

ANNUAL REPORT
OF THE
FEDERAL DEPOSIT INSURANCE CORPORATION
FOR THE YEAR ENDED
DECEMBER 31, 1942



DIRECTORS
of the
FEDERAL DEPOSIT INSURANCE CORPORATION

LEO T. CROWLEY
Chairman

PHILLIPS LEE GOLDSBOROUGH

PRESTON DELANO
Comptroller of the Currency

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, D. C., August 4, 1943.

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

Respectfully,

LEO. T. CROWLEY, *Chairman.*

THE PRESIDENT OF THE SENATE

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

CONTENTS

Page

PART ONE

OPERATIONS AND POLICIES OF THE CORPORATION

Banking and deposit insurance.....	3
Protection of depositors.....	9
Supervisory activities of the Corporation.....	13
Legal developments.....	16
Operating statement of the Corporation.....	21

PART TWO

DEPOSIT INSURANCE AND BANKING DEVELOPMENTS

Assets, liabilities, and capital of insured commercial banks.....	31
Earnings of insured commercial banks.....	35
Insured mutual savings banks.....	41

PART THREE

SPECIAL REPORTS

Note.....	45
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PART FOUR

LEGISLATION, REGULATIONS, AND INSTRUCTIONS

Legislation relating to insured banks or the Corporation.....	49
Executive Order.....	53
Regulations of the Corporation.....	54
Statement of policy by bank supervisory authorities.....	55

PART FIVE

STATISTICS OF BANKS AND DEPOSIT INSURANCE

Explanatory notes.....	59
Number, offices, and deposits of operating banks.....	68
Assets and liabilities of operating banks.....	78
Analysis of examinations of insured commercial banks.....	82
Earnings of insured banks.....	92
Suspensions, receiverships, and mergers.....	96

LIST OF TABLES

Page

PART ONE OPERATIONS AND POLICIES OF THE CORPORATION

PROTECTION OF DEPOSITORS:

1. Depositors' recoveries and losses in insured banks in financial difficulties, 1934-1942 10
2. Disbursements of the Corporation in connection with banks in financial difficulties, 1934-1942 11
3. Payment of deposits of insured banks placed in receivership, 1934-1942 11

SUPERVISORY ACTIVITIES OF THE CORPORATION:

4. Action to terminate insured status of banks charged with engaging in unsafe or unsound practices or violations of law or regulations, 1936-1942 13
5. Unsafe or unsound banking practices and violations of law or regulations charged against 11 banks by the Corporation during 1942 14

OPERATING STATEMENT OF THE CORPORATION:

6. Officers and employees of the Corporation, December 31, 1942 . . . 21
7. Income and expenses of the Federal Deposit Insurance Corporation since beginning operations 22
8. Income and expenses of the Federal Deposit Insurance Corporation, calendar year 1942 23
9. Assets and liabilities of the Federal Deposit Insurance Corporation, December 31, 1942, and December 31, 1941 24
10. Federal Deposit Insurance Corporation balance sheet, June 30, 1942—from auditors' report 26

PART TWO DEPOSIT INSURANCE AND BANKING DEVELOPMENTS

ASSETS, LIABILITIES, AND CAPITAL OF INSURED COMMERCIAL BANKS:

11. Changes during 1942 in assets of insured commercial banks 31
12. Classification of assets of insured commercial banks, examinations in 1939-1942 32
13. Distribution of insured commercial banks examined in 1942 according to substandard assets ratio, examinations in 1941 and 1942 33
14. Percentage distribution of number and deposits of insured commercial banks according to net sound capital ratio, examinations in 1938-1942 34
15. Distribution of number and deposits of insured commercial banks according to ratio of fixed and substandard assets to net sound capital, examinations in 1942 35

LIST OF TABLES

vii
Page

EARNINGS OF INSURED COMMERCIAL BANKS:

16.	Earnings, expenses, and taxes of insured commercial banks, 1934-1942	36
17.	Net earnings, charge-offs, profits, and dividends of insured commercial banks, 1934-1942	36
18.	Net earnings and net profits per \$100 of total capital accounts of insured commercial banks, 1941 and 1942	37
19.	Amounts and rates of income received, and rate of interest paid, by insured commercial banks, 1934-1942	38
20.	Average rates of net profits on total capital accounts of insured commercial banks grouped by rate of interest paid on time and savings deposits, 1942	39
21.	Rates of charge-offs on assets of insured commercial banks, 1934-1942	40

PART FIVE

STATISTICS OF BANKS AND DEPOSIT INSURANCE

NUMBER, OFFICES, AND DEPOSITS OF OPERATING BANKS:

101.	Analysis of changes in number and classification of operating banking offices in the United States and possessions during 1942 . .	68
102.	Number of operating banking offices, December 31, 1942 <i>Grouped according to insurance status and class of bank and by type of office in each State and possession</i>	70
103.	Number and deposits of operating commercial and mutual savings banks, December 31, 1942 <i>Banks grouped according to insurance status in each State and possession</i>	76

ASSETS AND LIABILITIES OF OPERATING BANKS:

104.	Summary of assets and liabilities of operating banks in the United States and possessions, June 30, 1942 <i>Banks grouped according to insurance status and type of bank . . .</i>	78
105.	Summary of assets and liabilities of operating banks in the United States and possessions, December 31, 1942 <i>Banks grouped according to insurance status and type of bank . . .</i>	79
106.	Assets and liabilities of operating insured commercial banks, call dates, December 31, 1941, to December 31, 1942	80

ANALYSIS OF EXAMINATIONS OF INSURED COMMERCIAL BANKS:

107.	Analysis of assets, capital, and liabilities of insured commercial banks examined in 1942 <i>Banks grouped according to amount of deposits</i>	82
108.	Asset and net sound capital ratios of insured commercial banks examined in 1942 <i>Banks grouped according to amount of deposits</i>	83
109.	Analysis of assets, capital, and liabilities of insured commercial banks examined in 1942 <i>Banks grouped according to net sound capital ratio</i>	84
110.	Assets and net sound capital ratios of insured commercial banks examined in 1942 <i>Banks grouped according to net sound capital ratio</i>	85
111.	Analysis of assets, capital, and liabilities of insured commercial banks examined in 1942 <i>Banks grouped according to fixed and substandard assets ratio . . .</i>	86

	Page
ANALYSIS OF EXAMINATIONS OF INSURED COMMERCIAL BANKS—Continued	
112. Asset and net sound capital ratios of insured commercial banks examined in 1942 <i>Banks grouped according to fixed and substandard assets ratio . . .</i>	87
113. Analysis of assets, capital, and liabilities of insured commercial banks examined in 1942 <i>Banks grouped according to Federal Deposit Insurance Corporation District</i>	88
114. Asset and net sound capital ratios of insured commercial banks examined in 1942 <i>Banks grouped according to Federal Deposit Insurance Corporation District</i>	89
115. Distribution of insured commercial banks examined in 1942 according to net sound capital ratio <i>Banks grouped by fixed and substandard assets ratio, rate of net earnings, and amount of deposits</i>	90
116. Distribution of deposits of insured commercial banks examined in 1942 <i>Banks grouped according to net sound capital ratio and by fixed and substandard assets ratio, rate of net earnings, and amount of deposits</i>	91
EARNINGS OF INSURED BANKS:	
117. Earnings, expenses, and dividends of insured banks, 1942 <i>By class of bank</i>	92
118. Ratios of earnings, expenses, and dividends of insured commercial banks, 1942 <i>Banks grouped according to amount of deposits</i>	94
SUSPENSIONS, RECEIVERSHIPS, AND MERGERS:	
119. Number and deposits of banks suspending operations, placed in receivership, and merged with the financial aid of the Federal Deposit Insurance Corporation, 1934-1942 <i>Banks grouped by class, year, amount of deposits, and State</i>	96
120. Assets and liabilities of insured banks placed in receivership, 1934-1942 <i>As shown by books of bank at date of suspension</i>	98
121. Depositors and deposits of insured banks placed in receivership, 1934-1942 <i>As shown by books of FDIC, December 31, 1942</i>	99
122. Accounts and deposits of and disbursements to insured banks merged with the financial aid of the Federal Deposit Insurance Corporation, 1942	100

PART ONE

OPERATIONS AND POLICIES OF THE CORPORATION

BANKING AND DEPOSIT INSURANCE

Condition of banks. The quality of the assets held by commercial banks appears today to be better than at any other time. Total assets of all commercial banks in the United States amounted to \$97 billion on December 31, 1942, an increase for the year of \$19 billion or nearly 25 percent. The growth in assets was chiefly in obligations of the United States Government which at the close of the year constituted more than 40 percent of the banks' assets. Cash, reserves, and balances with other banks also increased and were nearly 30 percent of the banks' assets. The examinations of insured commercial banks in 1942 indicate that the remaining assets of the banks were, on the whole, of better quality than in previous examinations on record with the Corporation.

Viewing the banks as a whole, earnings are increasing. Operating earnings after payment of operating expenses but before income taxes are estimated to be higher in 1942 than in any other year since the establishment of deposit insurance. Notwithstanding income taxes which are estimated to be about 60 percent higher than those of 1941 and three to seven times higher than those of other pre-war years, the banks in 1942 reported net profits after income taxes substantially higher than in any other year of deposit insurance, except 1936 and 1941. The increases in net earnings and profits, however, were chiefly in the largest banks of the nation, most of the remaining banks showing reductions in 1942 in net earnings and net profits both before and after taxes.

The present outlook for war financing and taxation indicates that bank assets, chiefly United States Government obligations and balances with other banks, including reserves at Federal Reserve banks, will continue to expand, that operating earnings will increase more rapidly than expenses, and that net profits even after taxes will be well sustained over the next few years.

Capital of banks. During recent years retained net earnings have approximated 3 percent of capital. It appears likely that they will continue to approximate this figure. With little indication of increases in capital from sources other than earnings and with substantial increases in assets and liabilities in prospect, many banks may find themselves without sufficient capital to take a reasonable share of the risks inherent in the financing of business in the post-war era. This development represents an acceleration of the tendency, observed over the past 50 years, for assets and liabilities to expand more rapidly than bank capital.

Bank capital and private enterprise. One of the distinguishing characteristics of private enterprise is the assumption of risks by individuals and groups of individuals in the hope of obtaining profits. Although most of the risks of business are assumed by the owners, some are also borne by others who participate in its conduct. Among these risks are those arising out of the financing of business enterprise.

The fee for the assumption of the risk involved in financing business is included in the interest paid or some other advantage given to creditors. To the extent that the fees paid are adequate in amount and distribution to cover the risks involved in extensions of credit, the losses can be borne without serious repercussions. However, the concentration of these losses in periods of time—chiefly depressions—and in areas or particular businesses frequently results in inability of creditors to absorb the losses. The losses must then be passed on to the next group of creditors, which, in the case of the banks, are the depositors.

Over the past 80 years losses incurred by the banking system have totaled more than \$15 billion. Of these losses, more than \$10 billion were written off out of earnings and capital in operating banks, more than \$2 billion were borne by stockholders of failed banks, and more than \$2 billion were borne by the depositors. These losses were in part the cost of business enterprise. They reflected errors of judgment and the consequences of unforeseen economic vicissitudes. The bank failures brought disruption to the economic life of the communities in which they occurred and disaster and distress to many depositors and bank stockholders. The business and agricultural development made possible by the credits advanced by these banks was a partial offset to the losses resulting from their failure.

One of the chief objectives of bank management and bank supervision must be the uninterrupted operation of banks able and willing to bear the risks inherent in the provision of credit. While risks can be kept low by the adoption of standards which have been shown by experience to provide reasonable assurance of fulfillment of obligations, such standards must be conceived of in terms of the requirements and capacities of business. They must be adapted to changes in the business structure and in business methods, otherwise business will have to seek increasing proportions of its credit elsewhere than at the banks. It is important, therefore, either that banks maintain adequate capital margins and provide reserves on a regular basis for the losses inherent in the financing of business and agriculture, or that they provide some means of transferring risks to others.

Adequacy of bank capital. The recent rapid growth in bank deposits and in bank assets without a corresponding growth in capital has resulted in substantial reductions in the ratio of bank capital to

liabilities and to assets. The lowering of the ratios, coupled with recognition of obvious differences of degree of risk in different types of assets has led to rationalization of the capital position of banks in terms of "risk" assets. The doctrine has been widely advocated that "riskless" assets should be disregarded in determining adequacy of capital, and that capital should be related only to "risk" assets.

To the extent that assets are readily convertible into cash without risk of loss, of course, capital would appear to be less necessary. The determination of adequacy of capital in terms of existing "risk" assets, however, represents an unfortunate and misplaced emphasis. Such views have led not only to neglect on the part of some bankers to take steps to improve capital positions, where such steps were desirable and feasible, but also to active steps on the part of others actually to reduce capital. The question is not whether a bank has enough capital for the type of assets which it now holds and the risks which it now appears to face, but whether it has enough capital to enable it to assume the proper and reasonable risks of participating in the financing of business enterprise. To the extent that banks in the post-war future confine their investments to so-called "riskless" assets, business and agriculture will have to obtain accommodation elsewhere, either from competing credit institutions or from governmental agencies.

If bankers wish to preserve their system of banking they must have enough capital to enable them to finance, with reasonable safety, business enterprise so as to make unnecessary the creation of governmental financing agencies. Bankers must be in a position to bear successfully the reasonable risks of such financing without imposing an undue burden of risk upon the Government. To the extent that such risks are not borne by banks but are shifted to the Federal Deposit Insurance Corporation and to other governmental agencies increased supervision, regulation, and control by the Government become necessary, and continuation of a privately-owned banking system becomes increasingly difficult. The prospect for survival of our present banking system, therefore, depends largely upon the intelligent and resourceful leadership of the bankers themselves in providing sufficient capital and managerial skill to enable the banks to bear the risks of credit extension in a manner which will justify the maintenance of our private banking system.

Policy of the Corporation with respect to bank capital. Disciplinary supervisory action will not be taken against banks whose capital ratios, solely because of support of war financing, follow an unfavorable trend. The war must and will be financed and present public policy calls for the banks to make an important contribution to such financing.

The Corporation's views with respect to the role of banks in war financing is expressed in part in a joint statement of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Executive Committee of the National Association of Supervisors of State Banks, issued on November 22, 1942. That statement, presented in full on page 55 of this report, gave assurance to the banks that they would not be criticized for using their resources and facilities to the utmost in the purchase of United States Government securities eligible for bank investment or for making short-term loans to facilitate customer purchases of Government securities.

The Corporation is desirous of maintaining the soundness and stability of our banking system and of assuring the ability of the banks to meet their future responsibilities in the financing of the nation's business. The Corporation, therefore, is opposed to the continued operation without remedial measures of banks known to be in an unsatisfactory condition. The Corporation is also opposed to the weakening of banks through unwarranted reductions of capital.

The Corporation advocates the increase of bank capital wherever it is needed. With favorable earnings prospects some banks have obtained additional capital recently through the offering of stock to the public. Other banks could follow their example with benefit to themselves, to the banking system, and to our system of private enterprise.

Reserves for losses on bank assets. The losses on assets of more than \$15 billion incurred by the commercial banks of the nation over the past 80 years were at a rate of nearly one percent of total assets per annum. During the past 25 years, 1918 to 1942, inclusive, losses less recoveries on loans of national banks averaged nearly one percent of loans per annum. Both the city banks—reserve and central reserve city—and the country banks showed losses on loans at about the same rates which, from the nature of the reported data, probably represent understatements. Losses on securities, other than obligations of the United States Government, appear to have been materially higher than those on loans. Comparable data for State banks are not available. While more than one-half of the losses taken on these two types of assets during the 25-year period were written off in six years, they were sustained upon assets acquired by the banks over many years.

This uneven rate of loss contributes to banking difficulties. In prosperous periods profits appear to be large, encouraging payment of generous dividends, whereas in depression years the heavy charge-offs more than absorb undivided profits and sometimes even result in capital impairment. It is desirable, therefore, that during prosperous

periods each bank should make provision on a systematic basis for losses, which can be expected to develop in periods of readjustment, on assets acquired during the prosperous periods. Where banks do not already follow such a practice, reserves for losses should be set aside annually in the form of valuation allowances, or unallocated charge-offs, or in some other manner, against those groups of assets from which losses ordinarily arise. Such reserves should, of course, not be regarded as a part of the capital accounts.

Within certain limits, the amount of reserves or loss allowances set aside annually at a rate in keeping with the experience of the bank over a reasonable period of years, or with the experience of a comparable group of banks, and with due regard for substandard assets, may be deducted from income in determining net income for Federal income tax purposes by banks employing the reserve method of charging off bad debts. Such deductions may be claimed even though losses have not actually been ascertained during the taxable year.¹ The requirements of the supervisory authorities, subject to certain limitations, also constitute sufficient ground for the taking of losses for income tax purposes.²

Transfer of risk. In the absence of adequate capital and of reserves for losses the banks will be faced with the alternative either of refraining from the financing of business or of transferring the risk of financing to others.

A method of transfer of risk frequently proposed is to insure various types of assets of the banks against loss. While certain classes of loans, particularly real-estate mortgages, readily lend themselves to this method of financing, the creation of a series of governmental corporations which would insure most bank loans has serious long run implications to the free enterprise system. Since each corporation of this kind would of necessity be forced to supervise the extension of credit to avoid undue losses and since achievement of uniformity in regulations would be difficult, such a method of finance, if generally used, would impose additional restraints and interferences with the normal processes of business.

Insurance of bank assets seeks to avoid, by payment of a fee, the risk of extending credit. The insuring Federal agencies would be assuming the primary risk of loss in the extension of credit while the profits would be received by banks which would not bear the risks that are the justification for profit-taking. Under such a general system of insurance of bank assets some of the most powerful incentives for sound banking practices would be lacking. One of the sound

¹ Regulation 103 (Part 19, Title 26, Code of Federal Regulations, 1940 Sup.), Section 19.23 (k)-5, as amended by Treasury Decision 5234, March 1, 1943.

² Regulation 103 (Part 19, Title 26, Code of Federal Regulations, 1940 Sup.), Section 19.23 (k)-1(c), as amended by Treasury Decision 5234, March 1, 1943.

features of deposit insurance lies in the fact that the stockholders of a bank still bear the first risk of loss since they lose their entire stake in the business before the Federal Deposit Insurance Corporation bears any loss. Self-interest, therefore, still provides the primary incentive for the sound management and operation of the bank and for prudence in the extension of credit.

Deposit insurance assessments. From time to time proposals have been made to reduce the rate of insurance assessment on deposits, to exempt certain classes of deposits from assessments, and to permit deductions or allowances on certain types of assets. The most important of these proposals are listed below. Had all of them been in effect for the period covered by the assessments collected by the Corporation in 1942, they would have reduced the Corporation's assessment income to \$4 million or by 92 percent.

Proposals for reducing assessments	Effect on assessments for 1942 (reduction)
Eliminate assessments on Treasury war loan account (enacted April 13, 1943).....	\$1.9 million
Deduct secured deposits of the United States (S. 986 pending in 78th Congress).....	.2
Deduct all other secured deposits, including all public funds.....	3.6
Deduct interbank deposits.....	9.2
Deduct deposits equivalent to the amount of cash and reserves held....	11.7
Deduct deposits equivalent to the amount of U. S. Government obligations held.....	23.7
Deduct cost of one national bank examination—for national banks only (H. R. 1818 pending in 78th Congress).....	1.9
Total reduction in assessments.....	\$52.1 million
Total assessments paid in 1942.....	\$56.5 million

The cost of insurance is determined not by any nominal rate of assessment paid but by the economic forces, the supervisory and management policies, and the structural weaknesses which bring losses upon creditors of banks and upon the insurance fund. If the cost is not met by assessments on banks it will have to be met out of the pockets of depositors as in the past or by levies upon the entire nation through the appropriation of Federal revenues. The present rate of assessment is less than one-half of that which would have been necessary to operate a comparable insurance fund over the period from the close of the Civil War to the establishment of the present fund on January 1, 1934. The present rate assumes that the reforms and improvements in our banking system sought by banking legislation over the past decade have been achieved and tested, that bank management and bank supervision are superior to those of former years, and that this country will never again have a banking crisis.

Furthermore, the reserve funds of the Corporation under existing rates and conditions have not increased in proportion to the deposits protected by the Corporation. To reduce now the assessment below the present rate, therefore, would not constitute prudent financial administration.

Summary. In testifying recently before the Senate and House Banking and Currency Committees, the Chairman of the Federal Deposit Insurance Corporation made the following statement:

“One of the principal bulwarks of depositors’ confidence is the deposit insurance system. Confidence in the banking system will be maintained so long as bank customers believe that the banks are kept sound through good management and supervision, and so long as they believe that the Federal Deposit Insurance Corporation is financially sound and properly administered. Loss of confidence would inevitably lead to hoarding on a scale greater than anything we have ever imagined, and to a deterioration in the banking structure of such a character as to require direct financial intervention of the Federal Government. Amid the popular outcry that would accompany such developments what would be the prospects for continuance of a system of privately-owned banks which had claimed to be unable to support financially a deposit insurance system and had not made adequate provision for the risks of doing business although it had a record of sustained earnings and profits even after increased taxes?

“Continuance of a system of privately-owned banks is essential to the maintenance of the private business system which has contributed so much to the greatness of this country. The preservation of our banking system calls for wholehearted and intelligent participation in the war effort, for conservation of earnings and provision out of current earnings for losses, for strengthening of capital whenever possible, for farsightedness on the part of bankers and public officials concerned with banking, and for the maintenance of the Federal Deposit Insurance Corporation in as strong a financial position as possible. Not until we have completed our major post-war adjustments and have arrived at a comparatively stable post-war economy should we consider any reduction in the assessment rate or any further exemption of types of deposits from assessments.”

PROTECTION OF DEPOSITORS

Protection of depositors in insured banks. As is usual in periods of rapidly increasing bank deposits and sharply advancing prices, few banks experienced financial difficulties during 1942. Only 20 banks with 60,000 depositors and aggregate deposits of \$19 million required

financial aid from the Corporation. The disbursements of the Corporation amounted to \$11 million, of which it is estimated all but \$3 million will be recovered. Full protection was afforded to all but 26 depositors whose loss will amount to about \$7,000. Details concerning the insured banks placed in receivership or merged with the financial aid of the Corporation during 1942 are presented in Tables 119 to 122, pages 96 to 100.

During the nine years of Federal insurance of bank deposits—January 1, 1934, to December 31, 1942—390 insured banks with deposits of \$485 million were merged with the financial aid of the Corporation or suspended and were put into liquidation. The Corporation disbursed \$251 million to protect 1,300,000 depositors in these 390 banks and expects to lose about \$49 million, 20 percent of its disbursements, or about 10 percent of the deposits of the banks.

In 290 of the 390 banks not a single depositor who filed a claim will suffer any loss. Less than 5,000 depositors who filed claims will experience a loss and 3,206 of these held accounts which had been restricted or deferred prior to 1934 or were otherwise ineligible for insurance protection. Losses of about \$3 million will be borne by depositors, for the most part by those with accounts in excess of \$5,000, the maximum coverage of deposit insurance. Depositors with 30,000 accounts aggregating \$128,000 had failed to file their insured claims by December 31, 1942. In some cases, these claims were barred by expiration of legal time limits, but in other terminated receiverships, trust funds amounting to \$14,000 were set up to cover claims which might be proved at a later date. Summary figures relating to depositors' losses and recoveries are given in Table 1.

**Table 1. DEPOSITORS' RECOVERIES AND LOSSES IN INSURED BANKS
IN FINANCIAL DIFFICULTIES, 1934-1942**

Number of depositors	1,265,649
Depositors suffering no loss.....	1,231,081
Depositors suffering loss:	
Claims filed, but recoveries from liquidation inadequate ¹	4,684
Claims not filed within period prescribed by law.....	29,884
Amount of deposits	\$484,755,000
Estimated recoveries by depositors.....	481,649,000
Estimated losses by depositors filing claims ¹	2,992,000
Estimated losses because of failure to file claims.....	114,000

¹ 1,478 depositors will lose an estimated \$2,857,000 of their deposits in accounts which exceeded the limit of \$5,000 insurance and which were not otherwise protected; and 3,206 depositors will lose about \$135,000 in accounts which had been restricted or deferred prior to 1934 or were otherwise ineligible for insurance protection.

Methods of providing insurance protection. The Corporation protects depositors in insured banks in financial difficulties, (1) by advancing cash to the banks to replace poor assets, where such action

will facilitate mergers with other banks and reduce the loss of the Corporation, or (2) by paying off depositors, up to \$5,000 per depositor, in insured banks which close without making adequate provision for payment of depositors. Disbursements under the two methods of dealing with insolvent or hazardous insured banks during the past nine years are presented in Table 2.

Table 2. DISBURSEMENTS OF THE CORPORATION IN CONNECTION WITH BANKS IN FINANCIAL DIFFICULTIES, 1934-1942

	Number of banks			Amount of disbursement (in millions)		
	Total	Placed in receivership	Merged	Total	Insured deposits paid ¹	Loans and assets purchased
Total.....	390	240	150	\$251	\$81	\$170
1942.....	20	6	14	11	2	9
1941.....	15	8	7	24	12	12
1940.....	43	19	24	74	5	69
1939.....	60	32	28	68	26	42
1938.....	74	50	24	30	9	21
1937.....	75	50	25	19	12	7
1936.....	69	42	27	15	8	7
1935.....	25	24	1	9	6	3
1934.....	9	9	.....	1	1	.....

¹ In addition, the Corporation disbursed \$1,096,000 to purchase assets from the liquidators of 44 insured banks in receivership.

Detailed figures for 1942—See Tables 121 and 122, pages 99 and 100.

Of the 390 banks aided or closed, 150 with 902,000 accounts and \$383 million of deposits were merged with no interruption of operation and without loss to depositors, while 240 banks with 364,000 depositors and \$102 million of deposits were placed in receivership. Figures regarding payment of deposits in insured banks in receivership are given in Table 3.

Table 3. PAYMENT OF DEPOSITS OF INSURED BANKS PLACED IN RECEIVERSHIP, 1934-1942

	Total	Paid by Dec. 31, 1942 ¹	Unpaid on Dec. 31, 1942 ²
Deposits—total.....	\$102,469,000	\$97,371,000	\$5,098,000
Insured.....	81,572,000	81,220,000	352,000
Secured, preferred, and subject to offset.....	10,259,000	10,222,000	37,000
Deposits in excess of \$5,000 not otherwise protected.....	9,505,000	5,225,000	4,280,000
Restricted or otherwise uninsured.....	1,005,000	690,000	315,000
Unclaimed ³	128,000	14,000	114,000

¹ Payment made by the Federal Deposit Insurance Corporation and by receivers.

² Includes loss of \$169,000 in banks whose receiverships have been terminated.

³ Unclaimed deposits paid are held in trust to pay deposits unclaimed at termination of receivership.

By the close of 1942, 95 percent of the \$102 million of deposits in the insured banks placed in receivership had been paid to depositors. Insured deposits of \$81 million were paid by the Corporation and deposits of \$16 million were offset or paid by the receivers. It is estimated that about \$2 million additional payments will be made and that depositors will lose about \$3 million.

Losses and recoveries of the Corporation. Insurance losses in the 390 banks are estimated at \$49 million. In the banks placed in receivership, the Corporation estimates losses will be about 20 percent of total deposits compared with losses of 7 percent of total deposits in the banks merged. Out of the \$251 million of disbursements made during the past nine years in protecting depositors and assets, \$142 million had been repaid to the Corporation by the end of 1942. The Corporation expects additional recoveries of about \$60 million.

Of the 150 loan and purchase transactions, 29 were liquidated and closed out by December 31, 1942. The closed transactions were all small, involving total disbursements of only \$2 million. In 28 cases, the disbursements were repaid in full. In the remaining case, collections after deductions of expenses amounted to 96 percent of the principal of the loan. The Corporation is making every effort to liquidate as many assets as possible during this period of prosperous business. Net collections for the year 1942, after deducting expenses, amounted to \$21 million.

Of the 240 insured banks placed in receivership from 1934 to 1942, 85 were completely liquidated by the end of that period, according to the records of the Corporation. This number does not include 23 banks whose receiverships had been terminated, but the residue of whose assets had been purchased by the Corporation, but had not yet been liquidated. Of the 85 banks, 36 made full repayment to the Corporation on its subrogated claims, 23 with interest. Payments to the Corporation on subrogated claims during the year amounted to \$7 million.

During the past four years, the Corporation has purchased assets from the receivers of 44 insured banks at a cost of \$1 million in order to facilitate the termination of the receiverships and to reduce the loss of the Corporation and of other creditors of the banks. In only 3 of the 44 banks were all of the assets liquidated by December 31, 1942. Total collections in the 44 cases, however, have amounted to about two-thirds of the purchase price of \$1 million.

Receivership activities of the Corporation. At the close of 1942, the Corporation was acting as receiver for 48 of the 132 insured banks still in receivership. It was receiver for 11 national banks with deposits at time of suspension aggregating almost \$13 million and for 37 State banks with deposits aggregating \$10 million. The Cor-

poration maintains close contact with the receivers of the remaining 84 State banks with deposits of \$59 million.

SUPERVISORY ACTIVITIES OF THE CORPORATION

Bank examinations. The Corporation continued its policy of examining each insured State bank not a member of the Federal Reserve System once a year and nearly all of these banks were examined in 1942. In addition, a number of examinations and investigations of banks were made because the banks were believed to require special attention or the banks wished to change their class or location or to establish or change the location of branches. The Corporation also, as in previous years, reviewed reports of examinations of insured banks members of the Federal Reserve System made by officials of that system or by the Comptroller of the Currency.

Unsafe and unsound banking practices and violations of law or regulations. During the year 1942 proceedings were initiated against 13 banks and continued in 9 cases which were pending at the beginning of the year. The status of these cases at the end of the year and also a summary of all cases for the entire period since the effective date of the Banking Act of 1935 is given in Table 4.

Table 4. ACTION TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH ENGAGING IN UNSAFE OR UNSOUND PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936-1942

	Total cases 1936-1942 ¹	Cases in 1942	
		Pending beginning of year ²	Started during year
Total banks against which action was taken	123	9	13
Cases closed during period	116	8	7
Corrections made.....	16	1	.....
Insured status terminated, or date for such termination set by Corporation, for failure to make corrections:			
Bank suspended prior to or on date of termination of insured status ³	7	1	.....
Bank continued in operation ⁴	3	.....	.....
Banks suspended prior to setting of date of termination of insured status by Corporation.....	31	1	.....
Banks absorbed or succeeded by other banks.....	59	6	7
Cases pending December 31, 1942	7	1	6
Deferred pending consummation of plans for reorganization or recapitalization.....	2	1	1
Correction period not expired.....	5	.....	5

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

² Excludes 1 bank against which action pending at the beginning of 1941 was discontinued in order that a new action could be started.

³ Includes 1 national bank which, in accordance with the provisions of the law, suspended immediately following the action of the Corporation in terminating its insured status.

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

⁵ In all except 2 of the 59 cases the Corporation made loans to facilitate the mergers or reorganizations.

Back data—See Annual Report of the Corporation for 1941, page 188.

The banks against which the Corporation proceeded were engaged in various types of unsafe and unsound practices and violations of law or regulations. Most of these banks were operating with seriously impaired capital, and were managed by incompetent or untrustworthy officials. Most of them were holding excessive amounts of assets of substandard quality and a large proportion of these were continuing to carry such assets on their books, thus failing to disclose a true statement of condition in their reports of assets and liabilities. A list of the practices in which 11 of the 13 banks were engaged is given in Table 5.¹

Table 5. UNSAFE OR UNSOUND BANKING PRACTICES AND VIOLATIONS OF LAW OR REGULATIONS CHARGED AGAINST 11 BANKS BY THE CORPORATION DURING 1942

Type of practice or violation	Number of banks charged
Capital:	
Operation of bank with seriously impaired capital	11
Insufficiency of earnings and inadequacy of available capital funds to provide for current and developing losses	8
Continued operation of the bank with a net capital wholly inadequate to give reasonable protection to depositors, particularly in view of the large and abnormal amount of substandard assets, and assets consisting of real estate and potential other real estate	6
Management and general practices:	
Lax credit and collection policies	6
Continued carrying of losses in bank's assets, thus failing to disclose true statement of condition	7
Continued operation of the bank in an unsafe and unsound condition	8
Operation of bank by weak, hazardous, untrustworthy or incapable management	11
Unwarranted and excessive loans to directors, officers, employees, or their interests	1
Unsatisfactory condition of so-called "pool-notes" of directors and others and failure to place such obligations in acceptable banking form	1
Loan and investment practices:	
Excessive volume of past due loans	1
Excessive investment in substandard, speculative, and defaulted securities	1
Progressive deterioration of assets	6
Failure of the bank's management to dispose of assets of substandard quality including other real estate, some of which had been carried beyond the period fixed by law	3
Severe losses sustained and previously written off	1
Capitalizing taxes and maintenance costs	1
Carrying as loans and discounts of potential other real estate	1
Large and excessive amount of assets subject to classification; of assets of substandard quality and of doubtful value and upon which substantial losses are probable	11
Extending the loans and carrying them indefinitely, ignoring the principle of amortization and the necessity for gradual reduction	1

Admissions to and terminations of insurance. During 1942 the Corporation approved applications of 43 banks for admission to insurance.² Of these banks, 12 were new banks, five of which replaced closed banks or closed branches of insured banks, 20 were banks in operation at the beginning of the year, and 11 were insured banks reorganizing or withdrawing from the Federal Reserve System. The applications for admission to insurance of 7 banks were disapproved.

¹ Two of the banks were absorbed by other banks and the cases were dropped, without formal preparation of the list of charges.

² In one case the approval of the Corporation was later rescinded.

In 9 of the banks approved for admission, insurance had not become effective by the end of the year. In addition, 7 banks whose applications were approved during the preceding year became insured during 1942. Nine other banks became insured through admission to membership in the Federal Reserve System.

The insurance of 119 banks terminated during the year, excluding 14 cases in which insured banks were succeeded by other insured banks. Of these banks, 19 suspended or were merged with the aid of loans by the Corporation, 63 were absorbed or merged with other banks without financial assistance by the Corporation, 36 were otherwise liquidated, and 1 was succeeded by a noninsured bank.

Further details regarding admissions to and terminations of insurance are given in Table 101, page 68.

Establishment of branches. During 1942 the Corporation approved the applications of 32 banks to establish 34 branches.¹ In addition, 52 branches were opened for business by national and State banks members of the Federal Reserve System.² Nearly one-third of all of the branches opened for business by insured banks during the year were for the purpose of providing banking facilities at military establishments. Further details regarding changes in the branches operated by insured banks are given in Table 101, page 69.

Capital adjustments of banks. Applications for the retirement of financial obligations held by the Reconstruction Finance Corporation, filed by 279 banks required by law to secure the approval of the Federal Deposit Insurance Corporation, were approved in 1942 in amounts aggregating \$9.5 million and disapproved in amounts aggregating \$4.6 million. Applications for the retirement of capital obligations held by others than the Reconstruction Finance Corporation were approved in amounts aggregating \$1.0 million.

Approval of assumption or release of deposits. During the year the Corporation approved the assumption by insured banks of deposit liabilities of 14 noninsured banks. In 4 insured banks the Corporation approved the payment of waived deposits or certificates of beneficial interest representing deposits which had been waived at the time of the banking holiday of 1933.

Reports from banks. Semi-annual statements of deposits were submitted by each insured bank as required by law for the purpose of determining the amount of the deposit insurance assessment.

The Corporation called for reports of assets, liabilities, and capital accounts as of June 30 and December 31, 1942, and for reports of

¹ This figure includes applications to continue in operation branches of banks which were being absorbed or succeeded.

² These banks are not required to obtain Corporation approval for establishment of branches.

earnings, expenses, and disposition of profits for the calendar year 1942, from each insured bank required by law to submit such reports to the Corporation.¹

The Corporation is using the simplified uniform report forms adopted also by the other Federal bank supervisory agencies and by a majority of the State banking departments. These uniform statements were developed upon the initiative of the supervisory agencies with a view to reducing the burden of reporting and conserving the use of manpower both in the banks and in the supervisory agencies. It is estimated that the work of the banks in preparing statements of condition has been cut nearly in half by use of the simplified statement. The forms were approved by the Bureau of the Budget.

Summaries of the tabulations from the reports of assets, liabilities, and capital accounts are given in the pamphlets "Assets and Liabilities of Operating Insured Banks", Report No. 17 and Report No. 18, and in Table 106 in this report. Summaries of the reports of earnings, expenses, and disposition of profits are given in Tables 117 and 118 of this report.

LEGAL DEVELOPMENTS

Federal legislation. The Federal statutes relating to deposits of public money of the United States were altered and clarified by Section 10 of Public Law 603, approved June 11, 1942, establishing the Smaller War Plants Corporation. In brief, the provisions of this section—

- (1) Include in the definition of public money of the United States, revenues and funds of the United States, Postal Savings Funds, and any funds the deposit of which is subject to the control or regulation of the United States or any of its officers, agents or employees.
- (2) Enable the Secretary of the Treasury to designate any insured bank as a depository of public money of the United States or as a financial agent of the Government, upon provision of satisfactory security for the safe keeping and prompt payment of public money deposited with the bank and for the faithful performance of its duties as financial agent.
- (3) Eliminate the requiring of security for deposits of moneys of the Federal Government to the extent to which such deposits are insured by this Corporation.

¹ Banks required to submit reports to the Corporation are insured banks not members of the Federal Reserve System except those in the District of Columbia and national banks in the possessions.

- (4) Define, for the purpose of determining the amount of insured deposits, each officer, employee, or agent of the United States depositing public funds of the United States in an insured bank as a separate and distinct depositor from any other officer, employee, or agent of the United States depositing money in the same insured bank.
- (5) Prohibit discrimination against or preference of national banking associations, State banks members of the Federal Reserve System, or insured banks not members of the Federal Reserve System in the deposit, disbursement, or expenditure of public funds or the deposit, custody, or advance of funds subject to the control of the United States.

The Federal Reports Act of 1942, Public Law 831, approved December 24, provides for coordination by the Bureau of the Budget of the collection of information by governmental agencies. The act provides, however, that its provisions shall not apply to the obtaining by any Federal bank supervisory agency of reports and information from banks as provided or authorized by law and in proper performance of such agency's functions in its supervisory capacity. This act took effect after the preparation of report forms used by the Corporation for 1942, and those forms bore Bureau of the Budget approval numbers issued under previously existing authority.

The requirement of Sec. 11(a) of the Federal Register Act of 1935 that each agency of the Government, including this Corporation, should file on July 1, 1943, and every fifth year thereafter, a complete codification of all documents which have been issued having general applicability and legal effect was suspended for the duration of the war by Public Law 796, approved December 10, 1942. The same act provided for a cumulative supplement to the Code of Federal Regulations under the supervision of the Division of the Federal Register.

The sections of these acts affecting insured banks or the Federal Deposit Insurance Corporation are given on pages 49-53 in this report.

Executive order regarding Federal credit unions. By Executive Order of the President Number 9148, dated April 27, 1942, all functions, powers, and duties of the Farm Credit Administration and of the Governor thereof under the Federal Credit Union Act were transferred to the Federal Deposit Insurance Corporation. The order became effective on May 16, 1942, and will continue in force until the termination of Title I of the First War Powers Act, 1941. A copy of the Executive Order is given on page 53.

Actions of the Corporation regarding credit unions, and summaries of the operations of Federal credit unions for the year 1942, are published in a separate report of the Corporation.

State legislation directly affecting the operations of the Corporation. Legislatures of eight States held regular sessions in 1942, and those of nine States held special sessions largely for the consideration of war emergency measures. In two of these States legislation was enacted affecting insured banks or the operations of the Federal Deposit Insurance Corporation.

In Rhode Island, by amendment to Chapter 133 of the General Laws, specific authorization was given for a mutual savings bank to become a member of the Federal Reserve System and for a mutual savings bank or bank and trust company to become an insured bank with this Corporation. Another amendment to the same Chapter extends to savings banks the authorization given State officials in 1936 to disclose to this Corporation or its agents information relative to banks and trust companies insured by this Corporation. An amendment of Chapter 141 of the General Laws includes savings banks in the authorization given in 1940 to the Director of Business Regulation in charge of the Bureau of Banking to accept in his discretion, in lieu of his own examination, the report of examination of a bank and trust company conducted by the Board of Governors of the Federal Reserve System or by the Federal Deposit Insurance Corporation. (Chapter 1248 (S. 194A), approved May 9, 1942.)

In Virginia, Section 4149 (69) of the banking code was amended to exempt from the requirement to post collateral securities to secure uninvested trust funds of a bank or trust company held in its own commercial or savings department to the extent that such funds are insured by this Corporation. (Chapter 173, approved March 10, 1942.)

State legislation relating to bank supervision and bank operations. The most important subjects dealt with in legislation amending State banking codes are listed below:

Bank supervisory authority:

- Extending to May 16, 1945, the powers of Commissioner of Banking and Insurance to regulate interest rates on time and savings deposits.....New Jersey (Ch. 87)
- Eliminating requirement as to the time (month of December) when State Comptroller should determine and fix rates of interest on time and savings deposits and providing that such rates when determined and fixed by him shall remain in force until changed by the Comptroller instead of continuing in force only one year;—the rate to be determined not to exceed that permitted by national banks.....Mississippi (S. B. 353)
- Increasing the number of members of State Banking Board from nine to ten; requiring new members to be experienced in savings and loan associations; and authorizing action to be taken by the Board by instrument in writing signed by all members without a meeting.....New York (Ch. 189)
- Requiring every bank, trust company, industrial bank, and private bank to be examined once in each calendar year instead of twice in each eighteen month period, as heretofore.....New York (Ch. 805)

Operations of banks of deposit:

- Providing that revocations, countermands, or stop payment orders shall be good only for a six months' period unless renewed.....Kentucky (Ch. 129)
- Amending requirements for reserves against deposits.....Kentucky (Ch. 109)
- Providing for indemnification of directors, officers and their personal representatives for costs incurred in connection with suits arising by reason of their office unless adjudged guilty of actual negligence or misconduct....Kentucky (Ch. 40);
New Jersey (Ch. 124)
- Authorizing individuals, partnerships, associations or corporations to act as issuing agents for sale of obligations of the United States upon designation by U. S. Secretary of TreasuryKentucky (Ch. 117); New Jersey (Ch. 125);
New York (Ch. 178); South Carolina (Ch. 675); Rhode Island (Ch. 1125);
Virginia (Ch. 272)
- Establishing as a conclusive presumption the correctness of statements of accounts or of depositor's pass-book five years after rendition....Louisiana (Act No. 88)
- Adopting American Bankers Association recommended statute regarding fictitious payee.....Louisiana (Act No. 312)
- Forbidding State banks to receive and hold deposits continuously for more than twelve months in excess of fifteen times their paid-up capital and surplus, but permitting State Comptroller to grant permission in writing to receive and hold deposits not in excess of twenty times paid-up capital and surplus.....
.....Mississippi (H. B. 5)

Branch offices and bank mergers:

- Providing that branch offices of banks, which are distinguished from branch banks, shall not make loans but may transmit loan applications to parent bank and prescribing manner in which they may be handled....Mississippi (Ch. 261)
- Authorizing mergers of safe deposit companies with banks and trust companies.
.....New York (Ch. 283)
- Amending former act permitting banks to merge with or to purchase other banks in the same or adjoining counties or within a distance of twenty-five miles of the parent bank, and to operate such banks, so as to prohibit such merger or purchase unless each of the institutions involved shall have been in actual operation for a period of two years or more unless the State Corporation Commission waives this restriction on account of emergency conditions or the demands of public interest.....Virginia (Ch. 86)

Taxation:

- Authorizing annual excise tax upon every banking institution except mutual savings banks; also, 40c on each \$100 of certain kinds of deposits on last business day in June of each year; also, savings deposits in national banks at 4/10ths of one percent.....Rhode Island (Ch. 1212)
- Taxing stock of branch banks.....Virginia (H. B. 157)

Savings banks, trust funds, and fiduciary institutions:

- Authorizing a national bank having capital stock in amount required for maintaining a bank and trust company in the same city to exercise therein the powers of a trust company.....Kentucky (Ch. 151)
- Amending list legal for investment of trust funds by fiduciaries.....
.....New Jersey (Ch. 135); Virginia (Ch. 412)

- Providing method of substituting successors of fiduciaries engaged in war service
New Jersey (Ch. 160); New York (Ch. 804)
- Amending list of investments for savings banks.....New York (Ch. 434)
- Regulating powers and liabilities of fiduciaries in military service and authorizing
 them to appoint substitutes pro tem or to allow remaining fiduciaries to act.
Pennsylvania (Ch. 1140); Rhode Island (Public Law—No. 3)
- Credit unions and small loan institutions:
- Amending credit union statute and uniform small loan law.
Virginia (Chs. 143 and 150)
- Specifying disposition of abandoned funds in industrial banks.....
New York (Chs. 107, 438 and 605)
- Amending restrictions on loans of credit unions and provisions relating to reserves
 for bad debts.....New York (Chs. 371 and 373)
- War emergency measures:
- Suspending all holidays other than Independence Day, Labor Day and Christmas
 Day during the continuance of present war.....Kentucky (Ch. 149)
- Conferring war powers upon the Governor relative to the "protection of bank
 deposits and maintenance of bank structure".....Massachusetts (Ch. 13)
- Authorizing every bank and trust company temporarily to suspend business
 during actual or threatened enemy attacks and for a reasonable time thereafter
Virginia (Ch. 101)

Regulations of the Corporation. On March 24, 1942, and on December 5, 1942, the Board of Directors of the Corporation by resolution adopted provisions appearing respectively as Sections 305.5 and 305.6 in the Federal Register and in the codified regulations of the Corporation.

The first provides that the owner of any portion of deposits, representing funds of national farm loan associations or funds to be disbursed or collections held by them in connection with any Federal Land Bank or Land Bank Commissioner loans or with real or personal property owned or sold by any such associations, will be recognized for purposes of claim of insured deposits if the records of such association, maintained in good faith and in the regular course of business, disclose the name and interest of such owner even though they are not disclosed on the records of the insured bank.

The same provisions appear in the second of such resolutions for the benefit of employees whose salary deductions are held by employers for purchase of war savings bonds or stamps.

These provisions are similar to those previously adopted relating to deposits of public officers (Sec. 305.3) and deposits of approved Federal Housing administration mortgagees (305.4).

Copies of these regulations are given on page 54 of this report.

OPERATING STATEMENT OF THE CORPORATION

Organization and staff. No changes in the directorship of the Corporation occurred during 1942. Mr. Leo T. Crowley continued as Chairman; Mr. Phillips Lee Goldsborough and Mr. Preston Delano, Comptroller of the Currency, continued as Directors throughout the year.

In accordance with the general policy of reduction of Government personnel not engaged directly in activities having to do with the prosecution of the war, the total personnel of the Corporation was reduced by 127 during the year and on December 31, 1942, consisted of 2,411 officers and employees, notwithstanding the net addition to the staff of 135 employees engaged in Credit Union activities who were transferred from the Farm Credit Administration to the Federal Deposit Insurance Corporation under the provisions of Executive Order Number 9148. The number of officers and employees in each division of the Corporation is given in Table 6.

Table 6. OFFICERS AND EMPLOYEES OF THE CORPORATION, DECEMBER 31, 1942

	Total	Officers and administrative, supervisory, and technical employees	Clerical, stenographic, and custodial employees
Total	2,411	716	1,695
<i>Washington office—total</i>	<i>292</i>	<i>64</i>	<i>228</i>
<i>Chicago office—total</i>	<i>336</i>	<i>99</i>	<i>237</i>
<i>Field offices—total</i>	<i>1,783</i>	<i>553</i>	<i>1,230</i>
Directors and aides	25	10	15
Legal Division	34	15	19
<i>Washington office—total</i>	<i>15</i>	<i>7</i>	<i>8</i>
<i>Chicago office—total</i>	<i>19</i>	<i>8</i>	<i>11</i>
Division of Examination	701	475	226
<i>Washington office—total</i>	<i>58</i>	<i>26</i>	<i>32</i>
<i>District and field—total</i>	<i>643</i>	<i>449</i>	<i>194</i>
Division of Liquidation	1,278	161	1,117
<i>Chicago office—total</i>	<i>158</i>	<i>57</i>	<i>81</i>
<i>District and field—total</i>	<i>1,140</i>	<i>104</i>	<i>1,036</i>
Division of Finance and Administration	324	44	280
<i>Washington office—total</i>	<i>145</i>	<i>10</i>	<i>135</i>
<i>Chicago office—total</i>	<i>179</i>	<i>34</i>	<i>145</i>
Division of Research and Statistics	49	11	38

In June 1942 the Division of Liquidation, part of the Division of Finance and Administration, and part of the Legal Division were moved to Chicago in conformity with the efforts of the Bureau of the Budget to make more space available in Washington for war agencies. At the close of the year the Corporation had 292 officers and employees in the main office in Washington, 336 at the general offices in Chicago, and 1,783 in the field and regional offices.

The operating organization of the Corporation was not significantly altered by the moving of part of the offices of the Corporation to Chicago. The organization of the Corporation during the year is shown by the chart on page 5 of the Report of the Corporation for 1941.

Income and expenses. The total income for the calendar year 1942 was \$69.4 million of which \$56.5 million represented assessments; \$12.5 million interest on investments—net after provision for amortization of premiums, interest on loans and subrogated claims, and other interest received; and \$.4 million representing income from Federal Credit Union activities, including \$.3 million received by transfer from Farm Credit Administration, Department of Agriculture. Total losses and expenses for the year amounted to \$7.2 million, of which \$3.2 million were insurance losses and expenses and \$4.0 million were administrative expenses and other charges. The surplus of the Corporation was increased by \$63.4 million during the year, reflecting net income of \$62.2 million and adjustments to surplus, applicable to prior periods, in the amount of \$1.2 million.

A summary statement of the income and expenses of the Corporation for each year since its organization is given in Table 7. A detailed statement for the year 1942 is given in Table 8.

Table 7. INCOME AND EXPENSES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION SINCE BEGINNING OPERATIONS¹

(In millions of dollars)

	Income				Expenses			Net income added to surplus
	Total	Deposit insurance assessments ²	Investment income and profits	Federal credit union income	Total	Deposit insurance losses and expenses	Administrative expenses ³	
1933-1942	405.9	319.0	86.5	.4	78.3	48.6	29.7	327.6
1942 . . .	69.4	56.5	12.5	.4	7.2	3.2	4.0	62.2
1941 . . .	62.0	51.4	10.6	—	5.5	1.8	3.7	56.5
1940 . . .	55.9	46.2	9.7	—	16.6	13.0	3.6	39.3
1939 . . .	51.2	40.7	10.5	—	19.0	15.6	3.4	32.2
1938 . . .	47.8	38.3	9.5	—	7.2	4.2	3.0	40.6
1937 . . .	48.1	38.8	9.3	—	7.2	4.5	2.7	40.9
1936 . . .	43.8	35.6	8.2	—	5.6	3.1	2.5	38.2
1935 . . .	20.7	11.5	9.2	—	5.6	2.9	2.7	15.1
1933-34 ⁴ . . .	7.0	—	7.0	—	4.4	.3	4.1	2.6

¹ Figures of total expenses, deposit insurance losses and expenses and net income added to surplus for years prior to 1942 differ from those shown in previous Annual Reports because of revisions in estimates of losses allocated to the different years.

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

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

⁴ Includes Federal Credit Union funds transferred to Corporation from Farm Credit Administration, Department of Agriculture.

⁵ Includes expenses from date of organization, September 11, 1933 to December 31, 1934.

⁶ After deducting portion of expenses and losses charged to banks withdrawing from the temporary funds on June 30, 1934.

Table 8. INCOME AND EXPENSES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, CALENDAR YEAR 1942

Income:		
Deposit insurance assessments	\$ 56,531,417.33	
Interest earned on securities (less provision for amortization of premiums)	12,377,355.62	
Other interest received	72,143.84	
Charter, organization, examination and supervision fees, Federal Credit Unions	190,894.61	
Federal Credit Union funds received by transfer from Farm Credit Administration, Department of Agriculture, (net)	196,381.67	
Total income		\$ 69,368,193.07
Expenses:		
Deposit insurance losses and expenses	\$ 3,243,257.78	
Administrative expenses (see below)	3,864,583.08	
Furniture, fixtures and equipment purchased and charged off	31,781.41	
Total expenses		\$ 7,139,622.27
Net income added to surplus		\$ 62,228,570.80
Surplus December 31, 1941:		
As previously reported	\$264,199,902.87	
Plus—net adjustments applicable to periods prior to Jan. 1, 1942	1,215,166.41	
Surplus as adjusted December 31, 1941		\$265,415,069.28
Surplus December 31, 1942		\$327,643,640.08

DISTRIBUTION OF ADMINISTRATIVE EXPENSES

Salaries	\$ 2,719,722.20	
Professional services	49,249.34	
Services of other governmental agencies	51.31	
Transportation	136,051.86	
Subsistence	511,258.95	
Office rental	319,910.15	
Printing, stationery and supplies	92,409.42	
Postage, telephone and telegraph	43,533.92	
Insurance and fidelity bond premiums	1,581.15	
Safekeeping and service charges on securities	114.48	
Subscriptions	9,828.35	
Equipment rental	8,354.45	
Repairs and alterations	17,703.87	
Transportation of things	3,554.52	
Miscellaneous	5,165.87	
		\$ 3,918,489.84
Less:		
Miscellaneous income and other credits applicable to reduction of administrative expenses	\$ 27,209.10	
Inter-departmental expense transfers	26,697.66	\$ 53,906.76
Administrative expenses for the year ending December 31, 1942		\$ 3,864,583.08

Assets and liabilities. On December 31, 1942, the Corporation held assets acquired through bank suspensions and mergers amounting at face value to a total of \$107 million, which were carried on the books of the Corporation at a net or appraised value of \$62 million, United States Government securities valued at \$537 million, and cash amounting to \$19 million. Total capital of the Corporation consisted of \$289 million capital stock issued at its organization and \$328 million accumulated surplus. Balance sheets of the Corporation as of December 31, 1941 and 1942, are given in Table 9.

Table 9. ASSETS AND LIABILITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1942, AND DECEMBER 31, 1941

	1942	1941
ASSETS		
Assets acquired through bank suspensions and mergers:		
Subrogated claims of depositors against closed insured banks . . .	\$ 27,112,952.50	\$ 33,207,002.95
Net balances of depositors in closed insured banks pending settlement or not claimed, to be subrogated when paid—contra . . .	351,254.13	1,130,784.07
Loans to merging insured banks to avert deposit insurance losses . . .	39,872,584.89	48,829,768.23
Assets purchased from merging insured banks, to avert deposit insurance losses, under agreements to return any excess recovery to selling banks	38,314,820.58	41,105,409.16
Assets purchased from merging insured banks and receivers of closed insured banks to avert deposit insurance losses	988,606.36	1,079,390.77
	\$106,640,218.46	\$125,352,355.18
Less: Reserve for losses	44,584,295.97	43,611,442.17
	\$ 62,055,922.49	\$ 81,740,913.01
Cash on hand and on deposit	19,359,639.29	19,964,141.20
United States Government Securities (cost less reserve for amortization of premiums) and accrued interest receivable . .	536,827,041.84	453,892,071.94
Due from Governmental agencies	308,037.43	—
Miscellaneous receivables	110,397.75	—
Furniture, fixtures and equipment	1.00	1.00
Deferred charges and miscellaneous assets	82,805.27	65,086.26
Total assets	\$618,743,845.07	\$555,662,213.41
LIABILITIES		
Current liabilities:		
Accounts and assessment rebates payable	\$ 477,399.09	\$ 172,955.96
Earnest money deposits and collections in suspense, arising from subrogated claims of depositors, loans to merging insured banks, and assets purchased and Federal Credit Union activities	840,452.79	727,677.90
Net balances of depositors in closed insured banks pending settlement or not claimed—contra	351,254.13	1,130,784.07
Deferred credits	4,379.48	13,510.84
Reserve for deposit insurance expenses	127,162.51	117,824.78
Total liabilities	\$ 1,800,648.00	\$ 2,162,753.55
CAPITAL		
Capital stock:		
United States	\$150,000,000.00	\$150,000,000.00
Federal Reserve banks	139,299,556.99	139,299,556.99
	\$289,299,556.99	\$289,299,556.99
Surplus—(see Table 8)	327,643,640.08	264,199,902.87
Total capital	\$616,943,197.07	\$553,499,459.86
Total liabilities and capital	\$618,743,845.07	\$555,662,213.41

Relation of capital and surplus of the Corporation to deposits protected. Deposit insurance losses since 1934 have been sufficiently small so that those losses and the administrative expenses of the Corporation for the period of its existence have both been met from income on the Corporation's investments. This has resulted in additions to the capital and surplus of the Corporation since its organization of an amount greater than the assessments collected from insured banks. Nevertheless, the capital and surplus of the

Corporation is now considerably smaller, relative to the deposits actually protected by the Corporation, than at the beginning of 1934.

When insurance of deposits began on January 1, 1934, the capital stock of the Corporation, which amounted to \$289 million, was approximately 2.0 percent of the insured deposits of banks approved for insurance. At the close of 1942, the capital and surplus of the Corporation amounted to 1.9 percent of the estimated amount of deposits specifically insured by the law.¹ However, as a result of the powers of the Corporation in connection with mergers of banks in financial difficulties, the deposits protected in fact by the Corporation embrace a larger proportion of total deposits.

Audit. In accordance with the Corporation's policy of having an annual independent audit, the accounts as of June 30, 1942, were audited by Arthur Andersen & Co. The auditors' certificate is given below. The balance sheet of the Corporation as of that date, as shown in the auditors' report, is given in Table 10.

ARTHUR ANDERSEN & CO.

120 SOUTH LA SALLE STREET
CHICAGO

TO THE BOARD OF DIRECTORS,
FEDERAL DEPOSIT INSURANCE CORPORATION:

We have examined the balance sheet of the Federal Deposit Insurance Corporation (a corporation created under Section 12B of the Federal Reserve Act, as amended by Title I of the Banking Act of 1935) as of June 30, 1942, and the related statement of income and expenses for the year then ended, which statement of income and expenses is summarized under the surplus account in the balance sheet. In connection therewith, we have reviewed the system of internal control and the accounting procedures of the Corporation and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence maintained in the general office of the Corporation (except the records as to the closed insured banks for which the Corporation is receiver), by methods and to the extent we deemed appropriate. We did not examine the collateral under loans to merging insured banks nor the documents evidencing ownership of assets purchased from insured banks, which collateral and assets for the most part are held by Liquidating Agents of the Corporation, but we reviewed reports as of various dates throughout the year prepared by the Corporation's internal audit department or inventories of assets purchased during the year prepared by the Corporation's examiners, covering their verification of such items.

In our opinion, the accompanying balance sheet presents fairly the position of the Federal Deposit Insurance Corporation at June 30, 1942, and the results of its operations for the year ended that date.

(Signed) ARTHUR ANDERSEN & Co.

Chicago, Illinois,
October 21, 1942.

¹ Insured deposits of banks insured on January 1, 1934, are estimated at less than \$15 billion. Such deposits are estimated at about \$33 billion at the close of 1942.

**Table 10. FEDERAL DEPOSIT INSURANCE CORPORATION BALANCE SHEET
JUNE 30, 1942—FROM AUDITORS' REPORT**

ASSETS		
Cash on deposit, in transit and on hand.....		\$ 23,766,546.68
United States Government Securities and accrued interest receivable thereon:		
Principal amount \$488,202,350, stated at cost (\$491,948,153.75), less reserve for amortization of premiums (\$1,913,643.12)...	\$490,034,510.63	
Accrued interest receivable.....	<u>1,839,323.15</u>	491,873,833.78
Assets acquired through bank suspensions and mergers, less collections:		
Subrogated claims of depositors against closed insured banks..	\$ 28,444,985.21	
Net balances of depositors in closed insured banks pending settlement or not claimed, to be subrogated when paid—per contra.....	316,907.72	
Loans made to, and assets purchased from, merging insured banks to reduce or avert deposit insurance losses—		
Loans and recoverable liquidation expenses (Note 1).....	44,042,883.30	
Assets purchased under agreements to return any excess recoveries to the selling banks, and recoverable liquidation expenses (Note 1).....	40,298,834.52	
Assets purchased, other.....	617,616.34	
Assets purchased from receivers of closed insured banks.....	<u>350,356.26</u>	
	<u>\$114,071,583.35</u>	
Less—Reserves for losses.....	<u>44,449,076.73</u>	69,622,506.62
Furniture, fixtures and equipment, at nominal value.....		1.00
Deferred charges and miscellaneous receivables.....		<u>120,868.06</u>
		\$585,383,756.14
FEDERAL CREDIT UNION SECTION (NOTE 4)		
Cash balance with the Treasurer of the United States.....		192,198.79
		<u><u>\$585,575,954.93</u></u>

NOTES:

(1) Loans to merging insured banks are evidenced by demand notes bearing interest at the rate of 4% per annum, and the Corporation is entitled to a return of 4% per annum with respect to its investments in assets purchased from merging insured banks under agreements to return any excess recoveries to the selling banks. The Corporation follows the practice of taking into income only such amounts of interest and allowable return as are realized after recovery in full of its investments (including recoverable liquidation expenses) in the respective loans and purchased assets. The amount of such interest realized during the year ended June 30, 1942 was \$25,981.47.

(2) From time to time as appraisals or reappraisals are made, the Corporation revises its estimates of probable losses on assets acquired and carries directly to surplus the resulting adjustments of the reserve for losses insofar as such adjustments relate to assets acquired through bank suspensions and mergers which occurred in prior periods. However, in the summary of surplus shown in the foregoing balance sheet, such adjustments (net credit of \$1,166,973.75) recorded during the year ended June 30, 1942 have been applied in reduction of deposit insurance losses and expenses for the year.

(3) Under the provisions of Section 12B of the Federal Reserve Act, as amended by Title I of the Banking Act of 1935 (subsection "o"), the Corporation is authorized and empowered to issue and to have outstanding its notes, debentures, bonds or other such obligations in a par amount determined in accordance with said provisions, which amount at June 30, 1942, was \$974,601,498.36.

Table 10. FEDERAL DEPOSIT INSURANCE CORPORATION BALANCE SHEET
JUNE 30, 1942—FROM AUDITORS' REPORT—Continued

LIABILITIES		
Liabilities:		
Accounts payable.....		\$ 282,421.80
Earnest money deposits and collections in suspense, arising from assets acquired through bank suspensions and mergers..		750,700.15
Net balances of depositors in closed insured banks pending settlement or not claimed—per contra.....		316,907.72
Reserve for expenses of paying insured deposits.....		132,937.04
Deferred credits.....		13,337.76
Total liabilities.....		\$ 1,496,303.97
Capital stock and surplus (The entire capital stock and surplus is considered by the Corporation to constitute a reserve for future deposit insurance losses and related expenses with respect to insured banks. The Corporation estimates that the insured deposits in operating insured banks amounted to approximately \$28.5 billion at June 30, 1942):		
Capital stock, without nominal or par value (nonvoting and not entitled to the payment of dividends)—		
Held by United States Government.....		\$150,000,000.00
Held by Federal Reserve banks.....		139,299,556.99
		\$289,299,556.99
Surplus—		
Net increase in surplus for the year ended June 30, 1942—		
Income—		
Deposit insurance assessments....	\$ 54,154,790.14	
Interest earned on United States Government securities, less provision for amortization of premiums.....	11,477,590.88	
Other interest received (Note 1)..	26,224.21	
	<u>\$ 65,658,605.23</u>	
Expenses—		
Deposit insurance losses and expenses (Note 2).....	\$ 1,478,775.20	
Administrative expenses.....	3,631,391.62	
Furniture, fixtures and equipment purchased.....	33,046.99	
	<u>\$ 5,143,213.81</u>	
Net increase in surplus for the year ended June 30, 1942.....	\$ 60,515,391.42	
Surplus balance, June 30, 1941.....	234,072,503.76	
Surplus balance, June 30, 1942.....		<u>294,587,895.18</u>
Total capital stock and surplus..		583,887,452.17
		\$585,383,756.14

FEDERAL CREDIT UNION SECTION (NOTE 4)—Continued

Fund balance:		
Transferred from Farm Credit Administration.....	\$ 233,186.82	
Less—Expenses paid, May 16 to June 30, 1942.....	44,338.03	
Remainder (\$18,805.80 is reserved for obligations incurred)	\$ 188,848.79	
Transferred from Emergency Fund for the President, National Defense (\$957.60 is reserved for obligations incurred).....	3,350.00	
		<u>192,198.79</u>
		\$585,575,954.93

NOTES: (3) continued:

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

The Reconstruction Finance Corporation, as provided in subsection (b) of section 5e of the Reconstruction Finance Corporation Act, as amended, shall purchase at par value such obligations of the Corporation as are authorized to be issued, upon request of the Board of Directors of the Corporation, whenever in the judgment of said Board additional funds are required for insurance purposes; provided, that the Reconstruction Finance Corporation shall not purchase or hold at any time said obligations in excess of \$250,000,000 par value. If the Reconstruction Finance Corporation fails for any reason to purchase any of the obligations of the Corporation, the Secretary of the Treasury is authorized and directed to purchase such obligations in an amount equal to the amount of such obligations the Reconstruction Finance Corporation so fails to purchase.

(4) The President of the United States, by Executive Order dated April 27, 1942, ordered that all functions, powers and duties of the Farm Credit Administration and of the Governor thereof under the Federal Credit Union Act, as amended, be transferred to the Federal Deposit Insurance Corporation effective as of May 16, 1942. The functions of the Federal Credit Union Section include the approval of applications and the issuance of organization certificates to Federal Credit Unions, the supervision thereof and the field examinations of the financial reports of such Unions.

PART TWO

DEPOSIT INSURANCE AND BANKING DEVELOPMENTS

ASSETS, LIABILITIES, AND CAPITAL OF INSURED COMMERCIAL BANKS

On December 31, 1942, assets and liabilities of insured commercial banks were larger in amount than ever before. These banks held all but 2 percent of the reported amount of assets and deposits of all commercial banks.

The expansion during 1942 in both assets and deposits of insured commercial banks amounted to about \$19 billion. The rate of increase in assets and deposits was about three times the average annual rate for the preceding eight years of deposit insurance. The increase reflected primarily a growth in holdings of obligations of the United States Government of \$20 billion. Cash assets (reserves, balances with other banks, and items in process of collection) increased by more than \$2 billion. The remaining assets, consisting chiefly of loans, showed a net reduction of nearly \$3 billion, or 10 percent. Changes during 1942 in the principal assets of insured commercial banks are shown in Table 11.

Table 11. CHANGES DURING 1942 IN ASSETS OF INSURED COMMERCIAL BANKS

	Amount (millions of dollars)			Percentage distribution	
	Dec. 31, 1942	Dec. 31, 1941	Change during year	Dec. 31, 1942	Dec. 31, 1941
Total assets¹	95,459	76,831	+19,153	100.0%	100.0%
Total cash assets and U. S. Government securities¹	68,306	46,841	+21,990	71.6	61.0
Currency and coin.....	1,307	1,359	-52	1.4	1.8
Balances with banks including reserve balances ¹	22,170	20,981	+1,714	23.2	27.3
Cash items in process of collection.....	4,117	3,453	+664	4.3	4.5
U. S. Government securities.....	40,712	21,048	+19,664	42.7	27.4
Total invested assets other than U. S. Government securities	27,153	29,990	-2,837	28.4	39.0
Other securities.....	6,632	6,985	-353	6.9	9.1
Loans and discounts.....	18,906	21,262	-2,356	19.8	27.7
Fixed and miscellaneous assets.....	1,615	1,743	-128	1.7	2.2

¹ Excludes reciprocal balances of \$525 million on December 31, 1942; includes reciprocal balances on December 31, 1941.

² Includes change in reciprocal balances.

Detailed figures—See Table 106, page 80.

While assets and deposits increased by 25 percent and 27 percent, respectively, total capital accounts shown on the banks' books increased by only 3 percent during the year. This increase, chiefly from earnings, was at only a slightly higher rate than during the preceding eight years of deposit insurance. At the close of the year, capital

accounts amounted to 8.0 percent of deposits and 7.4 percent of assets, compared with 9.9 percent and 8.9 percent, respectively, a year earlier.

Quality of assets. On the whole the quality of the banks' assets was considered by examiners to be better than ever before. Not only have the increases been primarily in holdings of United States Government obligations and of cash assets but both the amount and proportion of the remaining assets criticized by examiners are lower than ever before during the existence of this Corporation. Improvement was noted in loans, securities, and real estate. The figures are shown in Table 12.

Table 12. CLASSIFICATION OF ASSETS OF INSURED COMMERCIAL BANKS, EXAMINATIONS IN 1939-1942

(Amounts per \$100 of book value)

	Total assets	Securities	Loans	Fixed and miscellaneous assets
Assets criticized				
1942.....	\$ 2.29	\$ 1.91	\$ 4.13	\$16.61
1941.....	3.05	3.06	4.74	20.54
1940.....	4.26	4.82	6.84	24.33
1939.....	5.62	6.04	8.63	26.67
Examiners' deductions (net)				
1942.....	0.16	0.07	0.32	1.74
1941.....	.22	.14	.39	1.78
1940.....	.34	.26	.66	2.23
1939.....	.52	.38	.98	2.81
Substandard				
1942.....	2.13	1.84	3.81	14.87
1941.....	2.83	2.92	4.35	18.76
1940.....	3.92	4.56	6.18	22.10
1939.....	5.10	5.66	7.65	23.86

¹ For securities other than those of the United States Government the figure is 9.24.

Detailed figures for 1942—See Tables 107 and 108, pages 82 and 83.

The proportion of assets which were criticized by examiners decreased in about two-thirds of the banks between the examinations of 1941 and 1942. In many banks the reductions were substantial. However, in about 300 banks substantial increases were reported in the proportion of assets classified as substandard. The deterioration in the asset position of these 300 banks in part reflected the repayment of good loans by customers out of their larger incomes but for the most part was due to the acquisition by the banks of assets which were of substandard quality at the time of acquisition. A distribution of banks according to the percentage of assets which were classified as substandard in the examinations of 1941 and 1942 is shown in Table 13.

Table 13. DISTRIBUTION OF INSURED COMMERCIAL BANKS EXAMINED IN 1942 ACCORDING TO SUBSTANDARD ASSETS RATIO, EXAMINATIONS IN 1941 AND 1942

	Number of banks		Percentage distribution	
	1942	1941	1942	1941
All banks ¹	13,125	13,125	100.0%	100.0%
Banks with no substandard assets....	714	505	5.4	3.9
Banks with substandard assets per \$100 of appraised value of assets of— ²				
Less than \$5.00.....	9,317	7,890	71.0	60.1
\$5.00 to \$9.99.....	2,200	3,020	16.8	23.0
\$10.00 to \$14.99.....	604	1,111	4.6	8.5
\$15.00 to \$19.99.....	179	355	1.4	2.7
\$20.00 to \$24.99.....	67	150	.5	1.1
\$25.00 or more.....	44	94	.3	.7

¹ Excludes banks operating less than the full year preceding either examination or whose operations were materially affected by mergers.

² The appraised value of assets represents an estimated average for each individual bank of the values over the year immediately preceding the date of examination. See pages 64-65.

Capital. Although net sound capital amounted to 98.1 percent of total capital accounts of all insured commercial banks in 1942—a new high—the rapid growth of assets in 1941 and 1942 brought a further decline in the ratio of net sound capital to the appraised value of assets.¹ At the time of examinations in 1942, net sound capital amounted to 8.4 percent of appraised value of assets of all insured commercial banks, the lowest figure since the crisis year 1933. It is estimated that by the close of 1942 net sound capital of insured commercial banks had declined to less than 7.5 percent of the appraised value of assets.

An increasing proportion of insured commercial banks are showing low capital ratios, the shifts in 1942 reflecting an acceleration of a trend that has existed for a number of years. In examinations made during 1942, nearly one-third of the banks holding almost three-fourths of the deposits had net sound capital amounting to less than 10 percent of the appraised value of assets.² Sixty-four of these banks with total deposits of \$1.7 billion had net sound capital of less than 5 percent of the appraised value of their assets. In addition, thirty-two banks with total deposits of \$241 million had no net sound capital except that represented by the investment of the Reconstruction Finance Corporation. Distributions of insured commercial banks according to their capital ratios, in examinations made each year since 1939, are shown in Table 14.

¹ Net sound capital is obtained by subtracting examiners' deductions from total capital account or by subtracting the bank's liabilities from the appraised value of assets. See also page 65.

² The appraised value of assets used as the base for this ratio represents an estimated average of the values in each individual bank over the year immediately preceding the date of examination. If the base of the ratio had represented the appraised value as of the date of examination, 44 percent instead of 33 percent would show ratios of less than 10 percent.

Table 14. PERCENTAGE DISTRIBUTION OF NUMBER AND DEPOSITS OF INSURED COMMERCIAL BANKS ACCORDING TO NET SOUND CAPITAL RATIO EXAMINATIONS IN 1939-1942

	All banks	Banks with net sound capital per \$100 of appraised value of assets of— ¹			
		\$0.00 or less	\$0.01 to \$9.99	\$10.00 to \$19.99	\$20.00 or more
Number of banks:					
1942.....	100.0%	...	32.9%	60.6%	6.5%
1941.....	100.0	.1%	22.4	67.7	9.8
1940.....	100.0	.1	21.7	66.5	11.7
1939.....	100.0	.1	21.3	65.6	13.0
Deposits of banks:					
1942.....	100.0	...	71.2	27.1	1.7
1941.....	100.0	(²)	64.5	33.3	2.2
1940.....	100.0	.1	63.9	33.5	2.5
1939.....	100.0	(²)	58.3	33.7	3.0

¹ In order to eliminate the influence of seasonal fluctuations in total assets upon the ratios for individual banks, the base used in the computation of the ratio for individual banks for the most part consisted of the estimated average, over the year period preceding the date of examination, of total assets—adjusted for examiners' net deductions. In view of the growth in total assets over each period covered by this averaging process, this table tends to represent the condition of banks considered as a whole at a period close to the *beginning* of the respective years shown. (If assets as of the date of examination had been used in computing the ratio, over 1,500—or 12 percent—more banks would have shown net sound capital ratios in 1942 of less than \$10 per \$100 of appraised value of assets.)

² Less than .05 percent.

Detailed figures for 1942—See Tables 109 and 110, pages 84 and 85.

As a result of the slight increase in total capital accounts and the reduction of almost \$3 billion in assets other than cash assets and U. S. securities, an increase was recorded during the calendar year 1942 in the percentage of total capital accounts to loans, securities other than U. S. Government, and fixed and miscellaneous assets from 23 to 26 percent. As compared with past periods of prosperous business this is not a wide margin of capital protection against assets of this type. Post-war expansion in the extension by banks of credit to agriculture, industry, and commerce will narrow the margin considerably.

The amount of net sound capital is also significant in relation to the amount of fixed and substandard assets held by the banks. Fixed assets are bank premises owned, furniture and fixtures, and other real estate. Substandard assets are those considered by examiners not to be of proper banking quality. In nearly 8,000 of the banks examined by the Federal authorities in 1942, holding over half of the deposits of all insured commercial banks, fixed and substandard assets amounted to less than 40 percent of net sound capital. However, in about 850 banks holding \$3.4 billion of deposits, fixed and substandard assets exceeded net sound capital. In 99 of these banks, with total deposits of more than \$400 million, the amount of fixed and substandard assets was more than double the amount of net sound capital. In all such cases under its direct supervision, the Corporation has repeatedly urged that substandard assets be written

down or disposed of and all net profits be retained in the banks' capital accounts until the substandard assets have been eliminated or substantial amounts have been written off of the banks' books. The figures are shown in Table 15.

Table 15. DISTRIBUTION OF NUMBER AND DEPOSITS OF INSURED COMMERCIAL BANKS ACCORDING TO RATIO OF FIXED AND SUBSTANDARD ASSETS TO NET SOUND CAPITAL, EXAMINATIONS IN 1942

	Number of banks		Deposits	
	Number	Percentage distribution	Amount (in millions of dollars)	Percentage distribution
All banks	13,303	100.0%	72,755	100.0%
Banks with fixed and substandard assets as percentage of net sound capital of—				
Less than 20%.....	3,613	27.2	18,711	25.7
20% to 39%.....	4,322	32.5	24,663	33.9
40% to 59%.....	2,492	18.7	16,162	22.2
60% to 79%.....	1,368	10.3	7,183	9.9
80% to 99%.....	651	4.9	2,640	3.6
100% to 199%.....	758	5.7	2,978	4.1
200% or more.....	99	.7	418	.6

EARNINGS OF INSURED COMMERCIAL BANKS

Total current operating earnings of commercial banks were larger in 1942 than in any other year since 1934, the first year of Federal insurance of deposits. Operating expenses were also heavier but the increase did not offset the larger earnings and net current operating earnings of insured commercial banks after expenses and both before and after taxes were higher in 1942 than in any other year of deposit insurance. The increase in net current operating earnings was chiefly in the larger banks—those with deposits of more than \$50,000,000 each—most of the smaller banks showing smaller net earnings in 1942 than in the immediately preceding years. Earnings, expenses, and taxes of insured commercial banks for each year, 1934 to 1942, are shown in Table 16.

Net profits after charge-offs and taxes were higher in 1942 than in any other year of deposit insurance, except 1936 and 1941. Dividends were slightly smaller in amount in 1942 than in other recent years and the amount of profits added to the banks' capital accounts in 1942 was about the same as in 1941. Net profits, dividends, and additions of profits to capital of insured commercial banks during the years 1934-1942, inclusive, are shown in Table 17.

Table 16. EARNINGS, EXPENSES, AND TAXES OF INSURED COMMERCIAL BANKS, 1934-1942

(In millions of dollars)

Year	Total current operating earnings	Expenses other than taxes	Net current operating earnings before taxes	All taxes	Net current operating earnings after taxes
1942.....	1,791	1,125	666	177	489
1941.....	1,730	1,113	617	153	464
1940.....	1,631	1,070	561	123	438
1939.....	1,605	1,053	552	107	445
1938.....	1,584	1,055	529	103	426
1937.....	1,634	1,059	575	108	467
1936.....	1,567	1,028	539	98	441
1935.....	1,486	1,004	482	79	403
1934.....	1,518	1,040	478	77	401

Detailed figures for 1942—See Table 117, page 92.

The increase in earnings of the large banks, and of all insured commercial banks combined, reflected chiefly receipts of interest on the banks' expanded holdings of U. S. Government obligations. Total income from loans and from other sources was reduced at most banks. In the smaller banks, where income from loans is a much more important source of earnings than in the larger banks, the reduction in income from loans was not fully compensated for by interest received on larger holdings of U. S. Government obligations. The reduction in net earnings in the small banks and the increase in net earnings of the large banks reversed a tendency observed in previous years, so that in 1942, for the first time since the establishment of Federal

Table 17. NET EARNINGS, CHARGE-OFFS, PROFITS, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, 1934-1942

(In millions of dollars)

Year	Net current operating earnings after taxes	Net charge-offs ¹	Net profits after charge-offs and taxes	Dividends ²	Profits added to capital
1942.....	489	48	441	228	213
1941.....	464	9	455	238	217
1940.....	438	37	401	237	164
1939.....	445	57	388	232	156
1938.....	426	126	300	222	78
1937.....	467	86	381	226	155
1936.....	441	-83	524	223	301
1935.....	403	196	207	207	.....
1934.....	401	741	-340	188	-528

¹ Book value of assets charged off, minus recoveries on assets previously charged off, and profits on securities sold.² Preferred and common cash dividends and interest paid on capital.*Detailed figures for 1942—See Table 117, page 92.*

insurance of deposits, the rates of net earnings on total capital accounts of the smaller banks on the average did not exceed those of the larger banks. The rates on total capital accounts of net current operating earnings before payment of taxes and of net profits after taxes of insured commercial banks grouped by size of bank are shown for 1941 and 1942 in Table 18.

Table 18. NET EARNINGS AND NET PROFITS PER \$100 OF TOTAL CAPITAL ACCOUNTS OF INSURED COMMERCIAL BANKS, 1941 AND 1942
BANKS GROUPED BY AMOUNT OF DEPOSITS

	Net current operating earnings before taxes		Net profits after charge-offs and taxes	
	1942	1941	1942	1941
All banks	\$9.45	\$9.04	\$6.26	\$6.66
Banks with deposits of—				
\$250,000 or less.....	7.96	9.76	5.78	6.96
\$250,000 to \$500,000.....	9.12	11.00	6.80	8.32
\$500,000 to \$1,000,000.....	8.57	10.89	6.41	7.97
\$1,000,000 to \$2,000,000.....	9.48	10.19	5.69	7.04
\$2,000,000 to \$5,000,000.....	9.26	9.58	5.37	6.16
\$5,000,000 to \$10,000,000.....	9.04	9.59	4.78	6.37
\$10,000,000 to \$50,000,000.....	9.54		5.72	
More than \$50,000,000.....	9.50	8.35	6.77	6.62

As in previous years, rates of net profits after charge-offs and taxes tended to be higher in the smaller banks than in the larger banks, although considerably lower in 1942 than in 1941. However, in banks with deposits of more than \$50,000,000 each, the rate of net profits averaged higher in 1942 than in 1941 and higher than in most other banks.

Sources and rates of income. The income derived by banks from loans was somewhat smaller in 1942 than in 1941 but was substantially larger than in any other year of deposit insurance. The volume of loans held declined during the year, reflecting curtailment in loans to non-war businesses and to consumers, as well as some liquidation of large war loans for construction projects. The average rate of income received on loans in 1942 was 4.08 percent, the lowest computed rate of any year of deposit insurance. The lower average rate received in 1942 appears to be due to the contraction of loans which bore higher rates of interest, to a considerable extent consumer loans, rather than to a general decline in rates of interest on loans.

The amount of interest and dividends received on securities was about 20 percent larger in 1942 than in 1941. This increase was in interest on larger holdings of obligations of the United States Govern-

ment. The average yield on securities held was 1.78 percent in 1942, lower than in any of the past 8 years and compared with 1.95 percent in 1941. This decline may be attributed to the fact that the major part of the expansion in bank holdings of securities was in issues on which the yield is relatively low—bills, certificates of indebtedness, and short-term Treasury notes. Holdings of issues upon which yields are higher—securities of States, counties, and political subdivisions, and corporate enterprises—declined.

Current operating income from sources other than interest on loans and securities was slightly smaller than in 1941 but was larger than in any other year of Federal insurance of deposits. Income from these sources, which include service charges on deposit accounts, commissions, fees, collections, exchange charges, rent, and earnings of trust and foreign departments, amount to about one-fifth of the operating earnings of commercial banks.

The amounts of income received by insured commercial banks from loans, securities, and other sources, and the rates of income on loans and on securities are shown in Table 19.

Table 19. AMOUNTS AND RATES OF INCOME RECEIVED, AND RATE OF INTEREST PAID, BY INSURED COMMERCIAL BANKS, 1934-1942

Year	Total current operating earnings (millions of dollars) from—			Income on loans per \$100 of loans ¹	Income on securities per \$100 of securities ¹	Interest paid per \$100 of time and savings deposits ¹
	Loans	Securities	Other sources			
1942.....	817	610	364	\$4.08	\$1.78	\$1.10
1941.....	848	509	373	4.27	1.95	1.20
1940.....	769	500	363	4.41	2.16	1.30
1939.....	727	522	357	4.46	2.38	1.43
1938.....	705	532	347	4.36	2.56	1.55
1937.....	710	572	352	4.28	2.68	1.62
1936.....	663	574	330	4.34	2.66	1.72
1935.....	643	548	295	4.40	2.87	2.01
1934.....	691	550	278	4.63	3.17	2.40

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

² For 1942, average securities are based on amounts reported at end of month in the Treasury survey of ownership of Government securities as well as upon amounts reported at call dates.

Interest on time and savings deposits. The average rate of interest paid on time and savings deposits by insured commercial banks was 1.1 percent in 1942, the lowest average rate since deposits were insured with the Federal Deposit Insurance Corporation. Figures for each year from 1934 to 1942, inclusive, are shown in Table 19.

Of the 13,226 insured commercial banks for which figures are available, 3,172 either had no time or savings deposits or paid less

than 1 percent interest on such deposits, 7,341 paid from 1 to 2 percent interest, and 2,713 paid more than 2 percent interest. In general, the banks which paid the high rates of interest on time deposits were the banks with the higher rates of net profits. These banks generally reported a large proportion of assets in loans bearing higher than average rates of interest. Table 20 shows the average rates of net profits of the banks grouped according to rates of interest on time and savings deposits.

Table 20. AVERAGE RATES OF NET PROFITS ON TOTAL CAPITAL ACCOUNTS OF INSURED COMMERCIAL BANKS GROUPED BY RATE OF INTEREST PAID ON TIME AND SAVINGS DEPOSITS, 1942

	Number of banks ¹	Net profits ² per \$100 of total capital accounts ³
All banks	13,226	\$6.74
Banks with no time and savings deposits	470	6.77
Banks paying interest per \$100 of time and savings deposits³ of—		
None.....	57	4.29
Less than \$0.50.....	233	6.15
\$0.50 to \$0.99.....	2,412	5.91
\$1.00 to \$1.49.....	3,221	6.18
\$1.50 to \$1.99.....	4,120	6.97
\$2.00 or more.....	2,713	7.88

¹ Excludes banks submitting reports covering less than the full year's operations or materially affected by mergers or unusual transactions. Trust companies not engaged in deposit banking also excluded.

² After charge-offs, recoveries, and payment of taxes.

³ Averages of figures for call dates.

Interest in excess of 2 percent was paid by 1,927 banks which reported more than 5 percent net profits on their capital, by 681 banks which reported net profits after taxes of less than 5 percent on their capital, and by 105 banks which reported net losses. Of the 1,927 banks, 806 reported more than 10 percent net profits on their capital.

Charge-offs and losses on assets. In 1942, insured commercial banks made provision for losses by charge-offs or addition to valuation allowances at the rate of one-third of 1 percent of total assets. This may be compared with an annual average of two-thirds of 1 percent of total assets during the preceding five years, and an average of 1.5 percent per year during the first three years of deposit insurance. The high rate of charge-offs during the first three years of deposit insurance was due to the elimination of assets upon which losses had accumulated prior to and during the depression. Recoveries in 1942 on losses previously charged off, though smaller in actual amount than in recent years, were larger relative to the amount of charge-offs. In consequence, the rate of net charge-offs in 1942 was about one-seventh of 1 percent compared with an average of three-eighths of

1 percent during the preceding five years and about 1 percent during the first three years of deposit insurance.

Charge-offs on loans were at the rate of only two-fifths of 1 percent in 1942, compared with three-fourths of 1 percent during the preceding five years, and 2.5 percent during the first three years of deposit insurance. The present rate of charge-offs of two-fifths of 1 percent of loans may be compared with an annual average of more than 1 percent in the case of national banks over the 25-year period, 1918-1942.

The rate of charge-offs in 1942 on securities other than obligations of the U. S. Government was very much higher than the rate of charge-offs on loans, but was lower than in previous years. The rate of charge-offs on such securities in 1942 was 1.8 percent, which may be compared with about 2.8 percent per year during the preceding five years. Recoveries on securities which had been previously charged off were sufficient to bring the rates of net charge-offs down to slightly less than 1 percent of the book value of securities held in 1942, compared with about 1.8 percent during the preceding five years.

The rates of charge-offs on total assets, and on significant groups of assets, are shown in Table 21.

Table 21. RATES OF CHARGE-OFFS ON ASSETS OF INSURED COMMERCIAL BANKS, 1934-1942¹

	On total assets	On total loans	On total securities	On securities other than U. S. Gov't.	On fixed assets ²
1942					
Charge-offs.....	\$0.33	\$0.40	\$0.33	\$1.77	\$5.02
Recoveries.....	.19	.34	.15	.32	2.29
Net charge-offs.....	.14	.06	.18	.95	2.73
1937-1941					
Charge-offs.....	.65	.75	.85	2.77	4.81
Recoveries.....	.28	.41	.29	.95	2.23
Net charge-offs.....	.37	.34	.56	1.82	2.58
1934-1936					
Charge-offs.....	1.47	2.51	1.36	3.90	4.99
Recoveries ³.....	.45	.55	.55	1.58	1.93
Net charge-offs.....	1.02	1.96	.81	2.32	3.06

¹ Amounts of gross losses, recoveries, and net losses on assets designated for calendar years indicated per \$100 of total of the corresponding asset averages for beginning, middle and end of each year.

² Banking house, furniture and fixtures, and other real estate.

³ Recoveries on securities of banks not submitting reports to FDIC were not reported separately from profits on securities sold in 1934 and 1935. Recoveries on securities were estimated to be about 38 percent of total recoveries and profits on securities.

Dividends paid by banks. In the case of insured commercial banks the proportion of banks paying dividends dropped off slightly in 1942 after showing a rise in recent years. The figures are as follows:

1942	86 percent	1940	85 percent
1941	87 percent	1939	82 percent

In general, the banks with the highest rates of net profits retained larger proportions of their profits as additions to capital than did the banks with lower rates of net profits.

INSURED MUTUAL SAVINGS BANKS

On December 31, 1942, the Federal Deposit Insurance Corporation was insuring deposits in 56 of the 546 mutual savings banks in the country. These banks operated 35 of the 138 branches of mutual savings banks. Four banks operating two branches, with deposits totaling about \$243 million, were admitted to insurance during the year. The insured mutual savings banks held deposits of \$2.0 billion on December 31, 1942, or 19 percent of the \$10.7 billion of deposits in all mutual savings banks.

Total assets of the 53 mutual savings banks insured throughout the year increased slightly from \$1,958 million on December 31, 1941, to \$1,977 million on December 31, 1942, reflecting increases in depositors' accounts of about \$16 million and a net addition to capital from profits of about \$3 million. Holdings of obligations of the U. S. Government increased by \$124 million, or 20 percent, during the year and amounted to \$753 million in the 53 banks on December 31, 1942. All other types of assets declined during the year. At the end of the year for the first time, the banks reported a larger proportion of assets invested in U. S. Government securities than in any other type of asset.

Total capital accounts, which consist, for mutual savings banks, of surplus and reserve accounts, and, in some banks, of capital notes and debentures also, increased by \$3.0 million during the year in the 53 banks insured throughout the year. The addition to capital from profits of \$3.6 million was offset by the retirement of capital notes and debentures held by the Reconstruction Finance Corporation in 16 banks of \$0.6 million, or 10 percent of the book value (6 percent of retirable value) of Reconstruction Finance Corporation holdings in insured mutual savings banks.

The average rate of dividends or interest paid depositors in insured mutual savings banks was 1.62 percent in 1942, the lowest average rate since 1935, when the data first became available. The following figures show the dividends and interest reported for the year as percentage of total deposits held at the end of the year, for each year from 1935 to 1942:

1942	1.62%	1938	1.91%
1941	1.66%	1937	1.92%
1940	1.73%	1936	1.96%
1939	1.88%	1935	2.26%

Figures showing earnings, expenses, and dividends of insured mutual savings banks for 1942 are presented in Table 117, page 92. Due to the small number of banks, these data, relating only to insured mutual savings banks, may not be characteristic of the operations of all mutual savings banks in the country.

Condensed statements of assets and liabilities of both insured and noninsured mutual savings banks for December 31, 1942, will be found in Table 105, page 79.

PART THREE
SPECIAL REPORTS

SPECIAL REPORTS

It is the policy of the Corporation to present in this section special studies prepared for the administrative use of the Corporation but which also possess general interest. No such studies are available for publication at this time.

PART FOUR
LEGISLATION, REGULATIONS, AND INSTRUCTIONS

LEGISLATION RELATING TO INSURED BANKS
OR THE CORPORATION

DEPOSITS OF PUBLIC MONEY

[PUBLIC LAW 603—77TH CONGRESS]

[CHAPTER 404—2D SESSION]

[S. 2250]

AN ACT

To mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

* * * * *

SEC. 10. All insured banks designated for that purpose by the Secretary of the Treasury shall be depositories of public money of the United States (including, without being limited to, revenues and funds of the United States, and any funds the deposit of which is subject to the control or regulation of the United States or any of its officers, agents, or employees, and Postal Savings funds), and the Secretary is hereby authorized to deposit public money in such depositories, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositories of public money and financial agents of the Government as may be required of them. The Secretary of the Treasury shall require of the insured banks thus designated satisfactory security by the deposit of United States bonds or otherwise, for the safekeeping and prompt payment of public money deposited with them and for the faithful performance of their duties as financial agents of the Government: *Provided*, That no such security shall be required for the safekeeping and prompt payment of such parts of the deposits of the public money in such banks as are insured deposits and each officer, employee, or agent of the United States having official custody of public funds and lawfully depositing the same in an insured bank shall, for the purpose of determining the amount of the insured deposits, be deemed a depositor in such custodial capacity separate and distinct from any other officer, employee, or agent of the United States having official custody of public funds and lawfully depositing the same in the same insured bank in custodial capacity. Notwithstanding any other provision of law, no department, board, agency, instrumentality, officer, employee, or agent of the United States shall issue or permit to continue in effect any regulations, rulings, or instructions, or enter into or approve any contracts or perform any other acts having to do with the deposit, disbursement, or expenditure of public funds, or the deposit, custody, or advance of funds subject to the control of the United States as trustee or otherwise which shall discriminate against or prefer national banking associations, State banks members of the Federal Reserve System, or insured banks not members of the Federal Reserve System, by class, or which shall require those enjoying the benefits, directly or indirectly, of disbursed public funds so to discriminate. All Acts or parts thereof in conflict herewith are hereby repealed. The terms "insured bank" and "insured deposit" as used in this Act shall be construed according to the definitions of such terms in the Act of August 23, 1935 (49 Stat. 684), as amended (U. S. C., title 12, sec. 264).

* * * * *

Approved, June 11, 1942.

CODIFICATION OF ADMINISTRATIVE REGULATIONS

[PUBLIC LAW 796—77TH CONGRESS]

[CHAPTER 717—2D SESSION]

[H. R. 7162]

AN ACT

To suspend for the duration of the war certain requirements of section 11 (a) of the Federal Register Act of 1935.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions contained in the first sentence of section 11 (a) of the Federal Register Act (Act of July 26, 1935, 49 Stat. 503, as amended, U. S. C., title 44, sec. 311) are hereby suspended until such time after the termination of the present war as the Administrative Committee of the Federal Register shall determine. The publication of a cumulative supplement to the Code of Federal Regulations instead of a new codification, prepared under the supervision of the Division of the Federal Register pursuant to the provisions of subsection 11 (c) and 11 (d) of the Federal Register Act, is hereby authorized and required.

SEC. 2. The first sentence of section 11 (a) of the Federal Register Act (Act of July 26, 1935, 49 Stat. 503, as amended, U. S. C., title 44, sec. 311) is hereby amended by inserting the phrase "or on the same date of every fifth year thereafter" before the period at the end thereof.

Approved, December 10, 1942.

COORDINATION AND REDUCTION OF REPORTING TO FEDERAL AGENCIES

[PUBLIC LAW 831—77TH CONGRESS]

[CHAPTER 811—2D SESSION]

[S. 1666]

AN ACT

To coordinate Federal reporting services, to eliminate duplication and reduce the cost of such services, and to minimize the burdens of furnishing information to Federal agencies.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Reports Act of 1942".

SEC. 2. It is hereby declared to be the policy of the Congress that information which may be needed by the various Federal agencies should be obtained with a minimum burden upon business enterprises (especially small business enterprises) and other persons required to furnish such information, and at a minimum cost to the Government, that all unnecessary duplication of efforts in obtaining such information through the use of reports, questionnaires, and other such methods should be eliminated as rapidly as practicable; and that information collected and tabulated by any Federal agency should insofar as is expedient be tabulated in a manner to maximize the usefulness of the information to other Federal agencies and the public.

SEC. 3. (a) With a view to carrying out the policy of this Act, the Director of the Bureau of the Budget (hereinafter referred to as the "Director") is directed from

time to time (1) to investigate the needs of the various Federal agencies for information from business enterprises, from other persons, and from other Federal agencies; (2) to investigate the methods used by such agencies in obtaining such information; and (3) to coordinate as rapidly as possible the information-collecting services of all such agencies with a view to reducing the cost to the Government of obtaining such information and minimizing the burden upon business enterprises and other persons, and utilizing, as far as practicable, the continuing organization, files of information and existing facilities of the established Federal departments and independent agencies.

(b) If, after any such investigation, the Director is of the opinion that the needs of two or more Federal agencies for information from business enterprises and other persons will be adequately served by a single collecting agency, he shall fix a time and place for a hearing at which the agencies concerned and any other interested persons shall have an opportunity to present their views. After such hearing, the Director may issue an order designating a collecting agency to obtain such information for any two or more of the agencies concerned, and prescribing (with reference to the collection of such information) the duties and functions of the collecting agency so designated and the Federal agencies for which it is to act as agent. Any such order may be modified from time to time by the Director as circumstances may require, but no such modification shall be made except after investigation and hearing as hereinbefore provided.

(c) While any such order or modified order is in effect, no Federal agency covered by such order shall obtain for itself any information which it is the duty of the collecting agency designated by such order to obtain.

(d) Upon the request of any party having a substantial interest, or upon his own motion, the Director is authorized within his discretion to make a determination as to whether or not the collection of any information by any Federal agency is necessary for the proper performance of the functions of such agency or for any other proper purpose. Before making any such determination, the Director may, within his discretion, give to such agency and to other interested persons an adequate opportunity to be heard or to submit statements in writing. To the extent, if any, that the Director determines the collection of such information by such agency is unnecessary, either because it is not needed for the proper performance of the functions of such agency or because it can be obtained from another Federal agency or for any other reason, such agency shall not thereafter engage in the collection of such information.

(e) For the purposes of this Act, the Director is authorized to require any Federal agency to make available to any other Federal agency any information which it has obtained from any person after the date of enactment of this Act, and all such agencies are directed to cooperate to the fullest practicable extent at all times in making such information available to other such agencies: *Provided*, That the provisions of this Act shall not apply to the obtaining or releasing of information by the Bureau of Internal Revenue, the Comptroller of the Currency, the Bureau of the Public Debt, the Bureau of Accounts, and the Division of Foreign Funds Control of the Treasury Department: *Provided further*, That the provisions of this Act shall not apply to the obtaining by any Federal bank supervisory agency of reports and information from banks as provided or authorized by law and in the proper performance of such agency's functions in its supervisory capacity.

SEC. 4. (a) In the event that any information obtained in confidence by a Federal agency is released by that agency to another Federal agency, all the provisions of law (including penalties) which relate to the unlawful disclosure of any such information shall apply to the officers and employees of the agency to which such information

is released to the same extent and in the same manner as such provisions apply to the officers and employees of the agency which originally obtained such information; and the officers and employees of the agency to which the information is released shall in addition be subject to the same provisions of law (including penalties) relating to the unlawful disclosure of such information as if the information had been collected directly by such agency.

(b) Information obtained by a Federal agency from any person or persons may, pursuant to this Act, be released to any other Federal agency only if (1) the information shall be released in the form of statistical totals or summaries; or (2) the information as supplied by persons to a Federal agency shall not, at the time of collection, have been declared by that agency or by any superior authority to be confidential; or (3) the persons supplying the information shall consent to the release of it to a second agency by the agency to which the information was originally supplied; or (4) the Federal agency to which another Federal agency shall release the information has authority to collect the information itself and such authority is supported by legal provision for criminal penalties against persons failing to supply such information.

SEC. 5. No Federal agency shall conduct or sponsor the collection of information, upon identical items, from ten to more persons (other than Federal employees considered as such) unless, in advance of adoption or revision of any plans or forms to be used in such collection,

(a) The agency shall have submitted to the Director such plans or forms, together with copies of such pertinent regulations and other related materials as the Director shall specify; and

(b) The Director shall have stated that he does not disapprove the proposed collection of information.

SEC. 6. The Director is authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 7. As used in this Act—

(a) The term "Federal agency" means any executive department, commission, independent establishment, corporation owned or controlled by the United States, board, bureau, division, service, office, authority, or administration in the executive branch of the Government; but such terms shall not include the General Accounting Office nor the governments of the District of Columbia and of the Territories and possessions of the United States, and the various subdivisions of such governments.

(b) The term "person" means any individual, partnership, association, corporation, business trust, or legal representative, any organized group of persons, any State or Territorial government or branch thereof, or any political subdivision of any State or Territory or any branch of any such political subdivision.

(c) The term "information" means facts obtained or solicited by the use of written report forms, application forms, schedules, questionnaires, or other similar methods calling either (1) for answers to identical questions from ten or more persons other than agencies, instrumentalities, or employees of the United States or (2) for answers to questions from agencies, instrumentalities, or employees of the United States which are to be used for statistical compilations of general public interest.

SEC. 8. Any person failing to furnish information required by any such agency shall be subject to such penalties as are specifically prescribed by law, and no other penalty shall be imposed either by way of fine or imprisonment or by the withdrawal or denial of any right, privilege, priority, allotment, or immunity, except when the right, privilege, priority, allotment, or immunity, is legally conditioned on facts which would be revealed by the information requested.

SEC. 9. There are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

Approved, December 24, 1942.

EXECUTIVE ORDER

TRANSFERRING CREDIT UNION FUNCTIONS, RECORDS, PROPERTY, AND PERSONNEL FROM THE FARM CREDIT ADMINISTRATION TO THE FEDERAL DEPOSIT INSURANCE CORPORATION

By virtue of the authority vested in me by Title I of the First War Powers Act, 1941, approved December 18, 1941 (Public Law 354, 77th Congress), it is hereby ordered as follows:

1. *Transfer of Functions.* All functions, powers, and duties of the Farm Credit Administration and of the Governor thereof under the Federal Credit Union Act, as amended, (Title 12 U. S. C., 1751-1771) are transferred to the Federal Deposit Insurance Corporation.

2. *Transfer of Records, Property, and Personnel.* All records and property (including office equipment) and all personnel of the Farm Credit Administration used primarily in the administration of the functions transferred by this order are transferred to the Federal Deposit Insurance Corporation for use in the administration of the functions transferred by this order; but any personnel so transferred who are found by the Federal Deposit Insurance Corporation to be in excess of the personnel necessary for the administration of such functions, powers, and duties shall be retransferred under existing law to other positions in the Government or separated from the service.

3. *Transfer of Funds.* So much of the unexpended balances of appropriations or other funds available (including those available for the fiscal year ending June 30, 1943) to the Farm Credit Administration in the exercise of the functions transferred by this order, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the Federal Deposit Insurance Corporation for use in connection with the exercise of the functions so transferred. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations or other funds prior to the transfer.

4. *Effective and Termination Dates.* This order shall become effective as of May 16, 1942, and shall continue in force and effect until the termination of Title I of the First War Powers Act, 1941.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,

April 27, 1942.

REGULATIONS OF THE CORPORATION

PART 305—RECOGNITION OF DEPOSIT OWNERSHIP NOT ON
BANK RECORDS

On March 24, 1942, and December 5, 1942, the board of directors of the Corporation by resolution added, respectively, the following provisions to Section 305 of Chapter III, Title 12, of the *Code of Federal Regulations*.

Section 305.5: *Deposits of national farm loan associations.* The owner of any portion of a deposit representing funds of a national farm loan association, or group thereof, or funds to be disbursed or collections held by such an association, or a group thereof, in connection with any Federal Land Bank loan or Land Bank Commissioner loan, or with any real or personal property owned or sold by any such association, or any Federal Land Bank, or the Federal Farm Mortgage Corporation, and appearing on the records of a closed insured bank under the name of any such association or group thereof, will be recognized for all purposes of claim for insured deposits to the same extent as if the name and interest of the owner were disclosed on the records of the bank: Provided, that the name and interest of such owner in the deposit is disclosed on the records maintained by such association or group associations; and, Provided, further, that such records have been maintained in good faith and in the regular course of business.

305.6: *Deposits of employer representing salary deductions of employees held for purchase of war savings bonds or stamps.* The owner of any portion of a deposit representing funds of employees held by an employer for the purchase of war savings bonds or stamps and appearing on the records of a closed bank in an appropriately designated special account under the name of the employer will be recognized for all purposes of claim for insured deposits to the same extent as if his (or her) name and interest were disclosed on the records of the bank: *Provided*, that the name and interest of such owner in the deposit are disclosed on the records maintained by such employer: and, *Provided further*, that such records have been maintained in good faith and in the regular course of business.

STATEMENT OF POLICY BY BANK SUPERVISORY AUTHORITIES

**JOINT STATEMENT OF THE COMPTROLLER OF THE CURRENCY,
THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BOARD
OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, AND THE
EXECUTIVE COMMITTEE OF THE NATIONAL ASSOCIATION OF
SUPERVISORS OF STATE BANKS**

The Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Executive Committee of the National Association of Supervisors of State Banks make the following statement of their examination and supervisory policy with special reference to investments in and loans upon Government securities.

1. There will be no deterrents in examination or supervisory policy to investments by banks in Government securities of all types, except those securities made specifically ineligible for bank investment by the terms of their issue.

2. In connection with Government financing, individual subscribers relying upon anticipated income may wish to augment their subscriptions by temporary borrowings from banks. Such loans will not be subject to criticism but should be on a short term or amortization basis fully repayable within periods not exceeding six months.

3. Banks will not be criticized for utilizing their idle funds as far as possible in making such investments and loans and availing themselves of the privilege of temporarily borrowing from or selling Treasury bills to the Federal Reserve Banks when necessary to restore their required reserve positions.

Issued November 22, 1942.

PART FIVE
STATISTICS OF BANKS AND DEPOSIT INSURANCE

EXPLANATORY NOTES

Sources of Data

Data relating to national banks and State banks in the District of Columbia were obtained from the Comptroller of the Currency or the Board of Governors of the Federal Reserve System, and data relating to State banks members of the Federal Reserve System from the Board of Governors of the Federal Reserve System, with the following exceptions: (1) analysis of examinations, the data of which were compiled by this Corporation from reports submitted by the Comptroller of the Currency and the Board of Governors of the Federal Reserve System and reviewed by the Corporation; and (2) data relating to suspensions, receiverships, and mergers with the financial aid of the Federal Deposit Insurance Corporation, which were obtained from the records of the Corporation.

Data relating to insured state banks not members of the Federal Reserve System were obtained from the banks themselves or from the records of the Federal Deposit Insurance Corporation.

Data relating to noninsured banks were obtained from the Board of Governors of the Federal Reserve System, State banking authorities, Rand McNally *Bankers Directory*, and Polk's *Bankers Encyclopedia*.

Classification of Banks and Banking Offices

Insured banks include all operating banks insured by the Federal Deposit Insurance Corporation; **noninsured banks** include all banks not so insured.

Commercial banks and trust companies include the following categories of banking institutions:

Operating 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 and, in New Hampshire, guaranty savings banks;

Stock savings banks, excluding guaranty savings banks in New Hampshire;

Banks in conservatorship or operating under restrictions, provided they are authorized to and in fact do accept new deposits, regardless of the character of the restrictions imposed on the operations of the bank;

Such industrial and Morris Plan banks as operate under general banking codes or operate under the same codes of law as insured industrial banks;

Branches of foreign banks which engage in a general deposit business;

Cash depositories;

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

Trust companies, even though not engaged in regular deposit banking, except those operating as title companies without other fiduciary business;

Branches of American and foreign banks maintained in the possessions to do a general deposit business. (Where more than one branch is maintained by a given bank in any one possession the chief or central office is classified as a bank and the other offices as branches).

Mutual savings banks include all banks operating under special State banking codes applying to mutual savings banks, including guaranty savings banks in New Hampshire.

Unit banks include all banks operating only one office at which deposits are received or checks cashed.

Branches include all offices, other than head offices, of banks operating more than one office at which deposits are received or checks cashed, and all offices, other than head offices, of trust companies not engaged in deposit banking. The term "branch" is used in accordance with the definition in paragraph (15), subsection (c) of section 12B of the Federal Reserve Act, as amended, which is as follows:

"The term 'branch' includes any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State of the United States or in Hawaii, Alaska, Puerto Rico, or the Virgin Islands at which deposits are received or checks paid or money lent."

Institutions excluded. Figures for operating banks do not include institutions in the following categories, though such institutions may perform many of the same functions as banks:

Banks which have suspended operations or have ceased to accept new deposits and are proceeding to liquidate their assets and pay off existing deposits, regardless of the amount of deposit liability still remaining and regardless of whether they are listed among operating banks or included in abstracts of condition of banks published by State banking authorities;

Building and loan associations, savings and loan associations, credit unions, personal loan companies, and similar institutions, chartered under special 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;"

Noninsured Morris Plan companies, industrial banks, loan and investment companies, and similar institutions, not operating under general State banking codes, nor under the same codes of law as similar institutions which have been admitted to insurance;

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

A few special institutions chartered under general banking laws, but operating as mortgage or investment companies and not engaged in deposit banking;

Federal Reserve banks and other banks, such as the Savings and Loan Bank of the State of New York, which operate as rediscount banks and do not accept deposits from the general public.

Bank and Branch Changes

Changes during 1942 in the number of operating banks and branches, as defined above, are shown in Table 101. Similar figures for prior years are shown in previous Annual Reports of the Corporation.

The number of banks which suspended operations because of financial difficulties, and the number merged with the financial aid of the Corporation, in each of the years 1934-1942, are shown in Table 119. The insured banks covered by these

tables are classified in several categories in Table 101 in this Report and the corresponding tables in previous Annual Reports of the Corporation, to take account of other accompanying changes, as indicated below.

	Total number of suspended insured banks, as given in Table 119	Classification in Table 101 or corresponding table in previous Annual Reports			
		Suspended banks not reopened or succeeded	Changes not involving number in any class	Succeeded by another bank in same class	Suspended and reopened	Changes in classification, insured to noninsured (succeeded by noninsured bank)
1942	6	6	..	..	..
1941	8	6	2	..	..
1940	19	19	..	..	..
1939	32	32	..	..	..
1938	49	49	..	..	..
1937	53	50	..	2	1
1936	41	40	1	..	..
1935	26	26	..	..	..
1934	9	9	..	..	..

	Total number of banks merged with financial aid of FDIC, as given in Table 119	Merged with financial aid of FDIC—net decrease	Classification in Table 101 or corresponding table in previous Annual Reports				
			Change in classification among insured banks (succeeded by an insured bank in another class)	Changes not involving number in any class	Succeeded by another bank in same class	Change in title and location	Suspended banks not reopened or succeeded (loan made subsequent to suspension)	Omitted (continued operation under same name and charter)
1942	14	13	..	1	..	..	..
1941	7	6	1	..	..	..	..
1940	24	20	..	1	..	..	3
1939	28	21	3	..	1	..	3
1938	24	22	..	1	..	1	..
1937	25	20	2	2	..	1	..
1936	27	22	..	5	..	..	..
1935	1	1	..	..	..	..	..

Deposits of Banks and Banking Offices

Operating insured banks. Deposit data for operating insured banks are obtained from two separate sources: (1) deposit figures shown, or used for classifying insured banks by size groups, in Tables 103, 104, 105, and 118 are from reports of condition submitted by the banks for the dates indicated; or are averages of the figures from reports of condition for the dates indicated; (2) deposit figures shown, or used for classifying insured banks by size groups, in Tables 107-116, summarizing the reports of examinations of banks, are for the respective dates on which each bank was examined.

Deposits shown in reports of examination are defined in the same way as those shown on reports of condition. In adjusting figures for examiners' appraisals, deposit liabilities not shown on the bank's books are added to deposits shown on the books.

For description of deposit liabilities reported by insured banks on certified statements submitted for the purpose of computing the deposit insurance assessment, used in some tables in the Annual Reports of the Corporation prior to 1939, see the Annual Report of the Corporation for 1941, page 92.

Noninsured banks. Deposits of noninsured banks are from published figures or from reports received from State banking authorities, and are based on reports of condition submitted by the banks to State authorities or to bankers' directories. Figures refer to June 30 and December 31 or nearest available dates.

Suspended and merged banks and banks in receivership. Deposit figures for insured banks in Tables 119 and 122, relating to suspensions, receiverships, and mergers with the financial aid of the Corporation, are from the records of the Corporation with respect to such banks, and refer to the date of suspension or merger. Deposit figures for banks in receivership as shown by the books of the Corporation, December 31, 1942, given in Table 121, differ from those shown by the books of the banks at date of suspension, given in Table 120, because of reclassification of liabilities and discovery of additional liabilities during liquidation.

Banks Submitting Reports to the Corporation

The Federal Deposit Insurance Corporation regularly examines, and calls for reports of assets and liabilities, and of earnings and dividends, from all insured banks which are not members of the Federal Reserve System, except State banks in the District of Columbia and national banks in the possessions. The latter groups of banks are examined by and report to the Comptroller of the Currency.

For captions used in tables in previous Annual Reports of the Corporation, relating to banks examined by or submitting reports to the Corporation, see the Annual Report of the Corporation for 1941, page 93.

Assets and Liabilities of Operating Banks

Assets and liabilities of insured banks, in Tables 104-106, are tabulated from reports of condition submitted to Federal supervisory authorities: to the Comptroller of the Currency by all national banks, and by State banks located in the District of Columbia; to the Board of Governors of the Federal Reserve System by State banks members of that system; and to the Federal Deposit Insurance Corporation by all other insured State banks. Instructions provided to insured banks by the Federal supervisory authorities for the preparation of reports of condition are essentially uniform. Copies of the instructions issued to banks submitting reports to the Federal Deposit Insurance Corporation are available upon request.

Assets and liabilities of noninsured banks are from published figures or from reports received from State banking authorities, and are based on reports of condition submitted by the banks to State authorities or to bankers' directories.

Statements of assets and liabilities are submitted by insured commercial banks upon either a cash or an accrual basis, depending upon the bank's method of book-keeping. 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. Trust funds deposited by a trust department in a commercial or savings department are reported as "Deposits of individuals, partnerships, and corporations." Other assets held in trust are not included in statements of assets and liabilities. In the case of banks with one or more domestic branches, the assets and liabilities reported are consolidations of figures for the head office and all domestic branches. In the case of a bank with foreign branches, net amounts due from its own foreign branches are included in "Other assets," and net amounts due to its own foreign branches are included in "Other liabilities."

Assets reported represent aggregate book value, on the date of call, less valuation allowances, and, in the case of securities, less reserves for bond premiums. Reciprocal bank balances were reported gross prior to June 30, 1942. Instalment loans are ordinarily reported net if the instalment payments are applied directly to the reduction of the loan. Such loans are reported gross if, under contract, the payments do not immediately reduce the unpaid balances of the loan but are assigned or pledged to assure repayment at maturity.

Total deposits. All funds received by a bank in the course of its commercial or fiduciary business (except funds in payment of obligations to the bank) give rise to demand or time deposit liabilities and are classified under total deposits, unless the funds are received as trust funds which the bank keeps segregated and apart from its general assets.

Analysis of Examinations of Insured Commercial Banks

Data for Tables 107-116, relating to the analysis of examinations of all insured commercial banks in 1942, are derived from the reports of examinations made by the Comptroller of the Currency in the case of national banks and of State banks in the District of Columbia, by the Federal Reserve banks in the case of State banks members of the Federal Reserve System, and by the Federal Deposit Insurance Corporation in the case of other insured State banks. Similar tables relating to the analysis of examinations of all insured commercial banks in 1939, 1940, and 1941 were published in the Annual Reports of the Corporation for those years. Corresponding tabulations for earlier years have not been made, except for banks examined by the Corporation.

Figures relating to commercial banks examined by the Federal Deposit Insurance Corporation covering the period 1933 to 1940 are presented in Tables 135-138 in the Annual Report of the Corporation for 1940. Examination procedures of the Federal bank supervisory authorities and of numerous State banking authorities were revised in 1938 so that the data for 1939 and 1940 are not strictly comparable with data for 1937 and earlier years. Data for banks examined by the Federal Deposit Insurance Corporation are shown for 1938 on both the original and the uniform or revised basis. For a discussion of the differences between the uniform procedure and the procedure previously followed by the Corporation in analyzing and valuing assets in examination reports, see the Annual Report of the Corporation for 1938, pages 61-78.

Banks included. The tabulations have been prepared from reports of examinations available during the year and do not cover precisely the banks examined during the year. The figures for 1942 include 13,245 insured commercial banks operating at the close of the year and 58 banks which ceased operations during the year. Figures for 102 insured banks operating at the close of the year were not included in the tabulations: 10 because they were not engaged in deposit banking and 92 because reports of examination were, for various reasons, not available for tabulation. Figures for 65 banks cover reports of examinations made in the last three months of 1941. The number and deposits of insured commercial banks included in the 1942 tabulations, distributed according to month of examination, are shown below.

	Month of examination	Number of banks	Total deposits (in millions of dollars)
All banks		13,303	72,755
Banks examined in:			
1941.....		65	95
1942			
January.....		1,195	7,579
February.....		1,096	4,159
March.....		1,227	6,643
April.....		1,363	5,896
May.....		1,242	5,524
June.....		1,245	7,313
July.....		837	9,085
August.....		1,064	4,103
September.....		1,241	3,647
October.....		1,188	9,308
November.....		959	5,244
December.....		581	4,359

Ratios for individual banks. The base used in the computation of ratios to the appraised value of assets, and to total assets, for each individual bank consists, for the most part, of the estimated average value of assets over the 12-month period preceding the date of examination. This method was adopted in order to eliminate the influence of seasonal fluctuations in total assets upon the ratios of individual banks. However, in view of the rapid increase in total assets during the period covered by this averaging process, the ratios for 1942 tend to represent the condition of the banks—considered as a whole—at a time close to the beginning of the year.

Explanation of terms. The principal terms and methods used, under the uniform procedure, in the tables relating to analysis of examinations of bank assets and capital accounts are described below.

Book value, applied to total assets, loans, securities, and fixed and miscellaneous assets, refers to the values (net, after deduction of valuation allowances and, in the case of securities, of premium allowances) carried by each bank on its books at the time of examination.

Appraised value of total assets, loans, securities, and fixed and miscellaneous assets, represents the value of assets as determined by the examiners. For explanation of method of valuing securities see the Annual Report of the Corporation for 1938, pages 64-68. The term "appraised value" corresponds in meaning to the term "adjusted value" used in the Annual Report of the Corporation for 1938, and to the term "net sound value" used in the Annual Reports of the Corporation for 1935 and 1934.

Examiners' deductions (net) from assets represent the amount by which the examiners' evaluation of each bank's assets is less than the value carried by the bank on its books. Minus (-) represents the excess of appraised value of assets over book value.

The deductions are derived from the examiners' evaluation of the assets classified on the basis of eventual collectibility. In the case of assets other than securities, the examiner, for reasons which he sets forth, deducts: (1) the amount of, or the portion of, loans and other assets regarded as worthless or uncollectible (Classification IV); and (2) one-half of the amount of, or the portion of, loans and other assets regarded as of doubtful worth or collectibility (Classification III). In the case of securities, the examiner deducts: (1) the amount by which the book value (less valuation allowances) exceeds the market value of stocks and defaulted securities; (2) one-half of the amount by which the book value (less valuation and premium allowances) of speculative securities exceeds the average of market prices over the 18 months preceding the month of examination; and (3) the amount by which book value (less valuation and premium allowances) exceeds cost less amortization of other (i.e., uncriticized) securities. The amounts of the deductions are reduced by the determinable sound values of assets not shown on the books.

Examiners' deductions (net) from total capital accounts represent the amount by which the examiners' evaluation of each bank's total capital accounts (net worth) is less than the value carried by the bank on its books. It exceeds examiners' deductions (net) from assets by the amount of determinable liabilities not shown on the books. Minus (-) represents examiners' net additions to capital, or an excess of appraised value of assets over book value and over liabilities not shown on the books.

Substandard, applied to total assets, loans, securities, and fixed and miscellaneous assets, represents the appraised value of all assets believed by the examiner to involve a substantial or unreasonable degree of risk, and hence to be undesirable or hazardous for bank investment. It includes the value of assets in Classification

II, including assets not shown on the books, and 50 percent of the value of assets in Classification III.¹ The appraised value of substandard assets also represents the book value of all **criticized** assets less examiners' deductions (net) on such assets. The term "substandard" corresponds in meaning to the term "slow" used in the Annual Reports of the Corporation for 1936, 1935, and 1934, except in the case of securities and total assets.

Fixed and substandard assets include fixed assets not criticized, as well as all substandard assets. Fixed assets consist of banking house, furniture and fixtures, and other real estate.

Uncriticized, applied to total assets, cash, loans, securities, and fixed and miscellaneous assets, represents the appraised value of all assets regarded as suitable for bank investment. The appraised value of these assets (Classification I) represents acquisition values less charge-offs, valuation allowances, and, in the case of securities, amortization of bond premiums.

Total capital accounts, or book value of capital accounts, refers to the "net worth" or equity of stockholders (including holders of capital notes and debentures) in each bank as carried by the bank on its books at the time of examination.

Net sound capital represents the appraised value of assets less all determinable liabilities. It is also derived by subtracting examiners' deductions (net) from total capital accounts, and is the examiners' evaluation of the net worth or equity of stockholders (including holders of capital notes and debentures) in each bank. The retirable value of R. F. C. capital is used to determine the amount of **net sound private capital**, so that the latter differs from book value of private capital accounts by the excess of retirable value of R. F. C. capital over book value as well as by the examiners' deductions (net) from total capital accounts. The term "net sound capital" corresponds in meaning to the term "adjusted capital account" used in the Annual Report of the Corporation for 1938, to the term "net capital account" used in the Annual Report of the Corporation for 1937, and to the term "sound capital" used in the Annual Report of the Corporation for 1936.

The amount of **R. F. C. capital** in banks may correspond to any one of three values: the par or face value; the book value, which is normally the same as par value but may be less; and the retirable value. The latter is the same as the investment of the Reconstruction Finance Corporation shown in reports of that Corporation.

Deposits, in all cases, represent deposits at the date of the examination.

Adjusted deposits and adjusted liabilities include, in addition to liabilities shown on the books of the bank, those not shown, but determined by the examiner to exist.

Net current operating earnings are for the calendar year 1941; and the figure for **total assets** to which net current operating earnings are related is the monthly average for the 12-month period immediately prior to the examination. The 25 banks for which no net earnings figures were available were, in general, new institutions or institutions which had been merged.

Irregularity in individual item. The average ratio of net sound capital to the appraised value of assets of \$24.56, referred to in footnote 1 of Table 110, is lower than the limit of the interval in which the 119 banks fall (banks with net sound capital of \$25.00 to \$29.99 per \$100 of appraised value of assets) due to the difference

¹ See the *Annual Report of the Federal Deposit Insurance Corporation for the Year Ending December 31, 1938*, pages 76-78, particularly Table 40.

between the ratios based on assets at the date of examination and on the average of assets over the year immediately preceding the date of examination, discussed under "Ratios for individual banks" above.

The States included in each **Federal Deposit Insurance Corporation District**, and the cities in which the district offices are located, are given below.

District 1	... Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.....	Boston
District 2	... New York, New Jersey, Delaware, Puerto Rico, Virgin Islands.....	New York
District 3	... Ohio, Pennsylvania.....	Columbus
District 4	... Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina.....	Richmond
District 5	... Georgia, Florida, Alabama, Mississippi, Louisiana...	Atlanta
District 6	... Kentucky, Tennessee, Missouri, Arkansas.....	St. Louis
District 7	... Indiana, Michigan, Wisconsin.....	Madison
District 8	... Illinois, Iowa.....	Chicago
District 9	... Minnesota, North Dakota, South Dakota, Montana.	St. Paul
District 10	... Nebraska, Kansas, Oklahoma, Colorado, Wyoming.....	Kansas City, Mo.
District 11	... Texas, New Mexico, Arizona.....	Dallas
District 12	... Idaho, Utah, Nevada, Washington, Oregon, California, Alaska, Hawaii.....	San Francisco

Earnings, Expenses, and Dividends of Insured Commercial Banks

Banks included. Reports of earnings and dividends covering the calendar year 1942 were submitted to Federal bank supervisory agencies by all insured commercial banks. Reports for each six months' period were also submitted by banks not reporting to the Corporation. The figure for number of banks in 1942 in Table 117 is the total number operating at the end of the year. The earnings data relate to the same banks, except that data are also included, for the first six months of the year, for national banks not operating at the end of the year.

For banks included in tabulations of earnings and dividends prior to 1942, see the Annual Report of the Corporation for 1941, page 97.

The figures in Table 118, and in the column in Table 117 entitled "Operating throughout the year," exclude data for the following banks: banks submitting reports covering less than the full year's operations, trust companies not engaged in deposit banking, one insured bank in the possessions reporting to the Corporation, and banks submitting reports to the Corporation whose operations were materially affected by mergers, consolidations, or other corporate changes.

Asset averages. The ratios presented in Table 118 are based upon assets as of December 31 for the identical banks to which the earnings data pertain.

Method of reporting. Reports of earnings and dividends of insured commercial banks are submitted on the same basis, either cash or accrual, depending upon the bank's method of bookkeeping, as the reports of assets and liabilities. The form of the report and instructions issued by the three Federal bank supervisory agencies were for the most part uniform in 1942. Copies of the instructions issued to banks reporting to the Federal Deposit Insurance Corporation are available upon request.

For differences in the form and instructions for years prior to 1942 see the Annual Report of the Corporation for 1941, pages 97-99.

NUMBER, OFFICES, AND DEPOSITS OF OPERATING BANKS
Table 101. ANALYSIS OF CHANGES IN NUMBER AND CLASSIFICATION OF OPERATING BANKING OFFICES
IN THE UNITED STATES AND POSSESSIONS DURING 1942

	All banking offices			Commercial bank and trust company offices							Mutual savings banking offices		
	Total	Insured	Non-insured	Total	Insured			Noninsured		Total	In-sured ²	Non-insured	
					Total	Members F. R. System		Not members F. R. System	Banks of deposit				Trust companies ¹
						National	State						
ALL BANKING OFFICES													
Number of offices, December 31, 1942.....	18,666	16,993	1,673	17,982	16,902	6,675	2,619	7,608	989	91	684	91	593
Number of offices, December 31, 1941.....	18,769	17,031	1,738	18,086	16,947	6,684	2,515	7,748	1,044	95	683	84	599
Net change during year.....	-103	-38	-65	-104	-45	-9	+104	-140	-55	-4	+1	+7	-6
Changes resulting from—													
Offices opened.....	119	103	16	115	102	43	11	48	13		4	1	3
Banks.....	23	15	8	23	15		2	13	8				
Branches.....	96	88	8	92	87	43	9	35	5		4	1	3
Offices closed.....	222	167	55	219	167	51	22	94	51	1	3		3
Banks.....	170	118	52	168	118	35	6	77	49	1	2		2
Branches.....	52	49	3	51	49	16	16	17	2		1		1
Changes in classification—net total.....		+26	-26		+20	-1	+115	-94	-17	-3		+6	-6
Insured bank to noninsured.....		-1	+1		-1		+115	-94	+1			+6	-6
Noninsured banks to insured banks.....		+25	-25		+21		-7	+14	-1			+4	-4
Noninsured branches to insured branches.....		+2	-2						-1			+2	-2
Among insured banks.....						-1	+93	-92	+2				
Among branches of insured banks.....							+15	-15					
BANKS													
Number of banks, December 31, 1942.....	14,853	13,403	1,450	14,307	13,347	5,081	1,595	6,671	870	90	546	56	490
Number of banks, December 31, 1941.....	15,000	13,482	1,518	14,452	13,430	5,117	1,499	6,814	928	94	548	52	496
Net change during year.....	-147	-79	-68	-145	-83	-36	+96	-143	-58	-4	-2	+4	-6
Changes resulting from—													
Banks beginning deposit operations.....	23	15	8	23	15		2	13	8				
New banks.....	18	15	3	18	15		2	13	3				
Financial institutions becoming banks of deposit.....	3		3	3									
Closed banks reopened.....	2		2	2					2				
Banks ceasing deposit operations.....	170	118	52	168	118	35	6	77	49	1	2		2
Suspended banks not reopened or succeeded.....	9	6	3	9	6			6	3				
Merged with financial aid of FDIC—net decrease.....	13	13		13				2					
Other mergers and absorptions—net decrease.....	80	63	17	78	63	18	3	42	14	1	2		2
Other liquidations.....	68	36	32	68	36	8	1	27	32				

Noninsured banks becoming insured		+25	-25		+21		+7	+14	-20	-1		+4	-4
Successions to noninsured banks		+2	-2		+2			+2	-2				
Admissions to F. R. System		+7	-7		+7		+7		-7				
Admissions to insurance, operating banks ¹		+15	-15		+11			+11	-11			+4	-4
Trust company admitted to insurance ²		+1	-1		+1			+1	-1				
Insured banks becoming noninsured		-1	+1		-1			-1	+1				
Succession to insured bank		-1	+1		-1			-1	+1				
Other changes in classification among banks													
National banks succeeding State banks						-1	+93	-92	+2	-2			
State banks succeeding national banks						+5	-2	-3					
Admissions to F. R. System						-6		+6					
Withdrawals from F. R. System							+97	-97					
Trust companies becoming banks of deposit							-2	+2		+2	-2		
Changes not involving number in any class:													
Successions	5	3	2	5	3	2		1	2				
Changes in title, location, or name of location	44	38	6	44	38	10	10	18	6				
BRANCHES													
Number of branches, December 31, 1942	3,813	3,590	223	3,675	3,555	1,594	1,024	937	119	1	138	35	103
Number of branches, December 31, 1941	3,769	3,549	220	3,634	3,517	1,567	1,016	934	116	1	135	32	103
Net change during year	+44	+41	+3	+41	+38	+27	+8	+3	+3		+3	+3	
Changes resulting from—													
Branches opened for business	96	88	8	92	87	43	9	35	5		4	1	3
Facilities provided as agents of the government	25	25		25	25	19	4	2					
Absorbed banks converted into branches	28	26	2	26	26	9	2	15			2		2
Branches replacing offices closed or relocated	4	3	1	4	3			3	1				
Other branches opened	39	34	5	37	33	15	3	15	4		2	1	1
Branches discontinued	52	49	3	51	49	16	16	17	2		1		1
Branch of suspended bank	1	1		1	1			1					
Other branches discontinued	51	48	3	50	48	16	16	16	2		1		1
Branches of banks admitted to insurance		+2	-2									+2	-2
Other changes in classification among branches													
Admissions to F. R. System							+15	-15					
							+15	-15					
Changes not involving number in any class:													
Branches transferred as result of absorption	2	1	1	1	1			1			1		1
Replacements of discontinued branches	4	4		4	4			4					
Changes in title, location, or name of location	42	42		42	42	23	9	10					

¹ Not engaged in deposit banking.

² Includes, at the beginning and at the end of the year, three mutual savings banks members of the Federal Reserve System.

³ This figure is larger than the number of banks shown in the Annual Report of the Corporation for 1941 as follows: (a) inclusion of 94 noninsured trust companies not engaged in deposit banking; (b) inclusion of 29 noninsured institutions engaged in deposit banking but not previously tabulated as banks (13 in Arkansas, 9 in Colorado, 4 in Georgia, 1 in Maine, 1 in Minnesota and 1 in Massachusetts).

⁴ Operating at beginning of year.

⁵ This figure is larger by two branches than the number of branches shown in the Annual Report of the Corporation for 1941 because of the inclusion of banking institutions not previously tabulated as banks, two of which operated one branch each.

NOTE: For reconciliation of figures relating to number of mergers with FDIC aid, see page 61.

Back figures—See the following Annual Reports: 1941, p. 100; 1940, p. 94; 1939, p. 88; 1938, p. 124; 1937, pp. 70-72; 1936, pp. 102-104; 1935, pp. 144-46; 1934, p. 177.

Table 102. NUMBER OF OPERATING BANKING OFFICES, DECEMBER 31, 1942

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK AND BY TYPE OF OFFICE IN EACH STATE AND POSSESSION

	All banking offices			Commercial bank and trust company offices							Mutual savings banking offices			Insured banking offices as percentages of—			
	Total	Insured	Non-insured	Total	Insured			Noninsured				Total	Insured	Non-insured	All banking offices	Com-mercial banking offices	Mutual savings banking offices
					Total	Members F. R. System		Not mem-bers F. R. System	Banks of deposit	Trust com-panies ¹							
						National	State										
United States and possessions	18,666	16,993	1,673	17,982	16,902	6,675	2,619	7,608	989	91	684	91	593	91.0	94.0	13.3	
Unit banks	13,754	12,416	1,338	13,287	12,373	4,853	1,417	6,103	825	89	467	43	424	90.3	93.1	9.2	
Head offices	1,099	987	112	1,020	974	228	178	568	45	1	79	13	66	89.8	95.5	16.5	
Branches	3,813	3,590	223	3,675	3,555	1,594	1,024	937	119	1	138	35	103	94.2	96.7	25.4	
United States	18,562	16,987	1,575	17,878	16,896	6,675	2,619	7,602	896	86	684	91	593	91.5	94.5	13.3	
Unit banks	13,724	12,413	1,311	13,257	12,370	4,853	1,417	6,100	803	84	467	43	424	90.4	93.3	9.2	
Head offices	1,089	986	103	1,010	973	228	178	567	36	1	79	13	66	90.6	96.3	16.5	
Branches	3,749	3,588	161	3,611	3,553	1,594	1,024	935	57	1	138	35	103	95.7	98.4	25.4	
Possessions	104	6	98	104	6			6	93	5				5.8	5.8		
Unit banks	30	3	27	30	3			3	22	5				10.0	10.0		
Head offices	10	1	9	10	1			1	9					10.0	10.0		
Branches	64	2	62	64	2			2	62					3.1	3.1		
State																	
Alabama	238	233	5	238	233	86	18	129	5					97.9	97.9		
Unit banks	211	206	5	211	206	63	16	127	5					97.6	97.6		
Head offices	5	5		5	5	3	1	1						100.0	100.0		
Branches	22	22		22	22	20	1	1						100.0	100.0		
Arizona	41	39	2	41	39	26	2	11		2				95.1	95.1		
Unit banks	9	7	2	9	7	3	2	2		2				77.8	77.8		
Head offices	5	5		5	5	2		3						100.0	100.0		
Branches	27	27		27	27	21		6						100.0	100.0		
Arkansas	244	223	21	244	223	52	12	159	18	3				91.4	91.4		
Unit banks	214	193	21	214	193	50	12	131	18	3				90.2	90.2		
Head offices	14	14		14	14	1		13						100.0	100.0		
Branches	16	16		16	16	1		15						100.0	100.0		
California	1,037	1,022	15	1,037	1,022	765	139	118	6	9				98.6	98.6		
Unit banks	173	160	13	173	160	86	11	63	4	9				92.5	92.5		
Head offices	32	31	1	32	31	9	7	15	1					96.9	96.9		
Branches	832	831	1	832	831	670	121	40	1					99.9	99.9		
Colorado	149	135	14	149	135	78	15	42	14					90.6	90.6		
Unit banks	149	135	14	149	135	78	15	42	14					90.6	90.6		
Head offices																	
Branches																	

Connecticut	207	109	98	135	108	57	9	42	25	2	72	1	71	52.7	80.0	1.4
Unit banks.....	185	96	89	113	95	49	7	39	16	2	72	1	71	51.9	84.1	1.4
Head offices.....	6	5	1	6	5	3	1	1	1					83.3	83.3	
Branches.....	16	8	8	16	8	5	1	2	8					50.0	50.0	
Delaware	56	52	4	53	52	14	5	33	1		3		3	92.9	98.1	
Unit banks.....	38	36	2	37	36	14	3	19	1		1		1	94.7	97.3	
Head offices.....	6	5	1	5	5		1	4			1		1	83.3	100.0	
Branches.....	12	11	1	11	11		1	10			1		1	91.7	100.0	
District of Columbia	52	52		52	52	26	20	6						100.0	100.0	
Unit banks.....	11	11		11	11	4	3	4						100.0	100.0	
Head offices.....	11	11		11	11	5	5	1						100.0	100.0	
Branches.....	30	30		30	30	17	12	1						100.0	100.0	
Florida	173	166	7	173	166	55	5	106	4					96.0	96.0	
Unit banks.....	168	163	5	168	163	52	5	106	2		3			97.0	97.0	
Head offices.....	2	1	1	2	1	1			1					50.0	50.0	
Branches.....	3	2	1	3	2	2	1		1					66.7	66.7	
Georgia	381	304	77	381	304	69	25	210	77					79.8	79.8	
Unit banks.....	334	261	73	334	261	44	15	202	73					78.1	78.1	
Head offices.....	15	13	2	15	13	6	3	4	2					86.7	86.7	
Branches.....	32	30	2	32	30	19	7	4	2					93.8	93.8	
Idaho	85	84	1	85	84	53	10	21	1					98.8	98.8	
Unit banks.....	39	38	1	39	38	10	10	18	1					97.4	97.4	
Head offices.....	7	7		7	7	6		1						100.0	100.0	
Branches.....	39	39		39	39	37		2						100.0	100.0	
Illinois	831	815	16	831	815	339	108	368	11	5				98.1	98.1	
Unit banks.....	831	815	16	831	815	339	108	368	11	5				98.1	98.1	
Head offices.....																
Branches.....																
Indiana	572	544	28	568	541	132	105	304	23	4	4	3	1	95.1	95.2	75.0
Unit banks.....	458	432	26	454	429	118	87	224	21	4	4	3	1	94.3	94.5	75.0
Head offices.....	45	44	1	45	44	6	3	35	1					97.8	97.8	
Branches.....	69	68	1	69	68	8	15	45	1					98.6	98.6	
Iowa	813	740	73	813	740	102	56	582	73					91.0	91.0	
Unit banks.....	536	474	62	536	474	102	56	316	62					88.4	88.4	
Head offices.....	118	113	5	118	113			113	5					95.8	95.8	
Branches.....	159	153	6	159	153			153	6					96.2	96.2	
Kansas	640	456	184	640	456	179	32	245	182	2				71.3	71.3	
Unit banks.....	640	456	184	640	456	179	32	245	182	2				71.3	71.3	
Head offices.....																
Branches.....																
Kentucky	434	403	31	434	403	115	21	267	24	7				92.9	92.9	
Unit banks.....	385	356	29	385	356	90	15	251	24	5				92.5	92.5	
Head offices.....	16	15	1	16	15	4	3	8		1				93.8	93.8	
Branches.....	33	32	1	33	32	21	3	8		1				97.0	97.0	
Louisiana	200	199	1	200	199	58	9	132	1					99.5	99.5	
Unit banks.....	115	114	1	115	114	23	7	84	1					99.1	99.1	
Head offices.....	29	29		29	29	7	1	21						100.0	100.0	
Branches.....	56	56		56	56	28	1	27						100.0	100.0	

Table 102. NUMBER OF OPERATING BANKING OFFICES, DECEMBER 31, 1942—Continued

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK AND BY TYPE OF OFFICE IN EACH STATE AND POSSESSION

	All banking offices			Commercial bank and trust company offices							Mutual savings banking offices			Insured banking offices as percentages of—		
	Total	Insured	Non-insured	Total	Insured			Noninsured		Total	Insured	Non-insured	All banking offices	Com-mercial banking offices	Mutual savings banking offices	
					Total	Members F. R. System		Not members F. R. System	Banks of deposit							Trust companies ¹
						National	State									
Maine	162	118	44	128	112	40	33	39	16	.....	34	6	28	72.8	87.5	17.6
Unit banks.....	74	45	29	44	39	31	1	7	5	.....	30	6	24	60.8	88.6	20.0
Head offices.....	25	18	7	23	18	4	4	10	5	.....	2	.....	2	72.0	78.3	.....
Branches.....	63	55	8	61	55	5	28	22	6	.....	2	.....	2	87.3	90.2	.....
Maryland	283	255	28	256	253	74	58	121	2	1	27	2	25	90.1	98.8	7.4
Unit banks.....	159	149	10	150	147	60	10	77	2	1	9	2	7	93.7	98.0	22.2
Head offices.....	27	25	2	25	25	3	6	16	.....	.....	2	.....	2	92.6	100.0	.....
Branches.....	97	81	16	81	81	11	42	28	.....	.....	16	.....	16	83.5	100.0	.....
Massachusetts	545	311	234	322	311	192	73	46	11	.....	223	.....	223	57.1	96.6	.....
Unit banks.....	324	149	175	157	149	105	15	29	8	.....	167	.....	167	46.0	94.9	.....
Head offices.....	66	41	25	42	41	19	15	7	1	.....	24	.....	24	62.1	97.6	.....
Branches.....	155	121	34	123	121	68	43	10	2	.....	32	.....	32	78.1	98.4	.....
Michigan	626	582	44	626	582	140	228	214	35	9	.....	.....	.....	93.0	93.0	.....
Unit banks.....	408	375	33	408	375	64	189	172	24	9	.....	.....	.....	91.9	91.9	.....
Head offices.....	46	43	3	46	43	11	11	21	3	.....	.....	.....	.....	93.5	93.5	.....
Branches.....	172	164	8	172	164	65	78	21	8	.....	.....	.....	.....	95.3	95.3	.....
Minnesota	680	646	34	679	645	191	24	430	33	1	1	1	.....	95.0	95.0	100.0
Unit banks.....	672	638	34	671	637	183	24	430	33	1	1	1	.....	94.9	94.9	100.0
Head offices.....	2	2	.....	2	2	2	.....	.....	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches.....	6	6	.....	6	6	6	.....	.....	.....	.....	.....	.....	.....	100.0	100.0	.....
Mississippi	249	244	5	249	244	26	2	216	5	.....	.....	.....	.....	98.0	98.0	.....
Unit banks.....	177	172	5	177	172	22	2	148	5	.....	.....	.....	.....	97.2	97.2	.....
Head offices.....	25	25	.....	25	25	2	.....	23	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches.....	47	47	.....	47	47	2	.....	45	.....	.....	.....	.....	.....	100.0	100.0	.....
Missouri	606	569	37	606	569	83	81	405	33	4	.....	.....	.....	93.9	93.9	.....
Unit banks.....	606	569	37	606	569	83	81	405	33	4	.....	.....	.....	93.9	93.9	.....
Head offices.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Branches.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Montana	110	110	.....	110	110	41	26	43	.....	.....	.....	.....	.....	100.0	100.0	.....
Unit banks.....	110	110	.....	110	110	41	26	43	.....	.....	.....	.....	.....	100.0	100.0	.....
Head offices.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Branches.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Nebraska	416	359	57	416	359	135	14	210	49	8				86.3	86.3	
Unit banks.....	412	355	57	412	355	131	14	210	49	8				86.2	86.2	
Head offices.....	2	2		2	2	2								100.0	100.0	
Branches.....	2	2		2	2	2								100.0	100.0	
Nevada	24	22	2	24	22	17	2	3	2					91.7	91.7	
Unit banks.....	9	9		9	9	4	2	3						100.0	100.0	
Head offices.....	3	2	1	3	2	2			1					66.7	66.7	
Branches.....	12	11	1	12	11	11			1					91.7	91.7	
New Hampshire	110	57	53	66	57	53	1	3	9		44		44	51.8	86.4	
Unit banks.....	104	55	49	62	55	51	1	3	7		42		42	52.9	88.7	
Head offices.....	3	1	2	2	1	1			1		1		1	33.3	50.0	
Branches.....	3	1	2	2	1	1			1		1		1	33.3	50.0	
New Jersey	503	484	19	475	469	257	127	85	3	3		15	13	96.2	98.7	53.6
Unit banks.....	322	306	16	301	295	203	44	48	3	3	21	11	10	92.9	98.0	52.4
Head offices.....	55	54	1	52	52	19	23	10			3	2	1	98.2	100.0	66.7
Branches.....	126	124	2	122	122	35	60	27			4	2	2	98.4	100.0	50.0
New Mexico	47	47		47	47	22	5	20						100.0	100.0	
Unit banks.....	35	35		35	35	22	5	8						100.0	100.0	
Head offices.....	6	6		6	6	6		6						100.0	100.0	
Branches.....	6	6		6	6	6		6						100.0	100.0	
New York	1,547	1,361	186	1,359	1,345	597	574	174	14		188	16	172	88.0	99.0	8.5
Unit banks.....	712	610	102	619	608	386	119	103	11		93	2	91	85.7	98.2	2.2
Head offices.....	137	101	36	98	96	32	47	17	2		39	5	34	73.7	98.0	12.8
Branches.....	698	650	48	642	641	179	408	54	1		56	9	47	93.1	99.8	16.1
North Carolina	365	355	10	365	355	51	22	282	9	1				97.3	97.3	
Unit banks.....	181	174	7	181	174	41	8	125	6	1				96.1	96.1	
Head offices.....	46	45	1	46	45	3	3	39	1					97.8	97.3	
Branches.....	138	136	2	138	136	7	11	118	2					98.6	98.6	
North Dakota	184	171	13	184	171	43		128	12	1				92.9	92.9	
Unit banks.....	143	134	9	143	134	43		91	8	1				93.7	93.7	
Head offices.....	17	15	2	17	15			15	2					88.2	88.2	
Branches.....	24	22	2	24	22			22	2					91.7	91.7	
Ohio	856	838	18	853	835	278	260	297	18		3	3		97.9	97.9	100.0
Unit banks.....	648	630	18	645	627	233	133	261	18		3	3		97.2	97.2	100.0
Head offices.....	39	39		39	39	8	17	14						100.0	100.0	
Branches.....	169	169		169	169	37	110	22						100.0	100.0	
Oklahoma	393	382	11	393	382	209	11	162	9	2				97.2	97.2	
Unit banks.....	387	376	11	387	376	203	11	162	9	2				97.2	97.2	
Head offices.....	3	3		3	3	3								100.0	100.0	
Branches.....	3	3		3	3	3								100.0	100.0	
Oregon	143	139	4	142	138	91	6	41	2	2	1	1		97.2	97.2	100.0
Unit banks.....	67	63	4	66	62	23	6	33	2	2	1	1		94.0	93.9	100.0
Head offices.....	6	6		6	6	2		4						100.0	100.0	
Branches.....	70	70		70	66	66		4						100.0	100.0	
Pennsylvania	1,181	1,154	27	1,160	1,134	725	130	279	23	3	21	20	1	97.7	97.8	95.2
Unit banks.....	1,007	987	20	1,004	985	651	82	252	16	3	3	2	1	95.0	98.1	66.7
Head offices.....	55	52	3	51	48	25	13	10	3		4	4		94.5	94.1	100.0
Branches.....	119	115	4	105	101	49	35	17	4		14	14		96.6	96.2	100.0

Table 102. NUMBER OF OPERATING BANKING OFFICES, DECEMBER 31, 1942—Continued
 GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK AND BY TYPE OF OFFICE IN EACH STATE AND POSSESSION

	All banking offices			Commercial bank and trust company offices							Mutual savings banking offices			Insured banking offices as percentages of—			
	Total	Insured	Non-insured	Total	Insured				Noninsured			Total	Insured	Non-insured	All banking offices	Com-mercial banking offices	Mutual savings banking offices
					Total	Members F. R. System		Not members F. R. System	Banks of deposit	Trust companies ¹							
						National	State										
Rhode Island	75	44	31	64	44	20	21	3	17	3	11		11	58.7	68.8		
Unit banks.....	23	10	13	15	10	9	1	1	2	3	8		8	43.5	66.7		
Head offices.....	12	6	6	11	6	3	2	1	5	1	1		1	50.0	54.5		
Branches.....	40	28	12	38	28	8	19	1	10		2		2	70.0	73.7		
South Carolina	174	141	33	174	141	44	7	90	33					81.0	81.0		
Unit banks.....	142	109	33	142	109	20	5	84	33					76.8	76.8		
Head offices.....	6	6		6	6	2	1	3						100.0	100.0		
Branches.....	26	26		26	26	22	1	3						100.0	100.0		
South Dakota	205	204	1	205	204	57	23	124	1					99.5	99.5		
Unit banks.....	138	137	1	138	137	33	23	81	1					99.3	99.3		
Head offices.....	24	24		24	24	4		20						100.0	100.0		
Branches.....	43	43		43	43	20		23						100.0	100.0		
Tennessee	351	338	13	351	338	89	16	233	9	4				96.3	96.3		
Unit banks.....	278	265	13	278	265	64	6	195	9	4				95.3	95.3		
Head offices.....	21	21		21	21	5	1	15						100.0	100.0		
Branches.....	52	52		52	52	20	9	23						100.0	100.0		
Texas	855	784	71	855	784	440	88	256	70	1				91.7	91.7		
Unit banks.....	852	781	71	852	781	437	88	256	70	1				91.7	91.7		
Head offices.....	2	2		2	2	2								100.0	100.0		
Branches.....	1	1		1	1	1								100.0	100.0		
Utah	71	71		71	71	21	21	29						100.0	100.0		
Unit banks.....	54	54		54	54	11	21	22						100.0	100.0		
Head offices.....	5	5		5	5	2		3						100.0	100.0		
Branches.....	12	12		12	12	8		4						100.0	100.0		
Vermont	99	98	1	82	81	42		39		1	17		17	99.0	98.8	100.0	
Unit banks.....	74	73	1	67	66	38		28		1	7		7	98.6	98.5	100.0	
Head offices.....	7	7		6	6	2		2			1		1	100.0	100.0	100.0	
Branches.....	18	18		9	9	2		7			9		9	100.0	100.0	100.0	
Virginia	392	392		392	392	149	70	173						100.0	100.0		
Unit banks.....	272	272		272	272	122	55	95						100.0	100.0		
Head offices.....	43	43		43	43	8	5	30						100.0	100.0		
Branches.....	77	77		77	77	19	10	48						100.0	100.0		

Washington	221	217	4	218	214	127	15	72	3	1	3	3	98.2	98.2	100.0	
Unit banks	123	119	4	122	118	37	13	68	3	1	1	1	96.7	96.7	100.0	
Head offices	10	10	.....	9	9	6	1	2	.....	.....	.....	.....	100.0	100.0	100.0
Branches	88	88	.....	87	87	84	1	2	.....	.....	1	1	100.0	100.0	100.0
West Virginia	180	175	5	180	175	77	26	72	4	1	.....	.....	97.2	97.2	.....
Unit banks	180	175	5	180	175	77	26	72	4	1	.....	.....	97.2	97.2	.....
Head offices .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Branches .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Wisconsin	699	687	12	695	684	112	54	518	9	2	4	3	1	98.3	98.4	75.0
Unit banks	478	468	10	474	465	95	43	327	7	2	4	3	1	97.9	98.1	75.0
Head offices	85	84	1	85	84	3	4	77	1	98.8	98.8
Branches	136	135	1	136	135	14	7	114	1	99.3	99.3
Wyoming	57	56	1	57	56	26	10	20	.....	1	.....	.....	98.2	98.2	.....
Unit banks	57	56	1	57	56	26	10	20	.....	1	.....	.....	98.2	98.2	.....
Head offices .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Branches .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Possessions	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Alaska ²	18	2	16	18	2	.....	.....	2	16	.....	.....	.....	11.1	11.1	.....
Unit banks	16	2	14	16	2	.....	.....	2	14	.....	.....	.....	12.5	12.5	.....
Head offices	1	.....	1	1	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....
Branches	1	.....	1	1	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....
Hawaii ³	50	1	49	50	1	.....	.....	1	44	5	.....	.....	2.0	2.0	.....
Unit banks	7	1	6	7	1	.....	.....	1	1	5	.....	.....	14.3	14.3	.....
Head offices	2	.....	2	2	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....
Branches	41	.....	41	41	.....	.....	.....	.....	41	.....	.....	.....	.....	.....	.....
Puerto Rico	32	.....	32	32	.....	.....	.....	.....	32	.....	.....	.....	.....	.....	.....
Unit banks	6	.....	6	6	.....	.....	.....	.....	6	.....	.....	.....	.....	.....	.....
Head offices	6	.....	6	6	.....	.....	.....	.....	6	.....	.....	.....	.....	.....	.....
Branches	20	.....	20	20	.....	.....	.....	.....	20	.....	.....	.....	.....	.....	.....
Virgin Islands ⁴	4	3	1	4	3	.....	.....	3	1	.....	.....	.....	75.0	75.0	.....
Unit banks	1	.....	1	1	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....
Head offices	1	1	.....	1	1	.....	.....	.....	1	.....	.....	.....	100.0	100.0	.....
Branches	2	2	.....	2	2	.....	.....	.....	2	.....	.....	.....	100.0	100.0	.....

¹ Not engaged in deposit banking.

² Includes 4 national banks (all unit banks), 2 among insured banks not members of the Federal Reserve System, and 2 among noninsured banks.

³ Includes, among noninsured banks, 1 national bank operating 20 branches.

⁴ Includes, among insured banks not members of the Federal Reserve System, 1 national bank operating 1 branch.

Back figures—See the following Annual Reports: 1941, p. 102; 1940, p. 96; 1939, p. 90; 1938, p. 126; 1937, p. 73; 1936, p. 105; 1935, pp. 122-131.

Table 103. NUMBER AND DEPOSITS OF OPERATING COMMERCIAL AND MUTUAL SAVINGS BANKS, DECEMBER 31, 1942
BANKS GROUPED ACCORDING TO INSURANCE STATUS IN EACH STATE AND POSSESSION

	Number of banks								Deposits (in thousands of dollars)						
	All banks	Commercial banks				Mutual savings banks			All banks	Commercial banks			Mutual savings banks		
		Total	In-sured ¹	Noninsured		Total	In-sured	Non-insured		Total	Insured	Non-insured	Total	Insured	Non-insured
				Banks of deposit	Trust companies ²										
United States and possessions	14,853	14,307	13,347	870	90	546	56	490	100,152,825	89,478,713	87,820,427	1,658,286	10,674,112	2,048,314	8,625,798
United States	14,813	14,267	13,343	839	85	546	56	490	99,800,744	89,126,632	87,804,063	1,322,569	10,674,112	2,048,314	8,625,798
Possessions	40	40	4	31	5				352,081	352,081	16,364	335,717			
State															
Alabama	216	216	211	5					694,366	694,366	690,826	3,540			
Arizona	14	14	12		2				172,695	172,695	172,695				
Arkansas	228	228	207	18	3				407,792	407,792	405,037	2,755			
California	205	205	191	5	9				6,739,359	6,739,359	6,702,001	37,358			
Colorado	149	149	135	14					566,211	566,211	563,270	2,941			
Connecticut	191	119	100	17	2	72	1	71	1,809,530	1,009,511	883,037	126,474	800,019	11,485	788,534
Delaware	44	42	41	1		2		2	347,488	299,171	298,758	413	48,317		48,317
Dist. of Columbia	22	22	22						604,297	604,297	604,297				
Florida	170	170	164	3	3				760,143	760,143	756,979	3,164			
Georgia	349	349	274	75					940,488	940,488	926,506	13,982			
Idaho	46	46	45	1					189,167	189,167	184,931	4,236			
Illinois	831	831	815	11	5				7,364,587	7,364,587	7,346,793	17,794			
Indiana	503	499	473	22	4	4	3	1	1,579,089	1,556,468	1,539,272	17,196	22,621	15,803	6,818
Iowa	654	654	587	67					1,144,585	1,144,585	1,094,365	50,220			
Kansas	640	640	456	182	2				785,409	785,409	706,705	78,704			
Kentucky	401	401	371	24	6				843,646	843,646	832,729	10,917			
Louisiana	144	144	143	1					897,010	897,010	896,443	567			
Maine	99	67	57	10		32	6	26	422,380	286,396	263,843	22,553	185,984	14,926	121,058
Maryland	186	175	172	2	1	11	2	9	1,260,618	1,025,489	979,230	46,199	235,129	2,035	239,094
Massachusetts	390	199	190	9		191		191	5,215,684	3,039,735	2,969,203	70,532	2,175,949		2,175,949
Michigan	454	454	418	27	9				2,971,438	2,971,438	2,911,336	60,102			
Minnesota	674	673	639	33	1	1	1		1,638,924	1,565,053	1,548,611	16,442	73,871	73,871	
Mississippi	202	202	197	5					388,895	388,895	384,123	4,772			
Missouri	606	606	569	33	4				2,497,061	2,497,061	2,487,755	9,306			
Montana	110	110	110						261,695	261,695	261,695				

Nebraska.....	414	414	357	49	8				636,843	636,843	621,164	15,679			
Nevada.....	12	12	11	1					80,219	80,219	77,520	2,699			
New Hampshire..	107	64	56	8		48			327,442	128,262	119,606	8,656	199,180		199,180
New Jersey.....	377	353	347	3	3	24	13	43	2,845,945	2,540,121	2,537,011	3,110	305,824	127,101	178,723
New Mexico.....	41	41	41						126,360	126,360	126,360				
New York.....	849	717	704	13		132	7	125	31,574,583	26,000,060	25,569,013	431,047	5,574,523	938,967	4,635,556
North Carolina..	227	227	219	7	1				966,817	966,817	958,921	7,896			
North Dakota....	160	160	149	10	1				228,450	228,450	179,787	48,663			
Ohio.....	687	684	666	18		3		3	4,041,091	3,912,244	3,904,434	7,810	128,847	128,847	
Oklahoma.....	390	390	379	9	2				714,413	714,413	712,269	2,144			
Oregon.....	73	72	68	2	2	1		1	674,059	669,964	665,348	4,616	4,095		4,095
Pennsylvania....	1,062	1,055	1,033	19	3	7		6	7,122,453	6,484,750	6,460,728	24,022	637,703	581,765	55,938
Rhode Island....	35	26	16	7	3	9		9	664,634	482,347	410,222	72,125	182,287		182,287
South Carolina..	148	148	115	33					320,972	320,972	308,736	12,236			
South Dakota....	162	162	161	1					192,704	192,704	191,635	1,069			
Tennessee.....	299	299	286	9	4				1,095,825	1,095,825	1,090,174	5,651			
Texas.....	854	854	783	70	1				2,933,059	2,933,059	2,878,221	54,838			
Utah.....	59	59	59						315,349	315,349	315,349				
Vermont.....	81	73	72		1	8		8	194,150	137,590	137,590		56,560	56,560	
Virginia.....	315	315	315						1,076,436	1,076,436	1,076,436				
Washington.....	133	131	127	3	1	2		2	1,166,439	1,079,103	1,069,754	9,349	87,336	87,336	
West Virginia...	180	180	175	4	1				438,649	438,649	432,924	5,725			
Wisconsin.....	563	559	549	8	2	4		3	1,450,380	1,444,513	1,439,446	5,067	5,867	5,523	344
Wyoming.....	57	57	56		1				110,915	110,915	110,915				
Possessions															
Alaska.....	17	17	2	15					36,337	36,337	6,112	30,225			
Hawaii.....	9	9	1	3	5				280,528	280,528	7,456	273,072			
Puerto Rico....	12	12		12					32,340	32,340		32,340			
Virgin Islands..	2		1	1					2,876	2,876	2,796	80			

¹ Includes 10 trust companies not engaged in deposit banking.
² Not engaged in deposit banking.
Back figures—See the Annual Report for 1941, p. 108.

ASSETS AND LIABILITIES OF OPERATING BANKS

Table 104. SUMMARY OF ASSETS AND LIABILITIES OF OPERATING BANKS IN THE UNITED STATES AND POSSESSIONS, JUNE 30, 1942
BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK
 (Amounts in thousands of dollars)

	All banks	Commercial banks			Mutual savings banks		
		Total	Insured	Noninsured	Total	Insured	Noninsured
ASSETS							
Cash, balances with other banks, and cash items in process of collection	25,667,360	24,914,120	24,381,860	532,260	753,240	143,320	609,920
Securities—total	38,977,577	33,440,195	32,726,428	713,767	5,537,382	1,108,030	4,429,352
United States Government obligations, direct and guaranteed	30,339,709	26,457,825	25,936,082	521,743	3,881,884	686,409	3,195,475
Obligations of States and political subdivisions	3,861,644	3,557,001	3,493,880	63,121	304,643	111,702	192,941
Other bonds, notes, and debentures	3,951,466	2,937,293	2,865,154	72,139	1,014,173	306,208	707,965
Not classified including corporate stocks	824,758	488,076	431,312	56,764	336,682	3,711	332,971
Loans, discounts, and overdrafts (including rediscounts)	25,132,675	20,303,587	19,922,804	380,783	4,829,088	692,324	4,136,764
Loans and securities—total	64,110,252	53,743,782	52,649,232	1,094,550	10,366,470	1,800,354	8,566,116
Miscellaneous assets—total	2,304,073	1,736,608	1,678,363	58,245	567,465	111,894	455,571
Bank premises owned, furniture and fixtures	1,191,958	1,075,616	1,060,323	15,293	116,342	24,438	91,904
Other real estate—direct and indirect	706,865	348,063	339,852	8,211	358,802	77,192	281,610
All other miscellaneous assets	405,250	312,929	278,188	34,741	92,321	10,264	82,057
Total assets	92,081,685	80,394,510	78,709,455	1,685,055	11,687,175	2,055,568	9,631,607
LIABILITIES							
Deposits—total	82,986,623	72,588,851	71,162,431	1,426,420	10,397,772	1,864,279	8,533,493
Demand deposits of individuals, partnerships, and corporations		39,835,575	39,266,281	569,294			
Time deposits of individuals, partnerships, and corporations		15,150,135	14,889,560	260,575			
States and political subdivisions		4,437,125	4,337,016	100,109			
United States Government	82,986,623	1,832,835	1,771,551	61,284	10,397,772	1,864,279	8,533,493
Other banks		10,278,617	10,076,427	202,190			
Certified and officers' checks, cash letters of credit, etc.		775,660	765,619	10,041			
Not classified including postal savings		278,904	55,977	222,927			
Miscellaneous liabilities—total	665,434	622,388	594,204	28,184	43,046	9,402	33,644
Rediscounts and other borrowed money	15,063	15,033	11,509	3,524	30		30
All other miscellaneous liabilities	650,371	607,355	582,695	24,660	43,016	9,402	33,614
Total liabilities (excluding capital accounts)	83,652,057	73,211,239	71,756,635	1,454,604	10,440,818	1,873,681	8,567,137
CAPITAL ACCOUNTS							
Capital accounts—total	8,429,628	7,183,271	6,952,820	230,451	1,246,357	181,887	1,064,470
Capital stock, notes, and debentures	2,965,744	2,959,448	2,858,709	100,739	6,296	6,296	
Surplus	3,882,055	2,827,231	2,741,404	85,827	1,054,824	142,996	911,828
Undivided profits including all other capital accounts	1,581,829	1,396,592	1,352,707	43,885	185,237	32,595	152,642
Total liabilities and capital accounts	92,081,685	80,394,510	78,709,455	1,685,055	11,687,175	2,055,568	9,631,607
Total number of operating banks	14,945	14,398	13,403	995	547	53	494
Number of banks included ¹	14,827	14,280	13,403	877	547	53	494
Number of banks not included ²	118	118		118			

¹ Includes 10 insured trust companies not engaged in deposit banking.
² Includes 92 noninsured trust companies not engaged in deposit banking.

Back figures—See the Annual Report for 1941, pp. 122-25.

Table 105. SUMMARY OF ASSETS AND LIABILITIES OF OPERATING BANKS IN THE UNITED STATES AND POSSESSIONS, DECEMBER 31, 1942

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK

(Amounts in thousands of dollars)

	All banks	Commercial banks			Mutual savings banks		
		Total	Insured	Noninsured	Total	Insured	Noninsured
ASSETS							
Cash, balances with other banks, and cash items in process of collection . . .	28,809,564	28,139,627	27,593,375	546,252	669,937	130,037	539,900
Securities—total	54,322,569	48,299,249	47,344,254	954,995	6,023,320	1,266,640	4,756,680
United States Government obligations, direct and guaranteed	46,036,206	41,483,606	40,711,697	771,909	4,552,600	861,258	3,691,342
Obligations of States and political subdivisions	3,820,215	3,583,544	3,533,486	50,058	236,671	95,602	141,069
Other bonds, notes, and debentures	3,405,776	2,723,113	2,680,163	42,950	682,663	305,348	377,315
Not classified including corporate stocks	1,060,372	608,986	418,908	90,078	551,386	4,432	546,954
Loans, discounts, and overdrafts (including rediscounts)	23,961,174	19,248,743	18,906,869	341,874	4,712,431	740,379	3,972,052
Loans and securities—total	78,283,743	67,547,992	66,251,123	1,296,869	10,735,751	2,007,019	8,728,732
Miscellaneous assets—total	2,212,198	1,680,892	1,614,613	66,279	531,306	116,935	414,371
Bank premises owned, furniture and fixtures	1,173,819	1,065,539	1,047,535	18,004	113,280	26,966	86,314
Other real estate—direct and indirect	620,523	310,899	300,711	10,188	309,624	77,309	232,315
All other miscellaneous assets	412,856	304,454	266,367	38,087	108,402	12,660	95,742
Total assets	109,305,505	97,368,511	95,459,111	1,909,400	11,936,994	2,253,991	9,683,003
LIABILITIES							
Deposits—total	100,152,825	89,478,713	87,820,427	1,658,286	10,674,112	2,048,314	8,625,798
Demand deposits of individuals, partnerships, and corporations		47,840,232	47,128,273	711,959			
Time deposits of individuals, partnerships, and corporations		16,006,786	15,706,335	300,451			
States and political subdivisions		4,490,690	4,393,493	97,197			
United States Government	100,152,825	8,453,484	8,215,334	238,150	10,674,112	2,048,314	8,625,798
Other banks		11,309,106	11,144,487	164,619			
Certified and officers' checks, cash letters of credit, etc.		1,228,762	1,219,141	9,621			
Not classified including postal savings		149,653	13,364	136,289			
Miscellaneous liabilities—total	638,689	604,225	582,450	21,775	34,464	4,865	29,599
Rediscounts and other borrowed money	13,327	13,327	9,748	3,579			
All other miscellaneous liabilities	625,362	590,898	572,702	18,196	34,464	4,865	29,599
Total liabilities (excluding capital accounts)	100,791,514	90,082,938	88,402,877	1,680,061	10,708,576	2,053,179	8,655,397
CAPITAL ACCOUNTS							
Capital accounts—total	8,513,991	7,285,573	7,056,234	229,339	1,228,418	200,812	1,027,606
Capital stock, notes, and debentures	2,960,392	2,954,313	2,848,630	105,683	6,079	6,079	
Surplus	3,921,114	2,884,766	2,801,594	83,172	1,036,348	155,706	880,642
Undivided profits including all other capital accounts	1,632,485	1,446,494	1,406,010	40,484	185,991	39,027	146,964
Total liabilities and capital accounts	109,305,505	97,368,511	95,459,111	1,909,400	11,936,994	2,253,991	9,683,003
Total number of operating banks	14,853	14,307	13,347	960	546	56	490
Number of banks included ¹	14,731	14,185	13,347	838	546	56	490
Number of banks not included ²	122	122		122			

ASSETS AND LIABILITIES OF OPERATING BANKS

¹ Includes 10 insured trust companies not engaged in deposit banking.
² Includes 90 noninsured trust companies not engaged in deposit banking.

Back figures—See table 104 and the Annual Report for 1941, pp. 122-25.

Table 106. ASSETS AND LIABILITIES OF OPERATING INSURED COMMERCIAL BANKS, CALL DATES, DECEMBER 31, 1941, TO DECEMBER 31, 1942

(Amounts in thousands of dollars)

ASSETS	Dec. 31,	June 30,	Dec. 31,	LIABILITIES AND CAPITAL	Dec. 31,	June 30,	Dec. 31,
	1941	1942	1942		1941	1942	1942
Cash, balances with other banks, and cash items in process of collection—total.	125,792,869	24,381,860	27,593,375	Demand deposits (excluding interbank deposits)—total.	43,064,655	45,669,726	60,511,574
Currency and coin	1,358,738	1,290,745	1,306,806	Individuals, partnerships, and corporations	36,547,288	39,266,281	47,128,273
Reserve with Federal Reserve banks	12,395,664	12,294,505	13,071,533	United States Government	1,762,509	1,771,501	8,167,459
Demand balances with banks in the United States (except private banks and American branches of foreign banks)	18,426,994	7,975,952	8,984,740	States and political subdivisions	3,677,444	3,866,325	3,996,701
Other balances with banks in the United States	146,847	130,386	100,282	Certified and officers' checks, cash letters of credit and travelers' checks outstanding, and amounts due to Federal Reserve banks	1,077,414	765,619	1,219,141
Balances with banks in foreign countries	11,463	12,767	13,255	Time deposits (excluding interbank deposits)—total.	15,702,253	15,416,278	16,164,366
Cash items in process of collection	3,453,163	2,677,505	4,116,759	Individuals, partnerships, and corporations	15,151,204	14,889,560	15,706,335
Obligations of the United States Government—total.	21,047,698	25,936,082	40,711,697	United States Government	34,120	34,515	47,875
Direct:				Postal savings	24,621	21,512	13,364
Treasury bills	988,333	1,535,893	4,462,419	States and political subdivisions	492,308	470,691	396,792
Treasury certificates of indebtedness		1,978,519	6,728,512	Interbank deposits—total.	10,653,776	10,076,427	11,144,487
Treasury notes	3,158,664	3,732,023	5,800,208	Banks in the United States	19,973,303	9,322,595	10,326,189
United States savings bonds	(2)	266,649	284,259	Banks in foreign countries	680,473	753,832	818,298
Other bonds maturing in 5 years or less	1,551,379	1,764,618	2,864,750	Total deposits	169,420,684	71,162,431	87,820,427
Other bonds maturing in 5 to 10 years	3,970,448	5,321,571	10,046,540	Demand	53,560,860	55,617,692	71,559,350
Bonds maturing in 10 to 20 years	5,929,602	7,156,679	6,469,547	Time	15,859,824	15,544,739	16,261,077
Bonds maturing after 20 years	1,347,122	1,306,163	1,337,064	Miscellaneous liabilities—total.	564,979	594,204	582,450
Guaranteed obligations	4,102,150	2,873,967	2,718,398	Bills payable, rediscounts, and other liabilities for borrowed money	10,221	11,509	9,748
Other securities—total.	6,985,411	6,790,346	6,632,557	Acceptances executed by or for account of reporting banks and outstanding	87,021	68,844	46,478
Obligations of States and political subdivisions	3,651,628	3,493,880	3,533,486	Dividends declared but not yet payable	40,567	41,840	39,915
Other bonds, notes, and debentures ¹	2,889,291	2,865,154	2,680,163	Income collected but not earned	94,062	77,844	58,030
Corporate stocks:				Expenses accrued and unpaid	108,837	132,799	127,390
Federal Reserve banks	142,094	144,737	145,791	Other liabilities	224,271	261,368	300,889
Other corporate stocks	302,398	286,575	273,117	Total liabilities (excluding capital accounts)	169,985,663	71,756,635	88,402,877
Total securities	28,033,109	32,726,428	47,344,254				
Loans, discounts, and overdrafts (including rediscounts)—total.	21,262,202	19,922,804	18,906,869				
Commercial and industrial loans (including open market paper)	9,215,139	8,868,234	7,757,567				
Loans secured by agricultural commodities, covered by purchase agreements of the Commodity Credit Corporation	1,449,942	1,164,455	746,261				
Other agricultural loans (excluding loans on farm land)			895,514				

Consumer loans to individuals:				Capital accounts—total	6,845,126	6,952,820	7,056,234
Retail automobile instalment paper	(4)	(4)	280,434	Capital stock, notes, and debentures	2,849,911	2,858,709	2,848,630
Other retail, repair and modernization instalment loans	(4)	(4)	329,306	Surplus	2,687,506	2,741,404	2,801,594
Personal instalment cash loans	(4)	(4)	404,138	Undivided profits	896,121	935,727	972,042
Single-payment loans to individuals	(4)	(4)	1,256,594	Reserves	411,588	416,980	433,968
Loans to brokers and dealers in securities	614,333	568,988	950,213				
Other loans for the purpose of purchasing or carrying securities	661,789	619,718	597,225	Total liabilities and capital accounts	176,830,789	78,709,455	95,459,111
Real estate loans:							
On farm land	585,329	525,583	476,738				
On residential properties	3,208,844	3,262,645	3,263,112				
On other properties	1,031,410	984,608	907,343				
Loans to banks	39,793	29,579	27,000				
All other loans (including overdrafts)	4,505,623	3,898,999	51,015,424				
Loans and securities—total	49,295,311	52,649,232	66,251,123				
Bank premises, furniture and fixtures, and other real estate—total	1,432,428	1,400,175	1,348,246				
Bank premises	971,115	968,927	959,147				
Furniture and fixtures	90,426	91,396	88,388				
Real estate owned other than bank premises	262,621	232,429	198,800				
Investments and other assets indirectly representing bank premises or other real estate	108,266	107,423	101,911				
Miscellaneous assets—total	310,181	278,188	266,367				
Customers' liability to reporting banks on acceptances outstanding	73,089	59,333	40,808				
Income accrued but not collected	117,200	115,819	133,493				
Prepaid expenses	11,469	12,495	12,498				
Other assets	108,423	90,541	79,568				
Total assets	176,830,789	78,709,455	95,459,111				
Number of banks	13,430	13,403	13,347				
				Capital accounts—total	6,130,644	6,846,137	13,296,816
				United States Government obligations, direct and guaranteed, pledged to secure liabilities	4,908,464	5,723,172	12,258,515
				Other assets pledged to secure liabilities	971,674	859,051	782,197
				Assets pledged to qualify for exercise of fiduciary or corporate powers, and for purposes other than to secure liabilities	194,289	194,954	228,575
				Securities loaned	56,217	68,960	27,529
				Secured and preferred liabilities—total	6,026,363	6,110,796	12,647,668
				Deposits secured by pledged assets pursuant to requirements of law	5,045,944	5,146,198	11,653,217
				Deposits preferred under the provisions of law but not secured by pledge of assets	967,758	954,109	982,060
				Borrowings secured by pledged assets	9,313	8,523	9,704
				Other liabilities secured by pledged assets	3,348	1,966	2,687
				Reciprocal interbank demand deposits with banks in the United States, except private banks and American branches of foreign banks	(2)	614,029	525,324
				Number of banks	13,430	13,403	13,347

¹ Amounts as of December 31, 1941 are not comparable with amounts reported for June 30, 1942 and December 31, 1942, because of the inclusion of reciprocal interbank demand deposits with banks in the United States, except private banks and American branches of foreign banks. (See Memoranda)

² Not reported separately.

³ Includes obligations of United States government corporations and agencies not guaranteed by the United States government.

⁴ Not reported on comparable basis.

⁵ Amount of "all other loans" as of December 31, 1942, is not comparable with amounts as of June 30, 1942, and December 31, 1941 due to reclassification of the loan items. See footnote 4.

⁶ Revised to include trust companies not engaged in deposit banking which submit reports to the FDIC (3 for December 31, 1941 and 4 for June 30, 1942).

Back figures—See the following Annual Reports: 1941, p. 126; 1940, p. 144; 1938, p. 164.

ANALYSIS OF EXAMINATIONS OF INSURED COMMERCIAL BANKS

Table 107. ANALYSIS OF ASSETS, CAPITAL, AND LIABILITIES OF INSURED COMMERCIAL BANKS EXAMINED IN 1942
BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS
 (Amounts in thousands of dollars)

	All banks	Banks with deposits of—								
		\$100,000 or less	\$100,000 to \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$50,000,000	More than \$50,000,000
Number of banks.....	13,303	118	1,307	2,697	3,408	2,600	1,857	645	492	179
Total assets—book value.....	80,449,956	12,686	291,044	1,152,081	2,781,885	4,138,853	6,381,726	5,011,963	10,881,546	49,798,172
Examiners' deductions—net.....	125,652	65	874	1,454	4,632	10,448	17,418	14,988	27,965	47,808
Appraised value.....	80,324,304	12,621	290,170	1,150,627	2,777,253	4,128,405	6,364,308	4,996,975	10,853,581	49,750,364
<i>Standard</i>	1,714,226	794	12,266	36,702	87,183	139,018	224,175	165,872	279,211	769,565
<i>Not criticized</i>	70,610,078	11,827	277,904	1,113,925	2,690,070	3,989,387	6,140,133	4,831,003	10,574,370	48,980,799
Cash and due from banks.....	24,618,882	5,113	112,190	427,244	989,768	1,385,033	1,995,012	1,530,093	3,558,081	14,616,348
Total securities—book value.....	33,482,527	2,060	56,533	281,060	770,997	1,341,594	2,346,034	1,947,198	4,140,816	22,596,235
Examiners' deductions—net.....	22,721	-3	-127	-679	-694	1,801	3,583	3,939	4,670	10,231
Appraised value.....	33,459,806	2,063	56,660	281,739	771,691	1,339,793	2,342,451	1,943,259	4,136,146	22,586,004
<i>Standard</i>	617,393	119	2,576	10,038	25,464	44,698	72,217	51,772	77,740	332,769
<i>Not criticized</i>	32,842,413	1,944	54,084	271,701	746,227	1,295,095	2,270,234	1,891,487	4,058,406	22,253,235
Loans—book value.....	20,136,352	5,006	115,533	419,205	958,972	1,305,564	1,858,167	1,377,545	2,832,700	11,263,660
Examiners' deductions—net.....	64,425	49	733	1,616	4,001	5,595	9,138	13,175	12,934	23,134
Appraised value.....	20,071,927	4,957	114,800	417,589	954,971	1,299,969	1,849,029	1,370,370	2,819,766	11,240,476
<i>Standard</i>	767,953	482	8,252	22,323	50,943	71,831	108,749	73,165	122,873	304,340
<i>Not criticized</i>	19,303,969	4,475	106,548	395,266	904,028	1,228,138	1,740,280	1,296,205	2,696,893	10,936,136
Fixed and miscellaneous assets—book value.....	2,212,195	507	6,788	24,572	62,148	106,662	182,513	157,127	349,949	1,321,929
Examiners' deductions—net.....	38,506	19	268	517	1,325	3,052	4,697	3,874	10,361	14,393
Appraised value.....	2,173,689	488	6,520	24,055	60,823	103,610	177,816	153,253	339,588	1,307,536
<i>Standard</i>	328,875	133	1,433	4,341	10,776	22,439	43,209	35,435	78,598	132,456
<i>Not criticized</i>	1,844,814	355	5,082	19,714	50,047	81,171	134,607	117,818	260,990	1,175,080
Capital accounts—book value.....	6,920,130	3,284	46,357	145,853	315,582	453,996	672,498	498,793	948,856	3,834,911
<i>R. F. C.—book value</i>	267,643	274	3,253	7,536	15,591	23,563	36,631	37,537	61,816	81,442
<i>Private—book value</i>	6,652,482	3,010	43,104	138,317	299,991	430,423	635,867	461,256	887,040	3,753,469
Examiners' deductions—net.....	133,014	68	925	1,612	4,804	10,706	17,728	15,338	30,016	51,817
Net sound capital—total.....	6,787,116	3,216	45,432	144,241	310,778	443,290	654,770	483,455	918,840	3,783,094
<i>R. F. C.—retirable value</i>	322,349	274	3,270	8,165	16,180	25,132	41,230	41,627	83,140	103,778
<i>Private—net sound capital</i>	6,464,267	2,942	42,162	136,076	294,598	418,105	613,540	441,823	835,700	3,679,316
Adjusted liabilities (exclusive of capital accounts)—total.....	73,537,188	9,405	244,738	1,006,386	2,466,475	3,685,115	5,709,538	4,513,520	9,934,741	45,967,270
Deposits.....	72,755,007	9,001	243,308	1,003,588	2,454,104	3,669,003	5,683,017	4,486,092	9,862,871	45,344,023
Other liabilities.....	782,181	404	1,430	2,798	12,371	16,112	26,521	27,428	71,870	623,247

NOTE: For banks included and explanation of terms, see pages 63-65.

Back figures—See the following Annual Reports: 1941, pp. 133, 141, and 143; 1940, pp. 160, 169, and 171; 1939, pp. 151, 159, and 161.

Table 108. ASSET AND NET SOUND CAPITAL RATIOS OF INSURED COMMERCIAL BANKS EXAMINED IN 1942

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

(Amounts per \$100 of book value)

	All banks	Banks with deposits of—								
		\$100,000 or less	\$100,000 to \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$50,000,000	More than \$50,000,000
Number of banks.....	13,303	118	1,307	2,697	3,408	2,600	1,857	645	492	179
Total assets—book value	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Examiners' deductions—net.....	.16	.51	.30	.13	.17	.25	.27	.30	.26	.10
Appraised value.....	99.84	99.49	99.70	99.87	99.83	99.75	99.73	99.70	99.74	99.90
Substandard.....	2.13	5.79	4.21	3.18	3.13	3.36	3.51	3.30	2.56	1.54
Not criticized.....	97.71	93.70	95.49	96.69	96.70	96.39	96.22	96.40	97.18	98.36
Cash and due from banks	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Securities—book value	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	.07	.15	.22	.24	.09	.13	.15	.20	.11	.05
Appraised value.....	99.93	100.15	100.22	100.24	100.09	99.87	99.85	99.80	99.89	99.95
Substandard.....	1.84	5.78	4.55	3.57	3.30	3.33	3.08	2.66	1.83	1.47
Not criticized.....	98.09	94.37	95.67	96.67	96.79	96.54	96.77	97.14	98.01	98.48
Loans—book value	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	.32	.98	.63	.39	.42	.43	.49	.52	.46	.21
Appraised value.....	99.68	99.02	99.37	99.61	99.58	99.57	99.51	99.48	99.54	99.79
Substandard.....	3.81	9.63	7.14	5.32	5.31	5.50	5.85	5.67	4.34	2.70
Not criticized.....	95.87	89.39	92.23	94.29	94.27	94.07	93.66	93.81	95.20	97.09
Fixed and miscellaneous assets—book value	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	1.74	3.75	3.95	2.10	2.13	2.86	2.57	2.47	2.96	1.09
Appraised value.....	98.26	96.25	96.05	97.90	97.87	97.14	97.43	97.53	97.04	98.91
Substandard.....	14.87	26.23	21.18	17.67	17.34	21.08	23.68	22.55	22.46	10.02
Not criticized.....	83.39	70.02	74.87	80.23	80.53	76.06	73.75	74.98	74.58	88.89
Capital accounts—book value	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
R. F. C.—book value.....	3.87	8.34	7.02	5.17	4.94	5.19	5.45	7.53	6.51	2.12
Private—book value.....	96.13	91.65	92.98	94.83	95.06	94.81	94.55	92.47	93.49	97.88
Examiners' deductions—net.....	1.92	2.07	2.00	1.11	1.52	2.36	2.64	3.08	3.15	1.35
Net sound capital—total.....	98.08	97.93	98.00	98.89	98.48	97.64	97.36	96.92	96.84	98.55
R. F. C.—retirable value.....	4.67	8.34	7.05	5.60	5.13	5.55	6.13	8.34	8.76	2.71
Private—net sound capital.....	93.41	89.59	90.95	93.29	93.35	92.09	91.23	88.58	88.08	95.84
Net sound capital per \$100 of—										
Appraised value of assets.....	8.45	25.48	15.66	12.54	11.19	10.74	10.29	9.67	8.47	7.60
Deposits.....	9.33	35.73	18.67	14.37	12.66	12.08	11.52	10.73	9.32	8.34

NOTE: For banks included and explanation of terms, see pages 63-65.

Back figures—See the following Annual Reports: 1941, pp. 135, 145, and 147; 1940, pp. 163, 173, and 175; 1939, pp. 153, 163, and 165.

Table 109. ANALYSIS OF ASSETS, CAPITAL, AND LIABILITIES OF INSURED COMMERCIAL BANKS EXAMINED IN 1942
BANKS GROUPED ACCORDING TO NET SOUND CAPITAL RATIO

(Amounts in thousands of dollars)

	All banks	Banks with net sound capital per \$100 of appraised value of assets of—							
		\$0.01 to \$4.99	\$5.00 to \$9.99	\$10.00 to \$14.99	\$15.00 to \$19.99	\$20.00 to \$24.99	\$25.00 to \$29.99	\$30.00 to \$34.99	\$35.00 or more
Number of banks.....	13,303	64	4,315	6,002	2,058	577	191	60	36
Total assets—book value	80,449,956	1,758,493	54,578,412	19,832,564	2,652,001	893,337	606,312	101,724	27,113
Examiners' deductions—net.....	125,652	4,550	70,795	40,356	12,136	3,401	6,128	477	65
Appraised value.....	80,324,304	1,753,943	54,507,617	19,792,208	2,639,865	889,936	612,440	101,247	27,048
<i>Substandard</i>	1,714,226	17,833	922,324	536,767	147,849	53,859	23,887	7,473	4,234
<i>Not criticized</i>	78,610,078	1,736,110	53,585,293	19,255,441	2,492,016	836,077	588,553	93,774	22,814
Cash and due from banks	24,618,882	612,033	17,072,426	5,753,256	763,205	242,951	145,225	23,546	6,240
Total securities—book value	33,482,527	823,801	22,671,029	8,272,380	975,539	377,249	303,155	50,393	8,981
Examiners' deductions—net.....	22,721	611	7,413	10,663	2,817	515	360	338	4
Appraised value.....	33,459,806	823,190	22,663,616	8,261,717	972,722	376,734	302,795	50,055	8,977
<i>Substandard</i>	617,393	4,632	329,117	191,577	55,999	13,292	16,995	2,954	2,827
<i>Not criticized</i>	32,842,413	818,558	22,334,499	8,070,140	916,723	363,442	285,800	47,101	6,150
Loans—book value	20,136,352	299,262	13,373,225	5,253,128	808,573	224,004	145,686	22,273	10,201
Examiners' deductions—net.....	64,425	1,909	34,123	19,863	5,591	2,379	441	89	30
Appraised value.....	20,071,927	297,353	13,339,102	5,233,265	802,982	221,625	145,245	22,184	10,171
<i>Substandard</i>	767,958	8,108	426,169	242,003	61,921	22,041	5,444	901	301
<i>Not criticized</i>	19,303,969	289,245	12,912,933	4,991,262	741,061	199,584	139,801	20,813	9,270
Fixed and miscellaneous assets—book value	2,212,195	23,397	1,461,732	553,800	104,684	49,133	12,246	5,512	1,691
Examiners' deductions—net.....	38,506	2,030	29,259	9,830	3,728	507	6,929	50	31
Appraised value.....	2,173,689	21,367	1,432,473	543,970	100,956	48,626	19,175	5,462	1,660
<i>Substandard</i>	328,875	5,093	167,038	103,187	29,929	13,526	1,448	3,148	506
<i>Not criticized</i>	1,844,814	16,274	1,265,435	440,783	71,027	30,100	17,727	2,314	1,154
Capital accounts—book value	6,920,130	76,278	3,811,252	2,224,953	427,982	192,480	144,319	31,419	11,447
<i>R.F.C.—book value</i>	267,648	2,717	156,535	82,856	15,078	8,669	1,296	88	409
<i>Private—book value</i>	6,652,482	73,561	3,654,717	2,142,097	412,904	183,811	143,023	31,331	11,038
Examiners' deductions—net.....	133,014	4,599	74,440	42,885	12,256	4,415	6,125	479	65
Net sound capital—total.....	6,787,116	71,679	3,736,812	2,182,068	415,726	188,065	150,444	30,940	11,382
<i>R.F.C.—retirable value</i>	322,349	5,079	183,170	106,587	17,186	8,985	1,345	88	409
<i>Private—net sound capital</i>	6,464,267	66,600	3,553,642	2,075,481	398,540	179,080	149,099	30,852	10,973
Adjusted liabilities (exclusive of capital accounts)—total	73,537,188	1,682,264	50,770,805	17,610,140	2,224,139	701,871	461,996	70,307	15,666
Deposits.....	72,755,007	1,675,474	50,145,974	17,487,275	2,208,666	694,808	458,699	69,102	15,009
Other liabilities.....	782,181	6,790	624,831	122,865	15,473	7,063	3,297	1,205	657

NOTE: For banks included and explanation of terms, see pages 63-65.

Back figures—See the following Annual Reports: 1941, pp. 132, 140, and 142; 1940, pp. 160, 168, and 170; 1939, pp. 150, 158, and 160.

Table 110. ASSET AND NET SOUND CAPITAL RATIOS OF INSURED COMMERCIAL BANKS EXAMINED IN 1942

BANKS GROUPED ACCORDING TO NET SOUND CAPITAL RATIO

(Amounts per \$100 of book value)

	All banks	Banks with net sound capital per \$100 of appraised value of assets of—							
		\$0.01 to \$4.99	\$5.00 to \$9.99	\$10.00 to \$14.99	\$15.00 to \$19.99	\$20.00 to \$24.99	\$25.00 to \$29.99	\$30.00 to \$34.99	\$35.00 or more
Number of banks.....	13,303	64	4,315	6,002	2,058	577	191	60	36
Total assets—book value.....	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Examiners' deductions—net.....	.16	.26	.13	.20	.46	.38	-1.01	.47	.24
Appraised value.....	99.84	99.74	99.87	99.80	99.54	99.62	101.01	99.53	99.76
<i>Substandard.....</i>	<i>2.19</i>	<i>1.01</i>	<i>1.69</i>	<i>2.71</i>	<i>5.57</i>	<i>6.03</i>	<i>3.94</i>	<i>7.35</i>	<i>15.62</i>
<i>Not criticized.....</i>	<i>97.71</i>	<i>98.73</i>	<i>98.18</i>	<i>97.09</i>	<i>93.97</i>	<i>93.59</i>	<i>97.07</i>	<i>92.18</i>	<i>84.14</i>
Cash and due from banks.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Securities—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	.07	.07	.03	.13	.29	.14	.12	.67	.04
Appraised value.....	99.93	99.93	99.97	99.87	99.71	99.86	99.88	99.33	99.96
<i>Substandard.....</i>	<i>1.84</i>	<i>.56</i>	<i>1.45</i>	<i>2.32</i>	<i>5.74</i>	<i>3.52</i>	<i>5.61</i>	<i>5.86</i>	<i>31.48</i>
<i>Not criticized.....</i>	<i>98.09</i>	<i>99.37</i>	<i>98.52</i>	<i>97.55</i>	<i>93.97</i>	<i>96.34</i>	<i>94.27</i>	<i>93.47</i>	<i>68.48</i>
Loans—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	.32	.64	.26	.38	.69	1.06	.30	.40	.29
Appraised value.....	99.68	99.36	99.74	99.62	99.31	98.94	99.70	99.60	99.71
<i>Substandard.....</i>	<i>3.81</i>	<i>2.71</i>	<i>3.19</i>	<i>4.61</i>	<i>7.66</i>	<i>9.84</i>	<i>3.74</i>	<i>6.16</i>	<i>8.33</i>
<i>Not criticized.....</i>	<i>95.87</i>	<i>96.65</i>	<i>96.55</i>	<i>95.01</i>	<i>91.65</i>	<i>89.10</i>	<i>95.96</i>	<i>93.44</i>	<i>90.88</i>
Fixed and miscellaneous assets—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	1.74	8.68	2.00	1.78	3.56	1.03	-56.58	.91	1.83
Appraised value.....	98.26	91.32	98.00	98.22	96.44	98.97	156.58	99.09	98.17
<i>Substandard.....</i>	<i>14.87</i>	<i>21.77</i>	<i>11.43</i>	<i>18.63</i>	<i>23.59</i>	<i>37.71</i>	<i>11.82</i>	<i>57.11</i>	<i>29.92</i>
<i>Not criticized.....</i>	<i>83.39</i>	<i>69.55</i>	<i>86.57</i>	<i>79.59</i>	<i>67.85</i>	<i>61.26</i>	<i>144.76</i>	<i>41.98</i>	<i>68.25</i>
Capital accounts—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<i>R.F.C.—book value.....</i>	<i>3.37</i>	<i>3.56</i>	<i>4.11</i>	<i>3.72</i>	<i>3.52</i>	<i>4.50</i>	<i>.90</i>	<i>.28</i>	<i>3.57</i>
<i>Private—book value.....</i>	<i>96.13</i>	<i>96.44</i>	<i>95.89</i>	<i>96.28</i>	<i>96.48</i>	<i>95.50</i>	<i>99.10</i>	<i>99.72</i>	<i>96.43</i>
Examiners' deductions—net.....	1.92	6.03	1.95	1.93	2.86	2.29	-4.24	1.52	.57
Net sound capital—total.....	98.08	93.97	98.05	98.07	97.14	97.71	104.24	98.48	99.43
<i>R.F.C.—retirable value.....</i>	<i>4.67</i>	<i>6.66</i>	<i>4.81</i>	<i>4.79</i>	<i>4.02</i>	<i>4.67</i>	<i>.93</i>	<i>.28</i>	<i>3.57</i>
<i>Private—net sound capital.....</i>	<i>93.41</i>	<i>87.31</i>	<i>93.24</i>	<i>93.28</i>	<i>93.12</i>	<i>93.04</i>	<i>103.31</i>	<i>98.20</i>	<i>95.86</i>
Net sound capital per \$100 of—									
Appraised value of assets.....	8.45	4.09	6.86	11.02	15.75	21.13	24.56	30.56	42.08
Deposits.....	9.33	4.28	7.45	12.48	18.82	27.07	32.80	44.77	75.83

ANALYSIS OF EXAMINATIONS OF INSURED BANKS

¹For explanation of the apparent irregularity in this item, see page 65.

NOTE: For banks included and explanation of terms, see pages 63-65.

Back figures—See the following Annual Reports: 1941, pp. 134, 144, and 146; 1940, pp. 162, 172, and 174; 1939, pp. 152, 162, and 164.

Table 111. ANALYSIS OF ASSETS, CAPITAL, AND LIABILITIES OF INSURED COMMERCIAL BANKS EXAMINED IN 1942

BANKS GROUPED ACCORDING TO FIXED AND SUBSTANDARD ASSETS RATIO

(Amounts in thousands of dollars)

	All banks	Banks with fixed and substandard assets per \$100 of appraised value of assets of—								
		\$0.00	\$0.01 to \$4.99	\$5.00 to \$9.99	\$10.00 to \$14.99	\$15.00 to \$19.99	\$20.00 to \$24.99	\$25.00 to \$29.99	\$30.00 to \$34.99	\$35.00 or more
Number of banks.....	13,303	59	8,226	3,516	1,025	293	118	32	23	11
Total assets—book value.....	80,449,956	169,359	63,005,773	12,717,837	3,152,481	969,530	223,447	91,299	48,938	71,292
Examiners' deductions—net.....	125,652	-81	41,234	38,301	23,432	9,615	4,385	3,393	2,062	3,311
Appraised value.....	80,324,304	169,440	62,964,539	12,679,536	3,129,049	959,915	219,062	87,906	46,876	67,981
Substandard.....	1,714,226	49	693,524	520,557	269,034	131,144	41,973	20,070	13,814	24,061
Not criticized.....	78,610,078	169,391	62,271,015	12,158,979	2,860,015	828,771	177,089	67,836	33,062	43,920
Cash and due from banks.....	24,618,882	72,208	19,976,064	3,483,585	779,766	227,870	40,310	19,311	8,498	11,270
Total securities—book value.....	33,482,527	57,999	26,959,052	4,663,042	1,254,177	409,055	77,444	30,188	13,166	18,404
Examiners' deductions—net.....	22,721	-41	5,854	7,790	5,016	2,171	1,014	436	474	7
Appraised value.....	33,459,806	58,040	26,953,198	4,655,252	1,249,161	406,884	76,430	29,752	12,692	18,397
Substandard.....	617,393	.....	291,677	149,375	93,186	58,581	12,032	5,478	1,644	5,470
Not criticized.....	32,842,413	58,040	26,661,521	4,505,877	1,156,025	348,303	64,398	24,274	11,048	12,927
Loans—book value.....	20,136,352	38,516	14,715,955	4,019,440	939,569	272,383	84,459	27,204	19,438	19,388
Examiners' deductions—net.....	64,425	2	24,770	19,987	11,612	4,308	1,641	1,036	641	420
Appraised value.....	20,071,927	38,514	14,691,185	3,999,453	927,957	268,075	82,818	26,168	18,789	18,968
Substandard.....	767,958	47	298,187	275,593	111,381	43,155	18,118	6,638	7,309	7,530
Not criticized.....	19,303,969	38,467	14,392,998	3,723,860	816,576	224,920	64,700	19,530	11,480	11,438
Fixed and miscellaneous assets—book value.....	2,212,195	636	1,354,702	551,770	178,969	60,222	21,234	14,596	7,836	22,230
Examiners' deductions—net.....	38,506	-42	10,610	10,524	6,804	3,136	1,730	939	2,884	.....
Appraised value.....	2,173,689	678	1,344,092	541,246	172,165	57,086	19,504	12,675	6,897	19,346
Substandard.....	328,875	2	103,660	95,589	64,517	29,408	11,323	7,954	4,861	11,061
Not criticized.....	1,844,814	676	1,240,432	445,657	107,648	27,678	7,881	4,721	2,036	8,285
Capital accounts—book value.....	6,920,130	11,465	5,017,331	1,290,636	400,687	125,438	36,098	15,391	8,094	14,990
R.F.C.—book value.....	267,648	3	125,964	80,022	35,846	14,968	6,804	2,237	2,205	99
Private—book value.....	6,652,482	11,462	4,891,367	1,210,614	365,841	110,470	29,294	13,154	5,889	14,891
Examiners' deductions—net.....	133,014	-71	44,675	40,336	23,962	9,775	4,393	3,399	2,066	4,479
Net sound capital—total.....	6,787,116	11,536	4,972,656	1,250,300	376,725	115,663	31,705	11,992	6,028	10,511
R.F.C.—retirable value.....	322,849	3	148,489	99,568	44,078	17,333	7,454	2,851	2,924	99
Private—net sound capital.....	6,464,267	11,533	4,824,167	1,150,732	332,647	98,280	24,251	9,141	3,104	10,412
Adjusted liabilities (exclusive of capital accounts)—total.....	73,537,188	157,904	57,991,883	11,429,236	2,752,324	844,252	187,357	75,914	49,848	57,470
Deposits.....	72,755,007	157,221	57,321,716	11,350,195	2,739,323	839,072	185,088	74,536	40,566	47,290
Other liabilities.....	782,181	683	670,167	79,041	13,001	5,180	2,269	1,378	282	10,180

Note: For banks included and explanation of terms, see pages 63-65.

Back figures—See the following Annual Reports: 1941, pp. 132, 140, and 142; 1940, pp. 160, 168, and 170; 1939, pp. 150, 158, and 160.

Table 112. ASSET AND NET SOUND CAPITAL RATIOS OF INSURED COMMERCIAL BANKS EXAMINED IN 1942

BANKS GROUPED ACCORDING TO FIXED AND SUBSTANDARD ASSETS RATIO

(Amounts per \$100 of book value)

	All banks	Banks with fixed and substandard assets per \$100 of appraised value of assets of—								
		\$0.00	\$0.01 to \$4.99	\$5.00 to \$9.99	\$10.00 to \$14.99	\$15.00 to \$19.99	\$20.00 to \$24.99	\$25.00 to \$29.99	\$30.00 to \$34.99	\$35.00 or more
Number of banks.....	13,303	59	8,226	3,516	1,025	293	118	32	23	11
Total assets—book value.....	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Examiners' deductions—net.....	.16	-.05	.07	.30	.74	.99	1.96	3.72	4.21	4.64
Appraised value.....	99.84	100.05	99.93	99.70	99.26	99.01	98.04	96.28	95.79	95.36
Substandard.....	2.13	.03	1.10	4.09	8.54	13.53	18.79	21.98	28.23	33.75
Not criticized.....	97.71	100.02	98.83	95.61	90.72	85.48	79.25	74.30	67.56	61.61
Cash and due from banks.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Securities—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	.07	-.07	.02	.17	.40	.53	1.31	1.44	3.60	.04
Appraised value.....	99.93	100.07	99.98	99.83	99.60	99.47	98.69	98.56	96.40	99.96
Substandard.....	1.84	.00	1.08	3.20	7.43	14.32	15.54	18.15	12.49	29.72
Not criticized.....	98.09	100.07	98.90	96.63	92.17	85.15	83.15	80.41	83.91	70.24
Loans—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	.32	.01	.17	.50	1.24	1.58	1.94	3.81	3.34	2.17
Appraised value.....	99.68	99.99	99.83	99.50	98.76	98.42	98.06	96.19	96.66	97.83
Substandard.....	3.81	.12	2.08	6.86	11.85	15.84	21.45	24.40	37.60	33.34
Not criticized.....	95.87	99.87	97.80	92.64	86.91	82.58	76.61	71.79	59.06	58.99
Fixed and miscellaneous assets—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	1.74	-6.60	.78	1.91	3.80	5.21	8.15	13.16	11.98	12.97
Appraised value.....	98.26	106.60	99.22	98.09	96.20	94.79	91.85	86.84	88.02	87.03
Substandard.....	14.87	.31	7.65	17.32	36.05	43.83	55.68	64.50	62.04	49.76
Not criticized.....	83.39	106.29	91.57	80.77	60.15	45.96	36.17	32.34	25.98	37.27
Capital accounts—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
R.F.C.—book value.....	3.87	.03	2.51	6.20	8.32	11.93	18.85	14.53	27.24	.67
Private—book value.....	96.13	99.97	97.49	93.80	91.18	88.07	81.15	85.47	72.76	99.33
Examiners' deductions—net.....	1.92	-.62	.89	3.13	5.98	7.79	12.17	22.08	25.53	29.88
Net sound capital—total.....	98.08	100.62	99.11	96.87	94.02	92.21	87.83	77.92	74.47	70.12
R.F.C.—retirable value.....	4.67	.03	2.96	7.71	11.00	13.86	20.65	18.53	36.12	.67
Private—net sound capital.....	93.41	100.59	96.15	89.16	83.02	78.35	67.18	59.39	38.35	69.45
Net sound capital per \$100 of—										
Appraised value of assets.....	8.45	6.81	7.90	9.86	12.04	12.05	14.47	13.64	12.86	15.46
Deposits.....	9.33	7.34	8.67	11.02	13.75	13.78	17.13	16.09	14.86	22.23

NOTE: For banks included and explanation of terms, see pages 63-65.

Back figures—See the following Annual Reports: 1941, pp. 134, 144, and 146; 1940, pp. 162, 172, and 174; 1939, pp. 152, 162, and 164.

Table 113. ANALYSIS OF ASSETS, CAPITAL, AND LIABILITIES OF INSURED COMMERCIAL BANKS EXAMINED IN 1942
BANKS GROUPED ACCORDING TO FEDERAL DEPOSIT INSURANCE CORPORATION DISTRICT
 (Amounts in thousands of dollars)

	Federal Deposit Insurance Corporation District—											
	1	2	3	4	5	6	7	8	9	10	11	12
Number of banks.....	481	1,093	1,705	1,012	970	1,437	1,421	1,401	1,056	1,383	836	508
Total assets—book value.....	4,385,850	27,264,650	10,327,539	3,971,382	3,084,247	4,229,385	5,092,740	7,578,797	1,775,404	2,318,876	2,646,883	7,774,203
Examiners' deductions—net.....	12,911	59,930	29,377	3,025	3,340	3,699	2,442	1,301	344	899	1,517	6,867
Appraised value.....	4,372,939	27,204,720	10,298,162	3,968,357	3,080,907	4,225,686	5,090,298	7,577,496	1,775,060	2,317,977	2,645,366	7,767,336
<i>Substandard.....</i>	<i>119,250</i>	<i>528,395</i>	<i>425,097</i>	<i>66,885</i>	<i>69,738</i>	<i>111,516</i>	<i>70,913</i>	<i>79,399</i>	<i>17,205</i>	<i>23,433</i>	<i>25,909</i>	<i>176,081</i>
<i>Not criticized.....</i>	<i>4,253,709</i>	<i>26,676,325</i>	<i>9,873,125</i>	<i>3,901,522</i>	<i>3,011,124</i>	<i>4,114,170</i>	<i>5,019,385</i>	<i>7,497,597</i>	<i>1,757,855</i>	<i>2,294,494</i>	<i>2,619,457</i>	<i>7,591,315</i>
Cash and due from banks.....	1,202,925	7,195,618	3,016,713	1,448,877	1,253,859	1,621,817	1,634,624	2,523,242	578,443	962,236	1,156,079	2,024,449
Total securities—book value.....	1,689,513	13,399,116	4,365,209	1,397,377	952,299	1,367,933	2,202,819	3,223,279	596,140	644,997	728,073	2,915,772
Examiners' deductions—net.....	3,428	11,769	8,579	637	342	281	177	741	715	845	264	989
Appraised value.....	1,686,085	13,387,347	4,356,630	1,396,740	951,957	1,368,214	2,202,996	3,224,020	596,855	645,842	723,337	2,914,783
<i>Substandard.....</i>	<i>43,337</i>	<i>214,158</i>	<i>163,391</i>	<i>25,488</i>	<i>19,910</i>	<i>60,945</i>	<i>22,219</i>	<i>26,623</i>	<i>4,872</i>	<i>3,764</i>	<i>7,621</i>	<i>25,065</i>
<i>Not criticized.....</i>	<i>1,642,748</i>	<i>13,173,189</i>	<i>4,193,239</i>	<i>1,371,252</i>	<i>932,047</i>	<i>1,307,269</i>	<i>2,180,777</i>	<i>3,197,397</i>	<i>591,983</i>	<i>642,078</i>	<i>720,716</i>	<i>2,889,718</i>
Loans—book value.....	1,367,058	5,812,001	2,582,962	1,020,852	785,577	1,164,874	1,162,456	1,733,974	566,085	672,303	701,722	2,566,488
Examiners' deductions—net.....	7,500	22,265	14,747	2,008	2,269	3,211	1,675	1,913	806	1,877	1,458	4,696
Appraised value.....	1,359,558	5,789,736	2,568,215	1,018,844	783,308	1,161,663	1,160,781	1,732,061	565,279	670,426	700,264	2,561,792
<i>Substandard.....</i>	<i>61,602</i>	<i>200,907</i>	<i>152,039</i>	<i>28,745</i>	<i>33,761</i>	<i>38,740</i>	<i>36,452</i>	<i>44,687</i>	<i>10,891</i>	<i>18,507</i>	<i>13,735</i>	<i>127,892</i>
<i>Not criticized.....</i>	<i>1,297,956</i>	<i>5,588,829</i>	<i>2,416,176</i>	<i>990,099</i>	<i>749,547</i>	<i>1,122,923</i>	<i>1,124,329</i>	<i>1,687,374</i>	<i>554,388</i>	<i>651,919</i>	<i>686,529</i>	<i>2,433,900</i>
Fixed and miscellaneous assets—book value.....	126,354	857,915	362,655	104,276	92,512	74,761	92,841	98,302	34,736	39,340	61,009	267,494
Examiners' deductions—net.....	1,983	25,896	6,051	380	729	769	944	129	253	133	323	1,182
Appraised value.....	124,371	832,019	356,604	103,896	91,783	73,992	91,897	98,173	34,483	39,473	60,686	266,312
<i>Substandard.....</i>	<i>14,291</i>	<i>113,330</i>	<i>109,607</i>	<i>12,602</i>	<i>16,112</i>	<i>11,331</i>	<i>12,242</i>	<i>3,539</i>	<i>1,442</i>	<i>1,212</i>	<i>4,553</i>	<i>23,064</i>
<i>Not criticized.....</i>	<i>110,080</i>	<i>718,689</i>	<i>246,997</i>	<i>91,294</i>	<i>75,671</i>	<i>62,161</i>	<i>79,655</i>	<i>89,584</i>	<i>33,041</i>	<i>38,261</i>	<i>56,133</i>	<i>243,248</i>
Capital accounts—book value.....	449,453	2,334,097	1,163,947	340,001	255,203	328,304	384,566	526,385	151,504	205,352	210,892	570,426
<i>R.F.C.—book value.....</i>	<i>17,524</i>	<i>71,363</i>	<i>54,579</i>	<i>13,910</i>	<i>16,298</i>	<i>16,339</i>	<i>35,699</i>	<i>7,620</i>	<i>4,667</i>	<i>5,439</i>	<i>8,699</i>	<i>15,511</i>
<i>Private—book value.....</i>	<i>431,929</i>	<i>2,262,734</i>	<i>1,109,368</i>	<i>326,091</i>	<i>238,905</i>	<i>311,965</i>	<i>348,867</i>	<i>518,765</i>	<i>146,837</i>	<i>199,913</i>	<i>202,193</i>	<i>554,915</i>
Examiners' deductions—net.....	12,955	65,520	29,521	3,247	4,040	3,829	2,528	1,400	378	1,058	1,541	6,997
Net sound capital—total.....	436,498	2,268,577	1,134,426	336,754	251,163	324,475	382,038	524,985	151,126	204,294	209,351	563,429
<i>R.F.C.—reirable value.....</i>	<i>18,421</i>	<i>123,717</i>	<i>55,537</i>	<i>14,074</i>	<i>16,390</i>	<i>16,376</i>	<i>35,809</i>	<i>7,620</i>	<i>4,687</i>	<i>5,508</i>	<i>8,699</i>	<i>15,511</i>
<i>Private—net sound capital.....</i>	<i>418,077</i>	<i>2,144,860</i>	<i>1,078,889</i>	<i>322,680</i>	<i>234,773</i>	<i>307,599</i>	<i>346,229</i>	<i>517,365</i>	<i>146,439</i>	<i>198,786</i>	<i>200,652</i>	<i>547,918</i>
Adjusted liabilities (exclusive of capital accounts)—total.....	3,936,441	24,936,143	9,163,736	3,631,603	2,829,744	3,901,211	4,708,260	7,052,511	1,623,934	2,113,683	2,436,015	7,203,907
Deposits.....	3,906,175	24,444,526	9,106,328	3,610,197	2,811,757	3,882,769	4,690,821	7,022,447	1,614,902	2,107,618	2,424,326	7,133,141
Other liabilities.....	30,266	491,617	57,408	21,406	17,987	18,442	17,439	30,064	9,032	6,065	11,689	70,766

Note: For banks included and explanation of terms, see pages 63-66.

Back figures—See the following Annual Reports: 1941, pp. 136, 148, and 150; 1940, pp. 164, 176, and 178; 1939, pp. 154, 166, and 168.

Table 114. ASSET AND NET SOUND CAPITAL RATIOS OF INSURED COMMERCIAL BANKS EXAMINED IN 1942

BANKS GROUPED ACCORDING TO FEDERAL DEPOSIT INSURANCE CORPORATION DISTRICT

(Amounts per \$100 of book value)

	Federal Deposit Insurance Corporation District—											
	1	2	3	4	5	6	7	8	9	10	11	12
Number of banks.....	481	1,093	1,705	1,012	970	1,437	1,421	1,401	1,056	1,383	836	508
Total assets—book value.....	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Examiners' deductions—net.....	.29	.22	.28	.08	.11	.09	.05	.02	.02	.04	.06	.09
Appraised value.....	99.71	99.78	99.72	99.92	99.89	99.91	99.95	99.98	99.98	99.96	99.94	99.91
<i>Substandard.....</i>	<i>2.72</i>	<i>1.94</i>	<i>4.12</i>	<i>1.68</i>	<i>2.26</i>	<i>2.64</i>	<i>1.39</i>	<i>1.05</i>	<i>.97</i>	<i>1.01</i>	<i>.98</i>	<i>2.26</i>
<i>Not criticized.....</i>	<i>96.99</i>	<i>97.84</i>	<i>95.60</i>	<i>98.24</i>	<i>97.63</i>	<i>97.27</i>	<i>98.56</i>	<i>98.93</i>	<i>99.01</i>	<i>98.95</i>	<i>98.96</i>	<i>97.65</i>
Cash and due from banks.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Securities—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	.20	.09	.20	.05	.04	-.02	-.01	-.02	-.12	-.13	-.04	.03
Appraised value.....	99.80	99.91	99.80	99.95	99.96	100.02	100.01	100.02	100.12	100.13	100.04	99.97
<i>Substandard.....</i>	<i>2.57</i>	<i>1.60</i>	<i>3.74</i>	<i>1.82</i>	<i>2.09</i>	<i>4.45</i>	<i>1.01</i>	<i>.82</i>	<i>.82</i>	<i>.58</i>	<i>1.05</i>	<i>.86</i>
<i>Not criticized.....</i>	<i>97.23</i>	<i>98.31</i>	<i>96.06</i>	<i>98.13</i>	<i>97.87</i>	<i>95.57</i>	<i>99.00</i>	<i>99.20</i>	<i>99.30</i>	<i>99.55</i>	<i>98.99</i>	<i>99.11</i>
Loans—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	.55	.38	.57	.20	.29	.28	.14	.11	.14	.28	.21	.18
Appraised value.....	99.45	99.62	99.43	99.80	99.71	99.72	99.86	99.89	99.86	99.72	99.79	99.82
<i>Substandard.....</i>	<i>4.51</i>	<i>3.46</i>	<i>5.89</i>	<i>2.81</i>	<i>4.50</i>	<i>3.32</i>	<i>3.14</i>	<i>2.58</i>	<i>1.92</i>	<i>2.75</i>	<i>1.96</i>	<i>4.98</i>
<i>Not criticized.....</i>	<i>94.94</i>	<i>96.16</i>	<i>93.54</i>	<i>96.99</i>	<i>95.41</i>	<i>96.40</i>	<i>96.72</i>	<i>97.31</i>	<i>97.94</i>	<i>96.97</i>	<i>97.83</i>	<i>94.84</i>
Fixed and miscellaneous assets—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Examiners' deductions—net.....	1.57	3.02	1.67	.36	.79	1.03	1.02	.13	.73	-.34	.53	.44
Appraised value.....	98.43	96.98	98.33	99.64	99.21	98.97	98.98	99.87	99.27	100.34	99.47	99.56
<i>Substandard.....</i>	<i>11.31</i>	<i>13.21</i>	<i>30.22</i>	<i>12.09</i>	<i>17.42</i>	<i>15.82</i>	<i>13.18</i>	<i>8.74</i>	<i>4.15</i>	<i>3.08</i>	<i>7.46</i>	<i>8.62</i>
<i>Not criticized.....</i>	<i>87.12</i>	<i>83.77</i>	<i>68.11</i>	<i>87.55</i>	<i>81.79</i>	<i>83.15</i>	<i>85.80</i>	<i>91.13</i>	<i>95.12</i>	<i>97.26</i>	<i>92.01</i>	<i>90.94</i>
Capital accounts—book value.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<i>R.F.C.—book value.....</i>	<i>3.90</i>	<i>3.06</i>	<i>4.69</i>	<i>4.09</i>	<i>6.39</i>	<i>4.98</i>	<i>9.23</i>	<i>1.45</i>	<i>3.08</i>	<i>2.65</i>	<i>4.12</i>	<i>2.72</i>
<i>Private—book value.....</i>	<i>96.10</i>	<i>96.94</i>	<i>95.31</i>	<i>95.91</i>	<i>93.61</i>	<i>95.02</i>	<i>90.72</i>	<i>98.55</i>	<i>96.92</i>	<i>97.35</i>	<i>95.88</i>	<i>97.28</i>
Examiners' deductions—net.....	2.88	2.81	2.54	.95	1.58	1.17	.66	.27	.25	.62	.73	1.23
Net sound capital—total.....	97.12	97.19	97.46	99.05	98.42	98.83	99.34	99.73	99.75	99.48	99.27	98.77
<i>R.F.C.—retirable value.....</i>	<i>4.10</i>	<i>5.30</i>	<i>4.77</i>	<i>4.14</i>	<i>6.42</i>	<i>5.14</i>	<i>9.31</i>	<i>1.45</i>	<i>3.09</i>	<i>2.68</i>	<i>4.12</i>	<i>2.72</i>
<i>Private—net sound capital.....</i>	<i>93.02</i>	<i>91.89</i>	<i>92.69</i>	<i>94.91</i>	<i>92.00</i>	<i>93.69</i>	<i>90.03</i>	<i>98.28</i>	<i>96.66</i>	<i>96.80</i>	<i>95.15</i>	<i>96.05</i>
Net sound capital per \$100 of—												
Appraised value of assets.....	9.98	8.34	11.02	8.49	8.15	7.68	7.51	6.93	8.51	8.81	7.91	7.25
Deposits.....	11.17	9.28	12.46	9.33	8.93	8.36	8.14	7.48	9.36	9.69	8.64	7.90

Note: For banks included and explanation of terms, see pages 63-66.

Back figures—See the following Annual Reports: 1941, pp. 138, 152, and 154; 1940, pp. 166, 180, and 182; 1939, pp. 156, 170, and 172.

**Table 115. DISTRIBUTION OF INSURED COMMERCIAL BANKS EXAMINED IN 1942 ACCORDING TO NET SOUND CAPITAL RATIO
BANKS GROUPED BY FIXED AND SUBSTANDARD ASSETS RATIO, RATE OF NET EARNINGS, AND AMOUNT OF DEPOSITS**

	All banks	Banks with net sound capital per \$100 of appraised value of assets of—							
		\$0.01 to \$4.99	\$5.00 to \$9.99	\$10.00 to \$14.99	\$15.00 to \$19.99	\$20.00 to \$24.99	\$25.00 to \$29.99	\$30.00 to \$34.99	\$35.00 or more
All banks	13,303	64	4,315	6,002	2,058	577	191	60	36
Banks with fixed and substandard assets per \$100 of appraised value of assets of—									
\$0.00.....	59	5	17	17	16	3	1		
\$0.01 to \$4.99.....	8,226	45	3,220	3,650	963	251	63	24	10
\$5.00 to \$9.99.....	3,516	3	828	1,719	667	197	67	23	12
\$10.00 to \$14.99.....	1,025	4	176	457	260	81	32	8	7
\$15.00 to \$19.99.....	293	3	45	105	93	30	12	5	
\$20.00 to \$24.99.....	118	1	16	40	41	9	9		2
\$25.00 to \$29.99.....	32	1	4	10	9	3	4		1
\$30.00 to \$34.99.....	23	1	4	3	8	3	2		2
\$35.00 or more.....	11	1	5	1	1		1		2
Banks with net current operating earnings per \$100 of total assets of—									
\$-0.50 or less.....	37		7	13	8	5	2		2
\$-0.01 to \$-0.49.....	83	2	35	34	7	3	2		
\$0.00 to \$0.49.....	1,334	24	629	517	119	31	8	4	2
\$0.50 to \$0.99.....	4,679	23	1,323	1,978	572	135	38	6	4
\$1.00 to \$1.49.....	4,208	10	1,225	2,037	671	180	63	16	6
\$1.50 to \$1.99.....	1,842	4	358	927	382	114	35	11	11
\$2.00 to \$2.49.....	689		100	323	178	56	21	9	2
\$2.50 to \$2.99.....	255	1	25	113	76	26	8	4	2
\$3.00 or more.....	151		7	47	40	26	14	10	7
Not available.....	25		6	13	5	1			
Banks with deposits of—									
\$100,000 or less.....	118	1	1	7	29	33	19	14	14
\$100,000 to \$250,000.....	1,307	3	65	439	510	191	72	20	7
\$250,000 to \$500,000.....	2,697	7	456	1,477	561	133	47	12	4
\$500,000 to \$1,000,000.....	3,408	4	1,149	1,679	425	107	31	6	7
\$1,000,000 to \$2,000,000.....	2,600	6	991	1,233	294	60	12	1	3
\$2,000,000 to \$5,000,000.....	1,857	7	856	772	174	36	6	5	1
\$5,000,000 to \$10,000,000.....	645	13	338	235	45	11	3		
\$10,000,000 to \$50,000,000.....	492	14	320	133	19	4		2	
More than \$50,000,000.....	179	9	139	27	1	2	1		

Table 116. DISTRIBUTION OF DEPOSITS OF INSURED COMMERCIAL BANKS EXAMINED IN 1942
BANKS GROUPED ACCORDING TO NET SOUND CAPITAL RATIO AND BY FIXED AND SUBSTANDARD ASSETS RATIO,
RATE OF NET EARNINGS, AND AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

	All banks	Banks with net sound capital per \$100 of appraised value of assets of--							
		\$0.01 to \$4.99	\$5.00 to \$9.99	\$10.00 to \$14.99	\$15.00 to \$19.99	\$20.00 to \$24.99	\$25.00 to \$29.99	\$30.00 to \$34.99	\$35.00 or more
All banks.....	72,755,007	1,675,474	50,145,974	17,487,275	2,208,666	694,808	458,699	69,102	15,009
Banks with fixed and substandard assets per \$100 of appraised value of assets of--									
\$0.00.....	157,221	24,299	111,992	7,219	9,257	4,258	196		
\$0.01 to \$4.99.....	57,321,716	1,557,830	42,471,787	11,883,051	780,340	232,801	384,306	8,711	2,890
\$5.00 to \$9.99.....	11,350,195	17,826	6,180,182	4,106,019	743,428	246,419	33,895	19,055	3,371
\$10.00 to \$14.99.....	2,739,323	54,465	873,970	1,204,677	456,236	94,422	18,896	33,802	2,855
\$15.00 to \$19.99.....	839,072	2,350	427,170	172,316	117,990	98,028	13,684	7,534	
\$20.00 to \$24.99.....	185,088	3,260	36,241	60,099	62,945	15,661	5,027		1,855
\$25.00 to \$29.99.....	74,536	5,484	12,600	25,352	28,888	1,092	789		331
\$30.00 to \$34.99.....	40,566	5,428	14,850	7,149	8,436	2,127	1,872		704
\$35.00 or more.....	47,290	4,532	17,182	21,393	1,146		34		3,003
Banks with net current operating earnings per \$100 of total assets of--									
\$-0.50 or less.....	31,043		8,934	17,337	2,462	1,244	349		717
\$-0.01 to \$-0.49.....	235,120	3,459	162,086	61,381	6,987	986	221		
\$0.00 to \$0.49.....	23,672,110	1,053,372	19,906,926	2,566,251	113,129	28,757	2,295	393	987
\$0.50 to \$0.99.....	35,258,769	571,423	24,339,040	9,365,616	750,611	201,679	28,752	755	893
\$1.00 to \$1.49.....	10,010,494	34,596	4,209,442	4,169,744	889,122	312,181	379,481	14,395	1,533
\$1.50 to \$1.99.....	1,876,420	12,368	529,947	915,910	288,556	105,581	13,597	5,083	5,378
\$2.00 to \$2.49.....	589,926		107,489	281,221	101,703	25,369	27,469	44,804	1,871
\$2.50 to \$2.99.....	145,990	256	18,391	69,722	40,905	11,482	2,758	888	1,588
\$3.00 or more.....	61,933		5,916	26,841	13,124	7,449	3,777	2,784	2,042
Not available.....	873,202		857,803	13,252	2,067	80			
Banks with deposits of--									
\$100,000 or less.....	9,001	61	61	547	2,425	2,597	1,430	966	914
\$100,000 to \$250,000.....	243,308	555	13,013	85,358	95,989	32,008	11,779	3,489	1,117
\$250,000 to \$500,000.....	1,003,588	2,384	182,439	550,308	199,367	46,565	16,920	4,298	1,307
\$500,000 to \$1,000,000.....	2,454,104	3,779	842,541	1,198,363	302,906	75,385	22,384	3,963	4,783
\$1,000,000 to \$2,000,000.....	3,669,003	8,587	1,408,982	1,737,858	409,341	81,461	16,817	1,692	4,265
\$2,000,000 to \$5,000,000.....	5,683,017	25,279	2,647,330	2,351,373	520,814	102,895	16,609	16,094	2,623
\$5,000,000 to \$10,000,000.....	4,486,092	95,917	2,375,578	1,624,633	295,915	72,496	21,553		
\$10,000,000 to \$50,000,000.....	9,862,371	267,926	6,749,542	2,400,267	319,130	87,406		38,600	
More than \$50,000,000.....	45,344,023	1,270,986	35,926,488	7,538,568	62,779	193,995	351,207		

NOTE: For banks included and explanation of terms, see pages 63-65.

Back figures—See the following Annual Reports: 1941, p. 157; 1940, p. 185; 1939, p. 175.

EARNINGS OF INSURED BANKS

Table 117. EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED BANKS, 1942

BY CLASS OF BANK

(Amounts in thousands of dollars)

	Insured commercial banks					Insured mutual savings banks ²	All insured commercial banks	
	Total	Banks not submitting reports to FDIC			State banks submitting reports to FDIC		Operating throughout the year	Operating less than full year ³
		Members F. R. System		Other ¹				
		National	State					
Number of banks.....	13,347	5,081	1,595	8	6,663	56	13,282	65
Current operating earnings:								
Interest and dividends on securities.....	610,298	352,896	186,693	159	70,550	34,057	609,256	1,042
Interest and discount on loans.....	804,717	431,218	208,314	730	164,455	32,331	803,144	1,573
Service charges and other fees on bank's loans.....	12,084	5,625	3,416	8	3,035		12,038	46
Service charges on deposit accounts.....	84,309	46,373	21,803	187	15,946	154	84,171	138
Other service charges, commissions, fees, and collection and exchange charges.....	55,148	24,046	12,224	131	18,747		54,992	156
Trust department.....	100,652	32,977	58,956		8,719		98,194	2,458
Other current operating earnings.....	123,484	66,567	35,351	55	21,511	9,745	123,094	390
Total current operating earnings.....	1,790,692	959,702	526,757	1,270	302,963	76,287	1,784,889	5,803
Current operating expenses:								
Salaries—officers.....	219,388	111,561	58,319	153	49,355	2,715	218,340	1,048
Salaries and wages—employees.....	333,171	178,903	111,704	291	42,273	5,915	332,024	1,147
Fees paid to directors and members of executive, discount, and other committees.....	11,541	5,809	2,726	9	2,997	389	11,491	50
Interest on time deposits (including savings deposits).....	174,674	89,376	38,818	185	46,295	(4)	174,289	385
Interest and discount on borrowed money.....	336	64	42		230		333	3
Recurring depreciation on banking house, furniture, and fixtures.....	39,917	24,215	9,218	27	6,457	743	39,860	57
Other current operating expenses.....	346,045	183,228	106,115	268	56,434	9,654	344,492	1,553
Total current operating expenses, excluding taxes.....	1,125,072	593,156	326,942	933	204,041	19,416	1,120,829	4,243
Net current operating earnings, before taxes.....	665,620	366,546	199,815	337	98,922	56,871	664,060	1,560

Taxes:								
Other than on net income	\$164,658	\$99,659	\$49,116	\$113	15,770	5,104	164,184	474
On net income ¹	11,968				11,968	33	11,911	57
Total taxes	176,626	99,659	49,116	113	27,738	5,137	176,095	531
Net current operating earnings, after taxes	488,994	266,887	150,699	224	71,184	51,734	487,965	1,029
Recoveries and profits:								
Recoveries on securities	55,947	86,162	12,110	17	7,658	5,164	55,859	88
Profits on securities sold or redeemed	66,457	30,465	29,443	10	6,539	7,112	66,390	67
Recoveries on loans	68,546	40,592	15,297	48	12,609	653	68,294	252
All other	31,825	14,276	10,073	3	7,473	6,163	31,690	135
Total recoveries and profits	222,775	121,495	66,923	78	34,279	19,092	222,233	542
Losses and charge-offs:								
On securities	120,614	73,074	29,611	22	17,907	10,379	120,372	242
On loans	80,647	43,018	21,746	38	15,845	9,211	80,307	340
All other	69,857	29,648	25,942	8	14,259	13,896	69,546	311
Total losses and charge-offs	271,118	145,740	77,299	68	48,011	33,486	270,225	893
Non-operating loss	48,343	24,245	10,376	-10	13,732	14,394	47,992	351
Net profits after taxes	440,651	242,642	140,323	234	57,452	37,340	439,973	678
Dividends and interest on capital:								
Dividends declared on preferred stock and interest paid on capital notes and debentures	14,523	6,681	4,402	12	3,428	318	14,434	89
Cash dividends declared on common stock	213,085	120,856	71,068	113	21,048	733,209	212,504	581
Total dividends declared and interest paid on capital	227,608	127,537	75,470	125	24,476	33,527	226,938	670
Net additions to capital from profits	213,043	115,105	64,853	109	32,976	3,813	213,035	8
Number of active officers, December 31	54,925	25,495	10,099	44	19,287	363	54,649	276
Number of other employees, December 31	216,473	114,570	67,435	212	34,256	2,884	215,588	885

¹ National banks in the possessions and State banks in the District of Columbia, not members of the Federal Reserve System.

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

³ Banks submitting reports covering less than the full year's operations or materially affected by mergers. Also includes: 10 trust companies not engaged in deposit banking and 1 insured bank in the possessions, which submits report to FDIC. Includes, in addition, data for national banks which reported for the first half of the year only.

⁴ Interest and dividends paid depositors of mutual savings banks are included as a deduction from net profits.

⁵ Includes income taxes paid by banks not submitting reports to FDIC.

⁶ Income taxes published separately only for banks submitting reports to FDIC.

⁷ Interest and dividends paid depositors. See footnote 3.

NOTE: Minus (-) indicates non-operating profit.

Back figures—See the following Annual Reports: 1941, p. 162; 1940, p. 194; 1939, p. 182; 1938, p. 214; 1937, p. 141 and p. 144; 1936, p. 165; 1935, p. 198.

Table 118. RATIOS OF EARNINGS, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, 1942

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

(Amounts per \$100 of total assets¹)

	All banks	Banks with deposits of— ²								
		\$100,000 or less	\$100,000 to \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$50,000,000	More than \$50,000,000
Number of banks ³	13,282	86	1,085	2,405	3,256	2,771	2,155	730	585	209
Current operating earnings:										
Interest and dividends on securities.....	\$0.64	\$0.37	\$0.44	\$0.55	\$0.60	\$0.68	\$0.73	\$0.74	\$0.66	\$0.61
Interest and discount on loans.....	.84	2.56	2.18	1.87	1.70	1.54	1.35	1.17	.97	.60
Service charges and other fees on bank's loans....	.01	.12	.04	.03	.02	.02	.02	.02	.02	.01
Service charges on deposit accounts.....	.09	.17	.13	.14	.14	.16	.17	.17	.14	.05
Other service charges, commissions, fees, and collection and exchange charges.....	.06	.50	.41	.30	.22	.14	.09	.07	.05	.03
Trust department.....	.10	.25	.00	.00	.01	.01	.04	.07	.13	.12
Other current operating earnings.....	.13	.31	.11	.13	.12	.13	.15	.17	.20	.11
Total current operating earnings.....	1.87	4.28	3.31	3.02	2.81	2.68	2.55	2.41	2.17	1.53
Current operating expenses:										
Salaries—officers.....	\$0.23	\$1.37	\$0.95	\$0.78	\$0.63	\$0.50	\$0.40	\$0.32	\$0.26	\$0.14
Salaries and wages—employees.....	.35	.46	.22	.22	.25	.31	.38	.42	.44	.33
Fees paid to directors and members of executive, discount, and other committees.....	.01	.05	.05	.04	.04	.04	.03	.02	.02	.00
Interest on time deposits (including savings deposits).....	.18	.25	.35	.41	.43	.42	.38	.33	.23	.10
Interest and discount on borrowed money.....	.00	.05	.00	.00	.00	.00	.00	.00	.00	.00
Recurring depreciation on banking house, furniture, and fixtures.....	.04	.11	.08	.07	.07	.06	.07	.07	.05	.03
Other current operating expenses.....	.36	.91	.64	.55	.49	.47	.45	.47	.45	.30
Total current operating expenses, excluding taxes.....	1.17	3.20	2.29	2.07	1.91	1.80	1.71	1.63	1.45	.90
Net current operating earnings, before taxes...	\$0.70	\$1.08	\$1.02	\$0.95	\$0.90	\$0.88	\$0.84	\$0.78	\$0.72	\$0.63
Taxes:										
Other than on net income ⁴	\$0.17	\$0.28	\$0.17	\$0.16	\$0.18	\$0.20	\$0.20	\$0.20	\$0.20	\$0.16
On net income ⁵.....	.01	.17	.13	.11	.07	.05	.03	.02	.01	.00
Total taxes.....	.18	.45	.30	.27	.25	.25	.23	.22	.21	.16
Net current operating earnings, after taxes....	\$0.52	\$0.63	\$0.72	\$0.68	\$0.65	\$0.63	\$0.61	\$0.56	\$0.51	\$0.47

Recoveries and profits:										
Recoveries on securities	\$0.06	\$0.03	\$0.05	\$0.06	\$0.06	\$0.07	\$0.07	\$0.07	\$0.08	\$0.05
Profits on securities sold or redeemed .....	.07	.03	.02	.03	.04	.05	.06	.07	.07	.08
Recoveries on loans .....	.03	.30	.24	.18	.13	.11	.10	.09	.09	.05
All other .....	.03	.07	.07	.07	.05	.05	.05	.05	.05	.02
Total recoveries and profits .....	.23	.43	.38	.34	.28	.28	.28	.28	.29	.20
Losses and charge-offs:										
On securities	\$0.13	\$0.07	\$0.06	\$0.09	\$0.12	\$0.16	\$0.18	\$0.19	\$0.16	\$0.10
On loans .....	.08	.48	.19	.13	.13	.13	.13	.13	.11	.06
All other .....	.07	.10	.10	.09	.08	.09	.10	.11	.10	.06
Total losses and charge-offs .....	.28	.65	.35	.31	.33	.38	.41	.43	.37	.22
Non-operating loss	\$0.05	\$0.22	\$-0.03	\$-0.03	\$0.05	\$0.10	\$0.13	\$0.15	\$0.08	\$0.02
Net profits after taxes	\$0.47	\$0.41	\$0.75	\$0.71	\$0.60	\$0.53	\$0.48	\$0.41	\$0.43	\$0.45
Dividends and interest on capital:										
Dividends declared on preferred stock and interest paid on capital notes and debentures	\$0.02	\$0.10	\$0.05	\$0.03	\$0.02	\$0.02	\$0.03	\$0.03	\$0.02	\$0.01
Cash dividends declared on common stock .....	.22	.28	.25	.25	.24	.23	.20	.15	.20	.24
Total dividends declared and interest paid on capital .....	.24	.38	.30	.28	.26	.25	.23	.18	.22	.25
Net additions to capital from profits	\$0.23	\$0.03	\$0.45	\$0.43	\$0.34	\$0.28	\$0.25	\$0.23	\$0.21	\$0.20
Number of active officers, December 31	54,649	115	2,001	5,357	8,804	9,014	9,145	4,262	5,847	10,112
Number of other employees, December 31	215,588	67	1,014	3,575	8,515	13,340	21,864	17,351	38,246	111,616
Total assets, December 31 (in thousands of dollars)	95,296,200	10,594	288,673	1,175,092	2,901,923	4,593,105	7,558,954	5,752,864	13,031,809	59,983,186

¹ Total assets are as of December 31.

² Total deposits are as of December 31, for banks not submitting reports to FDIC, and are averages of figures for December 31, 1941, June 30, 1942, and December 31, 1942, for banks submitting reports to FDIC.

³ For banks excluded see footnote 3 of Table 117.

⁴ Includes income taxes paid by banks not submitting reports to FDIC.

⁵ Income taxes published separately only for banks submitting reports to FDIC.

NOTE: Minus (-) indicates non-operating profit.

Back figures—See the Annual Report for 1941, p. 166.

SUSPENSIONS, RECEIVERSHIPS, AND MERGERS

Table 119. NUMBER AND DEPOSITS OF BANKS SUSPENDING OPERATIONS, PLACED IN RECEIVERSHIP, AND MERGED WITH THE FINANCIAL AID OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1942

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

	Banks suspending operations						Banks involving FDIC disbursement					
	Number			Deposits (in thousands of dollars) ¹			Number			Deposits (in thousands of dollars) ¹		
	Total	Insured	Non-insured ²	Total	Insured	Non-insured ²	Total	Placed in receivership	Merged	Total	Placed in receivership	Merged
All banks	333	243	90	148,465	107,151	41,314	390	240	150	482,977	100,690	382,287
Class of bank												
National banks.....	20	20	.....	17,957	17,957	.....	61	19	42	82,248	14,363	67,885
State banks members F. R. System.....	6	6	.....	26,548	26,548	.....	20	6	14	179,089	26,548	152,541
Banks not members F. R. System.....	307	217	90	103,960	62,646	41,314	309	215	94	221,640	59,779	161,861
Calendar year												
1934.....	57	9	48	36,937	1,952	34,985	9	9	.....	1,952	1,952	.....
1935.....	34	26	8	9,852	9,005	847	25	24	1	12,931	8,702	4,229
1936.....	44	41	3	11,412	10,820	592	69	42	27	27,323	11,037	16,286
1937.....	59	53	6	19,722	19,242	480	75	50	25	33,100	14,715	18,385
1938.....	56	49	7	13,172	11,969	1,203	74	50	24	59,550	10,121	49,429
1939.....	42	32	10	34,997	32,558	2,439	60	32	28	157,599	32,558	125,041
1940.....	23	19	4	5,958	5,600	358	43	19	24	142,331	5,600	136,731
1941.....	9	8	1	14,705	14,626	79	15	8	7	29,617	14,626	14,991
1942.....	9	6	3	1,710	1,379	331	20	6	14	18,574	1,379	17,195
Banks with deposits of—¹												
\$100,000 or less.....	128	88	40	7,367	5,213	2,154	109	86	23	6,422	5,010	1,412
\$100,000 to \$250,000.....	109	84	25	17,084	13,283	3,801	106	84	22	16,827	13,136	3,691
\$250,000 to \$500,000.....	50	33	17	17,093	11,075	6,018	56	34	22	19,547	11,353	8,194
\$500,000 to \$1,000,000.....	24	21	3	17,269	14,925	2,344	46	21	25	34,141	14,925	19,216
\$1,000,000 to \$2,000,000.....	10	10	.....	13,774	13,774	.....	35	10	25	49,884	13,774	36,110
\$2,000,000 to \$5,000,000.....	8	5	3	26,104	16,223	9,881	23	3	20	71,124	9,884	61,290
\$5,000,000 to \$10,000,000.....	2	.....	2	17,116	.....	17,116	7	.....	7	45,895	.....	45,895
\$10,000,000 to \$50,000,000.....	2	2	.....	32,658	32,658	.....	8	2	6	239,137	32,658	206,479
More than \$50,000,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SUSPENSIONS, RECEIVERSHIPS, AND MERGERS

State													
Alabama	2	1	1	286	100	186	2	1	1	528	100	428	
Arkansas	5	5		1,081	1,081		5	5		1,081	1,081		
California	1		1	84		84	1		1	1,078		1,078	
Colorado	1	1		8	8		1	1		8	8		
Connecticut	2	2		1,514	1,514		2	2		1,514	1,514		
Florida	1	1		140	140		2	1	1	414	140	274	
Georgia	9	7	2	1,013	967	46	8	7	1	996	967	29	
Illinois	9	6	3	4,150	3,908	242	13	5	8	5,885	1,113	4,772	
Indiana	31	14	17	5,704	3,416	2,288	17	14	3	9,192	3,415	5,777	
Iowa	8	4	4	4,805	4,097	708	6	3	3	5,522	503	5,019	
Kansas	10	5	5	944	552	392	9	5	4	1,247	552	695	
Kentucky	23	19	4	6,445	4,639	1,806	22	18	4	8,431	4,434	3,997	
Louisiana	4	3	1	1,697	1,654	43	3	3		1,654	1,654		
Maryland	2	2		828	828		5	2	3	4,569	828	3,741	
Massachusetts							2	2	2	3,019		3,019	
Michigan	4	2	2	294	81	213	7	3	4	12,388	145	12,243	
Minnesota	5	5		640	640		5	5		640	640		
Mississippi	3	3		332	332		3	3		332	332		
Missouri	48	34	14	7,081	5,033	2,048	45	34	11	6,917	5,032	1,885	
Montana	3	3		213	213		4	3	1	296	213	83	
Nebraska	9	4	5	1,009	532	477	4	4		532	532		
New Hampshire							1		1	296		296	
New Jersey	19	11	8	53,031	30,917	22,114	37	11	26	184,514	30,917	153,597	
New York	5	3	2	20,335	13,276	7,059	24	3	21	132,918	13,276	119,642	
North Carolina	1	1		83	83		5	1	4	952	83	869	
North Dakota	19	18	1	1,524	1,509	15	29	18	11	3,788	1,509	2,279	
Ohio	5	2	3	2,964	2,242	722	2	2		2,242	2,242		
Oklahoma	8	6	2	1,614	1,550	64	7	5	2	2,032	1,465	567	
Oregon							1		1	1,114		1,114	
Pennsylvania	9	7	2	10,366	9,899	467	23	7	16	61,529	9,899	51,630	
South Carolina	3	1	2	347	136	211	1	1		136	136		
South Dakota	22	22		2,759	2,759		23	22	1	2,885	2,759	126	
Tennessee	10	8	2	1,679	1,389	290	12	8	4	1,867	1,545	322	
Texas	19	16	3	3,724	3,071	653	17	16	1	3,148	3,071	77	
Vermont	1	1		2,479	2,479		2	1	1	2,829	2,479	350	
Virginia	5	3	2	1,025	558	467	6	3	3	4,664	558	4,106	
Washington							1		1	1,538		1,538	
West Virginia	3	3		1,649	1,649		3	3		1,649	1,649		
Wisconsin	24	20	4	6,618	5,899	719	30	20	10	8,633	5,899	2,734	

¹ Deposits of insured banks are as of date of suspension or merger; deposits of noninsured banks are as of latest report prior to suspension. Figures for each bank are rounded to thousands of dollars.

² Excludes noninsured banks operating under restrictions or moratoria which were placed in receivership or liquidation.

NOTE: For reconciliation of figures relating to number of suspensions, receiverships and mergers, see the Annual Report for 1941, p. 99.

Table 120. ASSETS AND LIABILITIES OF INSURED BANKS PLACED IN RECEIVERSHIP, 1934-1942
AS SHOWN BY BOOKS OF BANK AT DATE OF SUSPENSION

	Assets							Total	Liabilities and capital accounts				
	Cash and due from banks	U. S. Government securities	Other securities	Loans, discounts, and overdrafts	Banking house, furniture & fixtures	Other real estate	Other assets		Total deposits	Other liabilities	R. F. C. capital	Private capital stock	Other capital accounts ¹
Total	\$19,513,336	\$9,067,506	\$15,500,461	\$63,638,720	\$4,600,823	\$11,879,376	\$8,261,396	\$132,461,618	\$100,695,043	\$10,108,310	\$5,859,146	\$11,551,999	\$4,247,120
Year													
1934	185,056	603,519	273,638	1,329,865	79,365	120,319	69,565	2,661,327	1,951,992	104,963	90,000	432,100	82,272
1935	1,974,181	698,440	510,479	6,842,116	459,055	242,274	1,597,403	12,323,948	8,700,485	2,111,886	223,000	950,000	338,577
1936	2,194,712	902,215	1,955,104	6,454,624	459,700	734,874	273,559	12,974,788	11,039,098	93,695	788,000	1,069,350	-15,355
1937	2,238,648	1,293,683	2,307,696	11,107,699	486,995	837,966	1,010,689	19,283,376	14,715,286	1,132,758	755,250	2,498,815	181,267
1938	1,610,297	451,570	2,215,638	6,574,061	412,911	2,125,022	530,408	13,919,907	10,124,255	1,213,354	1,052,900	1,059,200	470,198
1939	3,329,557	1,052,424	4,855,519	21,839,422	1,845,901	7,221,558	3,781,385	43,925,766	32,537,805	4,695,820	2,249,996	2,775,001	1,647,144
1940	1,018,215	452,574	1,519,677	3,314,762	694,900	435,526	523,899	7,959,553	5,599,438	455,788	422,750	1,045,533	436,044
1941	6,462,157	3,493,431	1,810,346	5,398,218	91,311	106,615	449,458	17,811,536	14,627,158	298,526	195,500	1,582,000	1,108,352
1942	500,513	119,650	52,364	777,953	70,685	55,222	25,030	1,601,417	1,379,526	1,520	81,750	140,000	-1,379
1942 Case number													
235	6,920	14,000	2,438	59,350	4,875	2,361	592	90,536	88,047	1,353	.....	10,000	-8,864
236	26,334	4,050	.....	93,775	4,221	700	33	129,113	82,666	18	11,750	25,000	9,679
237	32,595	.....	.....	111,941	2,594	1,094	307	148,531	139,977	.....	.....	25,000	-16,446
238	163,637	27,700	16,720	162,090	13,500	9,650	1,593	394,890	325,165	.....	25,000	40,000	4,725
239	148,224	73,900	27,008	304,070	6,995	3,985	15,693	579,875	537,227	95	15,000	20,000	7,553
240	122,803	.....	6,198	46,727	38,500	37,432	6,812	258,472	206,444	54	30,000	20,000	1,974

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

NOTE: All cases in 1942 were commercial banks not members of the Federal Reserve System. The FDIC is receiver for cases 236 and 237; the respective State banking authorities for the others. Case 235—Palisade State Bank, Palisade, Minn.; 236—Bank of Draper, Draper, N. C.; 237—Bank of Malone, Malone, Fla.; 238—Farmer's and Merchant's Bank, Cochrane, Wis.; 239—Farmers Bank, Lone Rock, Wis.; 240—The Citizens Bank of Liberty, Liberty, Mo.

Back figures—See the Annual Report for 1941, p. 182, and earlier reports

Table 121. DEPOSITORS AND DEPOSITS OF INSURED BANKS PLACED IN RECEIVERSHIP, 1934-1942

AS SHOWN BY BOOKS OF FDIC, DECEMBER 31, 1942

	Number of depositors					Amount of deposits							
	Total	Eligible for insurance protection			Not eligible for insurance protection ²	Total ³	Insured ⁴			Secured and preferred ⁵	Subject to offset	Uninsured, unsecured, not preferred, and not subject to offset	
		Paid by FDIC	Fully paid by other methods ¹	Unpaid			Total	Paid	Unpaid			In excess of insurance maximum	Other ⁶
Total...	363,986	280,104	34,829	16,893	32,160	\$102,469,016	\$81,571,746	\$81,220,492	\$351,254	\$4,426,823	\$5,832,154	\$9,504,914	\$1,133,379
Year													
1934	15,732	11,262	934	3,137	399	1,966,373	945,255	941,008	4,247	830,212	92,702	30,607	67,597
1935	32,330	23,420	2,982	4,976	952	9,091,025	6,049,768	6,024,117	25,651	558,740	472,571	2,000,323	9,623
1936	43,226	30,920	4,628	29	7,649	11,240,970	8,055,884	8,055,538	346	658,287	624,243	1,048,034	854,522
1937	74,152	56,811	7,761	96	9,484	14,961,467	12,049,635	12,044,161	5,474	1,135,668	1,084,311	642,707	49,146
1938	44,282	31,764	7,380	28	5,110	10,296,026	9,084,610	9,079,116	5,494	310,085	527,135	255,299	118,897
1939	90,188	72,204	6,216	4,699	7,069	32,720,665	26,258,471	26,165,899	92,572	449,910	1,740,024	4,242,290	29,970
1940	20,696	15,680	2,936	583	1,497	5,656,748	4,908,475	4,893,328	15,147	181,901	341,149	221,640	3,583
1941	38,585	34,340	1,611	2,634	.....	14,729,744	12,575,749	12,494,558	81,191	364,091	792,049	997,814	41
1942	4,795	3,703	381	711	.....	1,805,998	1,643,899	1,522,767	121,132	24,098	71,801	66,200	.....
1942 Case number													
235	696	436	70	190	.....	161,677	142,160	142,022	138	14,879	3,706	932	.....
236	993	770	120	103	.....	358,095	333,906	333,298	608	.....	17,367	6,822	.....
237	434	345	82	7	.....	217,290	203,269	197,801	5,468	.....	9,189	4,832	.....
238	596	474	80	42	.....	325,265	273,980	273,872	108	9,219	14,771	27,295	.....
239	1,046	672	26	348	.....	537,227	486,545	380,747	105,798	.....	24,363	26,319	.....
240	1,030	1,006	3	21	.....	206,444	204,039	195,027	9,012	.....	2,405	.....	.....

¹ Includes all depositors whose claims have been fully paid by counterclaim, by sale of security, or directly by the receiver because of preferred status.

² Includes depositors holding only uninsured deposits. See footnote 6.

³ Includes deposits discovered or reclassified subsequent to date of suspension, and for this reason the figures differ from those in Table 120.

⁴ Includes all deposits paid or to be paid by FDIC.

⁵ Includes only the portions of secured deposits met or to be met by sale of security and of preferred deposits paid by the receiver.

⁶ Includes (a) deposits barred from insurance because not claimed before the expiration of the period set by law, (b) restricted and deferred deposits not eligible for insurance, and (c) deposits made after termination of insured status in 1 bank which suspended after its insured status had been terminated.

NOTE: See Note to Table 120.

Back figures—See the Annual Report for 1941, p. 183, and earlier reports.

Table 122. ACCOUNTS AND DEPOSITS OF AND DISBURSEMENTS TO INSURED BANKS MERGED WITH THE FINANCIAL AID OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1942

Case number	Name and location	Class of bank ¹	Number of accounts ²	Total deposits ²	Disbursements ³		Absorbing bank
					Date	Amount	
	Total—1942		54,885	\$17,195,145		\$9,162,868	
137	Providence Bank Scranton, Pennsylvania.....	C	2,882	753,722	January 19	691,557	North Scranton Bank and Trust Company Scranton, Pennsylvania
138	The Louisa National Bank Louisa, Kentucky.....	A	1,331	476,825	February 2	191,703	The First National Bank of Louisa Louisa, Kentucky
139	The Haddonfield National Bank Haddonfield, New Jersey.....	A	6,888	2,661,836	March 2	677,939	Haddonfield National Bank Haddonfield, New Jersey
140	The Citizens National Bank of Freeport Freeport, New York.....	A	9,632	1,279,289	March 9	347,415	The First National Bank and Trust Company of Freeport, Freeport, New York
141	The First National Bank of Weatherly Weatherly, Pennsylvania.....	A	1,876	520,749	March 16	433,545	The Hazleton National Bank Hazleton, Pennsylvania
142	Floral Park Bank and Trust Company Floral Park, New York.....	B	7,576	1,999,029	March 30	1,128,579	The First National Bank and Trust Company of Floral Park, Floral Park, New York
143	The Emaus National Bank Emmaus, Pennsylvania.....	A	5,281	1,398,946	April 27	633,536	The Allentown National Bank Allentown, Pennsylvania
144	The First National Bank and Trust Company of Dallastown, Dallastown, Pennsylvania....	A	3,548	1,350,525	June 22	543,165	The First National Bank of York York, Pennsylvania
145	The First National Bank of Lehigh Lehigh, Pennsylvania.....	A	3,635	1,834,363	August 3	721,191	} The Hazleton National Bank Hazleton, Pennsylvania
146	Citizens National Bank and Trust Company of Lehigh, Lehigh, Pennsylvania.....	A	3,815	1,104,362	August 3	668,846	
147	The Harney County National Bank of Burns Burns, Oregon.....	A	2,105	1,114,294	August 31	941,856	The United States National Bank of Portland Portland, Oregon
148	Merchants Banking Trust Company Mahanoy City, Pennsylvania.....	B	1,835	859,316	September 14	723,189	American Bank Mahanoy City, Pennsylvania
149	The Farmers National Bank of Selinsgrove Selinsgrove, Pennsylvania.....	A	2,368	718,977	October 19	521,645	Snyder County Trust Company Selinsgrove, Pennsylvania
150	Guarantee Trust and Safe Deposit Company of Mount Carmel, Mount Carmel, Penn.....	C	2,113	1,122,912	November 30	938,702	The First National Bank of Mount Carmel Mount Carmel, Pennsylvania

¹ A—National bank member of the Federal Reserve System; B—State bank member of the Federal Reserve System; C—Commercial bank not member of the Federal Reserve System.

² Number of accounts and total deposits are as of date of loan.

³ Principal of loans and purchase price of assets as shown by books of FDIC, December 31, 1942. Does not include preliminary and field liquidation expenses, or advances for the protection of assets, incident to the transaction.

Back figures—See the Annual Report for 1941, p. 180, and earlier reports.

INDEX

I N D E X

	Page
Absorptions, consolidations, and mergers:	
Of insured banks, 1934-42. <i>See</i> Mergers of insured banks with financial aid of the Corporation; Terminations of insurance.	
Of operating banks, 1942.....	68-69
Adjusted capital account. <i>See</i> Capital of banks.	
Adjusted value of assets. <i>See</i> Appraised value of assets.	
Admissions to insurance:	
Applications approved and disapproved.....	14-15
By class of bank, 1942.....	69
Applications from banks:	
For admission to insurance.....	14-15
For approval of assumption of deposit liabilities of other banks.....	15
For approval of capital retirement or reduction.....	15
For approval of establishment of branches.....	15
For approval of repayment or release of restricted, subordinated, or waived deposits.....	15
Appraised value of assets. <i>See</i> Assets of insured banks, analysis of examinations of.	
Assessments on insured banks for deposit insurance:	
Amount.....	8, 22, 23, 27
Basis of.....	61
Effect of proposals for reduction.....	8
Assets and liabilities of closed banks. <i>See</i> Receivership, insured banks placed in.	
Assets and liabilities of operating banks (<i>see also</i> Assets of insured banks, analysis of examinations of; Capital of banks; Deposits; Loans of insured commercial banks; Securities):	
All banks, June 30 and December 31, 1942.....	78, 79
Commercial banks, June 30 and December 31, 1942.....	78, 79
Insured commercial banks:	
Call dates, December 31, 1941, to December 31, 1942.....	80, 81
Changes during 1942.....	31
Reports of.....	15-16, 62, 66
Mutual savings banks, June 30 and December 31, 1942.....	78-79
Noninsured banks, June 30 and December 31, 1942.....	78-79
Sources of data.....	62-63
Types of.....	3, 31
Assets and liabilities of the Federal Deposit Insurance Corporation.....	23-27
Assets of banks purchased by the Federal Deposit Insurance Corporation:	
From banks in receivership to facilitate liquidation.....	12, 26
From banks merged with financial aid of the Corporation. <i>See</i> Mergers of insured banks with financial aid of the Corporation.	
Assets of insured banks, analysis of examinations of (<i>see also</i> Fixed and substandard assets of insured commercial banks; Loans of insured commercial banks; Securities):	
Definitions of terms used:	
Appraised value.....	64
Book value.....	64
Criticized.....	64-65
Examiners' net deductions.....	64

	Page
Assets of insured banks, analysis of examinations of (<i>see also</i> Fixed and substandard assets of insured commercial banks; Loans of insured commercial banks; Securities):—Continued.	
Definitions of terms used (continued):	
Fixed and substandard	65
Substandard	64-65
Uncriticized	65
Insured commercial banks, 1942:	
Grouped by amount of deposits	82, 83
Grouped by Federal Deposit Insurance Corporation District	88, 89
Grouped by fixed and substandard assets ratio	86, 87
Grouped by net sound capital ratio	84, 85
Number included, by month of examination	63
Summary	3, 32
Sources of data	63
Assets of insured banks, quality of (<i>see also</i> Assets of insured banks, analysis of examinations of)	3, 32
Assets pledged to secure bank obligations	81
Bank management. <i>See</i> Management of banks, quality of.	
Bank supervision (<i>see also</i> Examinations of banks):	
Effect of war on	5-6
Necessity for related to bank capital and management	5
State legislation regarding during 1942	18-20
Supervisory activities of the Federal Deposit Insurance Corporation:	
Actions to terminate insured status of banks engaged in unsafe or unsound practices or violations of law or regulations	13-15
Actions on applications from banks. <i>See</i> Applications from banks.	
Reports required from banks	15-16
Statement regarding criticism of bank investments during the war ...	6, 55
Bankers' directories, data obtained from	59, 61, 62
Banking offices, establishment of:	
Banks beginning operations, 1942	68
Branches, establishment approved by Corporation	15
Branches opened, 1941	69
Banking offices, number of. <i>See</i> Number of operating banking offices.	
Banking practices. <i>See</i> Bank supervision; Unsafe and unsound banking practices.	
Banks beginning operations. <i>See</i> Banking offices, establishment of.	
Banks ceasing operations, 1942	68
Banks closed because of financial difficulties (<i>see also</i> Mergers of insured banks with financial aid of the Corporation; Receiverships, insured banks placed in):	
Depositors protected by the Federal Deposit Insurance Corporation:	
Fully protected, in insured banks placed in receivership, or merged with the financial aid of the Corporation	9-10
Number of	10
Number of, in insured banks merged with financial aid of the Corporation	11, 100
Number of, in insured banks placed in receivership	11, 99
Insured banks placed in receivership or merged with financial aid of the Corporation:	
Deposits protected	9-11, 99
Disbursements by the Corporation in connection with	10-11, 99, 100
Loss to depositors	10-11
Loss to Federal Deposit Insurance Corporation	12
Loss to stockholders	8

	Page
Banks closed because of financial difficulties (<i>see also</i> Mergers of insured banks with financial aid of the Corporation; Receiverships, insured banks placed in):—Continued.	
Insured banks placed in receivership or merged with financial aid of the Corporation: (continued).	
Number and deposits of, 1934-42:	
By amount of deposits	96
By class of bank	96
By State	97
By year	96
Suspensions:	
Number and deposits, 1934-42:	
By amount of deposits	96
By class of bank	96
By State	97
By year	96
Number, 1942	61, 68, 96
Of banks charged with unsafe and unsound banking practices	13-14
Banks operating branches. <i>See</i> Banking offices, establishment of; Number of offices of banks operating branches.	
Board of Directors of the Federal Deposit Insurance Corporation	21
Board of Governors of the Federal Reserve System:	
Data obtained from	59, 62, 66
Review of examination reports submitted by	13
Statement regarding examination policy	6, 55
Book values of banks assets and liabilities. <i>See</i> Assets and liabilities of operating banks; Assets of insured banks, analysis of examinations of; Capital of banks.	
Branches. <i>See</i> Banking offices, establishment of; Classification of banks and banking offices; Number of offices of banks operating branches.	
Capital of banks (<i>see also</i> Assets and liabilities of operating banks; Capital ratios; Earnings, expenses, and dividends of insured banks):	
Adequacy of	3-6, 31-32, 33-35
Analysis of examinations:	
Definition of terms used:	
Book value	65
Examiners' net deductions	64
Net sound capital	65
Private capital	65
R. F. C. capital	65
Total capital accounts	65
Insured commercial banks, 1939-1942	34
Insured commercial banks, 1942:	
Grouped by amount of deposits	82, 83
Grouped by Federal Deposit Insurance Corporation District	88, 89
Grouped by fixed and substandard assets ratio	86, 87
Grouped by net sound capital ratio	84, 85
Of insured banks placed in receivership	98
Reductions and retirements approved by the Corporation	15
Total capital accounts:	
Commercial and mutual savings banks, insured and noninsured, June 30 and December 31, 1942	78, 79
Insured commercial banks:	
Examined in 1942	82, 84, 86, 88
Call dates, December 31, 1941, to December 31, 1942	81
Definition	65
Discussion of	33-35
Unsafe and unsound practices	5-6, 13-14
Capital ratios:	
Discussion of trends in	4-5, 33-35

	Page
Capital ratios:—(Continued)	
Net sound capital to assets:	
Insured commercial banks, 1942. <i>See</i> Capital of banks, analysis of examinations.	
Insured commercial banks grouped by, 1942:	
Analysis of examinations of capital and liabilities, amounts and ratios	84, 85
Appraised values of total assets, securities, loans, and fixed and miscellaneous assets—amounts and ratios	84, 85
Deposits of	91
Number of	90
Percentage distribution of number and deposits, 1939-1942	34
Net sound capital to deposits	83, 85, 87, 89
Total capital accounts to loans, investments other than U. S. Government obligations, and miscellaneous assets	34
Cash depositories	59
Charge-offs on bank assets	6, 39-40, 93, 95
Class of bank, banking data presented by:	
Admissions to and terminations of insurance	68-69
Assets and liabilities	78, 79
Banks which suspended operations	96
Deposits	76-77, 78, 79
Earnings of insured banks	92, 93
Insured banks placed in receivership or merged with financial aid of the Corporation	96
Number of banking offices	68-75
Number of banks	68, 76
Classification of banks and banking offices	59, 61
Closed banks. <i>See</i> Banks ceasing operations; Banks closed because of financial difficulties; Receivership, insured banks placed in.	
Commercial banks. <i>See</i> Assets and liabilities of operating banks; Assets of insured banks, analysis of examinations of; Capital of banks; Deposits; Earnings, expenses, and dividends of insured banks; Number of operating banks.	
Commercial banking offices. <i>See</i> Number of operating banking offices.	
Comptroller of the Currency:	
Data obtained from	59, 62, 63, 66
Director of Corporation	21
Examination of insured banks by	13
Insured banks not members of the Federal Reserve System reporting to	62
Review of reports of examinations made by	13
Statement regarding examination policy	6, 55
Consolidations. <i>See</i> Absorptions, consolidations, and mergers.	
Consumer loans. <i>See</i> Instalment loans.	
Criticized assets. <i>See</i> Assets of insured banks, analysis of examinations of.	
Demand deposits. <i>See</i> Assets and liabilities of operating banks; Deposits, classified by type of deposit.	
Depositors (<i>see also</i> Insurance coverage):	
Claims against closed insured banks. <i>See</i> Receivership, insured banks placed in.	
Losses. <i>See</i> Banks closed because of financial difficulties; Receivership, insured banks placed in.	
Protected in insolvent or hazardous banks suspended or merged. <i>See</i> Banks closed because of financial difficulties.	

	Page
Deposits:	
Adjusted	65, 82
Amount of, banks grouped by:	
Banks which received financial aid from the Corporation	96
Banks which suspended operations	96
Insured commercial banks examined in 1942	82, 83, 90, 91
Insured commercial banks operating throughout 1942	94
Assumption of by other banks	15
Claims barred	10, 11
Classified by type of deposit:	
Commercial banks, June 30 and December 31, 1942	78, 79
Insured banks placed in receivership, 1934-42	99
Insured commercial banks, call dates December 1941 to December 1942	80
Definition:	
For assessment purposes	61-62
For reports of assets and liabilities	63
In reports of examinations	61-62, 65
Demand. <i>See</i> Deposits, classified by type of deposit.	
Growth in, 1934-1941	31
Insured and otherwise protected:	
Amount of insured deposits in operating banks	25
In banks merged with financial aid of the Corporation	10-11, 96, 100
In banks placed in receivership	11, 99
Maximum insurance per depositor	11
Interbank. <i>See</i> Deposits, classified by type of deposit.	
Interest on. <i>See</i> Time and savings deposits.	
Of individuals, partnerships, and corporations. <i>See</i> Deposits, classified by type of deposit.	
Paid and unpaid in closed insured banks	11, 99
Payments of, to insured depositors. <i>See</i> Receivership, insured banks placed in.	
Postal savings deposits. <i>See</i> Deposits, classified by type of deposit.	
Preferred. <i>See</i> Deposits, secured and preferred.	
Protected by the Corporation. <i>See</i> Deposits, insured and otherwise protected.	
Public funds. <i>See</i> Deposits, classified by type of deposit.	
Savings. <i>See</i> Time and savings deposits.	
Secured and preferred:	
Insured banks placed in receivership, 1934-42	11, 99
Insured commercial banks, call dates, December 31, 1941 to December 31, 1942	81
Sources of data	61-62
Subject to offset. <i>See</i> Receivership, insured banks placed in.	
Time. <i>See</i> Time and savings deposits.	
Uninsured:	
Assumption of, by insured banks	15
Of insured banks placed in receivership	10-11, 99
United States government. <i>See</i> Deposits, classified by type of deposit.	
Unsecured. <i>See</i> Receivership, insured banks placed in.	
Deposits in:	
All banks:	
June 30, 1942	78
December 31, 1942	76, 79
All commercial banks:	
Call dates, December 31, 1941, to December 31, 1942	80
December 31, 1942	76, 79
June 30, 1942	78
All insured banks:	
June 30, 1942	78
December 31, 1942	76, 79
All mutual savings banks:	
December 31, 1942	76, 79
June 30, 1942	78
Banks located in each State and possession, December 31, 1942	76-77
Banks for which the Corporation is receiver	12
Banks which received financial aid from the Corporation	9-11, 96-100

	Page
Deposits in:—Continued.	
Insured banks merged with financial aid of the Corporation	11, 96, 100
Insured banks placed in receivership	11, 12, 96-99
Insured commercial banks:	
At time of examination, 1942. <i>See</i> Deposits, adjusted.	
Call dates, December 31, 1941 to December 31, 1942	80
December 31, 1942	76, 79
June 30, 1942	78, 80
Insured mutual savings banks:	
December 31, 1942	76, 79
June 30, 1942	78
Noninsured banks:	
December 31, 1942	76, 79
June 30, 1942	78
Suspended banks	96
Depreciation. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Dividends:	
To depositors in mutual savings banks	41-42, 93
To stockholders of operating insured banks:	
Amount of. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Rates of	95
Relative to net earnings and net profits	41
Earnings, expenses, and dividends of insured banks:	
Insured commercial banks, 1934-1942:	
Amounts	36
Discussion of	35-41
Interest received and paid	37-38
Rates of income received and interest paid	38
Rates of net earnings and net profits	37
Insured commercial banks, 1942:	
Amounts, by class of bank	92-93
Discussion of	35-41
Rate of net profits of banks grouped by rate of interest paid on time and savings deposits	39
Ratios to total assets, by size of bank	94-95
Insured commercial banks examined in 1942, grouped by rate of net earnings	90, 91
Insured mutual savings banks:	
Amounts, 1942	92-93
Discussion of	41-42
Sources of data	66
Employees:	
Federal Deposit Insurance Corporation	21
Insured commercial banks, December 31, 1942	93, 95
Insured mutual savings banks, December 31, 1942	93
Examinations of banks (<i>see also</i> Assets of insured banks, analysis of examina- tions of; Capital of banks):	
Banks cited for unsafe and unsound practices	13-14
Banks examined by the Federal Deposit Insurance Corporation	13, 62
Date from reports of examination	3, 32-35, 82-91
Definition of terms	64-65
Review of examinations made by Comptroller of Currency and Federal Reserve banks	13
Tabulation of reports, 1942	63
Uniform examination procedure	63
Examiners:	
Analysis of bank examinations made by. <i>See</i> Assets of insured banks, analysis of examinations of; Capital of banks.	
Employed by the Corporation. <i>See</i> Employees, Federal Deposit Insurance Corporation.	

Expenses of banks. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Expenses of the Federal Deposit Insurance Corporation. <i>See</i> Federal Deposit Insurance Corporation.	
Failures of banks. <i>See</i> Banks closed because of financial difficulties.	
Federal bank supervisory authorities. <i>See</i> Bank supervision; Board of Governors of the Federal Reserve System; Comptroller of the Currency; Federal Deposit Insurance Corporation; Federal Reserve banks.	
Federal Deposit Insurance Corporation:	
Actions by:	
On applications from banks. <i>See</i> Applications from banks.	
To terminate insured status of banks.	13-15
Assessments on insured banks.	8-9, 22, 23, 27
Assets and liabilities.	23, 24, 26-27
Audit.	25-27
Balance sheet.	24, 26-27
Banks examined by, and submitting reports to.	62
Bank supervision by. <i>See</i> Bank supervision.	
Board of Directors.	21
Borrowing power.	26-27
Capital.	24-25, 27
Claims held against suspended and merged banks.	24, 26
Depositors protected by. <i>See</i> Banks closed because of financial difficulties.	
Disbursements for protection of depositors.	10-12, 22-23
Districts.	66
Divisions.	21
Employees.	21
Examination of banks. <i>See</i> Examinations of banks.	
Expenses.	22-23
Income.	22-23
Insurance limit.	11
Insured banks receiving financial aid from. <i>See</i> Banks closed because of financial difficulties.	
Insured deposits. <i>See</i> Deposits, insured and otherwise protected.	
Investments.	24, 26
Liquidation of assets of insured banks in financial difficulties.	12
Loans to and purchase of assets from insured banks. <i>See</i> Mergers of insured banks with financial aid of the Corporation.	
Losses incurred:	
During 1942.	9-10, 22, 23
During 1934-42.	12, 22
Prevention of, by supervisory activity.	10-11
Reserve for.	24, 26
Officers.	21
Operations.	9-27
Organization and staff.	21
Payments to insured depositors.	11, 99
Policies.	3-9
Powers.	10-11, 13-16
Protection of depositors. <i>See</i> Banks closed because of financial difficulties.	
Purchase of assets to facilitate completion of liquidation of banks in receivership.	12, 26
Receiver for insured banks.	12-13, 98
Recoveries from banks in financial difficulties.	12
Regulations.	20, 54
Repayments to.	12
Reports from banks.	15-16, 62
Reserves for losses.	24, 26
State legislation affecting operations, 1942.	18
Supervisory activities. <i>See</i> Bank supervision.	
Surplus.	24-25, 27

	Page
Federal Deposit Insurance Corporation Districts:	
Banks classified by	88, 89
States and possessions served	66
Federal Reserve banks:	
Data obtained from	63
Review of bank examinations made by	13
Fixed and miscellaneous assets. <i>See</i> Assets and liabilities of operating banks; Assets of insured banks, analysis of examinations of; Re- ceivership, insured banks placed in.	
Fixed and substandard assets of insured commercial banks (<i>see also</i> Assets of insured banks, analysis of examinations of; Capital of banks):	
Banks classified by ratio to assets	86, 87, 90, 91
Banks classified by ratio to net sound capital	35
Banks with substandard assets	32, 33
Definition	65
Discussion of	34-35
Head offices of branch systems. <i>See</i> Number of offices of banks operating branches.	
Industrial banks, classification of	59-60
Insolvent or hazardous banks. <i>See</i> Bank supervision; Banks closed because of financial difficulties.	
Instalment loans, how reported	62
Institutions excluded from figures of operating banks	60
Insurance coverage (<i>See also</i> Deposits, insured and otherwise protected)	11
Insurance status, banks classified by:	
Assets and liabilities of	78, 79
Deposits of	76-77
Number of	68-77
Suspensions of	96-97
Insured banks. <i>See</i> :	
Absorptions, consolidations, and mergers;	
Admissions to insurance;	
Assets and liabilities of operating banks;	
Assets of insured banks, analysis of examinations of;	
Assets of insured banks, quality of;	
Banking offices, establishment of;	
Banks ceasing operations;	
Banks closed because of financial difficulties;	
Capital of banks;	
Classification of banks and banking offices;	
Class of bank, banking data presented by;	
Deposits;	
Deposits in;	
Earnings, expenses, and dividends of insured banks;	
Employees;	
Examinations of banks;	
Loans of insured commercial banks;	
Mergers of insured banks with financial aid of the Corporation;	
Mutual savings banks;	
Number of offices of banks operating branches;	
Number of operating banking offices;	
Number of operating banks;	
Number of unit banks;	
Receivership, insured banks placed in;	
Securities;	
States, banking data classified by;	
Terminations of insurance;	
Unsafe and unsound banking practices.	

	Page
Insured commercial banks not members of the Federal Reserve System. <i>See</i> Class of bank, banking data presented by.	
Insured commercial banks submitting reports to the Federal Deposit Insurance Corporation	62
Insured deposits. <i>See</i> Deposits, insured and otherwise protected.	
Insured mutual savings banks. <i>See</i> Mutual savings banks.	
Insured State banks members of the Federal Reserve System. <i>See</i> Class of bank, banking data presented by.	
Interbank deposits. <i>See</i> Deposits, classified by type of deposit.	
Interest:	
Amounts. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Rate on loans	37
Rate on securities, 1934-42	37-38
Rate on time and savings deposits	38-39
Investments of banks. <i>See</i> Assets and liabilities of operating banks; Securities; United States Government obligations; Unsafe and unsound banking practices.	
Investments of the Federal Deposit Insurance Corporation	22-24
Law, violations of by insured banks	14
Legislation in 1942 related to deposit insurance and banking:	
Federal	16-17, 49-53
State	18-20
Liquidation, banks placed in	11, 12-13, 68, 96-97, 98
Loans of insured commercial banks (<i>see also</i> Unsafe and unsound banking practices):	
Amounts	31, 37, 78, 79, 80-81
Analysis of examinations of insured commercial banks, 1942:	
Appraised and book values, examiners' net deductions, substandard, and not criticized	82, 84, 86, 88
Ratios of appraised value to book value	32, 83, 85, 87, 89
Interest on. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Rate of income on	37, 38
War financing	5-6, 55
Loans to insolvent or hazardous insured banks by Federal Deposit Insurance Corporation. <i>See</i> Mergers of insured banks with financial aid of the Corporation.	
Losses:	
Of banks:	
Amount of, past 80 years	4, 6
Charged off. <i>See</i> Charge-offs on bank assets.	
National banks, rates of, 1918-1942	6
Reserves for	6-7
Of depositors. <i>See</i> Banks closed because of financial difficulties; Receivership, insured banks placed in.	
Of the Federal Deposit Insurance Corporation. <i>See</i> Federal Deposit Insurance Corporation.	
Management of banks, quality of:	
Banks cited for unsafe and unsound banking practices	13-14
Wartime requirements	4, 5, 9
Mergers. <i>See</i> Absorptions, consolidations, and mergers; Mergers of insured banks with financial aid of the Corporation.	

	Page
Mergers of insured banks with financial aid of the Corporation (<i>see also</i> Banks closed because of financial difficulties):	
Banks cited for unsafe and unsound practices	13-14
Classification of banks merged	60-61
Collections by Corporation on assets purchased or held as collateral	12
Deposits protected	11
Disbursements by Corporation	11, 100
Loans and assets purchased by the Corporation	11, 24, 26
Losses incurred by Corporation	12, 24, 26
Method	10-11
Names and location of banks merged, 1942	100
Number of banks merged	96-97
Procedure	10-11
Protection afforded depositors	11
Repayments to Corporation	12
Morris Plan banks, classification of	59-60
Mutual savings banks:	
Insured:	
Assets and liabilities, June 30 and December 31, 1940	78-79
Capital investment of the Reconstruction Finance Corporation in	41
Classification	60
Deposits:	
By State, December 31, 1942	76-77
June 30 and December 31, 1942	78-79
Discussion of	41-42
Earnings, expenses, and dividends	41, 92-93
Number:	
By State, December 31, 1942	76-77
By type of office, December 31, 1942	70-75
Changes during 1942	68-70
Insured and noninsured:	
Assets and liabilities, June 30 and December 31, 1942	78, 79
Classification	60
Deposits, by State, December 31, 1942	76-77
Number:	
By State, December 31, 1942	76-77
By type of office, December 31, 1942	70-75
Changes during 1942	68-69
National Association of Supervisors of State banks	6, 55
National banks. <i>See</i> Class of bank, banking data presented by; Comptroller of the Currency; Losses of banks.	
Net earnings of insured commercial banks. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Net profits of insured commercial banks. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Net sound capital of insured commercial banks. <i>See</i> Capital of banks; Capital ratios.	
New banks. <i>See</i> Banking offices, establishment of.	
Noninsured banks. <i>See</i>:	
Absorptions, consolidations, and mergers;	
Admissions to insurance;	
Assets and liabilities of operating banks;	
Banks closed because of financial difficulties;	
Capital of banks;	
Class of bank, banking data presented by;	
Classification of banks and banking offices;	
Deposits;	
Number of offices of banks operating branches;	

Noninsured banks. *See*—(Continued)
 Number of operating banking offices;
 Number of operating banks;
 Number of unit banks.

Number of offices of banks operating branches:

Branches:
 Changes during 1942..... 69
 December 31, 1942, by class of bank and States and possessions..... 70-75
 Definition..... 59-60
 Head offices (banks operating branches):
 December 31, 1942, by class of bank and States and possessions..... 70-75

Number of operating banking offices:

All offices..... 68, 70-75
 Changes during 1942..... 68
 Classification..... 59-61
 December 31, 1942, by class of bank and States and possessions..... 70-75

Number of operating banks:

All banks:
 Admissions to insurance..... 14, 68
 Approved for admission to insurance..... 14-15
 Changes during 1942..... 68-69
 Classification..... 59-61
 December 31, 1942, by class of bank and States and possessions..... 76-77
 June 30 and December 31, 1942..... 78-79
 Terminations of insurance..... 15, 68-69

Commercial banks:

Admissions to insurance..... 68-69
 Changes during 1942..... 68-69
 Classification..... 59-61
 December 31, 1942, by class of banks and States and possessions..... 76-77
 June 30 and December 31, 1942..... 78, 79

Insured commercial banks:

Applications approved and disapproved..... 15
 Call dates, December 31, 1941, to December 31, 1942..... 80
 Changes during 1942..... 68-69
 Classification..... 59-61
 December 31, 1942, by States and possessions..... 76-77

Operating throughout 1942:

By amount of deposits..... 94
 By rate of interest paid on time and savings deposits..... 39

Reports of examinations in 1942 tabulated:

By amount of deposits..... 82, 83, 90, 91
 By Federal Deposit Insurance Corporation District..... 88, 89
 By month of examination..... 63
 By rate of net earnings..... 90, 91
 By ratio of fixed and substandard assets to net sound capital..... 35
 By ratio of fixed and substandard assets to total assets..... 86, 87, 90, 91
 By ratio of net sound capital to total assets..... 84, 85, 90, 91
 By ratio of substandard assets to total assets..... 33

Mutual savings banks. *See* Mutual savings banks.

Noninsured banks:

Changes during 1942..... 68-69
 Classification..... 59-61
 December 31, 1942, by class of bank and States and possessions..... 76-77
 June 30 and December 31, 1942..... 78, 79

Unit banks:

December 31, 1942, by class of bank and States and possessions..... 70-75
 Definition..... 60

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

Officers and employees of the Federal Deposit Insurance Corporation..... 21

Operating banks. *See* Number of operating banks.

	Page
Payments to depositors in closed insured banks. <i>See</i> Receivership, insured banks placed in.	
Polk's Bankers Encyclopedia, data obtained from	59
Possessions, bank and branches located in:	
Deposits of	76-77
Number of	70-75, 76-77
Postal savings deposits. <i>See</i> Deposits, classified by type of deposit.	
Preferred deposits. <i>See</i> Deposits, secured and preferred.	
Profits. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Protection of depositors. <i>See</i> Banks closed because of financial difficulties; Deposits, insured and otherwise protected.	
Public funds. <i>See</i> Deposits, classified by type of deposit.	
Purchase of bank assets by Corporation. <i>See</i> Assets of banks purchased by the Federal Deposit Insurance Corporation.	
Rand McNally Bankers Directory, data obtained from	59
Real estate:	
Amount of loans on. <i>See</i> Assets and liabilities of operating banks.	
Unsafe and unsound practices	15
Receivership, insured banks placed in (<i>see also</i> Banks closed because of financial difficulties):	
Activities of Corporation as receiver of	12-13, 98
Assets and liabilities of, at dates of suspension, 1934-42	98
Depositors:	
Extent of protection by insurance	10-11, 99
Method of protection	11
Number eligible for protection, paid and unpaid	99
Payments to	11, 99
Deposits:	
Insured, paid and unpaid by December 31, 1942	11, 99
Not eligible for insurance protection	10-11, 99
Paid and unpaid, December 31, 1942	11, 99
Secured, preferred, and subject to offset	11, 99
Unclaimed accounts	10-11, 99
Uninsured	10-11, 99
Liquidation of	12
List of banks, 1942	98
Losses by Corporation on depositors' claims paid	12
Names and location of, during 1942	98
Number of banks	96
Payments to depositors	11, 99
Purchase of assets from	12
Receivers	12, 98
Repayments to Corporation on subrogated claims against	12
Sources of data	59, 60-61, 62
Reconstruction Finance Corporation, capital of insured banks held by:	
Amount. <i>See</i> Capital of banks.	
Retirements	15
Recoveries:	
By banks on assets charged off. <i>See</i> Charge-offs on bank assets.	
By Federal Deposit Insurance Corporation on disbursements in closed banks	12
Regulations. <i>See</i> Federal Deposit Insurance Corporation.	
Repayments to the Corporation	10-11, 12
Reports from banks	15-16

	Page
Reserves:	
For losses on bank assets	6-7
In bank assets. <i>See</i> Assets and liabilities of operating banks.	
Of Federal Deposit Insurance Corporation	24, 26
Risk in banking	7
Savings and time deposits. <i>See</i> Time and savings deposits.	
Secured and preferred deposits. <i>See</i> Deposits, secured and preferred; Receivership, insured banks placed in.	
Securities (<i>see also</i> Assets and liabilities of operating banks; United States Government obligations):	
Examiners' appraisal of, method used	64-65
Held by Federal Deposit Insurance Corporation	23, 24, 26
Held by insured banks placed in receivership, 1934-1942	98
Held by insured commercial banks:	
Amounts, call dates, December 31, 1941, to December 31, 1942	80-81
Analysis of examinations:	
Appraised and book values, examiners' net deductions, substandard, and not criticized	82, 84, 86, 88
Ratios of appraised to book values	83, 85, 87, 89
Interest on. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Rate of income on	37-38
War financing	5-6, 38, 55
Size of banks, banks classified by. <i>See</i> Deposits, amount of, banks grouped by.	
State banks members of the Federal Reserve System. <i>See</i> Class of bank, banking data presented by.	
State banks not members of the Federal Reserve System. <i>See</i> Class of bank, banking data presented by.	
State bank supervisory authorities:	
Data obtained from	59, 61, 62
State legislation regarding functions of	18-19
Statement regarding examination policy	6, 55
State legislation regarding deposit insurance and bank supervision	18
States, banking data classified by:	
Deposits, December 31, 1942:	
Commercial banks, insured and noninsured	76-77
Mutual savings banks, insured and noninsured	76-77
Number of operating banks or offices, December 31, 1942:	
All banking offices, by class of bank and type of office	70-75
All banks	76-77
Commercial banks, insured and noninsured	76-77
Mutual savings banks, insured and noninsured	76-77
Suspensions, receiverships, and mergers	97
Stockholders of banks:	
Losses of. <i>See</i> Banks closed because of financial difficulties.	
Net profits of insured commercial banks, available for. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Substandard assets. <i>See</i> :	
Assets of insured banks, analysis of examinations of;	
Fixed and substandard assets of insured commercial banks;	
Loans of insured commercial banks;	
Securities.	
Supervision. <i>See</i> Bank supervision.	
Suspensions. <i>See</i> Banks closed because of financial difficulties; Receivership, insured banks placed in.	
Subrogated claims of depositors	12, 22, 24, 26

	Page
Taxes paid by insured banks:	
Amount. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Discussion of	3, 35, 37
Exemption of reserves for losses	6-7
Income taxes, treatment of in reporting and tabulating earnings	36, 37
Terminations of insurance:	
For unsafe and unsound banking practices and violations of law or regulations	13-14
Number, 1942	15, 68-69
Time and savings deposits:	
Amount, insured commercial banks, call dates, December 31, 1941, to December 31, 1942	80
Interest paid on:	
Amounts. <i>See</i> Earnings, expenses, and dividends of insured banks.	
Rates of	38-39
Rates of, banks grouped by	39
Trust companies:	
Classification of	59
Number not engaged in deposit banking	76-77, 78, 79
Trust departments, assets of	62
Unit banks. <i>See</i> Deposits in; Number of unit banks.	
United States Government obligations (<i>see also</i> Assets and liabilities of operating banks; Securities):	
Held by Federal Deposit Insurance Corporation	24, 26
Held by insured commercial banks, December 31, 1941, to December 31, 1942	80-81
Purchase of, by insured commercial banks, 1942	31-32
Unsafe and unsound banking practices:	
Actions of Corporation	13
Number of banks cited	13
Types of, for which banks were cited	14
Unsecured deposits. <i>See</i> Receivership, insured banks placed in.	
Violations of law or regulations	13-14
War:	
Bank supervision and the war	5-6, 55
Effects of war time changes on the banks	4-5, 33
Growth in bank assets and deposits	3, 31