ANNUAL REPORT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION 1975

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C., March 15, 1976

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 1975.

Very truly yours,

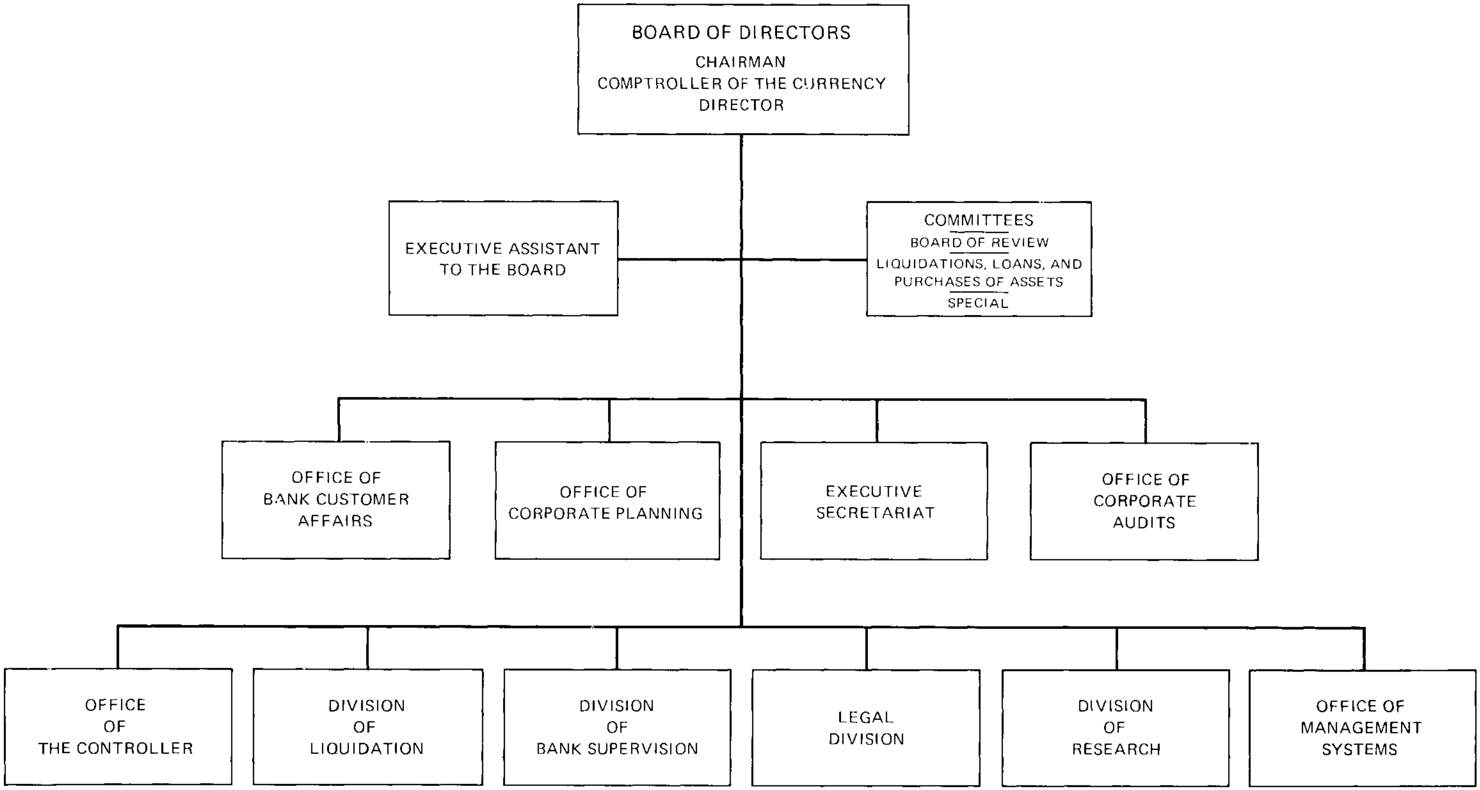
Frank Wille

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 . . . . Joseph M. Ream
(Comptroller of the Currency)

Executive Secretary . . . . Alan R. Miller

Director, Division of Bank Supervision . . . . John J. Early

General Counsel (Acting) . . . . Reford J. Wedel

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

Chief, Division of Liquidation . . . . George W. Hill

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

Director, Office of Management Systems . . . . Robert P. Rogers

Director, Office of Corporate Planning . . . . . . Stanley C. Silverberg

Director, Office of Corporate Audits . . . . Robert D. Hoffman

Special Assistant to the Chairman and Director (Acting)
Office of Bank Customer Affairs . . . . Stephen C. Hansen

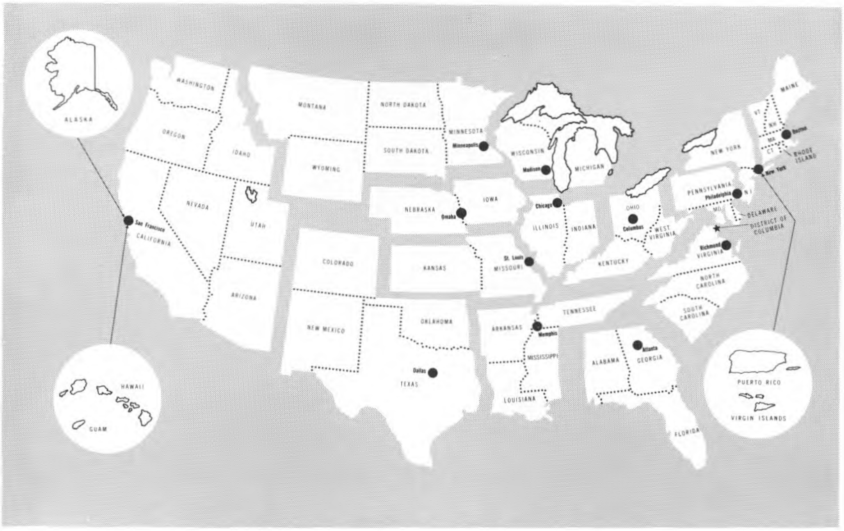
Special Assistant to the Chairman . . . . Robert F. Miailovich

Special Assistant to the Director . . . . C.F. Muckenfuss, III

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

December 31, 1975

FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS



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December 31, 1975

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

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BANKING OFFICES—BANK PERFORMANCE—1975

In 1975, for the sixth consecutive year, there was an increase in the number of commercial banks operating in the United States, but the increment was less than in 1974. The number of banks increased by 173, reaching a total of 14,654 at year-end 1975. New commercial banks beginning operations during the year totaled 264, while 94 banks were eliminated by mergers. Other factors resulted in a net addition of three banks to the total (table 101).

Texas, Florida, and Illinois each reported 30 or more new banks. These three unit-banking States accounted for over one-third of all newly organized banks, while California and Colorado, the latter also a unit-banking State, reported 21 and 17 respectively (table 102). The number of banks declined in 14 States. The largest such decline was 9 institutions in New Jersey, where mergers eliminated 12 banks. In Pennsylvania, where the number of banks has declined by 30 percent in the last 10 years, a net decrease of eight banks occurred in 1975.

The number of mutual savings banks declined by four during 1975, as a result of five absorptions and one bank beginning operations. At year-end, these banks were operating in 17 States and Puerto Rico; 11 of these were Northeastern States.

Insured commercial banks at the end of 1975 totaled 14,385, an increase of 155 from 1974. Of this net increase, insured State banks not members of the Federal Reserve System gained 147, national banks gained 34, and State member banks lost 26. The margin of new banks above banks lost by mergers was 115 for insured nonmember banks, 37 for national banks, and 1 for State member banks. At the same time, the insured nonmember group gained 30 banks from national and State member banks changing their supervisory class; national banks decreased by 2, and State member banks decreased by 28 as the result of these changes.

Of the 269 noninsured commercial banks at year-end 1975, 192 were banks of deposit and 77 were nondeposit trust companies. Net additions of 5 noninsured trust companies and 13 other noninsured banks were recorded in 1975. Continuing a trend of recent years, branches of foreign banks accounted for the major share of institutions entering the banking system with noninsured status. Of the 12 noninsured banks of deposit beginning operations, 8 were branches of foreign banks; 6 foreign branches were located in Chicago, 1 in New York City, and 1 in Puerto Rico. During the year, five noninsured banks converted to insured status, with four becoming insured nonmember banks and one becoming a State member bank.

Branches of commercial banks increased by 1,557 during 1975; at year-end the number in operation was 30,262. Over one-half of commercial bank branches are located in seven States, but these

States accounted for only slightly more than one-third of the growth in number of branches during 1975. The total increase in branches, though well above the average increase for the previous decade, was 430 less than in the peak year 1974, and 289 less than in 1973. Compared to 1974, declines in new branching were widespread. Only about eight States reported substantially more new branches or facilities than during 1974, and most of these States were relatively less populous States, or States where full service branching is closely restricted under State law or regulations.

During 1975, the economy passed the most severe economic recession since the 1930s, the inflation rate decreased, and money market rates declined sharply from 1974 levels as demand for funds waned. Total assets of insured commercial banks increased by only 4.4 percent during 1975. Most of the additional funds available to banks during the year were invested in U.S. Treasury securities, this reflecting weak loan demand, bank policies of rebuilding liquidity, and the availability of larger amounts of these securities with the rising Federal deficit. Investment in tax-exempt securities rose by slightly more than 5 percent, this moderate growth probably reflecting the somewhat lower level of taxable operating earnings of insured commercial banks compared to 1974, as well as the uncertainties which pervaded the municipal market especially in 1975. Total loans declined slightly from year-end 1974 to year-end 1975; real estate and total consumer lending each rose by about 3 percent, but commercial and industrial loans declined by more than 4 percent. As a result of these changes, there was some increase in the ratio of U.S. Treasury securities to total assets, while the ratio of loans to total assets declined.

Total deposits of commercial banks rose about 4.6 percent, with demand deposits growth only about one-third of the 6.3 percent rise in time and savings deposits. Banks reduced their use of large CDs during the year, and apparently also lengthened somewhat the maturities of these deposits.

Insured commercial banks added to their capital accounts at an 8.6 percent rate during 1975, and there was some improvement in the ratio of capital to assets of banks generally. Capital notes and debentures contributed less than $150 million to capital accounts, about the same amount as in 1974. The percentage of equity capital to total capital accounts at year-end 1975 was virtually unchanged from a year earlier.

Insured commercial banks reported only a small increase in net income in 1975—about 2.3 percent. Net operating income declined 2.4 percent because of lower rates charged on loans and the slackening in loan demand, and the drop in operating income was not entirely offset by a decline in operating expenses. The major offsetting item was interest and dividends paid on deposits which declined almost 6 percent during the year. Interest paid on large CDs declined substantially, reflecting the softer demand for these volatile funds, and also increases in other deposits, especially savings. As a corollary to these developments, the interest spread between what banks paid for deposits and what they earned on assets increased. The average spread in 1975 was about 1.28 percent, up about 39 basis points from the year before.

Charge-offs of bad loans were much higher in 1975, in part because of recession-associated business failures. Although these included some failures of real estate investment trusts, in most cases of troubled REITs, the institutions remained in operation by virtue of renegotiated terms of loans including reduced or suspended loan interest. Net loan charge-offs by insured commercial banks in 1975 were $3.2 billion, compared to $2.0 billion in 1974, however, the amount charged to operating expenses exceeded loan charge-offs by $400 million. As a result of this and a decline in total loan volume, loan loss reserves as a percent of total loans rose 7 basis points to 1.72 percent at the year-end.

Mutual savings banks benefitted as inflation moderated in 1975, and as short-term interest rates declined sharply from their 1974 highs. Competing money market rates at times even fell below the rates paid by mutual savings banks—bringing significant inflows of deposits into these banks. Deposits rose 11.3 percent in 1975, with almost two-thirds of that increase occurring in the first half of the year. Mutual savings banks used these new funds, for the most part, to purchase government and corporate securities. U.S. Treasury and Federal agency securities increased 57.8 percent during the year. Mutual savings banks increased their total loans by 3.4 percent, or $2.6 billion, during 1975, compared to a 2.5 percent increase during 1974. However, loan activity declined in 1- to 4-family FHA-insured and VA-guaranteed mortgages and in construction loans.

Earnings from loans and investments of mutual savings banks continued to rise except for "other loans." Earnings on "other loans," which are mostly Federal funds sold and short-term passbook loans, were affected by lower short-term rates. On the average, insured mutual savings banks' return on real estate loans was up 26 basis points to 7.22 percent, but at the same time, average interest and dividend payments on deposits increased 20 basis points to 5.98 percent. Net operating income increased almost 10 percent in 1975, but because interest paid on deposits was up nearly 12 percent, net operating income after interest and dividends dropped 4.5 percent, or $28 million. However, because of an $86 million reduction in losses from securities sold, savings banks showed a 15.1 percent increase in after-tax net income from 1974 to 1975. Large savings banks, those with over $500 million of deposits, had somewhat lower earnings on total assets compared to the smaller banks, reflecting lower rates of return on loans and larger losses on securities.

DEPOSIT INSURANCE PARTICIPATION AND COVERAGE

Federal deposit insurance is available to incorporated banks and trust companies that are engaged in the business of receiving deposits. Under section 4(b) of the Federal Deposit Insurance Act, Federal deposit insurance is mandatory for all national banks and for State banks that are members of the Federal Reserve System. Institutions participating in the Federal deposit insurance program on December 31, 1975, included more than 98 percent of all commercial banks in the United States, and nearly 70 percent of all mutual savings banks. There were 269 operating commercial banks (including nondeposit trust companies) and 147 mutual savings banks not insured by the FDIC. Of the noninsured commercial banks, one or more operated in each of 38 States and 20 or more operated in each of 3 States (Colorado, Illinois, and New York). At year-end 1975, all except one of the mutual savings banks not insured by the FDIC were located in Massachusetts and were covered under an insurance program of that State. During the year, 12 mutual savings banks in Massachusetts became insured by the FDIC.

Public Law 93-495, which was effective November 27, 1974, amended the Federal Deposit Insurance Act to double insurance coverage from $20,000 to $40,000, and for most public funds, including State and local government time and savings deposits (except deposits held in out-of-State banks) and Federal deposits, to increase coverage five-fold to $100,000. The Corporation's survey of accounts and deposits on June 30, 1975 showed that, in all insured banks, 276.5 million depositors or accounts held deposits of $844.9 billion. Of these accounts, about 99.4 percent had deposits not exceeding $40,000 in private accounts and $100,000 in government time and savings accounts (chart A).

For all insured banks on June 30, 1975, an estimated 64.3 percent of total deposits in those banks were insured; in commercial banks and mutual savings banks the estimated percentages were 60.1 percent and 98.0 percent respectively. Since June 30, 1972, when the previous complete survey of deposits was conducted, these various percentages increased from 3.4 to 3.8 percentage points. These increases were the result of the higher limits of insurance per depositor which became effective in November 1974, and also they reflected changes in the composition of deposits, particularly the relatively large growth in IPC time deposits, during that period.

Chart A

DEPOSIT AND DEPOSITOR INSURANCE

ALL INSURED BANKS, JUNE 30, 1975

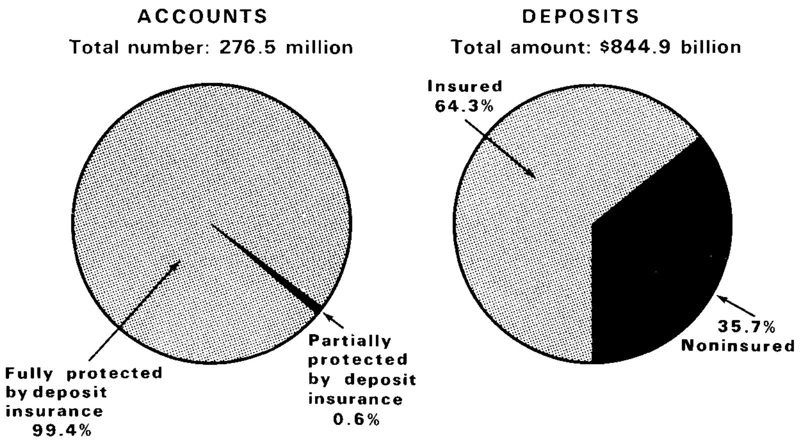
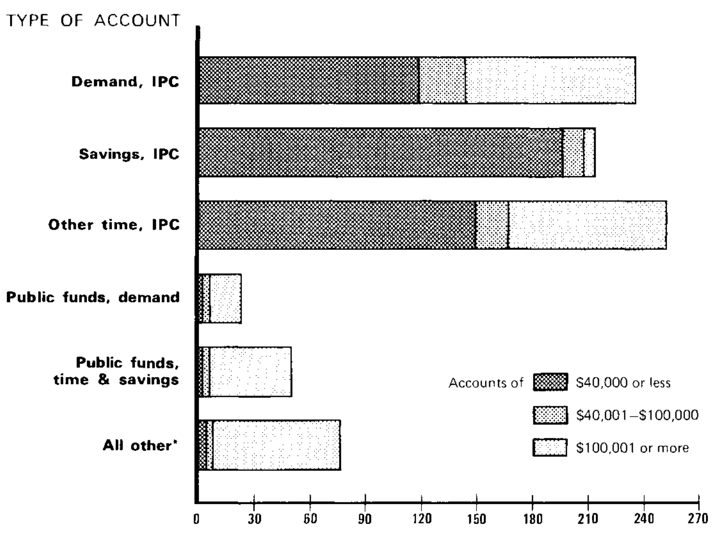


Chart B

DEPOSITS BY SIZE AND TYPE OF ACCOUNT

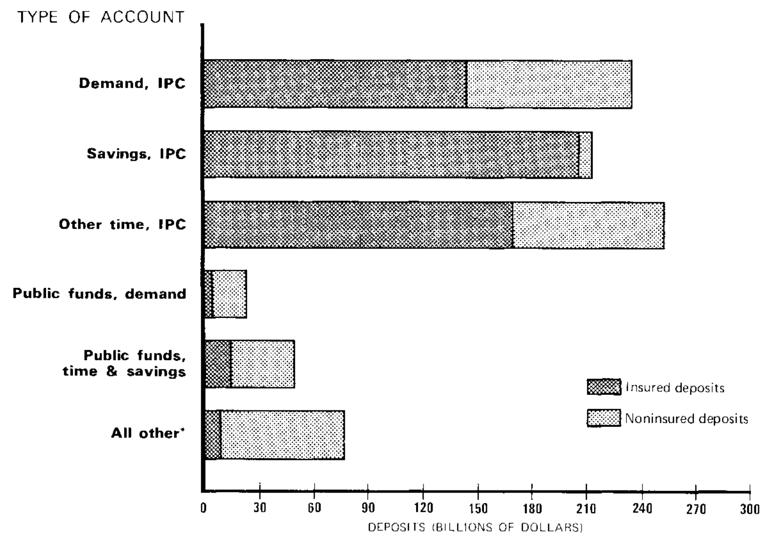
ALL INSURED BANKS, JUNE 30, 1975



IPC – Individuals, partnerships, and corporations
*Includes foreign, interbank, and certified check deposits

In all insured banks, while more than 92 percent of savings deposits of individuals, partnerships, and corporations were held in accounts of $40,000 or less in 1975, only 50 percent of IPC demand deposits were held in accounts of $40,000 or less (chart B). About 12 percent of public deposits were held in accounts of $100,000 or less. The largest proportion of deposits insured was an estimated 96.4 percent for IPC savings deposits (chart C). In contrast, only 25.4 percent of public deposits were insured; however, such deposits are frequently protected by the posting of collateral in addition to the coverage of deposit insurance.

Chart C
INSURANCE OF DEPOSITS BY TYPE OF ACCOUNT
ALL INSURED BANKS, JUNE 30, 1975



*Includes foreign, interbank, and certified check deposits

OPERATIONS OF THE CORPORATION
PART ONE

DEPOSIT INSURANCE DISBURSEMENTS

The Federal deposit insurance program began at a time of severe crisis in the financial system of the nation, just following a period of several years when the failure rate among commercial banks was a thousand or more each year. The deposit insurance program provided by the legislation was intended to serve several purposes, the most urgent being to restore confidence in the banking system, and eliminate "runs" on banks. The legislation also provided for ongoing supervisory activities by the Corporation for helping to strengthen the nation's operating banks. Of equal importance was the objective of protecting individual depositors within the limits of insurance, as well as protecting the nation's money supply from the eroding effects of bank failures.

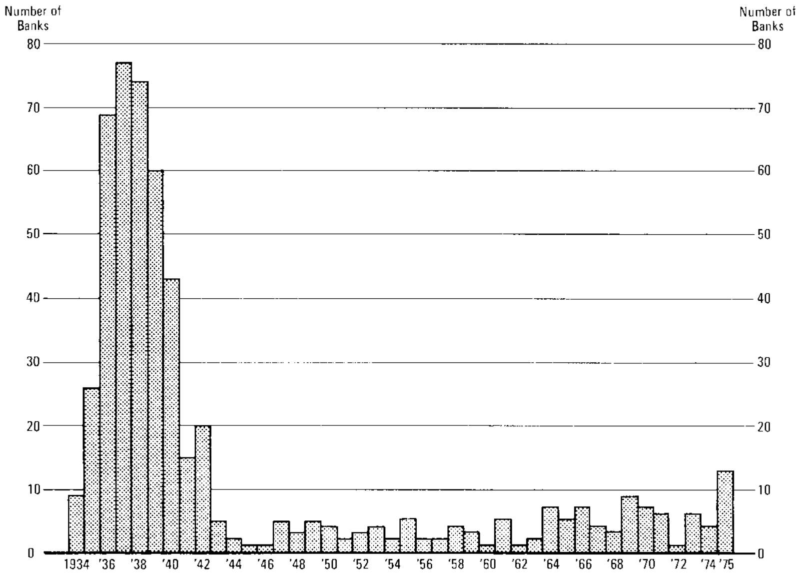
Protection of depositors, 1934-1975. Under the Banking Act of 1933, in the event of a closure of an insured bank, the Corporation could make payment to depositors directly or through another bank up to the limit of deposit insurance per depositor. In 1935 the Corporation was given a second method of protecting depositors of failed banks. In order to reduce its risk or expected losses, the Corporation was authorized to assist the absorption of a failing institution, or the assumption of its deposits by another insured bank. In assumption cases, all bona fide depositors in the failing institution are fully protected, regardless of the size of their accounts. The assumption method has been used in the majority of cases in recent years, and the average size of banks whose deposits were assumed has tended to be substantially larger than for insured banks closed with direct payments to depositors.

In 1950, when the Federal Deposit Insurance Act was reenacted, the FDIC was given authority under section 13(c) to assist, under certain circumstances, insured banks in danger of failing to remain in operation when the Board of Directors of the Corporation determines that the failing bank's services are essential to its community. This method of depositor protection has been used sparingly. The first use of assistance to operating banks under section 13(c) occurred in 1971, and it had been used in only three cases through the end of 1975.

Since 1934, a total of 519 failure cases involving insured banks have required the Corporation's disbursements, including 300 direct payoff cases and 219 deposit assumption cases. Although the number of failures of insured banks in the past few years has averaged only slightly above the average number each year since the early 1940s (chart D), these recent failures have included several quite large institutions, requiring substantial increases in the Corporation's disbursements in failure cases.

Chart D

INSURED BANK FAILURES, 1934–1975

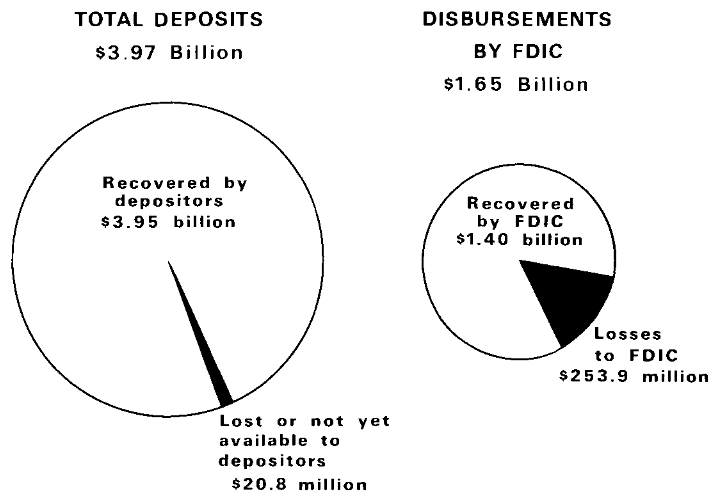


Due primarily to the financial assistance of the Corporation, depositors have recovered 99.5 percent of their total deposits in all failure cases, leaving just over one-half of 1 percent not paid (chart E). Total deposits recovered have amounted to more than $3.95 billion, of which $3.52 billion were held in banks whose deposits were assumed by other insured banks with the Corporation's assistance. Of the $428 million paid to nearly 610 thousand depositors in payoff cases, almost three-fourths of this amount was paid by the FDIC, with the remainder paid from deposit offsets, security or preference, and liquidation of assets (table 1). Including the amounts disbursed in failure cases and assistance to operating banks, and all losses and provision for losses on assets being liquidated, the Corporation's losses of $254 million have amounted to 15.4 percent of its disbursements in all insurance operations (table 2).

Liquidation activities. The Federal Deposit Insurance Act requires that the Corporation be appointed receiver of a closed national bank and that it accept appointment as receiver of an insured State bank if such appointment is tendered by the appropriate State authority and is either authorized or permitted by State law. In practice, the Corporation is appointed receiver of almost all closed insured State banks.

Chart E

DEPOSITS AND LOSSES
IN FAILED INSURED BANKS, 1934–1975



Under authority delegated by the Corporation's Board of Directors, the Division of Liquidation is responsible for the liquidation not only of the assets of closed banks but also of any assets acquired by the Corporation when Corporation funds are used to facilitate assumptions of deposits in failed banks. At year-end 1975, the Division was handling 68 open liquidation cases located in 28 States and the Virgin Islands.

In connection with the Franklin National Bank liquidation, the FDIC's largest, the Corporation had received for administration just over $2.15 billion of the bank's assets through December 31, 1975. In addition, the Corporation was administering approximately $86 million in loans charged off by Franklin National prior to its closing. By year-end 1975, the Corporation had succeeded in collecting almost $633 million on such assets, and had paid more than $598 million of this amount to the Federal Reserve Bank of New York, thereby reducing the principal amount due on the "window" loan extended to Franklin National at the time of closing to about $1.13 billion. Interest at the rate of 7.52 percent per annum on the note will not be due until the note matures on October 8, 1977. The principal book value of assets remaining to be liquidated as of December 31, 1975 was $1.61 billion compared with the principal and accrued interest on the FDIC's outstanding debt to the Federal

Table 1. PROTECTION OF DEPOSITORS OF FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1975

Item	All cases (519 banks)		Deposit payoff cases (300 banks)		Deposit assumption cases (219 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total[1]	**2,964,223**	**100.0**	**614,772**	**100.0**	**2,349,451**	**100.0**
Full recovery received or available	**2,959,012**	**99.8**	**609,561**	**99.2**	**2,349,451**	**100.0**
From FDIC[2]	2,912,030	98.2	562,579[3]	91.5	2,349,451	100.0
From offset[4]	40,926	1.4	40,926	6.7	....	.....
From security or preference[5]	3,149	0.1	3,149	0.5	....	.....
From asset liquidation[6]	2,907	0.1	2,907	0.5	....	.....
Full recovery not received as of December 31, 1975	**5,211**	**0.2**	**5,211**	**0.8**	....	.....
Terminated cases	3,443	0.1	3,443	0.5	....	.....
Active cases	1,768	0.1	1,768	0.3	....	.....
Amount of deposits (in thousands)—total	**3,973,114**	**100.0**	**449,336**	**100.0**	**3,523,776**	**100.0**
Paid or made available	**3,952,348**	**99.5**	**428,570**	**95.4**	**3,523,776**	**100.0**
By FDIC[2]	3,838,053	96.6	314,275[7]	70.0	3,523,776	100.0
By offset[8]	21,281	0.5	21,281	4.7	....	.....
By security or preference[9]	49,689	1.3	49,689	11.1	....	.....
By asset liquidation[10]	43,325	1.1	43,325	9.6	....	.....
Not paid as of December 31, 1975	**20,766**	**0.5**	**20,766**	**4.6**	....	.....
Terminated cases	2,682	0.1	2,682	0.6	....	.....
Active cases[11]	18,084	0.4	18,084	4.0	....	.....

[1]Number of depositors in deposit payoff cases; number of accounts in deposit assumption cases.
[2]Through direct payment to depositors in deposit payoff cases; through assumption of deposits by other insured banks, facilitated by FDIC disbursements of $1,198,176 thousand, in deposit assumption cases.
[3]Includes 60,033 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 $190 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 $7,862 thousand representing deposits available, expected through offset, or expected from proceeds of liquidations.

Reserve Bank of New York of $1.26 billion. Based on a number of assumptions about the duration of the receivership, the pace of collections, and the results of litigation, it appears unlikely that the Corporation will suffer any loss in this very large failure.

Banks failing in 1975. The Corporation's disbursements to protect depositors were required in 13 failures of insured banks during 1975 (table 3). Total deposits of these banks, the largest of which was the $98.3-million American City Bank & Trust Company, N.A., amounted to $339.6 million. Failures of these banks were attributable to a variety of causes, the most common being managerial weakness in loan portfolio and general asset management, followed by self-serving loans and loans to unworthy borrowers. Among the other causes cited were improper loans to officers or directors, misuse of brokered funds, and kiting operations.

Ten of the failure cases during 1975 were handled by the deposit assumption method, and three by deposit payoffs. In two of the

Table 2. ANALYSIS OF DISBURSEMENTS, RECOVERIES, AND LOSSES IN DEPOSIT INSURANCE TRANSACTIONS, JANUARY 1, 1934–DECEMBER 31, 1975
(In thousands)

Type of disbursement	Disbursements	Recoveries[1]	Losses
All disbursements–total[2]	**$1,650,589**	**$1,396,695**	**$253,894**
Principal disbursements in deposit assumption and payoff cases–total	**1,513,219**	**1,276,264**	**236,955**
Loans and assets purchased (219 deposit assumption cases):			
To December 31, 1975	1,035,176	488,051	199,770
Estimated additional	....	347,355	....
Notes purchased to facilitate deposit assumptions	163,000	163,000	–0–
Deposits paid (300 deposit payoff cases):			
To December 31, 1975	314,142	231,619	37,185
Estimated additional	901	46,239	–0–
Advances and expenses in deposit assumption and payoff cases–total	**$ 80,889**	**$ 69,073**	**$ 11,816**
Expenses in liquidating assets:			
Advances to protect assets	45,131	45,131	–0–
Liquidation expenses	23,942	23,942	–0–
Insurance expenses[3]	5,125	–0–	5,125
Field payoff and other insurance expenses in 300 deposit payoff cases[3]	6,691	–0–	6,691
Other disbursements–total	**$ 56,481**	**$ 51,358**	**$ 5,123**
Assets purchased to facilitate termination of liquidations:			
To December 31, 1975	9,758	4,870	4,400
Estimated additional	....	488	....
Unallocated insurance expenses[3]	723	–0–	723
Assistance to operating insured banks	46,000	46,000	–0–

[1]Excludes amounts returned to closed bank equity holders and $39.2 million of interest and allowable return received by FDIC.
[2]Includes estimated amounts for pending and unpaid claims in active cases.
[3]Not recoverable.

deposit payoffs, Swope Parkway National Bank and The Peoples Bank of the Virgin Islands, deposit insurance national banks were organized by the Corporation under section 11 of the Federal Deposit Insurance Act. In such cases, the Corporation immediately transfers to the new bank all insured deposits in the closed bank, and those funds are available to their owners as demand deposits in the absence of an agreement between the depositor and the transferee bank providing for a time or savings deposit. A deposit insurance national bank, which is managed by an executive officer appointed by the FDIC, has the purpose of providing essential interim banking services to a community deprived by these services because of a bank failure. By law, deposit insurance national banks can operate for a maximum of 2 years. In creating these banks in the two cases in 1975, the FDIC hoped to encourage both local communities to consider the establishment and capitalization of a new bank before there was a final disposition of the assets and deposits transferred from the insolvent bank.

In November 1975, the Corporation authorized a loan of up to $10 million to facilitate the merger of Palmer First National Bank and Trust Company of Sarasota, Florida, into a newly formed national bank subsidiary of Southeast Banking Corporation of Miami. This commitment was authorized by the Board of Directors under section 13(e) of the Federal Deposit Insurance Act only after written confirmations were received from the Comptroller of the

Currency and the Board of Governors of the Federal Reserve System that such assistance was essential to effect the proposed acquisition and to prevent the imminent failure of the Palmer Bank. In January 1976, a new bank subsidiary of Southeast Banking Corporation (Southeast First National Bank of Sarasota) assumed the deposit liabilities and purchased certain assets of Palmer First National Bank and Trust Company. The transaction was facilitated, in part, by a $5 million loan from the FDIC to Southeast Banking Corporation, the proceeds of which were used to help capitalize the new bank.

Table 3. INSURED BANKS CLOSED DURING 1975 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)	Date of first payment to depositors or disbursement by FDIC	Depositors receiving full recovery	Deposits paid (in thousands)[2]
Total	....	**110,377**	**$339,630**	....	**110,333**	**$338,249**
Deposit payoff						
Swope Parkway National Bank, Kansas City, Missouri	January 3, 1975	6,497	7,435	January 4, 1975	6,490	7,162
Franklin Bank, Houston, Texas	March 24, 1975	4,353	18,248	March 29, 1975	4,325	17,226
The Peoples Bank of the Virgin Islands, St. Thomas, Charlotte Amalie, Virgin Islands	October 24, 1975	11,085	14,275	October 25, 1975	11,076	14,189
Deposit assumption						
Northern Ohio Bank, Cleveland, Ohio	February 19, 1975	7,500	95,616	February 19, 1975	7,500	95,616
Chicopee Bank & Trust Company, Chicopee, Massachusetts	May 9, 1975	6,919	9,862	May 9, 1975	6,919	9,862
Algoma Bank, Algoma, Wisconsin	May 30, 1975	3,244	4,772	May 30, 1975	3,244	4,772
Bank of Picayune, Picayune, Mississippi	June 18, 1975	12,700	15,352	June 18, 1975	12,700	15,352
Bank of Chidester, Chidester, Arkansas	July 1, 1975	904	2,298	July 1, 1975	904	2,298
State Bank of Clearing, Chicago, Illinois	July 12, 1975	19,353	60,603	July 12, 1975	19,353	60,603
Astro Bank, Houston, Texas	October 16, 1975	1,675	5,168	October 16, 1975	1,675	5,168
American City Bank & Trust Company, N.A., Milwaukee, Wisconsin	October 21, 1975	32,105	98,344	October 21, 1975	32,105	98,344
The Peoples Bank, Willcox, Arizona	December 19, 1975	2,692	5,044	December 19, 1975	2,692	5,044
The First State Bank of Jennings, Jennings, Kansas	December 27, 1975	1,350	2,613	December 27, 1975	1,350	2,613

[1] Figures adjusted to and as of December 31, 1975.
[2] Includes $25,982 thousand paid by FDIC claim agents in deposit payoff cases. With FDIC assistance, all deposits were made available in full through assuming banks in deposit assumption cases.

SUPERVISORY ACTIVITIES

The FDIC has general supervisory responsibilities with respect to insured State banks that are not members of the Federal Reserve

System. All banks chartered by the States are also supervised by the State authorities. On December 31, 1975, there were 8,595 insured nonmember commercial banks, 4,744 national banks, and 1,046 State bank members of the Federal Reserve. Though constituting a majority of commercial banks in operation, banks supervised by the Corporation include a larger proportion of the smaller size institutions compared with national and State member banks. For example, on December 31, 1975, of those commercial banks having less than $100 million of deposits in domestic offices, insured nonmember banks represented about 61 percent in numbers, and 50 percent in deposits (chart F). In contrast, the percentages for banks having deposits more than $100 million were 25 percent and 11 percent, respectively. The number of large commercial banks in the insured nonmember category has, however, increased significantly in recent years. For example, during the 5-year period through 1975, the number of insured nonmember commercial banks having deposits of over $100 million rose from 87 to 231, and the number of these in the $500-million-plus category increased from 10 to 22.

Most of the larger mutual savings banks, in contrast to commercial banks, are supervised by the FDIC. At the end of 1975, the Corporation insured and supervised more than two-thirds of all mutual savings banks in the U.S., including 80 percent of the banks with more than $100 million of deposits, and all except one of the 59 banks with deposits of more than $500 million.

Examinations. The Corporation regularly conducts examinations of all insured nonmember banks, except those subject to the selective examination withdrawal experiment which will be discussed, to determine their current condition, evaluate bank management, and discover and obtain correction of unsafe and unsound practices or violations of laws or regulations. The Corporation has authority under the Federal Deposit Insurance Act to examine any insured bank for insurance purposes. However, the Corporation receives the reports of examination conducted by other Federal bank supervisory agencies and thus rarely makes its own examination of any national bank or State bank member of the Federal Reserve.

In addition to periodic examinations, other examining and investigating activities of the Corporation are conducted in connection with applications for deposit insurance, applications for the establishment of branches, proposed mergers, and other activities of insured nonmember banks for which the prior approval of the Corporation is required. During 1975, the Corporation conducted 7,354 regular examinations of main offices, only slightly more than in 1974 (table 4). Examinations of departments and branches were up about 17 percent while investigations in connection with applications for deposit insurance, branching, and merger activity were

Chart F SUPERVISION OF COMMERCIAL BANKS IN THE UNITED STATES, December 31, 1975

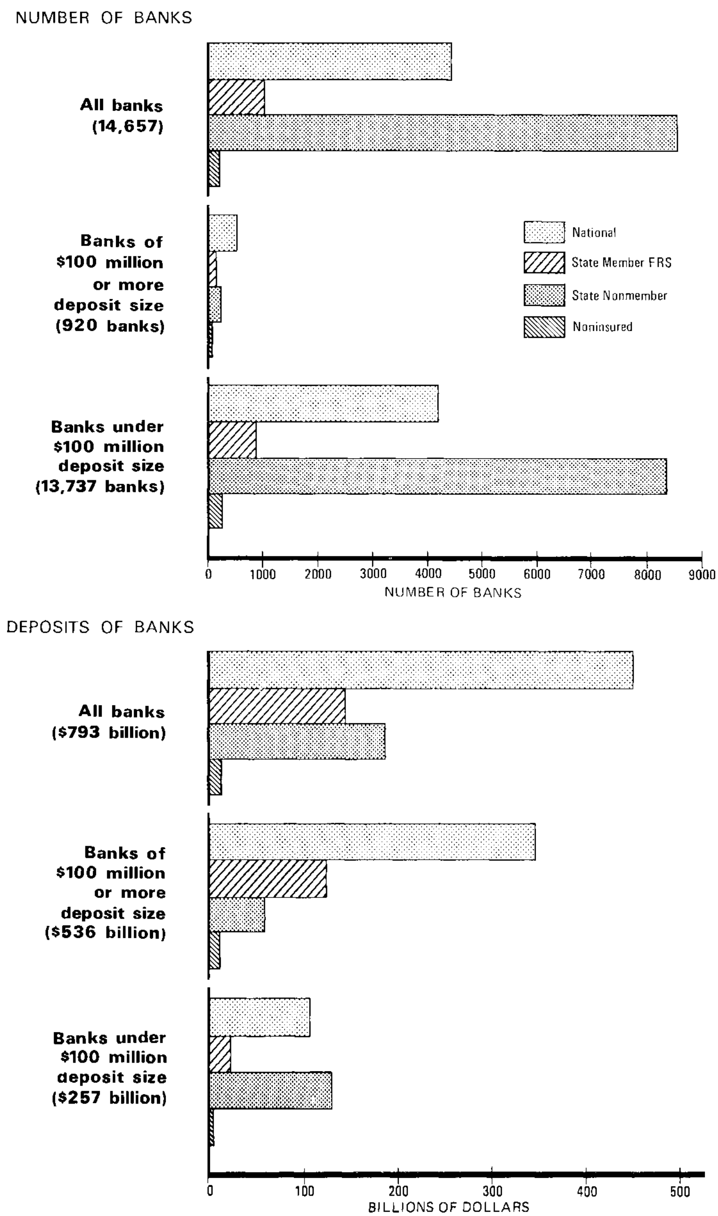


Table 4. BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1974 AND 1975

Activity	Number 1975	Number 1974
Field examinations and investigations—total	**28,254**	**22,699**
Examinations of main offices—total	**7,597**	**7,451**
Regular examinations of insured banks not members of Federal Reserve System	7,354	7,331
Reexaminations or other than regular examinations	207	98
Entrance examinations of operating noninsured banks	26	13
Special examinations	10	9
Examinations of departments and branches	**8,884**	**7,558**
Examinations of trust departments	1,469	1,296
Examinations of branches	7,415	6,262
Investigations	**3,998**	**4,515**
New bank investigations	176	304
State banks members of Federal Reserve System	10	6
Banks not members of Federal Reserve System	166	298
New branch investigations	709	1,013
Mergers and consolidations	124	212
Miscellaneous investigations	2,989	2,986
Compliance examinations	**7,775**[1]	**3,175**[1]

[1]For explanation of the data, see page 11.

down somewhat from the year before. It should be noted that the data in table 4 on compliance examinations—which are applicable to various consumer affairs matters, and certain other areas including external bank security—are not comparable between the 2 years shown. Compliance reports were initiated as separate reports for most banks beginning in September 1974 (formerly were included as a part of the regular examination reports); however, such separate reports were made for banks in five States (including three States in the Selective Withdrawal Program) for the full year 1974.

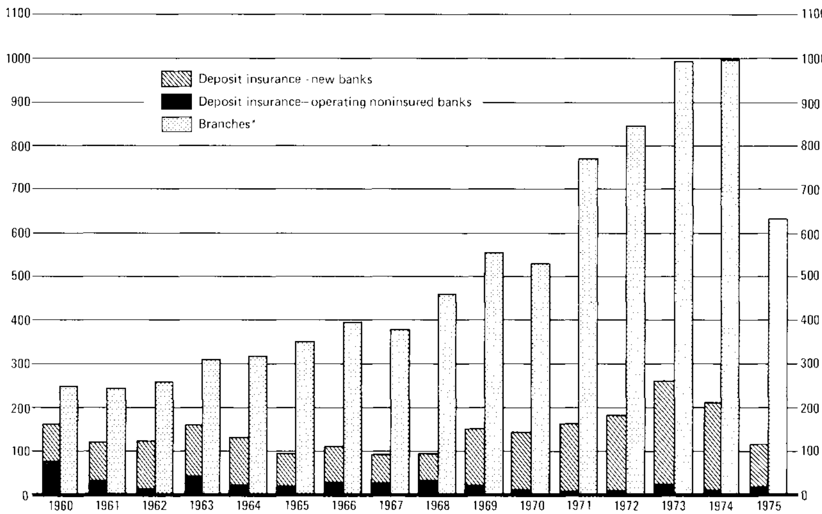
The selective examination withdrawal experiment in the three States of Georgia, Iowa, and Washington, initiated in 1974, was continued through 1975. Under this program, the Corporation withdrew from its usual examination of each insured State nonmember bank in these States and, for a specified number of such banks in each State, agreed to rely primarily upon examinations by the local State banking departments in determining their financial condition. At year-end 1975, about 525 banks were affected by the Selective Withdrawal Program. Banks not under the withdrawal program, however, continued to be examined by the Corporation in each of the three States. Furthermore, the FDIC reserved the right to examine any State nonmember bank in the three States whether or not it was scheduled for exclusive State examination, and reserved the right to terminate or modify the program at any time. Under the Selective Withdrawal Program, the Corporation retained its statutory responsibility to determine compliance with certain Federal laws (see, for example, the "Consumer Protection" section of this report). Each of the banks in the program was examined for such compliance utilizing a special Compliance Examination Report developed for that purpose. As an outgrowth of the Selective Withdrawal Program, the Corporation now utilizes these same reports in its overall examination program and 7,775 such reports were generated by the field force during 1975.

During 1976 the program will be continued on a modified basis. The Corporation will examine the 60 percent of insured nonmember banks in Georgia that it did not examine during the past 2 years, the 50 percent in Iowa it did not examine, and the 80 percent in Washington it did not examine. During the course of its examinations during 1976, the FDIC will examine these banks to assess their current condition, and will also evaluate the examinations performed during the previous 2 years by the respective State banking departments. The experiment, through 1975, indicated that most examination reports prepared by the State examiners in the three States were generally consistent with FDIC practices and procedures, and in most instances, they appeared to show an accurate view of the safety and soundness of the banks involved. Until the FDIC itself has examined those banks, however, a full evaluation of the experiment cannot be reached. The modifications being made in the program for 1976 will provide the Corporation with that opportunity.

Applications for deposit insurance. National banks become insured with the issuance of their charters, and State bank members of the Federal Reserve receive insurance upon becoming such members, while State nonmember banks apply directly to the Corporation for deposit insurance. In all cases, section 6 of the Federal Deposit Insurance Act specifies several criteria which the responsible agency must consider before approving or certifying an institution for deposit insurance. The criteria include the financial history and condition of the bank, the adequacy of its corporate structure, its future earnings prospects, the general character of its management, the convenience and needs of the community, and finally, the consistency of the bank's corporate powers with the purposes of the Act.

During 1975, the Board of Directors considered 121 applications for Federal deposit insurance by proposed new banks or operating noninsured banks, approving 116 applications and denying 5 (one of which was subsequently approved following amendment to the application)(chart G). Thirty-one applications were also considered and approved on behalf of State member banks for continuation of their insured status following voluntary withdrawal of their membership from the Federal Reserve System; 28 of these applications were approved under delegated authority by the Corporation's Regional Directors.

Chart G APPLICATIONS FOR DEPOSIT INSURANCE AND BRANCHES APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1960–1975



*Includes facilities and other limited service offices

Applications to establish branches. Approval of the appropriate Federal supervisory agency is necessary before any insured bank may establish, or move, a branch office. Section 3(o) of the Federal Deposit Insurance Act defines a branch as "any branch place of business . . . at which deposits are received, checks paid, or money lent." This definition may therefore include certain limited service facilities or other offices that are not regarded as branches under the laws of some States.

Of 505 applications considered in 1975 for the Corporation's prior consent to the establishment of new branches, 131 were approved by the Corporation's Board of Directors and 368 were approved under delegated authority by the Director of the FDIC's Division of Bank Supervision or by the Corporation's 14 Regional Directors. Six such applications were denied. Of 133 applications considered in 1975 for the Corporation's prior consent to the operation of limited branch facilities (9 of which were unmanned operations), 22 were approved by the Corporation's Board of Directors and 111 were approved under delegated authority.

Mergers. Approval of the appropriate Federal bank supervisory agency is required under section 18(c) of the Federal Deposit Insurance Act, as amended, before any insured bank may engage in a merger-type transaction. The Corporation is the deciding agency whenever the surviving bank is to be an insured bank not a member of the Federal Reserve, or in any merger involving a noninsured institution with an insured bank. The Act specifies several criteria that must be considered by the deciding agency before approving an application, and requires further that the deciding agency shall request (except in emergency situations to prevent a bank failure), from each of the two other Federal bank supervisory agencies and from the Attorney General, a report on the competitive factors involved in each proposed merger transaction. Under the Act as amended, the Department of Justice may bring action under the antitrust laws to prevent the merger of an insured bank within 30 days (or in situations requiring "expeditious action," within 5 days) after the merger has been approved by a Federal supervisory agency.

In 1975, the Corporation acted on 44 merger-type proposals, approving 41 and denying 3. The Corporation also approved 14 applications for merger transactions involving corporate reorganizations which, as such, had no competitive effect. In addition, the Corporation adopted 47 advisory reports on what it considered to be competitive factors involved in proposed merger-type transactions between 2 or more operating banks. In 4 of those 47 reports, the Comptroller of the Currency was advised that the competitive factors present in the case were considered to be adverse, but the Comptroller nevertheless approved 3 of the transactions with no action taken on the fourth case at year-end 1975. All of the reports to the Federal Reserve System advised that the transactions would have no significant effects on competition. The Department of Justice did not institute suit to prevent consummation of the three adverse transactions approved by the Comptroller. Information on each merger application decided by the Corporation during 1975 is contained in pages 35-126 of this report.

Merger approvals by each of the Federal bank supervisory agencies under section 18(c) of the Federal Deposit Insurance Act in 1975 are detailed in tables 5 and 6. During the year, a total of 67 institutions were absorbed, compared to 124 in 1974 (chart H). It should be noted that the merger statistics in chart H do not include corporate reorganizations of individual banking institutions, such as banks in process of forming one-bank holding companies, and other merger transactions that did not have the effect of lessening the number of existing operating banks (see table 5, note 1). With inclusion of certain of these mergers the number of approvals is appreciably larger; for example, the 41 FDIC approvals noted above include 10 mergers involving operating banks in the same holding company that are not included in chart H and tables 5 and 6.

Enforcement proceedings. When the Corporation finds that an insured State nonmember bank has violated an applicable law, rule, regulation, order, or supervisory agreement, or has engaged in an unsafe or unsound banking practice, the Corporation generally

Table 5. MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1975

Banks	Number of banks	Resources (in thousands)	Offices operated	
			Prior to transaction	After transaction
ALL CASES[1]				
Banks involved	133	$54,855,083	2,206	2,204
Absorbing banks	66	49,881,204[2]	1,862[2]	2,204[2]
Absorbed banks	67	4,973,879	344	
National	28	3,471,767	247	
State member FRS	8	484,887	40	
Not member FRS	29	1,013,672	55	
Noninsured	2	3,553	2	
CASES WITH RESULTING BANK A NATIONAL BANK				
Banks involved	63	29,275,032	1,370	1,370
Absorbing banks	31	27,604,694	1,259	1,370
Absorbed banks	32	1,670,338	111	
National	16	674,338	52	
State member FRS	6	430,425	33	
Not member FRS	10	565,575	26	
CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	8	18,990,087	463	463
Absorbing banks	4	17,089,587	355	463
Absorbed banks	4	1,900,500	108	
National	2	1,740,201	100	
State member FRS	1	44,440	6	
Not member FRS	1	115,859	2	
CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	62	6,589,964	373	371
Absorbing banks	31	5,186,923	248	371
Absorbed banks	31	1,403,041	125	
National	10	1,057,228	95	
State member FRS	1	10,022	1	
Not member FRS	18	332,238	27	
Noninsured institutions	2[3]	3,553	2	

[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]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.
[3]Includes one savings and loan association.

attempts to secure voluntary correction by the bank's management. If, however, these efforts fail, the Corporation may initiate proceedings to terminate deposit insurance or it may initiate cease-and-desist proceedings.

The Corporation has the statutory authority under section 8(a) of the Federal Deposit Insurance Act to initiate deposit insurance termination proceedings against any FDIC-insured bank. This authority requires the Corporation to first notify the bank concerned and the appropriate Federal or State banking authority of the alleged violations, unsafe or unsound practices, or condition of the bank giving rise to the proceedings. The bank is given a period of not more than 120 days to improve its condition or correct the offending violation or practice. If the bank fails to comply with the Corporation's directives within the prescribed period, an administrative hearing is held at which the bank can respond to the Corporation's charges. With the substantiation of the Corporation's charges, the Board of Directors of the Corporation may terminate the insured status of the bank. In such instances, the depositors of the bank must be notified and insured funds on deposit at the time of termination, less any subsequent withdrawals, continue to be insured for a period of 2 years.

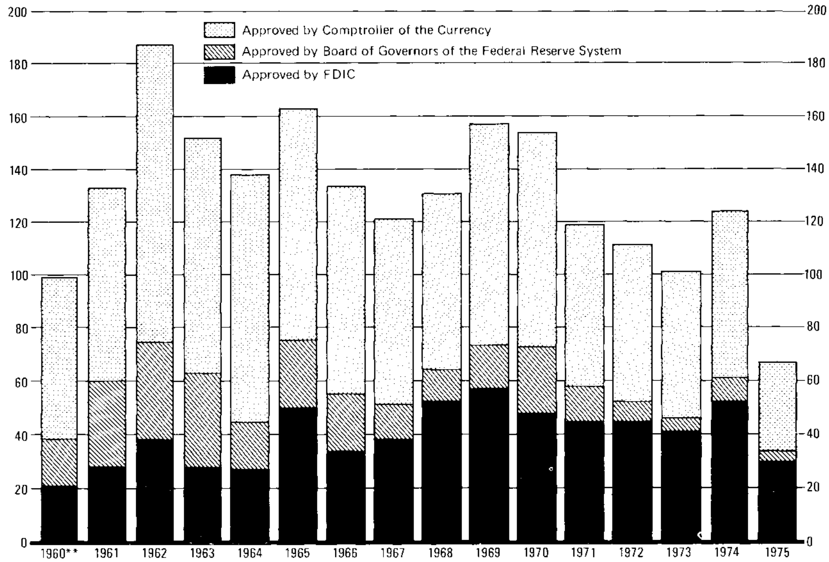
At the beginning of 1975, deposit insurance termination proceedings against four banks remained open awaiting either expiration of the time period specified in which to make corrections, examination of the bank, or analysis of the most recent report of examination (table 7). Five additional proceedings were initiated during 1975 and four such proceedings were either concluded after corrections were effected, or the bank was closed. As a result, five deposit insurance termination proceedings were pending at year-end 1975.

The Corporation likewise has the statutory authority under section 8(b) of the Federal Deposit Insurance Act to initiate cease-and-desist proceedings. In such cases, the bank involved is served with a notice of charges which specifies the alleged violations or the unsafe or unsound practices engaged in, and fixes a date for an administrative hearing at which time the bank may respond to the charges against it. If the evidence presented at the hearing establishes the violations or the unsafe or unsound practices, or if the

Table 6. APPROVALS UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1975, BANKS GROUPED BY SIZE AND IN STATES ACCORDING TO STATUS OF BRANCH BANKING

Absorbing banks		Absorbed banks							
Number of banks by size (resources in $millions)		Number of banks	Number of branches	Resources (in thousands)	Number of banks by size (resources in $millions)				
					–5	5–10	10–25	25–100	Over 100
Total–U.S.	**66**	**67**	**277**	**$4,973,879**	**7**	**13**	**21**	**18**	**8**
–5	1	1	0	1,286	1	0	0	0	0
5–10	7	7	6	72,143	0	5	1	1	0
10–25	5	5	0	23,268	3	2	0	0	0
25–100	18	18	17	391,372	1	3	8	6	0
100–500	21	21	39	899,923	1	2	9	7	2
Over 500	14	15	215	3,585,887	1	1	3	4	6
Statewide branching	**29**	**29**	**144**	**2,209,970**	**1**	**7**	**8**	**9**	**4**
–5	1	1	0	1,286	1	0	0	0	0
5–10	3	3	4	41,179	0	2	0	1	0
10–25	1	1	0	5,199	0	1	0	0	0
25–100	7	7	2	155,114	0	1	3	3	0
100–500	10	10	23	461,571	0	2	4	3	1
Over 500	7	7	115	1,545,621	0	1	1	2	3
Limited-area branching	**32**	**33**	**130**	**2,692,510**	**5**	**4**	**12**	**8**	**4**
5–10	3	3	2	22,231	0	2	1	0	0
10–25	4	4	0	18,069	3	1	0	0	0
25–100	7	7	12	173,592	0	1	4	2	0
100–500	11	11	16	438,352	1	0	5	4	1
Over 500	7	8	100	2,040,266	1	0	2	2	3
Unit banking	**5**	**5**	**3**	**71,399**	**1**	**2**	**1**	**1**	**0**
5–10	1	1	0	8,733	0	1	0	0	0
25–100	4	4	3	62,666	1	1	1	1	0

Chart H MERGERS APPROVED* BY FEDERAL BANK SUPERVISORY AGENCIES, 1960–1975



* Certain mergers undertaken as part of internal reorganizations not included; see text.
** Period beginning May 13, 1960, to end of year.

bank consents to the issuance of such an order, the Corporation may issue a cease-and-desist order which not only requires the bank to end the offending violations or practices, but also to correct the conditions which resulted therefrom. Except where the order is

Table 7. ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936–1975

Disposition or status	1936–1975[1]	Started during 1975
Total banks against which action was taken	**229**	5
Cases closed	**225**	....
Corrections made	98	....
Banks absorbed or succeeded by other banks	75	....
With financial aid of the Corporation	66	....
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, 1975	**4**	**4**
Action deferred pending completion of correction period, reexamination of the bank, or an analysis of its most recent report of examination	4	4

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

entered into by consent, it may be appealed to the appropriate United States Court of Appeals. Thirteen such cease-and-desist orders against insured State nonmember banks were outstanding at the beginning of 1975, six of which were terminated during the year. Seven additional proceedings were initiated by the Corporation in 1975 and culminated in the entry of cease-and-desist orders. One other proceeding, which was outstanding at year-end and pending before the Corporation's Board of Directors after completion of an administrative hearing, also resulted in the issuance of a cease-and-desist order. Accordingly, 15 such orders were outstanding at year-end 1975 (table 8).

Table 8. CEASE-AND-DESIST ORDERS AND ACTIONS TO CORRECT SPECIFIC UNSAFE OR UNSOUND PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1975

Total actions taken: 1971-1975	**42**
Cease-and-desist orders issued in 1975[1]	**8**
Cease-and-desist orders discontinued	6
Cease-and-desist orders outstanding as of December 31, 1975	15

[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.

The Corporation also has the statutory authority under section 8(g) of the Federal Deposit Insurance Act to initiate proceedings for the suspension or removal of officers, directors, and other persons participating in the management of insured State nonmember banks who are charged with committing or participating in a felony involving dishonesty or breach of trust, in any information, indictment, or complaint authorized by a United States attorney. Six such proceedings resulted in suspension or removal during 1975. Fifteen other individuals charged with felonies involving dishonesty or breach of trust voluntarily resigned or suspended themselves from their positions with insured State nonmember banks following indications that the Corporation might initiate suspension or removal proceedings against them.

One removal proceeding not based on a prior felony prosecution was initiated by the Corporation in 1975 under section 8(e) of the Federal Deposit Insurance Act, resulting in a summary suspension of the individual involved. A challenge of this suspension is presently before a United States District Court, while the removal proceeding remains pending following conclusion of the administrative hearing.

The constitutionality of certain of the removal sections of the Federal Deposit Insurance Act has been challenged in an action presently awaiting further determination by a three-judge panel of the United States District Court for the District of Columbia.

Problem banks. The number of problem banks increased dramatically in 1975 from 183 insured banks listed at year-end 1974 to 349 at year-end 1975. Both figures include national banks and State member banks as well as the State nonmember banks the FDIC regularly examines, and most were listed because of loan portfolio weaknesses which were significantly aggravated by the effect of the 1974-75 recession on many bank borrowers. One hundred sixteen of the listed banks, compared with 54 the prior year, were considered to present serious cause for supervisory concern, but almost 100 of these were relatively small banks with less than $50 million in total deposits. The total deposits of these 116 banks were $5.3 billion at the close of 1975, compared with $4.8 billion at the close of 1974.

Investor protection. Under the Securities Exchange Act of 1934, the Corporation exercises all "the powers, functions, and duties" otherwise vested in the Securities and Exchange Commission "to administer and enforce" the registration, company-reporting, and related provisions of that Act with respect to insured nonmember banks. These provisions are applicable to banks with more than $1 million in assets and 500 or more holders of any class of equity security. Under these provisions and the Corporation's regulations thereunder, such banks are required to file an initial registration statement, periodic reports (annually, semiannually, and quarterly), and special reports concerning any material event which occurs. Any matter presented for a vote of security-holders must be effectuated through a proxy statement complying with the Corporation's regulations, and where directors are to be elected, the proxy statement must be accompanied or preceded by an annual report disclosing the financial condition of the bank. Officers and directors of a bank whose securities are registered and any person or related group of persons holding more than 5 percent of such securities must report their holdings and any changes which occur to the Corporation.

All required statements and reports filed with the Corporation under the Securities Exchange Act are public documents. All such statements and reports are available for inspection at the Corporation's headquarters and copies of registration statements and company reports, proxy statements, and annual reports to shareholders are also available at the New York, Chicago, and San Francisco Federal Reserve Banks, as well as at the Reserve Bank of the district in which the bank filing the report is located.

During 1975, the Corporation received securities registration statements from 37 banks, bringing the year-end total of registered nonmember banks to 321 compared to 290 a year earlier. Additions included one registered bank that withdrew from the Federal Reserve System and two banks that converted from national to

State charter. Termination of the registration of nine banks resulted primarily from their merger into other operating banks or their acquisition by bank holding companies.

On June 4, 1975, Congress passed the Securities Acts Amendments of 1975 which significantly revised the Securities Exchange Act of 1934. Among other things, the Amendments impose, for the first time, registration requirements and a scheme of Federal regulation upon municipal securities dealers and transfer agents, including banks that act in those capacities. Both the Securities Exchange Commission and the Corporation have responsibilities for enforcing compliance with the newly enacted provisions. As of December 31, 1975, 44 State nonmember banks (or separately identifiable departments or divisions of such banks) had registered as municipal securities dealers with the Securities and Exchange Commission and 419 State nonmember banks had registered as transfer agents with the Corporation.

Consumer protection. The FDIC is responsible for administrative enforcement of the Truth in Lending Act, the Fair Credit Reporting Act, the Real Estate Settlement Procedures Act, the Fair Credit Billing Act, and the Equal Credit Opportunity Act insofar as they affect insured nonmember banks.

The Truth in Lending Act requires creditors to disclose the cost and other terms of consumer credit in a prescribed manner and at specified times so that consumers may shop for the best credit terms and make sound judgments regarding the use of consumer credit.

The Fair Credit Reporting Act requires creditors to make certain disclosures when information in a credit report from a consumer reporting agency or obtained from a third party contributes to a denial or to an increase in the cost of consumer credit. These disclosures are designed to enable consumers to seek out and correct erroneous information regarding their credit standing.

The Real Estate Settlement Procedures Act of 1974, which became effective in June 1975, was designed to protect consumers from exorbitant or last-minute settlement charges by providing for the disclosure to prospective home buyers of settlement and credit costs prior to the actual settlement date. In this regard, Regulation X of the Department of Housing and Urban Development, which implements the Act, requires banks to use certain standardized forms and perform various details of the transaction in a specified manner and within specified time limits. In December 1975, the advance-disclosure requirements of the law were substantially modified.

The Fair Credit Billing Act, which is a new part of the Truth in Lending Act, is designed to help consumers resolve credit billing disputes promptly and fairly. The Act prohibits certain practices deemed unfair to consumers using credit cards or other open-end accounts and certain practices between credit card issuers and retail merchants deemed to be anticompetitive.

The Equal Credit Opportunity Act, as originally enacted in 1974, has been implemented by the Federal Reserve's Regulation B. The Act is intended to make credit available to all credit-worthy customers regardless of sex or marital status. The provisions of Regulation B include requirements for using specific terminology in taking applications and for prohibiting the consideration of certain discriminatory factors in the decision to grant or deny credit to an applicant.

Checks for compliance with these laws are a routine part of the bank examination program for State nonmember banks conducted by FDIC examiners.

Office of Bank Customer Affairs. The creation of a separate unit within the Corporation to "receive and take appropriate action" upon complaints of "unfair or deceptive acts or practices . . . by banks" was required by Public Law 93-637 which was signed into law on January 4, 1975. Accordingly, in April 1975, the Corporation's Board of Directors created the Office of Bank Customer Affairs which reports directly to the Board of Directors and serves as a focal point within the FDIC for protecting the legitimate interests of bank customers. The Office will receive and dispose of all bank customer complaints and inquiries, and will make recommendations to the Board of Directors regarding the Corporation's policies and activities in bank customer affairs.

Changes in bank ownership and loans secured by bank stock. Any change in the ownership of an insured bank's outstanding voting stock that results in a change of control of the bank must be reported to the appropriate Federal bank supervisory agency. Section 7 of the Federal Deposit Insurance Act, as amended, requires also that a report be filed whenever any insured bank makes a loan secured by 25 percent or more of the outstanding stock of a bank (except stock held for more than 1 year or for newly organized banks). Banks must report any change or replacement of the bank's chief executive officer or of any director that occurs during a 12-month period following the change in control. The Corporation received 437 notices of changes in control involving insured nonmember banks during 1975.

Bank security. The Corporation was given responsibility, under the Bank Protection Act of 1968, for banks under its general supervision for establishing 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. Under section 326.5 of the Corporation's rules and regulations, as amended, each nonmember insured bank is required 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 non-bank employee larceny. During 1975, the Corporation received 1,203 crime reports filed pursuant to section 326.5(d) of its regulations.

Supervisory and other training activities. The Corporation's formal programs for bank examiners include various courses at the levels of trainee, assistant examiner, senior assistant examiner, and commissioned examiner. Two sessions of a newly designed course involving in-depth training in automation techniques were conducted in 1975.

Approximately 1,100 examiners from the Corporation, State banking departments, and foreign central banks participated in programs of the Bank Examination School during 1975. This number, which includes approximately 150 examiners from State banking departments participating under a joint program with the Conference of State Bank Supervisors, was about the same as in 1974. Examiners enrolled in training courses outside the Corporation include 75 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.

During 1975, the Office of Education and Publications coordinated a large number of training programs for Corporation employees at all levels and had special responsibility for administering the agency's tuition reimbursement policy. This liberal policy, revised and updated in 1972, provides financing for approved courses that help renew and update the skills of technical and professional personnel in the headquarters and regional offices. Courses include those offered by private industry, colleges and universities, technical courses, management and supervisory courses, clerical programs, and courses offered by the Civil Service Commission and other Government agencies.

Research and statistics. During the year, the Corporation joined with the other Federal bank supervisory agencies in making extensive revisions in the formats of the Report of Condition and the Report of Income which are submitted periodically by insured banks to the agency that examines them. The revisions, which related both to the items of information submitted and the frequency of reporting, are intended to result in more meaningful and timely information for bank supervisors, shareholders, depositors, and the general public and will be used for the first time for the March 31, 1976 reports.

The Corporation's Division of Research conducted a survey of accounts and deposits in all commercial and mutual savings banks as of June 30, 1975. The survey gathered information for each banking office on numbers of deposit accounts, as well as deposit volume in different types and sizes of accounts. In August, the Division conducted a special survey of holdings of New York City obligations by insured nonmember banks. Other surveys obtained information about trust assets of insured commercial banks, mortgage rates and mortgage lending by banks, interest rates paid on savings and time deposits, and income and deposit flows of mutual savings banks. A sample survey of interest rates charged by insured commercial banks on selected types of loans was discontinued in October 1975. Results of most of these surveys are released in FDIC or other Government publications.

During 1975, the Corporation and the American Bankers Association jointly introduced a new version (BankSim) of the bank management simulation which has been in use at several graduate schools of banking for the past few years. BankSim, which is made available to private sector users by the American Bankers Association, is expected to be employed widely in the training programs of individual banks and other groups, including local chapters of the American Institute of Banking and the Corporation's training center.

"Working Papers" prepared during 1975 by staff members of the Division of Research are listed below. 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.

Working Paper Number	
75—1	"Aggregating Over Motives in the Demand for Money — A Unified Approach," by Stephen A. Buser.
75—2	"Discriminant Analysis: Application, Potential, and Pitfalls," by Robert A. Eisenbeis.
75—3	"Commercial Bank Pricing and Local Market Power and Structure," by Alan S. McCall and Douglas Merrill.
75—4	"Market Structural Developments in Foreign Banking: Implications for Regulatory Policy," by Gary G. Gilbert.
75—5	"Characteristics of Retail Electronic Funds Transfer Systems in the United States," by David A. Walker.
75—6	"Effects of Regulators and Electronic Banking Machines on Bank Operating Characteristics," by David A. Walker and David J. Bell.
75—7	"Influences of Financial Characteristics on Bank Stock Prices and Merger Activity," by David A. Walker.

Working Paper Number	
75–8	"Financial Management in Banks and Bank Holding Companies," by William A. Longbrake.
75–9	"The Performance of Foreign Banks in the United States: Implications for Federal Regulation," by Gary G. Gilbert.
75–10	"Franklin National Bank of New York: A Portfolio and Performance Analysis of our Largest Bank Failure," by Joseph F. Sinkey, Jr.
75–11	"New Congressional Restraints and Federal Reserve Independence," by Edward J. Kane.
75–12	"Deposit-Interest Ceilings and Sectoral Shortages of Credit: How to Improve Credit Allocation Without Allocating Credit," by Edward J. Kane.
75–13	"Good Intentions and Unintended Evil: The Case Against Government Credit Allocation," by Edward J. Kane.
75–14	"Commercial Bank Capacity to Pay Interest on Demand Deposits Part I: Principal Issues," by William A. Longbrake.
75–15	"Commercial Bank Capacity to Pay Interest on Demand Deposits Part II: Earnings and Cost Analysis," by William A. Longbrake.

Since 1969, the Corporation has awarded several fellowships each year for the purpose of promoting banking research as part of a program to improve and expand the information available to the bank supervisory agencies and the banking community. Selection for these awards is based on the assessment of the importance of the proposed research, the relevance of the 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. During 1975, the Corporation awarded fellowships to 4 Ph.D. candidates, bringing the total number of such awards to 26 since the initiation of the program.

ADMINISTRATION OF THE CORPORATION

Structure and employees. Membership of the Corporation's Board of Directors continued unchanged during 1975. Chairman Frank Wille and Director George A. LeMaistre, whose terms of office are for 6 years, took office on April 1, 1970 and August 1, 1973, respectively. Comptroller of the Currency James E. Smith, an ex officio member of the Board, began a 5-year term of office on July 5, 1973.

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

Total year-end employment of the Corporation was 466 more than in 1974, including 247 additional nonpermanent employees serving on short-term appointment or on a when-actually-employed basis (table 9). Increases in the Division of Bank Supervision and the Division of Liquidation accounted for almost 9 of every 10 additional Corporation employees in the year. About 87 percent of Bank Supervision personnel, and 70 percent of Liquidation personnel, were assigned to Regional or other field offices at the end of the year. Employees in some other divisions and offices were affected by certain organizational changes during 1975.

Reorganization. On January 1, 1975, the Board of Directors created the Office of Corporate Planning, to be a part of the Executive Offices. This office was staffed by employees formerly assigned to the Division of Research and the Division of Bank Supervision. Functions of this office, which reports directly to the Chairman and the Board of Directors, include the coordination of divisional planning efforts, and recommendations for consideration by the Board of Directors concerning planning priorities and related matters.

On July 1, 1975, the Board of Directors established the Office of Corporate Audits, separating the function from the Office of Management Systems and Financial Audits, the latter to be renamed the Office of Management Systems. Creation of the Office of Corporate Audits reestablished the Corporation's internal auditing function as a separate and independent operation, with direct reporting responsibility to the Chairman and the Board of Directors. The Office of Corporate Audits has the responsibility for making continuous and independent audits and evaluations of all functions relating to the Corporation's fiscal and accounting activities, systems of internal fiscal controls, liquidations of closed insured banks and related activities, electronic data processing operations, and any other audits of activities and operations as directed by the Board of Directors.

Table 9. NUMBER OF OFFICERS AND EMPLOYEES
OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1974 AND 1975

Unit	Total		Washington office		Regional and other field offices	
	1975	1974	1975	1974	1975	1974
Total	**3,274***	**2,808***	**971**	**775**	**2,303**	**2,033**
Directors	3	3	3	3	0	0
Executive Offices	51	39	51	39	0	0
Legal Division	83	78	72	70	11	8
Division of Bank Supervision	2,282	2,054	300	191	1,982	1,863
Division of Liquidation	423	233	128	85	295	148
Division of Research	85	91	85	91	0	0
Office of the Controller	219	193	204	179	15	14
Office of Management Systems	109	117	109	117	0	0
Office of Corporate Audits	19	0	19	0	0	0

*Includes 508 nonpermanent employees on short term appointment or when actually employed in 1975, and 261 in 1974. 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.

FINANCES OF THE CORPORATION

Assets and liabilities. Assets of the Corporation at the end of 1975 totaled $8.3 billion (table 10). More than three-fourths of this amount was U.S. Government obligations, which are valued on an

Table 10. STATEMENT OF FINANCIAL CONDITION,
FEDERAL DEPOSIT INSURANCE CORPORATION,
DECEMBER 31, 1975[1]
(In thousands)

ASSETS		
Cash		$ 17,359
U.S. Government obligations:		
Securities at amortized cost (face value $6,376,177; cost $6,358,006):		
U.S. Treasury bills	$ 114,742	
Other U.S. Government securities	6,251,348	
	$6,366,090	
Accrued interest receivable	106,204	6,472,294
Assets acquired in receivership and deposit assumption transactions:		
Subrogated claims of depositors against closed insured banks	$ 65,686	
Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability	900	
Equity in assets acquired under agreements with insured banks[2]	1,790,443	
Assets purchased outright	4,477	
	$1,861,506	
Less reserves for losses	213,150	1,648,356
Notes purchased to facilitate deposit assumption:		
Principal[3]	$ 163,000	
Accrued interest receivable	3,518	166,518
Assistance to operating insured banks:		
Principal[4]	$ 37,000	
Accrued interest receivable	1	37,001
Miscellaneous assets		1,645
Land and office building, less depreciation on building		6,688
Total assets		**$8,349,861**
LIABILITIES AND DEPOSIT INSURANCE FUND		
Accounts payable and accrued liabilities		$ 4,053
Earnest money, escrow funds, and collections held for others		2,137
Accrued annual leave of employees		3,359
Due insured banks:		
Net assessment income credits available July 1, 1976 (see table 12)	$ 362,428	
Other	1,098	363,526
Liabilities incurred in receivership and deposit assumption transactions:		
Federal Reserve Bank indebtedness:		
Notes payable	$1,125,000	
Accrued interest payable[5]	134,847	1,259,847
Net insured balances of depositors in closed insured banks—see related asset		900
Total liabilities		**$1,633,822**
Deposit insurance fund, net income accumulated since inception (see table 11)		**6,716,039**
Total liabilities and deposit insurance fund		**$8,349,861**

[1] These statements:
a. Do not include accountability for the assets and liabilities of the closed insured banks for which the Corporation acts as receiver or liquidating agent.
b. Include transactions reflected in unaudited collection and disbursements reports from the liquidator of Franklin National Bank for the last quarter of 1975.

[2] Equity in assets acquired under agreements with insured banks totaled $1.790 billion. Of this total approximately $1.125 billion represents equity in assets acquired as a result of the closing of Franklin National Bank on October 8, 1974.

[3] Notes purchased to facilitate deposit assumption: Crocker National Corporation, $50,000,000; Southern Bancorporation, Inc., $8,000,000; European-American Bank and Trust Co., $100,000,000; Clearing Bank, $1,500,000; Marine National Exchange Bank, $3,500,000.

[4] Assistance to operating insured banks: Bank of the Commonwealth, $35,500,000, Unity Bank and Trust Company, $1,500,000.

[5] Accrued interest payable of $134.8 million represents interest for 450 days at the rate of 7.52 percent simple interest per annum on the unpaid principal amount due on Franklin National Bank's indebtedness to the Federal Reserve Bank of New York. This amount is subject to adjustment for certain out-of-pocket expenses incurred by the Corporation as provided for in the Agreement of Sale.

amortized cost basis. About one-fifth of the total were assets acquired in receivership and deposit assumption transactions, representing mostly equity in assets held, less reserves, under agreements with insured banks. The remaining assets consisted of cash, assets acquired in transactions to assist operating insured banks, land and the depreciated value of office buildings, and miscellaneous assets.

The total liabilities of the Corporation at year-end were $1.6 billion. Nearly $1.3 billion of this total consisted of a note, including accrued interest, held by the Federal Reserve Bank of New York, which the bank acquired in giving financial assistance to Franklin National Bank prior to the assumption of Franklin National's liabilities in 1974 by European-American Bank & Trust Company. The principal amount of this note had been reduced by $598.5 million through payments by the Corporation by the end of 1975. The remaining liabilities consisted largely of assessment credits due insured banks, virtually all of these becoming available on July 1, 1976.

The deposit insurance fund, consisting of the accumulated net income of the Corporation, totaled approximately $6.7 billion at year-end 1975. The fund represents those financial resources immediately available to the Corporation for the protection of depositors. The Corporation is authorized, in addition, to borrow up to $3 billion from the U.S. Treasury whenever such funds are needed for insurance purposes, but it has never used this borrowing authority.

Table 11. STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1975
(In thousands)

Income from operations:		
Deposit insurance assessments:		
Assessments earned during 1975	$ 640,915	
Less net assessment income credits to insured banks	362,304	$ 278,611
Adjustments to assessments earned in prior periods		318
		$ 278,929
Interest on U.S. Government securities		390,558
Discounts earned on U.S. Government securities		3,752
Profit on sale of U.S. Government securities		45
Interest on capital notes		15,720
Other income		304
Total income from operations		**$ 689,308**
Operating expenses and losses:		
Administrative and operating expenses		$ 67,688
Provision for insurance losses	$ 32,577	
Less adjustments to provisions made in prior periods	4,958	27,619
Nonrecoverable insurance expenses incurred in protecting depositors		2,152
Total operating expenses and losses		**$ 97,459**
Net income—addition to the deposit insurance fund		**$ 591,849**
Deposit insurance fund—January 1, 1975		**6,124,190**
Deposit insurance fund—December 31, 1975, net income accumulated since inception		**$6,716,039**

Table 12. DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1975
(In thousands)

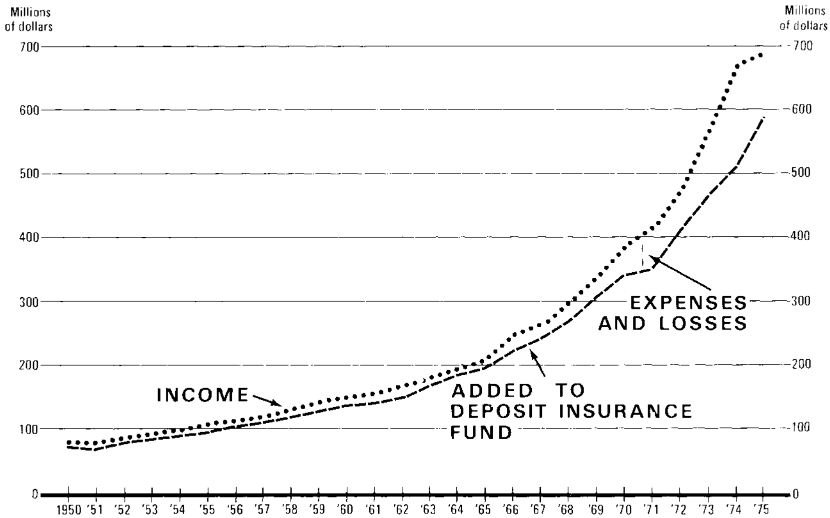
Determination of net assessment income:		
Total assessments that became due during 1975		$640,915
Less:		
Administrative and operating expenses		$ 67,688
Net additions to reserve to provide for insurance losses:		
Provisions applicable to banks assisted in 1975	$ 32,577	
Less adjustments to provisions for banks assisted in prior years	4,958	27,619
Nonrecoverable insurance expenses incurred to protect depositors—net		2,152
Total deductions		$ 97,459
Net assessment income for 1975		**$543,456**
Distribution of net assessment income, December 31, 1975:		
Net assessment income for 1975:		
33 1/3% transferred to the deposit insurance fund		$181,152
66 2/3% credited to insured banks		362,304
Total		**$543,456**
Allocation of net assessment income credit among insured banks, December 31, 1975:		Percentage of total assessment becoming due in 1975
Credit for 1975	$362,304	56.529%
Adjustments of credits for prior years	124	.020
Total	**$362,428**	**56.549%**

Income and expenses. The Corporation's income in 1975 amounted to $689.3 million. Net income from assessments, which is gross assessments earned less assessment credits granted to insured banks, amounted to $278.9 million (tables 11, 12, and 13). Except for interest of $15.7 million on capital notes outstanding, virtually all of the remaining income was derived from the Corporation's holdings of U.S. Government securities.

Table 13. SOURCES AND APPLICATION OF FUNDS, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1975
(In thousands)

		Percent
Funds provided by:		
Net deposit insurance assessments	$ 278,929	8.7
Income from U.S. Government securities, less amortized net discounts	390,558	12.1
Maturities and sales of U.S. Government securities	1,723,976	53.6
Collections on assets acquired in receivership and deposit assumption transactions	733,855	22.8
Increase in assessment credits due banks	73,262	2.3
Income from capital notes	15,720	0.5
Total funds provided	**$3,216,300**	**100.0**
Funds applied to:		
Administrative, operating, and insurance expenses, less miscellaneous credits	$ 69,400	2.2
Acquisition of assets in receivership and deposit assumption transactions	921,596	28.6
Purchase of U.S. Government securities	2,211,895	68.8
Net changes in other assets and liabilities	13,409	0.4
Total funds applied	**$3,216,300**	**100.0**

Chart I INCOME, EXPENSES AND LOSSES, AND ADDITIONS TO THE DEPOSIT INSURANCE FUND
FEDERAL DEPOSIT INSURANCE CORPORATION, 1950–1975



Total operating expenses and losses in 1975 amounted to $97.5 million, a figure approximately 39 percent below the amount in 1974. The decrease in 1975 is attributable to a substantial net reduction in the provision for loan losses—$27.6 million compared with $97.9 million in the previous year. After deduction of expenses and losses from operating income, the addition to the deposit insurance fund for the year was $591.8 million.

Income and the deposit insurance fund. Income and expenses of the Corporation and additions to the deposit insurance fund from 1934 through 1975, and the fund in relation to deposits in insured banks, are detailed in accompanying tables (tables 14 and 15). For the entire period since 1934, deposit insurance assessments have provided somewhat over one-half of the Corporation's total income, but in each year since 1961, net assessments have been exceeded by interest on securities. Banks have paid assessments for deposit insurance at a basic rate of 1/12 of one percent of total deposits (adjusted) since 1935; however, enactment of the Federal Deposit Insurance Act in 1950 included a provision for an assessment credit that would reduce substantially the net rate of assessment payments. It was provided initially that insured banks would receive each year, as a credit against future assessments, 60 percent of the difference between the Corporation's gross assessments earned and its total administrative and operating expenses and provision for

Table 14. INCOME AND EXPENSES, FEDERAL DEPOSIT INSURANCE CORPORATION, BY YEAR, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, TO DECEMBER 31, 1975

(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	
1933–75..	**$7,711.3**	**$4,039.4**	**$3,671.9**	**$995.3**	**$254.1**	**$80.6**	**$660.6**	**$6,716.0**
1975.....	689.3	278.9	410.4	97.5	29.8	.....	67.7	591.8
1974.....	668.1	302.0	366.1	159.2	100.0	.....	59.2	508.9
1973.....	561.0	246.0	315.0	108.2	53.8	.....	54.4	452.8
1972.....	467.0	188.5	278.5	59.7	10.1	.....	49.6	407.3
1971.....	415.3	175.8	239.5	60.3	13.4	.....	46.9	355.0
1970.....	382.7	159.3	223.4	46.0	3.8	.....	42.2	336.7
1969.....	335.8	144.0	191.8	34.5	1.0	.....	33.5	301.3
1968.....	295.0	132.4	162.6	29.1	.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 1975, 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 $4,055 million.

[2]Includes $12 million of interest and allowable return received on funds advanced to receivership and deposit assumption cases and $28 million of interest on capital notes advanced to facilitate deposit assumption transactions and assistance to open banks.

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

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

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

losses during the year. In 1961, the assessment credit was increased to 66-2/3 percent of net assessment income. The effective rate of net assessments in 1975 was 1/28 of one percent of total deposits (adjusted) in insured banks.

Deposits in all insured banks at year-end 1975 totaled $876 billion, an estimated 65.0 percent of which were insured (chart J). Evidently the rise of 2.5 percentage points from 1974 was due

Table 15. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934–1975

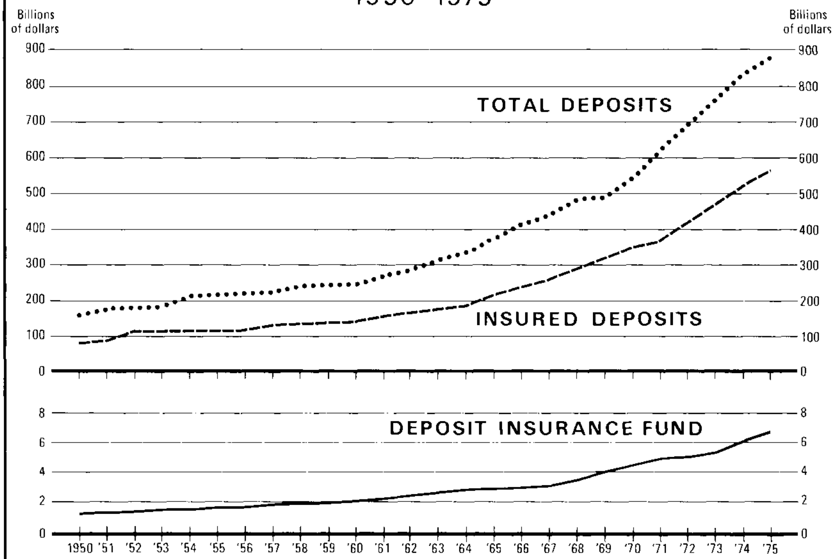
Year (Dec. 31)	Deposits in insured banks (in millions)		Percentage of deposits insured	Deposit insurance fund (in millions)	Ratio of deposit insurance fund to-	
	Total	Insured[1]			Total deposits	Insured deposits
1975	$875,985	$569,101	65.0%	$6,716.0	.77%	1.18%
1974	833,277	520,309	62.5	6,124.2	.73	1.18
1973	766,509	465,600	60.7	5,615.3	.73	1.21
1972	697,480	419,756	60.2	5,158.7	.74	1.23
1971	610,685	374,568[4]	61.3[4]	4,739.9	.78	1.27[4]
1970	545,198	349,581	64.1	4,379.6	.80	1.25
1969	495,858	313,085	63.1	4,051.1	.82	1.29
1968	491,513	296,701	60.2	3,749.2	.76	1.26
1967	448,709	261,149	58.2	3,485.5	.78	1.33
1966	401,096	234,150	58.4	3,252.0	.81	1.39
1965	377,400	209,690	55.6	3,036.3	.80	1.45
1964	348,981	191,787	55.0	2,844.7	.82	1.48
1963	313,304[2]	177,381	56.6	2,667.9	.85	1.50
1962	297,548[3]	170,210[4]	57.2[4]	2,502.0	.84	1.47[4]
1961	281,304	160,309[4]	57.0[4]	2,353.8	.84	1.47[4]
1960	260,495	149,684	57.5	2,222.2	.85	1.48
1959	247,589	142,131	57.4	2,089.8	.84	1.47
1958	242,445	137,698	56.8	1,965.4	.81	1.43
1957	225,507	127,055	56.3	1,850.5	.82	1.46
1956	219,393	121,008	55.2	1,742.1	.79	1.44
1955	212,226	116,380	54.8	1,639.6	.77	1.41
1954	203,195	110,973	54.6	1,542.7	.76	1.39
1953	193,466	105,610	54.6	1,450.7	.75	1.37
1952	188,142	101,842	54.1	1,363.5	.72	1.34
1951	178,540	96,713	54.2	1,282.2	.72	1.33
1950	167,818	91,359	54.4	1,243.9	.74	1.36
1949	156,786	76,589	48.8	1,203.9	.77	1.57
1948	153,454	75,320	49.1	1,065.9	.69	1.42
1947	154,096	76,254	49.5	1,006.1	.65	1.32
1946	148,458	73,759	49.7	1,058.5	.71	1.44
1945	157,174	67,021	42.4	929.2	.59	1.39
1944	134,662	56,398	41.9	804.3	.60	1.43
1943	111,650	48,440	43.4	703.1	.63	1.45
1942	89,869	32,837	36.5	616.9	.69	1.88
1941	71,209	28,249	39.7	553.5	.78	1.96
1940	65,288	26,638	40.8	496.0	.76	1.86
1939	57,485	24,650	42.9	452.7	.79	1.84
1938	50,791	23,121	45.5	420.5	.83	1.82
1937	48,228	22,557	46.8	383.1	.79	1.70
1936	50,281	22,330	44.4	343.4	.68	1.54
1935	45,125	20,158	44.7	306.0	.68	1.52
1934	40,060	18,075	45.1	291.7	.73	1.61

[1] Figures estimated by applying, to the deposits in the various types of account at the regular call dates, the percentages insured as determined from special reports secured from insured banks.
[2] December 20, 1963.
[3] December 28, 1962.
[4] Revised.

primarily to the relatively large growth in savings deposits during 1975, compared with increases in other types of deposit accounts having a much lower average percentage of insurance coverage. It may be noted that the 1975 estimate is based in part on information obtained in the June 30, 1975 survey of deposits, while the estimates for the preceding 3 years were based on comparable information developed from the June 30, 1972 survey. The data indicate that the ratio of the deposit insurance fund to total deposits in insured banks continues to be quite stable, while a gradual decline is continuing in the ratio of the fund to insured deposits.

Audit. Each year the financial transactions of the Corporation are audited by the General Accounting Office. A continuous internal audit is provided by the Office of Corporate Audits (see page 25).

Chart J DEPOSITS IN INSURED BANKS, AND THE DEPOSIT INSURANCE FUND, 1950–1975



MERGER DECISIONS OF THE CORPORATION
PART TWO

BANKS INVOLVED IN ABSORPTIONS APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1975

State	Town or City	Bank	Page
Alabama	Arab	Marshall County Bank (in organization; change title to The Bank of Arab)	117
		The Bank of Arab	117
California	Inglewood	Centinela Bank (change title to Tokai Bank of California)	73
	Los Angeles	Tokai Bank of California	73
		United California Bank	41
	San Diego	Southern California First National Bank	77
	San Francisco	The Bank of Tokyo of California	77
Connecticut	Cromwell	Cromwell Savings Bank	62
	Hartford	State Bank for Savings	102
	Middletown	Farmers and Mechanics Savings Bank	62
	North Canaan	Canaan Savings Bank	102
Georgia	De Kalb County	The Citizens and Southern Emory Bank	105
	Tucker	The Citizens and Southern Bank of Tucker	105
Indiana	Goshen	Salem Bank and Trust Company	96
	Portland	The Peoples Bank	46
	Redkey	Union State Bank	46
	Wakarusa	Exchange State Bank	96
Iowa	Cumberland	The Cumberland Savings Bank	59
	Marion	Farmers State Bank	81
		Marlinn, Inc.	81
	Red Oak	Houghton State Bank	59
Kansas	Minneapolis	The Citizens National Bank of Minneapolis	110
		The Ottawa County Bank	110
Kentucky	Campbellsburg	United Farmers Bank	84
	Morganfield	Union Bank & Trust Company	48
	New Castle	Citizens Bank (change title to United Citizens Bank and Trust Company)	84
	Uniontown	The Farmers Bank of Uniontown	48
Maine	Bangor	Colonial Industrial Bank	61
		United Canal Bank	61
	Portland	Depositors Trust Company of Portland	50
	South Portland	South Portland Bank & Trust Company	50
Maryland	Berlin	Exchange and Savings Bank of Berlin	56
	Princess Anne	Bank of Somerset	56
Massachusetts	Boston	The First National Bank of Boston	72

State	Town or City	Bank	Page
Michigan	Bay City	Bay City Bank & Trust Company	117
		Manufacturers Bank of Bay City (in organization)	117
	Frankenmuth	FBT Bank (in organization; change title to Frankenmuth Bank & Trust)	117
		Frankenmuth Bank & Trust	117
Mississippi	Clarksdale	Coahoma National Bank	86
	Grenada	Grenada Bank	86
	Pontotoc	Bank of Pontotoc	99
	Tupelo	The Peoples Bank and Trust Company	99
New Hampshire	Concord	New Hampshire Savings Bank	42
	Hooksett	The Hooksett Bank	53
	Laconia	City Savings Bank of Laconia, New Hampshire	42
	Nashua	Colonial Trust Company	93
		First Financial Bank (in organization)	93
	Suncook	The Suncook Bank	53
New Jersey	Dunellen	Peoples' Trust Company	44
	Manalapan Township	Bank of Manalapan	88
	New Brunswick	New Brunswick Trust Company	88
	Union City	Hudson United Bank	44
New York	New York City	Dry Dock Savings Bank	58
		Fifth Avenue Savings and Loan Association	58
		Luxembourg Branch of Bank of Boston International	72
Ohio	Kent	The City Bank	117
		The Kent Bank (in organization)	117
	Wadsworth	The Citizens Bank & Trust Company	118
		The Wadsworth Bank (in organization)	118
	Yellow Springs	MDB Bank (in organization; change title to The Miami Deposit Bank)	117
		The Miami Deposit Bank	117
Oregon	Portland	Security Bank of Oregon	64
		The Oregon Bank	64
Pennsylvania	Altoona	Mid-State Bank and Trust Company	65
	Bala-Cynwyd	First Pennsylvania Bank, N. A.	112
	Coudersport	The First National Bank of Coudersport	82
	Dushore	The First National Bank of Dushore	68
	Lower Burrell	Keystone Bank	94
	Muncy	Commonwealth Bank and Trust Company	82

State	Town or City	Bank	Page
	Newfoundland	The First National Bank of Newfoundland	39
	Philipsburg	The First National Bank of Philipsburg	65
	Pittsburgh	Commercial Bank & Trust Company	94
	Scranton	Northeastern Bank of Pennsylvania	39
	Williamsport	Northern Central Bank and Trust Company	68
South Carolina	Columbia	First-Citizens Bank and Trust Company of South Carolina	75
	Jackson	First State National Bank	75
Tennessee	Cowan	The Bank of Cowan	70
	Sewanee	Bank of Sewanee	70
Texas	Austin	Burnet Road State Bank (in organization; change title to North Austin State Bank)	117
		North Austin State Bank	117
	Crane	Citizens State Bank (in organization; change title to First State Bank)	118
		First State Bank	118
	Edna	New Jackson County Bank (in organization; change title to Jackson County State Bank)	117
		The Jackson County State Bank	117
	Houston	Bank of Almeda	117
		Brookfield State Bank (in organization; change title to Bank of Almeda)	117
	Texarkana	Twin City Bank	117
		Twin City State Bank (in organization; change title to Twin City Bank)	117
	Victoria	American Bank of Commerce	117
		North Laurent State Bank (in organization; change title to American Bank of Commerce)	117
Vermont	Brattleboro	First Vermont Bank and Trust Company	90
	Enosburg Falls	The Enosburg Falls National Bank	99
	Johnson	Sterling Trust Company	99
	Waterbury	Bank of Waterbury	90
Virginia	Charlottesville	Bank of Virginia-Cavalier County (in organization)	117
		Cavalier-County Bank	117
	Fairfax County	Bank of Virginia-Potomac	98
	Fredericksburg	Bank of Virginia-Fredericksburg	98
	Hopewell	Cavalier Central Bank & Trust Company	118

State	Town or City	Bank	Page
	Hopewell (Cont.)	City Bank of Hopewell (in organization; change title to Cavalier Central Bank & Trust Company	118
	Newport News	Bank of Virginia-Peninsula	104
	Norfolk	Bank of Virginia-Tidewater (change title to Bank of Virginia-Eastern)	104
		First Virginia Bank of Tidewater	101
	Suffolk	First Virginia Bank of Nansemond	101
	Winchester	Bank of Virginia-Shenandoah (in organization)	55
		Virginia Loan and Thrift Corporation	55
Other Areas			
Belgium	Brussels	United California Bank S.A./N.V.	41
Virgin Islands	Charlotte Amalie, St. Thomas	Virgin Islands National Bank	112

BANKS INVOLVED IN ABSORPTIONS DENIED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1975

Connecticut	Chester	Chester Bank	119
		Chester Savings Bank	119
New Hampshire	Jaffrey	Monadnock National Bank	121
		Monadnock Savings Bank	121
Oregon	Grants Pass	Southern Oregon State Bank	124
	Rogue River	Valley of the Rogue Bank	124

BANKS INVOLVED IN ABSORPTION DENIAL REVERSED BY THE CORPORATION IN 1975

Texas	Alice	First National Bank of Alice	113
		The Bank of South Texas	113

BANK ABSORPTIONS APPROVED BY THE CORPORATION

	Resources (in thousands of dollars	Banking Offices	
		In operation	To be operated
Northeastern Bank of Pennsylvania Scranton, Pennsylvania	512,523	14	15
to merge with **The First National Bank of Newfoundland** Newfoundland	10,160	1	

Summary report by Attorney General, October 9, 1974

Two of Northeastern Bank's offices are located within 15 miles of Newfoundland Bank, with no competitive alternatives in the intervening area. Thus, it appears that the proposed transaction would eliminate some existing competition. It does not, however, appear that concentration in commercial banking would be substantially increased in any relevant banking market.

The modest size of Newfoundland Bank and the nature of the community which it serves indicate that the proposed transaction would not eliminate substantial potential competition.

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

Basis for Corporation approval, January 29, 1975

Northeastern Bank of Pennsylvania, Scranton, Pennsylvania ("Northeastern"), a State nonmember insured bank with total resources of $512,523,000 and total IPC deposits of $410,847,000, has filed an application, 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 First National Bank of Newfoundland, Newfoundland, Pennsylvania ("FNB Newfoundland"), with total resources of $10,160,000 and total IPC deposits of $8,834,000.* Northeastern, as an incident to the proposed merger, would establish the sole office of FNB Newfoundland as a branch. The resulting bank would have a total of 16 approved offices.

Competition. Northeastern operates a total of 14 offices: its main office and 4 branches in Lackawanna County, 5 branches in Monroe County, and 4 branches in Luzerne County. It also has the necessary approvals to establish an additional branch in Lackawanna County. Northeastern is the largest commercial bank operating in this three-county region of northeastern Pennsylvania (the Northeast Pennsylvania SMSA) although there are two other commercial banks that also control area IPC deposits in excess of $250 million.

FNB Newfoundland has its sole office in Newfoundland, a village of some 450 inhabitants in southern Wayne County which is in the northeast corner of

*Financial data are as of June 30, 1974, adjusted for Northeastern's subsequent merger with The Plymouth National Bank.

Pennsylvania adjacent to the New York State line. FNB Newfoundland draws the bulk of its business from communities within 15 road-miles of the village. Its market comprises small sections of Wayne, Pike, and Monroe Counties, a sparsely populated area of wooded uplands located between the Moosic Mountains to the northwest and the Pocono Mountains to the southeast. Dairy and poultry farming are the principal income sources. The 1973 median household buying levels of Wayne County ($7,472), Pike County ($8,406), and Monroe County ($9,324) were all below the State average ($9,588).

The proposed merger would have its most immediate and direct impact within FNB Newfoundland's small local market consisting of about 10,000 persons. Six commercial banks operate one office each in this market, with their combined IPC deposits totaling $27.2 million. FNB Newfoundland has the largest share of these IPC deposits, 32.4 percent, closely followed by The First National Bank of Lake Ariel, a unit bank of approximately the same size located 15 road-miles north of Newfoundland. The third largest share of IPC deposits in the market is held by a branch, 15 road-miles to the southeast of Newfoundland, of the $62-million-IPC-deposit Security Bank and Trust Company, headquartered in Stroudsburg. Northeastern is one of three other commercial banks on the fringes of this small market, but its facility at the Tobyhanna Signal Corps Depot services only employees of the Depot. Northeastern has two full service branches in northern Monroe County, located about 20 road-miles south and southwest of Newfoundland, but information included with the application indicates that neither bank draws a significant amount of business from areas served primarily by the other and that no significant existing competition between the two banks would be eliminated by their merger.

A commercial bank may legally branch *de novo* or merge in Pennsylvania throughout the county in which its main office is located and in all counties contiguous thereto. Northeastern, thus, may establish *de novo* offices in those portions of Wayne and Monroe Counties within FNB Newfoundland's market, expansion which would result in increased competition between the two banks. In view of the low income levels that prevail and the low ratio of inhabitants per banking office (1,147 as compared with 4,220 throughout Northeastern's maximum 6-county potential market), Northeastern would be unlikely to establish any additional offices in FNB Newfoundland's market. The latter bank, in turn, has not branched *de novo* since it opened in 1926 and is unlikely, given its size and management resources, to undertake such expansion in areas served by Northeastern. Accordingly, it appears that no significant potential for increased competition between the two banks through *de novo* branching in the future would be eliminated by their merger.

Within the 6-county region in which Northeastern may expand *de novo* or by merger (its maximum potential market since Pennsylvania law does not permit the operation of multibank holding companies), a total of 50 commercial banks now operate 167 offices, these offices holding IPC deposits aggregating $2.5 billion. Northeastern has the largest share, 16.5 percent, of such commercial bank IPC deposits but a lesser percentage (8.4 percent) of the commercial bank offices in the region. Its merger with FNB Newfoundland would increase Northeastern's IPC deposit share in this multi-county region to 16.9 percent. Banks with the four next largest shares would hold an aggregate of 32.8 percent of such deposits. This six-county region, thus, is not one of substantial concentration and it appears that no significant effect on the commercial bank structure of the region would result from the slight increase in concentration which would occur because of the proposed merger.

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 resulting bank would have adequate financial and managerial resources. Its future prospects would be satisfactory.

Convenience and Needs of the Community to be Served. No material change in services presently available to customers of Northeastern would result from the proposed merger. Customers of FNB Newfoundland, however, would have available a broader range of commercial bank services, including full fiduciary services, FHA and home improvement loan services, revolving, overdraft, and credit card services, a greatly increased lending limit, and a wider choice of deposit maturities.

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 California Bank Los Angeles, California	9,076,910	262	262
to acquire the assets and assume the deposit liabilities of			
United California Bank S.A./N.V. Brussels, Belgium	65,864	1	

Summary report by Attorney General, November 21, 1974

The proposed transaction is simply a corporate reorganization and would have no competitive effect.

Basis for Corporation approval, February 11, 1975

United California Bank, Los Angeles, California ("UCB"), an insured State bank and member of the Federal Reserve System having total assets of $9,076,910,000 and total deposits of $7,066,463,000, 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 United California Bank S.A./N.V., Brussels, Belgium ("UCB Belgium"), a noninsured Belgian banking corporation having total assets of $65,864,000 and total deposits of $60,029,000.

The proposed transaction is in effect a corporate reorganization whose purpose is to change the legal form under which UCB conducts business in the Belgian market. The transaction consummated, UCB would carry on essentially the same business as has heretofore been conducted by UCB Belgium.

UCB acquired control of UCB Belgium in 1969 and presently owns 99.9 percent of its outstanding stock.

Competition. It is evident that the proposed transaction would have no effect on existing or potential competition between UCB and UCB Belgium or on the structure of commercial banking in any relevant area.

Financial and Managerial Resources; Future Prospects. Such resources and prospects are satisfactory for UCB. Financial resources of UCB Belgium appear to be acceptable, its managerial resources satisfactory. Future prospects of UCB Belgium appear to be more favorable as a branch of UCB than if it were to continue as a separate bank.

Convenience and Needs of the Community to be Served. The proposed transaction would have no effect on the convenience and needs of any portion of UCB's markets in California. In UCB Belgium's market, the office of UCB, representing an $8 billion institution, should provide a stronger attraction for business than UCB Belgium has provided in the past.

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
New Hampshire Savings Bank Concord, New Hampshire	164,994	5	6
to merge with			
City Savings Bank of Laconia, New Hampshire Laconia	14,093	1	

Summary report by Attorney General, August 19, 1974

New Hampshire Savings Bank is the dominant financial institution in Merrimack County. It holds approximately 51 percent of savings and time deposits in county offices of thrift institutions (savings banks and savings and loan associations) and 45 percent of such deposits in county offices of thrift institutions and commercial banks.

Merrimack County is immediately south of Belknap County, where City Savings Bank operates its sole office in Laconia. City Savings Bank holds approximately 10 percent of savings and time deposits in Belknap County offices of thrift institutions and 9 percent of such deposits in offices of thrift institutions and commercial banks. Although New Hampshire Savings' offices are 25 miles or more south of City Savings, New Hampshire Savings derives some deposits and mortgages in the Laconia area and Belknap County. Although the proposed transaction would eliminate some existing competition, it does not appear that concentration would be substantially increased in any relevant market.

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

Basis for Corporation approval, February 11, 1975

New Hampshire Savings Bank, Concord, New Hampshire ("NHSB"), an insured mutual savings bank with total resources of $164,994,000 and total deposits of $147,002,000, has applied, pursuant to section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with City Savings Bank of Laconia, New Hampshire, Laconia, New Hampshire ("City Savings"), an insured mutual savings bank with total resources of $14,093,000 and total deposits of $12,746,000. The two institutions would merge under the charter and title of NHSB. The two approved offices of City Savings would become branches of the resulting bank, increasing the number of its approved offices to seven.

Competition. NHSB operates a total of five offices: its main office and two branches in Concord and one branch each in Pittsfield and Contoocook. All offices of NHSB are located in Merrimack County, in south central New Hampshire, and most of NHSB's deposit and loan business originates in that county.

City Savings has its sole office in Laconia (1970 population 14,888, down 2.6 percent from 1960). It derives almost all of its deposit and loan business from Belknap County (1970 population 32,367, up 12 percent from 1960), which is located adjacent to and northeast of Merrimack County. Laconia is the only city in the county, and 70 percent of the county's work force is employed there. The 1973 median household buying level for Belknap County was $9,709, slightly over the median for the State as a whole.

The nearest offices of NHSB and City Savings are 20 road-miles apart while their principal offices are 27 road-miles apart. The two banks serve different markets, there are no common depositors, and neither draws any meaningful volume of business from the county primarily served by the other. The proposed transaction therefore would not eliminate any significant existing competition between the two banks.

City Savings is the fourth largest of five thrift institutions competing in Belknap County and holds only 9.8 percent of their combined deposits. Since NHSB is not presently located in Belknap County, the structure of thrift institution competition there would be changed only to the extent that competing institutions would be faced with a stronger, more aggressive competitor.

Under present New Hampshire law, a bank may branch *de novo* within the town of its principal office, in contiguous towns, and elsewhere within 15 miles of its main office, subject to office protection; it may also merge with another bank within 30 miles of its principal office. Thus, both banks are prohibited from entering the other's market with a *de novo* branch. As to alternative entry by merger, NHSB has selected the second smallest thrift institution in Belknap County, while realistically City Savings has few merger alternatives other than one of the more dominant thrift institutions already in Belknap County. The Board concludes that no potential for increased competition between the two by means of *de novo* branching would be eliminated by their proposed merger, and that the merger alternative proposed is procompetitive locally rather than anticompetitive.

Statewide, NHSB would increase its share of thrift institution deposits to 7.5 percent from its present 6.9 percent, and it would move from the third largest thrift institution to the second largest. The largest such institution in the State would still have about $100 million more in total deposits than NHSB, while the third ranking thrift institution would be only $9 million smaller.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of NHSB and City Savings are satisfactory. The future prospects of City Savings are more favorable than if City Savings were to continue operation as an independent bank. The resulting bank has favorable prospects.

Convenience and Needs of the Community to be Served. Customers of City Savings would find a much broader range of services, including NOW accounts, automated payroll plans, FHA and VA loans and on-line computer capabilities, a much higher lending limit, and a more vigorous competitive atmosphere as a result of the merger.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Hudson United Bank Union City, New Jersey	191,961	11	12
to acquire the assets and assume the deposit liabilities of			
People's Trust Company Dunellen	10,022	1	

Summary report by Attorney General, December 24, 1974

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

Basis for Corporation approval, February 11, 1975

Hudson United Bank, Union City, New Jersey ("Hudson"), a State nonmember insured bank with total resources of $191,961,000 and total IPC deposits of $163,540,000, 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 the liability to pay deposits made in People's Trust Company, Dunellen, New Jersey ("People's"), with total resources of $10,022,000 and IPC deposits of $8,089,000. The resultant bank would be operated under the charter and title of Hudson and, as an incident to the acquisition, the sole office of People's would become a branch of Hudson which would then have a total of 11 authorized full service offices and 2 limited service facilities.

Competition. Hudson operates six offices in Hudson County (population

609,266) and five offices in the southeastern portion of Bergen County (population 897,148). In Essex County (population 932,299) the bank has an approved but unopened branch. These three counties are in eastern New Jersey in close proximity to the Newark-New York City metropolitan area which is the major employment center in the area.

People's operates its sole office in Dunellen Borough (population 7,072) in Middlesex County (1970 population 583,813, up 34.6 percent from 433,856 in 1960). Middlesex County is located in the north-central part of New Jersey and its 1973 household median income was about 8 percent higher than the comparable figure for the State as a whole.

The proposed acquisition would have no perceptible effect in any area presently served by Hudson. The impact of the proposed acquisition would be largely confined to the affluent, growing trade area of about 73,000 persons served by People's in and around Dunellen, which consists of the extreme north-central portion of Middlesex County and a small portion of south-central Somerset County as well as a small portion of western Union County.

In this trade area, 12 commercial banks operate 24 offices with total IPC deposits of $247,573,000. The largest share of this local market is held by the $143-million-deposit United National Bank, Plainfield, Union County, which has 47.7 percent of the IPC deposits. The $200-million-deposit First National Bank of Central Jersey, Somerville, has 8.5 percent of such IPC deposits while the $169-million-deposit The National Bank of New Jersey, New Brunswick, has 7.9 percent. People's nearest competitor, The First National Bank of Dunellen, controls 6.9 percent of these IPC deposits while People's itself has only 3.3 percent. The balance is shared by the remaining seven banks.

People's is the second smallest bank operating in the trade area and three of its competitors are affiliated with relatively large multibank holding companies. The proposed acquisition would not change the structure of this local banking market because Hudson is not now represented there. The resulting bank, however, should be in a better position to offer greater competition to the larger banks in the area and to those banks with holding company affiliations.

Hudson and People's operate in separate and distinct banking markets. Their closest offices are about 20 miles apart in a densely populated urban and suburban area with numerous commercial bank alternatives. Neither, moreover, draws any significant business from areas served by the other. Accordingly, the Board is of the view that the proposed acquisition would not eliminate any significant existing competition between Hudson and People's.

New Jersey law permits statewide branching, subject to certain restrictions relating to principal office protection. Hudson is prohibited from *de novo* entry into Dunellen proper because of these restrictions, while People's (which has never branched since its founding in 1927) is unlikely to attempt *de novo* branching in areas now served by Hudson. Thus, the proposed acquisition would not eliminate any significant potential for increased competition between Hudson and People's through *de novo* branching.

Commercial banking in New Jersey is relatively unconcentrated at this time. The two largest commercial banking organizations, each a multibank holding company with total deposits in excess of $1.4 billion, have an aggregate of only 15.1 percent of the commercial bank deposits in the State. Hudson has 0.8 percent of such deposits and the proposed acquisition would give the resulting bank only 0.9 percent of the State's commercial bank deposits.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources and future prospects for Hudson are considered adequate. Although People's possesses financial adequacy, management succession has become a problem and a declining deposit trend has become evident. The resulting bank will have adequate financial and managerial resources and the future outlook is favorable.

Convenience and Needs of the Community to be Served. Customers of People's would benefit as recipients of services offered by Hudson but not now offered by People's, such as computer services, a wider variety of commercial, industrial, and instalment-type loans, and full trust services. In addition, instead of People's' effective limit of $100,000 on individual loans, the resulting bank would have a statutory lending limit of about $1,600,000. These services are presently available from other banks in the market served by People's, but the resulting bank would provide another meaningful alternative for a broad range of commercial banking services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Peoples Bank Portland, Indiana	41,373	2	3
to merge with			
Union State Bank Redkey	5,630	1	

Summary report by Attorney General, December 16, 1974

Peoples Bank is the largest of the five banks serving Jay County, and of the three banks located in Portland, the county seat. Union Bank is the county's smallest bank. The parties are separated by a distance of about 11 miles, and no other banks are located in the area directly between Portland and Redkey.

The application indicates that in 1973 an urgent need for capital arose at Union Bank. At that time individuals controlling 59 percent of the stock of Peoples Bank acquired approximately 69 percent of the stock of Union Bank. Significant competition probably does not now exist between the two banks, in part due to the 1973 stock transactions.

In view of the proximity of the merging banks, it appears that the overall stock purchase-merger transaction described in the application will eliminate some competition.

Basis for Corporation approval, March 7, 1975

The Peoples Bank, Portland, Indiana ("Peoples Bank"), an insured State nonmember bank with total resources of $41,373,000 and total IPC deposits of $31,727,000, 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 Union State Bank, Redkey, Indiana ("Union Bank"), an insured State nonmember bank with total resources of $5,630,000 and total IPC deposits of $4,189,000. The two banks would merge under the charter and title of Peoples Bank and, as an incident to the merger, the only office of Union Bank would become a branch of the resulting bank, increasing the number of its offices to three.

Competition. Peoples Bank has its main office and one branch in downtown Portland (population 7,115), the largest city in Jay County (population 23,575). Its primary service area is all of Jay County and portions of each county to the north and south. Union Bank operates its sole office in Redkey (population 1,667), approximately 11 miles southwest of Portland, in the southwestern corner of Jay County. The economy of Jay County is primarily agricultural with some light industry in Portland, Redkey, and Dunkirk. Many residents of the Redkey area commute to Muncie, 17 miles southwest of Redkey in Delaware County, for employment and shopping conveniences. Jay County's buying level for 1974 ($10,442) was 16.8 percent below the State level ($12,555), while Delaware County's buying level ($13,479) was 7.4 percent above the State level. Muncie is a city of approximately 69,000 persons, while Delaware County has a population close to 130,000 persons.

The area primarily served by Union Bank is the southwestern portion of Jay County, northern portions of Randolph County to the south, and the northeastern portion of Delaware County extended to include the city of Muncie. Nine banks, including 5 in Jay County, 3 in Delaware County, and 1 in Randolph County, operate 15 banking offices in this geographic area. Peoples Bank holds 12.5 percent of the area's commercial bank IPC deposits and ranks fourth in share of deposits, while Union Bank has 1.7 percent of such deposits and ranks ninth. In addition to competing Jay County banks, there are two branches of Delaware County banks located only 6 miles southwest of Redkey that actively compete in Union Bank's local market. The two banks are geographically only 11 miles apart, and no other bank is located between them. Accordingly, it would appear, and the application confirms, that the proposed merger would eliminate some existing competition between the participating banks. However, the degree of competition is limited* and the proposed merger would have little significance in view of the size of Union Bank relative to its competitors, its ineffectiveness as a competitor in the period preceding the 1973 purchase of its stock, and the fact that a sufficient number of convenient alternatives in this relatively small market would remain even if the proposed merger is consummated.

*For purposes of this analysis, the Corporation has ignored the fact that Union Bank was brought under common control with Peoples Bank in 1973 through stock purchase by four shareholders of Peoples Bank. Absent unusual circumstances, such stock purchase lends no persuasive weight to approval of a proposed merger. As the Corporation has previously noted, to adopt the argument that the banks do not compete because of the common stock ownership would in many cases defeat the basic purposes of the Bank Merger Act.

Indiana law limits branching to the county in which a bank is headquartered, subject to home office protection. Increased competition between the two banks because of *de novo* branching by one or the other is, however, unlikely. In 1973, Union Bank had limited financial resources and no branching experience. Redkey is protected from outside branching by Union Bank's home office location, but even without it the Redkey area would appear relatively undesirable for *de novo* branching compared with other sites available in Jay County to the banks in Portland.

While the proposed merger would add to the dominant share of commercial bank deposits held by Peoples Bank in all of Jay County, its legal branching area, Union Bank was not a significant competitor at the time stock control was purchased in 1973, and its elimination as a separate competitor in Jay County would appear inconsequential as a competitive matter.

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 Peoples Bank and Union Bank are satisfactory. Under the present common ownership the banks could continue to operate satisfactorily as independent banks. The resulting bank would have favorable future prospects.

Convenience and Needs of the Community to be Served. The resulting bank would have a much higher lending limit than Union Bank and would compete for mortgage loans and farm loans, an area of lending which Union Bank has not serviced in the past. Trust services, safe deposit boxes, a night depository, a drive-up window, and other conveniences will be added to the Redkey office of 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
Union Bank & Trust Company Morganfield, Kentucky	15,609	2	3
to merge with **The Farmers Bank of Uniontown** Uniontown	2,426	1	

Summary report by Attorney General, October 7, 1974

The offices of the parties are separated by a distance of about 6 miles, with no competitive alternatives in the intervening area. Thus, it appears that the proposed merger would eliminate existing competition between the parties and increase concentration in commercial banking in Union County.

Basis for Corporation approval, March 7, 1975

Union Bank & Trust Company, Morganfield, Kentucky ("Union"), a State nonmember insured bank having total resources of $15,609,000 and total IPC deposits of $11,672,000, 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 Farmers Bank of Uniontown, Uniontown, Kentucky ("Farmers"), having total resources of $2,426,000 and total IPC deposits of $2,072,000. As an incident to the proposed transaction, the sole office of Farmers would be established as a branch of Union, increasing the number of its offices to three.

Competition. Union operates its main office and only branch in Morganfield (population 3,563), the county seat and largest community of Union County, in northwest Kentucky some 35 miles southwest of Evansville, Indiana. Farmers has its sole office in Uniontown (population 1,255), in Union County, 7 miles north of Morganfield, on the Ohio River.

Union County (population 15,882) lies just east of the Ohio River, which separates it from Indiana to the north and Illinois to the west. The economy of the county depends principally on agriculture and coal mining. A significant number of its inhabitants are employed in the Evansville, Indiana-Kentucky SMSA, which lies immediately to the northeast. The population of Union County increased 9.3 percent during the 1960s, the increase occurring solely in that portion of the county lying east of Morganfield adjacent to the SMSA. The population of Morganfield, meanwhile, declined 4.8 percent while that of Uniontown was unchanged. The 1973 median household effective buying level of the county ($7,484) lagged that of the State as a whole by 5.3 percent.

The proposed merger would have its most immediate and direct competitive impact within Union County, where four commercial banks operate a total of eight offices. Union holds the third largest share, 26.7 percent, of the IPC deposits held by these offices; Farmers holds the smallest share, 4.8 percent, drawing virtually all of its business from Uniontown and its vicinity. In addition to the Ohio River on the north, this community is surrounded on the east and northeast by sparsely populated marshlands. The principal road leads southward to Morganfield and beyond. Union derives a significant amount of its deposits and loans from the Uniontown area and thus, its trade area overlaps that of Farmers.

Although the proposed merger would eliminate existing competition between Union and Farmers and increase concentration levels within the county, these consequences of the merger have limited significance in view of the small size of the relevant market in terms of population and deposit potential and the presence of two other significant competitors. Morganfield National Bank holds the largest share of the county's IPC deposits, operates two offices in Morganfield and one office in Waverly, 10 miles southeast of Uniontown, and has supervisory approval to establish a Uniontown office when, as a result of the proposed merger, home office protection has been removed from that community. Farmers State Bank located in Sturgis, 10 miles south of Morganfield, with 27.9 percent of the county's IPC deposits, would also remain an effective competitor in the county.

Although the merger would reduce to three the number of commercial banks in Union County, the effectiveness of Farmers as a competitor appears to be limited. This bank has attained a deposit size of only $2.2 million after 72 years of operation and maintains a loan account of comparatively modest size. Further, both of the other merger partners legally available to Farmers are larger than Union, and a merger with either would result in a higher concentration of Union County's commercial bank IPC deposits than the resulting bank's 31.5 percent of such deposits.

There appears to be only minimal potential for increased competition between the two banks through their *de novo* branching in the future. Kentucky law limits *de novo* branching by a commercial bank to its headquarters county, subject to home office protection. Thus, Union may not legally establish a *de novo* branch in Uniontown, nor may Farmers branch directly into Morganfield. Three of the four incorporated areas of Union County have home office protection and the fourth, with a population of only 335, is served by a branch of the county's largest bank. While areas beyond city limits are open for branching to all four of the county's banks, little such expansion can be expected in the foreseeable future. The county presently has one commercial bank office for each 1,985 inhabitants, its population declined during the 1960s in all areas other than the extreme eastern section, and its income levels are below the statewide average. Farmers has operated as a unit bank for 72 years and has neither managerial nor financial resources to facilitate *de novo* expansion. Union, were it to establish *de novo* branches, would be likely to favor the expanding portion of the county to the east of Morganfield rather than the Uniontown area to the north.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable for Union (as they would be for the resulting bank) and marginally adequate for Farmers.

Convenience and Needs of the Community to be Served. The proposed merger would have little effect in Union County generally, other than providing the resulting bank with a modest increase in lending limit. In the Uniontown area, however, a more aggressive management would offer a broader range of credit plans with a substantially increased loan limit, and trust facilities would become locally available for the first time. Newly constructed banking premises, planned for the Farmers location, should contribute to the convenience of customers in the Uniontown market in the near future.

Based upon 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
Depositors Trust Company of Portland Portland, Maine	7,275	1	4
to purchase the assets and assume the deposit liabilities of			
South Portland Bank & Trust Company South Portland	6,030	3	

Summary report by Attorney General, November 20, 1974

Portland Bank is a subsidiary of Depositors Corporation, a multibank holding company currently operating 6 commercial banking subsidiaries with 54 offices in the State of Maine. Although Depositors Corporation is currently the second largest of the banking organizations in the State of Maine with about 16.5 percent of total State deposits, its subsidiaries are largely concentrated to the north of Portland and surrounding Cumberland County. Depositors Corporation presently controls two banking offices in the Portland area: Portland Bank's main office in the city of Portland and a branch office of Depositors Trust Company, also a Depositors Corporation subsidiary, located in Freeport, about 15 miles north of Portland.

Portland and South Portland are adjacent cities separated by Portland Harbor and the Fore River. The nearest offices of the parties are separated by a distance of about 2 miles and their main offices are less than 3 miles apart. Thus, it appears that the proposed transaction would eliminate some existing competition between the parties in the Portland-South Portland area. However, it does not appear that concentration in commercial banking would be substantially increased in any relevant geographic market.

Basis for Corporation approval, March 7, 1975

Depositors Trust Company of Portland, Portland, Maine ("Depositors-Portland"), a State nonmember insured bank with total resources of $7,275,000 and total IPC deposits of $5,369,000, has applied, pursuant to section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of and assume the liability to pay deposits made in South Portland Bank & Trust Company, South Portland, Maine ("South Portland Bank"), with total resources of $6,030,000 and total IPC deposits of $4,139,000. The head office and two branches of South Portland Bank would become branches of Depositors-Portland, increasing the number of its approved offices to five.

Competition. Depositors-Portland, established in 1972, operates a single office in Portland (1970 population 65,116, down 10.3 percent from 1960). An approved but unopened branch is to be located 1/2 mile southeast of the head office. Depositors-Portland is the smallest of the six subsidiaries of Depositors Corporation, Augusta, Maine. This holding company, controlling total deposits of $272.8 million, is the State's second largest commercial banking organization.

South Portland Bank, established in 1971, operates a head office and two branches, all within a radius of 5 miles, in South Portland (1970 population 23,267, up 2.1 percent from 1960). Portland and South Portland, although adjacent, are separated for the most part by the Fore River and Portland Harbor. However, access to both cities is readily available. These are the core cities of the Portland, Maine SMSA (1970 population 141,625, up 14.3 percent from 1960). The SMSA is one of the principal distribution centers in northern New England. Distribution, services, and manufacturing, along with deep-river port facilities, provide a diversified economic base. The 1973 median buying levels of Portland ($9,012) and the Portland metropolitan area ($9,560) compare favorably with the State's level of $8,598.

While South Portland Bank does, to some extent, draw business from most of the SMSA, its primary market area comprises Portland and South Portland cities and Cape Elizabeth and Scarborough towns. The population of this market area was 104,101 in 1970, a decrease of 3.0 percent from 1960. Only Portland lost population during the decade, however, in the typical movement of inhabitants from the inner city to the suburbs. In this market, 6 commercial banks operate a total of 38 offices and hold IPC deposits aggregating $233,012,000. Three Portland-based banks are dominant in this area, operating 33 offices and holding 95.7 percent of the area's commercial bank IPC deposits. These banks are representatives of the first, fourth, and sixth largest commercial banking organizations in the State. The resultant bank would hold only 4.1 percent of such deposits (Depositors-Portland presently has 2.3 percent and South Portland Bank 1.8 percent).

While the nearest offices of Depositors-Portland and South Portland Bank are some 2.5 miles apart (the approved but unopened branch of Depositors-Portland is to be located about 2 miles from the main office of South Portland Bank) and are separated by an arm of Portland Harbor with several offices of competing banks intervening, the two banks draw business from essentially the same area. South Portland Bank in particular has been an aggressive competitor during its 5 years of existence. While the proposed transaction would eliminate this existing competiton between the two banks, the longer-run impact is likely to be negligible in view of the modest size of both banks in the relevant market and the presence therein of three banks with much larger shares of the total commercial bank IPC deposits. The Portland SMSA, moreover, is growing despite the population declines registered in its central portion, and new competitors, some of whom will undoubtedly have the backing of statewide bank holding companies, should continue to be attracted to the market.

Both banks may, under present law, branch *de novo* into the same area. South Portland Bank has established two such branches since it opened for business in 1971 (one of the branches is a limited service drive-in facility). Its further *de novo* activity is not regarded as likely due to limited managerial and financial resources. Depositors-Portland, with the backing of its holding company, is expected to be active in *de novo* branching. The proposed transaction would give a small but significant network of offices in the Portland area, with correspondingly greater incentive to compete as vigorously as possible within the market. Any elimination of potential competition between the two banks caused by the proposed transaction is outweighed by this prospect of more intensive and effective competition with the area's three leading banks.

Depositors Corporation presently controls 15.2 percent of the State's total commercial bank deposits. If the proposed transaction is consummated, the percentage of such deposits would increase to 15.5 percent, with Depositors Corporation maintaining its rank as the second largest of Maine's commercial banking organizations. The six largest such organizations hold 80.2 percent of the State's total commercial bank deposits. While the proposed purchase and assumption transaction would eliminate an independent bank and further concentrate the banking resources of the State, it would, more importantly, provide an additional toe-hold in the Portland-South Portland market for Depositors Corporation. Presently the only representation of Depositors Corporation in the Portland, Maine SMSA is the Freeport Branch (IPC deposits $3,958,000) of Depositors Trust Company (Augusta). This branch lies approximately 20 miles northeast of Depositors-Portland and is the closest office of any of the affiliated banks.

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 resultant bank would have adequate financial and managerial resources. Its future prospects would be satisfactory.

Convenience and Needs of the Community to be Served. While no new services worthy of note will be developed by the proposal, the general public in the Portland-South Portland area should benefit from a more competitive banking environment.

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 Suncook Bank Suncook, New Hampshire	24,722	1	2
to merge with			
The Hooksett Bank Hooksett	2,851	1	

Summary report by Attorney General, December 9, 1974

The merging banks are located about 7 miles apart with no other banks in the area directly between them. The application indicates that the service area of Hooksett Bank is wholly within that of Suncook Bank. The banks' service areas, however, are situated about midway between Concord (8 miles north of Suncook) and Manchester (5 miles south of Hooksett) and they compete with other banks in those banking markets. Suncook Bank accounts for approximately 7 percent and Hooksett Bank less than 1 percent of the commercial bank deposits in the Concord and Manchester areas. Moreover, the small size and market position of Hooksett Bank mitigate any competitive effects of the proposed transaction.

Basis for Corporation approval, March 7, 1975

The Suncook Bank, Suncook, New Hampshire, a State nonmember insured bank having total resources of $24,722,000 and IPC deposits of $20,710,000, 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 Hooksett Bank, Hooksett, New Hampshire, with total resources of $2,851,000 and IPC deposits of $2,121,000. As an incident to the merger, the sole office of The Hooksett Bank would be established as a branch of The Suncook Bank, increasing to two the number of its offices.

Competition. The Suncook Bank operates its sole office in Suncook (population 4,280), an unincorporated community comprising parts of the Merrimack County towns of Pembroke and Allenstown, in south-central New Hampshire. Its primary trade area comprises the city of Manchester, 10 miles to the south of Suncook, the southern half of the city of Concord, 8 miles to the northwest, the towns of Allenstown, Hooksett, and Pembroke, which form a corridor between the two cities, and the towns of Epsom, Northwood, and Pittsfield, situated to the northeast of the corridor. Manchester (population 87,754) is the State's largest city and a trading and industrial center. Concord (population 30,022) is New Hampshire's capitol and third largest city. Suburban portions of The Suncook Bank's market are primarily residential, with many residents being employed in Manchester or Concord.

The Hooksett Bank has its sole office in the town of Hooksett (population 5,564), situated 3 miles north of Manchester and 7 miles south of Suncook. The Hooksett Bank draws the bulk of its business from Hooksett and the northern fringes of Manchester, an area also served by The Suncook Bank. However, The Suncook Bank has stock control of The Hooksett Bank, which it sponsored and established during 1972 in a community into which it could not legally branch *de novo*, and the two banks have interlocking managements. Thus, there is no effective competition between them.

Within the local market served by the 2 banks, 21 offices are operated by 11 commercial banks, and these offices hold $302 million in aggregate IPC deposits. The Manchester Bank holds 41.1 percent of such deposits. Two subsidiary banks of First Bancorp of N. H., Inc., hold 19.3 percent, while the two next largest shares, 10.8 percent and 9.7 percent, are held by two other Manchester-based banks. The Suncook Bank and The Hooksett Bank together control 7.6 percent of such deposits. Accordingly, the proposed merger would not change the existing competitive structure of the market. Furthermore, their proposed merger is unlikely to affect to any significant extent future competition within the same market. The law that in 1972 prevented The Suncook Bank from branching into Hooksett *de novo* continues in effect. The town of Suncook, in turn, cannot be entered *de novo* by any commercial bank as long as The Suncook Bank maintains its principal office there. To the extent other locations might prove desirable for *de novo* branching within the market, numerous competitors remain to insure effective competition and the small share of the market presently controlled by The Suncook Bank and The Hooksett Bank indicates no significant elimination of potential competition through their proposed merger even in the unlikely event disaffiliation were to occur.

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. The Suncook Bank has satisfactory financial resources, and those of The Hooksett Bank are adequate. The resulting bank would have adequate financial and managerial resources and its future prospects appear reasonably favorable.

Convenience and Needs of the Community to be Served. The Suncook Bank presently competes throughout the primary trade area of The Hooksett Bank and the merger would provide no new services to the community other than trust services, which would be offered for the first time at The Hooksett Bank location. A lending limit increased to $250,000 should strengthen somewhat the competitive stance of the resulting bank in the relevant market.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Virginia-Shenandoah Winchester, Virginia (in organization)		—	1
to merge with **Virginia Loan and Thrift Corporation** Winchester	2,199	1	

Summary report by Attorney General, September 13, 1974

The proposed merger is part of a plan through which Virginia Loan and Thrift Bank would become a subsidiary of Bank of Virginia Company, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by Bank of Virginia Company, it would have no effect on competition.

Basis for Corporation approval, March 7, 1975

Pursuant to sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Bank of Virginia-Shenandoah, Winchester, Virginia ("BOVA"), a proposed new bank in organization, and for consent to its merger with Virginia Loan and Thrift Corporation, Winchester, Virginia ("VLTC"), a noninsured industrial loan association with total resources of $2,199,000 as of October 10, 1974, upon the latter's conversion to a commercial bank charter. The merger would be effected under the charter and with the title of BOVA, and the resulting bank would operate from the single location of VLTC.

The new bank formation and merger transaction are designed solely to enable Bank of Virginia Company, Richmond, Virginia, a registered bank holding company, to acquire substantially all of the voting shares of the bank resulting from the proposed merger. An application for approval of the acquisition is pending before the Board of Governors of the Federal Reserve System. BOVA will not be in operation as a commercial bank prior to the transaction, and the proposed merger will not, per se, have any effect on competition.

With respect to the application for Federal deposit insurance, the net result of the proposals will be to convert a limited service industrial loan association to a commercial bank. The trade area for the bank is Winchester, an independent city with a 1970 population of 14,643, and its immediate environs in surrounding Frederick County. The county had a 1970 population of 28,893. The Winchester area is primarily commercial and residential with a small but significant agricultural sector, and growth prospects are favorable.

The trade area is served by 3 commercial banks (all of which are affiliates of other bank holding companies) which will comprise the competition for BOVA through their 17 offices. The total deposits of these banks in the aggregate approximated $162 million as of June 30, 1974. The conversion of this industrial loan association, with total deposits of only $1.3 million, should have no appreciable effect on the competitive situation, but its acquisition by BOVA should help to stimulate competition in the Winchester market. VLTC has been in operation for over 48 years and has served the needs and convenience of the community during that period. The granting of deposit insurance will be beneficial to the converted bank's present customers and to the banking community in general.

On the basis of the above information and other information available to the Corporation, 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 Somerset Princess Anne, Maryland	30,184	4	6
to merge with			
Exchange and Savings Bank of Berlin Berlin	9,150	2	

Summary report by Attorney General, November 5, 1974

The nearest offices of the merging banks are approximately 23 miles apart with several competitive alternatives in the intervening area. It appears that the proposed transaction would not eliminate substantial existing competition. And in view of Exchange Bank's modest market position in its service area, and the existence of several potential entrants into that area, we conclude that the proposed merger would not eliminate substantial potential competition.

Basis for Corporation approval, March 25, 1975

Bank of Somerset, Princess Anne, Maryland, a State nonmember insured bank with total resources of $30,184,000 and total IPC deposits of $22,928,000, 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 Exchange and Savings Bank of Berlin, Berlin, Maryland ("Exchange Bank"), with total resources of $9,150,000 and total IPC deposits of $7,461,000. These banks would merge under the charter and with the title of Bank of Somerset and, as an incident to the merger, the two offices of Exchange Bank would be established as branches of the resulting bank, increasing the number of its offices to six.

Competition. Bank of Somerset is a subsidiary of Mercantile Bankshares Corporation, the sixth largest commercial banking organization in Maryland, controlling 11 banks having total IPC deposits of $530,225,000, or approximately 7.7 percent of all commercial bank IPC deposits in the State. Bank of Somerset has four offices: the main office and two branches in Somerset County and one branch in Wicomico County.

Exchange Bank operates its main office in Berlin (population 1,942) and a branch opened in June 1974 in Ocean City (population 1,493), 9 miles east of Berlin. Both offices are in northeastern Worcester County (1970 population 24,442, up 3.0 percent since 1960). Worcester County's 1974 median household buying level was $8,243, 38.8 percent below the statewide level. Exchange Bank is the 83rd largest commercial bank in Maryland, holding 0.1 percent of the State's commercial bank IPC deposits.

Competitive effects of the proposed merger would be most direct and immediate in the trade area of Exchange Bank, which comprises communities in northern Worcester County and adjacent eastern Wicomico County within 15 road-miles of Berlin. A total of 10 banks operate 15 offices in the market, serving a year-round population estimated at 18,000, but a much larger summertime population. Exchange Bank is the third largest among the 10 banks in this market, with 9.2 percent of all IPC deposits held by the area's commercial bank offices. The bank with the largest area share of such deposits is four times the deposit size of Exchange Bank, while the second, fourth, fifth, and sixth largest area shares are close to Exchange Bank's share. A distance of 23 road-miles separates the closest offices of the two banks while offices of several other commercial banks serve the intervening area. There is no appreciable overlapping of trade areas, and the proposal would eliminate no significant existing competition between Bank of Somerset and Exchange Bank.

Should the proposed merger not be consummated, there appears to be no significant potential for increased competition between the two banks through *de novo* branching in the future. Although it may legally establish *de novo* branches in the area served by Exchange Bank and although it has the financial and managerial capacity to do so, Bank of Somerset is unlikely to find this market attractive in view of its substantially below average buying level and the large number of banking offices serving a relatively small year-round population. Exchange Bank, for its part, has only recently opened its first branch since it was chartered in 1899, and does not have the financial or managerial resources for significant additional expansion.

At the same time, consummation of the proposed merger would not inhibit the entry of several larger statewide bank holding companies presently unrepresented in the market or effective competition within the market in the future.

Statewide, the proposed merger would increase from only 7.7 percent to 7.8 percent the share of aggregate commercial bank IPC deposits held by Mercantile Bankshares Corporation. This increment would have no perceptible effect on the concentration of commercial bank resources in the State of Maryland, while competition in the local market in which Exchange Bank operates should be enhanced.

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. Bank of Somerset has satisfactory financial and managerial resources; those of Exchange Bank are acceptable for the volume of business being conducted. The resulting bank would have satisfactory financial and managerial resources and its future prospects appear favorable.

Convenience and Needs of the Community to be Served. The merger would have little effect in the present market of Bank of Somerset other than providing a credit card service which is now available to customers of Exchange Bank. The merger would bring to the Berlin-Ocean City market another source for large size loans, improved commercial and consumer lending services, a broader range of deposit alternatives, daily compounding of savings interest, and a more competitive time deposit rate. A third banking organization among the 10 largest in Maryland would, by the merger, join 2 others already in the market of Exchange Bank, and competition should be enhanced to the benefit of businessmen and residents alike.

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
Dry Dock Savings Bank New York, New York	1,447,175	7	8
to acquire the assets and assume the deposit liabilities of			
Fifth Avenue Savings and Loan Association New York	2,267	1	

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

Basis for Corporation approval, April 7, 1975

Dry Dock Savings Bank, New York, New York, an insured mutual savings bank with total resources of $1,447,175,000 as of December 31, 1974, has applied, pursuant to section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume the liability to pay deposits made in Fifth Avenue Savings and Loan Association, New York, New York, a noninsured State-chartered mutual savings and loan association with total resources of $2,267,259 as of January 17, 1975. As an incident to the proposed transaction, the sole office of Fifth Avenue Savings and Loan Association would become a branch of Dry Dock Savings Bank.

The Board of Directors has determined that the Corporation must act immediately in order to prevent the probable failure of Fifth Avenue Savings and Loan Association.

Based on this finding the proposed transaction is approved. Under section 18(c)(6) of the Federal Deposit Insurance Act, the transaction may be consummated immediately.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Houghton State Bank Red Oak, Iowa	31,393	3	4
to acquire the assets and assume the deposit liabilities of			
The Cumberland Savings Bank Cumberland	4,190	1	

Summary report by Attorney General, November 20, 1974

Bank is located about 30 miles northeast of Applicant's branch office in Elliott and about 38 miles northeast of the latter's main office in Red Oak. It appears that the proposed transaction would not eliminate significant existing competition between the parties. And in view of the modest size of Bank and of the community which it serves (Cumberland's population is approximately 425), we conclude that the effect of the proposed transaction on potential competition would not be significantly adverse.

Basis for Corporation approval, April 11, 1975

Houghton State Bank, Red Oak, Iowa, an insured State nonmember bank with total assets of $31,393,000 and IPC deposits of $25,537,000, 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 the liability to pay deposits made in The Cumberland Savings Bank, Cumberland, Iowa ("CSB"), an insured State nonmember bank with total assets of $4,190,000 and IPC deposits of $3,498,000. As an incident to the transaction, the sole office of CSB would become a branch of the resulting bank, increasing the total number of its offices to four.

Competition. Houghton State Bank operates its main office and one branch in Red Oak (1970 population 6,210) and one branch in Elliott (1970 population 423), about 14 miles northeast of Red Oak. Both locations are in Montgomery County (1970 population 12,781, down 11.7 percent from 1960) which is in southwestern Iowa. Red Oak, which is about 50 miles southeast of Omaha, Nebraska, and Council Bluffs, Iowa, is the trading center for a rich agricultural area, but it also has considerable industrial development. Montgomery County's 1973 median buying level was $8,567, some 9.8 percent below that for the State. Houghton State Bank is an affiliate of Hawkeye Bancorporation, Des Moines, Iowa, a registered bank holding company controlling 14 banks with total deposits of over $341 million.

CSB operates its only office in Cumberland (1970 population 385) in central Cass County (1970 population 17,007, down 5.1 percent from 1960). Cass County adjoins Montgomery County on the north and is almost solely agricultural. Its 1973 median buying level was $8,149, or 14.2 percent below the State figure of $9,499.

The effects of the proposed transaction would be felt primarily within about 15 miles of Cumberland. CSB is the smallest of the seven commercial banks in this area, with only 4.6 percent of the aggregate IPC deposits of $75.7 million. Because Houghton State Bank is not represented in this market, the proposed transaction would have no effect on the structure of commercial banking in this small local market.

Houghton State Bank and CSB presently operate in adjoining but separate banking markets. The closest office of Houghton State Bank to Cumberland is its branch in Elliott, some 20 miles to the southwest of Cumberland, and there is another bank located between these points. Further, no Hawkeye Bancorporation affiliate is closer to Cumberland than Houghton State Bank. If there is any overlapping of areas served, the result would be inconsequential. The proposed transaction, therefore, is viewed as unlikely to eliminate any significant existing competition between the two banks.

Under Iowa law, a bank may branch *de novo* in its home office county and into contiguous counties subject to home office and branch office protection. CSB has neither the resources nor the management depth to attempt to expand into areas served by Houghton State Bank, and the latter probably would not find Cass County attractive for *de novo* branching because of its declining population, modest economic activity, and low population per banking office (2,834). As a result, no significant potential for increased competition between the two banks in the future through *de novo* branching is likely to be eliminated by the proposed transaction.

In the 8 counties open to Houghton State Bank for branching, there are 42 commercial banks operating 63 offices with aggregate total deposits of $564.5 million. Houghton State Bank has 4.9 percent of these deposits, and the resulting bank would have 5.6 percent. Hawkeye Bancorporation, however, controls two other banks in this area with a combined deposit share of 7.9 percent. Thus, the holding company already has the largest share of such deposits with 12.8 percent. This is only slightly more than the 12.3 percent share held by an affiliate of Banks of Iowa, Inc., Cedar Rapids, Iowa, a multibank holding company controlling five banks with total deposits in excess of $400 million. The acquisition of CSB would add only 0.7 percent to Hawkeye Bancorporation's deposit share in Houghton State Bank's legal branching area. On a statewide basis, Hawkeye Bancorporation is the third largest banking organization in Iowa, with 3.5 percent of total commercial bank deposits, and the proposed transaction would add less than one-half of 1 percent to that total.

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. Houghton State Bank and CSB have satisfactory financial and managerial resources and future prospects, as would the resulting bank.

Convenience and Needs of the Community to be Served. The proposed transaction would not affect the services presently offered in the areas where Houghton State Bank now operates. Cumberland residents would benefit from having a branch of a holding company affiliate nearby which would offer expanded banking services, including computerized record keeping, credit card convenience, and trust services.

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

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*For purposes of assessing the competitive impact of this proposal under the Bank Merger Act, the Board of Directors has ignored the acquisition of stock control of CSB by the president of Houghton State Bank in July 1973.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
United Canal Bank Bangor, Maine	1,188	1	1
to acquire certain assets and assume the deposit liabilities of			
Colonial Industrial Bank Bangor	1,170	1	

Summary report by Attorney General, March 11, 1975

United Bancorp operates no offices within 50 miles of Bangor other than its *de novo* subsidiary, United Canal Bank, in Bangor. In view of the small size of Colonial, which is not a commercial bank, its acquisition by United Canal Bank would not have a substantially adverse effect on either existing or potential competition.

Basis for Corporation approval, April 11, 1975

United Canal Bank, Bangor, Maine ("Canal"), a State nonmember insured bank with total resources of $1,188,000 and total deposits of $426,000 as of February 14, 1975, has applied, pursuant to section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire certain assets of and assume liability to pay deposits made in Colonial Industrial Bank, Bangor, Maine ("Colonial"), a noninsured State-chartered industrial bank with total resources of $1,170,100 and total deposits of $908,800 as of January 13, 1975. The two banks have separate quarters in the same building, and if the transaction is consummated, the office of Colonial would be promptly closed.

Competition. Bangor (1970 population 33,168) is located in the eastern part of Maine, some 135 road-miles northeast of Portland. It is the wholesale and retail trade center for a large portion of northern and eastern Maine. Industries in the Bangor area manufacture footwear, paper, and textiles. During the 1960s the population of Bangor declined by 14.8 percent, in contrast to a statewide population increase of 2.4 percent, but this reflected the impact of the deactivation of Dow Air Force Base (12,000 military and civilian personnel). This facility, now operated as Bangor International Airport, has become an important source of income for the area, offsetting in part the depressed conditions prevailing among the area's major industries. A modest improvement in the local economy has been reported during the past few years and further improvement is anticipated. Bangor's 1973 median household buying level ($8,477) was only slightly below that of the State as a whole.

Both Canal and Colonial are located within the Bangor-Brewer banking market (comprising these adjacent cities together with nine surrounding communities, all within some 15 road-miles of Bangor). Canal is a subsidiary of United Bancorp of Maine, whose nearest other subsidiary is 55 miles from Bangor. Colonial, which is uninsured, has only limited powers and cannot branch *de novo.* It is not considered a commercial bank or an effective competitor for deposits. In the 9 years since it was opened, Colonial has attained only about $1 million in deposits, constituting less than 1 percent of total deposits in the local market. It had an operating loss in 1973 and significant loan classifications at the last examination.

Six commercial banks operate a total of 24 offices in this market of some 77,236 persons. This market is highly concentrated with three banks, all subsidiaries of bank holding companies, holding 97.2 percent of the IPC deposits as of June 30, 1974, and operating 84 percent of the banking offices. Canal has been open only since January 10, 1975, and has not yet attained even $500,000 in deposits. Together the two banks would hold only 1.2 percent of the total commercial bank deposits in the market. It is apparent that no significant existing competition between these two banks would be eliminated by the proposed transaction and that no significant change would occur in the commercial bank structure of the market.

The four remaining industrial banks in Maine have been prohibited by a 1967 law from establishing *de novo* branches, and thus, no potential exists for increased competition between the two banks by such expansion in the future.

The Board of Directors is therefore 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. Colonial's financial resources and future prospects are unfavorable. Canal has capable officers, its resources are adequate, and its future prospects are favorable. The loan assets that Canal would acquire by the proposed transaction exclude those of unsatisfactory quality. With Canal's financial strength and managerial resources, the future prospects of the resulting bank are satisfactory.

Convenience and Needs of the Community to be Served. The proposed purchase and assumption transaction would not materially affect the convenience and needs of the market being served. Depositors of Colonial would gain the assurance of Federal deposit insurance and Canal would gain a small deposit base from which to penetrate a highly concentrated 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
Farmers and Mechanics Savings Bank Middletown, Connecticut	98,186	4	5
to merge with			
Cromwell Savings Bank Cromwell	25,813	1	

Summary report by Attorney General, May 8, 1975

Cromwell Savings operates its main office in Cromwell (population 7,400) in Middlesex County (population 115,000) and has approval for a second office there. Farmers Savings operates two offices in Middletown (population 29,300), immediately south of Cromwell and also in Middlesex County, and single offices in Colchester and Montville, about 20 miles east of Middletown.

In addition to the parties to this proposed merger, one savings and loan association and two commercial banks are located in Cromwell, and two savings banks, one savings and loan association, and four commercial banks operate in Middletown.

Farmers Savings' main office in Middletown and Cromwell Savings' headquarters in Cromwell are separated by a distance of only about 4-½ miles. Thus, it appears that the proposed merger would eliminate existing competition between the parties. There are, however, a number of competitive alternatives within a 10-mile radius of these adjacent communities. The proposed merger will nevertheless eliminate existing competition and increase concentration in the Middletown-Cromwell area.

Accordingly, we conclude that the proposed transaction would have adverse competitive effects.

Basis for Corporation approval, May 9, 1975

Farmers and Mechanics Savings Bank, Middletown, Connecticut ("Farmers"), an insured mutual savings bank with total resources of $98,186,000 and total deposits of $89,300,000, 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 Cromwell Savings Bank, Cromwell, Connecticut ("Cromwell Bank"), with total resources of $25,813,000 and total deposits of $23,808,000, under the charter and with the title of Farmers. The main office and the approved but unopened office of Cromwell Bank would become branches of the resulting bank, increasing the number of its approved offices to six.

Competition. Farmers has its main office and one branch in Middletown, Middlesex County, and two branches in New London County: one in Colchester, 20 road-miles east of Middletown, and one in Montville, 36 road-miles southeast of Middletown. Cromwell Bank has one office in Cromwell, Middlesex County, and has approval to open a second office in a shopping center in Cromwell. The closest offices of the two banks are about 4-½ miles apart.

The market area most affected by this proposal would be those portions of Middlesex, New Haven, and Hartford Counties that lie within a 15-mile radius of Cromwell. The population of this trade area is approximately 300,000 and includes the southern part of the Hartford SMSA. Population increased during the decade ending in 1970 by 12.8 percent in New Haven County, 29.4 percent in Middlesex County, and 18.4 percent in Hartford County. The 1973 household median buying levels for the three counties all approximate the State median of $11,378. The economy of the immediate Cromwell area is rapidly changing from an agricultural orientation, with a nursery-greenhouse complex the major employer, to a largely residential area.

There are 61 offices of 15 mutual savings banks and 24 offices of 7 savings and loan associations, having total deposits of approximately $2.6 billion, in the relevant market area. Farmers has 2.8 percent of such deposits, ranking 11th, and Cromwell Bank has 0.9 percent, ranking 19th. While the areas served by the two banks overlap to some extent, the proposed transaction would not eliminate any significant amount of competition. The amount of deposits each bank now holds in the other's area is small and the shares of the total market that the two banks hold are very low. There would continue to be an adequate number of other institutions in the area to provide the public with convenience and choice among thrift institutions.

Little probability exists for increased competition to develop between Farmers and Cromwell Bank in the future. Neither bank may branch into the other's home office community because of the Connecticut home office protection statute. Furthermore, Cromwell Bank has shown little inclination to expand operations beyond its local community, and it operated for over 100 years before attempting to establish its first branch. Moreover, Cromwell's financial resources have been so strained in recent years that *de novo* branching outside its protected community is most unlikely.

The resulting bank would rank 9th in deposit size among all thrift institutions in the trade area, holding 3.7 percent of total deposits, and 20th in deposit size among mutual savings banks in Connecticut. In addition, the proposed transaction would convert the home office of Cromwell into a branch office of the resulting bank, thus eliminating home office protection in Cromwell and allowing other mutual savings banks to branch into Cromwell. Several have indicated their intention of seeking the necessary supervisory approvals to do just that if the proposed merger is consummated.

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. Farmers has satisfactory financial and managerial resources and favorable prospects for the future, as would the resulting bank. Cromwell Bank has had to sell a substantial portion of its assets at a loss to honor prior lending commitments, resulting in limited surplus, low liquidity, and a shortage of funds for additional mortgage lending. Its managerial resources are adequate, as are its future prospects.

Convenience and Needs of the Community to be Served. The resulting bank would offer somewhat expanded services to Cromwell Bank customers, including an increased lending capacity on home mortgages. The merger should also stimulate future competition in the local Cromwell area through removal of home office protection.

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
Security Bank of Oregon Portland, Oregon	47,960	8	35
to merge with **The Oregon Bank** Portland	333,150	27	

Summary report by Attorney General, April 3, 1975

The proposed merger of these two banks which are controlled by the same holding company would not have an adverse effect on competition.

Basis for Corporation approval, May 30, 1975

Security Bank of Oregon, Portland, Oregon ("Security"), a State nonmember insured bank with total resources of $47,960,000 and total IPC deposits of $34,202,000, 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 Oregon Bank, Portland, Oregon ("Oregon Bank"), with total resources of $333,150,000 and total IPC deposits of $209,019,000. The banks would merge under the charter of Security and with the title "The Oregon Bank." Incident to the merger, the 30 approved offices of Oregon Bank would become offices of the resultant bank, the present main office of Oregon Bank becoming the main office of the resultant bank. The present main office and the 7 branches of Security would become branches of the resultant bank, which would thus have a total of 38 approved offices.

Competition. This proposed transaction has the sole purpose of enabling Orbanco, Inc., a Portland-based registered bank holding company, to consolidate its operations in the State of Oregon. In April 1969, Orbanco, Inc. acquired 100 percent of the common stock of Oregon Bank. On April 1, 1974, the Board of Governors of the Federal Reserve System, acting pursuant to the Bank Holding Company Act, approved the application of Orbanco, Inc. to acquire 51 percent or more of the voting shares of Security. More than 90 percent of the voting shares of Security are presently owned by Orbanco, Inc. This proposed merger, accordingly, would not in itself change the structure of commercial banking in the State of Oregon, nor the existing concentration of commercial bank resources.

The Corporation 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. Prior to its acquisition in April 1974, the financial and managerial resources of Security were unsatisfactory. The future prospects of Security are clearly more favorable as a part of Orbanco, Inc. than as an independent entity. Financial and managerial resources of Oregon Bank are satisfactory and its future prospects are favorable. The resultant bank would have the satisfactory financial and managerial resources, and the favorable future prospects, of Oregon Bank.

Convenience and Needs of the Community to be Served. No office of either bank would be discontinued following the merger so customers of Security and Oregon Bank would have an increased number of locations in the city of Portland and nearby suburbs at which to conduct their banking business.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Mid-State Bank and Trust Company Altoona, Pennsylvania	193,953	17	19
to merge with			
The First National Bank of Philipsburg Philipsburg	37,437	2	

Summary report by Attorney General, December 24, 1974

Mid-State Bank and Philipsburg Bank are headquartered about 32 miles apart and the nearest offices of the two banks are 23 miles apart. According to the application, neither bank draws significant business from the service area of the other, and topography inhibits the development of competition between them. Thus, it does not appear that the proposed transaction would eliminate substantial existing competition.

Philipsburg Bank enjoys a leading position in the Philipsburg area which straddles the county line between Clearfield and Centre Counties. Mid-State Bank is one of the largest banks that could legally be permitted to open new branches in this area. The nature of the Philipsburg area, however, with a decline in population projected over the next several years, indicates that this transaction will not eliminate substantial potential competition.

Basis for Corporation approval, May 30, 1975

Mid-State Bank and Trust Company, Altoona, Pennsylvania ("Mid-State"), a State nonmember insured bank with total resources of $193,953,000 and total IPC deposits of $160,643,000, 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 First National Bank of Philipsburg, Philipsburg, Pennsylvania ("FNB Philipsburg"), with total resources of $37,437,000 and total IPC deposits of $29,797,000, under the charter and title of Mid-State. As an incident to the merger, the 3 authorized offices of FNB Philipsburg would become branches of the resultant bank, increasing the number of its authorized offices to 21.

Competition. Mid-State operates 11 offices in Blair County and 6 offices in Centre County, both in central Pennsylvania. It also has approval to establish a branch in Bellefonte, Centre County. Except for Altoona (1970 population 63,115), most of Blair County (population 135,356) is forested or used for agricultural purposes. The economy of Centre County (population 99,267) is dominated by Pennsylvania State University, whose main campus is at State College (population 33,778, up 50.7 percent from 1960). The university has an enrollment of about 30,000. Centre County's median household buying level in 1973 was $9,014 compared to the State's $9,588.

FNB Philipsburg operates its main office in Philipsburg in the extreme western portion of Centre County and one branch in Kylertown, about 7 miles north in Clearfield County. It also has approval for an additional branch in the immediate Philipsburg area. Philipsburg (population 3,700) is effectively separated from the rest of Centre County by the Allegheny Mountains. This and the fact that State forest land lies to the immediate east of Philipsburg have forced expansion to the west into Clearfield County. Once of primary importance, coal mining still contributes to the economy of the area although manufacturing (garments, bricks, cigars) has assumed greater importance. The declining population trend is expected to continue, and the economy of the area is virtually stagnant.

The area in which the effect of the proposed merger would be most immediate and direct is best approximated by an area lying within 15 road-miles of Philipsburg. Within this area 6 commercial banks operate 13 offices. Ranking second, FNB Philipsburg holds 22.6 percent of the area's $132 million in commercial bank IPC deposits. County National Bank, Clearfield, holds 41.0

percent of this market and Clearfield Bank and Trust Company, 22.0 percent. Mid-State's nearest offices to Philipsburg are in State College, about 24 miles east over the Bald Eagle Ridge of the Allegheny Mountains, and although there is some minor commutation from Philipsburg to State College for employment, the two banks are not competitive with each other. Mid-State and FNB Philipsburg serve basically separate markets, and no significant existing competition between them would be eliminated by their proposed merger.

Pennsylvania law permits a bank to branch *de novo* throughout its home office county and contiguous counties. Accordingly, Mid-State could branch throughout Blair, Cambria, Clearfield, Centre, Huntingdon, and Bedford Counties and has demonstrated its ability to branch *de novo* successfully in the past. It is doubtful, however, that Mid-State would find the Philipsburg area desirable because of the sparse and declining population and the number of banking offices already established in the area. Although FNB Philipsburg has the financial and managerial resources to branch into Mid-State's service areas, it has maintained a Philipsburg orientation throughout its 80-year history, and it appears unlikely that it would now challenge the much larger banks found in Mid-State's service areas.

Within the 6-county legal branching area of Mid-State, 46 commercial banks operate 168 offices. Mid-State ranks first with 13.0 percent of the $1.2 billion in commercial bank IPC deposits. First National has 2.5 percent of these deposits, and the resultant bank would therefore widen its lead over the second ranking bank's 11.6 percent share. The six-county region is relatively unconcentrated, however, and the proposed merger is unlikely to affect adversely the structure of commercial bank competition in the future.

In accordance with Corporation policy enunciated in its decision of December 1, 1970, with respect to the proposed merger of the Pennyslvania Bank and Trust Company, Titusville, and The Exchange Bank and Trust Company, Franklin, (and affirmed in similar subsequent decisions) Mid-State would be required, if this application is approved, to divest itself within a reasonable period of time of the stock it holds in any Pennsylvania bank that can branch or merge under Pennsylvania law into one or more of the six counties indicated. This requirement, in view of the share of the six-county market which Mid-State would control after the proposed merger, is considered advisable in order to avoid any artificial restraint on banking competition in that area and to discourage the further concentration of its commercial bank resources.

For the reasons stated and with the contemplated divestiture of Mid-State's investment in the stock of actual and potential competitors, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources and future prospects, and the same would be true of the resultant bank.

Convenience and Needs of the Community to be Served. The proposed merger would bring to customers of FNB Philipsburg an aggressive bank with a much larger lending limit (nearly $2 million), trust services, more comprehensive loan processing services, and much greater expertise in handling a wider variety of loans. It should also have the effect of intensifying competition with the two banks headquartered in Clearfield.

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 (change title to North Central Bank)	155,920	11	13
to merge with **The First National Bank of Dushore** Dushore	15,459	2	

Summary report by Attorney General, February 25, 1975

Dushore Bank is the larger of two small banks in Sullivan County (population 6,000). Northern Bank operates offices in Bradford County, approximately 35 miles north of Dushore Bank, and in Lycoming and Northumberland Counties, at least 25 miles southwest of Dushore Bank. Although there is some overlap between the service areas of the parties to this transaction, it does not appear that the merger would eliminate substantial existing competition. And in view of the nature of the area served by Dushore Bank, together with its relatively small absolute size, we conclude that the merger would not eliminate substantial potential competition.

Basis for Corporation approval, May 30, 1975

Northern Central Bank and Trust Company, Williamsport, Pennsylvania ("Central"), a State nonmember insured bank with total resources of $155,920,000 and total IPC deposits of $123,681,000, 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 First National Bank of Dushore, Dushore, Pennsylvania ("FNB Dushore"), with total resources of $15,459,000 and total IPC deposits of $13,464,000. These banks would merge under the charter of Central and with the title "Northern Central Bank." The resultant bank would have a total of 13 offices, including the 2 offices presently operated by FNB Dushore.

Competition. Central operates a total of 11 offices: its main office and 2 branches in Williamsport and 2 branches in the Montgomery area, about 11 road-miles southeast of Williamsport, all in Lycoming County; 2 branches in the Milton area, about 25 road-miles southeast of Williamsport, and 3 branches in the Sunbury area, some 36 road-miles southeast of Williamsport, all in Northumberland County; and 1 branch in Athens, in northern Bradford County, approximately 80 road-miles northeast of Williamsport.

FNB Dushore operates its two offices in Sullivan County, its main office in the borough of Dushore (1970 population 718) and a limited service facility in Eagles Mere (population 157), a borough located some 13 road-miles southwest of Dushore. Sullivan County (population 5,961) is in major part mountainous and forested. Its economy is largely dependent on recreational activities and wood products industries. The 1973 median household buying level of the county ($7,410) lagged that of the State by 23 percent.

The competitive impact of the proposed merger would be most immediate and direct in the sparsely populated local area of northeastern Pennsylvania which extends about 15 miles from Dushore and Eagles Mere, the location of FNB Dushore's two offices. This area includes most of Sullivan County, the southeastern portion of Bradford County, the far western portion of Wyoming County, and the far eastern portion of Lycoming County. Eight commercial banks having 10 offices serve the market, FNB Dushore having the largest share (26.1 percent) of total commercial bank IPC deposits. Central is not located in this market, its nearest office being about 35 miles away from Eagles Mere. Several offices of competing banks intervene. The application indicates that only a minimal amount of business is drawn by either proponent from the service area of the other, and thus, it appears that no significant existing competition between the two banks would be eliminated by their proposed merger.

Pennsylvania law permits a commercial bank to branch *de novo* in its main office county and in all counties contiguous thereto. Central may, accordingly, enter *de novo* locations in Sullivan County like Dushore and Eagles Mere, but in view of the small population to be served, the area's below average buying levels, and the 10 existing commercial bank offices, *de novo* entry cannot reasonably be expected. FNB Dushore, for its part, has an unaggressive management and presently evidences no interest in *de novo* expansion. The proposed merger, thus, would eliminate no significant potential for increased competition between the two banks through *de novo* branching in the future.

Within the 10-county region in which Central may expand *de novo* or by merger (its maximum potential market since Pennsylvania law does not permit the operation of multibank holding companies), a total of 57 commercial banks operate 150 offices and hold area IPC deposits aggregating $1,292 million. Central has 9.6 percent—the largest share—of such deposits and 7.3 percent of the area's commercial banking offices. The proposed transaction would increase Central's IPC deposit share in this region to 10.7 percent and its share of commercial banking offices to 8.7 percent. Central, together with the four next ranking banks in the region, would then hold an aggregate of 34.9 percent of such deposits and 31.3 percent of such offices. In view of the relatively unconcentrated nature of this 10-county area and the presence of other competitors of substantial size, it does not appear that the proposed merger would have any significant adverse effect on the concentration of banking resources or the future structure of commercial banking in this relevant area.

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. Both Central and FNB Dushore have satisfactory financial and managerial resources. Their future prospects are favorable. The resultant bank would have satisfactory financial and managerial resources and favorable future prospects.

Convenience and Needs of the Community to be Served. The merger would bring the specialized services of one of the region's major banks to the market area of FNB Dushore. More sophisticated credit services would be offered by an aggressive management, operating with a lending limit of $1.2 million. Credit cards and overdraft banking, data processing, and trust services would also be available for the first time at the FNB Dushore 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
The Bank of Cowan Cowan, Tennessee (change title to Franklin County Bank)	8,058	1	2
to merge with			
Bank of Sewanee Sewanee	5,423	1	

Summary report by Attorney General, August 22, 1974

The communities of Cowan (population 1,979) and Sewanee (population 1,628) are located about 6 miles apart in east-central Franklin County. There are no competitive alternatives in the intervening area. Thus, it appears that the proposed merger would eliminate existing competition and increase concentration in commercial banking in Franklin County.

Basis for Corporation approval, June 11, 1975

The Bank of Cowan, Cowan, Tennessee ("Cowan Bank"), a State nonmember insured bank with total resources of $8,058,000 and total IPC deposits of $5,258,000, 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 Sewanee, Sewanee, Tennessee ("Sewanee Bank"), with total resources of $5,423,000 and total IPC deposits of $3,255,000. The banks would merge under the charter of Cowan Bank with the title "Franklin County Bank" and, as an incident to the merger, the one office of Sewanee Bank would become a branch of the resultant bank.

Competition. On November 15, 1973, Charles N. Turner and four other individuals purchased 93 percent of the outstanding stock of Cowan Bank. Mr. Turner owns 18.3 percent of the stock, is a director of the bank, and represents the ownership group in exercising effective control of the bank. He has been Chairman of the Board of Sewanee Bank since November 1, 1971, and owns 32.2 percent of the outstanding stock of that bank. The banks had operated independently for approximately 65 years prior to Mr. Turner's involvement. While it could be contended that no meaningful competition between the two banks now or in the future would be eliminated by the proposed merger because of their affiliation, the Corporation has consistently taken the position that the competitive situation at the time of the banks' affiliation is relevant in an application such as this in order to avoid widespread evasion of the purposes of the Bank Merger Act. Since the situation in late 1973 was very much like the present for the relevant market area, with the same banks sharing approximately the same percentages of the market, the following analysis is based on current data.

Cowan Bank's only office is in the town of Cowan (population 1,772) in the northeastern part of Franklin County, Tennessee. The bank has approval to establish a branch in Winchester, the county seat, 7 miles west of Cowan. Cowan Bank is the third largest commercial bank in the county, with 11.5 percent of total IPC deposits.*

Sewanee Bank is located in Sewanee (population 1,886), near the eastern border of Franklin County. It holds 7.4 percent of Franklin County's total IPC deposits, the smallest share of the five banks operating therein.

Franklin County (population 27,289 in 1970, an increase of 6.9 percent from 1960) is in southeastern Tennessee and borders on Alabama. It is primarily an agricultural county, with 78.9 percent of the population living in rural areas, and has no major metropolitan centers. The median household buying level for the county was $6,886 in 1973, 11.9 percent below the State median.

Although Cowan Bank and Sewanee Bank are only 6 miles apart in northeastern Franklin County, the terrain minimizes competition between the two banks. Sewanee is situated in a mountainous locale while the Cowan vicinity is flat. The major portion of Sewanee Bank's business is derived from the immediate Sewanee area and little effort has been made to expand its trade area, as evidenced by its modest growth.

The proposed merger would have its most immediate impact in Sewanee. This small unincorporated community is highly dependent upon the University of the South, the main employer, and most of Sewanee Bank's business is related in some way to the college and its activities. Given these facts, it appears that no significant existing competition between the two banks would be eliminated by the proposed merger. For any dissatisfied customers, there would be three other banks remaining in Franklin County as well as a bank in Tracy City (Grundy County), 14 miles northeast of Sewanee, a reasonable number of alternatives relative to the population served.

Either of the participating banks could legally establish *de novo* branches elsewhere in Franklin County, including in the community where the other is located. This does not appear likely, however, because of the lack of significant population centers, the limited managerial and financial resources of the two banks, and the low population per office for each existing bank office in Franklin County, i.e., 2,729 persons, 30 percent below the State average. Although Cowan Bank recently received approval to establish a branch in Winchester, the largest population center in the county, it is not likely to branch *de novo* into less populated sections of the county. The proposed merger would, therefore, eliminate no significant potential for increased competition between the two banks in the future.

*Percentage shares as of June 30, 1974.

In Franklin County, which is also the maximum branching and merging area for the proponents, there are 5 commercial banks operating 10 offices with aggregate IPC deposits of $43.9 million. The market is dominated by its two largest banks, which together hold 73.7 percent of the total IPC deposits. The resultant bank, with 18.9 percent of such deposits, should be better able to compete with these leading local banks.

The Board of Directors is of the opinion that the 1973 affiliation did not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner restrain trade. This being the case, the Corporation finds that the affiliation of the proponents in 1973 did not have any significant anticompetitive effects and, accordingly, that the application now before it should also be viewed as having no significant effects on competition in the relevant local market.

Financial and Managerial Resources; Future Prospects. Both Cowan Bank and Sewanee Bank have adequate financial and managerial resources for the business they do and favorable prospects for the future, as would the resultant bank.

Convenience and Needs of the Community to be Served. The proposed merger would provide customers in the Cowan and Sewanee areas with a larger bank, allowing expanded services and a larger lending limit.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The First National Bank of Boston Boston, Massachusetts	8,094,391	38	38
to acquire the assets and assume the deposit liabilities of			
Luxembourg Branch of Bank of Boston International New York, New York	78,431	1	

Summary report by Attorney General, May 12, 1975

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

Basis for Corporation approval, June 19, 1975

The First National Bank of Boston, Boston, Massachusetts ("FNBB"), a national banking association having total resources of $8,094,391,000 and total deposits of $6,628,468,000, has applied, pursuant to section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire assets of and assume the liability to pay deposits made in the Luxembourg Branch of Bank of Boston International, New York, New

York ("BBI"), a noninsured, wholly owned Edge Act subsidiary of FNBB. This branch has total resources of $78,431,000 and total deposits of $76,018,000.

The proposed transaction is in effect a corporate reorganization whose purpose is to change the legal form under which FNBB conducts business in the Luxembourg market. The transaction consummated, FNBB would carry on essentially the same business at its Luxembourg Branch as has heretofore been conducted by BBI.

Competition. It is evident that the proposed transaction would have no effect on either existing or potential competition between FNBB and BBI or on the structure of commercial banking in any relevant area.

Financial and Managerial Resources; Future Prospects. These factors are acceptable for both FNBB and BBI. Future prospects for the banking office involved in the proposed transaction appear to be more favorable as a branch of FNBB than if it were to continue as a branch of BBI.

Convenience and Needs of the Community to be Served. The proposal would have no effect on the convenience and needs of any of FNBB's domestic markets. In the Grand Duchy of Luxembourg, the office of FNBB, which following consummation of the transaction would represent the $8 billion parent institution, should provide a more effective attraction for business in the international market than has heretofore been provided by a branch of a subsidiary of FNBB.

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
Centinela Bank Inglewood, California (change title to Tokai Bank of California)	27,871	6	7
to merge with **Tokai Bank of California** Los Angeles	44,750	1	

Summary report by Attorney General, April 29, 1975

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

Basis for Corporation approval, July 11, 1975

Centinela Bank, Inglewood, California ("Centinela"), a State nonmember insured bank with total resources of $27,871,000 and total IPC deposits of $19,767,000, 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 Tokai Bank of California, Los Angeles, California ("Tokai-Cal"), a State nonmember insured bank with total resources of $44,750,000 and total IPC deposits of $32,549,000, under the charter of Centinela and with the title "Tokai Bank of California," and to establish the sole office of Tokai-Cal as a branch of the resultant bank. Consent is also requested that, following the merger, the main office of Centinela be designated a branch and that the branch at 534 West Sixth Street, Los Angeles, California (the present office of Tokai-Cal), be designated the main office. In another application, consent has been requested to issue capital notes and to retire these notes at maturity, 7 years after date of issue.

Competition. Centinela operates its six offices in Southern California: the main office and three branches (including one seasonal facility) in southern Los Angeles County and two branches in southern Orange County. Its Los Angeles County offices serve the city of Inglewood and adjacent Lennox, an unincorporated community (aggregate population 106,100) some 11 miles west of downtown Los Angeles; Playa del Rey, a modest-sized community about 5 miles west of the main office; and Hermosa Beach (population 17,412), located some 8 miles south of the main office. Centinela is 93rd largest of California's commercial banks with 0.03 percent of their total deposits.

Tokai-Cal, which opened in mid-1974, has its sole office in downtown Los Angeles. Owned by Tokai Bank, Ltd., Nagoya, Japan, its business is largely that of a wholesale bank, engaged in international finance. Tokai-Cal ranks 70th largest of the State's commercial banks, holding 0.04 percent of their total deposits.

No office of Centinela, other than its seasonal facility operated during Los Angeles' annual Boat Show, is located within 10.8 miles of Tokai-Cal, and numerous offices of other commercial banks intervene. The two banks serve separate trade areas within the Los Angeles-Long Beach SMSA, Tokai-Cal does not operate in Orange County, and there appear to be no common customers. The two banks combined hold less than 0.2 percent of all commercial bank IPC deposits in the Los Angeles-Long Beach market, the offices of each are subject to competition by one or more of California's large branch banks, and it is obvious that the proposed merger would eliminate no significant existing competition between them and would not substantially change the structure of commercial bank competition within the relevant local banking markets.

Although California law permits statewide *de novo* branching, Tokai-Cal, in view of the specialized nature of its business, would probably not find it necessary to expand *de novo*. Should it choose to diversify the scope of its business by *de novo* branching to include retail banking, it would be unlikely to enter *de novo* the highly competitive markets in which Centinela is now represented. Centinela, for its part, lacks the financial and managerial resources to engage in additional *de novo* branching for the foreseeable future. Moreover, considering the modest size of each bank and the intense competition which exists in the areas in which each is represented, their proposed merger is unlikely to have any perceptible impact on future competition either in Los Angeles County or in Orange County.

Commercial banking in California is concentrated to a high degree, with five large branch banks controlling 78.7 percent of the deposits held by all 186 of this State's commercial banks. By the proposed merger, Centinela would become the 49th largest commercial bank in the State, but it would then hold only 0.07 percent of the State's total commercial bank deposits.

The Board of Directors, for the reasons stated, 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. Tokai-Cal appears to have adequate financial and managerial resources. Centinela has had poor earnings and weak management, two problems which should be resolved by the proposed merger. The resultant bank would have satisfactory financial and managerial resources and favorable future prospects.

Convenience and Needs of the Communities to be Served. No immediate or significant change in services now available at Tokai-Cal's office is expected by virtue of the proposed merger. At Centinela's offices, there would be some broadening of international financial services, based on the expertise of Tokai-Cal's management. Lending limits of the resultant bank would be increased to $190,000 unsecured and $380,000 secured. These additional services and the increased lending capability may prove attractive to a small segment of Centinela's clientele, but they would not be decisive factors in favor of approval but for the absence of anticompetitive impact and the presence of some favorable banking factors.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First-Citizens Bank and Trust Company of South Carolina Columbia, South Carolina	217,893	38	42
to purchase the assets and assume the deposit liabilities of			
First State National Bank Jackson	11,293	4	

Summary report by Attorney General, June 19, 1975

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

Basis for Corporation approval, August 1, 1975

First-Citizens Bank and Trust Company of South Carolina, Columbia, South Carolina ("Citizens"), a State nonmember insured bank with total resources of $217,893,000 and IPC deposits of $159,488,000, has made application, 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 First State National Bank, Jackson, South Carolina ("First State"), with total assets of $11,293,000 and IPC deposits of

$9,519,000, and to establish as branches the four offices presently operated by First State. Application has also been made pursuant to section 18(i) of said Act for the Corporation's advance consent to retire a capital note in the principal amount of $3,100,000 which is being sold to another bank by Citizens as an integral part of this transaction.

Competition. Citizens operates a total of 38 offices: its main office and 10 branches in Columbia, the State's capital, and its suburbs; 6 branches in the Charleston area of southeastern South Carolina; 5 branches in the Spartanburg area of northwestern South Carolina; and 16 branches in various other northern and eastern locations. Citizens holds the sixth largest share, 4.8 percent, of the IPC deposits held by all 90 commercial banks in the State.

First State has its main office in the town of Jackson (population 1,928) in western South Carolina near Augusta, Georgia, and one branch each in Beech Island and Belvedere, two small unincorporated communities located some 8 and 19 road-miles, respectively, northwest of the main office; all of these offices are in southwestern Aiken County. One additional branch is located in the town of Saluda (population 2,442) in central Saluda County, some 56 road-miles north of the main office.

First State operates in two local markets: one comprising Augusta, Georgia, its environs, and the western half of Aiken County, and the second comprising Saluda County. The former had an estimated population of 93,800 in 1970, a decrease of some 6.1 percent during the preceding decade. The Aiken County portion of this market is agricultural with many inhabitants finding employment either in a plant of the Atomic Energy Commission, situated immediately to the south, or in Augusta. Aiken County as a whole had a 1973 median household buying level of $9,848, some 18 percent above that of South Carolina. Augusta's median level ($6,608), however, lagged Georgia's median by 23.5 percent. A total of 8 commercial banks operate 34 offices in this market. Of the IPC deposits held by these offices, First State has the seventh largest share, 1.8 percent. Only two banks operate in Saluda County (population 14,528). This county, largely agricultural, had a 1973 median buying level of $7,466—10.5 percent below that of South Carolina as a whole. First State has 20.2 percent of Saluda County's commercial bank IPC deposits, with Bankers Trust of South Carolina, the State's third largest bank, holding 79.8 percent.

Citizens is not represented in either the Augusta-Aiken market or in Saluda County. Its office closest to First State is a branch in West Columbia, a city some 45 road-miles east of First State's Saluda Branch. Citizens does not draw a significant portion of its loans or deposits from First State's markets, although some $2 million in First State's loans were originated by a loan production office (since closed) in Citizens' headquarters city. Competition presently existing between the two banks does not appear to be significant.

Although statewide *de novo* branching is permitted by South Carolina law, First State, because of existing managerial and financial problems, does not have the resources to undertake such expansion. Citizens, in contrast, has both the capability and expertise to branch *de novo,* but would likely find other areas of South Carolina more attractive for such activity than Saluda County, an area having a stagnant population and low buying levels, or western Aiken County, where the incorporated communities are all small. To the extent the Augusta-Aiken market becomes attractive for further *de novo* branching, there are at least two South Carolina branch banks larger than Citizens that would remain as potential entrants. Any loss of potential competition between Citizens and First State thus appears to be relatively inconsequential.

In South Carolina as a whole, the transaction would increase Citizens' share of commercial bank IPC deposits from 4.8 percent to 5.1 percent. The bank would continue to be sixth largest of the State's commercial banks.

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 Citizens are satisfactory; those of First State are not. It has experienced heavy loan losses and its earnings have been in a negative state for the last year and a half. With the increase in capital funds required by the State authority as a condition for the approval of this transaction, future prospects of Citizens following consummation of the proposal are favorable.

Convenience and Needs of the Communities to be Served. Citizens' acquisition of the assets and deposits of First State and the concurrent establishment of the latter's four offices as branches of Citizens would bring to customers of First State, in southwestern Aiken County and in Saluda County, a bank with increased credit capability, a lending limit raised to more than $1 million, trust facilities, and expanded data processing facilities. Availability of these broadened services, together with the payment of a higher rate of interest on two types of savings accounts, should stimulate competition in the markets involved to the benefit of inhabitants and businessmen alike.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Bank of Tokyo of California San Francisco, California	916,995	25	99
to purchase the assets and assume the deposit liabilities of			
Southern California First National Bank San Diego	884,108	74	

Summary report by Attorney General, July 25, 1975

Ten of Applicant's 23 banking offices are located in the 3 southern California counties of San Diego (1 office), Los Angeles (8 offices), and Orange (1 office). All 72 of Bank's existing offices are located within this 3-county area, with several offices in relatively close proximity to those of Applicant. Thus, it appears that the proposed transaction may eliminate some existing competition between the parties.

However, it does not appear that concentration in commercial banking would be substantially increased in any relevant banking market. Although Bank ranks second among the banks with offices in San Diego County and accounts for approximately 18 percent of total county deposits, Applicant, with a single San Diego branch, holds only about 0.5 percent of total county deposits. In Los Angeles County, Applicant holds approximately 1.3 percent of total county deposits while Bank holds about 0.4 percent, for a combined total of less than 2 percent. In Orange County, Applicant holds less than 0.6 percent of total deposits and Bank approximately 4 percent, for a combined total of less than 5 percent. Nor does it appear that concentration would be significantly increased in any smaller geographic areas. In the cities of Torrance and Santa Ana, where both parties maintain branches, the combined shares of total city deposits are approximately 1.4 percent and 4 percent, respectively.

Thus, while the proposed transaction may eliminate some existing competition between the parties, we conclude that concentration would not be significantly increased in any relevant banking markets. And while Applicant could expand its operations in each of the areas presently served by Bank—particularly in San Diego, where Bank enjoys a significant market position—the effects of the transaction on potential competition are diminished by the existence of other large commercial banks with significant expansion or entry capability.

Basis for Corporation approval, August 28, 1975

The Bank of Tokyo of California, San Francisco, California ("California Tokyo"), a State nonmember insured bank having total resources of $916,995,000 and total IPC deposits of $479,873,000 as of December 31, 1974, has applied, pursuant to section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of and assume the liability to pay deposits made in Southern California First National Bank, San Diego, California ("FNB San Diego"), with total resources of $884,108,000 and total IPC deposits of $704,234,000 as of December 31, 1974. The proposed transaction would be effected under the charter and title of California Tokyo and, incident to the transaction, the 74 existing offices and 5 approved but unopened offices of FNB San Diego would become branches of the resultant bank, increasing the number of its authorized offices to 105. California Tokyo, subsequent to consummation of the proposal, would operate under the title "California First Bank."

Competition. California Tokyo operates a total of 25 offices in California. It has 13 offices in Northern California: 2 including its main office in San Francisco County, 2 each in Alameda and Fresno Counties, 1 each in Monterey, Sacramento, San Joaquin, and San Mateo Counties, and 3 in Santa Clara County. It has the necessary approvals for one additional office in Santa Clara County. In Southern California, California Tokyo operates nine offices in Los Angeles County, two offices in Orange County, and one office in San Diego County.

FNB San Diego has its 74 offices in the 3 southernmost coastal counties of Southern California: 41 offices including its main office in San Diego County, 19 offices in Orange County, and 14 offices in Los Angeles County. FNB San Diego also has approval to establish five additional branches, all in San Diego County.

Effects of the proposed transaction would be most direct and immediate in the three counties within which both banks have offices (each of which constitutes a separate SMSA):

Los Angeles County. Eighty commercial banks, having over 1,000 offices serve this major metropolitan area of more than 7,000,000 people. Bank of America National Trust and Savings Association and Security Pacific National Bank dominate the local banking structure, with more than 520 offices and 53.3 percent of local IPC deposits between them. Crocker National Bank, United California Bank, Lloyds Bank California, and Wells Fargo Bank, National Association, all have significant branch systems in the county, while United California Bank (12.1 percent), Union Bank (9.5 percent), and Crocker National Bank (6.8 percent) hold the three next largest shares of local IPC deposits after Bank of America National Trust and Savings Association and Security Pacific National Bank. By contrast, the 23 offices of the resultant bank would constitute slightly over 2 percent of all commercial bank offices in the county, and its $360 million in local IPC deposits would constitute only 1.7 percent of the county's total. Only 4 of these 23 offices are within 5 miles of each other.

Orange County. Thirty-nine commercial banks, having almost 300 offices, serve this rapidly growing market of well over 1,600,000 persons. Bank of America National Trust and Savings Association controls 75 of those offices and 29.8 percent of the county's commercial bank IPC deposits. Security Pacific National Bank follows with 54 offices and a local market share equal to 19 percent of the county's IPC deposits. United California Bank, Crocker National Bank, Wells Fargo Bank, National Association, and Lloyds Bank California among them have about 80 offices, while the third, fourth, and fifth largest shares of local commercial bank IPC deposits are held by United California Bank (12.5 percent), Crocker National Bank (6.1 percent), and Union Bank (5.5 percent). By contrast, the resultant bank would have 21 of such offices and 4.7 percent of such deposits. California Tokyo presently has only two offices in the county with about $16 million in IPC deposits. One of these offices is about a half mile away from an office of FNB San Diego.

San Diego County. FNB San Diego presently has 41 offices and 19.4 percent of the county's total IPC deposits, ranking third in number of offices and second in local IPC deposits. Bank of America National Trust and Savings Association ranks first in both respects (68 offices, local share of IPC deposits 29.6 percent), while Security Pacific National Bank is second in number of offices (44) and third in local share of IPC deposits (17.3 percent). San Diego Trust and Savings Bank is the fourth ranking bank in both respects (22 offices, 9.6 percent of local IPC deposits) while Crocker National Bank, by virtue of its 1973 acquisition of the offices and deposits of the defunct United States National Bank, is fifth (14 offices and 6.7 percent in local IPC deposits). California Tokyo has only one recently established *de novo* office in the county with approximately $4 million in local IPC deposits. Twenty-one banks other than those mentioned also compete in the San Diego market.

In each market, some slight existing competition between California Tokyo and FNB San Diego would probably be eliminated by their proposed merger, but this is considered *de minimis* in San Diego and Orange Counties because of California Tokyo's limited number of offices and small volume of local IPC deposits. While more offices of both banks are involved in Los Angeles County, the market is significantly larger and the respective market shares of both banks very small. California Tokyo, moreover, has stressed in the past wholesale banking while FNB San Diego has stressed retail banking and consumer credit.

The merger would clearly eliminate increased competition between the two banks in the future, even if FNB San Diego is considered temporarily disabled by virtue of its financial and managerial shortcomings. California Tokyo, over the past 10 years, has been expanding *de novo* aggressively and successfully in many parts of California, including these three counties, and with its financial and managerial resources, it is fully capable of continuing such expansion. In addition, it is moving more obviously into retail and consumer banking than heretofore. Nonetheless, the elimination of this potential competition is not viewed as a matter of particularly serious competitive consequence. Eight banks with larger shares of the local market than the resultant bank would continue to compete in Los Angeles County, and the market has numerous smaller, aggressive competitors. Orange County has several large, fast-growing local banks, while San Diego County has similar prospects of future competition as its economic growth and population increases. The Bank of California, National Association, one of the State's billion dollar branch banks, is about the same size as California Tokyo and FNB San Diego combined and yet has a minimal number of offices and few IPC deposits in these three Southern California counties. Wells Fargo Bank, National Association, the State's third largest bank, also has disproportionately low representation in the three counties, and must be considered a prime source of future competition. Lloyds Bank California, another of California's billion dollar branch banks has no office in San Diego County, and United California Banks is relatively underrepresented. The loss of potential competition between California Tokyo and FNB San Diego is thus viewed as unlikely to have any significant effect on future competition or future bank structure in any of the three counties.

Statewide, the resultant bank would rank eighth in domestic deposit size, holding about 2 percent of California's total commercial bank IPC deposits. The six largest California banks range in size from Bank of America's $22 billion in such deposits (36.6 percent of the total) to Union Bank's $2.5 billion (4.2 percent of the total).

Under the circumstances, 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. California Tokyo has satisfactory financial and managerial resources; those of FNB San Diego in recent years have been less than satisfactory, with significant chargeoffs in the commercial loan portfolio, inexperienced and frequently changed management, low earnings, and a deteriorating capital base. Financial and managerial resources of the resultant bank would be acceptable and its future prospects appear favorable. California Tokyo, as an integral part of this transaction, intends to increase the capital funds of the resultant bank by more than $70 million.

Convenience and Needs of the Community to be Served. Consummation of the proposed transaction should benefit customers of both banks by the significantly higher lending limit that would be available to them in the resultant bank. California Tokyo's capable and aggressive management should mount significantly stronger competition with the State's major branch banks in three of the State's most rapidly growing counties. California Tokyo's expertise in commercial lending and international banking would be available to customers of FNB San Diego and the full services of the latter's well-established trust department would become available to customers of California Tokyo. To the extent comparable services are offered by competing banks in the relevant markets, the resultant bank would become an additional, conveniently available 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
Farmers State Bank Marion, Iowa	47,616	3	3
to merge with **Marlinn, Inc.** Marion		-	

Summary report by Attorney General, August 22, 1975

Farmers State Bank now owns all of the outstanding common stock of Marlinn, Inc., a corporation whose powers are limited to the holding of title to and managing real estate used in the transaction of business by the bank. The proposed merger is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation approval, August 28, 1975

Farmers State Bank, Marion, Iowa, a State nonmember insured bank with total resources of $47,616,000, 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 Marlinn, Inc., Marion, Iowa, a noninsured, nonbanking entity, under the charter and title of Farmers State Bank. The resulting bank would operate the three banking offices of Farmers State Bank in their present locations.

Competition. The proposed merger would be a minor internal reorganization designed to return direct ownership of Farmers State Bank's banking premises to the bank from its wholly owned subsidiary, Marlinn, Inc. As such, it would not affect competition.

The Board of Directors is of the opinion that this 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 of Farmers State Bank are satisfactory.

Convenience and Needs of the Community to be Served. The proposed transaction would be an internal reorganization and would not affect the convenience and needs of the community.

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
Commonwealth Bank and Trust Company Muncy, Pennsylvania	120,642	15	17
to merge with			
The First National Bank of Coudersport Coudersport	12,057	2	

Summary report by Attorney General, June 19, 1975

The competitive effects of this proposed transaction will be felt largely in Potter County, where Applicant operates two branches and Bank maintains its two offices. Applicant and Bank, each with about 27 percent of total Potter County deposits, are the two largest of the four banks with offices in that county. While this proposed merger will undoubtedly eliminate some existing competition between the parties, it is doubtful that their respective market shares in Potter County accurately reflect the extent to which they actually compete. Applicant's two Potter County offices are located about 20 miles north (on the New York-Pennsylvania border) and 20 miles east (on the Tioga-Potter County line), respectively, of Bank's Coudersport headquarters and an even greater distance from Bank's Austin branch.

We conclude that this proposed merger, which will eliminate some existing competition and the potential for increased future competition between the parties, may have some adverse competitive effects in the Potter County area.

Basis for Corporation approval, August 28, 1975

Commonwealth Bank and Trust Company, Muncy, Pennsylvania ("Commonwealth"), a State nonmember insured bank with total resources of $120,642,000 and total IPC deposits of $92,897,000, 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 Coudersport, Coudersport, Pennsylvania ("FNB Coudersport"), with total resources of $12,057,000 and total IPC deposits of $9,690,000. The banks would merge under the charter and title of Commonwealth and the 2 offices of FNB Coudersport would be established as branches of the resultant bank, increasing the number of its authorized offices to 18.

Competition. Commonwealth operates 15 offices in 5 of the 10 northern Pennsylvania counties in which it may merge or branch under Pennsylvania law. Its main office and four branches are located in Lycoming County, five branches are in Tioga County, two branches are in Bradford County, two are in Potter County, and one is in Clinton County. Commonwealth has approval for one additional branch in Lycoming County.

FNB Coudersport has its main office in Coudersport (population 2,831) and its only branch in Austin (population 626), 15 road-miles south of the main office, both in west-central Potter County. Potter County, sparsely populated, largely forested, and of sub-mountainous terrain, derives much of its income from dairy and potato farming, timber operations, summer tourism, and hunting and fishing facilities. The county's 1973 median household buying level was 15.5 percent below that of the State as a whole. The Coudersport area depends in large part on operations of 3 local enterprises, which together employ some 750 people. Austin is a rural community whose population increases fourfold with the annual influx of sportsmen and vacationers. FNB Coudersport's primary trade area comprises all communities within some 15 road-miles of Coudersport and Austin. It shares this market with another Coudersport-based bank, Citizens Trust Company, the two banks holding respective shares of 46.7 percent and 53.3 percent of the area's IPC deposits, aggregating $20,753,000.

One of Commonwealth's two Potter County offices is 19 road-miles northwest of Coudersport in Shinglehouse, in the extreme northwestern corner of the county, close to the New York State border. The other is in Galeton, in eastern Potter County adjoining Tioga County, some 23 road-miles east of Coudersport. Shinglehouse (population 1,320) is a rural residential community and many of its residents are employed in or around Olean, New York. Galeton (population 1,552) is the site of an electronics assembly plant and is the trading center for camping and hunting areas in its vicinity. Neither location would represent a likely or convenient alternative for banking services to Coudersport residents or businessmen, since they have an alternative close at hand in the other commercial bank in Coudersport. The application confirms that neither Commonwealth nor FNB Coudersport draws a substantial amount of business from the areas served by the other. It thus appears that no significant existing competition between the banks would be eliminated by their proposed merger.

Commonwealth may legally enter the Coudersport area *de novo* but would find such expansion unattractive in view of the area's sparse population, substantially below-average buying levels, and lack of prospects for significant economic growth in the foreseeable future. FNB Coudersport, for its part, has limited financial and managerial resources and would not be apt to attempt *de novo* expansion at the present time. The proposed merger, accordingly, would not eliminate a significant potential for increased competition between the two banks in the future through *de novo* branching.

In the 10-county region within which Commonwealth may merge or branch *de novo*, 56 commercial banks today operate more than 150 offices. The largest of these banks is Northern Central Bank and Trust Company, Williamsport, with 10.7 percent of the IPC deposits held on June 30, 1974, by all commercial bank offices in the region. Commonwealth ranks second with 7.0 percent of such deposits. The resultant bank would have 7.8 percent of such deposits. Banking resources in this region are relatively unconcentrated and a sizable number of commercial banks constitute reasonably convenient alternatives for banking service therein. Commonwealth's acquisition of FNB Coudersport's 0.8 percent share of the region's commercial bank IPC deposits would be unlikely to affect future competition in this relevant 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. Financial and managerial resources of both banks are adequate and their future prospects, as separate entities, appear favorable. The resultant bank would have acceptable financial and managerial resources and its future prospects appear favorable.

Convenience and Needs of the Community to be Served. The proposed merger would have no significant impact in the present trade area of Commonwealth. In west-central Potter County, an aggressive management, operating with a lending limit of $700,000, would offer at FNB Coudersport's two locations the sophisticated credit services of one of the region's major commercial banks. Passbook savings accounts would be paid interest at an annual rate 0.5 percent higher than heretofore. Trust services, data processing facilities, and a broader variety of deposit options would be available at FNB Coudersport's former offices. To the extent these services are presently available at the competing local bank, an alternative for such services would be provided in the relevant local 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
Citizens Bank New Castle, Kentucky (change title to United Citizens Bank & Trust Company)	9,510	2	4
to consolidate with			
United Farmers Bank Campbellsburg	11,261	2	

Summary report by Attorney General, July 31, 1975

The main offices of the merging banks are about 8 miles apart and their nearest offices are separated by a distance of about 4 miles. Thus, the proposed transaction will eliminate existing competition between the parties in Henry County.

Five banks presently operate seven banking offices in Henry County. Citizens Bank presently ranks third among the five Henry County banks and United Bank ranks fifth. However, the resulting bank will, by a substantial margin, be the largest commercial bank in Henry County. Thus, it appears that the proposed transaction will eliminate existing competition and significantly increase concentration in commercial banking in Henry County. Although some additional competition may be provided by banks in the Louisville area, the proposed merger would have adverse competitive effects.

Basis for Corporation approval, September 2, 1975

Citizens Bank, New Castle, Kentucky ("Citizens"), a State nonmember insured bank having total resources of $9,510,000 and total IPC deposits of $7,803,000, 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 United Farmers Bank ("United"), Campbellsburg, Kentucky, with total resources of $11,261,000 and total IPC deposits of $8,921,000. The banks would consolidate under a new State charter with the title "United Citizens Bank & Trust Company." As an incident to the transaction, the two offices of United would become branches of the resultant bank.

Competition. Citizens operates its main office in New Castle, Kentucky (population 755), the county seat of Henry County (population 10,910), situated in the approximate center of the county. It has one branch office located in Port Royal, 10 miles northeast of New Castle, and one approved but unopened branch in Pendleton, 5 miles west of New Castle. Each of these branch communities is also very small. Citizens is the smallest commercial bank in Henry County.

United's main office is located in Campbellsburg, Kentucky (population 479), on the northern fringe of Henry County approximately 8 miles north of New Castle. It operates one branch in Turners Station, located about 3 miles northeast of Campbellsburg and about 4 miles west of Citizens' Port Royal branch. United is the third largest bank in Henry County.

Henry County is predominantly agricultural with tobacco and livestock the principal products. Its population is stagnant, and the 1973 median household buying level at $6,528 was 17.4 percent below the statewide figure of $7,899.

Interstate 71 traverses Henry County and has interchanges near both New Castle and Campbellsburg, making both communities readily accessible to the cities of LaGrange, Bedford, and Carrollton, none of which is farther than 15 road-miles from at least one office of both banks. Thus, the relevant market comprises Henry County together with eastern Oldham County, southeastern Trimble County, and the central third of Carroll County. Ten commercial banks presently maintain a total of 13 offices within this market, serving a population estimated at 24,020. Of the market's $72.8 million in commercial bank IPC deposits on June 30, 1974, United had the fourth largest share, 11.7 percent, and Citizens, the sixth largest share, 9.4 percent. The resultant bank would hold the largest share of such deposits in the defined market (21.1 percent), while seven other banks would hold market shares ranging from 17.2 percent to 7.1 percent.

The merging banks have main offices about 8 miles apart, while their nearest offices are only 4 miles apart. Thus, Citizens and United compete in the same general banking market and some existing competition between them would be eliminated. However, that competition is somewhat minimized by the strong community orientation of both banks. In addition, the modest population of the area diminishes the competitive significance of differences in market shares and the increase in banking concentration which would result from the proposed consolidation. Following the consolidation, it appears that an adequate number of banking choices would remain available within the relevant market for local businessmen and residents.

The potential for increased competition between the banks in the future is also limited. Kentucky law allows countywide branching but prohibits *de novo* branching within the incorporated limits of a community that contains the main office of an existing bank unless the branching bank also has its main office in that community. Therefore, in view of the small size of the communities in the relevant market which remain available for *de novo* entry, such branching by either bank, and increased competition between them in the future through such branching, appears remote.

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

Financial and Managerial Resources; Future Prospects. The resultant bank would have adequate financial and managerial resources and its future prospects are considered favorable.

Convenience and Needs of the Communities to be Served. An increased lending limit and a greater supply of lendable funds should benefit residents and businessmen within the relevant market. In addition, the resultant bank proposes to offer trust services, a service presently not offered by either of the proponents.

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
Grenada Bank Grenada, Mississippi	192,268	25	31
to merge with			
Coahoma National Bank Clarksdale	52,233	6	

Summary report by Attorney General, August 22, 1975

Coahoma Bank is the second largest of three banks in Coahoma County, holding 36.5 percent of total county bank deposits. Grenada Bank's closest office, in Summer, is 19 road-miles southeast of Clarksdale and its Shelby office is 22 miles southwest of Clarksdale. The application indicates that the merging banks draw little business from each other's service areas. Thus, it does not appear that the proposed transaction would eliminate substantial existing competition. Nor does it appear that the proposed merger would eliminate substantial potential competition, in view of the presently limited growth outlook for areas served by Coahoma Bank.

We conclude that the proposed merger would not have a substantially adverse effect on competition.

Basis for Corporation approval, September 2, 1975

Grenada Bank, Grenada, Mississippi, a State nonmember insured bank with total assets of $192,268,000 and total IPC deposits of $153,799,000, 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 Coahoma National Bank, Clarksdale, Mississippi ("Coahoma"), with total resources of $52,233,000 and total IPC deposits of $39,253,000. Incident to the merger, the 6 offices of Coahoma would be established as branches of the resultant bank, increasing to 31 the total number of its offices.

Competition. Grenada Bank maintains offices in 10 counties in the northern half of Mississippi, namely Grenada, Bolivar, Calhoun, Chickasaw, Choctaw, Leflore, Sunflower, Tallahatchie, Webster, and Winston. This region is primarily agricultural although light industry has been assuming greater economic importance during the past decade. The 1970 population of these 10 counties was 236,080, an overall 9.5 percent decrease since 1960. Median household buying levels throughout the region, with the exception of Grenada County, are substantially below the State median, which itself is the second-lowest in the nation.

Coahoma has its main office and four branches in Coahoma County (1970 population 40,447, down 12.5 percent since 1960). Coahoma County is on the western border of Mississippi adjacent to the State of Arkansas, and about midway between Greenville and Memphis. Its economy is predominantly agricultural with some light manufacturing located in the city of Clarksdale (population 21,673) and vicinity. The county's median household buying level ($4,590) is 33.7 percent below the statewide level ($6,928). Coahoma also has one recently established office in South Haven, DeSoto County, some 78 miles north of Clarksdale, directly adjacent to the city limits of Memphis, Tennessee. DeSoto County (1970 population 35,885) is a rapidly growing residential county which has been participating in the spread of Memphis southward. Its income levels are substantially higher than those in Coahoma County, but still below those of the State as a whole.

Effects of the proposed merger would be most immediate and direct in two areas: one within approximately 15 miles of Clarksdale, and the other being approximated by DeSoto County. In the former market, 4 commercial banks with 17 offices, serving a population estimated at 46,200, held area IPC deposits of $103 million in mid-1974. Coahoma had 34.3 percent of such deposits. Bank of Clarksdale held 47.8 percent; First National Bank of Clarksdale, 17.2 percent; and The Bank of Bolivar County held the remainder of these deposits. Grenada Bank's nearest offices are 19 and 20 miles away, and while there is some overlapping of local markets, the volume of deposits held by these Grenada Bank offices indicates that no significant existing competition between Grenada Bank and Coahoma would be eliminated by the proposed merger. In DeSoto County, 7 commercial banks have 15 offices, with Coahoma having the fifth largest share (5.2 percent) of local IPC deposits. Grenada Bank's nearest office is 75 miles away, and it does not compete in the DeSoto market.

Each of the merging banks, under Mississippi law, may enter *de novo* the primary trade area of the other, but there appears to be little likelihood that competition between them will increase through such expansion in the foreseeable future. For Grenada Bank, the Clarksdale-Coahoma County area offers little attraction for *de novo* entry. The city of Clarksdale has a total of 7 commercial bank offices serving 21,673 people; the population of Coahoma County decreased significantly during the 1960s, and the county's median buying level is one of the lowest in Mississippi. For its part, Coahoma, having established only one branch since 1967, would be unlikely to favor *de novo* entry into Grenada Bank areas in which it would encounter such strong competition.

In its maximum potential market, which under State law is that region in Mississippi lying within a radius of 100 miles of its main office, Grenada Bank controls 5.8 percent of the IPC deposits held on June 30, 1974, by all area offices of the 108 commercial banks now represented in this market. The proposed merger would increase this share to 7.3 percent of such deposits.

From the foregoing data it appears that the proposed merger would have no significant effect on competition in any relevant area; and thus, 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 Grenada Bank and Coahoma have adequate financial and managerial resources, as would the resultant bank.

Convenience and Needs of the Community to be Served. The merger would provide businessmen, farmers, and residents of Coahoma's trade area with the services of one of the State's major banks. Greater lendable funds and a lending limit increased six-fold over that of Coahoma should stimulate competition among the banks in Clarksdale, and Grenada Bank would also represent a strong new competitive force in DeSoto County to the north.

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 Manalapan Manalapan Township, New Jersey (change title to Brunswick Bank and Trust Company)	8,967	1	3
to merge with			
New Brunswick Trust Company New Brunswick	27,795	2	

Summary report by Attorney General, March 18, 1975

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

Basis for Corporation approval, September 16, 1975

Bank of Manalapan, Manalapan Township, Monmouth County, New Jersey ("Manalapan Bank"), a State nonmember insured bank with total resources of $8,967,000 and total IPC deposits of $7,194,000, 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 New Brunswick Trust Company, New Brunswick, New Jersey ("Trust Company"), with total resources of $27,795,000 and IPC deposits of $20,352,000. The banks would merge under the charter of Manalapan Bank with the title "Brunswick Bank and Trust Company," and the two existing offices and one approved but unopened office of Trust Company would be operated as branches of the resultant bank. Trust Company has a small trust department and Manalapan Bank has also applied for consent to exercise trust powers.

Competition. Manalapan Bank operates its main office and an auxiliary drive-in facility in a shopping center on Route 9 in Manalapan Township (population 14,049). It serves an area of some 60 square miles in western Monmouth County with an estimated population of 42,000. As a result of a change in its basic economy from rural to residential and commercial, this section recorded rapid growth between 1960 and 1970. The median household buying level for Monmouth County was $14,892 in 1974, slightly above the State median of $14,680.

Trust Company operates its main office and one branch in New Brunswick (population 41,885) and has approval to establish a branch in South Brunswick Township, southwest of New Brunswick. The area that Trust Company presently serves includes the city of New Brunswick and the northern part of North Brunswick Township. The median household buying level for New Brunswick was $11,534 in 1974, 21 percent below the State median.

The closest offices of the two banks are 13 miles apart and there are several intervening banking offices. Neither bank originates any appreciable volume of business from the local area served by the other. Furthermore, each bank is the smallest institution in its local market. The resultant bank would continue to be the smallest in the western Monmouth County area served by Manalapan Bank and the second smallest in the New Brunswick area. In the western Monmouth County market, where the impact of the proposed merger would be most immediate and direct, 16 offices of 7 commercial banks operate. As of June 30, 1974, Manalapan Bank held 5.4 percent of area IPC deposits, the third largest share. The two larger banks, Colonial First National Bank and The Central Jersey Bank and Trust Company, dominated the market with a total of nine offices and 85.1 percent of area IPC deposits. The remaining four competitors, however, were all subsidiaries of multibank holding companies, each of which had total IPC deposits in excess of $1 billion. Given these facts, the proposed merger would eliminate no substantial existing competition between Manalapan Bank and Trust Company, nor would it affect in any perceptible way the commercial bank structure in the two banking markets which the resultant bank would serve.

New Jersey law allows commercial banks to branch statewide, subject to certain home office protection restrictions. Manalapan Bank, due to limited resources and a lack of branching experience, is not likely to expand into the Brunswick area through *de novo* branching in the foreseeable future. It is equally unlikely that Trust Company would branch *de novo* into Manalapan

Bank's market where extensive branch networks of several of the State's largest banks are already established and the population per commercial bank office in the area is already low (one for each 2,625 persons). It is thus doubtful that the proposed merger would eliminate any significant potential for increased competition between the two banks in the foreseeable future.* Moreover, several larger banks and holding company affiliates must be viewed as more likely to branch *de novo* should attractive opportunities arise in either market.

Neither of the participating banks is affiliated with a holding company, while many of the banks with which they compete are subsidiaries of some of the largest multibank holding companies in New Jersey. The proposed merger should improve the competitive stance of the resultant bank vis-a-vis these large commercial banks.

Within the State, the resultant bank would hold less than 0.2 percent of all commercial bank IPC 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 Manalapan Bank and Trust Company have adequate financial and managerial resources and favorable prospects for the future, as would the resultant bank.

Convenience and Needs of the Community to be Served. The proposed merger would extend trust services to Manalapan Bank's customers and would increase lending limits to all customers of the resultant bank. It would also provide businesses and residents in western Monmouth County with an additional source for many commercial bank services, thereby strengthening competition with the larger statewide banks in the market.

For these reasons, the Board of Directors has concluded that both Manalapan Bank's application to merge with Trust Company and its application to exercise trust powers upon consummation of the merger should be approved.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Vermont Bank and Trust Company Brattleboro, Vermont	168,113	14	15
to merge with			
Bank of Waterbury Waterbury	11,011	1	

*For purposes of assessing the competitive impact of this proposal under the Bank Merger Act, the Board of Directors, in accordance with past practice, has ignored the acquisition of stock control of Manalapan Bank by the control owner of Trust Company in September 1973.

Summary report by Attorney General, July 18, 1975

First Vermont's office in Barre is located about 18 miles southeast of Waterbury. Several large banks operate offices in intervening Montpelier. While the application does not provide information sufficient to fully evaluate the extent to which First Vermont draws deposits and loans from Waterbury Bank's service area, it appears unlikely that the former is a substantial competitor for business in the Waterbury area. Thus, we believe that the proposed merger would eliminate no more than a limited amount of existing competition between the two institutions.

First Vermont possesses the resources to establish *de novo* branches in the area served by Waterbury Bank. While the proposed merger could thus eliminate some potential competition, we do not believe that its overall competitive effect would be significantly adverse.

Basis for Corporation approval, September 16, 1975

First Vermont Bank and Trust Company, Brattleboro, Vermont ("First Vermont"), a State nonmember insured bank (total resources $168,113,000; total IPC deposits $135,972,000), 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 Waterbury, Waterbury, Vermont (total resources $11,011,000; total IPC deposits $8,519,000). The banks would merge under the charter and title of First Vermont and, as an incident to the merger, the 3 approved offices of Bank of Waterbury would be established as branches of the resultant bank, which would then have a total of 18 approved offices.

Competition. First Vermont operates 14 offices: its main office and 2 branches in Windham County, 3 branches in Bennington County, 5 in Rutland County, 2 in Washington County, and 1 in Windsor County. First Vermont has supervisory approval for one additional office in Windham County. This bank is the third largest of Vermont's 33 commercial banks, with 12.3 percent of their IPC deposits.

Bank of Waterbury has its main office in Waterbury, Washington County (1970 population 47,659, up 11.2 percent since 1960), and maintains a limited service facility in Stowe, in Lamoille County (1970 population 13,309, up 20.7 percent since 1960), 10 miles north of its main office. It has supervisory approvals for a branch to be established within Waterbury. The primary service area of Bank of Waterbury comprises all communities within a radius of 12 road-miles of Waterbury, including Montpelier (population 8,609), the State's capital. The population of this local market increased some 4.7 percent during the 1960s to an estimated 21,300. Tourism and dairy farming are economic factors in this market; additionally, Stowe is a leading ski resort and a year-round recreation area and Montpelier is the home of a major life insurance company. Median buying levels of both Washington County ($9,752) and Lamoille County ($9,378) in 1974 were somewhat below those of the State as a whole ($10,160). Bank of Waterbury has the fourth largest share (9.9 percent) of the aggregate IPC deposits held by area offices of the six commercial banks represented in its local market. Two Burlington-based commercial banks (largest and second largest in the State) and a bank headquartered in Brattleboro (fourth largest in the State) hold the three largest shares of such deposits.

First Vermont's closest office is in Barre, some 19 road-miles southeast of Waterbury. The city of Montpelier lies between Waterbury and Barre, and the commercial bank structure of this city minimizes existing competition between First Vermont and Bank of Waterbury. It is unlikely that any significant existing competition between the two banks would be eliminated by their proposed merger.

Vermont law permits statewide *de novo* merging and branching. Bank of Waterbury, through the years, has been under conservative management. Its recently approved Waterbury branch would be the first to be established since the Stowe facility was opened in 1931. Presently the bank has neither managerial resources, experience, nor inclination to establish *de novo* branches in areas in which First Vermont is competing.

First Vermont, on the other hand, has opened several *de novo* offices in recent years and has the resources, the management, and the inclination to establish additional branches. There is little likelihood, however, that it would find the market served by Bank of Waterbury attractive for *de novo* entry—a market whose population growth substantially lags that of the State, whose buying levels are below statewide averages, and in which each commercial bank office presently serves an average of 2,360 inhabitants. It thus appears unlikely that the proposed merger would eliminate any significant potential for increased competition between the two banks in the future as a result of their *de novo* branching. Moreover, with other large banks serving northern Vermont and located in Montpelier and Barre, any future *de novo* branching opportunities in or around Waterbury that appear feasible should attract other banks capable of competing with First Vermont.

After the merger, First Vermont would continue to rank third largest of all commercial banks in Vermont, with 13.1 percent of their aggregate IPC deposits. In this relatively unconcentrated State, the first and second ranking commercial banks, both headquartered in Burlington, hold 16.6 percent and 13.3 percent of such deposits, respectively.

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 First Vermont and Bank of Waterbury have satisfactory financial and managerial resources. Future prospects of the resultant bank would be satisfactory.

Convenience and Needs of the Community to be Served. In the town of Waterbury and its environs, the merger would make available to the public a greater supply of lendable funds, a higher lending limit, data processing facilities, and broadened trust services. In addition, the proposed merger would encourage greater competition among the large branch banks serving northern Vermont, thus benefitting residents and businesses in Washington, Lamoille, and other nearby counties.

In view of the above, 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 Financial Bank (in organization) Nashua, New Hampshire (change title to Colonial Trust Company)	800	—	2
to merge with **Colonial Trust Company** Nashua	11,577	2	

Summary report by Attorney General, May 15, 1975

The proposed merger is part of a plan through which Colonial Trust Company would become a subsidiary of First Financial Group of New Hampshire, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by First Financial Group of New Hampshire, Inc., it would have no effect on competition.

Basis for Corporation approval, September 30, 1975

Pursuant to sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for First Financial Bank, Nashua, New Hampshire (New Bank), a proposed new bank in organization, and for consent to its merger with Colonial Trust Company, Nashua, New Hampshire, a State nonmember insured bank with total resources of $13,044,000 and IPC deposits of $9,986,000 as of December 31, 1974, under the charter of New Bank and with the title "Colonial Trust Company." The resulting bank will operate from the two existing offices of Colonial Trust Company.

The new bank formation and its immediate merger with Colonial Trust Company are designed solely to effectuate a plan whereby Colonial Trust Company would become a wholly owned subsidiary of First Financial Group of New Hampshire, Inc., a registered bank holding company. The Board of Governors of the Federal Reserve System approved the acquisition of Colonial Trust Company by First Financial Group on April 22, 1975, after full consideration of the competitive and banking factors involved. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent thereto it will operate the same business as Colonial Trust Company at its two existing locations. The merger proposal will not, per se, change the competitive structure of commercial banking in the relevant Nashua market served by Colonial Trust Company or affect the banking services which the latter has provided in the past. First Financial Group has agreed, however, to infuse Colonial Trust Company with new management and to inject $800,000 in capital. All factors required by law to be considered by the Corporation in connection with each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Keystone Bank Lower Burrell, Pennsylvania	57,481	14	18
to merge with **Commercial Bank & Trust Company** Pittsburgh	68,947	4	

Summary report by Attorney General, December 16, 1974

Keystone Bank and Commercial Bank are headquartered about 16 miles apart. Keystone Bank, however, operates four offices in the downtown Pittsburgh area which are within 2 miles of either of Commercial Bank's two downtown Pittsburgh offices. The nearest offices of the parties, both in downtown Pittsburgh, are separated by less than 1/2 mile. Thus, it appears this acquisition would eliminate some existing competition in the Pittsburgh area. However, it does not appear that competition in commercial banking would be significantly increased in that commercial banking market; the resulting bank would hold approximately 1 percent of Pittsburgh area deposits.

The proposed transaction would eliminate some existing competition and slightly increase concentration in commercial banking in the Pittsburgh area.

Basis for Corporation approval, September 30, 1975

Keystone Bank, Lower Burrell, Pennsylvania, a State nonmember insured bank with total resources of $57,481,000 and total IPC deposits of $48,891,000, has applied, pursuant to section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Commercial Bank & Trust Company, Pittsburgh, Pennsylvania ("Commercial Bank"), a State nonmember insured bank with total resources of $68,947,000 and total IPC deposits of $50,055,000. The 4 existing offices and 1 authorized but unopened office of Commercial Bank would be operated as branches of Keystone Bank, increasing the number of its authorized offices to 20. Consent is also sought to exercise trust powers and to issue and retire subordinated capital notes.

Competition. Keystone Bank is headquartered in Westmoreland County, part of the Pittsburgh SMSA, and operates 13 branches which serve 5 separate and widely dispersed sections of the Pittsburgh area, ranging from a rural and agricultural section to the highly industrial and commercial city of Pittsburgh. Besides eight operating and one additional unopened office in Allegheny County, Keystone Bank is represented in Armstrong, Butler, and Somerset Counties as well as its headquarters county of Westmoreland.

Commercial Bank is headquartered in Pittsburgh (1970 population 520,117), and it operates three branches: one each in Allegheny, Washington, and Westmoreland Counties. It also has approval to establish a *de novo* branch southeast of Pittsburgh in Westmoreland County.

The area within which the competitive effects of the proposed transaction would be most direct and immediate can be approximated by the Pittsburgh SMSA, a four-county region that includes the two counties (Allegheny and

Westmoreland) in which both Keystone Bank and Commercial Bank have offices. As of June 30, 1974, 30 commercial banks were operating a total of 419 offices in this banking market, which is dominated by the 4 largest banks in Pittsburgh: Mellon Bank, N.A., Pittsburgh National Bank, Equibank, N.A., and The Union National Bank of Pittsburgh. Even on a combined basis, Keystone Bank and Commercial Bank had less than 0.2 percent of the commercial bank IPC deposits in this market and only 14 offices.

The closest offices of Keystone Bank and Commercial Bank are located in downtown Pittsburgh, approximately 0.8 miles apart. Numerous other banking offices are also located in this densely urban area, including the administrative headquarters of the four largest Pittsburgh banks. While each of the proponent banks to some extent competes for business in this area, their market shares overall are so low, and the intensity of competition from the four large banks so keen, that their proposed merger is not likely to eliminate any significant amount of existing competition or to influence in any perceptible way the structure of commercial banking in the Pittsburgh SMSA.

Pennsylvania law permits Keystone Bank to branch throughout Westmoreland, Allegheny, Armstrong, Butler, Cambria, Fayette, Indiana, Somerset, and Washington Counties. Commercial Bank can branch in Allegheny, Beaver, Butler, Washington, and Westmoreland Counties. Only Beaver County would be excluded from the legal branching area of the resultant bank. Both banks have branched *de novo* in the past and the approval of this proposal would remove the possibility of increased competition developing between them through similar expansion in the future. Any significant future competition between them from this source, however, seems remote. Keystone Bank has confined its office expansion mainly to areas north and northeast of Pittsburgh while Commercial Bank's branching has been to the south and southeast of Pittsburgh. Furthermore, neither bank is likely to have much competitive impact through *de novo* branching in the city of Pittsburgh where the four large banks are so entrenched. The proposed merger, in fact, may subject these four large banks to new competition in the future as the resultant bank takes advantage of *de novo* branching opportunities in the SMSA which today are going largely by default to the four large Pittsburgh banks.

While a small degree of existing competition and some potential for increased competition between Keystone Bank and Commercial Bank would be eliminated by the proposed merger, the effect in the relevant market would be negligible and there would continue to be an adequate number of banking alternatives in the SMSA.

The Board of Directors, accordingly, 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. While both banks have shown certain weaknesses in recent years, generally speaking, one has strengths where the other is weak. The financial and managerial resources of the resultant bank are considered satisfactory, as are its future prospects.

Convenience and Needs of the Community to be Served. The residents and businessmen of the Pittsburgh SMSA would benefit from an institution with greater financial resources and a lending limit of almost $1 million. Trust services, automated applications, and equipment leasing services would become available to Keystone Bank's customers. The resultant bank would provide a larger, more diversified banking alternative which should in time be able to compete more aggressively with the market leaders.

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
Salem Bank and Trust Company Goshen, Indiana	106,238	5	6
to merge with			
Exchange State Bank Wakarusa	15,069	1	

Summary report by Attorney General, November 4, 1975

Applicant's New Paris branch is located about 11 miles southeast of Bank and Applicant's four Goshen offices are about 13 miles northeast of Bank. All are within a radius of about 13 miles from the city of Elkhart, the county seat and major population center of Elkhart County.

The proposed merger will eliminate some existing competition between the parties and slightly increase concentration in commercial banking in Elkhart County. Accordingly, we conclude that the proposed transaction would have some adverse competitive effects.

Basis for Corporation approval, November 3, 1975

Salem Bank and Trust Company, Goshen, Indiana ("Salem Bank"), a State nonmember insured bank with total resources of $106,238,000 and total IPC deposits of $79,820,000, has applied, pursuant to section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Exchange State Bank, Wakarusa, Indiana ("Exchange Bank"), also a State nonmember insured bank, with total resources of $15,069,000 and total IPC deposits of $12,326,000, under the charter and title of Salem Bank. As an incident to the merger, the sole office of Exchange Bank would become the Wakarusa Branch of the resultant bank, increasing the number of its offices to six.

Competition. Salem Bank operates its main office and two branches in the city of Goshen, a branch at Millersburg, and a branch at New Paris. All offices are in Elkhart County which is located east of South Bend and just south of the Michigan border in north-central Indiana. Exchange Bank operates its sole office in the farming community of Wakarusa (1970 population 1,160) in western Elkhart County, approximately 12 road-miles southwest of Goshen and 10 miles south of the city of Elkhart.

Elkhart County has a balanced economy with both agriculture and manufacturing contributing to the broad economic base. The population of the county in 1970 was 126,529, an 18.5 percent increase over the 1960 population. The city of Elkhart, with a 1970 population of 43,152, is the county's largest city and chief commercial and industrial center. Goshen, the county seat and second largest city, had a 1970 population of 18,004, which represented a 31.2 percent increase over 1960. Wakarusa's 1970 population was relatively unchanged from the 1960 figure. The 1974 median household buying level for the county was $13,798, substantially higher than the State median of $12,555.

The effect of the proposed merger would be limited to Elkhart County, which is the legal branching and merging area of the two banks involved. Salem Bank, because of Goshen's central location, serves all of Elkhart County, while Exchange Bank's market appears to be limited to the western third of the county. While Exchange Bank draws most of its business from a distinct local area, there is some degree of overlap and some existing competition between the banks. However, the dollar volume of this existing competition is small; three offices of the county's two largest banks are located 6 miles south of Wakarusa in Nappanee and two offices of these same banks are located 7 miles north in Concord Township. Twelve miles separate the nearest offices of Salem Bank and Exchange Bank, but the area is sparsely populated and served by a mediocre highway system. There is no direct access road between any office of Salem Bank and Exchange Bank. While the proposed merger would eliminate some existing competition, it is not considered significant in amount.

Indiana law provides home office protection; therefore, neither of the banks involved in this proposal could branch *de novo* into the other's headquarters city. The most significant area of overlap between Exchange Bank and Salem Bank occurs around the city of Elkhart which is closed to *de novo* entry by the subject banks. Exchange Bank lacks the experience and the financial and managerial resources, in any event, to be an effective competitor through the establishment of *de novo* branches in the areas served by Salem Bank. *De novo* entry by Salem Bank into the area surrounding Wakarusa now served by Exchange Bank appears unlikely in view of the limited population of the Wakarusa area. It thus seems unreasonable to expect significant future competition to develop between Salem Bank and Exchange Bank through such *de novo* branching.

Elkhart County banking is dominated by First National Bank and St. Joseph Valley Bank, both headquartered in the city of Elkhart. They operate a total of 29 offices and together control 67 percent of the county's $433 million IPC deposits. Salem Bank is the third largest of eight commercial banks in the county and controls 17.1 percent of these deposits. Exchange Bank holds 2.7 percent of this market, while four other banks (including an inactive private bank also headquartered in Wakarusa) hold in the aggregate 13.2 percent of the IPC deposits. The resultant bank's 19.8 percent share of such deposits would not change Salem Bank's standing in the market, nor is it likely that the proposed merger would perceptibly change the present structure of commercial banking in the county.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources and future prospects of Salem Bank and of the resultant bank are regarded as satisfactory. The proposal will serve to provide Exchange Bank with needed managerial resources, and its future prospects appear to be more favorable as part of the resultant bank than as an independent entity.

Convenience and Needs of the Community to be Served. The principal benefits of the proposed merger would accrue to the customers of Exchange Bank who would have a greater amount of lendable funds at their call, a significantly increased lending limit, automated banking, and a broader variety of trust services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Virginia-Potomac Fairfax County, Virginia	175,702	28	32
to merge with **Bank of Virginia-Fredericksburg** Fredericksburg	19,630	4	

Summary report by Attorney General, August 22, 1975

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

Basis for Corporation approval, November 3, 1975

Bank of Virginia-Potomac, Fairfax County, Virginia, a State nonmember insured bank with total resources of $175,702,000 and total IPC deposits of $129,934,000, 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 Virginia-Fredericksburg, Fredericksburg, Virginia, with total assets of $19,630,000 and total IPC deposits of $14,835,000. As an incident to the merger, the 4 offices of Bank of Virginia-Fredericksburg would be established as branches of the resulting bank, increasing to 32 the number of its offices.

This proposed transaction is designed solely as a means by which Bank of Virginia Company, Richmond, Virginia, a registered bank holding company, can consolidate its operations in the counties of Arlington, Fairfax, and Prince William and in the independent cities of Alexandria, Falls Church, Fredericksburg, and Manassas, Virginia. Both Bank of Virginia-Potomac and Bank of Virginia-Fredericksburg are owned by Bank of Virginia Company and this 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.

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
The Peoples Bank and Trust Company Tupelo, Mississippi	106,398	16	18
to merge with			
Bank of Pontotoc Pontotoc	15,610	2	

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

Basis for Corporation approval, November 26, 1975

The Peoples Bank and Trust Company, Tupelo, Mississippi, a State nonmember insured bank with total resources of $106,398,000 and total IPC deposits of $79,725,000, has applied, pursuant to section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Pontotoc, Pontotoc, Mississippi, with total resources of $15,610,000 and total IPC deposits of $13,392,000. Incident to the proposed merger, the 2 offices of Bank of Pontotoc would be established as branches of the resulting bank, thereby increasing the number of its offices to 18.

The Board of Directors has determined that the Corporation must act immediately in order to prevent the probable failure of Bank of Pontotoc. On the basis of this finding, the proposed transaction is approved.

Under section 18(c)(6) of the Federal Deposit Insurance Act, the transaction may be consummated immediately.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Sterling Trust Company Johnson, Vermont	9,921	2	4
to acquire the assets and assume the deposit liabilities of			
The Enosburg Falls National Bank Enosburg Falls	7,354	2	

Summary report by Attorney General, November 4, 1975

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

Basis for Corporation approval, November 26, 1975

Sterling Trust Company, Johnson, Vermont ("Sterling"), a State nonmember insured bank having total resources of $9,921,000 and total IPC deposits of $8,354,000, has applied, pursuant to section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume liability to pay deposits made in The Enosburg Falls National Bank, Enosburg Falls, Vermont ("Enosburg National"), with total resources of $7,354,000 and total IPC deposits of $6,591,000. The banks would effect the proposed transaction under the charter and title of Sterling and, incident to the transaction, the two offices of Enosburg National would become branches of the resultant bank, giving it a total of five authorized offices.

Competition. Sterling operates two offices in the northwest part of Vermont: its main office in Johnson, in central Lamoille County, and a branch in Jericho, in central Chittenden County, 23 road-miles southwest of the main office. A second branch has been approved, to be established in Hardwick, in Caledonia County, 19 road-miles southeast of the main office. In this section of Vermont, agriculture, although of decreasing importance in recent years, continues to lend significant economic support, supplemented by tourism and winter recreation centering in Stowe and mountainous southwestern Lamoille County, one of the leading ski areas in the Northeast. The Jericho area is developing as a residential suburb of Burlington, Vermont's largest city, which is 16 miles to the west. Enosburg National has its main office in the village of Enosburg Falls (population 1,266) and a branch in Montgomery Center (population 651), both locations being in the northeast part of Franklin County. This county lies north of Lamoille and Chittenden Counties and adjoins the Canadian border.

The area within which the competitive effects of the proposed transaction would be most immediate and direct consists of the northeast quadrant of Franklin County, extending east from Enosburg Falls some 20 road-miles to the edge of Orleans County, north some 12 road-miles to the Canadian border, and both west and south some 10 road-miles to include the towns of Sheldon and Bakersfield. Three commercial banks have a total of four offices in this local market serving approximately 9,850 people and holding, on June 30, 1974, aggregate IPC deposits of $20,260,000. The Howard Bank, the second largest commercial bank in the State, had 34.6 percent of such deposits at its branch in Enosburg Falls; Enosburg National had 34.4 percent; and Franklin-Lamoille Bank, Vermont's sixth largest commercial bank, had the remaining 31 percent of such deposits at its branch in Richford, a town 14 road-miles northeast of Enosburg Falls. Sterling, whose nearest office is more than 25 miles away over sparsely populated mountainous terrain, is not represented in this market.

Although Sterling's northern Lamoille County market abuts Enosburg National's market, there is no significant market area overlap. Two other banks have offices between the closest offices of Sterling and Enosburg National, and neither appears to draw much business from areas served by the other. Accordingly, the proposed transaction would not eliminate any significant existing competition between the two proponents.

Enosburg National's market, is one of sparse and declining population and below-average buying levels (Franklin County's 1974 median household buying level of $8,438 was 16.9 percent below the State median) and the State's second largest commercial bank has an office in Enosburg Falls. In view of these factors, Sterling would be unlikely to find this market attractive for *de novo* entry. For its part, Enosburg National has an aged management and no incentive for *de novo* expansion. Thus, the proposed transaction is unlikely to foreclose any significant potential for increased competition between the two banks in the near future.

On a statewide basis, the two banks combined would control less than 1.3 percent of aggregate commercial bank deposits.

Based on the foregoing, the Board of Directors has concluded 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. Both proponents have acceptable financial resources for the amount of business they presently transact. Managerial resources of Sterling are acceptable. Enosburg National has a significant managerial and management succession problem and its future prospects, as an independent organization, appear to be unfavorable. Future prospects of the resultant bank, with an infusion of $200,000 of additional capital funds, would be favorable.

Convenience and Needs of the Community to be Served. Banking customers of the Enosburg-Montgomery area would be served by a larger bank with a stronger, more aggressive management, a higher lending limit, and a greater supply of lendable funds. Computerized services would be available at Enosburg National's offices. The resultant bank should stimulate competition with The Howard Bank and Franklin-Lamoille Bank to the advantage of farmers, businessmen, and residents of the market area as a whole.

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 Virginia Bank of Tidewater Norfolk, Virginia	116,559	23	26
to merge with			
First Virginia Bank of Nansemond Suffolk	8,999	3	

Summary report by Attorney General, November 4, 1975

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

Basis for Corporation approval, November 26, 1975

First Virginia Bank of Tidewater, Norfolk, Virginia ("Tidewater Bank"), a State nonmember insured bank with total resources of $116,559,000 and IPC deposits of $90,659,000, 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 Virginia Bank of Nansemond, Suffolk, Virginia ("Nansemond Bank"), a State nonmember insured bank with total resources of $8,999,000 and IPC deposits of $7,037,000, under the charter and title of Tidewater Bank. The three offices of Nansemond Bank will be operated as branches of the resulting bank.

This proposed transaction is designed solely as a means by which First Virginia Bankshares Corporation, Falls Church, Virginia ("Holding Company"), a registered bank holding company, can consolidate its operations in the Tidewater Virginia area. Both Tidewater Bank and Nansemond Bank are owned by Holding Company, and this proposed transaction would not in itself change the structure of competition in the area 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.

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
State Bank for Savings Hartford, Connecticut	206,695	5	6
to merge with **Canaan Savings Bank** North Canaan	23,571	1	

Summary report by Attorney General, September 8, 1975

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

Basis for Corporation approval, November 28, 1975

State Bank for Savings, Hartford, Connecticut, an insured mutual savings bank with total resources of $206,695,000 and total deposits of

$192,082,000, 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 Canaan Savings Bank, North Canaan, Connecticut, also an insured mutual savings bank, with total resources of $23,571,000 and total deposits of $21,329,000, under the charter and with the title "State Bank for Savings." The sole office of Canaan Savings Bank would be established as a branch of the resultant bank, increasing the number of its offices to seven, including one approved but unopened branch.

Competition. State Bank for Savings has its main office in Hartford, two branches in suburban West Hartford, one office in Glastonbury, another suburb of Hartford, and one office in Enfield approximately 21 road-miles north of the main office. It also has the necessary supervisory approvals to establish an office in Simsbury, some 15 miles northwest of Hartford. All of these offices are in Hartford County, in central Connecticut. Canaan Savings Bank has its sole office in North Canaan, in Litchfield County, in extreme northwestern Connecticut.

The competitive impact of the proposed merger would be most direct and immediate within the primary trade area of Canaan Savings Bank, a market which comprises communities located within some 18 road-miles of North Canaan, including Great Barrington, Massachusetts, to the north; Millerton, New York, to the southwest; and Winsted, Connecticut, to the southeast. Winsted is an Industrial city; the remainder of the market is largely rural, agricultural, and partly a State forest. The 1970 population of this market, estimated at 42,225, increased some 10.3 percent during the 1960s. The comparable increase for Connecticut as a whole was 19.6 percent.

In this local market, there are 10 offices of 8 mutual savings banks, with no other thrift institution being represented. Great Barrington Savings Bank has 38.3 percent of the $145.1 million aggregate deposits held by the market's 10 savings bank offices. Winsted Savings Bank has 20.6 percent of such deposits; Mechanics Savings Bank of Winsted, 17.6 percent. Canaan Savings Bank has 14.1 percent, the fourth largest share. State Bank for Savings has no office in this market, and its proposed branch in Simsbury would be 38 miles away. The latter's closest office is located in West Hartford, some 40 road-miles southeast of North Canaan. Neither bank draws a meaningful amount of its business from areas served by the other, with the result that approval of the proposed transaction would not eliminate any existing competition between the two banks.

In addition, the merger would eliminate no significant potential for increased competition between the two banks through *de novo* branching in the future. The proposed Simsbury branch of State Bank for Savings would operate in a market separate and distinct from that of Canaan Savings Bank. State Bank for Savings may not enter *de novo* the town of North Canaan because of home office protection provided by State law, nor would the environs be attractive for such entry. Canaan Savings Bank's market presently has a savings bank office for every 4,223 people—far less than the statewide ratio of 10,713 people for each savings bank office on June 30, 1974—and the area's rate of population increase lagged significantly the statewide growth rate during the 1960s. For its part, Canaan Savings Bank, a unit operation for 102 years, presently lacks the financial and managerial resources, as well as the inclination, to engage in *de novo* expansion.

The proposed transaction would constitute a geographic extension of State

Bank for Savings' market. The latter's position as fourth largest thrift institution in the Hartford area would remain unchanged. Upon consummation of the merger, State Bank for Savings would become the 11th largest of 102 mutual thrift institutions in a relatively unconcentrated State, with approximately 2 percent of the aggregate deposits held at year-end 1974 by all mutual savings banks and insured savings and loan associations in Connecticut.

Considering 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. State Bank for Savings has satisfactory financial and managerial resources. Its future prospects are favorable. With a marginally acceptable asset structure, Canaan Savings Bank would have more favorable future prospects as a part of the resultant bank than were it to continue as an independent institution.

Convenience and Needs of the Community to be Served. The resultant bank would provide services not presently available to Canaan Savings Bank customers, including a broader range of personal loan services, loans under the Connecticut Housing Finance Authority program, investment accounts, a higher rate of interest on certain time deposits, savings bank life insurance, and Saturday banking hours. These added conveniences for both borrowing and depositing customers should provide more effective competition to the other thrift institutions and the commercial banks represented in the North Canaan local market.

The Board of Directors, in view of the circumstances described, 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 (change title to Bank of Virginia-Eastern)	132,755	14	25
to merge with **Bank of Virginia-Peninsula** Newport News	103,314	11	

Summary report by Attorney General, September 15, 1975

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

Basis for Corporation approval, November 28, 1975

Bank of Virginia-Tidewater, Norfolk, Virginia ("Tidewater"), a State nonmember insured bank with total resources of $132,755,000 and IPC deposits of $93,318,000, 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-Peninsula, Newport News, Virginia ("Peninsula"), a State nonmember insured bank with total resources of $103,314,000 and IPC deposits of $74,221,000, under the charter of Tidewater and with the title "Bank of Virginia-Eastern." The 12 approved offices of Peninsula will be operated as branches of the resulting bank.

This proposed transaction is designed solely as a means by which Bank of Virginia Company, Richmond, Virginia ("Holding Company"), a multibank holding company, can consolidate its operations in York County and the independent cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, and Virginia Beach. Both Tidewater and Peninsula are owned by Holding Company, and this proposed transaction would not in itself change the structure of competition in the area nor should it affect the banking services which 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.

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
The Citizens and Southern Emory Bank DeKalb County, Georgia	134,146	10	12
to acquire the assets and assume the deposit liabilities of			
The Citizens and Southern Bank of Tucker Tucker, Georgia	44,686	2	

Summary report by Attorney General, November 25, 1975

The Department of Justice filed a competitive report dated March 12, 1971, regarding, *inter alia,* an earlier effort by Applicant to acquire full control of Tucker Bank. The Corporation thereafter denied the application on October 5, 1971.

The earlier, unsuccessful effort by Applicant to acquire Tucker Bank was part of a larger, ultimately successful campaign by C&S National to acquire five banks with which it was affiliated through the ownership of 5 percent of the outstanding stock of each—a system of correspondent associate banks. The Corporation approved these acquisitions, while denying the application to acquire Tucker Bank.

A subsequent antitrust action by the Department challenging the approved acquisitions as violations of section 7 of the Clayton Act, and all of the existing "correspondent associate" relationships (including that of Tucker Bank) as violations of the Sherman Act, was unsuccessful. In its opinion affirming dismissal of this case (*United States* v. *Citizens & Southern National Bank,* 422 U.S. 86 (1975)), the Supreme Court concluded that the correspondent associate programs in effect with respect to Tucker Bank (and two other banks), which were likened to *de facto* branches whose operations were directly and indirectly controlled by the C&S organization, were immunized from attack under the Sherman Act by a "simple conferral of legislative amnesty." (*Id,* 422 U.S. at 108.) The Court also noted that neither the District Court nor the FDIC could find any realistic prospect that denial of the acquisitions there in question would lead the defendant banks to compete against one another. (*Id,* 422 U.S. at 121.)

We continue to believe that there are some circumstances in which prior existing relationships between banks would not justify attempts at more formal and permanent affiliation. However, the Supreme Court's opinion relating to this matter compels the conclusion that the proposed transaction would not eliminate any significant existing or potential competition; thus, we do not oppose its approval.

Basis for Corporation approval, December 1, 1975

The Citizens and Southern Emory Bank, DeKalb County, Georgia ("Emory Bank"), a State nonmember insured bank with total resources of $134,146,000 and total deposits of $113,760,000, has applied, pursuant to section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume liability to pay deposits made in The Citizens and Southern Bank of Tucker, Tucker, Georgia ("Tucker Bank"), also a State nonmember insured bank, with total resources of $44,686,000 and total deposits of $35,463,000.* Emory Bank has also applied under section 18(d) of said Act for consent to establish the two offices of Tucker Bank as branches of the resulting bank.

Background. Tucker Bank, established in 1919, became affiliated with the C&S system early in 1965 when Citizens and Southern Holding Company, Savannah, Georgia ("C&S Holding"), acquired 5 percent of Tucker Bank's outstanding capital stock while 75 percent of such stock was acquired by officers and staff of the C&S system, their associates, the C&S Profit Sharing Fund, and several directors chosen by the system for Tucker Bank. At the time of this affiliation, Tucker Bank had deposits approximating $4 million—about 5 percent of DeKalb County's commercial bank deposits—and operated one office. By virtue of the transaction, the C&S system increased its control over DeKalb County commercial bank deposits to approximately 29 percent and its share of the county's commercial bank offices to approximately 26 percent. The State of Georgia, at the time, did not permit direct branching by Citizens and Southern National Bank of Atlanta into the DeKalb County suburbs. The only means of expansion then available to the C&S system in DeKalb County was to sponsor newly formed banks or to acquire control of existing banks, so

*Financial data as of June 30, 1975. Data with respect to Emory Bank have been adjusted to reflect that bank's November 1, 1975 acquisitions of The Citizens and Southern Bank of Chamblee, The Citizens and Southern Park National Bank, and The Citizens and Southern South DeKalb Bank.

long as C&S Holding in either case did not own more than 5 percent of the stock of the banks so sponsored or acquired. As a consequence, the C&S system sponsored *de novo* several "5-percent banks" in DeKalb County. Tucker Bank is the only DeKalb County C&S "5-percenter" that was not sponsored *de novo.*

In 1970, when a change in Georgia's branching laws became effective, the C&S system sought to reorganize its 5-percent banks in the Atlanta area by merging them into wholly owned C&S subsidiaries in Fulton and DeKalb Counties. Six such merger applications came before the Corporation's Board of Directors for approval under the Bank Merger Act and five were so approved—all for banks originally sponsored *de novo* by the C&S system (see 1971 FDIC *Annual Report* 95-100). The application to merge Emory Bank and Tucker Banks was denied, essentially on the grounds that the 1965 affiliation between the two banks was anticompetitive in its origins and should not be ratified by the Corporation's approval under the Bank Merger Act, even though no existing competition would be, and no significant future competition was likely to be, eliminated by their merger in 1971 (see 1971 FDIC *Annual Report* 152-155). The Department of Justice sued to prevent consummation of the five proposed mergers which the FDIC had approved and to enjoin under section 1 of the Sherman Act the "correspondent associate relationship" which the C&S system had with all six banks. That litigation resulted ultimately in a 6—3 decision favorable to the C&S system on all counts (*United States* v. *Citizens & Southern National Bank et al.*, 422 U.S. 86 (June 17, 1975)). On November 1 of this year, the five approved mergers were finally consummated. The C&S system, in the interim, filed a new application for FDIC approval of its proposed merger of Tucker Bank into Emory Bank.

Competition. The Board of Directors sees no reason to change the view it expressed in 1971 that the acquisition of control over Tucker Bank by the C&S system was substantially anticompetitive when it occurred in 1965. It has, however, carefully reviewed its earlier decision in the light of the Supreme Court's discussion of the "grandfather clause" contained in the 1966 amendments to the Bank Holding Company Act, 12 U.S.C. section 1849(d) (Public Law 89-485). This "grandfather clause," in essence, forgave bank holding companies of prior violations of the antitrust laws (other than section 2 of the Sherman Act) if the Attorney General failed to initiate an action to block the violation prior to July 1, 1966.**

In relevant part, the Supreme Court said:

> Unlike § 1849(b) [governing post - July 1, 1966 acquisitions] this provision [§ 1849(d)] does not state or imply that the covered transactions must have received the formal approval of the Federal Reserve Board [under the Bank Holding Company Act]. This grandfather provision is not, like § 1849(b), an attempt to accommodate the competing jurisdictions of the Federal Reserve Board under § 1842 and the Justice Department under the antitrust laws. Rather, the grandfather provision is a simple conferral of legislative amnesty for theretofore unchallenged

**A somewhat similar provision in the 1966 amendments to the Bank Merger Act required such action to be initiated by the Attorney General prior to February 21, 1966 (Public Law 89-356, § 2(b)).

transactions completed before Congress had clarified the nature of that accommodation.

The transactions by which C&S created a correspondent associate relationship with three of the 5-percent banks—the Sandy Springs, Chamblee, and Tucker banks—were consummated prior to July 1966, and the Attorney General had taken no action against those transactions by that date. *Those transactions thus fall within the terms of the grandfather provision, and the correspondent associate programs in force at those three banks are, therefore, immune from attack under § 1 of the Sherman Act.*

While the formation by C&S of a *de facto* branch was a unique type of transaction, it may fairly be characterized as an 'acquisition, merger, or consolidation of the kind described in § 1842 (a).' Forming a *de facto* branch was a multifaceted operation—involving a multiplicity of purchases of stock by a number of parties, the adoption of the C&S logogram by the *de facto* branch, the connection of the *de facto* branch with C&S personnel and information programs, the structuring of the bank to receive and administer all C&S banking services, and the establishment of formal C&S influence over the board of directors at the *de facto* branch. But even before its scope was expanded in 1970 § 1842(a) was concerned with more than the literal 'acquisition' of stock: *It took broad account of the 'indirect' control of stock, and the control of boards of directors 'in any manner,' by bank holding companies. The grandfather provision creates immunity under* § 1 of the Sherman Act, *not simply under § 7 of the Clayton Act, an indication that its protection extends not merely to literal acquisitions, mergers, and consolidations, but also to 'restraints of trade' simultaneous with and functionally integral to such transactions. Though to 'restraints of trade' simultaneous with and functionally integral to such transactions. Though multifaceted, the formation by C&S of a* de facto branch was a unitary and cohesive undertaking in the sense that all the facets were closely coordinated, simultaneously instituted, and designed to serve the single purpose of fitting the new bank into the 'C&S system.' There is virtually nothing about the present correspondent associate programs that was not fully evident and in place from the moment the programs were launched. There has been no increase in C&S control, nor any change in the way it has been exercised.

Whether these programs violated § 1842(a)—as it applies today or as it applied when the programs began—is not relevant to our inquiry.[19] By its terms, the grandfather provision applies to transactions *of the kind* described in § 1842(a). We cannot believe that Congress wished to grant the benefits of the provision only to transactions that plainly *transgressed* § 1842(a). Such a construction would make application of the grandfather provision not only cumbersome and time consuming [footnote 20 omitted] but also flagrantly inequitable. The formation of a *de facto* C&S branch involved the direct and indirect acquisition of bank

[19]The grandfather provision creates a conclusive presumption of compliance with the antitrust laws, but not necessarily of compliance with the provisions of the Bank Holding Company Act. See 12 U.S.C. 1849(f).

stock, and the direct and indirect assertion of control over the governance and operations of a bank, by a bank holding company. Though unusual in form, such a transaction quite clearly falls within the class of dealings by bank holding companies which Congress intended, in § 1849(d), to shield from retroactive challenge under the antitrust laws.

2. *De Facto Branching Under the Sherman Act*

Three of the 5-percent banks—the Park National, South DeKalb, and North Fulton banks—were formed after July 1, 1966, and their correspondent associate relationships with C&S are therefore beyond the reach of the grandfather provision of the Bank Holding Company Act and subject to scrutiny under the Sherman Act.

Each of these banks was founded *ab initio* through the sponsorship of C&S. Except for that sponsorship, they would very probably not exist. The record shows that other banking organizations had been unsuccessful in attempting to launch new banks in the area, and C&S affiliation and financial backing were instrumental in convincing state and federal banking authorities to charter these new banks. In short, these banks represented a policy by C&S of *de facto* branching through the formation of new banking units, rather than through the acquisition, and consequent elimination, of pre-existing, independent banks.[21] [Emphasis supplied.]

[21] *The Tucker Bank, which was not founded as a new bank by C&S, comes within the coverage of the grandfather provision, as explained in the previous section. De facto* branching through the *de facto* 'acquisition' of pre-existing banks might raise questions under the Sherman Act considerably different from those presented by the C&S practice of *de facto* branching through founding new banks. [Emphasis supplied.]

The Board of Directors interprets this discussion as covering not merely the attempted application of Sherman Act section 1 to the "correspondent associate relationships" between the C&S system and Tucker Bank, but also any effort to apply any other provision of the antitrust laws (save only section 2 of the Sherman Act) to the 1965 acquisition of control by the C&S system over Tucker Bank.

Strictly speaking, the two "grandfather clauses" cited are silent about the impact of such a pre-1966 antitrust violation on the "post-grandfather-date" administration of the Bank Holding Company Act and the Bank Merger Act; but, the Board of Directors believes that where a pre-1966 antitrust violation is the *only* reason for denying an application under either Act, the responsible agency should take the view that Congress intended to forgive the violation and accordingly that the violation should not be considered in analyzing the competitive factors presented by the application. On the other hand, if control of Tucker Bank had been acquired by the C&S system after the relevant "grandfather date" in 1966 so that the antitrust violation occurred thereafter or if an analysis of the traditional banking factors, including considerations of convenience and need, were to convince the responsible agency, even as to a pre-1966 acquisition, that the application should be denied, the responsible agency would be acting in conformity with its statutory duty were it to proceed to deny the application. The Board of Directors believes this to be the only fair reading of footnotes 19 and 21 in the context of the Supreme Court's discussion of the issues presented by the "grandfather clause" found in the Bank Holding Company Act.

Since the banking factors and considerations of convenience and need were found to be neutral in the Board's original decision on this proposed merger and since Congress apparently intended to forgive any antitrust violation, other than a violation of Sherman Act section 2 (which is not here in issue), based on C&S's acquisition of control of Tucker Bank in 1965, the Attorney General not having sued prior to July 1, 1966, the Board has come to the conclusion that the application now before it should be, and it hereby is, approved.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Ottawa County Bank Minneapolis, Kansas	6,383	1	2
to merge with **The Citizens National Bank of Minneapolis** Minneapolis	8,733	1	

Summary report by Attorney General, July 31, 1975

Minneapolis, Kansas, is a small community of about 2,000 located 25 miles north of Salina. Minneapolis is the county seat of Ottawa County, a rural county with a total 1970 population of 6,200.

Ottawa Bank and Citizens Bank are the only banks operating offices in Minneapolis and are two of five banks, all with total deposits ranging from $4 to $10 million, operating in Ottawa County. The other three Ottawa County banks are located at distances of approximately 10-12 miles from Minneapolis. Four other, larger banks are located in Salina, approximately 25 miles from Minneapolis. The proposed merger would eliminate existing competition in Minneapolis and Ottawa County and increase concentration in commercial banking in this area.

Basis for Corporation approval, December 1, 1975

The Ottawa County Bank, Minneapolis, Kansas ("County Bank"), a State nonmember insured bank with total resources of $6,383,000 and total IPC deposits of $4,681,000, 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 Citizens National Bank of Minneapolis, Minneapolis, Kansas ("Citizens National"), with total resources of $8,733,000 and total IPC deposits of $6,693,000. As an incident to the merger, County Bank would establish the sole office of Citizens National as a branch, to be designated the main office, the sole office of the former becoming the branch of the resultant bank.

Competition. Each bank operates its only office in the city of Minneapolis (population 1,971), the centrally located county seat of Ottawa County (population 6,183) in north-central Kansas. Production of wheat and other grains is of major economic importance in the area, although one manufacturing plant in the city employs some 100 people. A number of local residents are employed in the city of Salina (population 37,714), the sixth largest city in Kansas and the only municipality within 50 road-miles of Minneapolis with a population exceeding 7,300. Salina is 21 miles south of Minneapolis over U.S. Route 81.

The local banking market in which the competitive effects of the proposed merger would be most immediate and direct probably excludes Salina and consists of Minneapolis and that area of central Kansas within a 10-12 mile radius of that city. This local market is sparsely populated, containing an estimated 5,500 people. Five unit banks, ranging in IPC deposit size from $3.5 million to $9 million, serve this small market. Citizens National has the third largest deposit share (19.7 percent) in this market while County Bank has the fourth largest deposit share (12.9 percent). Their merger would obviously eliminate some existing competition between them and move the resultant bank to first place in the market rankings, slightly ahead of what would then be the area's second and third ranking banks.

While these are adverse considerations, the market is very small and its income level is 26 percent below the State average. After the merger, four banks would serve the market—or one bank for an average of 1,400 persons. Relatively high levels of concentration are not unusual in such sparsely populated markets.* The Bank of Tescott, some 12 miles to the southwest of Minneapolis, The State Bank of Delphos, a similar distance to the north, and The Bennington State Bank, some 10 miles to the southeast, would continue to be banking alternatives available to dissatisfied customers in the Minneapolis area.

There appears to be no significant potential for increased competition between County Bank and Citizens National in the future through *de novo* branching. Kansas law confines a bank's branching to a maximum of three detached, limited power facilities, all of which must be located within the bank's main office community. Office expansion by either County Bank or Citizens National within Minneapolis, in view of the city's modest size and the sparse and declining population of its environs, appears to be unnecessary and economically unfeasible.

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 Citizens National are satisfactory and the bank's future

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*Were Salina to be included in the relevant banking market, a total of 9 commercial banks would operate 16 offices for some 47,000 people, holding area IPC deposits aggregating $156 million, with 4 banks in Salina having individual shares of 25.4 percent, 24.1 percent, 20.1 percent, and 8.8 percent of such deposits. Citizens National would have the seventh largest share of such deposits (4.3 percent) while County Bank would have the eighth largest share (3 percent). Viewed in such a context, their proposed merger would not be considered substantially anticompetitive.

prospects are favorable. The condition of County Bank, on the other hand, is unsatisfactory and its future prospects are less than favorable. The resultant bank, with augmented capital funds and controlled by the present management of Citizens National, would have satisfactory future prospects.

Convenience and Needs of the Community to be Served. County Bank's full service office would be reduced at the time of the merger to a limited power facility. This loss of convenience for certain of the bank's customers would have very limited impact, however, in view of the fact that the two banks are located within one block of each other on the same street. The increased lending limit of the resultant bank ($164,000) would serve the convenience of a fair number of customers. County Bank, as a part of the resultant bank, would be restored as a viable competitor and the merger would thus contribute to the needs and convenience of the relevant 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
First Pennsylvania Bank Bala-Cynwyd, Pennsylvania	6,052,916	85	95
to purchase the assets and assume the deposit liabilities of			
Virgin Islands National Bank Charlotte Amalie, St. Thomas, Virgin Islands	132,705	3	

Summary report by Attorney General, November 11, 1975

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

Basis for Corporation approval, December 1, 1975

First Pennsylvania Bank N.A., Bala-Cynwyd, Pennsylvania ("First Penn"), a national banking association with total assets of $6,052,916,000 and total IPC deposits of $2,674,997,000, 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 the liability to pay deposits made in three uninsured offices of Virgin Islands National Bank, Charlotte Amalie, St. Thomas, Virgin Islands ("VI National"), two of which are located on Tortola in the British Virgin Islands and the third of which is located on Antigua, British West Indies. Application for consent to acquire the remaining assets and assume the liability to pay deposits in the seven insured offices of VI National is being made to the Comptroller of the Currency. As an incident to the 2 applications, the $132,705,000 in total resources, the $118,632,000 of total deposits, and the 10 offices of VI National would become the assets, deposits, and branches of First Penn, increasing its assets and deposits slightly and the total number of its offices to 95.

Governing Facts. VI National has been a wholly owned subsidiary of First Penn since 1960. The proposed transactions are in effect a corporate consolidation and reorganization that would have no adverse effects on competition in any relevant area. The convenience and needs of the public presently being served by VI National would continue to be served following consummation by First Penn, with possibly greater efficiency and local convenience.

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

Approval of Bank Absorption Previously Denied by the Corporation

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Bank of South Texas Alice, Texas	27,581	1	1
to merge with			
First National Bank of Alice Alice	18,392	1	

Summary report by Attorney General, December 10, 1974

There are six banks, each with one office, in Jim Wells County. Three are in Alice; one is in Orange Grove, about 15 miles from Alice; one in Sandia, about 20 miles from Alice; and one in Premont, about 30 miles from Alice. Applicant ranks second in total county deposits with nearly 25 percent, while Bank ranks third with approximately 18 percent. The county's largest bank, located in Alice, controls about 47 percent of total deposits.

The proponents' offices are located about 2 miles apart in the city of Alice. Applicant is the second largest of three Alice banks, accounting for nearly 28 percent of total city deposits while Bank is the smallest of the three with almost 20 percent.

The application indicates that the banks are presently under common ownership and management. A group of 16 persons (one of these is actually an estate) currently owns 181,871 shares, or about 73 percent, of the 250,000 authorized and outstanding shares of capital stock of Applicant; the same group owns 119,976 shares, or about 80 percent, of the 150,000 authorized and outstanding shares of Bank's capital stock. Even more significant is the fact that one individual, W. Frederick Erck, owns nearly 57 percent (141,628 shares) of Applicant's stock and nearly 59 percent (87,999 shares) of Bank's stock. The application indicates that the existing common ownership was established in early 1970, when Applicant and Bank each held approximately $9 million in deposits.

In addition to common ownership, the proponents have two cases of common management. Mr. Erck serves as Chairman of the Board of both Bank and Applicant and President of Bank; he is also a director of both banks. Mr. N. O. Adams, Jr. serves as President of Applicant and Vice President of Bank; he too is a director of both banks.

In view of their common ownership and management, it appears unlikely that substantial competition presently exists between the parties to the proposed transaction. Their merger would, however, make permanent whatever lessening of competition occurred when the banks became commonly owned.

Statement upon reconsideration, August 15, 1975

The Bank of South Texas, Alice, Texas, a State nonmember insured bank with total resources of $27,581,000 and total IPC deposits of $19,087,000, applied, pursuant to section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge under its charter and title with First National Bank of Alice, Alice, Texas ("First National"), with total resources of $18,392,000 and total IPC deposits of $13,302,000. On December 31, 1974, the application was denied.* Subsequently, The Bank of South Texas requested the Corporation to reconsider its denial and submitted new evidence and information not available to the Corporation at the time the original application was considered. Upon reconsideration in light of the newly presented facts, it is the judgment of the Corporation that the convenience and needs in the relevant markets outweigh the anticompetitive effects which warranted the original denial. Accordingly, the application for consent to merge is hereby granted.

The standards applied by the Corporation in passing upon merger applications are set forth in subsection 18(c)(5) of the Federal Deposit Insurance Act which provides *inter alia* that the Corporation shall not approve a merger transaction "whose effect in any section of the country may be substantially to lessen competition . . . unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served." In addition, the same subsection provides that: "[i]n every case, the responsible agency shall take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served." Accordingly, where substantial anticompetitive effects may result from the proposed merger, the Corporation is obliged under the Act to balance such anticompetitive effects with the benefits which are likely to arise out of the merger and to approve the merger only where such benefits "clearly" outweigh the foreseen anticompetitive effects.

The Corporation, in deciding that the application should be denied, found "that the effect of the 1970 acquisition of stock control was 'substantially to lessen competition' in the Alice banking market and that the postponed merger would give permanence to that anticompetitive result in frustration of the Bank Merger Act" and concluded:

> Since it is clear that a merger application submitted in 1970 would have been denied by the Corporation under guidelines similar to those enunciated in the *Phillipsburg* case, there being present no overriding banking

*See Basis for Corporation denial, 1974 FDIC *Annual Report,* 168-172. The circumstances surrounding this case and the essential facts relied upon by the Corporation in its original decision are set forth in that statement and will not be restated herein.

factors or considerations of convenience and need, the Corporation has concluded that the present application should also be denied so as to encourage compliance with the standards of the Bank Merger Act as determined in decided court cases.

In seeking reconsideration of the Corporation's previous denial, the application presents no new facts which cast doubt upon the determination with respect to the substantially anticompetitive effects, either of Mr. Erck's acquisition of majority interest in the two then competing banks or of the merger in question. However, new facts have been brought to the Corporation's attention which indicate that such adverse competitive consequences are clearly outweighed by the convenience and needs of the markets served.

Before turning to these facts, it is well to recall that, in evaluating the new facts presented by the applicant, the Corporation is obligated not to view them in isolation.

The test mandated by subsection 18(c)(5) requires a balancing of competing public interests. The Corporation's decision that the substantially adverse effects of the merger were not "clearly outweighed" by overriding banking factors or considerations of convenience and need was not intended to suggest that no facts were presented at the time which argued for the merger. Indeed, the case was a close one. Among the favorable factors which argued for approval of the merger at the time of its first consideration were the fact that the Erck banks do not presently compete with one another, the fact that there is no economic or legal basis for believing that Mr. Erck will divest himself of his controlling and majority interest in either of the two institutions in the foreseeable future, and the fact that the resulting institution will be able to compete more effectively with Alice National Bank, which is now the clearly dominant institution in the Alice market. Thus, in order to grant the application on reconsideration, the Corporation need not find that the new facts presented by the applicant in themselves "clearly outweigh" the substantially anticompetitive effects of the merger, but instead must weigh against such anticompetitive effects all of the factors which favor the merger.

In the original basis for denial, the Corporation stated:

> But outside banks today are likely to view the offices of Bank of South Texas and First National as being component parts of one banking organization. Since no outside bank has attempted *de novo* entry since 1970, the Corporation finds no reason to believe that the proposed merger would enhance the prospects for *de novo* entry in the future.

Since that decision, the Corporation has been apprised of the fact that the consummation of the merger will probably lead to the relocation of Sandia State Bank from Sandia to a site at or near the present site of First National in Alice, Texas. It is the judgment of the Corporation that, notwithstanding its limited size and scope of operations, Sandia State Bank will possess the requisite management skill and access to financial resources to enable it to become an aggressive competitor in the Alice market.** Thus, while the merger will

It should be noted that, in addition to enhancing competition in the Alice market, the relocation of Sandia State Bank will allow the institution to utilize its charter in the public interest to a far greater extent and may also have the effect of minimizing a potential supervisory problem. Sandia Bank's total resources stood at $1,446,600 and its total IPC deposits at $968,700, although the bank has been in operation since 1912, cement the anticompetitive 1970 stock purchase by Mr. Erck, it will at the same time serve to facilitate the entry of a fifth effective competitive force into the relevent market where, at present, there are only four due to the fact of Mr. Erck's control over the two banks in question.*

It should be reiterated that in finding that approval of this merger is warranted in light of the special circumstances outlined above, the Corporation has not receded from the important principle that underpins its original determination in this case. The purpose of the Bank Merger Act of 1966 should not be thwarted through the purchase of stock of two competing institutions by an individual or a group with the intent subsequently to merge the two institutions. Where such a pattern is present and substantial lessening of competition found, the subsequent merger will not be approved absent clearly overriding banking factors or considerations of convenience and needs.

Conclusion

Upon reconsideration, the Corporation has determined that the convenience and needs of the relevant banking market clearly outweigh the anticompetitive impact of the merger on The Bank of South Texas and First National Bank of Alice. Accordingly, the Corporation's consent to the merger of the two institutions is hereby granted.

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has been characterized by competent management, and has an adjusted capital and reserves to total gross assets ratio of 32.5 percent. The bank has outstanding loans amounting to only $548,700; a sizable part of its portfolio consists of paper purchased from the interests of its president, Robert R. Mullen. (Financial data cited with respect to Sandia State Bank are as of its last examination report which was completed on April 22, 1975.) These figures reflect the sparse and declining population of the bank's trade area which stands at 250. In short, in its present location the bank hardly has sufficient business to sustain a banking operation and would not have that business but for the interests of its dominant shareholder. By contrast, the Alice market into which the Sandia bank would move would benefit significantly from the introduction of a new competitor. It should also be noted that the Sandia bank has been robbed on two occasions and burglarized several other times in recent months and is considered especially vulnerable in its present location. Relocation from its present isolated site would serve to minimize this particular risk.

***As stated in the Basis for Corporation denial: "The local banking market most relevant to an evaluation of the proposed merger can be approximated by the city of Alice and that area within a radius of about 15 miles."

Merger transactions were involved in the acquisitions of banks by holding companies in the following approvals in 1975. 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.

Bank of Virginia — Cavalier County, Charlottesville, Virginia, in organization; offices: 0; resources: 50 ($000); to merge with *Cavalier — County Bank,* Charlottesville; offices: 1; resources: 3,358 ($000). Approved: January 14.

New Jackson County Bank, Edna, Texas, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *Jackson County State Bank,* Edna; offices: 1; resources: 14,214 ($000). Approved: February 27.

Marshall County Bank, Arab, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *The Bank of Arab,* Arab; offices: 1; resources: 14,483 ($000). Approved: April 28.

The City Bank, Kent, Ohio; offices: 5; resources: 42,432 ($000); to merge with *The Kent Bank,* Kent, in organization; offices: 0; resources: 1,800 ($000). Approved: May 13.

Burnet Road State Bank, Austin, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *North Austin State Bank;* offices: 1; resources: 43,125 ($000). Approved: May 22.

FBT Bank, Frankenmuth, Michigan, in organization; offices: 0; resources: 130 ($000); to consolidate with and change title to *Frankenmuth Bank & Trust,* Frankenmuth; offices: 13; resources: 146,659 ($000). Approved: June 23.

Bay City Bank & Trust Company, Bay City, Michigan; offices: 7; resources: 73,076 ($000); to consolidate with *Manufacturers Bank of Bay City,* Bay City, in organization; offices: 0; resources: 120 ($000). Approved: July 28.

MDB Bank, Yellow Springs, Ohio, in organization; offices: 0; resources: 312 ($000); to acquire the assets of and assume the deposit liabilities of and change title to *Miami Deposit Bank,* Yellow Springs; offices: 2; resources: 24,795 ($000). Approved: August 21.

North Laurent State Bank, Victoria, Texas, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *American Bank of Commerce,* Victoria; offices: 1; resources: 72,448 ($000). Approved: August 25.

Brookfield State Bank, Houston, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Bank of Almeda,* Houston; offices: 1; resources: 26,850 ($000). Approved: September 24.

Twin City State Bank, Texarkana, Texas, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *Twin City Bank,* Texarkana; offices: 1; resources: 5,575 ($000). Approved: October 6.

The Citizens Bank & Trust Company, Wadsworth, Ohio; offices: 1; resources: 20,714 ($000); to merge with *The Wadsworth Bank,* Wadsworth, in organization; offices: 0; resources: 0 ($000). Approved: October 15.

Citizens State Bank, Crane, Texas, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *First State Bank,* Crane; offices: 1; resources: 8,527 ($000). Approved: October 15.

City Bank of Hopewell, Hopewell, Virginia, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *Cavalier Central Bank & Trust Company,* Hopewell; offices: 2; resources: 5,946 ($000). Approved: October 31.

BANK ABSORPTIONS DENIED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Chester Bank Chester, Connecticut	3,865	1	1
to acquire the assets and assume the deposit liabilities of			
Chester Savings Bank Chester	16,803	1	

Summary report by Attorney General, January 15, 1975

Trust Company and Savings Bank are the only banks located in Chester, a small community of about 3,000 located in south-central Connecticut, midway between New Haven and New London. Nine other commercial and savings bank offices exist in nearby towns within 8 miles of Chester.

Trust Company and Savings Bank are not now in significant competition with each other. Savings Bank accepts only time and savings accounts and makes mostly real estate loans, while Trust Company is not significantly engaged in either activity. While both banks could expand the services they provide, bringing them into greater competition with each other, this does not appear to be likely given the small size of the banks and their history of common officers and directors. Further, the transaction would eliminate the home office protection which under Connecticut law precludes outside savings banks from branching into Chester.

Accordingly, we conclude that the effect of the transaction on competition would not be adverse.

Basis for Corporation denial, June 30, 1975

Chester Bank, Chester, Connecticut, an insured State nonmember bank with total resources of $3,865,000 and total IPC deposits of $2,579,000, 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 Chester Savings Bank, Chester, Connecticut, an insured mutual savings bank having total resources of $16,803,000 and total IPC deposits of $15,433,000. As part of the overall transaction, the remaining net worth of Chester Savings Bank would be distributed to its depositors of record date either as stock in the resulting bank or as cash, at the depositors' option. The resulting bank would continue to operate from the joint quarters presently occupied by both banks.

Chester Savings Bank has operated one office ever since its establishment in 1871 in the town of Chester, Middlesex County, in southern Connecticut between New Haven and New London. Chester Bank, formerly The Chester Trust Company, was organized in 1914 by individuals connected with Chester Savings Bank, and the two banks have been under essentially the same management ever since, sharing a common lobby at their sole location. The two banks together offer a broad range of banking services to the people of Chester (1970 population 2,982) and the surrounding area, but they do not compete with each other. Chester Bank is among the State's smallest commercial banks, while Chester Savings Bank is among the State's smallest mutual savings banks.

Irrespective of the merits of this proposal under the competitive and banking factors normally considered under the Bank Merger Act, a denial seems required by the terms of Public Law 93-495, which became effective October 28, 1974, almost simultaneously with the filing of this application with the Corporation and several months after many preliminary steps had been taken by both banks. A section of that new law limits the Corporation's power to approve a transaction of this type if the practical effect of the transaction would enable a bank like Chester Savings Bank to convert from the mutual to the stock form of organization. The relevant portion of the 1974 legislation reads as follows:

> . . . Until June 30, 1976, the responsible agency shall not grant any approval required by law which has the practical effect of permitting a conversion from the mutual to the stock form of organization, including approval of any application pending on the date of enactment of this subsection, *except that this sentence shall not be deemed to limit now or hereafter the authority of the responsible agency to grant approvals in cases where the responsible agency finds that it must act in order to maintain the safety, soundness, and stability of an insured bank* [emphasis supplied]. The responsible agency may by rule, regulation, or otherwise and under such civil penalties (which shall be cumulative to any other remedies) as it may prescribe take whatever action it deems necessary or appropriate to implement or enforce this subsection. (Public Law 93-495, title I, section 106; 12 U.S.C. 1828(c)(10).)

The question becomes, then, whether the Corporation "*must* act in order to maintain the safety, soundness, and stability of an insured bank." The joint report of the conference committee that considered this legislation contains only one reference to the exception allowed from the total moratorium otherwise imposed:

> In considering applications, the responsible agency shall take cognizance of any undue difficulties likely to be encountered by financial institutions in very small communities, such as those with populations under 4,000, in their efforts to comply with State statutes prohibiting interlocking directorates of financial institutions. (*House Report* No. 93-1429, 93d Cong., 2d sess. 34 (1974).)

The Corporation believes, however, that neither Chester Savings Bank nor Chester Bank is likely to encounter difficulties so serious if this application is denied that the safety, soundness, or stability of either will be endangered. At worst, there may be some customer skepticism that the real reason for this denial is the one stated, that is, to carry out the apparent intent of a new provision of Federal law. In all probability, however, the two banks will continue to operate between now and June 30, 1976, exactly as they have for almost 60 years and as they are authorized to do by a "grandfather" provision of the 1973 Connecticut law which prohibits interlocking managements and directorates between commercial banks and mutual institutions.

In any event, both banks have a history of conservative operations and their asset structures presently contain a minimal amount of risk. Chester Savings

Bank has had good deposit growth in recent years, while the commercial bank's total deposits have grown more slowly. Both banks have satisfactory capital ratios and each has enjoyed a solid earnings performance in the last 3 years. Neither bank is even remotely a "problem" bank.

Under the circumstances, approval of the application does not appear necessary to maintain the safety, soundness, or stability of either of the two banks involved. Compliance on the part of these two banks with the Connecticut law prohibiting interlocking directors of financial institutions is not required by the very terms of that law itself. Accordingly, under Public Law 93-495, the application cannot be approved and is hereby denied.

	Resources (in thousands of dollars	Banking Offices	
		In operation	To be operated
Monadnock National Bank Jaffrey, New Hampshire (to convert to State charter)	4,613	1	1
to acquire the assets and assume the deposit liabilities of			
Monadnock Savings Bank Jaffrey	19,714	1	

Summary report by Attorney General, March 27, 1975

MNB and MSB are the only banks located in Jaffrey, a small community of about 3,400, located in southwestern New Hampshire. These banks are subject to some competition from three banks located in Peterborough, located about 6 miles away. Six other banking institutions are located between 10 and 16 miles from Jaffrey.

MNB and MSB are not now in significant competition with each other. MSB accepts only time and savings accounts and makes mostly real estate loans, while MNB is not significantly engaged in either activity. New Hampshire law requires these banks to terminate their interlocking officer and director relationships by July 1, 1975. Thus, absent this transaction, the banks could be expected to compete with each other in the future. In view of the small size of MNB and of the community of Jaffrey, however, the effect of this transaction on competition would not be significantly adverse.

Basis for Corporation denial, June 30, 1975

Monadnock National Bank, Jaffrey, New Hampshire, with total resources of $4,613,000 and total IPC deposits of $3,248,000, 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 Monadnock Savings Bank, Jaffrey, New Hampshire, an insured mutual savings bank having total resources of $19,714,000 and total

IPC deposits of $17,728,000. Incident to the proposed transaction, the 4,000 par $5 shares of common stock of Monadnock National Bank presently owned by Monadnock Savings Bank would be retired. Monadnock National Bank, prior to consummation of the proposed transaction, would convert to a State nonmember insured bank under the title "The Monadnock Bank." The resulting bank would operate from the sole location in which the two banks presently share quarters.

The New Hampshire legislature, during its 1971 session, enacted RSA 384:5-a, which provides, in relevant part, that "[n]o person shall at the same time serve as a trustee, director or officer of more than one of . . . ." six specified types of financial institutions, including commercial banks and mutual savings banks. This law becomes effective in the case of the two Monadnock banks on July 1, 1975. The subject transaction is being proposed as a means to enable the banks to comply with this State law.

Competition. The proposed transaction does not squarely fit prior Corporation precedents involving proposed acquisitions of New Hampshire savings banks by affiliated commercial banks where both banks were under a statutory duty to break up interlocking managements.* Although the two banks here involved have shared offices since 1869 in the small community of Jaffrey (1970 population 3,353), they draw their banking business from a larger and more heavily populated area of about 23,000 persons within a radius of 10 to 12 miles of Jaffrey, including Peterborough, New Hampshire, and Winchendon, Massachusetts. While median income levels in this local banking market tend to be somewhat below the statewide figures, there was substantial growth in population between 1960 and 1970, unlike the situation in the sparsely populated, economically depressed sections of Coos County where the two prior New Hampshire applications originated. Total IPC deposits in the Jaffrey market aggregated more than $112.5 million as of June 30, 1974, compared to $58.0 million in the larger of the two Coos County markets recently reviewed by the Corporation.

Assuming, however, without deciding, that the Corporation would have approved the proposed transaction based on its normal analysis of competitive and banking factors under the Bank Merger Act, a denial nevertheless seems required under an amendment to that Act which became effective October 28, 1974. This provision, which limits the FDIC's power to approve a transaction the practical effect of which is to enable a bank like Monadnock Savings Bank to convert from the mutual to the stock form of organization, reads in relevant part:

> . . . Until June 30, 1976, the responsible agency shall not grant any approval required by law which has the practical effect of permitting a conversion from the mutual to the stock form of organization, including approval of any application pending on the date of enactment of this subsection, *except that this sentence shall not be deemed to limit now or hereafter the authority of the responsible agency to grant approvals in cases where the responsible agency finds that it must act in order to*

*See Basis for Corporation approval of the acquisition of City Savings Bank of Berlin by Berlin City National Bank, 1974 *FDIC Annual Report,* 45-48, and Basis for Corporation approval of the merger of The Colebrook National Bank with Colebrook Guaranty Savings Bank, 1974 *FDIC Annual Report,* 146-148.

> *maintain the safety, soundness, and stability of an insured bank* [emphasis supplied]. The responsible agency may by rule, regulation, or otherwise and under such civil penalties (which shall be cumulative to any other remedies) as it may prescribe take whatever action it deems necessary or appropriate to implement or enforce this subsection. (Public Law 93-495, title I, section 106).

The question becomes, then, whether the Corporation *"must* act in order to maintain the safety, soundness, and stability of an insured bank." The joint report of the conference committee that considered this legislation contains only one reference to the exception allowed from the total moratorium otherwise imposed:

> In considering applications, the responsible agency shall take cognizance of any undue difficulties likely to be encountered by financial institutions in very small communities, such as those with populations under 4,000 in their efforts to comply with State statutes prohibiting interlocking directorates of financial institutions. (House Report No. 93-1429, 93d Cong., 2d sess. 34 (1974).)

The Corporation believes, however, that neither Monadnock Savings Bank nor Monadnock National Bank is likely to encounter difficulties so serious that the safety, soundness, or stability of either will be endangered, if they are forced after July 1 to operate as independent institutions in order to comply with the New Hampshire statute prohibiting interlocking managements.

Both banks have a history of conservative operations and their asset structures presently contain a minimal amount of risk. Monadnock Savings Bank has had good deposit growth in recent years, while the commercial bank's total deposits have fluctuated in a narrow range. Both banks have relatively high capital ratios and each has enjoyed a solid earnings performance in the last 3 years. Neither bank is even remotely a "problem" bank.

Only three director-employees presently serve both banks, with the result that minimal additional management recruitment will be necessary to comply with the statutory mandate. Even if a total of three additional management-level persons must be hired as the applicants claim (the Corporation believes only one or two may actually be necessary), Monadnock Savings Bank had $272,000 in pretax earnings after interest payments to depositors in 1974 within which it could have absorbed its share of such additional salary expense, while Monadnock National Bank had $72,000 on a comparable basis.

Separate quarters as well as separate management might appear to place a financial burden on the Monadnock commercial bank, but the experience of most New Hampshire commercial banks operated in conformity with the New Hampshire law on interlocks indicates that this could be resolved at far less cost than the applicants claim. That experience, moreover, along with the experience of thousands of other small commercial banks in the United States which operate in small communities, indicates that growth and profitability can be maintained despite small bank size. Indeed, the Monadnock commercial bank may experience greater growth and profitability as an independent entity than it has to date as an affiliate of Monadnock Savings Bank.

Approval of this application, therefore, does not appear necessary to maintain the safety, soundness, or stability of either of the two Monadnock banks involved. The application, accordingly, is denied.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Southern Oregon State Bank Grants Pass, Oregon	41,724	2	3
to merge with			
Valley of the Rogue Bank Rogue River	10,168	1	

Summary report by Attorney General, September 15, 1975

Bank's Rogue River office is located about 9 miles east of Applicant's Grants Pass offices, with no competitive alternatives in the intervening area. The parties do, however, encounter substantial competition from Oregon's large commercial banking institutions which maintain offices in both Josephine and Jackson Counties.

We conclude that the proposed merger will eliminate some existing competition and slightly increase concentration in commercial banking in the Grants Pass-Rogue River area.

Basis for Corporation denial, November 28, 1975

Southern Oregon State Bank, Grants Pass, Oregon ("Southern Bank"), a State nonmember insured bank with total resources of $41,724,000 and total IPC deposits of $31,309,000, 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 Valley of the Rogue Bank, Rogue River, Oregon ("Valley Bank"), with total resources of $10,168,000 and total IPC deposits of $7,764,000. The banks would merge under the charter and title of Southern Bank. The present main office of Valley Bank would become a branch of the resultant bank, which would thus have a total of three offices.

Competition. Grants Pass (1970 population 12,455, up 23.1 percent since 1960) is located in the Rogue River Valley in southwest Oregon about 30 miles north of the California border. The city is an important logging and lumbering center and is a marketing center for a variety of agricultural products. Light manufacturing is also gaining in importance, and in recent years the tourist trade has enjoyed good growth. Rogue River (population 841) is primarily a bedroom community for Grants Pass, and the only industry in the town is a sawmill employing about 75 people. Interstate Highway 5 connects Grants Pass with Eugene and Portland to the north and Rogue River and Medford to the east and south.

The local banking market in which the competitive effects of the proposed merger would be most direct and immediate may be approximated by the city of Grants Pass and its surrounding communities in Josephine County, plus the Evans Valley census division of Jackson County which includes the communities of Rogue River and Gold Hill. Since the definition of the local market is critical in the evaluation of this proposal, some elaboration is desirable. Rogue River is only about 8 miles east of Grants Pass along Interstate 5. Gold Hill is 5 miles east of Rogue River, and about midway between Grants Pass and Medford. While mountainous terrain surrounds much of the Rogue River Valley, these communities are quite accessible to each other. Local bankers were in agreement, however, that persons in and around Rogue River and Gold Hill would be drawn to Grants Pass, rather than Medford, in the normal course of employment and shopping. The only significant bank in the Medford area which is not also in the market delineated above is The Oregon Bank, thus limiting any incentive for people in Grants Pass and Rogue River to seek out banking alternatives in the Medford area. The applicants themselves make no claim that Medford should be included in the relevant market and concede that the area served by Valley Bank is wholly within a larger area served by Southern Bank. Some confirmation of the natural pull of Rogue River residents to Grants Pass is found in the action of Valley Bank in applying for its first branch in Fruitdale, about 1 mile south of Southern Bank's main office.

The market so defined contains about 37,000 people, heavily concentrated in and around Grants Pass. At the present time, five commercial banks, which have approximately $95 million in total deposits, operate six offices there. Southern Bank has the largest share of the market with 35.0 percent of total commercial bank deposits while Valley Bank ranks fourth with 9.1 percent. The second (31.0 percent) and third (24.2 percent) largest shares of the local market are held by branches, in Grants Pass, of the two largest commercial banks in the State, both based in Portland. The remaining 0.7 percent of the market's total commercial bank deposits (which are less than $1 million) is held by the Gold Hill branch of Crater National Bank, Medford. Southern Bank has developed its share of this local market over the past 20 years, while Valley Bank has been in existence only since 1968. Both banks have been strong and successful competitors in the market against the two big statewide banks. Their proposed merger is clearly not essential to their being able to compete against First National Bank of Oregon or United States National Bank of Oregon and would in any event eliminate the substantial competition which exists today between the two of them.

The application concedes that "nearly all deposits and loans of each bank originate in the service area of the other bank." It also estimates that 20 percent of Valley Bank's deposits and 30 percent of its loans originate from individuals, partnerships, and corporations having a Grants Pass address.

Besides eliminating existing competition, the proposed merger would substantially increase the concentration of banking resources in the local market and reduce by one the limited number of effective competitors available to the 37,000 people there. In view of Valley Bank's application for a branch in Fruitdale, and its acquisition of property for that purpose, it is highly probable that the proposed merger would also eliminate increased competition between Southern Bank and Valley Bank in the future. Valley Bank, in fact, projects a deposit inflow of more than $3 million at its new office within the first 3 years after it is established. Moreover, although median income levels are below the State average, the Corporation's staff has noted that the population served by each commercial bank office in the market is relatively high at 6,166 persons per office.

Although the population and aggregate deposits of the relevant geographic market in and around Grants Pass are small compared to the markets involved in most of the judicially decided bank merger cases, the Grants Pass-Rogue

River market appears to constitute an economically significant "section of the country" whose center is an incorporated city of more than 12,000 persons.* That being so, it would appear that the merger of Southern Bank and Valley Bank would be a clear violation of section 7 of the Clayton Act under the criteria established in *United States* v. *Phillipsburg National Bank,* 399 U.S. 350 (1970). In that case, seven commercial banks were found to be competitors in the relevant geographic market. Here, there are five. The banks there seeking to merge ranked third and fifth largest among the seven, the larger having 13.7 percent of the total commercial bank deposits in the market and the two banks together having 23.4 percent of such deposits. Here, Southern Bank already has the largest share of the market with 35.0 percent of the market's total commercial bank deposits, while Valley Bank has 9.1 percent of such deposits, ranking fourth in this respect. There, the merger increased the share of deposits held by the three largest banks in the market from 70 percent to 80 percent. Here, the merger would increase the comparable percentage from 90.2 percent to 99.3 percent.

Under all of these adverse circumstances, the Corporation finds that the effect of the proposed merger would be "substantially to lessen competition" in the Grants Pass-Rogue River banking market.

Convenience and Needs of the Community to be Served. The proposed merger would result in no significant change in banking services now available to customers of either bank except that Valley Bank customers would be offered Master Charge credit service. Customers of both banks would have an increased lending limit at their service, but an increase in this limit from $375,000 to about $500,000 for Southern Bank's customers and from $120,000 to the same figure for Valley Bank's customers is not sufficient to outweigh the anticompetitive aspects of the proposal previously discussed. The handful of customers with larger borrowing needs would still have to go to one of the two competing national banks which both have over $2 billion in total assets. Both of these banks, moreover, also offer a credit card service to appropriate customers, so that benefit is also available in the market today for those customers who desire the service and can qualify for it.

Considerations of convenience and needs, therefore, add no significant weight toward approval of the proposed merger.

Financial and Managerial Resources; Future Prospects. Both banks have operated satisfactorily for years, and their asset condition is subject to only normal criticism. No serious management problems are evident, and both banks have enjoyed substantial deposit growth and good earnings. There are, in short, no "banking factors" present which might necessitate approval of the merger proposed.

Conclusion. Since there are no overriding banking factors or considerations of convenience and needs, the Corporation has concluded that the application must be denied in light of the findings on the competitive factors.

**Cf United States* v. *County Nat'l. Bank of Bennington,* 330 F. Supp. 155 (D. Vt. 1971), 339 F. Supp. 85 (D. Vt. 1972).

LEGISLATION AND REGULATIONS
PART THREE

FEDERAL LEGISLATION — 1975

Depository Institutions Amendments of 1975 (Public Law 94-200, approved December 31, 1975).

Title I of this legislation extended for 14 months (until March 1, 1977) the flexible authority of the Federal Reserve, the FDIC, and the Federal Home Loan Bank Board to set interest rate ceilings on time and savings deposits. The legislation also provided that any interest rate differential between insured commercial banks and thrift institutions that was in effect on December 10, 1975 may not be eliminated or reduced without the approval of both Houses of Congress by concurrent resolution.

Title II extended the life of the National Commission on Electronic Fund Transfers so as to give it two full years in which to operate, as originally intended by the Congress when it established the Commission by Public Law 93-495.

Title III, the "Home Mortgage Disclosure Act of 1975," requires any depository institution located in a standard metropolitan statistical area which makes loans secured by residential real property to disclose mortgage lending information by census tract where available at a reasonable cost as determined by the Federal Reserve (otherwise by zip code), and to make such information available to the public at the main office and at least one branch of the institution. The Federal Reserve may exempt from the disclosure provisions State-chartered institutions in States with mortgage disclosure laws substantially similar to those in the Act. Also exempted is any institution with assets of $10 million or less at the end of its last fiscal year. The provisions in title III become effective 180 days after their enactment and expire 4 years after such effective date. Under the enforcement provisions of the Act, the FDIC has enforcement authority not only with respect to State nonmember insured banks which it regularly examines, but also with respect to any nonfederally insured "commercial bank, savings bank, savings and loan association, building and loan association, or homestead association (including cooperative banks) or credit union which makes federally related mortgage loans . . . ."

Securities Acts Amendments of 1975 (Public Law 94-29, approved June 4, 1975). There are four main subject areas of this legislation which would bring certain activities of federally insured banks within the regulatory jurisdiction of the Securities and Exchange Commission: regulation of clearing agencies and transfer agents, regulation of municipal securities dealers, institutional investor reporting requirements, and reporting requirements with respect to lost or stolen securities.

The Act provides for Federal regulation of the securities handling process, including clearing agencies, depositories, and transfer agents, with a view to facilitating the establishment of a national system for the prompt and accurate clearance and settlement of securities transactions. Under the legislation, the SEC has general rulemaking and policy oversight responsibility for all clearing agencies and transfer agents and, with respect to such entities that are banks, the respective bank regulatory agencies have primary administrative and enforcement jurisdiction over the banks they regularly examine. The SEC also has limited examination authority over registered bank clearing agencies provided the Commission gives prior notice to and consults with the appropriate Federal bank regulatory agency concerning the feasibility and desirability of coordinating, to the maximum extent practicable, the Commission's examination with any examination proposed or planned by the bank regulatory agency.

In addition, the Act amends the Securities Exchange Act of 1934 to create a Federal mechanism for the regulation of persons trading in municipal securities, including banks or subsidiaries, and departments or divisions thereof. The Act establishes a pervasive regulatory framework involving registration, rulemaking, examination, and enforcement. Initial rulemaking power is conferred upon a new self-regulatory agency called the Municipal Securities Rulemaking Board, and certain examination functions and enforcement powers with respect to banks are vested in the Federal bank regulatory agencies. However, predominant regulatory and supervisory authority over all aspects of municipal securities operations rests ultimately with the SEC, even where the regulated person is a federally insured bank or a subentity thereof. Thus, registration is exclusively with the SEC; rules proposed by the Municipal Securities Rulemaking Board would require SEC approval before adoption, and the SEC would retain residual rulemaking power on its own initiative. In addition, the SEC can make examinations of or bring enforcement actions against any municipal securities dealer. Although before exercising its examination and enforcement power over bank dealers or subentities the SEC must notify and consult with the appropriate Federal bank regulatory agency, the Act expressly provides that this requirement will not restrict the SEC's full power in such matters.

As to institutional investor reporting requirements, the Act adds a new subsection to section 13 of the Securities Exchange Act of 1934. It empowers the SEC to require any investment manager (including a bank trust department) with a portfolio of equity securities registered under the Act having an aggregate fair market value of at least $100 million to report periodically to the Commission the composition of its portfolio, and such additional matters as its holdings of other securities and any transaction involving equity securities so registered with a market value of at least

$500,000. In addition, the Act authorizes the SEC to require reporting of portfolios of $10 million or more and particular transactions of less than $500,000. Institutional investment managers that are FDIC-insured banks file copies of all reports with the appropriate regulatory agency.

Finally, the Act adds a new paragraph (f) to section 17 of the Securities Exchange Act of 1934 which authorizes the establishment by the SEC of a data bank to receive information relating to missing, lost, counterfeit, or stolen securities. It further requires certain persons, including insured banks, to report such information to the SEC and to make inquiry as generally directed by the SEC to determine whether securities transactions in which the bank is participating involve such securities. The SEC can delegate such authority to the appropriate Federal bank regulatory agencies insofar as insured banks are concerned.

RULES AND REGULATIONS AND STATEMENTS OF GENERAL POLICY

In the following general areas the Corporation either amended or added to its rules and regulations during 1975.

Disclosure:

a. Part 304 (12 C.F.R. 304) was amended to require all insured State nonmember banks to complete and submit to the Corporation periodic reports, as of June 30 of each year, containing information on the amount of deposits and the number of deposit accounts in various categories for the bank as a whole and for each authorized office.

b. Part 335 (12 C.F.R. 335) was substantially revised in accordance with the recent amendment to section 12(i) of the Securities Exchange Act of 1934, which required the Federal Deposit Insurance Corporation and the other Federal bank regulatory agencies to issue rules and regulations that are "substantially similar" to the rules and regulations of the Securities and Exchange Commission promulgated under sections 12, 13, 14(a), 14(b), 14(d), 14(f), and 16 of the 1934 Act. The substantial revisions relate, among other things, to the disclosure requirements set forth in the registration, reporting, and proxy provisions of the part.

c. Pursuant to the Securities Exchange Act of 1934 (15 U.S.C. 78q), the Corporation added part 341 (12 C.F.R. 341) which outlines numerous registration requirements for State nonmember banks acting as securities transfer agents.

Interest rates:

a. Section 329.4 (12 C.F.R. 329.4) was amended to suspend regulations involving the payment of interest on certain time deposits in insured State nonmember banks in North Dakota.

b. Sections 329.6 and 329.7 (12 C.F.R. 329.6 and 329.7) were amended to provide that the $1,000 minimum amount required for 4- and 6-year time deposits is removed for Individual Retirement Accounts (IRA).

Deposits:

a. Section 329.1 (12 C.F.R. 329.1) was amended to permit partnerships, corporations, associations, or other profit-making organizations to maintain savings deposits in insured State nonmember commercial banks up to a maximum of $150,000 per depositor in any one such bank. Also, this section was amended to provide that public units and partnerships, corporations, associations, or other profit-making organizations may not maintain NOW accounts in insured nonmember banks. However, this prohibition does not apply to public units operated primarily for charitable, educational, or other similar purposes.

b. Section 329.5 (12 C.F.R. 329.5) was revised to allow insured State nonmember banks to permit direct withdrawals from savings accounts to make payments or credit transfers to third parties regardless of the nature of the depositor's obligation to that third party.

c. Section 329.4 (12 C.F.R. 329.4) was amended to conform with portions of the Employees Retirement Income Security Act of 1974 (ERISA) dealing with Individual Retirement Accounts (IRA). It provides for no penalty for withdrawal prior to maturity of IRAs qualified under the Internal Revenue Code if the IRA holder is disabled or has reached the age of 59 1/2. Also, there will be no penalty for early withdrawal of any time deposit before maturity if the owner dies.

Freedom of Information Act — Privacy Act:

a. Section 309.1 (12 C.F.R. 309.1) was extensively revised and amended to implement the release and disclosure provisions of the Freedom of Information Act.

b. Section 310 (12 C.F.R. 310) was added to implement provisions of the Privacy Act governing the access of an individual to systems of records maintained by the Corporation on that individual, and prohibiting the Corporation from releasing such information without the individual's consent. In addition, it outlines procedures for individuals desiring to challenge and amend such information maintained in the Corporation's system of records. In addition, this section governs the release to Federal and State authorities of Corporation information relating to bank irregularities believed to constitute violations of the law.

Administration:

a. Part 303 (12 C.F.R. 303) was amended to provide for internal delegations of authority to the Director of the Division of Bank Supervision and to Regional Directors of the Corporation.

b. Part 308 (12 C.F.R. 308) was added to provide rules of procedure applicable to section 10(c) of the Federal Deposit Insurance Act involving examinations of witnesses, administration of oaths, preservation of testimony, and issuance of subpoenas in connection with special examinations of insured State nonmember banks or their affiliates.

c. Part 336 (12 C.F.R. 336) was amended to provide guidelines for Corporation employee conduct and responsibility in the private use and accumulation of Corporation information.

Miscellaneous:

Section 339.2 (12 C.F.R. 339.2) was amended to implement an amendment to the Federal Flood Disaster Protection Act involving loans to insured State nonmember banks in areas having special flood hazards.

STATEMENT OF POLICY

In accordance with a statement by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation reiterated a longstanding FDIC policy allowing the withdrawal of funds from a savings account upon a depositor's order transmitted by means of a telephone or other communications device. It is expected that insured nonmember banks will implement proper security procedures to insure the safety of this activity.

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;

A regulated certificated bank 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 Illinois, Massachusetts, 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 that have suspended operations or have ceased to accept new deposits and are proceeding to liquidate their assets and pay off existing deposits;

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

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

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

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

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

Table 101. CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1975

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	Non-deposit trust companies[1]	Total	Insured	Non-insured
ALL BANKING OFFICES													
Number of offices, December 31, 1975	47,238	46,465	773	44,916	44,568	21,074	5,452	18,042	261	87	2,322	1,897	425
Number of offices, December 31, 1974	45,308	44,566	742	43,186	42,859	20,498	5,281	17,080	246	81	2,122	1,707	415
Net change during year	+1,930	+1,899	+31	+1,730	+1,709	+576	+171	+962	+15	+6	+200	+190	+10
Offices opened	2,223	2,135	88	2,014	1,979	866	207	906	26	9	209	156	53
Banks	277	246	31	276	246	75	13	158	22	8	1	0	1
Branches	1,946	1,889	57	1,738	1,733	791	194	748	4	1	208	156	52
Offices closed	293	281	12	284	277	132	63	82	4	3	9	4	5
Banks	108	99	9	103	96	39	12	45	4	3	5	3	2
Branches	185	182	3	181	181	93	51	37	0	0	4	1	3
Changes in classification	0	+45	−45	0	+7	−158	+27	+138	−7	0	0	+38	−38
Among banks	0	+17	−17	0	+5	−2	−27	+34	−5	0	0	+12	−12
Among branches	0	+28	−28	0	+2	−156	+54	+104	−2	0	0	+26	−26
BANKS													
Number of banks, December 31, 1975	15,130	14,714	416	14,654	14,385	4,744	1,046	8,595	192	77	476	329	147
Number of banks, December 31, 1974	14,961	14,550	411	14,481	14,230	4,710	1,072	8,448	179	72	480	320	160
Net change during year	+169	+164	+5	+173	+155	+34	−26	+147	+13	+5	−4	+9	−13
Banks beginning operation	277	246	31	276	246	75	13	158	22	8	1	0	1
New banks	265	246	19	264	246	75	13	158	12	6	1	0	1
Banks added to count[2]	12	0	12	12	0	0	0	0	10	2	0	0	0
Banks ceasing operation	108	99	9	103	96	39	12	45	4	3	5	3	2
Absorptions, consolidations, and mergers	99	96	3	94	93	38	12	43	1	0	5	3	2
Closed because of financial difficulties	3	3	0	3	3	1	0	2	0	0	0	0	0
Other liquidations	2	0	2	2	0	0	0	0	1	1	0	0	0
Discontinued deposit operation	2	0	2	2	0	0	0	0	1	1	0	0	0
Banks deleted from count	2	0	2	2	0	0	0	0	1	1	0	0	0
Noninsured banks becoming insured	0	+17	−17	0	+5	0	+1	+4	−5	0	0	+12	−12

Other changes in classification	0	0	0	0	0	−2	−28	+30	0	0	0	0	0
National succeeding State bank	0	0	0	0	0	+9	−1	−8	0	0	0	0	0
State succeeding national bank	0	0	0	0	0	−11	+1	+10	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	−32	+32	0	0	0	0	0
Changes not involving number in any class													
Change in title	290	287	3	281	281	98	26	157	0	0	9	6	3
Change in location	23	20	3	20	19	10	1	8	1	0	3	1	2
Change in title and location	6	6	0	6	6	3	1	2	0	0	0	0	0
Change in name of location	13	13	0	13	13	3	1	9	0	0	0	0	0
Change in location within city	391	374	17	377	365	125	15	225	6	6	14	9	5
Change in corporate powers													
Granted trust powers	92	92	0	91	91	0	0	91	0	0	1	1	0
BRANCHES													
Number of branches, December 31, 1975[3]	32,108	31,751	357	30,262	30,183	16,330	4,406	9,447	69	10	1,846	1,568	278
Number of branches, December 31, 1974[3]	30,347	30,016	331	28,705	28,629	15,788	4,209	8,632	67	9	1,642	1,387	255
Net change during year	+1,761	+1,735	+26	+1,557	+1,554	+542	+197	+815	+2	+1	+204	+181	+23
Branches opened for business	1,946	1,889	57	1,738	1,733	791	194	748	4	1	208	156	52
Facilities designated by Treasury	1	1	0	1	1	0	1	0	0	0	0	0	0
Absorbed bank converted to branch	85	84	1	81	81	37	7	37	0	0	4	3	1
Branch replacing head office relocated	45	44	1	43	43	18	2	23	0	0	2	1	1
New branches	1,741	1,723	18	1,575	1,571	722	177	672	3	1	166	152	14
Branches and/or facilities added to count[2]	74	37	37	38	37	14	7	16	1	0	36	0	36
Branches discontinued	185	182	3	181	181	93	51	37	0	0	4	1	3
Facilities designated by Treasury	5	5	0	5	5	4	1	0	0	0	0	0	0
Branches	157	156	1	155	155	78	45	32	0	0	2	1	1
Branches and/or facilities deleted from count	23	21	2	21	21	11	5	5	0	0	2	0	2
Other changes in classification	0	+28	−28	0	+2	−156	+54	+104	−2	0	0	+26	−26
Branches changing class as a result of conversion	0	0	0	0	0	−5	+18	−13	0	0	0	0	0
Branches of noninsured banks admitted to insurance	0	+28	−28	0	0	0	0	+2	−2	0	0	+26	−26
Branches transferred through absorption, consolidation, or merger	0	0	0	0	0	−151	+79	+72	0	0	0	0	0
Branches of insured banks withdrawing from F.R.S.	0	0	0	0	0	0	−43	+43	0	0	0	0	0
Changes not involving number in any class													
Changes in operating powers of branches	2	2	0	2	2	1	0	1	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	102	102	0	102	99	37	11	51	0	0	3	3	0
Changes in title, location or name of location	621	618	3	621	586	297	61	228	0	0	35	32	3

[1]Includes one noninsured nondeposit trust company that is a member of the Federal Reserve System.
[2]Banks or branches opened prior to 1975 but not included in the count as of December 31, 1974.
[3]Includes facilities established at the request of the Treasury or commanding officer of government installations and also a few seasonal branches that were not in operation as of December 31.

Table 102. CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1975, BY STATE

State	In operation				Net change during 1975		Beginning operation in 1975				Ceasing operation in 1975			
	Dec. 31, 1975		Dec. 31, 1974				Banks		Branches		Banks		Branches	
	Banks	Branches	Banks	Branches	Banks	Branches	New	Other	New	Other	Absorptions	Other	Branches	Other
Total United States	**14,654**	**30,262**	**14,481**	**28,705**	**+173**	**+1,557**	**264**	**12**	**1,613**	**125**	**94**	**9**	**155**	**26**
50 States and D.C.	**14,630**	**29,979**	**14,458**	**28,432**	**+172**	**+1,547**	**262**	**12**	**1,599**	**125**	**94**	**8**	**152**	**25**
Other areas	**24**	**283**	**23**	**273**	**+1**	**+10**	**2**	**0**	**14**	**0**	**0**	**1**	**3**	**1**
States														
Alabama	299	457	293	417	+6	+40	6	0	38	2	0	0	0	0
Alaska	11	88	10	81	+1	+7	2	0	6	1	1	0	0	0
Arizona	23	443	25	425	–2	+18	1	1	20	2	2	2	4	0
Arkansas	262	318	262	281	0	+37	1	0	35	3	1	0	1	0
California	216	3,585	198	3,490	+18	+95	21	0	108	3	3	0	15	1
Colorado	346	54	324	50	+22	+4	17	6	4	1	0	1	1	0
Connecticut	72	564	71	547	+1	+17	1	0	17	1	0	0	1	0
Delaware	18	137	18	130	NA	+7	0	0	8	0	0	0	1	0
District of Columbia	16	130	16	126	0	+4	1	0	4	1	1	0	1	0
Florida	747	196	716	121	+31	+75	31	0	74	2	0	0	1	0
Georgia	444	691	447	656	–3	+35	3	0	37	6	6	0	7	1
Hawaii	11	154	12	151	–1	+3	0	0	3	0	0	1	0	0
Idaho	24	200	24	191	NA	+9	0	0	9	0	0	0	0	0
Illinois	1,235	216	1,204	194	+31	+22	30	2	20	2	1	0	0	0
Indiana	407	909	410	842	–3	+67	2	0	63	5	5	0	1	0
Iowa	661	408	665	385	–4	+23	0	0	19	5	4	0	1	0
Kansas	616	151	613	127	+3	+24	4	0	25	0	1	0	1	0
Kentucky	342	509	342	471	0	+38	2	0	35	3	2	0	0	0
Louisiana	254	585	249	541	+5	+44	5	0	45	2	0	0	3	0
Maine	48	287	49	277	–1	+10	1	0	12	1	2	0	2	1
Maryland	115	751	114	703	+1	+48	2	0	47	2	1	0	1	0
Massachusetts	150	905	152	885	–2	+20	0	0	26	2	2	0	6	2
Michigan	351	1,562	347	1,480	+4	+82	7	0	87	3	3	0	5	3
Minnesota	747	52	745	32	+2	+20	2	0	19	2	0	0	0	1
Mississippi	185	546	181	503	+4	+43	7	0	39	5	3	0	1	0
Missouri	706	320	700	261	+6	+59	7	0	58	4	0	1	3	0
Montana	156	16	154	14	+2	+2	2	0	2	0	0	0	0	0
Nebraska	453	96	453	83	NA	+13	0	0	14	1	0	0	2	0
Nevada	8	111	8	105	NA	+6	0	0	6	0	0	0	0	0
New Hampshire	79	112	82	99	–3	+13	1	0	9	4	4	0	0	0

New Jersey	209	1,417	218	1,336	–9	+81	3	0	76	14	12	0	8	1
New Mexico	81	206	77	189	+4	+17	4	0	17	1	0	0	1	0
New York	305	3,204	305	3,090	0	+114	5	3	133	9	8	0	27	1
North Carolina	94	1,585	92	1,547	+2	+38	2	0	51	1	0	0	9	5
North Dakota	172	89	171	80	+1	+9	1	0	10	0	0	0	0	1
Ohio	496	1,674	498	1,613	–2	+61	1	0	64	2	3	0	4	1
Oklahoma	467	99	460	96	+7	+3	7	0	5	0	0	0	0	2
Oregon..................	47	447	49	420	–2	+27	0	0	30	2	2	0	5	0
Pennsylvania	398	2,275	406	2,193	–8	+82	2	0	85	10	9	1	12	1
Rhode Island..............	16	220	16	214	NA	+6	0	0	7	0	0	0	0	1
South Carolina	90	601	91	581	–1	+20	2	0	20	4	3	0	4	0
South Dakota	158	125	158	115	0	+10	1	0	7	3	1	0	0	0
Tennessee	344	772	337	723	+7	+49	8	0	51	3	1	0	5	0
Texas	1,342	138	1,313	123	+29	+15	33	0	15	1	2	2	1	0
Utah	64	204	55	186	+9	+18	9	0	18	0	0	0	0	0
Vermont	32	139	34	131	–2	+8	0	0	6	2	2	0	0	0
Virginia	291	1,173	288	1,112	+3	+61	8	0	72	7	5	0	15	3
Washington	98	685	93	661	+5	+24	7	0	22	2	2	0	0	0
West Virginia	219	35	214	26	+5	+9	5	0	9	0	0	0	0	0
Wisconsin	628	336	625	326	+3	+10	5	0	12	1	2	0	3	0
Wyoming	77	2	74	2	+3	NA	3	0	0	0	0	0	0	0
Other areas														
Pacific Islands	1	32	1	28	NA	+4	0	0	4	0	0	0	0	0
Canal Zone	0	2	0	2	NA	NA	0	0	0	0	0	0	0	0
Puerto Rico...............	15	221	14	214	+1	+7	1	0	7	0	0	0	0	0
Virgin Islands	8	28	8	29	0	–1	1	0	3	0	0	1	3	1

NA–No activity.

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
					Insured				Noninsured							
						Members F.R. System										
	Total	Insured	Non-insured	Total	Total	National	State	Non-members F.R. System	Banks of deposit[2]	Nondeposit trust companies[9]	Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
United States—all offices	**47,238**	**46,465**	**773**	**44,916**	**44,568**	**21,074**	**5,452**	**18,042**	**261**	**87**	**2,322**	**1,897**	**425**	**98.5**	**99.4**	**81.7**
Banks	15,130	14,714	416	14,654	14,385	4,744	1,046	8,595	192	77	476	329	147	97.7	98.7	69.1
Unit banks	*9,211*	*8,927*	*284*	*9,114*	*8,869*	*2,649*	*544*	*5,676*	*174*	*71*	*97*	*58*	*39*	*97.7*	*98.1*	*59.8*
Banks operating branches	*5,919*	*5,787*	*132*	*5,540*	*5,516*	*2,095*	*502*	*2,919*	*18*	*6*	*379*	*271*	*108*	*97.9*	*99.7*	*71.5*
Branches	32,108	31,751	357	30,262	30,183	16,330	4,406	9,447	69	10	1,846	1,568	278	98.9	99.8	84.9
50 States & D.C.—all offices	**46,930**	**46,198**	**732**	**44,609**	**44,302**	**21,010**	**5,452**	**17,840**	**220**	**87**	**2,321**	**1,896**	**425**	**98.6**	**99.5**	**81.7**
Banks	15,105	14,701	404	14,630	14,373	4,741	1,046	8,586	180	77	475	328	147	97.8	98.8	69.1
Unit banks	*9,201*	*8,925*	*276*	*9,105*	*8,868*	*2,648*	*544*	*5,676*	*166*	*71*	*96*	*57*	*39*	*97.8*	*98.2*	*59.4*
Banks operating branches	*5,904*	*5,776*	*128*	*5,525*	*5,505*	*2,093*	*502*	*2,910*	*14*	*6*	*379*	*271*	*108*	*97.9*	*99.7*	*71.5*
Branches	31,825	31,497	328	29,979	29,929	16,269	4,406	9,254	40	10	1,846	1,568	278	99.0	99.9	84.9
Other areas—all offices	**308**	**267**	**41**	**307**	**266**	**64**	**0**	**202**	**41**	**0**	**1**	**1**	**0**	**86.7**	**86.6**	**100.0**
Banks	25	13	12	24	12	3	0	9	12	0	1	1	0	52.0	50.0	100.0
Unit banks	*10*	*2*	*8*	*9*	*1*	*1*	*0*	*0*	*8*	*0*	*1*	*1*	*0*	*20.0*	*11.1*	*100.0*
Banks operating branches	*15*	*11*	*4*	*15*	*11*	*2*	*0*	*9*	*4*	*0*	*0*	*0*	*0*	*73.3*	*73.3*	*0.0*
Branches	283	254	29	283	254	61	0	193	29	0	0	0	0	89.8	89.8	0.0
State																
Alabama—all offices	**756**	**756**	**0**	**756**	**756**	**389**	**40**	**327**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	299	299	0	299	299	95	18	186	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*158*	*158*	*0*	*158*	*158*	*33*	*11*	*114*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*141*	*141*	*0*	*141*	*141*	*62*	*7*	*72*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	457	457	0	457	457	294	22	141	0	0	0	0	0	100.0	100.0	0.0
Alaska—all offices	**103**	**103**	**0**	**99**	**99**	**77**	**0**	**22**	**0**	**0**	**4**	**4**	**0**	**100.0**	**100.0**	**100.0**
Banks	13	13	0	11	11	6	0	5	0	0	2	2	0	100.0	100.0	100.0
Unit banks	*3*	*3*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*10*	*10*	*0*	*9*	*9*	*5*	*0*	*4*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	90	90	0	88	88	71	0	17	0	0	2	2	0	100.0	100.0	100.0
Arizona—all offices	**466**	**458**	**8**	**466**	**458**	**304**	**0**	**154**	**0**	**8**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	23	15	8	23	15	3	0	12	0	8	0	0	0	100.0	100.0	0.0
Unit banks	*14*	*6*	*8*	*14*	*6*	*1*	*0*	*5*	*0*	*8*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*9*	*9*	*0*	*9*	*9*	*2*	*0*	*7*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	443	443	0	443	443	301	0	142	0	0	0	0	0	100.0	100.0	0.0

Arkansas—all offices	**580**	**576**	**4**	**580**	**576**	**236**	**27**	**313**	**1**	**3**	0	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	262	258	4	262	258	75	8	175	1	3	0	0	0	99.6	99.6	0.0
Unit banks	*124*	*120*	*4*	*124*	*120*	*19*	*1*	*100*	*1*	*3*	*0*	*0*	*0*	*99.2*	*99.2*	*0.0*
Banks operating branches	*138*	*138*	*0*	*138*	*138*	*56*	*7*	*75*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	318	318	0	318	318	161	19	138	0	0	0	0	0	100.0	100.0	0.0
California—all offices	**3,801**	**3,778**	**23**	**3,801**	**3,778**	**2,715**	**333**	**730**	**0**	**23**	**0**	**0**	0	**100.0**	**100.0**	**0.0**
Banks	216	200	16	216	200	57	8	135	0	16	0	0	0	100.0	100.0	0.0
Unit banks	*79*	*67*	*12*	*79*	*67*	*12*	*0*	*55*	*0*	*12*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*137*	*133*	*4*	*137*	*133*	*45*	*8*	*80*	*0*	*4*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches[3]	3,585	3,578	7	3,585	3,578	2,658	325	595	0	7	0	0	0	100.0	100.0	0.0
Colorado—all offices	**400**	**331**	**69**	**400**	**331**	**163**	**20**	**148**	**69**	**0**	0	**0**	**0**	**82.8**	**82.8**	**0.0**
Banks	346	277	69	346	277	132	17	128	69	0	0	0	0	80.1	80.1	0.0
Unit banks	*296*	*227*	*69*	*296*	*227*	*103*	*15*	*109*	*69*	*0*	*0*	*0*	*0*	*76.7*	*76.7*	*0.0*
Banks operating branches	*50*	*50*	*0*	*50*	*50*	*29*	*2*	*19*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	54	54	0	54	54	31	3	20	0	0	0	0	0	100.0	100.0	0.0
Connecticut—all offices	**957**	**956**	**1**	**636**	**635**	**282**	**82**	**271**	**1**	**0**	**321**	**321**	**0**	**99.9**	**99.8**	**100.0**
Banks	139	138	1	72	71	24	2	45	1	0	67	67	0	99.3	98.6	100.0
Unit banks	*27*	*26*	*1*	*16*	*15*	*3*	*1*	*11*	*1*	*0*	*11*	*11*	*0*	*96.3*	*93.8*	*100.0*
Banks operating branches	*112*	*112*	*0*	*56*	*56*	*21*	*1*	*34*	*0*	*0*	*56*	*56*	*0*	*100.0*	*100.0*	*100.0*
Branches	818	818	0	564	564	258	80	226	0	0	254	254	0	100.0	100.0	100.0
Delaware—all offices	**179**	**178**	**1**	**155**	**154**	**9**	**0**	**145**	**0**	**1**	**24**	**24**	0	**100.0**	**100.0**	**100.0**
Banks	20	19	1	18	17	5	0	12	0	1	2	2	0	100.0	100.0	100.0
Unit banks	*8*	*7*	*1*	*8*	*7*	*2*	*0*	*5*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*12*	*12*	*0*	*10*	*10*	*3*	*0*	*7*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	159	159	0	137	137	4	0	133	0	0	22	22	0	100.0	100.0	100.0
D.C.—all offices	**146**	**146**	0	**146**	**146**	**113**	**30**	**3**	**0**	0	**0**	**0**	0	**100.0**	**100.0**	0.0
Banks	16	16	0	16	16	14	1	1	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*3*	*3*	*0*	*3*	*3*	*3*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*13*	*13*	*0*	*13*	*13*	*11*	*1*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	130	130	0	130	130	99	29	2	0	0	0	0	0	100.0	100.0	0.0
Florida—all offices	**943**	**939**	**4**	**943**	**939**	**360**	**34**	**545**	**1**	**3**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	747	743	4	747	743	295	31	417	1	3	0	0	0	99.9	99.9	0.0
Unit banks	*573*	*569*	*4*	*573*	*569*	*234*	*29*	*306*	*1*	*3*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*174*	*174*	*0*	*174*	*174*	*61*	*2*	*111*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	196	196	0	196	196	65	3	128	0	0	0	0	0	100.0	100.0	0.0
Georgia—all offices	**1,135**	**1,132**	**3**	**1,135**	**1,132**	**387**	**82**	**663**	**3**	**0**	0	**0**	**0**	**99.7**	**99.7**	**0.0**
Banks	444	441	3	444	441	64	9	368	3	0	0	0	0	99.3	99.3	0.0
Unit banks	*231*	*228*	*3*	*231*	*228*	*17*	*2*	*209*	*3*	*0*	*0*	*0*	*0*	*98.7*	*98.7*	*0.0*
Banks operating branches	*213*	*213*	*0*	*213*	*213*	*47*	*7*	*159*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	691	691	0	691	691	323	73	295	0	0	0	0	0	100.0	100.0	0.0
Hawaii—all offices	**165**	**159**	**6**	**165**	**159**	**13**	**0**	**146**	**0**	**6**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	11	8	3	11	8	2	0	6	0	3	0	0	0	100.0	100.0	0.0
Unit banks	*1*	*0*	*1*	*1*	*0*	*0*	*0*	*0*	*0*	*1*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*10*	*8*	*2*	*10*	*8*	*2*	*0*	*6*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	154	151	3	154	151	11	0	140	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, 1975—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	**224**	**224**	**0**	**224**	**224**	**167**	**10**	**47**	**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	200	200	0	200	200	161	6	33	0	0	0	0	0	100.0	100.0	0.0
Illinois—all offices	**1,451**	**1,422**	**29**	**1,451**	**1,422**	**529**	**84**	**809**	**22**	**7**	**0**	**0**	**0**	**98.5**	**98.5**	**0.0**
Banks	1,235	1,206	29	1,235	1,206	421	69	716	22	7	0	0	0	98.2	98.2	0.0
Unit banks	*1,024*	*995*	*29*	*1,024*	*995*	*317*	*54*	*624*	*22*	*7*	*0*	*0*	*0*	*97.8*	*97.8*	*0.0*
Banks operating branches	*211*	*211*	*0*	*211*	*211*	*104*	*15*	*92*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	216	216	0	216	216	108	15	93	0	0	0	0	0	100.0	100.0	0.0
Indiana—all offices	**1,322**	**1,320**	**2**	**1,316**	**1,314**	**585**	**97**	**632**	**1**	**1**	**6**	**6**	**0**	**99.9**	**99.9**	**100.0**
Banks	411	409	2	407	405	120	46	239	1	1	4	4	0	99.8	99.8	100.0
Unit banks	*166*	*164*	*2*	*164*	*162*	*35*	*22*	*105*	*1*	*1*	*2*	*2*	*0*	*99.4*	*99.4*	*100.0*
Banks operating branches	*245*	*245*	*0*	*243*	*243*	*85*	*24*	*134*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	911	911	0	909	909	465	51	393	0	0	2	2	0	100.0	100.0	100.0
Iowa—all offices	**1,069**	**1,062**	**7**	**1,069**	**1,062**	**183**	**90**	**789**	**6**	**1**	**0**	**0**	**0**	**99.4**	**99.4**	**0.0**
Banks	661	654	7	661	654	100	46	508	6	1	0	0	0	99.1	99.1	0.0
Unit banks	*410*	*403*	*7*	*410*	*403*	*52*	*26*	*325*	*6*	*1*	*0*	*0*	*0*	*98.5*	*98.5*	*0.0*
Banks operating branches	*251*	*251*	*0*	*251*	*251*	*48*	*20*	*183*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	408	408	0	408	408	83	44	281	0	0	0	0	0	100.0	100.0	0.0
Kansas—all offices	**767**	**766**	**1**	**767**	**766**	**235**	**29**	**502**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	616	615	1	616	615	171	22	422	1	0	0	0	0	99.8	99.8	0.0
Unit banks	*507*	*506*	*1*	*507*	*506*	*128*	*16*	*362*	*1*	*0*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*109*	*109*	*0*	*109*	*109*	*43*	*6*	*60*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	151	151	0	151	151	64	7	80	0	0	0	0	0	100.0	100.0	0.0
Kentucky—all offices	**851**	**850**	**1**	**851**	**850**	**286**	**96**	**468**	**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	*167*	*166*	*1*	*167*	*166*	*25*	*4*	*137*	*1*	*0*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Banks operating branches	*175*	*175*	*0*	*175*	*175*	*55*	*7*	*113*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	509	509	0	509	509	206	85	218	0	0	0	0	0	100.0	100.0	0.0

Louisiana—all offices	**839**	**839**	**0**	**839**	**839**	**295**	**52**	**492**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	254	254	0	254	254	53	8	193	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*88*	*88*	*0*	*88*	*88*	*12*	*1*	*75*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*166*	*166*	*0*	*166*	*166*	*41*	*7*	*118*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	585	585	0	585	585	242	44	299	0	0	0	0	0	100.0	100.0	0.0
Maine—all offices	**424**	**420**	**4**	**335**	**332**	**149**	**35**	**148**	**3**	**0**	**89**	**88**	**1**	**99.1**	**99.1**	**98.9**
Banks	80	76	4	48	45	20	3	22	3	0	32	31	1	95.0	93.8	96.9
Unit banks	*15*	*11*	*4*	*7*	*4*	*1*	*0*	*3*	*3*	*0*	*8*	*7*	*1*	*73.3*	*57.1*	*87.5*
Banks operating branches	*65*	*65*	*0*	*41*	*41*	*19*	*3*	*19*	*0*	*0*	*24*	*24*	*0*	*100.0*	*100.0*	*100.0*
Branches	344	344	0	287	287	129	32	126	0	0	57	57	0	100.0	100.0	100.0
Maryland—all offices	**913**	**913**	**0**	**866**	**866**	**404**	**92**	**370**	**0**	**0**	**47**	**47**	**0**	**100.0**	**100.0**	**100.0**
Banks	118	118	0	115	115	42	5	68	0	0	3	3	0	100.0	100.0	100.0
Unit banks	*38*	*38*	*0*	*38*	*38*	*9*	*1*	*28*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*80*	*80*	*0*	*77*	*77*	*33*	*4*	*40*	*0*	*0*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Branches	795	795	0	751	751	362	87	302	0	0	44	44	0	100.0	100.0	100.0
Massachusetts—all offices	**1,578**	**1,146**	**432**	**1,055**	**1,047**	**580**	**180**	**287**	**8**	**0**	**523**	**99**	**424**	**72.6**	**99.2**	**18.9**
Banks	316	165	151	150	145	77	13	55	5	0	166	20	146	52.2	96.7	12.0
Unit banks	*67*	*26*	*41*	*23*	*20*	*10*	*0*	*10*	*3*	*0*	*44*	*6*	*38*	*38.8*	*87.0*	*13.6*
Banks operating branches	*249*	*139*	*110*	*127*	*125*	*67*	*13*	*45*	*2*	*0*	*122*	*14*	*108*	*55.8*	*98.4*	*11.5*
Branches[3]	1,262	981	281	905	902	503	167	232	3	0	357	79	278	77.7	99.7	22.1
Michigan—all offices	**1,913**	**1,910**	**3**	**1,913**	**1,910**	**869**	**568**	**473**	**3**	**0**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	351	350	1	351	350	120	89	141	1	0	0	0	0	99.7	99.7	0.0
Unit banks	*88*	*88*	*0*	*88*	*88*	*20*	*20*	*48*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*263*	*262*	*1*	*263*	*262*	*100*	*69*	*93*	*1*	*0*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Branches	1,562	1,560	2	1,562	1,560	749	479	332	2	0	0	0	0	99.9	99.9	0.0
Minnesota—all offices	**801**	**799**	**2**	**799**	**797**	**226**	**32**	**539**	**2**	**0**	**2**	**2**	**0**	**99.8**	**99.7**	**100.0**
Banks	748	746	2	747	745	201	30	514	2	0	1	1	0	99.7	99.7	100.0
Unit banks	*700*	*698*	*2*	*700*	*698*	*181*	*28*	*489*	*2*	*0*	*0*	*0*	*0*	*99.7*	*99.7*	*0.0*
Banks operating branches	*48*	*48*	*0*	*47*	*47*	*20*	*2*	*25*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	53	53	0	52	52	25	2	25	0	0	1	1	0	100.0	100.0	100.0
Mississippi—all offices	**731**	**731**	**0**	**731**	**731**	**250**	**23**	**458**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	185	185	0	185	185	39	6	140	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*53*	*53*	*0*	*53*	*53*	*7*	*2*	*44*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*132*	*132*	*0*	*132*	*132*	*32*	*4*	*96*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	546	546	0	546	546	211	17	318	0	0	0	0	0	100.0	100.0	0.0
Missouri—all offices	**1,026**	**1,020**	**6**	**1,026**	**1,020**	**180**	**96**	**744**	**2**	**4**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	706	700	6	706	700	113	61	526	2	4	0	0	0	99.7	99.7	0.0
Unit banks	*441*	*435*	*6*	*441*	*435*	*62*	*34*	*339*	*2*	*4*	*0*	*0*	*0*	*99.5*	*99.5*	*0.0*
Banks operating branches	*265*	*265*	*0*	*265*	*265*	*51*	*27*	*187*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	320	320	0	320	320	67	35	218	0	0	0	0	0	100.0	100.0	0.0
Montana—all offices	**172**	**170**	**2**	**172**	**170**	**61**	**50**	**59**	**0**	**2**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	156	154	2	156	154	55	45	54	0	2	0	0	0	100.0	100.0	0.0
Unit banks	*140*	*138*	*2*	*140*	*138*	*49*	*40*	*49*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*16*	*16*	*0*	*16*	*16*	*6*	*5*	*5*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	16	16	0	16	16	6	5	5	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, 1975—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[2]	Commercial banks of deposit	Mutual savings banks
					Total	Members F.R. System		Non-members F.R. System	Banks of deposit[2]	Nondeposit trust companies[9]						
						National	State									
Nebraska—all offices	**549**	**544**	**5**	**549**	**544**	**169**	**10**	**365**	**0**	**5**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	453	448	5	453	448	120	8	320	0	5	0	0	0	100.0	100.0	0.0
Unit banks	*383*	*378*	*5*	*383*	*378*	*85*	*7*	*286*	*0*	*5*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*70*	*70*	*0*	*70*	*70*	*35*	*1*	*34*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	96	96	0	96	96	49	2	45	0	0	0	0	0	100.0	100.0	0.0
Nevada—all offices	**119**	**119**	**0**	**119**	**119**	**81**	**18**	**20**	**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	111	111	0	111	111	77	17	17	0	0	0	0	0	100.0	100.0	0.0
New Hampshire—all offices	**246**	**244**	**2**	**191**	**189**	**129**	**3**	**57**	**1**	**1**	**55**	**55**	**0**	**99.6**	**99.5**	**100.0**
Banks	107	105	2	79	77	44	1	32	1	1	28	28	0	99.1	98.7	100.0
Unit banks	*46*	*44*	*2*	*30*	*28*	*12*	*0*	*16*	*1*	*1*	*16*	*16*	*0*	*97.8*	*96.6*	*100.0*
Banks operating branches	*61*	*61*	*0*	*49*	*49*	*32*	*1*	*16*	*0*	*0*	*12*	*12*	*0*	*100.0*	*100.0*	*100.0*
Branches	139	139	0	112	112	85	2	25	0	0	27	27	0	100.0	100.0	100.0
New Jersey—all offices	**1,751**	**1,751**	**0**	**1,626**	**1,626**	**1,081**	**241**	**304**	**0**	**0**	**125**	**125**	**0**	**100.0**	**100.0**	**100.0**
Banks	229	229	0	209	209	113	21	75	0	0	20	20	0	100.0	100.0	100.0
Unit banks	*40*	*40*	*0*	*35*	*35*	*14*	*0*	*21*	*0*	*0*	*5*	*5*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*189*	*189*	*0*	*174*	*174*	*99*	*21*	*54*	*0*	*0*	*15*	*15*	*0*	*100.0*	*100.0*	*100.0*
Branches	1,522	1,522	0	1,417	1,417	968	220	229	0	0	105	105	0	100.0	100.0	100.0
New Mexico—all offices	**287**	**286**	**1**	**287**	**286**	**147**	**21**	**118**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	81	80	1	81	80	36	7	37	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*20*	*19*	*1*	*20*	*19*	*7*	*2*	*10*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*61*	*16*	*0*	*61*	*61*	*29*	*5*	*27*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	206	206	0	206	206	111	14	81	0	0	0	0	0	100.0	100.0	0.0
New York—all offices	**4,269**	**4,222**	**47**	**3,509**	**3,462**	**1,671**	**1,576**	**215**	**42**	**5**	**760**	**760**	**0**	**99.0**	**98.8**	**100.0**
Banks	423	385	38	305	267	150	70	47	33	5	118	118	0	92.1	89.0	100.0
Unit banks	*104*	*72*	*32*	*100*	*68*	*38*	*12*	*18*	*27*	*5*	*4*	*4*	*0*	*72.7*	*71.6*	*100.0*
Banks operating branches	*319*	*313*	*6*	*205*	*199*	*112*	*58*	*29*	*6*	*0*	*114*	*114*	*0*	*98.1*	*97.1*	*100.0*
Branches[3]	3,846	3,837	9	3,204	3,195	1,521	1,506	168	9	0	642	642	0	99.8	99.7	100.0

North Carolina—all offices	**1,679**	**1,668**	**11**	**1,679**	**1,668**	**791**	**5**	**872**	**11**	**0**	**0**	**0**	**0**	**99.3**	**99.3**	**0.0**
Banks	94	93	1	94	93	26	3	64	1	0	0	0	0	98.9	98.9	0.0
Unit banks	*22*	*22*	*0*	*22*	*22*	*4*	*2*	*16*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*72*	*71*	*1*	*72*	*71*	*22*	*1*	*48*	*1*	*0*	*0*	*0*	*0*	*98.6*	*98.6*	*0.0*
Branches	1,585	1,575	10	1,585	1,575	765	2	808	10	0	0	0	0	99.4	99.4	0.0
North Dakota—all offices	**261**	**254**	**7**	**261**	**254**	**66**	**6**	**182**	**7**	**0**	**0**	**0**	**0**	**97.3**	**97.3**	**0.0**
Banks	172	169	3	172	169	43	4	122	3	0	0	0	0	98.3	98.3	0.0
Unit banks	*107*	*105*	*2*	*107*	*105*	*23*	*3*	*79*	*2*	*0*	*0*	*0*	*0*	*98.1*	*98.1*	*0.0*
Banks operating branches	*65*	*64*	*1*	*65*	*64*	*20*	*1*	*43*	*1*	*0*	*0*	*0*	*0*	*98.5*	*98.5*	*0.0*
Branches	89	85	4	89	85	23	2	60	4	0	0	0	0	95.5	95.5	0.0
Ohio—all offices	**2,170**	**2,169**	**1**	**2,170**	**2,169**	**1,198**	**519**	**452**	**1**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	496	495	1	496	495	219	112	164	1	0	0	0	0	99.8	99.8	0.0
Unit banks	*164*	*163*	*1*	*164*	*163*	*48*	*46*	*69*	*1*	*0*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Banks operating branches	*332*	*332*	*0*	*332*	*332*	*171*	*66*	*95*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	1,674	1,674	0	1,674	1,674	979	407	288	0	0	0	0	0	100.0	100.0	0.0
Oklahoma—all offices	**566**	**561**	**5**	**566**	**561**	**251**	**16**	**294**	1	**4**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	467	462	5	467	462	194	14	254	1	4	0	0	0	99.8	99.8	0.0
Unit banks	*371*	*366*	*5*	*371*	*366*	*140*	*12*	*214*	*1*	*4*	*0*	*0*	*0*	*99.7*	*99.7*	*0.0*
Banks operating branches	*96*	*96*	*0*	*96*	*96*	*54*	*2*	*40*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	99	99	0	99	99	57	2	40	0	0	0	0	0	100.0	100.0	0.0
Oregon—all offices	**500**	**498**	**2**	**494**	**492**	**306**	**0**	**186**	**2**	**0**	**6**	**6**	**0**	**99.6**	**99.6**	**100.0**
Banks	48	46	2	47	45	7	0	38	2	0	1	1	0	95.8	95.7	100.0
Unit banks	*18*	*16*	*2*	*18*	*16*	*1*	*0*	*15*	*2*	*0*	*0*	*0*	*0*	*88.9*	*88.9*	*0.0*
Banks operating branches	*30*	*30*	*0*	*29*	*29*	*6*	*0*	*23*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches[3]	452	452	0	447	447	299	0	148	0	0	5	5	0	100.0	100.0	100.0
Pennsylvania—all offices	**2,847**	**2,839**	**8**	**2,673**	**2,665**	**1,600**	**198**	**867**	**6**	**2**	**174**	**174**	**0**	**99.8**	**99.8**	**100.0**
Banks	406	400	6	398	392	244	14	134	4	2	8	8	0	99.0	99.0	100.0
Unit banks	*138*	*133*	*5*	*138*	*133*	*92*	*6*	*35*	*3*	*2*	*0*	*0*	*0*	*97.8*	*97.8*	*0.0*
Banks operating branches	*268*	*267*	*1*	*260*	*259*	*152*	*8*	*99*	*1*	*0*	*8*	*8*	*0*	*99.6*	*99.6*	*100.0*
Branches[3]	2,441	2,439	2	2,275	2,273	1,356	184	733	2	0	166	166	0	99.9	99.9	100.0
Rhode Island—all offices	**308**	**296**	**12**	**236**	**224**	**119**	**0**	**105**	**12**	**0**	**72**	**72**	**0**	**96.1**	**94.9**	**100.0**
Banks	22	20	2	16	14	5	0	9	2	0	6	6	0	90.9	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	*19*	*17*	*2*	*13*	*11*	*5*	*0*	*6*	*2*	*0*	*6*	*6*	*0*	*89.5*	*84.6*	*100.0*
Branches	286	276	10	220	210	114	0	96	10	0	66	66	0	96.5	95.5	100.0
South Carolina—all offices	**691**	**691**	**0**	**691**	**691**	**316**	**15**	**360**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	90	90	0	90	90	19	6	65	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*27*	*27*	*0*	*27*	*27*	*3*	*2*	*22*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*63*	*63*	*0*	*63*	*63*	*16*	*4*	*43*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	601	601	0	601	601	297	9	295	0	0	0	0	0	100.0	100.0	0.0
South Dakota—all offices	**283**	**283**	**0**	**283**	**283**	**107**	**42**	**134**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	158	158	0	158	158	32	28	98	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*110*	*110*	*0*	*110*	*110*	*21*	*19*	*70*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*48*	*48*	*0*	*48*	*48*	*11*	*9*	*28*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	125	125	0	125	125	75	14	36	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, 1975—CONTINUED
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
					Insured				Noninsured							
						Members F.R. System										
	Total	Insured	Non-insured	Total	Total	National	State	Non-members F.R. System	Banks of deposit[2]	Non-deposit trust companies[9]	Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Tennessee—all offices	**1,116**	**1,114**	**2**	**1,116**	**1,114**	**443**	**65**	**606**	**1**	**1**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	344	342	2	344	342	75	15	252	1	1	0	0	0	99.7	99.7	0.0
Unit banks	*129*	*127*	*2*	*129*	*127*	*11*	*6*	*110*	*1*	*1*	*0*	*0*	*0*	*99.2*	*99.2*	*0.0*
Banks operating branches	*215*	*215*	*0*	*215*	*215*	*64*	*9*	*142*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	772	772	0	772	772	368	50	354	0	0	0	0	0	100.0	100.0	0.0
Texas—all offices	**1,480**	**1,474**	**6**	**1,480**	**1,474**	**605**	**54**	**815**	**6**	**0**	**0**	**0**	**0**	**99.6**	**99.6**	**0.0**
Banks	1,342	1,336	6	1,342	1,336	584	39	713	6	0	0	0	0	99.6	99.6	0.0
Unit banks	*1,219*	*1,213*	*6*	*1,219*	*1,213*	*565*	*26*	*622*	*6*	*0*	*0*	*0*	*0*	*99.5*	*99.5*	*0.0*
Banks operating branches	*123*	*123*	*0*	*123*	*123*	*19*	*13*	*91*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	138	138	0	138	138	21	15	102	0	0	0	0	0	100.0	100.0	0.0
Utah—all offices	**268**	**267**	**1**	**268**	**267**	**113**	**44**	**110**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	64	63	1	64	63	12	5	46	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*41*	*40*	*1*	*41*	*40*	*7*	*2*	*31*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*23*	*23*	*0*	*23*	*23*	*5*	*3*	*15*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	204	204	0	204	204	101	39	64	0	0	0	0	0	100.0	100.0	0.0
Vermont—all offices	**185**	**184**	**1**	**171**	**170**	**64**	**0**	**106**	**0**	**1**	**14**	**14**	**0**	**100.0**	**100.0**	**100.0**
Banks	38	37	1	32	31	16	0	15	0	1	6	6	0	100.0	100.0	100.0
Unit banks	*9*	*8*	*1*	*7*	*6*	*4*	*0*	*2*	*0*	*1*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*29*	*29*	*0*	*25*	*25*	*12*	*0*	*13*	*0*	*0*	*4*	*4*	*0*	*100.0*	*100.0*	*100.0*
Branches	147	147	0	139	139	48	0	91	0	0	8	8	0	100.0	100.0	100.0
Virginia—all offices	**1,464**	**1,463**	**1**	**1,464**	**1,463**	**777**	**293**	**393**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	291	290	1	291	290	108	66	116	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*87*	*86*	*1*	*87*	*86*	*17*	*27*	*42*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*204*	*204*	*0*	*204*	*204*	*91*	*39*	*74*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	1,173	1,173	0	1,173	1,173	669	227	277	0	0	0	0	0	100.0	100.0	0.0
Washington—all offices	**879**	**872**	**7**	**783**	**776**	**549**	**43**	**184**	**6**	**1**	**96**	**96**	**0**	**99.3**	**99.2**	**100.0**
Banks	106	99	7	98	91	24	5	62	6	1	8	8	0	94.3	93.8	100.0
Unit banks	*44*	*37*	*7*	*44*	*37*	*6*	*2*	*29*	*6*	*1*	*0*	*0*	*0*	*86.0*	*86.0*	*0.0*
Banks operating branches	*62*	*62*	*0*	*54*	*54*	*18*	*3*	*33*	*0*	*0*	*8*	*8*	*0*	*100.0*	*100.0*	*100.0*
Branches[3]	773	773	0	685	685	525	38	122	0	0	88	88	0	100.0	100.0	100.0

West Virginia–all offices	**254**	**254**	**0**	**254**	**254**	**122**	**33**	**99**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	219	219	0	219	219	103	29	87	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*184*	*184*	*0*	*184*	*184*	*84*	*25*	*75*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*35*	*35*	*0*	*35*	*35*	*19*	*4*	*12*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	35	35	0	35	35	19	4	12	0	0	0	0	0	100.0	100.0	0.0
Wisconsin–all offices	**967**	**962**	**5**	**964**	**959**	**212**	**54**	**693**	**0**	**5**	**3**	**3**	**0**	**100.0**	**100.0**	**100.0**
Banks	631	626	5	628	623	128	32	463	0	5	3	3	0	100.0	100.0	100.0
Unit banks	*428*	*423*	*5*	*425*	*420*	*84*	*22*	*314*	*0*	*5*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*203*	*203*	*0*	*203*	*203*	*44*	*10*	*149*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	336	336	0	336	336	84	22	230	0	0	0	0	0	100.0	100.0	0.0
Wyoming–all offices	**79**	**79**	**0**	**79**	**79**	**46**	**14**	**19**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	77	77	0	77	77	45	14	18	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*75*	*75*	*0*	*75*	*75*	*44*	*14*	*17*	*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]	**33**	**21**	**12**	**33**	**21**	**10**	**0**	**11**	**12**	**0**	**0**	**0**	**0**	**63.6**	**63.6**	**0.0**
Banks	1	1	0	1	1	0	0	1	0	0	0	0	0	100.0	100.0	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	*1*	*1*	*0*	*1*	*1*	*0*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches[5]	32	20	12	32	20	10	0	10	12	0	0	0	0	62.5	62.5	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	**237**	**216**	**21**	**236**	**215**	**24**	**0**	**191**	**21**	**0**	**1**	**1**	**0**	**91.1**	**91.1**	**100.0**
Banks	16	10	6	15	9	1	0	8	6	0	1	1	0	62.5	60.0	100.0
Unit banks	*4*	*2*	*2*	*3*	*1*	*1*	*0*	*0*	*2*	*0*	*1*	*1*	*0*	*50.0*	*33.3*	*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]	221	206	15	221	206	23	0	183	15	0	0	0	0	93.2	93.2	0.0
Virgin Islands–all offices	**36**	**30**	**6**	**36**	**30**	**30**	**0**	**0**	**6**	**0**	**0**	**0**	**0**	**83.3**	**83.3**	**0.0**
Banks	8	2	6	8	2	2	0	0	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*	*2*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches[8]	28	28	0	28	28	28	0	0	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975—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]California: 1 branch operated by a State nonmember bank in Puerto Rico.
Massachusetts: 1 branch operated by a noninsured bank in New York.
New York: 19 branches operated by 3 State nonmember banks in Puerto Rico.
Oregon: 1 branch operated by a national bank in California.
Pennsylvania: 2 branches operated by a noninsured bank in New York and a national bank in New Jersey.
Washington: 3 branches operated by a national bank in California.
[4]United States Possessions: American Samoa, Guam, and Midway Islands.
Trust Territories: Caroline Islands, Marina Islands, and Marshall Islands.
[5]Pacific Islands: 31 branches:
American Samoa: 3 insured branches operated by a State nonmember bank in Hawaii and a national bank in New York.
Guam: 16 insured branches operated by 2 State nonmember banks in Hawaii, 2 State nonmember banks and a national bank in California, and 2 national banks in New York.
Caroline Islands: 4 noninsured branches operated by a national bank in California and a State nonmember bank in Hawaii.
Mariana Islands: 4 noninsured branches operated by 1 national bank and 1 nonmember bank in California and a State nonmember bank in Hawaii.
Marshall Islands: 3 noninsured branches operated by a national bank in California and a State nonmember bank in Hawaii.
Midway Islands: 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: 23 insured branches operated by 2 national banks in New York.
[8]Virgin Islands: 20 insured branches operated by 2 national banks in New York, a national bank in California, and a national bank in Pennsylvania.
[9]Includes noninsured nondeposit trust companies that are members of Federal Reserve System.

Table 104. NUMBER AND DEPOSITS OF ALL COMMERCIAL AND MUTUAL SAVINGS BANKS (STATES AND OTHER AREAS), DECEMBER 31, 1975
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	194	58	11	1	46	136	0	0
1 to 2 million	288	265	48	10	207	23	0	0
2 to 5 million	2,025	1,987	306	93	1,588	36	0	2
5 to 10 million	3,166	3,141	692	176	2,273	14	7	4
10 to 25 million	4,883	4,826	1,655	357	2,814	15	23	19
25 to 50 million	2,287	2,179	968	172	1,039	11	61	36
50 to 100 million	1,166	1,036	534	106	396	10	75	45
100 to 500 million	873	705	406	90	209	23	105	40
500 million to 1 billion	138	102	64	19	19	3	32	1
1 billion or more	113	85	60	22	3	2	26	0
Total	**15,133**	**14,384**	**4,744**	**1,046**	**8,594**	**273**	**329**	**147**
	(In thousands of dollars)							
Amount of deposits								
Less than 1 million	70,435	42,346	9,236	959	32,151	28,089	0	0
1 to 2 million	453,558	421,904	83,729	15,145	323,030	31,654	0	0
2 to 5 million	7,357,609	7,215,354	1,148,572	340,308	5,726,474	134,513	0	7,742
5 to 10 million	23,296,016	23,108,312	5,229,323	1,275,038	16,603,951	100,957	54,509	32,238
10 to 25 million	79,320,720	78,314,119	27,701,809	5,872,379	44,739,931	255,596	417,079	333,926
25 to 50 million	79,434,293	75,382,879	33,897,321	6,013,804	35,471,754	457,493	2,280,735	1,313,186
50 to 100 million	80,092,224	70,902,582	36,879,696	7,322,750	26,700,136	833,427	5,236,293	3,119,922
100 to 500 million	177,774,129	142,221,385	84,140,299	19,786,347	38,294,739	4,786,457	23,933,510	6,832,777
500 million to 1 billion	99,339,959	74,659,776	46,039,587	13,539,386	15,080,803	2,123,541	21,739,214	817,428
1 billion or more	356,326,305	308,480,011	215,178,451	89,243,133	4,058,427	3,381,527	44,464,767	0
Total	**903,465,248**	**780,748,668**	**450,308,023**	**143,409,249**	**187,031,396**	**12,133,254**	**98,126,107**	**12,457,219**

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975
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[2]											
Banks	14,657	194	288	2,023	3,155	4,841	2,190	1,046	728	105	87
Total deposits	789,831,015	68,052	444,297	7,311,850	23,181,001	78,302,278	75,593,056	71,257,010	145,821,091	75,990,842	311,861,538
States											
Alabama											
Banks	299	0	4	26	72	133	39	10	13	2	0
Deposits	9,164,081	0	6,874	94,355	532,599	2,064,217	1,281,499	666,146	2,948,969	1,569,422	0
Alaska											
Banks	11	1	1	0	0	0	3	1	5	0	0
Deposits	1,250,032	176	1,698	0	0	0	105,939	55,782	1,086,437	0	0
Arizona											
Banks	23	8	0	3	2	2	1	1	3	1	2
Deposits	6,225,871	0	0	11,176	13,539	28,281	45,389	90,889	626,119	909,446	4,501,032
Arkansas											
Banks	262	6	5	25	69	94	41	13	9	0	0
Deposits	6,018,937	2,220	8,262	95,486	517,700	1,568,704	1,410,195	904,785	1,511,585	0	0
California											
Banks	216	17	1	14	31	51	40	22	29	2	9
Deposits	85,313,493	902	1,358	49,697	229,418	861,355	1,355,833	1,446,226	5,386,122	1,213,302	74,769,280
Colorado											
Banks	352	41	31	53	72	92	35	20	6	2	0
Deposits	7,548,362	19,651	45,185	181,864	532,595	1,426,808	1,205,223	1,362,254	1,254,701	1,520,081	0
Connecticut											
Banks	72	0	0	6	12	22	15	6	8	1	2
Deposits	7,394,921	0	0	19,402	97,649	338,796	513,349	415,633	2,366,109	679,344	2,964,639
Delaware											
Banks	18	1	0	1	4	6	1	1	3	1	0
Deposits	1,955,536	0	0	3,315	27,687	77,137	38,478	59,164	1,155,805	593,950	0

District of Columbia												
Banks	16	1	0	0	1	2	5	2	3	1	1
Deposits	3,672,571	953	0	0	5,538	32,260	182,443	151,735	1,222,999	895,912	1,180,731
Florida												
Banks	747	5	8	78	125	234	158	102	36	0	1
Deposits	24,908,515	1,346	12,105	280,089	916,402	3,730,685	5,439,219	6,888,361	6,299,302	0	1,341,006
Georgia												
Banks	443	6	13	69	122	159	43	20	7	2	2
Deposits	12,358,060	3,700	19,709	253,842	904,561	2,589,146	1,373,589	1,413,362	1,275,295	1,357,053	3,167,803
Hawaii												
Banks	11	3	0	0	0	1	0	0	5	2	0
Deposits	2,599,156	0	0	0	0	21,177	0	0	789,933	1,788,046	0
Idaho												
Banks	24	0	0	2	7	6	3	2	2	2	0
Deposits	2,625,581	0	0	7,230	52,082	111,524	95,369	166,603	529,761	1,663,012	0
Illinois												
Banks	1,236	21	15	152	268	375	218	120	59	3	5
Deposits	60,589,784	7,016	22,903	553,712	1,984,842	5,920,689	7,592,581	8,055,529	9,687,655	1,932,638	24,832,219
Indiana												
Banks	407	3	4	19	60	158	85	47	28	1	2
Deposits	17,909,687	86	7,354	77,082	455,669	2,675,665	2,954,842	3,203,159	5,063,087	706,330	2,766,413
Iowa												
Banks	661	3	3	94	214	243	67	26	11	0	0
Deposits	11,817,108	1,287	4,570	364,618	1,535,518	3,903,625	2,165,126	1,748,598	2,093,766	0	0
Kansas												
Banks	616	4	32	170	160	165	68	9	8	0	0
Deposits	8,792,183	2,721	49,825	593,471	1,159,203	2,550,285	2,288,225	629,486	1,518,967	0	0
Kentucky												
Banks	342	4	5	46	65	142	47	22	9	2	0
Deposits	9,799,229	3,003	9,228	171,943	479,461	2,287,743	1,605,814	1,531,876	2,021,546	1,688,615	0
Louisiana												
Banks	254	1	2	17	35	103	54	16	23	2	1
Deposits	11,938,616	761	3,654	59,800	264,724	1,736,482	1,865,451	1,025,718	4,714,660	1,258,534	1,008,832
Maine												
Banks	45	0	0	2	5	21	8	3	6	0	0
Deposits	1,978,571	0	0	6,729	34,125	346,716	294,622	192,091	1,104,288	0	0
Maryland												
Banks	115	0	1	11	23	33	23	15	4	4	1
Deposits	8,734,945	0	1,988	40,345	164,446	560,484	756,902	967,355	1,000,702	3,439,047	1,803,676
Massachusetts												
Banks	150	1	0	5	23	46	27	24	20	0	4
Deposits	15,086,362	709	0	16,993	183,236	727,800	1,016,078	1,789,909	4,184,290	0	7,167,347

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975—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	351	2	3	17	49	120	72	43	35	6	4
Deposits	29,451,735	877	4,158	66,775	389,029	1,959,607	2,457,407	2,890,665	6,224,208	4,379,575	11,079,434
Minnesota											
Banks	747	1	13	173	226	227	68	28	8	0	3
Deposits	14,744,323	435	21,361	651,852	1,602,336	3,525,988	2,294,594	1,789,939	1,269,274	0	3,588,544
Mississippi											
Banks	185	0	5	23	36	73	27	12	7	2	0
Deposits	5,653,988	0	8,187	86,434	273,530	1,162,768	897,739	734,910	1,144,235	1,346,185	0
Missouri											
Banks	706	8	8	149	168	236	83	35	15	2	2
Deposits	17,262,775	2,819	11,711	510,378	1,240,113	3,772,919	2,873,991	2,430,431	2,752,642	1,047,333	2,620,438
Montana											
Banks	156	2	2	28	41	53	17	9	4	0	0
Deposits	2,910,524	0	2,700	109,193	302,285	823,755	578,919	586,116	507,556	0	0
Nebraska											
Banks	453	9	36	132	115	121	25	10	5	0	0
Deposits	6,250,829	3,141	55,350	442,606	812,744	1,825,310	914,682	641,114	1,555,882	0	0
Nevada											
Banks	8	0	0	0	0	1	0	2	4	1	0
Deposits	1,884,940	0	0	0	0	13,028	0	132,851	901,342	837,719	0
New Hampshire											
Banks	79	1	1	14	14	31	12	3	3	0	0
Deposits	1,657,753	0	1,415	55,375	106,562	511,789	420,925	197,488	364,199	0	0
New Jersey											
Banks	209	1	0	4	18	49	52	37	38	9	1
Deposits	21,784,457	676	0	14,120	141,096	871,469	1,749,577	2,565,454	9,232,727	6,139,731	1,069,607
New Mexico											
Banks	81	1	0	5	9	38	16	9	3	0	0
Deposits	2,986,616	0	0	18,811	74,306	655,619	583,436	637,403	1,017,041	0	0

New York											
Banks	305	5	2	17	30	65	52	44	62	9	19
Deposits	135,127,015	1,123	3,046	57,753	226,880	1,115,135	1,810,827	3,177,207	13,555,130	5,491,491	109,688,423
North Carolina											
Banks	94	0	0	7	20	27	15	9	11	2	3
Deposits	12,761,030	0	0	23,259	158,796	450,592	516,119	607,937	2,379,202	1,986,833	6,638,292
North Dakota											
Banks	171	0	2	23	59	61	17	8	1	0	0
Deposits	2,935,227	0	2,542	87,381	434,427	903,212	599,554	596,391	311,720	0	0
Ohio											
Banks	496	0	3	35	79	181	92	58	34	10	4
Deposits	31,145,081	0	5,419	137,807	585,044	2,975,976	3,220,015	3,962,730	6,337,339	6,926,901	6,993,850
Oklahoma											
Banks	467	3	16	111	111	145	54	17	6	4	0
Deposits	10,221,200	1,928	25,524	400,408	794,375	2,302,556	1,896,804	1,059,693	993,876	2,746,036	0
Oregon											
Banks	47	0	1	3	11	16	7	3	4	0	2
Deposits	6,142,829	0	1,052	10,923	78,115	288,096	247,183	230,039	819,152	0	4,468,269
Pennsylvania											
Banks	398	4	0	15	53	135	83	46	46	8	8
Deposits	44,506,250	686	0	55,516	389,837	2,331,689	2,963,080	3,090,948	9,688,403	6,062,143	19,923,948
Rhode Island											
Banks	17	2	0	1	4	3	1	2	1	2	1
Deposits	3,313,363	926	0	3,361	29,482	46,348	41,314	179,791	114,410	1,506,179	1,391,552
South Carolina											
Banks	90	0	1	14	25	27	15	1	5	2	0
Deposits	4,123,916	0	1,985	47,674	181,668	417,451	549,188	61,728	1,557,134	1,307,088	0
South Dakota											
Banks	158	0	1	38	61	35	16	3	4	0	0
Deposits	2,913,576	0	1,818	142,607	418,010	527,993	605,099	247,591	970,458	0	0
Tennessee											
Banks	344	2	5	46	73	125	57	21	10	5	0
Deposits	13,097,841	322	7,751	159,880	549,695	2,097,991	2,083,752	1,361,965	2,457,436	4,379,049	0
Texas											
Banks	1,342	7	39	200	288	457	208	73	60	5	5
Deposits	47,297,534	4,203	58,910	709,783	2,120,122	7,493,259	7,199,563	4,954,871	11,637,893	3,419,862	9,699,068
Utah											
Banks	64	5	4	9	15	18	5	1	5	2	0
Deposits	3,372,847	2,217	6,388	29,107	114,157	281,715	185,051	75,931	1,155,735	1,522,546	0
Vermont											
Banks	32	1	2	0	5	14	3	3	4	0	0
Deposits	1,353,412	0	3,701	0	38,891	245,163	109,658	200,581	755,418	0	0

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975—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	291	3	4	34	48	100	55	20	23	2	2
Deposits	13,720,895	1,361	5,734	113,836	337,014	1,706,785	1,901,855	1,396,566	4,440,389	1,316,578	2,500,777
Washington											
Banks	98	5	2	17	20	27	9	7	6	3	2
Deposits	9,860,869	1,997	2,814	61,560	155,793	430,030	322,644	442,241	1,078,230	2,105,085	5,260,475
West Virginia											
Banks	219	1	2	20	39	94	39	17	7	0	0
Deposits	5,505,941	810	2,869	76,362	295,902	1,520,013	1,364,509	1,209,419	1,036,057	0	0
Wisconsin											
Banks	628	5	8	84	148	244	90	35	12	1	1
Deposits	15,007,562	0	11,355	316,186	1,093,156	3,982,213	2,989,059	2,491,923	2,075,480	612,307	1,435,883
Wyoming											
Banks	77	0	3	9	16	28	16	3	2	0	0
Deposits	1,633,588	0	3,794	32,760	115,276	470,029	525,615	178,066	308,048	0	0
Other areas											
Guam											
Banks	1	0	0	0	0	0	1	0	0	0	0
Deposits	30,559	0	0	0	0	0	30,559	0	0	0	0
Puerto Rico											
Banks	15	0	0	1	1	1	1	4	5	2	0
Deposits	3,144,330	0	0	4,565	6,071	11,918	28,686	274,208	1,175,413	1,643,469	0
Virgin Islands											
Banks	8	0	0	1	3	1	1	1	1	0	0
Deposits	346,609	0	0	4,429	25,295	22,283	45,486	86,152	162,964	0	0

[1] Includes nondeposit trust companies: 8 in Arizona, 3 in Arkansas, 16 in California, 1 in Delaware, 3 in Florida, 3 in Hawaii, 7 in Illinois, 1 in Indiana, 1 in Iowa, 4 in Missouri, 2 in Montana, 5 in Nebraska, 1 in New Hampshire, 1 in New Mexico, 5 in New York, 4 in Oklahoma, 2 in Pennsylvania, 1 in Tennessee, 1 in Utah, 1 in Vermont, 1 in Virginia, 1 in Washington, and 5 in Wisconsin.
[2] Excludes data for branches in U.S. territories and trust territories of banks headquartered in the United States, and excludes data for 19 insured branches in New York of 3 insured nonmember banks in Puerto Rico and one insured branch in California of an insured nonmember bank in Puerto Rico.

ASSETS AND LIABILITIES OF BANKS

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 any of the following criteria: (a) any subsidiary in which the parent bank's investment represents 5 percent or more of its equity capital accounts; (b) any subsidiary whose gross operating revenues amount to 5 percent 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 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" include trust funds deposited by a trust department in a commercial or savings department. Other assets held in trust are not included in statements of assets and liabilities.

Demand balances with, and demand deposits due to, banks in the United States, except private banks and American branches of foreign banks, exclude reciprocal interbank deposits. (Reciprocal interbank deposits arise when two banks maintain deposit accounts with each other.)

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, 1975 and December 31, 1975, 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 1971-1975 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, regardless of size, are required to report income taxes on an accrual basis.

Foreign assets of banks

Since June 30, 1974, a consolidated statement of domestic and foreign assets and liabilities of U.S. banks has been published semiannually by the Corporation in *Assets and Liabilities—Commercial and Mutual Savings Banks.* On December 31, 1975, the consolidated assets of insured commercial banks totaled $1,095.4 billion, compared to domestic assets of $952.5 billion (see table 107). The 140 insured commercial banks that reported foreign operations held consolidated assets of $591.1 billion.

Sources of data

Insured banks: see p. 181; 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, 1975

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State				
Total assets	**939,419,996**	**921,372,891**	**720,018,018**	**540,230,305**	**179,787,713**	**201,354,873**	**18,047,105**	**17,628,525**	**418,580**
Cash, balances with other banks, and cash items in process of collection—total	**129,525,378**	**125,887,317**	**107,322,310**	**75,858,028**	**31,464,282**	**18,565,007**	**3,638,061**	**3,570,213**	**67,848**
Currency and coin	10,170,329	10,140,016	7,561,564	5,812,607	1,748,957	2,578,452	30,313	29,761	552
Reserve with Federal Reserve banks (member banks)	26,894,695	26,894,695	26,894,695	20,823,928	6,070,767	0	0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	34,418,886	31,879,954	19,727,038	13,234,616	6,492,422	12,152,916	2,538,932	2,475,594	63,338
Other balances with banks in United States	5,821,311	5,360,291	3,645,009	3,194,711	450,298	1,715,282	461,020	459,414	1,606
Balances with banks in foreign countries	2,580,203	2,085,616	1,774,512	1,058,693	715,819	311,104	494,587	494,566	21
Cash items in process of collection	49,639,954	49,526,745	47,719,492	31,733,473	15,986,019	1,807,253	113,209	110,878	2,331
Securities—total	**213,415,592**	**210,489,997**	**149,774,056**	**115,983,645**	**33,790,411**	**60,715,941**	**2,925,595**	**2,736,196**	**189,399**
U.S. Treasury securities	68,618,845	68,208,291	49,614,590	37,610,374	12,004,216	18,593,701	410,554	399,496	11,058
Obligations of other U.S. Government agencies and corps	33,909,867	33,516,064	21,196,043	17,211,926	3,984,117	12,320,021	393,803	384,013	9,790
Obligations of States and political subdivisions	102,255,129	101,268,813	73,806,984	57,136,541	16,670,443	27,461,829	986,316	882,287	104,029
Other securities	8,631,751	7,496,829	5,156,439	4,024,804	1,131,635	2,340,390	1,134,922	1,070,400	64,522
Investment securities—total	207,217,264	204,302,487	143,637,801	111,734,963	31,902,838	60,664,686	2,914,777	2,725,386	189,391
U.S. Treasury securities	*65,674,208*	*65,274,472*	*46,705,111*	*35,699,875*	*11,005,236*	*18,569,361*	*399,736*	*388,686*	*11,050*
Obligations of other U.S. Government agencies and corps.	*32,968,755*	*32,574,952*	*20,262,271*	*16,467,841*	*3,794,430*	*12,312,681*	*393,803*	*384,013*	*9,790*
Obligations of States and political subdivisions	*100,348,534*	*99,362,218*	*71,914,116*	*55,837,102*	*16,077,014*	*27,448,102*	*986,316*	*882,287*	*104,029*
Other securities	*8,225,767*	*7,090,845*	*4,756,303*	*3,730,145*	*1,026,158*	*2,334,542*	*1,134,922*	*1,070,400*	*64,522*
Trading account securities—total	6,198,328	6,187,510	6,136,255	4,248,682	1,887,573	51,255	10,818	10,810	8
U.S. Treasury securities	*2,944,637*	*2,933,819*	*2,909,479*	*1,910,499*	*998,980*	*24,340*	*10,818*	*10,810*	*8*
Obligations of other U.S. Government agencies and corps.	*941,112*	*941,112*	*933,772*	*744,085*	*189,687*	*7,340*	*0*	*0*	*0*
Obligations of States and political subdivisions	*1,906,595*	*1,906,595*	*1,892,868*	*1,299,439*	*593,429*	*13,727*	*0*	*0*	*0*
Other securities	*405,984*	*405,984*	*400,136*	*294,659*	*105,477*	*5,848*	*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	**38,895,786**	**37,437,164**	**28,960,135**	**23,942,687**	**5,017,448**	**8,477,029**	**1,458,622**	**1,449,590**	**9,032**
With domestic commercial banks	34,117,588	32,658,966	24,305,851	20,457,466	3,848,385	8,353,115	1,458,622	1,449,590	9,032
With brokers and dealers in securities	3,053,966	3,053,966	2,976,789	2,603,186	373,603	77,177	0	0	0
With others	1,724,232	1,724,232	1,677,495	882,035	795,460	46,737	0	0	0

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1975–CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State				
Other loans—total	**501,968,159**	**493,125,468**	**386,582,764**	**290,629,220**	**95,953,544**	**106,542,704**	**8,842,691**	**8,796,324**	**46,367**
Real estate loans—total	133,010,666	132,724,532	95,378,614	74,652,004	20,726,610	37,345,918	286,134	271,939	14,195
Secured by farmland	*6,239,030*	*6,227,757*	*2,800,533*	*2,279,868*	*520,665*	*3,427,224*	*11,273*	*11,024*	*249*
Secured by residential properties:									
Secured by 1– to 4–family residential properties:									
Insured by Federal Housing Administration	*5,906,300*	*5,889,036*	*4,932,156*	*4,121,645*	*810,511*	*956,880*	*17,264*	*17,138*	*126*
Guaranteed by Veterans Administration	*3,217,178*	*3,196,081*	*2,716,557*	*2,289,877*	*426,680*	*479,524*	*21,097*	*20,689*	*408*
Not insured or guaranteed by FHA or VA	*66,227,843*	*66,072,522*	*47,039,400*	*37,634,014*	*9,405,386*	*19,033,122*	*155,321*	*148,347*	*6,974*
Secured by multifamily (5 or more) residential properties:									
Insured by Federal Housing Administration	*774,312*	*773,244*	*705,663*	*494,784*	*210,879*	*67,581*	*1,068*	*1,068*	*0*
Not insured by FHA	*6,042,166*	*6,038,238*	*4,839,633*	*3,293,118*	*1,546,515*	*1,198,605*	*3,928*	*3,819*	*109*
Secured by other properties	*44,603,837*	*44,527,654*	*32,344,672*	*24,538,698*	*7,805,974*	*12,182,982*	*76,183*	*69,854*	*6,329*
Loans to domestic commercial and foreign banks	11,363,010	8,699,124	8,128,796	4,923,064	3,205,732	570,328	2,663,886	2,663,656	230
Loans to other financial institutions	32,554,729	32,295,059	31,004,956	20,418,747	10,586,209	1,290,103	259,670	259,670	0
Loans to brokers and dealers in securities	5,534,034	5,447,119	5,372,644	2,204,094	3,168,550	74,475	86,915	86,455	460
Other loans for purchasing or carrying securities	3,837,588	3,819,674	3,177,962	2,491,812	686,150	641,712	17,914	15,674	2,240
Loans to farmers (excluding loans on real estate)	19,077,835	19,058,958	10,767,702	9,363,762	1,403,940	8,291,256	18,877	18,447	430
Commercial and industrial loans (incl. open market paper)	180,914,776	175,973,715	148,101,096	110,021,096	38,080,000	27,872,619	4,941,061	4,921,878	19,183
Loans to individuals—total	102,647,803	102,264,136	73,002,041	58,425,013	14,577,028	29,262,095	383,667	378,989	4,678
Passenger automobile instalment loans	*32,327,894*	*32,197,378*	*21,530,649*	*17,881,176*	*3,649,473*	*10,666,729*	*130,516*	*128,614*	*1,902*
Credit cards and related plans:									
Retail (charge account) credit card plans	*8,288,062*	*8,287,949*	*7,402,504*	*6,009,235*	*1,393,269*	*885,445*	*113*	*113*	*0*
Check credit and revolving credit plans	*2,611,019*	*2,610,428*	*2,161,847*	*1,334,779*	*827,068*	*448,581*	*591*	*591*	*0*
Other retail consumer instalment loans:									
Mobile homes, not including travel trailers	*8,810,077*	*8,803,902*	*6,340,282*	*5,410,997*	*929,285*	*2,463,620*	*6,175*	*6,175*	*0*
Other retail consumer goods	*6,629,825*	*6,591,561*	*4,324,815*	*3,666,953*	*657,862*	*2,266,746*	*38,264*	*37,914*	*350*
Residential repair and modernization instalment loans	*5,712,364*	*5,695,624*	*4,087,319*	*3,311,761*	*775,558*	*1,608,305*	*16,740*	*16,545*	*195*
Other instalment loans for personal expenditures	*15,608,594*	*15,528,497*	*10,617,520*	*8,197,916*	*2,419,604*	*4,910,977*	*80,097*	*79,233*	*864*
Single-payment loans for personal expenditures	*22,659,968*	*22,548,797*	*16,537,105*	*12,612,196*	*3,924,909*	*6,011,692*	*111,171*	*109,804*	*1,367*
All other loans (including overdrafts)	13,027,718	12,843,151	11,648,953	8,129,628	3,519,325	1,194,198	184,567	179,616	4,951
Total loans and securities	**754,279,537**	**741,052,629**	**565,316,955**	**430,555,552**	**134,761,403**	**175,735,674**	**13,226,908**	**12,982,110**	**244,798**
Bank premises, furniture and fixtures, and other assets representing bank premises	15,058,457	14,990,177	11,254,257	9,032,334	2,221,923	3,735,920	68,280	52,830	15,450
Real estate owned other than bank premises	1,287,502	1,271,270	952,869	608,169	344,700	318,401	16,232	2,176	14,056
Investments in subsidiaries not consolidated	1,821,945	1,798,105	1,777,410	1,375,606	401,804	20,695	23,840	22,211	1,629
Customers' liabilities on acceptances outstanding	9,476,544	9,229,767	8,996,812	5,738,010	3,258,802	232,955	246,777	246,777	0
Other assets	27,970,633	27,143,626	24,397,405	17,062,606	7,334,799	2,746,221	827,007	752,208	74,799

Total liabilities, reserves, and capital accounts	**939,419,996**	**921,372,891**	**720,018,018**	**540,230,305**	**179,787,713**	**201,354,873**	**18,047,105**	**17,628,525**	**418,580**
Business and personal deposits—total	**620,319,030**	**614,779,060**	**461,518,686**	**357,226,226**	**104,292,460**	**153,260,374**	**5,539,970**	**5,526,761**	**13,209**
Individuals, partnerships, and corporations—demand	233,318,825	232,252,896	177,891,151	135,537,491	42,353,660	54,361,745	1,065,929	1,062,117	3,812
Individuals, partnerships, and corporations—time	374,724,331	371,047,099	274,111,890	215,136,075	58,975,815	96,935,209	3,677,232	3,667,885	9,347
Savings deposits	*152,750,742*	*152,394,853*	*109,210,222*	*86,193,775*	*23,016,447*	*43,184,631*	*355,889*	*355,889*	*0*
Deposits accumulated for payment of personal loans	*341,215*	*334,869*	*259,207*	*223,067*	*36,140*	*75,662*	*6,346*	*6,346*	*0*
Other deposits of individuals, partnerships, and corps.	*221,632,374*	*218,317,377*	*164,642,461*	*128,719,233*	*35,923,228*	*53,674,916*	*3,314,997*	*3,305,650*	*9,347*
Certified and officers' checks, letters of credit, travelers' checks, etc.	12,275,874	11,479,065	9,515,645	6,552,660	2,962,985	1,963,420	796,809	796,759	50
Government deposits—total	**70,716,385**	**70,271,455**	**50,518,666**	**40,772,171**	**9,746,495**	**19,752,789**	**444,930**	**444,863**	**67**
United States Government—demand	3,141,836	3,121,236	2,170,177	1,727,674	442,503	951,059	20,600	20,533	67
United States Government—time	523,403	508,729	359,746	319,343	40,403	148,983	14,674	14,674	0
States and political subdivisions—demand	18,505,087	18,348,699	13,119,342	10,493,244	2,626,098	5,229,357	156,388	156,388	0
States and political subdivisions—time	48,546,059	48,292,791	34,869,401	28,231,910	6,637,491	13,423,390	253,268	253,268	0
Domestic interbank deposits—total	**44,898,009**	**44,285,201**	**42,296,856**	**24,317,554**	**17,979,302**	**1,988,345**	**612,808**	**608,836**	**3,972**
Commercial banks in the United States—demand	34,417,645	34,091,930	32,880,846	17,653,737	15,227,109	1,211,084	325,715	321,743	3,972
Commercial banks in the United States—time	8,549,264	8,411,761	7,747,996	5,711,683	2,036,313	663,765	137,503	137,503	0
Mutual savings banks in the United States—demand	1,279,677	1,151,473	1,056,926	558,789	498,137	94,547	128,204	128,204	0
Mutual savings banks in the United States—time	651,423	630,037	611,088	393,345	217,743	18,949	21,386	21,386	0
Foreign government and bank deposits—total	**24,489,558**	**22,096,452**	**21,740,597**	**11,763,492**	**9,977,105**	**355,855**	**2,393,106**	**2,393,005**	**101**
Foreign governments, central banks—demand	1,555,584	1,310,848	1,280,405	601,700	678,705	30,443	244,736	244,635	101
Foreign governments, central banks—time	13,450,483	12,887,644	12,714,885	6,959,579	5,755,306	172,759	562,839	562,839	0
Banks in foreign countries—demand	6,847,324	6,082,403	5,973,104	2,947,051	3,026,053	109,299	764,921	764,921	0
Banks in foreign countries—time	2,636,167	1,815,557	1,772,203	1,255,162	517,041	43,354	820,610	820,610	0
Total deposits	**760,422,982**	**751,432,168**	**576,074,805**	**434,079,443**	**141,995,362**	**175,357,363**	**8,990,814**	**8,973,465**	**17,349**
Demand	*311,341,852*	*307,838,550*	*243,887,596*	*176,072,346*	*67,815,250*	*63,950,954*	*3,503,302*	*3,495,300*	*8,002*
Time	*449,081,130*	*443,593,618*	*332,187,209*	*258,007,097*	*74,180,112*	*111,406,409*	*5,487,512*	*5,478,165*	*9,347*
Miscellaneous liabilities—total	**103,083,724**	**94,759,699**	**86,376,613**	**63,376,055**	**23,000,558**	**8,383,086**	**8,324,025**	**8,121,634**	**202,391**
Federal funds purchased and securities sold under agreements to repurchase	56,624,920	54,932,269	52,183,871	38,623,583	13,560,288	2,748,398	1,692,651	1,692,651	0
Other liabilities for borrowed money	6,239,136	4,479,781	4,150,267	3,330,452	819,815	329,514	1,759,355	1,735,922	23,433
Mortgage indebtedness	776,068	774,034	551,022	415,329	135,693	223,012	2,034	483	1,551
Acceptances outstanding	10,076,225	9,821,524	9,588,548	5,774,712	3,813,836	232,976	254,701	254,701	0
Other liabilities	29,367,375	24,752,091	19,902,905	15,231,979	4,670,926	4,849,186	4,615,284	4,437,877	177,407
Total liabilities	**863,506,706**	**846,191,867**	**662,451,418**	**497,455,498**	**164,995,920**	**183,740,449**	**17,314,839**	**17,095,099**	**219,740**
Minority interest in consolidated subsidiaries	**4,739**	**3,956**	**1,185**	**1,166**	**19**	**2,771**	**783**	**0**	**783**
Reserves on loans and securities—total	**9,001,545**	**8,940,428**	**7,298,377**	**5,279,919**	**2,018,458**	**1,642,051**	**61,117**	**60,925**	**192**
Reserve for bad debt losses on loans	8,681,846	8,626,645	7,111,091	5,155,284	1,955,807	1,515,554	55,201	55,116	85
Other reserves on loans	137,199	135,270	68,545	53,498	15,047	66,725	1,929	1,852	77
Reserves on securities	182,500	178,513	118,741	71,137	47,604	59,772	3,987	3,957	30

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1975—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State					
Capital accounts—total	**66,907,006**	**66,236,640**	**50,267,038**	**37,493,722**	**12,773,316**	**15,969,602**		**670,366**	**472,501**	**197,865**
Capital notes and debentures	4,452,507	4,318,261	3,467,019	2,264,433	1,202,586	851,242		134,246	134,151	95
Equity capital—total	62,454,499	61,918,379	46,800,019	35,229,289	11,570,730	15,118,360		536,120	338,350	197,770
Preferred stock	*50,449*	*42,495*	*23,556*	*12,926*	*10,630*	*18,939*		*7,954*	*7,580*	*374*
Common stock	*15,243,604*	*15,143,526*	*11,188,761*	*8,504,393*	*2,684,368*	*3,954,765*		*100,078*	*52,023*	*48,055*
Surplus	*26,074,068*	*25,904,657*	*19,504,642*	*14,370,026*	*5,134,616*	*6,400,015*		*169,411*	*133,918*	*35,493*
Undivided profits	*20,114,572*	*19,914,313*	*15,444,770*	*11,843,845*	*3,600,925*	*4,469,543*		*200,259*	*92,752*	*107,507*
Reserve for contingencies and other capital reserves	*971,806*	*913,388*	*638,290*	*498,099*	*140,191*	*275,098*		*58,418*	*52,077*	*6,341*
PERCENTAGES										
Of total assets:										
Cash and balances with other banks	13.8%	13.7%	14.9%	14.0%	17.5%	9.2%		20.2%	20.3%	16.2%
U.S. Treasury securities and obligations of other U.S. Government agencies and corporations	10.5	10.6	9.3	9.7	8.2	15.3		4.4	4.4	5.0
Other securities	12.2	12.2	11.5	11.8	10.6	14.8		11.8	11.1	40.3
Loans (including Federal funds sold and securities purchased under agreements to resell)	57.6	57.6	57.7	58.2	56.2	57.1		57.1	58.1	13.2
Other assets	5.9	5.9	6.6	6.3	7.5	3.5		6.6	6.1	25.3
Total capital accounts[3]	7.2	7.2	7.0	7.0	7.1	7.9		13.3	8.4	47.3
Of total assets other than cash and U.S. Treasury securities:										
Total capital accounts[3]	9.1	9.1	8.9	8.8	9.3	9.7		15.9[4]	10.0[4]	58.3
Number of banks	14,597	14,332	5,796	4,732	1,064	8,536		265	191	74

[1] Includes asset and liability figures for branches of foreign banks (tabulated as banks) licensed to do a deposit business. Capital is not allocated to these branches by the parent banks.

[2] Amounts shown as deposits are special accounts and uninvested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations.

[3] 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.

[4] 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. 157-158.

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State				
Total assets	**974,710,587**	**952,451,011**	**738,248,106**	**557,753,036**	**180,495,070**	**214,202,905**	**22,259,576**	**21,850,105**	**409,471**
Cash, balances with other banks, and cash items in process of collection—total	**134,513,617**	**129,024,072**	**108,632,602**	**78,181,403**	**30,451,199**	**20,391,470**	**5,489,545**	**5,455,607**	**33,938**
Currency and coin	12,373,608	12,355,374	9,280,448	7,155,659	2,124,789	3,074,926	18,234	18,101	133
Reserve with Federal Reserve banks (member banks)	26,779,975	26,779,975	26,779,975	20,908,068	5,871,907	0	0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	34,975,056	32,168,464	19,393,569	12,957,306	6,436,263	12,774,895	2,806,592	2,775,384	31,208
Other balances with banks in United States	9,071,095	7,566,509	5,193,028	4,535,033	657,995	2,373,481	1,504,586	1,503,964	622
Balances with banks in foreign countries	3,888,672	2,820,929	2,380,531	1,289,681	1,090,850	440,398	1,067,743	1,067,712	31
Cash items in process of collection	47,425,211	47,332,821	45,605,051	31,335,656	14,269,395	1,727,770	92,390	90,446	1,944
Securities—total	**230,796,642**	**227,847,169**	**162,205,685**	**125,408,604**	**36,797,081**	**65,641,484**	**2,949,473**	**2,820,016**	**129,457**
U.S. Treasury securities	84,535,194	83,986,977	61,523,861	46,804,244	14,719,617	22,463,116	548,217	526,131	22,086
Obligations of other U.S. Government agencies and corps	34,479,642	34,010,116	21,188,499	17,248,309	3,940,190	12,821,617	469,526	456,792	12,734
Obligations of States and political subdivisions	102,706,000	101,943,925	74,083,273	57,164,140	16,919,133	27,860,652	762,075	714,467	47,608
Other securities	9,075,806	7,906,151	5,410,052	4,191,911	1,218,141	2,496,099	1,169,655	1,122,626	47,029
Investment securities—total	225,458,721	222,515,186	157,023,926	121,889,802	35,134,124	65,491,260	2,943,535	2,814,086	129,449
U.S. Treasury securities	*81,553,289*	*81,011,010*	*58,665,936*	*44,810,555*	*13,855,381*	*22,345,074*	*542,279*	*520,201*	*22,078*
Obligations of other U.S. Government agencies and corps.	*33,768,194*	*33,298,668*	*20,490,252*	*16,789,934*	*3,700,318*	*12,808,416*	*469,526*	*456,792*	*12,734*
Obligations of States and political subdivisions	*101,563,552*	*100,801,477*	*72,953,037*	*56,362,996*	*16,590,041*	*27,848,440*	*762,075*	*714,467*	*47,608*
Other securities	*8,573,686*	*7,404,031*	*4,914,701*	*3,926,317*	*988,384*	*2,489,330*	*1,169,655*	*1,122,626*	*47,029*
Trading account securities—total	5,337,921	5,331,983	5,181,759	3,518,802	1,662,957	150,224	5,938	5,930	8
U.S. Treasury securities	*2,981,905*	*2,975,967*	*2,857,925*	*1,993,689*	*864,236*	*118,042*	*5,938*	*5,930*	*8*
Obligations of other U.S. Government agencies and corps.	*711,448*	*711,448*	*698,247*	*458,375*	*239,872*	*13,201*	*0*	*0*	*0*
Obligations of States and political subdivisions	*1,142,448*	*1,142,448*	*1,130,236*	*801,144*	*329,092*	*12,212*	*0*	*0*	*0*
Other securities	*502,120*	*502,120*	*495,351*	*265,594*	*229,757*	*6,769*	*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	**39,272,229**	**37,345,238**	**29,129,553**	**23,296,017**	**5,833,536**	**8,215,685**	**1,926,991**	**1,878,776**	**48,215**
With domestic commercial banks	34,115,300	32,188,309	24,083,152	19,163,447	4,919,705	8,105,157	1,926,991	1,878,776	48,215
With brokers and dealers in securities	3,701,754	3,701,754	3,646,174	3,149,005	497,169	55,580	0	0	0
With others	1,455,175	1,455,175	1,400,227	983,565	416,662	54,948	0	0	0

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975—CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State				
Other loans—total	**512,466,050**	**502,289,682**	**389,955,184**	**294,965,448**	**94,989,736**	**112,334,498**	**10,176,368**	**10,132,449**	**43,919**
Real estate loans—total	136,457,994	136,186,930	97,049,864	76,111,488	20,938,376	39,137,066	271,064	258,915	12,149
Secured by farmland	*6,383,414*	*6,370,913*	*2,835,794*	*2,328,911*	*506,883*	*3,535,119*	*12,501*	*12,188*	*313*
Secured by residential properties:									
Secured by 1– to 4–family residential properties:									
Insured by Federal Housing Administration	*5,779,837*	*5,761,362*	*4,838,342*	*4,051,510*	*786,832*	*923,020*	*18,475*	*18,375*	*100*
Guaranteed by Veterans Administration	*3,133,632*	*3,108,439*	*2,615,458*	*2,203,878*	*411,580*	*492,981*	*25,193*	*25,021*	*172*
Not insured or guaranteed by FHA or VA	*68,302,396*	*68,149,590*	*48,064,611*	*38,477,766*	*9,586,845*	*20,084,979*	*152,806*	*145,594*	*7,212*
Secured by multifamily (5 or more) residential properties:									
Insured by Federal Housing Administration	*514,540*	*513,947*	*457,423*	*273,764*	*183,659*	*56,524*	*593*	*593*	*0*
Not insured by FHA	*5,405,954*	*5,401,104*	*4,156,010*	*2,620,299*	*1,535,711*	*1,245,094*	*4,850*	*4,742*	*108*
Secured by other properties	*46,938,221*	*46,881,575*	*34,082,226*	*26,155,360*	*7,926,866*	*12,799,349*	*56,646*	*52,402*	*4,244*
Loans to domestic commercial and foreign banks	12,780,896	9,556,714	8,688,537	5,309,640	3,378,897	868,177	3,224,182	3,224,182	0
Loans to other financial institutions	29,748,146	29,409,991	28,136,454	18,597,940	9,538,514	1,273,537	338,155	338,155	0
Loans to brokers and dealers in securities	7,175,025	7,055,262	6,964,173	3,305,845	3,658,328	91,089	119,763	119,258	505
Other loans for purchasing or carrying securities	3,918,181	3,824,380	3,193,037	2,551,076	641,961	631,343	93,801	91,006	2,795
Loans to farmers (excluding loans on real estate)	20,164,527	20,135,056	11,244,192	9,792,955	1,451,237	8,890,864	29,471	28,759	712
Commercial and industrial loans (incl. open market paper)	181,030,528	175,922,939	146,867,431	110,033,586	36,833,845	29,055,508	5,107,589	5,086,066	21,523
Loans to individuals—total	107,617,366	106,819,480	75,787,575	60,903,529	14,884,046	31,031,905	797,886	792,975	4,911
Passenger automobile instalment loans	*33,989,669*	*33,455,998*	*22,105,578*	*18,353,408*	*3,752,170*	*11,350,420*	*533,671*	*531,768*	*1,903*
Credit cards and related plans:									
Retail (charge account) credit card plans	*9,552,062*	*9,551,255*	*8,520,475*	*6,967,052*	*1,553,423*	*1,030,780*	*807*	*807*	*0*
Check credit and revolving credit plans	*2,827,834*	*2,827,207*	*2,339,956*	*1,474,614*	*865,342*	*487,251*	*627*	*627*	*0*
Other retail consumer instalment loans:									
Mobile homes, not including travel trailers	*8,723,153*	*8,720,369*	*6,276,205*	*5,367,731*	*908,474*	*2,444,164*	*2,784*	*2,784*	*0*
Other retail consumer goods	*6,764,778*	*6,720,411*	*4,342,782*	*3,663,038*	*679,744*	*2,377,629*	*44,367*	*44,017*	*350*
Residential repair and modernization instalment loans	*5,970,570*	*5,955,100*	*4,202,738*	*3,404,680*	*798,058*	*1,752,362*	*15,470*	*15,275*	*195*
Other instalment loans for personal expenditures	*16,534,966*	*16,455,919*	*11,275,456*	*8,925,331*	*2,350,125*	*5,180,463*	*79,047*	*77,903*	*1,144*
Single-payment loans for personal expenditures	*23,254,334*	*23,133,221*	*16,724,385*	*12,747,675*	*3,976,710*	*6,408,836*	*121,113*	*119,794*	*1,319*
All other loans (including overdrafts)	13,573,387	13,378,930	12,023,921	8,359,389	3,664,532	1,355,009	194,457	193,133	1,324
Total loans and securities	**782,534,921**	**767,482,089**	**581,290,422**	**443,670,069**	**137,620,353**	**186,191,667**	**15,052,832**	**14,831,241**	**221,591**

Bank premises, furniture and fixtures, and other assets representing bank premises	15,675,411	15,598,230	11,607,346	9,339,846	2,267,500	3,990,884	77,181	61,253	15,928
Real estate owned other than bank premises	1,926,745	1,908,880	1,498,926	1,035,809	463,117	409,954	17,865	3,615	14,250
Investments in subsidiaries not consolidated	2,017,593	1,992,754	1,969,982	1,528,541	441,441	22,772	24,839	22,449	2,390
Customers' liabilities on acceptances outstanding	8,970,175	8,687,996	8,427,539	5,006,629	3,420,910	260,457	282,179	282,179	0
Other assets	29,072,125	27,756,990	24,821,289	18,990,739	5,830,550	2,935,701	1,315,135	1,193,761	121,374
Total liabilities, reserves, and capital accounts	**974,710,587**	**952,451,011**	**738,248,106**	**557,753,036**	**180,495,070**	**214,202,905**	**22,259,576**	**21,850,105**	**409,471**
Business and personal deposits—total	**652,931,404**	**645,305,033**	**481,402,390**	**372,851,693**	**108,550,697**	**163,902,643**	**7,626,371**	**7,608,875**	**17,496**
Individuals, partnerships, and corporations—demand	247,919,255	246,710,621	188,206,603	143,435,057	44,771,546	58,504,018	1,208,634	1,204,274	4,360
Individuals, partnerships, and corporations—time	393,366,714	387,848,833	284,635,349	223,495,060	61,140,289	103,213,484	5,517,881	5,504,774	13,107
Savings deposits	*161,150,232*	*160,716,975*	*114,410,189*	*90,574,034*	*23,836,155*	*46,306,786*	*433,257*	*433,257*	*0*
Deposits accumulated for payment of personal loans	*284,477*	*280,452*	*222,575*	*188,002*	*34,573*	*57,877*	*4,025*	*4,025*	*0*
Other deposits of individuals, partnerships, and corps	*231,932,005*	*226,851,406*	*170,002,585*	*132,733,024*	*37,269,561*	*56,848,821*	*5,080,599*	*5,067,492*	*13,107*
Certified and officers' checks, letters of credit, travelers' checks, etc.	11,645,435	10,745,579	8,560,438	5,921,576	2,638,862	2,185,141	899,856	899,827	29
Government deposits—total	**71,097,950**	**70,704,640**	**50,293,284**	**40,637,892**	**9,655,392**	**20,411,356**	**393,310**	**393,284**	**26**
United States Government—demand	3,147,074	3,126,532	2,259,731	1,792,980	466,751	866,801	20,542	20,516	26
United States Government—time	594,713	588,481	461,832	405,328	56,504	126,649	6,232	6,232	0
States and political subdivisions—demand	19,025,310	18,879,179	13,107,132	10,434,058	2,673,074	5,772,047	146,131	146,131	0
States and political subdivisions—time	48,330,853	48,110,448	34,464,589	28,005,526	6,459,063	13,645,859	220,405	220,405	0
Domestic interbank deposits—total	**45,308,101**	**44,280,973**	**42,041,498**	**26,164,808**	**15,876,690**	**2,239,475**	**1,027,128**	**1,025,891**	**1,237**
Commercial banks in the United States—demand	33,809,804	33,491,673	32,068,060	19,017,388	13,050,672	1,423,613	318,131	316,894	1,237
Commercial banks in the United States—time	9,655,353	9,129,775	8,420,254	6,360,110	2,060,144	709,521	525,578	525,578	0
Mutual savings banks in the United States—demand	1,325,146	1,159,714	1,062,857	484,530	578,327	96,857	165,432	165,432	0
Mutual savings banks in the United States—time	517,798	499,811	490,327	302,780	187,547	9,484	17,987	17,987	0
Foreign government and bank deposits—total	**23,544,467**	**20,458,022**	**19,980,100**	**10,653,630**	**9,326,470**	**477,922**	**3,086,445**	**3,086,389**	**56**
Foreign governments, central banks—demand	1,858,879	1,659,374	1,610,364	709,637	900,727	49,010	199,505	199,449	56
Foreign governments, central banks—time	12,425,754	11,374,159	11,186,931	5,861,819	5,325,112	187,228	1,051,595	1,051,595	0
Banks in foreign countries—demand	6,724,421	5,649,939	5,459,282	2,823,204	2,636,078	190,657	1,074,482	1,074,482	0
Banks in foreign countries—time	2,535,413	1,774,550	1,723,523	1,258,970	464,553	51,027	760,863	760,863	0
Total deposits	792,881,922	780,748,668	593,717,272	450,308,023	143,409,249	187,031,396	12,133,254	12,114,439	18,815
Demand	*325,455,324*	*321,422,611*	*252,334,467*	*184,618,430*	*67,716,037*	*69,088,144*	*4,032,713*	*4,027,005*	*5,708*
Time	*467,426,598*	*459,326,057*	*341,382,805*	*265,689,593*	*75,693,212*	*117,943,252*	*8,100,541*	*8,087,434*	*13,107*
Miscellaneous liabilities—total	**103,272,838**	**93,970,964**	**85,151,316**	**63,207,126**	**21,944,190**	**8,819,648**	**9,301,874**	**9,125,117**	**176,757**
Federal funds purchased and securities sold under agreements to repurchase	53,875,587	52,190,147	49,304,897	38,049,001	11,255,896	2,885,250	1,685,440	1,685,440	0
Other liabilities for borrowed money	6,667,393	4,651,050	4,341,562	2,826,146	1,515,416	309,488	2,016,343	1,987,927	28,416
Mortgage indebtedness	776,724	774,094	549,206	421,557	127,649	224,888	2,630	804	1,826
Acceptances outstanding	9,633,805	9,275,803	9,015,344	5,058,993	3,956,351	260,459	358,002	358,002	0
Other liabilities	32,319,329	27,079,870	21,940,307	16,851,429	5,088,878	5,139,563	5,239,459	5,092,944	146,515
Total liabilities	**896,154,760**	**874,719,632**	**678,868,588**	**513,515,149**	**165,353,439**	**195,851,044**	**21,435,128**	**21,239,556**	**195,572**
Minority interest in consolidated subsidiaries	**5,293**	**4,470**	**1,383**	**1,383**	**0**	**3,087**	**823**	**0**	**823**

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975–CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State					
Reserves on loans and securities–total	**9,086,263**	**9,010,387**	**7,294,187**	**5,257,296**	**2,036,891**	**1,716,200**		**75,876**	**75,442**	**434**
Reserve for bad debt losses on loans	8,722,359	8,654,714	7,078,732	5,107,451	1,971,281	1,575,982		67,645	67,309	336
Other reserves on loans	174,864	169,113	92,230	76,006	16,224	76,883		5,751	5,683	68
Reserves on securities	189,040	186,560	123,225	73,839	49,386	63,335		2,480	2,450	30
Capital accounts–total	**69,464,271**	**68,716,522**	**52,083,948**	**38,979,208**	**13,104,740**	**16,632,574**		**747,749**	**535,107**	**212,642**
Capital notes and debentures	4,578,135	4,407,892	3,494,058	2,291,322	1,202,736	913,834		170,243	170,147	96
Equity capital–total	64,886,136	64,308,630	48,589,890	36,687,886	11,902,004	15,718,740		577,506	364,960	212,546
Preferred stock	*53,872*	*47,881*	*28,092*	*13,962*	*14,130*	*19,789*		*5,991*	*5,613*	*378*
Common stock	*15,678,547*	*15,565,026*	*11,499,499*	*8,809,330*	*2,690,169*	*4,065,527*		*113,521*	*64,097*	*49,424*
Surplus	*26,886,013*	*26,712,935*	*19,979,645*	*14,718,169*	*5,261,476*	*6,733,290*		*173,078*	*134,036*	*39,042*
Undivided profits	*21,381,203*	*21,182,330*	*16,566,197*	*12,781,762*	*3,784,435*	*4,616,133*		*198,873*	*88,830*	*110,043*
Reserve for contingencies and other capital reserves	*886,501*	*800,458*	*516,457*	*364,663*	*151,794*	*284,001*		*86,043*	*72,384*	*13,659*
PERCENTAGES										
Of total assets:										
Cash and balances with other banks	13.8%	13.5%	14.7%	14.0%	16.9%	9.5%		24.7%	25.0%	8.3%
U.S. Treasury securities and obligations of other U.S. Government agencies and corporations	11.8	12.0	10.7	11.0	9.7	16.4		4.5	4.5	8.5
Other securities	11.8	11.9	11.2	11.4	10.7	14.2		8.7	8.4	23.1
Loans (including federal funds sold and securities purchased under agreements to resell)	56.6	56.7	56.8	57.1	55.9	56.3		54.4	55.0	22.5
Other assets	5.9	5.9	6.5	6.4	6.9	3.6		7.7	7.2	37.6
Total capital accounts[3]	7.3	7.3	7.1	7.0	7.3	7.8		14.1	8.6	51.9
Of total assets other than cash and U.S. Treasury securities:										
Total capital accounts[3]	9.3	9.3	9.2	9.1	9.6	9.7		16.1[4]	9.9[4]	60.2
Number of banks	14,657	14,384	5,790	4,744	1,046	8,594		273	195	78

[1, 2, 3, 4]See notes to table 106.

Note: Further information on the report of assets and liabilities of banks may be found on pp. 157-158.

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1975, AND DECEMBER 31, 1975
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1975			December 31, 1975		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Total assets	**116,774,352**	**102,273,237**	**14,501,115**	**121,070,592**	**107,280,765**	**13,789,827**
Cash, balances with banks, and collection items—total	**2,127,297**	**1,953,878**	**173,419**	**2,347,385**	**2,195,390**	**151,995**
Currency and coin	265,848	220,752	45,096	360,664	308,887	51,777
Demand balances with banks in the United States	592,626	500,100	92,526	787,661	706,116	81,545
Other balances with banks in the United States	1,132,441	1,116,382	16,059	1,095,534	1,091,274	4,260
Cash items in process of collection	136,382	116,644	19,738	103,526	89,113	14,413
Securities—total	**31,336,987**	**27,472,586**	**3,864,401**	**34,221,545**	**30,421,034**	**3,800,511**
United States Government and agency securities—total	9,215,658	8,034,993	1,180,665	10,798,850	9,468,682	1,330,168
Securities maturing in 1 year or less	*1,051,030*	*805,466*	*245,564*	*1,599,108*	*1,312,116*	*286,992*
Securities maturing in 1 to 5 years	*2,926,357*	*2,358,443*	*567,914*	*3,406,838*	*2,761,242*	*645,596*
Securities maturing in 5 to 10 years	*1,229,852*	*1,040,104*	*189,748*	*1,383,830*	*1,167,218*	*216,612*
Securities maturing after 10 years	*4,008,419*	*3,830,980*	*177,439*	*4,409,074*	*4,228,106*	*180,968*
Corporate bonds	13,771,152	12,490,307	1,280,845	14,685,540	13,503,561	1,181,979
State, county, and municipal obligations	1,277,611	1,162,986	114,625	1,549,892	1,488,631	61,261
Other bonds, notes, and debentures	2,786,126	2,226,101	560,025	2,882,418	2,329,685	552,733
Corporate stock—total	4,286,440	3,558,199	728,241	4,304,845	3,630,475	674,370
Bank	*526,189*	*350,638*	*175,551*	*528,884*	*374,851*	*154,033*
Other	*3,760,251*	*3,207,561*	*552,690*	*3,775,961*	*3,255,624*	*520,337*
Federal funds sold and securities purchased under agreements to resell	**1,730,266**	**1,412,056**	**318,210**	**1,107,953**	**897,063**	**210,890**
Other loans—total	**78,601,183**	**68,724,769**	**9,876,414**	**80,154,302**	**70,812,040**	**9,342,262**
Real estate loans—total	75,795,578	66,382,740	9,412,838	77,249,313	68,371,859	8,877,454
Construction loans	*882,834*	*744,954*	*137,880*	*930,601*	*824,494*	*106,107*
Secured by farmland	*51,598*	*38,283*	*13,315*	*59,408*	*48,239*	*11,169*
Secured by residential properties:						
Secured by 1- to 4-family residential properties:						
Insured by Federal Housing Administration	*12,823,316*	*11,861,140*	*962,176*	*12,424,873*	*11,587,451*	*837,422*
Guaranteed by Veterans Administration	*12,548,306*	*11,395,215*	*1,153,091*	*12,390,708*	*11,342,670*	*1,048,038*
Not insured or guaranteed by FHA or VA	*23,863,313*	*18,903,200*	*4,960,113*	*25,000,106*	*20,123,915*	*4,876,191*
Secured by multifamily (5 or more) residential properties:						
Insured by Federal Housing Administration	*1,831,892*	*1,774,044*	*57,848*	*2,002,073*	*1,949,245*	*52,828*
Not insured by FHA	*10,996,681*	*10,325,049*	*671,632*	*11,292,965*	*10,693,613*	*599,352*
Secured by other properties	*12,797,638*	*11,340,855*	*1,456,783*	*13,148,579*	*11,802,232*	*1,346,347*
Loans to domestic commercial and foreign banks	28,198	26,743	1,455	26,747	25,275	1,472
Loans to other financial institutions	48,240	48,220	20	32,835	32,714	121
Loans to brokers and dealers in securities	3	3	0	0	0	0
Other loans for purchasing or carrying securities	1,836	1,761	75	1,990	1,480	510
Loans to farmers (excluding loans on real estate)	1,336	1,336	0	1,460	1,456	4
Commercial and industrial loans	312,139	304,640	7,499	297,097	288,976	8,121

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1975, AND DECEMBER 31, 1975—CONTINUED
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1975			December 31, 1975		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Loans to individuals for personal expenditures	2,297,786	1,896,060	401,726	2,449,637	2,052,147	397,490
All other loans (including overdrafts)	116,067	63,266	52,801	95,223	38,133	57,090
Total loans and securities	**111,668,436**	**97,609,411**	**14,059,025**	**115,483,800**	**102,130,137**	**13,353,663**
Bank premises, furniture and fixtures, and other assets representing bank premises	1,031,479	905,030	126,449	1,087,813	963,664	124,149
Real estate owned other than bank premises	355,538	309,395	46,143	464,851	418,233	46,618
Investments in subsidiaries not consolidated	98,645	94,795	3,850	106,965	94,253	12,712
Other assets	1,492,957	1,400,728	92,229	1,579,778	1,479,088	100,690
Total liabilities and surplus accounts	**116,774,352**	**102,273,237**	**14,501,115**	**121,070,592**	**107,280,765**	**13,789,827**
Deposits—total	**106,711,808**	**93,610,570**	**13,101,238**	**110,583,326**	**98,126,107**	**12,457,219**
Savings and time deposits—total	105,687,126	92,617,918	13,069,208	109,553,709	97,133,340	12,420,369
Savings deposits	*69,132,329*	*60,454,140*	*8,678,189*	*70,307,268*	*62,050,661*	*8,256,607*
Deposits accumulated for payment of personal loans	*3,213*	*384*	*2,829*	*2,654*	*430*	*2,224*
Fixed maturity and other time deposits	*36,551,584*	*32,163,394*	*4,388,190*	*39,243,787*	*35,082,249*	*4,161,538*
Demand deposits—total	1,024,682	992,652	32,030	1,029,617	992,767	36,850
Miscellaneous liabilities—total	**1,896,313**	**1,643,349**	**252,964**	**2,066,326**	**1,815,359**	**250,967**
Securities sold under agreements to repurchase	75,048	75,048	0	108,715	108,715	0
Other borrowings	370,703	361,585	9,118	481,778	465,279	16,499
Other liabilities	1,450,562	1,206,716	243,846	1,475,833	1,241,365	234,468
Total liabilities	**108,608,121**	**95,253,919**	**13,354,202**	**112,649,652**	**99,941,466**	**12,708,186**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**70**	**70**	**0**
Surplus accounts—total	**8,166,231**	**7,019,318**	**1,146,913**	**8,420,870**	**7,339,229**	**1,081,641**
Capital notes and debentures	172,807	166,764	6,043	196,374	190,279	6,095
Other surplus accounts	7,993,424	6,852,554	1,140,870	8,224,496	7,148,950	1,075,546
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	1.8%	1.9%	1.2%	1.9%	2.0%	1.1%
U.S. Government and agency securities	7.9	7.9	8.1	8.9	8.8	9.6
Other securities	18.9	19.0	18.5	19.3	19.5	17.9
Loans (including federal funds sold and securities purchased under agreements to resell)	68.8	68.6	70.3	67.1	66.8	69.3
Other assets	2.6	2.6	1.9	2.7	2.8	2.1
Total surplus accounts	7.0	6.9	7.9	7.0	6.8	7.8
Of total assets other than cash and U.S. Government obligations:						
Total surplus accounts	7.8	7.6	8.7	7.8	7.7	8.8
Number of banks	478	323	155	476	329	147

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1965, 1971–1975
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 31, 1965	Dec. 31, 1971[1]	Dec. 31, 1972	Dec. 31, 1973	Dec. 31, 1974	Dec. 31, 1975
Total assets	**379,405,384[2]**	**639,903,322**	**737,699,385**	**832,658,280**	**912,529,261**	**952,451,011**
Cash, balances with banks, and collection items–total	**60,436,719**	**98,690,700**	**111,844,113**	**116,939,181**	**126,081,191**	**129,024,072**
Currency and coin	4,865,803	7,591,590	8,703,008	10,768,844	11,727,595	12,355,374
Reserve with Federal Reserve banks (member banks)	17,992,395	27,482,817	26,074,890	27,820,742	27,118,296	26,779,975
Demand balances with banks in the U.S. (except American branches of foreign banks)	14,354,186	21,962,456	28,156,064	30,128,768	34,414,497	32,168,464
Other balances with banks in the U.S.	484,817	2,427,914	2,783,379	2,771,041	4,090,428	7,566,509
Balances with banks in foreign countries	255,865	567,033	739,928	787,960	1,449,086	2,820,929
Cash items in process of collection	22,483,653	38,658,890	45,386,844	44,661,826	47,281,289	47,332,821
Investment securities–total	**103,650,708**	**163,859,514**	**178,632,700**	**179,574,763**	**185,919,136**	**222,515,186**
U.S. Treasury securities	59,209,832	62,696,667	64,709,715	55,293,300	51,873,986	81,011,010
Securities of other U.S. Government agencies and corporations	4,513,114	17,071,836	21,156,678	27,538,214	31,087,341	33,298,668
Obligations of States and political subdivisions	38,480,349	80,135,021	87,418,538	91,227,882	96,791,360	100,801,477
Other securities	1,447,413	3,955,990	5,347,769	5,515,367	6,166,449	7,404,031
Trading account securities[3]	....	**5,307,564**	**5,128,096**	**8,655,329**	**7,983,831**	**5,331,983**
Federal funds sold[4]	**2,064,215**	**19,643,272**	**25,634,862**	**34,379,920**	**38,937,288**	**37,345,238**
Other loans–total	**203,061,201[2]**	**328,225,896**	**388,902,133**	**459,755,788**	**506,378,800**	**502,289,682**
Real estate loans–total	49,393,933	82,314,290	99,086,276	118,787,181	131,751,383	136,186,930
Secured by farmland	*2,888,012*	*4,173,726*	*4,752,270*	*5,420,190*	*6,030,620*	*6,370,913*
Secured by residential properties:						
Secured by 1– to 4–family residential properties:						
Insured by Federal Housing Administration	*7,592,405*	*7,476,243*	*7,236,346*	*6,902,779*	*6,154,725*	*5,761,362*
Guaranteed by Veterans Administration	*2,637,439*	*2,966,378*	*3,181,876*	*3,253,738*	*3,193,583*	*3,108,439*
Not insured or guaranteed by FHA or VA	*21,929,584*	*37,438,104*	*46,425,199*	*57,639,300*	*65,204,281*	*68,149,590*
Secured by multifamily (5 or more) properties:						
Insured by Federal Housing Administration[3]	....	*803,880*	*1,225,769*	*1,293,191*	*939,083*	*513,947*
Not insured by FHA[3]	....	*3,177,970*	*4,550,113*	*5,636,229*	*6,652,445*	*5,401,104*
Secured by other properties	*14,346,493*	*26,277,989*	*31,714,703*	*38,641,754*	*43,576,646*	*46,881,575*
Loans to domestic commercial and foreign banks	2,095,012	4,405,298	6,119,843	9,155,496	10,082,525	9,556,714
Loans to other financial institutions	13,186,038	16,908,213	23,407,695	30,540,982	35,119,904	29,409,991
Loans to brokers and dealers in securities	5,087,694	7,202,440	11,165,572	7,625,741	5,192,896	7,055,262
Other loans for purchasing or carrying securities	3,175,076	3,646,064	4,467,145	4,300,946	4,003,015	3,824,380
Loans to farmers (excluding loans on real estate)	8,203,013	12,506,206	14,302,106	17,150,320	18,225,296	20,135,056
Commercial and industrial loans (including open market paper)	71,235,183	118,401,203	132,497,555	158,688,202	184,216,999	175,922,939
Other loans to individuals–total	45,497,461	74,796,848	87,629,904	100,382,510	103,714,164	106,819,480
Passenger automobile instalment loans	*17,139,214*	*24,850,695*	*29,084,924*	*33,477,132*	*32,949,382*	*33,455,998*
Credit cards and related plans:						
Retail (charge account) credit card plans	(5)	*4,523,889*	*5,443,349*	*6,878,593*	*8,327,292*	*9,551,255*
Check credit and revolving credit plans	(5)	*1,463,857*	*1,780,153*	*2,262,700*	*2,810,808*	*2,827,207*

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1965, 1971–1975–CONTINUED
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 31, 1965	Dec. 31, 1971[1]	Dec. 31, 1972	Dec. 31, 1973	Dec. 31, 1974	Dec. 31, 1975
Other retail consumer instalment loans	*4,176,950*	....	....	....	....	....
Mobile homes, not including travel trailers[3]	....	*4,674,364*	*6,436,145*	*8,371,286*	*8,998,167*	*8,720,369*
Other retail consumer goods[3]	....	*4,655,510*	*5,170,118*	*6,206,851*	*6,514,415*	*6,720,411*
Residential repair and modernization instalment loans	*3,126,804*	*3,865,597*	*4,326,916*	*4,906,940*	*5,625,691*	*5,955,100*
Other instalment loans for personal expenditures	*7,388,640*	*11,409,477*	*12,903,659*	*14,538,048*	*15,491,334*	*16,455,919*
Single-payment loans for personal expenditures	*13,665,853*	*19,353,459*	*22,484,640*	*23,740,960*	*22,997,075*	*23,133,221*
All other loans (including overdrafts)	5,187,791	8,045,334	10,226,037	13,124,410	14,072,618	13,378,930
Total loans and securities	**308,776,124[2]**	**517,036,246**	**598,297,791**	**682,365,800**	**739,219,055**	**767,482,089**
Bank premises, furniture and fixtures, and other assets representing bank premises	5,144,222	10,285,384	11,524,646	12,788,763	14,296,959	15,598,230
Real estate owned other than bank premises		390,833	369,193	433,860	811,080	1,908,880
Investments in subsidiaries not consolidated[3]	....	911,550	1,077,700	1,403,400	1,739,054	1,992,754
Customers' liability on acceptances outstanding	1,862,571	3,914,186	3,471,203	4,356,527	10,653,382	8,687,996
Other assets	3,185,748	8,674,423	11,114,739	14,370,749	19,728,540	27,756,990
Total liabilities, reserves, and capital accounts	**379,405,384**	**639,903,322**	**737,699,385**	**832,658,280**	**912,529,261**	**952,451,011**
Business and personal deposits—total	**275,205,357**	**439,568,884**	**504,283,757**	**555,151,799**	**604,637,647**	**645,305,033**
Individuals, partnerships, and corporations—demand	139,077,920	191,775,515	221,204,645	231,956,880	235,984,680	246,710,621
Individuals, partnerships, and corporations—time	130,195,436	237,930,791	271,826,567	312,332,827	358,273,861	387,848,833
Savings deposits	*92,554,897*	*112,165,951*	*124,188,716*	*127,818,434*	*136,268,612*	*160,716,975*
Deposits accumulated for payment of personal loans	*1,078,207*	*677,179*	*554,001*	*503,468*	*386,635*	*280,452*
Other deposits of individuals, partnerships, and corporations	*36,562,332*	*125,087,661*	*147,083,850*	*184,010,925*	*221,618,614*	*226,851,406*
Certified and officers' checks, letters of credit, travelers' checks, etc.	5,932,001	9,862,578	11,252,545	10,862,092	10,379,106	10,745,579
Government deposits—total	**32,216,843**	**58,987,158**	**67,554,342**	**73,660,934**	**74,219,736**	**70,704,640**
United States Government—demand	5,523,816	10,263,251	10,939,672	9,887,668	4,821,969	3,126,532
United States Government—time	281,330	530,769	614,035	440,641	500,147	588,481
States and subdivisions—demand	14,241,724	17,714,586	18,672,774	18,746,900	18,710,659	18,879,179
States and subdivisions—time	12,169,973	30,478,552	37,327,861	44,585,725	50,186,961	48,110,448
Domestic interbank deposits—total	**17,311,718**	**31,906,847**	**33,677,534**	**37,444,862**	**45,328,505**	**44,280,973**
Commercial banks in the United States—demand	15,779,062	28,014,732	28,569,727	29,861,879	35,101,553	33,491,673
Commercial banks in the United States—time	510,159	2,441,489	3,548,503	5,783,907	8,563,604	9,129,775
Mutual savings banks in the United States—demand	860,378	1,163,740	1,205,688	1,155,682	1,197,332	1,159,714
Mutual savings banks in the United States—time	162,119	286,886	353,616	643,394	466,016	499,811
Foreign government and bank deposits—total	**6,778,763**	**8,721,173**	**11,391,934**	**15,361,830**	**22,227,034**	**20,458,022**
Foreign governments, central banks, etc.—demand	892,867	803,364	908,731	1,355,645	1,882,054	1,659,374
Foreign governments, central banks, etc.—time	4,086,126	5,053,554	6,517,493	8,506,931	12,078,963	11,374,159
Banks in foreign countries—demand	1,529,097	2,681,096	3,637,309	5,279,635	6,339,583	5,649,939
Banks in foreign countries—time	270,673	183,159	328,401	219,619	1,926,434	1,774,550
Total deposits	**331,512,681**	**539,184,062**	**616,907,567**	**681,619,425**	**746,412,922**	**780,748,668**
Demand	*183,836,865*	*262,278,862*	*296,391,091*	*309,106,381*	*314,416,936*	*321,422,611*
Time	*147,675,816*	*276,905,200*	*320,516,476*	*372,513,044*	*431,995,986*	*459,326,057*

Miscellaneous liabilities—total	**13,976,496**	**47,367,281**	**61,509,222**	**85,386,177**	**94,147,074**	**93,970,964**
Federal funds purchased (borrowed)[6]	2,438,413	24,179,742	33,731,069	50,480,996	51,224,639	52,190,147
Other liabilities for borrowed money	1,898,290	1,463,429	3,919,796	7,179,644	4,867,119	4,651,050
Mortgage indebtedness[3]	....	668,331	1,160,675	771,519	724,845	774,094
Acceptances outstanding	1,897,569	4,039,643	3,570,900	4,486,309	11,226,448	9,275,803
Other liabilities	7,742,224	17,016,136	19,126,782	22,467,709	26,104,023	27,079,870
Total liabilities	**345,489,177**	**586,551,343**	**678,416,789**	**767,005,602**	**840,559,996**	**874,719,632**
Minority interest in consolidated subsidiaries	....	**3,551**	**5,594**	**5,473**	**5,113**	**4,470**
Reserves on loans and securities—total	**4,011,273**	**6,443,382**	**6,909,306**	**7,808,584**	**8,676,953**	**9,010,387**
Reserves for bad debt losses on loans	4,011,273	6,151,274	6,623,801	7,526,744	8,376,683	8,654,714
Other reserves on loans[3]	....	113,427	112,167	107,994	131,581	169,113
Reserves on securities[3]	....	178,681	173,338	173,846	168,689	186,560
Capital accounts—total	**29,904,934**	**46,905,046**	**52,367,696**	**57,838,621**	**63,287,199**	**68,716,522**
Capital notes and debentures	1,652,701	2,956,180	4,092,820	4,117,351	4,259,531	4,407,892
Equity capital—total	28,252,233	43,948,866	48,274,876	53,721,270	59,027,668	64,308,630
Preferred stock	*39,890*	*91,930*	*68,924*	*65,650*	*43,460*	*47,881*
Common stock	*8,507,770*	*11,811,129*	*12,853,653*	*13,846,071*	*14,789,463*	*15,565,026*
Surplus	*13,464,797*	*19,895,816*	*21,528,422*	*23,593,311*	*25,313,257*	*26,712,935*
Undivided profits	*5,437,575*	*11,135,068*	*13,012,232*	*15,361,857*	*17,969,789*	*21,182,330*
Reserve for contingencies and other capital reserves	*802,201*	*1,014,923*	*811,645*	*854,381*	*911,699*	*800,458*
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	15.9%	15.4%	15.2%	14.0%	13.8%	13.5%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	16.8	12.5	11.6	9.9	9.1	12.0
Other securities	10.5	14.0	13.3	12.7	12.2	11.9
Loans (including Federal funds sold and securities purchased under agreements to resell)	54.1	54.4	56.2	59.3	59.8	56.7
Other assets	2.7	3.8	3.7	4.0	5.2	5.9
Total capital accounts	7.9	7.3	7.1	7.0	7.0	7.3
Of total assets other than cash and U.S. Treasury securities:						
Total capital accounts	11.5	9.8	9.4	8.8	8.7	9.3
Number of banks	13,547	13,612	13,733	13,976	14,228	14,384

[1] For description of changes in 1969 in the Report of Condition, see pp. 157-158 and notes to tables.
[2] Assets include "Other loans and discounts" at gross (before deduction of valuation reserves) value, as reported in 1971—1975.
[3] Not available prior to figure shown, see note 1.
[4] Prior to December 31, 1966, "Federal funds sold (loaned)" were included in "Other loans"; 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] 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, 1965, 1971–1975
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	Dec. 31, 1965	Dec. 31, 1971	Dec. 31, 1972	Dec. 31, 1973	Dec. 31, 1974	Dec. 31, 1975
Total assets	**50,709,047**[1]	**77,891,927**	**87,650,051**	**93,012,515**	**95,589,401**	**107,280,765**
Cash, balances with banks, and collection items—total	**904,000**	**1,273,735**	**1,520,399**	**1,847,776**	**2,053,353**	**2,195,390**
Currency and coin	142,598	195,679	215,345	226,905	268,102	308,887
Demand balances with banks in the United States	493,600	551,149	568,211	711,172	683,943	706,116
Other balances with banks in the United States	212,193	445,384	627,530	817,495	1,022,757	1,091,274
Cash items in process of collection	55,609	81,523	109,313	92,204	78,551	89,113
Securities—total	**8,770,371**	**18,491,379**	**22,636,737**	**21,871,412**	**22,684,614**	**30,421,034**
United States Government and agency securities—total	4,602,317	5,156,321	6,386,003	5,971,200	5,967,835	9,468,682
Securities maturing in 1 year or less	(2)	*867,992*	*968,157*	*831,719*	*712,274*	*1,312,116*
Securities maturing in 1 to 5 years	(2)	*1,823,997*	*1,915,014*	*1,513,476*	*1,604,165*	*2,761,242*
Securities maturing in 5 to 10 years	(2)	*832,859*	*1,095,116*	*789,936*	*694,251*	*1,167,218*
Securities maturing after 10 years	(2)	*1,631,473*	*2,407,716*	*2,836,069*	*2,957,145*	*4,228,106*
State, county, and municipal obligations	300,273	373,810	857,353	907,013	882,620	1,488,631
Corporate bonds	(3)	9,293,507	11,086,004	10,026,920	10,560,303	13,503,561
Other bonds, notes, and debentures	2,731,805[3]	1,194,941	1,370,862	1,713,867	1,856,557	2,329,685
Corporate stock—total	1,135,976	2,472,800	2,936,515	3,252,412	3,417,299	3,630,475
Bank	....	*288,373*	*329,426*	*364,066*	*348,290*	*374,851*
Other	....	*2,184,427*	*2,607,089*	*2,888,346*	*3,069,009*	*3,255,624*
Federal funds sold and securities purchased under agreements to resell	(4)	**493,536**	**596,255**	**1,252,753**	**964,856**	**897,063**
Other loans—total	**40,173,674**[1]	**56,066,722**	**60,950,481**	**65,870,714**	**67,449,217**	**70,812,040**
Real estate loans—total	39,435,679	54,222,077	59,094,330	63,946,513	65,339,748	68,371,859
Construction loans	(2)	*736,386*	*1,002,712*	*1,090,262*	*821,250*	*824,494*
Secured by farmland	*46,819*[5]	*41,656*	*51,459*	*51,160*	*49,185*	*48,239*
Secured by residential properties:						
Secured by 1– to 4–family residential properties:						
Insured by Federal Housing Administration	*12,911,024*[6]	*13,532,344*	*13,388,433*	*12,828,775*	*12,052,069*	*11,587,451*
Guaranteed by Veterans Administration	*10,427,383*[6]	*10,923,517*	*11,413,769*	*11,728,249*	*11,501,239*	*11,342,670*
Not insured or guaranteed by FHA or VA	*12,245,612*[6]	*13,031,229*	*14,804,568*	*17,087,533*	*18,275,751*	*20,123,915*
Secured by multifamily (5 or more) residential properties:						
Insured by Federal Housing Administration	(6)	*1,396,791*	*1,399,794*	*1,523,751*	*1,688,126*	*1,949,245*
Not insured by FHA	(6)	*7,136,586*	*8,265,926*	*9,416,887*	*10,076,268*	*10,693,613*
Secured by other properties	*3,804,841*	*7,423,568*	*8,767,669*	*10,219,896*	*10,875,860*	*11,802,232*
Loans to domestic commercial and foreign banks	12,505[4]	49,628	29,751	13,679	18,339	25,275
Loans to other financial institutions	14,342	36,492	29,927	29,473	26,324	32,714
Loans to brokers and dealers in securities	21,585	5,951	28,922	4,441	743	0
Other loans for purchasing or carrying securities	4,812	3,485	3,446	2,221	930	1,480
Loans to farmers (excluding loans on real estate)	1,913	1,110	1,305	1,323	1,416	1,456
Commercial and industrial loans	144,698	463,001	252,438	173,322	175,360	288,976
Loans to individuals for personal expenditures	515,673	1,260,144	1,451,401	1,665,365	1,812,329	2,052,147
All other loans (including overdrafts)	22,467	24,834	58,961	34,377	74,028	38,133

Total loans and securities	**48,944,045**[1]	**75,051,637**	**84,183,473**	**88,994,879**	**91,098,687**	**102,130,137**
Bank premises, furniture and fixtures, and other assets representing bank premises	353,930	590,326	661,118	760,289	857,879	963,664
Real estate owned other than bank premises	27,295	90,987	147,340	180,671	233,775	418,233
Investments in subsidiaries not consolidated	(2)	41,518	59,309	64,883	82,292	94,253
Other assets	479,777	843,724	1,078,412	1,164,017	1,263,415	1,479,088
Total liabilities and surplus accounts	**50,709,047**	**77,891,927**	**87,650,051**	**93,012,515**	**95,589,401**	**107,280,765**
Deposits—total	**45,887,291**	**71,500,831**	**80,571,993**	**84,890,128**	**86,814,415**	**98,126,107**
Savings and time deposits—total	45,521,139	70,818,051	79,781,381	84,008,571	85,904,825	97,133,340
Savings deposits	*45,477,204*	*57,644,100*	*60,573,427*	*57,591,849*	*56,497,626*	*62,050,661*
Deposits accumulated for payment of personal loans	*28*	*80*	*25*	*476*	*295*	*430*
Fixed maturity and other time deposits	*43,907*	*13,173,871*	*19,207,929*	*26,416,246*	*29,406,904*	*35,082,249*
Demand deposits—total	366,152	682,780	790,612	881,557	909,590	992,767
Miscellaneous liabilities—total	**655,013**	**975,996**	**1,114,469**	**1,609,538**	**1,952,443**	**1,815,359**
Securities sold under agreements to repurchase	....	....	22,757	26,089	217,561	108,715
Other borrowings	90,800	100,045	98,980	445,901	667,256	465,279
Other liabilities	564,213	875,951	992,732	1,137,548	1,067,626	1,241,365
Total liabilities	**46,542,304**	**72,476,827**	**81,686,462**	**86,499,666**	**88,766,858**	**99,941,466**
Minority interest in consolidated subsidiaries	(2)	**1**	**0**	**0**	**0**	**70**
Surplus accounts—total	**4,166,743**	**5,415,099**	**5,963,589**	**6,512,849**	**6,822,543**	**7,339,229**
Capital notes and debentures	2,759	10,456	59,372	114,953	169,460	190,279
Other surplus accounts	4,163,984[1]	5,404,643	5,904,217	6,397,896	6,653,083	7,148,950
PERCENTAGES						
Of total assets:[1]						
Cash and balances with other banks	1.8%	1.7%	1.7%	2.0%	2.1%	2.0%
U.S. Government and agency securities	9.1	6.6	7.3	6.4	6.2	8.8
Other securities	8.2	17.1	18.5	17.1	17.5	19.5
Loans (including Federal funds sold and securities purchased under agreements to resell)	79.2	72.6	70.2	72.2	71.6	66.8
Other assets	1.7	2.0	2.2	2.3	2.5	2.8
Total surplus accounts	8.2	7.0	6.8	7.0	7.1	6.8
Of total assets other than cash and U.S. Government and agency securities:						
Total surplus accounts	9.2	7.6	7.5	7.6	7.8	7.7
Number of banks	329	327	326	322	320	329

[1] Figures on loans and on securities have been revised to a gross basis to provide comparability with data for 1971–1975. See page 158 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 1971–1975.
[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 1975 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975
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	13.6	12.6	13.6	10.9	10.0	9.9	10.1	10.8	12.9	13.4	16.3
U.S. Treasury and agency securities[1]	12.0	42.0	25.8	24.7	21.1	17.8	15.9	14.7	13.3	10.1	8.5
Obligations of States and political subdivisions	10.6	1.4	3.9	7.0	10.9	13.7	14.4	14.3	12.9	11.8	7.3
Other securities	.8	.8	1.2	.9	.7	.9	.9	1.1	1.1	.9	.5
Federal funds sold (loaned)[2]	3.9	13.8	9.3	6.3	5.3	4.4	3.6	3.5	4.3	4.8	3.5
Other loans and discounts—total	52.7	26.0	43.7	47.5	49.4	50.6	51.6	60.0	51.6	53.5	54.2
Real estate loans—total	14.3	3.3	9.6	12.4	14.6	17.3	18.3	18.8	17.1	17.1	10.1
Loans to banks and other financial institutions	4.1	.0	.4	.3	.2	.3	.5	.7	1.4	3.3	8.0
Loans to purchase or carry securities	1.1	.0	.1	.2	.2	.2	.3	.3	.9	.7	2.0
Loans to farmers (excluding loans on real estate)	2.1	11.3	14.1	13.4	11.3	7.5	3.7	1.8	.9	.8	.6
Commercial and industrial loans	18.5	3.6	6.3	7.8	8.9	10.0	12.2	14.3	16.0	17.6	24.5
Instalment loans for personal expenditures	8.7	6.1	9.2	9.9	10.5	11.3	12.5	12.1	11.5	9.4	5.4
Single payment loans for personal expenditures	2.4	1.1	3.3	3.0	3.1	3.3	3.4	3.2	2.8	3.1	1.5
All other loans (including overdrafts)	1.4	.5	.6	.5	.6	.6	.6	.7	1.0	1.5	2.1
Other assets	6.3	3.5	2.5	2.7	2.5	2.8	3.4	3.5	4.0	5.4	9.7
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	82.1	69.5	84.8	87.2	88.5	88.7	87.9	87.4	84.9	81.8	76.7
Demand	*33.8*	*51.9*	*47.1*	*36.4*	*33.7*	*32.3*	*31.7*	*31.9*	*34.1*	*35.3*	*34.5*
Time	*48.2*	*17.6*	*37.7*	*50.8*	*54.8*	*56.5*	*56.2*	*55.5*	*50.8*	*46.5*	*42.2*
Individuals, partnerships, and corporations—demand	26.1	45.2	41.8	31.6	29.0	27.7	27.2	26.9	27.0	27.5	24.4
Individuals, partnerships, and corporations—time	40.8	16.1	32.5	45.4	49.5	51.0	50.3	48.8	43.3	39.7	33.6
U.S. Government	.4	.3	.2	.4	.4	.4	.5	.5	.5	.4	.3
States and subdivisions	7.0	7.3	9.5	8.8	8.5	8.5	8.5	8.9	9.2	8.9	4.6
Domestic interbank	5.2	.3	.3	.3	.2	.3	.5	1.2	3.7	4.5	9.3
Foreign government and bank	1.4	.0	.0	(5)	.0	(5)	(5)	(5)	.1	(5)	3.2
Other deposits	1.1	.3	.5	.8	.8	.8	.9	1.0	1.1	.9	1.4
Federal funds purchased (borrowed)[3]	5.5	.0	.1	.2	.3	.5	.9	1.5	4.2	6.5	9.1
Other liabilities for borrowed money	.5	.0	.1	.1	.1	.1	.1	.1	.1	.5	.9
Other liabilities[4]	3.8	1.0	1.2	1.6	1.7	2.1	2.7	2.7	2.7	2.9	5.3
Reserves on loans and securities	.9	.2	.5	.5	.6	.7	.7	.8	.8	.9	1.1
Capital notes and debentures	.5	.0	(5)	.1	.1	.2	.3	.4	.5	.6	.6
Other capital accounts	6.7	29.3	13.2	10.3	8.7	7.6	7.3	7.1	6.7	6.6	6.2
Number of banks	14,138	24	204	1,877	3,110	4,818	2,177	1,036	705	102	85

[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 1975 Report of Income), December 31, 1975.

Table 112. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS OPERATING THROUGHOUT 1975 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975
BANKS GROUPED BY AMOUNT OF DEPOSITS

Asset, liability, 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	2.8	4.0	2.3	1.9	2.2	1.9	2.1
United States Government and agency securities	8.8	15.4	7.9	8.6	9.4	9.9	9.3	7.9
Corporate bonds	12.6	7.5	8.5	7.8	8.3	10.0	12.0	15.1
State, county and municipal obligations	1.4	.1	.9	1.2	.9	1.2	1.3	1.6
Other securities	5.6	4.8	6.6	6.1	6.0	5.2	5.8	5.6
Federal funds sold and securities purchased under agreements to resell	.8	2.4	2.0	1.6	1.6	1.3	1.1	.3
Other loans and discounts	66.0	64.9	68.6	70.0	69.6	67.5	66.0	64.6
Real estate loans—total	63.7	59.1	63.1	65.4	65.7	64.6	64.1	62.8
Construction loans	*.8*	*.4*	*.7*	*1.1*	*1.3*	*1.0*	*.5*	*.7*
Secured by farmland	(2)	*.3*	*.3*	*.3*	*.2*	(2)	*.1*	(2)
Secured by residential properties:								
Insured by FHA	*12.6*	*5.0*	*2.2*	*3.1*	*6.0*	*9.8*	*15.1*	*14.3*
Guaranteed by VA	*10.6*	*2.2*	*5.2*	*3.9*	*6.5*	*9.0*	*11.2*	*12.0*
Not insured or guaranteed by FHA or VA	*28.7*	*45.0*	*47.2*	*50.2*	*44.5*	*37.1*	*26.7*	*22.1*
Secured by other properties	*11.0*	*6.2*	*7.5*	*6.6*	*7.2*	*7.8*	*10.5*	*13.7*
Commercial and industrial loans	.3	1.2	.7	.2	.4	.1	.3	.3
Loans to individuals for personal expenditures	1.9	4.6	4.5	4.1	3.3	2.6	1.5	1.4
All other loans including overdrafts	.1	.1	.2	.2	.2	.1	.1	(2)
Other assets	2.8	2.0	1.6	2.5	2.4	2.7	2.7	2.9
Total liabilities and surplus accounts	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Deposits—total	91.5	91.5	91.3	91.2	91.3	91.5	91.5	91.5
Savings deposits	57.8	66.3	61.6	60.9	60.5	59.7	58.9	55.8
Deposits accumulated for payment of personal loans	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Fixed maturity and other time deposits	32.7	25.1	29.0	29.7	30.2	30.9	31.5	34.7
Demand deposits	.9	.1	.7	.7	.7	.9	1.1	.9
Miscellaneous liabilities	1.7	1.2	.9	1.0	1.3	1.5	1.6	1.9
Surplus accounts	6.8	7.3	7.8	7.8	7.4	7.0	6.9	6.6
Capital notes and debentures	.2	.6	.5	.1	.2	.2	.1	.2
Other surplus accounts	6.7	6.8	7.2	7.7	7.2	6.8	6.8	6.4
Number of banks	329	7	23	61	75	105	32	26

[1] Dollar amounts of assets and liabilities of all mutual savings banks are shown in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1975 Report of Income), December 31, 1975.
[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, 1975

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	856	15	71	347	268	128	23	3	1	0	0
More than 0.0 but less than 1.0	382	2	26	166	93	66	19	6	4	0	0
1.0 to 2.49	455	3	32	168	126	85	27	7	6	1	0
2.5 to 4.99	846	2	22	250	249	216	55	23	19	1	9
5.0 to 7.49	1,222	0	15	223	342	368	119	53	62	16	24
7.5 to 9.99	1,669	0	4	200	389	597	239	107	90	22	21
10.0 to 12.49	2,004	1	7	149	459	698	338	169	143	21	19
12.5 to 14.99	2,073	0	7	118	392	754	421	212	146	16	7
15.0 to 17.49	1,629	1	10	81	267	644	333	179	100	11	3
17.5 to 19.99	1,216	0	3	50	198	513	248	132	65	6	1
20.0 to 24.99	1,163	0	2	67	189	492	242	111	53	6	1
25.0 or more	580	0	1	39	128	252	112	31	15	2	0
Ratios of U.S. Treasury securities to total assets of—											
Less than 5	2,964	4	26	308	634	1,054	488	228	162	26	34
5 to 9.99	4,194	4	45	423	769	1,448	729	386	308	44	38
10 to 14.99	3,069	5	33	349	661	1,104	493	251	138	24	11
15 to 19.99	1,681	2	27	258	427	548	261	100	50	7	1
20 to 24.99	964	1	16	189	245	332	109	40	30	1	1
25 to 29.99	537	1	16	111	164	173	44	19	9	0	0
30 to 34.99	266	0	10	73	96	53	27	6	1	0	0
35 to 39.99	179	0	6	49	49	53	15	2	5	0	0
40 to 44.99	114	2	13	35	27	28	8	0	1	0	0
45 to 49.99	57	0	3	27	15	11	0	1	0	0	0
50 or more	70	5	5	36	13	9	2	0	0	0	0

Ratios of loans to total assets of–											
Less than 20	68	6	5	23	11	16	4	2	1	0	0
20 to 24.99	109	1	8	31	32	25	7	2	3	0	0
25 to 29.99	209	0	5	43	65	63	29	2	2	0	0
30 to 34.99	420	1	9	89	108	143	47	13	9	1	0
35 to 39.99	699	2	17	124	185	228	81	37	23	0	2
40 to 44.99	1,161	0	17	179	292	409	142	70	47	3	2
45 to 49.99	1,667	2	18	219	375	566	265	128	76	12	6
50 to 54.99	2,263	1	26	226	438	816	404	198	125	10	19
55 to 59.99	2,567	2	19	272	459	855	456	262	178	40	24
60 to 64.99	2,408	1	22	249	458	848	429	189	167	21	24
65 to 69.99	1,490	4	24	190	365	514	224	94	57	10	8
70 to 74.99	726	2	15	134	210	247	73	28	13	4	0
75 or more	308	2	15	79	102	83	15	8	3	1	0
Ratios of cash and due from banks to total assets of–											
Less than 5	1,032	1	8	159	269	386	124	65	18	2	0
5.0 to 7.49	3,553	3	31	462	889	1,305	561	198	98	6	0
7.5 to 9.99	3,566	3	38	425	766	1,253	616	276	168	18	3
10.0 to 12.49	2,377	6	31	292	485	842	377	199	118	17	10
12.5 to 14.99	1,465	3	28	171	279	459	226	128	118	28	25
15.0 to 17.49	830	3	18	108	166	228	129	74	67	15	22
17.5 to 19.99	483	1	9	83	86	141	50	43	52	5	13
20.0 to 24.99	496	1	18	91	93	127	64	40	43	10	9
25.0 to 29.99	161	2	6	40	31	41	18	5	14	1	3
30.0 or more	132	1	13	27	36	31	11	5	8	0	0
Ratios of total demand deposits to total deposits of–											
Less than 25	1,445	0	4	132	290	573	254	129	56	6	1
25 to 29.99	2,128	2	8	188	485	795	391	171	80	5	3
30 to 34.99	2,649	1	20	314	609	953	416	188	129	12	7
35 to 39.99	2,572	2	23	314	583	875	418	206	122	12	17
40 to 44.99	2,059	1	31	294	433	678	317	146	123	24	12
45 to 49.99	1,360	1	15	191	306	437	194	94	88	16	18
50 to 54.99	820	1	18	150	156	255	109	52	58	12	9
55 to 59.99	440	1	17	99	86	135	41	22	20	7	12
60 to 64.99	226	1	6	56	60	49	22	12	11	5	4
65 to 69.99	130	1	8	30	34	33	8	4	9	1	2
70 to 79.99	92	2	11	19	22	20	5	9	2	2	0
80 to 89.99	53	1	12	18	14	5	0	0	3	0	0
90 or more	121	10	27	53	22	5	1	0	3	0	0

Table 113. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1975—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	698	1	2	23	90	266	134	92	64	14	12
7.5 to 9.99	4,755	0	8	256	761	1,793	981	494	365	51	46
10.0 to 12.49	4,308	0	22	429	950	1,627	722	313	195	29	21
12.5 to 14.99	1,941	1	34	324	559	637	221	99	54	6	6
15.0 to 17.49	914	0	24	232	294	264	65	16	17	2	0
17.5 to 19.99	491	3	18	156	178	98	22	12	4	0	0
20.0 to 22.49	317	0	12	116	95	71	17	3	3	0	0
22.5 to 24.99	153	1	12	63	50	21	3	3	0	0	0
25.0 to 29.99	224	6	25	100	66	19	7	1	0	0	0
30.0 to 34.99	122	2	14	63	28	14	1	0	0	0	0
35.0 to 39.99	68	1	8	40	14	1	3	0	1	0	0
40.0 or more	104	9	21	56	15	2	0	0	1	0	0
Ratios of total capital accounts to total assets of—											
Less than 5	252	0	0	13	25	106	52	23	28	2	3
5 to 5.99	1,084	0	3	64	187	396	201	112	95	11	15
6 to 6.99	3,181	1	4	249	598	1,199	561	297	215	31	26
7 to 7.99	3,667	0	29	346	724	1,343	658	307	201	35	24
8 to 8.99	2,437	0	21	297	573	887	378	167	91	14	9
9 to 9.99	1,310	0	18	228	348	422	171	69	43	5	6
10 to 10.99	794	2	22	177	245	214	85	32	13	2	2
11 to 11.99	449	2	19	124	136	112	36	11	8	1	0
12 to 12.99	235	2	20	58	79	51	14	4	6	1	0
13 to 14.99	282	6	16	107	77	51	14	9	2	0	0
15 to 16.99	153	2	16	66	49	15	3	1	1	0	0
17 or more	251	9	32	129	59	17	3	1	1	0	0
Number of banks	14,095	24	200	1,858	3,100	4,813	2,176	1,033	704	102	85

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 nonbank 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 pages 157-158 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.)

In comparing the 1969-1975 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 domestic branches, domestic bank premises subsidiaries, and other significant nonbanking domestic subsidiaries (see page 158).

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 were almost entirely eliminated, except for a simple reconciliation of surplus.

Sources of data

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

State 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 - 1975

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 the 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 a memoranda account.

Following 1951, the loan loss section of the reports of condition and income and expense remained unchanged until 1971. Beginning in 1971, the income report was revised in a manner similar to changes in 1969 applicable to commercial banks, to show actual net loan losses as operating expenses. (Mutual savings banks 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), 1967–1975
(Amounts in thousands of dollars)

Income item	1967[1]	1968[1]	1969	1970	1971	1972	1973	1974	1975
Operating income—total	**21,781,611**	**25,478,404**	**30,806,805**	**34,716,420**	**36,364,008**	**40,247,555**	**53,036,327**	**68,160,779**	**66,558,502**
Interest and fees on loans[2]	14,646,637[2]	17,120,079[2]	20,726,664	22,967,366	23,069,354	25,630,498	35,375,638	47,138,740	43,379,504
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	3,712,304	2,294,621
Interest on U.S. Treasury securities	2,601,900	3,004,655	2,845,257	3,078,725	3,395,663	3,396,365	3,465,192	3,441,273	4,440,640
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	2,018,561	2,348,937
Interest on obligations of States and political subdivisions[3]	...	...	2,215,971	2,620,257	3,127,136	3,493,981	3,864,785	4,453,876	4,918,518
Interest and dividends on other securities[3]	1,904,886	2,376,223	134,548	151,832	238,033	322,239	371,987	467,873	533,244
Trust department income	820,269	906,206	1,021,900	1,132,292	1,257,807	1,366,455	1,459,879	1,506,206	1,601,968
Service charges on deposit accounts	987,187	1,055,964	1,120,196	1,178,192	1,231,470	1,262,022	1,326,992	1,459,858	1,555,360
Other service charges, collection and exchange charges, commissions, and fees	411,021	478,028	693,578	842,480	989,432	1,083,104	1,251,651	1,408,525	1,653,549
Other operating income	409,711	536,249	686,043	1,050,488	1,267,387	1,521,580	1,961,041	2,553,563	3,832,161
Operating expense—total[4]	**16,553,642**	**19,354,237**	**24,076,791**	**27,588,602**	**29,650,981**	**32,996,608**	**44,329,800**	**58,909,998**	**57,581,737**
Salaries and wages of officers and employees	4,537,896	5,101,803	5,878,812	6,656,884	7,202,972	7,754,773	8,574,731	9,797,706	10,698,250
Pensions and other employee benefits	667,345	755,744	903,469	1,060,167	1,192,011	1,330,440	1,553,077	1,788,727	1,988,470
Interest on deposits	7,379,863	8,681,705	9,789,893	10,483,795	12,217,994	13,844,020	19,834,817	27,888,772	26,245,936
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	5,985,504	3,322,993
Interest on other borrowed money[5]	266,476	528,986	433,120	464,568	139,388	115,240	503,941	917,638	377,195
Interest on capital notes and debentures[4]	...	...	100,742	104,730	142,381	213,532	254,458	283,203	294,098
Occupancy expense of bank premises, net	873,541	970,034	1,073,339	1,254,520	1,410,190	1,583,538	1,782,956	2,052,345	2,324,644
Gross occupancy expense	*1,059,785*	*1,173,423*	*1,331,926*	*1,555,734*	*1,730,402*	*1,926,695*	*2,152,621*	*2,438,528*	*2,754,742*
Less rental income	*186,244*	*203,389*	*258,587*	*301,214*	*320,212*	*343,157*	*369,665*	*386,183*	*430,098*
Furniture and equipment, depreciation, rental costs, servicing, etc.	533,846	631,564	773,072	909,090	1,018,128	1,087,844	1,201,241	1,360,721	1,532,739
Provision for loan losses[4]	...	...	521,064	703,150	867,260	973,238	1,264,695	2,286,132	3,612,410
Other operating expenses	2,294,675	2,684,401	3,397,493	4,550,860	4,365,009	4,664,812	5,460,868	6,549,250	7,185,002
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**	**9,250,781**	**8,976,765**
Net current operating earnings (old basis)	**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**	**2,084,028**	**1,792,696**
Income before securities gains or losses[6]	...	...	**4,565,595**	**4,954,043**	**5,023,881**	**5,543,452**	**6,585,427**	**7,166,753**	**7,184,069**
Securities gains or losses, net[6]	...	...	**−237,707**	**−103,695**	**213,245**	**92,456**	**−27,135**	**−87,052**	**37,066**
Gross	−4,312	−438,520	−512,242	−224,028	359,279	166,730	−73,458	−161,247	34,376
Taxes	...	...	−274,535	−120,333	146,034	74,274	−46,323	−74,195	−2,690
Net income before extraordinary items[6]	...	...	**4,327,888**	**4,850,348**	**5,237,126**	**5,635,908**	**6,558,292**	**7,079,701**	**7,221,135**
Extraordinary charges or credits, net[6]	...	...	**6,914**	**−12,810**	**−639**	**19,153**	**21,561**	**11,920**	**33,779**
Gross	...	...	3,994	−35,865	−12,552	23,953	30,817	17,877	46,823
Taxes	...	...	−2,920	−23,055	−11,913	4,800	9,256	5,957	13,044
Less minority interest in consolidated subsidiaries[6]	...	...	**235**	**245**	**282**	**663**	**659**	**357**	**303**
Net income	...	...	**4,334,567**	**4,837,293**	**5,236,205**	**5,654,398**	**6,579,194**	**7,091,264**	**7,254,611**
Recoveries, charge-offs, transfers from reserves, net	**−904,645**	**−992,665**	...	...	...	...	...	...	...

Net income before taxes (old basis)	**4,319,012**	**4,692,982**	....	....	....	....	....	....	....
Total provision for income taxes	**1,177,154**	**1,267,044**	**1,505,336**	**1,863,787**	**1,651,807**	**1,598,869**	**1,715,439**	**1,759,739**	**1,727,041**
Federal income taxes	1,020,988	1,086,889	1,287,514	1,619,790	1,367,492	1,288,725	1,336,317	1,357,394	1,225,927
State and local income taxes	156,166	180,155	217,822	243,997	284,315	310,144	379,122	402,345	501,114
Net income after taxes (old basis)	**3,141,858**	**3,425,938**	....	....	....	....	....	....	....
Dividends on capital—total[7]	**1,426,202**	**1,589,114**	**1,769,314**	**2,040,027**	**2,230,556**	**2,196,868**	**2,429,330**	**2,768,104**	**3,032,444**
Cash dividends declared on common stock	1,342,538	1,488,670	1,762,279	2,033,288	2,225,125	2,193,052	2,425,633	2,765,674	3,030,230
Cash dividends declared on preferred stock[7]	83,664	100,444	7,035	6,739	5,431	3,816	3,697	2,430	2,214
Memoranda[8]									
Recoveries credited to reserves:									
On loans	168,680	219,115	209,124	255,350	317,320	363,663	388,846	461,350	547,380
On securities	5,638	1,913	1,986	1,260	2,253	6,243	2,061	1,651	691
Losses charged to reserves:									
On loans	601,194	629,707	697,874	1,236,988	1,404,520	1,250,989	1,548,033	2,418,281	3,790,210
On securities	29,072	32,262	12,448	2,881	3,714	4,333	5,440	3,120	2,689
Average assets and liabilities[9]									
Assets—total	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**	**679,113,973**	**776,702,572**	**871,394,495**	**924,946,738**
Cash and due from banks	70,248,679	78,504,024	86,663,384	89,089,607	95,673,527	102,969,933	110,168,143	122,224,773	126,838,007
U.S. Treasury securities	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]	52,822,043[11]	65,992,148[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]	94,524,535[11]	98,953,279[11]
Other securities[10]	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]	35,256,603[11]	39,203,344[11]
Loans and discounts	230,636,149	253,678,319	283,479,251	301,667,242	327,633,687	376,543,347	453,238,907	519,572,131	536,061,723
All other assets	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]	46,994,410[11]	57,898,237[11]
Liabilities and capital—total	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**	**679,113,973**	**776,702,572**	**871,394,495**	**924,946,738**
Total deposits	368,906,501	407,508,260	431,468,339	449,522,141	507,101,968	568,240,268	640,806,208	710,029,868	756,948,586
Demand deposits	*194,982,924*	*213,628,389*	*230,490,525*	*237,588,875*	*251,447,347*	*271,122,732*	*293,708,282*	*307,363,186*	*313,836,391*
Time and savings deposits	*173,923,577*	*193,879,871*	*200,977,814*	*211,933,266*	*255,654,621*	*297,117,536*	*347,097,926*	*402,666,682*	*443,112,195*
Borrowings and other liabilities	23,836,162	30,297,605	46,642,486	53,212,878	51,507,005	61,179,885	80,677,846	100,573,737	101,918,202
Total capital accounts	32,876,674	35,332,148	38,214,658	41,145,389	44,813,747	49,693,820	55,218,518	60,790,890	66,079,950
Capital notes and debentures	*1,884,844*	*2,096,175*	*2,027,427*	*2,047,429*	*2,548,014*	*3,546,497*	*4,044,715*	*4,204,891*	*4,328,561*
Equity capital	*30,991,830*	*33,235,973*	*36,187,231*	*39,097,960*	*42,265,733*	*46,147,323*	*51,173,803*	*56,585,999*	*61,751,389*
Number of employees (end of period)	815,037	866,725	904,008	959,867	980,660	1,025,997	1,093,616	1,160,585	1,226,415
Number of banks (end of period)	13,517	13,488	13,473	13,511	13,612	13,733	13,976	14,228	14,384

[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. 179-181 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" was 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 180 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. 1967 and 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), 1967–1975

Income item	1967	1968	1969	1970	1971	1972	1973	1974	1975
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]	67.24	67.20	69.91	69.05	65.84	66.23	71.39	74.60	68.62
Interest on U.S. Treasury securities	11.95	11.79	9.23	8.87	9.34	8.44	6.53	5.05	6.67
Interest on State and local government obligations[2]	....	....	7.19	7.55	8.60	8.65	7.29	6.53	7.39
Interest and dividends on other securities[3]	8.74	9.33	2.23	2.42	3.17	3.64	3.48	3.65	4.33
Trust department income	3.77	3.56	3.32	3.26	3.46	3.40	2.75	2.21	2.41
Service charges on deposit accounts	4.53	4.14	3.64	3.39	3.39	3.14	2.50	2.14	2.34
Other charges, commissions, fees, etc.	1.89	1.88	2.25	2.43	2.72	2.67	2.36	2.07	2.48
Other operating income	1.88	2.10	2.23	3.03	3.48	3.78	3.70	3.75	5.76
Operating expense—total[4]	76.00	75.96	78.15	79.47	81.54	81.98	83.58	86.43	86.51
Salaries and wages	20.83	20.02	19.08	19.18	19.81	19.27	16.17	14.38	16.07
Pensions and other benefits	3.07	2.97	2.93	3.05	3.28	3.30	2.93	2.62	2.99
Interest on time and savings deposits	33.88	34.07	31.78	30.20	33.60	34.40	37.40	40.92	39.43
Interest on borrowed money[5]	1.22	2.08	5.65	5.67	3.79	4.37	8.78	10.54	6.00
Occupancy expense of bank premises, net	4.01	3.81	3.48	3.61	3.88	3.93	3.36	3.01	3.49
Furniture and equipment, etc.	2.45	2.48	2.51	2.62	2.80	2.70	2.26	2.00	2.30
Provision for loan losses[4]	....	....	1.69	2.03	2.38	2.42	2.38	3.35	5.43
Other operating expenses	10.54	10.53	11.03	13.11	12.00	11.59	10.30	9.61	10.80
Income before income taxes and securities gains or losses	....	....	21.85	20.53	18.46	18.02	16.42	13.57	13.49
Net current operating earnings (old basis)	24.00	24.04	....	....	....	....	....	....	....
Amounts per $100 of total assets									
Operating income—total	5.12	5.38	5.97	6.38	6.03	5.93	6.83	7.82	7.20
Net current operating earnings (old basis)	1.23	1.29	....	....	....	....	....	....	....
Income before income taxes and securities gains or losses	....	....	1.30	1.31	1.11	1.07	1.12	1.06	.97
Net income[6]	.74	.72	.84	.89	.87	.83	.85	.81	.78
Amounts per $100 of total capital accounts									
Net income[6]	9.56	9.70	11.48[7]	11.89[7]	11.85[7]	11.60[7]	12.14[7]	11.89[7]	11.19[7]
Cash dividends declared on common stock	4.08	4.21	4.61	4.94	4.97	4.41	4.39	4.55	4.59
Net additions to capital from income	5.22	5.20	6.71	6.80	6.71	6.96	7.51	7.11	6.39
Amounts per $100 of equity capital									
Net income[6]	10.14	10.31	11.98	12.37	12.39	12.25	12.86	12.53	11.75
Special ratios									
Income on loans per $100 of loans[1]	6.35	6.75	7.60	7.95	7.31	7.08	8.35	9.79	8.52
Income on U.S. Treasury securities per $100 of U.S. Treasury securities	4.54	4.88	5.02	5.68	5.67	5.48	5.91	6.51	6.73
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	4.71	4.97
Income on other securities per $100 of other securities[3]	3.45	3.64	5.79	6.55	6.34	6.15	6.28	7.05	7.35
Service charges per $100 of demand deposits	.51	.49	.49	.50	.49	.47	.45	.47	.50
Interest paid per $100 of time and savings deposits	4.24	4.48	4.87	4.95	4.78	4.66	5.71	6.93	5.92
Number of banks (end of period)	13,517	13,488	13,473	13,511	13,612	13,733	13,976	14,228	14,384

[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 1969–1975, 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 1969–1975 are not fully comparable with those in 1968 and prior years; see table 114 and pp. 179-181.
[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), 1975
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	**66,558,502**	**38,907,384**	**12,460,343**	**15,190,775**	**66,516,727**	**41,775**
Interest and fees on loans	43,379,504	25,475,648	8,273,234	9,630,622	43,360,158	19,346
Income on federal funds sold and securities purchased under agreements to resell	2,294,621	1,383,590	331,945	579,086	2,289,422	5,199
Interest on U.S. Treasury securities	4,440,640	2,406,807	758,721	1,275,112	4,434,622	6,018
Interest and dividends on securities of other U.S. Government agencies and corporations	2,348,937	1,194,878	268,349	885,710	2,346,691	2,246
Interest on obligations of States and political subdivisions	4,918,518	2,724,431	852,026	1,342,061	4,917,871	647
Interest and dividends on other securities	533,244	280,207	73,582	179,455	531,684	1,560
Trust department income	1,601,968	926,400	530,452	145,116	1,601,956	12
Service charges on deposit accounts	1,555,360	883,533	202,222	469,605	1,553,900	1,460
Other service charges, collection and exchange charges, commissions, and fees	1,653,549	1,086,980	272,473	294,096	1,650,170	3,379
Other operating income	3,832,161	2,544,910	897,339	389,912	3,830,253	1,908
Operating expense—total	**57,581,737**	**33,617,508**	**10,792,481**	**13,171,748**	**57,525,157**	**56,580**
Salaries and wages of officers and employees	10,698,250	6,079,354	1,984,207	2,634,689	10,682,734	15,516
Pensions and other employee benefits	1,988,470	1,149,758	410,787	427,925	1,986,933	1,537
Interest on deposits	26,245,936	15,249,594	4,550,717	6,445,625	26,233,374	12,562
Expense of federal funds purchased and securities sold under agreements to repurchase	3,322,993	2,263,426	887,571	171,996	3,322,792	201
Interest on other borrowed money	377,195	248,667	87,190	41,338	377,030	165
Interest on capital notes and debentures	294,098	149,826	77,836	66,436	294,035	63
Occupancy expense of bank premises, net	2,324,644	1,282,188	509,827	532,629	2,320,026	4,618
Gross occupancy expense	*2,754,742*	*1,565,010*	*589,795*	*599,937*	*2,750,075*	*4,667*
Less rental income	*430,098*	*282,822*	*79,968*	*67,308*	*430,049*	*49*
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,532,739	902,250	251,979	378,510	1,529,758	2,981
Provision for loan losses	3,612,410	2,224,282	826,013	562,115	3,610,818	1,592
Other operating expense	7,185,002	4,068,163	1,206,354	1,910,485	7,167,657	17,345
Income before income taxes and securities gains or losses	**8,976,765**	**5,289,876**	**1,667,862**	**2,019,027**	**8,991,570**	**−14,805**
Applicable income taxes	**1,792,696**	**1,068,564**	**384,346**	**339,786**	**1,794,404**	**−1,708**
Income before securities gains or losses	**7,184,069**	**4,221,312**	**1,283,516**	**1,679,241**	**7,197,166**	**−13,097**
Net securities gains or losses	**37,066**	**15,998**	**1,388**	**19,680**	**36,954**	**112**
Gross	34,376	19,095	−11,943	27,224	34,232	144
Taxes	−2,690	3,097	−13,331	7,544	−2,722	32
Net income before extraordinary items	**7,221,135**	**4,237,310**	**1,284,904**	**1,698,921**	**7,234,120**	**−12,985**
Extraordinary charges or credits, net	**33,779**	**21,795**	**1,683**	**10,301**	**33,775**	**4**
Gross	46,823	34,644	724	11,455	46,819	4
Taxes	13,044	12,849	−959	1,154	13,044	0

Table 116. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1975—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	**303**	**132**	**0**	**171**	**303**	**0**
Net income	**7,254,611**	**4,258,973**	**1,286,587**	**1,709,051**	**7,267,592**	**−12,981**
Dividends on capital—total	**3,032,444**	**1,821,388**	**654,625**	**556,431**	**3,032,283**	**161**
Cash dividends declared on common stock	3,030,230	1,820,564	654,457	555,209	3,030,069	161
Cash dividends declared on preferred stock	2,214	824	168	1,222	2,214	0
Total provision for income taxes	**1,727,041**	**1,038,289**	**367,606**	**321,146**	**1,728,813**	**−1,772**
Federal income taxes	1,225,927	802,143	169,034	254,750	1,227,584	−1,657
State and local income taxes	501,114	236,146	198,572	66,396	501,229	−115
Memoranda[1]						
Recoveries credited to reserves:						
On loans	547,380	356,172	70,993	120,215	547,312	68
On securities	691	261	54	376	691	0
Losses charged to reserves:						
On loans	3,790,210	2,381,304	775,633	633,273	3,789,988	222
On securities	2,689	1,212	210	1,267	2,689	0
Number of employees (end of period)	1,226,415	732,560	181,749	312,106	1,222,474	3,941
Number of banks (end of period)	14,384	4,744	1,046	8,594	14,138	246

[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 1975 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	**66,516,727**	**5,179**	**25,476**	**545,241**	**1,771,545**	**6,030,574**	**5,941,339**	**5,619,848**	**11,720,994**	**6,499,812**	**28,356,719**
Interest and fees on loans	43,360,158	602	13,586	303,954	1,052,641	3,732,395	3,779,153	3,617,817	7,571,251	4,307,787	18,980,972
Income on federal funds sold and securities purchased under agreements to resell	2,289,422	221	2,496	35,389	96,673	276,090	231,914	191,102	439,045	256,174	760,318
Interest on U.S. Treasury securities	4,434,622	514	4,425	76,171	200,824	580,087	512,698	442,637	794,203	408,213	1,414,850
Interest and dividends on securities of other U.S. Government agencies and corporations	2,346,691	329	2,066	51,698	148,047	390,992	316,900	274,159	502,930	142,455	517,115
Interest on obligations of States and political subdivisions	4,917,871	17	798	26,481	134,381	576,331	596,218	564,870	1,024,501	515,982	1,478,292
Interest and dividends on other securities	531,684	6	304	6,279	16,360	56,646	62,336	67,286	129,772	63,348	129,347
Trust department income	1,601,956	3,364	0	5,167	5,459	18,128	35,236	80,605	316,142	189,281	948,574
Service charges on deposit accounts	1,553,900	29	814	16,498	58,378	201,056	199,089	164,834	303,926	161,206	448,070
Other service charges, collection and exchange charges, commissions, and fees	1,650,170	78	518	14,835	32,311	103,997	104,677	105,740	320,695	203,628	763,691
Other operating income	3,830,253	19	469	8,769	26,471	94,852	103,118	110,798	318,529	251,738	2,915,490
Operating expense—total	**57,525,157**	**4,862**	**21,791**	**472,171**	**1,503,705**	**5,103,559**	**5,111,948**	**4,883,164**	**10,370,004**	**5,773,017**	**24,280,936**
Salaries and wages of officers and employees	10,682,734	2,484	7,626	123,327	331,557	1,006,834	972,502	928,482	2,030,382	1,112,139	4,167,401
Pensions and other employee benefits	1,986,933	432	726	14,690	45,109	156,718	162,104	159,924	364,290	206,735	876,205
Interest on deposits	26,233,374	232	7,176	206,753	744,265	2,658,212	2,626,085	2,468,770	4,689,851	2,387,595	10,444,435
Expense of federal funds purchased and securities sold under agreements to repurchase	3,322,792	0	9	638	2,883	18,303	37,802	67,907	438,343	377,618	2,379,289
Interest on other borrowed money	377,030	1	14	390	1,525	6,394	9,677	7,821	33,811	35,272	282,125
Interest on capital notes and debentures	294,035	0	9	328	1,639	11,171	16,485	21,533	57,454	37,570	147,846
Occupancy expense of bank premises, net	2,320,026	196	897	17,819	53,246	179,780	197,464	199,429	472,148	243,444	955,603
Gross occupancy expense	*2,750,075*	*197*	*933*	*18,734*	*56,301*	*190,999*	*217,957*	*227,531*	*572,518*	*324,110*	*1,140,795*
Less rental income	*430,049*	*1*	*36*	*915*	*3,055*	*11,219*	*20,493*	*28,102*	*100,370*	*80,666*	*185,192*
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,529,758	203	757	15,879	45,516	146,051	145,279	145,061	348,011	184,470	498,531
Provision for loan losses	3,610,818	35	619	15,386	48,274	173,541	204,592	197,463	499,288	387,577	2,084,043
Other operating expense	7,167,657	1,279	3,958	76,961	229,691	746,555	739,958	686,774	1,436,426	800,597	2,445,458
Income before income taxes and securities gains or losses	**8,991,570**	**317**	**3,685**	**73,070**	**267,840**	**927,015**	**829,391**	**736,684**	**1,350,990**	**726,795**	**4,075,783**
Applicable income taxes	**1,794,404**	**120**	**1,096**	**18,031**	**56,937**	**167,599**	**119,429**	**95,536**	**186,544**	**100,836**	**1,048,276**

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1975 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	7,197,166	197	2,589	55,039	210,903	759,416	709,962	641,148	1,164,446	625,959	3,027,507
Net securities gains or losses	36,954	3	24	775	3,080	9,076	6,234	4,817	7,818	1,900	3,227
Gross	34,232	0	31	868	3,872	12,127	8,172	7,253	13,404	339	−11,834
Taxes	−2,722	−3	7	93	792	3,051	1,938	2,436	5,586	−1,561	−15,061
Net income before extraordinary items	7,234,120	200	2,613	55,814	213,983	768,492	716,196	645,965	1,172,264	627,859	3,030,734
Extraordinary charges or credits, net	33,775	0	13	−13	777	4,185	5,840	2,407	6,668	3,447	10,451
Gross	46,819	0	14	70	920	5,211	6,735	2,798	8,232	3,659	19,180
Taxes	13,044	0	1	83	143	1,026	895	391	1,564	212	8,729
Less minority interest in consolidated subsidiaries	303	0	0	0	2	121	21	39	−42	68	94
Net income	7,267,592	200	2,626	55,801	214,758	772,556	722,015	648,333	1,178,974	631,238	3,041,091
Dividends on capital—total	3,032,283	44	800	14,734	49,917	200,847	223,949	232,143	532,568	329,279	1,448,002
Cash dividends declared on common stock	3,030,069	44	800	14,732	49,839	200,639	223,661	231,681	531,620	329,239	1,447,814
Cash dividends declared on preferred stock	2,214	0	0	2	78	208	288	462	948	40	188
Total provision for income taxes	1,728,813	117	1,076	17,534	54,846	157,639	108,050	85,240	169,168	96,666	1,038,477
Federal income taxes	1,227,584	111	962	15,473	47,744	135,481	89,607	65,375	117,683	73,179	681,969
State and local income taxes	501,229	6	114	2,061	7,102	22,158	18,443	19,865	51,485	23,487	356,508
Memoranda[2]											
Recoveries credited to reserves:											
On loans	547,312	8	161	4,430	17,040	64,852	62,232	49,457	99,441	58,944	190,747
On securities	691	0	0	0	98	321	170	54	4	0	44
Losses charged to reserves:											
On loans	3,789,988	6	651	15,463	59,837	222,262	258,550	232,486	565,293	390,142	2,045,298
On securities	2,689	0	0	2	188	378	759	153	290	580	339
Number of employees, December 31	1,222,474	229	1,027	15,022	40,574	125,494	124,204	118,353	240,009	121,901	435,661
Number of banks, December 31	14,138	24	204	1,877	3,110	4,818	2,177	1,036	705	102	85

[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 1975 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]	15.89	63.13	62.24	64.88	66.47	67.51	67.78	68.34	70.22	69.62
Interest on U.S. Treasury securities[3]	9.92	17.37	13.97	11.34	9.62	8.63	7.88	6.78	6.28	4.99
Interest on State and local government obligations[3]	.33	3.13	4.86	7.59	9.56	10.04	10.05	8.74	7.94	5.21
Interest and dividends on other securities[4]	6.47	9.30	10.63	9.28	7.42	6.38	6.08	5.40	3.17	2.28
Trust department income	64.95	.00	.95	.31	.30	.59	1.43	2.70	2.91	3.35
Service charges on deposit accounts	.56	3.20	3.03	3.30	3.33	3.35	2.93	2.59	2.48	1.58
Other charges, commissions, fees, etc.	1.51	2.03	2.72	1.82	1.72	1.76	1.88	2.74	3.13	2.69
Other operating income[3]	.37	1.84	1.61	1.49	1.57	1.74	1.97	2.72	3.87	10.28
Operating expense—total	**93.88**	**85.54**	**86.60**	**84.88**	**84.63**	**86.04**	**86.89**	**88.47**	**88.82**	**85.63**
Salaries and wages	47.96	29.93	22.62	18.72	16.70	16.37	16.52	17.32	17.11	14.70
Pensions and other benefits	8.34	2.85	2.69	2.55	2.60	2.73	2.85	3.11	3.18	3.09
Interest on time and savings deposits	4.48	28.17	37.92	42.01	44.08	44.20	43.93	40.01	36.73	36.83
Interest on borrowed money[5]	.02	.13	.25	.34	.59	1.08	1.73	4.52	6.93	9.91
Occupancy expense of bank premises, net	3.78	3.52	3.27	3.01	2.98	3.32	3.55	4.03	3.75	3.37
Furniture and equipment, etc.	3.92	2.97	2.91	2.57	2.42	2.45	2.58	2.97	2.84	1.76
Provision for loan losses	.68	2.43	2.82	2.72	2.88	3.44	3.51	4.26	5.96	7.35
Other operating expenses	24.70	15.54	14.12	12.97	12.38	12.45	12.22	12.26	12.32	8.62
Income before income taxes and securities gains or losses	**6.12**	**14.46**	**13.40**	**15.12**	**15.37**	**13.96**	**13.11**	**11.53**	**11.18**	**14.37**
Amounts per $100 of total assets[6]										
Operating income—total	19.36	6.68	6.94	6.85	6.87	6.95	6.97	7.05	7.20	7.05
Income before income taxes and securities gains or losses	1.18	.97	.93	1.04	1.06	.97	.91	.81	.81	1.01
Net income	.75	.69	.71	.83	.88	.85	.80	.71	.70	.76
Memoranda[8]										
Recoveries credited to reserves:										
On loans	.03	.04	.06	.07	.07	.07	.06	.06	.07	.05
On securities	0	0	(7)	(7)	(7)	0	0	(7)	(7)	(7)
Losses charged to reserves:										
On loans	.02	.17	.20	.23	.25	.30	.29	.34	.43	.51
On securities	0	0	(7)	(7)	(7)	0	0	(7)	(7)	(7)

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1975 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]	2.55	5.23	6.89	9.55	11.38	11.19	10.96	10.09	9.92	11.33
Cash dividends declared on common stock	.56	1.59	1.81	2.21	2.94	3.43	3.85	4.45	5.03	5.27
Net additions to capital from income	1.99	3.63	5.06	7.30	8.36	7.64	6.92	5.40	4.61	5.80
Memoranda[8]										
Recoveries credited to reserves:										
On loans	.10	.32	.55	.76	.95	.95	.82	.83	.90	.69
On securities	0	0	(7)	(7)	(7)	0	0	(7)	(7)	(7)
Losses charged to reserves:										
On loans	.08	1.29	1.90	2.65	3.25	3.97	3.87	4.73	5.96	7.45
On securities	0	0	(7)	.01	.01	.01	0	(7)	.01	(7)
Amounts per $100 of equity capital[6]										
Net income	2.55	5.23	6.91	9.62	11.58	11.48	11.35	10.53	10.56	12.12
Special ratios[6]										
Income on loans per $100 of loans[2]	7.74	7.95	8.01	8.12	8.31	8.50	8.51	8.61	8.68	8.51
Income on U.S. Treasury securities per $100 of U.S. Treasury securities[3]	6.77	6.48	6.28	6.07	5.88	5.72	5.65	5.40	5.69	5.12
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions[3]	4.51	5.43	4.83	4.78	4.80	4.85	4.88	4.80	4.84	5.01
Income on other securities per $100 of other securities[4]	8.69	6.86	7.26	7.01	6.83	6.97	6.92	6.99	7.22	7.52
Service charges per $100 of demand deposits	.21	.45	.58	.67	.71	.74	.64	.54	.51	.32
Interest paid per $100 of time and savings deposits	4.93	4.99	5.18	5.25	5.36	5.47	5.52	5.56	5.69	6.16
Number of banks, December 31, 1975	24	204	1,877	3,110	4,818	2,177	1,036	705	102	85

[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), 1971–1975
(Amounts in thousands of dollars)

Income item	1971	1972	1973	1974	1975
Operating income—total	**4,529,014**	**5,295,449**	**6,064,895**	**6,483,654**	**7,179,294**
Interest and fees on real estate mortgage loans, net	3,275,859	3,690,871	4,171,520	4,503,214	4,817,741
Interest and fees on real estate mortgage loans, gross	*3,344,057*	*3,760,908*	*4,240,926*	*4,570,902*	*4,883,664*
Less: Mortgage servicing fees	*68,198*	*70,037*	*69,406*	*67,688*	*65,923*
Interest and fees on other loans	163,675	178,126	283,506	337,844	283,416
Interest on U.S. Government and agency securities	268,370	352,297	414,359	403,940	567,577
Interest on corporate bonds	546,033	726,665	730,132	743,944	929,613
Interest on State, county, and municipal obligations	12,789	30,857	52,982	47,028	74,858
Interest on other bonds, notes, and debentures	75,489	91,856	116,901	125,718	150,841
Dividends on corporate stock	105,592	126,256	148,781	170,273	191,401
Income from service operations	27,669	30,072	35,771	27,875	32,968
Other operating income	53,538	68,449	110,943	123,818	130,879
Operating expenses—total	**581,693**	**671,818**	**811,689**	**938,705**	**1,083,192**
Salaries	243,446	270,353	307,030	344,304	388,061
Pensions and other employee benefits	55,944	63,882	72,567	83,338	98,268
Interest on borrowed money	7,862	6,713	28,907	66,110	55,168
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals), net	71,113	82,820	96,128	114,206	135,754
Furniture and equipment (including recurring depreciation)	28,365	32,237	37,104	43,815	52,543
Actual net loan losses (charge-offs less recoveries)	3,328	4,500	8,994	10,034	21,836
Other operating expenses	171,635	211,313	260,959	276,898	331,562
Net operating income before interest and dividends on deposits	**3,947,321**	**4,623,631**	**5,253,206**	**5,544,949**	**6,096,102**
Interest and dividends on deposits–total	**3,418,845**	**3,943,233**	**4,480,901**	**4,916,724**	**5,495,842**
Savings deposits	3,058,645	3,392,798	3,567,595	3,607,170	3,778,695
Other time deposits	360,200	550,435	913,306	1,309,554	1,717,147
Net operating income after interest and dividends on deposits	**528,476**	**680,398**	**772,305**	**628,225**	**600,260**
Net realized gains (or losses) on—total	**–58,286**	**–14,896**	**–92,357**	**–148,844**	**–63,283**
Securities	–44,290	3,481	–65,973	–111,501	–25,899
Real estate mortgage loans	–12,133	–25,944	–20,187	– 38,556	–22,904
Real estate	–1,690	–509	–673	588	–7,169
Other transactions	–173	8,076	–5,524	625	–7,311
Less minority interest in consolidated subsidiaries	**0**	**34**	**0**	**0**	**37**
Net income before taxes	**470,190**	**665,468**	**679,948**	**479,381**	**536,940**
Franchise and income taxes—total	**126,601**	**186,303**	**201,792**	**161,870**	**171,549**
Federal income tax	63,833	108,679	114,500	81,089	66,543
State and local franchise and income taxes	62,768	77,624	87,292	80,781	105,006
Net income	**343,589**	**479,165**	**478,156**	**317,511**	**365,391**

Table 119. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1971–1975—CONTINUED
(Amounts in thousands of dollars)

Income item	1971	1972	1973	1974	1975
Memoranda					
Change in surplus accounts, net	486,234	534,229	561,695	369,166	407,314
Discount on securities, total	16,513	19,630	27,805	32,406	109,383
Average assets and liabilities[1]					
Assets—total	**73,661,663**	**82,995,606**	**90,850,840**	**94,426,708**	**101,714,468**
Cash and due from banks	1,156,181	1,329,972	1,676,216	1,825,066	2,067,540
U.S. Government and agency securities	4,437,666	5,740,097	6,299,082	5,950,081	7,823,837
Other securities	11,932,355	15,033,388	16,238,983	16,410,896	19,035,575
Real estate mortgage loans	52,364,759	56,553,602	61,600,178	64,695,689	66,698,116
Other loans and discounts	2,309,498	2,566,460	2,967,740	3,250,960	3,388,551
Other real estate	75,520	116,406	170,868	207,125	320,468
All other assets	1,385,684	1,655,681	1,897,773	2,086,891	2,380,381
Liabilities and surplus accounts—total	**73,661,663**	**82,995,606**	**90,850,840**	**94,426,708**	**101,714,468**
Total deposits	67,443,302	76,226,170	83,212,442	85,994,384	92,850,364
Savings and time deposits	*66,784,186*	*75,472,194*	*82,350,237*	*85,097,902*	*91,885,361*
Demand deposits	*659,116*	*753,976*	*862,205*	*896,482*	*965,003*
Other liabilities	982,655	1,074,401	1,381,121	1,763,885	1,803,741
Total surplus accounts	5,235,706	5,695,035	6,257,277	6,668,439	7,060,363
Number of employees (end of period)	30,134	32,866	35,668	37,494	40,261
Number of banks (end of period)	327	326	322	320	329

[1] Averages of amounts reported at beginning, middle, and end of year.

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1971–1975

Income item	1971	1972	1973	1974	1975
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	72.33	69.70	68.78	69.45	67.11
Interest and fees on other loans	3.61	3.36	4.68	5.21	3.95
Interest on U.S. Government and agency securities	5.93	6.65	6.83	6.23	7.91
Interest on corporate bonds	12.06	13.72	12.04	11.47	12.95
Interest on State, county, and municipal obligations	.28	.58	.87	.73	1.04
Interest on other bonds, notes, and debentures	1.67	1.74	1.93	1.94	2.10
Dividends on corporate stock	2.33	2.39	2.45	2.63	2.67
Income from service operations	.61	.57	.59	.43	.46
Other operating income	1.18	1.29	1.83	1.91	1.82
Operating expense—total	12.84	12.69	13.38	14.48	15.09
Salaries	5.37	5.11	5.06	5.31	5.41
Pensions and other employee benefits	1.24	1.21	1.20	1.29	1.37
Interest on borrowed money	.17	.13	.48	1.02	.77
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals)—net	1.57	1.56	1.58	1.76	1.89
Furniture and equipment (including recurring depreciation)	.63	.61	.61	.68	.73
Actual net loan losses (charge-offs less recoveries)	.07	.08	.15	.15	.30
Other operating expenses	3.79	3.99	4.30	4.27	4.62
Net operating income before interest and dividends on deposits	87.16	87.31	86.62	85.52	84.91
Interest and dividends on deposits—total	75.49	74.46	73.88	75.83	76.55
Savings deposits	67.54	64.07	58.82	55.63	52.63
Other time deposits	7.95	10.39	15.06	20.20	23.92
Net operating income after interest and dividends on deposits	11.67	12.85	12.74	9.69	8.36
Net realized gains (or losses) on—total	–1.29	–.28	–1.53	–2.30	–.88
Securities	–.98	.07	–1.09	–1.72	–.36
Real estate mortgage loans	–.27	–.49	–.34	–.60	–.32
Real estate	–.04	–.01	–.01	–.01	–.10
Other transactions	(1)	.15	–.09	.01	–.10
Less minority interest in consolidated subsidiaries	.00	(1)	.00	.00	(1)
Net income before taxes	10.38	12.57	11.21	7.39	7.48
Franchise and income taxes—total	2.79	3.52	3.33	2.49	2.39
Federal income tax	1.41	2.05	1.89	1.25	.93
State and local franchise and income taxes	1.38	1.47	1.44	1.24	1.46
Net income	7.59	9.05	7.88	4.90	5.09

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1971–1975—CONTINUED

Income item	1971	1972	1973	1974	1975
Amounts per $100 of total assets[2]					
Operating income—total	6.15	6.38	6.68	6.87	7.06
Operating expense—total	.79	.81	.90	.99	1.06
Net operating income before interest and dividends on deposits	5.36	5.57	5.78	5.88	5.99
Interest and dividends on deposits—total	4.64	4.75	4.93	5.21	5.40
Net operating income after interest and dividends on deposits	.72	.82	.85	.67	.59
Net realized gains (or losses)—total	–.08	–.02	–.10	–.16	–.06
Net income before taxes	.64	.80	.75	.51	.53
Franchise and income taxes—total	.17	.22	.22	.17	.17
Net income	.47	.58	.53	.34	.36
Special ratios[2]					
Interest on U.S. Government and agency securities per $100 of U.S. Government and agency securities	6.05	6.14	6.58	6.79	7.25
Interest and dividends on other securities per $100 of other securities	6.20	6.49	6.46	6.62	7.07
Interest and fees on real estate mortgage loans per $100 of real estate loans	6.26	6.53	6.77	6.96	7.22
Interest and fees on other loans per $100 of other loans	7.09	6.94	9.55	10.39	8.36
Interest and dividends on deposits per $100 of savings and time deposits	5.12	5.22	5.44	5.78	5.98
Net income per $100 of total surplus accounts	6.56	8.41	7.64	4.76	5.18
Number of banks (end of period)	327	326	322	320	329

[1] Less than 0.005.
[2] See note to table 119.

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.

Under its section 13(c) authority, the Corporation has made disbursements to four operating banks. The amounts of these disbursements are included in table 2 (page 7), but are not included in tables 123 and 124.

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 1975.

For detailed data regarding noninsured banks that suspended in the years 1934-1962, see the *Annual Report* for 1963, pp. 27-41. For 1963-1975, see table 121 of the 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, 1975.

Table 121. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934–1975

Year	Number					Deposits (in thousands of dollars)				
	Total	Non-insured[1]	Insured			Total	Non-insured[1]	Insured		
			Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]			Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]
Total	**661**	**134**	**527**	**8**	**519**	**4,155,961**	**141,700**	**4,014,261**	**41,147**	**3,973,114**
1934	61	52	9	....	9	37,332	35,364	1,968	......	1,968
1935	32	6	26	1	25	13,988	583	13,405	85	13,320
1936	72	3	69	....	69	28,100	592	27,508	......	27,508
1937	84	7	77	2	75	34,205	528	33,677	328	33,349
1938	81	7	74	....	74	60,722	1,038	59,684	......	59,684
1939	72	12	60	....	60	160,211	2,439	157,772	......	157,772
1940	48	5	43	....	43	142,788	358	142,430	......	142,430
1941	17	2	15	....	15	29,796	79	29,717	......	29,717
1942	23	3	20	....	20	19,540	355	19,185	......	19,185
1943	5	....	5	....	5	12,525	....	12,525	......	12,525
1944	2	....	2	....	2	1,915	....	1,915	......	1,915
1945	1	....	1	....	1	5,695	....	5,695	......	5,695
1946	2	1	1	....	1	494	147	347	......	347
1947	6	1	5	....	5	7,207	167	7,040	......	7,040
1948	3	....	3	....	3	10,674	....	10,674	......	10,674
1949	9	4	5	1	4	9,217	2,552	6,665	1,190	5,475
1950	5	1	4	....	4	5,555	42	5,513	......	5,513
1951	5	3	2	....	2	6,464	3,056	3,408	......	3,408
1952	4	1	3	....	3	3,313	143	3,170	......	3,170
1953	5	1	4	2	2	45,101	390	44,711	26,449	18,262
1954	4	2	2	....	2	2,948	1,950	998	......	998
1955	5	....	5	....	5	11,953	....	11,953	......	11,953
1956	3	1	2	....	2	11,690	360	11,330	......	11,330
1957	3	1	2	..1	1	12,502	1,255	11,247	10,084	1,163
1958	9	5	4	....	4	10,413	2,173	8,240	......	8,240
1959	3	....	3	....	3	2,593	....	2,593	......	2,593
1960	2	1	1	....	1	7,965	1,035	6,930	......	6,930
1961	9	4	5	....	5	10,611	1,675	8,936	......	8,936
1962	3	2	1	1	....	4,231	1,220	3,011	3,011	....
1963	2	....	2	....	2	23,444	....	23,444	......	23,444
1964	8	1	7	....	7	23,867	429	23,438	......	23,438
1965	9	4	5	....	5	45,256	1,395	43,861	......	43,861
1966	8	1	7	....	7	106,171	2,648	103,523	......	103,523
1967	4	....	4	....	4	10,878	....	10,878	......	10,878
1968	3	....	3	....	3	22,524	....	22,524	......	22,524
1969	9	....	9	....	9	40,134	....	40,134	......	40,134
1970	8[4]	1[4]	7	....	7	55,244	423[4]	54,821	......	54,821
1971	6	....	6	....	6	132,152	....	132,152	......	132,152
1972	3	2	1	....	1	99,784	79,304	20,480	......	20,480
1973	6	....	6	....	6	971,296	....	971,296	......	971,296
1974	4	....	4	....	4	1,575,832	....	1,575,832	......	1,575,832
1975	13	....	13	....	13	339,630	....	339,630	......	339,630

[1]For information regarding each of these banks, see table 22 in the 1963 *Annual Report* (1963 and prior years), and explanatory notes to tables regarding banks closed because of financial difficulties in subsequent annual reports. One noninsured bank placed in receivership in 1934, with no deposits at time of closing, is omitted (see table 22, note 9). Deposits are unavailable for 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, 1975.
[4]Revised.

Table 122. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1975

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							
304	Swope Parkway National Bank Kansas City, Missouri	N	6,497	January 3, 1975	January 4, 1975	$ 4,925,978	Federal Deposit Insurance Corporation
305	Franklin Bank Houston, Texas	NM	4,353	March 24, 1975	March 29, 1975	12,417,222	Federal Deposit Insurance Corporation
306	The Peoples Bank of the Virgin Islands St. Thomas, Charlotte Amalie, Virgin Islands	NM	11,073	October 24, 1975	October 25, 1975	8,712,163	Federal Deposit Insurance Corporation
Deposit assumption							
210	Northern Ohio Bank Cleveland, Ohio	NM	7,500	February 19, 1975		88,895,164	National City Bank Cleveland, Ohio
211	Chicopee Bank & Trust Company Chicopee, Massachusetts	NM	6,919	May 9, 1975		4,995,615	Holyoke National Bank Holyoke, Massachusetts
212	Algoma Bank Algoma, Wisconsin	NM	3,244	May 30, 1975		3,698,602	First State Bank of Algoma Algoma, Wisconsin
213	Bank of Picayune Picayune, Mississippi	NM	12,700	June 18, 1975		11,706,469	Hancock Bank Gulfport, Mississippi
214	Bank of Chidester Chidester, Arkansas	NM	904	July 1, 1975		1,688,458	The Merchants and Planters Bank Camden, Arkansas
215	State Bank of Clearing Chicago, Illinois	M	19,353	July 12, 1975		46,886,732	Clearing Bank Chicago, Illinois
216	Astro Bank Houston, Texas	NM	1,675	October 16, 1975		3,866,387	Commonwealth Bank of Houston Houston, Texas
217	American City Bank & Trust Company, N.A. Milwaukee, Wisconsin	N	32,105	October 21, 1975		102,577,603	Marine National Exchange Bank of Milwaukee Milwaukee, Wisconsin
218	The Peoples Bank Willcox, Arizona	NM	2,692	December 19, 1975		4,175,527	Union Bank Tucson, Arizona
219	The First State Bank of Jennings Jennings, Kansas	NM	1,350	December 27, 1975		1,574,599	The Jennings National Bank Jennings, Kansas

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 and fixtures	Other real estate	Other assets		Deposits	Other liabilities	Capital stock	Other capital accounts
Deposit payoff												
304	$ 973,935	$ 2,260,236	$ 991,371	$ 2,951,351	$ 357,176	$ –	$ 41,892	$ 7,575,960	$ 7,421,973	$ 18,278	$ 458,340	$ (322,631)
305	2,815,166	5,074,084	10,000	8,348,358	596,906	2,845,320	1,000,310	20,690,143	18,247,115	–	1,500,000	943,028
306	508,892	1,745,114	395,000	8,786,362	320,678	597,975	2,524,911	14,878,931	14,256,352		1,067,175	(444,595)
Deposit assumption												
210	4,024,601	7,584,756	6,688,551	76,344,794	1,337,402	171,110	7,630,978	103,782,192	95,615,692	10,083,770	1,871,783	(3,789,053)
211	721,898	1,140,043	2,554,804	6,727,167	223,154	–	39,320	11,406,385	9,861,543	339,072	407,400	798,370
212	385,325	350,668	35,179	4,168,482	134,503	–	101,942	5,176,098	4,772,305	99,422	100,000	204,372
213	1,646,825	549,335	2,833,307	10,040,557	239,607	11,088	2,727,824	18,048,543	15,352,035	855,869	316,800	1,523,838
214	188,983	20,580	250,639	1,898,685	18,247	–	71,763	2,448,896	2,297,631	–	75,000	76,265
215	4,301,023	5,249,702	2,276,213	57,576,472	1,234,337	–	3,716,724	74,354,471	60,603,073	11,740,849	2,000,000	10,549
216	360,940	239,917	526,472	4,240,753	47,168	–	55,556	5,470,806	5,167,594	108,063	400,000	(204,851)
217	14,024,068	16,479,280	8,704,127	93,101,079	903,325	13,689,021	661,678	147,562,577	98,343,846	47,363,106	4,100,000	(2,244,375)
218	(293,376)	200,000	300,000	3,509,797	141,889	–	1,798,558	5,656,868	5,043,755	56,661	200,000	356,451
219	209,427	430,383	381,464	1,834,937	15,130	–	26,642	2,897,982	2,612,590	54,114	50,000	181,277

[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, 1975, plus additional disbursements required in these cases.

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1975

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	**519**	**300**	**219**	**2,964,223**	**614,772**	**2,349,451**	**3,973,114**	**449,336**	**3,523,778**	**1,513,219**	**315,043**	**1,198,176**	**6,691**	**74,198**
Class of bank														
National	97	35	62	1,368,269	105,042	1,263,227	2,721,152	111,173	2,609,979	709,231	62,971	646,260	2,446	11,210
State member F.R.S.	29	10	19	402,129	88,894	313,235	273,153	34,388	238,765	167,177	26,506	140,671	301	20,626
Nonmember F.R.S.	393	255	138	1,193,825	420,836	772,989	978,809	303,775	675,034	636,811	225,566	411,245	3,944	42,362
Year[7]														
1934	9	9	....	15,767	15,767	....	1,968	1,968	....	941	941	....	43	......
1935	25	24	1	44,655	32,331	12,324	13,320	9,091	4,229	8,891	6,026	2,865	108	272
1936	69	42	27	89,018	43,225	45,793	27,508	11,241	16,267	14,460	7,735	6,725	67	934
1937	75	50	25	130,387	74,148	56,239	33,349	14,960	18,389	19,481	12,365	7,116	103	905
1938	74	50	24	203,961	44,288	159,673	59,684	10,296	49,388	30,479	9,092	21,387	93	4,902
1939	60	32	28	392,718	90,169	302,549	157,772	32,738	125,034	67,770	26,196	41,574	162	17,603
1940	43	19	24	256,361	20,667	235,694	142,430	5,657	136,773	74,134	4,895	69,239	89	17,237
1941	15	8	7	73,005	38,594	34,411	29,717	14,730	14,987	23,880	12,278	11,602	50	1,479
1942	20	6	14	60,688	5,717	54,971	19,185	1,816	17,369	10,825	1,612	9,213	38	1,076
1943	5	4	1	27,371	16,917	10,454	12,525	6,637	5,888	7,172	5,500	1,672	53	72
1944	2	1	1	5,487	899	4,588	1,915	456	1,459	1,503	404	1,099	9	37
1945	1	....	1	12,483	....	12,483	5,695	....	5,695	1,768	....	1,768	.....	96
1946	1	....	1	1,383	....	1,383	347	....	347	265	....	265	.....	11
1947	5	....	5	10,637	....	10,637	7,040	....	7,040	1,724	....	1,724	.....	381
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	....	6,201	6,201	....	154	......
1962	....	....	....	....	....	....	....	....	....	....	....	....	.....	......
1963	2	2	....	36,433	36,433	....	23,444	23,444	....	19,230	19,230	....	347	......
1964	7	7	....	19,934	19,934	....	23,438	23,438	....	13,744	13,744	....	596	......
1965	5	3	2	15,817	14,363	1,454	43,861	42,889	972	11,431	10,958	473	632	123
1966	7	1	6	95,424	1,012	94,412	103,523	774	102,749	8,732	735	7,997	35	1,601
1967	4	4	....	4,729	4,729	....	10,878	10,878	....	8,126	8,126	....	241	......
1968	3	....	3	12,850	....	12,850	22,524	....	22,524	5,586	....	5,586	.....	1,111
1969	9	4	5	27,374	6,544	20,830	40,134	9,012	31,122	37,585	7,604	29,981	294	4,326
1970	7	4	3	31,433	20,403	11,030	54,821	33,489	21,332	49,120	29,354	19,766	688	1,641
1971	6	5	1	71,950	31,850	40,100	132,152	74,605	57,547	160,894	53,791	107,103	755	8,571
1972	1	1	....	23,655	23,655	....	20,480	20,480	....	16,275	16,275	....	366	......
1973	6	3	3	349,699	8,382	341,317	971,296	25,795	945,501	398,947	16,939	382,008	1,032	683
1974	4	....	4	704,283	....	704,283	1,575,832	....	1,575,832	173,028	....	173,028	.....	5,728
1975	13	3	10	110,377	21,935	88,442	339,630	39,958	299,672	301,416	27,382	274,034	352	2,875
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	2,339
$1,000,000 to $2,000,000	57	21	36	209,818	70,334	139,484	76,462	27,888	48,574	44,267	22,068	22,199	693	3,712
$2,000,000 to $5,000,000	53	21	32	285,804	85,353	200,451	172,770	67,778	104,992	101,820	49,643	52,177	1,064	7,183
$5,000,000 to $10,000,000	31	7	24	284,090	50,445	233,645	213,117	55,867	157,250	113,476	38,220	75,256	870	9,790
$10,000,000 to $25,000,000	15	8	7	285,067	142,352	142,715	249,197	132,672	116,525	154,324	101,553	52,771	1,483	7,794
$25,000,000 to $50,000,000	5	1	4	284,809	12,481	272,328	199,594	40,176	159,418	95,414	9,700	85,714	573	26,075
$50,000,000 to $100,000,000	5	1	4	209,505	27,403	182,102	471,972	66,902	405,070	294,622	47,021	247,601	487	10,607
$100,000,000 to $500,000,000	2	....	2	66,232	....	66,232	112,703	....	112,703	165,910	....	165,910	.....	4,703
$500,000,000 to $1,000,000,000	1	....	1	335,000	....	335,000	931,955	....	931,955	374,342	....	374,342	652	......
$1,000,000,000 or more	1	....	1	630,000	....	630,000	1,444,982	....	1,444,982	100,000	....	100,000	.....	1,055
State														
Alabama	4	2	2	9,170	2,059	7,111	6,170	3,985	2,185	3,567	2,572	995	94	91
Arizona	1	....	1	2,692	....	2,692	5,044	....	5,044	4,175	....	4,175	.....	5
Arkansas	8	6	2	6,350	4,541	1,809	4,836	1,942	2,894	3,408	1,576	1,832	43	125
California	5	3	2	356,059	17,890	338,169	979,253	46,220	933,033	400,210	12,946	387,264	1,320	1,490
Colorado	6	3	3	11,492	2,312	9,180	18,593	3,797	14,796	8,421	2,191	6,230	188	1,754
Connecticut	2	2	....	5,379	5,379	....	1,526	1,526	....	1,242	1,242	....	8	......
Florida	5	2	3	14,082	1,725	12,357	17,665	2,668	14,997	6,171	2,139	4,032	65	698
Georgia	10	8	2	9,410	8,797	613	1,959	1,870	89	1,620	1,551	69	33	33
Idaho	2	2	....	2,451	2,451	....	1,894	1,894	....	1,493	1,493	....	29	......
Illinois	23	10	13	101,651	44,379	57,272	115,259	28,972	86,287	80,163	23,924	56,239	505	1,130
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	10	5	5	23,824	5,736	18,088	24,364	8,535	15,829	14,425	6,469	7,956	144	437
Kansas	11	6	5	8,065	3,824	4,241	7,665	4,358	3,307	5,668	3,601	2,067	60	72
Kentucky	25	19	6	39,925	18,964	20,961	15,522	5,213	10,309	11,943	4,505	7,438	119	558
Louisiana	4	4	....	8,999	8,999	....	9,735	9,735	....	5,038	5,038	....	146	......
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	4	1	3	39,620	23,655	15,965	33,361	20,480	12,881	22,831	16,275	6,556	365	1,181
Michigan	14	5	9	172,603	10,448	162,155	194,399	13,477	180,922	141,295	12,242	129,053	204	11,021
Minnesota	5	5	....	2,650	2,650	....	818	818	....	640	640	....	17	......

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1975—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]
Mississippi	4	3	1	14,351	1,651	12,700	15,686	334	15,352	11,918	257	11,661	5	230
Missouri	52	38	14	55,554	37,977	17,577	29,151	18,166	10,985	21,450	14,184	7,266	257	1,102
Montana	5	3	2	1,500	849	651	1,095	215	880	639	186	453	6	21
Nebraska	8	8	....	7,773	7,773	....	11,644	11,644	....	8,116	8,116	....	149	......
New Hampshire	1	....	1	1,780	....	1,780	296	....	296	117	....	117	.....	8
New Jersey	40	13	27	532,458	113,692	418,766	210,624	49,122	161,502	95,706	40,049	55,657	515	20,154
New York	27	3	24	899,621	28,440	871,181	1,590,421	13,286	1,577,135	167,997	10,836	157,161	32	11,902
North Carolina	7	2	5	10,408	3,677	6,731	3,266	1,421	1,845	2,387	1,156	1,231	23	179
North Dakota	29	18	11	14,103	6,760	7,343	3,830	1,552	2,278	2,656	1,397	1,259	24	203
Ohio	5	2	3	21,251	7,585	13,666	102,838	2,345	100,493	90,682	1,610	89,072	7	1,066
Oklahoma	12	8	4	27,650	20,149	7,501	18,920	11,053	7,867	10,284	7,936	2,348	178	563
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	10,067
South Carolina	3	1	2	68,080	403	67,677	113,553	136	113,417	60,644	136	60,508	......	3,851
South Dakota	23	22	1	12,515	11,412	1,103	2,988	2,862	126	2,411	2,388	23	26	9
Tennessee	12	8	4	12,358	9,993	2,365	1,942	1,620	322	1,278	1,164	114	28	25
Texas	42	32	10	96,746	76,855	19,891	157,946	126,346	31,600	106,647	88,594	18,053	1,488	1,945
Utah	1	....	1	3,254	....	3,254	5,992	....	5,992	3,499	....	3,499	......	296
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	302	505
Washington	1	....	1	4,179	....	4,179	1,538	....	1,538	935	....	935	......	512
West Virginia	3	3	....	8,346	8,346	....	2,006	2,006	....	1,458	1,458	....	11	......
Wisconsin	33	20	13	62,247	18,739	43,508	112,627	5,966	106,661	116,424	5,096	111,328	54	1,422
Wyoming	1	....	1	3,212	....	3,212	2,033	....	2,033	202	....	202	......	19
Other Areas														
Virgin Islands	1	1	....	11,085	11,085	....	14,275	14,275	....	10,000	10,000	....	91	......

[1] Adjusted to December 31, 1975. In assumption cases, number of depositors refers to number of deposit accounts.
[2] Excludes $723 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 $69,073 thousand, all of which have been fully recovered by the Corporation, and $5,125 thousand of nonrecoverable expenses.
[7] No cases 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, 1934–1975
(Amounts in thousands of dollars)

Liquidation status and year of deposit payoff or deposit assumption	All cases					Deposit payoff cases					Deposit assumption cases				
	Number of banks	Principal disbursements	Recoveries to Dec. 31, 1975	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[2]	Recoveries to Dec. 31, 1975	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[3]	Recoveries to Dec. 31, 1975	Estimated additional recoveries	Losses[1]
Total	**519**	**1,513,219**	**719,670**	**556,594**	**236,955**	**300**	**315,043**	**231,619**	**46,239**	**37,185**	**219**	**1,198,176**	**488,051**	**510,355**	**199,770**
Status															
Active	61	1,178,041	412,697	556,594	208,750	27	190,007	123,420	46,239	20,348	34	988,034	289,277	510,355	188,402
Terminated	458	335,178	306,973	....	28,205	273	125,036	108,199	......	16,837	185	210,142	198,774	....	11,368
Year[4]															
1934	9	941	734	....	207	9	941	734	......	207	....	....	....	....	....
1935	25	8,891	6,206	3	2,682	24	6,026	4,274	......	1,752	1	2,865	1,932	3	930
1936	69	14,460	12,127	....	2,333	42	7,735	6,397	......	1,338	27	6,725	5,730	....	995
1937	75	19,481	15,808	....	3,672	50	12,365	9,718	......	2,647	25	7,116	6,090	....	1,025
1938	74	30,479	28,055	....	2,425	50	9,092	7,908	......	1,184	24	21,387	20,147	....	1,241
1939	60	67,770	60,618	....	7,152	32	26,196	20,399	......	5,797	28	41,574	40,219	....	1,355
1940	43	74,134	70,338	....	3,796	19	4,895	4,313	......	582	24	69,239	66,025	....	3,214
1941	15	23,880	23,290	....	591	8	12,278	12,065	......	213	7	11,602	11,225	....	378
1942	20	10,825	10,136	....	688	6	1,612	1,320	......	292	14	9,213	8,816	....	396
1943	5	7,172	7,048	....	123	4	5,500	5,376	......	123	1	1,672	1,672	....	....
1944	2	1,503	1,462	....	40	1	404	363	......	40	1	1,099	1,099	....	....
1945	1	1,768	1,768	....	....	....	....	....	......	......	1	1,768	1,768	....	....
1946	1	265	265	....	....	....	....	....	......	......	1	265	265	....	....
1947	5	1,724	1,665	6	54	....	....	....	......	......	5	1,724	1,665	6	54
1948	3	2,990	2,349	....	641	....	....	....	......	......	3	2,990	2,349	....	641
1949	4	2,552	2,183	....	369	....	....	....	......	......	4	2,552	2,183	....	369
1950	4	3,986	2,601	....	1,385	....	....	....	......	......	4	3,986	2,601	....	1,385
1951	2	1,885	1,885	....	....	....	....	....	......	......	2	1,885	1,885	....	....
1952	3	1,369	577	....	792	....	....	....	......	......	3	1,369	577	....	792
1953	2	5,017	5,017	....	....	....	....	....	......	......	2	5,017	5,017	....	....
1954	2	913	654	....	258	....	....	....	......	......	2	913	654	....	258
1955	5	6,784	6,554	....	230	4	4,438	4,208	......	230	1	2,346	2,346	....	....
1956	2	3,458	3,245	....	213	1	2,795	2,582	......	213	1	663	663	....	....
1957	1	1,031	1,031	....	....	1	1,031	1,031	......	......	....	....	....	....	....
1958	4	3,026	2,998	....	28	3	2,796	2,768	......	28	1	230	230	....	....
1959	3	1,835	1,738	....	97	3	1,835	1,738	......	97	....	....	....	....	....
1960	1	4,765	4,765	....	....	1	4,765	4,765	......	......	....	....	....	....	....
1961	5	6,201	4,699	....	1,502	5	6,201	4,699	......	1,502	....	....	....	....	....
1963	2	19,230	18,792	108	330	2	19,230	18,792	108	330	....	....	....	....	....
1964	7	13,744	11,949	135	1,661	7	13,744	11,949	135	1,661	....	....	....	....	....
1965	5	11,431	5,997	809	4,625	3	10,958	5,671	808	4,480	2	473	326	1	145
1966	7	8,732	8,200	38	496	1	735	735	......	......	6	7,997	7,465	38	496
1967	4	8,126	6,779	153	1,194	4	8,126	6,779	153	1,194	....	....	....	....	....
1968	3	5,586	5,568	5	14	....	....	....	......	......	3	5,586	5,568	5	14
1969	9	37,585	37,132	318	135	4	7,604	7,393	75	135	5	29,981	29,739	243	....
1970	7	49,120	44,893	3,146	1,080	4	29,354	25,617	2,888	850	3	19,766	19,276	258	230
1971	6	160,894	132,190	26,263	2,440	5	53,791	34,442	16,909	2,440	1	107,103	97,748	9,354	....
1972	1	16,275	8,251	3,924	4,100	1	16,275	8,251	3,924	4,100	....	....	....	....	....
1973	6	398,947	64,909	183,639	150,400	3	16,939	15,918	1,022	......	3	382,008	48,991	182,617	150,400
1974	4	173,028	26,218	138,310	8,500	....	....	....	......	......	4	173,028	26,218	138,310	8,500
1975	13	301,416	68,976	199,737	32,702	3	27,382	1,414	20,217	5,750	10	274,034	67,562	179,520	26,952

[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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