percent below the State average of $8,407. Nine unit banks with total deposits of $46,380,000 operate in Harrison County, which has an average of 1,800 persons per banking office. Modale Bank is next to last in size in the county, holding 4.9 percent of the county's total commercial bank deposits, with the largest bank holding 23.7 percent. It ranks last among five banks operating in its primary service area, with 8.1 percent of service area commercial bank deposits, compared to the largest bank's market share of 39.0 percent.

The closest offices of the two banks are 24 miles apart with other banks in the intervening area. Even prior to the purchase of all the stock of Modale Bank by State Bank's president, there was apparently no actual existing competition between the two banks.

Increased competition between the two banks in the future through additional *de novo* offices appears remote. State law prohibits the establishment of offices in municipalities where a bank or office already exists. Modale Bank's limited financial resources and lack of *de novo* branching experience makes any *de novo* expans on on its part unlikely, while Harrison County's sparse population, declining economy, low income levels, and high ratio of existing offices to the population served would make State Bank's *de novo* entry into any part of the county unattractive and unlikely.

State Bank is the third largest commercial bank operating in the Council Bluffs service area (24.5 percent of total deposits), the third largest commercial bank in Pottawattamie County (19.4 percent of total deposits), and the third largest commercial bank in the seven-county area within which it may open offices under State law (8.2 percent of total deposits.) Since the two banks presently compete in separate markets, the only percentage share that would be affected by the proposed transaction would be in the seven-county area open to State Bank offices where the resulting bank would hold 8.7 percent of total deposits. State Bank would continue to rank third in area deposits in each of these areas, far behind each area's lead bank (which in addition is affiliated with a large multibank holding company in the State).

Thus, there is no existing competition and no reasonable probability of increased competition between the two banks through *de novo* branching that would be eliminated by the proposed acquisition. Local competition in Harrison County should be enhanced by the entry of a vigorous, growing bank. The number of banking alternatives in that county would remain unchanged, and the proposal would have no material effect on the commercial banking structure in either Harrison or Pottawattamie Counties, in the seven-county area open to State Bank for offices, or statewide through the multibank holding company form.

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

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources, as would the resulting bank. Future prospects for State Bank are good, but Modale Bank's future as an independent institution would most likely be static due to its location in an area of economic decline and loss in population.

Convenience and Needs of the Community to be Served. Customers of Modale Bank would benefit from the higher interest rate on savings deposits paid by State Bank, the availability of appreciably higher lending limits and trust services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
United Penn Bank Wilkes-Barre, Pennsylvania	303,945	15	18
to acquire the assets and assume the liabilities of			
The Berwick Bank Berwick	20,313	3	

Summary report by Attorney General, December 8, 1972

The closest offices of the merging banks are approximately 12 miles apart with several banking offices intervening. There appears to be little direct competition between the banks, although their service areas are adjoining. Thus, it appears that no more than a limited amount of direct competition will be eliminated by the merger.

Berwick Bank's primary service area includes the town of Berwick and the immediate surrounding area. In this area there are three banks; Berwick Bank is slightly larger than the smallest bank, which has $14.6 million in deposits and is substantially smaller than the largest bank, which has $24.7 million in deposits.

Under Pennsylvania law each of the banks may be permitted to branch *de novo* into the areas served by the other. While Berwick Bank's size indicates that it is not a significant potential entrant into the areas served by United, the latter is clearly one of the banks most capable of entering into new markets in the general area. However, in view of the static nature of the community of Berwick, the likelihood of *de novo* branching therein would appear to be limited.

We note that United has grown through several mergers in the 1960's, including the acquisition of a bank in Bloomsburg, Columbia County, in 1964. The instant transaction would increase its share of Columbia County deposits from about 8 per cent to about 19 per cent. United is among the largest banks in neighboring Luzerne County, with about 20 per cent of its deposits; however, its offices are located generally in the northern section of the county, away from Berwick.

Basis for Corporation approval, February 14, 1973

United Penn Bank, Wilkes-Barre, Pennsylvania ("United Penn"), a State nonmember insured bank with total resources of $303,945,000 and total IPC deposits of $253,502,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of, and assume liability to pay deposits of, The Berwick Bank, Berwick, Pennsylvania, with total resources of $20,313,000 and total IPC deposits of $17,193,000. The three offices of The Berwick Bank would become branches of the resulting bank, increasing the number of its offices to 18.

Competition. United Penn is now operating 15 banking offices. The main office and 10 branches are located in Wilkes-Barre and the Wyoming Valley area of Luzerne County, including one branch opened in Kingston as a convenience for customers residing there after a flood during Hurricane Agnes destroyed one of the two bridges connecting Wilkes-Barre and Kingston. One branch office is also located in Bloomsburg, Columbia County, one in Tunkhannock, the county seat of Wyoming County, and two offices, recently acquired by merger, also in Wyoming County. The Berwick Bank, in addition to its main office, operates two branches within the corporate limits of Berwick, which is on the north side of the Susquehanna River near the Luzerne County border.

The proposed acquisition would have competitive impact only in Columbia and Luzerne Counties since The Berwick Bank serves a localized area along the Susquehanna River between Shickshinny, 11 miles to the northeast of Berwick, and Bloomsburg, about 13 miles to the southwest.

The population of Luzerne County, which comprises the Wilkes-Barre-Hazleton SMSA, declined 1.3 percent in the decade preceding 1970, from 346,972 to 342,301. During the same period of time the population of the city of Wilkes-Barre declined 7.4 percent, from 63,551 to 58,856. Formerly dependent upon anthracite mining and its transport, the area now has diversified industrial activity of consequence. Income levels in Luzerne County are below statewide and national averages, although slightly higher than in Columbia County. United Penn's Bloomsburg Office is located in a mixed service area, there being substantial industries in the town of Bloomsburg, surrounded by a prosperous farming area. The population of the town of Bloomsburg increased 9.4 percent between 1960 and 1970, from 10,655 to 11,652.

Between 1960 and 1970, the population of Columbia County increased from 53,489 to 55,114, or 3.0 percent, while during the same period, the population of the borough of Berwick declined from 13,353 to 12,274, an 8.1 percent decrease. The localized area from which The Berwick Bank derives most of its bus ness is a mix of agriculture, industry, and residences. Average income levels in Columbia County are 15 percent below the Pennsylvania average.

The local banking market that would be most affected by this proposed transaction may be approximated by the central portion of Columbia County and the boroughs of Shickshinny and Mocanaqua located in the west-central portion of Luzerne County. This market area extends east and west from Berwick roughly 12 miles. Bounded by hilly terrain on the north and the Susquehanna River and hilly terrain to the south, the flow of traffic is along the river from Shickshinny to Bloomsburg. At present there are nine commercial banks operating 17 offices in this local banking market. The Bloomsburg office of United Penn holds 8.7 percent of the total commercial bank IPC deposits in these 17 offices, while The Berwick Bank ranks third with 12.1 percent. The largest share, held by a bank located in Bloomsburg, approximates 22.6 percent of such deposits. The Berwick Bank is the second largest of three commercial banks operating in the borough of Berwick.

The nearest offices of the two banks are about 12 miles apart, with six offices of five other commercial banks intervening. While both banks operate in the relevant banking market today, so that some existing competition is likely to be eliminated by the proposed transaction and concentration levels within the market would rise, it is the Corporation's view that neither factor would produce a substantial lessening of competition. The separation of the nearest offices of the two banks, with competitive offices intervening, limits the actual volume of direct competition to be eliminated, while a relatively sparse population with below-average income levels would continue to be served by a substantial number of competing banks, including one with a larger share of the commercial bank IPC deposits in the market.

While Pennsylvania law would legally entitle either bank to branch *de novo* into areas presently served by the other, this does not appear to be a likely development under the circumstances presented. The Berwick Bank has relatively limited resources, both financial and managerial, with which to enter the Wilkes-Barre-Hazleton SMSA, where it would encounter competition from much larger banks, even if it found the local economy and growth prospects of the SMSA to be inviting. United Penn clearly has the capacity and resources to open a *de novo* branch in the Berwick area, but it is unlikely to do so in view of the static economy there, the population presently being served by the five banking offices in Berwick (about 2,500 persons for each office), and the below-average income levels that prevail. The Corporation concludes that the proposed transaction would eliminate no significant potential for increased competition in the future between United Penn and The Berwick Bank as a result of *de novo* branching.

Within the eight-county area where United Penn may legally establish branches—its greatest potential market—74 commercial banks operate 217 offices. A Scranton-based bank held the largest share of this market, with 13.2 percent of the area's total commercial bank IPC deposits. The second largest share, 10.3 percent, was held by United Penn, and its share after consummation of the proposed purchase and assumption would be 11.0 percent.

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

Financial and Managerial Resources; Future Prospects. The resulting bank would have adequate financial and managerial resources. The future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. This proposed transaction would have virtually no effect in the trade areas now served by United Penn. Customers of The Berwick Bank would benefit from a full range of specialized lending services, a considerably larger lending limit, trust services, and the availability of larger denomination certificates of deposit issued at maximum rates of interest allowed by current regulations.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Metropolitan Bank Metairie, Louisiana	26,975	3	3
to merge with **Metropolitan Investment Trust** Metairie	228	-	

Summary report by Attorney General, October 10, 1972

Metropolitan Investment Trust, a non-financial institution, was organized and is controlled by share holders of First Metropolitan Bank, for the purpose of owning and holding certain property currently occupied and used as one of the bank's branch offices. As a result of this merger the Investment Trust would be extinguished and First Metropolitan Bank would acquire the Trust's capitalization and succeed to ownership of the premises housing the bank's Airline Highway branch. As such the proposed merger would have no effect on competition.

Basis for Corporation approval, March 1, 1973

First Metropolitan Bank, Metairie, Louisiana ("Bank"), an insured State nonmember bank having total resources of $26,974,500 and IPC deposits of $18,149,100, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with the Metropolitan Investment Trust, Metairie, Louisiana ("Trust"), a noninsured, nonbanking institution having total resources of $227,500, under the charter and title of Bank. No additional banking offices are involved in this merger, and the resulting bank would continue to operate Bank's present three offices.

Trust's principal assets consist of a building occupied by Bank's Airline Park Branch and the bank telephone equipment. The proposed merger would result in the transfer of ownership to Bank of its Airline Park Branch building and the bank telephone equipment, subject to all of Trust's debt. Trust would go out of existence as a corporate entity.

Competition. Inasmuch as the proposed merger is essentially a technical reordering of the affairs of two entities controlled by the same interests, there can be no effect on existing or potential competition, or on the structure of banking in any area. Further, Trust is a nonbanking corporation, and this merger would not change in any way the competitive stance of Bank or of any other bank.

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

Financial and Managerial Resources; Future Prospects. Each of these factors has been resolved favorably to Bank and the resulting bank, and by extension to Trust inasmuch as its existence is dependent upon Bank.

Convenience and Needs of the Community to be Served. The proposed merger will have no effect on the convenience and needs of any community. The resulting bank will offer the same services from the same locations and with the same personnel.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Richmond Hill Savings Bank New York (Queens), New York	345,094	4	5
to merge with **Savings and Loan Association of Richmond Hill** New York (Queens)	28,807	1	

Summary report by Attorney General, January 24, 1973

The Savings and Loan Association of Richmond Hill is located only a few blocks from the Liberty Avenue Office of RH Bank, and only about one mile from the latter's main office. It is apparent that the merging parties are direct competitors for savings deposits and mortgage loans. Accordingly, the proposed merger would eliminate existing competition.

The merging institutions hold approximately 4 per cent and 0.4 per cent of total deposits in thrift institutions in Queens County. These percentages understate the competitive effects of the proposed merger since its primary effect will be in the narrower vicinity of Richmond Hill. The application does not contain sufficient data to estimate precise market shares in a geographic area more limited than Queens County as a whole. However, the resulting bank will still face substantial competition from other savings banks located within a mile or two of Richmond Hill.

Basis for Corporation approval, March 19, 1973

Richmond Hill Savings Bank, New York (Queens), New York ("Savings Bank") (total resources $345,094,000; total deposits $319,289,000), an insured mutual savings bank, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval of its merger with Savings and Loan Association of Richmond Hill, New York (Queens), New York ("S&L")(total resources $28,807,000; total deposits $26,324,000), under the charter and title of Savings Bank. As an incident to the merger, the sole office of S&L would be established as a branch of the resulting bank, increasing to six the total number of its approved offices.

Competition. Savings Bank is headquartered in Richmond Hill, a residential section in the east-central section of Queens County (1970 population 1,986,473, up 9.8 percent from 1960), New York City. It operates three branches, two of which are in Queens County at locations respectively 1 mile south and 8 miles northeast of the main office, and one of which is located in Baldwin, a residential community in Nassau County some 12 miles southeast of the main office. A fourth branch, also in Nassau County, has been approved by the supervisory authorities and will be opened in Floral Park, some 9 miles east of the main office.

S&L has its sole office in the Richmond Hill section of Queens County, 1 mile south and less than 1 mile east, respectively, of Savings Bank's main office and nearest branch.

Savings Bank held approximately 4.4 percent of the total deposits held at all mutual savings bank and savings and loan association offices in Queens County as of June 30, 1972. S&L at December 31, 1971, held approximately 0.4 percent of the total deposits held at all mutual savings bank and savings and loan association offices in Queens County. The resulting institution would rank sixth in deposit size among all mutual thrift institutions headquartered in Queens County and 41st among the 93 such institutions headquartered in New York City, with less than 1.0 percent of the deposits of all such institutions.

Because of S&L's location in close proximity to two of Savings Bank's offices, some existing competition between the two institutions would be eliminated by the proposed merger. The anticompetitive aspects of the transaction (which are confined to Richmond Hill) are mitigated by the very small size of S&L and the significant competition that the resulting bank would continue to face from mutual thrift institutions located elsewhere in the greater New York City area. A total of eight offices of competing thrift institutions, including an office of the $1.9 billion-deposit Emigrant Bank, are convenient alternatives for residents of the densely populated Richmond Hill area who seek thrift services locally, while the presence of numerous offices of thrift institutions in the Borough of Manhattan, to which many residents of the Richmond Hill area commute for employment by subway, bus, and automobile, also serves to broaden the public's choice of thrift institution alternatives.

Any loss of potential competition between the two institutions through *de novo* branching must be considered inconsequential. S&L has not branched at all in almost 50 years of existence, while Richmond Hill is completely open, under New York law, to more than 40 mutual thrift institutions larger in size than the resulting bank.

Similarly, the proposed merger would have no perceptible effect on the structure of thrift institution competition within the greater New York City area.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of both institutions are adequate, as would be those of the resulting bank. Future prospects of the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. The general public is likely to derive few benefits from the proposed merger. Customers of S&L, however, would benefit from larger lending resources, a higher interest (dividend) return on regular passbook savings (5 percent per annum compared to 4—1/2 percent), the institution of day-of-deposit-to-day-of-withdrawal deposit accounts, and the availability of student loans, property improvement loans, and savings bank life insurance at the S&L location.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Valley Bank Lansford, Pennsylvania	314,344	20	23
to merge with **First National Bank in Bangor** Bangor	30,023	3	

Summary report by Attorney General, January 8, 1973

The nearest of First Valley's offices to those of Bangor Bank are located in Bethlehem in Northampton County about 17 road miles southeast of Bangor Bank's Martins Creek branch and about 27 miles from Bangor. Several offices of competing banks, primarily in and around the City of Easton, intervene. The merging banks draw very limited banking business from each other's service area, and it appears that no significant existing competition would be eliminated by the proposed merger.

Pennsylvania law permits commercial banks to establish *de novo* branches in the county in which they are headquartered and all counties contiguous thereto. Because of this limitation, First Valley and two other large banks headquartered in Allentown appear to be the most capable potential entrants into new markets in Northampton County. First Valley, already a leading bank in the Bethlehem area of Northampton County, presently has an application pending for a new branch in Easton, which will enhance its ability to penetrate the northern part of the county where Bangor Bank is located. Therefore, although the population and economy of northern Northampton County would not appear to support extensive *de novo* branching in the near future, the proposed merger would eliminate some potential competition.

Basis for Corporation approval, March 19, 1973

First Valley Bank, Lansford, Pennsylvania ("Valley Bank"), a State nonmember insured bank with total resources of $314,344,000 and total IPC deposits of $265,355,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with First National Bank in Bangor, Bangor, Pennsylvania ("FNB Bangor"), with total resources of $30,023,000 and total IPC deposits of $26,058,000.* The banks would merge under the charter and title of Valley Bank, and the three offices of FNB Bangor would become branches of the resulting bank, increasing the number of its authorized offices to 24.

Competition. Valley Bank now operates a total of 20 offices; 11 are in Northampton County, four are in Luzerne County, two are in Carbon County, and three are in Lehigh County. Eleven of these branches were established *de novo,* while the others have been acquired over the years by merger. One more *de novo* branch, also in Northampton County, has been approved but is not yet open. Valley Bank is presently serving four separate trade areas: the Allentown-Bethlehem area, the Lansford-Nesquehoning area, the Kingston area, and the Hazleton-Freeland area. The Allentown-Bethlehem area contains 14 offices of Valley Bank that are concentrated in eastern Lehigh County and western Northampton County, principally in and around these two cities. The economy of eastern Lehigh County and western Northampton County is diversified but is centered in Bethlehem Steel Company and related plants. Future prospects are favorable.

FNB Bangor operates three offices in the northeastern section of Northampton County. In addition to the main office and one branch in Bangor, a third office is operated in Martins Creek, 5 miles south of Bangor and approximately 8 miles north of Easton. Bangor is one of several small towns clustered in this remote part of Northampton County and has no significant ties with the Allentown-Bethlehem area. Most of the towns declined in population during the 1960s. The population of Bangor, for example, was 5,425 in 1970, a decrease of 5.9 percent from 1960. The slate industry, once the area's major activity, has become dormant, and garment manufacturing is gaining in importance. Further economic development is dependent upon the future of the textile industry.

The Blue Mountain range forms a natural barrier to the north of Bangor and, with a poor road system, keeps the flow of traffic into adjacent Monroe County to a minimum. The flow of traffic is south to Easton, the county seat of Northampton County, where employment and shopping needs can be satisfied. The household median income for 1971 for the city of Easton was $7,336, as compared to the State average of $8,613. Income levels in and around the Bangor area are probably similar to those in Easton rather than to the higher levels that prevail in Bethlehem. The Valley Bank office closest to the Martins Creek office of FNB Bangor is about 16 miles to the southwest in Butztown outside Bethlehem. The two offices, and the two banks, because of distance, relatively poor highway systems, and other intervening alternate banking facilities, serve separate banking markets. Their proposed merger, accordingly, would eliminate no existing direct competition between them.

The competitive impact of this proposed merger would be felt principally in the northeastern part of Northampton County bounded by Easton, Pennsylvania, and Phillipsburg, New Jersey, to the south, Stroudsburg and Portland

*Figures as of June 30, 1972, but adjusted to reflect Valley Bank's acquisition in October 1972 of Citizens Bank of Freeland, Freeland, Pennsylvania.

to the north, Interstate Highway 81 to the west, and the Delaware River to the east. Within this area, 13 commercial banks operated a total of 27 offices as of June 30, 1972. FNB Bangor is the third largest of these banks in terms of area IPC deposits, holding 9.1 percent of the total, but it is far outdistanced by Easton National Bank and Trust Company, with 32.8 percent of all such deposits. The latter is also one of FNB Bangor's most immediate competitors, with a branch office in nearby Wind Gap. The proposed merger would not affect the concentration of banking resources in this local banking market, but should serve to stimulate competition locally, particularly with this Easton-based bank.

Legally, Valley Bank could branch *de novo* anywhere in Northampton County, but *de novo* expansion in the northeastern section of the county (except possibly in the city of Easton itself) does not seem likely in view of the relatively stagnant economy, declining population, and the number of banking offices presently located in the market. Moreover, if *de novo* branching into Easton should become desirable, only a limited number of approvals appear likely, and there are two sizeable banks in Allentown as well as Valley Bank that must also be considered potential *de novo* entrants. Similarly, while FNB Bangor could branch *de novo* into the Allentown-Bethlehem area, this does not seem probable in view of the number of banking offices there at the present time, the intensity of competition to be expected from much larger banks, and its relatively limited managerial and financial resources. Accordingly, while both institutions have successful *de novo* branching experience, there appears to be no significant potential for increased competition between Valley Bank and FNB Bangor as a result of *de novo* branching that would be eliminated by their proposed merger.

Since relocation of its main office to Carbon County, the largest potential trade area for Valley Bank consists of the six counties where it may legally establish branches: Carbon, Northampton, Lehigh, Monroe, Schuylkill, and Luzerne. Within this area, as of June 30, 1972, there were 70 commercial banks operating a total of 250 offices with total deposits of $3,188 million. The First National Bank of Allentown held the largest share of this market, with 10.7 percent of total deposits. The second largest share, 8.8 percent, was held by Valley Bank, and its share after consummation of the proposed transaction would be 9.6 percent. The proposed transaction would not have a significant impact on the concentration of banking resources in this larger area. It would remain relatively unconcentrated in comparision with other sections of Pennsylvania.

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

Financial and Managerial Resources; Future Prospects. The resulting bank would have adequate financial and managerial resources. The future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. This proposed transaction would have virtually no effect in the trade areas now served by Valley Bank. In the trade area of FNB Bangor the proposed merger would provide residents and businessmen with a full range of commercial bank services, including trust services, computer services, a significantly higher lending limit, and a broader range of loans, including a credit card plan. To the extent such services are now offered by Easton National Bank and Trust Company, the public should benefit from having another competitor conveniently available also offering these services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Northern Central Bank and Trust Company Williamsport, Pennsylvania	101,799	6	8
to merge with			
First Citizens National Bank Montgomery	8,178	2	

Summary report by Attorney General, January 8, 1973

The head offices of Northern Central Bank and Trust Company and First Citizens National Bank are located about 10 miles apart. While there are offices of competing banks in the intervening towns of Muncy and South Williamsport, the relative size and broad service area of Northern Central Bank and Trust Company indicate that the proposed merger will eliminate some direct competition.

Northern Central Bank and Trust Company is the leading bank in Lycoming County (an area which may overstate the relevant banking market affected), holding about 26 per cent of total county deposits. First Citizens National Bank holds about 3 per cent of such deposits. The three leading banks in the county hold about 64 per cent of such deposits.

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

Basis for Corporation approval, March 19, 1973

Northern Central Bank and Trust Company, Williamsport, Pennsylvania ("Central"), a State nonmember insured bank with total resources of $101,799,000 and total IPC deposits of $84,088,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with First Citizens National Bank, Montgomery, Pennsylvania ("First Citizens"), with total resources of $8,178,000 and total IPC deposits of $6,970,000.* The banks would merge

*Figures as of June 30, 1972, but adjusted to reflect Central's acquisition in July 1972, of The Athens National Bank, Athens, Pennsylvania.

under the charter and title of Central, and the two offices of First Citizens would become branches of the resulting bank, increasing the number of its offices to eight.

Competition. Central operates a total of six offices. The main office and two branches are located in Williamsport (population 37,918) in Lycoming County and two branches are located in or near Milton, about 25 miles southeast of Williamsport, in Northumberland County. Central's remaining office was acquired by merger in July 1972 and is located in Athens, Bradford County, about 80 miles northeast of the next nearest Central office. Williamsport is by far the largest population center for the immediately surrounding agricultural area. Central is the largest bank headquartered in, or operating in, Lycoming County, but three other commercial banks in Lycoming County also have total IPC deposits of more than $50 million.

First Citizens operates its main office and one branch in Montgomery, a small community of approximately 1,900 people, which is located about equidistant from Williamsport and Milton. The community is not served by a major highway, and its trade area is separated by mountainous terrain and the circuitous West Branch of the Susquehanna River from the rest of Lycoming County. Dairying and general farming are the principal occupational pursuits in and around Montgomery, although there is some industry, including a textile plant employing 1,200 and a leather goods firm. The population of Montgomery declined 11.5 percent during the decade ending in 1970, and this trend has continued since 1970, primarily because of the devastation caused by tropical storm Agnes in June 1972. Income levels in the area are about 10 percent below the statewide averages.

Central's major competitors in Williamsport include Fidelity National Bank of Pennsylvania and Williamsport National Bank, both headquartered in Williamsport, with total IPC deposits of $78 million* and $57 million, respectively, and Commonwealth Bank and Trust Company, Muncy, with total IPC deposits of $66 million. First Citizens is not a competitor in this local Williamsport banking market.

The competitive impact of this proposed merger would be most immediate and direct in an area around Montgomery bounded by Montoursville, Muncy, Turbotville, and Watsontown. Most residents of the area served by First Citizens would use these areas for shopping, rather than Williamsport or Milton, in view of the road system and terrain over which they travel. Within this area, seven commercial banks operate eight offices holding total IPC deposits of $76 million. First Citizens is the sixth largest of the seven commercial banks in terms of area deposits, with 9.2 percent of the area's total commercial bank IPC deposits.

Although only 11 miles separate the nearest offices of the merging banks, Central's offices in both Williamsport and Milton may be said to be in separate banking markets from Montgomery insofar as customer convenience is concerned. Neither bank in fact appears to draw any significant business from

*Fidelity National Bank's deposits are adjusted to reflect its merger on January 8, 1973, with First National Bank of Lock Haven, Lock Haven, Pennsylvania, which had total IPC deposits of $24 million.

areas served by the other, and what little business Central does derive from Montgomery and environs apparently stems from customers with larger or more sophisticated credit requirements than First Citizens or other small banks in the local banking market can handle.

Lycoming County is the headquarters county of both banks. Accordingly, under Pennsylvania law, both Central and First Citizens can legally branch *de novo* within Lycoming and nine contiguous counties. The likelihood of this happening however, appears remote. First Citizens lacks the necessary capital and management depth to engage in further expansion by *de novo* branching. Central has the capacity and resources to open a *de novo* branch in Montgomery area, but the Montgomery area is not economically attractive for *de novo* facilities. Population has been declining, income levels are below average, and the population for each commercial bank office is already low. The potential for increased competition between Central and First Citizens through *de novo* branching thus appears remote.

Within the 10-county area where Central may legally branch *de novo* or by merger (its greatest potential market since Pennsylvania law presently does not permit the operation of multibank holding companies), there were as of June 30, 1972, 132 offices of 59 commercial banks with total IPC deposits of $1,048 million. Central held approximately 7.2 percent of such deposits and 4.5 percent of the total number of commercial bank offices.* Consummation of this proposed transaction would increase Central's share of total commercial bank IPC deposits in the 10-county area by 0.7 percent. In view of the relatively unconcentrated nature of this 10-county area and the presence in it of other competitors of significant size, it does not appear that the proposed merger would have any significant adverse effect on the concentration of banking resources or the commercial bank structure in this relevant area.

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

Financial and Managerial Resources; Future Prospects. The resulting bank would have adequate financial and managerial resources. The future prospects for the resulting bank would be satisfactory.

Convenience and Needs of the Community to be Served. The proposed transaction would have virtually no effect in trade areas presently served by Central. Customers of First Citizens, however, would benefit from the availability of FHA and VA mortgage services, more sophisticated business loan services, a substantially larger lending limit, a greater pool of lendable funds, credit card services, and trust services. To the extent any of these services are presently being offered by competing institutions in the local banking market around Montgomery, the public should benefit from increased competition and greater public choice.

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

*Both figures have been adjusted to reflect Central's acquisition, in July 1972, of The Athens National Bank, Athens, Pennsylvania.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Bethesda Bethesda, Maryland	57,850	8	8
to merge with			
Bethesda Trust Company Bethesda	120	–	

Summary report by Attorney General, December 26, 1972

The Bethesda Trust Company is a newly organized corporation, essentially wholly owned by the Bank of Bethesda. The apparent purpose of its organization and merger into Bank of Bethesda is the acquisition of trust powers by the latter. Acquisition of trust powers by the Bank of Bethesda in this manner would have no adverse competitive effects.

Basis for Corporation approval, April 13, 1973

Bank of Bethesda, Bethesda, Maryland ("Applicant"), an insured State nonmember bank with total deposits of $49.8 million, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for prior written consent to merge with Bethesda Trust Company, Bethesda, Maryland ("Trust Company") a corporation newly organized under the banking laws of Maryland, with cash capital funds of $120,000. The institutions would merge under the charter and title of Applicant. Applicant has also applied for consent to exercise full trust powers.

Applicant's sole purpose in seeking the merger is to acquire trust powers. This purpose can be accomplished under Maryland banking laws and regulations only by merger with a trust company. The 15th largest commercial bank in the State, Applicant is one of only four among the 15 largest banks that do not have trust powers. In the service area of Applicant, fiduciary business is aggressively sought by a number of banks, and acquisition of trust powers by Applicant through the proposed merger should beneficially enhance competition for trust services within this market. Trust Company, recently formed solely as a vehicle by which Applicant may acquire trust powers, is not in operation and has no loans, deposits, or trust accounts. Accordingly, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

The factors of financial and managerial resources and future prospects are favorable for Applicant and for the resulting bank. Applicant's eight offices serve substantial sections of Montgomery County, and introduction by the proposal of an additional alternative source of trust services would enhance banking convenience in these areas.

On the basis of this and other information available to the Corporation, the Board of Directors has concluded that approval of the subject applications is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Community State Bank and Trust Company Linden, New Jersey	113,205	10	12
to merge with			
The First National Bank Piscataway	27,436	2	

Summary report by Attorney General, March 8, 1973

The closest office of Community State to First National is approximately 12 miles distant, with numerous banks in the intervening area. There is a limited overlap in the deposits and loans of Community State and First National originating from the other's service area. It would appear that the proposed merger would eliminate only limited existing competition.

Community State and First National are both located within the same banking district, and thus under New Jersey law each could establish branches in closer proximity to one another. Community State has the resources to expand; however, in view of First National's small size relative to other banking institutions in its market area and the existence of numerous other larger potential entrants, we conclude that the proposed merger would have no significant adverse competitive effects.

Basis for Corporation approval, April 13, 1973

Community State Bank and Trust Company, Linden, New Jersey ("Community"), a State nonmember insured bank with total resources of $113,205,000 and total IPC deposits of $80,933,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge with The First National Bank, Piscataway, Piscataway Township, New Jersey ("FNB Piscataway"), which has total resources of $27,436,000 and total IPC deposits of $10,706,000, under the charter and title of Community. Permission is also requested to establish the two offices of FNB Piscataway as branches of the resulting bank, increasing the number of its authorized offices to 14.

Competition. Neither Community nor FNB Piscataway is presently affiliated with a multibank holding company. Community operates a total of 10 offices in New Jersey's Second Banking District and has the necessary approvals to establish two additional *de novo* branches. The main office and five branches are in Union County and the other four existing offices are in Monmouth County. One approved but unopened branch is to be located in Middlesex County and the other is to be located in Monmouth County.

Community is presently serving two separate and distinct trade areas. The main office and five branches within a 3-mile radius are in Union County, which together with Essex and Morris Counties compose the Newark SMSA. Between 1960 and 1970 the population of the Newark SMSA increased from 1,689,420 to 1,856,556, or 9.9 percent. During this same period of time, the population of Union County increased 7.7 percent, from 504,255 to 543,116.

The primary trade area of Community in Union County consists of the contiguous communities of Linden (1970 population 41,409, up 3.7 percent from 1960), Rahway (1970 population 29,114, up 5.1 percent from 1960), and Roselle (1970 population 22,585, up 7.4 percent from 1960). The economic outlook for this portion of Union County is favorable.

One of the approved but unopened branches and the other operating offices of Community are located within a 5-mile radius of Middletown Township, Monmouth County, some 35 miles southeast of the main office. The population of Monmouth County increased 37.4 percent between 1960 and 1970 to 459,379. Middletown Township, the primary trade area of Community in Monmouth County, grew at about the same rate between 1960 and 1970 and now stands at 54,623. While Monmouth County is experiencing some industrial and commercial expansion, it is primarily a residential area with people commuting as far as New York City and Philadelphia.

The two offices of FNB Piscataway are approximately 1½ miles apart in Piscataway Township, Middlesex County. The primary service area of FNB Piscataway consists of Piscataway Township (1970 population 36,418, up 83.1 percent over 1960) and the surrounding communities of Edison Township and the Boroughs of Metuchen, Middlesex, Dunellen, South Plainfield, and Highland Park. The population of this primary service area, which increased 41.7 percent overall in the decade between 1960 and 1970, grew at a faster rate than Middlesex County as a whole. The economy of the county, as well as of FNB Piscataway's primary service area, includes both industrial and commercial expansion and various types of residential construction. As of June 30, 1972, FNB Piscataway held 7.8 percent of total commercial bank IPC deposits in its primary service area and ranked seventh in this regard. Within a 10-12 mile radius of Piscataway, there were 20 commercial bank competitors on the same date, but FNB Piscataway was the smallest of these and held less than 2.0 percent of the total commercial bank deposits held at offices within that local banking market.

The two offices of FNB Piscataway are approximately 15 miles from the offices of Community in Union County and some 20 miles from the offices of Community in Monmouth County, with several offices of other commercial banks in the intervening areas. The two banks have no depositors or borrowers in common and derive little business from areas served by the other. The trade areas served by Community and FNB Piscataway are relatively separate and distinct, and there appears to be no significant amount of existing competition between them that would be eliminated by their proposed merger.

The approved but unopened branch of Community, which is to be located in Middlesex County, will be in Sayreville (1970 population 32,508, up 44.1 percent over 1960), approximately 10 miles from FNB Piscataway's offices. Offices of other commercial banks would be located between their respective trade areas. Accordingly, there is little likelihood of substantial competition between Community and FNB Piscataway even after Community establishes its proposed branch in Sayreville.

In addition, no significant potential competition would be eliminated by the proposed merger. FNB Piscataway in the past has not attempted to expand outside its own community, and it does not have the financial and managerial resources to do so on a large scale. Community can legally branch *de novo* into FNB Piscataway's trade area, but it cannot branch *de novo* directly into *Piscataway* Township because of the home office protection provisions of New Jersey law. Larger communities in the trade area, such as Edison or New Brunswick, are barred to Community for the same reason. Since there are attractive locations open to *de novo* branching by Community and since others no doubt will arise as home office protection is removed in the future, it is possible that the two banks might find themselves in increasing competition in the future through *de novo* branching. However, numerous banks larger than the resulting bank would be operating throughout the district, while affiliates of multibank holding companies would constitute another source of future competition for independent banks in the district, like Community. Finally, the merger proposed would have little effect on the structure of commercial banking in the Second Banking District. As of June 30, 1972, with adjustments for subsequent mergers, there were 55 commercial banking organizations operating in the Second Banking District with total IPC deposits of $4.3 billion. Community had 1.9 percent of such commercial bank IPC deposits, while FNB Piscataway had only 0.3 percent.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable with respect to Community and is so projected for the resulting bank. FNB Piscataway has a number of operating problems that the proposed merger would correct.

Convenience and Needs of the Community to be Served. The public in the Piscataway area should benefit from the availability of an additional convenient alternative for trust department services, larger size loans, expanded loan facilities, and other specialized services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Fidelity Mutual Savings Bank Spokane, Washington	331,886	14	15
to consolidate with			
Pioneer Mutual Savings Bank Seattle	10,926	1	

Summary report by Attorney General, January 30, 1973

Though Fidelity Bank's home office is in Spokane, 300 miles from Seattle, Fidelity Bank operates six branch offices in King County where Pioneer Bank's office is located. As a result, the merger will eliminate some existing competition between these two institutions. As of September 30, 1972, Fidelity Bank's six offices in King County held $69.1 million or approximately 3 per cent of the total deposits held by thrift institutions in King County. As of the same date, Pioneer Bank held $9.6 million or less than one-half of 1 per cent of this total. Twenty-five other thrift institutions operate in King County, the largest of which is the Washington Mutual Savings Bank which holds almost 40 per cent of the deposits held by thrift institutions in the county. In veiw of the small shares held by the merging institutions and the substantial number of competitors in the market, the proposed consolidation is not likely to have significant effects on existing competition.

Basis for Corporation approval, April 13, 1973

Fidelity Mutual Savings Bank, Spokane, Washington, ("Fidelity"), an insured mutual savings bank with total resources of $331,886,000 and total deposits of $308,815,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with Pioneer Mutual Savings Bank, Seattle, Washington ("Pioneer"), with total resources of $10,926,000 and total deposits of $9,748,000. The banks would consolidate under the charter and title of Fidelity and, as an incident to the consolidation, the sole office of Pioneer would become a branch of the resulting bank, increasing the number of its authorized offices to 16.

Competition. Fidelity operates 14 offices in various sections of Washington. Its main office and three branches are in Spokane County in eastern Washington, while six branches are in King County, and one branch is in Snohomish County, both counties being in the western part of the State and constituting the Seattle-Everett SMSA. Fidelity's three remaining branches are located in Grant, Franklin, and Benton Counties, all of which are located in the south-central section of the State. Fidelity also has the necessary supervisory approvals for an additional branch in Bellevue, King County. Fidelity has the third largest share of thrift institution deposits in the State of Washington (that is, 6.5 percent of such deposits), but it is significantly smaller than Washington Mutual Savings Bank, the State's largest thrift institution, which holds 22.6 percent of these deposits.

Pioneer operates its only office in the financial district of downtown Seattle and ranks 57th among the 63 thrift institutions in the State, with 0.2 percent of the deposits held by all of these institutions.*

While Fidelity has three, widely separated, trade areas in the State of Washington, the competitive impact of the proposed consolidation would be wholly confined to King County, where six of Fidelity's offices and Pioneer's only office are located. King County is Washington's most populous county, with 33.9 percent of the State's population. Its 1970 population of 1,156,633 (up 23.7 percent since 1960) represents 81.3 percent of the total population of the Seattle-Everett SMSA. Income levels in Seattle proper approximate the statewide average but in other parts of King County are substantially above the

*Base figures for percentages are as of June 30, 1972, for mutual savings banks and August 31, 1972, for savings and loan associations.

statewide average. The local economy has long been dependent upon the Boeing Company and, beginning in 1970, suffered severely from heavy cutbacks in the production schedules of that company and in related aerospace industries. In the last year and a half, however, the employment situation appears to have stabilized and the current economic outlook is moderately favorable.

Pioneer's only office is about six city blocks distant from Fidelity's nearest office. This would indicate that there is some existing competition between the two institutions, although Fidelity's offices serve more residential areas than Pioneer. There are offices of other thrift institutions in the intervening area, however. Further, each bank holds a very small share of the local thrift institution market (Fidelity holding 3.2 percent of the county's total thrift institution deposits and Pioneer holding only 0.4 percent). In light of these facts, it appears that the proposed consolidation would not eliminate any significant existing competition.

The potential for increased competition between the two institutions in the future is limited. Pioneer is a small, conservatively operated mutual savings bank in the downtown financial district of Seattle, serving a limited clientele and lacking the resources and the experience to engage in *de novo* branching. While Fidelity clearly has the capacity and experience to branch *de novo* into downtown Seattle, it has little incentive to do so in view of the numerous existing offices of competitive thrift institutions in downtown Seattle and the availability of more attractive branch sites elsewhere.

In the local King County market, Washington Mutual Savings Bank controls 39.8 percent of all the deposits held at mutual savings bank and savings and loan association offices in the county. By contrast, Fidelity and Pioneer together hold only 3.6 percent of these deposits. Thus, in the King County market the proposed transaction would have no significant effect on the structure of thrift institution banking. Further, after the consolidation, there would still be 27 thrift institutions operating 98 offices in King County, many of which would be in downtown Seattle.

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

Financial and Managerial Resources; Future Prospects. Fidelity and the resulting bank have satisfactory prospects for the future. Pioneer has satisfactory financial resources but an impending management succession problem. The proposed consolidation would resolve that problem.

Convenience and Needs of the Community to be Served. The proposed consolidation would have no effect on the convenience and needs of any of the areas served by Fidelity outside King County. In King County, the effect on convenience and needs would be limited in view of the large number of thrift institutions presently available to the public. Pioneer's customers would benefit in time from more liberal policies with respect to consumer loans and mortgage loans (including FHA and VA loans) and from the availability of larger size loans, a wider range of deposit accounts, and a variety of automated services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Kewaskum Kewaskum, Wisconsin	16,778	1	2
to consolidate with			
Allenton State Bank Allenton	3,197	1	

Summary report by Attorney General, March 5, 1973

The closest offices of the parties are approximately 16 miles apart with several competitive alternatives in the intervening area. It appears that the proposed transaction would eliminate only a limited amount of existing competition.

Valley Bancorporation could legally establish *de novo* offices in the area served by Allenton State Bank. However, in view of the relatively modest market position of the bank to be acquired, its small absolute size, and the existence of a considerable number of other significant potential entrants, we conclude that the proposed transaction will not eliminate substantial potential competition.

Basis for Corporation approval, April 13, 1973

Bank of Kewaskum, Kewaskum, Wisconsin, an insured State nonmember bank with total resources of $16,778,000 and IPC deposits of $12,800,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with Allenton State Bank, Allenton, Wisconsin, an insured State nonmember bank that has total resources of $3,197,000 and IPC deposits of $2,593,000. The banks would consolidate under the charter and title of Bank of Kewaskum and, subsequent to the consolidation, the resulting bank intends to apply for permission to establish a branch at the sole location of Allenton State Bank.

Competition. Bank of Kewaskum and Allenton State Bank are unit banks located in Washington County, which is part of the Milwaukee, Wisconsin, SMSA. The population of Washington County rose from 46,119, in 1960, to 63,839, in 1970, an increase of 38.4 percent. Washington County is still primarily rural, but with the expansion of the Milwaukee metropolitan area it is becoming more residential, commercial, and industrial. By far the largest center of population in Washington County is the city of West Bend, whose population increased 66.1 percent between 1960 and 1970 to 16,555. In 1971 the household median income for Washington County was $9,711, as compared to $8,566 for the State of Wisconsin.

Since 1971 Bank of Kewaskum has been affiliated with Valley Bancorporation, Appleton, Wisconsin, a registered bank holding company. As of December 31, 1971, Valley Bancorporation controlled 11 banks with total deposits of $158 million. This amount represented 1.5 percent of all commercial bank deposits in the State of Wisconsin on that date, and Valley Bancorporation was the seventh largest banking organization in the State. Its closest affiliate, other than Bank of Kewaskum, is at Oshkosh, some 46 road miles northwest of

Allenton and 55 road miles northwest of Kewaskum. The proposed acquisition of Allenton State Bank would obviously have no perceptible effect on the structure of banking in the State of Wisconsin.

The village of Kewaskum, which is located in the extreme northern part of Washington County near the Fond du lac County line, has a population of only 1,926, but Bank of Kewaskum serves a somewhat larger area estimated to contain 6,500 persons. The area contains many dairy farms, but it is also experiencing a substantial amount of growth for residential purposes. Five industries located in Kewaskum provide employment for about 1,200 persons.

The unincorporated village of Allenton is located in the west-central portion of the county only a short distance from the Dodge County line. The village of Allenton has an estimated population of 500, but the population of the trade area served by Allenton State Bank is estimated at 3,000. This trade area is primarily agricultural.

Bank of Kewaskum and Allenton State Bank are 8 air miles apart with no commercial banking offices in the intervening area, but they are 16 road miles apart. The most direct route between Allenton and Kewaskum is through the city of West Bend, where the two largest commercial banks in the relevant local banking market are located. The commuting patterns are from Kewaskum and Allenton to West Bend or to the Milwaukee metropolitan area rather than between Allenton and Kewaskum.

The greatest impact of this proposed transaction would be felt in the area within a 15-mile radius of Allenton. Within this area, the 20 offices operated by 17 commercial banks held total deposits of $193,628,000 as of June 30, 1972. Bank of Kewaskum had the fifth largest share of this market, with 7.2 percent of commercial bank deposits, while Allenton State Bank, with 1.3 percent, had the smallest share. The largest share, by far, was held by The First National Bank of West Bend, a $66 million deposit institution. The second largest share was held by West Bend Marine Bank, a $19 million deposit institution that is affiliated with Marine Corporation, a $700 million multibank holding company headquartered in Milwaukee. One of the banks in Hartford, about 12 miles southwest of Allenton, and the bank in Mayville, some 15 miles northwest of Allenton, would be about the same size as the resulting bank.

The areas served by Bank of Kewaskum and Allenton State Bank overlap to some extent, and each bank derives some business from the trade area of the other, but the amount is not substantial. A 100 percent survey revealed that Bank of Kewaskum derived less than 1 percent of its deposits and 1.6 percent of its loans from the trade area served by Allenton State Bank, while only 2.3 percent of the deposits and less than 1 percent of the loans held by Allenton State Bank were derived from the trade area served by Bank of Kewaskum. There was only one common customer. In view of these figures and the lack of significant commutation between Kewaskum and Allenton, it appears that no significant amount of existing competition would be eliminated by the proposed transaction.

There is, moreover, little likelihood of increased competition between Bank of Kewaskum and Allenton State Bank in the future as a result of *de novo* branching since that activity is limited by State law to "bankless communities."

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of both banks are satisfactory, and the future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. In the primary trade area of Bank of Kewaskum, the only effect of the proposed transaction would be a somewhat higher lending limit. After the resulting bank establishes a branch in Allenton, that area should benefit from improved banking services. Allenton State Bank is presently paying only 1 percent interest on savings accounts, while the resulting bank would pay 4½ percent compounded daily. The resulting bank would also pay higher rates on time deposits. In addition, the present lending limit of Allenton State Bank ($30,000) would be replaced by one of $196,000. While it does not appear that the resulting bank would provide any services not presently available at the commercial banks in nearby West Bend, the proposed transaction would make the services more conveniently available in Allenton and provide another alternative for such services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Granite State Savings Bank Somersworth, New Hampshire	47,762	4	5
to acquire the assets and assume the liabilities of			
Rochester Building and Loan Association Rochester	2,300	1	

Summary report by Attorney General, April 11, 1973

The closest offices of the parties to this transaction are about seven miles apart. According to the application, Granite State draws about $2.2 million in deposits and about $1.7 million in loans from the area served by Rochester Building and Loan, an amount equal to the total business done by the latter in its own service area. The proposed transaction will eliminate this existing competition.

Granite State is one of the largest savings institutions in Strafford County, holding about 20 per cent of the county's time and savings deposits. Rochester Building and Loan is among the smaller institutions, holding about 1 per cent of such deposits. The four largest competitors in the county hold about 78 per cent of such deposits; concentration would be increased if the proposed transaction is consummated.

The adverse effect on competition which would attend the instant transaction may be in part ameliorated by the small size and modest competitive capabilities of Rochester Building and Loan.

Basis for Corporation approval, April 30, 1973

Granite State Savings Bank, Somersworth, New Hampshire ("Granite Bank") (total resources $47,762,000; total deposits $42,880,000), an insured mutual savings bank, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of, and assume liability to pay deposits made in, Rochester Building and Loan Association, Rochester, New Hampshire ("B&L") (total resources $2,300,000; total deposits $2,056,000). The sole office of B&L would be operated as a branch of Granite Bank, increasing the number of its offices to five.

Competition. Granite Bank is headquartered in Strafford County (1970 population 70,431, up 17.8 percent since 1960) in southeastern New Hampshire adjacent to the Maine border and immediately to the north of the city of Portsmouth. Granite Bank's main office is in Somersworth (population 9,026) and it has three branches: one in Somersworth, one in Dover (population 20,850), and one in Rollinsford (population 2,273). Strafford County is dependent upon manufacturing, principally the production of rubber, plastics, and leather products. Its income levels are slightly above the State averages.

B&L has its sole office in Rochester (1970 population 17,938, up 12.6 percent since 1960), which is also in Strafford County. Rochester is 7.5 miles northwest of Granite Bank's main, and closest, office.

The competitive impact of the proposed transaction would be most immediate and direct within a distance of 10 to 12 miles of the city of Rochester, an area covering most of Strafford County. Seven thrift institutions, of which Granite Bank is the third largest and B&L is the smallest, compete in that area. Granite Bank holds about 22 percent of the total deposits of these seven institutions, while B&L holds about 1 percent of such deposits. Granite Bank has no office in Rochester, but it holds an estimated $2.2 million in deposits and $1.7 million in loans originating from Rochester and its immediate environs. While this would indicate some existing competition between B&L and Granite Bank that would be eliminated by the proposed transaction, the amount thereof appears to be very limited in comparison to the $63.6 million total of such deposits held in all thrift institution offices in Rochester. Moreover, the purchase and assumption proposed should serve to strengthen competition in both Rochester and Dover where B&L and Granite Bank, respectively, hold a very limited percentage of local deposits compared to other thrift institutions in each community. The Corporation concludes, in view of the small size of B&L, that no substantial lessening of existing competition would occur within the relevant local bank market.

There appears to be no potential for increased competition between the two institutions through *de novo* branching in the future. State law prevents Granite Bank from entering Rochester *de novo* and makes no provision for *de novo* branching by B&L, a State-chartered building and loan association.

Neither institution holds a significant portion of the total thrift institution deposits in New Hampshire as a whole.

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

Financial and Managerial Resources; Future Prospects. Financial resources of both institutions are adequate, as would be those of the resulting bank. Granite Bank, the continuing bank, has fully adequate managerial resources. Future prospects of the bank after consummation of the transaction would be favorable.

Convenience and Needs of the Community to be Served. The proposed transaction would have little effect on the public generally in the relevant local market, since Granite Bank presently has four offices at different locations within that market. Customers of B&L, however, would benefit from greatly increased lending resources, a higher interest (dividend) return on serial shares (5 percent per annum rather than the present 4-1/2 percent), mortgage loans insured or guaranteed by VA or FHA, and the convenient availability of personal loans and installment loans at the B&L location.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Frankenmuth State Bank Frankenmuth, Michigan (change title to Frankenmuth Bank and Trust)	83,734	10	11
to consolidate with **Chesaning State Bank** Chesaning	17,314	1	

Summary report by Attorney General, April 6, 1973

Frankenmuth Bank and Chesaning Bank are headquartered about 25 miles apart, and the nearest offices of the two banks are about 18 miles apart, with no banking offices intervening. It appears that the proposed acquisition would eliminate only a limited amount of existing competition. Moreover, in view of the modest size of the parties and the existence of several significant potential entrants into their markets, we conclude that the proposed transaction will not eliminate substantial potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, May 21, 1973

Frankenmuth State Bank, Frankenmuth, Michigan ("Frankenmuth Bank"), an insured State nonmember bank with total resources of $83,734,000 and total IPC deposits of $65,666,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with Chesaning State Bank, Chesaning, Michigan ("Chesaning Bank"), with total resources of $17,314,000 and total IPC deposits of $13,622,000. The banks would consolidate under the charter of Frankenmuth Bank with the title of "Frankenmuth Bank and Trust" and, as an incident to the consolidation, the sole office of Chesaning Bank would become a branch of the resulting bank, increasing the number of its authorized offices to 12.

Competition. Frankenmuth Bank operates six offices in eastern Saginaw County and four offices in the adjacent counties of Tuscola and Bay. It also has approval for an additional branch in Frankenmuth. Saginaw County is in east-central Michigan, to the northwest of the city of Flint and had a 1970 population of 219,743, up 15.2 percent during the 1960s. About 92,000 of the county's residents live in the city of Saginaw. The county is heavily industrialized but still has some agricultural activity. Median household income in Saginaw coincides with the State average. Frankenmuth Bank is not affiliated with any multibank holding company and is the sixth largest commercial bank in its branching and merging area, with approximately 3.6 percent of the total deposits held by all commercial bank offices in the same area.

Chesaning Bank operates its only office in the village of Chesaning (1970 population 2,876) in south-central Saginaw County and has no holding company affiliation. Chesaning is primarily dependent upon agriculture, but many area residents commute to Saginaw, Owosso, or Flint for employment.

The most immediate and direct effect of the proposed consolidation would be confined to a radius of approximately 15 miles of Chesaning. In this local market, there are seven commercial banks operating 12 offices, of which Chesaning Bank is the third largest, with 11.2 percent of their total deposits. The market is dominated by The Owosso Savings Bank, an $81 million-deposit institution, with 54.0 percent of the total deposits of these seven banks. Frankenmuth Bank does not operate in this market, and its closest office is some 20 miles northeast of Chesaning. In addition, the volume of business generated by each bank from areas served by the other is negligible. Thus, there is no significant existing competition that would be eliminated by the proposed consolidation.

The possibility of increased competition in the future between Frankenmuth Bank and Chesaning Bank through *de novo* branching appears remote. Michigan law allows countywide branching but prohibits *de novo* entry into a city or village, like Chesaning or Frankenmuth, in which another bank office is located. Unbanked communities in Saginaw County, where both banks could branch *de novo,* have very limited population or deposit potential.

The resulting bank's maximum branching and merging area consists of all of Saginaw County and that area within 25 miles of Frankenmuth. In this broader area, 21 banks operate 121 offices with aggregate deposits in excess of $1.8 billion. Competitors include significantly larger banks in Saginaw and Flint, as well as The Owosso Savings Bank. Frankenmuth Bank is the sixth largest of these commercial banks, with 3.6 percent of their total deposits, but its five larger local competitors have significantly larger shares of this potential market, ranging from approximately 8.4 percent to approximately 27.1 percent. The resulting bank would have 4.4 percent of the total commercial bank deposits and would continue to rank a distant sixth. The structure of commercial banking in this area, therefore, would not be significantly affected by the proposed consolidation.

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

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

Convenience and Needs of the Community to be Served. Although Frankenmuth Bank's customers should benefit from the resulting bank's somewhat higher lending limit, the greatest effect would be in the service area of Chesaning Bank. A limited service bank would be replaced by a branch of a larger, more aggressive bank offering the full range of commercial banking services, including significantly larger lending limits, computerized account records, and trust services. The number of commercial banking alternatives in the local Chesaning area would not, of course, be affected.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Fishkill Savings Bank Fishkill, New York (change title to Mid-Hudson Savings Bank)	33,000	3	4
to merge with			
Wappinger Savings Bank Wappingers Falls	23,573	1	

Summary report by Attorney General, January 9, 1973

Wappingers Falls and Fishkill are located about five miles apart with no banks in intervening communities. It appears that the proposed merger will eliminate substantial direct competition between Fishkill Savings Bank and Wappinger Savings Bank for savings deposits and mortgage loans in Dutchess County.

Savings deposits in Dutchess County's eight thrift institutions are concentrated, primarily due to the fact that the Poughkeepsie Savings Bank (deposits $250 million) alone holds about 56 per cent of such deposits. The next largest thrift institution holds about 10 per cent of such deposits; the shares of the remaining six institutions range from 6.7 per cent to about 4 per cent. Fishkill Savings Bank and Wappinger Savings Bank hold about 6.4 per cent and 4.6 per cent of such deposits respectively. The addition of the time and savings deposits in commercial banking offices in the county does not markedly change these percentages; in this broader market, Fishkill Savings Bank and Wappinger Savings Bank hold shares of 4.8 per cent and 3.4 per cent.

Because of the elimination of direct competition and increase in concentration, we conclude that the proposed merger would have an adverse effect on competition.

Basis for Corporation approval, May 25, 1973

Fishkill Savings Bank, Fishkill, New York, an insured mutual savings bank with total resources of $33,000,000 and total deposits of $30,987,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge with Wappinger Savings Bank, Wappingers Falls, New York, with total resources of $23,573,000 and total deposits of $21,629,000, under the charter of Fishkill Savings Bank and with the title "Mid-Hudson Savings Bank." The one office of Wappinger Savings Bank would become a branch of the resulting bank increasing the number of its offices to four.

Competition. The main office of Fishkill Savings Bank and its branch in Hopewell Junction are both in the southern part of Dutchess County, New York, while its branch in Cold Spring (opened in August of 1972) is in Putnam County, New York. Fishkill is about 5 miles northeast of Beacon and 14 miles southeast of Poughkeepsie—the two principal population centers in Dutchess County, both of which are on the east bank of the Hudson River. Hopewell Junction is 4 miles northeast of Fishkill, while Cold Spring is a small community on the Hudson River about 6 miles south of Beacon. Wappingers Falls lies midway between Poughkeepsie and Beacon and is 6 miles northwest of Fishkill. The trade areas of the two banks overlap, but residents of the areas would also find thrift institution offices in Beacon and Poughkeepsie convenient alternatives. They also have numerous bank-by-mail options among thrift institutions located outside Dutchess and Putnam Counties.

The proposed merger would have its most direct and immediate impact in the southwestern portion of Dutchess County consisting of the cities of Poughkeepsie (population 32,029) and Beacon (population 13,255) and certain adjacent and contiguous townships in the central and western parts of the county. The economy of this area is dominated by a large IBM complex located 5 miles north of Wappingers Falls. IBM is the largest area employer, with approximately 16,000 employees consisting of management, professional, technical, and highly skilled workers whose average income is much higher than most types of industries. Texaco also has a local facility with 1,000 employees and the remainder of the working population is employed in service-related businesses, light industry, and farming. The 1971 household median income for Dutchess County was $9,980 while that for the entire State was $9,684. In view of its proximity to the expanding Metropolitan New York City area, favorable future prospects for the area seem assured.

As of June 30, 1972, there were eight offices of four mutual savings banks and three offices of two savings and loan associations in this local banking market. Based on deposit data as of June 30, 1972, for the mutual savings banks and data as of August 31, 1972, for the savings and loan associations, the largest share by far of their combined deposits (64.9 percent) was held by The Poughkeepsie Savings Bank, a $279 million institution. The second largest share of their combined deposits (11.7 percent) was held by the Beacon Savings Bank, a $50 million institution. Fishkill Savings Bank had 7.4 percent and Wappinger Savings Bank had 5.3 percent of such deposits. Combined, the two applicants would hold the second largest share (12.7 percent) of the total savings bank and savings and loan deposits in the market. The two savings and loan associations that share the balance of such deposits are, respectively, First Savings and Loan Association of Poughkeepsie, a $35 million institution, and Hudson Valley Federal Savings and Loan Association, a $62 million institution. The market shares recited would, of course, be lower if the withdrawable balances of local credit unions, including the $40 million IBM credit union, were included.

Because of the proximity of their offices and their location in the same local market, Fishkill Savings Bank and Wappinger Savings Bank must be considered actual competitors at the present time. There are 253 common depositors, and each draws modest deposit business and about 40 percent of its total mortgage business from areas served primarily by the other. The variance between the volume of deposits as compared to the volume of loans each draws from areas primarily served by the other can be partially explained by the presence of local credit unions, particularly IBM's. This credit union pays a more attractive dividend rate on its withdrawable balances than local savings banks or savings and loan associations and offers the convenience of having funds automatically credited from the IBM payroll to an employee's account. On the other hand, the restrictions placed on credit unions in their mortgage lending activities have limited their effectiveness in this field.

While the proposed merger would eliminate the competition for deposits and mortgages that presently exists between Fishkill Savings Bank and Wappinger Savings Bank, the dollar amounts involved, as well as the market shares involved, are relatively small compared to the total thrift deposit and mortgage lending business that originates in this part of Dutchess County. The combined bank, for example, would have only one-eighth of the market's total thrift institution deposits, only one-fifth of the deposits held by the Poughkeepsie Savings Bank, and only slightly more in deposits than Beacon Savings Bank. In competing for local mortgages, moreover, the mortgage lending activities of local commercial banks and out-of-area institutions would also reduce the significance of eliminating the competition that presently exists in this connection between Fishkill Savings Bank and Wappinger Savings Bank.

A look to the future is also relevant in determining whether or not the effect of the proposed merger may be to lessen competition "substantially." Under New York law, savings banks and savings and loan associations (with some variations not relevant here) may branch *de novo* anywhere within the banking district in which they are headquartered, subject to home office protection restrictions. On and after January 1, 1976, New York law provides that they may branch *de novo* anywhere within the State, subject to similar restrictions. In New York's Third Banking District, where both Fishkill Savings Bank and Wappinger Savings Bank are headquartered, there are today some 57 mutual savings institutions eligible to branch *de novo* under these provisions; and 23 of them are larger in aggregate size than the resulting bank would be if this proposed merger were approved. The resulting bank in fact would hold only 1.3 percent of the deposits of all mutual savings banks and savings and loan associations in the district. Statewide, more than 150 of these institutions would be larger than the resulting bank. Given the income levels and growth anticipated for Dutchess County, a significant number of these larger banks are likely to be attracted to the local banking market where Fishkill Savings Bank and Wappinger Savings Bank operate today.* Under these circumstances, any increase in the concentration of banking resources within the local banking market and any reduction in the number of competing thrift institutions is likely to be extremely temporary, with the long-term prospects excellent for deconcentration and greater public choice as to thrift institution facilities.

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

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do as independent institutions, and both have favorable prospects for the future.

Convenience and Needs of the Community to be Served. Consummation of the proposed transaction should benefit the customers of both banks through the additional services that are likely to be offered by the resulting bank. These include the financing of commercial mortgages, larger size loans, and savings bank life insurance customers of Wappinger Savings Bank would benefit further from the convenient availability of 1-year savings certificates and property improvement loans now offered by Fishkill Savings Bank but not by Wappinger Savings Bank.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Chittenden Trust Company Burlington, Vermont	207,320	17	19
to merge with			
The County National Bank of Bennington Bennington	21,175	2	

Summary report by Attorney General, May 9, 1973

Since Chittenden and County National are separated by a distance of more than 90 miles, the proposed merger will not foreclose substantial existing competition between the two banks.

The proposed merger will, however, eliminate significant potential competition. Vermont banking structure is dominated by a very small number of large banks, of which Chittenden is the largest, with total deposits of about $185

*Two of the larger banks, headquartered in Kingston, on the western side of the Hudson River, now have applications pending before the supervisory authorities for *de novo* branches near Fishkill.

million. Only two other banks in the state have deposits exceeding $100 million, and there are only two banks with deposits of between $50 and $100 million. Of these five banks with deposits exceeding $50 million, two (First Vermont Bank and Trust and Vermont National Bank) already have offices in Bennington County. Thus, there are only three banks in Vermont that could be considered significant potential entrants into Bennington County, and Chittenden is the largest of these three. Since Vermont law permits statewide branching, these three banks could establish *de novo* offices in Bennington County.

Bennington County is presently served by five commercial banks operating 10 banking offices. It is highly concentrated, with the three largest banks in the county holding more than 71 percent of total county deposits. County National ranks third among the five banks serving the county, with almost 20 percent of county deposits. Indeed, since County National operates only in the central and southern portions of the county, that area (south-central Bennington County) might be a more proper relevant market in which to analyze the effects of this merger. In that area, four banks operate seven offices, with County National ranking second with 26 percent of total area deposits. The three largest banks in south-central Bennington County hold over 91 percent of total area deposits.

This merger would eliminate the largest of only two significant potential entrants into Bennington County and, more precisely, south-central Bennington County. * In addition, the acquisition of County National by the state's largest bank would add to the bank's leading position in the state. In states like Vermont, where the banking deposits of the state are concentrated in a small number of large organizations, it is important to carefully consider additional acquisitions which would add to that concentration. In such states, mergers of local leaders with the state's largest banks can have the effect of foreclosing the opportunity for the development of new organizations of sufficient size to compete effectively with the few statewide leaders.

On the other hand, the south-central portion of Bennington County is a relatively small area currently served by four banking organizations, including two of the four largest in the state. Entry by Chittenden into this market may increase competition in it, especially if entry is made *de novo*. Since the Bennington area is one of a very limited number of attractive Southern Vermont areas, however, it seems likely that Chittenden would seek to enter *de novo* if prevented from entry by this merger. On balance, therefore, we conclude that the proposed transaction would have an adverse competitive effect, is not in the public interest, and should be denied.

Basis for Corporation approval, May 25, 1973

Chittenden Trust Company, Burlington, Vermont ("Chittenden Trust"), a State nonmember insured bank with total resources of $207,320,000 and total IPC deposits of $143,852,000, has applied, pursuant to Section 18(c) and

*This area was stipulated to be the relevant market, and found to be a section of the country, in a previous antitrust case challenging the merger of County National and another Bennington County Bank, Catamount National Bank, *U.S.* v *County National Bank of Bennington,* 339 F. Supp. 85 (D. Vt., 1972).

other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The County National Bank of Bennington, Bennington, Vermont, ("County"), with total resources of $21,175,000 and total IPC deposits of $17,953,000. The banks would merge under the charter and title of Chittenden Trust and, as an incident to the merger, the two offices of County would become branches of the resulting bank, increasing the number of its authorized offices to 21.

Competition. Chittenden Trust operates 17 offices in northern Vermont, nine of which are in Chittenden County, its headquarters county. Two branches each are located in Addison, Washington, and Orleans Counties, one branch is located in Grand Isle County, and one branch is located in Franklin County. In addition, the necessary supervisory approvals have been obtained for additional branches in Waitsfield and Berlin, both in Washington County. The bank operates no offices in Bennington County (the location of County's two offices) or in any county contiguous thereto. Chittenden Trust is the largest commercial bank in Vermont, with deposits equal to 16.4 percent of the total for all commercial banks in the State.

County operates two offices in Bennington County (population 29,282, up 16.7 percent since 1960): its main office in Bennington and a branch office in Arlington. Bennington County has 10 offices of five commercial banks, including offices of First Vermont Bank and Trust Company, Brattleboro, and Vermont National Bank, also headquartered in Brattleboro, the State's third and fourth largest commercial banks, respectively. Among the five banks in Bennington County, County holds the third largest share (19.5 percent) of Bennington County commercial bank IPC deposits. County is the 14th largest commercial bank in Vermont, with 1.6 percent of the State's total commercial bank deposits.

The closest offices of the two banks are 90 miles apart and their main offices are 125 miles apart. Furthermore, these offices are separated by mountainous terrain and there are numerous offices of other commercial banks intervening. Less than 1 percent of each bank's deposits originate from areas primarily served by the other, and neither has any significant loan volume from such areas. It is apparent that the proposed merger would eliminate no significant existing competition between Chittenden Trust and County.

Vermont law allows statewide *de novo* branching. While Chittenden Trust, the State's largest bank has the capabilities for successful *de novo* expansion, the Corporation has concluded that no significant potential exists for increased competition between the two banks through *de novo* branching. The population per banking office in Bennington County is already a low 2,928, while the county's population increased by only 4,194 people between 1960 and 1970. Income levels for the county are unexceptional—being approximately the same as the State average, which is nearly 10 percent below the national average. Still largely rural, Bennington County shows little prospect for dramatic future growth that might constitute economic justification for a significant number of additional commercial bank facilities. For these reasons, *de novo* entry by Chittenden Trust into Bennington County is likely to remain economically unattractive for the forseeable future. County, for its part, because of limited resources and minimal *de novo* branch experience, is not thought likely to expand 90 miles or more to the north, by *de novo* branching into areas presently served by Chittenden Trust. The proposed merger thus appears unlikely to result in any significant loss of potential competition between Chittenden Trust and County as a result of *de novo* branching.

In the local Bennington County market, where the competitive effects of the proposed merger would be most direct and immediate, competition should be stimulated, particularly with regard to First Vermont Bank and Trust Company, a $104 million deposit institution that today has the largest share (approximately 32 percent) of all Bennington County commercial bank IPC deposits.

On a statewide basis, the proposed merger has both procompetitive and anticompetitive aspects. Vermont, the third smallest State in the nation in terms of population, had 444,330 people at the time of the 1970 Census. Its total commercial bank deposits, as of December 31, 1972, aggregated only $1.1 billion and were held by 40 banks. Three of its five largest banks, including Chittenden Trust, have traditionally confined their banking operations to the northern part of the State, while the two remaining large banks, First Vermont Bank and Trust Company and Vermont National Bank, have traditionally confined their operations to the four southernmost counties in the State, of which Bennington County is one. Recently, there has been some movement by both groups toward the central portion of the State. The acquisition here proposed, representing the first move by a major northern Vermont bank into southern Vermont, would constitute an important step in the evolution toward a more competitive statewide structure in which all five banks, and possibly others not now in the ranks of the State's largest, would be competing in all the significant local banking markets throughout Vermont. The adverse effect of the proposed acquisition is that it adds to the strength of the State's largest bank by merger and further concentrates the banking resources of the State. As a result of this proposed acquisition, Chittenden Trust's share of the State's total commercial bank deposits would rise from 16.4 percent to 18.0 percent. While the merger of any bank of relatively significant size with a bank already holding 16.4 percent of the State's total commercial bank deposits would normally be a matter of serious supervisory concern, there are mitigating factors when the State concerned has as limited a statewide population and as limited an aggregate deposit potential as Vermont. Only a small number of large banks, with a full range of wholesale banking services, can be created in such a State. This consideration prompts the Corporation to weigh the procompetitive effects of the proposed merger (in encouraging a greater number of statewide competitors) more heavily than the increase in statewide concentration ratios that would undoubtedly result.

Since (i) no significant existing competition between the two banks would be eliminated, (ii) no significant potential for increased competition between them through *de novo* branching would be eliminated, (iii) Chittenden Trust is presently unrepresented in southern Vermont where County's two offices are located, and (iv) the procompetitive effects of the proposed merger on statewide commercial bank structure appear to outweigh the anticompetitive effects of an increase in statewide concentration ratios, the Board of Directors has concluded that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. Both Chittenden

Trust and County have adequate financial and managerial resources and satisfactory prospects for the future, as would the resulting bank.

Convenience and Needs of the Community to be Served. The proposed merger would not significantly affect commercial banking services offered in the areas where Chittenden Trust presently operates. Customers in the Bennington area, however, would receive the benefits of another large bank alternative for services not now available at County, such as specialized lending services, municipal financing expertise, a lending limit in excess of $2 million for a single customer, full trust services, a credit card program, and computer services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of A. Levy Oxnard, California	99,080	15	16
to acquire a portion of the assets and assume a portion of the liabilities of			
Union Bank Los Angeles	12,774*	1*	

Summary report by Attorney General, April 17, 1973

A distance of about 13 miles separates the West Van Nuys Branch from the nearest Bank of A. Levy office, with several competitive alternatives in the intervening area. It appears that the proposed transaction would not eliminate any substantial existing competition.

Bank of A. Levy could legally establish *de novo* offices in the area served by West Van Nuys Branch. However, in view of the size of the acquiring bank, the presence of branches of several of the state's largest banks in West Van Nuys Branch's service area, and the existence of a number of other significant potential entrants, we conclude that the proposed transaction will not eliminate substantial potential competition.

The proposed transaction would have no adverse competitive effects.

Basis for Corporation approval, June 11, 1973

Bank of A. Levy, Oxnard, California ("Levy"), an insured State nonmember bank with total resources of $99,080,000 and total deposits of $89,488,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets

*Resources and branch office to be acquired by Bank of A. Levy.

of, and assume liability to pay deposits made in, one office of Union Bank, Los Angeles, California ("the Union Office"), located in the community of West Van Nuys, Los Angeles, California (total deposits of $11,990,000 as of June 30, 1972). As an incident to the transaction, the Union Office would continue as an office of Levy, thereby increasing the total number of its authorized offices to 18.

Competition: Levy presently operates 15 offices and has supervisory approval for two additional offices, not yet opened. These 17 offices are all located in Ventura County (population 376,430), immediately to the northwest of Los Angeles. Eleven other commercial banks operate within Ventura County. Levy holds 15.3 percent of all the commercial bank deposits held at their local Ventura County offices, ranking third in this respect. Bank of America National Trust and Savings Association and Security Pacific National Bank hold 35.3 percent and 28.0 percent, respectively, of the Ventura County commercial bank deposits. Levy operates no offices in Los Angeles County. It is the 34th largest commercial bank in California, with 0.1 percent of the State's total commercial bank deposits.

Union Bank, headquartered in Los Angeles, is the sixth largest commercial bank in California and operates 26 offices throughout the State. Union Bank is oriented toward wholesale bank business, operating primarily in commercial and industrial centers, and through this application is attempting to divest itself of one retail/consumer office located in a residential community.

Competition within the Union Office service area, consisting of that portion of West Van Nuys within 2 miles or so of its site, includes six offices of four other commercial banks. In terms of total deposits held by these six offices, the Union Office ranks third, with 18.9 percent, while the State's largest and second largest commercial banks hold 36.2 and 22.2 percent, respectively. The closest office of Levy to the Union Office is approximately 13 miles away, and no significant competition exists between them.

The net effect of the proposed transaction would be to transfer the West Van Nuys market share of the sixth largest bank in the State to a much smaller bank entering Los Angeles County for the first time. Union Bank would continue also to serve any business/wholesale customers in the Van Nuys area from two regional centers nearby.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is resolved favorably for the participating banks involved in this proposal, and they are so projected for the resulting bank.

Convenience and Needs of the Community to be Served. The principal area to be affected by the proposed acquisition would be the West Van Nuys section of Los Angeles. The transaction would simply replace one bank with another, both offering similar services; however, the policies of the acquiring bank would be more favorable to the retail banking needs of this type of community, while Union Bank's wholesale services would remain conveniently available at two nearby locations.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
State Savings Bank Goodell, Iowa (change title to North Iowa State Bank)	2,292	1	3
to merge with			
The First National Bank of Klemme Klemme	5,333	1	

Summary report by Attorney General, March 7, 1973

This proposed merger involves two very small banks in a rural area. In view of their proximity, some existing competition is likely to be eliminated by the proposed merger. Within 20 miles of the two banks (an area which probably overstates an appropriate market), eight banks, including the merging institutions, operate 10 banking offices. First Bank and State Bank rank seventh and eighth among these banks, with 6.5 per cent and 2.9 per cent, respectively, of total deposits, and the merged institution would be the sixth largest.

Basis for Corporation approval, June 18, 1973

State Savings Bank, Goodell, Iowa ("Savings Bank"), an insured State nonmember bank with total deposits of $1,970,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge with The First National Bank of Klemme, Klemme, Iowa ("First Bank"), with total deposits of $4,810,000, under the charter of Savings Bank and with the title "North Iowa State Bank." In connection with this proposed transaction, a new main office would be established in Belmond, Iowa, and the existing offices in Goodell and Klemme would be operated as additional offices.

Competition. Both Savings Bank and First Bank are located in Hancock County in the north-central portion of Iowa. Hancock County is a rural county that reflects the national trend to fewer but larger and more mechanized farming units. The population of Hancock County declined 9.4 percent between 1960 and 1970, from 14,604 to 13,227. The town of Goodell (population 218) is located in the extreme southern part of the county near the Wright County border, while the town of Klemme (population 533) is located 5 miles north of Goodell and 1 mile east of U.S. Route 69. Household median income for Hancock County was $6,862 in 1971, compared to the statewide average of $8,407.

President R. H. Isensee of United Home Bank & Trust Company, Mason City, Iowa, and his associates control 10 commercial banks in the State of Iowa, including Savings Bank and First Bank, the latter having been acquired in 1972. Another of these "Isensee Group" banks, the $5 million Farmers State Bank, Kanawha, Iowa, is located 10 miles west of Goodell and 16 road miles from Belmond.

If the proposed merger is approved, the main office of the resulting bank would be located in Belmond, Wright County, 5 miles south of Goodell. This county is also a rural county of declining population (1970 population 17,294, down 11.1 percent from 1960). Belmond itself had 2,358 people in 1970 and contains a few farm-related businesses and one established bank with approximately $11 million in deposits. Household median income for Wright County in 1971 was $8,235.

The competitive impact of the proposed merger would be most immediate and direct within a 15-mile radius of Goodell, the location of the smaller bank in this proposed merger. That area, which would be of very limited population, contains 12 offices of 10 commercial banks, holding total deposits of $73 million. First Bank held 5.6 percent and Savings Bank 2.5 percent of these deposits, while the Farmers State Bank, Kanawha, Iowa (another Isensee Group bank) held 6.4 percent of these deposits. Independent banks in Garner and Belmond, each of approximately $11-12 million in deposit size, would be larger than the resulting bank. Moreover, First Bank and Savings Bank each serve their own small community and only a limited portion of the local market. While some competition between the two banks might be eliminated because of their proximity, the amount of business involved does not appear to be of significant proportions. The proposed merger should in fact stimulate competition with the $12 million deposit Hancock County National Bank located in Garner, about 12 miles north of Goodell and 6 miles north of Klemme. Once the new main office is completed and trust services are offered, the merger should also have procompetitive effects in Belmond and its surrounding area, where the resulting bank would offer an alternative to the $11 million First State Bank of Belmond for commercial banking services.

Under Iowa law, the resulting bank could legally establish *de novo* offices in nine counties except for home office communities. The latter provision bars either bank from opening a *de novo* office in the other's present home office community, but the extremely limited and declining populations of both Goodell and Klemme would make this branching unattractive in any event. Furthermore, the limited resources of Savings Bank and its lack of branching experience make *de novo* expansion anywhere in the nine counties a very unlikely prospect. Thus, no significant potential for increased competition between the two banks in the future through *de novo* branching is likely to be eliminated by their proposed merger.

As of June 30, 1972, there were 100 offices of 69 commercial banks in the nine-county legal branching area of the resulting bank and they held total deposits of $620 million. The "Isensee Group" controlled nine of these banks with aggregate deposits of $85 million representing 13.7 percent of the total deposits held at all such offices, but there is a proposal pending whereby a large registered bank holding company based in Des Moines, Iowa, would acquire the three largest of the "Isensee Group" banks with deposits of $63 million. The proposed merger would not materially affect the concentration of banking resources in this widest geographic area of potential competition; indeed, if the sale of the three "Isensee Group" banks is consummated, the holdings of that group in this same area would be substantially reduced.

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

Financial and Managerial Resources; Future Prospects. Both Savings Bank and First Bank have adequate financial resources and satisfactory managerial resources, as would the resulting bank. Due to local economic conditions, the future prospects for the resulting bank are more favorable than for Savings Bank and First Bank operating as independent units.

Convenience and Needs of the Community to be Served. Consummation of this proposed transaction would not provide the residents of Goodell and Klemme with any services not presently available, other than a larger lending limit to service the demand for larger agricultural credits (the basic lending limit of Savings Bank being $25,000, First Bank's being approximately $33,000, and the resulting bank's being approximately $81,000). The proposed merger should, however, stimulate competition with the bank in Garner and, once the new main office is completed, with the existing bank in Belmond. The resulting bank intends to offer trust services as well, once its new main office is completed.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Mississippi Tupelo, Mississippi	114,660	20	21
to merge with **The Bank of West Point** West Point	11,413	1	

Summary report by Attorney General, April 17, 1973

Applicant and Bank are headquartered approximately 46 miles apart, and the nearest offices of the two banks are about 29 miles apart. There are three alternative banking offices in the intervening area. It appears that the proposed merger would eliminate no substantial existing competition.

Under Mississippi law, banks may legally establish branches within 100 miles of their home offices. Thus, Applicant could establish *de novo* offices in the area served by Bank. However, both West Point and Clay County have experienced a decline in population over the past decade, and the market does not

*For purposes of this analysis, the Corporation has ignored the fact that the two participating banks were recently brought under common control through stock purchase by the "Isensee Group" of a controlling interest in First Bank, apparently motivated by a desire to effectuate the proposed merger. Absent unusual circumstances, such a stock purchase lends no persuasive weight to an approval of the proposed transaction since the contrary conclusion could well defeat the purpose of supervisory review under the Bank Merger Act, as amended.

appear particularly attractive for *de novo* entry. In view of the nature of the community served by Bank, its modest size and the existence of other significant potential entrants, we conclude that the proposed merger will not eliminate substantial potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, June 25, 1973

Bank of Mississippi, Tupelo, Mississippi, an insured State nonmember bank with total resources of $114,660,000 and IPC deposits of $90,614,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with The Bank of West Point, West Point, Mississippi ("West Point Bank"), having total resources of $11,413,000 and IPC deposits of $8,554,000. As an incident to the merger, Bank of Mississippi would operate the sole office of West Point Bank as a branch, thereby increasing to 21 the number of its offices.

Competition. Bank of Mississippi currently has offices in seven northeastern counties of the State of Mississippi. These, together with Union County, from which a substantial amount of business is derived, comprise its primary trade area. The economy of this region is basically agricultural, although during the past decade light industry has become increasingly significant in the area. The population of these eight counties increased 4.8 percent during this period, to 185,058, as compared with the statewide increase of 1.8 percent. Bank of Mississippi has no office in Clay County at the present time.

West Point Bank has its sole office in eastern Clay County (1970 population 18,840—a 0.5 percent decrease since 1960). Clay County is situated immediately south of the counties of Chickasaw and Monroe, within which Bank of Mississippi is presently represented. The economy of Clay County closely resembles that of the present trade area of Bank of Mississippi. West Point Bank holds approximately 42.5 percent of county IPC deposits, while The First National Bank of West Point holds approximately 54.2 percent of these deposits and the recently established Clay County Bank and Trust Company holds the balance. West Point Bank draws the bulk of its business from the city of West Point (population 8,714) and environs, although its banking market is countywide.

The nearest office of Bank of Mississippi is located in Houston, Chickasaw County, some 35 road miles northwest of West Point. Several competing banks service the intervening area, and the two banks report no common depositors or borrowers. They operate in separate, although adjacent, service areas, and it appears that no significant existing competition between them would be eliminated by the proposed merger.

Increased competition in the future between Bank of Mississippi and West Point Bank through *de novo* branching is unlikely. Clay County is not adjacent to Lee County, the site of Bank of Mississippi's main office, and under Mississippi law, the number of branches it may establish *de novo* in the nonadjacent counties within 100 miles of Tupelo is limited. West Point is the only city in Clay County and accounts for more than 46 percent of the county's population. Three commercial banks are presently headquartered in this city, and there are already four commercial bank offices to serve Clay County's 18,840 people. Bank of Mississippi would find other nonadjacent counties, having more favorable growth rates and larger disposable income, more attractive than Clay County for such expansion, especially when State law provisions protecting home office and branch office communities are taken into account. For its part, West Point Bank, with limited resources and a lack of branching experience, would be unlikely to branch *de novo* in the foreseeable future into areas presently served by Bank of Mississippi.

In its largest potential market, which under State law is the area within a 100-mile radius of Tupelo, Bank of Mississippi controls 8.7 percent of the total IPC deposits held at June 30, 1972, by all offices of the 78 commercial banks therein represented. The proposed merger would increase its share of this market to 9.7 percent. In the State as a whole, Bank of Mississippi holds only 2.6 percent of all commercial bank IPC deposits. The proposed merger, accordingly, appears unlikely to eliminate any significant potential competition between the two banks in the future or to affect adversely the commercial bank structure of the northeast section of Mississippi.

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

Financial and Managerial Resources; Future Prospects. Both of the participating banks have adequate financial and managerial resources, as would the resulting bank. Future prospects for the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. The merger would provide West Point and Clay County with a commercial bank facility whose aggressive management would operate with a lending limit exceeding $1 million. The importance of this credit capability will increase as the area's trend toward industrialization accelerates. In the meantime, data processing facilities, broadened trust services, expanded mortgage lending services and, in general, the specialized services of a large bank would become available to Clay County residents and businessmen.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Wilmington Savings Fund Society Wilmington, Delaware	454,501	13	13
to acquire the assets and assume the deposit liabilities of			
Endowment Building and Loan Association Wilmington	899	1	

Summary report by Attorney General, April 23, 1973

Wilmington Savings holds the dominant share of savings and time deposits in New Castle County. In mid-1972, it held 66.6 percent of savings and time deposits in county thrift institutions (savings banks and savings and loan associations), and 36.7 percent of such deposits in county offices of thrift institutions and commercial banks. Endowment held about 0.2 percent of savings and time deposits in county offices of thrift institutions, and 0.1 percent of such deposits in county offices of thrift institutions and commercial banks.

Endowment's sole office is only four blocks from Wilmington Savings' main office. Endowment's office will be closed after acquisition. Wilmington Savings also operates three branch offices in Wilmington. The proposed acquisition would thus eliminate direct competition between the two institutions. However, in view of Endowment's small size ($769,000 in deposits; 300 savings accounts) and modest competitive capabilities, the proposed acquisition would not have a substantially adverse effect on competition.

Basis for Corporation approval, June 29, 1973

Wilmington Savings Fund Society, Wilmington, Delaware ("Society") (total resources $454,501,000; total deposits $419,737,000), an insured mutual savings bank, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of, and assume liability to pay deposits made in, Endowment Building and Loan Association, Wilmington, Delaware ("B&L") (total resources $899,000; total deposits $769,000), an uninsured association. The existing office of B&L would be closed if the transaction is consummated.

Competition. Society is headquartered in Wilmington, Delaware, a part of the densely populated, highly developed New York-Washington corridor. Extensive manufacturing is carried on in the Wilmington area, which serves also as the commercial and service center for Delaware and portions of adjacent Maryland, Pennsylvania, and New Jersey. Society operates 13 offices at the present time, of which 10, including its main office, are located in New Castle County, the northernmost of Delaware's three counties. Three additional offices have been approved, but are not yet in operation. Society is the largest of 25 thrift institutions in the State of Delaware, with approximately 65 percent of their aggregate deposits.

B&L is the smallest thrift institution in New Castle County, with total deposits of only $324,000 after deducting hypothecated deposits representing loan payments. These deposits are held in approximately 300 accounts. B&L's deposits originate almost exclusively in the city of Wilmington, where it has its only office. Almost all of the mortgage loans on B&L's books (numbering 96 as of February 28, 1973) are secured by real property situated in depressed areas of Wilmington with an average appraised value of only $8,900. B&L's earnings approximated $3,000 for the 12 months ended February 28, 1972, and its deposit and loan totals have been declining in recent years. Finally, B&L's only active officer and director wishes to retire. It is obvious that B&L is an ineffectual competitor among thrift institutions in Wilmington and that is limited resources would constitute only a *de minimis* addition to the assets and deposits of even the largest thrift institution in the State. Moreover, efforts to interest several thrift institutions other than Society in a similar assumption transaction proved unsuccessful. Should this transaction be consummated, 12 offices of seven competing thrift institutions would remain available to residents of Wilmington even though B&L's only office is closed.

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

Financial and Managerial Resources; Future Prospects. Society, the continuing bank, has adequate financial and managerial resources. Its future prospects, following consummation of the proposed transaction, would continue to be favorable.

Convenience and Needs of the Community to be Served. Customers of B&L would have three offices of Society within a convenient distance of the present B&L office and a total of six within the city of Wilmington at which to transact business. The lending expertise of the State's largest thrift institution would be available to B&L's borrowers and the broad range of Society's services would be available to all B&L customers. Its depositors would also gain the protection and security of Federal deposit insurance.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Monroe Security Bank and Trust Company Stroudsburg, Pennsylvania (change title to Security Bank and Trust Company)	55,948	7	9
to merge with			
The Bank of Matamoras Matamoras	15,577	2	

Summary report by Attorney General, March 6, 1973

The closest branch of Monroe Security to Bank of Matamoras is the Marshalls Creek branch, which is approximately 36 miles from the Bank of Matamoras and approximately 28 miles from Bank of Matamoras' newly approved Milford branch. Neither bank derives any significant banking business from the service area of the other. Accordingly, it does not appear that the proposed merger will have a significantly adverse effect on existing competition.

Pennsylvania law permits *de novo* branching into counties contiguous to the county in which the branching bank's head office is located. Pike County is contiguous only to the Pennsylvania counties of Wayne and Monroe. Monroe Security (total deposits of $45 million) is the only bank with its main office in Monroe County and is the only Monroe County bank that could be permitted to branch *de novo* into Pike County. Of the eight banks with main offices in Wayne County, the three largest have total deposits of $18 million, $19 million, and $20 million, respectively. None of the other five Wayne County banks have more than $10 million in total deposits. The proposed merger would eliminate Monroe Security as a potential entrant into Pike County.

However, because Pike County may not be particularly attractive for *de novo* branching, the overall effect of the merger on potential competition would not appear to be significantly adverse.

Basis for Corporation approval, June 29, 1973

Monroe Security Bank and Trust Company, Stroudsburg, Pennsylvania ("Security"), a State nonmember insured bank with total resources of $55,948,000 and total IPC deposits of $45,107,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge with The Bank of Matamoras, Matamoras, Pennsylvania, a State nonmember insured bank with total resources of $15,577,000, and total IPC deposits of $12,335,000. The banks would merge under Security's charter but with the title "Security Bank and Trust Company." Permission is also requested to establish the two offices of The Bank of Matamoras as branches of the resulting bank, thereby increasing the number of its offices to nine.

Competition. All seven offices of Security are located in Monroe County, Pennsylvania, which borders the State of New Jersey in the central portion of eastern Pennsylvania. The two offices of The Bank of Matamoras are located in the northeastern portion of Pike County that lies north of Monroe County. Matamoras is only 2 miles from Port Jervis, New York, and the northwestern corner of New Jersey.

Monroe and Pike Counties are best known for the Pocono Mountains, which have been a major resort area for many years. There is only a limited amount of industry or agriculture in either county, and no substantial economic growth is foreseen. The population of Monroe County increased 14.8 percent between 1960 and 1970, from 39,567 to 45,422. During this same period of time, the population of Pike County increased 29.0 percent, to 11,818. In 1971 the median household income was $7,399 for Pike County and $7,868 for Monroe County, compared to $8,613 for the State.

The proposed merger would have its most direct and immediate competitive impact in Matamoras and within a 15-mile radius of that community—an area that includes parts of New York and New Jersey. Within that area The Bank of Matamoras, as of June 30, 1972, ranked fifth of 10 commercial banks in terms of local IPC deposits, with 14.6 percent of the total. Three banks with larger shares of this local market had total deposits of $941 million, $477 million and $401 million, respectively.

Stroudsburg and Matamoras are 39 miles apart, and the shortest distance between offices of the participating banks is the 29 miles between the Marshalls Creek Branch of Security and the branch of The Bank of Matamoras at Milford. While these two branches are located on the same highway, the area between them is sparsely populated with no industry. There are no common shareholders or loan customers and only one common depositor. The Milford Branch of The Bank of Matamoras is in direct competition with the main office of The First National Bank of Pike County, a $17 million deposit institution. Security and The Bank of Matamoras operate in separate and distinct trade areas, and there is no significant amount of existing competition between them that would be eliminated by their merger.

Under Pennsylvania law, Security could legally branch *de novo* into Pike County and The Bank of Matamoras could legally branch *de novo* into Monroe County. This however, does not seem likely. The population per commercial banking office in Monroe County is 2,672 and only 1,970 in Pike County, income levels are below the State average in both counties and locations for new offices in populated communities within both counties are scarce. Taking into account the nature of the local economies, the proposed merger is unlikely to eliminate any significant potential for increased competition in the future between Security and The Bank of Matamoras as a result of *de novo* branching.

The widest geographic area within which Security can branch under existing law contains the seven counties of Monroe, Northampton, Carbon, Luzerne, Lackawanna, Wayne, and Pike. The 208 offices operated by 71 banks in this area had total IPC deposits of $2.6 billion as of June 30, 1972. Security ranked 14th of these 71 banks, with 1.6 percent of their total IPC deposits. The resulting bank would rank 12th, with 2.0 percent of these deposits. Several of the banks operating in this area are much larger than the resulting bank would be, and the proposed transaction should have no perceptible impact on the structure of commercial banking in this broadest possible area of future competition.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of both banks are satisfactory, and the future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. Matamoras and Pike County would be the primary beneficiaries of this proposed transaction. Currently there are only six commercial banking offices operated by three banks in Pike County and only one commercial banking office in Matamoras. People living in this area now find it necessary to patronize New York or New Jersey banking offices or travel long distances in Pennsylvania to obtain the specialized banking services not available in Pike County. Some of the services to be offered by the resulting bank, which are presently not provided by The Bank of Matamoras, are a greater variety of certificates of deposit, higher rates of interest on certain types of certificates of deposit, larger-sized loans, trust services, and computer facilities.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Franklin State Bank Franklin Township, New Jersey	226,025	15	22
to merge with			
First New Jersey Bank Union	80,740	7	

Summary report by Attorney General, May 22, 1973

According to the application, the service areas of the merging banks are largely separate, with the exception of that surrounding one office of each in Clark, where direct competition would be eliminated by the merger. However, Franklin's Hillside branch is sufficiently proximate to First's Union service area to indicate that some existing competition will also be eliminated by the merger in that area. Similarly, it would appear that some competition would be eliminated in the Bound Brook-Middlesex area, where each bank operates a branch.

Selection of an appropriate geographic market in which to evaluate the effect of the proposed merger on concentration in commercial banking is extremely difficult because of the dispersion of the merging banks' offices and the contiguity of developed communities in this part of New Jersey. However, the resulting bank would operate offices over much of Union County. Neither the application nor other data presently available to the Department contains information sufficient to calculate precisely the increase in concentration in the county that would attend the proposed merger; however, based on data for prior years, and the existence of a number of large banks operating in the county, it does not appear that banking concentration in the county would be substantially increased.

Basis for Corporation approval, July 13, 1973

Franklin State Bank, Franklin Township (P. O. Somerset), New Jersey ("Franklin"), a State nonmember bank with total resources of $226,025,000 and total IPC deposits of $167,097,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with First New Jersey Bank, Union, New Jersey ("First New Jersey"), with total resources of $80,740,000 and total IPC deposits of $66,146,000, and for consent to establish branches at the seven locations where First New Jersey is presently operating.

Competition. Franklin operates five offices in Somerset County, five offices in Monmouth County, four offices in Union County, and one office in Middlesex County—all located in New Jersey's Second Banking District. Two additional offices have been approved, one to be located in Monmouth County, the other in Mercer County. First New Jersey maintains seven offices—six in Union County and one in Middlesex County. Most of the areas served by the two banks are densely populated, rapidly growing residential suburbs of New York

City, with light industry expanding in several places. Neither bank is presently affiliated with a multibank holding company.

While each bank serves other parts of the Second Banking District, the proposed merger would have its most direct and immediate competitve impact in Union County, where Franklin has four offices and First New Jersey has six offices. Their closest offices, with aggregate deposits of $7.7 million, are only a block apart in Clark Township, but under the State of New Jersey's order approving the proposed merger, First New Jersey's office in this community must be either closed or relocated. Another pair of offices are only 1.7 miles apart. While some deposit and loan competition between the two banks would obviously be eliminated by their merger, it is estimated that in all of Union County, Franklin holds only about 3.4 percent of the total commercial bank deposits held at offices in the county, while First New Jersey holds approximately 5.2 percent. Twelve other commercial banks have a total of 85 offices in the county, and four of them would have a larger share of the county's total commercial bank deposits than Franklin and First New Jersey combined. Under the circumstances, the proposed merger is unlikely to result in any significant loss of existing competition between the two banks.

While both banks can branch *de novo* throughout the Second Banking District, subject to home office and branch office protection in communities below 7,500 in population, no such activity on First New Jersey's part is likely in the foreseeable future because of its weakened financial condition and limited managerial resources. Franklin has the resources, experience and desire to expand further in the district, but numerous larger banks and bank holding company systems are likely to seek similar expansion in attractive growth areas. The loss of any potential for increased competition between the two banks through *de novo* branching thus appears to be an insignificant factor insofar as it might adversely affect vigorous commercial bank competition in the district in the future.

Within the Second Banking District as a whole, Franklin held 3.4 percent of the IPC deposits held on June 30, 1972, by all commercial banks in the district, while First New Jersey held 1.4 percent of such deposits. The resulting bank, with 4.8 percent of these IPC deposits, would be the sixth largest commercial bank headquartered in the district—an area in which an increasing number of smaller banks are being acquired by much larger multibank holding companies headquartered in other districts.

In the State as a whole, the two banks combined would hold only 1.6 percent of total commercial bank deposits.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of Franklin are satisfactory; those of First New Jersey are inadequate. The resulting bank, because of Franklin's strength and a planned infusion of $5 million in capital, would have satisfactory financial and managerial resources, and its future prospects would be favorable.

Convenience and Needs of the Community to be Served. The proposed merger would provide customers of First New Jersey with a more aggressive, capable, and competitive management, the convenience of expanded banking hours, trust and computer services, and a significantly higher lending limit.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Tracy-Collins Bank and Trust Company Salt Lake City, Utah	104,966	9	10
to acquire the assets and assume the liabilities of			
Farmers State Bank West Bountiful	21,080	1	

Summary report by Attorney General, February 26, 1973

Tracy-Collins Bank and Trust Company operates no offices in Davis County. The closest office of Tracy-Collins Bank and Trust Company is located about nine miles south of West Bountiful. The application indicates that despite the proximity of these offices, there is no significant overlap between the eight branches of Tracy-Collins Bank and Trust Company and Farmers State Bank. Accordingly, only a very limited degree of existing competition would be eliminated by the proposed merger.

Farmers State Bank is the largest bank headquartered in Davis County. As of June 30, 1972, it held total deposits of $17.9 million, accounting for 17 per cent of total Davis County deposits, the largest share held by any bank.

State law prohibits Tracy-Collins Bank and Trust Company from establishing a *de novo* branch in West Bountiful. Tracy-Collin's bank holding company parent could establish a bank in Davis County as a subsidiary; thus, the proposed acquisition by Tracy-Collins Bank and Trust Company may eliminate some potential competition. However, because of the existence of a number of other significant potential entrants into that area, the proposed acquisition would not appear to have a significantly adverse competitive effect.

Basis for Corporation approval, July 13, 1973

Tracy-Collins Bank and Trust Company, Salt Lake City, Utah ("Tracy-Collins"), a State nonmember insured bank with total resources of $104,966,000 and total IPC deposits of $72,041,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to purchase the assets of, and assume liability to pay deposits made in, Farmer's State Bank, West Bountiful, Utah ("Farmers"), which has total resources of $21,080,000 and total IPC deposits of $16,916,000. The one office of Farmers would be operated as a branch of Tracy-Collins, increasing the number of its offices to 10.

Competition. All offices of Tracy-Collins are in Salt Lake County, and the one office of Farmers is located in the South Davis Division of Davis County, which is adjacent to the northern border of Salt Lake County.

The population of the Salt Lake City SMSA, consisting of Davis and Salt Lake Counties, increased from 447,795, in 1960, to 557,635, in 1970, an increase of 24.5 percent, while the population of Salt Lake City itself declined 7.2 percent, from 189,454 to 175,885. The Salt Lake City SMSA is bordered on the north by the Ogden, Utah, SMSA and on the south by the Provo-Orem, Utah, SMSA. The Salt Lake City metropolitan area is the financial, commercial, industrial, and distribution center for a wide area that includes, in addition to Utah, southern Idaho, western Wyoming, and eastern Nevada.

The population of South Davis County, including the cities of Bountiful, West Bountiful, Centerville, Farmington, Woods Cross, and North Salt Lake, increased 53.7 percent, from 30,924 to 47,539, between 1960 and 1970. South Davis County is a choice residential area within convenient distance of Salt Lake City to which many of its local residents commute for employment, entertainment, and shopping.

The shortest distance between offices of the participating banks is the 10 miles separating the main offices of the two banks. Several offices of other commercial banks are located in the intervening area, but the Salt Lake City offices of Tracy-Collins may be considered reasonably convenient options for the residents of South Davis County who commute regularly to Salt Lake City.

The relevant local area within which the proposed transaction would have its most immediate and direct effects competitively is probably Salt Lake City and South Davis County combined. It appears, however, that no significant existing competition between Tracy-Collins and Farmers would be eliminated within this relevant market. The two banks together would control only 7.4 percent of total commercial bank deposits and only six offices of a total of 53. Farmers alone accounts for only 1.7 percent of these deposits and one office. Four commercial banks would be larger than the resulting bank and hold in the aggregate 79.6 percent of the deposits and about 48 percent of all commercial bank offices. Moreover, residents of South Davis County who commute to Salt Lake City would have 10 separate institutional alternatives conveniently available to them for commercial bank services.

With respect to the possibility of increased competition between the two banks in the future through *de novo* branching, Farmers could legally branch *de novo* into Salt Lake City and Salt Lake County, but this does not seem likely in view of its lack of branching experience, its limited managerial resources, and the number of commercial banking offices already established in Salt Lake County. Tracy-Collins can branch *de novo* anywhere in Salt Lake County, but only into incorporated communities outside Salt Lake County and then subject to home office protection. It thus cannot branch *de novo* into the city of West Bountiful, since West Bountiful is an incorporated city and the main office of Farmers is located there. Of the six incorporated cities in the South Davis Division of Davis County, three are closed to *de novo* branching due to main office protection, while Centerville City (population 3,268) has two branches of other banks and North Salt Lake (an even smaller community) already has a branch of the State's second largest commercial bank. The three incorporated cities in South Davis County closed to *de novo* branching by Tracy-Collins contain 67 percent of the population in the South Davis Division of the county, and the five commercial banking offices located in these three cities hold 91 percent of the division's total commercial bank deposits. While income levels in Davis County are relatively high and the population for each existing commercial bank office in Davis County is also relatively high (at 5,942 persons), the number of locations available to Tracy-Collins for *de novo* branching under Utah law is obviously limited. Three other banks, larger than Tracy-Collins, moreover, are also potential entrants by *de novo* branching if additional commercial bank locations can be found. Legally, the parent holding company of Tracy-Collins could also establish a *de novo* bank in one of the closed communities, but this means of entry into a market with only $64 million in total commercial bank deposits does not seem likely, especially since the three largest banking organizations in the State are already present in the market and there are other, larger banks that are also potential entrants. Accordingly, it appears that there is no significant potential for increased competition, between Tracy-Collins and Farmers as a result of *de novo* branching or the establishment of a *de novo* bank, which would be eliminated by the proposed transaction.

Commercial banking in the State of Utah is concentrated in its three largest banking organizations, which as of December 31, 1972, held 60.2 percent of the total deposits held by all commercial banks in the State. The largest share is held by First Security Corporation, Salt Lake City, Utah, with 29.4 percent, the next two largest banking organizations are also headquartered in Salt Lake City and they have 16.6 percent and 14.2 percent, respectively. Tracy-Collins is the seventh largest of 46 commercial banking organizations in the State, with 3.7 percent of the State's total commercial bank deposits, while Farmers holds only 0.8 percent of the deposits. The resulting bank would rank as the sixth largest organization in the State, with 4.5 percent of total deposits, and would still be much smaller than the three largest. First Security Corporation also controls one commercial bank in Idaho and one in Wyoming and combined has total deposits in excess of $1 billion. Consummation of this proposed transaction would accordingly have no significant effect on the structure of commercial banking statewide in Utah.

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

Financial and Managerial Resources; Future Prospects. Tracy-Collins has satisfactory financial and managerial resources, as would the resulting bank. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. Except for a modest increase in the legal lending limit, this proposed transaction would provide no major benefits to present customers of Tracy-Collins. More significant benefits would accrue to customers of Farmers. Thus, the present lending limit of Farmers is $130,000, while the resulting bank would have a limit of $1,020,000. In addition, the resulting bank would offer golden passbook accounts, lower interest rates on some types of loans, and trust services that are presently not available at Farmers.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Southern Bank and Trust Company Mount Olive, North Carolina	33,948	14	15
to merge with			
Merchants & Farmers Bank Macclesfield	3,594	1	

Summary report by Attorney General, November 10, 1972

The home offices of the two banks are approximately 55 miles apart, and the nearest branch of Southern is about 25 miles east in adjacent Martin County. A large number of alternative banking offices of many of the state's largest banks operate in the surrounding and intervening areas. This proposed merger would not appear to eliminate any significant actual competition presently existing between the two banks.

Since North Carolina banking laws permit statewide branching, Southern could enter Macclesfield *de novo*. However, considering the small size of Macclesfield, and its rather static economic situation, the area would not appear to be attractive for such expansion by Southern at the present time. Moreover, there are other banks much larger than Southern operating in the area, which could enter Macclesfield or surrounding areas of Edgecombe County should the area become attractive for expansion. The proposed merger, therefore, would not appear to have an adverse effect on potential competition.

Basis for Corporation approval, July 31, 1973

Southern Bank and Trust Company, Mount Olive, North Carolina ("Southern"), a State nonmember insured bank with total resources of $33,948,000 and IPC deposits of $27,696,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Merchants & Farmers Bank, Macclesfield, North Carolina ("Merchants"), with total resources of $3,594,000 and IPC deposits of $2,864,000. The banks would merge under the charter and title of Southern and, as an incident to the merger, the sole office of Merchants would become a branch of the resulting bank, increasing the number of its offices to 15. Approval is also requested for the retirement provisions of preferred stock.

Competition. Southern operates a total of 14 offices in seven eastern North Carolina counties. Its main office and three branches are in Wayne County, and the remaining 10 branches are well distributed among Duplin, Lenoir, Pitt, Bertie, Martin, and Beaufort Counties. Southern is the 26th largest commercial bank in North Carolina, with 0.3 percent of the State's total commercial bank deposits. It is one of five North Carolina banks controlled by the Holding family and their interests. These banks hold in the aggregate about 9.7 percent of the State's total commercial bank deposits.

Merchants operates its only office in Macclesfield, Edgecombe County, about 55 miles northeast of Southern's main office. Macclesfield is a small (1970 population 536) rural community located in southern Edgecombe County (1970 population 52,341, down 3.5 percent since 1960). Merchants is the second smallest commercial bank in North Carolina and has only a nominal share of the State's total commercial bank deposits.

Edgecombe County has about an equal mix of agriculture and industry, with the industry concentrated in the county's only two cities of any consequence, Tarboro, the county seat, and Rocky Mount (the latter being partially in Nash County), the former about 14 miles northeast and the latter about 20 miles northwest of Macclesfield. Edgecombe County's 1971 household median income was $5,786, far below the $7,177 average for the State.

The competitive effects of the proposed merger would be felt most immediately and directly within approximately a 15-20 mile radius of Macclesfield, an area of mostly small communities that would also include Tarboro and Rocky Mount as well as Wilson, in neighboring Wilson County. Merchants holds the next-to-smallest share (0.9 percent) of the local IPC deposits of 11 commercial banks within this area, but First-Citizens Bank & Trust Company, one of the other banks under common control with Southern, holds 8.3 percent of local commercial bank IPC deposits, ranking fifth in this respect among the 11 banks.

Southern's closest office to Macclesfield is in Robersonville, about 25 miles east of Macclesfield. In view of the distance between these offices, the convenient availability of numerous other commercial banking alternatives, and the fact that neither bank originates any significant volume of business from areas served by the other, the proposed merger would not eliminate any significant existing competition between the two banks. While some existing competition between Merchants and First-Citizens Bank & Trust Company would be eliminated by the proposed merger, this competition is not significant due to Merchants' size and unaggressive stance, the numerous alternatives available and First-Citizens' relatively small share of the local market.

North Carolina law permits statewide *de novo* branching, but the likelihood of increased competition arising between Southern (or any bank under common control with Southern) and Merchants through additional *de novo* branching in the future is remote. Merchants has neither the resources nor the managerial depth for such *de novo* branching activities against the much larger banks whose offices abound throughout the area. Southern and the other banks under common control are not likely to be attracted to Macclesfield or the rest of the local banking market Merchants serves because of the low income levels that prevail, the limited growth potential of the area, the competition to be encountered, and the relatively low population per commercial bank office that already exists in the area. The proposed merger, accordingly, is not likely to eliminate any significant potential for increased competition between Merchants and Southern (or any bank under common control) that might arise through *de novo* branching in the future.

Because of Merchants' small size and the limited percentage of the State's total commercial bank deposits held by Southern and the four other North Carolina banks under common control, the proposed merger would have no perceptible effect on the statewide commercial banking structure in North Carolina.

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

Financial and Managerial Resources; Future Prospects. The financial resources of Southern and Merchants are adequate. Although Southern's managerial resources are satisfactory, Merchants faces a management succession problem and its future prospects of operating independently would appear to depend upon obtaining successor management. Southern's future prospects are satisfactory, as are the future prospects of the resulting bank.

Convenience and Needs of the Community to be Served. The proposed merger would have little effect on the services presently offered in any of the areas where Southern now operates. The small population in the limited area around Macclesfield would be benefited to the extent that a small, rural non-par bank would be replaced by a branch of a larger, more aggressive full-service bank that clears items at par. In addition, the legal lending limit available at the Macclesfield office would be increased from approximately $56,000 to approximately $123,500.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Continental Bank Houston, Texas (change title to Continental Bank of Texas)	170,547	1	2
to merge with **Bank of Texas** Houston	188,119	2	

Summary report by Attorney General, February 28, 1973

Bank of Texas and New Continental Bank are located almost immediately adjacent to each other in downtown Houston; their offices are situated about 600 feet apart. The merging banks are direct competitors in the City of Houston, in Harris County and in the four county area comprising the Houston SMSA.

There are 82 banks in the City of Houston, holding more than $6.2 billion in total deposits. As of June 30, 1972, Bank of Texas, with 2.5 per cent of total city deposits, ranked seventh among these banks, and New Continental Bank, with 2.2 per cent of city deposits, ranked eighth. First City Bancorporation's subsidiaries, led by First City National Bank, ranked first with total deposits of $1.44 billion, or 23 per cent of total city deposits. The top four banks, together with their affiliates, held 59 per cent of city deposits, as of June 30, 1972.

The competitive situation in Harris County is similar to that existing in the City of Houston. Of the 116 banks operating in Harris County on June 30, 1972, Bank of Texas ranked seventh with 2.32 per cent of county deposits while New Continental Bank, with 2.04 per cent of county deposits, ranked eighth. First City National Bank of Houston and Texas Commerce National Bank, together with affiliates of both, ranked first and second among the Harris County banks with 21 per cent and 17 per cent, respectively, of total county deposits.

The Houston SMSA encompasses the four Texas counties of Harris, Fort Bend, Montgomery and Liberty. There are six banks located in Montgomery County, including Conroe Bank, another subsidiary of Allied Bancshares. Conroe Bank ranked second among the six Montgomery County banks, holding 32 per cent of Montgomery County deposits, as of June 30, 1972, and accounted for 0.36 per cent of total deposits held by banks in the Houston SMSA. New Continental Bank, the eighth ranking bank in the SMSA, as of June 30, 1972, held 1.97 per cent of SMSA deposits, and Allied Bancshares (through New Continental Bank and Conroe Bank) thus accounted for 2.33 per cent of total deposits in the Houston SMSA. Bank of Texas, the seventh largest bank in the SMSA, held 2.24 per cent of SMSA deposits, as of June 30, 1972. As a result of this acquisiton Allied will become the fifth largest banking organization in the Houston SMSA, in Harris County and in the City of Houston.

Concentration in the Houston area is rapidly increasing. The top four banking organizations in the City of Houston now control more than 59 per cent of total city deposits. The proposed merger will further increase concentration in the Houston area, and will eliminate direct competition between Bank of Texas and Allied's subsidiary banks in the City of Houston, in Harris County and in the four county area comprising the Houston SMSA.

In addition, New Continental Bank and Bank of Texas are two of the very small number of substantial but not dominant downtown Houston banks which are not affiliated with the very largest Texas banking organizations. As such, they represent presumably desirable entry vehicles for other Texas banking organizations wishing to enter the Houston banking market. To the extent that a substantial downtown organization is seen as necessary or desirable for effective entry by such organizations in order to compete with the very largest Texas organizations already represented in Houston, the acquisition of Bank of Texas by Allied, through its combination with New Continental Bank, may make such entry more difficult.

Overall, we conclude that the proposed merger would have an adverse competitive effect.

Basis for Corporation approval, July 31, 1973

Continental Bank, Houston, Texas, a State nonmember insured bank with total resources of $170,547,000 and total IPC deposits of $101,648,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge with Bank of Texas, Houston, Texas, a State nonmember insured bank with total resources of $188,119,000 and total IPC deposits of $134,041,000, under the charter of Continental Bank and with the title "Continental Bank of Texas." In order to comply with State law, the only office of Continental Bank would be discontinued, and the resulting bank would operate at the present main office of Bank of Texas and its one facility.

Competition. Continental Bank is controlled by Allied Bancshares, Inc., Houston, Texas, ("Allied"), a registered bank holding company that also holds control of The Conroe Bank, Conroe, Texas (40 miles from Houston) (total assets $35 million) and Merchants Bank, Port Arthur, Texas (60 miles from Houston) (total assets $76 million). Bank of Texas is controlled by Houston First Financial Group, Inc. ("First Financial"), which, because of its control of Houston First Savings Association, Houston, Texas (total resources $284 million), a local building and loan association, is seeking to divest itself of its bank subsidiary in order to bring itself into compliance with relevant rulings of the Board of Governors of the Federal Reserve System with respect to the operation of a savings and loan association by a registered bank holding company.

Both Continental Bank and Bank of Texas are located in the heart of downtown Houston, which is the sixth largest city in the United States. The population of the Houston SMSA, consisting of Brazoria, Fort Bend, Harris, Liberty, and Montgomery Counties, increased 40.0 percent between 1960 and 1970, from 1,418,323 to 1,985,031. Most of the population in the SMSA is concentrated in the city of Houston, whose urban population increased 31.2 percent in the decade preceding 1970, to 1,231,394. The city of Houston, located in the southeastern part of the State near the coast, is basically a manufacturing and retail service center. It is also the second largest inland seaport in the nation, with an increasing number of local firms engaged in international trade. The Houston area contains approximately 23 percent of the State's total working force, and they earn about 26 percent of its total wages. In 1972 the median household income for Harris County, of which Houston is the county seat, was $9,595, compared to $7,831 for the State of Texas as a whole. The rapid and stable growth of the Houston area is expected to continue in the future.

The proposed merger would have its most immediate and direct competitive impact in the city of Houston, although some effects will be felt elsewhere in the Houston SMSA since both banks draw more than a nominal share of their deposit and loan business from outside the city. Within the city of Houston, Continental Bank held 1.8 percent and Bank of Texas 2.8 percent of total commercial bank IPC deposits on June 30, 1972. Of the 86 commercial banks operating in the city at that time, the $1.3 billion-deposit First City National Bank of Houston was the largest, the $1.1 billion-deposit Texas Commerce Bank, N.A., was the second largest, the $667 million-deposit Bank of the Southwest, N.A., was the third largest, the $325 million-deposit Houston National Bank was the fourth largest, and the $208 million-deposit Houston-Citizens Bank & Trust Company (an affiliate of First National Bank in Dallas) was the fifth largest. These five banks on June 30, 1972, held in the aggregate 53.7 percent of the total commercial bank IPC deposits in the city. Four other banks, besides Continental Bank and Bank of Texas, exceeded $100 million in total deposits with the 75 remaining banks ranging in size from very small to $79 million in deposits.

The banking structure of the SMSA as a whole was similar. The same five banks held slightly more than 50 percent of total commercial bank deposits, while Continental Bank held 1.9 percent of the deposits and Bank of Texas 2.1 percent. 145 banks shared the balance of the SMSA's total commercial bank deposits.

Continental Bank and Bank of Texas are two blocks apart in downtown Houston. Each has all the powers of a State-chartered commercial bank in Texas and each has trust powers as well. In a number of loan and deposit categories they compete with each other for banking business, but their relative shares of the banking business in the Houston market are so small that the Board of Directors cannot find, under current judicial precedents, that the effect of the proposed merger "may be *substantially* to lessen competition" within the meaning of Section 7 of the Clayton Act, as incorporated into the relevant provisions of the Bank Merger Act of 1966.* Moreover, there are major differences in the loan and service activities of the two banks. Bank of Texas concentrates on commercial lending (70.0 percent of total loans, as compared to 36.5 percent for Continental Bank), while Continental Bank is oriented toward installment lending (24.2 percent of total loans, as compared to 3.7 percent for Bank of Texas) and residential real estate loans (18.7 percent of total loans, as compared to none for Bank of Texas). Bank of Texas does not emphasize correspondent banking activity, while Continental Bank has been much more aggressive in this area. Bank of Texas has an active and expanding trust department, whereas Continental Bank has a small trust department and does not actively solicit trust business. Bank of Texas has its own data processing facility, international banking department and detached drive-in facility, but Continental Bank is inactive in these fields. For all of these reasons, the Corporation does not regard the competition that presently exists between Continental Bank and Bank of Texas as substantial enough to warrant denial of the application.

While Texas State law prohibits branch banking, the two banks could find themselves in increasing competition in the future (i) through changes in management policy that would make each bank a more significant competitor of the other throughout the broad range of commercial bank services, or (ii) through the affiliation of Bank of Texas with a multibank holding company not presently represented in the Houston banking market. These considerations, however, appear to be less serious in the Houston market than they would be in a concentrated or stagnant market having relatively few banks. In this connection, it should be noted that 15 commercial banks in addition to Continental Bank and Bank of Texas are located within a radius of 10 blocks of the main office of the Bank of Texas. Four banks in Houston, in addition to the five largest, also exceed $100 million in deposit size and many of the 75 remaining banks in the city are likely to reach that deposit size in the future as Houston's booming growth continues. Numerous new banks continue to be chartered each year in this growth area. It would appear, therefore, that the city of Houston has now, and will continue to have if this merger is approved, a large number of growing banks in vigorous competition and that holding companies not presently represented in the Houston market will have ample opportunity to enter that market in the future through the acquisition of banks comparable in deposit size to Bank of Texas, through "foothold" acquisitions or through the chartering and acquisition of *de novo* banks. For these reasons, it is the Board's opinion that the elimination of any potential competition between the two banks would have no adverse effect on the structure or vigor of commercial bank competition in the Houston SMSA in the future. In fact,

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*cf. *United States* v. *Philadelphia National Bank,* 374 U.S. 321 (1963); *United States* v. *Third National Bank in Nashville,* 390 U.S. 171 (1968); *United States* v. *Phillipsburg National Bank,* 399 U.S. 350 (1970). See also the Corporation's decision approving the proposed merger of *The Nashville Bank and Trust Co. and Capital City Bank of Nashville, 1970 FDIC Annual Report* 93.

the proposed merger may create a bank better able to compete across the broad range of bank services with the five largest banks in the market.

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

Financial and Managerial Resources; Future Prospects. Both Continental Bank and Bank of Texas have satisfactory financial and managerial resources, as would the resulting bank. Favorable future prospects for the resulting bank seem assured by the rapidly expanding economy of the Houston area.

Convenience and Needs of the Community to be Served. Customers of both banks would benefit from the more complete range of commercial bank services that could be offered to all of them through the complementary skills and experience of each bank's management team. Certain services, including international banking services, municipal bond underwriting services, data processing services, and trust services, could be significantly expanded by the larger resulting bank. In addition, the resulting bank would have a lending limit of $3.5 million, as contrasted with Continental's present limit of $1.5 million and Bank of Texas' present limit of $2 million. While all of these services are presently available at the larger banks in downtown Houston, present customers of both banks should be convenienced by not having to bank elsewhere.

The premises to be vacated by Continental Bank are to be occupied by the main office of Greater Houston Bank that is presently located only a short distance away. Management of Greater Houston Bank intends to convert its present office to a facility, so there would be no reduction in the number of commercial banking offices presently serving the general public in the Houston market.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Virginia-Petersburg Petersburg, Virginia (in organization)	2,400	—	2
to acquire a portion of the assets and assume a portion of the liabilities of			
Bank of Virginia-Central Richmond	29,471*	1*	

Summary report by Attorney General, July 9, 1973

The proposed transaction is part of a plan through which the Petersburg office of Bank of Virginia-Central would be transferred to a newly organized

*Resources and branch office of Bank of Virginia-Central to be acquired by Bank of Virginia-Petersburg.

bank. Since both the transferring bank and the acquiring bank are subsidiaries of Bank of Virginia Company, a bank holding company, the proposed transaction is simply a corporate reorganization and would have no competitive effect.

Basis for Corporation approval, August 20, 1973

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance and consent to exercise trust powers on behalf of Bank of Virginia-Petersburg, Petersburg, Virginia ("New Bank"), with total assets of $2,400,000, a proposed new bank in organization, and for consent to its acquiring the assets and assuming liability to pay deposits made in the Petersburg Branch of Bank of Virginia-Central, Richmond, Virginia, a State member bank. This branch is located in the independent city of Petersburg and has total resources of $29,471,000. New Bank would operate from a newly established main office location and from the premises of the aforementioned Petersburg Branch of Bank of Virginia-Central, both within Petersburg.

The new bank formation and the acquisition are a means by which Bank of Virginia Company, Richmond, Virginia, a registered bank holding company of which Bank of Virginia-Central is a wholly owned subsidiary, may effect a corporate reorganization to create an institution with an improved competitive stature in the Petersburg area. This reorganization would enable New Bank to establish *de novo* branches in the area, a method of expansion not available under existing statutes to Bank of Virginia-Central. Application by Bank of Virginia Company for approval to acquire 100 percent of the voting shares of New Bank is pending before the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to the acquisition. Subsequent to the acquisition's consummation, New Bank will operate the same banking business at the existing Petersburg location of Bank of Virginia-Central and at a newly opened main office in that city, with a management team assembled from present directors and officers of Bank of Virginia-Central. The proposal will not, per se, affect the structure of commercial bank competition in the market served by the Petersburg Branch of Bank of Virginia-Central or result in changes in banking services heretofore provided by this branch. All factors considered pertinent to the subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Mississippi Tupelo, Mississippi	126,073	22	23
to merge with **Bank of Olive Branch** Olive Branch	11,962	1	

Summary report by Attorney General, August 9, 1973

Bank is situated about 89 miles from Applicant's nearest office; thus it appears that the proposed acquisition would not eliminate substantial existing competition. Applicant could legally establish *de novo* offices in the area served by Bank. However, in view of the modest size of Bank and the existence of other significant potential entrants, we conclude that the proposed transaction would not eliminate potential competition.

Therefore, we conclude that this proposed acquisition would not have a substantial competitive impact.

Basis for Corporation approval, September 24, 1973

Bank of Mississippi, Tupelo, Mississippi, an insured State nonmember bank with total resources of $126,073,000 and IPC deposits of $99,168,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Bank of Olive Branch, Olive Branch, Mississippi, having total resources of $11,962,000 and IPC deposits of $8,979,000.* As an incident to the merger, Bank of Mississippi would operate the two approved offices of Bank of Olive Branch as branches, thereby increasing the number of its offices to 24.

Competition. Bank of Mississippi operates offices in eight counties of northeastern Mississippi. It derives a significant amount of business from these counties and also from Union County, and the nine counties comprise the bank's primary trade area. Historically agricultural, the economy of this region has become fairly well balanced between agriculture and light industry during the past decade. The population of these nine counties increased during the 1960s by 4.3 percent and now totals 203,898—comparing favorably with a statewide population increase of only 1.8 percent. Bank of Mississippi presently has no office in De Soto County.

Bank of Olive Branch operates its sole office in Olive Branch (population 1,513) in northeastern De Soto County (1970 population 35,885—an increase of 50.2 percent since 1960). A branch has been approved for establishment within the village of Olive Branch but is not yet open. De Soto County, principally an agricultural section of northwestern Mississippi, adjoins Memphis, Tennessee, and is separated by Marshall County, Mississippi, from the trade area presently served by Bank of Mississippi. A substantial population growth has occurred in northwestern De Soto County since 1960 as the suburbs of Memphis continue to expand southerly into areas adjacent to State Routes 61 and 51 and Interstate 55. To date, however, the village of Olive Branch and its environs have not participated in this population expansion.

The area served by Bank of Olive Branch comprises De Soto County and the northwestern quarter of neighboring Marshall County. In this market, Bank of Olive Branch holds approximately 20.4 percent—the second largest share—of the IPC deposits held at June 30, 1973, by the 10 commercial bank offices therein. The Hernando Bank ranks first in these deposits, its percentage share of the market exceeding that of Bank of Olive Branch by a substantial margin.

*Figures for Bank of Mississippi have been adjusted for the subsequent merger of The Bank of West Point, West Point, Mississippi.

The office of Bank of Mississippi nearest to Olive Bank is located in Ecru, Pontotoc County, some 65 road miles to the southeast. The banks operate in separate trade areas and it appears that no significant existing competition would be eliminated by their proposed merger.

Although a potential for increased competition between the two banks in the future through *de novo* branching would be foreclosed by the proposed merger, this appears to have insufficient anticompetitive significance to warrant denial of the application. While Bank of Olive Branch has recently evidenced an interest in *de novo* branching, it is hampered by a lack of branching experience, limited personnel and limited financial resources. It appears unlikely that it would find *de novo* entry into Bank of Mississippi's trade area feasible within the reasonably foreseeable future in view of the distances involved and the competition to be encountered. Bank of Mississippi, on the other hand, in its search for market expansion opportunities, would be likely to find De Soto County, an area of continuing rapid growth with income levels comparable to those of the State as a whole, relatively attractive for *de novo* branching. Several facts serve to mitigate this anticompetitive aspect of the proposed merger, however. While the merger would provide Bank of Mississippi with the second largest share of the local market's commercial bank IPC deposits, that share would be substantially less than the percentage share held by The Hernando Bank, and First National Bank, Southaven, would also be in significant competition. These banks, together with five others, would provide numerous alternatives for public choice in this market of approximately 40,000 persons. In addition, three of Mississippi's 10 largest commercial banks (in terms of total deposits held at March 28, 1973) are potential entrants into De Soto County: the $125-million deposit Grenanda Bank, the $70-million deposit Bank of Clarksdale, and The Peoples Bank and Trust Company, Tupelo, with $66 million of deposits. Moreover, many residents of the county commute for employment to the nearby Memphis area, and the seven commercial banks of that city, including two with assets exceeding $1.3 billion, offer significant competition throughout De Soto County.

In its widest potential market under State law—an area within 100 miles of Tupelo—Bank of Mississippi controls 9.7 percent of total IPC deposits, held at June 30, 1972, by all offices of the 78 commercial banks presently represented therein. Its share of this market would be increased by the proposed merger to 10.6 percent. Statewide, Bank of Mississippi holds only 2.7 percent of aggregate commercial bank IPC deposits; post-merger its share would become 2.9 percent. The proposed merger, accordingly, appears unlikely to affect adversely the structure of commercial bank competition in any relevant market.

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

Financial and Managerial Resources; Future Prospects. Both Bank of Mississippi and Bank of Olive Branch have adequate financial and managerial resources, as would the resulting bank. Future prospects for the resulting bank appear favorable.

Convenience and Needs of the Community to be Served. De Soto County and adjacent northwestern Marshall County would be provided by the merger with the full services of one of the State's major commercial banks. Trust facilities and investment services would be offered for the first time at the Bank of Olive Branch's offices. Expanded data processing services, mortgage lending services, industrial development services, and charge card services would also be offered. An aggressive management, operating with a lending limit in excess of $1 million, should stimulate competition in this market to the benefit of the business community and the general public.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Clarksdale Clarksdale, Mississippi	78,432	12	14
to merge with			
Bank of Oxford Oxford	23,880	2	

Summary report by Attorney General, September 13, 1973

The nearest offices of the parties are approximately 28 miles apart, with some competitive alternatives in the intervening area. It appears that the proposed transaction would eliminate only a limited amount of existing competition.

Bank of Clarksdale could legally establish *de novo* offices in the area served by Bank of Oxford. However, in view of the existence of other significant potential entrants, we conclude that the proposed acquisition will not eliminate substantial potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, October 15, 1973

Bank of Clarksdale, Clarksdale, Mississippi, an insured State nonmember bank having total assets of $78,432,000 and IPC deposits of $61,525,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Bank of Oxford, Oxford, Mississippi, with total assets of $23,880,000 and IPC deposits of $16,446,000. As an incident to the merger, the three approved offices of Bank of Oxford would become branches of Bank of Clarksdale, increasing to 15 the total number of its offices.

Competition. Bank of Clarksdale operates 12 offices in five northwestern counties of the State of Mississippi. Its primary trade area comprises the Counties of Coahoma, Panola, and Quitman and includes adjacent portions of Bolivar, Sunflower, Tallahatchie, Tunica, and Yalobusha Counties. The economy of this region is predominantly agricultural, although light industry has become more significant during the past decade. The region's total population, now estimated at 121,700, decreased some 16 percent between 1960 and 1970, in contrast to a 1.8 percent increase statewide. Median income levels throughout the region are substantially below the State average, which itself is the second lowest in the country. Bank of Clarksdale presently has no office in Lafayette County.

Bank of Oxford has three offices, including one as yet unopened, in Oxford (population 13,846), the centrally located county seat of Lafayette County (1970 population 24,181, up 13.2 percent between 1960 and 1970). Lafayette County is situated in the center of northern Mississippi immediately east of Panola County. Its economy is predominantly agricultural, although considerable commercial activity is centered around the 8,000-student University of Mississippi in the city of Oxford. Light manufacturing has also become more significant in Oxford during recent years, with some 1,300 people being employed by six major area firms.

Lafayette County, together with adjacent portions of Panola and Yalobusha Counties, comprises the local banking market within which Bank of Oxford operates, and it is here that the proposed merger would have its most immediate and direct impact. Within this market, Bank of Oxford holds 33.6 percent of aggregate area commercial IPC deposits. Its local competitor, The First National Bank of Oxford, holds approximately the same percentage, while two other competitors, both located in Water Valley, Yalobusha County, hold the remaining area deposits between them.*

The two banks currently operate in separate banking markets. Offices of Bank of Oxford are located some 27 road miles east of the nearest office of Bank of Clarksdale, in Batesville, Panola County. There is some overlapping of trade areas in the sparsely populated region of eastern Panola County and western Lafayette County, but this overlap appears to be of no competitive significance, and the banks report few common depositors or borrowers. It would appear that no significant existing competition between the two banks would be eliminated by their proposed merger.

Mississippi law permits each bank to branch into areas served by the other, subject to restrictions in the case of smaller communities of specified population where there already are existing bank offices. These restrictions would not prevent either bank from branching *de novo* into the city where the other has its main office. Bank of Oxford, however, would probably find additional locations in expanding Lafayette County more attractive for *de novo* branching than entry into any county where Bank of Clarksdale is presently represented—areas whose populations declined during the 1960s at rates varying from 4.7 percent to 29.5 percent and whose income levels range from 10 percent to 38 percent below those of Lafayette County. Bank of Clarksdale, on the other hand, would probably find Lafayette County, especially the rapidly growing city of Oxford, attractive for *de novo* entry within the foreseeable future. This anticompetitive aspect of the proposed merger is mitigated, however, by the presence of a number of commercial banks in northern Mississippi that must also be considered potential entrants into the Oxford banking market. These banks include the $93.9 million IPC deposit Bank of Mississippi and the $56.8

*A State charter has recently been approved for a fifth bank, the proposed First State Bank & Trust Company of Oxford, now in process of organization.

million IPC deposit The Peoples Bank and Trust Company, both headquartered in Tupelo, as well as the $103.9 million IPC deposit Grenada Bank, Granada.

In its maximum potential market, which under State law is that portion of Mississippi lying within a 100-mile radius of Clarksdale, Bank of Clarksdale controls only 6.3 percent of the total IPC deposits held at June 30, 1972, by all offices in the area of the 78 commercial banks represented therein—a share that would be increased by the proposed merger to 7.9 percent. In the State as a whole, Bank of Clarksdale holds only 1.7 percent of all Mississippi commercial bank IPC deposits, a figure that would be increased to 2.1 percent if the proposed merger is consummated. It thus appears unlikely that the proposed merger would have any adverse competitive impact upon the structure of commercial banking in these relevant areas.

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

Financial and Managerial Resources; Future Prospects. Bank of Clarksdale has adequate financial and managerial resources, while those of Bank of Oxford are marginally satisfactory. The resulting bank would have adequate financial and managerial resources and favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed merger would provide customers of the Bank of Oxford with broader services and more modern main office facilities. Trained professional management, operating with a lending limit that exceeds $1 million, would bring new sophistication to business customers, while trust services and student loans would be offerd for the first time at Bank of Oxford locations.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Washington Mutual Savings Bank Seattle, Washington	1,258,554	29	30
to consolidate with			
Grays Harbor Savings and Loan Association Aberdeen	6,250	1	

Summary report by Attorney General, August 13, 1970

Aberdeen is about 40 miles west of Olympia, the location of the nearest office of The Washington Mutual Savings Bank ("Bank"). Bank currently obtains an insignificant portion of its deposits from the service area of The Grays Harbor Savings and Loan Association ("Association").

Bank could enter the Aberdeen area by opening a new office (RCWA 32.04.030). Association is the smallest of the three serving the Aberdeen area, and it has less than 8 per cent of the deposits in all such associations in Aberdeen. Hence, this consolidation is not likely to have any significantly adverse effect on potential competition.

Basis for Corporation approval, October 15, 1973

Washington Mutual Savings Bank, Seattle, Washington, an insured mutual savings bank with total deposits of $1,122,759,000 as of June 30, 1973, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to consolidate with Grays Harbor Savings and Loan Association, Aberdeen, Washington, which had total deposits of $5,300,000 as of March 31, 1973. The institutions would consolidate under the charter and title of Washington Mutual Savings Bank, and the only office of Grays Harbor Savings and Loan Association would become a branch of Washington Mutual Savings Bank. Prior to the consolidation, Grays Harbor Savings and Loan Association proposes to convert to a mutual savings bank.

The Corporation denied the subject application on December 18, 1970, and, upon reconsideration, affirmed its denial on July 30, 1971. The reasons for those actions are fully detailed in the original Basis for Corporation Denial (1970 FDIC *Annual Report* 141), the Statement Upon Reconsideration (1971 FDIC *Annual Report* 164), and in the briefs submitted by the Corporation to the U.S. District Court for the Western District of Washington (347 F. Supp. 790) and the U.S. Court of Appeals for the Ninth Circuit (Civil Action No. 72-2972).

In view of the adverse decisions of those two courts and the determination of the Solicitor General of the United States not to petition the Supreme Court of the United States for a writ of certiorari, the Corporation is required to comply with an order to approve the said merger issued October 25, 1972, by the U.S. District Court for the Western District of Washington, the effectiveness of which was stayed through October 10, 1973, pending completion of various appellate steps but which is now fully effective.

The merger is, accordingly, approved.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Hancock Bank Gulfport, Mississippi	136,057	12	13
to merge with			
Bank of Commerce of Poplarville Poplarville	12,031	1	

Summary report by Attorney General, July 17, 1973

The home offices of the merging institutions are located about 50 miles apart. The closest office of Hancock Bank to Poplarville is about 38 miles. Thus, it does not appear that the proposed merger will eliminate significant existing competition between the participating institutions. Hancock Bank is the largest bank which may legally branch into Pearl River County, although *de novo* branching directly into Poplarville would be prohibited by the home office protection provisions of state law. And it seems clear that Hancock Bank has the capability for *de novo* expansion into Poplarville Bank's service area. However, in view of the relatively modest size of the Poplarville Bank and the existence of other potential entrants, we conclude that the proposed merger will not eliminate substantial potential competition.

Therefore, we conclude that the proposed merger would not have a substantial competitive impact.

Basis for Corporation approval, October 30, 1973

Hancock Bank, Gulfport, Mississippi, an insured State nonmember bank with total resources of $136,057,000 and total IPC deposits of $98,063,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Commerce of Poplarville, Poplarville, Mississippi, ("Bank of Commerce"), with total resources of $12,031,000 and total IPC deposits of $8,130,000. These banks would merge under the charter and title of Hancock Bank and, as an incident to their merger, the sole office of Bank of Commerce would become a branch of the resulting bank, increasing the number of its offices to 13.

Competition. Hancock Bank operates two offices in Hancock County (1970 population 17,387) and 10 offices in Harrison County (1970 population 134,582), two of Mississippi's Gulf Coast counties. These two counties grew in population by 23.8 percent and 12.6 percent, respectively, during the 1960s in contrast to the statewide population increase of 1.8 percent. Their economy is centered in commercial fishing and seafood processing, tourism, the Port of Gulfport, and Federal installations, although northern sectors of these two counties are agricultural.

Bank of Commerce operates its sole office about 50 miles northwest of Gulfport, in Poplarville (population 2,312), the county seat of Pearl River County (population 27,802). This county, an agricultural region adjoining the northern boundary of Hancock County, recorded a 24.1 percent increase in population during the 1960s.

The proposed merger would have its most direct and immediate impact in an area approximately 15-20 miles surrounding Poplarville, where Bank of Commerce has its only office. This area includes the northern portion of Pearl River County, and the cities of Lumberton (population 2,084) in Lamar County and Bogalusa, Louisiana (population 18,412), which lie 13 miles north and 18 miles west, respectively, of Poplarville. Of the five banks presently in this local banking market, Bank of Commerce is the smallest in overall size but holds the fourth largest share of area IPC deposits (12.9 percent).*

Hancock Bank is not represented in this local banking market. The closest offices of Hancock Bank and Bank of Commerce are some 38 road miles apart and neither generates more than nominal deposits or loans from areas served by the other. The proposed merger, accordingly, would not eliminate any significant existing competition between the two banks. In fact, competition within the local banking market should be intensified by the entry of another large institution such as Hancock Bank.

Mississippi law permits each of the two participating banks to branch *de novo* into areas served by the other, but not into banked communities the size of Poplarville and Lumberton. However, no significant potential for increased competition between the two banks through *de novo* branching in the future would be lost by their proposed merger. Bank of Commerce has an aging management with no apparent inclination to establish additional offices. Hancock Bank would have few, if any, attractive locations available to it for a branch bank or a branch office in northern Pearl River County or southern Lamar County, and would be more likely in any event to seek out possible *de novo* locations elsewhere within its legal branching area.

In that legal branching area, which comprises all points in Mississippi within 100 miles of Gulfport, the resulting bank would be the largest of 34 commercial banks with a 17 percent share of the total deposits held by these banks. Within the same area, First Mississippi National Bank, Hattiesburg, a $120 million-deposit institution, would be a relatively close second in the competitive rankings. Statewide, the resulting bank would hold only 3 percent of all Mississippi commercial bank deposits.

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

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial resources and future prospects. There is lack of management depth at Bank of Commerce together with a health problem among its aging top management. Hancock Bank would provide satisfactory managerial resources to the resulting institution.

Convenience and Needs of the Community to be Served. The merger would make available to residents, businessmen, and farm operators in Bank of Commerce's local banking market the full banking services of one of the State's larger banks. Home mortgage and consumer lending services are likely to be expanded significantly and Hancock Bank's $1.2 million lending limit should provide new competition for the branch of First Mississippi National Bank in Lumberton and for the Bogalusa commercial banks. Trust and computer services would be available for the first time at Bank of Commerce's present location. To the extent these services are available at offices of other banks in the market, the Poplarville office of the resulting bank would provide an additional alternative for such services.

*The State of Mississippi has approved a new State-chartered bank for Poplarville, but it has not yet opened.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Virginia-Tidewater Norfolk, Virginia	103,567	11	13
to merge with			
Bank of Virginia-Southeast Nansemond	5,015	2	

Summary report by Attorney General, October 4, 1973

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

Basis for Corporation approval, November 9, 1973

Bank of Virginia-Tidewater, Norfolk, Virginia ("Tidewater Bank"), a State nonmember insured bank with total resources of $103,567,000 and IPC deposits of $72,334,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Virginia-Southeast, Nansemond, Virginia ("Southeast Bank"), with total resources of $5,015,000 and IPC deposits of $4,135,000. The banks would merge under the charter and title of Tidewater Bank and, as an incident to the merger, the two offices of Southeast Bank would become branches of the resulting bank, increasing the number of offices to 13.

Both of the participating banks are owned by Bank of Virginia Company, Richmond, Virginia, a registered bank holding company. The proposed merger is designed to consolidate Bank of Virginia Company's interests in southeastern Virginia into a more easily administered regional bank and, as such, would not affect the competitive structure of the area. Although the resulting bank will be able to provide trust services for customers of Southeast Bank, as well as a wider variety of time and savings accounts, there will be a minimal impact on the convenience and needs of the public.

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

All other factors requiring consideration are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Manufacturers Bank Los Angeles, California	189,164	3	7
to merge with **Lincoln Bank** Los Angeles	32,410	4	

Summary report of Attorney General, October 4, 1973

Both parties to this merger are located in the Los Angeles Metropolitan area. Their nearest offices are located about seven miles apart, with a number of competitive alternatives in the intervening area. Although the proposed merger may eliminate some existing competition between the parties, it does not appear that banking concentration would be substantially increased in any relevant geographic market.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, November 29, 1973

Manufacturers Bank, Los Angeles, California, a State nonmember insured bank with total resources of $189,164,000 and total IPC deposits of $139,808,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Lincoln Bank, Los Angeles, California, with total resources of $32,410,000 and total IPC deposits of $25,521,000. The banks would merge under the charter and title of Manufacturers Bank and, as an incident to the merger, the four offices of Lincoln Bank would become branches of the resulting bank, which would then have a total of eight authorized offices.

Competition. Manufacturers Bank is headquartered in downtown Los Angeles and operates one branch in the Hollywood section of the city and one branch in the city of Beverly Hills. It also has approval for an additional branch in Newport Beach, Orange County, about 45 miles southeast of its main office. Lincoln Bank is headquartered in the Van Nuys section of Los Angeles and operates one branch each in Encino, Granada Hills, and Sherman Oaks, all within the city of Los Angeles. Lincoln Bank is owned by First Lincoln Financial Corporation, Los Angeles.

The most direct and immediate impact of the proposed merger would be felt in Los Angeles County. All the existing offices of both banks are located in the county, which had a 1970 population of 7,036,887, up 16.5 percent over 1960. The county constitutes the Los Angeles-Long Beach SMSA, and there is widespread intracounty commutation. Economically, Los Angeles County is widely diversified, with such industries as electronics, aerospace, petroleum, and entertainment, as well as a rapidly growing volume of foreign trade. The 1972 median household income for Los Angeles County was $9,354, compared to $9,209 for the State as a whole. Prospects appear bright for continued economic growth.

Existing competition between Manufacturers Bank and Lincoln Bank is minimal. Their closest offices are about 10 miles apart, and there are a number of other commercial banks with offices in the intervening area, including offices of some of the largest banks in the State. Although Manufacturers Bank draws business from the San Fernando Valley (the location of Lincoln Bank's offices), it concentrates on medium-sized corporate and professional customers, while Lincoln Bank operates primarily as a retail bank serving small customers on a local basis. The volume of existing competition that the proposed merger would eliminate is insignificant in relation to the size of the Los Angeles County market, where each of the participating banks is a minor competitive factor.

Seventy-three commercial banks currently operate over 1,000 offices in Los Angeles County. As of June 30, 1973, these offices had total deposits in excess of $20 billion and the market was dominated by the two largest commercial banks in the State, which shared approximately 53 percent of total commercial bank deposits in Los Angeles County. Manufacturers Bank had a 0.7 percent share of these deposits, and Lincoln Bank only 0.1 percent. Thus, the proposed merger would have virtually no effect on the structure of commercial banking in Los Angeles County.

Inasmuch as California law allows statewide branching, each bank could branch *de novo* into areas where the other has offices, thereby increasing competition between them in the future. Further, the banking philosophies of Manufacturers Bank and Lincoln Bank could change in the future and bring them into greater competition for the same types of business. However, in view of the insignificant market position of both banks and of the resulting bank, the weakened position of Lincoln Bank and the presence of numerous larger banks also able to branch *de novo,* any elimination of potential competition between Lincoln Bank and Manufacturers Bank that might result from their merger cannot be regarded as competitively significant.

Because of the relatively nominal percentage of statewide assets and deposits that the resulting bank would control, the proposed merger would have no perceptible effect on the structure of commercial banking in California as a whole.

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

Financial and Managerial Resources; Future Prospects. The proposed merger would resolve a number of problems presently facing Lincoln Bank relative to asset quality, inadequate capital, and lack of management depth. The resulting bank, like Manufacturers Bank today, would have satisfactory managerial resources and, with increasing capital accounts, adequate financial resources. The future prospects of Lincoln Bank operating independently are virtually nonexistent, but the future prospects of Manufacturers Bank and of the resulting bank are satisfactory.

Convenience and Needs of the Community to be Served. Although the resulting bank would offer no new services that are not now conveniently available from a number of other alternatives, it would benefit Lincoln Bank's customers through more competent management, stronger financial resources, and improved capabilities for larger loans.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Sanwa Bank of California San Francisco, California	65,911	2	5
to purchase the assets and assume the liabilities of			
Charter Bank Culver City	27,560	3	

Summary report by Attorney General, August 9, 1973

The service areas of the parties are the San Francisco and Los Angeles Areas, respectively, and are separated by a distance of about 400 miles. Thus, the proposed merger would not eliminate any appreciable existing competition between the parties. Although Sanwa Bank of California may under California law branch into the Los Angeles area (as it presently proposed to do), the proposed acquisition of Charter Bank will not eliminate substantial potential competition.

We conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, November 29, 1973

The Sanwa Bank of California, San Francisco, California ("Sanwa Bank"), a State nonmember insured bank with total resources of $65,911,000 and total IPC deposits of $46,452,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's written consent to purchase the assets of, and assume liability to pay deposits made in, Charter Bank, Culver City, California, with total resources of $27,560,000 and total IPC deposits of $21,471,000. The three offices of Charter Bank would be operated as branches of Sanwa Bank, increasing the number of its offices to five.

Competition. The main office of Sanwa Bank is in San Francisco, and it recently opened a *de novo* branch in the heart of the financial district in downtown Los Angeles. Sanwa Bank is a wholly owned affiliate of The Sanwa Bank, Ltd., Osaka, Japan. Charter Bank operates two branch offices, both of which, like its main office, are located in Los Angeles County. One of these branches is in the Palms section of Los Angeles, 1 mile from Charter Bank's main office, and the other is in Redondo Beach, 13 miles south of the main office.

The proposed merger would have its most direct and immediate impact in Los Angeles County, which constitutes the Los Angeles-Long Beach SMSA. The population of Los Angeles County stood at 7,036,881 in 1970, having increased 16.5 percent between 1960 and 1970, and the metropolitan area has a widely diversified economy with notable concentrations in electronic, aerospace, petroleum, and entertainment industries and a rapidly growing volume of foreign trade. Area growth is continuing although at a slower pace than in the 1960s.

Charter Bank's Culver City offices serve a basically residential area, composed primarily of low- and middle-income families, but the eastern portion of Culver City is intensively industrialized. Charter Bank's Redondo Beach office serves a somewhat similar economic area. Ten miles of metropolis separate the nearest office of Charter Bank from Sanwa Bank's new branch in the financial district of downtown Los Angeles.

Neither bank has even 1/2 of 1 percent of the total commercial banking resources of the Los Angeles SMSA, and their four offices constitute an infinitesimal proportion of the more than 1,000 commercial bank offices that serve Los Angeles County. Given the wholesale and international orientation of Sanwa Bank, the retail orientation of Charter Bank, and the very small share of the local banking market each controls, it is apparent that their merger would eliminate no significant existing competition between them.

Under California law, commercial banks may branch *de novo* statewide; but in view of Charter Bank's limited financial and managerial resources, it is not likely to branch *de novo* into the downtown areas of San Francisco or Los Angeles. Sanwa Bank has the capacity to branch *de novo,* but there is little apparent incentive for it to do so in either Culver City or Redondo Beach. Present banking facilities in these areas are adequate, and neither area has a substantial concentration of Japanese-Americans or business firms with strong ties to Japanese interests. Moreover, California has numerous larger banks able, willing, and eager to establish *de novo* offices wherever the public convenience or need would be served. The Corporation concludes that the merger would not eliminate any significant amount of potential competition between the two banks.

Commercial banking in the State of California is highly concentrated, with the 10 largest organizations holding 87.9 percent of statewide deposits as of June 30, 1973. Bank of America, NT&SA, had 36.4 percent of these deposits and Security Pacific National Bank, the second largest bank in the State, had 13.6 percent. At that time, Sanwa Bank was the 47th largest of the 163 commercial banks in California and Charter Bank was the 84th largest. The resulting bank would be the 40th largest, with about 1/10th of 1 percent of statewide deposits.

Essentially the same commercial bank structure appears in numerous local banking markets throughout the State, including the Los Angeles SMSA and the two neighborhood areas in which Charter Bank has its offices. Charter Bank's affiliation, therefore, with Sanwa Bank and its diversified resources should enhance competition locally with these much larger statewide commercial banking organizations.

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

Financial and Managerial Resources; Future Prospects. Sanwa Bank has satisfactory financial and managerial resources, as would the resulting bank.

Future prospects for the resulting bank are more favorable than for the undercapitalized Charter Bank.

Convenience and Needs of the Community to be Served. Consummation of this proposed transaction would have no perceptible effect in the trade areas now being served by Sanwa Bank. Some additional benefits should flow to Charter Bank customers. The present lending limit of Charter Bank is $166,000, while the resulting bank would have a limit of $1,025,000. This substantially increased lending limit may offer some degree of additional convenience to commercial and industrial firms that are customers or potential customers of Charter Bank. The resulting bank plans to continue, with only minor changes, the services presently offered by Charter Bank and to add international banking services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Suburban Trust Company Hyattsville, Maryland	765,906	50	51
to merge with **Colonial Bank and Trust Company** Annapolis	12,930	1	

Summary report by Attorney General, August 27, 1973

The nearest offices of the parties are separated by approximately 15 miles, with several banking alternatives in the intervening area. Thus, it appears that the proposed merger will eliminate only a limited amount of existing competition.

Colonial is the smallest of nine banks with offices in Annapolis and among the smallest of the 19 banks operating in Anne Arundel County. Thus, while Suburban exists as a potential entrant into the area served by Colonial, the modest market position of the latter diminishes the effects of this transaction on potential competition.

Therefore, we conclude that the proposed merger will not have a substantial competitive impact.

Basis for Corporation approval, November 29, 1973

Suburban Trust Company, Hyattsville, Maryland ("Suburban"), a State nonmember insured bank with total resources of $765,906,000 and total IPC deposits of $604,763,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Colonial Bank and Trust Company, Annapolis, Maryland ("Colonial"), with total resources of $12,930,000 and total IPC deposits of $8,411,000, and for consent to establish branches at the location where Colonial has its sole operating office and at the location of Colonial's one approved but unopened branch. The resulting bank would have a total of 60 approved offices.

Competition. Suburban is the fourth largest commercial bank in the State of Maryland, with 9.6 percent of the IPC deposits held by all of these banks. Most of its branches are concentrated in Prince Georges County and Montgomery County. These, with one branch in Charles County, serve the Maryland suburbs of the District of Columbia. It also has five branches in operation in the Baltimore area. In addition, Suburban has approvals for seven more branches in these areas and for one branch in Howard County. Suburban has no branch at the present time in Anne Arundel County.

Colonial's banking business is derived primarily from the city of Annapolis and its northwestern suburbs in Anne Arundel County within a distance of some 5 miles of the bank's office. Population of the city of Annapolis increased 26.5 percent during the 1960s to a total of 29,592. Annapolis, the State's capital is the home of the U.S. Naval Academy, an oystering and fishing port, and a yachting center. It is predominantly a residential community. Buying levels in 1972 were 4.8 percent above those of the State. Expansion of the Annapolis area is continuing into the 1970s at a rapid rate. Although the smallest of 13 banks in Anne Arundel County in terms of total deposits, Colonial has the ninth largest share of IPC deposits held by all 54 commercial bank offices in the county, but its 3.0 percent share of these deposits lags significantly behind the market shares held by six of these 13 banks. The largest share of local IPC deposits in Anne Arundel County (29.9 percent) is held by the State's largest bank, Maryland National Bank.

At present the branch of Suburban closest to Colonial is its Bowie office, situated some 18 miles west of Annapolis. Although Suburban attracts some business from intervening Anne Arundel County, it is not in significant direct competition with Colonial and the two banks serve separate banking markets. Suburban's establishment of an additional branch in Bowie, which would then be its office closest to Colonial, is unlikely to change this conclusion, since the two offices would still be some 16.5 miles apart, with other commercial bank offices in the intervening area.

Maryland law permits commercial banks to branch and merge statewide. Colonial and Suburban could thus seek to branch *de novo* into each other's markets. Colonial has not yet developed a significant competitive stature in its market, however, and after its initial approved branch has been established in Annapolis, it is unlikely to consider additional *de novo* expansion during the foreseeable future. On the other hand, Suburban, one of Maryland's major commercial banks, has a growth-minded management and extensive experience in *de novo* expansion. In all likelihood it would find the rapidly expanding and relatively high income Annapolis area attractive for *de novo* entry. The population for each commercial bank office in the market, moreover, is 5,510, compared to 5,195 for the State as a whole.

Elimination by the proposed merger of this potential for increased competition between the two banks is, however, of no substantial competitive significance. The proposal, in view of Colonial's relatively minor size in its local market, is equivalent to a toehold acquisition by Suburban in a new local banking market where it is presently unrepresented. The number of convenient banking alternatives in the area would not be reduced and Suburban's entry should stimulate competition within Anne Arundel County, where each of the State's three larger banks already have offices.

Suburban, following the merger, would continue to be the fourth largest commercial bank in Maryland, with its share of commercial IPC deposits within the State increased to 9.8 percent. The three leading commercial banks in Maryland hold, respectively, 17.7 percent, 12.2 percent, and 10.1 percent of the State's commercial IPC deposits.

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has adequate financial resources, as would the resulting bank. The resulting bank would have a satisfactory management. Satisfactory operating histories of each participant indicate that future prospects of the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. The proposed merger would have no perceptible effect in the trade areas presently served by Suburban. In Anne Arundel County, however, the merger is expected to have procompetitive effects. Moreover, customers of Colonial should be significantly benefited by Suburban's many specialized banking and trust services, higher lending limits, credit card services, and education loan offerings.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
University Trust Company Cambridge, Massachusetts (change title to University Bank and Trust Company)	13,821	1	7
to merge with			
Garden City Trust Company Newton	43,608	6	

Summary report by Attorney General, August 22, 1973

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

Basis for Corporation approval, November 29, 1973

University Trust Company, Cambridge, Massachusetts ("University"), a State nonmember insured bank with total resources of $13,821,000 and total IPC deposits of $10,049,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Garden City Trust Company, Newton, Massachusetts ("Garden City"), with total resources of $43,608,000 and total IPC deposits of $31,033,000. The banks would merge under the charter of University and with the title "University Bank and Trust Company." Incident to the merger, the six offices of Garden City would become offices of the resulting bank, the present main office of Garden City becoming the main office of the resulting bank. The present office and an approved, unopened office of University would become branches of the resulting bank, which would thus be provided with a total of eight approved offices. Application has also been made on behalf of the resulting bank for consent to retire capital stock of a total par value of $377,550, with a corresponding increase in surplus, thereby reducing the outstanding capital stock of the resulting bank to 53,540 shares with a total par value of $535,400.

Competition. This proposed transaction has the sole purpose of enabling North Atlantic Bancorp (North Atlantic), a Newton-based registered bank holding company, to consolidate its operations in Middlesex County, Massachusetts. In June 1970, North Atlantic acquired 52.1 percent of the voting shares of Garden City, and on January 27, 1972, the Board of Governors of the Federal Reserve System, acting pursuant to the Bank Holding Company Act, approved North Atlantic's application to acquire 51 percent or more of the voting shares of University. The acquisition of 94.8 percent of University's voting shares by North Atlantic was consummated in June 1972. This proposed transaction would, therefore, not in itself change the structure of competition in Middlesex County nor should it affect the banking services that are provided.

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

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

Convenience and Needs of the Community to be Served. Due to the nature of the transaction, there will be no effect on the convenience and needs of the community.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Grenada Bank Grenada, Mississippi	137,197	16	17
to merge with			
Houston State Bank Houston	10,634	1	

Summary report by Attorney General, October 24, 1973

The nearest offices of the parties are located approximately 20 miles apart; accordingly, it does not appear that the proposed transaction would eliminate substantial existing competition.

Bank, with 36.9% of total Chickasaw County deposits, ranks first among the four banks with offices in that County. Applicant's nearest office, located in adjacent Calhoun County, ranks first among the three banking organizations operating in Calhoun County with 47.3% of Calhoun County deposits. Applicant could legally establish *de novo* offices in Bank's Chickasaw County service area. However, the effects of this transaction on potential competition are diminished somewhat by the nature of the area served by Bank, its small absolute size and the existence of other potential entrants.

Basis for Corporation approval, November 29, 1973

Grenada Bank, Grenada, Mississippi, an insured State nonmember bank with total assets of $137,197,000 and IPC deposits of $103,853,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Houston State Bank, Houston, Mississippi, with total assets of $10,634,000 and IPC deposits of $7,945,000. The two approved offices of Houston State Bank would become branches of Grenada Bank as an incident to the merger, increasing to 20 the total number of its authorized offices.

Competition. Grenada Bank operates offices in nine counties (Grenada, Bolivar, Winston, Tallahatchie, Calhoun, Choctaw, Leflore, Sunflower, and Webster) in the central and eastern portions of northern Mississippi. The economy of this region is predominantly agricultural, but light industry is assuming greater importance. The 1970 population of these nine counties was 219,275, a 10.1 percent decrease since 1960. With the exception of Grenada County, median income levels throughout the region are substantially below the State average, which itself is the second lowest in the nation. Grenada Bank has no office in Chickasaw County at the present time.

Houston State Bank has its main office and an approved but unopened office in Houston (population 2,720), in Chickasaw County (1970 population 16,805). Chickasaw County is in northeastern Mississippi, immediately to the east of Calhoun County. Its economy, like that of Grenada Bank's present service area, is predominantly agricultural, although light manufacturing is beginning to provide more jobs and income.

The effects of the proposed merger would be confined almost entirely to Chickasaw County, of which Houston is one of two county seats. There are four commercial banks operating five offices in that county that hold aggregate IPC deposits of only $22.5 million. Houston State Bank has 35.3 percent of these IPC deposits, while the two branches of the Tupelo-based Bank of Mississippi, acquired recently by merger, hold 35.5 percent of these deposits, with the remainder being shared by the other two banks.

Grenada Bank and Houston State Bank presently operate in different banking markets. The closest office of Grenada Bank to Houston State Bank's main office is at Calhoun City, some 20 miles west of Houston. Grenada Bank also has approval for a branch in Derma, which is about 1 mile closer. There is a branch of the $108.3-million deposit Bank of Mississippi at Vardaman, however, which is about midway between Derma and Houston. If there is any competitive overlap between Grenada Bank and Houston State Bank, it is not substantial, and the proposed merger would not eliminate any significant existing competition between the two banks.

There is little probability that the two banks would find themselves in greater competition with one another in the foreseeable future. Mississippi law permits *de novo* branching within 100 miles of the main office, subject to both numerical and geographic restrictions which in this instance would prohibit Grenada Bank from branching directly into Houston. *De novo* branching elsewhere in Chickasaw County does not appear economically attractive. Houston State Bank, for its part, lacks the financial resources and managerial depth to make any serious attempt to branch *de novo* into areas served by Grenada Bank. The proposed merger would therefore eliminate no significant potential for increased competition in the future between Grenada Bank and Houston State Bank through *de novo* branching.

In its maximum potential market, which under State law is that portion of Mississippi within a 100-mile radius of Grenada, Grenada bank controlled only 5.0 percent of the total IPC deposits held on June 30, 1972, by all offices of the 114 commercial banks represented within that area. The proposed merger would increase this share to 5.4 percent. In the State as a whole, Grenada Bank holds only 2.8 percent of all Mississippi commercial bank IPC deposits, and the proposed merger would raise this figure to 3.0 percent. In both areas, the State's two largest banks hold approximately three to four times the deposits of their smaller competitors, including Grenada Bank. In view of these figures, it appears that the proposed merger would have no significant effect on the structure of commercial banking in any relevant market.

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

Financial and Managerial Resources; Future Prospects. Grenada Bank has adequate financial and managerial resources, while those of Houston State Bank are acceptable. The resulting bank would have adequate financial and managerial resources and favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed merger would bring to Houston State Bank's customers a more active lending philosophy, a much higher lending limit, and a greater variety of services, including regular passbook savings accounts, trust services, and computer services. It should also stimulate competition with Bank of Mississippi's branches in Chickasaw County and could have a salutary effect on the quality of banking services offered to the general public throughout the county.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Barnitz Bank Middletown, Ohio	54,655	4	5
to acquire the assets and assume the liabilities of			
The First Citizens Bank Oxford	10,018	1	

Summary report by Attorney General, August 14, 1973

The nearest offices of the parties are approximately 20 miles apart, with some competitive alternatives in the intervening area. Thus, it appears that the proposed acquisition would eliminate only a limited amount of existing competition, and would not substantially increase banking concentration in any relevant market.

Although Barnitz Bank could legally establish *de novo* offices in the area served by First Citizens Bank, the relatively modest market position of the latter bank coupled with the existence of other potential entrants diminish the effect of the consolidation on potential competition.

Therefore, we conclude that the proposed acquisition would not have a substantial competitive impact.

Basis for Corporation approval, November 29, 1973

The Barnitz Bank, Middletown, Ohio (total resources $54,655,000; total IPC deposits $44,061,000), a State nonmember insured bank, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of, and assume liability to pay deposits made in, The First Citizens Bank, Oxford, Ohio ("First Citizens")(total resources $10,018,000; IPC deposits $7,854,000). As an incident to the transaction, the Barnitz Bank would establish the sole office of First Citizens as a branch, thereby increasing to five the number of its offices.

Competition. The Barnitz Bank operates four offices in eastern Butler County, all within the city of Middletown, in southwestern Ohio. Its primary trade area comprises the city and its Butler County suburbs within a distance of some 7 road miles. Middletown's economy is supported in major part by heavy industry. Population of the city increased 15.8 percent during the 1960s, to a total of 48,767, in contrast to a statewide population increase of 9.7 percent during the same period. The 1972 income levels of the county were 2.7 percent below those of the State. The Barnitz Bank is a subsidiary of First Banc Group of Ohio, Inc., a multibank holding company that controlled 13 banks having deposits slightly in excess of $1 billion at year-end 1972. These affiliations made it the seventh largest banking organization in Ohio, with 3.9 percent of the State's total commercial bank deposits.

First Citizens operates its sole office in the village of Oxford (1970 population 15,868) in northwestern Butler County. The economy of this essentially rural area is centered about Miami University, whose student enrollment is approaching 15,000. The primary banking market of First Citizens comprises the village of Oxford and its environs within a distance of some 5 miles and it is within this local banking market that effects of the proposed transaction would be most immediate and direct. In this market, First Citizens holds 47.4 percent of area savings and other time IPC deposits; its only local competitor, The First National Bank and Trust Company of Hamilton, with one office in operation and another approved, holds the remaining 52.6 percent.*

Offices of The Barnitz Bank are located some 21 road miles east of First Citizens' Oxford location. There is no discernible overlapping of trade areas in the sparsely populated northcentral portion of the county lying between the two banks, and inhabitants of the Oxford area seeking alternative sources of banking services would be more likely to travel to the city of Hamilton (population 67,865), some 12 miles to the southeast, rather than to Middletown. It appears, accordingly, that the proposed transaction would not eliminate significant existing competition between The Barnitz Bank and First Citizens. Moreover, the nearest affiliate of First Banc Group of Ohio is located in Milford, some 36 miles southeast of Barnitz, and is not competitive with The Barnitz Bank.

Although each of the subject banks may legally branch into the trade area of the other, neither The Barnitz Bank nor First Citizens is likely to do so. First Citizens, operating as a unit bank ever since 1906, has neither the financial nor managerial resources to engage in *de novo* expansion. The Barnitz Bank, for its part, would not find the Oxford area attractive for *de novo* entry. There appear to be slight prospects for continued rapid expansion in this essentially rural area and, following establishment of the four additional banking offices projected for the village, the Oxford banking market should be adequately banked for the foreseeable future.

Within Butler County, the maximum legal branching area of The Barnitz Bank, seven commercial banks operate a total of 32 offices and control county IPC deposits aggregating $288.3 million. The Barnitz Bank, with 15.3 percent of these deposits, has the third largest share. The resulting bank would continue to rank third within the county, its IPC deposit share increased to 18.0 percent.

In terms of total deposits held by all commercial banks in Ohio, The Barnitz Bank, with 0.18 percent of the deposits, ranks 87th largest. The resulting bank would become 75th largest, with 0.21 percent of all Ohio commercial bank deposits. This slight increase in the total deposit holdings of First Bank Group of Ohio would have no perceptible effect on the future structure of commercial banking in the State of Ohio.

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

Financial and Managerial Resources; Future Prospects. The resulting bank, like The Barnitz Bank today, would have adequate financial and managerial resources. In these respects, the proposed transaction would resolve significant

*Two other banks have the necessary supervisory approvals to establish three additional branches within Oxford.

problems faced by First Citizens. The future prospects of the resulting bank are considered favorable.

Convenience and Needs of the Community to be Served. Customers of the Oxford area would find facilities and services at the First Citizens location significantly improved under stronger and more aggressive management. A walk-up teller window and automated teller facilities are to be provided. Rates charged on several types of loans would be reduced, while the rates now being paid on certificates of deposit would be increased. Trust facilities and student loans would be introduced and a broadened savings program made available.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Valley Bank Lansford, Pennsylvania	425,381	24	25
to merge with **The Liberty National Bank of Pittston** Pittston	25,601	1	

Summary report by Attorney General, August 23, 1973

Liberty National is the smallest of the three commercial banks in Pittston. Valley Bank's nearest office is situated in Kingston, about eight miles southwest of Pittston. Despite the relatively close proximity of these offices, it is unlikely that the proposed merger will eliminate substantial existing competition; there are several banking alternatives in the intervening area, and the communities of Pittston and Kingston are separated by the Susquehanna River.

Valley Bank could legally establish *de novo* offices in the area served by Liberty National. However, in view of Liberty National's market position and the nature of the community it serves, we conclude that the proposed merger will not eliminate substantial potential competition.

Basis for Corporation approval, November 29, 1973

First Valley Bank, Lansford, Pennsylvania, a State nonmember insured bank with total resources of $425,381,000 and total IPC deposits of $340,609,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Liberty National Bank of Pittston, Pittston, Pennsylvania ("Liberty National"), with total resources of $25,601,000 and total IPC deposits of $21,911,000. The banks would merge under the charter and title of First Valley Bank, and the sole office of Liberty National would become a branch of the resulting bank, increasing to 25 the number of its offices.

Competition. First Valley Bank has a total of 24 offices: 15 in Northampton County, four in Luzerne County, three in Lehigh County, and two in

Carbon County. It serves five separate trade areas in this central-eastern Pennsylvania region: the Allentown-Bethlehem area, the Lansford-Nesquehoning area, the Kingston area, the Bangor area, and the Hazleton-Freeland area. These areas have the support of diversified industry and agriculture, with the steel industry being of major importance in the Allentown-Bethlehem area where First Valley Bank has most of its offices.

Liberty National has its sole office in downtown Pittston (population 11,113). Pittston is one of a number of communities located between Wilkes-Barre (population 58,856), about 8 miles to the southwest in Luzerne County, and Scranton (population 103,564), about 12 miles to the north in Lackawanna County. The economy of this area, historically centered in the production of anthracite, has been stagnant for a number of years. The 1972 median buying level of Wilkes-Barre households ($7,305) was 17 percent below the Pennsylvania median and typifies the entire area.

First Valley Bank's office in Kingston, its closest to Pittston, is 8 road miles southwest of, and across the Susquehanna River from, Liberty National's office. A total of five commercial banks operate offices in the intervening area.

The competitive effects of the proposed merger would be most pronounced in the Luzerne County-Lackawanna County portion of the Northeast Pennsylvania SMSA. This market is served by 105 offices of 37 commercial banks. First Valley Bank, which holds the sixth largest share of local IPC deposits in the two-county area, controls 4.7 percent of these deposits, while Liberty National controls 1.1 percent of these deposits. The combined bank would hold a significantly smaller portion of the local IPC deposits than the three market leaders with 15.8 percent, 14.3 percent, and 10.0 percent, respectively. While First Valley Bank and Liberty National both compete in this market, they have few depositors in common, and neither bank draws a significant volume of deposit or loan business from the primary service area of the other. The Corporation concludes that no significant existing competition between First Valley Bank and Liberty National would be eliminated by their proposed merger.

First Valley Bank is headquartered in Carbon County and may, under Pennsylvania law, merge or branch *de novo* in that county, in Luzerne County, and in four other counties contiguous to Carbon County. It may not branch *de novo* or merge in Lackawanna County. First Valley Bank has already entered the Wilkes-Barre-Scranton banking market by merger and, as one of the market's larger banks in terms of total deposits, has the capacity, resources, and motivation for further expansion in the market. *De novo* branching, however, is unlikely to be attractive because of the area's stagnant economy, its below-average income levels and its large number of offices and banks. For its part, Liberty National, a unit bank with an aging management, has neither the resources nor the experience for *de novo* expansion in the foreseeable future. It thus appears that no significant potential for increased competition between the two banks in the future would be eliminated by their proposed merger.

The Counties of Carbon, Northampton, Lehigh, Monroe, Schuylkill, and Luzerne comprise the largest geographic area within which First Valley Bank may expand under existing Pennsylvania laws. Within this region, a total of 69 commercial banks, operating 267 offices, hold area IPC deposits aggregating approximately $3.4 billion. The First National Bank of Allentown, with 10.3 percent of these IPC deposits, held the largest share, while First Valley Bank, with 10.0 percent, held the second largest share. Consummation of the proposed merger would increase First Valley Bank's share of these deposits to 10.7 percent and move it into the first-ranking position. However, in view of the large number of banks with more than $100 million in IPC deposits that compete in this six-county area, it appears unlikely that the proposed merger would have any significant anticompetitive effect on the commercial bank structure in this relatively unconcentrated region of central-eastern Pennsylvania.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of the resulting bank would be adequate. Its future prospects would also be favorable.

Convenience and Needs of the Community to be Served. A full range of commercial bank services, including a broader range of loans, a lending limit increased to $2 million, computer services, and specialized lending services would become available at Liberty National's present location. Trust facilities would also be actively offered for the first time to Liberty National's customers. To the extent similar services are available at offices of other large banks in Lackawanna and Luzerne Counties, the public should benefit from having conveniently available another alternative for such services, particularly one with First Valley Bank's reputation as an aggressive and innovative competitor.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The First National Bank of Montoursville Montoursville, Pennsylvania (change title to Bank of Central Pennsylvania)	31,340	1	2
to consolidate with			
Bank of South Williamsport South Williamsport	15,954	1	

Summary report by Attorney General, August 14, 1973

Although the Susquehanna River tends to restrict travel between South Williamsport and Montoursville, the relatively slight distances between the two banks indicate that there is some competition between them which would be eliminated by the proposed acquisition.

There are 11 banks in Lycoming County. FNB, with 8.1% of total County deposits, ranked fifth among these 11 banks as of June 30, 1972, while BSW, with 4.6% of County deposits, ranked eighth. The resulting bank would be the fourth largest bank in Lycoming County and would hold 12.7% of total County deposits. This increase in concentration, however, overstates the competitive effect of the merger because the two banks do not compete with each other throughout their service areas.

Both banks could be permitted to branch into the community in which the other operates, but the small size of the communities coupled with the existence of several larger potential entrants into each community diminishes the effect of the transaction on potential competition.

Basis for Corporation approval, November 29, 1973

The First National Bank of Montoursville, Montoursville, Pennsylvania ("First National") (total resources $31,340,000; total IPC deposits $26,294,000), has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with Bank of South Williamsport, South Williamsport, Pennsylvania ("South Bank"), a State nonmember insured bank with total resources of $15,954,000 and total IPC deposits of $13,932,000. The banks would consolidate under a new State charter and the resulting bank would have the title "Bank of Central Pennsylvania." First National's sole office would be the main office of the resulting bank, and South Bank's only office would be operated as a branch.

Competition. First National operates its sole office in Montoursville (population 5,985) and South Bank operates its only office in South Williamsport (population 7,153), both of which are municipalities in Lycoming County in north-central Pennsylvania. Montoursville and South Williamsport are both suburbs of Williamsport (population 37,918), which is the largest population center in the area and is about 90 miles north of Harrisburg, the State capital. The economy of the Williamsport area has shown a trend from agriculture to industrial development that is expected to continue. Median household income levels in 1972 for Lycoming County ($7,840) and the city of Williamsport ($6,955) were substantially below the State figure ($8,785).

The competitive impact of the proposed consolidation would be most immediate and direct in the southern portion of Lycoming County. Within this area, nine commercial banks operate 20 offices holding aggregate deposits of $328 million. First National has 8.6 percent of these deposits, while South Bank has 4.4 percent. The resulting bank would rank third in terms of local deposits, significantly behind the 27.9 percent share of the $115 million Northern Central Bank and Trust Company and the 22.4 percent share of the $74 million Williamsport National Bank.

First National and South Bank are about 6 miles apart, but their locations are separated by the Susquehanna River and the city of Williamsport. Access is restricted by the fact that the route between the two banks runs through downtown Williamsport where the main office of three much larger competitors are located. Further, the natural flow of traffic is not between Montoursville and South Williamsport, but from those points into Williamsport and back again. Partly as a result, neither bank appears to draw any significant business from areas served by the other. While both banks operate in the same market and their proposed merger would probably eliminate some direct competition between them, the degree of overlap appears not to be significant.

Inasmuch as First National and South Bank are both headquartered in Lycoming County, each can legally branch *de novo* within that county and the nine contiguous counties. The likelihood of this happening, however, appears remote. Neither bank has had *de novo* branching experience, and neither alone presently has the resources or management to engage in meaningful *de novo* expansion. Were they to merge, at least five larger banks could also branch *de novo* in Lycoming County and its nine contiguous counties, while the consolidated bank would be in a better position to compete with these banks for the more desirable and available branch sites. It appears unlikely, therefore, that the proposed consolidation would have any significant adverse effect on future commercial bank competition in this portion of the State. The resulting bank, in fact, would have only 3.3 percent of the total IPC deposits in this 10-county area.

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

Financial and Managerial Resources; Future Prospects. Both First National and South Bank have adequate financial and managerial resources for the banking business they presently do, and both have satisfactory prospects for the future. The resulting bank would also have adequate financial and managerial resources and future prospects.

Convenience and Needs of the Community to be Served. The proposed consolidation would benefit individuals and businesses in the Williamsport area by creating a fifth meaningful alternative for the full range of commercial banking services now available only from the four larger banks with offices in this part of Lycoming County. South Bank customers in particular would benefit from more liberal lending policies, a substantially higher lending limit, and the availability of bank credit card and trust services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Commonwealth Bank and Trust Company Muncy, Pennsylvania	97,248	12	13
to merge with			
The First National Bank of Shinglehouse Shinglehouse	4,503	1	

Summary report by Attorney General, September 17, 1973

The nearest offices of the parties are approximately 35 miles apart with two competitive alternatives in the intervening area. It thus appears that the proposed transaction would eliminate no substantial existing competition. Although Applicant could legally establish a *de novo* office in the area served by

Bank, the latter's modest size and the existence of other potential entrants diminish the effects of this acquisition on potential competition.

Therefore, we conclude that the proposed acquisition would not have a substantial competitive impact.

Basis for Corporation approval, November 29, 1973

Commonwealth Bank and Trust Company, Muncy, Pennsylvania ("Commonwealth"), a State nonmember insured bank with total resources of $97,248,000 and total IPC deposits of $78,680,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge with The First National Bank of Shinglehouse, Shinglehouse, Pennsylvania ("Shinglehouse Bank"), with total resources of $4,503,000 and total IPC deposits of $3,393,000. The banks would merge under the charter and title of Commonwealth. Permission is also requested to establish the one office of Shinglehouse Bank as a branch of the resulting bank, thereby increasing the number of its offices to 13.

Competition. Commonwealth operates 12 offices in four counties in north-central Pennsylvania; four in Lycoming, two in Bradford, one in Potter, and five in Tioga. It serves three distinct areas: (1) Tioga County and the eastern portion of Potter County, (2) north-central Bradford County and the adjacent New York State area, and (3) southern Lycoming County and portions of Clinton, Northumberland, Montour, and Sullivan Counties. The economy of these areas is diverse, with agriculture, dairy farming, timber, tourism, and manufacturing contributing significantly. From 1960 to 1970, the combined population growth in those counties where Commonwealth operates offices was somewhat above the statewide growth, but the 1972 median household income for those counties was somewhat below the statewide figure.

Shinglehouse Bank operates its sole office in Shinglehouse, which is located in the northwestern section of Potter County approximately 3 miles south of the New York State border and about 1 mile east of the border between McKean and Potter Counties. Shinglehouse is a small rural town with a 1970 population of 1,320. It is a secondary commercial center for farm areas in the Oswayo and Honeoye Valleys and the site of several small timber and agricultural businesses. The local economy is based predominately on agriculture.

The proposed merger would have its most direct and immediate impact in the area described by an approximate 15-mile radius around Shinglehouse. This area includes the northwest portion of Potter County, the northeast portion of McKean County, and adjacent areas in New York State. It had a 1970 population of approximately 49,600 (down 3.4 percent from the estimated 1960 figure). The city of Olean, New York, which is located at the extreme northwestern limit of this local banking market, accounts for about 39 percent of the total area population, and a substantial number of Shinglehouse's residents commute there for employment. Coudersport (1970 population 2,831), about 18 road miles to the southeast, is the seat of Potter County and marks the southern extremity of the local market area. Median household incomes for 1972 in Potter and McKean Counties and adjacent counties in New York were substantially below the respective State figures. Shinglehouse Bank competes with 12 offices of eight commercial banks: four offices located in Pennsylvania and eight offices located in New York. Its closest competitors are two Bolivar branches of New York banks approximately 10 road miles distant. It holds 2.7

percent of total area IPC deposits of $128,001,000 and is the smallest of the nine commercial banks represented.

Commonwealth's closest office to Shinglehouse Bank is in Galeton, Potter County, some 43 road miles distant. The two banks operate in separate and distinct trade areas and there is no significant amount of existing competition between them that would be eliminated by their proposed merger.

Under Pennsylvania law, Shinglehouse Bank could branch *de novo* into Commonwealth's trade area in Potter County and into Tioga and Lycoming Counties, which are also served by Commonwealth. However, throughout its 70-year history, Shinglehouse Bank has shown no inclination to expand *de novo.* Furthermore, its present financial and managerial resources are not sufficient to provide for a meaningful *de novo* penetration of areas served by Commonwealth. Although Commonwealth has the capacity to branch *de novo* into the Shinglehouse area, its somewhat static economy and declining population make this relatively unattractive for Commonwealth. In addition, the population per banking office in the Shinglehouse market is only 3,818, compared to a statewide figure of 4,870. Of the 10 counties open to *de novo* branching activities by Commonwealth, seven appear to offer better opportunities than Potter County for *de novo* branching, because of higher populations per banking office and/or higher income levels. The Corporation concludes that the proposed merger would be unlikely to eliminate any significant potential for increased competition in the future between Commonwealth and Shinglehouse Bank as the result of *de novo* branching.

In terms of local IPC deposits, Commonwealth is the third largest of 61 commercial banks that operate in the 10-county area where Commonwealth can legally establish offices, holding 6.5 percent of these deposits. After consummation of the proposed merger with Shinglehouse Bank, Commonwealth would hold only 6.8 percent of such IPC deposits and would remain the third largest bank in the 10-county area. In view of the relatively large number of banks in this area and the small size of Shinglehouse Bank, the proposed transaction would appear unlikely to have any perceptible effect on the existing banking structure in this 10-county area.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of both participating banks are adequate and would be for the resulting bank. Future prospects are favorable for both institutions as independent banks, and the same would be true for the resulting bank.

Convenience and Needs of the Community to be Served. The commercial banks closest to Shinglehouse are located approximately 10 miles away and residents seeking trust services or credit lines in excess of the Shinglehouse Bank's present limit of $46,000 are required to travel some distance in order to meet their credit needs. The Shinglehouse branch of the resulting bank would offer these services with a lending limit of approximately $600,000 and in addition would offer more time deposit options and computerized accounting services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Bank and Trust Co. of Pa. Reading, Pennsylvania	874,459	41	44
to merge with			
Tri-Valley National Bank Hegins	13,290	3	

Summary report by Attorney General, September 17, 1973

The nearest offices of the parties are located in Schuylkill County and are separated by a distance of about 10 miles. Thus, it appears that the proposed transaction may eliminate some existing competition. However, it does not appear that the proposed transaction would substantially increase banking concentration in any relevant market.

Although American Bank could legally establish a *de novo* office in the communities served by Tri-Valley Bank, the size and nature of these communities are such that it does not appear that the proposed transaction would eliminate substantial potential competition.

Therefore, we conclude that the proposed acquisition would not have a substantial competitive impact.

Basis for Corporation approval, November 29, 1973

American Bank and Trust Co. of Pa., Reading, Pennsylvania ("American"), a State nonmember insured bank with total resources of $874,459,000 and total IPC deposits of $667,174,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Tri-Valley National Bank, Hegins, Pennsylvania ("Tri-Valley"), with total resources of $13,290,000 and total IPC deposits of $11,447,000, under the charter and title of American. As an incident to the merger, the three offices of Tri-Valley would become branches of the resulting bank, increasing the number of its authorized offices to 49.

Competition. American operates 41 offices in the seven counties where it may legally branch or merge under Pennsylvania law, that is, Berks, Chester, Lancaster, Lebanon, Lehigh, Montgomery, and Schuylkill Counties. American has seven offices in Schuylkill County, all of which are located in the eastern or central portions of that county. American also has approval to establish five *de novo* branches as follows: two in Berks County, two in Lancaster County, and one in Chester County. American is an aggressive, full-service bank with a large trust department.

Tri-Valley operates its main office in Hegins and one branch each in Valley View, and Pitman, all within 8 road miles of each other in the western portion of Schuylkill County. Hegins and Valley View are in Hegins Township (1970 population 3,253) and Pitman is in Eldred Township (1970 population 677). The economic mainstay of this portion of Schuylkill County has always been agriculture, and it has never been associated in any meaningful way with the anthracite mining that previously dominated the economy of most of the remainder of the county. Median income per household in Schuylkill County was $6,796 in 1972, compared to $8,785 for the State as a whole. The most direct and immediate impact of the proposed merger would be felt in western Schuylkill County, the southern portion of Northumberland County, and a relatively small portion of Dauphin County. This local banking market is largely determined by the mountainous terrain that limits travel to the east, north, and west. Within this sparsely populated area of some 29,000 persons, there are 11 offices of eight different commercial banks, with Tri-Valley holding the largest share (23.1 percent) of their local IPC deposits.

The nearest office of American to any office of Tri-Valley is in Pottsville, some 18 miles east of Hegins. American is not represented in the western Schuylkill banking market described, and there are offices of other commercial banks intervening. At present, the two banks serve essentially separate areas and neither derives any significant business from communities served by the other. The proposed merger, therefore, would not eliminate any significant existing competition between American and Tri-Valley.

Although Tri-Valley is unlikely, because of its limited resources and lack of management depth, to branch *de novo* into areas served by American, the latter has demonstrated its capacity to branch *de novo* throughout its seven-county branching and merging area. American, however, might find the sparsely populated banking market in which Tri-Valley presently competes relatively unattractive for *de novo* entry. There are presently fewer than 2,500 persons for each commercial bank office in the region, with no population growth in sight and income levels 22.6 percent below the State average. Moreover, if future *de novo* branching should become desirable, there are 10 other commercial banks, each with total resources in excess of $100 million, that either have offices in Schuylkill County or that may legally branch there. Further, under Pennsylvania law, American cannot branch into the portion of Tri-Valley's local market that lies within Dauphin and Northumberland Counties. The Corporation concludes that any elimination of potential competition between the two banks that might result from their proposed merger would be competitively insignificant.

Within the seven-county area where American may branch or merge under Pennsylvania law, there were, as of June 30, 1973, 485 offices of 82 commercial banks with total IPC deposits in excess of $5 billion. American held over 8 percent of the commercial bank offices and 12.8 percent of the total IPC deposits. In Montgomery County, however, where American has 11 offices, it is faced with competition from six larger banks, including five previously headquartered in Philadelphia. By moving their main offices to Montgomery County, these banks now have become eligible to branch into Berks, Lehigh, and Chester Counties, in addition to the counties previously opened to them. Banks headquartered in Harrisburg may similarly enter Lebanon, Lancaster, and Schuylkill Counties, banks headquartered in Allentown may branch into Lehigh, Schuylkill, Berks, and Montgomery Counties, and banks headquartered in Wilkes-Barre may branch into Schuylkill County. In each case, eligible banks include a number of banks with more than $100 million in deposits. Thus, American is faced with significant actual or potential competition throughout its seven-county branching and merging area.

Under these circumstances, the acquisition of a $13 million bank, located in a relatively isolated corner of American's seven-county branching and merging area, is not likely to result in such a concentration of assets within this broader area as to foreclose effective commercial bank competition in the future.

In accordance with Corporation policy, American has already been required as a condition to approval of its merger with Slatington National Bank and Trust Company in 1971, to divest itself, within a reasonable period of time, of stock it holds in other Pennsylvania banks that can branch or merge under Pennsylvania law into one or more of the seven counties in which American may branch or merge.

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

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

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would bring to customers of Tri-Valley the broad range of services of a large commercial bank, such as significantly larger lending limits, bank credit card services, computer services, trust services, and higher interest rates on time and savings deposits. These services are not generally available at banks within the relevant local market and, to the extent one or more may be offered by some other bank, the public should benefit from the increased competition for their business.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Tidewater Bank and Trust Company Williamsburg, Virginia	984	1	1
to acquire a portion of the assets and assume a portion of the liabilities of			
The Fidelity National Bank Lynchburg	158*		

Summary report by Attorney General, September 17, 1973

Both parties to the proposed transaction are subsidiaries of the same bank holding company. The proposed assumption of liabilities would have no adverse competitive effects.

Basis for Corporation approval, November 29, 1973

Tidewater Bank and Trust Company, Williamsburg, Virginia ("Tidewater"), a State nonmember insured bank with total resources of $984,000 as of

*Amount of certificates of deposit to be transferred to Tidewater Bank and Trust Company.

September 25, 1973, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to assume the liability to pay certain deposits aggregating $158,390.12 made in The Fidelity National Bank, Lynchburg, Virginia ("Fidelity"), total resources $386,186,000 as of June 30, 1973. The transaction would be effected under the charter and title of Tidewater.

Tidewater is a newly organized bank that opened for business on September 12, 1973, and both it and Fidelity are wholly owned subsidiaries of Fidelity American Bankshares, Inc., Lynchburg, Virginia, a multibank holding company. Certain certificates of deposit were placed with Fidelity on an interim basis, and the sole purpose of this transaction is to effect the transfer of those deposits from Fidelity to the new local Williamsburg bank. Due to the nature of the transaction and the relationship between Tidewater and Fidelity, the transaction would have no effect on competition. All other factors required to be considered are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Proctor Trust Company Proctor, Vermont	46,459	4	6
to merge with **National White River Bank in Bethel** Bethel	8,111	2	

Summary report by Attorney General, September 13, 1973

The nearest offices of the parties are situated approximately 32 miles apart, with several competitive alternatives in the intervening area. It thus appears that the proposed acquisition would eliminate no substantial existing competition. And while Proctor could legally establish *de novo* offices in the area served by Bank, the latter's modest size coupled with the existence of other significant potential entrants into that area diminish the effect of the proposed transaction on potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, December 10, 1973

Proctor Trust Company, Proctor, Vermont ("Proctor Trust"), a State nonmember insured bank with total resources of $46,459,000 and total IPC deposits of $37,720,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with the National White River Bank in Bethel, Bethel, Vermont ("Bethel Bank"), with total resources of $8,111,000 and total IPC deposits of

$6,766,000. The banks would merge under the charter and title of Proctor Trust and, as an incident to the merger, the two offices of Bethel Bank would become branches of the resulting bank, increasing the number of its authorized offices to six.

Competition. Proctor Trust operates four offices in south-central Vermont, all in Rutland County (1970 population 52,637). It is the fourth largest commercial bank of six such banks having offices in Rutland County and holds the largest share (33.3 percent) of their local IPC deposits. The three larger banks with offices in Rutland County range in asset size from $105 million to $172 million. Proctor Trust is the seventh largest of 39 commercial banks in Vermont, holding 3.6 percent of total commercial bank deposits in the State.

Bethel Bank operates its main office in Bethel (1970 population 1,347), Windsor County, and one branch 20 road miles northeast in Chelsea (1970 population 983), Orange County. Bethel Bank is the 29th largest commercial bank in Vermont, holding 0.6 percent of all commercial bank deposits in the State.

The competitive effects of the proposed merger would be felt most immediately and directly within a 15-mile radius of Bethel, reduced on the west by the Green Mountain range. The economy of this area is based primarily on agriculture, with recreation facilities also making an important contribution. Its 1970 population was approximately 13,700, an increase of about 8 percent over the 1960 figure. Bethel Bank competes only with four offices of The Randolph National Bank, Randolph, whose total deposits approximate $15,000,000. The competing bank's most recent *de novo* office was its Bethel branch, which was opened on February 5, 1973. Bethel Bank holds 35.8 percent of the area's total commercial bank IPC deposits.

The closest offices of the merging banks are 32 road miles apart and their main offices are 40 road miles apart. A large portion of the area separating the two banks is sparsely populated, with mountainous terrain providing a natural barrier that separates their respective trade areas. The proposed merger would eliminate no existing competition between Proctor Trust and Bethel Bank.

Throughout its recent history, Bethel Bank has pursued a relatively conservative lending policy. Its June 30, 1973, loans-to-assets ratio of 22.5 percent is well below that of its only competitor and the average of all commercial banks in the State. Further, on June 30, 1973, it held 72.8 percent of its total assets in cash, due from banks, and U.S. Government securities. The proposed merger would provide a stronger competitive climate for The Randolph National Bank in Bethel Bank's local banking market.

Vermont law allows statewide merging and *de novo* branching. Bethel Bank was organized in 1933 and simultaneously established its Orange County Branch in Chelsea. It has since shown no inclination to establish *de novo* branches and it is unlikely that this management attitude would change in the foreseeable future. Proctor Trust has the capacity to branch into the Bethel banking market, but this appears to be an unlikely prospect. Windsor County's 1970 population increased only 3.8 percent over its 1960 population, well below the State average, while Orange County's growth in population was slightly below the State average. The population in Bethel Bank's local market increased only 8 percent between 1960 and 1970 and there is little sign of any significant future growth. In addition, population per banking office is only about 2,280, compared to the State figure of approximately 3,060, while income levels are similar to the statewide figures. Moreover, should future development warrant additional commercial bank facilities in the Bethel area, there are numerous larger banks that can also establish *de novo* offices there. Any loss of potential competition resulting from the proposed merger appears, therefore, to be competitively insignificant.

Statewide, consummation of the proposed merger would increase Proctor Trust's share of total commercial bank deposits to 4.2 percent, and it would become the State's sixth largest commercial bank. The State's five larger commercial banks would then hold 54.8 percent of Vermont's total commercial bank deposits. Because of Bethel Bank's small size and the limited percentage of the State's total commercial bank deposits held by Proctor Trust, the proposed merger would have no material effect on the statewide commercial banking structure in Vermont.

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

Financial and Managerial Resources; Future Prospects. The financial resources of Proctor Trust and Bethel Bank are adequate. Although Proctor Trust's managerial resources are satisfactory, Bethel Bank faces a management succession problem, and its future prospects of operating independently would appear to depend on obtaining successor management. Proctor Trust's future prospects are satisfactory, as are those of the resulting bank.

Convenience and Needs of the Community to be Served. The proposed merger would have little effect on the services presently offered by Proctor Trust in Rutland County. Residents in the local Bethel banking market would receive the benefit of a more aggressive bank competing with the only other local bank for their patronage, particularly in the lending field. In addition, a full range of trust services, not presently available in the community, would be offered. Present customers of Bethel Bank would also have available a large lending limit, a wider variety of loan and deposit options, and automated deposit and consumer loan accounting services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Central Jersey Bank and Trust Company Freehold Township, New Jersey	398,933	24	27
to merge with			
Mid State Bank and Trust Company East Brunswick Township	35,854	3	

Summary report by Attorney General, November 30, 1973

Bank's three offices are located in East Brunswick and South River, in Middlesex County. Applicant operates two offices in Union County, which lies adjacent to Middlesex County to the north, and 22 offices in Monmouth County, which lies to the south of Middlesex County. The nearest offices of the parties are separated by a distance of about 15 miles, with some competitive alternatives in the intervening area. It appears that the proposed merger would eliminate only limited existing competition, and would not substantially increase concentration in any relevant banking market.

Although Applicant could establish *de novo* offices in central Middlesex County, the relatively modest market position of Bank coupled with the existence of other potential entrants diminishes the effects of the proposed transaction on potential competition.

Therefore, we conclude that the proposed acquisition would not have a substantial competitive impact.

Basis for Corporation approval, December 17, 1973

The Central Jersey Bank and Trust Company, Freehold Township, New Jersey ("Central"), a State nonmember insured bank with total resources of $398,933,000 and total IPC deposits of $311,043,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Mid State Bank and Trust Company, East Brunswick Township, New Jersey ("Mid State"), with total resources of $35,854,000 and IPC deposits of $28,874,000. The banks would merge under the charter and title of Central and, as an incident to the merger, the three offices of Mid State would become branches of the resulting bank, which would then have a total of 27 offices.

Competition. Central operates 22 offices throughout Monmouth County (population 461,849) and two offices in central Union County (population 543,116). Both counties are in eastern New Jersey in close proximity to New York City and other major urban areas. Union County has a more mature economy, but rapid growth is continuing in Monmouth County. The household median income of both counties is above the State average.

Mid State operates its main office and one branch in East Brunswick Township (population 34,166) and one branch in South River Borough (population 15,428). All three locations are in the central portion of Middlesex County (1970 population 583,813, up 34.6 percent since 1960), which lies between Union County on the north and Monmouth County on the east and south. The 1972 household median income for Middlesex County was 10.0 percent above the State average of $9,878.

The proposed merger would have little or no effect in any area presently served by Central. Its effect would be largely confined to Middlesex County, which constitutes the New Brunswick-Perth Amboy-Sayreville SMSA and in which Mid State has all of its offices. Middlesex County has 24 commercial banks and 88 commercial bank offices. Mid State holds the 10th largest share (3.7 percent) of all Middlesex County IPC deposits. Each of the State's four largest banking organizations competes in Middlesex County, but Central is unrepresented in the market. Its closest office to a Mid State office is about 10 miles away, and there are offices of other commercial banks in the intervening area. In addition, neither bank originates more than a nominal volume of business from areas served by the other. Central and Mid State in effect serve separate distinct banking markets, and their proposed merger would not eliminate any significant existing competition between them.

New Jersey law permits statewide branch banking, subject to certain restrictions relating to office protection. Mid State, however, lacks the financial and managerial resources to engage in any meaningful *de novo* branching within the market areas served by Central. Central is prohibited from *de novo* entry into East Brunswick Township because of the home office protection feature of State law, but it has the clear capacity to enter the Middlesex County market and must be considered a likely entrant in view of the economic attractiveness of the county, the adjacent proximity of Central's offices, and the relatively high population for each commercial bank office that presently exists. Mid State, however, has a small percentage of the Middlesex County market; 23 other banks compete in the market, including most of the State's largest banking organizations; and vigorous competition in the future seems assured. The Corporation concludes that any elimination of potential competition between Central and Mid State that may be caused by their merger would be competitively insignificant in view of the present structure of the market.

Commercial banking in New Jersey is relatively unconcentrated at the present time. The two largest commercial banking organizations, each a multibank holding company with total deposits in excess of $1.3 billion, have an aggregate of only 14.2 percent of the total commercial bank deposits in the State. Central has 1.9 percent of such deposits and the resulting bank would have only 2.0 percent of the State's commercial bank deposits. Neither of the participating banks is affiliated with a holding company, but the resulting bank would still be faced with many competitors who are so affiliated. The proposed merger is not likely to have any perceptible effect on the structure of commercial banking in New Jersey.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources and future prospects for both banks are considered adequate for their present operations and are so projected for the resulting bank.

Convenience and Needs of the Community to be Served. The effects of the proposed merger would be felt primarily by customers of Mid State to whom a full range of banking services would be offered by the resulting bank, including computer services, improved trust services and a credit card service. In addition, the resulting bank would have a lending limit of $3 million compared to Mid State's $270 thousand. All of these services are presently available from other banks in the market, but the proposed merger would result in another meaningful alternative for these services to residents and businessmen in Middlesex County.

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

* * * *

Merger transactions were involved in the acquisitions of banks by holding companies in the following approvals in 1973. In each instance, the Attorney General's report stated that the proposed transaction would have no effect on competition. The Corporation's basis for approval in each case stated that the proposed transaction would not, per se, change the competitive structure of banking, nor affect the banking services that the (operating) bank has provided in the past, and that all other factors required to be considered pertinent to the application were favorably resolved.

Merchants Bank, Cleveland, Tennessee; offices: 4; resources: 37,394 ($000); to merge with *Third State Bank in Cleveland,* Cleveland, in organization; offices: 0; resources: 150 ($000). Approved: January 22.

Bank of Knoxville, Knoxville, Tennessee; offices: 5; resources: 45,778 ($000); to merge with *Third State Bank,* Knoxville, in organization; offices: 0; resources: 300 ($000). Approved: February 5.

Highway State Bank, Sugar Land, Texas; in organization; offices: 0; resources: 50 ($000); to merge with and change title to *Sugar Land State Bank,* Sugar Land; offices: 1; resources: 12,433 ($000). Approved: February 5.

Valley Bank and Trust Company, Salt Lake City, Utah; offices: 12; resources: 163,405 ($000); to merge with *Valley Bank,* Salt Lake City, in organization; offices: 0; resources: 60 ($000). Approved: February 5.

New Union State Bank, Carrizo Springs, Texas, in organization; offices: 0; resources: 50 ($000); to acquire the assets and assume the liabilities of, and change title to *Union State Bank,* Carrizo Springs; offices: 1; resources: 4,653 ($000). Approved: March 12.

Stambaugh State Bank, Stambaugh, Michigan, in organization; offices: 0; resources: 120 ($000); to merge with and change title to *The Commercial Bank of Stambaugh,* Stambaugh; offices: 2; resources: 6,471 ($000). Approved: March 19.

North Central State Bank, Cadillac, Michigan, in organization; offices: 0; resources: 120 ($000); to merge with and change title to *The Cadillac State Bank,* Cadillac; offices: 10; resources: 83,498 ($000). Approved: March 26.

FNB Bank, Cadillac, Michigan, in organization; offices: 0; resources: 120 ($000); to merge with and change title to *First National Bank of Cadillac,* Cadillac; offices: 1; resources: 16,135 ($000). Approved: April 6.

The Detroit Bank and Trust Company, Detroit, Michigan; offices: 84; resources: 2,533,284 ($000); to consolidate with *Bank and Trust Company of Detroit,* Detroit, in organization; offices: 0; resources: 240 ($000). Approved: April 13.

P.B.T. Bank, Davidson, North Carolina, in organization; offices: 0; resources: 150 ($000); to merge with and change title to *Piedmont Bank and Trust Company,* Davidson; offices: 9; resources: 33,331 ($000). Approved: April 23.

Capitol City Bank, Richmond, Virginia, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *Virginia Trust Company,* Richmond; offices: 2; resources: 45,929 ($000). Approved: April 23.

Lamar County Bank, Sulligent, Alabama, in organization; offices: 0; resources: 60 ($000); to merge with *Bank of Sulligent* and change title to *The Bank of Sulligent,* Sulligent; offices: 2; resources: 10,116 ($000). Approved: April 30.

American Bank and Trust Company, Lansing, Michigan; offices: 14; resources: 224,095 ($000); to consolidate with *American State Bank,* Lansing, in organization; offices: 0; resources: 125 ($000). Approved: May 14.

Volunteer-State Bank, Knoxville, Tennessee; offices: 4; resources: 26,723 ($000); to merge with *Knoxville Interim Bank,* Knoxville, in organization; offices: 0; resources: 112 ($000). Approved: May 14.

Farmers-Peoples Bank, Milan, Tennessee; offices: 2; resources: 18,232 ($000); to merge with *Milan Interim Bank,* Milan, in organization; offices: 0; resources: 112 ($000). Approved: May 14.

Bancorp State Bank, Malakoff, Texas, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *Citizens State Bank,* Malakoff; offices: 1; resources: 5,768 ($000). Approved: May 21.

Bowen Road State Bank, Arlington, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Arlington Bank of Commerce,* Arlington; offices: 1; resources: 11,345 ($000). Approved: May 25.

Pleasant State Bank, Dallas,Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Grove State Bank,* Dallas; offices: 1; resources: 22,182 ($000). Approved: May 25.

Citizens Trust Company, Atlanta, Georgia; offices: 3; resources: 40,745 ($000); to merge with *C.T.B. Bank,* Atlanta, in organization; offices: 0; resources: 0; and change title to *Citizens Trust Bank.* Approved: June 11.

Concord State Bank, Beaumont, Texas, in organization; offices: 0; resources: 300 ($000); to merge with and change title to *The Village State Bank,* Beaumont; offices: 1; resources: 10,093 ($000). Approved: June 11.

Cowboys State Bank, Dallas, Texas, in organization; offices; 0; resources: 200 ($000); to merge with and change title to *Park Cities Bank and Trust Company,* Dallas; offices: 1; resources: 38,189 ($000). Approved: June 11.

Twelfth Street State Bank, Dallas Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *American Bank and Trust Company,* Dallas; offices: 1; resources: 59,387 ($000). Approved: June 11.

Plymouth Park State Bank, Irving, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Southwest Bank and Trust Company,* Irving; offices: 1; resources: 46,108 ($000). Approved: June 11.

Lancaster State Bank, Lancaster, Texas, in organization; offices: 0; resources: 120 ($000); to merge with and change title to *Bank of Lancaster,* Lancaster; offices: 1; resources: 6,048 ($000). Approved: June 11.

Crescent Bank and Trust Company, Greenville, South Carolina, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Southern Bank and Trust Company,* Greenville; offices: 27; resources: 151,429 ($000). Approved: July 31.

Falmouth Bank, Falmouth, Virginia, in organization; offices: 0; resources: 60 ($000); to merge with and change title to *The Peoples Bank of Stafford, Falmouth; offices: 4; resources: 16,738 ($000). Approved: August 28.*

State Bank of Elizabethton, Elizabethton, Tennessee, in organization; offices: 0; resources: 113 ($000); to merge with and change title to *Citizens Bank,* Elizabethton; offices: 4; resources: 27,031 ($000). Approved: September 24.

United Virginia Bank of Spotsylvania, Spotsylvania Court House, Virginia, in organization; offices: 0; resources: 50 ($000); to merge with *Bank of Spotsylvania,* Spotsylvania Court House; offices: 1; resources: 3,871 ($000). Approved: September 24.

City Bank of Petersburg, Petersburg, Virginia, in organization; offices: 0; resources: 250 ($000); to merge with and change title to *City Savings Bank and Trust Company,* Petersburg; offices: 4; resources: 20,851 ($000). Approved: October 15.

First State Bank, Knoxville, Tennessee, in organization; offices: 0; resources: 300 ($000); to merge with and change title to *The Fountain City Bank,* Knoxville; offices: 4; resources: 57,856 ($000). Approved: October 30.

Irving Commerce Bank, Irving, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Irving Bank and Trust Company,* Irving; offices: 1; resources: 67,563 ($000). Approved: November 9.

Alabama Bank of Bay Minette, Bay Minette, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *Baldwin County Bank,* Bay Minette; offices: 2; resources: 17,046 ($000). Approved: November 19.

MSB Bank, Moline, Michigan, in organization; offices: 0; resources: 120 ($000); to consolidate with and change title to *The Moline State Bank,* Moline; offices: 1; resources: 5,071 ($000). Approved: November 19.

Beltline State Bank, Carrollton, Texas, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *The Dallas County State Bank,* Carrollton; offices: 1; resources: 18,928 ($000). Approved: November 19.

Union Bank, Tucson, Arizona; offices: 3; resources: 100,308 ($000); to merge with *Union Industries, Inc.,* Tucson; offices: 0; resources: 0. Approved: November 29.

L.J. Bank, Joliet, Illinois, in organization; offices: 0; resources: 350 ($000); to merge with and change title to *Louis Joliet Bank,* Joliet; offices: 1; resources: 41,871 ($000). Approved: November 29.

The Sanford Bank, Sanford, North Carolina, in organization; offices: 0; resources: 300 ($000); to merge with and change title to *The Carolina Bank,* Sanford; offices: 14; resources: 84,302 ($000); Approved: November 29.

The Carrollton Bank, Carrollton, Ohio, in organization; offices: 0; resources: 312 ($000); to merge with and change title to *The Cummings Bank Company,* Carrollton; offices: 3; resources: 14,503 ($000). Approved: November 29.

The Ohio State Bank, Vandalia, Ohio, in organization; offices: 0; resources: 625 ($000); to merge with *The Imperial State Bank,* Vandalia; offices: 2; resources: 8,570 ($000). Approved: November 29.

Sumner County State Bank, Gallatin, Tennessee, in organization; offices: 0; resources: 113 ($000); to merge with and change title to *Sumner County Bank and Trust Company,* Gallatin; offices: 1; resources: 9,902 ($000). Approved: November 29.

The Bank of Jackson, Jackson, Tennessee, in organization; offices: 0; resources: 150 ($000); to merge with and change title to *Jackson State Bank,* Jackson; offices: 2; resources: 20,322 ($000). Approved: November 29.

First Tennessee Bank of Greene County, Mosheim, Tennessee, in organization; offices: 0; resources: 75 ($000); to merge with *Mosheim Bank,* Mosheim; offices: 2; resources: 9,981 ($000). Approved: November 29.

Third State Bank in Pulaski, Pulaski, Tennessee, in organization; offices: 0; resources: 120 ($000); to merge with and change title to *The Union Bank,* Pulaski; offices: 3; resources: 30,818 ($000). Approved: November 29.

United Virginia Bank/Peoples of Gretna, Gretna, Virginia, in organization; offices: 0; resources: 50 ($000); to merge with *Peoples Bank of Gretna,* Gretna; offices: 1; resources: 14,729 ($000). Approved: November 29.

Hamilton State Bank of Johnson City, Johnson City, Tennessee, in organization; offices: 0; resources: 150 ($000); to merge with and change title to *Hamilton Bank of Johnson City,* Johnson City; offices: 7; resources: 85,535 ($000). Approved: December 17.

Hamilton State Bank of Marion County, South Pittsburg, Tennessee, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *Hamilton Bank of Marion County,* South Pittsburg; offices: 2; resources: 15,783 ($000). Approved: December 17.

Hamilton State Bank of Rhea County, Spring City, Tennessee, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *Hamilton Bank of Rhea County,* Spring City; offices: 2; resources: 11,599 ($000). Approved: December 17.

Commercial New Bank, Midland, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Commercial Bank & Trust Co.,* Midland; offices: 1; resources: 35,413 ($000). Approved: December 19.

LEGISLATION AND REGULATIONS
PART THREE

FEDERAL LEGISLATION — 1973

Public Law 93-100. Public law 93-100, approved by the President on August 16, 1973, extended until December 31, 1974, the statutory authority of the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to regulate in a flexible manner the interest rates payable by insured banks and members of the Federal Home Loan Bank System on time and savings deposits and share accounts. In addition, Public Law 93-100 prohibits depository institutions in States other than Massachusetts and New Hampshire from offering interest-bearing accounts from which depositors are permitted to make transfers of funds by negotiable orders of withdrawal (NOW accounts). Public Law 93-100 also authorizes Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations.

Public Law 93-123. Public Law 93-123, approved October 15, 1973, instructs the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to take action to limit the rates of interest that may be paid on time deposits of less than $100,000 by institutions regulated by them. The enactment of Public Law 93-123 was Congress' response to the rules and regulations issued by the Federal bank supervisory agencies that created a new category of time deposits for which there was no prescribed maximum interest rate. These "ceiling-free" time deposits were required to mature in not less than 4 years and had to be in amounts of $1,000 or more.

Flood Disaster Protection Act of 1973. The Flood Disaster Protection Act of 1973 (Public Law 93-234), approved by the President on December 31, 1973, requires the appropriate Federal supervisory agencies to issue regulations prohibiting banks, savings and loan associations, and other similar institutions under their jurisdiction from making certain loans in any area that has been identified by the Secretary of Housing and Urban Development as an area in which there are special flood hazards. These institutions are prohibited from making any loan, on or after March 2, 1974, that is secured by improved real estate or a mobile home located in such area where flood insurance has been made available under The National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing the loan is covered by adequate flood insurance. In addition, on or after July 1, 1975, federally supervised banks and other similar institutions will be prohibited from making loans secured by improved real estate or mobile homes in designated flood hazard areas unless the community in which the area is situated is then participating in The National Flood Insurance Program.

The Flood Disaster Protection Act of 1973 also authorizes national banks, subject to certain restrictions, to purchase shares of stock issued by agricultural credit corporations. While this provision of the Act does not directly affect State nonmember banks, whose authority to acquire stock in agricultural credit corporations is governed exclusively by State law, its enactment could encourage State legislation to grant State nonmember banks similar investment powers.

RULES AND REGULATIONS AND STATEMENTS OF GENERAL POLICY

Delegation of authority to Regional Directors to approve branch applications. Amendments to sections 303.11 and 303.12 of the Corporation's rules and regulations (12 CFR §§ 303.11 and 303.12), effective March 1, 1973, delegate the authority of the Corporation's Board of Directors to approve applications for new branches under certain circumstances to the Corporation's Director of the Division of Bank Supervision. The Director is empowered to redelegate the authority to the Corporation's 14 Regional Directors. As a result of this delegated authority, it is expected that at least 60 percent of all branch applications filed by nonmember insured banks will be processed at the regional office level.

The following circumstances must exist before approval of a *de novo* branch application can be granted at the regional level:

1. All necessary final approvals from the appropriate State authority must have been obtained.
2. The six factors set forth in section 6 of the Federal Deposit Insurance Act must have been considered and favorably resolved.
3. The applicant must be in substantial compliance with the Corporation's rules and regulations.
4. Adequate fidelity coverage must be present.
5. Legal fees and other expenses incurred in connection with the proposed branch must be consistent with the Corporation's policy.
6. Establishment of the branch must not have a significantly adverse effect on competition in any relevant area or lead to destructive competition.
7. Adjusted capital and reserves must be at least 7.5 percent of adjusted gross assets for commercial banks and 6 percent for mutual or guaranty savings banks.
8. Aggregate fixed asset investment, including investment in

the proposed branch, cannot exceed 50 percent of the applicant's adjusted capital and reserves.

9. During the third year of its operations, if not before, estimated income of the proposed branch must equal or exceed its expenses; or, earnings must be adequate to support limited operating losses incurred by the branch during its formative years.
10. The applicant's management must have been rated "fair" or better in the Corporation's most recent examination.
11. Financial arrangements involving the proposed branch and the applicant's directors, officers, or major shareholders must be fair and reasonable.

In processing branch applications, neither the Director of the Division of Bank Supervision nor the Corporation's Regional Directors must approve all applications that satisfy the required circumstances. It is within their discretion not to act on an application and to forward it instead to the Corporation's Board of Directors. The new regulation does not delegate the authority to deny branch applications; that authority remains solely with the Corporation's Board of Directors. Applications for new branches that do not meet all of the required circumstances may be approved only by the Board of Directors.

Application procedures for deposit insurance, new branches, and office relocations. Effective April 1, 1973, the Corporation amended its rules and regulations dealing with application procedures for deposit insurance, new branches, office relocations, and any other applications, requests, or submittals that the Board of Directors deems appropriate. The new regulations require that an applicant publish a notice containing the name of the applicant or applicants, the subject matter of the application, the location at which the applicant proposes to engage in business, and the date upon which the application was accepted for filing. In addition, the notice must provide that anyone who wishes to comment on the application may do so by filing his comments in writing with the Corporation's Regional Director, and that anyone who wishes to protest the granting of the application has the right to do so if he files a written notice of his intent with the Regional Director within 15 days of the date of the publication of the notice. The new regulations also require that the Corporation establish, at its Regional Office, a public file of materials submitted, withholding only limited confidential information. The file will also contain portions of the investigation report, prepared by the Corporation's field examiner in connection with the application, that cover future earnings prospects and the convenience and needs of the community to be served by the applicant. Provisions are set forth as to the type of hearing to be held and how it will be conducted if the Corporation decides to hold a hearing on request of an interested party or on its own motion. Provision is also made for informal proceedings when a full-scale hearing is not held.

Interest rate regulations. Effective May 17, 1973, an amendment to section 329.7(b)(2) of the Corporation's rules and regulations (12 CFR § 329.7(b)(2)) suspended ceilings on interest rates payable on single-maturity time deposits in denominations of $100,000 or more. The suspension, which affects all banks subject to Part 329 of the Corporation's rules and regulations, will remain in effect until the Corporation takes further action. In addition, effective July 1, 1973, the Corporation's regulations that establish maximum interest rates that insured State nonmember banks (including insured mutual savings banks) may pay on time and savings deposits were amended to establish new interest rate structures for consumer types of deposits in insured nonmember commercial and mutual savings banks. The amendments authorized insured nonmember banks to increase the maximum rate of interest they could pay on passbook savings deposits, authorized insured nonmember banks to increase the maximum interest rates payable on most categories of time deposits, and established a new category of time deposits on which there was no interest rate ceiling ("ceiling-free" time deposits). Deposits in this latter category had to mature in not less than 4 years and had to be in amounts of $1,000 or more.

Also effective July 1, 1973, the Board of Directors amended section 329.4 of the Corporation's rules and regulations (12 CFR §329.4) that provides that no time deposit may be paid before maturity except as authorized by paragraph (d) of that section. Prior to the amendment, paragraph (d) permitted the payment of all or part of a time deposit prior to maturity only where the depositor signed a statement that he needed the funds in his deposit account and forfeited accrued and unpaid interest for a period of not less than 3 months on the amount withdrawn. Paragraph (d) has been revised so as to eliminate the requirement for a statement of need. Under the revision, an insured State nonmember bank may pay any time deposit prior to maturity so long as the rate of interest on the amount withdrawn does not exceed the maximum rate that the bank may pay on savings deposits on the date of withdrawal. In addition, the depositor must forfeit all interest on the amount withdrawn (calculated at the savings deposit rate) for a period of 3 months, or for the length of time the funds have been on deposit if less than 3 months.

On July 26, 1973, the Board of Directors established a percentage limitation on the "ceiling-free" time deposits established by the earlier amendments to sections 329.6 and 329.7 of the Corporation's rules and regulations (12 CFR § § 329.6 and 329.7). Effective August 1, 1973, these deposits could not exceed 5 percent of an insured nonmember bank's total domestic time and savings deposits. The Board of Directors subsequently established an alternative to this 5 percent limitation. Effective August 17, 1973, "ceiling-free" time deposits could not exceed 5 percent of an insured nonmember bank's total domestic time and savings deposits, or $500,000, whichever was greater.

On August 14, 1973, the Board of Directors further amended sections 329.6 and 329.7 of the Corporation's rules and regulations to permit certain conversions of preexisting time deposits to "ceiling-free" time deposits in the same bank, notwithstanding the 5 percent or $500,000 limitation. These amendments were also effective August 17, 1973. On September 7, 1973, the Board of Directors made one additional change in the regulations governing "ceiling-free" time deposits in insured nonmember mutual savings banks. These banks were permitted to transfer funds in certain matured time deposits to "ceiling-free" time deposits so long as the total amount of the bank's "ceiling-free" time deposits did not exceed 10 percent of its total domestic time and savings deposits, or $500,000, whichever was greater. This change was made effective September 10, 1973. Effective September 20, 1973, the Board of Directors amended section 329.0 of the Corporation's rules and regulations (12 CFR § 329.0) to extend the provisions of Part 329 to banks in Massachusetts (including mutual savings banks) that are not insured by the Corporation.

Subsequent to the adoption of the preceding amendments, Congress passed a joint resolution calling upon the Federal agencies that supervise financial institutions to "limit the rates of interest or dividends which may be paid on time deposits of less than $100,000 by institutions regulated by them." The joint resolution became law on October 15, 1973 (Public Law 93-123). Accordingly, the Board of Directors was required to impose rate limitations on all "ceiling-free" deposits in banks subject to its jurisdiction. After consulting with representatives of the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, and the Federal Home Loan Bank Board, the Board of Directors amended sections 329.6 and 329.7 of the Corporation's rules and regulations so as to limit the interest rates payable on deposits of $1,000 or more with maturities of 4 years or more. Effective November 1, 1973, insured nonmember commercial banks are not permitted to pay interest on such deposits at a rate in excess of 7¼ percent per annum, and insured nonmember mutual savings banks (including noninsured mutual savings banks in Massachusetts) are not permitted to pay interest on such deposits at a rate in excess of 7½ percent per annum. These new rate limitations did not apply to any time deposit contract entered into prior to November 1, 1973. Effective the same date, the Board of Directors also concluded that there would no longer be any need for a limitation on the amount of such deposits that may be accepted by one bank.

Effective September 10, 1973, section 329.4 of the Corporation's rules and regulations (12 CFR § 329.4) was amended so as to prevent an insured nonmember bank from increasing the rate of interest paid on an existing time deposit or converting that deposit to one having a longer maturity—if it bears a higher rate of interest after conversion—unless the depositor pays the appropriate penalty for withdrawal of the funds prior to maturity. The one exception to this requirement permits increases in the rate of interest paid on a time deposit without penalty where the increase is explicitly authorized by the terms of the original deposit contract and the bank does not retain the option to grant or deny the increase. This amendment represents a change in the Corporation's position of allowing an insured nonmember bank to raise the interest rate paid on an existing time deposit without penalizing the depositor. For this reason, the Board of Directors considered it important that all insured nonmember banks make adequate disclosure of the withdrawal penalties to their customers. Accordingly, sections 329.4 and 329.8 of the Corporation's rules and regulations were amended so as to require that all insured nonmember banks' advertisements, announcements, or solicitations that relate to the interest paid on time deposits include a clear and conspicuous statement that a "substantial penalty" will be imposed where a depositor is permitted to withdraw all or part of his time deposit before maturity. In addition, each depositor must be given a separate disclosure statement at the time he enters into a time deposit contract with the bank. Among other things, this statement must clearly describe the penalty for early withdrawal. This penalty may be the minimum penalty prescribed by section 329.4(d), as amended, or a more severe penalty chosen by the bank.

Statement of Policy regarding bank loans to the Corporation's examiners. On August 2, 1973, the Corporation's Board of Directors issued a policy statement describing the circumstances under which the Corporation's examiners would be permitted to negotiate and accept loans from national banks, District banks, and State member banks. Initially, the statement noted that section 212 of title 18, United States Code, prohibits any officer, director, or employee of a bank, the deposits of which are insured by the Corporation, from making a loan to any governmental examiner "who examines or has authority to examine" such bank, and that section 213 of title 18, United States Code, prohibits a bank examiner, in turn, from "accept[ing] a loan from any bank, corporation, association or organization examined by him or from any person connected therewith." Since the latter prohibition could be construed to apply to a Corporation examiner's acceptance of a loan from a national bank, District bank, or State member bank that is affiliated with an insured State nonmember bank examined by him, the policy statement provides that no loan may be made to a Corporation examiner by a national bank, District bank, or State member bank that is affiliated in a holding company system with an insured State nonmember bank, and no such loan should be accepted by a Corporation examiner.

In the event a national bank, District bank, or State member bank making a loan to a Corporation examiner becomes affiliated with an insured State nonmember bank subsequent to the making of the loan, the policy statement requires that the loan be promptly removed and that other suitable arrangements be made. Prior to the removal of the loan, the examiner in question will not be permitted to examine any insured State nonmember bank that is affiliated under a holding company system or otherwise with the national bank, District bank, or State member bank that made the loan to him.

Interpretative Statement of the Legal Division concerning the advertising of interest on time and savings deposits. On October 11, 1973, the Board of Directors authorized the release of an interpretative statement of the Corporation's Legal Division concerning the meaning and application of certain disclosure requirements contained in the Corporation's regulations pertaining to the advertising of interest on time and savings deposits. The underlying regulation (section 329.8 of the Corporation's rules and regulations, 12 CFR § 329.8) prescribes the manner in which insured banks that are not members of the Federal Reserve System, as well as noninsured mutual savings banks in Massachusetts, may advertise the interest or dividends they pay on time and savings deposits. This regulation also sets forth a general proscription against "inaccurate" or "misleading" advertisements or those that "misrepresent" the deposit contract offered. The Legal Division's statement stipulates that this general proscription should be taken "as prohibiting any statement or claim which incorrectly represents the terms and conditions of the deposit contracts offered or which has a tendency or capacity to deceive or to leave an erroneous impression." The statement emphasizes the importance of avoiding "exaggerated, overly generalized or unsubstantiated claims or assertions or ambiguous statements reasonably susceptible to a construction that is or may be false or erroneous."

Six specific examples of the types of advertising that should be avoided, based on practices that have come to the Legal Division's attention, were included in the interpretative statement. In addition, the statement warned that, in the future, violations of section 329.8 will, in appropriate circumstances, result in a recommendation by the Legal Division to the Board of Directors of the Corporation that formal enforcement action be taken against alleged violators. The Board of Directors indicated that the purpose of publishing the Legal Division's interpretative statement was to encourage more general compliance with the evident spirit and purpose of the regulation and to inform all banks subject to the regulation of the Legal Division's intent, in appropriate cases, to recommend formal enforcement action by the Corporation.

Bank security regulations. Effective November 1, 1973, the Corporation amended Appendix A to section 326.7 of its rules and regulations (12 CFR § 326.7 (Appendix A)) to implement the provisions of the Bank Protection Act of 1968 (83 Stat. 295). The major revisions are (1) the provision of minimum standards for cash dispensing (and cash accepting) machines; (2) the provision of minimum standards for safe deposit box storage; (3) the elimination of the use of steel vault liners as a substitute for poured concrete vaults of specific steel reinforcement; and (4) the definition of the term "vault" so as to avoid confusion with "safes" and to be more definite as to the construction standards for vaults.

NOW account regulations. On December 7, 1973, pursuant to the requirements of Public Law 93-100, Chairman Frank Wille announced the adoption of NOW (negotiable order of withdrawal) account regulations, to be effective January 1, 1974, applicable to mutual savings banks and insured nonmember commercial banks in Massachusetts and New Hampshire. The regulations provide that (1) the maximum rate of interest payable on NOW accounts is 5 percent per annum; (2) NOW accounts may be owned only by individuals, certain nonprofit organizations, and fiduciaries representing these individuals and nonprofit organizations, and (3) the dissemination of advertisements, announcements, or solicitations with respect to NOW accounts is to be limited, to the extent practicable, to Massachusetts and New Hampshire.

STATISTICS OF BANKS
AND DEPOSIT INSURANCE
PART FOUR

NUMBER OF BANKS AND BRANCHES

Banks: **Commercial banks** include the following categories of banking institutions:

National banks:

Incorporated State banks, trust companies, and bank and trust companies, regularly engaged in the business of receiving deposits, whether demand or time, except mutual savings banks;

Stock savings banks, including guaranty savings banks in New Hampshire;

Industrial and Morris Plan banks which operate under general banking codes, or are specifically authorized by law to accept deposits and in practice do so, or the obligations of which are regarded as deposits for deposit insurance;

Special types of banks of deposit; regulated certificated banks, and a savings and loan company operating under Superior Court charter in Georgia; government-operated banks in North Dakota and Puerto Rico; a cooperative bank, usually classified as a credit union, operating under a special charter in New Hampshire; a savings institution, known as a "trust company," operating under special charter in Texas; the Savings Banks Trust Company in New York; the Savings Bank and Trust Company Northwest Washington in the State of Washington; and branches of foreign banks engaged in a general deposit business in New York, Oregon, Washington, Puerto Rico, and Virgin Islands;

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

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

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

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

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

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

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

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

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

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

Branches: Branches include all offices of a bank other than its head office, at which deposits are received, checks paid, or money lent. Banking facilities separate from a banking house, banking facilities at government establishments, offices, agencies, paying or receiving stations, drive-in facilities, and other facilities operated for limited purposes are defined as branches under the Federal Deposit Insurance Act, Section 3(o), regardless of the fact that in certain States, including several which prohibit the operation of branches, such limited facilities are not considered branches within the meaning of State law.

Table 101. CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1973

Type of change	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks		
					Insured				Noninsured				
						Members F.R. System							
	Total	Insured	Non-insured	Total	Total	National	State	Not members F.R. System	Banks of deposit	Nondeposit trust companies[1]	Total	Insured	Non-insured
ALL BANKING OFFICES													
Number of offices, December 31, 1973[2]	**42,886**	**42,182**	**704**	**40,912**	**40,619**	**19,627**	**5,129**	**15,863**	**213**	**80**	**1,974**	**1,563**	**411**
Number of offices, December 31, 1972[2]	**40,662**	**39,969**	**693**	**38,822**	**38,531**	**18,626**	**5,075**	**14,830**	**218**	**73**	**1,840**	**1,438**	**402**
Net changes during year	**+2,224**	**+2,213**	**+11**	**+2,090**	**+2,088**	**+1,001**	**+54**	**+1,033**	**–5**	**+7**	**+134**	**+125**	**+9**
Offices opened	**2,424**	**2,401**	**23**	**2,285**	**2,271**	**1,024**	**241**	**1,006**	**5**	**9**	**139**	**130**	**9**
Banks	345	332	13	345	332	90	26	216	5	8	0	0	0
Branches	2,079	2,069	10	1,940	1,939	934	215	790	0	1	139	130	9
Offices closed	**200**	**199**	**1**	**195**	**194**	**94**	**29**	**71**	**1**	**0**	**5**	**5**	**0**
Banks	105	104	1	101	100	39	11	50	1	0	4	4	0
Branches	95	95	0	94	94	55	18	21	0	0	1	1	0
Changes in classification	**0**	**+11**	**–11**	**0**	**+11**	**+71**	**–158**	**+98**	**–9**	**–2**	**0**	**0**	**0**
Among banks	0	+11	–11	0	+11	–4	–31	+46	–9	–2	0	0	0
Among branches	0	0	0	0	0	+75	–127	+52	0	0	0	0	0
BANKS													
Number of banks, December 31, 1973	**14,676**	**14,298**	**378**	**14,194**	**13,976**	**4,661**	**1,076**	**8,239**	**147**	**71**	**482**	**322**	**160**
Number of banks, December 31, 1972	**14,436**	**14,059**	**377**	**13,950**	**13,733**	**4,614**	**1,092**	**8,027**	**152**	**65**	**486**	**326**	**160**
Net change during year	**+240**	**+239**	**+1**	**+244**	**+243**	**+47**	**–16**	**+212**	**–5**	**+6**	**–4**	**–4**	**0**
Banks beginning operation	**345**	**332**	**13**	**345**	**332**	**90**	**26**	**216**	**5**	**8**	**0**	**0**	**0**
New banks	340	332	8	340	332	90	26	216	5	3	0	0	0
Banks added to count[3]	5	0	5	5	0	0	0	0	0	5	0	0	0
Banks ceasing operation	**–105**	**104**	**–1**	**–101**	**100**	**–39**	**–11**	**–50**	**–1**	**0**	**–4**	**–4**	**0**
Absorptions, consolidations, and mergers	–102	–101	–1	–98	–97	–39	–11	–47	–1	0	–4	–4	0
Closed because of financial difficulty	–3	–3	0	–3	–3	0	0	–3	0	0	0	0	0
Noninsured banks becoming insured	**0**	**+11**	**–11**	**0**	**+11**	**+1**	**+1**	**+9**	**–9**	**–2**	**0**	**0**	**0**

Other changes in classification	0	0	0	0	0	–5	–32	+37	0	0	0	0	0
National succeeding State bank	0	0	0	0	0	+16	–8	–8	0	0	0	0	0
State succeeding national bank	0	0	0	0	0	–21	0	+21	0	0	0	0	0
Admission of insured bank to F.R. System	0	0	0	0	0	0	+4	–4	0	0	0	0	0
Withdrawal from F.R. System with continued insurance	0	0	0	0	0	0	–28	+28	0	0	0	0	0
Changes not involving number in any class													
Change in title	380	366	14	373	359	140	24	195	14	0	7	7	0
Change in location	40	39	1	39	38	14	5	19	1	0	1	1	0
Change in title and location	12	11	1	12	11	8	1	2	1	0	0	0	0
Change in name of location	55	55	0	55	55	24	5	26	0	0	0	0	0
Change in location within city	330	322	8	320	312	81	13	218	7	1	10	10	0
Change in corporate powers													
Granted trust powers	99	99	0	99	99	0	0	99	0	0	0	0	0
BRANCHES													
Number of branches, December 31, 1973[2]	28,210	27,884	326	26,718	26,643	14,966	4,053	7,624	66	9	1,492	1,241	251
Number of branches, December 31, 1972[2]	26,226	25,910	316	24,872	24,798	14,012	3,983	6,803	66	8	1,354	1,112	242
Net change during year	+1,984	+1,974	+10	+1,846	+1,845	+954	+70	+821	0	+1	+138	+129	+9
Branches opened for business	2,079	2,069	10	1,940	1,939	934	215	790	0	1	139	130	9
Facilities designated by Treasury	5	5	0	5	5	3	0	2	0	0	0	0	0
Absorbed bank converted to branch	91	91	0	87	87	51	3	33	0	0	4	4	0
Branch replacing head office relocated	32	32	0	32	32	13	3	16	0	0	0	0	0
New branches	1,919	1,909	10	1,785	1,784	860	203	721	0	1	134	125	9
Branches and/or facilities added to count[3]	32	32	0	31	31	7	6	18	0	0	1	1	0
Branches discontinued	95	95	0	94	94	55	18	21	0	0	–1	–1	0
Facilities designated by Treasury	10	10	0	10	10	8	0	2	0	0	0	0	0
Branches	76	76	0	75	75	41	17	17	0	0	–1	–1	0
Branches and/or facilities deleted from count	9	9	0	9	9	6	–1	2	0	0	0	0	0
Other changes in classification	0	0	0	0	0	+75	–127	+52	0	0	0	0	0
Branches changing class as a result of conversion	0	0	0	0	0	+8	–22	+14	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	0	0	0	0	0	+67	–15	–52	0	0	0	0	0
Branches of insured banks withdrawing from F.R.S.	0	0	0	0	0	0	–90	+90	0	0	0	0	0
Changes not involving number in any class													
Changes in operating powers of branches	2	2	0	2	2	2	0	0	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	170	170	0	170	162	111	6	45	0	0	8	8	0
Changes in title, location, or name of location	736	734	2	736	692	374	110	208	0	0	44	42	2

[1] Includes one nondeposit trust company that is a member of the Federal Reserve System.
[2] Includes facilities established at request of the Treasury or commanding officer of government installations, and also a few seasonal branches that were not in operation as of December 31.
[3] Branches opened prior to 1973 but not included in count as of December 31, 1973.

Table 102. CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1973, BY STATE

State	In operation				Net change during 1973		Beginning operation in 1973				Ceasing operation in 1973			
	Dec. 31, 1973		Dec. 31, 1972				Banks		Branches		Banks		Branches	
	Banks	Branches	Banks	Branches	Banks	Branches	New	Other	New	Other	Absorptions	Other	Branches	Other
Total United States	**14,194**	**26,718**	**13,950**	**24,872**	**+244**	**+1,846**	**340**	**5**	**1,816**	**124**	**98**	**3**	**75**	**19**
50 States and D.C.	**14,171**	**26,449**	**13,927**	**24,611**	**+244**	**+1,838**	**340**	**5**	**1,806**	**124**	**98**	**3**	**74**	**18**
Other Areas	**23**	**269**	**23**	**261**	**0**	**+8**	**0**	**0**	**10**	**0**	**0**	**0**	**1**	**1**
States														
Alabama	287	369	277	334	+10	+35	11	0	33	3	1	0	1	0
Alaska	10	73	10	70	NA	+3	0	0	3	0	0	0	0	0
Arizona	22	405	22	374	NA	+31	0	0	30	1	0	0	0	0
Arkansas	258	227	253	193	+5	+34	3	2	32	2	0	0	0	0
California	185	3,391	165	3,259	+20	+132	25	1	138	6	6	0	11	1
Colorado	302	42	291	35	+11	+7	12	0	5	3	1	0	1	0
Connecticut	68	518	64	498	+4	+20	4	0	21	0	0	0	1	0
Delaware	19	118	19	110	NA	+8	0	0	8	0	0	0	0	0
District of Columbia	15	117	14	112	+1	+5	1	0	5	0	0	0	0	0
Florida	646	67	581	60	+65	+7	65	0	8	0	0	0	0	1
Georgia	436	558	437	483	−1	+75	2	0	73	3	3	0	0	1
Hawaii	12	150	11	146	+1	+4	1	0	2	2	0	0	0	0
Idaho	24	179	24	170	0	+9	1	0	8	1	1	0	0	0
Illinois	1,172	175	1,155	148	+17	+27	17	0	26	1	0	0	0	0
Indiana	410	777	408	719	+2	+58	4	0	55	3	2	0	0	0
Iowa	670	369	670	345	0	+24	2	0	23	3	2	0	2	0
Kansas	612	89	607	76	+5	+13	5	0	14	0	0	0	0	1
Kentucky	342	424	341	394	+1	+30	2	0	31	2	1	0	1	2
Louisiana	245	490	238	443	+7	+47	8	0	47	0	0	1	0	0
Maine	48	260	47	248	+1	+12	1	0	13	0	0	0	1	0
Maryland	112	643	112	595	NA	+48	0	0	48	0	0	0	0	0
Massachusetts	153	853	155	814	−2	+39	1	0	37	5	3	0	2	1
Michigan	340	1,400	332	1,330	+8	+70	10	0	72	2	2	0	3	1
Minnesota	740	24	737	20	+3	+4	3	0	5	0	0	0	1	0
Mississippi	181	449	181	406	0	+43	6	0	38	8	6	0	3	0
Missouri	687	203	677	132	+10	+71	10	0	74	1	0	0	3	1
Montana	151	12	147	12	+4	0	3	1	1	0	0	0	1	0
Nebraska	449	56	446	48	+3	+8	4	0	9	0	0	1	1	0
Nevada	8	96	8	93	NA	+3	0	0	2	1	0	0	0	0
New Hampshire	82	90	78	79	+4	+11	4	1	11	0	1	0	0	0

New Jersey	222	1,250	211	1,173	+11	+77	17	0	72	7	6	0	2	0
New Mexico	74	177	72	150	+2	+27	2	0	27	1	0	0	1	0
New York	304	2,879	305	2,699	−1	+180	6	0	186	8	7	0	13	1
North Carolina	90	1,444	87	1,331	+3	+113	7	0	116	4	4	0	7	0
North Dakota	170	74	170	73	NA	+1	0	0	1	0	0	0	0	0
Ohio	498	1,525	505	1,449	−7	+76	2	0	69	9	9	0	2	0
Oklahoma	452	91	441	84	+11	+7	11	0	7	0	0	0	0	0
Oregon	46	401	45	381	+1	+20	1	0	21	0	0	0	1	0
Pennsylvania	422	2,061	437	1,919	−15	+142	0	0	133	16	15	0	6	1
Rhode Island	16	207	16	185	NA	+22	0	0	23	0	0	0	0	1
South Carolina	91	548	94	499	−3	+49	1	0	46	5	4	0	1	1
South Dakota	159	108	159	102	0	+6	1	0	5	1	1	0	0	0
Tennessee	321	658	313	595	+8	+63	8	0	62	1	0	0	0	0
Texas	1,266	110	1,238	95	+28	+15	34	0	17	1	5	1	0	3
Utah	54	171	53	160	+1	+11	6	0	7	5	5	0	1	0
Vermont	39	109	41	98	−2	+11	0	0	9	2	2	0	0	0
Virginia	271	1,045	256	955	+15	+90	20	0	87	10	5	0	6	1
Washington	88	640	90	611	−2	+29	3	0	25	6	5	0	1	1
West Virginia	210	15	203	8	+7	+7	7	0	7	0	0	0	0	0
Wisconsin	621	310	613	296	+8	+14	9	0	14	1	1	0	1	0
Wyoming	71	2	71	2	NA	NA	0	0	0	0	0	0	0	0
Other Areas														
Pacific Islands	1	27	1	26	NA	+1	0	0	1	0	0	0	0	0
Panama Canal Zone	0	2	0	2	NA	NA	0	0	0	0	0	0	0	0
Puerto Rico	14	210	14	204	NA	+6	0	0	8	0	0	0	1	1
Virgin Islands	8	30	8	29	NA	+1	0	0	1	0	0	0	0	0

NA—No activity
NC—No change

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
	Total	Insured	Non-insured	Total	Insured				Noninsured		Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
					Total	Members F.R. System		Non-members F.R. System	Banks of deposit[2]	Non-deposit trust companies[9]						
						National	State									
United States—all offices	**42,886**	**42,182**	**704**	**40,912**	**40,619**	**19,627**	**5,129**	**15,863**	**213**	**80**	**1,974**	**1,563**	**411**	**98.5**	**99.5**	**79.2**
Banks	14,676	14,298	378	14,194	13,976	4,661	1,076	8,239	147	71	482	322	160	97.9	99.0	66.8
Unit banks	*9,537*	*9,278*	*259*	*9,396*	*9,202*	*2,782*	*596*	*5,824*	*128*	*66*	*141*	*76*	*65*	*98.0*	*98.6*	*53.9*
Banks operating branches	*5,139*	5,020	*119*	*4,798*	*4,774*	*1,879*	*480*	*2,415*	*19*	*5*	*341*	*246*	*95*	*97.8*	*99.6*	*72.1*
Branches[3]	28,210	27,884	326	26,718	26,643	14,966	4,053	7,624	66	9	1,492	1,241	251	98.9	99.8	83.2
50 States & D.C.—all offices	**42,593**	**41,929**	**664**	**40,620**	**40,367**	**19,567**	**5,127**	**15,673**	**173**	**80**	**1,973**	**1,562**	**411**	**98.6**	**99.6**	**79.2**
Banks	14,652	14,285	367	14,171	13,964	4,659	1,076	8,229	136	71	481	321	160	98.0	99.0	66.7
Unit banks	*9,527*	*9,275*	*252*	*9,387*	*9,200*	*2,781*	*596*	*5,823*	*121*	*66*	*140*	*75*	*65*	*98.0*	*98.7*	*53.6*
Banks operating branches	*5,125*	*5,010*	*115*	*4,784*	*4,764*	*1,878*	*480*	*2,406*	*15*	*5*	*341*	*246*	*95*	*97.9*	*99.7*	*72.1*
Branches[3]	27,941	27,644	297	26,449	26,403	14,908	4,051	7,444	37	9	1,492	1,241	251	99.0	99.9	83.2
Other Areas—all offices	**293**	**253**	**40**	**292**	**252**	**60**	**2**	**190**	**40**	**0**	**1**	**1**	**0**	**86.3**	**86.3**	**100.0**
Banks	24	13	11	23	12	2	0	10	11	0	1	1	0	54.2	52.2	100.0
Unit banks	*10*	*3*	*7*	*9*	*2*	*1*	*0*	*1*	*7*	*0*	*1*	*1*	*0*	*30.0*	*22.2*	*100.0*
Banks operating branches	*14*	*10*	*4*	*14*	*10*	*1*	*0*	*9*	*4*	*0*	*0*	*0*	*0*	*71.4*	*71.4*	*0.0*
Branches[3]	269	240	29	269	240	58	2	180	29	0	0	0	0	89.2	89.2	0.0
State																
Alabama—all offices	**656**	**656**	**0**	**656**	**656**	**340**	**35**	**281**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	287	287	0	287	287	91	20	176	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*177*	*177*	*0*	*177*	*177*	*39*	*15*	*123*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*110*	*110*	*0*	*110*	*110*	*52*	*5*	*53*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	369	369	0	369	369	249	15	105	0	0	0	0	0	100.0	100.0	0.0
Alaska—all offices	**85**	**85**	**0**	**83**	**83**	**70**	**0**	**13**	**0**	**0**	**2**	**2**	**0**	**100.0**	**100.0**	**100.0**
Banks	12	12	0	10	10	5	0	5	0	0	2	2	0	100.0	100.0	100.0
Unit banks	*4*	*4*	*0*	*2*	*2*	*0*	*0*	*2*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*8*	*8*	*0*	*8*	*8*	*5*	*0*	*3*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	73	73	0	73	73	65	0	8	0	0	0	0	0	100.0	100.0	0.0
Arizona—all offices	**427**	**420**	**7**	**427**	**420**	**258**	**26**	**136**	**0**	**7**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	22	15	7	22	15	3	1	11	0	7	0	0	0	100.0	100.0	0.0
Unit banks	*12*	*5*	*7*	*12*	*5*	*1*	*0*	*4*	*0*	*7*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*10*	*10*	*0*	*10*	*10*	*2*	*1*	*7*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	405	405	0	405	405	255	25	125	0	0	0	0	0	100.0	100.0	0.0

Arkansas—all offices	**485**	**481**	**4**	**485**	**481**	**189**	**27**	**265**	**1**	**3**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	258	254	4	258	254	72	11	171	1	3	0	0	0	99.6	99.6	0.0
Unit banks	*149*	*145*	*4*	*149*	*145*	*26*	*3*	*116*	*1*	*3*	*0*	*0*	*0*	*99.3*	*99.3*	*0.0*
Banks operating branches	*109*	*109*	*0*	*109*	*109*	*46*	*8*	*55*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	227	227	0	227	227	117	16	94	0	0	0	0	0	100.0	100.0	0.0
California—all offices	**3,576**	**3,559**	**17**	**3,576**	**3,559**	**2,690**	**322**	**547**	**0**	**17**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	185	174	11	185	174	57	8	109	0	11	0	0	0	100.0	100.0	0.0
Unit banks	*56*	*48*	*8*	*56*	*48*	*9*	*0*	*39*	*0*	*8*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*129*	*126*	*3*	*129*	*126*	*48*	*8*	*70*	*0*	*3*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	3,391	3,385	6	3,391	3,385	2,633	314	438	0	6	0	0	0	100.0	100.0	0.0
Colorado—all offices	**344**	**297**	**47**	**344**	**297**	**147**	**20**	**130**	**47**	**0**	**0**	**0**	**0**	**86.3**	**86.3**	**0.0**
Banks	302	255	47	302	255	126	17	112	47	0	0	0	0	84.4	84.4	0.0
Unit banks	*264*	*217*	*47*	*264*	*217*	*106*	*15*	*96*	*47*	*0*	*0*	*0*	*0*	*82.2*	*82.2*	*0.0*
Banks operating branches	*38*	*38*	*0*	*38*	*38*	*20*	*2*	*16*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	42	42	0	42	42	21	3	18	0	0	0	0	0	100.0	100.0	0.0
Connecticut—all offices	**853**	**852**	**1**	**586**	**585**	**267**	**75**	**243**	**1**	**0**	**267**	**267**	**0**	**99.9**	**99.8**	**100.0**
Banks	136	135	1	68	67	24	2	41	1	0	68	68	0	99.3	98.5	100.0
Unit banks	*38*	*37*	*1*	*20*	*19*	*6*	*1*	*12*	*1*	*0*	*18*	*18*	*0*	*97.4*	*95.0*	*100.0*
Banks operating branches	*98*	*98*	*0*	*48*	*48*	*18*	*1*	*29*	*0*	*0*	*50*	*50*	*0*	*100.0*	*100.0*	*100.0*
Branches	717	717	0	518	518	243	73	202	0	0	199	199	0	100.0	100.0	100.0
Delaware—all offices	**158**	**157**	**1**	**137**	**136**	**9**	**0**	**127**	**0**	**1**	**21**	**21**	**0**	**100.0**	**100.0**	**100.0**
Banks	21	20	1	19	18	5	0	13	0	1	2	2	0	100.0	100.0	100.0
Unit banks	*10*	*9*	*1*	*10*	*9*	*3*	*0*	*6*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*11*	*11*	*0*	*9*	*9*	*2*	*0*	*7*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	137	137	0	118	118	4	0	114	0	0	19	19	0	100.0	100.0	100.0
D.C.—all offices	**132**	**132**	**0**	**132**	**132**	**91**	**30**	**11**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	15	15	0	15	15	12	1	2	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*1*	*1*	*0*	*1*	*1*	*1*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*14*	*14*	*0*	*14*	*14*	*11*	*1*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	117	117	0	117	117	79	29	9	0	0	0	0	0	100.0	100.0	0.0
Florida—all offices	**713**	**709**	**4**	**713**	**709**	**273**	**23**	**413**	**1**	**3**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	646	642	4	646	642	262	22	358	1	3	0	0	0	99.8	99.8	0.0
Unit banks	*584*	*580*	*4*	*584*	*580*	*252*	*21*	*307*	*1*	*3*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*62*	*62*	*0*	*62*	*62*	*10*	*1*	*51*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	67	67	0	67	67	11	1	55	0	0	0	0	0	100.0	100.0	0.0
Georgia—all offices	**994**	**990**	**4**	**994**	**990**	**351**	**80**	**559**	**4**	**0**	**0**	**0**	**0**	**99.6**	**99.6**	**0.0**
Banks	436	432	4	436	432	61	11	360	4	0	0	0	0	99.1	99.1	0.0
Unit banks	*257*	*253*	*4*	*257*	*253*	*15*	*2*	*236*	*4*	*0*	*0*	*0*	*0*	*98.4*	*98.4*	*0.0*
Banks operating branches	*179*	*179*	*0*	*179*	*179*	*46*	*9*	*124*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	558	558	0	558	558	290	69	199	0	0	0	0	0	100.0	100.0	0.0
Hawaii—all offices	**162**	**155**	**7**	**162**	**155**	**12**	**0**	**143**	**0**	**7**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	12	8	4	12	8	2	0	6	0	4	0	0	0	100.0	100.0	0.0
Unit banks	*3*	*1*	*2*	*3*	*1*	*1*	*0*	*0*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*9*	*7*	*2*	*9*	*7*	*1*	*0*	*6*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	150	147	3	150	147	10	0	137	0	3	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973—CONTINUED
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
	Total	Insured	Non-insured	Total	Insured				Noninsured		Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
					Total	Members F.R. System		Non-members F.R. System	Banks of deposit[2]	Non-deposit trust companies[9]						
						National	State									
Idaho—all offices	**203**	**203**	**0**	**203**	**203**	**154**	**10**	**39**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	24	24	0	24	24	6	4	14	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*10*	*10*	*0*	*10*	*10*	*1*	*2*	*7*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*14*	*14*	*0*	*14*	*14*	*5*	*2*	*7*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	179	179	0	179	179	148	6	25	0	0	0	0	0	100.0	100.0	0.0
Illinois—all offices	**1,347**	**1,340**	**7**	**1,347**	**1,340**	**510**	**84**	**746**	**2**	**5**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	1,172	1,165	7	1,172	1,165	417	74	674	2	5	0	0	0	99.8	99.8	0.0
Unit banks	*1,001*	*994*	*7*	*1,001*	*994*	*327*	*64*	*603*	*2*	*5*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*171*	*171*	*0*	*171*	*171*	*90*	*10*	*71*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	175	175	0	175	175	93	10	72	0	0	0	0	0	100.0	100.0	0.0
Indiana—all offices	**1,192**	**1,189**	**3**	**1,187**	**1,184**	**530**	**118**	**536**	**2**	**1**	**5**	**5**	**0**	**99.8**	**99.8**	**100.0**
Banks	414	411	3	410	407	122	56	229	2	1	4	4	0	99.5	99.5	100.0
Unit banks	*196*	*193*	*3*	*193*	*190*	*41*	*32*	*117*	*2*	*1*	*3*	*3*	*0*	*99.0*	*99.0*	*100.0*
Banks operating branches	*218*	*218*	*0*	*217*	*217*	*81*	*24*	*112*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	778	778	0	777	777	408	62	307	0	0	1	1	0	100.0	100.0	100.0
Iowa—all offices	**1,039**	**1,030**	**9**	**1,039**	**1,030**	**170**	**87**	**773**	**7**	**2**	**0**	**0**	0	**99.3**	**99.3**	**0.0**
Banks	670	661	9	670	661	100	48	513	7	2	0	0	0	99.0	99.0	0.0
Unit banks	*431*	*422*	*9*	*431*	*422*	*56*	*27*	*339*	*7*	*2*	*0*	*0*	*0*	*98.4*	*98.4*	*0.0*
Banks operating branches	*239*	*239*	*0*	*239*	*239*	*44*	*21*	*174*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	369	369	0	369	369	70	39	260	0	0	0	0	0	100.0	100.0	0.0
Kansas—all offices	**701**	**700**	**1**	**701**	**700**	**211**	**34**	**455**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	612	611	1	612	611	170	26	415	1	0	0	0	0	99.8	99.8	0.0
Unit banks	*532*	*531*	*1*	*532*	*531*	*136*	*20*	*375*	*1*	*0*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*80*	*80*	*0*	*80*	*80*	*34*	*6*	*40*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	89	89	0	89	89	41	8	40	0	0	0	0	0	100.0	100.0	0.0
Kentucky—all offices	**766**	**765**	**1**	**766**	**765**	**257**	**81**	**427**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	342	341	1	342	341	80	11	250	1	0	0	0	0	99.7	99.7	0.0
Unit banks	*186*	*185*	*1*	*186*	*185*	*31*	*4*	*150*	*1*	*0*	*0*	*0*	*0*	*99.5*	*99.5*	*0.0*
Banks operating branches	*156*	*156*	*0*	*156*	*156*	*49*	*7*	*100*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	424	424	0	424	424	177	70	177	0	0	0	0	0	100.0	100.0	0.0

Louisiana—all offices	**735**	**734**	**1**	**735**	**734**	**266**	**49**	**419**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	245	244	1	245	244	51	10	183	1	0	0	0	0	99.6	99.6	0.0
Unit banks	*101*	*100*	*1*	*101*	*100*	*12*	*1*	*87*	*1*	*0*	*0*	*0*	*0*	*99.0*	*99.0*	*0.0*
Banks operating branches	*144*	*144*	*0*	*144*	*144*	*39*	*9*	*96*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	490	490	0	490	490	215	39	236	0	0	0	0	0	100.0	100.0	0.0
Maine—all offices	**379**	**374**	**5**	**308**	**304**	**137**	**37**	**130**	**4**	**0**	**71**	**70**	**1**	**98.7**	**98.7**	**98.6**
Banks	80	75	5	48	44	19	4	21	4	0	32	31	1	93.8	91.7	96.9
Unit banks	*24*	*19*	*5*	*13*	*9*	*3*	*0*	*6*	*4*	*0*	*11*	*10*	*1*	*79.2*	*69.2*	*90.9*
Banks operating branches	*56*	*56*	*0*	*35*	*35*	*16*	*4*	*15*	*0*	*0*	*21*	*21*	*0*	*100.0*	*100.0*	*100.0*
Branches	299	299	0	260	260	118	33	109	0	0	39	39	0	100.0	100.0	100.0
Maryland—all offices	**806**	**806**	**0**	**755**	**755**	**346**	**87**	**322**	**0**	**0**	**51**	**51**	**0**	**100.0**	**100.0**	**100.0**
Banks	116	116	0	112	112	39	7	66	0	0	4	4	0	100.0	100.0	100.0
Unit banks	*36*	*36*	*0*	*36*	*36*	*8*	*1*	*27*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*80*	*80*	*0*	*76*	*76*	*31*	*6*	*39*	*0*	*0*	*4*	*4*	*0*	*100.0*	*100.0*	*100.0*
Branches	690	690	0	643	643	307	80	256	0	0	47	47	0	100.0	100.0	100.0
Massachusetts—all offices	**1,466**	**1,047**	**419**	**1,006**	**997**	**552**	**172**	**273**	**9**	**0**	**460**	**50**	**410**	**71.4**	**99.1**	**10.9**
Banks	320	156	164	153	148	79	13	56	5	0	167	8	159	48.8	96.7	4.8
Unit banks	*92*	*25*	*67*	*28*	*25*	*14*	*0*	*11*	*3*	*0*	*64*	*0*	*64*	*27.2*	*89.3*	*0.0*
Banks operating branches	*228*	*131*	*97*	*125*	*123*	*65*	*13*	*45*	*2*	*0*	*103*	*8*	*95*	*57.5*	*98.4*	*7.8*
Branches[3]	1,146	891	255	853	849	473	159	217	4	0	293	42	251	77.7	99.5	14.3
Michigan—all offices	**1,740**	**1,736**	**4**	**1,740**	**1,736**	**769**	**573**	**394**	**3**	**1**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	340	338	2	340	338	111	95	132	1	1	0	0	0	99.7	99.7	0.0
Unit banks	*107*	*106*	*1*	*107*	*106*	*26*	*27*	*53*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*233*	*232*	*1*	*233*	*232*	*85*	*68*	*79*	*1*	*0*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Branches	1,400	1,398	2	1,400	1,398	658	478	262	2	0	0	0	0	99.9	99.9	0.0
Minnesota—all offices	**766**	**763**	**3**	**764**	**761**	**212**	**27**	**522**	**3**	**0**	**2**	**2**	**0**	**99.6**	**99.6**	**100.0**
Banks	741	738	3	740	737	201	25	511	3	0	1	1	0	99.6	99.6	100.0
Unit banks	*719*	*716*	*3*	*719*	*716*	*193*	*23*	*500*	*3*	*0*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Banks operating branches	*22*	*22*	*0*	*21*	*21*	*8*	*2*	*11*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	25	25	0	24	24	11	2	11	0	0	1	1	0	100.0	100.0	100.0
Mississippi—all offices	**630**	**630**	**0**	**630**	**630**	**224**	**25**	**381**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	181	181	0	181	181	41	7	133	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*53*	*53*	*0*	*53*	*53*	*5*	*1*	*47*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*128*	*128*	*0*	*128*	*128*	*36*	*6*	*86*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	449	449	0	449	449	183	18	248	0	0	0	0	0	100.0	100.0	0.0
Missouri—all offices	**890**	**884**	**6**	**890**	**884**	**151**	**93**	**640**	**2**	**4**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	687	681	6	687	681	104	67	510	2	4	0	0	0	99.7	99.7	0.0
Unit banks	*503*	*497*	*6*	*503*	*497*	*64*	*46*	*387*	*2*	*4*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Banks operating branches	*184*	*184*	*0*	*184*	*184*	*40*	*21*	*123*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	203	203	0	203	203	47	26	130	0	0	0	0	0	100.0	100.0	0.0
Montana—all offices	**163**	**161**	**2**	**163**	**161**	**58**	**49**	**54**	**0**	**2**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	151	149	2	151	149	54	44	51	0	2	0	0	0	100.0	100.0	0.0
Unit banks	*138*	*136*	*2*	*138*	*136*	*50*	*39*	*47*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*13*	*13*	*0*	*13*	*13*	*4*	*5*	*4*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	12	12	0	12	12	4	5	3	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973–CONTINUED
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
	Total	Insured	Non-insured	Total	Insured				Noninsured		Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
					Total	Members F.R. System		Non-members F.R. System	Banks of deposit[2]	Non-deposit trust companies[9]						
						National	State									
Nebraska–all offices	**505**	**500**	**5**	**505**	**500**	**155**	**10**	**335**	**0**	**5**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	449	444	5	449	444	122	9	313	0	5	0	0	0	100.0	100.0	0.0
Unit banks	*400*	*395*	*5*	*400*	*395*	*94*	*8*	*293*	*0*	*5*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*49*	*49*	*0*	*49*	*49*	*28*	*1*	*20*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	56	56	0	56	56	33	1	22	0	0	0	0	0	100.0	100.0	0.0
Nevada–all offices	**104**	**104**	**0**	**104**	**104**	**72**	**16**	**16**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	8	8	0	8	8	4	1	3	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*1*	*1*	*0*	*1*	*1*	*1*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*7*	*7*	*0*	*7*	*7*	*3*	*1*	*3*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	96	96	0	96	96	68	15	13	0	0	0	0	0	100.0	100.0	0.0
New Hampshire–all offices	**222**	**220**	**2**	**172**	**170**	**122**	**3**	**45**	**1**	**1**	**50**	**50**	**0**	**99.5**	**99.4**	**100.0**
Banks	112	110	2	82	80	49	1	30	1	1	30	30	0	99.1	98.8	100.0
Unit banks	*60*	*58*	*2*	*40*	*38*	*19*	*0*	*19*	*1*	*1*	*20*	*20*	*0*	*98.3*	*97.4*	*100.0*
Banks operating branches	*52*	*52*	*0*	*42*	*42*	*30*	*1*	*11*	*0*	*0*	*10*	*10*	*0*	*100.0*	*100.0*	*100.0*
Branches	110	110	0	90	90	73	2	15	0	0	20	20	0	100.0	100.0	100.0
New Jersey–all offices	**1,563**	**1,562**	**1**	**1,472**	**1,471**	**988**	**234**	**249**	**0**	**1**	**91**	**91**	**0**	**100.0**	**100.0**	**100.0**
Banks	242	241	1	222	221	127	27	67	0	1	20	20	0	100.0	100.0	100.0
Unit banks	*53*	*52*	*1*	*48*	*47*	*22*	*3*	*22*	*0*	*1*	*5*	*5*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*189*	*189*	*0*	*174*	*174*	*105*	*24*	*45*	*0*	*0*	*15*	*15*	*0*	*100.0*	*100.0*	*100.0*
Branches	1,321	1,321	0	1,250	1,250	861	207	182	0	0	71	71	0	100.0	100.0	100.0
New Mexico–all offices	**251**	**250**	**1**	**251**	**250**	**130**	**20**	**100**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	74	73	1	74	73	34	7	32	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*15*	*14*	*1*	*15*	*14*	*5*	*2*	*7*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*59*	*59*	*0*	*59*	*59*	*29*	*5*	*25*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	177	177	0	177	177	96	13	68	0	0	0	0	0	100.0	100.0	0.0
New York–all offices	**3,802**	**3,765**	**37**	**3,183**	**3,146**	**1,682**	**1,252**	**212**	**33**	**4**	**619**	**619**	**0**	**99.1**	**99.0**	**100.0**
Banks	422	394	28	304	276	159	71	46	24	4	118	118	0	94.3	92.0	100.0
Unit banks	*115*	*93*	*22*	*105*	*83*	*51*	*15*	*17*	*18*	*4*	*10*	*10*	*0*	*83.8*	*82.2*	*100.0*
Banks operating branches	*307*	*301*	*6*	*199*	*193*	*108*	*56*	*29*	*6*	*0*	*108*	*108*	*0*	*98.0*	*97.0*	*100.0*
Branches[3]	3,380	3,371	9	2,879	2,870	1,523	1,181	166	9	0	501	501	0	99.7	99.7	100.0

North Carolina—all offices	1,534	1,524	10	1,534	1,524	752	3	769	10	0	0	0	0	99.3	99.3	0.0
Banks	90	89	1	90	89	25	3	61	1	0	0	0	0	98.9	98.9	0.0
Unit banks	25	25	0	25	25	3	3	19	0	0	0	0	0	100.0	100.0	0.0
Banks operating branches	65	64	1	65	64	22	0	42	1	0	0	0	0	98.5	98.5	0.0
Branches	1,444	1,435	9	1,444	1,435	727	0	708	9	0	0	0	0	99.4	99.4	0.0
North Dakota—all offices	244	239	5	244	239	57	6	176	5	0	0	0	0	98.0	98.0	0.0
Banks	170	167	3	170	167	43	4	120	3	0	0	0	0	98.2	98.2	0.0
Unit banks	115	113	2	115	113	29	3	81	2	0	0	0	0	98.3	98.3	0.0
Banks operating branches	55	54	1	55	54	14	1	39	1	0	0	0	0	98.2	98.2	0.0
Branches	74	72	2	74	72	14	2	56	2	0	0	0	0	97.3	97.3	0.0
Ohio—all offices	2,023	2,021	2	2,023	2,021	1,075	532	414	2	0	0	0	0	99.9	99.9	0.0
Banks	498	496	2	498	496	215	114	167	2	0	0	0	0	99.6	99.6	0.0
Unit banks	186	184	2	186	184	55	49	80	2	0	0	0	0	98.9	98.9	0.0
Banks operating branches	312	312	0	312	312	160	65	87	0	0	0	0	0	100.0	100.0	0.0
Branches	1,525	1,525	0	1,525	1,525	860	418	247	0	0	0	0	0	100.0	100.0	0.0
Oklahoma—all offices	543	538	5	543	538	249	18	271	1	4	0	0	0	99.8	99.8	0.0
Banks	452	447	5	452	447	194	15	238	1	4	0	0	0	99.8	99.8	0.0
Unit banks	364	359	5	364	359	142	12	205	1	4	0	0	0	99.7	99.7	0.0
Banks operating branches	88	88	0	88	88	52	3	33	0	0	0	0	0	100.0	100.0	0.0
Branches	91	91	0	91	91	55	3	33	0	0	0	0	0	100.0	100.0	0.0
Oregon—all offices	452	450	2	447	445	290	0	155	2	0	5	5	0	99.6	99.6	100.0
Banks	47	45	2	46	44	8	0	36	2	0	1	1	0	95.7	95.7	100.0
Unit banks	16	14	2	16	14	1	0	13	2	0	0	0	0	87.5	87.5	0.0
Banks operating branches	31	31	0	30	30	7	0	23	0	0	1	1	0	100.0	100.0	100.0
Branches[3]	405	405	0	401	401	282	0	119	0	0	4	4	0	100.0	100.0	100.0
Pennsylvania—all offices	2,619	2,610	9	2,483	2,474	1,473	279	722	7	2	136	136	0	99.7	99.7	100.0
Banks	430	423	7	422	415	264	16	135	5	2	8	8	0	98.8	98.8	100.0
Unit banks	165	159	6	164	158	107	6	45	4	2	1	1	0	97.5	97.5	100.0
Banks operating branches	265	264	1	258	257	157	10	90	1	0	7	7	0	99.6	99.6	100.0
Branches[3]	2,189	2,187	2	2,061	2,059	1,209	263	587	2	0	128	128	0	99.9	99.9	100.0
Rhode Island—all offices	316	306	10	223	213	119	0	94	10	0	93	93	0	96.8	95.5	100.0
Banks	23	21	2	16	14	5	0	9	2	0	7	7	0	91.3	87.5	100.0
Unit banks	3	3	0	3	3	0	0	3	0	0	0	0	0	100.0	100.0	0.0
Banks operating branches	20	18	2	13	11	5	0	6	2	0	7	7	0	90.0	84.6	100.0
Branches	293	285	8	207	199	114	0	85	8	0	86	86	0	97.3	96.1	100.0
South Carolina—all offices	639	639	0	639	639	366	14	259	0	0	0	0	0	100.0	100.0	0.0
Banks	91	91	0	91	91	19	5	67	0	0	0	0	0	100.0	100.0	0.0
Unit banks	28	28	0	28	28	3	2	23	0	0	0	0	0	100.0	100.0	0.0
Banks operating branches	63	63	0	63	63	16	3	44	0	0	0	0	0	100.0	100.0	0.0
Branches	548	548	0	548	548	347	9	192	0	0	0	0	0	100.0	100.0	0.0
South Dakota—all offices	267	267	0	267	267	97	39	131	0	0	0	0	0	100.0	100.0	0.0
Banks	159	159	0	159	159	32	28	99	0	0	0	0	0	100.0	100.0	0.0
Unit banks	117	117	0	117	117	22	20	75	0	0	0	0	0	100.0	100.0	0.0
Banks operating branches	42	42	0	42	42	10	8	24	0	0	0	0	0	100.0	100.0	0.0
Branches	108	108	0	108	108	65	11	32	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973—CONTINUED

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

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
	Total	Insured	Non-insured	Total	Insured				Noninsured		Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
					Total	Members F.R. System: National	Members F.R. System: State	Non-members F.R. System	Banks of deposit[2]	Non-deposit trust companies[9]						
Tennessee—all offices	**979**	**974**	**5**	**979**	**974**	**402**	**53**	**519**	**4**	**1**	**0**	**0**	**0**	**99.6**	**99.6**	**0.0**
Banks	321	317	4	321	317	72	10	235	3	1	0	0	0	99.1	99.1	0.0
Unit banks	*137*	*134*	*3*	*137*	*134*	*13*	*4*	*117*	*2*	*1*	*0*	*0*	*0*	*98.5*	*98.5*	*0.0*
Banks operating branches	*184*	*183*	*1*	*184*	*183*	*59*	*6*	*118*	*1*	*0*	*0*	*0*	*0*	*99.5*	*99.5*	*0.0*
Branches	658	657	1	658	657	330	43	284	1	0	0	0	0	99.8	99.8	0.0
Texas—all offices	**1,376**	**1,369**	**7**	**1,376**	**1,369**	**570**	**49**	**750**	**7**	**0**	**0**	**0**	**0**	**99.5**	**99.5**	**0.0**
Banks	1,266	1,259	7	1,266	1,259	550	40	669	7	0	0	0	0	99.4	99.4	0.0
Unit banks	*1,167*	*1,160*	*7*	*1,167*	*1,160*	*532*	*32*	*596*	*7*	*0*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Banks operating branches	*99*	*99*	*0*	*99*	*99*	*18*	*8*	*73*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	110	110	0	110	110	20	9	81	0	0	0	0	0	100.0	100.0	0.0
Utah—all offices	**225**	**224**	**1**	**225**	**224**	**103**	**36**	**85**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	54	53	1	54	53	11	5	37	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*34*	*33*	*1*	*34*	*33*	*6*	*2*	*25*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*20*	*20*	*0*	*20*	*20*	*5*	*3*	*12*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	171	171	0	171	171	92	31	48	0	0	0	0	0	100.0	100.0	0.0
Vermont—all offices	**159**	**158**	**1**	**148**	**147**	**65**	**0**	**82**	**0**	**1**	**11**	**11**	**0**	**100.0**	**100.0**	**100.0**
Banks	45	44	1	39	38	22	0	16	0	1	6	6	0	100.0	100.0	100.0
Unit banks	*16*	*15*	*1*	*13*	*12*	*9*	*0*	*3*	*0*	*1*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*29*	*29*	*0*	*26*	*26*	*13*	*0*	*13*	*0*	*0*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Branches	114	114	0	109	109	43	0	66	0	0	5	5	0	100.0	100.0	100.0
Virginia—all offices	**1,316**	**1,316**	**0**	**1,316**	**1,316**	**689**	**261**	**366**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	271	271	0	271	271	103	54	114	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*88*	*88*	*0*	*88*	*88*	*17*	*23*	*48*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*183*	*183*	*0*	*183*	*183*	*86*	*31*	*66*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	1,045	1,045	0	1,045	1,045	586	207	252	0	0	0	0	0	100.0	100.0	0.0
Washington—all offices	**814**	**811**	**3**	**728**	**725**	**522**	**39**	**164**	**2**	**1**	**86**	**86**	**0**	**99.8**	**99.7**	**100.0**
Banks	96	93	3	88	85	24	5	56	2	1	8	8	0	97.9	97.7	100.0
Unit banks	*38*	*35*	*3*	*38*	*35*	*7*	*2*	*26*	*2*	*1*	*0*	*0*	*0*	*94.6*	*94.6*	*0.0*
Banks operating branches	*58*	*58*	*0*	*50*	*50*	*17*	*3*	*30*	*0*	*0*	*8*	*8*	*0*	*100.0*	*100.0*	*100.0*
Branches[3]	718	718	0	640	640	498	34	108	0	0	78	78	0	100.0	100.0	100.0

West Virginia—all offices	**225**	**225**	**0**	**225**	**225**	**97**	**32**	**96**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	210	210	0	210	210	94	30	86	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*195*	*195*	*0*	*195*	*195*	*91*	*28*	*76*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*15*	*15*	*0*	*15*	*15*	*3*	*2*	*10*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	15	15	0	15	15	3	2	10	0	0	0	0	0	100.0	100.0	0.0
Wisconsin—all offices	**934**	**929**	**5**	**931**	**926**	**205**	**54**	**667**	**0**	**5**	**3**	**3**	**0**	**100.0**	**100.0**	**100.0**
Banks	624	619	5	621	616	127	34	455	0	5	3	3	0	100.0	100.0	100.0
Unit banks	*436*	*431*	*5*	*433*	*428*	*85*	*25*	*318*	*0*	*5*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*188*	*188*	*0*	*188*	*188*	*42*	*9*	*137*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	310	310	0	310	310	78	20	212	0	0	0	0	0	100.0	100.0	0.0
Wyoming—all offices	**73**	**73**	**0**	**73**	**73**	**43**	**13**	**17**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	71	71	0	71	71	42	13	16	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*69*	*69*	*0*	*69*	*69*	*41*	*13*	*15*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	2	2	0	2	2	1	0	1	0	0	0	0	0	100.0	100.0	0.0
Other Areas																
Pacific Is.—all offices[4]	**28**	**16**	**12**	**28**	**16**	**9**	**0**	**7**	**12**	**0**	**0**	**0**	**0**	**57.1**	**57.1**	**0.0**
Banks	1	1	0	1	1	0	0	1	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*1*	*1*	*0*	*1*	*1*	*0*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Branches[5]	27	15	12	27	15	9	0	6	12	0	0	0	0	55.6	55.6	0.0
Canal Zone—all offices	**2**	**0**	**2**	**2**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0.0**	**0.0**	**0.0**
Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Unit banks	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Branches[6]	2	0	2	2	0	0	0	0	2	0	0	0	0	0.0	0.0	0.0
Puerto Rico—all offices	**225**	**205**	**20**	**224**	**204**	**23**	**0**	**181**	**20**	**0**	**1**	**1**	**0**	**91.1**	**91.1**	**100.0**
Banks	15	10	5	14	9	1	0	8	5	0	1	1	0	66.7	64.3	100.0
Unit banks	*3*	*2*	*1*	*2*	*1*	*1*	*0*	*0*	*1*	*0*	*1*	*1*	*0*	*66.7*	*50.0*	*100.0*
Banks operating branches	*12*	*8*	*4*	*12*	*8*	*0*	*0*	*8*	*4*	*0*	*0*	*0*	*0*	*66.7*	*66.7*	*0.0*
Branches[7]	210	195	15	210	195	22	0	173	15	0	0	0	0	92.9	92.9	0.0
Virgin Islands—all offices	**38**	**32**	**6**	**38**	**32**	**28**	**2**	**2**	**6**	**0**	**0**	**0**	**0**	**84.2**	**84.2**	**0.0**
Banks	8	2	6	8	2	1	0	1	6	0	0	0	0	25.0	25.0	0.0
Unit banks	*6*	*0*	*6*	*6*	*0*	*0*	*0*	*0*	*6*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches[8]	30	30	0	30	30	27	2	1	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973—CONTINUED
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

[1]Nondeposit trust companies are excluded in computing these percentages.
[2]Includes 14 noninsured branches of insured banks: 12 in the Pacific Islands and 2 in the Canal Zone.
[3]Massachusetts: 1 branch operated by a noninsured bank in New York.
New York: 18 branches operated by a 3 State nonmember banks in Puerto Rico.
Oregon: 1 branch operated by a national bank in California.
Pennsylvania: 2 branches operated by a noninsured bank in New York and a national bank in New Jersey.
Washington: 2 branches operated by a national bank in California.
[4]U.S. Possessions: American Samoa, Guam, Midway Islands, and Wake Island. Trust Territories: Caroline Islands, Mariana Islands, and Marshall Islands.
[5]Pacific Islands: 27 branches:
American Samoa: 1 insured branch operated by a State nonmember bank in Hawaii.
Guam: 14 insured branches operated by 2 State nonmember banks in Hawaii, a national bank in California, and a national bank in New York.
Caroline Islands: 4 noninsured branches operated by a national bank in California and 2 State nonmember banks in Hawaii.
Mariana Islands: 3 noninsured branches operated by a national bank in California and a State nonmember bank in Hawaii.
Marshall Islands: 3 noninsured branches operated by a national bank in California and a State nonmember bank in Hawaii.
Midway Islands: 1 noninsured branch operated by a State nonmember bank in Hawaii.
Wake Island: 1 noninsured branch operated by a State nonmember bank in Hawaii.
[6]Canal Zone: 2 noninsured branches operated by 2 national banks in New York.
[7]Puerto Rico: 22 insured branches operated by 2 national banks in New York.
[8]Virgin Islands: 21 insured branches operated by 2 national banks in New York, 1 national bank in California, 1 State member bank in Pennsylvania.
[9]Includes a noninsured nondeposit trust company that is a member of Federal Reserve System.

Table 104. NUMBER AND DEPOSITS OF ALL COMMERCIAL AND MUTUAL SAVINGS BANKS, (STATES AND OTHER AREAS), DECEMBER 31, 1973
BANKS GROUPED BY CLASS AND DEPOSIT SIZE

Deposit size (in dollars)	All banks	Insured commercial banks				Non-insured banks and trust companies	Mutual savings banks	
		Total	Members F.R. System		Non-members F.R. System		Insured	Non-insured
			National	State				
Number of banks								
Less than 1 million	196	78	15	5	58	118	0	0
1 to 2 million	431	409	51	16	342	22	0	0
2 to 5 million	2,418	2,393	371	121	1,901	23	0	2
5 to 10 million	3,278	3,247	799	205	2,243	13	12	6
10 to 25 million	4,492	4,424	1,659	336	2,429	12	26	30
25 to 50 million	1,922	1,807	847	169	791	2	73	40
50 to 100 million	969	851	457	96	298	9	58	51
100 to 500 million	744	595	348	89	158	19	101	29
500 million to 1 billion	127	94	60	17	17	0	31	2
1 billion or more	99	78	54	22	2	0	21	0
Total	**14,676**	**13,976**	**4,661**	**1,076**	**8,239**	**218**	**322**	**160**
	(In thousands of dollars)							
Amount of deposits								
Less than 1 million	79,595	54,128	10,953	3,000	40,175	25,467	0	0
1 to 2 million	701,019	662,087	90,664	24,743	546,680	38,932	0	0
2 to 5 million	8,616,292	8,528,609	1,377,200	454,175	6,697,234	80,879	0	6,804
5 to 10 million	24,141,314	23,900,785	5,996,697	1,547,277	16,356,811	101,646	90,332	48,551
10 to 25 million	71,781,869	70,568,355	27,182,177	5,327,632	38,058,546	196,423	486,016	531,075
25 to 50 million	67,241,733	62,995,411	30,065,093	5,744,334	27,185,984	116,502	2,662,483	1,467,337
50 to 100 million	66,995,932	58,775,455	31,901,307	6,474,741	20,399,407	636,936	3,950,458	3,633,083
100 to 500 million	154,398,997	122,586,426	74,458,722	19,690,257	28,437,447	4,759,567	21,862,998	5,190,006
500 million to 1 billion	90,332,529	67,915,548	42,494,854	12,455,697	12,964,997	0	21,017,394	1,399,587
1 billion or more	300,453,068	265,632,621	183,793,962	79,699,225	2,139,434	0	34,820,447	0
Total	**784,742,348**	**681,619,425**	**397,371,629**	**131,421,081**	**152,826,715**	**5,956,352**	**84,890,128**	**12,276,443**

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973
BANKS GROUPED BY DEPOSIT SIZE AND STATE
(Amounts in thousands of dollars)

State	All banks	Banks with deposits of— Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total United States											
Banks	14,194	196	431	2,416	3,260	4,436	1,809	860	614	94	78
Total deposits	685,514,023	77,155	684,922	8,577,605	23,985,745	70,529,670	62,769,087	59,077,456	126,264,214	67,915,548	265,632,621
State											
Alabama											
Banks	287	1	7	33	77	118	30	9	11	1	0
Deposits	7,711,713	552	11,119	115,772	574,670	1,785,288	951,205	643,847	2,748,758	880,502	0
Alaska											
Banks	10	0	0	0	1	3	1	3	2	0	0
Deposits	794,820	0	0	0	7,443	69,563	31,153	208,343	478,318	0	0
Arizona											
Banks	22	7	0	2	3	1	1	1	4	1	2
Deposits	5,784,841	0	0	6,194	18,202	13,577	42,251	94,784	959,300	763,771	3,886,762
Arkansas											
Banks	258	5	10	34	71	91	29	13	5	0	0
Deposits	4,922,782	1,271	15,119	126,623	520,301	1,481,423	963,774	891,386	922,885	0	0
California											
Banks	185	16	5	10	17	52	31	18	24	4	8
Deposits	70,849,088	2,023	7,556	29,598	131,465	888,897	1,080,002	1,311,178	4,025,214	2,612,713	60,760,442
Colorado											
Banks	302	29	26	45	68	83	26	18	5	2	0
Deposits	6,691,892	14,332	38,432	160,347	495,379	1,273,354	907,458	1,173,564	1,206,014	1,423,012	0
Connecticut											
Banks	68	0	0	7	11	23	10	6	8	1	2
Deposits	6,874,041	0	0	20,427	79,722	386,729	326,474	388,105	2,275,882	626,726	2,769,976
Delaware											
Banks	19	1	0	3	5	4	2	0	3	1	0
Deposits	1,786,994	0	0	9,348	37,648	51,723	82,882	0	1,030,160	575,233	0

Washington D.C.												
Banks	15	0	0	1	0	2	4	2	4	1	0
Deposits	3,437,088	0	0	3,676	0	37,582	150,897	165,717	1,123,896	847,327	1,107,993
Florida												
Banks	646	11	16	58	92	206	135	92	35	0	1
Deposits	22,875,092	5,920	26,687	205,677	726,592	3,367,460	4,707,044	6,227,124	6,385,203	0	1,173,385
Georgia												
Banks	436	7	15	81	126	140	39	18	6	2	2
Deposits	11,146,203	4,062	24,493	289,805	935,408	2,179,524	1,267,982	1,247,497	1,011,969	1,345,845	2,839,618
Hawaii												
Banks	12	1	0	1	2	1	0	0	5	2	0
Deposits	2,371,580	0	0	2,778	15,141	11,082	0	0	734,325	1,608,254	0
Idaho												
Banks	24	1	0	2	6	8	1	2	2	2	0
Deposits	2,159,954	166	0	9,578	39,828	136,212	29,847	112,864	451,904	1,379,555	0
Illinois												
Banks	1,172	9	17	200	288	327	182	97	45	3	4
Deposits	52,107,049	2,307	27,635	705,268	2,116,026	5,223,744	6,330,053	6,550,803	7,666,874	2,011,376	21,472,963
Indiana												
Banks	410	3	5	37	78	157	67	38	22	1	2
Deposits	15,344,603	759	8,579	142,219	593,251	2,627,996	2,372,696	2,551,487	3,853,399	642,256	2,551,961
Iowa												
Banks	670	4	8	170	206	214	41	21	6	0	0
Deposits	9,571,565	1,516	13,284	651,735	1,481,939	3,361,992	1,378,910	1,402,803	1,279,386	0	0
Kansas												
Banks	612	7	48	194	160	147	41	7	8	0	0
Deposits	7,345,604	5,625	77,690	667,683	1,151,823	2,340,027	1,314,680	455,226	1,332,850	0	0
Kentucky												
Banks	342	3	13	62	78	125	35	18	6	2	0
Deposits	7,829,582	2,204	21,619	227,936	602,560	1,887,280	1,120,105	1,154,516	1,452,782	1,360,580	0
Louisiana												
Banks	245	1	7	21	45	102	40	8	19	2	0
Deposits	9,720,779	726	11,085	74,961	329,761	1,656,873	1,458,974	657,767	3,916,040	1,614,592	0
Maine												
Banks	48	1	3	4	5	19	8	3	5	0	0
Maine	1,747,547	293	3,394	14,708	31,973	284,063	283,221	223,678	906,217	0	0
Maryland												
Banks	112	0	1	10	23	42	17	10	4	4	1
Deposits	7,535,262	0	1,798	39,975	161,833	696,785	601,024	606,181	920,529	3,176,225	1,330,912
Massachusetts												
Banks	153	1	0	4	24	51	26	25	18	1	3
Deposits	14,246,644	0	0	16,640	182,479	786,285	962,885	1,808,405	3,534,610	994,158	5,961,182

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973—CONTINUED

BANKS GROUPED BY DEPOSIT SIZE AND STATE

(Amounts in thousands of dollars)

State	All banks	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Michigan											
Banks	340	4	2	12	74	113	63	31	32	5	4
Deposits	26,928,781	1,956	2,633	49,894	562,512	1,887,070	2,282,566	2,197,633	5,801,289	3,741,817	10,401,411
Minnesota											
Banks	740	1	20	223	223	191	54	18	7	1	2
Deposits	12,665,613	450	33,197	789,255	1,588,689	2,919,988	1,857,525	1,070,312	1,098,986	971,784	2,335,427
Mississippi											
Banks	181	0	5	17	36	81	29	6	5	2	0
Deposits	4,915,834	0	7,850	59,145	256,912	1,254,481	1,060,374	365,999	673,720	1,237,353	0
Missouri											
Banks	687	7	36	147	174	208	71	27	14	1	2
Deposits	15,044,629	2,357	57,629	512,453	1,280,837	3,272,228	2,454,973	1,868,664	2,858,397	583,414	2,153,677
Montana											
Banks	151	2	2	37	42	46	12	7	3	0	0
Deposits	2,396,192	0	2,938	130,367	311,936	718,305	442,212	434,389	356,045	0	0
Nebraska											
Banks	449	14	51	144	119	88	22	6	5	0	0
Deposits	5,390,050	7,061	81,056	486,683	870,611	1,302,577	785,738	365,220	1,491,104	0	0
Nevada											
Banks	8	0	0	0	0	1	1	1	4	1	0
Deposits	1,752,022	0	0	0	0	13,226	38,801	79,337	815,131	805,527	0
New Hampshire											
Banks	82	4	1	17	17	30	8	3	2	0	0
Deposits	1,432,328	1,822	1,752	59,760	127,323	478,906	287,617	206,463	268,685	0	0
New Jersey											
Banks	222	1	3	11	21	56	56	28	38	8	0
Deposits	20,352,217	0	4,233	40,127	157,027	1,009,434	1,996,238	1,832,100	9,228,520	6,084,538	0
New Mexico											
Banks	74	1	1	3	9	36	16	5	3	0	0
Deposits	2,484,643	0	1,139	10,043	74,177	547,845	571,881	308,294	971,264	0	0

New York											
Banks	304	4	1	23	38	69	48	42	56	7	16
Deposits	118,689,346	464	1,952	76,044	292,096	1,140,441	1,738,170	2,998,773	13,296,509	4,536,982	94,607,915
North Carolina											
Banks	90	0	0	13	17	24	14	8	9	1	4
Deposits	11,696,630	0	0	46,601	129,060	368,604	490,220	574,170	2,016,507	871,854	7,199,614
North Dakota											
Banks	170	1	3	44	61	42	11	7	1	0	0
Deposits	2,250,496	952	4,866	169,911	449,673	631,319	373,567	419,353	200,855	0	0
Ohio											
Banks	498	1	6	46	107	163	87	46	29	9	4
Deposits	28,286,254	543	10,016	170,557	789,827	2,652,132	3,071,169	3,190,132	5,611,458	6,221,845	6,568,575
Oklahoma											
Banks	452	7	23	124	107	127	48	7	6	3	0
Deposits	8,275,820	4,798	35,068	427,761	762,204	1,933,469	1,669,011	459,321	1,168,704	1,815,484	0
Oregon											
Banks	46	0	2	5	9	15	5	5	3	0	2
Deposits	5,554,210	0	3,577	19,967	71,323	265,948	168,962	304,797	506,747	0	4,212,889
Pennsylvania											
Banks	422	5	0	27	60	154	83	41	38	6	8
Deposits	39,725,261	285	0	102,979	447,354	2,488,450	2,899,855	2,898,454	8,178,511	4,670,212	18,039,161
Rhode Island											
Banks	16	1	0	1	3	4	1	3	1	1	1
Deposits	2,474,763	398	0	2,717	22,760	53,422	36,284	222,715	101,444	657,979	1,377,044
South Carolina											
Banks	91	0	2	13	30	21	16	2	6	1	0
Deposits	3,719,926	0	3,755	41,354	225,311	302,253	501,163	142,240	1,716,047	787,803	0
South Dakota											
Banks	159	0	6	54	48	32	13	2	4	0	0
Deposits	2,367,997	0	10,465	195,862	322,623	457,798	449,574	124,020	807,655	0	0
Tennessee											
Banks	321	4	9	47	81	105	46	15	9	4	1
Deposits	11,712,122	1,079	14,865	164,849	588,454	1,740,021	1,593,205	972,409	2,121,938	3,428,682	1,086,620
Texas											
Banks	1,266	9	53	211	291	419	168	64	42	5	4
Deposits	38,574,352	5,619	82,171	731,631	2,121,632	6,611,198	5,682,849	4,541,160	8,486,375	3,398,482	6,913,235
Utah											
Banks	54	4	0	10	12	16	5	0	6	1	0
Deposits	2,707,811	1,799	0	30,288	86,251	229,782	175,358	0	1,436,631	747,702	0
Vermont											
Banks	39	1	2	2	9	14	6	1	4	0	0
Deposits	1,209,695	0	3,819	8,317	65,875	225,731	208,796	67,601	629,556	0	0

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973—CONTINUED
BANKS GROUPED BY DEPOSIT SIZE AND STATE
(Amounts in thousands of dollars)

State	All banks	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Virginia											
Banks	271	6	7	31	46	93	46	22	16	3	1
Deposits	12,241,494	4,013	10,945	107,261	356,028	1,522,851	1,597,004	1,705,736	3,461,147	2,124,499	1,352,010
Washington											
Banks	88	2	3	18	18	24	10	4	5	2	2
Deposits	7,708,997	826	4,357	61,077	124,425	350,845	339,002	285,063	1,116,661	1,291,374	4,135,367
West Virginia											
Banks	210	1	2	24	53	85	27	14	4	0	0
Deposits	4,361,835	962	2,873	85,519	399,360	1,349,372	972,190	924,452	627,107	0	0
Wisconsin											
Banks	621	5	10	117	154	228	66	31	8	1	1
Deposits	13,094,224	15	15,276	421,908	1,149,492	3,650,231	2,234,406	2,218,505	1,496,711	513,198	1,394,482
Wyoming											
Banks	71	0	0	14	15	31	9	0	0	0	0
Deposits	1,267,730	0	0	421,837	118,529	526,863	351,086	0	0	0	0
Other Areas											
Guam											
Banks	1	0	0	0	0	1	0	0	0	0	0
Deposits	16,426	0	0	0	0	16,426	0	0	0	0	0
Puerto Rico											
Banks	14	0	0	1	0	2	2	3	4	2	0
Deposits	2,837,904	0	0	3,089	0	4,330	75,774	204,912	946,905	1,562,894	0
Virgin Islands											
Banks	8	3	0	1	0	1	0	2	1	0	0
Deposits	523,698	0	0	3,401	0	16,665	0	169,957	333,675	0	0

[1] Excludes data for branches in U.S. territories and trust territories of banks headquartered in the United States and for 17 insured branches, in New York, of 3 insured nonmember banks in Puerto Rico. Includes nondeposit trust companies.

Commercial banks

Before 1969, statements of assets and liabilities were submitted by insured commercial banks on either a cash or an accrual basis, depending upon the bank's method of bookkeeping. In 1969, insured commercial banks having resources of $50 million or more, and beginning in 1970, $25 million or more, were required to report their assets and liabilities on the basis of accrual accounting. Where the results are not significantly different, particular accounts may be reported on a cash basis. Banks not subject to full accrual accounting are required to report the instalment loan function on an accrual basis, or else to submit a statement of unearned income on instalment loans carried in surplus accounts. All banks are required to report income taxes on an accrual basis.

Since 1969, all majority-owned premises subsidiaries are fully consolidated; other majority-owned domestic subsidiaries (but not commercial bank subsidiaries) are consolidated if they meet either of the following criteria: (a) any subsidiary in which the parent bank's investment represents 5 percent or more of its equity capital accounts; (b) any subsidiary whose gross operating revenues amount to 5 percent or more of the parent bank's gross operating revenues; or (beginning in December 1972) (c) any subsidiary whose "Income (loss) before income taxes and securities gains or losses" amounts to 5 percent or more of the "Income (loss) before income taxes and securities gains or losses" of the parent bank. Beginning in 1972, investments in subsidiaries not consolidated in which the bank directly or indirectly exercises effective control are reported on an equity (rather than cost) basis with the investment and undivided profits adjusted to include the parent's share of the subsidiaries' net worth.

In the case of insured banks with branches outside the 50 States, net amounts due from such branches are included in "Other assets," and net amounts due to such branches are included in "Other liabilities." Branches of insured banks outside the 50 States are treated as separate entities but are not included in the count of banks. Data for such branches are not included in the figures for the States in which the parent banks are located.

Prior to 1969, securities held by commercial banks were reported net of valuation reserves; total loans were reported both gross (before deductions for reserves) and net, the latter included in "Total assets." Beginning in 1969, loans and securities are shown on a gross basis in "Total assets" of commercial banks. All reserves on loans and securities, including the reserves for bad debts set up pursuant to Internal Revenue Service rulings, are included in "Reserves on loans and securities" on the liability side of the balance sheet.

Individual loan items are reported gross. Instalment loans, however, are ordinarily reported net if the instalment payments are applied directly to the reduction of the loan. Such loans are reported gross if, under contract, the payments do not immediately reduce the unpaid balances of the loan but are assigned or pledged to assure repayment at maturity.

The category "Trading account securities" was added to the condition report of commercial banks in 1969 to obtain this segregation for banks that regularly deal in securities with other banks or with the public. Banks occasionally holding securities purchased for possible resale report these under "Investment securities."

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

Demand balances with, and demand deposits due to, banks in the United States, except private banks and American branches of foreign banks, exclude reciprocal interbank deposits. (Reciprocal interbank deposits arise when two banks maintain deposit accounts with each other.)

Asset and liability data for noninsured banks are tabulated from reports pertaining to the individual banks. In a few cases, these reports are not as detailed as those submitted by insured banks.

Additional data on assets and liabilities of all banks as of June 30, 1973 and December 31, 1973, are shown in the Corporation's semiannual publication *Assets and Liabilities—Commercial and Mutual Savings Banks.*

Mutual savings banks

Effective December 31, 1971, the Reports of Condition and Income for mutual savings banks were revised. Among the changes was a requirement for consolidating the accounts of branches and subsidiaries with the parent bank, on a comparable basis with commercial bank reports (see above). A 1972 revision broadened the criteria for consolidated reporting; it also provided for the reporting of investments in unconsolidated subsidiaries on an equity basis, comparable with commercial bank reporting.

One objective of the revisions in 1971 was to provide a simplified reporting form. To this end, the schedules for deposits and securities were condensed and simplified.

Several changes were made in the reporting of specific items. Loans are reported in somewhat more detail than formerly. In real estate loans, construction loans are shown separately, and loans secured by residential properties are detailed as to those secured by 1- to 4-family properties and by multifamily (5 or more) properties.

Another important change shifted various reserve accounts which had been carried as deductions against assets (about $200 million in 1971) into the surplus accounts. Figures for earlier years in table 110 have been revised in order to provide comparability with the 1971-1973 data.

Beginning June 30, 1972, mutual savings banks with total resources of $25 million or more are required to prepare Reports of Condition on the basis of accrual accounting. All banks, irrespective of size, are required to report income taxes on an accrual basis.

Sources of data

Insured banks: see p. 211; noninsured banks: State banking authorities; and reports from individual banks.

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1973

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State				
Total assets	**776,686,843**	**767,155,716**	**606,943,804**	**451,926,315**	**155,017,489**	**160,211,912**	**9,533,127**	**9,108,883**	**424,244**
Cash, balances with other banks, and cash items in process of collection—total	**104,302,541**	**102,250,517**	**88,361,217**	**61,470,263**	**26,890,954**	**13,889,300**	**2,052,024**	**1,972,156**	**79,868**
Currency and coin	7,718,407	7,700,879	5,765,184	4,407,471	1,357,713	1,935,695	17,528	14,884	2,644
Reserve with Federal Reserve banks (member banks)	25,147,709	25,147,709	25,147,709	18,665,038	6,482,671	0	0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	27,835,827	26,600,173	16,869,898	11,618,582	5,251,316	9,730,275	1,235,654	1,174,444	61,210
Other balances with banks in the United States	2,314,172	1,872,688	1,170,500	974,192	196,308	702,188	441,484	425,522	15,962
Balances with banks in foreign countries	996,133	759,463	601,480	302,533	298,947	157,983	236,670	236,635	35
Cash items in process of collection	40,290,293	40,169,605	38,806,446	25,502,447	13,303,999	1,363,159	120,688	120,671	17
Securities—total	**179,823,254**	**178,336,927**	**129,662,981**	**99,706,415**	**29,956,566**	**48,673,946**	**1,486,327**	**1,282,511**	**203,816**
U.S. Treasury securities	58,350,466	57,912,161	41,084,931	31,655,507	9,429,424	16,827,230	438,305	391,883	46,422
Obligations of other U.S. Government agencies and corps	24,247,117	23,951,377	15,269,815	11,772,760	3,497,055	8,681,562	295,740	292,201	3,539
Obligations of States and political subdivisions	91,611,513	91,090,547	69,406,112	53,283,192	16,122,920	21,684,435	520,966	427,776	93,190
Other securities	5,614,158	5,382,842	3,902,123	2,994,956	907,167	1,480,719	231,316	170,651	60,665
Investment securities—total	175,110,963	173,651,238	125,038,040	95,978,908	29,059,132	48,613,198	1,459,725	1,278,179	181,546
U.S. Treasury securities	*56,401,287*	*55,989,584*	*39,172,140*	*30,021,027*	*9,151,113*	*16,817,444*	*411,703*	*387,551*	*24,152*
Obligations of other U.S. Government agencies and corps	*23,592,104*	*23,296,364*	*14,621,460*	*11,275,369*	*3,346,091*	*8,674,904*	*295,740*	*292,201*	*3,539*
Obligations of States and political subdivisions	*89,644,248*	*89,123,282*	*67,482,819*	*51,815,885*	*15,666,934*	*21,640,463*	*520,966*	*427,776*	*93,190*
Other securities	*5,473,324*	*5,242,008*	*3,761,621*	*2,866,627*	*894,994*	*1,480,387*	*231,316*	*170,651*	*60,665*
Trading account securities—total	4,712,291	4,685,689	4,624,941	3,727,507	897,434	60,748	26,602	4,332	22,270
U.S. Treasury securities	*1,949,179*	*1,922,577*	*1,912,791*	*1,634,480*	*278,311*	*9,786*	*26,602*	*4,332*	*22,270*
Obligations of other U.S. Government agencies and corps	*655,013*	*655,013*	*648,355*	*497,391*	*150,964*	*6,658*	*0*	*0*	*0*
Obligations of States and political subdivisions	*1,967,265*	*1,967,265*	*1,923,293*	*1,467,307*	*455,986*	*43,972*	*0*	*0*	*0*
Other securities	*140,834*	*140,834*	*140,502*	*128,329*	*12,173*	*332*	*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	**27,671,841**	**26,181,747**	**19,705,425**	**16,071,708**	**3,633,717**	**6,476,322**	**1,490,094**	**1,480,959**	**9,135**
With domestic commercial banks	26,039,223	24,549,129	18,123,236	14,582,758	3,540,478	6,425,893	1,490,094	1,480,959	9,135
With brokers and dealers in securities	1,301,124	1,301,124	1,296,786	1,221,747	75,039	4,338	0	0	0
With others	331,494	331,494	285,403	267,203	18,200	46,091	0	0	0

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1973—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve Sytem			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State				
Other loans—total	**433,349,241**	**429,558,465**	**343,030,351**	**255,568,854**	**87,461,497**	**86,528,114**	**3,790,776**	**3,755,449**	**35,327**
Real estate loans—total	109,129,772	108,890,072	80,221,050	61,933,018	18,288,032	28,669,022	239,700	227,130	12,570
Secured by farmland	*5,239,514*	*5,212,783*	*2,398,208*	*1,923,754*	*474,454*	*2,814,575*	*26,731*	*26,154*	*577*
Secured by residential properties:									
Secured by 1– to 4–family residential properties:									
Insured by Federal Housing Administration	*6,989,227*	*6,958,714*	*6,006,794*	*4,961,173*	*1,045,621*	*951,920*	*30,513*	*30,489*	*24*
Guaranteed by Veterans Administration	*3,210,740*	*3,186,809*	*2,762,045*	*2,256,260*	*505,785*	*424,764*	*23,931*	*23,931*	*0*
Not insured or guaranteed by FHA or VA	*51,979,118*	*51,866,562*	*37,643,157*	*29,778,518*	*7,864,639*	*14,223,405*	*112,556*	*106,539*	*6,017*
Secured by multifamily (5 or more) residential properties:									
Insured by Federal Housing Administration	*1,490,348*	*1,489,275*	*1,323,554*	*869,325*	*454,229*	*165,721*	*1,073*	*1,073*	*0*
Not insured by FHA	*4,989,185*	*4,985,307*	*4,036,618*	*2,688,811*	*1,347,807*	*948,689*	*3,878*	*3,878*	*0*
Secured by other properties	*35,231,640*	*35,190,622*	*26,050,674*	*19,455,177*	*6,595,497*	*9,139,948*	*41,018*	*35,066*	*5,952*
Loans to domestic commercial and foreign banks	9,981,638	9,062,544	8,634,446	5,045,317	3,589,129	428,098	919,094	919,094	0
Loans to other financial institutions	27,840,536	27,723,734	26,295,737	17,864,554	8,431,183	1,427,997	116,802	116,702	100
Loans to brokers and dealers in securities	7,367,806	7,296,921	7,102,874	3,232,347	3,870,527	194,047	70,885	70,510	375
Other loans for purchasing or carrying securities	4,781,703	4,748,409	4,186,836	3,197,055	939,781	611,573	33,294	29,808	3,486
Loans to farmers (excluding loans on real estate)	15,983,575	15,963,920	9,466,803	8,134,449	1,332,354	6,497,117	19,655	19,201	454
Commercial and industrial loans (incl. open market paper)	151,639,349	149,794,310	127,684,637	93,976,850	33,707,787	22,109,673	1,845,039	1,836,129	8,910
Loans to individuals—total	95,227,803	94,811,378	69,214,721	54,652,148	14,562,573	25,596,657	416,425	413,276	3,149
Passenger automobile instalment loans	*32,331,044*	*32,109,198*	*22,120,922*	*18,219,645*	*3,901,277*	*9,988,276*	*221,846*	*220,435*	*1,411*
Credit cards and related plans:									
Retail (charge account) credit card plans	*5,647,424*	*5,647,219*	*5,071,432*	*4,013,194*	*1,058,238*	*575,787*	*205*	*205*	*0*
Check credit and revolving credit plans	*2,010,446*	*2,010,446*	*1,736,479*	*1,054,332*	*682,147*	*273,967*	*0*	*0*	*0*
Other retail consumer instalment loans:									
Mobile homes, not including travel trailers	*7,337,394*	*7,334,938*	*5,267,769*	*4,435,689*	*832,080*	*2,067,169*	*2,456*	*2,456*	*0*
Other retail consumer goods	*5,917,363*	*5,898,733*	*3,914,227*	*3,294,215*	*620,012*	*1,984,506*	*18,630*	*18,374*	*256*
Residential repair and modernization instalment loans	*4,623,136*	*4,615,653*	*3,420,270*	*2,639,473*	*780,797*	*1,195,383*	*7,483*	*7,327*	*156*
Other instalment loans for personal expenditures	*13,915,539*	*13,803,865*	*9,736,059*	*7,656,937*	*2,079,122*	*4,067,806*	*111,674*	*11,324*	*350*
Single-payment loans for personal expenditures	*23,445,457*	*23,391,326*	*17,947,563*	*13,338,663*	*4,608,900*	*5,443,763*	*54,131*	*53,155*	*976*
All other loans (including overdrafts)	11,397,059	11,267,177	10,273,247	7,533,116	2,740,131	993,930	129,882	123,599	6,283
Total loans and securities	**640,844,336**	**634,077,139**	**492,398,757**	**371,346,977**	**121,051,780**	**141,678,382**	**6,767,197**	**6,518,919**	**248,278**
Bank premises, furniture and fixtures, and other assets representing bank premises	12,205,063	12,147,827	9,503,000	7,519,711	1,983,289	2,644,827	57,236	41,687	15,549
Real estate owned other than bank premises	388,472	375,908	239,125	162,216	76,909	136,783	12,564	3,830	8,734
Investments in subsidiaries not consolidated	1,313,821	1,303,840	1,283,529	1,000,256	283,273	20,311	9,981	9,931	50
Customers' liability on acceptances outstanding	4,826,995	4,746,124	4,542,418	2,732,025	1,810,393	203,706	80,871	80,871	0
Other assets	12,807,615	12,254,361	10,615,758	7,694,867	2,920,891	1,638,603	553,254	481,489	71,765

Total liabilities, reserves, and capital accounts	**776,688,843**	**767,155,716**	**606,943,804**	**451,926,315**	**155,017,489**	**160,211,912**	**9,533,127**	**9,108,883**	**424,244**
Business and personal deposits—total	**516,917,208**	**513,374,378**	**392,287,579**	**298,498,226**	**93,789,353**	**121,086,799**	**3,542,830**	**3,511,048**	**31,782**
Individuals, partnerships, and corporations—demand	207,461,274	206,565,058	159,784,240	120,941,806	38,842,434	46,780,818	896,216	864,957	31,259
Individuals, partnerships, and corporations—time	298,211,810	296,260,553	223,701,430	171,897,564	51,803,866	72,559,123	1,951,257	1,950,988	269
Savings deposits	*128,015,132*	*127,658,680*	*94,678,022*	*74,066,083*	*20,611,939*	*32,980,608*	*356,502*	*356,501*	*1*
Deposits accumulated for payment of personal loans	*518,385*	*512,947*	*374,893*	*303,898*	*70,995*	*138,054*	*5,438*	*5,428*	*10*
Other deposits of individuals, partnerships, and corps	*169,678,293*	*168,088,976*	*128,648,515*	*97,527,583*	*31,120,932*	*39,440,461*	*1,589,317*	*1,589,059*	*258*
Certified and officers' checks, letters of credit, travelers' checks, etc.	11,244,124	10,548,767	8,801,909	5,658,856	3,143,053	1,746,858	695,357	695,103	254
Government deposits—total	**70,663,743**	**70,361,356**	**53,035,970**	**42,029,028**	**11,006,942**	**17,325,386**	**302,287**	**301,781**	**606**
United States Government—demand	10,473,605	10,437,407	8,172,710	6,187,018	1,985,692	2,264,697	36,198	35,593	605
United States Government—time	738,257	736,514	574,618	504,377	70,241	161,896	1,743	1,743	0
States and subdivisions—demand	18,456,835	18,285,946	13,361,466	10,567,563	2,793,903	4,924,480	170,889	170,889	0
States and subdivisions—time	40,995,046	40,901,489	30,927,176	24,770,070	6,157,106	9,974,813	93,557	93,556	1
Domestic interbank deposits—total	**32,504,837**	**32,069,259**	**30,388,872**	**17,532,671**	**12,856,201**	**1,680,387**	**435,578**	**434,825**	**753**
Commercial banks in the United States—demand	25,819,712	25,687,801	24,729,999	14,262,999	10,467,000	957,802	131,911	131,158	753
Commercial banks in the United States—time	4,865,541	4,717,024	4,099,920	2,486,628	1,613,292	617,104	148,517	148,517	0
Mutual savings banks in the United States—demand	1,187,844	1,049,754	964,385	455,800	508,585	85,369	138,090	138,090	0
Mutual savings banks in the United States—time	631,740	614,680	594,568	327,244	267,324	20,112	17,060	17,060	0
Foreign government and bank deposits—total	**14,812,956**	**13,313,008**	**12,913,983**	**7,550,532**	**5,363,451**	**399,025**	**999,948**	**997,716**	**2,232**
Foreign governments, central banks, etc.—demand	1,193,466	1,047,821	1,034,185	491,296	542,889	13,636	145,645	145,410	235
Foreign governments, central banks, etc.—time	8,804,604	8,181,758	8,048,601	5,047,895	3,000,706	133,157	622,846	620,849	1,997
Banks in foreign countries—demand	4,071,725	3,848,531	3,627,193	1,931,611	1,695,582	221,338	223,194	223,194	0
Banks in foreign countries—time	243,161	234,898	204,004	79,730	124,274	30,894	8,263	8,263	0
Total deposits	**634,898,744**	**620,118,001**	**488,626,404**	**365,610,457**	**123,015,947**	**140,491,597**	**5,280,743**	**5,245,370**	**35,373**
Demand	*279,908,585*	*277,471,085*	*220,476,087*	*160,496,949*	*59,979,138*	*56,994,998*	*2,437,500*	*2,404,394*	*33,106*
Time	*354,490,159*	*351,646,916*	*268,150,317*	*205,113,508*	*63,036,809*	*83,496,599*	*2,843,243*	*2,840,976*	*2,267*
Miscellaneous liabilities—total	**79,079,646**	**75,435,962**	**69,327,969**	**50,139,205**	**19,188,764**	**6,107,993**	**3,643,684**	**3,454,378**	**189,306**
Federal funds purchased and securities sold under agreements to repurchase	42,906,086	42,436,395	40,809,248	30,642,552	10,166,696	1,627,147	469,691	469,691	0
Other liabilities for borrowed money	6,655,835,	6,131,818	5,749,114	3,190,907	2,558,207	382,704	524,017	515,534	8,483
Mortgage indebtedness	1,155,932	1,153,198	972,505	433,966	538,539	180,693	2,734	1,856	878
Acceptances outstanding	4,991,064	4,900,311	4,696,376	2,836,563	1,859,813	203,935	90,753	90,753	0
Other liabilities	28,870,729	20,814,240	17,100,726	13,035,217	4,065,509	3,713,514	2,556,489	2,376,544	179,945
Total liabilities	**713,478,390**	**704,553,963**	**557,954,373**	**415,749,662**	**142,204,711**	**146,599,590**	**8,924,427**	**8,699,748**	**224,679**
Minority interest in consolidated subsidiaries	**6,717**	**6,030**	**2,979**	**2,960**	**19**	**3,051**	**687**	**0**	**687**
Reserves on loans and securities—total	**7,174,650**	**7,145,759**	**5,878,686**	**4,296,606**	**1,582,080**	**1,267,073**	**28,891**	**28,681**	**210**
Reserve for bad debt losses on loans	6,880,090	6,862,086	5,696,405	4,168,221	1,528,184	1,165,681	18,004	17,844	160
Other reserves on loans	121,076	113,053	65,245	52,768	12,477	47,808	8,023	8,003	20
Reserves on securities	173,484	170,620	117,036	75,617	41,419	53,584	2,864	2,834	30

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1973—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Assets, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State					
Capital accounts—total	**56,029,086**	**55,449,964**	**43,107,766**	**31,877,087**	**11,230,679**	**12,342,198**		**579,122**	**380,454**	**198,668**
Capital notes and debentures	4,043,378	3,923,973	3,218,635	2,093,306	1,125,329	705,338		119,405	118,576	829
Equity capital—total	51,985,708	51,525,991	39,889,131	29,783,781	10,105,350	11,636,860		459,717	261,878	197,839
Preferred stock	*70,418*	*65,533*	*48,788*	*37,542*	*11,246*	*16,745*		*4,885*	*4,735*	*150*
Common stock	*13,529,581*	*13,433,880*	*10,250,343*	*7,667,515*	*2,582,828*	*3,183,537*		*95,701*	*50,849*	*44,852*
Surplus	*22,768,035*	*22,639,612*	*17,734,256*	*13,160,982*	*4,573,274*	*4,905,356*		*128,423*	*98,740*	*29,683*
Undivided profits	*14,723,819*	*14,547,971*	*11,227,549*	*8,434,156*	*2,793,393*	*3,320,422*		*175,848*	*76,334*	*99,514*
Reserve for contingencies and other capital reserves	*893,855*	*838,995*	*628,195*	*483,586*	*144,609*	*210,800*		*54,860*	*31,220*	*23,640*
PERCENTAGES										
Of total assets:										
Cash and balances with other banks	13.4%	13.3%	14.6%	13.6%	17.3%	8.7%		21.5%	21.7%	18.8%
U.S. Treasury securities and obligations of other U.S. Government agencies and corporations	10.3	10.3	8.9	9.1	8.1	15.9		7.4	7.5	6.5
Other securities	12.9	12.9	12.5	12.9	11.3	14.5		8.2	6.6	41.5
Loans (including federal funds sold and securities purchased under agreements to resell)	59.4	59.4	59.8	60.1	58.8	58.1		55.4	57.5	10.5
Other assets	4.1	4.0	4.3	4.2	4.6	2.9		7.5	6.8	22.7
Total capital accounts[4]	7.3	7.2	7.1	7.1	7.2	7.7		16.8[5]	12.3[5]	46.8
Of total assets other than cash and U.S. Treasury securities:										
Total capital accounts[4]	9.2	9.1	9.0	8.9	9.4	9.5		21.6[5]	15.8[5]	62.0
Number of banks	14,069	13,854	5,707	4,631	1,076	8,147		215	147	68

[1] Excludes 2 national banks located in the Virgin Islands and Puerto Rico.

[2] Includes asset and liability figures for branches of foreign banks (tabulated as banks) licensed to do a deposit business. Capital is not allocated to these branches by the parent banks.

[3] Amounts shown as deposits are special accounts and uninvested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations.

[4] Only asset and liability data are included for branches located in "other areas" of banks headquartered in one of the 50 States; because no capital is allocated to these branches, they are excluded from the computation of ratios of capital accounts to assets.

[5] Data for branches of foreign banks referred to in footnote 2 have been excluded in computing this ratio for noninsured banks of deposit and in total columns.

Note: Further information on the reports of assets and liabilities of banks may be found on pp. 187-188.

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State					
Total assets	**842,864,840**	**832,658,280**	**658,676,236**	**491,895,975**	**166,780,261**	**173,982,044**		**10,206,560**	**9,689,065**	**517,495**
Cash, balances with other banks, and cash items in process of collection—total	**119,245,022**	**116,939,181**	**100,272,336**	**70,885,395**	**29,386,941**	**16,666,845**		**2,305,841**	**2,197,599**	**108,242**
Currency and coin	10,798,936	10,768,844	8,164,766	6,273,007	1,891,759	2,604,078		30,092	29,290	802
Reserve with Federal Reserve banks (member banks)	27,820,742	27,820,742	27,820,742	20,056,056	7,764,686	0		0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	31,493,835	30,128,768	18,615,450	13,183,032	5,432,418	11,513,318		1,365,067	1,274,624	90,443
Other balances with banks in United States	3,061,435	2,771,041	1,849,094	1,469,928	379,166	921,947		290,394	273,410	16,984
Balances with banks in foreign countries	1,302,544	787,960	656,885	423,723	233,162	131,075		514,584	514,584	0
Cash items in process of collection	44,767,530	44,661,826	43,165,399	29,479,649	13,685,750	1,496,427		105,704	105,691	13
Securities—total	**189,847,368**	**188,230,092**	**137,123,690**	**104,712,317**	**32,411,373**	**51,106,402**		**1,617,276**	**1,413,303**	**203,973**
U.S. Treasury securities	58,847,237	58,429,170	41,497,424	30,965,652	10,531,772	16,931,746		418,067	406,573	11,494
Obligations of other U.S. Government agencies and corps	29,312,133	28,971,546	19,144,404	15,072,219	4,072,185	9,827,142		340,587	336,157	4,430
Obligations of States and political subdivisions	95,498,183	94,878,191	72,077,049	55,262,683	16,814,366	22,801,142		619,992	499,323	120,669
Other securities	6,189,815	5,951,185	4,404,813	3,411,763	993,050	1,546,372		238,630	171,250	67,380
Investment securities—total	181,188,344	179,574,763	128,553,677	98,562,961	29,990,716	51,021,086		1,613,581	1,409,648	203,933
U.S. Treasury securities	*55,711,327*	*55,293,300*	*38,373,338*	*28,897,664*	*9,475,674*	*16,919,962*		*418,027*	*406,573*	*11,454*
Obligations of other U.S. Government agencies and corps	*27,878,801*	*27,538,214*	*17,728,802*	*13,932,895*	*3,795,907*	*9,809,412*		*340,587*	*336,157*	*4,430*
Obligations of States and political subdivisions	*91,847,874*	*91,227,882*	*68,479,083*	*52,636,867*	*15,842,216*	*22,748,799*		*619,992*	*499,323*	*120,669*
Other securities	*5,750,342*	*5,515,367*	*3,972,454*	*3,095,535*	*876,919*	*1,542,913*		*234,975*	*167,595*	*67,380*
Trading account securities—total	8,659,024	8,655,329	8,570,013	6,149,356	2,420,657	85,316		3,695	3,655	40
U.S. Treasury securities	*3,135,910*	*3,135,870*	*3,124,086*	*2,067,988*	*1,056,098*	*11,784*		*40*	*0*	*40*
Obligations of other U.S. Government agencies and corps	*1,433,332*	*1,433,332*	*1,415,602*	*1,139,324*	*276,278*	*17,780*		*0*	*0*	*0*
Obligations of States and political subdivisions	*3,650,309*	*3,650,309*	*3,597,966*	*2,625,816*	*972,150*	*52,343*		*0*	*0*	*0*
Other securities	*439,473*	*435,818*	*432,359*	*316,228*	*116,131*	*3,459*		*3,655*	*3,655*	*0*
Federal funds sold and securities purchased under agreements to resell—total	**35,386,529**	**34,379,920**	**26,130,475**	**22,090,662**	**4,039,813**	**8,249,445**		**1,006,609**	**975,561**	**31,048**
With domestic commercial banks	32,197,817	31,233,602	23,084,517	19,414,505	3,670,012	8,149,085		964,215	933,607	30,608
With brokers and dealers in securities	2,647,136	2,647,136	2,627,226	2,279,840	347,386	19,910		0	0	0
With others	541,576	499,182	418,732	396,317	22,415	80,450		42,394	41,954	440

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State					
Other loans—total	**464,190,706**	**459,755,788**	**366,957,947**	**273,169,500**	**93,788,447**	**92,797,841**		**4,434,918**	**4,389,727**	**45,191**
Real estate loans—total	119,068,102	118,787,181	87,446,204	67,584,063	19,862,141	31,340,977		280,921	265,607	15,314
Secured by farmland	*5,441,906*	*5,420,190*	*2,449,343*	*1,959,701*	*489,642*	*2,970,847*		*21,716*	*21,280*	*436*
Secured by residential properties:										
Secured by 1– to 4–family residential properties:										
Insured by Federal Housing Administration	*6,940,229*	*6,902,779*	*5,926,625*	*4,944,271*	*982,354*	*976,154*		*37,450*	*37,394*	*56*
Guaranteed by Veterans Administration	*3,296,953*	*3,253,738*	*2,816,856*	*2,307,495*	*509,361*	*436,882*		*43,215*	*43,177*	*38*
Not insured or guaranteed by FHA or VA	*57,761,265*	*57,639,300*	*41,908,828*	*33,095,214*	*8,818,614*	*15,730,472*		*121,965*	*113,317*	*8,648*
Secured by multifamily (5 or more) residential properties:										
Insured by Federal Housing Administration	*1,294,394*	*1,293,191*	*1,177,569*	*755,671*	*421,898*	*115,622*		*1,203*	*1,203*	*0*
Not insured by FHA	*5,637,774*	*5,636,229*	*4,632,528*	*3,045,948*	*1,586,580*	*1,003,701*		*1,545*	*1,545*	*0*
Secured by other properties	*38,695,581*	*38,641,754*	*28,534,455*	*21,475,763*	*7,058,692*	*10,107,299*		*53,827*	*47,691*	*6,136*
Loans to domestic commercial and foreign banks	10,285,157	9,155,496	8,754,285	5,245,445	3,508,840	401,211		1,129,661	1,129,661	0
Loans to other financial institutions	30,660,908	30,540,982	29,053,501	18,922,667	10,130,834	1,467,481		119,926	119,926	0
Loans to brokers and dealers in securities	7,674,879	7,625,741	7,497,610	3,798,411	3,699,411	128,131		49,138	48,733	405
Other loans for purchasing or carrying securities	4,329,804	4,300,946	3,666,884	2,790,396	876,488	634,062		28,858	25,588	3,270
Loans to farmers (excluding loans on real estate)	17,333,719	17,150,320	10,229,149	8,858,182	1,370,967	6,921,171		183,399	182,848	551
Commercial and industrial loans (incl. open market paper)	160,772,133	158,688,202	134,920,689	98,899,649	36,021,040	23,767,513		2,083,931	2,067,562	16,369
Loans to individuals—total	100,791,866	100,382,510	73,324,942	58,187,165	15,137,777	27,057,568		409,356	406,148	3,208
Passenger automobile instalment loans	*33,687,574*	*33,477,132*	*23,025,190*	*19,000,271*	*4,024,919*	*10,451,942*		*210,442*	*209,237*	*1,205*
Credit cards and related plans:										
Retail (charge account) credit card plans	*6,879,094*	*6,878,593*	*6,200,728*	*5,008,835*	*1,191,893*	*677,865*		*501*	*501*	*0*
Check credit and revolving credit plans	*2,262,760*	*2,262,700*	*1,925,727*	*1,148,424*	*777,303*	*336,973*		*60*	*60*	*0*
Other retail consumer instalment loans:										
Mobile homes, not including travel trailers	*8,373,150*	*8,371,286*	*6,073,254*	*5,101,078*	*972,176*	*2,298,032*		*1,864*	*1,864*	*0*
Other retail consumer goods	*6,227,378*	*6,206,851*	*4,165,670*	*3,508,498*	*657,172*	*2,041,181*		*20,527*	*20,317*	*210*
Residential repair and modernization instalment loans	*4,915,043*	*4,906,940*	*3,605,378*	*2,831,290*	*774,088*	*1,301,562*		*8,103*	*7,981*	*122*
Other instalment loans for personal expenditures	*14,643,957*	*14,538,048*	*10,204,166*	*7,976,108*	*2,228,058*	*4,333,882*		*105,909*	*105,242*	*667*
Single-payment loans for personal expenditures	*23,802,910*	*23,740,960*	*18,124,829*	*13,612,661*	*4,512,168*	*5,616,131*		*61,950*	*60,946*	*1,004*
All other loans (including overdrafts)	13,274,138	13,124,410	12,064,683	8,883,734	3,180,949	1,059,727		149,728	143,654	6,074
Total loans and securities	**689,424,603**	**682,365,800**	**530,212,112**	**399,972,479**	**130,239,633**	**152,153,688**		**7,058,803**	**6,778,591**	**280,212**

Bank premises, furniture and fixtures, and other assets representing bank premises	12,848,900	12,788,763	9,917,742	7,952,472	1,965,270	2,871,021	60,137	43,853	16,284
Real estate owned other than bank premises	448,976	433,860	281,670	199,266	82,404	152,190	15,116	3,737	11,379
Investments in subsidiaries not consolidated	1,411,695	1,403,400	1,387,751	1,063,930	323,821	15,649	8,295	7,559	736
Customers' liability on acceptances outstanding	4,428,841	4,356,527	4,122,780	2,848,745	1,274,035	233,747	72,314	72,314	0
Other assets	15,056,803	14,370,749	12,481,845	8,973,688	3,508,157	1,888,904	686,054	585,412	100,642
Total liabilities, reserves, and capital accounts	**842,864,840**	**832,658,280**	**658,676,236**	**491,895,975**	**166,780,261**	**173,982,044**	**10,206,560**	**9,689,065**	**517,495**
Business and personal deposits—total	**558,718,160**	**555,151,799**	**423,114,783**	**323,582,313**	**99,532,470**	**132,037,016**	**3,566,361**	**3,533,484**	**32,877**
Individuals, partnerships, and corporations—demand	232,903,885	231,956,880	179,522,421	135,989,064	43,533,357	52,434,459	947,005	914,618	32,387
Individuals, partnerships, and corporations—time	314,375,984	312,332,827	234,628,256	181,638,275	52,989,981	77,704,571	2,043,157	2,042,907	250
Savings deposits	*128,171,382*	*127,818,434*	*93,902,565*	*73,592,311*	*20,310,254*	*33,915,869*	*352,948*	*352,948*	*0*
Deposits accumulated for payment of personal loans	*507,360*	*503,468*	*351,536*	*287,751*	*63,785*	*151,932*	*3,892*	*3,885*	*7*
Other deposits of individuals, partnerships, and corps	*185,697,242*	*184,010,925*	*140,374,155*	*107,758,213*	*32,615,942*	*43,636,770*	*1,686,317*	*1,686,074*	*243*
Certified and officers' checks, letters of credit, travelers' checks, etc.	11,438,291	10,862,092	8,964,106	5,954,974	3,009,132	1,897,986	576,199	575,959	240
Government deposits—total	**73,949,775**	**73,660,934**	**55,254,851**	**43,401,722**	**11,853,129**	**18,406,083**	**288,841**	**288,034**	**807**
United States Government—demand	9,907,570	9,887,668	8,278,902	5,960,880	2,318,022	1,608,766	19,902	19,096	806
United States Government—time	442,352	440,641	297,988	237,353	60,635	142,653	1,711	1,711	0
States and political subdivisions—demand	18,920,145	18,746,900	13,290,255	10,559,680	2,730,575	5,456,645	173,245	173,245	0
States and political subdivisions—time	44,679,708	44,585,725	33,387,706	26,643,809	6,743,897	11,198,019	93,983	93,982	1
Domestic interbank deposits—total	**37,983,592**	**37,444,862**	**35,539,220**	**21,521,306**	**14,017,914**	**1,905,642**	**538,730**	**538,730**	**0**
Commercial banks in the United States—demand	30,025,216	29,861,879	28,741,151	17,168,235	11,572,916	1,120,728	163,337	163,337	0
Commercial banks in the United States—time	6,022,670	5,783,907	5,095,183	3,494,708	1,600,475	688,724	238,763	238,763	0
Mutual savings banks in the United States—demand	1,280,055	1,155,682	1,067,474	528,429	539,045	88,208	124,373	124,373	0
Mutual savings banks in the United States—time	655,651	643,394	635,412	329,934	305,478	7,982	12,257	12,257	0
Foreign government and bank deposits—total	**16,924,250**	**15,361,830**	**14,883,856**	**8,866,288**	**6,017,568**	**477,974**	**1,562,420**	**1,559,856**	**2,564**
Foreign governments, central banks, etc.—demand	1,625,473	1,355,645	1,332,627	746,342	586,285	23,018	269,828	269,329	499
Foreign governments, central banks, etc.—time	9,396,784	8,506,931	8,366,081	5,309,319	3,056,762	140,850	889,853	887,788	2,065
Banks in foreign countries—demand	5,586,170	5,279,635	5,001,157	2,688,220	2,312,937	278,478	306,535	306,535	0
Banks in foreign countries—time	315,823	219,619	183,991	122,407	61,584	35,628	96,204	96,204	0
Total deposits	687,575,777	681,619,425	528,792,710	397,371,629	131,421,081	152,826,715	5,956,352	5,920,104	36,248
Demand	*311,686,805*	*309,106,381*	*246,198,093*	*179,595,824*	*66,602,269*	*62,908,288*	*2,580,424*	*2,546,492*	*33,932*
Time	*375,888,972*	*372,513,044*	*282,594,617*	*217,775,805*	*64,818,812*	*89,918,427*	*3,375,928*	*3,373,612*	*2,316*
Miscellaneous liabilities—total	**89,007,922**	**85,386,177**	**78,710,711**	**56,673,994**	**22,036,717**	**6,675,466**	**3,621,745**	**3,345,686**	**276,059**
Federal funds purchased (borrowed) and securities sold under agreements to repurchase	51,238,219	50,480,996	48,731,393	35,974,569	12,756,824	1,749,603	757,223	757,223	0
Other liabilities for borrowed money	7,961,349	7,179,644	6,879,214	3,721,870	3,157,344	300,430	781,705	765,867	15,838
Mortgage indebtedness	774,486	771,519	588,460	459,432	129,028	183,059	2,967	1,820	1,147
Acceptances outstanding	4,561,346	4,486,309	4,252,392	2,922,580	1,329,812	233,917	75,037	75,037	0
Other liabilities	24,472,522	22,467,709	18,259,252	13,595,543	4,663,709	4,208,457	2,004,813	1,745,739	259,074
Total liabilities	**776,583,699**	**767,005,602**	**607,503,421**	**454,045,623**	**153,457,798**	**159,502,181**	**9,578,097**	**9,265,790**	**312,307**
Minority interest in consolidated subsidiaries	**6,267**	**5,473**	**3,076**	**3,057**	**19**	**2,397**	**794**	**0**	**794**

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State					
Reserves on loans and securities—total	**7,831,856**	**7,808,584**	**6,418,606**	**4,712,722**	**1,705,884**	**1,389,978**		**23,272**	**23,123**	**149**
Reserve for bad debt losses on loans	7,548,123	7,526,744	6,244,458	4,592,985	1,651,473	1,282,286		21,379	21,280	99
Other reserves on loans	108,201	107,994	53,667	41,105	12,562	54,327		207	187	20
Reserves on securities	175,532	173,846	120,481	78,632	41,849	53,365		1,686	1,656	30
Capital accounts—total	**58,443,018**	**57,838,621**	**44,751,133**	**33,134,573**	**11,616,560**	**13,087,488**		**604,397**	**400,152**	**204,245**
Capital notes and debentures	4,236,435	4,117,351	3,333,416	2,199,976	1,133,440	783,935		119,084	118,879	205
Equity capital—total	54,206,583	53,721,270	41,417,717	30,934,597	10,483,120	12,303,553		485,313	281,273	204,040
Preferred stock	*70,762*	*65,650*	*47,010*	*36,530*	*10,480*	*18,640*		*5,112*	*4,888*	*224*
Common stock	*13,944,143*	*13,846,071*	*10,518,955*	*7,903,667*	*2,615,288*	*3,327,116*		*98,072*	*50,676*	*47,396*
Surplus	*23,734,075*	*23,593,311*	*18,302,217*	*13,512,711*	*4,789,506*	*5,291,094*		*140,764*	*107,968*	*32,796*
Undivided profits	*15,548,296*	*15,361,857*	*11,918,268*	*8,997,628*	*2,920,640*	*3,443,589*		*186,439*	*74,107*	*112,332*
Reserve for contingencies and other capital reserves	*909,307*	*854,381*	*631,267*	*484,061*	*147,206*	*223,114*		*54,926*	*43,634*	*11,292*
PERCENTAGES										
Of total assets:										
Cash and balances with other banks	14.1%	14.0%	15.2%	14.4%	17.6%	9.6%		22.6%	22.7%	20.9%
U.S. Treasury securities and obligations of other U.S. Government agencies and corporations	9.9	9.9	8.5	8.7	8.0	15.4		7.4	7.7	3.1
Other securities	12.6	12.7	12.3	12.6	11.5	14.0		8.4	6.9	36.3
Loans (including federal funds sold and securities purchased under agreements to resell)	59.3	59.3	59.7	60.0	58.7	58.1		53.3	55.4	14.7
Other assets	4.1	4.0	4.3	4.3	4.3	3.0		8.2	7.4	24.9
Total capital accounts[4]	7.0	7.0	6.8	6.8	7.0	7.5		15.4[5]	11.3[5]	39.5
Of total assets other than cash and U.S. Treasury securities:										
Total capital accounts[4]	8.8	8.8	8.6	8.5	9.1	9.3		19.6[5]	14.4[5]	51.3
Number of banks	14,194	13,976	5,737	4,661	1,076	8,239		218	147	71

[1, 2, 3, 4, 5] See notes to table 106.

Note: Further information on the reports of assets and liabilities of banks may be found on pp. 187-188.

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1973, AND DECEMBER 31, 1973
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1973			December 31, 1973		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Total assets	**105,671,736**	**889,955**	**13,781,781**	**106,660,179**	**93,012,515**	**13,647,664**
Cash, balances with banks, and collection items—total	**1,786,019**	**1,660,473**	**125,546**	**1,978,592**	**1,847,776**	**130,816**
Currency and coin	246,178	209,160	37,018	267,972	226,905	41,067
Demand balances with banks in the United States	651,259	585,415	65,844	779,057	711,172	67,885
Other balances with banks in the United States	759,682	754,987	4,695	822,933	817,495	5,438
Cash items in process of collection	128,900	110,911	17,989	108,630	92,204	16,426
Securities—total	**26,968,850**	**23,106,047**	**3,862,803**	**25,231,557**	**21,871,412**	**3,360,145**
United States Government and agency securities—total	7,740,724	6,540,044	1,200,680	6,993,564	5,971,200	1,022,364
Securities maturing in 1 year or less	*1,163,316*	*903,711*	*259,605*	*1,068,662*	*831,719*	*236,943*
Securities maturing in 1 to 5 years	*2,374,457*	*1,830,033*	*544,424*	*1,945,328*	*1,513,476*	*431,852*
Securities maturing in 5 to 10 years	*1,225,105*	*1,040,587*	*184,518*	*943,377*	*789,936*	*153,441*
Securities maturing after 10 years	*2,977,846*	*2,765,713*	*212,133*	*3,036,197*	*2,836,069*	*200,128*
State, county, and municipal obligations	1,176,827	1,149,267	27,560	936,067	907,013	29,054
Corporate bonds	12,268,524	10,894,703	1,373,821	11,205,330	10,026,920	1,178,410
Other bonds, notes, and debentures	1,904,853	1,327,684	577,169	2,146,444	1,713,867	432,577
Corporate stock—total	3,877,922	3,194,349	683,573	3,950,152	3,252,412	697,740
Bank	*567,252*	*361,033*	*206,219*	*555,020*	*364,066*	*190,954*
Other	*3,310,670*	*2,833,316*	*477,354*	*3,395,132*	*2,888,346*	*506,786*
Federal funds sold and securities purchased under agreements to resell	**1,632,484**	**1,299,094**	**333,390**	**1,509,493**	**1,252,753**	**256,740**
Other loans—total	**73,012,193**	**63,734,455**	**9,277,738**	**75,586,716**	**65,870,714**	**9,716,002**
Real estate loans—total	70,633,836	61,759,690	8,874,146	73,229,985	63,946,513	9,283,472
Construction loans	*1,303,605*	*1,063,977*	*239,628*	*1,310,572*	*1,090,262*	*220,310*
Secured by farmland	*58,577*	*50,487*	*8,090*	*63,841*	*51,160*	*12,681*
Secured by residential properties:						
Secured by 1— to 4— family residential properties:						
Insured by Federal Housing Administration	*14,329,761*	*13,201,087*	*1,128,674*	*13,916,826*	*12,828,775*	*1,088,051*
Guaranteed by Veterans Administration	*12,914,912*	*11,696,308*	*1,218,604*	*12,945,570*	*11,728,249*	*1,217,321*
Not insured or guaranteed by FHA or VA	*20,269,665*	*16,002,288*	*4,267,377*	*21,654,279*	*17,087,533*	*4,566,746*
Secured by multifamily (5 or more) residential properties:						
Insured by Federal Housing Administration	*1,512,678*	*1,451,980*	*60,698*	*1,589,055*	*1,523,751*	*65,304*
Not insured by FHA	*9,409,413*	*8,855,445*	*553,968*	*10,053,846*	*9,416,887*	*636,959*
Secured by other properties	10,835,225	9,438,118	1,397,107	11,695,996	10,219,896	1,476,100
Loans to domestic commercial and foreign banks	30,628	29,477	1,151	15,018	13,679	1,339
Loans to other financial institutions	41,443	40,847	596	29,501	29,473	28
Loans to brokers and dealers in securities	445	233	212	4,441	4,441	0
Other loans for purchasing or carrying securities	3,310	2,824	486	2,630	2,221	409
Loans to farmers (excluding loans on real estate)	1,367	1,367	0	1,323	1,323	0
Commercial and industrial loans	299,863	286,078	13,785	185,628	173,322	12,306

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1973, AND DECEMBER 31, 1973—CONTINUED
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1973			December 31, 1973		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Loans to individuals for personal expenditures	1,892,512	1,554,867	337,645	2,036,847	1,665,365	371,482
All other loans (including overdrafts)	108,789	59,072	49,717	81,343	34,377	46,966
Total loans and securities	**101,613,527**	**139,596**	**13,473,931**	**102,327,766**	**88,994,879**	**13,332,887**
Bank premises, furniture and fixtures, and other assets representing bank premises	791,484	702,394	89,090	860,363	760,289	100,074
Real estate owned other than bank premises	196,746	184,593	12,153	195,478	180,671	14,807
Investments in subsidiaries not consolidated	76,532	73,628	2,904	66,544	64,883	1,661
Other assets	1,207,428	129,271	78,157	1,231,436	1,164,017	67,419
Total liabilities and surplus accounts	**105,671,736**	**91,889,955**	**13,781,781**	**106,660,179**	**93,012,515**	**13,647,664**
Deposits—total	**96,454,252**	**84,175,205**	**12,279,047**	**97,166,571**	**84,890,128**	**12,276,443**
Savings deposits	69,759,098	60,858,243	8,900,855	66,119,298	57,591,849	8,527,449
Deposits accumulated for payment of personal loans	8,551	36	8,515	3,195	476	2,719
Fixed maturity and other time deposits	25,756,518	22,402,480	3,354,038	30,154,140	26,416,246	3,737,894
Savings and time deposits—total	*95,524,167*	*83,260,759*	*12,263,408*	*96,276,633*	*84,008,571*	*12,268,062*
Demand deposits—total	*930,085*	*914,446*	*15,639*	*889,938*	*881,557*	*8,381*
Miscellaneous liabilities—total	**1,889,092**	**1,419,355**	**469,737**	**1,902,020**	**1,609,538**	**292,482**
Securities sold under agreements to repurchase	22,157	22,157	0	26,089	26,089	0
Other borrowings	207,315	203,446	3,869	455,370	445,901	9,469
Other liabilities	1,659,620	1,193,752	465,868	1,420,561	1,137,548	283,013
Total liabilities	**98,343,344**	**85,594,560**	**12,748,784**	**99,068,591**	**86,499,666**	**12,568,925**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**	**0**	**0**
Surplus accounts—total	**7,328,392**	**6,295,395**	**1,032,997**	**7,591,588**	**6,512,849**	**1,078,739**
Capital notes and debentures	87,874	81,847	6,027	121,033	114,953	6,080
Other surplus accounts	7,240,518	6,213,548	1,026,970	7,470,555	6,397,896	1,072,659
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	1.7%	1.8%	.9%	1.9%	2.0%	1.0%
U.S. Government and agency securities	7.3	7.1	8.7	6.6	6.4	7.5
Other securities	18.2	18.0	19.3	17.1	17.1	17.1
Loans (including Federal funds sold and securities purchased under agreements to resell)	70.6	70.8	69.7	72.3	72.2	73.1
Other assets	2.2	2.3	1.3	2.2	2.3	1.3
Total surplus accounts	6.9	6.9	7.5	7.1	7.0	7.9
Of total assets other than cash and U.S. Government obligations:						
Total surplus accounts	7.6	7.5	8.3	7.8	7.6	8.6
Number of banks	484	324	160	482	322	160

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1963, 1969–1973
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 28, 1963	Dec. 31, 1969[1]	Dec. 31, 1970	Dec. 31, 1971	Dec. 31, 1972	Dec. 31, 1973
Total assets	**314,785,659[2]**	**530,714,711**	**576,350,801**	**639,903,322**	**737,699,385**	**832,658,280**
Cash, balances with banks, and collection items–total	**50,445,462**	**89,355,129**	**93,048,095**	**98,690,700**	**111,844,113**	**116,939,181**
Currency and coin	4,053,057	7,346,973	7,084,430	7,591,590	8,703,008	10,768,844
Reserve with Federal Reserve banks (member banks)	17,149,613	21,452,826	23,325,123	27,482,817	26,074,890	27,820,742
Demand balances with banks in the U.S. (except American branches of foreign banks)	11,644,517	19,389,950	21,088,737	21,962,456	28,156,064	30,128,768
Other balances with banks in the U.S.	367,817	230,150	1,401,661	2,427,914	2,783,379	2,771,041
Balances with banks in foreign countries	298,992	320,921	395,356	567,033	739,928	787,960
Cash items in process of collection	16,931,466	40,594,309	39,752,788	38,658,890	45,386,844	44,661,826
Investment securities–total	**97,472,029**	**122,203,185**	**141,554,863**	**163,859,514**	**178,632,700**	**179,574,763**
U.S. Treasury securities	62,811,737	53,262,588	58,880,431	62,696,667	64,709,715	55,293,300
Securities of other U.S. Government agencies and corporations	3,503,243	9,239,140	12,481,059	17,071,836	21,156,678	27,538,214
Obligations of States and political subdivisions	29,611,314	57,572,607	67,414,393	80,135,021	87,418,538	91,227,882
Other securities	1,545,735	2,128,850	2,778,980	3,955,990	5,347,769	5,515,367
Trading account securities[3]	....	**3,181,756**	**5,664,059**	**5,307,564**	**5,128,096**	**8,655,329**
Federal funds sold[4]	....	**9,712,405**	**15,952,321**	**19,643,272**	**25,634,862**	**34,379,920**
Other loans–total	**158,928,178[2]**	**286,751,602**	**298,189,504**	**328,225,896**	**388,902,133**	**459,755,788**
Real estate loans–total	39,088,205	70,325,953	73,053,364	82,314,290	99,086,276	118,787,181
Secured by farmland	*2,303,251*	*3,992,931*	*4,319,352*	*4,173,726*	*4,752,270*	*5,420,190*
Secured by residential properties:						
Secured by 1– to 4–family residential properties:						
Insured by Federal Housing Administration	*7,047,238*	*7,262,023*	*7,302,286*	*7,476,243*	*7,236,346*	*6,902,779*
Guaranteed by Veterans Administration	*2,817,152*	*2,596,261*	*2,563,475*	*2,966,378*	*3,181,876*	*3,253,738*
Not insured or guaranteed by FHA or VA	*16,380,889*	*31,210,921*	*32,321,718*	*37,438,104*	*46,425,199*	*57,639,300*
Secured by multifamily (5 or more) properties:						
Insured by Federal Housing Administration[3]	....	*562,501*	*588,760*	*803,880*	*1,225,769*	*1,293,191*
Not insured by FHA[3]	....	*2,647,857*	*2,718,829*	*3,179,970*	*4,550,113*	*5,636,229*
Secured by other properties	*10,539,675*	*22,053,459*	*23,238,944*	*26,277,989*	*31,714,703*	*38,641,754*
Loans to domestic commercial and foreign banks	3,594,633	2,425,147	2,581,078	4,405,298	6,119,843	9,155,496
Loans to other financial institutions	9,441,479	14,938,963	15,794,299	16,908,213	23,407,695	30,540,982
Loans to brokers and dealers in securities	5,325,642	5,646,962	6,208,570	7,202,440	11,165,572	7,625,741
Other loans for purchasing or carrying securities	2,476,760	3,994,818	3,517,601	3,646,064	4,467,145	4,300,946
Loans to farmers (excluding loans on real estate)	7,461,413	10,323,657	11,153,583	12,506,206	14,302,106	17,150,320
Commercial and industrial loans (including open market paper)	52,984,200	108,393,788	112,214,990	118,401,203	132,497,555	158,688,202
Other loans to individuals–total	34,531,746	63,355,683	66,005,700	74,796,848	87,629,904	100,382,510
Passenger automobile instalment loans	*12,437,272*	*22,706,108*	*22,366,443*	*24,850,695*	*29,084,924*	*33,477,132*
Credit cards and related plans:						
Retail (charge account) credit card plans[5]	....	*2,639,497*	*3,807,987*	*4,523,889*	*5,443,349*	*6,878,593*
Check credit and revolving credit plans[5]	....	*1,082,791*	*1,343,990*	*1,463,857*	*1,780,153*	*2,262,700*

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1963, 1969–1973–CONTINUED
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 28, 1963	Dec. 31, 1969[1]	Dec. 31, 1970	Dec. 31, 1971	Dec. 31, 1972	Dec. 31, 1973
Other retail consumer instalment loans[1]	*3,200,612*	*6,269,924*	*7,306,995*	....	....	....
Mobile homes, not including travel trailers[3]	....	....	....	*4,674,364*	*6,436,145*	*8,371,286*
Other retail consumer goods[3]	....	....	....	*4,655,510*	*5,170,118*	*6,206,851*
Residential repair and modernization instalment loans	*2,909,590*	*3,654,863*	*3,716,802*	*3,865,597*	*4,326,916*	*4,906,940*
Other instalment loans for personal expenditures	*5,718,920*	*9,936,340*	*10,534,538*	*11,409,477*	*12,903,659*	....
Single-payment loans for personal expenditures	*10,265,352*	*17,066,160*	*16,928,945*	*19,353,459*	*22,484,640*	*23,740,960*
All other loans (including overdrafts)	4,305,466	7,346,631	7,660,319	8,045,334	10,226,037	13,124,410
Total loans and securities	**265,400,207**	**421,848,948**	**461,360,747**	**517,036,246**	**598,297,791**	**682,365,800**
Bank premises, furniture and fixtures, and other assets representing bank premises	4,305,466	8,070,059	9,143,432	10,285,384	11,524,646	12,788,763
Real estate owned other than bank premises	89,334	360,820	406,832	390,833	369,193	433,860
Investments in subsidiaries not consolidated[3]	....	651,095	740,897	911,550	1,077,700	1,403,400
Customers' liability on acceptances outstanding	1,591,458	3,308,881	3,753,246	3,914,186	3,471,203	4,356,527
Other assets	1,953,732	7,139,779	7,897,552	8,674,423	11,114,739	14,370,749
Total liabilities, reserves, and capital accounts	**314,785,659**	**530,714,711**	**576,350,801**	**639,903,322**	**737,699,385**	**832,658,280**
Business and personal deposits–total	**228,042,312**	**365,934,821**	**395,246,811**	**439,568,884**	**504,283,757**	**555,151,799**
Individuals, partnerships, and corporations–demand	123,561,302	178,185,683	181,897,284	191,775,515	221,204,645	231,956,880
Individuals, partnerships, and corporations–time	100,033,046	176,240,900	204,962,756	237,930,791	271,826,567	312,332,827
Savings deposits	*76,413,701*	*93,796,302*	*98,815,863*	*112,165,951*	*124,188,716*	*127,818,434*
Deposits accumulated for payment of personal loans	*836,450*	*1,129,305*	*802,924*	*677,179*	*554,001*	*503,468*
Other deposits of individuals, partnerships, and corporations	*22,782,895*	*81,315,293*	*105,343,969*	*125,087,661*	*147,083,850*	*184,010,925*
Certified and officers' checks, letters of credit, travelers' checks, etc.	4,447,964	11,508,238	8,386,771	9,862,578	11,252,545	10,862,092
Government deposits–total	**27,142,510**	**36,092,200**	**49,455,597**	**58,987,158**	**67,554,342**	**73,660,934**
United States Government–demand	6,729,214	5,050,538	7,914,962	10,263,251	10,939,672	9,887,668
United States Government–time	268,203	222,560	465,476	530,769	614,035	440,641
States and subdivisions–demand	12,261,389	17,559,438	17,784,768	17,714,586	18,672,774	18,746,900
States and subdivisions–time	7,883,704	13,259,664	23,290,291	30,478,552	37,327,861	44,585,725
Domestic interbank deposits–total	**14,268,764**	**24,858,037**	**28,968,652**	**31,906,847**	**33,677,534**	**37,444,862**
Commercial banks in the United States–demand	13,323,080	23,394,428	26,290,939	28,014,732	28,569,727	29,861,879
Commercial banks in the United States–time	268,710	415,216	1,424,049	2,441,489	3,548,503	5,783,907
Mutual savings banks in the United States–demand	49,252	1,017,123	975,413	1,163,740	1,205,688	1,155,682
Mutual savings banks in the United States–time	17,428	31,270	278,251	286,886	353,616	643,394
Foreign government and bank deposits–total	**5,193,043**	**10,104,607**	**8,842,795**	**8,721,173**	**11,391,934**	**15,361,830**
Foreign governments, central banks, etc.–demand	841,590	940,239	919,683	803,364	908,731	1,355,645
Foreign governments, central banks, etc.–time	3,045,415	6,378,964	4,627,306	5,053,554	6,517,493	8,506,931
Banks in foreign countries–demand	1,177,311	2,475,098	3,000,626	2,681,096	3,637,309	5,279,635
Banks in foreign countries–time	128,727	310,306	295,180	183,159	328,401	219,619
Total deposits	**274,646,629**[6]	**436,989,665**	**482,513,855**	**539,184,062**	**616,907,567**	**681,619,425**
Demand	*162,952,144*	*240,130,785*	*247,170,446*	*262,278,862*	*296,391,091*	*309,106,381*
Time	*111,694,485*	*196,858,880*	*235,343,409*	*276,905,200*	*320,516,476*	*372,513,044*

Miscellaneous liabilities—total	**11,821,823**	**47,966,725**	**44,968,169**	**47,367,281**	**61,509,222**	**85,386,177**
Federal funds purchased (borrowed)[7]	....	14,684,700	16,609,041	24,179,742	33,731,069	50,480,996
Other liabilities for borrowed money	3,576,530	3,367,342	2,572,528	1,463,429	3,919,796	7,179,644
Mortgage indebtedness[3]	....	601,562	668,545	668,331	1,160,675	771,519
Acceptances outstanding	1,620,293	3,387,309	3,848,666	4,039,643	3,570,900	4,486,309
Other liabilities	6,625,000	25,925,812	21,269,389	17,016,136	19,126,782	22,467,709
Total liabilities	**286,468,452**	**484,956,390**	**527,482,024**	**586,551,343**	**678,416,789**	**767,005,602**
Minority interest in consolidated subsidiaries	....	**3,295**	**3,219**	**3,551**	**5,594**	**5,473**
Reserves on loans and securities—total	**2,994,811**	**6,178,797**	**6,299,150**	**6,443,382**	**6,909,306**	**7,808,584**
Reserves for bad debt losses on loans	2,994,811	5,885,873	5,998,689	6,151,274	6,623,801	7,526,744
Other reserves on loans[3]	....	108,824	115,601	113,427	112,167	107,994
Reserves on securities[3]	....	184,100	184,860	178,681	173,338	173,846
Capital accounts—total	**28,317,507**	**39,576,229**	**42,566,408**	**46,905,046**	**52,367,696**	**57,838,621**
Capital notes and debentures	130,014	1,998,316	2,091,879	2,956,180	4,092,820	4,117,351
Equity capital—total	....	37,577,913	40,474,529	43,948,866	48,274,876	53,721,270
Preferred stock	*37,839*	*103,416*	*107,304*	*91,930*	*68,924*	*65,650*
Common stock	*7,282,980*	*10,529,322*	*11,137,824*	*11,811,129*	*12,853,653*	*13,846,071*
Surplus	*15,158,282*	*17,460,832*	*18,072,590*	*19,895,816*	*21,528,422*	*23,593,311*
Undivided profits	*5,113,403*	*8,426,787*	*10,145,848*	*11,135,068*	*13,012,232*	*15,361,857*
Reserve for contingencies and other capital reserves	*594,989*	*1,057,556*	*1,010,963*	*1,014,923*	*811,645*	*854,381*
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	16.0%	16.8%	16.1%	15.4%	15.2%	14.1%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	21.1	11.8	12.4	12.5	11.6	9.9
Other securities	9.9	11.8	13.2	14.0	13.3	12.7
Loans (including Federal funds sold and securities purchased under agreements to resell)	50.5	55.9	54.5	54.4	56.2	59.3
Other assets	2.5	3.7	3.8	3.8	3.7	4.0
Total capital accounts	9.0	7.5	7.4	7.3	7.1	7.0
Of total assets other than cash and U.S. Treasury securities:						
Total capital accounts	14.1	10.2	10.0	9.8	9.4	8.8
Number of banks	13,291	13,473	13,511	13,612	13,733	13,976

[1] For description of changes in 1969 in the Report of Condition, see pp. 187-188 and notes to tables.
[2] Assets include "Other loans and discounts" at gross (before deduction of valuation reserves) value, as reported in 1969—1973.
[3] Not available prior to figure shown, see note 1.
[4] Prior to December 31, 1966, "Federal funds sold (loaned)" not reported separately; most were included with loans to banks; since 1967, includes securities purchased under agreements to resell, which previously were reported with "Loans to domestic commercial and foreign banks" and "Other loans for purchasing or carrying securities."
[5] Before 1967, loans extended under credit cards and related plans were distributed among other instalment loan items.
[6] Includes postal savings deposits, $17,428 thousand.
[7] Prior to December 31, 1966, Federal funds purchased were included in "Other liabilities for borrowed money"; since 1967, includes securities sold under agreements to repurchase which previously were reported with "Other liabilities for borrowed money."

Table 110. ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1963, 1969–1973

(Amounts in thousands of dollars)

Asset, liability, or surplus account item	Dec. 28, 1963	Dec. 31, 1969	Dec. 31, 1970	Dec. 31, 1971	Dec. 31, 1972	Dec. 31, 1973
Total assets	**43,237,723[1]**	**64,837,892[1]**	**68,739,524**	**77,891,927**	**87,650,051**	**93,012,515**
Cash, balances with banks, and collection items—total	**721,513**	**780,079**	**1,115,656**	**1,273,735**	1,520,399	**1,847,776**
Currency and coin	104,083	179,378	173,646	195,679	215,345	226,905
Demand balances with banks in the United States	441,946	499,506	538,858	551,149	568,211	711,172
Other balances with banks in the United States	141,043	42,964	316,584	445,384	627,530	817,495
Cash items in process of collection	34,441	58,231	86,568	81,523	109,313	92,204
Securities—total	**9,364,593**	**11,926,825[1]**	**13,550,849[1]**	**18,491,379**	**22,636,737**	**21,871,412**
United States Government and agency securities—total	5,036,443	3,608,068	3,860,276	5,156,321[5]	6,386,003[5]	5,971,200
Securities maturing in 1 year or less[2]	....	....	....	*867,992*	*968,157*	*831,719*
Securities maturing in 1 to 5 years[2]	....	....	....	*1,823,997*	*1,915,014*	*1,513,476*
Securities maturing in 5 to 10 years[2]	....	....	....	*832,859*	*1,095,116*	*789,936*
Securities maturing after 10 years[2]	....	....	....	*1,631,473*	*2,407,716*	*2,836,069*
State, county, and municipal obligations	410,862	190,949	192,606	373,810	857,353	907,013
Corporate bonds	} 3,003,773[3]	} 6,273,969[3]	} 7,413,742[3]	9,293,507	11,086,004	10,026,920
Other bonds, notes, and debentures				1,194,941	1,370,862	1,713,867
Corporate stock—total	913,515	1,853,839	2,084,225	2,472,800	2,936,515	3,252,412
Bank	....	*251,903*	*251,321*	*288,373*	*329,426*	*364,066*
Other	....	*1,601,936*	*1,832,904*	*2,184,427*	*2,607,089*	*2,888,346*
Federal funds sold and securities purchased under agreements to resell[4]	....	....	....	**493,536**	**596,255**	**1,252,753**
Other loans—total	**32,518,355[1]**	**50,949,496[1]**	**52,753,808[1]**	**56,066,722**	**60,950,481**	**65,870,714**
Real estate loans—total	31,892,036	49,329,087	50,695,693	54,222,077	59,094,330	63,946,513
Construction loans[2]	....	....	....	*736,386*	*1,002,712*	*1,090,262*
Secured by farmland	*46,848[5]*	*106,943[5]*	*112,723[5]*	*41,656*	*51,459*	*51,160*
Secured by residential properties:						
Secured by 1- to 4-family residential properties:						
Insured by Federal Housing Administration	*9,969,510[6]*	*14,742,577[6]*	*13,563,069*	*13,532,344*	*13,388,433*	*12,828,775*
Guaranteed by Veterans Administration	*9,500,673[6]*	*11,030,456[6]*	*10,884,718*	*10,923,517*	*11,413,769*	*11,728,249*
Not insured or guaranteed by FHA or VA	*9,386,663[6]*	*17,193,309[6]*	*12,089,288*	*13,031,229*	*14,804,568*	*17,087,533*
Secured by multifamily (5 or more) residential properties:[6]						
Insured by Federal Housing Administration	....	....	*1,358,590*	*1,396,791*	*1,399,794*	*1,523,751*
Not insured by FHA	....	....	*6,015,291*	*7,136,586*	*8,265,926*	*9,416,887*
Secured by other properties	*2,988,342*	*6,255,802*	*6,672,014*	*7,423,568*	*8,767,669*	*10,219,896*
Loans to domestic commercial and foreign banks	15,617[4]	319,279[4]	280,999[4]	49,628	29,751	13,679
Loans to other financial institutions	7,016	25,111	53,867	36,492	29,927	29,473
Loans to brokers and dealers in securities	24,278	30,710	16,342	5,951	28,922	4,441
Other loans for purchasing or carrying securities	11,579	7,433	1,838	3,485	3,446	2,221
Loans to farmers (excluding loans on real estate)	2,499	1,201	1,068	1,110	1,305	1,323
Commercial and industrial loans	160,682	206,348	586,589	463,001	252,438	173,322
Loans to individuals for personal expenditures	388,211	987,198	1,081,513	1,260,144	1,451,401	1,665,365
All other loans (including overdrafts)	16,437	43,129	35,899	24,834	58,961	34,377

Total loans and securities	**41,882,948[1]**	**62,876,321[1]**	**66,304,657[1]**	**75,051,637**	**84,183,473**	**88,994,879**
Bank premises, furniture and fixtures, and other assets representing bank premises	290,072	497,059	528,680	590,326	661,118	760,289
Real estate owned other than bank premises	22,825	47,607	62,805	90,987	147,340	180,671
Investments in subsidiaries not consolidated[2]	....	....	....	41,518	59,309	64,883
Other assets	320,365	636,826	727,726	843,724	1,078,412	1,164,017
Total liabilities and surplus accounts	**43,237,723**	**64,837,892**	**68,739,524**	**77,891,927**	**87,650,051**	**93,012,128**
Deposits—total	**38,657,119**	**58,867,848**	**62,683,783**	**71,500,831**	**80,571,993**	**84,890,128**
Savings deposits	38,324,849	57,729,948	57,989,110	57,644,100	60,573,427	57,591,849
Deposits accumulated for payment of personal loans	631	1,096	64	80	25	476
Fixed maturity and other time deposits	....	602,968	4,100,994	13,173,871	19,207,929	26,416,246
Savings and time deposits—total	*38,360,312*	*58,334,012*	*62,090,168*	*70,818,051*	*79,781,381*	*84,008,571*
Demand deposits—total	*296,807*	*533,836*	*593,615*	*682,780*	*790,612*	*881,557*
Miscellaneous liabilities—total	**790,247**	**1,068,152**	**1,000,127**	**975,996[1]**	**1,114,469**	**1,609,538**
Securities sold under agreements to repurchase	....	....	....	....	22,757	26,089
Other borrowings	37,647	381,690	252,171	100,045	98,980	445,901
Other liabilities	752,600	686,462	747,956	875,951	992,732	1,137,548
Total liabilities	**39,447,366**	**59,936,000**	**63,683,910**	**72,476,827**	**81,686,462**	**86,499,666**
Minority interest in consolidated subsidiaries[2]	....	....	....	**1**	**0**	**0**
Surplus accounts—total	**3,790,357**	**4,901,892**	**5,055,614**	**5,415,099**	**5,963,589**	**6,512,849**
Capital notes and debentures	533	4,617	6,068	10,456	59,372	114,953
Other surplus accounts	3,789,824[1]	4,897,275[1]	5,049,546[1]	5,404,643	5,904,217	6,397,896
PERCENTAGES						
Of total assets:[1]						
Cash and balances with other banks	1.7%	1.2%	1.6%	1.7%	1.7%	2.0%
U.S. Government and agency securities	11.6	5.6	5.6	6.6	7.3	6.4
Other securities	10.0	12.8	14.1	17.1	18.5	17.1
Loans (including Federal funds sold and securities purchased under agreements to resell)	75.2	78.6	76.8	72.6	70.2	72.2
Other assets	1.5	1.8	1.9	2.0	2.2	2.3
Total surplus accounts	8.8	7.6	7.4	7.0	6.8	7.0
Of total assets other than cash and U.S. Government and agency securities:						
Total surplus accounts	10.1	8.1	7.9	7.6	7.5	7.6
Number of banks	330	331	329	327	326	322

[1]Figures on loans, and on securities in 1969–1970, have been revised to a gross basis to provide comparability with data for 1971–1973. See page 188 for information on changes in reports in 1971.
[2]Not reported separately prior to 1971.
[3]Corporate bonds included with other bonds, notes, and debentures prior to 1971.
[4]Federal funds sold included with loans to banks prior to 1971.
[5]Farmers Home Administration insured notes, previously reported as loans secured by farmland, included in U.S. Government and agency securities in 1971–1973.
[6]Prior to 1970, real estate loans secured by multifamily residential properties were combined with those secured by 1– to 4–family residential properties.

Table 111. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1973 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973
BANKS GROUPED BY AMOUNT OF DEPOSITS

Asset, liability, or capital account item	All banks	Banks with deposits of– Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Cash and due from banks	14.1	16.4	13.1	11.2	10.5	10.4	10.7	11.3	13.3	13.6	16.9
U.S. Treasury and agency securities[1]	10.0	32.7	28.7	25.7	21.0	17.0	14.1	12.6	10.6	8.4	5.9
Obligations of States and political subdivisions	11.0	2.0	3.1	6.6	10.9	13.5	14.4	14.6	12.9	11.5	8.3
Other securities	.7	.6	.8	.8	.6	.8	.8	1.0	.8	.7	.5
Federal funds sold (loaned)[2]	4.1	12.1	11.8	8.5	6.7	5.3	4.0	4.1	4.4	5.0	3.2
Other loans and discounts–total	55.2	35.3	41.1	45.6	48.2	50.6	53.1	53.4	54.3	56.0	58.0
Real estate loans–total	14.3	5.0	9.1	12.3	14.9	17.2	18.2	18.6	17.1	15.5	10.6
Loans to banks and other financial institutions	4.8	.2	.4	.4	.3	.4	.6	.9	1.9	3.9	9.2
Loans to purchase or carry securities	1.4	.1	.1	.2	.2	.3	.3	.4	1.1	.9	2.5
Loans to farmers (excluding loans on real estate)	2.1	15.8	14.1	13.9	10.6	6.5	3.2	1.4	1.0	.8	.7
Commercial and industrial loans	19.1	2.9	5.3	6.4	7.9	10.1	12.8	14.8	16.7	20.0	25.0
Instalment loans for personal expenditures	9.2	8.6	8.9	9.2	10.5	12.1	13.8	12.8	12.0	9.5	5.7
Single-payment loans for personal expenditures	2.9	1.8	2.7	2.8	3.2	3.4	3.6	3.7	3.3	3.6	2.0
All other loans (including overdrafts)	1.5	.9	.5	.5	.5	.6	.6	.7	1.1	1.7	2.3
Other assets	3.9	.9	1.5	1.7	2.0	2.3	2.9	3.0	3.4	4.0	5.1
Total liabilities, reserves, and capital accounts	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Deposits–total	81.9	85.1	87.3	89.0	89.3	89.2	88.2	87.4	84.8	81.6	76.1
Demand	*37.2*	*62.6*	*50.5*	*41.0*	*38.2*	*36.5*	*35.7*	*35.5*	*37.2*	*38.4*	*37.4*
Time	*44.8*	*22.5*	*36.8*	*48.0*	*51.1*	*52.7*	*52.5*	*51.9*	*47.6*	*43.2*	*38.7*
Individuals, partnerships, and corporations–demand	28.0	55.8	44.9	35.3	32.4	30.8	30.1	29.3	28.9	29.2	25.5
Individuals, partnerships, and corporations–time	37.6	19.5	33.0	43.6	46.5	47.6	46.6	44.6	40.2	35.8	30.8
U.S. Government	1.2	.5	.5	.6	.9	1.1	1.1	.7	1.0	1.7	1.5
States and subdivisions	7.6	8.6	8.3	8.5	8.5	8.6	8.8	10.1	9.7	9.2	5.3
Domestic interbank	4.9	.4	.2	.3	.2	.3	.6	1.6	3.8	4.5	8.6
Foreign government and bank	1.2	.0	.0	(5)	(5)	(5)	(5)	(5)	.1	.1	2.7
Other deposits	1.3	.3	.5	.7	.8	.9	1.0	1.1	1.1	1.0	1.7
Federal funds purchased (borrowed)[3]	6.1	.0	.1	.1	.2	.4	.8	1.7	4.2	6.7	10.6
Other liabilities for borrowed money	.9	.1	(5)	.1	.1	.1	.1	.2	.4	.7	1.6
Other liabilities[4]	3.2	.8	1.0	1.3	1.6	2.1	2.7	2.8	2.7	3.1	4.1
Reserves on loans and securities	.9	.2	.4	.5	.6	.7	.8	.8	.8	.9	1.1
Capital notes and debentures	.5	(5)	(5)	.1	.1	.2	.3	.4	.5	.7	.6
Other capital accounts	6.4	13.8	11.1	8.9	7.9	7.3	7.0	6.8	6.4	6.4	5.9
Number of banks	13,644	35	326	2,242	3,205	4,418	1,804	848	594	94	78

[1]Securities held in trading accounts are included in "Other assets."
[2]Includes securities purchased under agreements to resell.
[3]Includes securities sold under agreements to repurchase.
[4]Includes minority interest in consolidated subsidiaries.
[5]Less than 0.05 percent.
Note: For income and expense data by size of bank, see tables 117 and 118. Assets and liabilities (in $000) of all commercial banks by size of bank are contained in *Assets and Liabilities–Commercial and Mutual Savings Banks* (with 1973 report of income), December 31, 1973.

Table 112. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS OPERATING THROUGHOUT 1973 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973
BANKS GROUPED BY AMOUNT OF DEPOSITS

Assets, liabilities, or surplus account item	All banks[1]	Banks with deposits of— $5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Cash and due from banks	2.0	5.7	2.8	1.7	1.7	1.8	2.2	2.0
United States Government and agency securities	6.4	9.8	7.2	6.0	7.8	7.8	6.2	5.5
Corporate bonds	10.8	8.0	8.5	6.9	8.4	9.0	10.1	12.9
State, county and municipal obligations	1.0	.7	.7	.7	.6	.7	.9	1.3
Other securities	5.3	7.9	5.7	6.4	5.2	5.8	5.2	5.0
Federal funds sold and securities purchased under agreements to resell	1.3	3.3	2.3	1.5	2.3	1.4	1.2	1.2
Other loans and discounts	70.8	63.0	70.9	75.0	72.2	71.2	71.7	69.6
Real estate loans—total	68.8	58.3	66.7	70.3	69.1	68.7	69.5	68.2
Construction loans	*1.2*	*1.5*	*1.6*	*1.1*	*1.2*	*1.5*	*1.8*	*.6*
Secured by farmland	*.1*	*.3*	*.6*	*.3*	*.2*	(2)	.1	(2)
Secured by residential properties:								
Insured by FHA	*15.4*	*5.0*	*3.0*	*6.2*	*8.3*	*13.2*	*15.6*	*18.4*
Guaranteed by VA	*12.6*	*2.3*	*4.5*	*5.9*	*7.5*	*11.1*	*11.8*	*15.3*
Not insured or guaranteed by FHA or VA	*28.5*	*41.7*	*48.7*	*49.2*	*45.0*	*35.1*	*29.8*	*19.8*
Secured by other properties	*11.0*	*7.4*	*8.2*	*7.5*	*6.9*	*7.8*	*10.5*	*14.0*
Commercial and industrial loans	.2	1.1	.2	.3	.3	.1	.3	.1
Loans to individuals for personal expenditures	1.8	3.6	3.6	4.2	2.7	2.3	1.7	1.2
All other loans including overdrafts	.1	.1	.4	.2	.1	.1	.1	(2)
Other assets	2.3	1.5	1.9	1.8	2.0	2.3	2.5	2.4
Total liabilities and surplus accounts	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Deposits—total	91.3	90.8	91.2	91.1	91.0	91.5	90.9	91.4
Savings deposits	61.9	62.7	65.2	66.3	65.2	63.9	62.7	59.4
Deposits accumulated for payment of personal loans	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Fixed maturity and other time deposits	28.4	27.4	25.3	24.0	24.8	26.4	27.4	31.1
Demand deposits	.9	.6	.7	.8	.9	1.2	.9	.9
Miscellaneous liabilities	1.7	1.1	1.0	1.3	1.5	1.3	1.9	2.0
Surplus accounts	7.0	8.2	7.8	7.7	7.6	7.2	7.1	6.7
Capital notes and debentures	.1	.4	.6	.2	.2	.2	.2	(2)
Other surplus accounts	6.9	7.8	7.2	7.4	7.4	7.0	7.0	6.6
Number of banks	322	12	26	73	58	101	31	21

[1] Dollar amounts of assets and liabilities of all mutual savings banks are shown in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1973 report of income), December 31, 1973.
[2] Zero or less than 0.05 percent.

Table 113. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS)
DECEMBER 31, 1973
BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS

Ratios (In percent)	All banks	Number of banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Ratios of obligations of States and subdivisions to total assets of—											
Zero	1,087	60	203	453	239	115	13	4	0	0	0
More than 0.0 but less than 1.0	470	6	59	243	78	60	14	8	2	0	0
1.0 to 2.49	558	3	49	260	136	70	25	8	7	0	0
2.5 to 4.99	966	3	40	348	288	191	46	20	21	4	5
5.0 to 7.49	1,259	2	17	299	370	336	118	39	50	12	16
7.5 to 9.99	1,738	0	11	241	454	596	211	97	78	21	29
10.0 to 12.49	1,942	2	6	218	490	658	294	122	117	23	12
12.5 to 14.99	1,853	0	10	120	404	705	311	166	113	15	9
15.0 to 17.49	1,496	2	7	87	300	599	250	149	87	10	5
17.5 to 19.99	1,049	0	1	43	206	430	206	103	58	1	1
20.0 to 24.99	1,084	0	2	51	184	458	235	100	48	5	1
25.0 or more	474	0	4	30	98	206	84	35	14	3	0
Ratios of U.S. Treasury securities to total assets of—											
Less than 5	2,877	23	54	330	565	914	435	252	207	42	55
5 to 9.99	4,319	16	77	477	851	1,456	739	371	275	36	21
10 to 14.99	2,965	11	75	492	702	1,039	387	159	86	12	2
15 to 19.99	1,681	6	66	389	513	497	147	45	16	2	0
20 to 24.99	911	4	47	247	273	269	54	13	3	1	0
25 to 29.99	503	4	27	167	151	118	25	7	3	1	0
30 to 34.99	317	4	18	116	96	73	8	2	0	0	0
35 to 39.99	171	3	13	71	49	23	8	1	3	0	0
40 to 44.99	97	1	10	43	24	16	1	1	1	0	0
45 to 49.99	49	2	7	17	13	7	2	0	1	0	0
50 to more	86	4	15	44	10	12	1	0	0	0	0

Ratios of loans to total assets of—											
Less than 20	80	6	12	30	16	11	3	1	1	0	0
20 to 24.99	93	3	7	34	23	20	4	1	1	0	0
25 to 29.99	182	4	11	51	60	41	11	2	2	0	0
30 to 34.99	361	3	27	95	107	93	24	9	3	0	0
35 to 39.99	625	5	29	138	187	191	45	22	7	1	0
40 to 44.99	1,026	2	17	228	307	308	97	44	23	0	0
45 to 49.99	1,537	8	44	244	349	561	199	80	47	3	2
50 to 54.99	2,100	5	37	359	458	699	320	124	82	10	6
55 to 59.99	2,572	6	50	343	532	859	385	209	147	20	21
60 to 64.99	2,463	7	64	347	502	782	344	184	165	35	33
65 to 69.99	1,728	9	49	224	386	549	261	124	91	23	12
70 to 74.99	831	9	31	187	218	226	93	39	23	1	4
75 or more	378	11	31	113	102	84	21	12	3	1	0
Ratios of cash and due from banks to total assets of—											
Less than 5	736	7	18	162	201	210	76	44	17	1	0
5.0 to 7.49	2,777	7	51	518	736	935	320	149	54	6	1
7.5 to 9.99	3,648	6	85	572	869	1,278	507	191	124	10	6
10.0 to 12.49	2,793	13	79	413	591	918	426	191	132	24	6
12.5 to 14.99	1,695	7	51	270	345	516	232	124	105	21	24
15.0 to 17.49	964	9	36	152	202	264	125	79	67	15	15
17.5 to 19.99	564	6	29	96	133	131	64	33	48	9	15
20.0 to 24.99	495	15	33	114	108	110	39	29	33	7	7
25.0 to 29.99	168	1	12	49	37	41	11	7	6	1	3
30.0 or more	136	7	15	47	25	21	7	4	9	0	1
Ratios of total demand deposits to total deposits of—											
Less than 25	641	2	8	78	145	246	95	42	24	1	0
25 to 29.99	1,233	1	9	154	283	452	183	98	48	4	1
30 to 34.99	1,967	4	28	271	456	693	295	132	76	8	4
35 to 39.99	2,418	3	36	363	559	838	335	164	100	12	8
40 to 44.99	2,337	6	47	396	572	723	318	150	102	11	12
45 to 49.99	1,921	9	57	311	464	572	262	118	91	21	16
50 to 54.99	1,356	8	46	277	309	398	162	59	72	11	14
55 to 59.99	859	10	39	186	188	245	85	46	38	15	7
60 to 64.99	471	1	31	110	91	134	39	23	21	8	13
65 to 69.99	278	5	17	75	73	62	19	9	13	3	2
70 to 79.99	238	8	23	76	65	43	10	7	5	0	1
80 to 89.99	87	6	17	30	14	13	3	1	3	0	0
90 or more	170	15	51	66	28	5	1	2	2	0	0

Table 113. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1973—CONTINUED

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

Ratios (In percent)	All banks	Number of banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Ratios of total capital accounts to total assets other than cash and due from banks, and U.S. Treasury securities, and U.S. Government agency securities of—											
Less than 7.5	1,000	0	1	52	115	369	202	123	96	17	25
7.5 to 9.99	5,049	1	21	359	943	1,917	913	464	331	58	42
10.0 to 12.49	3,774	3	62	560	1,024	1,305	468	198	128	16	10
12.5 to 14.99	1,776	1	47	447	549	508	157	44	20	2	1
15.0 to 17.49	832	3	33	289	262	178	38	15	13	1	0
17.5 to 19.99	463	3	30	185	158	71	10	1	5	0	0
20.0 to 22.49	288	2	36	135	75	30	8	2	0	0	0
22.5 to 24.99	169	3	25	71	41	21	4	4	0	0	0
25.0 to 29.99	223	4	35	114	50	14	4	0	2	0	0
30.0 to 34.99	131	4	31	66	20	7	3	0	0	0	0
35.0 to 39.99	64	2	16	39	5	2	0	0	0	0	0
40.0 or more	207	52	72	76	5	2	0	0	0	0	0
Ratio of total capital accounts to total assets of—											
Less than 5	349	0	1	27	39	151	71	29	26	1	4
5 to 5.99	1,556	0	8	152	331	554	224	133	107	20	27
6 to 6.99	3,498	1	21	421	751	1,245	536	267	196	36	24
7 to 7.99	3,390	0	44	459	793	1,161	509	251	140	18	15
8 to 8.99	2,059	0	50	370	527	684	243	91	74	14	6
9 to 9.99	1,139	6	53	240	329	305	129	41	31	3	2
10 to 10.99	659	6	39	179	209	153	48	15	9	1	0
11 to 11.99	376	2	22	141	80	82	27	15	6	1	0
12 to 12.99	200	4	18	74	54	36	6	4	4	0	0
13 to 14.99	242	7	28	93	75	27	8	3	1	0	0
15 to 16.99	125	4	22	59	22	15	2	0	1	0	0
17 or more	383	48	103	178	37	11	4	2	0	0	0
Number of banks	13,976	78	409	2,393	3,247	4,424	1,807	851	595	94	78

INCOME OF INSURED BANKS

The income data received and published by the Corporation relate to commercial and mutual savings banks insured by the Corporation.

Commercial banks

Prior to 1969, reports of income and dividends were submitted to the Federal supervisory agencies on either a cash or an accrual basis. In 1969, banks with assets of $50 million or more, and beginning in 1970, $25 million or more, were required to report consolidated income accounts on an accrual basis. Smaller banks continue to have the option of submitting their reports on a cash or an accrual basis, except that unearned discount on instalment loans, and income taxes, must be reported on an accrual basis. Then, there was the requirement for consolidation of majority-owned subsidiaries and other non-bank subsidiaries meeting certain tests. For more detail on the method of cash or accrual reporting by banks, and on the inclusion of subsidiaries in consolidated statements of condition and income, refer to page 187 of this report.

Income data are included for all insured banks operating at the end of the respective years, unless indicated otherwise. In addition, when appropriate, adjustments have been made for banks in operation during part of the year but not at the end of the year.

In 1969 the Report of Income was revised to include a more detailed breakdown of investment income and separation of income from Federal funds transactions from other loan income. The accretion of bond discount was encouraged.

Under "Operating expenses," expense of Federal Funds transactions, which is now itemized separately, was included prior to 1969 under "Interest on borrowed money." "Interest on capital notes and debentures," now included in operating expenses, before 1969 was not treated as a charge against operating earnings or net income. Fixed assets were required to be carried on a cost less depreciation basis with periodic depreciation charged to expenses. Beginning in 1969, the item "Provision for loan losses" was included under operating expenses. Prior to 1969, transfers to loan loss reserves were included as a charge against net income (but not against operating income); actual losses charged to loan loss reserves were treated as a memorandum item (see discussion below).

Beginning in 1969, "Applicable income taxes" on income before securities gains or losses is an estimate of the tax liability that a bank would incur if its taxes were based solely on operating income and expenses; that is, if there were no security gains or losses, no extraordinary items, etc.

Income from securities gains and losses, reported both gross and after taxes, prior to 1969 was reported as separate gain or loss items. It is now included, along with a subtraction for minority interest in consolidated subsidiaries, before arriving at net income (after taxes).

The memorandum item total provision for income taxes includes applicable taxes on operating income, applicable taxes on securities gains and losses and extraordinary items, and tax effects on differences between the provision for loan losses charged to operating expense and transfers to the reserve for bad debt losses on loans. For banks generally the transfers to reserve for bad debts have exceeded the provision for loan losses and consequently have tended to reduce tax liability. (Since enactment of the Tax Reform Act of 1969, additions to loan loss reserves for Federal tax purposes have been subject to a schedule of limitations that will eventually put these reserves on a current experience basis.) "Total provision for income taxes", as compared to "Provision for income taxes", tends to correspond more closely to actual income tax liability, however, these may differ due to accrual accounting (required of the larger banks in supervisory reports) versus cash accounting (permitted by IRS), and other factors.

In comparing the 1969-1973 reports with prior data, certain generalizations are applicable. Because of the inclusion of additional items in "Operating expenses", "Income before taxes or security gains or losses" is understated, compared with the current operating income of prior reports. On the other hand, "Net income" for years prior to 1969 tends to be somewhat understated because it includes transfers to bad debt reserves which would generally exceed the provision for loan losses. Table 115 provides several operating ratios which afford comparisons between years prior to 1969 and more recent earnings experience.

Mutual savings banks

For a discussion of the report of income and expenses for mutual savings banks in 1970 and previous years, see the 1951 Annual Report, pp. 50-52.

Beginning December 31, 1971, income and expenses for mutual savings banks are reported on a consolidated basis in the same manner as required of commercial banks, including all domistic branches, domestic bank premises subsidiaries, and other significant nonbanking domestic subsidiaries (see page 188).

Beginning in 1972, banks with total resources of $25 million or more are required to prepare their reports on the basis of accrual accounting. All banks are required to report income taxes on an accrual basis.

Under operating income, certain income from securities formerly in the "other" category are shown separately beginning in 1971. Income from U.S. Treasury securities is combined with income from U.S. Government agency and corporation securities. Somewhat fewer items are detailed under operating expense. Beginning in 1971, actual net loan losses (charge-offs less recoveries) are included as an expense item in the operating section of the report (see discussion below). In 1970 and prior years (table 119), the amounts shown for this expense item are "Recoveries credited to valuation adjustment provisions on real estate mortgage loans" less "The realized losses charged to valuation adjustment provisions on these loans", which were reported in those years in the memoranda section.

The nonoperating sections of the report were condensed in 1971, with realized gains and losses on securities, mortgage loans, and real estate reported "net" rather than in separate sections and captions as before. Detailed data formerly reported on reconcilement of valuation adjustment provisions was almost entirely eliminated, except for a simple reconciliation of surplus.

Sources of data

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

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

Other insured banks: Federal Deposit Insurance Corporation.

REPORTING OF LOSSES AND RESERVES FOR LOSSES ON LOANS, 1948 - 1973

Commercial banks

Use of the reserve method of loan accounting was greatly encouraged when, in 1947, the Internal Revenue Service set formal standards for loan loss transfers to be permitted for Federal tax purposes. In their reports to the Federal bank supervisory agencies prior to 1948, insured commercial banks included in non-operating income the amounts of recoveries on loans (applicable to prior charge-offs for losses) which included, for banks using the reserve method, transfers from loan loss reserves. Direct charge-offs and losses on loans, and transfers to reserves, were included together in non-operating expenses. Banks using the reserve method were not required to report separately their actual losses, that is, charges against loan loss reserves. (In statements of condition prior to 1948, insured banks reported loans on a net basis only, after allowance for loan loss reserves. Beginning with the June 30, 1948 report, banks were required to report gross loans, with total valuation reserves these set up pursuant to Internal Revenue Service regulations, and other reserves shown separately. However, instalment loans ordinarily continued to be reported net if the instalment payments were applied directly to the reduction of the loan.)

Beginning with the year 1948, the income reports were revised to show separately, in a memoranda section, the losses charged to reserves. These items continued to be combined in the non-operating expense section until 1961. Recoveries credited to reserves were also itemized in the memoranda section, beginning in 1948, as were the amounts transferred to and from reserves during the year. Each of these debits and credits were segregated as to reserves set up pursuant to IRS regulations, and other reserves. Losses and recoveries, and transfers to and from reserves, but not the specific tax-related transfers, were separately reported in the Corporation's published statistics.

Several important revisions were made in the format of the income reports of commercial banks in 1969 (see above). A new entry entitled "Provision for loan losses" was included under operating expenses. This item includes actual loan losses (charge-offs less recoveries) during the year, *or,* at the option of the bank, an amount derived by applying the average loan loss percentage for the five most recent years to the average amount of loans during the current year. Since 1969, banks continue to report transfers to and from reserves in memoranda section of the income statement, but this detailed information is not regularly published by the Corporation. (Beginning June 30, 1969, all loan loss reserves are shown on the right side of the condition statement; gross loans only are reported on the assets side.)

Mutual savings banks

While mutual savings banks reported loan losses and transfers to loss reserves prior to 1951, the Corporation's published statistics did not show these data separately, as was the case also for recoveries and transfers from reserves. When the reporting form was revised extensively in 1951, these various nonoperating expenses were itemized, and a memoranda section was added to show also the losses and recoveries in reserve accounts. "Realized" losses (and recoveries) for which no provision had been made, and transfers, were included in the nonoperating expense (income) section, while direct write-downs and other loan losses for which provision had been made, were reported separately in memoranda account.

Following 1951, the loan loss section of the reports of condition and income and expense remained unchanged until 1971. Beginning in 1971, the income report was revised in a manner similar to changes in 1969 applicable to commercial banks, to show actual net loan losses as operating expenses (mutual savings banks do not have the option available to commercial banks of reporting losses based on recent years average experience.) At the same time, all valuation reserves were merged into surplus accounts on statements of condition submitted to the Federal supervisory agencies.

Table 114. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1965–1973

(Amounts in thousands of dollars)

Income item	1965	1966	1967	1968	1969[1]	1970	1971	1972	1973
Operating income—total	**16,817,187**	**19,508,414**	**21,781,611**	**25,478,404**	**30,806,805**	**34,716,420**	**36,364,008**	**40,247,555**	**53,063,327**
Interest and fees on loans[2]	11,204,863	13,286,400	14,646,637	17,121,079	20,726,664	22,967,366	23,069,354	25,630,498	35,375,638
Income on Federal funds sold and securities purchased under agreements to resell[2]	...	...	...	...	811,580	1,006,367	871,167	1,026,550	2,486,695
Interest on U.S. Treasury securities	2,224,711	2,317,794	2,601,900	3,004,655	2,845,257	3,078,725	3,395,663	3,396,365	3,465,192
Interest and dividends on securities of other U.S. Government agencies and corporations[3]	...	...	...	...	551,068	688,421	916,559	1,144,761	1,472,467
Interest on obligations of States and political subdivisions[3]	...	...	...	...	2,215,971	2,620,257	3,127,136	3,493,981	3,864,785
Interest and dividends on other securities[3]	1,285,287	1,531,517	1,904,886	2,376,223	134,548	151,832	238,033	322,239	371,987
Trust department income	689,628	756,130	820,269	906,206	1,021,900	1,132,292	1,257,807	1,366,455	1,459,879
Service charges on deposit accounts	842,775	915,049	987,187	1,055,964	1,120,196	1,178,192	1,231,470	1,262,022	1,326,992
Other service charges, collection and exchange charges, commissions, and fees	304,276	354,036	411,021	478,028	693,578	842,480	989,432	1,083,104	1,251,651
Other operating income	265,647	347,488	409,711	536,249	686,043	1,050,488	1,267,387	1,521,580	1,961,041
Operating expense—total[4]	**12,486,120**	**14,561,852**	**16,553,642**	**19,354,237**	**24,076,791**	**27,588,602**	**29,650,981**	**32,996,608**	**44,329,800**
Salaries and wages of officers and employees	3,762,024	4,095,742	4,537,896	5,101,803	5,[illegible]78,812	6,656,884	7,202,972	7,754,773	8,574,731
Pensions and other employee benefits	525,692	598,768	667,345	755,744	903,469	1,060,167	1,192,011	1,330,440	1,553,077
Interest on deposits	5,070,781	6,259,472	7,379,863	8,681,705	9,789,893	10,483,795	12,217,994	13,844,020	19,834,817
Expense of Federal funds purchased and securities sold under agreements to repurchase[5]	...	...	...	...	1,205,787	1,400,838	1,095,648	1,429,171	3,899,016
Interest on other borrowed money[5]	189,519	301,768	266,476	528,986	433,120	464,568	139,388	115,240	503,941
Interest on capital notes and debentures[4]	...	...	...	...	100,742	104,730	142,381	213,532	254,458
Occupancy expense of bank premises, net	731,573	802,060	873,541	970,034	1,073,339	1,254,520	1,410,190	1,583,538	1,782,956
Gross occupancy expense	898,440	980,444	1,059,785	1,173,423	1,331,926	1,555,734	1,730,402	1,926,695	2,152,621
Less rental income	166,867	178,387	186,244	203,389	258,587	301,214	320,212	343,157	369,665
Furniture and equipment, depreciation, rental costs, servicing, etc.	411,889	458,695	533,846	631,564	773,072	909,090	1,018,128	1,087,844	1,201,241
Provision for loan losses[4]	...	...	...	...	521,064	703,150	867,260	973,238	1,264,695
Other operating expenses	1,794,642	2,045,347	2,294,675	2,684,401	3,397,493	4,550,860	4,365,009	4,664,812	5,460,868
Income before income taxes and securities gains or losses[6]	...	...	...	...	**6,730,014**	**7,127,818**	**6,713,027**	**7,250,947**	**8,706,527**
Net current operating earnings (old basis)	**4,331,067**	**4,946,562**	**5,227,969**	**6,124,167**	...	...	...	...	...
Applicable income taxes[6]	...	...	...	...	**2,164,419**	**2,173,775**	**1,689,146**	**1,707,495**	**2,121,100**
Income before securities gains or losses[6]	...	...	...	...	**4,565,595**	**4,954,043**	**5,023,881**	**5,543,452**	**6,585,427**
Securities gains or losses, net[6]	...	...	...	...	**−237,707**	**−103,695**	**213,245**	**92,456**	**−27,135**
Gross	−426	−392,447	−4,312	−438,520	−512,242	−224,028	359,279	166,730	−73,458
Taxes	...	...	...	...	−274,535	−120,333	146,034	74,274	−46,323
Net income before extraordinary items[6]	...	...	...	...	**4,327,888**	**4,850,348**	**5,237,126**	**5,635,908**	**6,558,292**
Extraordinary charges or credits, net[6]	...	...	...	...	**6,914**	**−12,810**	**−639**	**19,153**	**21,561**
Gross	...	...	...	...	3,994	−35,865	−12,552	23,953	30,817
Taxes	...	...	...	...	−2,920	−23,055	−11,913	4,800	9,256
Less minority interest in consolidated subsidiaries[6]	...	...	...	...	**235**	**245**	**282**	**663**	**659**
Net income	...	...	...	...	**4,334,567**	**4,837,293**	**5,236,205**	**5,654,398**	**6,579,194**
Recoveries, charge-offs, transfers from reserves, net	**−786,746**	**−839,869**	**−904,645**	**−992,665**	...	...	...	...	...

Net income before taxes (old basis)	**3,543,895**	**3,714,246**	**4,319,012**	**4,692,982**	....	....	....	....	....
Total provision for income taxes	**1,029,162**	**1,029,906**	**1,177,154**	**1,267,044**	**1,505,336**	**1,863,787**	**1,651,807**	**1,598,869**	**1,715,439**
Federal income taxes	927,423	911,585	1,020,988	1,086,889	1,287,514	1,619,790	1,367,492	1,288,725	1,336,317
State and local income taxes	101,739	118,321	156,166	180,155	217,822	243,997	284,315	310,144	379,122
Net income after taxes (old basis)	**2,514,733**	**2,684,340**	**3,141,858**	**3,425,938**	....	....	....	....	....
Dividends on capital–total[7]	**1,202,349**	**1,307,387**	**1,426,202**	**1,589,114**	**1,769,314**	**2,040,027**	**2,230,556**	**2,196,868**	**2,429,330**
Cash dividends declared on common stock	1,146,186	1,240,048	1,342,538	1,488,670	1,762,279	2,033,288	2,225,125	2,193,052	2,425,633
Cash dividends declared on preferred stock[7]	56,163	67,339	83,664	100,444	7,035	6,739	5,431	3,816	3,697
Memoranda[8]									
Recoveries credited to reserves:									
On loans	124,062	143,859	168,680	219,115	209,124	255,350	317,320	363,663	388,846
On securities	4,158	3,300	5,638	1,913	1,986	1,260	2,253	6,243	2,061
Losses charged to reserves:									
On loans	429,490	545,647	601,194	629,707	697,874	1,236,988	1,404,520	1,250,989	1,548,033
On securities	25,761	60,282	29,072	32,262	12,448	2,881	3,714	4,333	5,440
Average assets and liabilities[9]									
Assets–total	**360,944,351**	**391,255,121**	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**	**679,113,973**	**776,702,572**
Cash and due from banks	59,013,596	62,867,398	70,248,679	78,504,024	86,663,384	89,089,607	95,673,527	102,969,933	110,168,143
U.S. Treasury securities	59,419,551	56,088,649	57,357,584	61,545,807	56,724,083[11]	54,198,407[11]	59,923,562[11]	61,978,490[11]	58,603,925[11]
Obligations of States and political subdivisions[10]	....	....	....	....	58,011,200[11]	62,012,771[11]	74,606,153[11]	84,210,396[11]	89,241,780[11]
Other securities[10]	41,540,772	47,054,812	55,213,293	65,318,374	11,839,130[11]	12,821,687[11]	18,216,064[11]	23,863,051[11]	29,355,715[11]
Loans and discounts	191,391,533	214,381,628	230,636,149	253,678,319	283,479,251	301,667,242	327,633,687	376,543,347	453,238,907
All other assets	9,578,899	10,862,634	12,163,632	14,091,481	19,608,435[11]	24,090,694[11]	27,369,727[11]	29,548,756[11]	36,094,102[11]
Liabilities and capital–total	**360,944,351**	**391,255,121**	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**	**679,113,973**	**776,702,572**
Total deposits	315,643,533	340,336,714	368,906,501	407,508,260	431,468,339	449,522,141	507,101,968	568,240,268	640,806,208
Demand deposits	*178,089,360*	*185,336,407*	*194,982,924*	*213,628,389*	*230,490,525*	*237,588,875*	*251,447,347*	*271,122,732*	*293,708,282*
Time and savings deposits	*137,554,173*	*155,000,307*	*173,923,577*	*193,879,871*	*200,977,814*	*211,933,266*	*255,654,621*	*297,117,536*	*347,097,926*
Borrowings and other liabilities	16,479,957	20,067,721	23,836,162	30,297,605	46,642,486	53,212,878	51,507,005	61,179,885	80,677,846
Total capital accounts	28,820,861	30,850,686	32,876,674	35,332,148	38,214,658	41,145,389	44,813,747	49,693,820	55,218,518
Capital notes and debentures	*1,327,781*	*1,710,785*	*1,884,844*	*2,096,175*	*2,027,427*	*2,047,429*	*2,548,014*	*3,546,497*	*4,044,715*
Equity capital	*27,493,080*	*29,139,901*	*30,991,830*	*33,235,973*	*36,187,231*	*39,097,960*	*42,265,733*	*46,147,323*	*51,173,803*
Number of employees (end of period)	732,163	777,361	815,037	866,725	904,008	959,867	980,660	1,025,997	1,093,616
Number of banks (end of period)	13,547	13,541	13,517	13,488	13,473	13,511	13,612	13,733	13,976

[1] Figures before 1969 may differ slightly from those published by the Board of Governors of the Federal Reserve System and the Comptroller of the Currency because of differences in rounding techniques. Revisions in Report of Income in 1969 are discussed on pp. 209-211 also see notes to tables.

[2] "Income on Federal funds sold" was included in "Interest and discount on loans" in 1968 and prior years (see 1968 report, p. 198).

[3] Income from "Securities of other U.S. Government agencies and corporations" and from "Obligations of States and political subdivisions" were included in income from "Other securities" in 1968 and prior years.

[4] "Interest on capital notes and debentures" and "Provision for loan losses" not included in "Operating expense–total" in 1968 and prior years.

[5] "Expense of Federal funds purchased and securities sold under agreements to repurchase" was included in "Interest on borrowed money" in 1968 and prior years.

[6] Data are not available prior to 1969. See page 210 of this report.

[7] In 1968 and prior years, "Dividends declared on preferred stock" was reported in combination with "Interest on capital notes and debentures."

[8] Includes only recoveries credited to, and losses charged to, reserves. All other recoveries and losses on loans and securities are credited to, and charged to, undivided profits and are included above.

[9] Averages of amounts reported at beginning, middle, and end of year. 1965–1968 averages of securities and loans have been revised to gross basis.

[10] In 1968 and prior years, "Obligations of States and political subdivisions" were included in "Other securities."

[11] Securities held in trading accounts are included in "All other assets."

Table 115. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1965–1973

Income item	1965	1966	1967	1968	1969	1970	1971	1972	1973
Amounts per $100 of operating income									
Operating income—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Income on loans[1]	66.63	68.11	67.24	67.20	69.91	69.05	65.84	66.23	71.39
Interest on U.S. Treasury securities	13.23	11.88	11.95	11.79	9.23	8.87	9.34	8.44	6.53
Interest on State and local government obligations[2]	....	....	....	....	7.19	7.55	8.60	8.65	7.29
Interest and dividends on other securities[3]	7.64	7.85	8.74	9.33	2.23	2.42	3.17	3.64	3.48
Trust department income	4.10	3.88	3.77	3.56	3.32	3.26	3.46	3.40	2.75
Service charges on deposit accounts	5.01	4.69	4.53	4.14	3.64	3.39	3.39	3.14	2.50
Other charges, commissions, fees, etc.	1.81	1.81	1.89	1.88	2.25	2.43	2.72	2.67	2.36
Other operating income	1.58	1.78	1.88	2.10	2.23	3.03	3.48	3.78	3.70
Operating expense—total[4]	**74.25**	**74.64**	**76.00**	**75.96**	**78.15**	**79.47**	**81.54**	**81.98**	**83.58**
Salaries and wages	22.37	20.99	20.83	20.02	19.08	19.18	19.81	19.27	16.17
Pensions and other benefits	3.13	3.07	3.07	2.97	2.93	3.05	3.28	3.30	2.93
Interest on time and savings deposits	30.15	32.09	33.88	34.07	31.78	30.20	33.60	34.40	37.40
Interest on borrowed money[5]	1.13	1.55	1.22	2.08	5.65	5.67	3.79	4.37	8.78
Occupancy expense of bank premises, net	4.35	4.11	4.01	3.81	3.48	3.61	3.88	3.93	3.36
Furniture and equipment, etc.	2.45	2.35	2.45	2.48	2.51	2.62	2.80	2.70	2.26
Provision for loan losses[4]	....	....	....	....	1.69	2.03	2.38	2.42	2.38
Other operating expenses	10.67	10.48	10.54	10.53	11.03	13.11	12.00	11.59	10.30
Income before income taxes and securities gains or losses	....	....	....	....	**21.85**	**20.53**	**18.46**	**18.02**	**16.42**
Net current operating earnings (old basis)	**25.75**	**25.36**	**24.00**	**24.04**	....	....	....	....	....
Amounts per $100 of total assets									
Operating income—total	4.66	4.99	5.12	5.38	5.97	6.38	6.03	5.93	6.83
Net current operating earnings (old basis)	1.20	1.26	1.23	1.29	....	....	....	....	....
Income before income taxes and securities gains or losses	....	....	....	....	1.30	1.31	1.11	1.07	1.12
Net income[6]	.70	.69	.74	.72	.84	.89	.87	.83	.85
Amounts per $100 of total capital accounts									
Net income[6]	8.73	8.70	9.56	9.70	11.48[7]	11.89[7]	11.85[7]	11.60[7]	12.14[7]
Cash dividends declared on common stock	3.98	4.02	4.08	4.21	4.61	4.94	4.97	4.41	4.39
Net additions to capital from income	4.56	4.46	5.22	5.20	6.71	6.80	6.71	6.96	7.51
Amounts per $100 of equity capital									
Net income[6]	9.15	9.21	10.14	10.31	11.98	12.37	12.39	12.25	12.86
Special ratios									
Income on loans per $100 of loans[1]	5.85	6.20	6.35	6.75	7.60	7.95	7.31	7.08	8.35
Income on U.S. Treasury securities per $100 of U.S. Treasury securities	3.74	4.13	4.54	4.88	5.02	5.68	5.67	5.48	5.91
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions[2]	....	....	....	....	3.82	4.23	4.19	4.15	4.33
Income on other securities per $100 of other securities[3]	3.09	3.25	3.45	3.64	5.79	6.55	6.34	6.15	6.28
Service charges per $100 of demand deposits	.47	.49	.51	.49	.49	.50	.49	.47	.45
Interest paid per $100 of time and savings deposits	3.69	4.04	4.24	4.48	4.87	4.95	4.78	4.66	5.71
Number of banks (end of period)	13,547	13,541	13,517	13,488	13,473	13,511	13,612	13,733	13,976

[1] Includes Federal funds sold.
[2] "Interest on State and local government obligations" included in "Interest and dividends on other securities" in 1968 and prior years. Income from securities held in trading accounts is included in "Other operating income".
[3] Includes interest and dividends on securities of other U.S. Government agencies and corporations; includes interest on State and local government obligations before 1969.
[4] "Interest on capital notes and debentures", which is included in "Interest on borrowed money" in 1969–1973, and "Provision for loan losses" were not included in "Operating expense—total" in 1968 and prior years.
[5] Includes interest on capital notes and debentures (see note 4) and Federal funds purchased.
[6] Because of changes in the form of reporting by banks, figures in 1969–1973 are not fully comparable with those in 1968 and prior years; see table 114 and pp. 209-210.
[7] In computing this ratio, interest on capital notes and debentures has been added to net income, with tax adjustment at the regular corporate tax rate.

Table 116. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1973
BANKS GROUPED BY CLASS OF BANK
(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Operating income—total	**53,036,327**	**31,214,233**	**10,504,091**	**11,318,003**	**52,963,685**	**72,642**
Interest and fees on loans	35,375,638	21,054,480	7,214,249	7,106,909	35,340,932	34,706
Income on federal funds sold and securities purchased under agreements to resell	2,486,695	1,454,717	392,182	639,796	2,467,925	18,770
Interest on U.S. Treasury securities	3,465,192	1,821,807	570,804	1,072,581	3,458,712	6,480
Interest and dividends on securities of other U.S. Government agencies and corporations	1,472,467	725,749	217,673	529,045	1,469,568	2,899
Interest on obligations of States and political subdivisions	3,864,785	2,230,757	696,976	937,052	3,862,232	2,553
Interest and dividends on other securities	371,987	203,664	64,722	103,601	370,990	997
Trust department income	1,459,879	820,368	523,977	115,534	1,459,685	194
Service charges on deposit accounts	1,326,992	752,699	187,039	387,254	1,324,919	2,073
Other service charges, collection and exchange charges, commissions, and fees	1,251,651	815,651	182,800	253,200	1,249,863	1,788
Other operating income	1,961,041	1,334,341	453,669	173,031	1,958,859	2,182
Operating expense—total	**44,329,800**	**26,246,894**	**8,791,932**	**9,290,974**	**44,253,367**	**76,433**
Salaries and wages of officers and employees	8,574,731	4,921,969	1,651,339	2,001,423	8,555,094	19,637
Pensions and other employee benefits	1,553,077	905,315	329,383	318,379	1,550,826	2,251
Interest on deposits	19,834,817	11,666,030	3,716,464	4,452,323	19,813,712	21,105
Expense of federal funds purchased and securities sold under agreements to repurchase	3,899,016	2,681,225	1,083,381	134,410	3,897,955	1,061
Interest on other borrowed money	503,941	304,008	170,230	29,703	503,266	675
Interest on capital notes and debentures	254,458	130,390	73,601	50,467	254,318	140
Occupancy expense of bank premises, net	1,782,956	999,201	408,809	374,946	1,777,867	5,089
Gross occupancy expense	2,152,621	1,246,152	478,063	428,406	2,147,215	5,406
Less rental income	369,665	246,951	69,254	53,460	369,348	317
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,201,241	718,746	205,212	277,283	1,198,441	2,800
Provision for loan losses	1,264,695	758,146	235,970	270,579	1,262,581	2,114
Other operating expenses	5,460,868	3,161,864	917,543	1,381,461	5,439,307	21,561
Income before income taxes and securities gains or losses	**8,706,527**	**4,967,339**	**1,712,159**	**2,027,029**	**8,710,318**	**−3,791**
Applicable income taxes	**2,121,100**	**1,194,886**	**458,093**	**468,121**	**2,121,430**	**−330**
Income before securities gains or losses	**6,585,427**	**3,772,453**	**1,254,066**	**1,558,908**	**6,588,888**	**−3,461**
Net securities gains or losses	**−27,135**	**−13,509**	**−16,246**	**2,620**	**−27,247**	**112**
Gross	−73,458	−39,469	−36,481	2,492	−73,584	126
Taxes	−46,323	−25,960	−20,235	−128	−46,337	14
Net income before extraordinary items	**6,558,292**	**3,758,944**	**1,237,820**	**1,561,528**	**6,561,641**	**−3,349**
Extraordinary charges or credits, net	**21,561**	**9,025**	**6,112**	**6,424**	**21,676**	**−115**
Gross	30,817	11,844	11,207	7,766	30,959	−142
Taxes	9,256	2,819	5,095	1,342	9,283	−27

Table 116. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1973—CONTINUED
BANKS GROUPED BY CLASS OF BANK
(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Less minority interest in consolidated subsidiaries	**659**	**302**	....	**357**	**659**	....
Net income	**6,579,194**	**3,767,667**	**1,243,932**	**1,567,595**	**6,582,658**	**−3,464**
Dividends on capital—total	**2,429,330**	**1,449,392**	**569,079**	**410,859**	**2,428,521**	**809**
Cash dividends declared on common stock	2,425,633	1,446,994	568,917	409,722	2,424,824	809
Cash dividends declared on preferred stock	3,697	2,398	162	1,137	3,697	....
Total provision for income taxes	**1,715,439**	**932,058**	**363,542**	**419,839**	**1,716,063**	**−624**
Federal income taxes	1,336,317	707,493	268,941	359,883	1,336,947	−630
State and local income taxes	379,122	224,565	94,601	59,956	379,116	6
Memoranda[1]						
Recoveries credited to reserves:						
On loans	388,846	250,088	58,889	79,869	388,673	173
On securities	2,061	1,174	48	839	2,061	....
Losses charged to reserves:						
On loans	1,548,033	978,921	268,946	300,166	1,547,074	959
On securities	5,440	3,905	368	1,167	5,440	....
Number of employees, December 31	1,093,616	629,899	186,815	276,902	1,089,285	4,331
Number of banks, December 31	13,976	4,661	1,076	8,239	13,644	332

[1] Includes only recoveries credited, and losses charged, to reserves. All other recoveries and losses on loans and securities are credited and charged to undivided profits and are included above.

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1973 IN THE UNITED STATES
(STATES AND OTHER AREAS)
BANKS GROUPED BY AMOUNT OF DEPOSITS
(Amounts in thousands of dollars)

Income item	All banks[1]	Banks with deposits of— Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Operating income—total	**52,963,685**	**1,908**	**36,816**	**561,984**	**1,652,726**	**4,997,450**	**4,556,057**	**4,255,577**	**9,279,825**	**5,453,582**	**22,187,760**
Interest and fees on loans	35,340,932	857	18,755	307,904	955,666	3,001,887	2,873,541	2,722,109	6,091,620	3,744,931	15,623,662
Income on Federal funds sold and securities purchased under agreements to resell	2,467,925	310	4,755	57,632	142,976	341,509	226,316	197,092	412,696	224,434	860,205
Interest on U.S. Treasury securities	3,458,712	378	7,107	94,051	221,008	553,962	419,431	343,786	619,450	335,340	864,199
Interest and dividends on securities of other U.S. Government agencies and corporations	1,469,568	162	2,869	40,393	101,809	258,599	215,712	185,376	311,715	84,811	268,122
Interest on obligations of States and political subdivisions	3,862,232	29	728	22,998	113,638	433,783	431,475	414,834	791,070	414,262	1,239,415
Interest and dividends on other securities	370,990	28	347	4,689	10,945	39,999	39,014	43,709	80,128	41,483	110,648
Trust department income	1,459,685	0	2	656	1,747	17,506	35,776	66,721	287,885	177,074	872,318
Service charges on deposit accounts	1,324,919	60	1,065	16,395	56,859	184,667	171,225	139,424	253,448	128,259	373,517
Other service charges, collection and exchange charges, commissions, and fees	1,249,863	41	729	11,215	30,557	92,037	88,508	90,318	254,883	164,823	516,752
Other operating income	1,958,859	43	459	6,051	17,521	53,501	55,059	52,208	176,930	138,165	1,458,922
Operating expense—total	**44,253,367**	**1,429**	**28,699**	**442,088**	**1,305,383**	**3,972,522**	**3,707,137**	**3,537,636**	**7,864,660**	**4,609,090**	**18,784,723**
Salaries and wages of officers and employees	8,555,094	660	9,862	121,601	307,426	846,510	760,345	721,765	1,604,717	887,578	3,294,630
Pensions and other employee benefits	1,550,826	55	990	13,807	41,736	129,055	124,895	122,499	287,394	167,791	662,604
Interest on deposits	19,813,712	286	9,781	196,701	627,372	1,982,973	1,839,074	1,738,173	3,527,961	1,941,662	7,949,729
Expense of Federal funds purchased and securities sold under agreements to repurchase	3,897,955	0	24	433	3,222	15,684	34,421	74,103	476,906	457,910	2,835,252
Interest on other borrowed money	503,266	4	14	424	1,563	7,789	11,448	12,134	48,269	56,517	365,104
Interest on capital notes and debentures	254,318	0	4	257	1,476	8,249	13,300	16,190	48,901	35,026	130,915
Occupancy expense of bank premises, net	1,777,867	54	1,086	14,600	44,801	146,329	146,663	145,685	345,927	181,889	750,833
Gross occupancy expense	2,147,215	60	1,126	15,464	47,762	157,321	163,852	172,359	429,289	251,604	908,378
Less rental income	369,348	6	40	864	2,961	10,992	17,189	26,674	83,362	69,715	157,545
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,198,441	42	877	13,337	39,108	117,588	114,856	109,863	268,470	142,111	392,189
Provision for loan losses	1,262,581	65	1,025	11,895	37,049	111,766	101,516	91,123	193,654	138,961	575,527
Other operating expenses	5,439,307	263	5,036	69,033	201,630	606,579	560,619	506,101	1,062,461	599,645	1,827,940
Income before income taxes and securities gains or losses	**8,710,318**	**479**	**8,117**	**119,896**	**347,343**	**1,004,928**	**848,920**	**717,941**	**1,415,165**	**844,492**	**3,403,037**
Applicable income taxes	**2,121,430**	**89**	**2,017**	**30,521**	**85,633**	**244,411**	**195,802**	**150,032**	**294,487**	**194,122**	**924,316**

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1973 IN THE UNITED STATES (STATES AND OTHER AREAS)—CONTINUED

BANKS GROUPED BY AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

Income item	All banks[1]	Banks with deposits of— Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Income before securities gains or losses	6,588,888	390	6,100	89,375	261,710	760,517	653,118	567,909	1,120,678	650,370	2,478,721
Net securities gains or losses	–27,247	1	23	–471	365	1,935	284	–2,522	–6,091	–4,761	–16,010
Gross	–73,584	1	32	–530	774	1,648	–316	–4,774	–14,095	–9,203	–47,121
Taxes	–46,337	0	9	–59	409	–287	–600	–2,252	–8,004	–4,442	–31,111
Net income before extraordinary items	6,561,641	391	6,123	88,904	262,075	762,452	653,402	565,387	1,114,587	645,609	2,462,711
Extraordinary charges or credits, net	21,676	0	4	95	950	1,990	2,620	2,528	6,118	3,644	3,727
Gross	30,959	0	3	121	1,328	2,036	3,654	3,707	8,002	6,663	5,445
Taxes	9,283	0	–1	26	378	46	1,034	1,179	1,884	3,019	1,718
Less minority interest in consolidated subsidiaries	659	0	0	0	2	80	16	29	71	233	228
Net income	6,582,658	391	6,127	88,999	263,023	764,362	656,006	567,886	1,120,634	649,020	2,466,210
Dividends on capital—total	2,428,521	85	1,530	17,492	51,515	169,373	176,677	178,863	451,894	295,244	1,085,848
Cash dividends declared on common stock	2,424,824	85	1,530	17,489	51,480	169,107	176,481	178,393	450,887	295,049	1,084,323
Cash dividends declared on preferred stock	3,697	0	0	3	35	266	196	470	1,007	195	1,525
Total provision for income taxes	1,716,063	86	1,989	29,479	81,829	224,071	173,889	126,475	240,612	157,614	680,019
Federal income taxes	1,336,947	74	1,822	26,723	73,712	200,893	154,251	107,344	197,398	133,061	441,669
State and local income taxes	379,116	12	167	2,756	8,117	23,178	19,638	19,131	43,214	24,553	238,350
Memoranda[2]											
Recoveries credited to reserves:											
On loans	388,673	3	348	4,613	15,989	47,667	42,251	34,044	69,019	38,457	136,282
On securities	2,061	0	0	0	45	241	462	801	298	0	214
Losses charged to reserves:											
On loans	1,547,074	9	1,077	13,071	43,936	140,546	127,228	115,378	242,889	157,699	705,241
On securities	5,440	0	0	35	155	209	213	784	494	250	3,300
Number of employees, December 31	1,089,285	120	1,563	17,119	42,123	119,841	109,326	101,548	217,023	112,871	367,751
Number of banks, December 31	13,644	35	326	2,242	3,205	4,418	1,804	848	594	94	78

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

[2] Includes only recoveries credited, and losses charged, to reserves. All other recoveries and losses on loans and securities are credited, and charged, to undivided profits and are included above.

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1973 IN THE UNITED STATES (STATES AND OTHER AREAS)[1]

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	Banks with deposits of— Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Amounts per $100 of operating income										
Operating income—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Income on loans[2]	61.16	63.86	65.04	66.47	67.17	68.04	68.60	70.09	72.78	74.29
Interest on U.S. Treasury securities[3]	19.81	19.30	16.73	13.37	11.13	9.21	8.08	6.68	6.15	3.89
Interest on State and local government obligations[3]	1.52	1.98	4.09	6.88	8.72	9.47	9.75	8.52	7.60	5.59
Interest and dividends on other securities[4]	9.96	8.73	8.02	6.82	6.00	5.59	5.38	4.22	2.32	1.71
Trust department income	0	.01	.12	.11	.35	.78	1.57	3.10	3.25	3.93
Service charges on deposit accounts	3.15	2.89	2.92	3.44	3.71	3.76	3.27	2.73	2.35	1.68
Other charges, commissions, fees, etc.	2.15	1.98	2.00	1.85	1.85	1.94	2.12	2.75	3.02	2.33
Other operating income[3]	2.25	1.25	1.08	1.06	1.07	1.21	1.23	1.91	2.53	6.58
Operating expense—total	**74.90**	**77.95**	**78.67**	**78.98**	**79.81**	**81.37**	**83.13**	**84.75**	**84.51**	**84.66**
Salaries and wages	34.59	26.79	21.64	18.60	17.01	16.69	16.96	17.29	16.27	14.85
Pensions and other benefits	2.88	2.69	2.46	2.52	2.59	2.74	2.88	3.10	3.08	2.99
Interest on time and savings deposits	14.99	26.57	35.00	37.96	39.84	40.37	40.84	38.02	35.60	35.83
Interest on borrowed money[5]	.21	.11	.20	.38	.64	1.30	2.41	6.18	10.07	15.01
Occupancy expense of bank premises, net	2.83	2.95	2.60	2.71	2.94	3.22	3.43	3.73	3.33	3.38
Furniture and equipment, etc.	2.20	2.38	2.37	2.37	2.36	2.52	2.58	2.89	2.61	1.77
Provision for loan losses	3.41	2.78	2.12	2.24	2.24	2.23	2.14	2.09	2.55	2.59
Other operating expenses	13.79	13.68	12.28	12.20	12.19	12.30	11.89	11.45	11.00	8.24
Income before income taxes and securities gains or losses	**25.10**	**22.05**	**21.33**	**21.02**	**20.19**	**18.63**	**16.87**	**15.25**	**15.49**	**15.34**
Amounts per $100 of total assets[6]										
Operating income—total	6.09	6.14	6.24	6.25	6.32	6.42	6.39	6.47	6.55	6.36
Income before income taxes and securities gains or losses	1.53	1.35	1.33	1.31	1.28	1.20	1.08	.99	1.01	.97
Net income	1.25	1.02	.99	1.00	.97	.92	.85	.78	.78	.71
Memoranda[8]										
Recoveries credited to reserves:										
On loans	.01	.06	.05	.06	.06	.06	.05	.05	.05	.04
On securities	0	0	0	(7)	(7)	(7)	(7)	(7)	0	(7)
Losses charged to reserves:										
On loans	.03	.18	.15	.17	.18	.18	.17	.17	.19	.20
On securities	0	0	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1973 IN THE UNITED STATES (STATES AND OTHER AREAS)[1] —CONTINUED

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	Banks with deposits of—									
	Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Amounts per $100 of total capital accounts[6]										
Net income[9]	9.09	9.21	11.03	12.38	12.97	12.63	11.87	11.16	11.19	10.84
Cash dividends declared on common stock	1.98	2.30	2.17	2.42	2.87	3.40	3.73	4.49	5.09	4.77
Net additions to capital from income	7.11	6.91	8.86	9.96	10.09	9.23	8.13	6.66	6.10	6.07
Memoranda[8]										
Recoveries credited to reserves:										
On loans	.07	.52	.57	.75	.81	.81	.71	.69	.66	.60
On securities	0	0	0	(7)	(7)	.01	.02	(7)	0	(7)
Losses charged to reserves:										
On loans	.21	1.62	1.62	2.07	2.38	2.45	2.41	2.42	2.72	3.10
On securities	0	0	(7)	.01	(7)	(7)	.02	(7)	(7)	.01
Amounts per $100 of equity capital[6]										
Net income	9.09	9.22	11.09	12.55	13.27	13.15	12.53	12.06	12.43	11.98
Special ratios[6]										
Income on loans per $100 of loans[2]	7.87	7.42	7.50	7.57	7.59	7.65	7.61	7.72	7.82	7.72
Income on U.S. Treasury securities per $100 of U.S. Treasury securities[3]	5.89	6.09	6.38	6.42	6.47	6.54	6.48	6.24	6.29	5.97
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions[3]	4.63	3.91	3.85	3.95	4.06	4.23	4.27	4.27	4.33	4.28
Income on other securities per $100 of other securities[4]	4.72	5.37	4.96	4.92	5.50	6.12	6.19	6.10	5.66	4.91
Service charges per $100 of demand deposits	.31	.35	.44	.56	.64	.68	.59	.47	.40	.29
Interest paid per $100 of time and savings deposits	4.06	4.43	4.55	4.64	4.78	4.94	5.03	5.17	5.40	5.89
Number of banks, December 31, 1973	35	326	2,242	3,205	4,418	1,804	848	594	94	78

[1] This group of banks is the same as the group shown in table 116 under heading "Operating throughout the year".
[2] Includes Federal funds.
[3] Income from securities held in trading accounts is included in "Other operating income".
[4] Includes interest and dividends on securities of other U.S. Government agencies and corporations.
[5] Includes interest on capital notes and debentures and Federal funds purchased.
[6] Ratios are based on assets and liabilities reported at end of year.
[7] Less than 0.005.
[8] Includes only recoveries credited, and losses charged to reserves (see table 117, note 2).
[9] Reported data are adjusted (see table 115, note 7).

Table 119. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1969–1973
(Amounts in thousands of dollars)

Income item	1969	1970	1971	1972	1973
Operating income—total	**3,581,559**	**3,874,870**	**4,529,014**	**5,295,449**	**6,064,895**
Interest and fees on real estate mortgage loans, net	2,768,370	2,963,859	3,275,859	3,690,871	4,171,520
Interest and fees on real estate mortgage loans, gross	*2,835,708*	*3,031,157*	*3,344,057*	*3,760,908*	*4,240,926*
Less: Mortgage servicing fees	*67,338*	*67,298*	*68,198*	*70,037*	*69,406*
Interest and fees on other loans	121,172	154,230	163,675	178,126	283,506
Interest on U.S. Government and agency securities[2]	....	....	268,370	352,297	414,359
Interest on corporate bonds	633,835	693,986	546,033	726,665	730,132
Interest on State, county, and municipal obligations[2]	....	....	12,789	30,857	52,982
Interest on other bonds, notes, and debentures[2]	....	....	75,489	91,856	116,901
Dividends on corporate stock[2]	....	....	105,592	126,256	148,781
Income from service operations	35,942	35,107	27,669	30,072	35,771
Other operating income	22,240	27,688	53,538	68,449	110,943
Operating expenses—total	**443,049[1]**	**520,826[1]**	**581,693**	**671,818**	**811,689**
Salaries	193,613	217,536	243,446	270,353	307,030
Pensions and other employee benefits	41,860	47,072	55,944	63,882	72,567
Interest on borrowed money	9,864	20,327	7,862	6,713	28,907
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals), net	52,491	60,655	71,113	82,820	96,128
Furniture and equipment (including recurring depreciation)	19,726	22,603	28,365	32,237	37,104
Actual net loan losses (charge-offs less recoveries)	898	1,363	3,328	4,500	8,994
Other operating expenses	124,597	151,306	171,635	211,313	260,959
Net operating income before interest and dividends on deposits	**3,138,510[1]**	**3,345,008[1]**	**3,947,321**	**4,623,631**	**5,253,206**
Interest and dividends on deposits—total	**2,808,141**	**2,987,200**	**3,418,845**	**3,943,233**	**4,480,901**
Savings deposits[2]	....	....	3,058,645	3,392,798	3,567,595
Other time deposits[2]	....	....	360,200	550,435	913,306
Net operating income after interest and dividends on deposits	**330,369**	**366,808**	**528,476**	**680,398**	**772,305**
Net realized gains (or losses) on—total	**–59,457[1]**	**–121,372[1]**	**–58,286**	**–14,896**	**–92,357**
Securities	–37,719	–91,760	–44,290	3,481	–65,973
Real estate mortgage loans	–23,381	–26,334	–12,133	–25,944	–20,187
Real estate	434	–568	–1,690	–509	–673
Other transactions	1,209	–2,710	–173	8,076	–5,524
Less minority interest in consolidated subsidiaries[2]	....	....	....	**34**	**0**
Net income before taxes	**270,912[1]**	**245,436[1]**	**470,190**	**665,468**	**679,948**
Franchise and income taxes—total	**61,874**	**78,421**	**126,601**	**186,303**	**201,792**
Federal income tax	14,303	25,310	63,833	108,679	114,500
State and local franchise and income taxes	47,571	53,111	62,768	77,624	87,292
Net income	**209,038[1]**	**167,015[1]**	**343,589**	**479,165**	**478,156**

Table 119. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1969–1973–CONTINUED
(Amounts in thousands of dollars)

Income item	1969	1970	1971	1972	1973
Memoranda					
Change in surplus accounts, net	220,063[1]	188,484[1]	486,234	534,229	561,695
Discount on securities, total[2]	....	....	16,513	19,630	27,805
Average assets and liabilities[3]					
Assets–total[4]	**63,518,853**	**65,986,370**	**73,661,663**	**82,995,606**	**90,850,840**
Cash and due from banks	715,778	778,430	1,156,181	1,329,972	1,676,216
U.S. Government and agency securities[4]	3,865,250	3,893,429	4,437,666	5,740,097	6,299,082
Other securities[4]	8,254,868	8,471,553	11,932,355	15,033,388	16,238,983
Real estate mortgage loans[4]	48,091,156	49,745,250	52,364,759	56,553,602	61,600,178
Other loans and discounts[4]	1,463,714	1,904,974	2,309,498	2,566,460	2,967,740
Other real estate	38,345	57,981	75,520	116,406	170,868
All other assets	1,089,742	1,134,753	1,385,684	1,655,681	1,897,773
Liabilities and surplus accounts–total[4]	**63,518,853**	**65,986,370**	**73,661,663**	**82,995,606**	**90,850,840**
Total deposits	57,834,645	59,862,839	67,443,302	76,226,170	83,212,412
Savings and time deposits	*57,304,999*	*59,296,823*	*66,784,186*	*75,472,194*	*82,350,237*
Demand deposits	*529,646*	*566,016*	*659,116*	*753,976*	*862,205*
Other liabilities	888,123	1,162,859	982,655	1,074,401	1,381,121
Total surplus accounts[4]	4,796,085	4,960,672	5,235,706	5,695,035	6,257,277
Number of employees (end of period)	26,105	27,505	30,134	32,866	35,668
Number of banks (end of period)	331	329	327	326	322

[1] Figures have been revised to provide comparability with 1971–1973 data–see page 210 for information on changes in reports in 1971.
[2] Data are not available prior to 1971. See page 210.
[3] For 1969–1970, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year; for 1971–1973, averages of amounts reported at beginning, middle, and end of year.
[4] Averages for 1969–1970 have been revised to a gross basis; see notes to table 110.

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1969–1973

Income item	1969	1970	1971	1972	1973
Amounts per $100 of operating income					
Operating income—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Interest and fees on real estate mortgage loans—net	77.30	76.49	72.33	69.70	68.78
Interest and fees on other loans	3.38	3.98	3.61	3.36	4.68
Interest on U.S. Government and agency securities[2]	....	....	5.93	6.65	6.83
Interest on corporate bonds	17.70	17.91	12.06	13.72	12.04
Interest on State, county, and municipal obligations[2]	....	....	.28	.58	.87
Interest on other bonds, notes, and debentures[2]	....	....	1.67	1.74	1.93
Dividends on corporate stock[2]	....	....	2.33	2.39	2.45
Income from service operations	1.00	.91	.61	.57	.59
Other operating income	.62	.71	1.18	1.29	1.83
Operating expense—total	**12.37[1]**	**13.44[1]**	**12.84**	**12.69**	**13.38**
Salaries	5.41	5.61	5.37	5.11	5.06
Pensions and other employee benefits	1.17	1.22	1.24	1.21	1.20
Interest on borrowed money	.27	.52	.17	.13	.48
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals)—net	1.47	1.57	1.57	1.56	1.58
Furniture and equipment (including recurring depreciation)	.55	.58	.63	.61	.61
Actual net loan losses (charge-offs less recoveries)	.02	.04	.07	.08	.15
Other operating expenses	3.48	3.90	3.79	3.99	4.30
Net operating income before interest and dividends on deposits	**87.63[1]**	**86.56[1]**	**87.16**	**87.31**	**86.62**
Interest and dividends on deposits—total	**78.41**	**77.09**	**75.49**	**75.49**	**73.88**
Savings deposits	(2)	(2)	67.54	64.07	58.82
Other time deposits			7.95	10.39	15.06
Net operating income after interest and dividends on deposits	**9.22[1]**	**9.47[1]**	**11.67**	**12.85**	**12.74**
Net realized gains (or losses) on—total	**−1.66[1]**	**−3.14[1]**	**−1.29**	**−.28**	**−1.53**
Securities	−1.05	−2.37	−.98	.07	−1.09
Real estate mortgage loans	−.65	−.68	−.27	−.49	−.34
Real estate	.01	−.02	−.04	−.01	−.01
Other transactions	.03	−.07	(5)	.15	−.09
Less minority interest in consolidated subsidiaries	....	....	....	(5)	....
Net income before taxes	**7.56[1]**	**6.33[1]**	**10.38**	**12.57**	**11.21**
Franchise and income taxes—total	**1.72**	**2.02**	**2.79**	**3.52**	**3.33**
Federal income tax	.40	.65	1.41	2.05	1.89
State and local franchise and income taxes	1.32	1.37	1.38	1.47	1.44
Net income	**5.84[1]**	**4.31[1]**	**7.59**	**9.05**	**7.88**

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1969–1973–CONTINUED

Income item	1969	1970	1971	1972	1973
Amounts per $100 of total assets[3]					
Operating income–total	5.64	5.87	6.15	6.38	6.68
Operating expense–total	.70	.79	.79	.81	.90
Net operating income before interest and dividends on deposits	4.94	5.08	5.36	5.57	5.78
Interest and dividends on deposits–total	4.42	4.52	4.64	4.75	4.93
Net operating income after interest and dividends on deposits	.52	.56	.72	.82	.85
Net realized gains (or losses)–total	–.09	–.19	–.08	–.02	–.10
Net income before taxes	.43	.37	.64	.80	.75
Franchise and income taxes–total	.10	.12	.17	.22	.22
Net income	.33	.25	.47	.58	.53
Special ratios[3]					
Interest on U.S. Government and agency securities per $100 of U.S. Government and agency securities[4]	5.23	5.61	6.05	6.14	6.58
Interest and dividends on other securities per $100 of other securities[4]	....	....	6.20	6.49	6.46
Interest and fees on real estate mortgage loans per $100 of real estate loans[4]	5.76	5.96	6.26	6.53	6.77
Interest and fees on other loans per $100 of other loans[4]	8.28	8.10	7.09	6.94	9.55
Interest and dividends on deposits per $100 of savings and time deposits	4.90	5.04	5.12	5.22	5.44
Net income per $100 of total surplus accounts[4]	4.36	3.37	6.56	8.41	7.64
Number of banks (end of period)	331	329	327	326	322

[1, 2, 3, 4] See notes to table 119.
[5] Less than 0.005.

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES;
DEPOSIT INSURANCE DISBURSEMENTS

Deposit insurance disbursements

Disbursements by the Federal Deposit Insurance Corporation to protect depositors are made when the insured deposits of banks in financial difficulties are paid off, or when the deposits of a failing bank are assumed by another insured bank with the financial aid of the Corporation. In deposit payoff cases, the disbursement is the amount paid by the Corporation on insured deposits. In deposit assumption cases, the principal disbursement is the amount loaned to failing banks, or the price paid for assets purchased from them; additional disbursements are made in those cases as advances for protection of assets in process of liquidation and for liquidation expenses.

Noninsured bank failures

Statistics in this report on failures of noninsured banks are compiled from information obtained from State banking departments, field supervisory officials, and other sources. The Corporation received no reports of failures of noninsured banks in 1973.

For detailed data regarding noninsured banks which suspended in the years 1934-1962, see the *Annual Report* for 1963, pp. 27-41. For 1963-1972, see table 121 of this report, and previous reports for respective years.

Sources of data

Insured banks: books of bank at date of closing; and books of FDIC, December 31, 1973.

Table 121. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934–1973

Year	Number					Deposits (in thousands of dollars)				
			Insured					Insured		
	Total	Non-insured[1]	Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]	Total	Non-insured[1]	Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]
Total	**641**	**134**	**507**	**8**	**499**	**2,237,988**	**141,700**	**2,096,288**	**41,147**	**2,055,141**
1934	61	52	9	.....	9	37,332	35,364	1,968	......	1,968
1935	32	6	26	1	25	19,987	583	13,404	85	13,319
1936	72	3	69	.....	69	28,100	592	27,508	......	27,508
1937	83	7	76	2	74	34,205	528	33,677	328	33,349
1938	80	7	73	.....	73	60,722	1,038	59,684	......	59,684
1939	72	12	60	.....	60	160,211	2,439	157,772	......	157,772
1940	48	5	43	.....	43	142,787	358	142,429	......	142,429
1941	16	2	14	.....	14	29,797	79	29,718	......	29,718
1942	23	3	20	.....	20	19,541	355	19,186	......	19,186
1943	5	.....	5	.....	5	12,525	......	12,525	......	12,525
1944	2	.....	2	.....	2	1,915	......	1,915	......	1,915
1945	1	.....	1	.....	1	5,695	......	5,695	......	5,695
1946	2	1	1	.....	1	494	147	347	......	347
1947	6	1	5	.....	5	7,207	167	7,040	......	7,040
1948	3	.....	3	.....	3	10,674	......	10,674	......	10,674
1949	9	4	5	1	4	9,217	2,552	6,665	1,190	5,475
1950	5	1	4	.....	4	5,555	42	5,513	......	5,513
1951	5	3	2	.....	2	6,464	3,056	3,408	......	3,408
1952	4	1	3	.....	3	3,313	143	3,170	......	3,170
1953	5	1	4	2	2	45,101	390	44,711	26,449	18,262
1954	4	2	2	.....	2	2,948	1,950	998	......	998
1955	5	.....	5	.....	5	11,953	......	11,953	......	11,953
1956	3	1	2	.....	2	11,690	360	11,330	......	11,330
1957	3	1	2	1	1	12,502	1,255	11,247	10,084	1,163
1958	9	5	4	.....	4	10,413	2,173	8,240	......	8,240
1959	3	.....	3	.....	3	2,593	......	2,593	......	2,593
1960	2	1	1	.....	1	7,965	1,035	6,930	......	6,930
1961	9	4	5	.....	5	10,611	1,675	8,936	......	8,936
1962	3	2	1	1	.....	4,231	1,220	3,011	3,011	....
1963	2	.....	2	.....	2	23,444	......	23,444	......	23,444
1964	8	1	7	.....	7	23,867	429	23,438	......	23,438
1965	9	4	5	.....	5	45,256	1,395	43,861	......	43,861
1966	8	1	7	.....	7	106,171	2,648	103,523	......	103,523
1967	4	.....	4	.....	4	10,878	......	10,878	......	10,878
1968	3	.....	3	.....	3	22,524	......	22,524	......	22,524
1969	9	.....	9	.....	9	40,133	......	40,133	......	40,133
1970	8[4]	1[4]	7	.....	7	52,826	423[4]	52,403	......	52,403
1971	6	.....	6	.....	6	132,032	......	132,032	......	132,032
1972	3	2	1	.....	1	99,786	79,304	20,482	......	20,482
1973	6	.....	6	.....	6	971,312	......	971,312	......	971,312

[1]For information regarding each of these banks, see table 22 in the *Annual Report* of the Federal Deposit Insurance Corporation for 1963, page 221 of the report for 1964, page 179 of the report for 1965, and page 183 of the 1966 report. One non-insured bank placed in receivership in 1934, with no deposits at time of closing, is omitted (see table 22, note 9). Deposits are unavailable for 7 banks.

[2]For information regarding these cases, see table 23 of the *Annual Report* for 1963.

[3]For information regarding each bank, see the *Annual Report* for 1958, pp. 48–83 and pp. 98–127, and tables regarding deposit insurance disbursements in subsequent annual reports. Deposits are adjusted as of December 31, 1973, and exclude deposits for three cases requiring disbursements by the Corporation: 1 bank in voluntary liquidation in 1937 (payoff case no. 90); 1 noninsured bank in 1938 with insured deposits at date of suspension, its insurance status having been terminated prior to suspension (payoff case no. 162); and 1 foreign-owned bank closed in 1941 by order of the Federal Government (payoff case no. 234).

[4]Revised.

Table 122. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1973

Case number	Name and location	Class of bank	Number of depositors or accounts[1]	Date of closing or deposit assumption	First payment to depositors or disbursement by FDIC	FDIC disbursement[2]	Receiver or liquidating agent or assuming bank
Deposit payoff							
300	Delta Security Bank and Trust Company Ferriday, Louisiana	NM	2,758	January 19, 1973	January 25, 1973	$4,273,485	Federal Deposit Insurance Corporation
302	Elm Creek State Bank Elm Creek, Nebraska	NM	1,279	May 7, 1973	May 19, 1973	2,566,778	Federal Deposit Insurance Corporation
303	The First State Bank Vernon, Texas	NM	4,120	July 16, 1973	July 21, 1973	9,940,496	Federal Deposit Insurance Corporation
Deposit assumption							
203	Skyline National Bank Denver, Colorado	N	1,752	March 26, 1973		2,814,152	United Bank of Skyline, National Association Denver, Colorado
204	First National Bank of Eldora Eldora, Iowa	N	4,565	October 5, 1973		4,733,802	Second National Bank Eldora, Iowa
205	United States National Bank San Diego, California	N	335,000	October 18, 1973		160,200,000	Crocker National Bank San Francisco, California

Case number	Assets[1]							Total	Liabilities and capital accounts[1]			
	Cash and due from banks	U.S. Government obligations	Other securities	Loans, discounts, and overdrafts	Banking house, furniture & fixtures	Other real estate	Other assets		Deposits	Other liabilities	Capital stock	Other capital accounts
Deposit payoff												
300	1,534,934	24,726	433,421	6,906,511	130,001	–	750,367	9,779,958	8,079,169	874,257	250,000	576,532
302	71,033	575,189	338,385	2,151,595	40,624	–	9,249	3,186,075	2,914,863	–	150,000	121,212
303	2,808,609	1,784,185	1,138,632	6,179,927	267,085	86,006	3,977,595	16,242,039	14,797,185	250,000	400,000	794,854
Deposit assumption												
203	262,592	2,535,634	139,325	3,442,277	59,070	–	88,226	6,527,124	6,005,967	206,284	280,000	34,874
204	664,378	1,269,035	1,042,540	4,286,574	111,488	–	697,947	8,071,962	7,540,272	102,180	150,000	279,509
205	113,686,704	87,726,760	264,397,882	596,806,197	39,631,528	2,499,307	161,119,721	1,265,868,099[3]	931,954,458	299,478,738	20,500,000	13,934,903

[1] Figures as determined by FDIC agents after adjustment of books of the bank immediately following its closing.
[2] Includes disbursements made to December 31, 1973, plus additional disbursements estimated to be required in these cases.
[3] Subject to adjustment in accordance with terms of Purchase and Assumption Agreement with Crocker National Bank.

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1973

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

Classification	Number of banks			Number of depositors[1]			Deposits[1] (in thousands of dollars)			Disbursements by FDIC[1] (in thousands of dollars)				
										Principal disbursements			Advances and expenses[2]	
	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases[3]	Assumption cases[4]	Payoff cases[5]	Assumption cases[6]
All banks	**502**	**297**	**205**	**2,152,106**	**595,380**	**1,556,726**	**2,055,141**	**406,867**	**1,648,274**	**827,538**	**284,904**	**542,634**	**5,734**	**61,691**
Class of banks														
National	94	34	60	699,639	98,517	601,122	1,170,183	103,530	1,066,653	283,753	57,831	225,922	1,887	8,798
State member F.R.S.	27	10	17	276,257	88,892	287,365	197,674	34,388	163,286	108,187	26,506	81,681	299	19,523
Nonmember F.R.S.	381	253	128	1,076,210	407,971	668,239	687,284	268,949	418,335	435,598	200,567	235,031	3,548	33,370
Year														
1934	9	9	....	15,767	15,767	....	1,968	1,968	....	941	941	....	43	......
1935	25	24	1	44,655	32,331	12,324	13,319	9,091	4,229	8,891	6,026	2,865	108	272
1936	69	42	27	89,018	43,225	45,793	27,508	11,241	16,267	14,781	8,056	6,725	67	934
1937	75	50	25	130,387	74,148	56,239	33,349	14,960	18,389	19,161	12,045	7,116	103	905
1938	74	50	24	203,961	44,288	159,673	59,684	10,296	49,388	30,479	9,092	21,387	93	4,902
1939	60	32	28	392,718	90,169	302,549	157,772	32,738	125,034	67,770	26,196	41,574	162	17,603
1940	43	19	24	756,361	20,667	235,694	142,429	5,657	136,773	74,134	4,895	69,239	89	17,237
1941	15	8	7	73,005	38,594	34,411	29,718	14,730	14,987	23,880	12,278	11,602	50	1,479
1942	20	6	14	60,688	5,717	54,971	19,186	1,816	17,369	10,825	1,612	9,213	38	1,076
1943	5	4	1	27,371	16,917	10,454	12,525	6,637	5,888	7,172	5,500	1,672	53	72
1944	2	1	1	5,487	899	4,588	1,915	456	1,459	1,503	404	1,099	9	37
1945	1	....	1	12,483	....	12,483	5,695	....	5,695	1,768	....	1,768	.....	96
1946	1	....	1	1,383	....	1,383	347	....	347	265	....	265	.....	11
1947	5	....	5	10,637	....	10,637	7,040	....	7,040	1,724	....	1,724	.....	380
1948	3	....	3	18,540	....	18,540	10,674	....	10,674	2,990	....	2,990	.....	200
1949	4	....	4	5,671	....	5,671	5,475	....	5,475	2,552	....	2,552	.....	166
1950	4	....	4	6,366	....	6,366	5,513	....	5,513	3,986	....	3,986	.....	524
1951	2	....	2	5,276	....	5,276	3,408	....	3,408	1,885	....	1,885	.....	127
1952	3	....	3	6,752	....	6,752	3,170	....	3,170	1,369	....	1,369	.....	195
1953	2	....	2	24,469	....	24,469	18,262	....	18,262	5,017	....	5,017	.....	428
1954	2	....	2	1,811	....	1,811	998	....	998	913	....	913	.....	145
1955	5	4	1	17,790	8,080	9,710	11,953	6,503	5,450	6,784	4,438	2,346	106	665
1956	2	1	1	15,197	5,465	9,732	11,330	4,702	6,628	3,458	2,795	663	87	51
1957	1	1	....	2,338	2,338	....	1,163	1,163	....	1,031	1,031	....	20	......
1958	4	3	1	9,587	4,380	5,207	8,240	4,156	4,084	3,026	2,796	230	38	31
1959	3	3	....	3,073	3,073	....	2,593	2,593	....	1,835	1,835	....	51	......
1960	1	1	....	11,171	11,171	....	6,930	6,930	....	4,765	4,765	....	82	......

1961	5	5	....	8,301	8,301	....	8,936	8,936	....	6,200	6,200	....	154	......
1963	2	2	....	36,430	36,430	....	23,444	23,444	....	19,230	19,230	....	341	......
1964	7	7	....	19,394	19,934	....	23,438	23,438	....	13,746	13,746	....	591	......
1965	5	3	2	15,817	14,363	1,454	43,861	42,889	972	11,431	10,958	473	628	123
1966	7	1	6	95,424	1,012	94,412	103,523	774	102,749	15,075	735	14,340	25	1,254
1967	4	4	....	4,729	4,729	....	10,878	10,878	....	8,135	8,135	....	239	......
1968	3	....	3	12,850	....	12,850	22,524	....	22,524	5,560	....	5,560	.....	1,050
1969	9	4	5	27,372	6,542	20,830	40,133	9,011	31,122	37,211	7,628	29,583	283	4,157
1970	7	4	3	31,135	20,105	11,030	52,403	31,081	21,332	46,484	26,718	19,766	631	1,215
1971	6	5	1	71,945	31,845	40,100	132,032	74,485	57,547	160,888	53,796	107,092	688	6,102
1972	1	1	....	23,655	23,655	....	20,482	20,482	....	16,275	16,275	....	357	......
1973	6	3	3	352,552	11,235	341,317	971,312	25,811	945,501	184,400	16,780	167,620	598	252
Banks with deposits of														
Less than $100,000	107	83	24	38,347	29,695	8,652	6,418	4,947	1,471	5,000	4,309	691	88	154
$100,000 to $250,000	109	86	23	83,370	65,512	17,858	17,759	13,920	3,839	12,906	11,554	1,352	209	173
$250,000 to $500,000	62	37	25	92,179	57,287	34,892	22,315	12,921	9,394	15,615	10,549	5,066	164	611
$500,000 to $1,000,000	71	35	36	160,000	73,908	86,092	53,869	26,265	27,604	35,521	20,426	15,095	408	2,338
$1,000,000 to $2,000,000	57	21	36	209,811	70,327	139,484	76,342	27,768	48,574	44,234	22,035	22,199	677	3,706
$2,000,000 to $5,000,000	49	21	28	281,638	88,219	193,419	159,638	67,600	92,038	92,944	49,651	43,293	1,016	6,769
$5,000,000 to $10,000,000	27	6	21	266,021	43,662	222,359	182,925	45,749	137,176	92,177	30,391	61,786	717	8,617
$10,000,000 to $25,000,000	11	6	5	250,384	126,886	123,498	186,916	100,619	86,297	109,600	79,235	30,365	1,169	6,836
$25,000,000 to $50,000,000	5	1	4	284,809	12,481	272,328	199,594	40,176	159,418	95,193	9,700	85,493	559	26,045
$50,000,000 to $100,000,000	3	1	2	150,547	27,403	123,144	217,409	66,902	150,507	164,144	47,052	117,092	439	6,440
$500,000,000 to $1,000,000,000	1	....	1	335,000	....	335,000	931,955	....	931,955	160,200	....	160,200	286	......
State														
Alabama	4	2	2	9,170	2,059	7,111	6,170	3,985	2,185	3,567	2,572	995	94	91
Arkansas	7	6	1	5,446	4,541	905	2,538	1,942	596	1,720	1,576	144	43	48
California	5	3	2	356,059	17,890	338,169	979,253	46,220	933,033	185,847	12,946	172,901	940	1,460
Colorado	6	3	3	11,487	2,307	9,180	18,473	3,677	14,796	8,383	2,156	6,227	179	1,409
Connecticut	2	2	....	5,379	5,379	....	1,526	1,526	....	1,242	1,242	....	8	......
Florida	5	2	3	14,082	1,725	12,357	17,665	2,668	14,997	6,159	2,139	4,020	65	691
Georgia	10	8	2	9,410	8,797	613	1,959	1,870	89	1,620	1,551	69	33	......
Idaho	2	2	....	2,451	2,451	....	1,894	1,894	....	1,493	1,493	....	29	......
Illinois	22	10	12	82,295	44,376	37,919	54,656	28,972	25,684	31,906	23,924	7,982	488	791
Indiana	20	15	5	30,006	12,549	17,457	13,595	3,933	9,662	6,197	3,096	3,101	39	384
Iowa	9	5	4	22,290	5,736	16,554	20,916	8,358	12,558	12,233	6,445	5,788	139	174
Kansas	10	6	4	6,715	3,824	2,891	5,052	4,358	694	4,013	3,601	492	57	72
Kentucky	25	19	6	39,925	18,964	20,961	15,522	5,213	10,309	11,943	4,505	7,438	116	487
Louisiana	4	4	....	8,995	8,995	....	9,746	9,746	....	4,941	4,941	....	125	......
Maine	1	....	1	9,710	....	9,710	5,450	....	5,450	2,346	....	2,346	.....	665
Maryland	5	2	3	22,567	6,643	15,924	4,566	828	3,738	3,109	735	2,374	9	371
Massachusetts	3	1	2	32,701	23,655	9,046	23,501	20,482	3,019	17,839	16,275	1,564	357	1,030
Michigan	13	5	8	165,811	10,173	155,638	177,380	11,334	166,046	134,285	9,633	124,652	196	7,451
Minnesota	5	5	....	2,650	2,650	....	818	818	....	640	640	....	17	......
Mississippi	3	3	....	1,651	1,651	....	334	334	....	257	257	....	5	......

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1973–CONTINUED

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

Classification	Number of banks			Number of depositors[1]			Deposits[1] (in thousands of dollars)			Disbursements by FDIC[1] (in thousands of dollars)				
										Principal disbursements			Advances and expenses[2]	
	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases[3]	Assumption cases[4]	Payoff cases[5]	Assumption cases[6]
Missouri	51	37	14	49,057	31,480	17,577	21,716	10,731	10,985	16,336	9,070	7,266	140	902
Montana	5	3	2	1,500	849	651	1,095	215	880	639	186	453	6	21
Nebraska	8	8	....	10,639	10,639	....	11,644	11,644	....	8,116	8,116	....	128	......
New Hampshire	1	....	1	1,780	....	1,780	296	....	296	117	....	117	.....	8
New Jersey	40	13	27	532,435	113,669	418,766	210,536	49,034	161,502	95,706	40,049	55,657	474	20,154
New York	26	3	23	269,621	28,440	241,181	145,439	13,286	132,153	67,997	10,836	57,161	32	10,847
North Carolina	7	2	5	10,408	3,677	6,731	3,266	1,421	1,845	2,387	1,156	1,231	23	179
North Dakota	29	18	11	14,103	6,760	7,343	3,830	1,552	2,278	2,656	1,397	1,259	24	203
Ohio	4	2	2	13,751	7,585	6,166	7,222	2,345	4,877	2,098	1,610	488	7	44
Oklahoma	12	8	4	27,650	20,149	7,501	18,920	11,053	7,867	10,284	7,936	2,348	178	509
Oregon	2	1	1	3,439	1,230	2,209	2,670	1,368	1,302	1,948	986	962	11	81
Pennsylvania	30	8	22	168,834	43,828	125,006	84,595	14,340	70,255	60,149	10,133	50,016	75	9,906
South Carolina	2	1	1	1,848	403	1,445	850	136	714	274	136	138	.....	10
South Dakota	23	22	1	12,515	11,412	1,103	2,988	2,862	126	2,411	23	23	26	9
Tennessee	12	8	4	12,358	9,993	2,365	1,942	1,620	322	1,278	1,164	114	28	25
Texas	40	31	9	90,707	72,491	18,216	134,534	108,102	26,432	90,509	76,336	14,173	1,255	1,870
Utah	1	....	1	3,254	....	3,254	5,992	....	5,992	3,322	....	3,322	.....	269
Vermont	3	2	1	11,057	8,687	2,370	3,725	3,375	350	3,445	3,259	186	21	22
Virginia	9	4	5	35,715	12,638	23,077	17,779	7,652	10,127	8,263	3,867	4,396	300	505
Washington	1	....	1	4,179	....	4,179	1,538	....	1,538	935	....	935	.....	512
West Virginia	3	3	....	8,346	8,346	....	2,006	2,006	....	1,458	1,458	....	11	......
Wisconsin	31	20	11	26,898	18,739	8,159	9,511	5,966	3,545	7,188	5,096	2,092	54	438
Wyoming	1	....	1	3,212	....	3,212	2,033	....	2,033	202	....	202	.....	19

[1] Adjusted to December 31, 1973. In assumption cases, number of depositors refers to number of deposit accounts.
[2] Excludes $571 thousand of nonrecoverable insurance expenses in cases that were resolved without payment of claims or a disbursement to facilitate assumption of deposits by another insured bank and other expenses of field liquidation employees not chargeable to liquidation activities.
[3] Includes estimated additional disbursements in active cases.
[4] Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
[5] These disbursements are not recoverable by the Corporation; they consist almost wholly of field payoff expenses.
[6] Includes advances to protect assets and liquidation expenses of $59,518 thousand, all of which have been fully recovered by the Corporation, and $2,172 thousand of nonrecoverable expenses.
[7] No case in 1962 required disbursements. Disbursements totals for each year relate to cases occurring during that year, including disbursements made in subsequent years.
NOTE: Due to rounding differences, components may not add to totals.

Table 124. RECOVERIES AND LOSSES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON PRINCIPAL DISBURSEMENTS FOR PROTECTION OF DEPOSITORS, 1934–1973

(Amounts in thousands of dollars)

Liquidation status and year of deposit payoff or deposit assumption	All cases					Deposit payoff cases					Deposit assumption cases				
	Number of banks	Principal disburse-ments	Recoveries to Dec. 31, 1973	Estimated additional recoveries	Losses[1]	Number of banks	Principal disburse-ments[2]	Recoveries to Dec. 31, 1973	Estimated additional recoveries	Losses[1]	Number of banks	Principal disburse-ments[3]	Recoveries to Dec. 31, 1973	Estimated additional recoveries	Losses[1]
Total	**502**	**827,538**	**536,233**	**179,184**	**112,119**	**297**	**284,904**	**191,018**	**45,708**	**48,177**	**205**	**542,634**	**345,215**	**133,476**	**63,942**
Status															
Active	54	533,768	270,906	179,184	83,678	29	169,399	92,146	45,708	31,545	25	364,369	178,760	133,476	52,133
Terminated	448	293,768	265,327	......	28,441	268	115,504	98,872	......	16,632	180	178,264	166,455	......	11,809
Year[4]															
1934	9	941	734	......	207	9	941	734	......	207	....	......	......	......	......
1935	25	8,891	6,206	3	2,681	24	6,026	4,274	......	1,751	1	2,865	1,932	3	930
1936	69	14,781	12,325	......	2,455	42	8,056	6,595	......	1,460	27	6,725	5,730	......	995
1937	75	19,161	15,610	......	3,549	50	12,045	9,520	......	2,524	25	7,116	6,090	......	1,025
1938	74	30,479	28,055	......	2,425	50	9,092	7,908	......	1,184	24	21,387	20,147	......	1,241
1939	60	67,770	60,618	......	7,153	32	26,196	20,399	......	5,798	28	41,574	40,219	......	1,355
1940	43	74,134	70,338	......	3,796	19	4,895	4,313	......	582	24	69,239	66,025	......	3,214
1941	15	23,880	23,290	......	591	8	12,278	12,065	......	213	7	11,602	11,225	......	378
1942	20	10,825	10,136	......	688	6	1,612	1,320	......	292	14	9,213	8,816	......	396
1943	5	7,172	7,048	......	123	4	5,500	5,376	......	123	1	1,672	1,672	......	......
1944	2	1,503	1,462	......	40	1	404	363	......	40	1	1,099	1,099	......	......
1945	1	1,768	1,768	......	......	....	......	......	......	......	1	1,768	1,768	......	......
1946	1	265	265	......	......	....	......	......	......	......	1	265	265	......	......
1947	5	1,724	1,657	9	59	....	......	......	......	......	5	1,724	1,657	9	59
1948	3	2,990	2,349	......	641	....	......	......	......	......	3	2,990	2,349	......	641
1949	4	2,552	2,183	......	369	....	......	......	......	......	4	2,552	2,183	......	369
1950	4	3,986	2,601	......	1,385	....	......	......	......	......	4	3,986	2,601	......	1,385
1951	2	1,885	1,885	......	......	....	......	......	......	......	2	1,885	1,885	......	......
1952	3	1,369	577	......	792	....	......	......	......	......	3	1,369	577	......	792
1953	2	5,017	5,017	......	......	....	......	......	......	......	2	5,017	5,017	......	......
1954	2	913	654	......	258	....	......	......	......	......	2	913	654	......	258
1955	5	6,784	6,554	......	230	4	4,438	4,208	......	230	1	2,346	2,346	......	......
1956	2	3,458	3,244	......	214	1	2,795	2,581	......	214	1	663	663	......	......
1957	1	1,031	1,031	......	......	1	1,031	1,031	......	......	....	......	......	......	......
1958	4	3,026	2,998	......	28	3	2,796	2,768	......	28	1	230	230	......	......
1959	3	1,835	1,738	......	97	3	1,835	1,738	......	97	....	......	......	......	......
1960	1	4,765	4,765	......	......	1	4,765	4,765	......	......	....	......	......	......	......
1961	5	6,200	4,698	1	1,501	5	6,200	4,698	1	1,501	....	......	......	......	......
1963	2	19,230	18,246	634	350	2	19,230	18,246	634	350	....	......	......	......	......
1964	7	13,743	11,786	323	1,636	7	13,743	11,786	323	1,636	....	......	......	......	......
1965	5	11,432	6,121	107	5,205	3	10,959	5,795	106	5,060	2	473	326	1	145
1966	7	15,075	13,905	182	989	1	735	611	104	20	6	14,340	13,294	78	969
1967	4	8,135	6,627	232	1,277	4	8,135	6,627	232	1,277	....	......	......	......	......
1968	3	5,560	5,506	15	40	....	......	......	......	......	3	5,560	5,506	15	40
1969	9	37,211	36,085	862	265	4	7,628	6,930	433	265	5	29,583	29,155	429	......
1970	7	46,486	35,516	7,893	3,075	4	26,720	17,170	7,125	2,425	3	19,766	18,346	768	650
1971	6	160,887	108,988	39,396	12,500	5	53,795	21,041	20,252	12,500	1	107,092	87,947	19,144	......
1972	1	16,274	5,073	6,201	5,000	1	16,274	5,073	6,201	5,000	....	......	......	......	......
1973	6	184,400	8,574	123,326	52,500	3	16,780	3,083	10,297	3,400	3	167,620	5,491	13,029	49,100

[1]Includes estimated losses in active cases. Not adjusted for interest or allowable return, which was collected in some cases in which the disbursement was fully recovered.
[2]Includes estimated additional disbursements in active cases.
[3]Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
[4]No case in 1962 required disbursements.

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

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