ANNUAL REPORT OF THE

FEDERAL DEPOSIT INSURANCE CORPORATION

1966

Parts One and Two were first published April 28, 1967. This volume includes also Part Three, containing statistical tables.

October 20, 1967

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D. C., April 28, 1967

SIRS: Pursuant to the provisions of Section 17(a) of the Federal Deposit Insurance Act, the Federal Deposit Insurance Corporation is pleased to submit its report for the calendar year 1966.

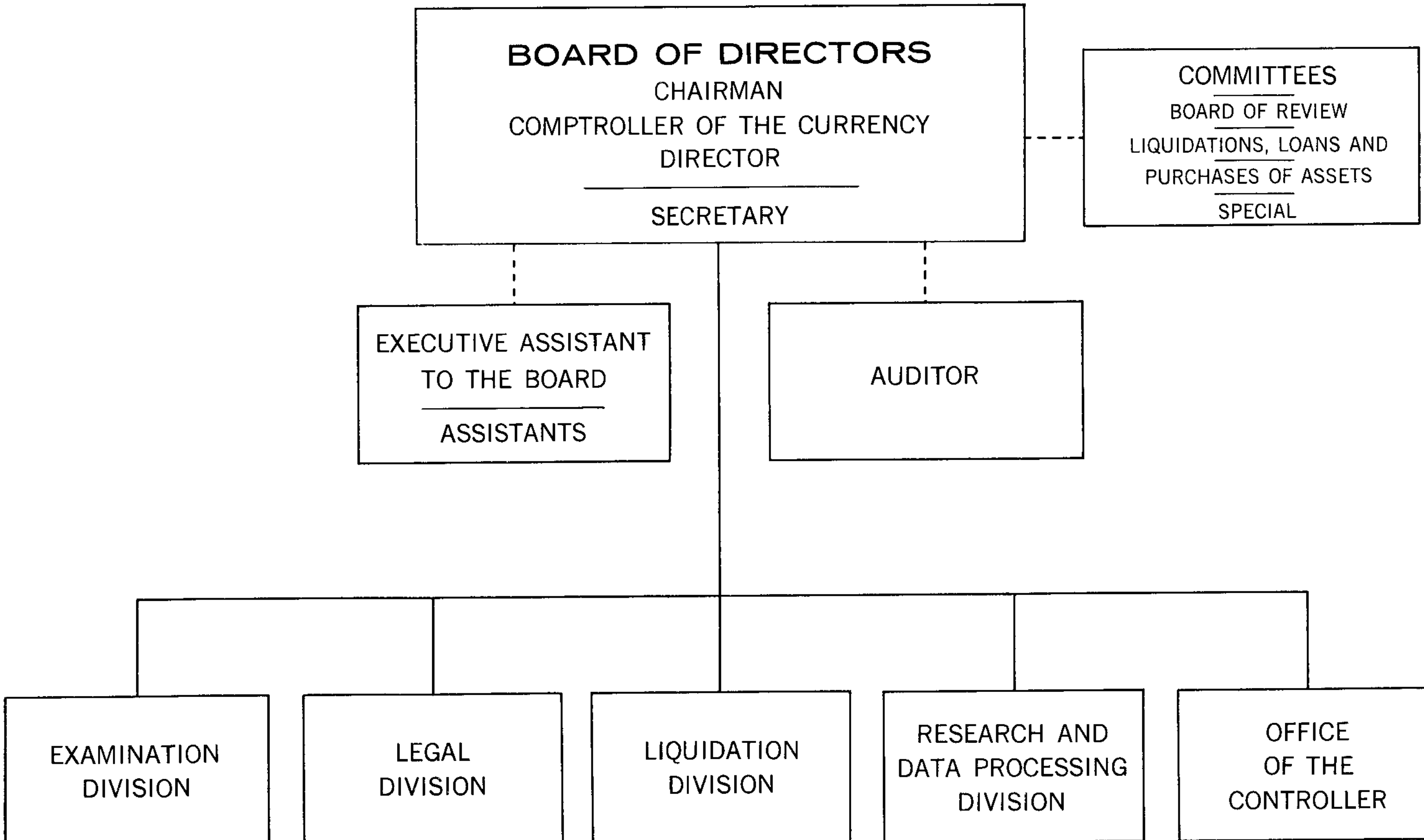
Respectfully yours,

K. A. Randall

K. A. RANDALL,
Chairman

THE PRESIDENT OF THE SENATE
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

BOARD OF DIRECTORS

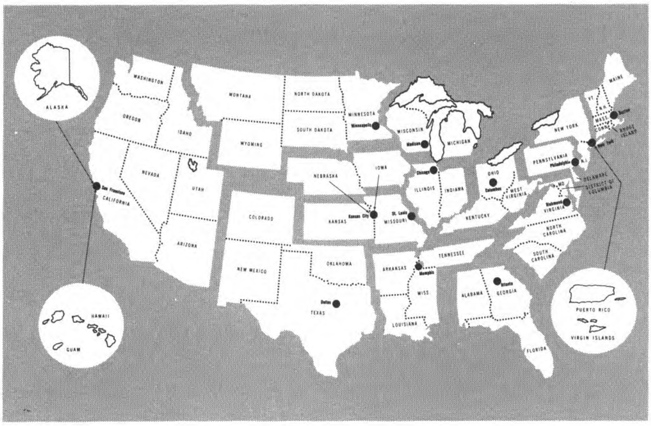
Chairman	K. A. Randall
Director	(Vacancy)
Comptroller of the Currency	William B. Camp

OFFICIALS

Assistant to the Chairman	John L. Flannery
Special Assistant to the Chairman	Lynn Mah
Special Assistant to the Chairman for Mutual Savings Banks	Raymond T. Cahill
Assistant to the Director	Thano Dameris
Assistant to the Director (Comptroller of the Currency)	Albert J. Faulstich
Chief, Division of Examination	Edward H. DeHority
General Counsel	John F. Lee
Controller	Edward F. Phelps, Jr.
Director, Division of Research and Data Processing	Frederick S. Hammer
Chief, Division of Liquidation	A. E. Anderson
Secretary	E. F. Downey
Auditor (Acting)	John D. Roderick
Senior Advisor to the Board	Raymond E. Hengren
Executive Assistant to the Board	Timothy J. Reardon, Jr.
Assistant to the Board	William M. Moroney
Assistant to the Board	Frank E. Tracy

October 20, 1967

FEDERAL DEPOSIT INSURANCE CORPORATION DISTRICTS



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Claude C. Phillippe, 74 Trinity Place, New York, New York 10006

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THE YEAR IN BRIEF

The 13,873 banks insured by the Corporation at the end of 1966, consisting of 13,541 commercial banks and 332 mutual savings banks, represented about 97 percent of all banks and banking assets in the nation.

The Corporation's insurance fund at the year-end totaled $3,252 million, amounting to 0.81 percent of total deposits in insured banks, and 1.39 percent of estimated insured deposits.

In 1966, seven insured banks were closed due to financial difficulties, requiring disbursements by the Corporation of $15.1 million to protect their approximately 95,000 depositors.

Effective October 16, 1966, the maximum insurance per depositor in an insured bank was increased by statute from $10,000 to $15,000. Results of a survey of deposits on June 30, 1966, indicated that, had the higher maximum been in effect on that date, nearly 99 percent of depositors in insured banks would have been fully protected and 58 percent of deposits insured.

The Corporation conducted 13,663 field examinations and investigations during the year. Federal legislation affecting bank supervision in 1966 included amendments to the Bank Merger Act of 1960 and the Bank Holding Company Act of 1956. Also, PL 89-597 provided, on a temporary basis, additional flexibility to the Federal Reserve and the Corporation in establishing maximum interest rates payable by insured banks on deposits; and under the Financial Institutions Supervisory Act of 1966 the Federal banking agencies were provided the means for more effective bank supervision through a grant of authority to issue cease-and-desist orders in certain situations.

Against a background of tightened monetary conditions and increasing competition among lenders for funds in 1966, the Corporation amended its regulations defining some types of deposits and modified the maximum rates payable by nonmember insured banks on certain time deposits. Late in the year the Corporation issued a statement of policy with respect to advertisements for funds by banks under its supervision.

During 1966 the total number of banks declined by 33, while branch offices increased by 1,211. Total assets of insured commercial banks rose during the year by over 7 percent to $403 billion. Almost two-thirds of the increase in deposits of these banks occurred in the time and savings category. The banks' net income after taxes amounted to $2.7 billion, up nearly 7 percent from 1965, and provided a return of 8.7 percent on total capital accounts.

OPERATIONS OF THE CORPORATION

PART ONE

INTRODUCTION

The Federal Deposit Insurance Corporation has reached an age where it can both view its beginnings with nostalgia and look forward with confidence to its role in the future. It still numbers a dozen employees who remember the hectic task of examining nearly 7,800 applicant banks preliminary to their qualifying for insurance when coverage became effective on January 1, 1934. On the other hand, 39 percent of the Corporation's present employees were not yet born when Federal deposit insurance went into effect. This is another way of saying that a complete generation has grown up which has had no experience with the flood of bank failures that brought the Corporation into existence. As the new generation has grown up, deposit insurance has been accepted as an integral part of our banking environment.

A decade of banking difficulties had culminated in 4,000 failures in 1933, and there was concern over the survival of our banking system as it was then structured. Insurance was accepted as a moderate step which, through a limited guarantee of deposits, would instill enough confidence on the part of the public to preserve the banking structure and give banks time to rehabilitate themselves.

The concept worked. Bank failures have been sharply reduced, with minimum loss to depositors and the FDIC. This has occurred in part because of the confidence flowing from deposit insurance and in part because of close and continuing supervision of banks. The favorable economic environment during most of the Corporation's existence has also contributed significantly to the reduction of bank failures. Even so, it is clear that bank failures can still cause distress in the communities affected and have a marked impact on a generation unaccustomed to bank failure.

The Corporation's activities have always been focused in two main areas: fulfilling its insurance obligations and carrying out its supervisory responsibilities. The former activity is still crucial, though the occasions for actively protecting depositors have been significantly less frequent since the first decade of insurance. Supervision has always been important, but its emphasis has changed in part, reflecting changes in the character of banking risks, the accretion of new responsibilities, and increasing attention to the modernization of the banking system.

DEPOSIT INSURANCE PARTICIPATION AND COVERAGE

Participation. Participation in Federal deposit insurance has always been high, ranging from 86 percent of all banks at the beginning of insurance to 97 percent at the end of 1966, when 13,-873 banks were insured by the Corporation.

To be eligible for Federal deposit insurance, an institution must be a domestic, corporate entity which is authorized to engage in the business of receiving deposits. To obtain insurance, it must meet certain criteria specified by statute and applied by the appropriate Federal banking agency. National banks and State banks that are members of the Federal Reserve System are automatically insured as a corollary of that status. State banks that are not members of the Federal Reserve System become insured upon application to and approval by the Corporation's Board of Directors. About one-third of the insured banks are national banks. Of the State insured banks, about one-seventh are members of the Federal Reserve System. The numbers of banks and branches in the United States, classified by insurance status, are shown in Table 1.

Table 1. BANKS AND BRANCHES IN THE UNITED STATES CLASSIFIED BY TYPE AND PARTICIPATION IN FEDERAL DEPOSIT INSURANCE, DECEMBER 31, 1965 AND 1966

Type of office and date	All banks			Commercial banks and nondeposit trust companies				Mutual savings banks	
				Insured					
				Members FRS		Not members FRS			
	Total	Insured	Non-insured	National	State		Non-insured	Insured	Non-insured
All banking offices									
Dec 31, 1966.....	32,136	31,491	645	14,436	4,867	11,241	328	947	317
Dec 31, 1965.....	30,958	30,306	652	13,801	4,738	10,854	343	913	309
Banks									
Dec 31, 1966.....	14,291	13,873	418	4,799	1,350	7,392	244	332	174
Dec 31, 1965.....	14,324	13,876	448	4,815	1,405	7,327	271	329	177
Branches									
Dec 31, 1966.....	17,845	17,618	227	9,637	3,517	3,849	84	615	143
Dec 31, 1965.....	16,634	16,430	204	8,986	3,333	3,527	72	584	132

The number of banks not participating in Federal deposit insurance continued to decline in 1966, and totaled 418 by the end of the year. Over two-fifths of these, or 174, were mutual savings banks; all but four of the latter were in Massachusetts and insured by that State's insurance system. Most of the remaining institutions were ineligible for insurance, either because of their unusual nature or because of their inability or disinclination to meet insurance standards.

Coverage. The amount of insurance afforded each depositor in an insured bank is limited by statute. This limitation was initially $2,500; in mid-1934 it was raised to $5,000, in 1950 to $10,000, and on October 16, 1966 to the present maximum of $15,000. Within an insured bank, a depositor is currently protected up to $15,000 on each deposit maintained in the same right or capacity.

The number of accounts fully protected within the insurance limitation has always been high. On June 30, 1966, the date of the latest survey of deposits undertaken by the Corporation, 97 percent of the 193 million accounts in insured banks were fully protected under the applicable $10,000 maximum. The subsequent increase to the $15,000 maximum is estimated to have raised the proportion of accounts fully protected to nearly 99 percent of all accounts.

The relatively few accounts that exceed the insurance limitation often do so by a substantial amount. Consequently, the proportion of total deposits which is insured has always been significantly less than the proportion of accounts fully protected. The June 30, 1966 survey showed that 54 percent of the dollar amount of deposits in insured banks was within the $10,000 limitation. Had the $15,000 maximum been in effect on that date, it is estimated that the percentage would have risen to 58 percent.

ECONOMIC AND BANKING DEVELOPMENTS IN 1966

The operations of the Corporation are carried on against the background of a constantly changing economic and financial environment. In recent years banks have become more competitive with other financial intermediaries, and the Corporation, as a consequence, has had to view its responsibilities in a broader context. Economic developments in 1966, in particular, presented unusual challenges to the supervisory agencies.

Prosperity brings pressures. The year 1966 was one of high economic achievement in the midst of mounting pressures. Buoyant economic activity brought record levels of production, employment, and income to the American economy. Gross national product amounted to a record $740 billion, an increase of 8.6 percent over 1965—or a real gain of 5.4 percent after allowing for price advances during the year. Unemployment fell to the lowest rate in 13 years as civilian employment reached 74 million. Notwithstanding the rise in consumer prices and a slight decline in the rate of increase in productivity, real per capita income at the disposal of individuals advanced 3.6 percent.

The performance extended into its sixth straight year the recovery that began in 1961. During this period the economy has grown at an annual rate in excess of 5 percent. In most of the period the economy operated with a significant margin of idle industrial capacity and a substantial number of unemployed. In this environment, much of the growth before 1966 was accomplished through absorption of formerly idle resources, with relatively moderate impact on prices and financial markets. As this cushion of unused resources thinned, however, the persistent expansion in economic activity after mid-1965 produced strains that began to be reflected in rising prices and interest rates.

The pressures which plagued much of 1966, while reflecting the momentum of five years of expansion, had their particular origin in a conjunction of forces which arose around the middle of 1965. Additional fiscal stimuli had been injected in the form of lower excise taxes and more liberal social security benefits, which took effect in the last half of 1965. Then, stepped-up activity in Vietnam announced in July 1965 resulted in a boost in defense outlays and commitments.

Restraints. Economic activity accelerated during the final months of 1965, fueled both by an ample supply of credit and expansionary fiscal policies. In December the Federal Reserve raised the rediscount rates to 4½ percent. On the fiscal front, increases in nondefense expenditures were kept within bounds; some of the earlier excise tax reductions were rescinded; income taxes on individuals were subjected to more steeply graduated withholding; and corporate tax payments were speeded up. Moreover, additional payroll taxes under the social insurance program, provided for in 1965, became effective at the beginning of 1966.

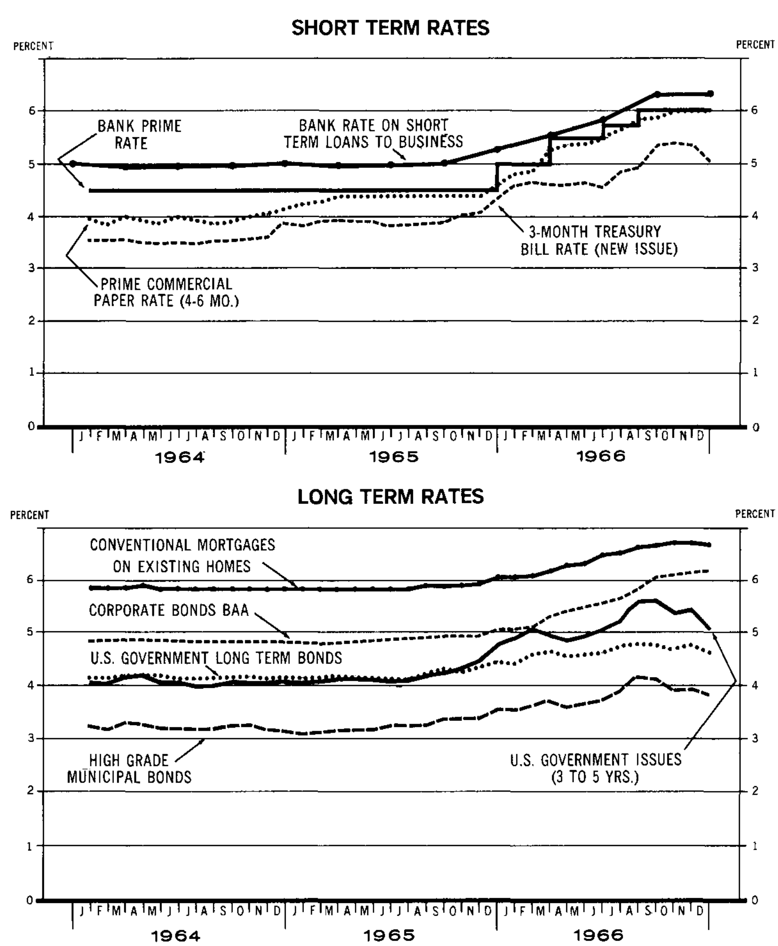
The most conspicuous weak spot in 1966 was the decline in residential construction; private housing starts fell from a seasonally adjusted annual rate of 1.6 million units in January to a 20-year low of 848,000 in October. The most buoyant sector, on the other hand, was fixed capital investment by business, which posted a 17 percent increase for 1966. The vigor of this demand, indeed, led in October to Congressional suspension of both accelerated depreciation on new buildings and the 7 percent tax credit for investment in machinery and equipment.

Credit markets under stress. With the economy moving forward in 1966 at high speed, after several years of above average growth, it is not surprising that demands on the money and capital markets were heavy. As the year progressed, the demand for funds was greater than expected, and the availability of funds failed to keep pace. On the demand side, business borrowing quickly moved ahead as business firms revised upward their plans for acquiring new plant and equipment. Increased physical volume of production and sales required additional financing of inventories and receivables, and rising prices required increased dollar investment per physical unit. Meanwhile, nonresidential construction was advancing, and an increasing proportion of these projects had to be externally financed. The flow of funds into the markets began to fall well short of the volume sought by prospective borrowers.

Developments in the economy by late 1965 had resulted in mounting pressures on prices, accompanied by strains in the money market. At the time the Federal Reserve raised its rediscount rates to 4½ percent, it also revised its Regulation Q, and the FDIC revised its Regulation 329, increasing to 5½ percent the maximum permissible rate which insured commercial banks could pay on time deposits other than savings accounts. These revisions were intended to enhance the ability of banks to compete for funds with the money and capital markets.

During the early months of 1966 interest rates rose rapidly,

CHART A INTEREST RATES GENERALLY ROSE DURING 1966

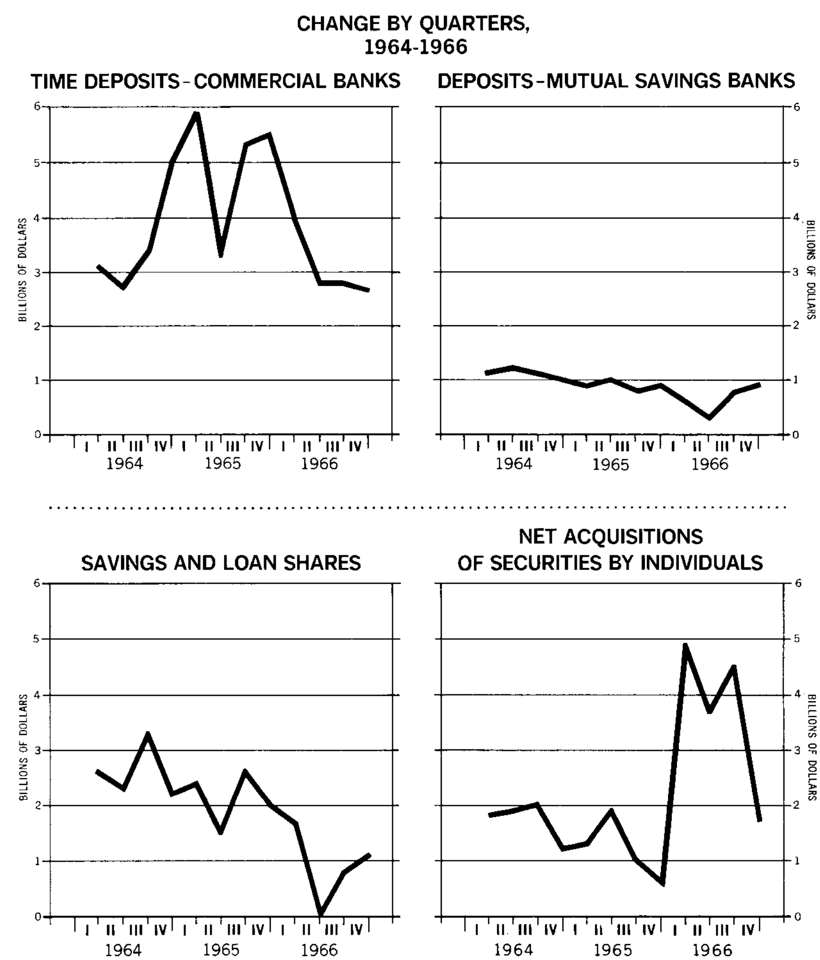


with short-term rates for the most part leading and long-term rates lagging, as indicated in Chart A. The rising rates reflected the unusual pressure on commercial banks to finance their business customers. The larger banks especially were faced with unprecedented loan demands, greater than they could meet by additional sales of their U. S. Government security holdings or by the sale of marketable certificates of deposit at or near the ceiling rate. Credit demands spilled over into the securities markets, already under pressure from a growing volume of public and private offerings.

As yields available on securities rose, individuals and other investors began to accelerate their purchases, either drawing down

CHART B

THE SECURITIES MARKET
ATTRACTED A SIGNIFICANT SHARE OF SAVINGS IN 1966



their accumulated savings balances or diverting their current savings from banks and other savings institutions into securities, as shown in Chart B. For a time the large commercial banks were able to meet market competition by raising rates and shortening the maturities of their marketable certificates of deposit, but by summer many had reached the 5½ percent ceiling and practically exhausted this means of raising new funds. Meanwhile, a few of the larger banks and a growing number of smaller banks had begun to issue automatically renewable multiple-maturity certificates, in smaller denominations, and at rates up to 5½ percent. These gave the depositor something very close to a passbook savings account, but with a much higher yield. Thus many commercial banks were offering rates at least as attractive as those paid by other savings institutions.

Savings institutions meanwhile were continuing to try to meet mortgage loan demands. Many of them were already paying about as high a return as possible in view of the yields they were obtaining on their portfolios of long-term loans, most of which had been acquired when interest rates were much lower. Unable or unwilling to compete for funds on a rate basis with commercial banks, or with the securities markets, savings institutions were forced to restrict their lending, thus passing on to home-buyers, home-sellers and home-builders the burden of the credit squeeze.

Moderating the rise of interest rates. Against this background, the Corporation took action in July in support of efforts being made by the Federal Reserve to limit interest rate competition among financial institutions. The maximum rate payable by nonmember insured commercial banks on multiple-maturity time deposits was reduced from 5½ percent to 5 percent on such deposits payable in 90 days or more, and to 4 percent on such deposits payable in less than 90 days. Under legislation then in effect, however, neither the Federal Deposit Insurance Corporation nor the Federal Reserve Board had the power to reduce ceiling rates on what came to be known as savings-type certificates of deposit without also reducing the ceiling on the large, negotiable certificates. To have reduced this ceiling would have put many banks under severe pressure as billions of dollars of such certificates matured and could not be replaced under the then current rate pattern. It was apparent that existing regulatory powers of the supervisory agencies were inadequate to deal with the situation.

Effective September 21, a bill was enacted by the Congress providing the regulatory agencies with more flexibility in setting rate ceilings, and bringing savings and loan associations under rate regulation. The supervisory authorities were authorized to establish differential rate ceilings according to various criteria, and were directed to consult with each other with the view to coordinating their actions.

The provision of most immediate significance in the new statute was the authority given to the regulatory agencies to establish a differential ceiling by size of certificate. Accordingly, the Federal Reserve and the Federal Deposit Insurance Corporation maintained a 5½ percent maximum for single-maturity certificates of $100,000 or more, but for certificates of smaller amounts the ceiling rate was dropped to 5 percent. Effective October 1, the Corporation also prescribed a 5 percent maximum rate on dividends or interest paid by insured mutual savings banks. At the same time, the Federal Home Loan Bank Board set differential ceilings on dividend rates payable by insured savings and loan associations, varying geographically and in other ways but generally somewhat higher than ceilings for commercial banks.

Shortly before the new regulations became effective, market rates of interest reached their peak and subsequently began a gradual decline. New flotations of security issues were reduced, and yields on outstanding issues softened. Meanwhile, the Federal Reserve requested that member banks restrain their loan commitments and maintain their holdings of securities. Also in September the reserve requirement on time deposits in member banks in excess of $5 million was increased from 5 percent to 6 percent; in July the requirement had been raised from 4 percent to 5 percent. Near the end of the year, however, the decline in mortgage demand accompanying the drop in residential construction activity had brought market forces into better balance, while suspension of the investment tax credit and the moderation of expansionary pressures enabled the Federal Reserve to take a less restrictive stance.

DISBURSEMENTS TO PROTECT DEPOSITORS

Bank failures in 1966. During 1966 the Corporation disbursed $15 million to protect depositors of seven failing banks, the largest sum expended for that purpose for any year but one since 1941. As in other recent years, managerial weakness and illegal practices in the banks involved, rather than economic conditions, were primarily responsible for the failures. It is usually difficult to identify the basic or proximate causes of failure, for by the time a bank has reached the failing stage, it has usually experienced a number of problems. Among the practices contributing to failure in 1966 may be noted misuse of funds by bank officials, kiting operations, collusion with borrowers, contests for bank control, the extension of substandard, high-risk loans, expensive promotions, and operating with inadequate capital.

The seven insured banks requiring FDIC assistance in 1966 fall into two general types. Five were small banks in communities of no more than 500 population which each had served for over 50 years. The other two banks had been established within the past decade and were located in metropolitan areas; one of them was the largest bank to fail since 1933. Table 2 gives the name, location, and other information about each of these banks.

The seven banks failing in 1966 had approximately 95,000 deposit accounts and $103 million in deposits. Paralleling the failure pattern in 1965, one bank alone accounted for 90 percent of these deposits. In one case, the Corporation paid off depositors directly up to the insurance limit—then $10,000. In the other six cases, depositors were fully protected by virtue of different methods of assistance used by the Corporation. In four of the failures occurring in 1966, banking facilities were maintained at the location of the failed bank, either by establishment of branches or a new bank.

Deposit insurance national banks. Establishment of Deposit Insurance National Banks is one of the means available to the Corporation for providing banking service to a community when a bank fails. Services provided by this means are limited and temporary.

Table 2. INSURED BANKS CLOSED DURING 1966 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION [1]

Case number	Name and location	Date of closing or deposit assumption	Number of depositors' accounts	Amount of deposits (in thousands)[2]	FDIC disbursement (in thousands)	Depositors receiving full recovery	Deposits paid (in thousands)[3]
Total			95,424[4]	$103,523[4]	$15,071	95,424[4]	$103,523[4]
Deposit payoff							
278	Citizens Bank, Pottsville, Arkansas	January 24, 1966	1,012	774	732	997	767
Deposit assumption							
115	Five Points National Bank, Miami, Florida	January 12, 1966	3,072[4]	2,966[4]	1,217	3,072[4]	2,966[4]
207	Blanket State Bank, Blanket, Texas	January 31, 1966	1,556	1,183	818	1,556	1,183
208	Saguache County National Bank, Saguache, Colorado	March 17, 1966	712	725	472	712	725
209	Bank of Gray Summit, Gray Summit, Missouri	April 7, 1966	3,630	1,834	1,021	3,630	1,834
279	Public Bank, Detroit, Michigan	October 12, 1966	83,044	92,960	10,000	83,044	92,960
116	First State Bank, of Tuscola, Tuscola, Texas	October 17, 1966	2,398	3,081	811	2,398	3,081

[1] Figures adjusted to and as of December 31, 1966.
[2] Includes certain certificates of deposit carried on the books of some of the closed banks as deposits which are in litigation.
[3] Includes $732 thousand paid by FDIC claim agents in deposit payoff cases. All deposits were made available in full through assuming banks, with FDIC assistance, in deposit assumption cases.
[4] Revised from first printing of Part One of this Report.

Two such banks organized in 1964 to serve this purpose were closed during 1966, in accordance with the statutory requirement that such a bank be liquidated if it is not transferred to private ownership within two years of its establishment.

Banks failing and depositors protected, 1934-1966. Since the beginning of Federal deposit insurance, the Corporation has made disbursements to protect depositors in 466 failing banks. These banks had approximately 1.6 million depositors or accounts and deposits totaling $804 million. The extent and method of protection are shown in Table 3.

Table 3. PROTECTION OF DEPOSITORS OF INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1966

Item	All cases (466 banks)		Deposit payoff cases (276 banks)		Deposit assumption cases (190 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total [1]	**1,627,868**	**100.0%**	**497,269**	**100.0%**	**1,130,599**	**100.0%**
Full recovery received or available	**1,616,060**	**99.3**	**485,461**	**97.6**	**1,130,599**	**100.0**
From FDIC [2]	1,570,686	96.5	440,087[3]	88.5	1,130,599	100.0
From offset [4]	39,597	2.4	39,597	7.9	....	....
From security or preference [5]	2,947	.2	2,947	.6	....	....
From asset liquidation [6]	2,830	.2	2,830	.6	....	....
Full recovery not received as of December 31, 1966	**11,808**	**.7**	**11,808**	**2.4**	....	....
Terminated cases	3,295	.2	3,295	.7	....	....
Active cases [7]	8,513	.5	8,513	1.7	....	....
Amount of deposits (in thousands)—total	**$805,366**	**100.0%**	**$235,118**	**100.0%**	**$570,248**	**100.0%**
Paid or made available	**779,287**	**96.8**	**209,039**	**88.9**	**570,248**	**100.0**
By FDIC [2]	725,640	90.1	155,392[8]	66.1	570,248	100.0
By offset [9]	12,503	1.6	12,503	5.3	....	....
By security or preference [10]	24,284	3.0	24,284	10.3	....	....
By asset liquidation [11]	16,860	2.1	16,860	7.2	....	....
Not paid as of December 31, 1966	**26,079**	**3.2**	**26,079**	**11.1**	....	....
Terminated cases	1,848	.2	1,848	.8	....	....
Active cases [12]	24,231	3.0	24,231	10.3	....	....

[1] Number of depositors in deposit payoff cases; number of accounts in deposit assumption cases.
[2] Through direct payment to depositors in deposit payoff cases; through assumption of deposits by other insured banks, facilitated by FDIC disbursements of $212,876 thousand, in deposit assumption cases.
[3] Includes 57,991 depositors in terminated cases who failed to claim their insured deposits (see note 8).
[4] Includes only depositors with claims offset in full; most of these would have been fully protected by insurance in the absence of offsets.
[5] Excludes depositors paid in part by FDIC whose deposit balances were less than the insurance maximum.
[6] The insured portions of these depositor claims were paid by the Corporation.
[7] Full recovery available to 8,344 of these depositors.
[8] Includes $202 thousand unclaimed insured deposits in terminated cases (see note 3).
[9] Includes all amounts paid by offset.
[10] Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by the Corporation.
[11] Includes unclaimed deposits paid to authorized public custodians.
[12] Includes $9,989 thousand representing deposits available but unclaimed, expected through offset, or expected from proceeds of liquidations; and $344 thousand representing up to $10,000 of each of certain certificates of deposit whose insured status is in litigation.
Note: Includes revision indicated in footnote 4 of Table 2.

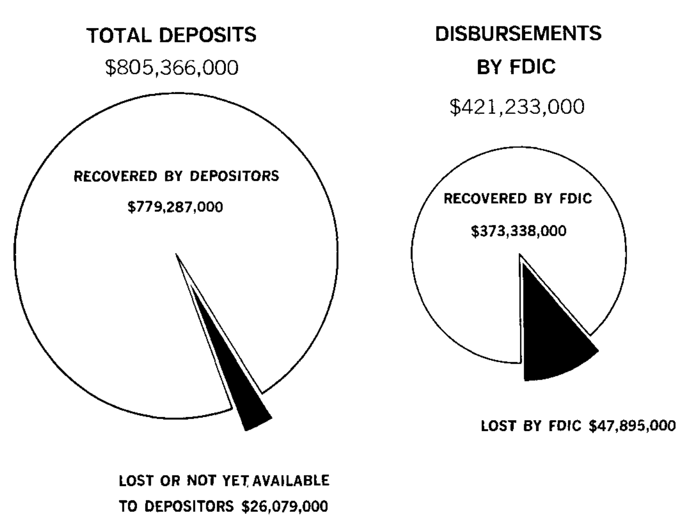
In 190 of these cases, the deposit liabilities of the failing bank were assumed by another insured bank, with the Corporation taking over by purchase or loan the assets of the distressed bank unacceptable to the absorbing bank. Under this procedure, deposits are immediately available in full to all depositors.

In the remaining 276 cases, the banks were closed by the chartering agency, and the Corporation paid off depositors directly up to the insured maximum. Reflecting changes since 1934 in maximum coverage, one case provided protection up to $2,500 for each depositor, 244 cases up to $5,000, and 31 cases up to $10,000. The payoff method of protection has been used in about 60 percent of the failing bank cases. These have ordinarily been the smaller banks, which had about 30 percent of the depositors and a like percentage of the deposits in all failed bank cases.

As of the end of 1966, 96.8 percent of all deposits in failed bank cases had been paid or made available. Of the amount not then paid, over one-third was available but unclaimed; recovery of the remainder depends on the outcome of the liquidation process. As indicated in Chart C, losses to depositors in failing banks have been small during the period of the Corporation's operation.

CHART C

LOSSES TO DEPOSITORS AND TO THE FDIC THROUGH 1966 HAVE BEEN SMALL IN CLOSED INSURED BANKS



Corporation disbursements and losses, 1934-1966. In return for the disbursements made in failing bank cases, the Corporation acquires assets, which it liquidates, or the claims of depositors whose insured deposits it has paid. In receivership cases the Corporation shares *pro rata* with other creditors in the proceeds from the liquidation.

At the end of 1966, some assets were yet to be liquidated from 36 failed bank cases. These active cases account for most of the accounts and deposits indicated as not yet paid in Table 3. Excluding these, and considering only terminated cases, only 0.2 percent of the deposits in all closed insured banks had not been paid by the end of 1966.

The Corporation had disbursed or provided for disbursements of $421 million in its insurance operations through 1966. Actual and anticipated recoveries through the end of 1966 totaled $373 million, resulting in losses to the Corporation estimated at $48 million, excluding $9 million of interest and allowable return recovered on the Corporation's advances. Details of Corporation disbursements, recoveries and losses are shown in Table 4.

Table 4. ANALYSIS OF DISBURSEMENTS, RECOVERIES AND LOSSES IN DEPOSIT INSURANCE TRANSACTIONS, JANUARY 1, 1934 - DECEMBER 31, 1966
(In thousands)

Type of disbursement	Disbursements	Recoveries[1]	Losses
All disbursements—total	$421,233	$373,338	$47,895
Principal disbursements in deposit assumption and payoff cases—total	$368,570	$323,346	$45,224
Loans and assets purchased (190 deposit assumption cases):			
To December 31, 1966	$212,876	$186,462	$18,041
Estimated additional	....	8,373	
Deposits paid (276 deposit payoff cases):			
To December 31, 1966	155,201	120,231	27,183
Estimated additional	493	8,280	
Advances and expenses in deposit assumption and payoff cases—total	$ 50,596	$ 47,557	$ 3,039
Expenses in liquidating assets in deposit assumption cases:			
Advances to protect assets	$ 32,883	$ 32,883	....
Liquidation expenses	14,674	14,674	....
Insurance expenses	360	(2)	360
Field payoff and other insurance expenses	2,679	(2)	2,679
Other disbursements—total	$ 2,067	$ 2,435	$ (368)
Assets purchased to facilitate termination of liquidations:			
To December 31, 1966	$ 1,772	$ 2,420	$ (663)
Estimated additional	....	15	
Unallocated insurance expenses	295	(2)	295

[1] Excludes amounts returned to closed bank equity holders and $9.3 million of interest and allowable return received by the Corporation.
[2] Not recoverable.

SUPERVISORY ACTIVITIES

The major role played by banks in the nation's financial structure has long subjected them to some measure of public supervision. Through the acceptance, creation and payment of deposits they perform a vital monetary function, and provide funds to meet the myriad demands for credit of a dynamic economy.

Banks within the jurisdiction of the Corporation's supervisory responsibility must obtain its permission to take several types of action, such as the establishment of branches or merger with another bank. They are subject to examination by the Corporation and to certain sanctions, notably cease-and-desist orders and termination of insurance. They are also required to submit various types of reports, and are subject to the interest rate regulations applicable to savings and time deposits.

Applications for deposit insurance. Banks chartered as national banks, and State banks becoming members of the Federal Reserve System, acquire insured status without application to the Federal Deposit Insurance Corporation. Banks chartered by the States and not members of the Federal Reserve, as well as uninsured operating banks, become insured upon application to and approval by the Corporation. The following factors, specified by statute, must be considered by the responsible supervisory agency with respect to banks seeking to be admitted to deposit insurance: (1) the financial history and condition of the bank, (2) the adequacy of its capital structure, (3) its future earnings prospects, (4) the general character of its management, (5) the convenience and needs of the community to be served by the bank, and (6) the consistency of its corporate powers with the purposes of the Act.

During 1966, the Corporation approved a total of 104 applications for admission to insurance, including 80 new banks and 24 existing banks.

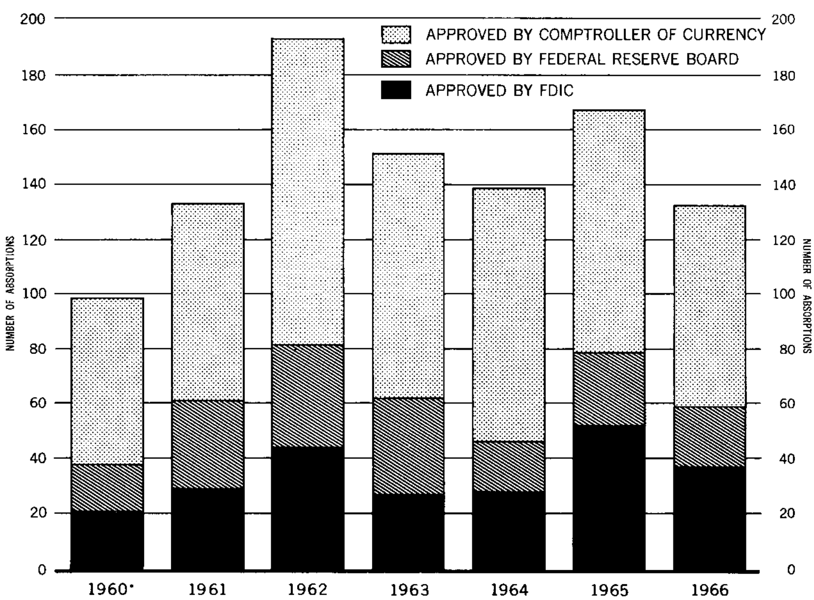
Applications for branches. In giving approval for the establishment of branches of insured banks not members of the Federal Reserve System, the Corporation must consider the same six factors enumerated above. A total of 397 applications for new branches was approved by the Corporation in 1966, 14 percent more than in 1965. An additional 28 branches resulted from mergers approved by the Corporation.

For several years the number of banking offices has been steadily rising, a trend which reflects many factors, including the growth of population and shifts in the locational patterns of population. Most of the increase in offices in recent years has been as new branches.

Merger transactions. Bank merger transactions have been one of the more active areas of bank supervision in recent years, reflecting the Federal supervisory agencies' increased responsibility under the 1960 amendment to the Federal Deposit Insurance Act. Under this amendment, an insured bank must obtain approval of one of the Federal banking agencies to engage in any merger, consolidation, acquisition of assets or assumption of liabilities transaction. The Corporation's approval is required if the surviving bank is a nonmember insured bank, or in a merger of any insured bank with a noninsured institution.

An amendment in 1966 provided that, in passing upon each application, the responsible agency shall consider several specific factors, including the effect of the transaction on competition, financial and managerial resources, future prospects of the ex-

CHART D FDIC HAS ACCOUNTED FOR ABOUT ONE-FOURTH OF FEDERAL AGENCY APPROVALS OF BANK MERGERS SINCE 1960



*Period beginning May 13, 1960 to end of year.

isting and proposed institutions, and the convenience and needs of the community to be served. A merger proposal whose effect is to substantially lessen competition may be approved if the anticompetitive factor is clearly outweighed in the public interest by the convenience and needs of the community served.

Chart D shows the merger applications approved each year since 1960 by the three Federal agencies. An analysis of applications approved by the Corporation indicates that, for absorbing banks, the desire to expand services to customers and to gain representation in certain localities through branches was important in many cases. The reasons most often cited in the case of absorbed banks included the problem of management succession, poor earnings performance, and inability to provide adequate banking services or to meet competition.

During 1966, as shown in Table 5, the Federal banking agencies approved mergers involving 255 banks, including 119 absorbing banks and 136 absorbed banks. The Corporation approved cases involving 71 banks, including 35 absorbing banks and 36 absorbed banks. Details of each case approved by the Corporation in 1966 are shown in Table 15.

Table 5. MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1966

Banks	Number of banks[1]	Resources (in thousands)[2]	Offices operated[2]	
			Prior to transaction	After transaction
ALL CASES				
Banks involved	255[3]	$21,760,374	1,930	1,920
Absorbing banks	119[4]	20,114,907[4]	1,688[4]	1,920[4]
Absorbed banks	136[3]	1,645,467	242	....
National	55	506,722	105	....
State banks members FRS	22	281,869	40	....
Not members FRS	52	836,044	93	....
Noninsured institutions	7[4]	20,832[4]	4[4]	....
CASES WITH RESULTING BANK A NATIONAL BANK[5]				
Banks involved	143[6]	$ 9,607,874[6]	1,032	1,026
Absorbing banks	64	8,815,000	885	1,026
Absorbed banks	79	792,874	147	....
National	41	402,756	82	....
State banks members FRS	13	168,165	24	....
Not members FRS	24	215,222	40	....
Noninsured institution	1	6,731	1	....
CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	43	$ 8,487,900	548	548
Absorbing banks	21	7,874,300	500	548
Absorbed banks	22	613,600	48	....
National	4	39,600	10	....
State banks members FRS	7	78,000	14	....
Not members FRS	10	495,800	24	....
Noninsured institution	1	200	(nonoperating)	....
CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM[7]				
Banks involved	71	$ 4,068,793	387	383
Absorbing banks	35	3,823,069	339	383
Absorbed banks	36[3]	245,724	48	....
National	10	64,366	13	....
State banks members FRS	2	35,704	2	....
Not members FRS	18	125,022[8]	29[8]	....
Noninsured institutions	6[3]	20,632	4	....

[1] The number of absorbing banks is smaller than the number of cases, because a few banks participated in more than one case.
[2] Where an absorbing bank engaged in more than one transaction, the resources included are those of the bank before the latest transaction, and the number of offices before the first and after the latest transaction.
[3] Includes 4 institutions other than banks (1 savings and loan association and 3 safe deposit companies).
[4] Merger case No. 13 in Table 15 was reported also as an approved case by the Office of the Comptroller of the Currency. This case is included only once in the totals in this table.
[5] Includes two cases effective on Jan. 1, 1966 approved in 1965; excludes two cases effective on Jan. 1, 1967 approved in 1966.
[6] Some data in this group, reflected also in totals, have been revised since the first printing of Part One of this Report.
[7] Includes five cases approved by the Corporation of absorptions of noninsured institutions by member banks.
[8] In one case an approved new bank absorbed a branch of a State nonmember bank; resources and office of branch are included in this table.

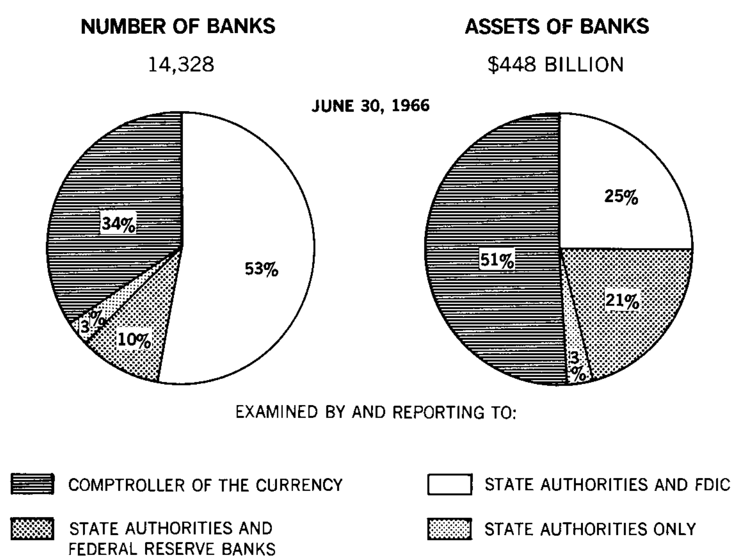
Other applications. Other activities for which insured nonmember banks must obtain the Corporation's approval include any change in the location of a main office or branch, retirement or adjustment of capital, or change in a bank's corporate powers.

Bank examinations. Examinations are one of the oldest and most significant tools of bank supervision. They are the instrument by which the Corporation seeks to attain and maintain, within its scope, the conditions of sound banking essential to the viability of deposit insurance. Examinations provide the Corporation with information concerning its insurance risk and alert it to conditions which may require corrective measures.

Though certain quantitative measures are employed in examinations, the examination is basically a qualitative appraisal of the soundness of a bank's operations. An examination involves ascertaining the character and amount of a bank's assets and liabilities, a detailed appraisal of assets, a review of the bank's policies and procedures, an evaluation of management, and a determination of whether all pertinent statutes and regulations are being observed. Variations in economic conditions, the changing nature of bank operations, and individual characteristics of particular banks provide a continuing challenge to the bank examiner. New areas of

CHART E

BANKS EXAMINED REGULARLY BY FDIC, ABOUT HALF OF ALL BANKS, HOLD ONE-FOURTH OF ALL BANK ASSETS



development, such as the accelerating trend of automation, the proliferation and expansion of banking services, and the changing role of banks in financial intermediation have added to the examiners' concerns. Through its examinations and other means, the Corporation seeks to assist banks in adjusting to the new environment without, however, infringing upon the prerogatives and primary responsibility of bank management.

The tripartite Federal supervision of banks is observed in bank examinations, resulting in minimal duplication of effort notwithstanding some overlap of responsibility. The Corporation regularly examines insured State banks which are not members of the Federal Reserve System, except those located in the District of

Table 6. BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1965 AND 1966

Activity	Number	
	1966	1965
Field examinations and investigations—total	**13,663**	**12,981**
Examinations of main offices—total	**6,980**	**6,796**
Regular examinations of insured banks not members of Federal Reserve System	6,815	6,618
Re-examinations; or other than regular examinations	144	146
Entrance examinations of operating noninsured banks	21	32
Examinations of departments and branches	**4,832**	**4,439**
Examinations of trust departments	1,114	1,056
Examinations of branches	3,718	3,383
Investigations	**1,851**	**1,746**
New bank investigations	169	151
State banks members of Federal Reserve System	*14*	*6*
Banks not members of Federal Reserve System	*155*	*145*
New branch investigations	462	435
Mergers and consolidations	160	144
Miscellaneous investigations	1,060	1,016
Washington office review of reports of examination of insured banks—total	**9,418**	**9,077**
National banks	1,676	1,607
State banks members of Federal Reserve System	789	603
State banks not members of Federal Reserve System	6,953	6,867

Columbia, which are under the jurisdiction of the Comptroller of the Currency. Banks examined by the Corporation comprise about one-half of all banks and account for about one-fourth of all bank assets, as indicated in Chart E. In over one-half of the States, these examinations may be made jointly or concurrently with the respective State supervisory authorities. As a rule the Corporation itself does not examine national banks or State banks which are members of the Federal Reserve System, but it reviews the reports of examination made by the other Federal agencies.

The Corporation's examiners operate out of offices located in different sections of the nation. In addition to their examination work, they conduct investigations relating to applications for insurance, branches, mergers and similar matters. Recommendations based on these investigations, after appropriate review, provide the basis for decision by the Corporation's Board of Directors.

During 1966 the Corporation examined 6,980 banks, including 144 re-examinations. The 1,851 investigations made during 1966 continued at the high level characteristic of recent years. Numbers of examinations, investigations, and reports reviewed during 1966 are shown in Table 6.

Cease-and-desist orders. Whenever examination of a bank reveals unsound practices or violations of law, the Corporation is ordinarily able through cooperative efforts to obtain correction of the offending practice or situation. When persistent efforts in this direction have failed to effect a correction, the Corporation has on occasion invoked its authority to initiate proceedings to terminate the bank's insurance. Termination of deposit insurance, however, is a drastic action to be used sparingly, and the Corporation has been reluctant to employ it in cases which continue to offer hope of cooperative agreement.

An intermediate degree of authority, which could be directed more precisely at the particular offense, was obtained in an Act effective October 16, 1966. This Act empowers the Corporation, when corrective action is not obtainable by the State supervisory authority, to issue cease-and-desist orders in regard to specific violations or practices or, in situations involving personal dishonesty, to suspend or remove personnel responsible for such actions. Detailed provisions of the Act are given in the Legislation Section of this report.

Citations contemplating termination of insurance. When unsound banking practices or violations of law persist, the Corporation has responsibility to institute proceedings for termination of the bank's insurance. This action was taken twice during 1966. One of these cases was closed when the bank suspended operation, while the other was pending at year-end.

The year started with a backlog of four pending cases. Three of these were closed during 1966 following necessary corrections; in the other case action was deferred.

Actions to terminate insurance have been initiated 195 times during the Corporation's history. In only 12 cases have proceedings continued to the point where insurance has been terminated. The outcome of all termination proceedings begun under Section 8(a) of the Federal Deposit Insurance Act is shown in Table 7.

Regulation of bank securities. The registration and reporting provisions of the Securities Exchange Act of 1934 were extended to securities issued by banks under terms of Public Law 88-467, effec-

Table 7. ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936-1966

Disposition or status	1936-1966[1]	Started during 1966
Total banks against which action was taken	**195**	2
Cases closed	**193**	**1**
Corrections made	76	.....
Banks absorbed or succeeded by other banks	69	.....
With financial aid of the Corporation	*62*	.....
Without financial aid of the Corporation	*7*	.....
Banks suspended prior to setting date of termination of insured status by Corporation	36	1
Insured status terminated, or date for such termination set by Corporation, for failure to make corrections	12	.....
Banks suspended prior to or on date of termination of insured status	*9*	.....
Banks continued in operation [2]	*3*	.....
Cases not closed December 31, 1966	2	**1**
Action deferred pending analysis of examination	2	1

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

tive August 20, 1964. The Federal Deposit Insurance Corporation has administrative responsibility for the Act with respect to insured State nonmember banks.

The legislation had its first major impact during 1965, when the Corporation received registration statements from 76 banks, all but one of which remained effectively registered throughout the year. In 1966, the number of registered banks increased to 82 as a result of 10 new registrations and the withdrawal of three banks through mergers and one through conversion to a national charter. Effective July 1, 1966, in accordance with statutory provisions, the minimum stockholder requirement for registration declined from 750 to 500. However, since this measure is applied as of the last day of the bank's fiscal year and most banks operate on the basis of a coincident fiscal-calendar year, the effect of the stricter requirement will not be felt until 1967.

In accordance with further requirements under this statute, the Corporation also received annual reports, current reports, and proxy statements from registered State nonmember banks, as well as beneficial stock ownership reports from each of the banks' directors, officers, and large stockholders. During the year nearly 1,900 changes in beneficial ownership were reported.

Changes in bank ownership and loans secured by bank stock. During 1964 several insured banks failed as the result of a rapid and drastic deterioration in asset quality following a change in management control. In an effort to maintain closer supervision over this problem, the Corporation sponsored a measure enacted as Public Law 88-593, effective September 12, 1964. This measure is designed to alert the Corporation to changes in control of management of insured banks so that the character of new management may be immediately investigated and supervisory action taken if appropriate.

Under this law, the president or other chief executive officer of an insured bank is required to report promptly to the appropriate Federal banking agency the facts about changes occurring in the ownership of outstanding voting stock which will result in a change in control of the bank. Where there has been a change in control, each insured bank is also required to report any changes or replacements in the chief executive officer or directors occurring during the next year. Furthermore, any loan secured by 25 percent or more of the outstanding voting stock of an insured bank must also be reported by the president or chief executive officer of the lending bank to the Federal banking agency having supervisory responsibility for the bank whose stock secures the loan. Copies of all reports received by the other Federal banking agencies must be furnished to the Corporation.

There were 424 changes in control and 223 loans reported under these requirements for 1966 and received through January 31, 1967. Over two-thirds of the reported changes in control involved banks supervised by the Corporation. As might be expected, most of the changes in control occurred in relatively small banks.

Every reported change of control is investigated to the extent warranted. If information is developed which provides a basis for believing that the new ownership may be inimical to the best interests of depositors, the bank is promptly placed under intensive supervision. The bulk of reported changes in control, however, have not required special supervisory attention.

Other reports from banks. The Corporation obtains statistical and other information from banks by means of periodic calls for reports of condition and through special requests for information from time to time. Every insured bank reports its financial condition four times each year to one of the Federal supervisory agencies; nonmember insured banks report directly to the Corporation. Income and dividend statements are obtained from banks once each year.

In 1947 the Corporation was given responsibility for collection and publication of all-bank statistics under an agreement arranged by the Bureau of the Budget with the Federal banking agencies. In connection with this, the Corporation publishes asset and liability data covering noninsured banks; however, it does not collect or report income data concerning these banks.

During 1966 the Corporation conducted a special survey of interest rates paid on time and savings deposits of insured nonmember banks. The purpose was to obtain information on current conditions in the market for savings, complementing an identical survey of member banks made by the Federal Reserve System. The survey provided information not previously available on interest rates and amounts for major types of time and savings deposits held by individuals and businesses as of May 11, 1966, March 2, 1966 and December 3, 1965.

A survey of deposits in insured banks was made by the Corporation as of June 30, 1966. This survey differed from previous such surveys, which have been conducted periodically since 1934, in two significant respects. First, data were reported separately for savings deposits of individuals and businesses; second, data were reported for each banking office, in contrast to previous surveys wherein each bank (with its branches) was a reporting unit. The new information is expected to be particularly helpful in the analysis of banking markets.

Conferences with supervisors of state banks. In March 1966, Corporation officials met with State banking authorities of the States comprising FDIC Districts 9, 10, and 11. This was the fifth and concluding conference of a series which was initiated in mid-1964 to provide State and Corporation officials an informal opportunity to review industry developments and discuss other matters of mutual interest. The discussion focused on State and Federal banking laws and regulations and legislative proposals at the State and Federal levels which would affect bank supervision.

The second series of conferences was initiated in September 1966. In attendance at this conference were State banking authorities and staff aides from the 13 States which comprise FDIC Districts 3, 7, and 12. Among the topics discussed were money market conditions and questions of common concern in the area of examinations and bank investigations. It is presently contemplated that there will be two such meetings each year, which will bring the second series to a close during 1968.

FEDERAL LEGISLATION

Amendment of 1960 Bank Merger Act. The Bank Merger Act of 1960 was amended by an Act of Congress approved February 21, 1966 (Public Law 89-356). The main purpose was to resolve conflicts which had arisen concerning the interpretation of the Merger Act. To this end an attempt was made in the new Act to have the bank supervisory authorities, the Department of Justice, and the Courts take into account the same set of standards in their actions with respect to mergers. It was required that consideration be given to the effect that a proposed merger might have in creating a monopoly, substantially lessening competition, or restraining trade, but provided that a merger might be approved if the anticompetitive effects were clearly outweighed in the public interest by the probable effect with respect to the convenience and needs of the community to be served. The consummation of a merger, in usual circumstances, could not take place until 30 days after approval by the appropriate supervisory authority in order to give the Department of Justice an opportunity to contest the merger in the courts, if it so desired. If a suit were not filed within that period, the merger could not thereafter be attacked judicially on the ground that it was a violation of an antitrust law other than section 2 of the Sherman Antitrust Act. The new Act also contained special provisions concerning pending and future judicial attacks on mergers previously approved.

Amendment of 1956 Bank Holding Company Act. The Bank Holding Company Act of 1956 was amended in numerous respects by an Act approved July 1, 1966 (Public Law 89-485). Among other things, the coverage of the Bank Holding Company Act was extended to long-term, nonbusiness trusts; and exemptions for nonprofit religious, charitable, and educational organizations, companies registered under the Investment Company Act of 1940 and their affiliates, and certain agricultural companies, were repealed. The standards and procedures prescribed for bank merger cases by the Act of February 21, 1966, discussed above, were made applicable to the approval of proposed acquisitions, mergers, and consolidations under the Bank Holding Company Act. Provisions relating to loans and investments by subsidiary banks involving other companies within the same holding company group were repealed. At the same time, section 23A of the Federal Reserve Act, relating to loans and other dealings between member banks and their affiliates, was amended in numerous respects and was given broader application. Of particular significance, section 23A was extended to apply to insured nonmember banks as well as member banks.

Regulation of interest rates. An Act containing temporary interest rate control provisions (Public Law 89-597) was approved by the President on September 21, 1966, and unless extended, will expire at the end of one year. The Act directed the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to take action to reduce interest rates to the maximum extent feasible. The provisions of the Federal Reserve Act which directed the Board of Governors to prescribe maximum rates of interest payable on time and savings deposits in member banks were amended to provide that the Board, after consulting with the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board, may limit by regulation the rates of interest which may be paid on such deposits. Thus, consultation was required and the regulation of interest rates payable by member banks was put on a discretionary basis instead of the mandatory basis previously prescribed. The Act also was amended to provide additional bases for differentiating between deposits, and as amended empowered the Board of Governors to prescribe different rate limitations on the basis of different classes of deposits, deposits of different amounts or with different maturities or subject to different conditions regarding withdrawal or repayment, according to the nature or location of member banks or their depositors, or according to such other reasonable bases as the Board may deem desirable in the public interest.

The provisions of the Federal Deposit Insurance Act authorizing the regulation of rates of interest payable by insured nonmember banks were amended in like manner. Interest rate limitations were placed on a discretionary basis, consultation was required before changes in rates, different rate limitations were authorized for different types and classes of deposits, and insured nonmember mutual savings banks were explicitly mentioned. In addition, the Act gave similar authority to the Federal Home Loan Bank Board with respect to the regulation of rates payable by institutions which are insured institutions as defined in section 401(a) of the National Housing Act and those member institutions subject to regulation by the Board. This subjected savings and loan associations to such dividend rate limitations for the first time. Other provisions of the Act amended the Federal Reserve Act to increase the maximum reserve requirements for time and savings deposits and to authorize Federal Reserve open-market operations in obligations of agencies of the United States.

Cease-and-desist legislation. The Financial Institutions Supervisory Act of 1966 (Public Law 89-695), approved on October 16, 1966, was designed primarily to provide the means for more effective supervision of insured banks and savings and loan associations. The Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, and the Federal Savings and Loan Insurance Corporation were authorized to issue temporary and permanent cease-and-desist orders to insured institutions with respect to violations of law, rule, regulation, charter, or written condition or agreement, or with respect to unsafe or unsound practices. In addition, another new remedy was provided by empowering the supervisory authorities to take action to suspend or remove officers or directors of insured institutions for violation of law, ruling, regulation or a final cease-and-desist order, or for engaging or participating in any unsafe or unsound practice, when personal dishonesty is involved. Provision also was made for suspension or removal of persons convicted of any criminal offense involving dishonesty or a breach of trust or charged with a felony of that nature. In addition to these new grants of authority, the Act amended various provisions of existing law, including those relating to the termination of deposit and share account insurance. All of the above-mentioned provisions of the Act will expire on June 30, 1972, unless further action is taken to continue them in effect.

Increase in insurance coverage. In the course of final passage, there were added to the Financial Institutions Supervisory Act of 1966 provisions of a permanent nature, which increased the maximum insurance coverage provided by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation from $10,000 to $15,000 for each depositor or share account holder. The two Corporations also were authorized to define, with such classifications and exceptions as they might prescribe, the terms used with respect to insurance coverage.

RULES AND REGULATIONS OF THE CORPORATION AND STATEMENTS OF GENERAL POLICY

Employee standards of conduct. On May 8, 1965, the President issued Executive Order 11222 directing each agency to prescribe standards of ethical conduct for Government officers and employees. Pursuant to the provisions of this executive order, the Corporation adopted a new Part 336 of its rules and regulations, Employee Responsibilities and Conduct, in April, 1966.

Payment of deposits and interest. In 1966, the Corporation, in four separate actions, amended Part 329 of its rules and regulations, relating to the payment of deposits and interest thereon by insured nonmember banks.

Effective July 20, 1966, the Board of Directors under existing legislative authority defined "multiple maturity time deposits", and provided for a maximum rate of 5 percent on such deposits payable in 90 days or more, and 4 percent on such deposits payable in less than 90 days. In taking this action, the Corporation sought to limit excessive interest rate competition among financial institutions, and to support the Federal Reserve in its primary monetary policy responsibilities.

To implement the interest rate legislation approved by the President on September 21, 1966 (Public Law 89-597), Part 329 was amended effective September 26, 1966, to reduce from 5½ percent per annum to 5 percent per annum the maximum rate of interest that may be paid by insured nonmember banks on single maturity time deposits of less than $100,000 received on or after September 26, 1966. At the same time, banks were authorized to compound interest up to the applicable maximum rate on any basis that the bank desired to adopt. This action under the Corporation's new authority to differentiate deposits by size as well as other reasonable criteria was intended to check further escalation in interest rates on time money.

As part of the same amendment, provisions were added to Part 329 to regulate, for the first time, the payment of interest and dividends by insured nonmember mutual savings banks, and a maximum rate of 5 percent was prescribed for any time on or after October 1, 1966. This coincided with the issuance of regulations by the Federal Home Loan Bank Board, under the new interest legislation, to prescribe maximum rates for insured savings and loan associations and similar organizations.

Effective October 1, 1966, Part 329 was amended to permit insured nonmember mutual savings banks in Alaska to pay higher rates of interest or dividends than the rate prescribed generally for mutual savings banks.

On December 8, 1966, the Board of Directors adopted amendments to Parts 327 and 329, effective January 1, 1967, designed to sharpen the technical distinctions between time deposits and savings deposits. Specifically, the amendments to the rules and regulations amend the definitions of the terms "time deposit, open account" and "savings deposit" to make it clear that deposits payable on a specified date or at the expiration of a specified period of time after the date of deposit (sometime referred to as "fixed maturity" deposits) do not constitute savings deposits. The amendments to Part 327 of the rules and regulations relating to assessments are conforming amendments only and are not intended to affect the manner of computing assessments payable by insured banks to the Corporation.

Advertising for funds. On December 14, 1966, the Board of Directors approved a statement of policy with respect to advertising for funds by insured State nonmember banks. Similar statements were issued by the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Home Loan Bank Board relating to institutions subject to their supervision.

The foregoing statutes, the complete text of Part 336, each of the amendments to Parts 327 and 329, and the statement of policy with respect to advertising, along with a summary of significant State banking legislation, are presented in Part Two of this report.

ADMINISTRATION OF THE CORPORATION

Structure and employees. The Corporation is managed by a Board of Directors consisting of three members appointed by the President by and with the advice and consent of the Senate. Two of the Directors are appointed directly to the Board for six-year terms; one of these appointive members serves as Chairman. The Comptroller of the Currency, also a Presidential appointee, is *ex officio* the third member of the Board.

Mr. K. A. Randall, appointed to the Board on March 10, 1964, served as Chairman throughout 1966. Mr. William W. Sherrill was appointed as Director to a full term beginning March 4, 1966, filling a vacancy which had existed since April 29, 1965. Mr. James J. Saxon continued as Comptroller of the Currency until November 15, 1966. Mr. William B. Camp, First Deputy Comptroller and designated by the President as Mr. Saxon's successor, served on the Board as Acting Comptroller until his appointment as Comptroller was confirmed by the Senate on February 1, 1967.

The organization of the Corporation and officials, supervising examiners and district offices, are shown on pages iv, v, and vi.

During 1966 the research function was strengthened to provide additional support for bank supervisory activities and to expand services to banks. Heavier work loads required additional personnel in both the Examination and Legal Divisions. Employee education and training programs were stepped up.

The net increase of personnel totaled 83 in 1966, consisting of 63 in the Washington office and 20 in the District offices. All divisions of the Corporation contributed to the increase through the addition of one or more personnel. The number of employees at the end of 1965 and 1966, distributed by Division and location, is shown in Table 8.

Table 8. NUMBER OF OFFICERS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1965 AND 1966

Unit	Total		Washington office		District and other field offices	
	1966	1965	1966	1965	1966	1965
Total	**1,529**[1]	**1,446**[1]	**426**	**363**	**1,103**	**1,083**
Directors	3	2	3	2	0	0
Executive Offices	44	43	44	43	0	0
Legal Division	41	36	41	36	0	0
Division of Examination	1,111	1,078	66	62	1,045	1,016
Division of Liquidation	112	101	64	45	48	56
Division of Research and Data Processing	89	72	89	72	0	0
Office of Controller	129	114	119	103	10	11

[1] Includes 68 non-permanent employees in 1966, and 69 in 1965. These are employees serving either on short-term appointments or on a non-pay or when actually employed basis.

Examination activity continued to require the largest number of personnel, about three-fourths of all employees. During the year, 167 field examiners entered Corporation employment, while 145 left; the turnover rate for this group was 16.7 per 100.

For all employees, exclusive of temporary field liquidation personnel and 80 students employed temporarily under the summer employment program, the turnover rate was 20.8 per 100.

Employee benefits and programs. There were no significant changes during 1966 in benefits and programs available to employees, or in employee participation in existing programs.

FINANCES OF THE CORPORATION

Assets and liabilities. Assets and liabilities of the Corporation on December 31, 1966 are shown in Table 9.

Assets totaled $3,443 million at the end of 1966. These were predominantly in the form of United States Government obligations valued at $3,414 million, including accrued interest. Assets acquired in insurance transactions, after allowances for losses, were valued at $17 million. The Corporation carried its site and office building at nearly $8 million and held cash of $4 million.

Liabilities totaled $191 million on December 31, 1966. Of this amount, net assessment income credits due insured banks equaled $188 million.

The excess of the Corporation's assets over its liabilities constitutes the deposit insurance fund. This fund, which represents accumulated income since the inception of deposit insurance, amounted to $3,252 million on December 31, 1966. This basic resource for the protection of depositors is reinforced by the Corporation's authority to borrow up to $3 billion from the United States Treasury whenever in the judgment of the Corporation's Board of Directors such funds are needed for insurance programs. This borrowing power has not yet been used.

Income and expenses in 1966. Net income added to the deposit insurance fund during 1966 aggregated $216 million. Assessments earned amounted to $284 million but, after allowance of assessment credits to insured banks of $172 million, contributed only $112 million to retained income. Interest on the United States Government securities in which the insurance fund is invested, as required by statute, totaled $129 million. Operating expenses approached $20 million, and insurance losses and expenses absorbed or provided for exceeded $5 million. The Corporation's income and expenses for 1966 are shown in Table 10.

Assessments on banks are levied at the statutory annual rate of one-twelfth of 1 percent of assessable deposits. The 1950 Act,

Table 9. STATEMENT OF FINANCIAL CONDITION, FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1966

ASSETS		
Cash		$ 4,440,935
U. S. Government obligations:		
Securities at amortized cost (face value $3,393,312,000; cost $3,371,195,373)	$3,378,942,571	
Accrued interest receivable	35,045,566	3,413,988,137
Assets acquired in receivership and deposit assumption transactions: [1]		
Special assistance to insured banks	$ 10,000,000	
Subrogated claims of depositors against closed insured banks	20,371,914	
Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability	492,655	
Loans to insured banks	2,444,020	
Equity in assets acquired under purchase agreements	3,092,617	
Assets purchased outright	14,978	
	$ 36,416,184	
Less reserves for losses	19,748,359	16,667,825
Miscellaneous assets		282,300
Land and office building, less depreciation on building		7,905,311
Furniture, fixtures, and equipment (cost $1,383,733)		1
Total assets		$3,443,284,509
LIABILITIES AND DEPOSIT INSURANCE FUND [2]		
Accounts payable and accrued liabilities		$ 1,211,790
Earnest money, escrow funds, and collections held for others		169,208
Accrued annual leave of employees		1,320,051
Due insured banks:		
Net assessment income credits available July 1, 1967 (See Table 11)	$ 172,606,507	
Other assessment credits available immediately	15,521,841	188,128,348
Net insured balances of depositors in closed insured banks—see related asset		492,655
Total liabilities		$ 191,322,052
Deposit insurance fund, net income accumulated since inception [3] (See Table 10)		3,251,962,457
Total liabilities and deposit insurance fund		$3,443,284,509

[1] Reported hereunder is the book value of assets in process of liquidation. An analysis of all assets acquired in receivership and deposit assumption transactions, including those assets which have been liquidated, is furnished in Table 4.

[2] Capital stock was retired by payments to the United States Treasury in 1947 and 1948.

[3] The deposit insurance fund represents the accumulated net income of the Corporation and is available for insuring deposits and payment of expenses. The borrowing authority of $3 billion from the United States Treasury has never been used.

NOTE: This statement does not include accountability for the assets and liabilities of the closed insured banks for which the Corporation acts as receiver or liquidating agent.

however, introduced a provision whereby a portion of the assessments is returned to the banks, in the form of individual credits against future assessments, after deducting the Corporation's losses and expenses. This returned portion, initially set at 60 percent, was raised to 66⅔ percent in 1961. Since that time—and in 1966 as well—the effective assessment rate has been about one-thirty-first of 1 percent of deposits. The method of determining and distributing net assessment income in 1966 is shown in Table 11.

In addition to its assessment and investment income, the turnover of its investments in U. S. Government securities and in assets acquired in insurance operations provides funds which the Corporation has at its disposal. Most of the activity is in the sale, redemption or purchase of U. S. Government securities. The sources and application of all funds administered by the Corporation during 1966 are shown in Table 12.

Income and the deposit insurance fund, 1934-1966. The components of income and its distribution since the beginning of the

Table 10. STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1966

Income:		
Deposit insurance assessments:		
Assessments earned in 1966	$284,286,637	
Less net assessment income credits to insured banks	172,603,634	$ 111,683,003
Adjustments of assessments earned in prior years		17,614
		$ 111,700,617
Net income from U. S. Government securities		129,302,688
Other income		1,588
Total income		**$ 241,004,893**
Expenses and losses:		
Administrative and operating expenses:		
Salaries and wages	$ 12,961,963	
Civil Service retirement fund and F.I.C.A. payments	822,928	
Travel expenses	3,360,101	
Office rentals, communications and other expenses	2,646,911	$ 19,791,903
Provisions for insurance losses:		
Applicable to banks assisted in 1966	$ 4,785,000	
Adjustments applicable to banks assisted in prior years	362,859	5,147,859
Non-recoverable insurance expenses incurred to protect depositors—net		428,424
Total expenses and losses		**$ 25,368,186**
Net addition to the deposit insurance fund—1966		**$ 215,636,707**
Deposit insurance fund, January 1, 1966		**3,036,325,750**
Deposit insurance fund, December 31, 1966, net income accumulated since inception (see Table 9 and note 3 of Table 9)		**$3,251,962,457**

Corporation's operations in 1933 are shown in Table 13. The relatively low losses and expenses have enabled the Corporation to retain 89 percent of the income it has received, enabling it to build up the deposit insurance fund.

Growth in the deposit insurance fund has just about kept pace with the growth in deposits, giving that relationship a notable stability. On December 31, 1966, the fund amounted to 0.81 percent of total deposits and 1.39 percent of insured deposits, as shown

Table 11. DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1966

Determination of net assessment income:		
Total assessments which became due during the calendar year		$284,286,637
Less:		
Administrative and operating expenses		$ 19,791,903
Net additions to reserve to provide for insurance losses:		
Provisions applicable to banks assisted in 1966	$ 4,785,000	
Adjustments to provisions for banks assisted in prior years	375,859	5,160,859
Insurance expenses		428,424
Total deductions		$ 25,381,186
Net assessment income for 1966		**$258,905,451**
Distribution of net assessment income, December 31, 1966:		
Net assessment income for 1966:		
33⅓% transferred to the deposit insurance fund		$ 86,301,817
66⅔% credited to insured banks		172,603,634
Total		**$258,905,451**
Allocation of net assessment income credit among insured banks, December 31, 1966:		Percentage of total assessment becoming due in 1966
Credit for 1966	$172,603,634	60.715%
Adjustments of credits for prior years	2,872	.001
Total	**$172,606,506**	**60.716%**

in Table 14. The existence of the fund as a concrete, available resource, backed up by adequate supervision, has helped to moderate the demands upon it and to maintain public confidence in the safety of deposits.

Audit. A continuous internal audit is made of the Corporation's operations. In addition, an independent audit of the Corporation's books has been made each year since its establishment, first by

Table 12. SOURCES AND APPLICATION OF FUNDS, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1966

Funds provided by:	
Net deposit insurance assessments	$127,778,782
Income from U. S. Government securities, less amortized net discounts	127,453,130
Maturities and sales of U. S. Government securities	380,458,000
Collections on assets acquired in receivership and deposit assumption transactions	6,369,818
Total funds provided	**$642,059,730**
Funds applied to:	
Administrative, operating and insurance expenses, less miscellaneous credits	$ 20,083,535
Acquisition of assets in receivership and deposit assumption transactions	18,891,397
Purchase of U. S. Government securities	599,818,962
Net changes in other assets and liabilities	3,265,836
Total funds applied	**$642,059,730**

Table 13. INCOME AND EXPENSES, FEDERAL DEPOSIT INSURANCE CORPORATION, BY YEAR, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, TO DECEMBER 31, 1966 ADJUSTED TO DECEMBER 31, 1966

(In millions)

Year	Income			Expenses and losses				Net income added to deposit insurance fund[4]
	Total	Deposit insurance assessments[1]	Investments and other sources[2]	Total	Deposit insurance losses and expenses	Interest on capital stock[3]	Administrative and operating expenses	
1933-66	**$3,634.1**	**$2,291.8**	**$1,342.3**	**$382.1**	**$47.8**	**$80.6**	**$253.7**	**$3,252.0**
1966	241.0	111.7	129.3	25.0	5.2	....	19.8	216.0
1965	214.6	102.2	112.4	24.4	6.7	....	17.7	190.2
1964	197.1	93.0	104.1	18.9	3.4	....	15.5	178.2
1963	181.9	84.2	97.7	16.4	2.0	....	14.4	165.5
1962	161.1	76.5	84.6	13.8	.1	....	13.7	147.3
1961	147.3	73.4	73.9	14.8	1.6	....	13.2	132.5
1960	144.6	79.6	65.0	12.5	.1	....	12.4	132.1
1959	136.5	78.6	57.9	12.1	.2	....	11.9	124.4
1958	126.8	73.8	53.0	11.6	....	....	11.6	115.2
1957	117.3	69.1	48.2	9.7	.1	....	9.6	107.6
1956	111.9	68.2	43.7	9.6	.5	....	9.1	102.3
1955	105.7	66.1	39.6	9.0	.3	....	8.7	96.7
1954	99.7	62.4	37.3	7.8	.1	....	7.7	91.9
1953	94.2	60.2	34.0	7.3	.1	....	7.2	86.9
1952	88.6	57.3	31.3	7.8	.8	....	7.0	80.8
1951	83.5	54.3	29.2	6.6	....	....	6.6	76.9
1950	84.8	54.2	30.6	7.8	1.4	....	6.4	77.0
1949	151.1	122.7	28.4	6.4	.3	....	6.1	144.7
1948	145.6	119.3	26.3	7.0	.7	.6	5.7	138.6
1947	157.5	114.4	43.1	9.9	.1	4.8	5.0	147.6
1946	130.7	107.0	23.7	10.0	.1	5.8	4.1	120.7
1945	121.0	93.7	27.3	9.4	.1	5.8	3.5	111.6
1944	99.3	80.9	18.4	9.3	.1	5.8	3.4	90.0
1943	86.6	70.0	16.6	9.8	.2	5.8	3.8	76.8
1942	69.1	56.5	12.6	10.1	.5	5.8	3.8	59.0
1941	62.0	51.4	10.6	10.1	.6	5.8	3.7	51.9
1940	55.9	46.2	9.7	12.9	3.5	5.8	3.6	43.0
1939	51.2	40.7	10.5	16.4	7.2	5.8	3.4	34.8
1938	47.7	38.3	9.4	11.3	2.5	5.8	3.0	36.4
1937	48.2	38.8	9.4	12.2	3.7	5.8	2.7	36.0
1936	43.8	35.6	8.2	10.9	2.6	5.8	2.5	32.9
1935	20.8	11.5	9.3	11.3	2.8	5.8	2.7	9.5
1933-34	7.0	([5])	7.0	10.0	.2	5.6	4.2[6]	—3.0

[1] For the period from 1950 to 1966, inclusive, figures are net after deducting the portion of net assessment income credited to insured banks pursuant to provisions of the Federal Deposit Insurance Act of 1950, as amended. Assessment credits to insured banks for these years amounted to $1,787 million.

[2] Includes $9.3 million of interest and allowable return received on funds advanced by the Corporation in 162 receivership and deposit assumption cases.

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

[4] The amounts shown herein give effect to adjustments to the deposit insurance fund in the years to which they are applicable, whereas the amounts of the Fund shown in Table 14 represent the Fund as reported on the dates specified. Hence the deposit insurance fund reported in Table 14 cannot be computed by annual addition of income reported herein, except for the Fund as of December 31, 1966.

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

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

Table 14. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934-1966

Year (Dec. 31)	Deposits in insured banks (in millions)		Percent of deposits insured	Deposit insurance fund (in millions)	Ratio of deposit insurance fund to—	
	Total	Insured[1]			Total deposits	Insured deposits
1966......	$401,096	$234,150	58.4%	$3,252.0	.81%	1.39%
1965......	377,400	209,690	55.6	3,036.3	.80	1.45
1964......	348,981	191,787	55.0	2,844.7	.82	1.48
1963......	313,304[2]	177,381	56.6	2,667.9	.85	1.50
1962......	297,548[3]	170,210[4]	57.2[4]	2,502.0	.84	1.47[4]
1961......	281,304	160,309[4]	57.0[4]	2,353.8	.84	1.47[4]
1960......	260,495	149,684	57.5	2,222.2	.85	1.48
1959......	247,589	142,131	57.4	2,089.8	.84	1.47
1958......	242,445	137,698	56.8	1,965.4	.81	1.43
1957......	225,507	127,055	56.3	1,850.5	.82	1.46
1956......	219,393	121,008	55.2	1,742.1	.79	1.44
1955......	212,226	116,380	54.8	1,639.6	.77	1.41
1954......	203,195	110,973	54.6	1,542.7	.76	1.39
1953......	193,466	105,610	54.6	1,450.7	.75	1.37
1952......	188,142	101,842	54.1	1,363.5	.72	1.34
1951......	178,540	96,713	54.2	1,282.2	.72	1.33
1950......	167,818	91,359	54.4	1,243.9	.74	1.36
1949......	156,786	76,589	48.8	1,203.9	.77	1.57
1948......	153,454	75,320	49.1	1,065.9	.69	1.42
1947......	154,096	76,254	49.5	1,006.1	.65	1.32
1946......	148,458	73,759	49.7	1,058.5	.71	1.44
1945......	158,174	67,021	42.4	929.2	.59	1.39
1944......	134,662	56,398	41.9	804.3	.60	1.43
1943......	111,650	48,440	43.4	703.1	.63	1.45
1942......	89,869	32,837	36.5	616.9	.69	1.88
1941......	71,209	28,249	39.7	553.5	.78	1.96
1940......	65,288	26,638	40.8	496.0	.76	1.86
1939......	57,485	24,650	42.9	452.7	.79	1.84
1938......	50,791	23,121	45.5	420.5	.83	1.82
1937......	48,228	22,557	46.8	383.1	.79	1.70
1936......	50,281	22,330	44.4	343.4	.68	1.54
1935......	45,125	20,158	44.7	306.0	.68	1.52
1934......	40,060	18,075	45.1	333.0	.83	1.84

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

private firms and later by the General Accounting Office. The Federal Deposit Insurance Act of 1950 provides that the financial transactions of the Corporation shall be audited by the General Accounting Office.

Table 15. DESCRIPTION OF EACH MERGER, CONSOLIDATION, ACQUISITION OF ASSETS OR ASSUMPTION OF LIABILITIES APPROVED BY THE CORPORATION DURING 1966

Case No. 1	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
State Bank & Trust Company, Greenwood, South Carolina	78,722	24	26
to merge with			
Newberry County Bank, Newberry	3,920	2	

Summary report by Attorney General, November 26, 1965

Applicant bank, with $70 million in deposits and 23 branch offices, is the fourth largest bank in South Carolina. The proposed acquisition would be the eighth for applicant since 1955. By seven previous mergers, applicant absorbed 10 offices and $25 million in deposits, about 35 percent of its current total deposits. The proposed acquisition, although it will add only 0.2 percent of the total deposits of all South Carolina banks to applicant's resources, continues the trend toward higher concentration among South Carolina banks. In this State, where statewide branching is permitted, the three largest banks currently account for 48.8 percent of all bank deposits, whereas in 1951, the three largest banks controlled only 39.2 percent. Furthermore, the number of banks in South Carolina has steadily declined from 149 in 1951 to 132 in 1965. Because of the relatively small size of the bank to be acquired, however, the proposed merger will not by itself have a significantly adverse effect on competition.

Basis for Corporation approval, January 6, 1966

This proposal would merge a relatively small bank headquartered in Newberry, South Carolina, with a much larger bank (the fourth largest in the State), headquartered in Greenwood, 37 miles west-southwest of Newberry. The Joanna branch of Newberry Bank is 15 miles northwest of Newberry and the nearest offices of State Bank to Newberry Bank are at Whitmire, 17 miles northeast of Joanna and 16 miles north of Newberry, and at Saluda, 23 miles south-southwest of Newberry. State Bank operates 24 offices in 16 cities or towns situated generally west and southwest of Columbia, but Newberry and Joanna are not considered a part of its normal trade area. Neither bank derives any appreciable amount of business from the service area of the other; consequently, there is no significant competition between them which will be eliminated.

Principal banking competition for State Bank is provided by offices of the State's three largest banks which, among 29 banks with offices in the relevant service area(s), collectively hold approximately three-fourths of the aggregate deposits and loans. State Bank is only about one-half the size of the third largest bank and about one-fourth the size of the largest, holding 8.8 percent of the aggregate deposits and 9.1 percent of the loans. These proportions will be increased by 0.4 percent and 0.3 percent, respectively, as a result of the merger, and State Bank's rank as fourth largest bank in the service area(s), as well as in the State, will not be altered. To a small degree, the enlarged lending limit that would result for State Bank would enable it to compete more effectively with its larger competitors; otherwise, the merger would have no significant effect on banking competition in the areas presently served by State Bank.

In Newberry, Newberry Bank faces direct competition from the Newberry branch of The South Carolina National Bank of Charleston, which is by far the State's largest bank. The substitution of branches of State Bank in Newberry and Joanna in place of the two offices of the much smaller Newberry Bank should prove beneficial to the public in that area because of State Bank's greater resources and more aggressive management policies, and competition in that area, especially Newberry, should be materially enhanced. The small bank which is strictly local in its outlook and service to the public would be replaced by branches of a bank of substantial size which is in a position to expand the range of banking services to the public.

It is concluded that the merger would be in the public interest.

Case No. 2	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Pioneer Bank of Arizona, Phoenix, Arizona	29,235	4	5
to merge with			
Bank of Scottsdale, Scottsdale	10,770	1	

Summary report by Attorney General, January 12, 1966

Pioneer Bank of Arizona has assets of $31,613,000 and deposits of $27,921,000. Its main office and two branches are located in Phoenix, and it has an office in Prescott, 60 miles north. It is the fifth largest of the eight banks in its Phoenix service area (consisting of Phoenix, Scottsdale, Glendale, and Tempe) with 2 percent of total deposits, and it is the smallest of the three banks in its Prescott service area with 17.2 percent of total deposits.

Bank of Scottsdale has assets of $11,338,000, and deposits of $9,566,000. Its single office is located in Scottsdale, a suburb of Phoenix. It is the smallest of the eight banks in the Phoenix service area with 0.9 percent of total deposits of such banks.

There are 16 banks in Arizona, with the four largest accounting for 90.6 percent of total IPC deposits in the State. Pioneer Bank has 1.4 percent of such deposits and Bank of Scottsdale has 0.9 percent.

There is some direct competition between the participating banks in the Phoenix service area.

Because of the relatively small market share held by the merging banks, particularly in the Phoenix service area, and the presence of much larger banks in both Phoenix and Prescott (where the two largest banks in the State have offices), it does not appear that the proposed merger, if consummated, would have a significantly adverse effect on competition.

Basis for Corporation approval, January 20, 1966

Among 17 banks in Arizona operating 263 offices, the largest bank, based on October 13, 1965 statistics, holds 45.6 percent and 47.1 percent of the aggregate IPC deposits and loans, respectively, and operates 92 of the offices. The four largest banks, combined, hold 91.6 percent and 91.2 percent of the IPC deposits and loans, respectively, and operate 234 of the banking offices. Pioneer, operating four offices, ranks sixth on a statewide basis, holding 1.1 percent of the IPC deposits and 1.3 percent of the loans. Bank of Scottsdale, a unit bank, holds less than one-half of 1 percent in each category and ranks twelfth. The resulting bank would continue to rank sixth in the State.

In the Phoenix clearing house area, which includes Scottsdale and is the relevant service area under consideration in this proposal, there are eight banks operating 90 offices, including 79 offices of the State's four largest banks. Pioneer, operating three offices in the area (none in Scottsdale), ranks sixth in volume of

IPC deposits and loans; Bank of Scottsdale, a unit bank, ranks last. The resulting bank would attain fifth position among seven banks remaining in the area, but would be operating only four of the 90 banking offices and would hold 2.4 percent and 2.1 percent, respectively, of the local IPC deposits and loans. It would have approximately one-half the volume held by the local offices of the fourth largest bank in the Phoenix area and would be substantially overshadowed by local offices of the three largest banks. Bank of Scottsdale competes directly in that city with nine branches of the State's three largest banks.

Competition between the merging banks which would be eliminated is not significant and their merger will tend to increase competition to some degree with the larger banks because of enlarged resources and a greater capital base. The broader range of banking services which the resulting bank could provide would be beneficial to its customers.

It is concluded that the merger is in the public interest.

Case No. 3	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Peoples Bank & Trust Company, Rocky Mount, North Carolina	67,425	20	21
to merge with			
The Peoples Bank, Norlina	1,552	1	

Summary report by Attorney General, December 6, 1965

Peoples Bank & Trust Company was organized on April 1, 1931. It has 20 offices located throughout the northeastern portion of North Carolina and, as of September 30, 1965, had total assets of $67,426,000, total deposits of $61,143,000, net loans and discounts of $37,556,000, and total capital accounts of $4,583,000.

Peoples Bank of Norlina (population 1,300) was organized July 30, 1947. As of September 30, 1965, it had total assets of $1,554,000, total deposits of $1,269,000, net loans and discounts of $746,000, and total capital accounts of $256,000. Its only office is located in Norlina, North Carolina, 41 miles northwest of Rocky Mount and 15 miles northeast of the closest branch of Peoples Bank & Trust.

Although the proposed merger would eliminate one of the few remaining independent banks in the area, the resulting bank would be in a position to offer the Norlina area a number of services which Peoples Bank cannot offer in view of its limited size and its $33,000 lending limit.

On balance, the competitive effect of the proposed merger would not appear to be adverse.

Basis for Corporation approval, January 27, 1966

Applicant is headquartered in Rocky Mount, North Carolina and serves 10 other communities throughout the northeastern portion of the State. The merging bank, Peoples, is a small unit bank located in Norlina, 41 miles from Rocky Mount and 15 miles from the nearest office of the applicant. Peoples serves a limited area in the vicinity of Norlina and neither participating bank derives loans or deposits from the other's service area. There is no significant competition between the merging banks which would be eliminated by the proposal.

Applicant has resources of $67.4 million and is the largest bank in the 11 communities it serves. The addition of $1.6 million in Peoples' resources would have no material effect on the competitive situation in applicant's service areas. Competition has not been aggressive between Peoples and its only direct competitor located 4 miles southeast at Warrenton, a bank more than three times the deposit size of Peoples. The introduction of the larger, aggressive applicant bank would increase competition in Peoples' service area.

The resulting bank would offer complete banking services in the Norlina area, including full fiduciary services which are not presently offered by the two banks in this area, a farm management program, forestry management service, and a lending limit adequate to meet the financial needs of the Norlina community.

The effect of the proposal on competition would not be unfavorable and the proposed merger, through which the applicant would extend additional and improved banking services to the Norlina area and provide a depth in active management and adequate measures for management succession which are lacking at Peoples, is concluded to be in the public interest.

Case No. 4	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Dauphin Deposit Trust Company, Harrisburg, Pennsylvania	169,996	16	18
to merge with			
Peoples National Bank of Hanover, Hanover	16,108	2	

Summary report by Attorney General, December 29, 1966

The Dauphin Deposit Trust Company has total assets of $164,308,000 and conducts commercial banking through 15 offices, 11 of which were acquired by merger (four as a result of a merger in April, 1964). These offices are located throughout the city of Harrisburg and surrounding suburbs both east and west of the Susquehanna River.

The Peoples National Bank of Hanover has total assets of $15,923,000 and operates its main office and one branch in Hanover, Pennsylvania, which is located about 40 miles southwest of Harrisburg and about 20 miles southwest of York, Pennsylvania.

The two banks are not now in competition with each other, for each does business primarily in a different geographical area. There is no indication that the removal of one of the banks as a potential entrant into the market of the other would adversely affect competition. Thus, it appears, upon the basis of the facts submitted, that the merger will not have any significant anticompetitive consequences.

Basis for Corporation approval, February 10, 1966

The merging banks are headquartered 39 miles apart in the southeast sector of Pennsylvania. None of the applicant's 16 offices, which are located in Dauphin and Cumberland Counties, are closer than 29 miles from Peoples' two offices which are situated in York County. The participating banks compete in different geographical areas and there is not a significant amount of competition between them which would be eliminated by the proposal.

The applicant would continue as the second largest bank in Harrisburg and in the combined service area. The largest bank, a major competitor of the applicant, has 18 offices and holds 24.6 percent of the aggregate IPC deposits owned by the 24 banks located in this area. This competitor is headquartered in York and has eight branches in applicant's service area. The resulting bank would hold 23.2 percent of the aggregate IPC deposits; the third largest holds 15.9 percent. Competition in applicant's service area would not be materially affected by the merger.

The York bank also provides direct competition to Peoples through its two branches in Hanover. Competitive banking and fiduciary services offered by Peoples would be expanded by applicant's entry into Hanover. The enlarged lending limit available to Peoples' present and potential customers would be more comparable to that of the York bank. Competition would be enhanced in Peoples' service area and following consummation of the merger there would remain in Hanover two local, well-established independent banks in addition to the offices of the resulting bank and the larger York bank.

The merger would not have an unfavorable effect on competition. In addition to the expanded services to be offered in the Hanover area, a greater depth in management will provide for management succession, which is a problem facing Peoples bank. It is concluded that the proposed merger is in the public interest.

Case No. 5	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
First San Francisco Bank, San Francisco, California	21,832	1	2
to merge with			
The Mount Diablo First National Bank, Pleasant Hill	2,552	1	

Summary report by Attorney General, January 25, 1966

The two merging banks are newly organized small unit banks, each accounting for less than 1 percent of all commercial bank deposits in its respective service area. The two banks do not presently compete significantly with each other; one is located in downtown San Francisco and the other some 18 miles east, on the other side of San Francisco Bay, in suburban Walnut Creek. Both banks face strong competition from the few large banks which account for an overwhelming share of the commercial banking market in each area and from several other smaller and more localized banks. For these reasons, we conclude that the proposed merger will have no adverse effect on competition among commercial banks in these areas.

Basis for Corporation approval, March 3, 1966

The participating banks are two small unit banks located 31 miles apart. Applicant serves a limited area in downtown San Francisco and Diablo serves a small area surrounding its location in Pleasant Hill. Each merging bank operates in distinct geographical areas separated by the San Francisco Bay, the large city of Oakland and other smaller communities. There is no competition between the participating banks which would be eliminated by the proposal.

Each of the merging banks competes with the same six large banks, five of the latter each having total deposits exceeding $1 billion. The combined deposits of the participating banks would be less than $20 million. The acquisition of Diablo's resources by the applicant would have no effect on competition in the applicant's service area. The competitive structure in Diablo's service area would be virtually unchanged by replacing a small independent unit bank with a small independent bank operating one branch. In addition to the six large banks operating in Diablo's service area, and the resulting bank, there would remain two local independent banks to serve the area.

Diablo is operating with a seriously impaired common capital account, and attempts to sell additional common stock have been unsuccessful. The proposal would resolve the serious management and capital problems of Diablo and serve to prevent its closure. The proposed merger is concluded to be in the public interest.

Case No. 6	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The First National Bank of Taft, Taft, Texas	2,806	1	1
to acquire the assets and assume the liabilities of			
The Taft Bank, Unincorporated, Taft	3,031	1	

Summary report by Attorney General, February 17, 1966

Taft, Texas has a population of 3,500. Presently, it has three banks, The First National Bank of Taft, The Taft Bank, Unincorporated, and the First State Bank of Taft.

First National Bank of Taft and Taft Bank, Unincorporated have been under common ownership and common management for approximately 40 years. The partners of The Taft Bank, Unincorporated own 84 percent of the capital stock of First National Bank of Taft, and both banks share the same president and vice president.

In view of the common ownership and common management of the two banks, the proposed acquisition of assets and assumption of liabilities of The Taft Bank by The First National Bank of Taft will not adversely affect competition.

Basis for Corporation approval, March 16, 1966

The proposed transaction would combine two small banks of similar size which operate from the same building in Taft, Texas, under common management and ownership. There is no competition between them which would be eliminated by the proposal.

Applicant's $2.4 million IPC deposits would be slightly more than doubled under the proposed transaction and the resulting bank would hold 35.5 percent of the aggregate of such deposits owned by the four banks in the service area. The largest bank, 8 miles northwest, holds 50.2 percent of such deposits. The local competing bank in Taft holds 14.3 percent. The increase in concentration would have no practical effect on competition in Taft or in the service area since the participating banks have operated essentially as one competitive unit under common ownership and management for 40 years.

The elimination of Taft Bank as a banking alternative would cause no inconvenience since both participating banks occupy the same building. Applicant's increased lending limit would be sufficient to meet the credit needs of the communities served and the resulting bank would be in a position to better aid in the development of the area.

The formal acquisition of the private bank by the applicant would have no unfavorable effects on competition and would not result in a monopoly or be in restraint of trade. The proposed transaction would bring the benefits of government agency supervision and the protection of Federal deposit insurance to that portion of the business formerly under Taft Bank and the larger resulting bank could more adequately meet the convenience and needs of the community to be served.

Case No. 7	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Birnie Trust Company, Taneytown, Maryland (change title to Taneytown Bank & Trust Company)	6,273	2	3
to merge with			
First National Bank Taneytown, Maryland, Taneytown	4,466	1	

Summary report by Attorney General, February 1, 1966

The Birnie Trust Company of Taneytown, Maryland, with total assets of $5,879,000, proposes to merge First National Bank, also of Taneytown, which has total assets of $4,204,000, and to operate the merged bank as a branch office.

Applicant bank and merging bank are the only banking institutions in Taneytown. The participating banks are located in the business district of the town which serves an area both agricultural and industrial. Merging bank is reportedly operating with a serious management problem. Neither of the participating banks has been involved in a merger or acquisition during the past 10 years.

The proposed merger will eliminate all competition between the merging banks, but the overall effect of the merger would not be to reduce competition in the interested communities substantially because of the considerable number of banks in the vicinity of Taneytown.

Basis for Corporation approval, March 16, 1966

The proposal would merge two small banks headquartered in Taneytown, Maryland. The applicant operates one branch which is located 7 miles southeast from its main office; the sole office of the other bank is situated one block from applicant's main office. There are no other banks in Taneytown and primary competition is provided by 10 banks which have 17 offices located within 12 miles of any office of the merging banks. The evidence indicates that the elimination of competition between the merging banks or between the absorbed bank and other area banks would not be substantial, especially in relation to the overall competition existing among the numerous banking offices in the area.

The resulting bank would hold a modest share (4.8 percent) of the aggregate deposits owned by all banks in the service area and would be comparable in deposit size to three of its competitors. Each of the four largest banks hold 13 percent, or more, of the aggregate deposits and would be substantially larger than the resulting bank. The combination of resources of the merging banks would have no significant adverse effects on competition in the service area.

The limited resources of the merging banks has restricted their ability to compete and meet the expanding needs of the service area. Their combined resources would enable the resulting bank to provide improved and expanded competitive services, especially in the fields of commercial and industrial lending, instalment lending and trust services.

The proposed merger would not substantially lessen competition, tend to create a monopoly nor be in restraint of trade. It would resolve a serious lack of depth in the absorbed bank's management and enable the resulting bank to more adequately meet the expanding needs of the community.

Case No. 8	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
First State Bank, Armour, South Dakota	3,390	1	2
to acquire the assets and assume the liabilities of			
Delmont State Bank, Delmont	1,600	1	

Summary report by Attorney General, February 7, 1966

The parties to the proposed acquisition are the only banks located in adjacent communities, and they therefore provide the most likely alternative sources of banking services for these communities. Since there are few other banking institutions readily available to the residents of these communities, this acquisition would severely restrict the communities' banking choices. At the same time, no improvement in services to the public is promised. In view of these facts and the possibility that Delmont could be sold to parties not now competing in this area, the proposed acquisition will have an adverse effect on competition in the communities served by State and Delmont.

Basis for Corporation approval, March 24, 1966

The applicant, a small unit bank in Armour, South Dakota, would acquire the assets and assume the liabilities of a unit bank less than one-half its size located in Delmont, 12 miles southeast. The two banks primarily serve their immediate areas and do not solicit business in each others' service area. Competition between them which would be eliminated by the proposal is not significant.

The managing officer and principal stockholder of Delmont Bank desires to retire and liquidate his investment in the bank. The applicant can provide the managerial resources for the Delmont Bank, which would be operated as a branch and would be actively managed by the present cashier who has been with Delmont Bank since 1943. The proposal would assure continued banking facilities in Delmont under locally known active management.

Applicant would continue its position as third largest in the combined service area and the resulting bank would hold $3.8 million in IPC deposits. Its closest competitor is a branch of a bank with $57 million in total deposits located 11 miles north from Armour. There would be five other banks in the combined service area ranging in IPC deposit size from $1.5 million to $5.6 million. The proposal would have no significant adverse effects on competition in the combined service area.

Following the consummation of the proposal there would be seven banking alternatives within a 23-mile radius of Armour, and the proposal would not result in a monopoly, a substantial lessening of competition, or be in restraint of trade. The convenience and needs of the Delmont community would be served in a more adequate manner through new and expanded services which would be offered by the larger resulting bank.

Case No. 9	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
United Bank of Union, Union, Missouri	10,950	1	1
to acquire the assets and assume the liabilities of			
Bank of Gray Summit, Gray Summit	1,961	1	

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

Basis for Corporation Approval, April 4, 1966

The elimination of the assets classified Loss and Doubtful would exceed the bank's capital structure and impair its deposits. Efforts to rehabilitate the bank by collection of these assets or by recapitalization were unsuccessful and the bank is faced with the threat of permanent closing. Since the estimated amount of deposit liabilities in excess of the insured limit of $10,000 is moderate, the Corporation deems it to be in the public interest to acquire the unacceptable assets of Gray Summit so that a deposit assumption transaction can be effected with United Bank of Union. Missouri law does not permit branching, so the office at Gray Summit will be closed; however, Union is located only 12 miles away and management of that institution is familiar with the service area of Gray Summit.

Case No. 10	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Bank of Buffalo, Buffalo, New York	58,765	8	9
to merge with			
State Bank of Kenmore, Kenmore	18,167	1	

Summary report by Attorney General, March 14, 1966

The proposed merger of the Bank of Buffalo, with total deposits of $51 million, and the State Bank of Kenmore, with total deposits of $16 million, would eliminate existing competition between the merging banks and would eliminate the only remaining independent bank in the area in which these banks now compete with each other, an area with an estimated population of over 300,000.

Commercial banking in the area affected and in the Buffalo area generally is highly concentrated, with the two largest of the six banks in the Buffalo area accounting for over 80 percent of loans and deposits and the three largest having more than 96 percent of such accounts held by area banks.

While the amount of competition that would be eliminated by the merger is relatively small, and the added concentration in the area of the resulting bank is insubstantial, it is our opinion that in light of the existing concentration in the populous industrial and trade area of Buffalo, the elimination of one of only five banking alternatives in the principal area affected would have an adverse effect on competition.

Basis for Corporation approval, May 2, 1966

The applicant, headquartered in Buffalo, New York, proposes to acquire by merger a relatively small bank in Kenmore, 5.8 miles north. The applicant's branch closest to Kenmore Bank is 2.8 miles distant. There are a number of competing bank offices closer to, and intervening, the applicant's offices which are nearest Kenmore Bank. Kenmore Bank has been a very conservatively operated institution and does not afford substantial competition to the applicant or to other banks in its service area.

The size of the applicant bank will not be significantly increased as a result of the proposed merger. The resulting bank will have IPC deposits of $58 million. The three larger banks in applicant's primary service area have main offices within one-half mile of the applicant's main office and each holds IPC deposits of $299 million or more. A branch of one of these banks is located two blocks from Kenmore Bank and all of these three large banks have offices in Kenmore Bank's primary service area. In addition, the applicant competes with the main offices of three mutual savings banks each of which holds $259 million or more in IPC deposits and is located within 0.3 mile of applicant's main office. Two branches of two of these mutual savings banks also compete with Kenmore Bank in its primary service area.

The village of Kenmore is situated in an active retail shopping area in which there is a good demand for both commercial loans and consumer credit. The conservative Kenmore Bank with its management succession problem and relatively inexperienced executive officer, its limited loan volume and restrictive lending policies, has not adequately met the needs of the community. The resulting bank will offer numerous additional services which are not presently available at Kenmore Bank.

The proposed transaction will not tend toward a monopoly, substantially lessen competition or be in restraint of trade in any area served by the participating banks. The management problems of Kenmore Bank would be resolved by the proposal and the resulting bank, with its larger resources and aggressive management, will enhance competition in the Kenmore area and more adequately serve the convenience and needs of the Kenmore community.

Case No. 11	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Northwestern Bank, North Wilkesboro, North Carolina	266,560	67	69
to merge with			
Citizens Bank, Charlotte	11,094	2	

Summary report by Attorney General, March 15, 1966

Northwestern is the fifth largest bank in the State of North Carolina, with 64 branches located throughout the State and with total deposits of $203.8 million as of June 30, 1965.

Both the main office and only branch of Citizens Bank are located in Charlotte, North Carolina, which has a population of 201,564. As of June 30, 1965, Citizens had total deposits of $9.1 million. It ranks seventh in total deposits among eight banks with main offices or branches located in Charlotte. Among its competitors are the four largest banks in the State, two of which have their main offices in Charlotte.

Competition between the merging banks appears minimal, since the closest offices of Northwestern are located 32 to 38 miles from the city. In view of this fact and in view of the size of the merging bank in comparison with its competitors in Charlotte, the effect of the proposed merger on competition would not be adverse.

Basis for Corporation approval, May 2, 1966

Northwestern, fifth largest bank in North Carolina with resources of $266.6 million, is headquartered in North Wilkesboro and operates a branch system throughout the north-central and western sections of the State. It would acquire through the merger a bank with two offices and $11.1 million in resources located in Charlotte, 79 miles from North Wilkesboro. The merging banks' closest offices are 38 miles apart and a number of banking alternatives intervene their locations. There are few, if any, deposit and loan accounts held by either merging bank which originate in the other's service area.

Northwestern is directly competitive at several locations with the four largest banks in the State. On June 30, 1965, its 65 offices held 5.2 percent of the total deposits of the State's 838 banking offices. The largest bank had 94 offices holding 21.6 percent of the deposits represented; the fourth largest bank, with 93 offices, held 9 percent; and the resulting bank would hold 5.4 percent. The acquisition by Northwestern of the relatively small Citizens Bank would have no adverse effect on competition in Northwestern's present service areas.

Citizens and four other small banks face direct competition in Charlotte, Citizens' primary service area, from the State's four largest banks, two of which have main offices in the city. Each of the large banks has deposits of more than $350 million as compared to $9.1 million for Citizens and $7 million to $15 million held by the other small banks. Northwestern's entry into Charlotte would substantially increase the lending limit available at Citizens and provide trust, agricultural and complete data processing services, none of which Citizens presently offers.

The proposed merger would not eliminate competition, tend to create a monopoly nor in any other manner be in restraint of trade. The larger financial resources and additional services to be offered by the resulting bank would increase competition in Charlotte and more adequately meet the convenience and needs of the growing Charlotte community.

Case No. 12	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Northwest Pennsylvania Bank & Trust Company, Oil City, Pennsylvania	95,776	13	14
to merge with			
First National Bank of Cambridge Springs, Cambridge Springs	4,715	1	

Summary report by Attorney General, February 18, 1966

Northwest, a twelve-office bank in northwestern Pennsylvania with deposits of $85,298,000, proposes to acquire the single-office First National Bank in Cambridge Springs, with deposits of $4,142,000.

It appears that competition between the merging banks is probably not substantial.

The four-county area in which Northwest's offices are located has been the scene of a pronounced merger trend involving the acquisition of more than 20 independent banks in recent years. Northwest has been a principal participant in this trend, having obtained its 11 branches by acquisitions since 1955.

It is our opinion that the proposed merger, standing alone, would not appear to have a significant adverse effect on competition, but it represents another in a series of mergers which has resulted in the elimination of more than 20 independent banks as competitors in the four-county area, and has furthered the concentration of banking resources in the hands of a few large institutions.

Basis for Corporation approval, May 4, 1966

Northwest is headquartered in Oil City, Pennsylvania and presently operates 13 offices in 10 communities located throughout four counties, including two branches in Meadville which serve the central portion of Crawford County. The proposed merger would extend Northwest's influence to the north-central part of Crawford County through the acquisition of National's sole office in Cambridge Springs. Meadville, 15 miles from Cambridge Springs, is the closest Northwest location to National and a competing bank office intervenes the communities. Neither merging bank derives a significant amount of business from the other's service area.

Northwest is the largest bank in its present service areas and has deposits of $86.2 million. The addition of National's $4.2 million in deposits would increase Northwest's share of the aggregate deposits held by all banks in the combined service area from 19.5 percent to 20.4 percent. The second largest proportion, 19.1 percent, is held by Northwest's local competitor in Oil City. Included among the closest of National's competitors is a Meadville bank's branch, 9 miles from Cambridge Springs. The Meadville banks are already in direct competition with Northwest. National's closest competitor is a small bank, with $5.6 million deposits, 7 miles distant. Two large banks, with deposits of more than $45 million and $104 million, each have a branch in National's service area. The small increase in Northwest's size would have no significant effect on competition in its service areas or in the area to be served by the resulting bank. The substitution of National by a branch of Northwest would not adversely affect the competitive banking structure in the Cambridge Springs area.

The proposed merger would not substantially lessen competition or tend to create a monopoly, nor would it be, in any other manner, in restraint of trade. The conservatively operated National Bank would be replaced by a branch of an aggressively managed institution with substantially greater financial resources and more competitive banking services which would benefit the Cambridge Springs area.

Case No. 13	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
First National Bank of Hawaii, Honolulu, Hawaii	385,620	38	39[1]
to merge with			
Cooke Trust Company, Limited, Honolulu	4,085	1	

Summary report by Attorney General, February 15, 1966

This is an application by the second largest commercial bank in the State of Hawaii and County of Honolulu to acquire the third largest trust company in the

State of Hawaii and County of Honolulu. The immediate reason for the proposed merger is a recent change in the banking and trust laws of Hawaii under which State banks, previously prohibited from engaging in trust business, are now permitted to do so, and trust companies, previously prohibited from engaging in the general banking business, are now in a position to enter that area.

Concentration in both of the areas here involved is particularly high at the present time. In commercial banking, the two largest banks control approximately 75 percent of the total deposits, and applicant bank, the second largest bank, accounts for approximately 33 percent. In the trust business, the three largest companies in the State account for approximately 92 percent of total assets; Cooke Trust ranks third with approximately 13 percent.

Because of the removal of the previous statutory wall between them, the applicant bank is now one of the most significant potential competitors in the business of Cooke Trust. The proposed merger will eliminate such potential competition and forestall the opportunity for the reduction of concentration in the trust area.

Approval of this application would undoubtedly also trigger additional mergers among other commercial banks and trust companies in the State. In this respect Bank of Hawaii, the largest bank in the State, is currently negotiating to acquire through merger the largest trust company in the State. Mergers such as these can only serve to perpetuate the dominant position of Bank of Hawaii and applicant bank, the two largest banks in the areas concerned. We concluded that the proposed merger would have serious adverse competitive effects.

Basis for Corporation approval, May 12, 1966

The proposal would merge a $4.1 million uninsured trust company not engaged in accepting deposits into a $385.6 million commercial bank which does not exercise trust powers. The trust company, Cooke, would be operated as a trust department by the commercial bank, National, and Cooke's sole office would be closed after the transfer of trust operations to National's main office is accomplished. National operates 38 offices located on five major islands of Hawaii.

The merging institutions are headquartered three blocks apart in Honolulu, Hawaii. They serve the same area but there is a negligible amount of existing competition between them because of the basically different nature of their operations.

National is the second largest bank serving Hawaii and holds 32.8 percent of the aggregate total deposits owned by the seven commercial banks in the State; the largest bank holds 42 percent. The acquisition of the trust company's relatively small volume of resources by National would not significantly change the relative sizes of the commercial banks or materially alter the existing competitive banking structure. Trust services eventually will be available at all of National's branches, which are located throughout the islands, on an appointment basis. Present and potential customers will have the added convenience of conducting their fiduciary and regular banking business in the same location. Trust customers will be more fully protected under banking regulations, by deposit insurance, and by the far greater capital resources of the resulting bank. Trust services would be improved through the availability of National's many specialized departments and customer services, including a well-staffed economic research department, securities research department and auditing department.

The proposed merger would not substantially lessen existing competition or tend to create a monopoly, nor would it, in any other manner, be in restraint of trade. Insofar as it may be asserted that the merger would eliminate potential competition, it is found that any such anticompetitive effects are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served by making better provision for trust services than would result from the separate operation of the two institutions.

Case No. 14	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Golden State Bank, Bell Gardens, California	23,935	4	5
to merge with			
Bank of Pico Rivera, Pico Rivera	17,537	1	

Summary report by Attorney General, February 1, 1966

The proposed merger would combine two relatively small banks doing business in east-central Los Angeles County. Golden State Bank currently operates four offices in that area and has total deposits of $21 million. Bank of Pico Rivera is a unit bank but is of similar size in resources, with total deposits of $15 million. Each bank accounted for about 0.1 percent of all commercial bank deposits in Los Angeles County in 1964. The two banks apparently compete with each other at present only to a negligible extent, and their merger would not significantly increase concentration among commercial banks in Los Angeles County. The proposed merger is not likely to have an adverse effect on competition.

Basis for Corporation approval, June 1, 1966

The proposal would merge two small banks of similar size located in the Los Angeles, California metropolitan area. Applicant is headquartered in Bell Gardens and operates three branches at three locations within 8 miles of its main office. The sole office of the other bank is located in Pico Rivera, 7 miles from Bell Gardens. A branch of Bank of America directly intervenes the merging banks' closest offices which are 3½ miles apart. The amount of business each merging bank derives from the other's service areas is negligible.

Applicant competes with branches of five of the eight largest banking systems in the State and Pico Rivera Bank competes with three of these large banking systems in its service area. The resulting bank would hold 14.2 percent, the fourth largest proportion, of the aggregate IPC deposits owned by the 26 banking offices in the combined service area. Seven branches of the Bank of America hold 36.3 percent, and the second and third largest proportions (slightly more than 17 percent each) are held by branches of the second and fifth largest banks in the State.

The substantially increased lending limit of the resulting bank would permit more adequate lending services to be offered in the communities to be served, and certain other services of the participating banks are to be extended or expanded. The resulting bank, because of its increased size and data processing capabilities, should be able to develop specialized programs to meet the needs and demands of all areas served as they are determined.

The proposed merger would not substantially lessen competition, or tend to create a monopoly, and it would not, in any other manner, be in restraint of trade. The asset and management problems of the Pico Rivera Bank would be resolved and the resulting bank would provide greater service to the communities involved.

Case No. 15	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Matinecock Bank, Locust Valley, New York	17,930	1	1
to merge with			
Matinecock Safe Deposit Company, Locust Valley	23		

Summary report by Attorney General, May 31, 1966

Matinecock Bank proposes to merge into it Matinecock Safe Deposit Company, its subsidiary, which is engaged in the business of renting vaults and safe deposit boxes. The purpose of the merger is to simplify administration and the proposed transaction would have no effect on competition.

Basis for Corporation approval, July 5, 1966

The applicant, a State member bank, owns all except directors' qualifying shares of Matinecock Safe Deposit Company, which conducts its business only at the main office of the applicant. All officers of the safe deposit company are also officers of the applicant. The purpose of the proposal is to eliminate duplication in accounting procedures and in the preparation of reports and records. The safe deposit facilities would be continued by the applicant following consummation of the merger.

The proposed merger would have no effect on competition and the factors of financial and managerial resources, future prospects, and convenience and needs of the community to be served are determined to be favorable to the proposal.

Case No. 16	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Community Bank, Huntington Park, California	63,582	4	5
to acquire the assets and assume the liabilities of			
Commerce City Bank, City of Commerce	6,735	1	

Summary report by Attorney General, May 31, 1966

Application has been made to merge the Commerce City Bank, City of Commerce, California, into the Community Bank, Huntington Park, California, both of which are located in Los Angeles County.

Banking in Los Angeles is presently highly concentrated in the large California banking organizations, including Bank of America, Security First National Bank, United California Bank, Union Bank, and Crocker-Citizens Bank, all of which, except Union Bank, have offices in the immediate service areas of one or both of the merging banks. Of the total $12 billion of bank deposits in Los Angeles County, these five banks possess approximately $10.4 billion, or 86.3 percent. In contrast, the merging banks account for $56.5 million, or 0.47 percent, of the total bank deposits in the county.

In view of the relatively minor size of the applicant banks in relation to the highly concentrated banking market in which they now compete and the fact that their respective service areas are currently served by numerous other competing banks, including offices of the aforementioned large California banking systems, it is our opinion that the merger of the applicant banks will not adversely affect competition.

Basis for Corporation approval, July 5, 1966

The main office of Community and the sole office of Commerce are located 4½ miles apart in the Los Angeles, California metropolitan area. These are the closest offices of the banks participating in the proposed purchase and assumption transaction. Numerous offices of competing banks intervene Community's four offices and the office of Commerce. The service areas of the participating banks do not overlap.

The assumption by Community of the deposits of Commerce would increase Community's share of the aggregate IPC deposits in the resulting service area by less than 1 percent. The resulting bank would hold 9.9 percent of such deposits and the 17 offices of Bank of America hold 43.7 percent, the largest proportion. Four of the five largest banks in the State presently compete directly with both participating banks. The proposal will bring Community into direct competition with the eighth largest bank in the State which has an office in the service area of Commerce. The increased size of Community and the substitution of its branch for the selling bank's office would not have a material effect on competition in either bank's service area.

The proposed transaction would not substantially lessen competition or tend to create a monopoly, nor would it be, in any other manner, in restraint of trade. Commerce is operating without effective management, the bank is drifting and its condition is deteriorating day by day. This proposal would aid in resolving the severe asset and management problems of Commerce.

Case No. 17	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
California Canadian Bank, San Francisco, California	72,716	4	6
to acquire the assets and assume the liabilities of			
Northern California National Bank of San Mateo, San Mateo	8,499	2	

Summary report by Attorney General, March 24, 1966

This proposal would unite the Canadian Bank, with $59 million in total deposits and operating three offices in San Francisco, Los Angeles, and Palo Alto, and Northern California National, with total deposits of $6 million and operating offices in San Mateo and nearby Belmont. This combination may have the effect of eliminating some existing competition between these two banks; for example, in 1965, $1,079,000, or 19 percent, of Northern California National's total loans originated in Canadian Bank's service areas. However, because neither bank has a significant share of the commercial banking business in any area they presently serve, their combining is not likely to have an adverse effect on competition.

Basis for Corporation approval, July 21, 1966

The applicant bank, Canadian, is a well-established institution with $72.7 million in resources and four offices in operation. Its outstanding stock, except for directors' qualifying shares, is owned by Canadian Imperial Bank of Commerce, Toronto, Canada. Canadian's main office serves a small area in downtown San Francisco, California, one branch is in Los Angeles, one is in Palo Alto and a recently established branch is in Lafayette, across the San Francisco Bay from the main office. Canadian proposes to purchase San Mateo Bank which was opened in 1964 and has $8.5 million in resources. The selling bank's main office is in San Mateo and its only branch is in Belmont. Canadian's Palo Alto branch and the selling bank's Belmont branch are 12 miles apart and are the participating banks' closest offices. Numerous banking offices intervene these locations and the service areas do not overlap.

Canadian competes directly with numerous offices of the eight largest banks in California at its four locations. The addition of the selling bank's $6 million in deposits would provide the resulting bank with deposits of $70 million compared to $1 billion or more held by each of seven of its competitors. The selling bank competes in San Mateo directly with seven offices of six banks, including four banks which have more than $1 billion in deposits. Belmont branch competitors are three of the largest banks in California; two of these banks have more than $3.5 billion in deposits and one bank has deposits of $680 million.

The increase in size of Canadian and the substitution of its branches for the selling bank's offices would have no adverse effects on competition in either bank's service areas. Canadian's entry into San Mateo and Belmont would expand and add to the banking services presently offered by the selling bank. The increased lending limits, the availability of additional funds for lending, and specialized loan services are significant in view of the recent acceleration of industrial development in the San Mateo and Belmont areas. Canadian's trust department facilities also would be available at the proposed branch locations.

The proposed transaction would not substantially lessen competition or tend to create a monopoly, nor would it be, in any other manner, in restraint of trade. All other factors required to be considered are favorable to the proposal which would strengthen the management of the San Mateo Bank's offices and provide broader banking services to the communities served by the selling bank.

Case No. 18	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The First Trust Company of Allegany County, Wellsville, New York	29,187	6	7
to merge with			
The First National Bank of Cuba, Cuba	3,108	1	

Summary report by Attorney General, March 29, 1966

The proposed merger involves the second largest (First Trust) and the smallest (First National) of six banks competing in the Cuba, New York area. In view, however, of First National's very small size and its apparent inability to meet the credit demands of its area, the proposed merger would not appear to have adverse competitive effects.

Basis for Corporation approval, August 4, 1966

First Trust, total resources $29.2 million, operates a main office in Wellsville and five branches throughout the remainder of Allegany County, New York. First National, total resources $3.1 million, operates from a lone office in Cuba, 22 miles northwest of Wellsville and 8 miles west of Friendship, the site of First Trust's nearest office.

Available information indicates there is little competition between the two banks that would be eliminated by their merger. First National lacks successor management and may already have become an ineffective competitor because of its inability to meet the credit demands of its area. By virtue of this merger distinct benefits will accrue to the Cuba community, including a much expanded supply of credit, in terms of amount and variety, and several customer services already commonly provided by practically all the banks in the area except First National.

First Trust is the third largest bank in the relevant service area, holding about 17.9 percent of the aggregate IPC deposits, and will move to second rank by the addition of First National's small share, 1.8 percent. First Trust will continue to receive strong competition from the other Wellsville bank which holds 14.9 percent of the aggregate deposits, and from 11 other banks in the area. Cuba residents will continue to have alternative banking choices easily accessible, including its other unit bank.

The proposed merger would not substantially lessen competition or tend to create a monopoly, nor would it, in any other manner, be in restraint of trade.

Case No. 19	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Bank of Prince William, Woodbridge, Virginia	19,216	10	12
to merge with			
The National Bank of Rosslyn, Rosslyn	6,465	2	

Summary report by Attorney General, June 21, 1966

Bank of Prince William, which has assets in excess of $19 million and operates nine branches, all located in Prince William and Fairfax Counties, is a subsidiary of Virginia Commonwealth Corporation, a bank holding company. The Bank of Rosslyn, with assets of $6,465,000, has experienced substantial bad loan write-offs, and banking agencies have apparently encouraged its merger by Bank of Prince William. In the area served by the resulting bank, two other bank holding companies, United Virginia Bankshares and First Virginia Corporation, control 19.5 percent and 13.2 percent, respectively, of the deposits of the 15 other banks operating therein. The proposed merger will give Virginia Commonwealth 4.7 percent of such deposits. The present service areas of the merging banks do not overlap and competition between them is negligible.

The effect of the proposed merger on competition will not be adverse.

Basis for Corporation approval, August 4, 1966

This merger would combine National, which has been in operation for about 2½ years, with the applicant, a well-established bank. National's two offices are located in Arlington County, Virginia, and applicant operates 10 offices: the main office and seven branches in Prince William County and two branches in Fairfax County. The nearest offices of these two banks are 8 miles apart and numerous competing banks intervene. The service areas overlap at this point to a small degree and the amount of competition between the subject banks which would be eliminated by this merger is not significant.

The resulting bank would hold 4.7 percent of the aggregate IPC deposits presently held by the 17 banks in the overall service area. The five largest banks hold proportions ranging from 7.7 percent to 19.5 percent. In this group, the applicant already competes with the fourth largest bank, which holds 11.1 percent. The increased size of applicant and the extension of its operations into Arlington County would not have a significantly adverse effect on competition in the service area of either of the merging banks.

During its relatively short existence, National has experienced serious management and asset problems which would be resolved by the proposed transaction. This merger would not substantially lessen competition, tend to create a monopoly nor in any other manner be in restraint of trade.

Case No. 20	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
LeClaire State Bank, LeClaire, Iowa (proposed new bank)	—	—	1[2]
to acquire a portion of the assets and assume a portion of the liabilities of			
Farmers Savings Bank, Princeton	4,631	2	

Summary report by Attorney General, April 11, 1966

Farmers Savings Bank of Princeton, Iowa, operates a main office in Princeton and a limited service office at LeClaire, Iowa, 5 miles south of Princeton. In order to convert the LeClaire office into an institution with full banking powers, the owners of Farmers Savings Bank have applied for permission to own and operate a state chartered bank at the facilities now occupied by the LeClaire office. If approved, Farmers Savings Bank would transfer to the new bank approximately 40 percent of its assets and liabilities and continue to operate its own facilities in Princeton with the remaining 60 percent. This percentage corresponds approximately to the business now transacted at LeClaire and Princeton, respectively. The entire capital stock of the new bank would be distributed among the stockholders of Farmers Savings Bank. Neither Princeton nor LeClaire has any banking facilities other than those now provided by Farmers Savings Bank. It is not anticipated that the proposed transaction will have adverse effects on competition in the relevant service area.

Basis for Corporation approval, August 4, 1966

The proposals would establish a new bank in LeClaire, Iowa through the acquisition and assumption of a portion of the assets, liabilities, and capital accounts of Farmers, a $4.6 million bank headquartered in Princeton, 5 miles north. The proposed new bank would replace the limited service LeClaire office of Farmers and would acquire 40 percent of Farmers' loans and deposits, which represents the amount estimated to originate in the LeClaire area. Following consummation of the proposals, Farmers and the proposed new bank would be commonly owned, controlled and managed. There are no other banks in Princeton or LeClaire. It is apparent from the nature of the transactions that the participating banks cannot presently be in competition with each other and the resulting common ownership and control precludes competition between them in the future.

The purchase and assumption transaction would not lessen competition or tend to create a monopoly, nor would it be, in any other manner, in restraint of trade. The convenience and needs of the LeClaire community would be more adequately served through the more complete banking services to be offered by the proposed new bank.

Case No. 21	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Waccamaw Bank & Trust Company, Whiteville, North Carolina	49,415	20	21
to merge with			
The Commercial Bank of Dunn, North Carolina, Dunn	8,063	1	

Summary report by Attorney General, May 23, 1966

The Commercial Bank, organized in 1919, operates its only office in Dunn, North Carolina, 60 miles southeast of Durham. As of March 31, 1966, Commercial had total assets of $8.1 million, total deposits of $7 million, net loans of $4 million, and total capital accounts of $839,000.

Waccamaw Bank and Trust Company, organized in 1926, operates its home office and three branches in Whiteville, North Carolina, 90 miles south of Dunn. It also operates branches in 12 other small southeastern North Carolina communities. As of March 31, 1966, Waccamaw had total assets of $49.4 million, total deposits of $42.9 million, net loans of $30.2 million, and total capital accounts of $5.1 million.

There appears to be no competition between the merging banks. Their home offices are 90 miles apart and Commercial is over 40 miles from the nearest branch of Waccamaw. Thus, the proposed merger would not eliminate direct competition in Commercial's service area and would not remove a banking alternative for the people residing in that area. The merger would, however, eliminate another independent bank in North Carolina, a State where concentration of banking resources is pronounced.

Basis for Corporation approval, August 4, 1966

The applicant is a $49 million bank operating 19 branches and headquartered in Whiteville, North Carolina. One recently established branch is located 160 miles north from the main office; the remainder of applicant's offices serve the southeastern portion of the State. The merging bank, Commercial, is an $8.1 million single-office bank located in Dunn, 90 miles from Whiteville and 53 miles from applicant's nearest office. The service areas of the merging banks do not overlap.

Applicant presently is more than five times the deposit size of its only competitor in Whiteville and the merger will not significantly increase the size disparity. The resulting bank would hold $52.2 million in deposits. Three of its competitors have deposits ranging from more than $141 million to almost $515 million and a fourth competitor has deposits of more than $67 million. The latter has made application to merge with applicant's only competitor in Whiteville. There would not be a material effect on competition in the applicant's present overall service area as a result of this proposal.

Commercial holds 22.3 percent of the deposits held by the banking offices in its service area, the second largest proportion. The largest bank in Commercial's service area, and the only local competitor in Dunn, dominates the market, its six offices holding 54.7 percent of the area's deposits; it is the second largest bank in applicant's service area. There would be no change in the five banks' relative shares of the area's deposits or loans as a result of the merger since applicant presently has no office in Commercial's service area. The proposal would introduce new services at the Dunn office, including trust and farm management services, and the resulting bank plans to establish an instalment loan department and provide drive-in facilities.

The proposed merger would not lessen competition or tend to create a monopoly, nor would it be, in any other manner, in restraint of trade. The progressively managed resulting bank with substantially larger financial resources would provide expanded and more competitive banking services in Commercial's service area which would benefit the residents of the community of Dunn and surrounding area.

Case No. 22	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Bank of Tupelo, Tupelo, Mississippi (change title to Bank of Mississippi)	34,953	7	8
to merge with			
Prentiss County Home Bank, Booneville	5,025	1	

Summary report by Attorney General, July 20, 1966

The Bank of Tupelo (Tupelo Bank) has assets of $35,242,751 and deposits of $30,309,335. Two of its offices are located in Tupelo, a town of 20,000, in northeast Mississippi. There are three banks in the community, operating a total of 10 offices in the area. Tupelo Bank has 42 percent of total deposits of banks located there.

Prentiss County Home Bank (Prentiss Bank) has assets of $5,025,071 and deposits of $4,528,450. Its single office is located in Booneville, a town of 3,500 which is 29 miles north of Tupelo. The only other banking office in the town is a branch of Peoples Bank and Trust Company, the largest bank in Tupelo.

There is little competition between the merging banks, and we therefore conclude that the proposed merger would not adversely affect competition.

Basis for Corporation approval, August 18, 1966

Tupelo Bank presently operates seven offices in six communities located in northeastern Mississippi embracing Lee, Itawamba and Pontotoc Counties. The subject merger would extend its operations to the north and include entry into Prentiss County. The subject banks are separated by 26 miles, the distance intervening Prentiss Bank and the nearest office of Tupelo Bank, and are considered to be operating in separate trade areas. The principal competitor of both banks presently holds the largest proportion of IPC deposits in the overall trade area. This competing bank is headquartered in Tupelo and has a branch operating in Booneville, the site of Prentiss Bank's sole office.

Tupelo Bank has total resources of $35.2 million and holds 19.7 percent of the IPC deposit volume of the banks in the trade area to be served by the resulting bank; by acquiring Prentiss Bank's share of these deposits, Tupelo Bank's IPC deposit volume will increase to 22.5 percent. The bank presently holding the largest proportion of these deposits has 20.5 percent.

Prentiss Bank with resources of $4.5 million is presently competing in the same town with a branch of a $32.8 million bank. This proposal would replace Prentiss Bank with a branch of Tupelo Bank and would offer the Booneville community the more modern services of the larger bank, including data processing, a more diversified time deposit program and an alternate source for trust services. The merger would also resolve internal problems which have developed from a management-ownership conflict within Prentiss Bank.

The proposed merger would not substantially lessen competition or tend to create a monopoly, nor would it be, in any other manner, in restraint of trade.

Case No. 23	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
First San Francisco Bank, San Francisco, California	22,721	3	5
to merge with			
The Bank of Trade of San Francisco, San Francisco	10,360	2	

Summary report by Attorney General, August 18, 1966

The First San Francisco Bank (hereinafter referred to as the Charter Bank) has total assets of $22,721,000 and has its main office in downtown San Francisco, California. The Bank of Trade (hereinafter referred to as the Merging Bank) has total assets of $10,360,000 and also has its main office in downtown San Francisco, about 1½ miles from the Charter Bank.

Both banks are located in or in close proximity to San Francisco's financial district and compete with such huge San Francisco banks as Bank of America with over $16 billion in total resources and Wells Fargo Bank with over $4 billion in total assets. Even after the merger, the resulting bank will be among the smallest of the San Francisco commercial banks. The merger will improve the Merging Bank's capital and management position and the resulting bank should be a more viable competitive factor in San Francisco.

Therefore, in the light of the facts in this matter, it appears that the proposed merger is not likely to have adverse competitive effects.

Basis for Corporation approval, August 18, 1966

The applicant and Bank of Trade, $22.7 million and $10.4 million institutions, respectively, are headquartered six blocks apart in downtown San Francisco, California. Their operations are conducted in competition with numerous bank offices, including main and branch offices of the giant banks of the State. Applicant operates one other office in San Francisco and one in Pleasant Hill, 31 miles to the northeast. Bank of Trade's only branch is located in Sacramento, 90 miles northeast of San Francisco, serving in the main the local Chinese community much as the main office concentrates its activities in the Chinatown section of San Francisco.

Bank of Trade has experienced serious asset problems resulting in supervisory demands for rehabilitation of its impaired capital and a strengthening of its management. Over the past year, the management of Bank of Trade has pursued merger negotiations with several other banks, having concluded this alternative as the only solution to its problems.

The proposed merger by the applicant will resolve the serious problems confronting Bank of Trade and assure continuance of its banking offices. There would be no adverse effect on banking competition, either in San Francisco or Sacramento. The proposed merger would not substantially lessen competition or tend to create a monopoly, nor would it, in any other manner, be in restraint of trade.

Case No. 24	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
South Side Bank and Trust Company, Scranton, Pennsylvania	25,718	1	2
to merge with			
The First National Bank of Moscow, Moscow	4,029	1	

Summary report by Attorney General, July 8, 1966

This is a proposal to merge the $24 million South Side Bank, third largest of Scranton's eight banks, with the $3.5 million Moscow bank, 10 miles southeast of Scranton.

The proposed merger would not materially alter the structure of banking competition generally in the areas served by the merging banks, but it would eliminate the competition which now prevails between the two institutions.

Basis for Corporation approval, September 8, 1966

The proposal would merge two single-office banks located 10 miles apart in Lackawanna County, Pennsylvania. The applicant is a $25.7 million bank competing with nine other banks in Scranton and Dunmore located within 4 miles. The merging National in Moscow has $4 million in resources and its closest bank competition is furnished by the two Dunmore banks, 6 miles distant. The participating banks' service areas overlap but there is only a minor amount of competition between them.

Applicant's IPC deposits will be increased by $3.5 million to $25.8 million, which represents 9.2 percent of the aggregate held by the 17 banking offices in the combined service area. Three of the largest bank's nine offices hold 38.1 percent of such deposits and the second largest bank holds 19.4 percent. The fourth largest bank is comparable in size to the resulting bank. All the banks which would compete with the resulting bank presently are competitive in some degree with the largest banks in Scranton. The increase in applicant's size and its acquisition of a branch in Moscow would have no significant adverse effect on competition in either merging bank's service area.

National has an earnings problem, a relatively small volume of loans, and does not offer a number of services normally found in commercial banks. The progressive management of applicant would make effective use of investment funds to improve the earnings of National and will provide a much greater lending limit which apparently is needed in the growing Moscow area. Additionally, the applicant will make available at its Moscow office trust services, all types of instalment loans, FHA and GI real estate loans, education loans, and other miscellaneous services usually found in commercial banks which are not presently offered by National.

The proposed merger would not substantially lessen competition or tend to create a monopoly, nor would it be in any other manner in restraint of trade, and would result in new and improved banking services available directly in Moscow.

Case No. 25	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Peoples Bank of Alpena, Alpena, Michigan	17,512	2	3
to consolidate with			
The Posen State Bank, Posen	2,671	1	

Summary report by Attorney General, July 21, 1966

The only office of Posen State Bank in Posen, Michigan, is located approximately 23 miles northwest of the head office of Peoples State Bank in Alpena, Michigan, and about 30 miles north of Peoples Bank's only branch office in Ossineke, Michigan. The service areas of the two banks overlap slightly northwest of Alpena and southeast of Posen, but less than 1 percent of the deposits and loans of the two banks are derived from each other's service area.

It is not anticipated that the proposed merger will adversely affect commercial banking competition in the resulting service area.

Basis for Corporation approval, September 22, 1966

The applicant, headquartered in Alpena, Michigan, has $17.5 million in resources and a branch in Ossineke, 12 miles from the main office. It would acquire the sole office of a $2.7 million bank in Posen, 23 miles from Alpena. The service areas of the participating banks' closest office locations, Alpena and Posen, overlap to a small degree and there is only a negligible amount of competition between the two banks.

The applicant's principal competitor has three offices in Alpena and two others in the applicant's service area, and holds a dominant position in the combined service area with 50.2 percent of the aggregate IPC deposits owned by the five banks. Posen Bank's closest competition is furnished by a bank more than three times its IPC deposit size located at the fringe of its service area, 15 miles away. The applicant would increase its proportion of the aggregate IPC deposits from 26.2 percent to 30.8 percent and would remain significantly smaller than the area's largest bank. The increased size of the applicant would have very little effect on competition in its present service area and the merger may increase competition to some degree in the area served by Posen Bank.

Posen Bank is a small bank conducting relatively limited banking services whose history discloses little growth. Earnings are low and the bank's elderly management desires to retire. The applicant would bring to the Posen area all types of instalment loans and other banking services not now offered by Posen Bank and will eventually provide trust services to the area.

The proposed merger would not substantially lessen competition or tend to create a monopoly, nor would it be, in any other manner, in restraint of trade.

Case No. 26	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Central Bank and Trust Company, Broadway, North Carolina (change title to The Carolina Bank and move main office to 145 W. Main St., Jonesboro Heights, Sanford)	13,994	3	8
to merge with			
The Carolina Bank, Pinehurst	13,398	5	

Summary report by Attorney General, August 2, 1966

The Central Bank and Trust Company, with deposits of $12,263,000, proposes to merge with The Carolina Bank, with deposits of $12,663,000. The banks, located near Raleigh, North Carolina, are 28 miles apart and their service areas overlap slightly. Both service areas are characterized by a high level of concentration in commercial banking.

The high level of concentration in these areas suggests the importance of each of the merging banks as a potential competitor in the service area of the other.

The proposed merger would eliminate actual and potential competition between the applicant banks.

Basis for Corporation approval, September 29, 1966

Central Bank and Trust Company, the applicant, operates three offices; one in Broadway, two in Sanford, and all in Lee County, which is situated in the central portion of North Carolina. The subject merger would extend its operations to the southwest by the acquisition of Carolina Bank's five offices located in as many communities situated in Moore County. The participating banks, which are approximately the same size, operate in separate service areas, although there is a small degree of overlap and competition in the area intervening their closest offices. The nearest of these offices are 18 miles apart. The proposed merger would not substantially lessen competition, actual or potential, nor would it tend to create a monopoly or in any other manner be in restraint of trade.

The bank resulting from the merger would be only one-third as large as its principal competitor, which operates 10 offices in the service area. Additional banking alternatives are afforded by 15 offices of 11 other banks. The combined banks with a greater legal lending capacity would be better able to meet the credit needs of a growing economy, particularly in the Sanford area. The proposal would also extend to the communities presently served by Carolina Bank an alternate source for trust services now being offered by two competing banks.

Case No. 27	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
American Bank and Trust Co. of Pa., Reading, Pennsylvania	267,592	15	16
to merge with			
The Tamaqua National Bank, Tamaqua	10,668	1	

Summary report by Attorney General, May 31, 1966

American Bank and Trust Co. of Pa., formerly the Berks County Trust Company, is the largest bank in Berks County and six adjacent counties which together constitute the area the applicant claims the resulting bank will serve. American operates 15 offices in Berks, Lancaster and Schuylkill Counties. In its present form, American is the product of 11 previous mergers and consolidations, six since 1953, in which 12 formerly independent area banks have been absorbed.

The Tamaqua National Bank, Tamaqua, Pennsylvania, was organized in 1904. The town of Tamaqua with a population of 10,173 is located in northeastern Schuylkill County, adjacent to Berks County. It operates just one office in that city.

The area within a 7-mile radius of Tamaqua is served by four banks, including the Tamaqua National Bank and the Coaldale branch of American Bank and Trust Company. The proposed merger would eliminate all competition between these two banks and would reduce from four to three the number of banking alternatives in the Tamaqua area.

Basis for Corporation approval, October 6, 1966

Applicant is headquartered in Reading, Pennsylvania, 40 miles from the sole office of Tamaqua Bank which it would acquire by the proposed merger. Applicant has 12 offices in Berks County, one branch in Lancaster County and two branches in Schuylkill County. Tamaqua Bank is about 3½ miles from applicant's Coaldale branch. A survey of deposits and loans at the Coaldale branch and the Tamaqua Bank indicates each derives an insignificant amount of business from the other's service area. Tamaqua Bank's primary competition is furnished by two other banks in Tamaqua. All other offices of the applicant are located at much greater distances from Tamaqua and numerous competing banks intervene. There is very little competition between the merging banks which would be eliminated by the merger.

The service area of the resulting bank would include Berks, Schuylkill, and Lancaster Counties as well as portions of four contiguous counties in which applicant is authorized to establish branches under State law and a small portion of Carbon County near Coaldale. Applicant is the largest bank headquartered in this area, but only a moderate increase in its resources would result from the merger and the proportion of deposits to be held by the resulting bank would not be excessive.

The progressive, well-managed applicant bank has an outstanding record of service to its community, particularly in providing financial and other support for industrial diversification and expansion. The merger should have far-reaching benefits in Tamaqua, a depressed area since the decline of the coal industry. The applicant has the desire and the resources to assist the Tamaqua area in its efforts to improve its economy and the welfare of its people. The resulting bank would provide more complete banking and fiduciary services to the Tamaqua area, including electronic data processing, a much larger lending limit, and a full line of consumer credit and personal loan financing.

The economically depressed Tamaqua community would derive distinct benefits from the proposed merger which would not substantially lessen competition, or tend to create monopoly, and would not, in any other manner, be in restraint of trade.

Case No. 28	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
First State Bank in Tuscola, Tuscola, Texas (proposed new bank)	...	—	1
to acquire the assets and assume the liabilities of			
First State Bank of Tuscola, Tuscola	3,410	1	

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

Basis for Corporation approval, October 12, 1966

Loans and other losses exceed the bank's total capital. Directors were unable to rehabilitate the capital structure and this proposal has been formulated to prevent an ultimate closing of the existing bank which has been serving the community since 1912. There is no other bank in Tuscola and the nearest alternative banking offices are 18 miles distant. Therefore, the Corporation deems it in the public interest to facilitate the assumption of deposits and purchase of acceptable assets of the bank by a proposed new bank and thereby continue uninterrupted banking services in the community of Tuscola.

Case No. 29	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Industrial Valley Bank and Trust Company, Jenkintown, Pennsylvania	203,446	23	26
to merge with			
The Security Trust Company of Pottstown, Pa., Pottstown	28,796	3	

Summary report by Attorney General, September 15, 1966

Industrial Valley Bank and Trust Company, headquartered in a suburb just north of Philadelphia, has assets of close to $200 million and operates 23 offices, most of which are located in Philadelphia County and Montgomery County. It is the resulting bank of a merger in 1961 between Jenkintown Trust Company and Industrial Trust Company of Philadelphia. Since this merger was consummated, Industrial Valley Bank and Trust has acquired four independent banks, three located in Chester County and the other in Montgomery County.

The head offices of the merging banks are approximately 30 miles apart. The branches of Industrial Valley Bank and Trust Company closest to Pottstown are the branches located in Royersford, East Greenville, and Phoenixville, 10, 13, and 16 miles from Pottstown, respectively.

Although the applicants claim that there is "no known duplication" of deposit accounts between the participating banks and that there is no evidence of deposits or loans originated by either bank in the service area of the other, it appears that these offices are sufficiently close to Pottstown to provide alternative sources of banking services to customers located in this area. This competition would, of course, be eliminated by the proposed merger. Moreover, the merger would eliminate Industrial as a potential competitor, via the establishment of a *de novo* branch, in the Pottstown area.

Basis for Corporation approval, November 3, 1966

The applicant operates its main office and seven branches in Montgomery County, Pennsylvania, 10 branches in Philadelphia County, four branches in Chester County, and derives the major portion of its business from the areas served in these three counties. In addition, it has one branch in Delaware County. Applicant, with $141.8 million in IPC deposits, competes at various locations with seven commercial banks each of which has IPC deposits exceeding $284 million, and four mutual savings banks each of which has IPC deposits exceeding $257 million. The largest commercial bank competitor has IPC deposits exceeding $1 billion and the largest mutual savings bank has IPC deposits exceeding $1.6 billion. Applicant's acquisition of the $24.6 million IPC deposits owned by Security would have no significant effect on competition in the areas presently served by the applicant.

Security is headquartered in Pottstown about 30 miles northwest from Jenkintown, the headquarters of the applicant. The primary competition for Security comes from two large banks already in competition with the applicant at other locations. These banks are Continental Bank and Trust Company, Norristown, with IPC deposits exceeding $305 million, and Philadelphia National Bank with IPC deposits exceeding $935 million. Continental Bank and Trust Company has two branches in Pottstown and one branch 2 miles distant; Philadelphia National Bank has two branches in Pottstown. The applicant's closest branch is located at Royersford, 7 miles southeast of Pottstown. It receives competition from two branches of Continental Bank and Trust Company located at Spring City which is across the Schuylkill River from Royersford, less than 1 mile away. Neither merging bank is reported to have a significant volume of busines which originates in the other's service area and the two merging banks do not compete with each other in a material degree. The significant change in the Pottstown area would be the introduction of a much larger bank in terms of total IPC deposits ($166.4 million) which would compete more effectively with the two large banks presently operating there. The proposal would enhance existing competition in the Pottstown area.

In addition to providing a solution for the declining earnings problem of Security, the proposal would provide a substantially greater legal lending limit and computer services at the Pottstown offices. Business from a number of companies has been lost by Security to other larger banks because of its small legal lending limit and lack of computerized services. The resulting bank would provide Pottstown offices with the ability to offer a variety of new and many greatly expanded banking services, including broader trust administration, consumer instalment loans, construction loans, mortgage servicing, accounts receivable and warehouse loans, and the services of its computer for a variety of customer service requirements as well as for public agencies and industry. In addition, active management of Security is without succession and the proposal would provide an adequate depth of satisfactory management for the Pottstown offices.

Security cannot now effectively compete with the very large banks in its immediate area and any potential competition stemming from applicant's legal ability to establish a *de novo* branch in Pottstown is considered to be minimal.

The proposal would not eliminate a substantial amount of competition, either actual or potential, and does not involve any tendency toward monopoly or restraint of trade.

Case No. 30	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The First State Bank, Guthrie, Oklahoma	6,424	1	1
to acquire the assets and assume the liabilities of			
The State Bank of Meridian, Meridian	120	1	

Summary report by Attorney General, August 1, 1966

The First State Bank (hereinafter referred to as the Charter Bank) has total assets of $6,424,859 and is located in the town of Guthrie, Oklahoma, a community of 10,000 population located about 20 miles north of Oklahoma City. The State Bank of Meridian (hereinafter referred to as the Acquired Bank) has total assets of $122,949 and is located in Meridian, a town with a population of 160 located 12 miles east of Guthrie. Both banks were established in 1902 and neither has a previous merger history.

On the basis of the size and service capacity of the Acquired Bank and the existing geographical and population factors in the area, the removal of the Acquired Bank's business to Guthrie and the closing of the Meridian office should not significantly affect the existing patterns of banking and banking competition in the area.

It therefore does not appear that the proposed acquisition is likely to have adverse competitive effects.

Basis for Corporation approval, November 3, 1966

With assets totaling $119,900, Bank of Meridian, organized in 1902, is the smallest bank in Oklahoma, located in a declining community containing a population of 160. Over the last five years the bank's net current operating earnings have averaged less than $500. Its insurer does not wish to continue fidelity coverage. Shortly after the death of the bank's owner-operator in February, 1966, the heirs sold control to the managing officer of First State and he now serves as president and chairman of the board of Bank of Meridian. His family owns the majority of the stock of First State.

The new ownership has concluded Bank of Meridian is an uneconomic unit and requests consent for First State to purchase its assets and assume its liabilities, eliminating in the process Meridian's only banking office because of the State prohibition of branch banking. Guthrie is 12 miles distant but there is a good highway between the two communities. Besides First State, total resources $6.4 million, Guthrie domiciles one other bank, a national institution with total resources of $10.1 million. The assumption by First State of Bank of Meridian's deposits of less than $100,000 would have no effect on bank competition in Guthrie or the overall service area.

The proposed transaction would not substantially lessen competition or tend to create a monopoly, nor would it, in any other manner, be in restraint of trade.

Case No. 31	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Farmers State Bank, Valparaiso, Indiana (change title to Northern Indiana Bank and Trust Company)	23,793	3	4
to merge with			
The Kouts State Bank, Kouts	3,676	1	

Summary report by Attorney General, November 9, 1966

Farmers State Bank, originally chartered in 1874, had, as of August 31, 1966, assets of $23,680,000, loans and discounts of $12,225,000, deposits of $21,450,000, and capital accounts of $1,713,000. Its past 10-year history shows no mergers or consolidations.

Kouts State Bank was chartered in 1945 and has no history of mergers or consolidations. It had, as of August 31, 1966, assets of $3,309,000, loans and discounts of $1,937,000, deposits of $3,013,000, and capital accounts of $269,000.

Despite some limited degree of competitive overlap, the two banks serve largely distinct and separate areas. The merger is therefore not likely to have substantial effect on banking competition in the areas served by these banks.

Basis for Corporation approval, December 1, 1966

The applicant, a $23.8 million bank headquartered in Valparaiso, Indiana and serving the central and northern portion of Porter County which is becoming increasingly industrialized, proposes to merge a $3.7 million bank serving the basically agricultural community of Kouts, 13 miles south from Valparaiso. The merging banks' service areas overlap to a small degree but they serve essentially separate geographic and economic areas. Competition between the merging banks which would be eliminated by the proposed merger is not substantial.

The applicant and its principal competitor, which is also headquartered in Valparaiso, are equally matched from a competitive standpoint in terms of IPC deposits owned. Applicant would move from its narrowly-margined second position to that of largest bank in the overall service area and would hold 25.7 percent of the aggregate IPC deposits owned by the banking offices competing in the resulting bank's service area. The increase in applicant's size is not sufficient to significantly change the competitive situation in Valparaiso or the overall service area; the other Valparaiso headquartered bank holds 22.9 percent of the aggregate IPC deposits and the third largest bank holds 15.4 percent.

Porter County is presently undergoing a rapid industrial and residential development, especially in the northern sector. The present and anticipated growth of the County indicates a need for expanded banking services and the resulting bank with its offices in the northern, central and southern part of the County could meet the varied needs of the industrial, residential and agricultural sectors of the area. The increased lending limit of the resulting bank would place it in a better position than either of the merging banks to meet the credit needs of the farmers, businesses and industries. The present and potential customers of Kouts Bank would be provided with full trust services, outside farm representation, a complete instalment loan department and higher education loans. The Kouts Bank would be afforded the advantages of more advanced bookkeeping techniques, a public relations and advertising department and a full-time auditor.

The proposed merger would provide improved and enlarged banking services to the economically expanding community of Porter County and does not involve a substantial lessening of competition, restraint of trade or tendency toward monopoly.

Case No. 32	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Kings County Lafayette Trust Company, Brooklyn, New York	196,293	10	10
to merge with			
Lafayette Safe Deposit Company, Brooklyn	1,789	—[3]	

Summary report by Attorney General, October 11, 1966

Kings County Lafayette Trust Company proposes to merge into it Lafayette Safe Deposit Company, its subsidiary, which is engaged in the business of renting vaults and safe deposit boxes. The proposed transaction would have no effect on competition.

Basis for Corporation approval, December 1, 1966

Applicant owns all except six shares of Lafayette Safe Deposit Company which conducts business only in leased portions of six branches of the applicant. All officers of the Safe Deposit Company are also officers and employees of the applicant. The purpose of the merger is to simplify administration and to effect economies. The safe deposit facilities will be continued by the applicant following the consummation of the merger.

The proposed merger would have no effect on competition and the banking factors are determined to be favorable to the proposal.

Case No. 33	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Farmers Bank of the State of Delaware, Dover, Delaware	224,628	18	19
to merge with			
West Dover Trust Company, Hartly	1,036	1	

Summary report by Attorney General, October 21, 1966

Farmers Bank of the State of Delaware, Dover, Delaware, had, as of May 31, 1966, total assets of $224,628,000, loans and discounts of $78,229,000, and deposits of $205,318,000. Capital accounts were $14,807,000. Since 1956, Farmers has acquired four other banks, three by merger and one by purchase.

West Dover Trust Company, Hartly, Delaware, as of May 31, 1966, held assets of $1,036,000, loans and discounts of $572,000, and deposits of $906,000. Capital accounts totaled $123,000.

Some competition between the two banks is thought to be present, and this will be eliminated by the proposed merger. However, in view of West Dover's very small size and lack of significant growth since its organization, it is not believed that this merger will adversely affect the structure of banking in the area.

Basis for Corporation approval, December 1, 1966

The applicant, which is headquartered in Dover, Delaware and operates 18 offices throughout the State, proposes to merge a bank in Hartly, 11 miles west from Dover. Applicant was chartered by an Act of the State legislature in 1807; the State is the bank's major stockholder with 49 percent of the outstanding stock and is represented in applicant's management by nine of the bank's 27 directors. Applicant has $224.6 million total resources and is the sole depository for State funds which comprise about one-half the bank's total deposits. Hartly Bank, the smallest in the State, was organized in 1915, does not operate branches and has little more than $1 million in total resources. It is a conservatively operated bank which grants no consumer instalment loans, confines its lending function almost entirely to real estate mortgages and its service area primarily to its own community. There is a minimal amount of competition existing between the merging banks and the probability for effective competition between them in the future is remote.

Applicant is the fourth largest commercial bank in the State in terms of IPC deposits owned; it holds 12.9 percent of the commercial bank IPC deposits owned by the 20 banks in the State. The largest bank, Wilmington Trust Company, holds 39.2 percent. The merger would increase applicant's IPC deposits by less than $1 million, or 0.1 percent of the aggregate, and would have a negligible effect on competition on a statewide basis.

There are 12 commercial bank offices within a radius of 12 miles from Hartly. These include the Dover and Smyrna offices of the applicant which are its closest offices to Hartly Bank, 11 miles distant. All competing bank offices are much closer to an office of the applicant than to Hartly Bank. The closest banking location to Hartly Bank is 9 miles, whereas, except for the Sudlersville bank in Maryland, all these banking offices are 2 miles or less from the nearest office of the applicant. The applicant's Dover and Smyrna offices hold 33.8 percent of the aggregate IPC deposits owned by the 12 commercial banking offices in this area and the proposal would increase this proportion to 35.2 percent. The Bank of Delaware, headquartered in Wilmington, has two branches in this area holding 21.4 percent, the second largest proportion. The two small independent banks located at Clayton and Wyoming are already in close competition with offices of the applicant or offices of other much larger banks. The small increase in applicant's IPC deposit volume in this area and its establishment of a branch in Hartly would not significantly alter the competitive situation in the Hartly-Dover area.

Hartly Bank's small lending limit of $12,100 is inadequate to meet the needs of its community. In addition to providing a much larger lending limit, the resulting bank will make available at the Hartly office consumer credit facilities, time certificates of deposit and trust department services, none of which are presently available at Hartly Bank.

The convenience and needs of the Hartly area will benefit from the proposed merger which will not involve a substantial lessening of competition, existing or potential, tend to create a monopoly nor be in restraint of trade.

Case No. 34	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
South Oak Cliff State Bank, Dallas, Texas	16,329	1	1
to merge with			
National Bank of Oak Cliff in Dallas, Dallas	3,756	1	

Summary report by Attorney General, December 5, 1966

The National Bank of Oak Cliff, a suburb of Dallas, Texas, was organized in 1964. As of September 7, 1966, National had total assets of $3,922,000 and total net loans and discounts of $2,627,000. The South Oak Cliff State Bank, organized in 1942, is also a unit bank located in Oak Cliff, approximately 2 miles from the National Bank. As of September 7, 1966 State Bank had total assets of $17,107,000 and total net loans and discounts of $10,229,000.

National Bank and State Bank are the two smallest banks in their service area and, even following merger, will remain substantially smaller than the three other banks in the area. Also, both banks have common management.

It is unlikely, therefore, that the merger would have an adverse effect on competition.

Basis for Corporation approval, December 22, 1966

The applicant is an old and established $16.3 million bank which has suffered heavy losses and presently is under-capitalized. It proposes to merge a relatively new national bank organized in 1964 which has resources of $3.8 million. Neither the area nor the national bank has grown as anticipated and National's future prospects for earnings and deposit growth are unfavorable. The merging banks' offices are 2 miles apart but a large portion of the business held by National is derived from outside both banks' primary service area; furthermore, the banks have been commonly owned and commonly managed to a major degree since January 1966. There is virtually no competition between the participating banks which would be eliminated by the proposal.

Oak Cliff, part of greater Dallas which is located south of the Trinity River, is the primary service area of both banks. The three largest of nine banks offering competition in this area are within 2 miles of the applicant. Applicant's IPC deposits will be increased by $ 2.2 million and the resulting bank would hold $15.2 million of such deposits. This increase would have little competitive significance in the primary service area where the three largest banks are the applicant's closest competitors and hold IPC deposits of $53.7 million, $24.2 million and $20.1 million.

The office of the national bank would be eliminated under the proposal in conformance with the State banking laws. However, it serves a relatively limited number of customers who could not easily be served by the resulting bank or one of the other three banks in the immediate area. The economic trend in the area is not favorable, a large portion of the newer national bank's business comes from outside the service area and there does not appear to be sufficient local business to justify a need for two banks in this area. National bank has a favorable capital position which will bring some degree of strength to the under-capitalized applicant bank and the business of the two banks could be handled more economically, efficiently and effectively in one office.

The proposed merger would not substantially lessen competition, tend to create a monopoly nor in any other manner be in restraint of trade.

Case No. 35	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
American Bank and Trust Co. of Pa., Reading, Pennsylvania	289,094	16	17
to merge with			
Columbia Trust Co., Columbia	6,204	1	

Summary report by Attorney General, September 15, 1966

American Bank and Trust Co. of Pa. ("American"), formerly the Berks County Trust Company, is the largest bank in Berks County and six adjacent counties, which together constitute the area which American claims the resulting bank will serve. As of June 30, 1966, American had assets of $278,048,000 and deposits of $245,836,000. The Columbia Trust Co., Columbia, Pennsylvania ("Columbia"), a unit bank, as of June 30, 1966 had assets of $6,204,000 and deposits of $5,239,000.

There is little, if any, competition between American and Columbia as the nearest branch of American is approximately 35 miles from the Columbia bank. If the service area of American is considered to be the area from which it derives 75 percent or more of its deposits, then the addition of Columbia's assets to those of American would increase American's share of this market by less than one-half of 1 percent, measured either by "IPC" demand deposits, "IPC" time deposits or by total loans and discounts. At the present time, American has approximately 19 percent of IPC demand deposits, 21 percent of IPC time deposits and 24 percent of the loans and discounts in this service area. However, the merger would eliminate American as a potential competitor, via the establishment of a *de novo* branch, in Columbia's service area.

Basis for Corporation approval, December 22, 1966

Applicant is headquartered in Reading, Berks County, Pennsylvania, 43 miles from the sole office of Columbia Trust Co., Columbia, Pennsylvania, which it would acquire by the proposed merger. Applicant has 12 offices in Reading and environs, one branch at Reamstown in Lancaster County, and three branches in Schuylkill County. Columbia is 28 miles from applicant's Reamstown branch. All other offices of the applicant are located at greater distances from Columbia and numerous competing banks intervene. Because of this there is little if any competition between the merging banks. The Trust Co., moreover, is unlikely to be a significant competitor in the future. Its condition is only fair, it lacks management succession, and it faces aggressive competition from far larger banks which have entered or are seeking to enter the Columbia area, displacing the small unit banks which formerly were Trust Co.'s competitors.

The resulting bank would compete in Berks, Schuylkill, and Lancaster Counties, a small portion of Carbon County, and part of York County across the Susquehanna River from Columbia. While it would be the largest bank in its service area, only a very small increase in its resources would result from this merger. Among the many banks with which it will compete are several with substantial resources.

Applicant is a progressive, well-managed bank with favorable financial history and a good record of service to its communities, particularly in providing loans for industrial expansion. The merger should stimulate competition among banks of comparable size and ability. It will benefit the Columbia area, which requires assistance to improve its economy, by fulfilling needs for large amounts of credit and by providing banking and fiduciary services to an extent not heretofore available, including electronic data processing facilities.

There is nothing to indicate that applicant would be interested in *de novo* penetration of Columbia, or that it could show the city needed a fourth bank, as would be required.

The merger would not substantially lessen competition, tend to create monopoly, nor in any other manner be in restraint of trade.

Case No. 36	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Western Security Bank, Sandusky, Ohio	23,506	2	4[4]
to acquire assets and assume liability to pay deposits of			
The Peoples Savings Association, Sandusky	11,401	2	

Summary report by Attorney General, November 30, 1966

This is a proposal by the smallest of Sandusky's three commercial banks to acquire the assets and assume the liabilities of the larger of that city's two savings and loan institutions.

Peoples Savings now offers only mortgage loan and savings deposit services; these services are also offered by Western Security. The offices of the two institutions are in close proximity in downtown Sandusky. Thus, the proposed merger would eliminate all competition between the merging banks with respect to mortgage loan and savings deposit services and would substantially increase the existing level of concentration in these markets.

Although the merging banks presently are under a degree of common direction and ownership, the proposed merger would eliminate permanently both present and future competition between them.

Basis for Corporation approval, December 22, 1966

The smallest commercial bank in Sandusky, Ohio, with less than $20 million IPC deposits, proposes to purchase the assets and assume the liabilities of Association, the larger of two savings and loan institutions in Sandusky, which has $10.7 million IPC deposits. Each institution operates one branch which is located in the city. The basically different nature of the institutions' operations limits competition between them to real estate mortgage loans and savings funds. The competition existing between the participating institutions for these services, which constitute only two of the many and varied types of loans, deposit and other commercial bank services offered by the applicant, is not substantial relative to the total competition existing within Sandusky and Erie County. Furthermore, any competition between the participants for these services would be tempered by the substantial common ownership, the common management and harmonious relationship between them.

The increase in applicant's size would be relatively large but the competitive balance in Sandusky and Erie County would not be adversely altered. The applicant would be placed on an equitable footing with the other two commercial banks in Sandusky with respect to size as well as legal lending limits. Neither of the institutions involved, because of the lack of both size and adequate lending limit on the part of applicant and because of restricted services offered by the Association, are in a favorable position to compete for and obtain an equitable share of the new business being generated in the industrially expanding area. The numerous additional services of a commercial bank would become conveniently available at Association's offices. The customers of Association and other residents of the area who prefer to deal with a savings and loan association would continue to be served by one such institution in Sandusky. The resulting bank intends to exercise trust powers which would be a convenience to the community since no bank in Erie County presently offers fiduciary services.

The proposal would resolve the unimpressive future prospects for growth and earnings of the Association and stimulate commercial bank competition. The merger would not substantially lessen competition, tend to create a monopoly nor in any other manner be in restraint of trade.

Case No. 37	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Bank of New York, New York, New York	1,273,159	8	8
to merge with			
The Fifth Avenue Bank Safe Deposit Vaults, Inc., New York	303		

Summary report by Attorney General, November 30, 1966

The Bank of New York proposes to merge into it its subsidiary, The Fifth Avenue Bank Safe Deposit Vaults, Inc., which is engaged in the business of renting vaults and safe deposit boxes. The purpose of the merger is to simplify administration and the proposed transaction would have no effect on competition.

Basis for Corporation approval, December 29, 1966

The Fifth Avenue Bank Safe Deposit Vaults, Inc. is wholly-owned by The Bank of New York except for directors' qualifying shares. It is engaged solely in a safe-keeping and safe deposit box rental business on the bank's premises; all its officers are also officers of the bank.

The objective of the proposed merger of the two is to simplify administration and permit greater efficiency and economy of operation. Consummation of the merger would have no effect on competition nor would it affect the condition of the bank or its future prospects.

The proposed merger would not lessen competition, tend to create a monopoly nor in any manner be in restraint of trade.

[1] Office of merged company expected to be closed after transfer of trust operations to main office.
[2] Site of present LeClaire office of Farmers Savings Bank.
[3] Safe deposit company occupied leased portions of six of applicant's offices, which will be continued.
[4] Includes one office expected to be closed within six months after completion of purchase transaction.

LEGISLATION

AND REGULATIONS

PART TWO

FEDERAL BANKING LEGISLATION—1966

Public Law 89-356
89th Congress, S. 1698
February 21, 1966

AN ACT

To establish a procedure for the review of proposed bank mergers so as to eliminate the necessity for the dissolution of merged banks, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended to read:

"(c)(1) Except with the prior written approval of the responsible agency, which shall in every case referred to in this paragraph be the Corporation, no insured bank shall—

"(A) merge or consolidate with any noninsured bank or institution;

"(B) assume liability to pay any deposits made in, or similar liabilities of, any noninsured bank or institution;

"(C) transfer assets to any noninsured bank or institution in consideration of the assumption of liabilities for any portion of the deposits made in such insured bank.

"(2) No insured bank shall merge or consolidate with any other insured bank or, either directly or indirectly, acquire the assets of, or assume liability to pay any deposits made in, any other insured bank except with the prior written approval of the responsible agency, which shall be—

"(A) the Comptroller of the Currency if the acquiring, assuming, or resulting bank is to be a national bank or a District bank;

"(B) the Board of Governors of the Federal Reserve System if the acquiring, assuming, or resulting bank is to be a State member bank (except a District bank);

"(C) the Corporation if the acquiring, assuming, or resulting bank is to be a nonmember insured bank (except a District bank).

"(3) Notice of any proposed transaction for which approval is required under paragraph (1) or (2) (referred to hereafter in this subsection as a 'merger transaction') shall, unless the responsible agency finds that it must act immediately in order to prevent the probable failure of one of the banks involved, be published—

"(A) prior to the granting of approval of such transaction,

"(B) in a form approved by the responsible agency,

"(C) at appropriate intervals during a period at least as long as the period allowed for furnishing reports under paragraph (4) of this subsection, and

"(D) in a newspaper of general circulation in the community or communities where the main offices of the banks involved are located, or, if there is no such newspaper in any such community, then in the newspaper of general circulation published nearest thereto.

"(4) In the interests of uniform standards, before acting on any application for approval of a merger transaction, the responsible agency, unless it finds that it must act immediately in order to prevent the probable failure of one of the banks involved, shall request reports on the competitive factors involved from the Attorney General and the other two banking agencies referred to in this subsection. The reports shall be furnished within thirty calendar days of the date on which they are requested, or within ten calendar days of such date if the requesting agency advises the Attorney General and the other two banking agencies that an emergency exists requiring expeditious action.

"(5) The responsible agency shall not approve—

"(A) any proposed merger transaction which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

"(B) any other proposed merger transaction whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

In every case, the responsible agency shall take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served.

"(6) The responsible agency shall immediately notify the Attorney General of any approval by it pursuant to this subsection of a proposed merger transaction. If the agency has found that it must act immediately to prevent the probable failure of one of the banks involved and reports on the competitive factors have been dispensed with, the transaction may be consummated immediately upon approval by the agency. If the agency has advised the Attorney General and the other two banking agencies of the existence of an emergency requiring expeditious action and has requested reports on the competitive factors within ten days, the transaction may not be consummated before the fifth calendar day after the date of approval by the agency. In all other cases, the transaction may not be consummated before the thirtieth calendar day after the date of approval by the agency.

"(7) (A) Any action brought under the antitrust laws arising out of a merger transaction shall be commenced prior to the earliest time under paragraph (6) at which a merger transaction approved under paragraph (5) might be consummated. The commencement of such an action shall stay the effectiveness of the agency's approval unless the court shall otherwise specifically order. In any such action, the court shall review de novo the issues presented.

"(B) In any judicial proceeding attacking a merger transaction approved under paragraph (5) on the ground that the merger transaction alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), the standards applied by the court shall be identical with those that the banking agencies are directed to apply under paragraph (5).

"(C) Upon the consummation of a merger transaction in compliance with this subsection and after the termination of any antitrust litigation commenced within the period prescribed in this paragraph, or upon the termination of such period if no such litigation is commenced therein, the transaction may not thereafter be attacked in any judicial proceeding on the ground that it alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), but nothing in this subsection shall exempt any bank resulting from a merger transaction from complying with the antitrust laws after the consummation of such transaction.

"(D) In any action brought under the antitrust laws arising out of a merger transaction approved by a Federal supervisory agency pursuant to this subsection, such agency, and any State banking supervisory agency having jurisdiction within the State involved, may appear as a party of its own motion and as of right, and be represented by its counsel.

"(8) For the purposes of this subsection, the term 'antitrust laws' means the Act of July 2, 1890 (the Sherman Antitrust Act, 15 U.S.C. 1-7), the Act of October 15, 1914 (the Clayton Act, 15 U.S.C. 12-27), and any other Acts in pari materia.

"(9) Each of the responsible agencies shall include in its annual report to the Congress a description of each merger transaction approved by it during the period covered by the report, along with the following information:

"(A) the name and total resources of each bank involved;

"(B) whether a report was submitted by the Attorney General under paragraph (4), and, if so, a summary by the Attorney General of the substance of such report; and

"(C) a statement by the responsible agency of the basis for its approval."

(b) Section 18 of such Act is further amended by adding at the end thereof the following new subsection:

"(i) (1) No insured State nonmember bank (except a District bank) shall, without the prior consent of the Corporation, reduce the amount or retire any part of its common or preferred capital stock, or retire any part of its capital notes or debentures.

"(2) No insured bank shall convert into an insured State bank if its capital stock or its surplus will be less than the capital stock or surplus, respectively, of the converting bank at the time of the shareholder's meeting approving such conversion, without the prior written consent of—

"(A) the Comptroller of the Currency if the resulting bank is to be a District bank;

"(B) the Board of Governors of the Federal Reserve System if the resulting bank is to be a State member bank (except a District bank);

"(C) the Corporation if the resulting bank is to be a State nonmember insured bank (except a District bank).

"(3) Without the prior written consent of the Corporation, no insured bank shall convert into a noninsured bank or institution.

"(4) In granting or withholding consent under this subsection, the responsible agency shall consider—

"(A) the financial history and condition of the bank,

"(B) the adequacy of its capital structure,

"(C) its future earnings prospects,

"(D) the general character of its management,

"(E) the convenience and needs of the community to be served, and

"(F) whether or not its corporate powers are consistent with the purposes of this Act."

Sec. 2. (a) Any merger, consolidation, acquisition of assets, or assumption of liabilities involving an insured bank which was consummated prior to June 17, 1963, the bank resulting from which has not been dissolved or divided and has not effected a sale or distribution of assets and has not taken any other similar action pursuant to a final judgment under the antitrust laws prior to the enactment of this Act, shall be conclusively presumed to have not been in violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2).

(b) No merger, consolidation, acquisition of assets, or assumption of liabilities involving an insured bank which was consummated after June 16, 1963, and prior to the date of enactment of this Act and as to which no litigation was initiated by the Attorney General prior to the date of enactment of this Act may be attacked after such date in any judicial proceeding on the ground that it alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2).

(c) Any court having pending before it on or after the date of enactment of this Act any litigation initiated under the antitrust laws by the Attorney General after June 16, 1963, with respect to the merger, consolidation, acquisition of assets, or assumption of liabilities of an insured bank consummated after June 16, 1963, shall apply the substantive rule of law set forth in section 18(c)(5) of the Federal Deposit Insurance Act, as amended by this Act.

(d) For the purposes of this section, the term "antitrust laws" means the Act of July 2, 1890 (the Sherman Antitrust Act, 15 U.S.C. 1-7), the Act of October 15, 1914 (the Clayton Act, 15 U.S.C. 12-27), and any other Acts in pari materia.

Sec. 3. Any application for approval of a merger transaction (as the term "merger transaction" is used in section 18(c) of the Federal Deposit Insurance Act) which was made before the date of enactment of this Act, but was withdrawn or abandoned as a result of any objections made or any suit brought by the Attorney General, may be reinstituted and shall be acted upon in accordance with the provisions of this Act without prejudice by such withdrawal, abandonment, objections, or judicial proceedings.

Approved February 21, 1966.

Public Law 89-485
89th Congress, H. R. 7371
July 1, 1966

AN ACT

To amend the Bank Holding Company Act of 1956.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)) is amended to read as follows:

"(a) 'Bank holding company' means any company (1) that directly or indirectly owns, controls, or holds with power to vote 25 per centum or more of the voting shares of each of two or more banks or of a company that is or becomes a bank holding company by virtue of this Act, or (2) that controls in any manner the election of a majority of the directors of each of two or more banks; and, for the purposes of this Act, any successor to any such company shall be deemed to be a bank holding company from the date as of which such predecessor company became a bank holding company. Nothwithstanding the foregoing, (A) no bank and no company owning or controlling voting shares of a bank shall be a bank holding company by virtue of such bank's ownership or control of shares in a fiduciary capacity, except as provided in paragraphs (2) and (3) of subsection (g) of this section, (B) no company shall be a bank holding company by virtue of its ownership or control of shares acquired by it in connection with its underwriting of securities if such shares are held only for such period of time as will permit the sale thereof on a reasonable basis, and (C) no company formed for the sole purpose of participating in a proxy solicitation shall be a bank holding company by virtue of its control of voting rights of shares acquired in the course of such solicitation."

Sec. 2. Subsection (b) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(b)) is amended to read as follows:

"(b) 'Company' means any corporation, business trust, association, or similar organization, or any other trust unless by its terms it must terminate within twenty-five years or not later than twenty-one years and ten months after the death of individuals living on the effective date of the trust, but shall not include (1) any corporation the majority of the shares of which are owned by the United States or by any State, or (2) any partnership."

Sec. 3. Subsection (c) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)) is amended to read as follows:

"(c) 'Bank' means any institution that accepts deposits that the depositor has a legal right to withdraw on demand, but shall not include any organization operating under section 25 or section 25(a) of the Federal Reserve Act, or any organization that does not do business within the United States. 'District bank' means any bank organized or operating under the Code of Law for the District of Columbia."

Sec. 4. Subsection (d) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(d)) is amended to read as follows:

"(d) 'Subsidiary', with respect to a specified bank holding company, means (1) any company 25 per centum or more of whose voting shares (excluding shares owned by the United States or by any company wholly owned by the United States) is directly or indirectly owned or controlled by such bank holding company, or is held by it with power to vote; or (2) any company the election of a majority of whose directors is controlled in any manner by such bank holding company."

Sec. 5. Subsection (g) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(g)) is repealed.

Sec. 6. Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), as amended by this Act, is further amended by adding at the end thereof the following new subsections:

"(g) For the purposes of this Act—

"(1) shares owned or controlled by any subsidiary of a bank holding company shall be deemed to be indirectly owned or controlled by such bank holding company;

"(2) shares held or controlled directly or indirectly by trustees for the benefit of (A) a company, (B) the shareholders or members of a company, or (C) the employees (whether exclusively or not) of a company, shall be deemed to be controlled by such company; and

"(3) shares transferred after January 1, 1966, by any bank holding company (or by any company which, but for such transfer, would be a bank holding company) directly or indirectly to any transferee that is indebted to the transferor, or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, shall be deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee.

"(h) The application of this Act and of section 23A of the Federal Reserve Act (12 U.S.C. 371), as amended, shall not be affected by the fact that a transaction takes place wholly or partly outside the United States or that a company is organized or operates outside the United States: *Provided, however,* That the prohibitions of section 4 of this Act shall not apply to shares of any company organized under the laws of a foreign country that does not do any business within the United States, if such shares are held or acquired by a bank holding company that is principally engaged in the banking business outside the United States."

Sec. 7. (a) The first sentence of subsection (a) of section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended to read as follows: "It shall be unlawful, except with the prior approval of the Board, (1) for any action to be taken that causes any company to become a bank holding company; (2) for any action to be taken that causes a bank to become a subsidiary of a bank holding company; (3) for any bank holding company to acquire direct or indirect ownership or control of any voting shares of any bank if, after such acquisition, such company will directly or indirectly own or control more than 5 per centum of the voting shares of such bank; (4) for any bank holding company or subsidiary thereof, other than a bank, to acquire all or substantially all of the assets of a bank; or (5) for any bank holding company to merge or consolidate with any other bank holding company."

(b) The second sentence of subsection (a) of section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended by striking the words "except where such shares are held for the benefit of the shareholders of such bank" at the end of clause (i) and inserting in lieu thereof the words "except where such shares are held under a trust that constitutes a company as defined in section 2(b) and except as provided in paragraphs (2) and (3) of section 2(g)".

(c) Subsection (c) of section 3 of the Bank Holding Company Act of 1956 is amended to read as follows:

"(c) The Board shall not approve—

"(1) any acquisition or merger or consolidation under this section which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

"(2) any other proposed acquisition or merger or consolidation under this section whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

In every case, the Board shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served."

(d) Subsection (d) of section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended by striking the words "in which such bank holding company maintains its principal office and place of business or in which it conducts its principal operations" and inserting in lieu thereof the words "in which the operations of such bank holding company's banking subsidiaries were principally conducted on the effective date of this amendment or the date on which such company became a bank holding company, whichever is later,". Such subsection is further amended by adding at the end thereof the following new sentence: "For the purposes of this section, the State in which the operations of a bank holding company's subsidiaries are principally conducted is that State in which total deposits of all such banking subsidiaries are largest."

Sec. 8. (a) Subsection (a) of section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)) is amended to read as follows:

"(a) Except as otherwise provided in this Act, no bank holding company shall—

"(1) after the date of enactment of this Act acquire direct or indirect ownership or control of any voting shares of any company which is not a bank, or

"(2) after two years from the date as of which it becomes a bank holding company, or, in the case of any company that has been continuously affiliated since May 15, 1955, with a company which was registered under the Investment Company Act of 1940, prior to May 15, 1955, in such a manner as to constitute an affiliated company within the meaning of that Act, after December 31, 1978, retain direct or indirect ownership or control of any voting shares of any company which is not a bank or a bank holding company or engage in any business other than that of banking or of managing or controlling banks or of furnishing services to or performing services for any bank of which it owns or controls 25 per centum or more of the voting shares.

The Board is authorized, upon application by a bank holding company, to extend the period referred to in paragraph (2) above from time to time as to such bank holding company for not more than one year at a time, if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed three years."

(b) Subsection (c) of section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended to read as follows:

"(c) The prohibitions in this section shall not apply to any bank holding company which is a labor, agricultural, or horticultural organization and which is exempt from taxation under section 501 of the Internal Revenue Code of 1954, and such prohibitions shall not, with respect to any other bank holding company, apply to—

"(1) shares of any company engaged or to be engaged solely in one or more of the following activities: (A) holding or operating properties used wholly or substantially by any banking subsidiary of such bank holding company in the operations of such banking subsidiary or acquired for such future use; or (B) conducting a safe deposit business; or (C) furnishing services to or performing services for such bank holding company or its banking subsidiaries; or (D) liquidating assets acquired from such bank holding company or its banking subsidiaries or acquired from any other source prior to May 9, 1956, or the date on which such company became a bank holding company, whichever is later;

"(2) shares acquired by a bank in satisfaction of a debt previously contracted in good faith, but such bank shall dispose of such shares within a period of two years from the date on which they were acquired, except that the Board is authorized upon application by such bank holding company to extend such period of two years from time to time as to such holding company for not more than one year at a time if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall extend beyond a date five years after the date on which such shares were acquired;

"(3) shares acquired by such bank holding company from any of its subsidiaries which subsidiary has been requested to dispose of such shares by any Federal or State authority having statutory power to examine such subsidiary, but such bank holding company shall dispose of such shares within a period of two years from the date on which they were acquired;

"(4) shares held or acquired by a bank in good faith in a fiduciary capacity, except where such shares are held under a trust that constitutes a company as defined in section 2(b) and except as provided in paragraphs (2) and (3) of section 2(g);

"(5) shares which are of the kinds and amounts eligible for investment by national banking associations under the provisions of section 5136 of the Revised Statutes;

"(6) shares of any company which do not include more than 5 per centum of the outstanding voting shares of such company;

"(7) shares of an investment company which is not a bank holding company and which is not engaged in any business other than investing in securities, which securities do not include more than 5 per centum of the outstanding voting shares of any company;

"(8) shares of any company all the activities of which are or are to be of a financial, fiduciary, or insurance nature and which the Board after due notice and hearing, and on the basis of the record made at such hearing, by order has determined to be so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and as to make it unnecessary for the prohibitions of this section to apply in order to carry out the purposes of this Act;

"(9) shares of any company which is or is to be organized under the laws of a foreign country and which is or is to be engaged principally in the banking business outside the United States; or

"(10) shares lawfully acquired and owned prior to May 9, 1956, by a bank which is a bank holding company, or by any of its wholly owned subsidiaries."

(c) Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end thereof the following new subsection:

"(d) With respect to shares which were not subject to the prohibitions of this section as originally enacted by reason of any exemption with respect thereto but which were made subject to such prohibitions by the subsequent repeal of such exemption, no bank holding company shall retain direct or indirect ownership or control of such shares after five years from the date of the repeal of such exemption, except as provided in paragraph (2) of subsection (a). Any bank holding company subject to such five-year limitation on the retention of nonbanking assets shall endeavor to divest itself of such shares promptly and such bank holding company shall report its progress in such divestiture to the Board two years after repeal of the exemption applicable to it and annually thereafter."

Sec. 9. Section 6 of the Bank Holding Company Act of 1956 (12 U.S.C. 1845) is hereby repealed.

Sec. 10. The first sentence of section 9 of the Bank Holding Company Act of 1956 (12 U.S.C. 1848) is amended by striking out "sixty" and inserting "thirty".

Sec. 11. Section 11 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 (note)) is amended by inserting "(a)" after "Sec. 11."; by inserting a comma and "except as specifically provided in this section" before the period at the end thereof; and by adding at the end thereof the following new subsections:

"(b) The Board shall immediately notify the Attorney General of any approval by it pursuant to this Act of a proposed acquisition, merger, or consolidation transaction, and such transaction may not be consummated before the thirtieth calendar day after the date of approval by the Board. Any action brought under the antitrust laws arising out of an acquisition, merger, or consolidation transaction shall be commenced within such thirty-day period. The commencement of such an action shall stay the effectiveness of the Board's approval unless the court shall otherwise specifically order. In any such action, the court shall review de novo the issues presented. In any judicial proceeding attacking any acquisition, merger, or consolidation transaction approved pursuant to this Act on the ground that such transaction alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), the standards applied by the court shall be identical with those that the Board is directed to apply under section 3 of this Act. Upon the consummation of an acquisition, merger, or consolidation transaction in compliance with this Act and after the termination of any antitrust litigation commenced within the period prescribed in this section, or upon the termination of such period if no such litigation is commenced therein, the transaction may not thereafter be attacked in any judicial proceeding on the ground that it alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), but nothing in this Act shall exempt any bank holding company involved in such a transaction from complying with the antitrust laws after the consummation of such transaction.

"(c) In any action brought under the antitrust laws arising out of any acquisition, merger, or consolidation transaction approved by the Board pursuant to this Act, the Board and any State banking supervisory agency having jurisdiction within the State involved, may appear as a party of its own motion and as of right, and be represented by its counsel.

"(d) Any acquisition, merger, or consolidation of the kind described in section 3(a) of this Act which was consummated at any time prior or subsequent to May 9, 1956, and as to which no litigation was initiated by the Attorney General prior to the date of enactment of this amendment, shall be conclusively presumed not to have been in violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2).

"(e) Any court having pending before it on or after the date of enactment of this amendment any litigation initiated under the antitrust laws by the Attorney General with respect to any acquisition, merger, or consolidation of the kind described in section 3(a) of this Act shall apply the substantive rule of law set forth in section 3 of this Act.

"(f) For the purposes of this section, the term 'antitrust laws' means the Act of July 2, 1890 (the Sherman Antitrust Act, 15 U.S.C. 1-7), the Act of October 15, 1914 (the Clayton Act, 15 U.S.C. 12-27), and any other Acts in pari materia."

Sec. 12. (a) Section 23A of the Federal Reserve Act, as amended (12 U.S.C. 371c), is amended by adding at the end thereof the following new paragraphs:

"For the purposes of this section, (1) the term 'extension of credit' and 'extensions of credit' shall be deemed to include (A) any purchase of securities, other assets or obligations under repurchase agreement, and (B) the discount of promissory notes, bills of exchange, conditional sales contracts, or similar paper, whether with or without recourse, except that the acquisition of such paper by a member bank from another bank, without recourse, shall not be deemed to be a 'discount' by such member bank for such other bank; and (2) non-interest-bearing deposits to the credit of a bank shall not be deemed to be a loan or advance or extension of credit to the bank of deposit, nor shall the giving of immediate credit to a bank upon uncollected items received in the ordinary course of business be deemed to be a loan or advance or extension of credit to the depositing bank.

"For the purposes of this section, the term 'affiliate' shall include, with respect to any member bank, any bank holding company of which such member bank is a subsidiary within the meaning of the Bank Holding Company Act of 1956, as amended, and any other subsidiary of such company.

"The provisions of this section shall not apply to (1) stock, bonds, debentures, or other obligations of any company of the kinds described in section 4(c)(1) of the Bank Holding Company Act of 1956, as amended; (2) stock, bonds, debentures, or other obligations accepted as security for debts previously contracted, provided that such collateral shall not be held for a period of over two years; (3) shares which are of the kinds and amounts eligible for investment by national banks under the provisions of section 5136 of the Revised Statutes; (4) any extension of credit by a member bank to a bank holding company of which such bank is a subsidiary or to another subsidiary of such bank holding company, if made within one year after the effective date of this amendment to section 23A and pursuant to a contract lawfully entered into prior to January 1, 1966; or (5) any transaction by a member bank with another bank the deposits of which are insured by the Federal Deposit Insurance Corporation, if more than 50 per centum of the voting stock of such other bank is owned by the member bank or held by trustees for the benefit of the shareholders of the member bank."

(b) Section 25 of the Federal Reserve Act, as amended (12 U.S.C. 601), is amended by striking out "either or both of" immediately preceding "the following powers" in the introductory paragraph and by inserting after the paragraph designated "Second." the following new paragraph:

"Third. To acquire and hold, directly or indirectly, stock or other evidences of ownership in one or more banks organized under the law of a foreign country or a dependency or insular possession of the United States and not engaged, directly or indirectly, in any activity in the United States except as, in the judgment of the Board of Governors of the Federal Reserve System, shall be incidental to the international or foreign business of such foreign bank; and, notwithstanding the provisions of section 23A of this Act, to make loans or extensions of credit to or for the account of such bank in the manner and within the limits prescribed by the Board by general or specific regulation or ruling."

(c) Section 18 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1828), is further amended by adding at the end thereof the following new subsection:

"(j) The provisions of section 23A of the Federal Reserve Act, as amended, relating to loans and other dealings between member banks and their affiliates, shall be applicable to every nonmember insured bank in the same manner and to the same extent as if such nonmember insured bank were a member bank; and for this purpose any company which would be an affiliate of a nonmember insured bank, within the meaning of section 2 of the Banking Act of 1933, as amended, and for the purposes of section 23A of the Federal Reserve Act, if such bank were a member bank shall be deemed to be an affiliate of such nonmember insured bank."

Sec. 13. (a) Subsection (b) of section 2 of the Banking Act of 1933, as amended (12 U.S.C. 221a), is further amended by inserting before the period at the end thereof the following: "; or

"(4) Which owns or controls, directly or indirectly, either a majority of the shares of capital stock of a member bank or more than 50 per centum of the number of shares voted for the election of directors of a member bank at the preceding election, or controls in any manner the election of a majority of the directors of a member bank, or for the benefit of whose shareholders or members all or substantially all the capital stock of a member bank is held by trustees".

(b) Subsection (c) of section 2 of the Banking Act of 1933, as amended (12 U.S.C. 221a), is repealed.

(c) Section 5144 of the Revised Statutes, as amended (12 U.S.C. 61), is amended to read as follows:

"Sec. 5144. In all elections of directors, each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit; and in deciding all other questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him; except that (1) this shall not be construed as limiting the voting rights of holders of preferred stock under the terms and provisions of articles of association, or amendments thereto, adopted pursuant to the provisions of section 302(a) of the Emergency Banking and Bank Conservation Act, approved

March 9, 1933, as amended; (2) in the election of directors, shares of its own stock held by a national bank as sole trustee, whether registered in its own name as such trustee or in the name of its nominee, shall not be voted by the registered owner unless under the terms of the trust the manner in which such shares shall be voted may be determined by a donor or beneficiary of the trust and unless such donor or beneficiary actually directs how such shares shall be voted; and (3) shares of its own stock held by a national bank and one or more persons as trustees may be voted by such other person or persons, as trustees, in the same manner as if he or they were the sole trustee. Shareholders may vote by proxies duly authorized in writing; but no officer, clerk, teller, or bookkeeper of such bank shall act as proxy; and no shareholder whose liability is past due and unpaid shall be allowed to vote. Whenever shares of stock cannot be voted by reason of being held by the bank as sole trustee such shares shall be excluded in determining whether matters voted upon by the shareholders were adopted by the requisite percentage of shares."

(d) Paragraph (c) of section 5211 of the Revised Statutes (12 U.S.C. 161) is amended by striking out the second sentence thereof.

(e) The last sentence of the sixteenth paragraph of section 4 of the Federal Reserve Act, as amended (12 U.S.C. 304), is amended by striking out all of the language therein which follows the colon and by inserting in lieu thereof the following: "*Provided,* That whenever any member banks within the same Federal Reserve district are subsidiaries of the same bank holding company within the meaning of the Bank Holding Company Act of 1956, participation in any such nomination or election by such member banks, including such bank holding company if it is also a member bank, shall be confined to one of such banks, which may be designated for the purpose by such holding company."

(f) The nineteenth paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 334) is amended by striking out the last sentence of such paragraph.

(g) The twenty-second paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 337) is repealed.

(h) The third paragraph of section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended by striking out that part of the first sentence that reads "For the purpose of this section, the term 'affiliate' shall include holding company affiliates as well as other affiliates, and"; and by changing the word "the" following such language to read "The".

(i) Paragraph (4) of section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-3) is repealed.

(j) Paragraph (11) of section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2) is amended by striking out the words "or any holding company affiliate, as defined in the Banking Act of 1933" and substituting therefor the words "or any bank holding company as defined in the Bank Holding Company Act of 1956".

Approved July 1, 1966.

Public Law 89-597
89th Congress, H. R. 14026
September 21, 1966

AN ACT

To provide for the more flexible regulation of maximum rates of interest or dividends payable by banks and certain other financial institutions on deposits or share accounts, to authorize higher reserve requirements on time deposits at member banks, to authorize open market operations in agency issues by the Federal Reserve Banks, and for other purposes.

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

Section 1. The Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, in implementation of their respective powers under existing law and this Act, shall take action to bring about the reduction of interest rates to the maximum extent feasible in the light of prevailing money market and general economic conditions.

RESERVES AND RATE CEILINGS—MEMBER BANKS

Sec. 2. (a) Section 19 of the Federal Reserve Act is amended by striking the first six paragraphs (12 U.S.C. 461, 462, and 462b) and inserting:

"(a) The Board is authorized for the purposes of this section to define the terms used in this section, to determine what shall be deemed a payment of interest, and to prescribe such regulations as it may deem necessary to effectuate the purposes of this section and to prevent evasions thereof.

"(b) Every member bank shall maintain reserves against its deposits in such ratios as shall be determined by the affirmative vote of not less than four members of the Board within the following limitations:

"(1) In the case of any member bank in a reserve city, the minimum reserve ratio for any demand deposit shall be not less than 10 per centum and not more than 22 per centum, except that the Board, either in individual cases or by regulation, on such basis as it may deem reasonable and appropriate in view of the character of business transacted by such bank, may make applicable the reserve ratios prescribed for banks not in reserve cities.

"(2) In the case of any member bank not in a reserve city, the minimum reserve ratio for any demand deposit shall be not less than 7 per centum and not more than 14 per centum.

"(3) In the case of any deposit other than a demand deposit, the minimum reserve ratio shall be not less than 3 per centum and not more than 10 per centum.

"(c) Reserves held by any member bank to meet the requirements imposed pursuant to subsection (b) of this section shall be in the form of—

"(1) balances maintained for such purpose by such bank in the Federal Reserve bank of which it is a member, and

"(2) the currency and coin held by such bank, or such part thereof as the Board may by regulation prescribe."

(b) The paragraphs which, prior to the amendments made by this Act, were the seventh (12 U.S.C. 374a), eighth (12 U.S.C. 374, 463), ninth (12 U.S.C. 464), tenth (12 U.S.C. 465), eleventh (12 U.S.C. 466), twelfth (12 U.S.C. 371a), and thirteenth (12 U.S.C. 371b) paragraphs of section 19 of the Federal Reserve Act are respectively redesignated as subsections (d), (e), (f), (g), (h), (i), and (j) of that section.

(c) Such section is further amended by striking the first sentence of subsection (j) as redesignated (12 U.S.C. 371) and inserting: "The Board may from time to time, after consulting with the Board of Directors of the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board, limit by regulation the rates of interest which may be paid by member banks on time and savings deposits. The Board may prescribe different rate limitations for different classes of deposits, for deposits of different amounts or with different maturities or subject to different conditions regarding withdrawal or repayment, according to the nature or location of member banks or their depositors, or according to such other reasonable bases as the Board may deem desirable in the public interest."

(d) The last paragraph of such section (12 U.S.C. 462a-1) and the proviso in section 8 of the Second Liberty Bond Act (31 U.S.C. 771) are repealed.

RATE CEILINGS—INSURED NONMEMBER BANKS

Sec. 3. The second and third sentences of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) are amended to read as follows: "The Board of Directors may from time to time, after consulting with the Board of Governors of the Federal Reserve System and the Federal Home Loan Bank Board, limit by regulation the rates of interest or dividends that may be paid by insured nonmember banks (including insured mutual savings banks) on time and savings deposits. The Board of Directors may prescribe different rate limitations for different classes of deposits, for deposits of different amounts or with different maturities or subject to different conditions regarding withdrawal or repayment, according to the nature or location of insured nonmember banks or their depositors, or according to such other reasonable bases as the Board of Directors may deem desirable in the public interest."

RATE CEILINGS—SAVINGS AND LOAN ASSOCIATIONS

Sec. 4. The Federal Home Loan Bank Act is amended by adding after section 5A thereof (12 U.S.C. 1425a) the following new section:

"Sec. 5B. The Board may from time to time, after consulting with the Board of Governors of the Federal Reserve System and the Board of Directors of the Federal Deposit Insurance Corporation, limit by regulation the rates of interest or dividends on deposits, shares, or withdrawable accounts that may be paid by members, other than those the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act, and by institutions which are insured institutions as defined in section 401(a) of the National Housing Act. The Board may prescribe different rate limitations for different classes of deposits, shares, or withdrawable accounts, for deposits, shares, or withdrawable accounts of different amounts or with different maturities or subject to different conditions regarding withdrawal or repayment, according to the nature or location of such members or institutions or their depositors, shareholders, or withdrawable accountholders, or according to such other reasonable bases as the Board may deem desirable in the public interest."

OUTSTANDING RATE REGULATIONS

Sec. 5. Any regulation prescribed by the Board of Governors of the Federal Reserve System or the Board of Directors of the Federal Deposit Insurance Corporation with respect to the payment of deposits and interest thereon by members banks or insured nonmember banks which is in effect when this Act is enacted shall continue in effect unless and until it is modified or rescinded after consultation with the Board of Directors or the Board of Governors, as the case may be, and the Federal Home Loan Bank Board.

OPEN MARKET OPERATIONS

Sec. 6. Section 14(b) of the Federal Reserve Act (12 U.S.C. 355) is amended by inserting "(1)" immediately after "(b)" and by adding the following new paragraph at the end:

"(2) To buy and sell in the open market, under the direction and regulations of the Federal Open Market Committee, any obligation which is a direct obligation of, or fully guaranteed as to principal and interest by, any agency of the United States."

Sec. 7. The provisions of the preceding sections of this Act shall be effective only during the one-year period which begins on the date of enactment of this Act. Upon the expiration of such period, each provision of law amended by this Act is further amended to read as it did immediately prior to the enactment of this Act.

Approved September 21, 1966.

Public Law 89-695
89th Congress, S. 3158
October 16, 1966

AN ACT

To strengthen the regulatory and supervisory authority of Federal agencies over insured banks and insured savings and loan associations, and for other purposes.

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 "Financial Institutions Supervisory Act of 1966".

TITLE I—PROVISIONS RELATING TO THE FEDERAL HOME LOAN BANK BOARD AND THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Sec. 101. (a) Subsection (d) of section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)) is hereby amended to read as follows:

"(d)(1) The Board shall have power to enforce this section and rules and regulations made hereunder. In the enforcement of any provision of this section or rules and regulations made hereunder, or any other law or regulation, or in any other action, suit, or proceeding to which it is a party or in which it is interested, and in the administration of conservatorships and receiverships, the Board is authorized to act in its own name and through its own attorneys. Except as otherwise provided herein, the Board shall be subject to suit (other than suits on claims for money damages) by any Federal savings and loan association or director or officer thereof with respect to any matter under this section or any other applicable law, or rules or regulations thereunder, in the United States district court for the judicial district in which the home office of the association is located, or in the United States District Court for the District of Columbia, and the Board may be served with process in the manner prescribed by the Federal Rules of Civil Procedure.

"(2)(A) If, in the opinion of the Board, an association is violating or has violated, or the Board has reasonable cause to believe that the association is about to violate, a law, rule, regulation, or charter or other condition imposed in writing by the Board in connection with the granting of any application or other request by the association, or written agreement entered into with the Board, or is engaging or has engaged, or the Board has reasonable cause to believe that the association is about to engage, in an unsafe or unsound practice, the Board may issue and serve upon the association a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the association. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the Board at the request of the association. Unless the association shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing the Board shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the Board may issue and serve upon the association an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the association and its directors, officers, employees, and agents to cease and desist from the same, and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

"(B) A cease-and-desist order shall become effective at the expiration of thirty days after service of such order upon the association concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to such extent as it is stayed, modified, terminated, or set aside by action of the Board or a reviewing court.

"(3)(A) Whenever the Board shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon the association pursuant to paragraph (2)(A) of this subsection, or the continuation thereof, is likely to cause insolvency (as defined in paragraph (6)(A)(i) of this subsection) or substantial dissipation of assets or earnings of the association, or is likely to otherwise seriously prejudice the interests of its savings account holders, the Board may issue a temporary order requiring the association to cease and desist from any such violation or practice. Such order shall become effective upon service upon the association and, unless set aside, limited, or suspended by a court in proceedings authorized by subparagraph (B) of this paragraph, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the Board shall dismiss the charges specified in such notice or, if a cease-and-desist order is issued against the association, until the effective date of any such order.

"(B) Within ten days after the association concerned has been served with a temporary cease-and-desist order, the association may apply to the United States district court for the judicial district in which the home office of the association is located, or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings pursuant to the notice of charges served upon the association under paragraph (2)(A) of this subsection, and such court shall have jurisdiction to issue such injunction.

"(C) In the case of violation or threatened violation of, or failure to obey, a temporary cease-and-desist order, the Board may apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the home office of the association is located, for an injunction to enforce such order, and, if the court shall determine that there has been such violation or threatened violation or failure to obey, it shall be the duty of the court to issue such injunction.

"(4)(A) Whenever, in the opinion of the Board, any director or officer of an association has committed any violation of law, rule, or regulation, or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the association, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the Board determines that the association has suffered or will probably suffer substantial financial loss or other damage or that the interests of its savings account holders could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director or officer, the Board may serve upon such director or officer a written notice of its intention to remove him from office.

"(B) Whenever, in the opinion of the Board, any director or officer of an association, by conduct or practice with respect to another savings and loan association or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to continue as a director or officer, and, whenever, in the opinion of the Board, any other person participating in the conduct of the affairs of an association, by conduct or practice with respect to such association or other savings and loan association or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to participate in the conduct of the affairs of such association, the Board may serve upon such director, officer, or other person a written notice of its intention to remove him from office and/or to prohibit his further participation in any manner in the conduct of the affairs of such association.

"(C) In respect to any director or officer of an association or any other person referred to in subparagraph (A) or (B) of this paragraph, the Board may, if it deems it necesssary for the protection of the association or the interests of its savings account holders, by written notice to such effect served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the association. Such suspension and/or prohibition shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by subparagraph (E) of this paragraph, shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under subparagraph (A) or (B) of this paragraph and until such time as the Board shall dismiss the charges specified in such notice, or, if an order of removal and/or prohibition is issued against the director or officer or other person, until the effective date of any such order. Copies of any such notice shall also be served upon the association of which he is a director or officer or in the conduct of whose affairs he has participated.

"(D) A notice of intention to remove a director, officer, or other person from office and/or to prohibit his participation in the conduct of the affairs of an association, shall contain a statement of the facts constituting grounds therefor, and shall fix a time and place at which a hearing will be held thereon. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after the date of service of such notice, unless an earlier or a later date is set by the Board at the request of (i) such director, officer, or other person, and for good cause shown, or (ii) the Attorney General of the United States. Unless such director, officer, or other person shall appear at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of such removal and/or prohibition. In the event of such consent, or if upon the record made at any such hearing the Board shall find that any of the grounds specified in such notice has been established, the Board may issue such orders of suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of the association, as it may deem appropriate. Any such order shall become effective at the expiration of thirty days after service upon such association and the director, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Board or a reviewing court.

"(E) Within ten days after any director, officer, or other person has been suspended from office and/or prohibited from participation in the conduct of the affairs of an association under subparagraph (C) of this paragraph, such director, officer, or other person may apply to the United States district court for the judicial district in which the home office of the association is located, or the United States District Court for the District of Columbia, for a stay of such suspension and/or prohibition pending the completion of the administrative proceedings pursuant to the notice served upon such director, officer, or other person under subparagraph (A) or (B) of this paragraph, and such court shall have jurisdiction to stay such suspension and/or prohibition.

"(5)(A) Whenever any director or officer of an association, or other person participating in the conduct of the affairs of such association, is charged in any information, indictment, or complaint authorized by a United States Attorney, with the commission of or participation in a felony involving dishonesty or breach of trust, the Board may, by written notice served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the association. A copy of such notice shall also be served upon the association. Such suspenson and/or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Board. In the event that a judgment of conviction with respect to such offense is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the Board may issue and serve upon such director, officer, or other person an order removing him from office and/or prohibiting him from further participation in any manner in the conduct of the affairs of the association except with the consent of the Board. A copy of such order shall be served upon such association, whereupon such director or officer shall cease to be a director or officer of such association. A finding of not guilty or other disposition of the charge shall not preclude the Board from thereafter instituting proceedings to remove such director, officer, or other person from office and/or to prohibit further participation in association affairs, pursuant to subparagraph (A) or (B) of paragraph (4) of this subsection.

"(B) if at any time, because of the suspension of one or more directors pursuant to this subsection (d), there shall be on the board of directors of an association less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board and not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of an association are suspended pursuant to this subsection (d), the Board shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended cease to be directors of the association and their respective successors take office.

"(6)(A) The grounds for the appointment of a conservator or receiver for an association shall be one or more of the following: (i) insolvency in that the assets of the association are less than its obligations to its creditors and others, including its members; (ii) substantial dissipation of assets or earnings due to any violation or violations of law, rules, or regulations, or to any unsafe or unsound practice or practices; (iii) an unsafe or unsound conditon to transact business; (iv) willful violation of a cease-and-desist order which has become final; (v) concealment of books, papers, records, or assets of the association or refusal to submit books, papers, records, or affairs of the association for inspection to any examiner or to any lawful agent of the Board. The Board shall have exclusive power and jurisdiction to appoint a conservator or receiver. If, in the opinion of the Board, a ground for the appointment of a conservator or receiver as herein provided exists, the Board is authorized to appoint ex parte and without notice a conservator or receiver for the association. In the event of such appointment, the association may, within thirty days thereafter, bring an action in the United States district court for the judicial district in which the home office of such association is located, or in the United States District Court for the District of Columbia, for an order requiring the Board to remove such conservator or receiver, and the court shall upon the merits dismiss such action or direct the Board to remove such conservator or receiver. Such proceedings shall be given precedence over other cases pending in such courts, and shall be in every way expedited. Upon the commencement of such an action, the court having jurisdiction of any other action or proceeding authorized under this subsection to which the association is a party shall stay such action or proceeding during the pendency of the action for removal of the conservator or receiver.

"(B) In addition to the foregoing provisions, the Board may, without any requirement of notice, hearing, or other action, appoint a conservator or receiver for an association in the event that (i) the association, by resolution of its board of directors or of its members, consents to such appointment, or (ii) the association is removed from membership in any Federal home loan bank, or its status as an institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation is terminated.

"(C) Except as otherwise provided in this subsection, no court may take any action for or toward the removal of any conservator or receiver, or, except at the instance of the Board, restrain or affect the exercise of powers or functions of a conservator or receiver.

"(D) A conservator shall have all the powers of the members, the directors, and the officers of the association and shall be authorized to operate the association in its own name or to conserve its assets in the manner and to the extent authorized by the Board. The Board shall appoint only the Federal Savings and Loan Insurance Corporation as receiver for an association, and said Corporation shall have power to buy at its own sale as receiver, subject to approval by the Board. The Board may, without any requirement of notice, hearing, or other action, replace a conservator with another conservator or with a receiver, but any such replacement shall not affect any right which the association may have to obtain judicial review of the original appointment, except that any removal under this paragraph (6) shall be removal of the conservator or receiver in office at the time of such removal.

"(7)(A) Any hearing provided for in this subsection (d) shall be held in the Federal judicial district or in the territory in which the home office of the association is located unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5 of the United States Code. Such hearing shall be private, unless the Board, in its discretion, after fully considering the views of the party afforded the hearing, determines that a public hearing is necessary to protect the public interest. After such hearing, and within ninety days after the Board has notified the parties that the case has been submitted to it for final decision, the Board shall render its decision (which shall include findings of fact upon which its decision is predicated) and shall issue and cause to be served upon each party to the proceeding an order or orders consistent with the provisions of this subsection. Judicial review of any such order shall be exclusively as provided in this paragraph (7). Unless a petition for review is timely filed in a court of appeals of the United States, as hereinafter provided in subparagraph (B) of this paragraph, and thereafter until the record in the proceeding has been filed as so provided, the Board may at any time, upon'such notice and in such manner as it shall deem proper, modify, terminate, or set aside any such order. Upon such filing of the record, the Board may modify, terminate, or set aside any such order with permission of the court.

"(B) Any party to the proceeding, or any person required by an order issued under this subsection to cease and desist from any of the violations or practices stated therein, may obtain a review of any order served pursuant to subparagraph (A) of this paragraph (other than an order issued with the consent of the association or the director or officer or other person concerned, or an order issued under paragraph (5)(A) of this subsection), by filing in the court of appeals of the United States for the circuit in which the home office of the association is located, or in the United States Court of Appeals for the District of Columbia Circuit, within thirty days after the date of service of such order, a written petition praying that the order of the Board be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Board, and thereupon the Board shall file in the court the record in the proceeding, as provided in section 2112 of title 28 of the United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall except as provided in the last sentence of said subparagraph (A) be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Board. Review of such proceedings shall be had as provided in chapter 7 of title 5 of the United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 1254 of title 28 of the United States Code.

"(C) The commencement of proceedings for judicial review under subparagraph (B) of this paragraph shall not, unless specifically ordered by the court, operate as a stay of any order issued by the Board.

"(8) The Board may in its discretion apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the home office of the association is located, for the enforcement of any effective and outstanding notice or order issued by the Board under this subsection (d), and such courts shall have jurisdiction and power to order and require compliance therewith; but except as otherwise provided in this subsection no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this subsection, or to review, modify, suspend, terminate, or set aside any such notice or order. Any court having jurisdiction of any proceeding instituted under this subsection by an association or a director or officer thereof, may allow to any such party such reasonable expenses and attorneys' fees as it deems just and proper; and such expenses and fees shall be paid by the association or from its assets.

"(9) In the course of or in connection with any proceeding under this subsection, the Board or any member thereof or a designated representative of the Board, including any person designated to conduct any hearing under this subsection, shall have power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpenas and subpenas duces tecum; and the Board is empowered to make rules and regulations with respect to any such proceedings. The attendance of witnesses and the production of documents provided for in this paragraph may be required from any place in any State or in any territory at any designated place where such proceeding is being conducted. Any party to proceedings under this subsection may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted or where the witness resides or carries on business, for enforcement of any subpena or subpena duces tecum issued pursuant to this paragraph, and such courts shall have jurisdiction and power to order and require compliance therewith. Witnesses subpenaed under this paragraph shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. All expenses of the Board or of the Federal Savings and Loan Insurance Corporation in connection with this subsection shall be considered as nonadministrative expenses.

"(10) Any service required or authorized to be made by the Board under this subsection may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the Board may by regulation or otherwise provide.

"(11) The Board shall have power to make rules and regulations for the reorganization, consolidation, liquidation, and dissolution of associations, for the merger of associations with other institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, for associations in conservatorship and receivership, and for the conduct of conservatorships and receiverships; and the Board may, by regulation or otherwise, provide for the exercise of functions by members, directors, or officers of an association during conservatorship and receivership.

"(12)(A) Any director or officer, or former director or officer, of an association, or any other person, against whom there is outstanding and effective any notice or order (which is an order which has become final) served upon such director, officer, or other person under paragraph (4)(C), (4)(D), or (5)(A) of this subsection, and who (i) participates in any manner in the conduct of the affairs of such association, or directly or indirectly solicits or procures, or transfers or attempts to transfer, or votes or attempts to vote any proxies, consents, or authorizations in respect of any voting rights in such association, or (ii) without the prior written approval of the Board, votes for a director or serves or acts as a director, officer, or employee of any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, shall upon conviction be fined not more than $5,000 or imprisoned for not more than one year, or both.

"(B) Except with the prior written consent of the Board, no person shall serve as a director, officer, or employee of an association who has been convicted, or who is hereafter convicted, of a criminal offense involving dishonesty or a breach of trust. For each willful violation of this prohibition, the association involved shall be subject to a penalty of not more than $100 for each day this prohibition is violated, which the Board may recover by suit or otherwise for its own use.

"(C) Whenever a conservator or receiver appointed by the Board demands possession of the property, business, and assets of any association, or of any part thereof, the refusal by any director, officer, employee, or agent of such association to comply with the demand shall be punishable by a fine of not more than $5,000 or imprisonment for not more than one year, or both.

"(13)(A) As used in this subsection—

"(1) The terms 'cease-and-desist order which has become final' and 'order which has become final' mean a cease-and-desist order, or an order, issued by the Board with the consent of the association or the director or officer or other person concerned, or with respect to which no petition for review of the action of the Board has been filed and perfected in a court of appeals as specified in paragraph (7)(B) of this subsection, or with respect to which the action of the court in which said petition is so filed is not subject to further review by the Supreme Court of the United States in proceedings provided for in said paragraph, or an order issued under paragraph (5)(A) of this subsection.

"(2) The term 'State' includes the Commonwealth of Puerto Rico.

"(3) The term 'territory' includes any possession of the United States and any place subject to the jurisdiction of the United States.

"(4) The terms 'district', 'district court', 'district court of the United States', and 'judicial district' shall have the meanings defined in section 451 of title 28 of the United States Code.

"(B) As used in paragraph (4) of this subsection, the term 'violation' includes without limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(14) As used in this subsection, the terms 'Federal savings and loan association' and 'association' shall include any institution with respect to which the Federal Home Loan Bank Board now or hereafter has any statutory power of examination or supervision under any Act or joint resolution of Congress other than this Act, the Federal Home Loan Bank Act, and the National Housing Act. For the purposes of this paragraph (14), references in this subsection to directors, officers, employees, and agents, or to former directors or officers, of associations shall be deemed to be references respectively to directors, officers, employees, and agents, or to former directors or officers, of such institutions, references therein to savings account holders and to members of associations shall be deemed to be references to holders of withdrawable accounts in such institutions, and references therein to boards of directors of associations shall be deemed to be references to boards of directors or other governing boards of such institutions. Said Board shall have power by regulation to define, for the purposes of this paragraph (14), terms used or referred to in the sentence next preceding and other terms used in this subsection."

(b) The amendment made by subsection (a) of this section shall be effective only with respect to proceedings commenced on or after the date of enactment of this Act. Section 5 (d) of the Home Owners' Loan Act of 1933 as in effect immediately prior to the date of enactment of this Act shall continue in effect with respect to any proceedings commenced prior to such date.

Sec. 102. (a) Section 407 of the National Housing Act (12 U.S.C. 1730) is hereby amended to read as follows:

"Sec. 407. Termination of Insurance and Enforcement Provisions.—

"(a) Voluntary Termination of Insurance.—Any insured institution other than a Federal savings and loan association may terminate its status as an insured institution by written notice to the Corporation specifying a date for such termination.

"(b) Involuntary Termination of Insurance; Notice and Hearing.—(1) Whenever, in the opinion of the Corporation, any insured institution has violated its duty as such or is engaging or has engaged in an unsafe or unsound practice in conducting the business of such institution, or is in an unsafe or unsound condition to continue operations as an insured institution, or is violating or has violated an applicable law, rule, regulation, or order, or any condition imposed in writing by the Corporation in connection with the granting of any application or other request by the institution, or any written agreement entered into with the Corporation, including any agreement entered into under section 403 of this title, the Corporaation shall serve upon the institution a statement with respect to such violations or practices or conditions for the purpose of securing the correction thereof, and shall send a copy of such statement to the appropriate State supervisory authority.

"(2) Unless such correction shall be made within one hundred and twenty days after service of such statement, or such shorter period of not less than twenty days after such service as (A) the Corporation shall require in any case where the Corporation determines that its insurance risk with respect to such institution could be unduly jeopardized by further delay in the correction of such violations or practices or conditions, or (B) the appropriate State supervisory authority shall require, or unless within such time the Corporation shall have received acceptable assurances that such correction will be made within a time and in a manner satisfactory to the Corporation, or in the event such assurances are submitted to and accepted by the Corporation but are not carried out in accordance with their terms, the Corporation may, if it shall determine to proceed further, issue and serve upon the institution written notice of intention to terminate the status of the institution as an insured institution.

"(3) Such notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices or condition, and shall fix a time and place for a hearing thereon. Such hearing shall be fixed for a date not earlier than thirty days after service of such notice. Unless the institution shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured institution. In the event of such consent, or if upon the record made at any such hearing the Corporation shall find that any violation or unsafe or unsound practice or condition specified in such notice has been established and has not been corrected within the time above prescribed in which to make correction, the Corporation may issue and serve upon the institution an order terminating the status of the institution as an insured institution; but any such order shall not become effective until it is an order which has become final (except in the case of an order of termination issued upon consent, which shall become effective at the time specified therein).

"(c) Date of Termination of Insured Status.—The effective date of the termination of an institution's status as an insured institution under the foregoing provisions of this section shall be the date specified for such termination in the notice by the institution to the Corporation as provided in subsection (a) of this section, or the date upon which an order of termination issued under subsection (b)(3) of this section becomes effective. The Corporation may from time to time postpone the effective date of the termination of an institution's status as an insured institution at any time before such termination has become effective, but in the case of termination by notice given by the institution such effective date shall be postponed only with the written consent of the institution.

"(d) Continuation of Insurance; Examination; Notice to Members; and Payment of Premiums.—In the event of the termination of an institution's status as an insured institution, insurance of its accounts to the extent that they were insured on the effective date of such termination as hereinabove provided in subsection (c), less any amounts thereafter withdrawn, repurchased, or redeemed, shall continue for a period of two years, but no investments or deposits made after such date shall be insured. The Corporation shall have the right to examine such institution from time to time during the two-year period aforesaid. Such insured institution shall be obligated to pay, within thirty days after the effective date of such termination, as a final insurance premium, a sum equivalent to twice the last annual insurance premium payable by it. In the event of the termination of insurance of accounts as herein provided the institution which was the insured institution shall give prompt and reasonable notice to all of its insured members that it has ceased to be an insured institution and it may include in such notice the fact that insured accounts, to the extent not withdrawn, repurchased, or redeemed, remain insured for two years from the date of such termination, but it shall not further represent itself in any manner as an insured institution. In the event of failure to give the notice to insured members as herein provided the Corporation is authorized to give reasonable notice.

"(e) Cease-and-Desist Proceedings.—(1) If, in the opinion of the Corporation, any insured institution or any institution any of the accounts of which are insured is engaging or has engaged, or the Corporation has reasonable cause to believe that the institution is about to engage, in an unsafe or unsound practice in conducting the business of such institution, or is violating or has violated, or the Corporation has reasonable cause to believe that the institution is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Corporation in connection with the granting of any application or other request by the institution, or written agreement entered into with the Corporation, including any agreement entered into under section 403 of this title, the Corporation may issue and serve upon the institution a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the institution. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the Corporation at the request of the institution. Unless the institution shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing the Corporation shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the Corporation may issue and serve upon the institution an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the institution and its directors, officers, employees, and agents to cease and desist from the same, and, further to take affirmative action to correct the conditions resulting from any such violation or practice.

"(2) A cease-and-desist order shall become effective at the expiration of thirty days after service of such order upon the institution concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Corporation or a reviewing court.

"(f) Temporary Cease-and-Desist Orders.—(1) Whenever the Corporation shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon the institution pursuant to subsection (e) (1) of this section, or the continuation thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the institution, or is likely to otherwise seriously prejudice the interest of its insured members or of the Corporation, the Corporation may issue a temporary order requiring the institution to cease and desist from any such violation or practice. Such order shall become effective upon service upon the institution and, unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (2) of this subsection, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the Corporation shall dismiss the charges specified in such notice or, if a cease-and-desist order is issued against the institution, until the effective date of any such order.

"(2) Within ten days after the institution concerned has been served with a temporary cease-and-desist order, the institution may apply to the United States district court for the judicial district in which the principal office of the institution is located, or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings pursuant to the notice of charges served upon the institution under subsection (e) (1) of this section, and such court shall have jurisdiction to issue such injunction.

"(3) In the case of violation or threatened violation of, or failure to obey, a temporary cease-and-desist order, the Corporation may apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the principal office of the institution is located, for an injunction to enforce such order, and, if the court shall determine that there has been such violation or threatened violation or failure to obey, it shall be the duty of the court to issue such injunction.

"(g) Suspension or Removal of Director or Officer.—(1) Whenever, in the opinion of the Corporation, any director or officer of an insured institution has committed any violation of law, rule, or regulation, or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the institution, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the Corporation determines that the institution has suffered or will probably suffer substantial financial loss or other damage or that the interests of its insured members could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director or officer, the Corporation may serve upon such director or officer a written notice of its intention to remove him from office.

"(2) Whenever, in the opinion of the Corporation, any director or officer of an insured institution, by conduct or practice with respect to another insured institution or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to continue as a director or officer, and, whenever, in the opinion of the Corporation, any other person participating in the conduct of the affairs of an insured institution, by conduct or practice with respect to such institution or other insured institution or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to participate in the conduct of the affairs of such insured institution, the Corporation may serve upon such director, officer, or other person a written notice of its intention to remove him from office and/or to prohibit his further participation in any manner in the conduct of the affairs of such institution.

"(3) In respect to any director or officer of an insured institution or any other person referred to in paragraph (1) or (2) of this subsection, the Corporation may, if it deems it necessary for the protection of the institution or the interests of its insured members or of the Corporation, by written notice to such effect served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the institution. Such suspension and/or prohibition shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by paragraph (5) of this subsection, shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under paragraph (1) or (2) of this subsection and until such time as the Corporation shall dismiss the charges specified in such notice, or, if an order of removal and/or prohibition is issued against the director or officer or other person, until the effective date of any such order. Copies of any such notice shall also be served upon the institution of which he is a director or officer or in the conduct of whose affairs he has participated.

"(4) A notice of intention to remove a director, officer, or other person from office and/or to prohibit his participation in the conduct of the affairs of an insured institution, shall contain a statement of the facts constituting grounds therefor, and shall fix a time and place at which a hearing will be held thereon. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after the date of service of such notice, unless an earlier or a later date is set by the Corporation at the request of (A) such director, officer, or other person and for good cause shown, or (B) the Attorney General of the United States. Unless such director, officer, or other person shall appear at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of such removal and/or prohibition. In the event of such consent, or if upon the record made at any such hearing the Corporation shall find that any of the grounds specified in such notice has been established, the Corporation may issue such orders of suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of the institution, as it may deem appropriate. Any such order shall become effective at the expiration of thirty days after service upon such institution and the director, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Corporation or a reviewing court.

"(5) Within ten days after any director, officer, or other person has been suspended from office and/or prohibited from participation in the conduct of the affairs of an insured institution under paragraph (3) of this subsection, such director, officer, or other person may apply to the United States district court for the judicial district in which the principal office of the institution is located, or the United States District Court for the District of Columbia, for a stay of such suspension and/or prohibition pending the completion of the administrative proceedings pursuant to the notice served upon such director, officer, or other person under paragraph (1) or (2) of this subsection, and such court shall have jurisdiction to stay such suspension and/or prohibition.

"(h) Suspension of Director or Officer Charged with Felony.—Whenever any director or officer of an insured institution, or other person participating in the conduct of the affairs of such institution, is charged in any information, indictment, or complaint authorized by a United States Attorney, with the commission of or participation in a felony involving dishonesty or breach of trust, the Corporation may, by written notice served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the institution. A copy of such notice shall also be served upon the institution. Such suspension and/or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Corporation. In the event that a judgment of conviction with respect to such offense is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the Corporation may issue and serve upon such director, officer, or other person an order removing him from office and/or prohibiting him from further participation in any manner in the conduct of the affairs of the institution except with the consent of the Corporation. A copy of such order shall also be served upon such institution, whereupon such director or officer shall cease to be a director or officer of such institution. A finding of not guilty or other disposition of the charge shall not preclude the Corporation from thereafter instituting proceedings to remove such director, officer, or other person from office and/or to prohibit further participation in institution affairs, pursuant to paragraph (1) or (2) of subsection (g) of this section.

"(i) Termination of Federal Home Loan Bank Membership.—Termination under this section or otherwise of the status of an institution as an insured institution shall automatically constitute a removal under subsection (i) of section 6 of the Federal Home Loan Bank Act of the institution from Federal home loan bank membership, if at the time of such termination such institution is a member of a Federal home loan bank; and removal of an institution from Federal home loan bank membership under subsection (i) of section 6 of the Federal Home Loan Bank Act or otherwise shall automatically constitute an order of termination under this section of the status of such institution as an insured institution, if such institution is at the time of such removal an insured institution.

"(j) Hearings and Judicial Review.—(1) Any hearing provided for in this section shall be held in the Federal judicial district or in the territory in which the principal office of the institution is located unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5 of the United States Code. Such hearing shall be private, unless the Corporation, in its discretion, after fully considering the views of the party afforded the hearing, determines that a public hearing is necessary to protect the public interest. After such hearing, and within ninety days after the Corporation has notified the parties that the case has been submitted to it for final decision, the Corporation shall render its decision (which shall include findings of fact upon which its decision is predicated) and shall issue and cause to be served upon each party to the proceeding an order or orders consistent with the provisions of this section. Judicial review of any such order shall be exclusively as provided in this subsection. Unless a petition for review is timely filed in a court of appeals of the United States, as hereinafter provided in paragraph (2) of this subsection, and thereafter until the record in the proceeding has been filed as so provided, the Corporation may at any time, upon such notice and in such manner as it shall deem proper, modify, terminate, or set aside any such order. Upon such filing of the record, the Corporation may modify, terminate, or set aside any such order with permission of the court.

"(2) Any party to the proceeding, or any person required by an order issued under this section to cease and desist from any of the violations or practices stated therein, may obtain a review of any order served pursuant to paragraph (1) of this subsection (other than an order issued with the consent of the institution or the director or officer or other person concerned, or an order issued under subsection (h) of this section), by filing in the court of appeals of the United States for the circuit in which the principal office of the institution is located, or in the United States Court of Appeals for the District of Columbia Circuit, within thirty days after the date of service of such order, a written petition praying that the order of the Corporation be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Corporation, and thereupon the Corporation shall file in the court the record in the proceeding, as provided in section 2112 of title 28 of the United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall, except as provided in the last sentence of said paragraph (1), be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Corporation. Review of such proceedings shall be had as provided in chapter 7 of title 5 of the United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 1254 of title 28 of the United States Code.

"(3) The commencement of proceedings for judicial review under paragraph (2) of this subsection shall not, unless specifically ordered by the court, operate as a stay of any order issued by the Corporation.

"(k) Jurisdiction and Enforcement.—(1) Notwithstanding any other provision of law, (A) the Corporation shall be deemed to be an agency of the United States within the meaning of section 451 of title 28 of the United States Code; (B) any civil action, suit, or proceeding to which the Corporation shall be a party shall be deemed to arise under the laws of the United States, and the United States district courts shall have original jurisdiction thereof, without regard to the amount in controversy; and (C) the Corporation may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States district court for the district and division embracing the place where the same is pending by following any procedure for removal now or hereafter in effect: *Provided,* That any action, suit, or proceeding to which the Corporation is a party in its capacity as conservator, receiver, or other legal custodian of an insured State-chartered institution and which involves only the rights or obligations of investors, creditors, stockholders, and such institution under State law shall not be deemed to arise under the laws of the United States. No attachment or execution shall be issued against the Corporation or its property before final judgment in any action, suit, or proceeding in any court of any State or of the United States or any territory, or any other court.

"(2) The Corporation may, in its discretion, apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the principal office of the institution is located, for the enforcement of any effective and outstanding notice or order issued by the Corporation under this section, and such courts shall have jurisdiction and power to order and require compliance therewith; but except as otherwise provided in this section no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this section, or to review, modify, suspend, terminate, or set aside any such notice or order.

"(l) Reporting Requirements.—(1) Whenever a change occurs in the outstanding voting stock of any insured institution which will result in control or a change in the control of such institution, the president or other chief executive officer of such institution shall promptly report such facts to the Corporation upon obtaining knowledge of such change. As used in this subsection, the term 'control' means the power to directly or indirectly direct or cause the direction of the management or policies of the insured institution. If there is any doubt as to whether a change in ownership or other change in the outstanding voting stock of any insured institution is sufficient to result in control or a change in the control thereof, such doubt shall be resolved in favor of reporting the facts to the Corporation.

"(2) Whenever an insured institution or an insured bank of the Federal Deposit Insurance Corporation makes a loan or loans secured (or to be secured) by 25 per centum or more of the voting stock of an insured institution, the president or other chief executive officer of the lending insured institution or insured bank shall promptly report such fact to the Corporation upon obtaining knowledge of such loan or loans, except that no report need be made in those cases where the borrower has been the owner of record of the stock for a period of one year or more, or the stock is of a newly organized insured institution prior to its opening.

"(3) The reports required by paragraphs (1) and (2) of this subsection shall contain the following information to the extent that it is known by the person making the report: (A) the number of shares involved, (B) the names of the sellers (or transferors), (C) the names of the purchasers (or transferees), (D) the names of the beneficial owners if the shares are of record in another name or other names, (E) the purchase price, (F) the total number of shares owned by the sellers (or transferors), the purchasers (or transferees) and the beneficial owners both immediately before and after the transaction, and in the case of a loan, (G) the name of the borrower, (H) the amount of the loan, and (I) the name of the institution issuing the stock securing the loan and the number of shares securing the loan. In addition to the foregoing, such reports shall contain such other information as may be available to inform the Corporation of the effect of the transaction upon control of the institution whose stock is involved. The reports required by this subsection shall be in addition to any reports that may be required pursuant to other provisions of law.

"(4) Whenever such a change as is described in paragraph (1) of this subsection occurs, the insured institution involved shall report promptly to the Corporation any change or changes, or replacement or replacements, of its chief executive officer or of any director occurring in the next twelve-month period, including in its report a statement of the past and current business and professional affiliations of the new chief executive officer or director.

"(5) Without limitation by or on the foregoing provisions of this subsection, the Corporation may require insured institutions and individuals or other persons who have or have had any connection with the management of any insured institution, as defined by the Corporation, to provide, in such manner and under such civil penalties (which shall be cumulative to any other remedies) as the Corporation may prescribe, such periodic or other reports and disclosures as the Corporation may determine to be necessary or appropriate for the protection of investors or the Corporation.

"(6) As used in this subsection, the term 'stock' means such stock or other equity securities or equity interests in an insured institution, or rights, interests, or powers with respect thereto, regardless of whether such institution is a stock company, a mutual institution, or otherwise, as the Corporation may by regulation define for the purposes of this subsection.

"(m) Ancillary Provisions.—(1) In making examinations of insured institutions, examiners appointed by the Federal Home Loan Bank Board shall have power, on behalf of the Corporation, to make such examinations of the affairs of all affiliates of such institutions as shall be necessary to disclose fully the relations between such institutions and their affiliates and the effect of such relations upon such institutions. The cost of examinations of such affiliates shall be assessed against and paid by the institution. For purposes of this subsection, the term 'affiliate' shall have the same meaning as where used in section 2(b) of the Banking Act of 1933 (12 U.S.C. 221a(b)), except that the term 'member bank' in said section 2(b) shall be deemed to refer to an insured institution.

"(2) In connection with examinations of insured institutions and affiliates thereof, the Corporation, or its designated representatives, shall have power to administer oaths and affirmations and to examine and to take and preserve testimony under oath as to any matter in respect of the affairs or ownership of any such institution or affiliate thereof, and to issue subpenas and subpenas duces tecum, and, for the enforcement thereof, to apply to the United States district court for the judicial district or the United States court in any territory in which the principal office of the institution or affiliate thereof is located, or in which the witness resides or carries on business. Such courts shall have jurisdiction and power to order and require compliance with any such subpena.

"(3) In the course of or in connection with any proceeding under this section, the Corporation or its designated representatives, including any person designated to conduct any hearing under this section, shall have power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpenas and subpenas duces tecum; and the Corporation is empowered to make rules and regulations with respect to any such proceedings. The attendance of witnesses and the production of documents provided for in this subsection may be required from any place in any State or in any territory at any designated place where such proceeding is being conducted. Any party to proceedings under this section may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted, or where the witness resides or carries on business, for enforcement of any subpena or subpena duces tecum issued pursuant to this subsection, and such courts shall have jurisdiction and power to order and require compliance therewith. Witnesses subpenaed under this section shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. All expenses of the Board or of the Federal Savings and Loan Insurance Corporation in connection with this section shall be considered as nonadministrative expenses. Any court having jurisdiction of any proceeding instituted under this section by an insured institution, or a director or officer thereof, may allow to any such party such reasonable expenses and attorneys' fees as it deems just and proper; and such expenses and fees shall be paid by the institution or from its assets.

"(n) Service.—Any service required or authorized to be made by the Corporation under this section may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the Corporation may by regulation or otherwise provide. Copies of any notice or order served by the Corporation upon any State-chartered institution or any director or officer thereof or other person participating in the conduct of its affairs, pursuant to the provisions of this section, shall also be sent to the appropriate State supervisory authority.

"(o) Notice to State Authorities.—In connection with any proceeding under subsection (e), (f)(1), or (g) of this section involving an insured State-chartered institution or any director or officer or other person participating in the conduct of its affairs, the Corporation shall provide the appropriate State supervisory authority with notice of the Corporation's intent to institute such a proceeding and the grounds therefor. Unless within such time as the Corporation deems appropriate in the light of the circumstances of the case (which time must be specified in the notice prescribed in the preceding sentence) satisfactory corrective action is effectuated by action of the State supervisory authority, the Corporation may proceed as provided in this section. No institution or other party who is the subject of any notice or order issued by the Corporation under this section shall have standing to raise the requirements of this subsection as ground for attacking the validity of any such notice or order.

"(p) Penalties.—(1) Any director or officer, or former director or officer, of an insured institution or an institution any of the accounts of which are insured, or any other person, against whom there is outstanding and effective any notice or order (which is an order which has become final) served upon such director, officer, or other person under subsection (g)(3), (g)(4), or (h) of this section, and who (A) participates in any manner in the conduct of the affairs of such institution, or directly or indirectly solicits or procures, or transfers or attempts to transfer, or votes or attempts to vote any proxies, consents, or authorizations in respect to any voting rights in such institution, or (B) without the prior written approval of the Corporation, votes for a director or serves or acts as a director, officer, or employee of any insured institution, shall upon conviction be fined not more than $5,000 or imprisoned for not more than one year, or both.

"(2) Except with the prior written consent of the Corporation, no person shall serve as a director, officer, or employee of an insured institution who has been convicted, or who is hereafter convicted, of a criminal offense involving dishonesty or a breach of trust. For each willful violation of this prohibition, the institution involved shall be subject to a penalty of not more than $100 for each day this prohibition is violated, which the Corporation may recover by suit or otherwise for its own use.

"(q) Definitions.—(1) As used in this section—

"(A) The terms 'cease-and-desist order which has become final' and 'order which has become final' mean a cease-and-desist order, or an order, issued by the Corporation with the consent of the institution or the director or officer or other person concerned, or with respect to which no petition for review of the action of the Corporation has been filed and perfected in a court of appeals as specified in subsection (j) (2) of this section, or with respect to which the action of the court in which said petition is so filed is not subject to further review by the Supreme Court of the United States in proceedings provided for in said subsection, or an order issued under subsection (h) of this section.

"(B) The term 'State' includes the Commonwealth of Puerto Rico.

"(C) The term 'territory' includes any possession of the United States and any place subject to the jurisdiction of the United States.

"(D) The terms 'district', 'district court', 'district court of the United States', and 'judicial district' shall have the meanings defined in section 451 of title 28 of the United States Code.

"(2) As used in subsection (f) of this section, the term 'insolvency' means that the assets of an institution are less than its obligations to its creditors and others, including its members.

"(3) As used in subsection (g) of this section, the term 'violation' includes without limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation."

(b) The amendment made by subsection (a) of this section shall be effective only with respect to proceedings commenced on or after the date of enactment of this Act. Section 407 of the National Housing Act as in effect immediately prior to the date of enactment of this Act shall continue in effect with respect to any proceedings commenced prior to such date.

Sec. 103. Subsection (c) of section 408 of the National Housing Act (12 U.S.C. 1730a(c)) is amended to read:

"(c) It shall be unlawful for any company on or after September 23, 1959—

"(1) to acquire the control of more than one insured institution, or

"(2) to acquire the control of an insured institution when it holds the control of any other insured institution,

except in a transaction which has been approved by the Federal Home Loan Bank Board upon a determination by it that such transaction is advisable to assist in preventing the commencement or continuance of involuntary liquidation of the insured institution whose control, whether by acquisition of stock or assets or otherwise, as being acquired by such company or an insured institution which it controls."

TITLE II—PROVISION RELATING TO THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, AND THE COMPTROLLER OF THE CURRENCY

Sec. 201. Paragraph (6) of subsection (j) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)(6)) is repealed and section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by adding the following new subsection (q):

"(q) The term 'appropriate Federal banking agency' shall mean (1) the Comptroller of the Currency in the case of a national banking association or a District bank, (2) the Board of Governors of the Federal Reserve System in the case of a

State member insured bank (except a District bank), and (3) the Federal Deposit Insurance Corporation in the case of a State nonmember insured bank (except a District bank)."

Sec. 202. Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), is amended by redesignating subsections (b), (c), and (d) thereof as (o), (p), and (q) and by adding after subsection (a) thereof the following new subsections (b) through (n), inclusive:

"(b)(1) If, in the opinion of the appropriate Federal banking agency, any insured bank or bank which has insured deposits is engaging or has engaged, or the agency has reasonable cause to believe that the bank is about to engage, in an unsafe or unsound practice in conducting the business of such bank, or is violating or has violated, or the agency has reasonable cause to believe that the bank is about to violate, a law, rule, or regulation, or any condition imposed in writing by the agency in connection with the granting of any application or other request by the bank, or any written agreement entered into with the agency, the agency may issue and serve upon the bank a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the bank. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the agency at the request of the bank. Unless the bank shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing, the agency shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the agency may issue and serve upon the bank an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the bank and its directors, officers, employees, and agents to cease and desist from the same, and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

"(2) A cease-and-desist order shall become effective at the expiration of thirty days after the service of such order upon the bank concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable as provided therein, except to such extent as it is stayed, modified, terminated, or set aside by action of the agency or a reviewing court.

"(c)(1) Whenever the appropriate Federal banking agency shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon the bank pursuant to paragraph (1) of subsection (b) of this section, or the continuation thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the bank, or is likely to otherwise seriously prejudice the interests of its depositors, the agency may issue a temporary order requiring the bank to cease and desist from any such violation or practice. Such order shall become effective upon service upon the bank and, unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (2) of this subsection, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the agency shall dismiss the charges specified in such notice, or if a cease-and-desist order is issued against the bank, until the effective date of any such order.

"(2) Within ten days after the bank concerned has been served with a temporary cease-and-desist order, the bank may apply to the United States district court for the judicial district in which the home office of the bank is located, or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings pursuant to the notice of charges served upon the bank under paragraph (1) of subsection (b) of this section, and such court shall have jurisdiction to issue such injunction.

"(d) In the case of violation or threatened violation of, or failure to obey, a temporary cease-and-desist order issued pursuant to paragraph (1) of subsection (c) of this section, the appropriate Federal banking agency may apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the home office of the bank is located, for an injunction to enforce such order, and, if the court shall determine that there has been such violation or threatened violation or failure to obey, it shall be the duty of the court to issue such injunction.

"(e)(1) Whenever, in the opinion of the appropriate Federal banking agency, any director or officer of an insured State bank (other than a District bank) has committed any violation of law, rule, or regulation, or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the bank, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the agency determines that the bank has suffered or will probably suffer substantial financial loss or other damage or that the interests of its depositors could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director or officer, the agency may serve upon such director or officer a written notice of its intention to remove him from office.

"(2) Whenever, in the opinion of the Comptroller of the Currency, any director or officer of a national banking association or a District bank has committed any violation of law, rule, or regulation, or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the bank, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the Comptroller determines that the bank has suffered or will probably suffer substantial financial loss or other damage or that the interests of its depositors could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director or officer, the Comptroller of the Currency may certify the facts to the Board of Governors of the Federal Reserve System.

"(3) Whenever, in the opinion of the appropriate Federal banking agency, any director or officer of an insured State bank (other than a District bank), by conduct or practice with respect to another insured bank or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to continue as a director or officer and, whenever, in the opinion of the appropriate Federal banking agency, any other person participating in the conduct of the affairs of an insured State bank (other than a District bank), by conduct or practice with respect to such bank or other insured bank or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to participate in the conduct of the affairs of such insured bank, the agency may serve upon such director, officer, or other person a written notice of its intention to remove him from office and/or to prohibit his further participation in any manner in the conduct of the affairs of the bank.

"(4) Whenever, in the opinion of the Comptroller of the Currency, any director or officer of a national banking association or a District bank, by conduct or practice with respect to another insured bank or other busines institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to continue as a director or officer and, whenever, in the opinion of the Comptroller, any other person participating in the conduct of the affairs of a national banking association or a District bank, by conduct or practice with respect to such bank or other insured bank or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to participate in the conduct of the affairs of such bank, the Comptroller of the Currency may certify the facts to the Board of Governors of the Federal Reserve System.

"(5) In respect to any director or officer of an insured State bank (other than a District bank) or any other person referred to in paragraph (1) or (3) of this subsection, the appropriate Federal banking agency may, if it deems it necessary for the protection of the bank or the interests of its depositors, by written notice to such effect served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the bank. Such suspension and/or prohibition shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by subsection (f) of this section, shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under paragraph (1) or (3) of this subsection and until such time as the agency shall dismiss the charges specified in such notice, or, if an order of removal and/or prohibition is issued against the director or officer or other person, until the effective date of any such order. Copies of any such notice shall also be served upon the bank of which he is a director or officer or in the conduct of whose affairs he has participated.

"(6) In respect to any director or officer of a national banking association or a District bank, or any other person referred to in paragraph (2) or (4) of this subsection, the Comptroller of the Currency may, if he deems it necessary for the protection of the bank or the interests of its depositors that such director or officer be suspended from office or prohibited from further participation in any manner in the conduct of the affairs of the bank, certify the facts to the Board of Governors of the Federal Reserve System.

"(7) In the case of a certification to the Board of Governors of the Federal Reserve System under paragraph (2) or (4) of this subsection, the Board may serve upon the director, officer, or other person involved, a written notice of its intention to remove him from office and/or to prohibit him from further participation in any manner in the conduct of the affairs of the bank. In the case of a certification to the Board of Governors of the Federal Reserve System under paragraph (6) of this subsection, the Board may by written notice to such effect served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the bank. Such suspension and/or prohibition shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by subsection (f) of this section, shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under the first sentence of this paragraph and until such time as the Board shall dismiss the charges specified in such notice, or, if an order of removal and/or prohibition is issued against the director or officer or other person, until the effective date of any such order. Copies of any such notice shall also be served upon the bank of which he is a director or officer or in the conduct of whose affairs he has participated. For the purposes of this paragraph and paragraph (8) of this subsection, the Comptroller of the Currency shall be entitled in any case involving a national bank or a District bank to sit as a member of the Board of Governors of the Federal Reserve System and to participate in its deliberations on any such case and to vote thereon in all respects as a member of such Board.

"(8) A notice of intention to remove a director, officer, or other person from office and/or to prohibit his participation in the conduct of the affairs of an insured bank, shall contain a statement of the facts constituting grounds therefor, and shall fix a time and place at which a hearing will be held thereon. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after the date of service of such notice, unless an earlier or a later date is set by the agency at the request of (A) such director or officer or other person, and for good cause shown, or (B) the Attorney General of the United States. Unless such director, officer, or other person shall appear at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of such removal and/or prohibition. In the event of such consent, or if upon the record made at any such hearing the agency shall find that any of the grounds specified in such notice has been established, the agency may issue such orders of suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of the bank, as it may deem appropriate. Any such order shall become effective at the expiration of thirty days after service upon such bank and the director, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the agency or a reviewing court.

"(f) Within ten days after any director, officer, or other person has been suspended from office and/or prohibited from participation in the conduct of the affairs of an insured bank under subsection (e)(5) or (e)(7) of this section, such director, officer, or other person may apply to the United States district court for the judicial district in which the home office of the bank is located, or the United States District Court for the District of Columbia, for a stay of such suspension and/or prohibition pending the completion of the administrative proceedings pursuant to the notice served upon such director, officer, or other person under subsection (e)(1), (e)(3), or (e)(7) of this section, and such court shall have jurisdiction to stay such suspension and/or prohibition.

"(g)(1) Whenever any director or officer of an insured bank, or other person participating in the conduct of the affairs of such bank, is charged in any information, indictment, or complaint authorized by a United States attorney, with the commission of or participation in a felony involving dishonesty or breach of trust, the appropriate Federal banking agency may, by written notice served upon such director, officer, or other person suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the bank. A copy of such notice shall also be served upon the bank. Such suspension and/or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the agency. In the event that a judgment of conviction with respect to such offense is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the agency may issue and serve upon such director, officer, or other person an order removing him from office and/or prohibiting him from further participation in any manner in the conduct of the affairs of the bank except with the consent of the appropriate agency. A copy of such order shall also be served upon such bank, whereupon such director or officer shall cease to be a director or officer of such bank. A finding of not guilty or other disposition of the charge shall not preclude the agency from thereafter instituting proceedings to remove such director, officer, or other person from office and/or to prohibit further participation in bank affairs, pursuant to paragraph (1), (2), (3), (4), or (7) of subsection (e) of this section.

"(2) If at any time, because of the suspension of one or more directors pursuant to this section, there shall be on the board of directors of a national bank less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of a national bank are suspended pursuant to this section, the Comptroller of the Currency shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended, cease to be directors of the bank and their respective successors take office.

"(h)(1) Any hearing provided for in this section shall be held in the Federal judicial district or in the territory in which the home office of the bank is located unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5 of the United States Code. Such hearing shall be private, unless the appropriate Federal banking agency, in its discretion, after fully considering the views of the party afforded the hearing, determines that a public hearing is necessary to protect the public interest. After such hearing, and within ninety days after the appropriate Federal banking agency or Board of Governors of the Federal Reserve System has notified the parties that the case has been submitted to it for final decision, it shall render its decision (which shall include findings of fact upon which its decision is predicated) and shall issue and serve upon each party to the proceeding an order or orders consistent with the provisions of this section. Judicial review of any such order shall be exclusively as provided in this subsection (h). Unless a petition for review is timely filed in a court of appeals of the United States, as hereinafter provided in paragraph (2) of this subsection, and thereafter until the record in the proceeding has been filed as so provided, the issuing agency may at any time, upon such notice and in such manner as it shall deem proper, modify, terminate, or set aside any such order. Upon such filing of the record, the agency may modify, terminate, or set aside any such order with permission of the court.

"(2) Any party to the proceeding, or any person required by an order issued under this section to cease and desist from any of the violations or practices stated therein, may obtain a review of any order served pursuant to paragraph (1) of this subsection (other than an order issued with the consent of the bank or the director or officer or other person concerned, or an order issued under paragraph (1) of subsection (g) of this section) by the filing in the court of appeals of the United States for the circuit in which the home office of the bank is located, or in the United States Court of Appeals for the District of Columbia Circuit, within thirty days after the date of service of such order, a written petition praying that the order of the agency be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the agency, and thereupon the agency shall file in the court the record in the proceeding, as provided in section 2112 of title 28 of the United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall except as provided in the last sentence of said paragraph (1) be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the agency. Review of such proceedings shall be had as provided in chapter 7 of title 5 of the United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28 of the United States Code.

"(3) The commencement of proceedings for judicial review under paragraph (2) of this subsection shall not, unless specifically ordered by the court, operate as a stay of any order issued by the agency.

"(i) The appropriate Federal banking agency may in its discretion apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the home office of the bank is located, for the enforcement of any effective and outstanding notice or order issued under this section, and such courts shall have jurisdiction and power to order and require compliance herewith; but except as otherwise provided in this section no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this section, or to review, modify, suspend, terminate, or set aside any such notice or order.

"(j) Any director or officer, or former director or officer of an insured bank, or any other person, against whom there is outstanding and effective any notice or order (which is an order which has become final) served upon such director, officer, or other person under subsections (e)(5), (e)(7), (e)(8), or (g) of this section, and who (i) participates in any manner in the conduct of the affairs of the bank involved, or directly or indirectly solicits or procures, or transfers or attempts to transfer, or votes or attempts to vote, any proxies, consents, or authorizations in respect of any voting rights in such bank, or (ii) without the prior written approval of the appropriate Federal banking agency, votes for a director, serves or acts as a director, officer, or employee of any bank, shall upon conviction be fined not more than $5,000 or imprisoned for not more than one year, or both.

"(k) As used in this section (1) the terms 'cease-and-desist order which has become final' and 'order which has become final' mean a cease-and-desist order, or an order, issued by the appropriate Federal banking agency with the consent of the bank or the director or officer or other person concerned, or with respect to which no petition for review of the action of the agency has been filed and perfected in a court of appeals as specified in paragraph (2) of subsection (h), or with respect to which the action of the court in which said petition is so filed is not subject to further review by the Supreme Court of the United States in proceedings provided for in said paragraph, or an order issued under paragraph (1) of subsection (g) of this section, and (2) the term 'violation' includes without limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(l) Any service required or authorized to be made by the appropriate Federal banking agency under this section may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the agency may by regulation or otherwise provide. Copies of any notice or order served by the agency upon any State bank or any director or officer thereof or other person participating in the conduct of its affairs, pursuant to the provisions of this section, shall also be sent to the appropriate State supervisory authority.

"(m) In connection with any proceeding under subsection (b), (c)(1), or (e) of this section involving an insured State bank or any director or officer or other person participating in the conduct of its affairs, the appropriate Federal banking agency shall provide the appropriate State supervisory authority with notice of the agency's intent to institute such a proceeding and the grounds therefor. Unless within such time as the Federal banking agency deems appropriate in the light of the circumstances of the case (which time must be specified in the notice prescribed in the preceding sentence) satisfactory corrective action is effectuated by action of the State supervisory authority, the agency may proceed as provided in this section. No bank or other party who is the subject of any notice or order issued by the agency under this section shall have standing to raise the requirements of this subsection as ground for attacking the validity of any such notice or order.

"(n) In the course of or in connection with any proceeding under this section, the agency conducting the proceeding, or any member or designated representative thereof, including any person designated to conduct any hearing under this section, shall have the power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpenas and subpenas duces tecum; and such agency is empowered to make rules and regulations with respect to any such proceedings. The attendance of witnesses and the production of documents provided for in this subsection may be required from any place in any State or in any territory or other place subject to the jurisdiction of the United States at any designated place where such proceeding is being conducted. Any party to proceedings under this section may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted, or where the witness resides or carries on business, for enforcement of any subpena or subpena duces tecum issued pursuant to this subsection, and such courts shall have jurisdiction and power to order and require compliance therewith. Witnesses subpenaed under this section shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. Any court having jurisdiction of any proceeding instituted under this section by an insured bank or a director or officer thereof, may allow to any such party such reasonable expenses and attorneys' fees as it deems just and proper; and such expenses and fees shall be paid by the bank or from its assets."

Sec. 203. Subsections (b) and (c) of section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820 (b), (c)) are amended to read as follows:

"(b) The Board of Directors shall appoint examiners who shall have power, on behalf of the Corporation, to examine any insured State nonmember bank (except a District bank), any State nonmember bank making application to become an insured bank, and any closed insured bank, whenever in the judgment of the Board of Directors an examination of the bank is necessary. In addition to the examinations provided for in the preceding sentence, such examiners shall have like power to make a special examination of any State member bank and any national bank or District bank, whenever in the judgment of the Board of Directors such special examination is necessary to determine the condition of any such bank for insurance purposes. In making examinations of insured banks, examiners appointed by the Corporation shall have power on behalf of the Corporation to make such examinations of the affairs of all affiliates of such banks as shall be necessary to disclose fully the relations between such banks and their affiliates and the effect of such relations upon such banks. Each examiner shall have power to make a thorough examination of all of the affairs of the bank and its affiliates, and shall make a full and detailed report of the condition of the bank to the Corporation. The Board of Directors in like manner shall appoint claim agents who shall have power to investigate and examine all claims for insured deposits. Each claim agent shall have power to administer oaths and affirmations and to examine and to take and preserve testimony under oath as to any matter in respect to claims for insured deposits, and to issue subpenas and subpenas duces tecum, and, for the enforcement thereof, to apply to the United States district court for the judicial district or the United States court in any territory in which the main office of the bank or affiliate thereof is located, or in which the witness resides or carries on business. Such courts shall have jurisdiction and power to order and require compliance with any such subpena.

"(c) In connection with examinations of insured banks, and affiliates thereof, the appropriate Federal banking agency, or its designated representatives, shall have the power to administer oaths and affirmations and to examine and to take and preserve testimony under oath as to any matter in respect of the affairs or ownership of any such bank or affiliate thereof, and to issue subpenas and subpenas duces tecum, and, for the enforcement thereof, to apply to the United States district court for the judicial district or the United States court in any territory in which the main office of the bank or affiliate thereof is located, or in which the witness resides or carries on business. Such courts shall have jurisdiction and power to order and require compliance with any such subpena. For purposes of this section, the term 'affiliate' shall have the same meaning as where used in section 2(b) of the Banking Act of 1933 (12 U.S.C. 221a(b)) except that the term 'member bank' in said section 2(b) shall be deemed to refer to an insured bank."

Sec. 204. The first five sentences of section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) are amended to read as follows:

"Sec. 8. (a) Any insured bank (except a national member bank or State member bank) may, upon not less than ninety days' written notice to the Corporation, terminate its status as an insured bank. Whenever the Board of Directors shall find that an insured bank or its directors or trustees have engaged or are engaging in unsafe or unsound practices in conducting the business of such bank, or is in an unsafe or unsound condition to continue operations as an insured bank, or violated an applicable law, rule, regulation or order, or any condition imposed in writing by the Corporation in connection with the granting of any application or other request by the bank, or any written agreement entered into with the Corporation, the Board of Directors shall first give to the Comptroller of the Currency in the case of a national bank or a district bank, to the authority having supervision of the bank in the case of a State bank, and to the Board of Governors of the Federal Reserve System in the case of a State member bank, a statement with respect to such practices or violations for the purpose of securing the correction thereof and shall give a copy thereof to the bank. Unless such correction shall be made within one hundred and twenty days, or such shorter period not less than twenty days fixed by the Corporation in any case where the Board of Directors in its discretion has determined that the insurance risk of the Corporation is unduly jeopardized, or fixed by the Comptroller of the Currency in the case of a national bank, or the State authority in the case of a State bank, or Board of Governors of the Federal Reserve System in the case of a State member bank as the case may be, the Board of Directors, if it shall determine to proceed further, shall give to the bank not less than thirty days' written notice of intention to terminate the status of the bank as an insured bank, and shall fix a time and place for a hearing before the Board of Directors or before a person designated by it to conduct such hearing, at which evidence may be produced, and upon such evidence the Board of Directors shall make written findings which shall be conclusive. If the Board of Directors shall find that any unsafe or unsound practice or condition or violation specified in such statement has been established and has not been corrected within the time above prescribed in which to make such corrections, the Board of Directors may order that the insured status of the bank be terminated on a date subsequent to such finding and to the expiration of the time specified in such notice of intention. Unless the bank shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured bank and termination of such status thereupon may be ordered. Any insured bank whose insured status has been terminated by order of the Board of Directors under this subsection shall have the right of judicial review of such order only to the same extent as provided for the review of orders under subsection (h) of this section."

Sec. 205. Subsection "Fourth" of section 9 of the Federal Deposit Insurance Act (12 U.S.C. 1819 "Fourth") is amended to read as follows:

"Fourth. To sue and be sued, complain and defend, in any court of law or equity, State or Federal. All suits of a civil nature at common law or in equity to which the Corporation shall be a party shall be deemed to arise under the laws of the United States, and the United States district courts shall have original jurisdiction thereof, without regard to the amount in controversy; and the Corporation may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States district court for the district or division embracing the place where the same is pending by following any procedure for removal now or hereafter in effect, except that any such suit to which the Corporation is a party in its capacity as receiver of a State bank and which involves only the rights or obligations of depositors, creditors, stockholders, and such State bank under State law shall not be deemed to arise under the laws of the United States. No attachment or execution shall be issued against the Corporation or its property before final judgment in any suit, action, or proceeding in any State, county, municipal, or United States court. The Board of Directors shall designate an agent upon whom service of process may be made in any State, Territory, or jurisdiction in which any insured bank is located."

Sec. 206. Nothing contained in this title shall be construed to repeal, modify, or affect the provisions of section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829).

Sec. 207. Section 30 of the Banking Act of 1933 (12 U.S.C. 77) is hereby repealed.

TITLE III—INCREASE IN INSURANCE LIMIT

Federal Deposit Insurance Corporation

Sec. 301. (a) The first sentence of section 3(m) of the Federal Deposit Insurance Act (12 U.S.C. 1813(m)) is amended by changing "$10,000" to read "$15,000".

(b) The first sentence of section 7(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817 (i)) is amended by changing "$10,000" to read "$15,000".

(c) The last sentence of section 11(a) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)) is amended to read: "The maximum amount of the insured deposit of any depositor shall be $15,000."

(d) The fifth sentence of section 11(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821 (i)) is amended by changing "$10,000" to read "$15,000".

(e) The amendments made by this section shall not be applicable to any claim arising out of the closing of a bank where such closing is prior to the date of enactment of this Act.

Federal Savings and Loan Insurance Corporation

Sec. 302. (a) Section 401(b) of title IV of the National Housing Act (12 U.S.C. 1724(b)) is amended by changing "$10,000" to read "$15,000" each place it appears therein.

(b) Section 405(a) of title IV of the National Housing Act (12 U.S.C. 1728(a)) is amended by changing "$10,000" to read "$15,000".

(c) The amendments made by this section shall not be applicable to any claim arising out of a default, as defined in section 401(d) of the National Housing Act, where the appointment of a conservator, receiver, or other legal custodian as set forth in that section becomes effective prior to the date of enactment of this Act.

Administrative Authority

Sec. 303. (a) Section 3(m) of the Federal Deposit Insurance Act (12 U.S.C. 1813(m)) is amended by adding the following new sentence at the end: "For the purpose of clarifying and defining the insurance coverage under this subsection and subsection (i) of section 7, the Corporation is authorized to define, with such classifications and exceptions as it may prescribe, terms used in those subsections, in subsection (p) of section 3, and in subsections (a) and (i) of section 11 and the extent of the insurance coverage resulting therefrom."

(b) Section 405(a) of title IV of the National Housing Act (12 U.S.C. 1728(a)) is amended by adding the following new sentence at the end: "For the purpose of clarifying and defining the insurance coverage under this subsection and subsection (b) of section 401, the Corporation is authorized to define, with such classifications and exceptions as it may prescribe, terms used in those subsections and in subsection (c) of section 401 and the extent of the insurance coverage resulting therefrom."

TITLE IV—EXPIRATION

Sec. 401. The provisions of titles I and II of this Act and any provisions of law enacted by said titles shall be effective only during the period ending at the close of June 30, 1972. Effective upon the expiration of such period, each provision of law amended by either of such titles is further amended to read as it did immediately prior to the enactment of this Act and each provision of law repealed by either of such titles in reenacted.

Approved October 16, 1966.

RULES AND REGULATIONS OF THE CORPORATION AND STATEMENTS OF GENERAL POLICY—1966

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

PART 336—EMPLOYEE RESPONSIBILITIES AND CONDUCT

The Federal Deposit Insurance Corporation hereby adopts a new Part 336 of its rules and regulations (12 CFR Part 301, et seq.), pursuant to the provisions of Executive Order 11222 of May 8, 1965.

The new Part 336 reads as follows:

SUBPART A—GENERAL PROVISIONS

Sec.

336.735-1 Purpose.
336.735-2 Definitions.
336.735-3 Effective date, distribution, and counseling.

SUBPART B—ETHICAL AND OTHER CONDUCT AND RESPONSIBILITIES OF EMPLOYEES

336.735-11 Gifts, entertainment, and favors.
336.735-12 Outside employment.
336.735-13 Financial interests.

SUBPART C—ETHICAL AND OTHER CONDUCT AND RESPONSIBILITIES OF SPECIAL CORPORATION EMPLOYEES

SUBPART D—STATEMENTS OF EMPLOYMENT AND FINANCIAL INTERESTS

Authority: The provisions of this Part 336 issued under E.O. 11222 of May 8, 1965, 30 F.R. 6469, 3 CFR, 1965 Supp.; 5 CFR 735.104.

SUBPART A—GENERAL PROVISIONS

§336.735-1 Purpose.

The maintenance of unusually high standards of honesty, integrity, impartiality, and conduct by Corporation employees and special Corporation employees is essential to assure the proper performance of the Corporation business and the maintenance of confidence by citizens in their Government. The avoidance of misconduct and conflicts of interests on the part of Corporation employees and special Corporation employees through informed judgment is indispensable to the maintenance of these standards. To accord with these concepts, this part sets forth the Corporation's regulations covering the Corporation's employees and special Corporation employees, prescribing standards of conduct and responsibilities, and governing statements reporting employment and financial interests.

§336.735-2 Definitions.

In this part:

(a) "Employee" means an officer or employee of the Corporation, but does not include a special Corporation employee.

(b) "Executive order" means Executive Order 11222 of May 8, 1965.

(c) "Person" means an individual, a bank, a corporation, a company, an association, a firm, a partnership, a society, a joint stock company, or any other organization or institution.

(d) "Special Corporation employee" means a "special Government employee" as defined in section 202 of Title 18 of the United States Code.

§336.735-3 Effective date, distribution, and counseling.

(a) This part and any amendment thereto shall be effective after approval by the Civil Service Commission and upon publication in the *Federal Register.*

(b) The Personnel Division of the Corporation shall distribute one copy (and supply additional copies on request) of this part to every employee and every special Corporation employee within 90 days after the effective date, and to each new employee and special Corporation employee at the time of entrance on duty, and distribute to every employee and every special Corporation employee each calendar year thereafter a reminder of the basic provisions of this part.

(c) A Counselor designated herein and Deputy Counselors, appointed by the Chairman of the Board, shall be available for counseling and guidance respecting statutes and regulations affecting employee responsibility and conduct, including interpretations of the provisions of this part, and each employee and special Corporation employee shall be notified of this service by the Personnel Division at the time he receives a copy of this part.

(d) The Assistant to the Chairman of the Board of Directors of the Corporation shall act as the Corporation's Counselor.

SUBPART B—ETHICAL AND OTHER CONDUCT AND RESPONSIBILITIES OF EMPLOYEES

§336.735-11 Gifts, entertainment, and favors.

(a) Except as provided in paragraph (b) of this section, an employee shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, from a person who:

(1) Has, or is seeking to obtain, contractual or other business or financial relations with the Corporation;

(2) Conducts operations or activities that are regulated or examined or may be regulated or examined by the Corporation;

(3) Has interests that may be substantially affected by the performance or nonperformance of his official duty.

(b) Paragraph (a) of this section shall not apply:

(1) Where obvious family or personal relationships govern (such as those between the parents, children, or spouse of the employee and the employee) when the circumstances make it clear that it is those relationships rather than the business of the persons concerned which are the motivating factors;

(2) To the acceptance of food, refreshments, and accompanying entertainment of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting or other function or on an inspection tour where an employee is properly in attendance;

(3) The acceptance of lodging on rare or infrequent occasions where an employee is properly in attendance and circumstances thereof are reported to the Corporation;

(4) To the acceptance of unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, and other items of nominal intrinsic value; and

(5) To the acceptance of loans from banks or other financial institutions on customary terms to finance proper and usual activities of employees, such as home mortgage loans. However, a Corporation examiner or assistant examiner shall not accept a loan or gratuity from any bank examined by him or any bank he has the authority to examine or from any person connected therewith (18 U.S.C. 212 and 213).

(c) An employee shall avoid any action, whether or not specifically prohibited by this subpart which might result in, or create the appearance of:

(1) Using public office for private gain;

(2) Giving preferential treatment to any person;

(3) Impeding Corporation efficiency or economy;

(4) Losing complete independence or impartiality;

(5) Making a Corporation decision outside official channels; or

(6) Affecting adversely the confidence of the public in the integrity of the Corporation.

(d) An employee shall not solicit contributions from another employee for a gift to an employee in a superior official position. An employee in a superior official position shall not accept a gift presented as a contribution from employees receiving less salary than himself. An employee shall not make a donation as a gift to an employee in a superior official position (5 U.S.C. 113).

(e) An employee shall not accept a gift, present, decoration, or other thing from a foreign government unless authorized by Congress as provided by the Constitution and in 5 U.S.C. 114-115a.

§336.735-12 Outside employment.

(a) An employee shall not engage in outside employment or other outside activity not compatible with the full and proper discharge of the duties and responsibilities of his Corporation employment. Incompatible activities include but are not limited to:

(1) Acceptance of a fee, compensation, gift, payment of expense, or any other thing of monetary value in circumstances in which acceptance may result in, or create the appearance of, conflicts of interests; or

(2) Outside employment which tends to impair his mental or physical capacity to perform his Corporation duties and responsibilities in an acceptable manner.

(b) An employee shall not receive any salary or anything of monetary value from a private source as compensation for his services to the Corporation (18 U.S.C. 209).

(c) A Corporation examiner or assistant examiner shall not perform any other service, for compensation, for any bank, or for any person connected therewith (18 U.S.C. 1909).

(d) Employees are encouraged to engage in teaching, lecturing, speaking and writing relating to the Corporation's functions or responsibilities. However, an employee shall not, either for or without compensation, engage in any such activity that is dependent on information obtained as a result of his Corporation employment except when that information has been made available to the general public or will be made available on request, or when the Corporation Chairman gives written authorization for use of nonpublic information on the basis that the use is in the public interest. And no employee shall write for publication or accept invitations to speak before banking or other public organizations on matters concerning the Corporation without prior approval and prior clearance of their manuscript by the Corporation. In addition, an employee who is a Presidential appointee covered by section 401(a) of the Executive Order shall not receive compensation or anything of monetary value for any consultation, lecture, discussion, writing, or appearance, the subject matter of which is devoted substantially to the responsibilities, programs, or operations of the Corporation, or which draws substantially on official data or ideas which have not become part of the body of public information.

(e) An employee shall not engage in outside employment under a State or local government, except in accordance with Part 734 of the Civil Service Regulations (5 CFR Part 734).

(f) This section does not preclude an employee from:

(1) Receipt of bona fide reimbursement, unless prohibited by law, for actual expenses for travel and such other necessary subsistence as is compatible with this part for which no Corporation payment or reimbursement is made. However, an employee may not be reimbursed, and payment may not be made on his behalf, for excessive personal living expenses, or other personal benefits.

(2) Participation in the activities of National or State political parties not proscribed by law.

(3) Participation in the affairs of or acceptance of an award for a meritorious public contribution or achievement given by a charitable, religious, professional, social, fraternal, nonprofit educational and recreational, public service, or civic organization.

§336.735-13 Financial Interests.

(a) An employee shall not:

(1) Own, directly or indirectly, or control the ownership of stock in an insured bank, without approval of the Board of Directors of the Corporation.

(2) Have a direct or indirect financial interest that conflicts substantially, or

appears to conflict substantially, with his Corporation duties and responsibilities; or

(3) Engage in, directly or indirectly, a financial transaction as a result of, or primarily relying on, information obtained through his Corporation employment.

(b) This section does not preclude an employee from having a financial interest or engaging in financial transactions to the same extent as a private citizen not employed by the Corporation so long as it is not prohibited by law, the Executive Order, this section, or the regulations in this part.

§336.735-14 Use of Corporation property.

An employee shall not directly or indirectly use, or allow the use of, Corporation property of any kind, including property leased to the Corporation, for other than officially approved activities. An employee has a positive duty to protect and conserve Corporation property, including equipment, supplies, and other property entrusted or issued to him.

§336.735-15 Misuse of information.

For the purpose of furthering a private interest, an employee shall not, except as provided in §336.735-12(d), directly or indirectly use, or allow the use of, official information obtained through or in connection with his Corporation employment which has not been made available to the general public.

§336.735-16 Indebtedness.

An employee shall pay each just financial obligation in a proper and timely manner, especially one imposed by law such as Federal, State, or local taxes. For the purpose of this section, a "just financial obligation" means one acknowledged by the employee or reduced to judgment by a court, and "in a proper and timely manner" means in a manner that the Corporation will not be called upon to assist a creditor in the collection of a just financial obligation, and which the Corporation determines does not, under the circumstances, reflect adversely on it as the employer. In the event of dispute between an employee and an alleged creditor, this section does not require the Corporation to determine the validity or amount of the disputed debt.

§336.735-17 Gambling, betting, and lotteries.

An employee shall not participate, while on Corporation-owned or leased property or while on duty for the Corporation, in any gambling activity including the operation of a gambling device, in conducting a lottery or pool, in a game for money or property, or in selling or purchasing a numbers slip or ticket. However, this section does not preclude activities:

(a) Necessitated by an employee's law enforcement duties; or

(b) Under section 3 of Executive Order 10927 and similar Corporation-approved activities.

§336.735-18 General conduct prejudicial to the Government.

An employee shall not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or other conduct prejudicial to the Corporation.

§336.735-19 Miscellaneous statutory provisions.

Each employee shall acquaint himself with each statute that relates to his ethical and other conduct as an employee of the Corporation and of the Government. In addition to the statutes cited in the body of these regulations the attention of each employee is directed to the following statutory provisions:

(a) House Concurrent Resolution 175, 85th Congress, 2d Session, 72 Stat. B12, the "Code of Ethics for Government Service."

(b) Chapter 11 of title 18, United States Code, relating to bribery, graft, and conflicts of interest, as appropriate to the employees concerned.

(c) The prohibition against lobbying with appropriated funds (18 U.S.C. 1913).

(d) The prohibitions against disloyalty and striking (5 U.S.C. 118p, 118r).

(e) The prohibition against the employment of a member of a Communist organization (50 U.S.C. 784).

(f) The prohibitions against (1) the disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783); and (2) the disclosure of confidential information (18 U.S.C. 1905).

(g) The provision relating to the habitual use of intoxicants to excess (5 U.S.C. 640).

(h) The prohibition against the misuse of a Government vehicle (5 U.S.C. 78c).

(i) The prohibition against the misuse of the franking privilege (18 U.S.C. 1719).

(j) The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (5 U.S.C. 637).

(k) The prohibition against fraud or false statements in a Government matter (18 U.S.C. 1001).

(l) The prohibition against mutilating or destroying a public record (18 U.S.C. 2071).

(m) The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).

(n) The prohibitions against (1) embezzlement of Government money or property (18 U.S.C. 641); (2) failing to account for public money (18 U.S.C. 643); and (3) embezzlement of the money or property of another person in the possession of an employee by reason of his employment (18 U.S.C. 654).

(o) The prohibition against unauthorized use of documents relating to claims from or by the Government (18 U.S.C. 285).

(p) The prohibition against proscribed political activities—The Hatch Act (5 U.S.C. 118i), and 18 U.S.C. 602, 603, 607, and 608.

(q) The prohibition against the disclosure of information by a bank examiner (18 U.S.C. 1906).

SUBPART C—ETHICAL AND OTHER CONDUCT AND RESPONSIBILITIES OF SPECIAL CORPORATION EMPLOYEES

§336.735-21 Use of Corporation employment.

A special Corporation employee shall not use his Corporation employment for a purpose that is, or gives the appearance of being, motivated by the desire for private gain for himself or another person, particularly one with whom he has family, business, or financial ties.

§336.735-22 Use of inside information.

(a) A special Corporation employee shall not use inside information obtained as a result of his Government employment for private gain for himself or another person either by direct action on his part or by counsel, recommendation, or suggestion to another person, particularly one with whom he has family, business, or financial ties. For the purpose of this section, "inside information" means information obtained under Corporation authority which has not become part of the body of public information.

(b) A special Corporation employee may teach, lecture, or write in a manner not inconsistent with §336.735-12(d) in regard to employees.

§336.735-23 Coercion.

A special Corporation employee shall not use his Corporation employment to coerce, or give the appearance of coercing, a person to provide financial benefit to himself or another person, particularly one with whom he has family, business, or financial ties.

§336.735-24 Gifts, entertainment, and favors.

(a) Except as provided in paragraph (b) of this section, a special Corporation employee, while so employed or in connection with his employment, shall not receive or solicit from a person having business with this Corporation anything of value as a gift, gratuity, loan, entertainment, or favor for himself or another person, particularly one with whom he has family, business, or financial ties.

(b) Exemptions to paragraph (a) of this section are the same as those authorized to employees under §336.735-11(b).

§336.735-25 *Miscellaneous statutory provisions.*

Each special Corporation employee shall acquaint himself with each statute that relates to his ethical and other conduct as a special Corporation employee of the Corporation and of the Government. In addition to the statutes cited in the body of the regulations in this part, the attention of each special Corporation employee is directed to the statutory provisions listed in §336.735-19.

SUBPART D—STATEMENTS OF EMPLOYMENT AND FINANCIAL INTERESTS

§336.735-31 *Employees required to submit statements.*

(a) Except as provided in §336.735-32, the following employees shall file statements of employment and financial interests:

(1) Employees paid at a level of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964, as amended.

(2) Employees receiving compensation equivalent to that prescribed in the General Schedule established by the Classification Act of 1949, as amended, for grade GS-16 or higher.

(3) Employees subject to the provisions of §336.735-13(a)(1).

(4) The purchasing officer of the Corporation, all bank assessment auditors, and all field liquidators.

(b) Additions to, deletions from, and other amendments of the list of positions in subparagraph (4) of paragraph (a) of this section are effective upon actual notification to the incumbents. The amended subparagraph (4) of paragraph (a) of this section shall be submitted annually for publication in the *Federal Register.*

§336.735-32 *Employees not required to submit statements.*

Employees subject to separate reporting requirements under section 401 of the Executive Order and 12 U.S.C. 1812.

§336.735-33 *Time and place for submission of employees' statements.*

An employee required to submit statements of employment and financial interest under §336.735-31 shall submit that statement to the Assistant to the Chairman of the Board of Directors not later than:

(a) Ninety days after the effective date of the agency regulations issued under this part if employed on or before that effective date; or

(b) Thirty days after his entrance on duty, but not earlier than ninety days after the effective date, if appointed after that effective date.

§336.735-34 *Supplementary statements.*

Changes in, or additions to, the information contained in an employee's statement of employment and financial interests shall be reported in a supplementary statement at the end of the quarter in which the changes occur and shall reflect all changes occurring during the quarter. Quarters end March 31, June 30, September 30, and December 31. If there are no changes or additions in a quarter, a negative report is not required. However, for the purpose of annual review, a supplementary statement, negative or otherwise, is required as of June 30 each year.

§336.735-35 *Interests of employees' relatives.*

The interest of a spouse, minor child, or other member of an employee's immediate household is considered to be an interest of the employee. For the purpose of this section, "member of an employee's immediate household" means those blood relations of the employee who are residents of the employee's household.

§336.735-36 *Information not known by employees.*

If any information required to be included on a statement of employment and financial interests or supplementary statement, including holdings placed in trust, is not known to the employee but is known to another person, the employee shall request that other person to submit information in his behalf.

§336.735-37 Information prohibited.

This subpart does not require an employee to submit on a statement of employment and financial interests or supplementary statement any information relating to the employee's connection with, or interest in, a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization or a similar organization not conducted as a business enterprise. For the purpose of this section, educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are deemed "business enterprises" and are required to be included in an employee's statement of employment and financial interests.

§336.735-38 Confidentiality of employees' statements.

The Corporation shall hold statements of employment and financial interest, and each supplementary statement, in confidence. The Corporation may not disclose information from a statement except as the Chairman of the Corporation or the Civil Service Commission may determine for good cause shown.

§336.735-39 Effect of employees' statements on other requirements.

The statements of employment and financial interests and supplementary statements required of employees are in addition to, and not in substitution for, or in derogation of, any similar requirement imposed by law, order, or regulation. The submission of a statement or supplementary statement by an employee does not permit him or any other person to participate in a manner in which his or the other person's participation is prohibited by law, order, or regulation.

§336.735-40 Specific provisions of regulations for special Corporation employees.

(a) Except as provided in paragraph (b) of this section, each special Corporation employee shall submit a statement of employment and financial interests which reports:

(1) All other employment; and

(2) All financial interests which relate either directly or indirectly to the duties and responsibilities of the special Corporation employee.

(b) The Chairman of the Corporation may waive the requirement in paragraph (a) of this section for the submission of a statement of employment and financial interests in the case of a special Corporation employee, who is not a consultant or an expert when the Chairman finds that the duties of the position held by that special Corporation employee are of a nature and at such a level of responsibility that the submission of the statement by the incumbent is not necessary to protect the integrity of the Corporation. For the purpose of this paragraph, "consultant" and "expert" have the meanings given those terms by Chapter 304 of the Federal Personnel Manual, but do not include a physician, dentist, or allied medical specialist whose services are procured to provide care and service to patients.

(c) A statement of employment and financial interests required to be submitted under this section shall be submitted not later than the time of employment of the special Corporation employee. Each special Corporation employee shall keep his statement current throughout his employment with the Corporation by the submission of supplementary statements.

§336.735-41 Reviewing statements and reporting conflicts of interest.

(a) When a statement submitted under this subpart or information from other sources indicates a conflict between the interests of an employee or special Corporation employee and the performance of his services for the Corporation, the Counselor designated in the regulations in this part shall investigate and dispose of the matter in such manner as he may deem appropriate. When the conflict or appearance of conflict is not resolved by the Counselor, the information concerning the conflict or appearance of conflict shall be reported to the Chairman of the Board of Directors.

(b) The employee or special Corporation employee concerned shall have a reasonable opportunity, orally and/or in writing to explain the conflict or appearance of conflict.

§336.735-42 Disciplinary and other remedial actions.

(a) A violation of the regulations in this part by an employee or special Corporation employee may be cause for appropriate disciplinary action which may be in addition to any penalty prescribed by law.

(b) When, after consideration of the explanation of the employee or special Corporation employee provided by §336.735-41, the Chairman of the Board decides that remedial action is required, he shall take immediate action to end the conflicts or appearance of conflicts of interest. Remedial action includes, but is not limited to:

(1) Changes in assigned duties;

(2) Divestment by the employee or special Corporation employee of his conflicting interest;

(3) Disciplinary action; or

(4) Disqualification for a particular assignment.

Remedial action, whether disciplinary or otherwise, shall be effected in accordance with any applicable law, Executive orders, and regulations.

This Part 336 was approved by the Civil Service Commission on February 11, 1966.

Effective date. This Part 336 shall become effective upon publication in the Federal Register.

[F.R. Doc. 66-4022; Filed, Apr. 13, 1966; 8:47 a.m.]

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 329—PAYMENT OF DEPOSITS AND INTEREST THEREON BY INSURED NONMEMBER BANKS

Miscellaneous Amendments

1. Effective July 20, 1966, §329.1 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 329.1) is amended by inserting a new paragraph as follows:

§329.1 Definitions.

* * * * *

(f) *Multiple maturity time deposit.* The term "multiple maturity time deposit" means any time deposit (1) that is payable at the depositor's option on more than one date, whether on a specified date or at the expiration of a specified time after the date of deposit (e.g., a deposit payable at the option of the depositor either 3 months or 6 months after the date of deposit), (2) that is payable after written notice of withdrawal, or (3) with respect to which the underlying instrument or contract or any informal understanding or agreement provides for automatic renewal at maturity.

2. Effective July 20, 1966, §329.6 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 329.6) is amended to read as follows:

§329.6 Maximum rates[12] of interest payable on time and savings deposits by insured nonmember banks.

(a) *Time deposits.* (1) No insured nonmember bank shall pay interest accruing at a rate in excess of 5½ percent per annum, compounded quarterly,[13] regardless of the basis upon which such interest may be computed, on any time deposit, subject, however, to the provisions of subparagraphs (2) and (3) of this paragraph.

(2) No insured nonmember bank shall pay interest accruing at a rate in excess of 5 percent per annum, compounded quarterly,[13] regardless of the basis upon which such interest may be computed, on any multiple maturity time deposit received on or after July 20, 1966, which is payable only 90 days or more after the

date of deposit or 90 days or more after the last preceding date on which it might have been paid.

(3) No insured nonmember bank shall pay interest accruing at a rate in excess of 4 percent per annum, compounded quarterly,[13] regardless of the basis upon which such interest may be computed, on any multiple maturity time deposit received on or after July 20, 1966, which is payable less than 90 days after the date of deposit or less than 90 days after the last preceding date on which it might have been paid.

(b) *Savings deposits.* No insured nonmember bank shall pay interest accruing at a rate in excess of 4 percent per annum, compounded quarterly,[13] regardless of the basis upon which such interest may be computed, on any savings deposit.

[12] The maximum rates of interest payable by insured nonmember banks on time and savings deposits as prescribed herein are not applicable to any deposit which is payable only at an office of an insured nonmember bank located outside of the States of the United States and the District of Columbia.

[13] This limitation is not to be interpreted as preventing the compounding of interest at other than quarterly intervals: *Provided,* That the aggregate amount of such interest so compounded does not exceed the aggregate amount of interest at the rate above prescribed when compounded quarterly.

(Sec. 9, 64 Stat. 881; 12 U.S.C. 1819 (Interprets or applies sec. 18, 64 Stat. 891; 12 U.S.C. 1828))

[F.R. Doc. 66-7887; Filed, July 20, 1966; 8:45 a.m.]

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 329—PAYMENT OF DEPOSITS AND INTEREST THEREON BY INSURED NONMEMBER BANKS

Miscellaneous Amendments

1. Effective September 26, 1966, §329.0 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 329.0) is amended to read as follows:

§329.0 Scope.

The regulation contained in this part relates to the payment of deposits and interest thereon by insured nonmember banks. This part is not applicable to banks which are members of the Federal Reserve System. Regulation Q (Part 217 of this title), prescribed by the Board of Governors of the Federal Reserve System for banks which are members of that System, is not applicable to insured banks which are not members of the Federal Reserve System, except to the extent that the State law of a particular State provides otherwise. The provisions of this part do not apply to any deposit in a bank located outside of, or payable only at a bank's office which is located outside of, the States of the United States and the District of Columbia. Except as provided in §329.7, the provisions of this part do not apply to mutual savings banks or to guaranty savings banks operating in the State of New Hampshire so long as said guaranty savings banks operate substantially under and pursuant to the laws of the State of New Hampshire pertaining to mutual savings banks and do not engage in commercial banking.

2. Effective September 26, 1966, §329.6 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 329.6) is amended to read as follows:

§329.6 Maximum rates[12] of interest payable on time and savings deposits by insured nonmember banks.

(a) *Maximum rate of 5½ percent.* No insured nonmember bank shall pay interest at a rate in excess of 5½ percent per annum on any time deposit of $100,000 or more, subject, however, to the provisions of paragraphs (b)(2) and (c)(1)(i) of this section.

(b) *Maximum rate of 5 percent.* No insured nonmember bank shall pay interest at a rate in excess of 5 percent per annum (1) on any time deposit of less than $100,000, subject, however, to the provisions of paragraph (c)(1)(i) of this section, or (2) on any multiple maturity time deposit that is payable only 90 days or more after the date of deposit or 90 days or more after the last preceding date on which it might have been paid.

(c) *Maximum rate of 4 percent.* (1) No insured nonmember bank shall pay interest at a rate in excess of 4 percent per annum (i) on any multiple maturity time deposit that is payable less than 90 days after the date of deposit or less than 90 days after the last preceding date on which it might have been paid, or (ii) on any savings deposit.

(2) In calculating the rate of interest paid, the effects of compounding of interest may be disregarded. An insured nonmember bank that elects to compound interest—either at the maximum permissible rate or at a lower rate—shall state the basis of compounding (such as semiannually, quarterly, monthly, weekly, daily, or continuously) in every advertisement, announcement, solicitation, and agreement relating to the rate of interest paid on a deposit.

[12] The maximum rates of interest payable by insured nonmember banks on time and savings deposits as prescribed herein are not applicable to any deposit which is payable only at an office of an insured nonmember bank located outside of the States of the United States and the District of Columbia.

3. Effective September 26, 1966, Part 329 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR Part 329) is amended by adding at the end thereof the following new §329.7 to read as follows:

§329.7 Maximum rates[13] *of interest or dividends payable on deposits by insured nonmember mutual savings banks.*

(a) *Definition.* For the purpose of this section, the term "mutual savings bank" includes any mutual savings bank and any guaranty savings bank which operates in the State of New Hampshire substantially under and pursuant to the laws of that State pertaining to mutual savings banks which does not engage in commercial banking.

(b) *Maximum rates payable.* For any time on or after October 1, 1966, no insured nonmember mutual savings bank shall pay interest or dividends at a rate in excess of 5 percent per annum on any deposit. Section 329.3(b), relating to modification of deposit contracts to conform to regulations, shall apply to insured nonmember mutual savings banks.

(c) *Compounding interest.* In calculating the rate of interest or dividends paid, the effects of compounding of interest or dividends may be disregarded. An insured nonmember mutual savings bank that elects to compound interest or dividends—either at the maximum permissible rate or at a lower rate—shall state the basis of compounding (such as semiannually, quarterly, monthly, weekly, daily, or continuously) in every advertisement, announcement, solicitation, and agreement relating to the rate of interest or dividends paid on a deposit.

(d) *Grace periods in computing interest.* An insured nonmember mutual savings bank may pay interest or dividends on a deposit received during the first ten (10) calendar days of any calendar month at the applicable maximum rate prescribed in paragraph (b) of this section calculated from the first day of such calendar month until such deposit is withdrawn or otherwise ceases to constitute a deposit upon which interest or dividends are payable; and an insured nonmember mutual savings bank may pay interest or dividends on a deposit withdrawn during the last 3 business days of any calendar month ending a regular quarterly or semiannual interest or dividend period at the applicable maximum rate prescribed in paragraph (b) of this section calculated to the end of such calendar month.

[13] The maximum rate of interest payable by insured nonmember mutual savings banks as prescribed herein is not applicable to any deposit which is payable only at an office of an insured nonmember mutual savings bank located outside of the States of the United States and the District of Columbia.

(Sec. 9, 64 Stat. 881; 12 U.S.C. 1819)

[F.R. Doc. 66-10509; Filed, Sept. 26, 1966; 8:45 a.m.]

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 329—PAYMENT OF DEPOSITS AND INTEREST THEREON BY INSURED NONMEMBER BANKS

Maximum Rates of Interest or Dividends Payable on Deposits by Insured Nonmember Mutual Savings Banks; Banks in Alaska

Effective October 1, 1966, §329.7 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 329.7) is amended by adding a new paragraph (e) as follows:

§329.7 Maximum rates of interest or dividends payable on deposits by insured nonmember mutual savings banks.

* * * * *

(e) *Banks in Alaska.* Notwithstanding paragraph (b) of this section, any insured nonmember mutual savings bank located in the State of Alaska may pay for any time on or after October 1, 1966, a rate of interest or dividends not in excess of 5¼ percent per annum on any deposit and may continue to pay a higher rate of interest or dividends in accordance with any time certificate of deposit, savings certificate, or similar certificate issued by the bank prior to September 22, 1966, requiring maintenance of the deposit for a stated period or making the rate of interest or dividends dependent thereon, and on any renewals or extensions of such certificates on the same terms and conditions. For the purposes of paragraphs (c) and (d) of this section, the applicable maximum rate for any such bank located in the State of Alaska is that prescribed by this paragraph.

(Sec. 9, 64 Stat. 881; 12 U.S.C. 1819)

[F.R. Doc. 66-10707; Filed, Sept. 30, 1966; 8:45 a.m.]

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 327—ASSESSMENTS

PART 329—PAYMENT OF DEPOSITS AND INTEREST THEREON BY INSURED NONMEMBER BANKS

Miscellaneous Amendments

On September 29, 1966, a notice of proposed rule making was published in the Federal Register (31 F.R. 12727) stating that the Board of Directors of the Federal Deposit Insurance Corporation was considering the amendment of Parts 327 and 329 of its rules and regulations. Interested persons were afforded an opportunity to participate in the rule making through the submission of comments. After consideration of all such relevant matter as was submitted by interested persons, the amendment as so proposed is hereby adopted, with certain changes, as set forth below:

1. Subparagraphs (2) and (4) of paragraph (b) of §327.2 are amended to read as follows:

§327.2 Classification of deposits.

* *

(b) * * *

(2) Time deposits, open account, being deposits, other than time certificates of

deposit, with respect to which there is in force a written contract with the depositor that neither the whole nor any part of such deposit may be withdrawn prior to the date of maturity, which shall not be less than 30 days after the date of the deposit, or prior to the expiration of the period of notice which must be given by the depositor in writing not less than 30 days in advance of withdrawals, including deposits such as Christmas club accounts and vacation club accounts, which are made under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits have been made during a period of not less than 3 months, even though some of the deposits are made within 30 days from the end of such period; and

* * *

(4) Savings deposits being deposits:

(i) Which consist of funds deposited to the credit of one or more individuals, or of a corporation, association, or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes and not operated for profit, or in which the entire beneficial interest is held by one or more individuals or by such a corporation, association, or other organization; and

(ii) With respect to which the depositor is not required by the deposit contract but may at any time be required by the bank to give notice in writing of an intended withdrawal not less than 30 days before such withdrawal is made and which is not payable on a specified date or at the expiration of a specified time after the date of deposit.

* * * *

2. Paragraphs (d) and (e) of §329.1 are amended to read as follows:

§329.1 Definitions.

* * * * *

(d) *Time deposits, open account.* The term "time deposit, open account" means a deposit, other than a "time certificate of deposit," with respect to which there is in force a written contract with the depositor that neither the whole nor any part of such deposit may be withdrawn, by check or otherwise, prior to the date of maturity, which shall be not less than 30 days after the date of the deposit,[2] or prior to the expiration of the period of notice which must be given by the depositor in writing not less than 30 days in advance of withdrawals.[3]

(e) *Savings deposits.* The term "savings deposit" means a deposit:

(i) Which consists of funds deposited to the credit of one or more individuals, or of a corporation, association, or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes and not operated for profit,[4] or in which the entire beneficial interest is held by one or more individuals or by such a corporation, association, or other organization; and

(ii) With respect to which the depositor is not required by the deposit contract but may at any time be required by the bank to give notice in writing of an intended withdrawal not less than 30 days before such withdrawal is made[5] and which is not payable on a specified date or at the expiration of a specified time after the date of deposit.

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[2] Deposits, such as Christmas club accounts and vacation club accounts, which are made under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits have been made during a period of not less than 3 months, constitute "time deposits, open account," even though some of the deposits are made within 30 days from the end of such period.

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[3] A deposit with respect to which the bank merely reserves the right to require notice of not less than 30 days before any withdrawal is made is not a "time deposit, open account," within the meaning of the above definition.

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[4] Deposits in joint accounts of two or more individuals may be classified as savings deposits if they meet the other requirements of the above definition, but deposits of a partnership operated for profit may not be so classified. Deposits to the credit of an individual of funds in which any beneficial interest is held by a corporation, partnership, association, or other organization operated for

profit or not operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes may not be classified as savings deposits.

[5] The exercise by the bank of its right to require such notice shall not cause the deposit to cease to be a savings deposit.

* * * *

3. Section 329.5 is amended to read as follows:

§329.5 *Withdrawal of savings deposits.*

(a) *Requirements regarding notice of withdrawal.* Whether or not interest is paid, no insured nonmember bank shall require or waive notice of withdrawal as to any amount or percentage of the savings deposits of any depositor unless it shall similarly require or waive such notice as to the same amount or percentage of the savings deposits of every other depositor which are subject to the same contractual provisions with respect to notice of withdrawal. If an insured nonmember bank, without requiring notice of withdrawal, pays interest that has accrued on a savings deposit during the preceding interest period, it shall, upon request and without requiring such notice, pay interest that has accrued during that period on the savings deposits of every other depositor. No insured nonmember bank shall change its practice with respect to the requiring or waiving of notice of withdrawal of savings deposits for the purpose of discriminating in favor of or against any depositor or depositors, and no such change of practice shall be made except pursuant to duly recorded action of the bank's board of directors or a properly authorized committee thereof.

(b) *Loans on security of savings deposits.* If it is not the practice of an insured nonmember bank to require notice of withdrawal of savings deposits, no restrictions are imposed by this part upon loans by such bank to its depositors upon the security of such deposits. If it is the practice of an insured nonmember bank to require notice of withdrawal of a savings deposit, such bank may make loans to a depositor upon the security of such deposit, but the rate of interest on such loans shall be not less than 2 percent per annum in excess of the rate of interest paid on such deposit.

(c) *Manner of payment of savings deposits.* (1) Subject to the provisions of subparagraph (2) of this paragraph, an insured nonmember bank may permit withdrawals to be made from a savings deposit only through payment[12] to the depositor himself (but not to any other person whether or not acting for the depositor), except:

(i) Where the deposit is represented by a passbook, to any person presenting the passbook;[12]

(ii) To an executor, administrator, trustee, or other fiduciary holding the savings deposit as part of a fiduciary estate, or to a person, other than the bank, holding a general power of attorney granted by the depositor;

(iii) To any person, including the bank, that has extended credit to the depositor on the security of the savings deposit, where such payment is made in order to enable the creditor to realize upon such security;

(iv) Pursuant to the order of a court of competent jurisdiction;

(v) Upon the death of the depositor, to any person authorized by law to receive the deposit; or

(vi) Interest paid to a third person pursuant to written instruction or assignment by the depositor, accepted by the bank, and placed on file therein.

(2) Notwithstanding the provisions of subparagraph (1) of this paragraph, no withdrawal shall be permitted by an insured nonmember bank to be made from a savings deposit, through payment to the bank itself or through transfer of credit to a demand or other deposit account of the same depositor (other than of interest on the savings deposit) if such payment or transfer is made pursuant to any advertised plan or any agreement, written or oral:

(i) Which authorizes such payments or transfers of credit to be made as a

[12] Payment from a savings deposit or presentation of a passbook may be made over the counter, through the mails, or otherwise.

normal practice in order to cover checks or drafts drawn by the depositor upon the bank; or

(ii) Which provides that such payments or transfers of credit shall be made at daily, monthly, or other such periodic intervals, except where made to enable the bank, on the depositor's behalf, and pursuant to his written instruction, to effect the payment of installments of principal, interest, or other charges (including taxes or insurance premiums) due on a real estate loan or mortgage.

(3) Where a savings deposit is evidenced by a passbook, every withdrawal made upon presentation of the passbook shall be entered in the passbook at the time of withdrawal, and every other withdrawal from such a deposit shall be entered in the passbook as soon as practicable after the withdrawal is made.

§§329.6, 329.7 [Amended]

4. Footnote 12 in §329.6 and footnote 13 in §329.7 are redesignated as footnotes 13 and 14, respectively.

Effective date. This amendment is effective January 1, 1967.

[F.R. Doc. 66-13387; Filed, Dec. 14, 1966; 8:45 a.m.]

STATEMENT OF POLICY WITH RESPECT TO ADVERTISING BY INSURED STATE NONMEMBER BANKS

Notice is hereby given that at a meeting of the Board of Directors of the Federal Deposit Insurance Corporation on December 14, 1966, the following statement of policy with respect to advertising by insured State nonmember banks was approved:

"In recent years, competition among financial institutions for funds has become intense. An outgrowth of such competition has been the development and use by a few institutions of advertising practices that could be detrimental to the public's attitude toward the nation's financial system. In some respects, certain of the advertising practices are considered misleading.

"Under the circumstances, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the Board of Governors of the Federal Reserve System have concluded that it would be helpful, both to the financial institutions that they supervise and to the public, to outline certain principles that such institutions should follow in their advertisements directed toward attracting funds.

"The supervisory agencies regard the following as minimum principles that financial institutions should follow in advertising for funds:

"(1) Interest or dividend rates should be stated in terms of annual rates of simple interest, and the advertisement should state whether such earnings are compounded and, if so, the basis of compounding. Neither the total percentage return if held to final maturity nor the average annual rate achieved by compounding should be stated unless the annual rate of simple interest is presented with equal prominence.

"(2) No reference should be made to 'profit' to the investor for use of his funds over a period of time.

"(3) If an advertised rate is payable only on investments or deposits that meet fixed time or amount requirements, such requirements should be stated.

"(4) No statement should be made implying that more than $15,000 of Federal insurance is provided for each depositor in a bank or each member in a savings and loan association.

"The Securities and Exchange Commission has expressed the opinion that deposit and share accounts are subject to the anti-fraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 and that advertisements by financial institutions that are contrary to such principles may violate those anti-fraud provisions."

[F.R. Doc. 66-13882; Filed, Dec. 27, 1966; 8:51 a.m.]

STATE BANKING LEGISLATION—1966

In 1966, the legislatures of 24 States held regular sessions and 12 held special sessions. Some of the more important State banking legislation enacted during 1966 is listed below on a State-by-State basis.

ALABAMA

Authorization of branches in certain counties	HB	1-X
	HB	21-X
	HB	108-X
	HB	240-X
Bank organization and branching fees	HB	51-X

ALASKA

Investments of mutual savings banks	HB	411
Fees in sales of bank securities	HB	488
Ownership of shares in banks	HB	455

ARIZONA

Bank crimes	HB	82
	HB	83
Providing for business development corporations	SB	219
Loan limits, charges, and payments	HB	283
Bank holidays and hours	HB	282

COLORADO

State regulatory authority study	HJR	1017

DELAWARE

Uniform Commercial Code enacted	SB	223

GEORGIA

Uniform Commercial Code amended	HB	322
Taxation of shares of banks	HB	337
Capital stock requirements	SB	102
Uninvested trust funds	SB	124
Banking prohibited without charter or certificate	SB	89
Banking law amendments	HB	301
Regulated Certificated Bank Act	SB	88
Study committee on banking laws	HR	379

KENTUCKY

Banking law amendments	SB	63
Bank investments	SB	196
Rates of interest on loans	SB	131
Uniform Commercial Code amended	HB	456
Sale of Checks Act	HB	131
Taxation of banks	HB	318
Gifts to Minors Act	SB	52

LOUISIANA

Taxation of bank stock	SB	213
Bank holidays	HB	161
	SB	74
Bank names	SB	94
Bank loans	SB	95
Taxation of banks	SB	114
Sale of Checks Act	SB	225

MAINE

Bank loan limitations	HB	1217-X

Investments by banks and trust companies	SB	615-X

MARYLAND

Taxation of savings banks	SB	50
Dormant accounts	HB	39
Bank holidays	SB	436
Higher education loan program amendments	SB	181
Stockholders' meetings	HB	186
Personal property leasing	HB	184
Disposition of unclaimed property	SB	238

MASSACHUSETTS

Security for trust funds	HB	541
Certificates of deposit	HB	4
Loans by trust companies to officers	SB	767
Deposits in savings banks	HB	924
Trust company organization and branching	SB	758
Loan limitations of savings banks	HB	923
Authorizing mobile branch banking	HB	2248
Investments by savings banks	HB	926
	SB	779
	HB	3505
State examination of banks	HB	3507
Branching by savings banks	HB	925
Insured student loans	HB	3591
Supplemental interest on certain deposit accounts	HB	3808
Disclosure of interest charges	HB	3840
Bank holding company regulation	HB	3285

MICHIGAN

Change in location	SB	826
Limitations on loans, borrowing, and pledges	HB	3440
Real estate loan requirements	HB	3441
Investment authority	SB	984
Indemnity for officers involved in litigation	HB	3442
Gifts to Minors Act	HB	3971
Rates of interest on loans	HB	2579

MISSISSIPPI

Salaries of state bank examiners	SB	1923
Removal of stockholder information	SB	1922
Voting trusts prohibited	SB	1868
Leasing safe deposit boxes	SB	1867
Loans to directors and employees	SB	1866
Joint deposits and deceased depositors' accounts	SB	1876
Preferred stock	SB	1904
Restoration of capital stock	SB	1973
Bank examinations	SB	1959
Loan limitations and data processing services	SB	1906
Loans by branch offices	SB	1886
Sale of stock by director	SB	1885
Uniform Commercial Code enacted	HB	2

NEW JERSEY

Joint deposits in trust	AB	214
Person convicted serving as director or employee	SB	291
Savings bank investment limitations	AB	239
	AB	240
	AB	285
Savings bank deposit limitation	AB	619

Regulation of bank loans and investments	AB	678
Loans to officers and directors	AB	274
Mortgage loans by savings banks	AB	275
Capital notes and debentures	AB	247

NEW MEXICO

Uniform Commercial Code amended	HB	8

NEW YORK

Savings bank earnings	SB	2090
Savings bank loan reports	SB	2088
Savings bank mortgage loans	SB	2091
Bank loan limitations	SB	3448
Foreign bank loan limitations	SB	2306
	AB	2256
Powers of savings banks	AB	4058
Duties of directors and trustees	AB	2924
Savings bank investments	AB	3810
	AB	5358
Investment in FNMA securities	AB	5964
Savings banks acting as trustees	AB	2964
Taxation of banks	SB	4959
	SB	4933
Banking law amendments	AB	5935
Joint banking law study	AR	182
	SR	154
Savings bank real estate appraisals	AB	5885

PENNSYLVANIA

Goods and Services Instalment Sales Act	HB	7-X

RHODE ISLAND

Investment limitations	HB	1535
	HB	1556
Lost passbooks and certificates	HB	1403
Sale of Checks Act	SB	532
Savings bank loans	HB	1606

SOUTH CAROLINA

Real estate loan limitations	HB	2105
Uniform Commercial Code enacted	HB	1399
Instalment loans	HB	2085

SOUTH DAKOTA

State Banking Commission	HB	559
		558
Loan limitations	HB	561
Audit reports	HB	557

VERMONT

Uniform Commercial Code enacted	SB	1-X

VIRGINIA

Gifts to Minors Act amended	HB	250
Payable on death deposits	HB	498
Money and Interest Study Commission	HJR	101
Uniform Commercial Code amended	SB	381
Virginia Banking Act	HB	229

WEST VIRGINIA

Uniform Disposition of Unclaimed Property Act	HB	205

STATISTICS OF BANKS AND DEPOSIT INSURANCE

PART THREE

NUMBER OF BANKS AND BRANCHES

Tabulations for all banks are prepared in accordance with an agreement among the Federal bank supervisory agencies. Provision of deposit facilities for the general public is the chief criterion for distinguishing between banks and other types of financial institutions. However, trust companies engaged in general fiduciary business though not in deposit banking are included; and credit unions and savings and loan associations are excluded except in the case of a few which accept deposits under the terms of special charters.

Branches include all offices of a bank other than its head office, at which deposits are received, checks paid, or money lent. Banking facilities separate from a banking house, banking facilities at government establishments, offices, agencies, paying or receiving stations, drive-in facilities and other facilities operated for limited purposes are defined as branches under the Federal Deposit Insurance Act, Section 3(o), regardless of the fact that in certain States, including several which prohibit the operation of branches, such limited facilities are not considered branches within the meaning of State law.

Commercial banks include the following categories of banking institutions:

National banks;

Incorporated State banks, trust companies, and bank and trust companies, regularly engaged in the business of receiving deposits, whether demand or time, except mutual savings banks;

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

Industrial and Morris Plan banks which operate under general banking codes, or are specifically authorized by law to accept deposits and in practice do so, or the obligations of which are regarded as deposits for deposit insurance;

Special types of banks of deposit: cash depositories in South Carolina; regulated certificated banks, and a savings and loan company operating under Superior Court charter, in Georgia; government operated banks in American Samoa, North Dakota, and Puerto Rico; a cooperative bank, usually classified as a credit union, operating under a special charter in New Hampshire; a savings institution, known as a "trust company," operating under special charter in Texas; an employes' mutual banking association in Pennsylvania; the Savings Banks Trust Company in New York; and branches of foreign banks engaged in a general deposit business in New York, Oregon, Washington, Puerto Rico, and Virgin Islands.

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

Nondeposit trust companies include institutions operating under trust company charters which are not regularly engaged in deposit banking but are engaged in fiduciary business other than that incidental to real estate title or investment activities.

Mutual savings banks include all banks operating under State banking codes applying to mutual savings banks.

Institutions excluded. Institutions in the following categories are excluded, though such institutions may perform many of the same functions as commercial and savings banks:

Banks which have suspended operations or have ceased to accept new deposits and are proceeding to liquidate their assets and pay off existing deposits;

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

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

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

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

Federal Reserve Banks and other banks, such as the Federal Home Loan Banks and the Savings and Loan Bank of the State of New York, which operate as rediscount banks and do not accept deposits except from financial institutions.

Table 101. CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1966

Type of change	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks		
					Insured				Noninsured				
						Members F. R. System		Not members F. R. System	Banks of deposit	Nondeposit trust companies[1]			
	Total	Insured	Noninsured	Total	Total	National	State				Total	Insured	Noninsured
ALL BANKING OFFICES													
Number of offices, December 31, 1966[2]	**32,136**	**31,491**	**645**	**30,872**	**30,544**	**14,436**	**4,867**	**11,241**	**251**	**77**	**1,264**	**947**	**317**
Number of offices, December 31, 1965[2]	**30,958**	**30,306**	**652**	**29,736**	**29,393**	**13,801**	**4,738**	**10,854**	**278**	**65**	**1,222**	**913**	**309**
Net change during year	**+1,178**	**+1,185**	**−7**	**+1,136**	**+1,151**	**+635**	**+129**	**+387**	**−27**	**+12**	**+42**	**+34**	**+8**
Offices opened	**1,402**	**1,345**	**57**	**1,356**	**1,310**	**649**	**249**	**412**	**31**	**15**	**46**	**35**	**11**
Banks	125	101	24	123	99	25	4	70	23	1	2	2	
Branches	1,277	1,244	33	1,233	1,211	624	245	342	8	14	44	33	11
Offices closed	**224**	**193**	**31**	**220**	**190**	**87**	**31**	**72**	**27**	**3**	**4**	**3**	**1**
Banks	158	130	28	156	129	55	20	54	24	3	2	1	1
Branches	66	63	3	64	61	32	11	18	3		2	2	
Changes in classification		**+33**	**−33**		**+31**	**+73**	**−89**	**+47**	**−31**			**+2**	**−2**
Among banks		+26	−26		+24	+14	−39	+49	−24			+2	−2
Among branches		+7	−7		+7	+59	−50	−2	−7				
BANKS													
Number of banks, December 31, 1966	**14,291**	**13,873**	**418**	**13,785**	**13,541**	**4,799**	**1,350**	**7,392**	**196**	**48**	**506**	**332**	**174**
Number of banks, December 31, 1965	**14,324**	**13,876**	**448**	**13,818**	**13,547**	**4,815**	**1,405**	**7,327**	**221**	**50**	**506**	**329**	**177**
Net change during year	**−33**	**−3**	**−30**	**−33**	**−6**	**−16**	**−55**	**+65**	**−25**	**−2**		**+3**	**−3**
Banks beginning operation	**125**	**101**	**24**	**123**	**99**	**25**	**4**	**70**	**23**	**1**	**2**	**2**	
New banks	124	101	23	122	99	25	4	70	22	1	2	2	
Banks added to count[3]	1		1	1					1				
Banks ceasing operation	**158**	**130**	**28**	**156**	**129**	**55**	**20**	**54**	**24**	**3**	**2**	**1**	**1**
Absorptions, consolidations, and mergers (without FDIC aid)	133	122	11	131	121	52	20	49	9	1	2	1	1
Closed because of financial difficulties	8	7	1	8	7	2		5	1				
Other liquidations	6	1	5	6	1	1			4	1			
Discontinued deposit operations	7		7	7					7				
Banks deleted from count[3]	4		4	4					3	1			
Noninsured banks becoming insured		**+26**	**−26**		**+24**			**+24**	**−24**			**+2**	**−2**

Other changes in classification						+14	−39	+25					
National succeeding State bank						+23	−13	−10					
State succeeding National bank						−9	+2	+7					
Admission of insured bank to F. R. System							+4	−4					
Withdrawal from F. R. System with continued insurance							−32	+32					
Changes not involving number in any class:													
Change in title	147	140	7	143	138	77	12	49	4	1	4	2	2
Change in location	18	16	2	18	16	6	2	8	2				
Change in title and location	10	10		10	10	4		6					
Change in corporate powers:[4]													
Granted trust powers	51	51		51	51			51					
BRANCHES													
Number of branches, December 31, 1966[2]	**17,845**	**17,618**	**227**	**17,087**	**17,003**	**9,637**	**3,517**	**3,849**	**55**	**29**	**758**	**615**	**143**
Number of branches, December 31, 1965[2]	**16,634**	**16,430**	**204**	**15,918**	**15,846**	**8,986**	**3,333**	**3,527**	**57**	**15**	**716**	**584**	**132**
Net change during year	**+1,211**	**+1,188**	**+23**	**+1,169**	**+1,157**	**+651**	**+184**	**+322**	**−2**	**+14**	**+42**	**+31**	**+11**
Branches opened for business	**1,277**	**1,244**	**33**	**1,233**	**1,211**	**624**	**245**	**342**	**8**	**14**	**44**	**33**	**11**
Facilities designated by Treasury	3	3		3	3	2		1					
Absorbed banks converted to branches	117	116	1	116	116	70	20	26			1		1
Branches replacing head offices relocated	16	16		16	16	6	2	8					
New branches[5]	1,115	1,104	11	1,073	1,071	545	222	304	2		42	33	9
Branches and facilities added to count[3]	26	5	21	25	5	1	1	3	6	14	1		1
Branches discontinued	**66**	**63**	**3**	**64**	**61**	**32**	**11**	**18**	**3**		**2**	**2**	
Facilities designated by Treasury	6	6		6	6	6							
Branches[5]	48	46	2	46	44	21	11	12	2		2	2	
Branches and facilities deleted from count[3]	12	11	1	12	11	5		6	1				
Other changes in classification		+7	**−7**		+7	**+59**	**−50**	**−2**	**−7**				
Branches changing class as result of conversion						+38	−29	−9					
Branches of insured banks withdrawing from F. R. System							−37	+37					
Branches of noninsured banks admitted to insurance		+7	−7		+7			+7	−7				
Branches transferred through absorption, consolidation or merger						+21	+16	−37					
Changes not involving number in any class:													
Changes in operating powers of branches	7	7		7	7	3		4					
Branches transferred through absorption, consolidation or merger	49	49		49	49	31	6	12					
Changes in title, location or name of location	395	393	2	382	382	218	72	92			13	11	2

[1] Includes one trust company member of the Federal Reserve System.
[2] Includes facilities established both at request of the Commanding Officer of Federal Government installations and designated by the U. S. Treasury, and a few seasonal branches that were not in operation as of December 31.
[3] Changes occurred prior to 1966, but were not included in the count as of December 31, 1965.
[4] Information available only for insured banks not members of the Federal Reserve System.
[5] Excludes opening and closing of seasonal offices (except those newly established or permanently discontinued in 1966).

Table 102. CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES DURING 1966, BY STATE

State	In operation				Net change during 1966		Beginning operation in 1966				Ceasing operation in 1966		
	Dec. 31, 1966		Dec. 31, 1965				Banks		Branches		Banks		Branches
	Banks	Branches	Banks	Branches	Banks	Branches	New	Other	New	Other	Absorptions	Other	
Total United States	**13,785**	**17,087**	**13,818**	**15,918**	**−33**	**+1,169**	**122**	**1**	**1,098**	**135**	**137**	**19**	**64**
50 States and D.C.	**13,766**	**16,907**	**13,803**	**15,753**	**−37**	**+1,154**	**117**	**1**	**1,080**	**135**	**137**	**18**	**61**
Other areas	**19**	**180**	**15**	**165**	**+ 4**	**+ 15**	**5**	....	**18**	....	....	**1**	**3**
State													
Alabama	267	186	263	163	+ 4	+ 23	5	....	21	2	1	....	....
Alaska	12	55	12	53	....	+ 2	....	....	2	....	....	....	....
Arizona	18	282	18	258	....	+ 24	1	....	23	1	1	....	....
Arkansas	246	119	246	108	....	+ 11	2	....	13	....	....	2	2
California	193	2,537	199	2,424	− 6	+ 113	1	....	113	8	7	....	8
Colorado	252	9	250	8	+ 2	+ 1	5	....	....	2	1	2	1
Connecticut	67	336	68	313	− 1	+ 23	....	....	23	2	1	....	2
Delaware	20	71	20	65	....	+ 6	....	....	6	....	....	....	....
District of Columbia	14	94	15	88	− 1	+ 6	....	....	5	1	1	....	....
Florida	447	19	443	18	+ 4	+ 1	5	....	1	....	1	....	....
Georgia	426	211	429	196	− 3	+ 15	8	....	14	1	6	5	....
Hawaii	11	120	12	116	− 1	+ 4	....	....	4	1	1	....	1
Idaho	25	140	25	127	....	+ 13	....	....	13	....	....	....	....
Illinois	1,061	5	1,051	5	+10	....	12	....	....	....	1	1	....
Indiana	419	507	422	471	− 3	+ 36	....	....	33	4	3	....	1
Iowa	674	250	673	235	+ 1	+ 15	2	....	18	2	1	....	5
Kansas	601	53	599	49	+ 2	+ 4	3	1	5	....	....	2	1
Kentucky	348	243	346	232	+ 2	+ 11	2	....	10	1	....	....	....
Louisiana	220	286	214	248	+ 6	+ 38	6	....	38	1	....	....	1
Maine	44	183	44	175	....	+ 8	....	....	8	....	....	....	....
Maryland	122	415	122	394	....	+ 21	1	....	26	1	1	....	6
Massachusetts	162	614	161	568	+ 1	+ 46	4	....	46	3	3	....	3
Michigan	347	988	354	893	− 7	+ 95	1	....	88	10	8	....	3
Minnesota	723	9	722	10	+ 1	− 1	2	....	....	....	1	....	1
Mississippi	190	259	196	221	− 6	+ 38	2	....	29	9	8	....	....

Missouri	661	71	655	63	+ 6	+ 8	7		8		1		
Montana	132	3	131	3	+ 1		2				1		
Nebraska	439	29	436	28	+ 3	+ 1	3		2				1
Nevada	9	70	9	63		+ 7			9				2
New Hampshire	75	33	74	27	+ 1	+ 6	1		6				
New Jersey	232	712	233	673	− 1	+ 39	3		35	5	4		1
New Mexico	64	101	64	95		+ 6			6				
New York	336	2,060	344	1,932	− 8	+ 128	3		123	9	8	3	4
North Carolina	137	790	146	737	− 9	+ 53			48	9	9		4
North Dakota	167	61	169	49	− 2	+ 12	1		11	1	1	2	
Ohio	537	1,009	542	948	− 5	+ 61	2		56	6	7		1
Oklahoma	420	42	421	38	− 1	+ 4			5		1		1
Oregon	52	273	51	265	+ 1	+ 8	1		8				
Pennsylvania	546	1,338	571	1,238	−25	+ 100			81	25	25		6
Rhode Island	11	128	11	125		+ 3			3				
South Carolina	128	302	129	270	− 1	+ 32	1		30	2	2		
South Dakota	167	83	170	76	− 3	+ 7			4	3	3		
Tennessee	298	378	298	329		+ 49	2		46	3	2		
Texas	1,147	53	1,142	52	+ 5	+ 1	10		3		4	1	2
Utah	55	111	56	109	− 1	+ 2			2	1	1		1
Vermont	48	59	48	57		+ 2			3				1
Virginia	251	612	262	558	−11	+ 54	5		39	16	16		1
Washington	95	424	100	409	− 5	+ 15			11	5	5		1
West Virginia	190		187		+ 3		3						
Wisconsin	591	173	581	170	+10	+ 3	11		2	1	1		
Wyoming	69	1	69	1									
Other area													
Pacific Islands	1	13	1	12		+ 1			1				
Panama Canal Zone		2		2									
Puerto Rico	12	154	11	144	+ 1	+ 10	2		12			1	2
Virgin Islands	6	11	3	7	+ 3	+ 4	3		5				1

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1966

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
					Insured				Noninsured							
						Members F. R. System										
	Total	Insured	Noninsured	Total	Total	National	State	Not members F. R. System	Banks of deposit[2]	Nondeposit trust companies[3]	Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
United States—all offices	**32,136**	**31,491**	**645**	**30,872**	**30,544**	**14,436**	**4,867**	**11,241**	**251**	**77**	**1,264**	**947**	**317**	**98.2**	**99.2**	**74.9**
Banks	14,291	13,873	418	13,785	13,541	4,799	1,350	7,392	196	48	506	332	174	97.4	98.6	65.6
Unit banks	*10,637*	*10,320*	*317*	*10,392*	*10,172*	*3,336*	*896*	*5,940*	*178*	*42*	*245*	*148*	*97*	*97.4*	*98.3*	*60.4*
Banks operating branches	*3,654*	*3,553*	*101*	*3,393*	*3,369*	*1,463*	*454*	*1,452*	*18*	*6*	*261*	*184*	*77*	*97.4*	*99.5*	*70.5*
Branches	17,845	17,618	227	17,087	17,003	9,637	3,517	3,849	55	29	758	615	143	98.9	99.7	81.1
50 States and D. C.—all offices	**31,934**	**31,318**	**616**	**30,673**	**30,374**	**14,404**	**4,867**	**11,103**	**223**	**76**	**1,261**	**944**	**317**	**98.3**	**99.3**	**74.9**
Banks	14,270	13,862	408	13,766	13,532	4,798	1,350	7,384	187	47	504	330	174	97.5	98.7	65.5
Unit banks	*10,627*	*10,317*	*310*	*10,383*	*10,170*	*3,336*	*896*	*5,938*	*172*	*41*	*244*	*147*	*97*	*97.5*	*98.3*	*60.2*
Banks operating branches	*3,643*	*3,545*	*98*	*3,383*	*3,362*	*1,462*	*454*	*1,446*	*15*	*6*	*260*	*183*	*77*	*97.5*	*99.6*	*70.4*
Branches	17,664	17,456	208	16,907	16,842	9,606	3,517	3,719	36	29	757	614	143	99.0	99.8	81.1
Other areas—all offices	**202**	**173**	**29**	**199**	**170**	**32**		**138**	**28**	**1**	**3**	**3**		**86.1**	**85.9**	**100.0**
Banks	21	11	10	19	9	1		8	9	1	2	2		55.0	50.0	100.0
Unit banks	*10*	*3*	*7*	*9*	*2*			*2*	*6*	*1*	*1*	*1*		*33.3*	*25.0*	*100.0*
Banks operating branches	*11*	*8*	*3*	*10*	*7*	*1*		*6*	*3*		*1*	*1*		*72.7*	*70.0*	*100.0*
Branches	181	162	19	180	161	31		130	19		1	1		89.5	89.4	100.0
State																
Alabama—all offices	**453**	**453**		**453**	**453**	**229**	**34**	**190**						**100.0**	**100.0**	
Banks	267	267		267	267	87	24	156						100.0	100.0	
Unit banks	*210*	*210*		*210*	*210*	*54*	*18*	*138*						*100.0*	*100.0*	
Banks operating branches	*57*	*57*		*57*	*57*	*33*	*6*	*18*						*100.0*	*100.0*	
Branches	186	186		186	186	142	10	34						100.0	100.0	
Alaska—all offices	**69**	**67**	**2**	**67**	**65**	**52**		**13**	**2**		**2**	**2**		**97.1**	**97.0**	**100.0**
Banks	14	12	2	12	10	5		5	2		2	2		85.7	83.3	100.0
Unit banks	*6*	*4*	*2*	*4*	*2*			*2*	*2*		*2*	*2*		*66.7*	*50.0*	*100.0*
Banks operating branches	*8*	*8*		*8*	*8*	*5*		*3*						*100.0*	*100.0*	
Branches	55	55		55	55	47		8						100.0	100.0	
Arizona—all offices	**300**	**278**	**22**	**300**	**278**	**192**	**19**	**67**		**22**				**100.0**	**100.0**	
Banks	18	17	1	18	17	4	1	12		1				100.0	100.0	
Unit banks	*8*	*8*		*8*	*8*	*1*		*7*						*100.0*	*100.0*	
Banks operating branches	*10*	*9*	*1*	*10*	*9*	*3*	*1*	*5*		*1*				*100.0*	*100.0*	
Branches	282	261	21	282	261	188	18	55		21				100.0	100.0	

Arkansas—all offices	**365**	**362**	**3**	**365**	**362**	**130**	**36**	**196**	**2**	**1**				**99.5**	**99.5**	
Banks	246	243	3	246	243	67	18	158	2	1				99.2	99.2	
Unit banks	*181*	*178*	*3*	*181*	*178*	*38*	*11*	*129*	*2*	*1*				*98.9*	*98.9*	
Banks operating branches	*65*	*65*		*65*	*65*	*29*	*7*	*29*						*100.0*	*100.0*	
Branches	119	119		119	119	63	18	38						100.0	100.0	
California—all offices	**2,730**	**2,719**	**11**	**2,730**	**2,719**	**1,922**	**484**	**313**		**11**				**100.0**	**100.0**	
Banks	193	187	6	193	187	91	14	82		6				100.0	100.0	
Unit banks	*74*	*70*	*4*	*74*	*70*	*44*	*2*	*24*		*4*				*100.0*	*100.0*	
Banks operating branches	*119*	*117*	*2*	*119*	*117*	*47*	*12*	*58*		*2*				*100.0*	*100.0*	
Branches	2,537	2,532	5	2,537	2,532	1,831	470	231		5				100.0	100.0	
Colorado—all offices	**261**	**224**	**37**	**261**	**224**	**122**	**18**	**84**	**37**					**85.8**	**85.8**	
Banks	252	215	37	252	215	117	17	81	37					85.3	85.3	
Unit banks	*244*	*207*	*37*	*244*	*207*	*113*	*16*	*78*	*37*					*84.8*	*84.8*	
Banks operating branches	*8*	*8*		*8*	*8*	*4*	*1*	*3*						*100.0*	*100.0*	
Branches	9	9		9	9	5	1	3						100.0	100.0	
Connecticut—all offices	**586**	**582**	**4**	**403**	**399**	**209**	**98**	**92**	**3**	**1**	**183**	**183**		**99.5**	**99.3**	**100.0**
Banks	137	133	4	67	63	30	6	27	3	1	70	70		97.8	95.5	100.0
Unit banks	*52*	*48*	*4*	*23*	*19*	*9*		*10*	*3*	*1*	*29*	*29*		*94.1*	*86.4*	*100.0*
Banks operating branches	*85*	*85*		*44*	*44*	*21*	*6*	*17*			*41*	*41*		*100.0*	*100.0*	*100.0*
Branches	449	449		336	336	179	92	65			113	113		100.0	100.0	100.0
Delaware—all offices	**101**	**101**		**91**	**91**	**9**	**32**	**50**			**10**	**10**		**100.0**	**100.0**	**100.0**
Banks	22	22		20	20	5	2	13			2	2		100.0	100.0	100.0
Unit banks	*11*	*11*		*11*	*11*	*3*		*8*						*100.0*	*100.0*	
Banks operating branches	*11*	*11*		*9*	*9*	*2*	*2*	*5*			*2*	*2*		*100.0*	*100.0*	*100.0*
Branches	79	79		71	71	4	30	37			8	8		100.0	100.0	100.0
D. C.—all offices	**108**	**108**		**108**	**108**	**66**	**34**	**8**						**100.0**	**100.0**	
Banks	14	14		14	14	9	3	2						100.0	100.0	
Unit banks	*1*	*1*		*1*	*1*	*1*								*100.0*	*100.0*	
Banks operating branches	*13*	*13*		*13*	*13*	*8*	*3*	*2*						*100.0*	*100.0*	
Branches	94	94		94	94	57	31	6						100.0	100.0	
Florida—all offices	**466**	**463**	**3**	**466**	**463**	**210**	**8**	**245**	**2**	**1**				**99.6**	**99.6**	
Banks	447	444	3	447	444	198	8	238	2	1				99.6	99.6	
Unit banks	*429*	*426*	*3*	*429*	*426*	*187*	*8*	*231*	*2*	*1*				*99.5*	*99.5*	
Banks operating branches	*18*	*18*		*18*	*18*	*11*		*7*						*100.0*	*100.0*	
Branches	19	19		19	19	12		7						100.0	100.0	
Georgia—all offices	**637**	**605**	**32**	**637**	**605**	**191**	**42**	**372**	**32**					**95.0**	**95.0**	
Banks	426	394	32	426	394	58	13	323	32					92.5	92.5	
Unit banks	*348*	*316*	*32*	*348*	*316*	*32*	*6*	*278*	*32*					*90.8*	*90.8*	
Banks operating branches	*78*	*78*		*78*	*78*	*26*	*7*	*45*						*100.0*	*100.0*	
Branches	211	211		211	211	133	29	49						100.0	100.0	
Hawaii—all offices	**131**	**126**	**5**	**131**	**126**	**45**		**81**		**5**				**100.0**	**100.0**	
Banks	11	7	4	11	7	2		5		4				100.0	100.0	
Unit banks	*3*		*3*	*3*						*3*						
Banks operating branches	*8*	*7*	*1*	*8*	*7*	*2*		*5*		*1*				*100.0*	*100.0*	
Branches	120	119	1	120	119	43		76		1				100.0	100.0	

TABLE 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1966—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
					Insured				Noninsured							
						Members F. R. System										
	Total	Insured	Noninsured	Total	Total	National	State	Not members F. R. System	Banks of deposit[2]	Nondeposit trust companies[3]	Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Idaho—all offices	**165**	**165**		**165**	**165**	**111**	**31**	**23**						**100.0**	**100.0**	
Banks	25	25		25	25	9	7	9						100.0	100.0	
Unit banks	*11*	*11*		*11*	*11*	*3*	*4*	*4*						*100.0*	*100.0*	
Banks operating branches	*14*	*14*		*14*	*14*	*6*	*3*	*5*						*100.0*	*100.0*	
Branches	140	140		140	140	102	24	14						100.0	100.0	
Illinois—all offices	**1,066**	**1,058**	**8**	**1,066**	**1,058**	**427**	**103**	**528**	**5**	**3**				**99.5**	**99.5**	
Banks	1,061	1,053	8	1,061	1,053	422	103	528	5	3				99.5	99.5	
Unit banks	*1,057*	*1,049*	*8*	*1,057*	*1,049*	*418*	*103*	*528*	*5*	*3*				*99.5*	*99.5*	
Banks operating branches	*4*	*4*		*4*	*4*	*4*								*100.0*	*100.0*	
Branches	5	5		5	5	5								100.0	100.0	
Indiana—all offices	**930**	**926**	**4**	**926**	**922**	**393**	**150**	**379**	**3**	**1**	**4**	**4**		**99.7**	**99.7**	**100.0**
Banks	423	419	4	419	415	123	83	209	3	1	4	4		99.3	99.3	100.0
Unit banks	*251*	*247*	*4*	*247*	*243*	*59*	*55*	*129*	*3*	*1*	*4*	*4*		*98.8*	*98.8*	*100.0*
Banks operating branches	*172*	*172*		*172*	*172*	*64*	*28*	*80*						*100.0*	*100.0*	
Branches	507	507		507	507	270	67	170						100.0	100.0	
Iowa—all offices	**924**	**911**	**13**	**924**	**911**	**140**	**74**	**697**	**12**	**1**				**98.7**	**98.7**	
Banks	674	661	13	674	661	102	57	502	12	1				98.2	98.2	
Unit banks	*478*	*465*	*13*	*478*	*465*	*67*	*44*	*354*	*12*	*1*				*97.5*	*97.5*	
Banks operating branches	*196*	*196*		*196*	*196*	*35*	*13*	*148*						*100.0*	*100.0*	
Branches	250	250		250	250	38	17	195						100.0	100.0	
Kansas—all offices	**654**	**652**	**2**	**654**	**652**	**197**	**48**	**407**	**2**					**99.7**	**99.7**	
Banks	601	599	2	601	599	170	41	388	2					99.7	99.7	
Unit banks	*550*	*548*	*2*	*550*	*548*	*145*	*34*	*369*	*2*					*99.6*	*99.6*	
Banks operating branches	*51*	*51*		*51*	*51*	*25*	*7*	*19*						*100.0*	*100.0*	
Branches	53	53		53	53	27	7	19						100.0	100.0	
Kentucky—all offices	**591**	**585**	**6**	**591**	**585**	**200**	**55**	**330**	**6**					**99.0**	**99.0**	
Banks	348	342	6	348	342	80	14	248	6					98.3	98.3	
Unit banks	*243*	*237*	*6*	*243*	*237*	*39*	*6*	*192*	*6*					*97.5*	*97.5*	
Banks operating branches	*105*	*105*		*105*	*105*	*41*	*8*	*56*						*100.0*	*100.0*	
Branches	243	243		243	243	120	41	82						100.0	100.0	

Louisiana—all offices	**506**	**505**	**1**	**506**	**505**	**192**	**38**	**275**	**1**	...	...	...	...	**99.8**	**99.8**	...
Banks	220	219	1	220	219	47	10	162	1	...	...	...	...	99.5	99.5	...
Unit banks	*120*	*119*	*1*	*120*	*119*	*15*	*2*	*102*	*1*	...	...	...	...	*99.2*	*99.2*	...
Banks operating branches	*100*	*100*	...	*100*	*100*	*32*	*8*	*60*	...	...	...	...	...	*100.0*	*100.0*	...
Branches	286	286	...	286	286	145	28	113	...	...	...	...	...	100.0	100.0	...
Maine—all offices	**272**	**262**	**10**	**227**	**221**	**95**	**59**	**67**	**6**	...	**45**	**41**	**4**	**96.3**	**97.4**	**91.1**
Banks	76	69	7	44	41	21	6	14	3	...	32	28	4	90.8	93.2	87.5
Unit banks	*35*	*29*	*6*	*11*	*9*	*6*	*2*	*1*	*2*	...	*24*	*20*	*4*	*82.9*	*81.8*	*83.3*
Banks operating branches	*41*	*40*	*1*	*33*	*32*	*15*	*4*	*13*	*1*	...	*8*	*8*	...	*97.6*	*97.0*	*100.0*
Branches	196	193	3	183	180	74	53	53	3	...	13	13	...	98.5	98.4	100.0
Maryland—all offices	**580**	**572**	**8**	**537**	**529**	**249**	**61**	**219**	**8**	...	**43**	**43**	...	**98.6**	**98.5**	**100.0**
Banks	128	127	1	122	121	49	7	65	1	...	6	6	...	99.2	99.2	100.0
Unit banks	*59*	*59*	...	*58*	*58*	*20*	*1*	*37*	...	...	*1*	*1*	...	*100.0*	*100.0*	*100.0*
Banks operating branches	*69*	*68*	*1*	*64*	*63*	*29*	*6*	*28*	*1*	...	*5*	*5*	...	*98.6*	*98.4*	*100.0*
Branches	452	445	7	415	408	200	54	154	7	...	37	37	...	98.5	98.3	100.0
Massachusetts—all offices	**1,123**	**802**	**321**	**776**	**768**	**443**	**157**	**168**	**6**	**2**	**347**	**34**	**313**	**71.5**	**99.2**	**9.8**
Banks	340	165	175	162	157	90	17	50	4	1	178	8	170	48.7	97.5	4.5
Unit banks	*139*	*43*	*96*	*44*	*41*	*24*	...	*17*	*3*	...	*95*	*2*	*93*	*30.9*	*93.2*	*2.1*
Banks operating branches	*201*	*122*	*79*	*118*	*116*	*66*	*17*	*33*	*1*	*1*	*83*	*6*	*77*	*61.0*	*99.1*	*7.2*
Branches[4]	783	637	146	614	611	353	140	118	2	1	169	26	143	81.5	99.7	15.4
Michigan—all offices	**1,335**	**1,331**	**4**	**1,335**	**1,331**	**559**	**465**	**307**	**3**	**1**	...	...	...	**99.8**	**99.8**	...
Banks	347	345	2	347	345	99	114	132	1	1	...	...	...	99.7	99.7	...
Unit banks	*157*	*156*	*1*	*157*	*156*	*33*	*54*	*69*	...	*1*	...	...	...	*100.0*	*100.0*	...
Banks operating branches	*190*	*189*	*1*	*190*	*189*	*66*	*60*	*63*	*1*	...	...	...	...	*99.5*	*99.5*	...
Branches	988	986	2	988	986	460	351	175	2	...	...	...	...	99.8	99.8	...
Minnesota—all offices	**733**	**729**	**4**	**732**	**728**	**200**	**29**	**499**	**4**	...	**1**	**1**	...	**99.5**	**99.5**	**100.0**
Banks	724	720	4	723	719	194	29	496	4	...	1	1	...	99.4	99.4	100.0
Unit banks	*719*	*715*	*4*	*718*	*714*	*192*	*29*	*493*	*4*	...	*1*	*1*	...	*99.4*	*99.4*	*100.0*
Banks operating branches	*5*	*5*	...	*5*	*5*	*2*	...	*3*	...	...	...	...	...	*100.0*	*100.0*	...
Branches	9	9	...	9	9	6	...	3	...	...	...	...	...	100.0	100.0	...
Mississippi—all offices	**449**	**449**	...	**449**	**449**	**136**	**18**	**295**	...	...	...	...	...	**100.0**	**100.0**	...
Banks	190	190	...	190	190	36	6	148	...	...	...	...	...	100.0	100.0	...
Unit banks	*91*	*91*	...	*91*	*91*	*9*	*1*	*81*	...	...	...	...	...	*100.0*	*100.0*	...
Banks operating branches	*99*	*99*	...	*99*	*99*	*27*	*5*	*67*	...	...	...	...	...	*100.0*	*100.0*	...
Branches	259	259	...	259	259	100	12	147	...	...	...	...	...	100.0	100.0	...
Missouri—all offices	**732**	**723**	**9**	**732**	**723**	**119**	**96**	**508**	**6**	**3**	...	...	...	**99.2**	**99.2**	...
Banks	661	652	9	661	652	98	79	475	6	3	...	...	...	99.1	99.1	...
Unit banks	*590*	*581*	*9*	*590*	*581*	*77*	*62*	*442*	*6*	*3*	...	...	...	*99.0*	*99.0*	...
Banks operating branches	*71*	*71*	...	*71*	*71*	*21*	*17*	*33*	...	...	...	...	...	*100.0*	*100.0*	...
Branches	71	71	...	71	71	21	17	33	...	...	...	...	...	100.0	100.0	...
Montana—all offices	**135**	**134**	**1**	**135**	**134**	**51**	**43**	**40**	...	**1**	...	...	...	**100.0**	**100.0**	...
Banks	132	131	1	132	131	49	42	40	...	1	...	...	...	100.0	100.0	...
Unit banks	*129*	*128*	*1*	*129*	*128*	*47*	*41*	*40*	...	*1*	...	...	...	*100.0*	*100.0*	...
Banks operating branches	*3*	*3*	...	*3*	*3*	*2*	*1*	...	...	...	...	...	...	*100.0*	*100.0*	...
Branches	3	3	...	3	3	2	1	...	...	...	...	...	...	100.0	100.0	...

TABLE 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1966—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
					Insured				Noninsured							
						Members F. R. System										
	Total	Insured	Noninsured	Total	Total	National	State	Not members F. R. System	Banks of deposit[2]	Nondeposit trust companies[3]	Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Nebraska—all offices	**468**	**462**	**6**	**468**	**462**	**144**	**14**	**304**	**1**	**5**				**99.8**	**99.8**	
Banks	439	433	6	439	433	126	13	294	1	5				99.8	99.8	
Unit banks	*411*	*405*	*6*	*411*	*405*	*108*	*12*	*285*	*1*	*5*				*99.8*	*99.8*	
Banks operating branches	*28*	*28*		*28*	*28*	*18*	*1*	*9*						*100.0*	*100.0*	
Branches	29	29		29	29	18	1	10						100.0	100.0	
Nevada—all offices	**79**	**79**		**79**	**79**	**40**	**29**	**10**						**100.0**	**100.0**	
Banks	9	9		9	9	3	3	3						100.0	100.0	
Unit banks	*3*	*3*		*3*	*3*	*1*		*2*						*100.0*	*100.0*	
Banks operating branches	*6*	*6*		*6*	*6*	*2*	*3*	*1*						*100.0*	*100.0*	
Branches	70	70		70	70	37	26	7						100.0	100.0	
New Hampshire—all offices	**150**	**147**	**3**	**108**	**105**	**79**	**2**	**24**	**3**		**42**	**42**		**98.0**	**97.2**	**100.0**
Banks	107	104	3	75	72	52	1	19	3		32	32		97.2	96.0	100.0
Unit banks	*73*	*70*	*3*	*49*	*46*	*31*		*15*	*3*		*24*	*24*		*95.9*	*93.9*	*100.0*
Banks operating branches	*34*	*34*		*26*	*26*	*21*	*1*	*4*			*8*	*8*		*100.0*	*100.0*	*100.0*
Branches	43	43		33	33	27	1	5			10	10		100.0	100.0	100.0
New Jersey—all offices	**995**	**992**	**3**	**944**	**941**	**612**	**215**	**114**		**3**	**51**	**51**		**100.0**	**100.0**	**100.0**
Banks	253	250	3	232	229	148	44	37		3	21	21		100.0	100.0	100.0
Unit banks	*82*	*79*	*3*	*72*	*69*	*44*	*11*	*14*		*3*	*10*	*10*		*100.0*	*100.0*	*100.0*
Banks operating branches	*171*	*171*		*160*	*160*	*104*	*33*	*23*			*11*	*11*		*100.0*	*100.0*	*100.0*
Branches	742	742		712	712	464	171	77			30	30		100.0	100.0	100.0
New Mexico—all offices	**165**	**165**		**165**	**165**	**89**	**14**	**62**						**100.0**	**100.0**	
Banks	64	64		64	64	34	7	23						100.0	100.0	
Unit banks	*24*	*24*		*24*	*24*	*15*	*3*	*6*						*100.0*	*100.0*	
Banks operating branches	*40*	*40*		*40*	*40*	*19*	*4*	*17*						*100.0*	*100.0*	
Branches	101	101		101	101	55	7	39						100.0	100.0	
New York—all offices	**2,765**	**2,733**	**32**	**2,396**	**2,364**	**1,210**	**1,008**	**146**	**26**	**6**	**369**	**369**		**99.1**	**98.9**	**100.0**
Banks	462	437	25	336	311	190	83	38	20	5	126	126		95.6	94.0	100.0
Unit banks	*202*	*183*	*19*	*159*	*140*	*95*	*27*	*18*	*15*	*4*	*43*	*43*		*92.4*	*90.3*	*100.0*
Banks operating branches	*260*	*254*	*6*	*177*	*171*	*95*	*56*	*20*	*5*	*1*	*83*	*83*		*98.1*	*97.2*	*100.0*
Branches[4]	2,303	2,296	7	2,060	2,053	1,020	925	108	6	1	243	243		99.7	99.7	100.0

North Carolina—all offices	**927**	**922**	**5**	**927**	**922**	**304**	**110**	**508**	**5**					**99.5**	**99.5**	
Banks	137	136	1	137	136	27	4	105	1					99.3	99.3	
Unit banks	*56*	*56*		*56*	*56*	*7*	*1*	*48*						*100.0*	*100.0*	
Banks operating branches	*81*	*80*	*1*	*81*	*80*	*20*	*3*	*57*	*1*					*98.8*	*98.8*	
Branches	790	786	4	790	786	277	106	403	4					99.5	99.5	
North Dakota—all offices	**228**	**223**	**5**	**228**	**223**	**52**	**5**	**166**	**5**					**97.8**	**97.8**	
Banks	167	164	3	167	164	42	3	119	3					98.2	98.2	
Unit banks	*123*	*121*	*2*	*123*	*121*	*33*	*2*	*86*	*2*					*98.4*	*98.4*	
Banks operating branches	*44*	*43*	*1*	*44*	*43*	*9*	*1*	*33*	*1*					*97.7*	*97.7*	
Branches	61	59	2	61	59	10	2	47	2					96.7	96.7	
Ohio—all offices	**1,547**	**1,546**	**1**	**1,546**	**1,545**	**798**	**426**	**321**	**1**		**1**	**1**		**99.9**	**99.9**	**100.0**
Banks	538	537	1	537	536	226	125	185	1		1	1		99.8	99.8	100.0
Unit banks	*292*	*291*	*1*	*291*	*290*	*93*	*76*	*121*	*1*		*1*	*1*		*99.7*	*99.7*	*100.0*
Banks operating branches	*246*	*246*		*246*	*246*	*133*	*49*	*64*						*100.0*	*100.0*	
Branches	1,009	1,009		1,009	1,009	572	301	136						100.0	100.0	
Oklahoma—all offices	**462**	**461**	**1**	**462**	**461**	**253**	**25**	**183**		**1**				**100.0**	**100.0**	
Banks	420	419	1	420	419	220	23	176		1				100.0	100.0	
Unit banks	*380*	*379*	*1*	*380*	*379*	*189*	*21*	*169*		*1*				*100.0*	*100.0*	
Banks operating branches	*40*	*40*		*40*	*40*	*31*	*2*	*7*						*100.0*	*100.0*	
Branches	42	42		42	42	33	2	7						100.0	100.0	
Oregon—all offices	**327**	**324**	**3**	**325**	**322**	**231**	**14**	**77**	**2**	**1**	**2**	**2**		**99.4**	**99.4**	**100.0**
Banks	53	50	3	52	49	13	2	34	2	1	1	1		96.2	96.1	100.0
Unit banks	*27*	*24*	*3*	*27*	*24*	*8*	*1*	*15*	*2*	*1*				*92.3*	*92.3*	
Banks operating branches	*26*	*26*		*25*	*25*	*5*	*1*	*19*			*1*	*1*		*100.0*	*100.0*	*100.0*
Branches[4]	274	274		273	273	218	12	43			1	1		100.0	100.0	100.0
Pennsylvania—all offices	**1,959**	**1,947**	**12**	**1,884**	**1,872**	**1,202**	**244**	**426**	**9**	**3**	**75**	**75**		**99.5**	**99.5**	**100.0**
Banks	553	543	10	546	536	354	37	145	7	3	7	7		98.7	98.7	100.0
Unit banks	*313*	*304*	*9*	*312*	*303*	*201*	*19*	*83*	*6*	*3*	*1*	*1*		*98.1*	*98.1*	*100.0*
Banks operating branches	*240*	*239*	*1*	*234*	*233*	*153*	*18*	*62*	*1*		*6*	*6*		*99.6*	*99.6*	*100.0*
Branches[4]	1,406	1,404	2	1,338	1,336	848	207	281	2		68	68		99.9	99.9	100.0
Rhode Island—all offices	**189**	**180**	**9**	**139**	**130**	**59**	**26**	**45**	**9**		**50**	**50**		**95.2**	**93.5**	**100.0**
Banks	18	16	2	11	9	4	1	4	2		7	7		88.9	81.9	100.0
Unit banks																
Banks operating branches	*18*	*16*	*2*	*11*	*9*	*4*	*1*	*4*	*2*		*7*	*7*		*88.9*	*81.8*	*100.0*
Branches	171	164	7	128	121	55	25	41	7		43	43		95.9	94.5	100.0
South Carolina—all offices	**430**	**426**	**4**	**430**	**426**	**221**	**11**	**194**	**4**					**99.1**	**99.1**	
Banks	128	124	4	128	124	26	6	92	4					96.9	96.9	
Unit banks	*61*	*57*	*4*	*61*	*57*	*5*	*3*	*49*	*4*					*93.4*	*93.4*	
Banks operating branches	*67*	*67*		*67*	*67*	*21*	*3*	*43*						*100.0*	*100.0*	
Branches	302	302		302	302	195	5	102						100.0	100.0	
South Dakota—all offices	**250**	**249**	**1**	**250**	**249**	**76**	**32**	**141**	**1**					**99.6**	**99.6**	
Banks	167	166	1	167	166	34	25	107	1					99.4	99.4	
Unit banks	*130*	*129*	*1*	*130*	*129*	*25*	*22*	*82*	*1*					*99.2*	*99.2*	
Banks operating branches	*37*	*37*		*37*	*37*	*9*	*3*	*25*						*100.0*	*100.0*	
Branches	83	83		83	83	42	7	34						100.0	100.0	

TABLE 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1966—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
					Insured				Noninsured							
						Members F. R. System										
	Total	Insured	Noninsured	Total	Total	National	State	Not members F. R. System	Banks of deposit[2]	Nondeposit trust companies[3]	Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Tennessee—all offices	**676**	**671**	**5**	**676**	**671**	**309**	**36**	**326**	**4**	**1**				**99.4**	**99.4**	
Banks	298	294	4	298	294	77	9	208	3	1				99.0	99.0	
Unit banks	*180*	*177*	*3*	*180*	*177*	*21*	*4*	*152*	*2*	*1*				*98.9*	*98.9*	
Banks operating branches	*118*	*117*	*1*	*118*	*117*	*56*	*5*	*56*	*1*					*99.2*	*99.2*	
Branches	378	377	1	378	377	232	27	118	1					99.7	99.7	
Texas—all offices	**1,200**	**1,190**	**10**	**1,200**	**1,190**	**565**	**74**	**551**	**10**					**99.2**	**99.2**	
Banks	1,147	1,137	10	1,147	1,137	546	70	521	10					99.1	99.1	
Unit banks	*1,094*	*1,084*	*10*	*1,094*	*1,084*	*526*	*66*	*492*	*10*					*99.1*	*99.1*	
Banks operating branches	*53*	*53*		*53*	*53*	*20*	*4*	*29*						*100.0*	*100.0*	
Branches	53	53		53	53	19	4	30						100.0	100.0	
Utah—all offices	**166**	**166**		**166**	**166**	**71**	**41**	**54**						**100.0**	**100.0**	
Banks	55	55		55	55	13	12	30						100.0	100.0	
Unit banks	*34*	*34*		*34*	*34*	*9*	*5*	*20*						*100.0*	*100.0*	
Banks operating branches	*21*	*21*		*21*	*21*	*4*	*7*	*10*						*100.0*	*100.0*	
Branches	111	111		111	111	58	29	24						100.0	100.0	
Vermont—all offices	**115**	**114**	**1**	**107**	**106**	**60**		**46**		**1**	**8**	**8**		**100.0**	**100.0**	**100.0**
Banks	54	53	1	48	47	27		20		1	6	6		100.0	100.0	100.0
Unit banks	*30*	*29*	*1*	*26*	*25*	*14*		*11*		*1*	*4*	*4*		*100.0*	*100.0*	*100.0*
Banks operating branches	*24*	*24*		*22*	*22*	*13*		*9*			*2*	*2*		*100.0*	*100.0*	*100.0*
Branches	61	61		59	59	33		26			2	2		100.0	100.0	100.0
Virginia—all offices	**863**	**863**		**863**	**863**	**496**	**156**	**211**						**100.0**	**100.0**	
Banks	251	251		251	251	114	51	86						100.0	100.0	
Unit banks	*115*	*115*		*115*	*115*	*43*	*27*	*45*						*100.0*	*100.0*	
Banks operating branches	*136*	*136*		*136*	*136*	*71*	*24*	*41*						*100.0*	*100.0*	
Branches	612	612		612	612	382	105	125						100.0	100.0	
Washington—all offices	**544**	**543**	**1**	**519**	**518**	**386**	**39**	**93**	**1**		**25**	**25**		**99.8**	**99.8**	**100.0**
Banks	100	99	1	95	94	28	10	56	1		5	5		99.0	99.0	100.0
Unit banks	*57*	*56*	*1*	*55*	*54*	*14*	*5*	*35*	*1*		*2*	*2*		*98.2*	*98.2*	*100.0*
Banks operating branches	*43*	*43*		*40*	*40*	*14*	*5*	*21*			*3*	*3*		*100.0*	*100.0*	*100.0*
Branches[4]	444	444		424	424	358	29	37			20	20		100.0	100.0	100.0

West Virginia—all offices	**190**	**189**	**1**	**190**	**189**	**80**	**34**	**75**	**1**					**99.5**	**99.5**	
Banks	190	189	1	190	189	80	34	75	1					99.5	99.5	
Unit banks	*190*	*189*	*1*	*190*	*189*	*80*	*34*	*75*	*1*					*99.5*	*99.5*	
Banks operating branches																
Branches																
Wisconsin—all offices	**767**	**764**	**3**	**764**	**761**	**137**	**66**	**558**	**1**	**2**	**3**	**3**		**99.9**	**99.9**	**100.0**
Banks	594	591	3	591	588	112	52	424	1	2	3	3		99.8	99.8	100.0
Unit banks	*486*	*483*	*3*	*483*	*480*	*99*	*44*	*337*	*1*	*2*	*3*	*3*		*99.8*	*99.8*	*100.0*
Banks operating branches	*108*	*108*		*108*	*108*	*13*	*8*	*87*						*100.0*	*100.0*	
Branches	173	173		173	173	25	14	134						100.0	100.0	
Wyoming—all offices	**70**	**70**		**70**	**70**	**41**	**14**	**15**						**100.0**	**100.0**	
Banks	69	69		69	69	40	14	15						100.0	100.0	
Unit banks	*68*	*68*		*68*	*68*	*39*	*14*	*15*						*100.0*	*100.0*	
Banks operating branches	*1*	*1*		*1*	*1*	*1*								*100.0*	*100.0*	
Branches	1	1		1	1	1								100.0	100.0	
Other area																
Pacific Islands—all offices [5]	**14**	**5**	**9**	**14**	**5**	**4**		**1**	**9**					**35.7**	**35.7**	
Banks	1		1	1					1							
Unit banks [6]	*1*		*1*	*1*					*1*							
Banks operating branches																
Branches [7]	13	5	8	13	5	4		1	8					38.5	38.5	
Panama Canal Zone—all offices	**2**		**2**	**2**					**2**							
Banks																
Unit banks																
Banks operating branches																
Branches [8]	2		2	2					2							
Puerto Rico—all offices	**167**	**154**	**13**	**166**	**153**	**16**		**137**	**13**		**1**	**1**		**92.2**	**92.2**	**100.0**
Banks	13	9	4	12	8			8	4		1	1		69.2	66.7	100.0
Unit banks	*4*	*3*	*1*	*3*	*2*			*2*	*1*		*1*	*1*		*75.0*	*66.7*	*100.0*
Banks operating branches	*9*	*6*	*3*	*9*	*6*			*6*	*3*					*66.7*	*66.7*	
Branches [9]	154	145	9	154	145	16		129	9					94.2	94.2	
Virgin Islands—all offices	**19**	**14**	**5**	**17**	**12**	**12**			**4**	**1**	**2**	**2**		**77.8**	**75.0**	**100.0**
Banks	7	2	5	6	1	1			4	1	1	1		33.3	20.0	100.0
Unit banks	*5*		*5*	*5*					*4*	*1*						
Banks operating branches	*2*	*2*		*1*	*1*	*1*					*1*	*1*		*100.0*	*100.0*	*100.0*
Branches [10]	12	12		11	11	11					1	1		100.0	100.0	100.0

[1] Nondeposit trust companies are excluded in computing these percentages.
[2] Includes 10 noninsured branches of insured banks: 8 branches in the Pacific Islands and 2 in the Panama Canal Zone.
[3] Includes one trust company in Massachusetts, member of the F. R. System, operating one branch.
[4] Massachusetts: 1 branch operated by a noninsured bank in New York.
Pennsylvania: 2 branches: 1 operated by a noninsured bank in New York and 1 operated by a national bank in New Jersey.
New York: 7 branches operated by two insured banks in Puerto Rico (not members of F. R. System).
Oregon: 1 branch operated by a national bank in California.
Washington: 2 branches operated by a national bank in California.
[5] United States possessions (American Samoa, Guam, Midway Islands, and Wake Island); Trust Territories (Kwajalein, Palau Islands, Ponape Island, Saipan and Truk Atoll).
[6] American Samoa.
[7] Pacific Islands: 13 branches.
Caroline Islands on Truk Atoll (Moen Island); 1 noninsured branch, operated by a national bank in California.
Mariana Islands: 5 branches (4 insured on Guam and 1 noninsured on Saipan), operated by a national bank in California.
Guam: 1 insured branch, operated by an insured bank in Hawaii (not a member of F. R. System).
Caroline Islands: 2 noninsured branches (1 each on Palau Islands (Koror) and Ponape Island (Kolonia), operated by a bank in Hawaii (not a member of F. R. System).
Marshall Islands: Kwajalein Atoll: 2 noninsured branches operated by a bank in Hawaii (not a member of F. R. System).
Midway Islands on Sand Island: 1 noninsured branch operated by a bank in Hawaii (not a member of F. R. System).
Wake Island: 1 noninsured branch operated by an insured bank in Hawaii (not a member of F. R. System).
[8] Panama Canal Zone: 2 noninsured branches operated by 2 national banks in New York.
[9] Puerto Rico: 16 insured branches operated by 2 national banks in New York.
[10] Virgin Islands: 8 insured branches operated by 2 national banks in New York.

Back figures: See the Annual Report for 1965, pp. 118–125, and earlier reports.

ASSETS AND LIABILITIES OF BANKS

Table 104. Assets and liabilities of all banks in the United States (States and other areas), June 30, 1966
Banks grouped according to insurance status and type of bank

Table 105. Assets and liabilities of all banks in the United States (States and other areas), December 31, 1966
Banks grouped according to insurance status and type of bank

Table 106. Assets and liabilities of insured commercial and insured mutual savings banks in the United States (States and other areas), December call dates, 1962 through 1966

Table 107. Assets and liabilities of insured commercial banks in the United States (States and other areas), December 31, 1966
Banks grouped by class of bank

Table 108. Assets and liabilities of insured commercial banks operating throughout 1966 in the United States (States and other areas), December 31, 1966
Banks grouped according to amount of deposits

Table 109. Average assets and liabilities of insured commercial banks in the United States (States and other areas), by State, 1966

Table 110. Distribution of insured commercial banks in the United States (States and other areas), December 31, 1966
Banks grouped according to amount of deposits and by ratios of selected items to assets and deposits

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

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

In the case of banks with one or more domestic branches, the assets and liabilities reported are consolidations of figures for the head office and all domestic branches. In the case of a bank with foreign branches, net amounts due from its own foreign branches are included in "Other assets," and net amounts due to its own foreign branches are included in "Other liabilities." Branches outside the 50 States of insured banks in the United States are treated as separate entities but as in the case of other branches are not included in the count of banks. Data for such branches are not included in the figures for the States in which the parent banks are located.

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

Individual loan items are reported gross instead of net of valuation reserves. Accordingly, reserves for losses on loans are shown separately.

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.

Asset and liability data for noninsured banks are tabulated from reports pertaining to the individual banks. In a few cases these reports are not as detailed as those submitted by insured banks, and some of the items reported have been allocated to more detailed categories according to the distribution of asset and liability data for insured State banks not members of the Federal Reserve System or for other noninsured banks.

Additional data on assets and liabilities of all banks as of June 30, 1966, and December 31, 1966, are shown in the Corporation's semiannual publication, "Assets, Liabilities, and Capital Accounts, Commercial and Mutual Savings Banks," Report of Call No. 76, and Report of Call No. 78. Data from Call No. 75, April 5, 1966, and Call No. 77, September 20, 1966, were not tabulated for all insured banks. Comparable tabulations for State and national banks were not feasible because of a change in the form used for national institutions.

Sources of data

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

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

Other insured banks: Federal Deposit Insurance Corporation.

Noninsured banks: State banking authorities; and reports from individual banks.

Table 104. ASSETS AND LIABILITIES OF ALL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1966

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	All banks			Commercial banks and nondeposit trust companies				Mutual savings banks		
						Noninsured				
	Total	Insured	Non-insured	Total	Insured	Banks of deposit [1]	Non-deposit trust com-panies [2]	Total	Insured	Non-insured
Total assets	**447,788,369**	**436,359,375**	**11,428,994**	**388,372,656**	**384,907,833**	**3,147,786**	**317,037**	**59,415,713**	**51,451,542**	**7,964,171**
Cash, balances with other banks, and cash collection items—total	**61,152,141**	**60,462,918**	**689,223**	**60,186,603**	**59,608,563**	**500,848**	**77,192**	**965,538**	**854,355**	**111,183**
Currency and coin	5,425,600	5,377,958	47,642	5,267,034	5,246,935	18,761	1,338	158,566	131,023	27,543
Reserve with F. R. Banks (member banks)	18,094,230	18,094,230	......	18,094,230	18,094,230	......	......	......	......	......
Demand balances with banks in U. S.	13,638,910	13,133,947	504,963	13,097,769	12,667,647	395,162	34,960	541,141	466,300	74,841
Other balances with banks in U. S.	729,842	669,251	60,591	525,377	464,863	22,023	38,491	204,465	204,388	77
Balances with banks in foreign countries	252,896	223,431	29,465	252,896	223,431	29,452	13	......	......	......
Cash items in process of collection	23,010,663	22,964,101	46,562	22,949,297	22,911,457	35,450	2,390	61,366	52,644	8,722
Securities—total	**113,319,979**	**110,110,107**	**3,209,872**	**102,500,391**	**101,533,236**	**806,840**	**160,315**	**10,819,588**	**8,576,871**	**2,242,717**
U. S. Gov't. obligations (including guaranteed)	58,741,365	56,612,041	2,129,324	53,618,931	53,179,892	373,644	65,395	5,122,434	3,432,149	1,690,285
Obligations of States and subdivisions	40,986,077	40,692,508	293,569	40,701,718	40,426,956	221,753	53,009	284,359	265,552	18,807
Securities of Federal agencies and corporations (not guaranteed by U. S.)	7,579,016	7,416,755	162,261	6,589,816	6,454,496	124,025	11,295	989,200	962,259	26,941
Other securities[3]	6,013,521	5,388,803	624,718	1,589,926	1,471,892	87,418	30,616	4,423,595	3,916,911	506,684
Loans and discounts, net—total	**261,014,034**	**253,775,901**	**7,238,133**	**214,385,874**	**212,672,832**	**1,667,602**	**45,440**	**46,628,160**	**41,103,069**	**5,525,091**
Valuation reserves	4,311,629	4,286,656	24,973	4,085,760	4,076,167	9,342	251	225,869	210,489	15,380
Loans and discounts, gross—total	**265,325,663**	**258,062,557**	**7,263,106**	**218,471,634**	**216,748,999**	**1,676,944**	**45,691**	**46,854,029**	**41,313,558**	**5,540,471**
Real estate loans—total	98,189,728	92,523,715	5,666,013	52,306,219	51,998,999	292,872	14,348	45,883,509	40,524,716	5,358,793
Secured by farm land	*3,081,543*	*3,054,016*	*27,527*	*3,028,046*	*3,006,302*	*20,829*	*915*	*53,497*	*47,714*	*5,783*
Secured by residential properties:										
Insured by FHA	*21,815,317*	*20,767,186*	*1,048,131*	*7,768,589*	*7,630,101*	*135,027*	*3,461*	*14,046,728*	*13,137,085*	*909,643*
Guaranteed by VA	*14,000,109*	*12,973,369*	*1,026,740*	*2,654,574*	*2,603,391*	*51,010*	*173*	*11,345,535*	*10,369,978*	*975,557*
Not insured or guaranteed by FHA or VA	*39,067,374*	*36,260,515*	*2,806,859*	*23,376,946*	*23,310,586*	*59,572*	*6,788*	*15,690,428*	*12,949,929*	*2,740,499*
Secured by other properties	*20,225,385*	*19,468,629*	*756,756*	*15,478,064*	*15,448,619*	*26,434*	*3,011*	*4,747,321*	*4,020,010*	*727,311*
Loans to commercial and foreign banks	1,994,243	1,953,138	41,105	1,973,429	1,932,344	40,845	240	20,814	20,794	20
Loans to other financial institutions	13,983,149	13,822,236	160,913	13,971,081	13,810,322	160,188	571	12,068	11,914	154
Federal funds sold (loaned)	2,129,473	2,060,973	68,500	2,129,473	2,060,973	68,500	......	......	......	......
Loans to brokers and dealers in securities	5,366,337	5,238,176	128,161	5,349,835	5,221,824	119,536	8,475	16,502	16,352	150
Other loans for carrying securities	3,295,460	3,231,588	63,872	3,287,201	3,224,576	54,081	8,544	8,259	7,012	1,247
Loans to farmers (excluding real estate)	8,502,934	8,483,373	19,561	8,501,090	8,481,529	19,270	291	1,844	1,844	......
Commercial and industrial loans	77,877,049	77,218,954	658,095	77,734,064	77,085,497	643,288	5,279	142,985	133,457	9,528
Other loans to individuals	48,664,629	48,300,811	363,818	47,928,186	47,726,040	199,357	2,789	736,443	574,771	161,672
All other loans (including overdrafts)	5,322,661	5,229,593	93,068	5,291,056	5,206,895	79,007	5,154	31,605	22,698	8,907
Miscellaneous assets—total	**12,302,215**	**12,010,449**	**291,766**	**11,299,788**	**11,093,202**	**172,496**	**34,090**	**1,002,427**	**917,247**	**85,180**
Bank premises, furniture and fixtures, and real estate—net of mortgages and other liens	5,899,674	5,800,336	99,338	5,439,253	5,397,058	22,887	19,308	460,421	403,278	57,143
All other miscellaneous assets	6,402,541	6,210,113	192,428	5,860,535	5,696,144	149,609	14,782	542,006	513,969	28,037

Total liabilities and capital accounts	**447,788,369**	**436,359,375**	**11,428,994**	**388,372,656**	**384,907,833**	**3,147,786**	**317,037**	**59,415,713**	**51,451,542**	**7,964,171**
Business and personal deposits—total	**331,907,563**	**323,317,776**	**8,589,787**	**278,219,267**	**276,672,377**	**1,418,408**	**128,482**	**53,688,296**	**46,645,399**	**7,042,897**
Individuals, partnerships, and corporations—demand	132,270,233	131,402,041	868,192	131,840,895	131,000,808	753,264	86,823	429,338	401,233	28,105
Deposits of savings and loan associations	*2,255,583*	*2,253,525*	*2,058*	*2,255,583*	*2,253,525*	*2,058*	....	....	....	....
Other deposits of individuals, partnerships, and corporations	*130,014,650*	*129,148,516*	*866,134*	*129,585,312*	*128,747,283*	*751,206*	*86,823*	*429,338*	*401,233*	*28,105*
Individuals, partnerships, and corporations—time	192,895,655	185,267,704	7,627,951	139,650,243	139,037,084	571,515	41,644	53,245,412	46,230,620	7,014,792
Savings deposits	*144,535,729*	*137,222,884*	*7,312,845*	*91,339,778*	*91,015,841*	*300,783*	*23,154*	*53,195,951*	*46,207,043*	*6,988,908*
Deposits accumulated for payment of personal loans	*1,153,442*	*1,150,609*	*2,833*	*1,153,276*	*1,150,575*	*2,701*	....	*166*	*34*	*132*
Deposits of savings and loan associations	*814,845*	*813,997*	*848*	*814,845*	*813,997*	*848*	....	....	....	....
Other deposits of individuals, partnerships, and corporations	*46,391,639*	*46,080,214*	*311,425*	*46,342,344*	*46,056,671*	*267,183*	*18,490*	*49,295*	*23,543*	*25,752*
Certified and officers' checks, letters of credit, travelers' checks, etc.	6,741,675	6,648,031	93,644	6,728,129	6,634,485	93,629	15	13,546	13,546	....
Government deposits—total	**39,032,557**	**38,810,524**	**222,033**	**38,993,832**	**38,774,831**	**218,676**	**325**	**38,725**	**35,693**	**3,032**
United States Government—demand	11,030,145	10,994,334	35,811	11,022,957	10,988,373	34,259	325	7,188	5,961	1,227
United States Government—time	252,741	249,389	3,352	252,326	249,019	3,307	....	415	370	45
States and subdivisions—demand	15,035,176	14,915,946	119,230	15,033,199	14,913,969	119,230	....	1,977	1,977	....
States and subdivisions—time	12,714,495	12,650,855	63,640	12,685,350	12,623,470	61,880	....	29,145	27,385	1,760
Domestic interbank deposits—total	**16,338,708**	**16,106,768**	**231,940**	**16,337,357**	**16,105,417**	**231,451**	**489**	**1,351**	**1,351**	....
Commercial banks in the U. S.—demand	14,504,132	14,471,376	32,756	14,503,987	14,471,231	32,267	489	145	145	....
Commercial banks in the U. S.—time	588,254	586,568	1,686	587,048	585,362	1,686	....	1,206	1,206	....
Mutual savings banks in the U. S.—demand	1,028,132	875,583	152,549	1,028,132	875,583	152,549	....	....	....	....
Mutual savings banks in the U. S.—time	218,190	173,241	44,949	218,190	173,241	44,949	....	....	....	....
Foreign government and bank deposits—total	**7,047,584**	**6,851,913**	**195,671**	**7,047,584**	**6,851,913**	**195,253**	**418**	....	....	....
Foreign governments, central banks, etc.—demand	792,499	773,538	18,961	792,499	773,538	18,655	306	....	....	....
Foreign governments, central banks, etc.—time	4,388,363	4,332,400	55,963	4,388,363	4,332,400	55,963	....	....	....	....
Banks in foreign countries—demand	1,546,703	1,457,381	89,322	1,546,703	1,457,381	89,210	112	....	....	....
Banks in foreign countries—time	320,019	288,594	31,425	320,019	288,594	31,425	....	....	....	....
Total deposits	**394,326,412**	**385,086,981**	**9,239,431**	**340,598,040**	**338,404,538**	**2,063,788**	**129,714**	**53,728,372**	**46,682,443**	**7,045,929**
Demand	*182,948,695*	*181,538,230*	*1,410,465*	*182,496,501*	*181,115,368*	*1,293,063*	*88,070*	*452,194*	*422,862*	*29,332*
Time	*211,377,717*	*203,548,751*	*7,828,966*	*158,101,539*	*157,289,170*	*770,725*	*41,644*	*53,276,178*	*46,259,581*	*7,016,597*
Miscellaneous liabilities—total	**17,264,981**	**16,272,294**	**992,687**	**16,339,431**	**15,549,092**	**761,483**	**28,856**	**925,550**	**723,202**	**202,348**
Federal funds purchased (borrowed)	2,354,637	2,351,637	3,000	2,354,637	2,351,637	3,000	....	....	....	....
Other liabilities for borrowed money	2,102,425	1,878,801	223,624	2,010,447	1,786,853	220,537	3,057	91,978	91,948	30
All other miscellaneous liabilities	12,807,919	12,041,856	766,063	11,974,347	11,410,602	537,946	25,799	833,572	631,254	202,318
Total liabilities (excluding capital accounts)	**411,591,393**	**401,359,275**	**10,232,118**	**356,937,471**	**353,953,630**	**2,825,271**	**158,570**	**54,653,922**	**47,405,645**	**7,248,277**
Capital accounts—total	**36,196,976**	**35,000,100**	**1,196,876**	**31,435,185**	**30,954,203**	**322,515**	**158,467**	**4,761,791**	**4,045,897**	**715,894**
Preferred capital	1,841,955	1,792,222	49,733	1,838,796	1,789,063	49,433	300	3,159	3,159	....
Common stock	8,887,512	8,753,880	133,632	8,887,512	8,753,880	85,509	48,123	....	....	....
Surplus	17,124,392	16,547,497	576,895	13,878,438	13,701,729	104,851	71,858	3,245,954	2,845,768	400,186
Undivided profits and reserves	8,343,117	7,906,501	436,616	6,830,439	6,709,531	82,722	38,186	1,512,678	1,196,970	315,708
Number of banks[4]	14,328	13,891	437	13,821	13,559	211	51	507	332	175

[1] Includes asset and liability figures for 17 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to these branches by the parent banks.
[2] Amounts shown as deposits are special accounts and uninvested trust funds with the latter classified as demand deposits of individuals, partnerships, and corporations.
[3] Excludes corporate stocks, other than Federal Reserve bank stock, of national banks; reported with "All other miscellaneous assets."
[4] Includes 3 noninsured banks of deposit for which asset and liability data are not available.

Back figures: See the Annual Report for 1965, pp. 130–131, and earlier reports.

Table 105. ASSETS AND LIABILITIES OF ALL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1966

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	All banks			Commercial banks and nondeposit trust companies				Mutual savings banks		
	Total	Insured	Non-insured	Total	Insured	Noninsured: Banks of deposit[1]	Noninsured: Non-deposit trust com-panies[2]	Total	Insured	Non-insured
Total assets	**467,525,827**	**455,995,804**	**11,530,023**	**406,515,162**	**402,946,336**	**3,258,593**	**310,233**	**61,010,665**	**53,049,468**	**7,961,197**
Cash, balances with other banks, and cash collection items—total	**70,260,664**	**69,499,675**	**760,989**	**69,294,117**	**68,651,850**	**571,267**	**71,000**	**966,547**	**847,825**	**118,722**
Currency and coin	5,659,939	5,602,868	57,071	5,486,811	5,457,281	28,304	1,226	173,128	145,587	27,541
Reserve with F. R. Banks (member banks)	19,068,820	19,068,820	....	19,068,820	19,068,820	....	....	....	....	....
Demand balances with banks in U. S.	16,172,706	15,610,887	561,819	15,620,451	15,136,611	451,693	32,147	552,255	474,276	77,979
Other balances with banks in U. S.	484,781	423,809	60,972	313,676	257,066	21,578	35,032	171,105	166,743	4,362
Balances with banks in foreign countries	279,818	250,872	28,946	279,818	250,872	28,940	6	....	....	....
Cash items in process of collection	28,594,600	28,542,419	52,181	28,524,541	28,481,200	40,752	2,589	70,059	61,219	8,840
Securities—total	**115,955,687**	**112,961,573**	**2,994,114**	**105,229,480**	**104,285,823**	**781,928**	**161,729**	**10,726,207**	**8,675,750**	**2,050,457**
U. S. Gov't. obligations (including guaranteed)	61,078,899	59,227,658	1,851,241	56,325,847	55,903,996	356,141	65,710	4,753,052	3,323,662	1,429,390
Obligations of States and subdivisions	41,365,915	41,068,361	297,554	41,110,560	40,831,664	225,807	53,089	255,355	236,697	18,658
Securities of Federal agencies and corporations (not guaranteed by U. S.)	7,148,134	6,968,260	179,874	6,091,003	5,959,194	121,109	10,700	1,057,131	1,009,066	48,065
Other securities[3]	6,362,739	5,697,294	665,445	1,702,070	1,590,969	78,871	32,230	4,660,669	4,106,325	554,344
Loans and discounts, net—total	**268,517,737**	**261,048,875**	**7,468,862**	**220,219,133**	**218,455,698**	**1,719,304**	**44,131**	**48,298,604**	**42,593,177**	**5,705,427**
Valuation reserves	4,498,619	4,477,416	21,203	4,346,582	4,336,933	9,282	367	152,037	140,483	11,554
Loans and discounts, gross—total	**273,016,356**	**265,526,291**	**7,490,065**	**224,565,715**	**222,792,631**	**1,728,586**	**44,498**	**48,450,641**	**42,733,660**	**5,716,981**
Real estate loans—total	101,716,798	95,907,993	5,808,805	54,380,292	54,099,590	267,719	12,983	47,336,506	41,808,403	5,528,103
Secured by farm land	*3,190,927*	*3,160,141*	*30,786*	*3,137,561*	*3,112,422*	*24,305*	*834*	*53,366*	*47,719*	*5,647*
Secured by residential properties:										
Insured by FHA	*22,043,988*	*21,004,673*	*1,039,315*	*7,544,412*	*7,441,201*	*100,605*	*2,606*	*14,499,576*	*13,563,472*	*936,104*
Guaranteed by VA	*14,069,902*	*13,030,457*	*1,039,445*	*2,599,070*	*2,556,527*	*42,431*	*112*	*11,470,832*	*10,473,930*	*996,902*
Not insured or guaranteed by FHA or VA	*41,004,740*	*38,150,758*	*2,853,982*	*24,732,998*	*24,659,845*	*66,238*	*6,915*	*16,271,742*	*13,490,913*	*2,780,829*
Secured by other properties	*21,407,241*	*20,561,964*	*845,277*	*16,366,251*	*16,329,595*	*34,140*	*2,516*	*5,040,990*	*4,232,369*	*808,621*
Loans to commercial and foreign banks	2,224,323	2,166,325	57,998	2,190,955	2,132,957	57,631	367	33,368	33,368	....
Loans to other financial institutions	13,351,554	13,197,358	154,196	13,340,438	13,186,453	153,255	730	11,116	10,905	211
Federal funds sold (loaned)	2,544,121	2,460,941	83,180	2,544,121	2,460,941	83,180		....	....	....
Loans to brokers and dealers in securities	5,863,059	5,685,357	177,702	5,820,814	5,643,112	168,052	9,650	42,245	42,245	....
Other loans for carrying securities	3,212,125	3,153,881	58,244	3,206,834	3,149,552	51,328	5,954	5,291	4,329	962
Loans to farmers (excluding real estate)	8,571,275	8,551,208	20,067	8,569,466	8,549,399	19,910	157	1,809	1,809	....
Commercial and industrial loans	81,285,865	80,600,081	685,784	81,083,594	80,408,482	666,240	8,872	202,271	191,599	10,672
Other loans to individuals	48,978,991	48,609,815	369,176	48,192,700	47,992,068	198,086	2,546	786,291	617,747	168,544
All other loans (including overdrafts)	5,268,245	5,193,332	74,913	5,236,501	5,170,077	63,185	3,239	31,744	23,255	8,489
Miscellaneous assets—total	**12,791,739**	**12,485,681**	**306,058**	**11,772,432**	**11,552,965**	**186,094**	**33,373**	**1,019,307**	**932,716**	**86,591**
Bank premises, furniture and fixtures, and real estate—net of mortgages and other liens	6,138,127	6,035,180	102,947	5,662,489	5,619,987	23,132	19,370	475,638	415,193	60,445
All other miscellaneous assets	6,653,612	6,450,501	203,111	6,109,943	5,932,978	162,962	14,003	543,669	517,523	26,146

Total liabilities and capital accounts	**467,525,827**	**455,995,804**	**11,530,023**	**406,515,162**	**402,946,336**	**3,258,593**	**310,233**	**61,010,665**	**53,049,468**	**7,961,197**
Business and personal deposits—total	**350,515,829**	**341,778,234**	**8,737,595**	**295,209,262**	**293,565,757**	**1,521,473**	**122,032**	**55,306,567**	**48,212,477**	**7,094,090**
Individuals, partnerships, and corporations—demand	145,610,480	144,689,782	920,698	145,224,888	144,323,672	819,488	81,728	385,592	366,110	19,482
Deposits of savings and loan associations	*2,300,330*	*2,298,371*	*1,959*	*2,300,330*	*2,298,371*	*1,959*	....	....	....	....
Other deposits of individuals, partnerships, and corporations	*143,310,150*	*142,391,411*	*918,739*	*142,924,558*	*142,025,301*	*817,529*	*81,728*	*385,592*	*366,110*	*19,482*
Individuals, partnerships, and corporations—time	197,813,526	190,095,943	7,717,583	142,904,064	142,261,089	602,682	40,293	54,909,462	47,834,854	7,074,608
Savings deposits	*145,249,100*	*137,888,853*	*7,360,247*	*90,371,090*	*90,076,746*	*269,140*	*25,204*	*54,878,010*	*47,812,107*	*7,065,903*
Deposits accumulated for payment of personal loans	*1,226,608*	*1,223,591*	*3,017*	*1,226,340*	*1,223,553*	*2,787*	....	*268*	*38*	*230*
Deposits of savings and loan associations	*620,751*	*620,601*	*150*	*620,751*	*620,601*	*150*	....	....	....	....
Other deposits of individuals, partnerships, and corporations	*50,717,067*	*50,362,898*	*354,169*	*50,685,883*	*50,340,189*	*330,605*	*15,089*	*31,184*	*22,709*	*8,475*
Certified and officers' checks, letters of credit, travelers' checks, etc.	7,091,823	6,992,509	99,314	7,080,310	6,980,996	99,303	11	11,513	11,513	....
Government deposits—total	**34,014,407**	**33,810,211**	**204,196**	**33,970,303**	**33,768,382**	**201,767**	**154**	**44,104**	**41,829**	**2,275**
United States Government—demand	5,022,377	4,996,312	26,065	5,015,638	4,990,164	25,320	154	6,739	6,148	591
United States Government—time	262,012	257,896	4,116	261,653	257,599	4,054	....	359	297	62
States and subdivisions—demand	15,174,000	15,062,369	111,631	15,170,733	15,059,104	111,629	....	3,267	3,265	2
States and subdivisions—time	13,556,018	13,493,634	62,384	13,522,279	13,461,515	60,764	....	33,739	32,119	1,620
Domestic interbank deposits—total	**18,569,237**	**18,356,651**	**212,586**	**18,567,907**	**18,355,321**	**212,118**	**468**	**1,330**	**1,330**	....
Commercial banks in the U. S.—demand	16,985,886	16,947,354	38,532	16,985,760	16,947,228	38,064	468	126	126	....
Commercial banks in the U. S.—time	479,125	478,100	1,025	477,921	476,896	1,025	....	1,204	1,204	....
Mutual savings banks in the U. S.—demand	899,317	782,525	116,792	899,317	782,525	116,792	....	....	....	....
Mutual savings banks in the U. S.—time	204,909	148,672	56,237	204,909	148,672	56,237	....	....	....	....
Foreign government and bank deposits—total	**7,380,229**	**7,150,699**	**229,530**	**7,380,229**	**7,150,699**	**229,053**	**477**	....	....	....
Foreign governments, central banks, etc.—demand	895,088	869,268	25,820	895,088	869,268	25,503	317	....	....	....
Foreign governments, central banks, etc.—time	4,266,339	4,212,084	54,255	4,266,339	4,212,084	54,255	....	....	....	....
Banks in foreign countries—demand	1,904,262	1,784,407	119,855	1,904,262	1,784,407	119,769	86	....	....	....
Banks in foreign countries—time	314,540	284,940	29,600	314,540	284,940	29,526	74	....	....	....
Total deposits	**410,479,702**	**401,095,795**	**9,383,907**	**355,127,701**	**352,840,159**	**2,164,411**	**123,131**	**55,352,001**	**48,255,636**	**7,096,365**
Demand	*193,583,233*	*192,124,526*	*1,458,707*	*193,175,996*	*191,737,364*	*1,355,868*	*82,764*	*407,237*	*387,162*	*20,075*
Time	*216,896,469*	*208,971,269*	*7,925,200*	*161,951,705*	*161,102,795*	*808,543*	*40,367*	*54,944,764*	*47,868,474*	*7,076,290*
Miscellaneous liabilities—total	**19,991,527**	**19,066,744**	**924,783**	**19,204,781**	**18,413,009**	**766,246**	**25,526**	**786,746**	**653,735**	**133,011**
Federal funds purchased (borrowed)	2,825,088	2,824,088	1,000	2,825,088	2,824,088	1,000	....	....	....	....
Other liabilities for borrowed money	2,149,384	1,973,389	175,995	2,080,128	1,904,513	173,186	2,429	69,256	68,876	380
All other miscellaneous liabilities	15,017,055	14,269,267	747,788	14,299,565	13,684,408	592,060	23,097	717,490	584,859	132,631
Total liabilities (excluding capital accounts)	**430,471,229**	**420,162,539**	**10,308,690**	**374,332,482**	**371,253,168**	**2,930,657**	**148,657**	**56,138,747**	**48,909,371**	**7,229,376**
Capital accounts—total	**37,054,598**	**35,833,265**	**1,221,333**	**32,182,680**	**31,693,168**	**327,936**	**161,576**	**4,871,918**	**4,140,097**	**731,821**
Preferred capital	1,845,950	1,794,597	51,353	1,842,838	1,791,485	51,053	300	3,112	3,112	....
Common stock	8,994,411	8,856,837	137,574	8,994,411	8,856,837	85,034	52,540	....	....	....
Surplus	17,490,922	16,922,389	568,533	14,177,817	13,998,697	106,496	72,624	3,313,105	2,923,692	389,413
Undivided profits and reserves	8,723,315	8,259,442	463,873	7,167,614	7,046,149	85,353	36,112	1,555,701	1,213,293	342,408
Number of banks[4]	14,291	13,873	418	13,785	13,541	196	48	506	332	174

[1] Includes asset and liability figures for 14 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to these branches by the parent banks.
[2] Amounts shown as deposits are special accounts and uninvested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations.
[3] Excludes corporate stocks, other than Federal Reserve bank stock, of national banks; reported with "All other miscellaneous assets."
[4] Includes 3 noninsured banks for which asset and liability data are not available.

Back figures, 1934-1965: See the preceding table and the Annual Report for 1965, pp. 132-133, and earlier reports.

Table 106. ASSETS AND LIABILITIES OF INSURED COMMERCIAL AND INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1962 THROUGH 1966

(Amounts in thousands of dollars)

Assets	Insured commercial banks					Insured mutual savings banks				
	Dec. 28, 1962	Dec. 20, 1963	Dec. 31, 1964	Dec. 31, 1965	Dec. 31, 1966	Dec. 28, 1962	Dec. 20, 1963	Dec. 31, 1964	Dec. 31, 1965	Dec. 31, 1966
Total assets	**295,982,703**	**311,790,848**	**345,130,205**	**375,394,111**	**402,946,336**	**39,951,409**	**43,018,983**	**47,044,184**	**50,499,716**	**53,049,468**
Cash, balances with other banks, and cash collection items—total	**53,798,705**	**50,445,462**	**60,032,916**	**60,436,719**	**68,651,850**	**783,711**	**721,513**	**893,139**	**904,000**	**847,825**
Currency and coin	4,259,137	4,053,057	4,551,889	4,865,803	5,457,281	123,167	104,083	138,843	142,598	145,587
Reserve with Federal Reserve Banks (member banks)	17,679,794	17,149,613	17,580,743	17,992,395	19,068,820	....	....	....	....	....
Demand balances with banks in the United States (except private banks and American branches of foreign banks)	12,563,869	11,644,517	14,090,586	14,354,186	15,136,611	458,012	441,946	476,644	493,600	474,276
Other balances with banks in the United States	256,823	367,817	558,335	484,817	257,066	160,125	141,043	224,274	212,193	166,743
Balances with banks in foreign countries	237,431	298,992	300,841	255,865	250,872	....	....	....	....	....
Cash items in process of collection	18,801,651	16,931,466	22,950,522	22,483,653	28,481,200	42,407	34,441	53,378	55,609	61,219
Obligations of the U. S. Government, direct and guaranteed—total	**65,966,306**	**62,811,737**	**62,588,052**	**59,209,832**	**55,903,996**	**4,639,213**	**4,324,018**	**4,110,452**	**3,759,961**	**3,323,662**
Direct:										
Treasury bills	11,570,253	10,999,429	13,301,211	([1])	([1])	220,763	208,768	232,494	309,700	289,812
Treasury certificates of indebtedness	3,917,424	1,651,564	....			78,906	19,074	....	....	16,900
Treasury notes maturing in 1 year or less	5,199,158	5,921,023	7,097,197			122,927	217,234	128,164	146,292	98,058
Treasury notes maturing after 1 year	18,518,818	16,402,791	11,872,107			631,844	354,585	280,349	89,827	219,584
United States non-marketable bonds	303,366	277,927	247,362			146,394	115,721	92,527	67,037	61,857
Other bonds maturing in 1 year or less	2,253,167	1,141,495	1,904,040			31,981	14,190	11,515	31,850	34,512
Other bonds maturing in 1 to 5 years	11,332,096	12,931,738	14,766,228			316,445	537,123	850,449	851,953	792,853
Other bonds maturing in 5 to 10 years	11,967,665	12,244,036	12,481,688			1,631,069	1,423,462	1,107,233	975,170	680,603
Other bonds maturing after 10 years	768,599	1,137,045	778,067			1,354,432	1,296,853	1,241,155	1,177,097	998,066
Guaranteed obligations	135,760	104,689	140,152			104,452	137,008	166,566	111,035	131,417
Other securities—total	**28,946,174**	**34,660,292**	**38,371,648**	**44,440,876**	**48,381,827**	**5,180,122**	**5,040,575**	**5,014,656**	**5,010,410**	**5,352,088**
Obligations of States and subdivisions	24,582,904	29,611,314	33,343,807	38,480,349	40,831,664	493,149	410,862	367,846	300,273	236,697
Securities of Federal agencies and corporations (not guaranteed by U. S.)	2,870,165	3,503,243	3,446,144	4,513,114	5,959,194	616,277	712,425	749,219	842,356	1,009,066
Other bonds, notes, and debentures	804,088	784,083	762,790	[2]1,447,413	[2]1,590,969	3,260,251	3,003,773	2,904,732	2,731,805	2,932,706
Federal Reserve Bank stock	465,705	491,175	818,907			....	....	....	....	....
Other corporate stocks	223,312	270,477				810,445	913,515	992,859	1,135,976	1,173,619
Total securities	**94,912,480**	**97,472,029**	**100,959,700**	**103,650,708**	**104,285,823**	**9,819,335**	**9,364,593**	**9,125,108**	**8,770,371**	**8,675,750**

Loans and discounts, net—total	**140,023,316**	**155,933,367**	**175,096,194**	**201,114,143**	**218,455,698**	**28,778,005**	**32,299,615**	**36,233,052**	**39,964,343**	**42,593,177**
Valuation reserves	2,694,275	2,994,811	3,552,676	4,011,273	4,336,933	215,413	218,740	209,774	209,331	140,483
Loans and discounts, gross—total	**142,717,591**	**158,928,178**	**178,648,870**	**205,125,416**	**222,792,631**	**28,993,418**	**32,518,355**	**36,442,826**	**40,173,674**	**42,733,660**
Real estate loans—total	34,309,294	39,082,205	43,733,086	49,393,933	54,099,590	28,441,482	31,892,036	35,823,288	39,435,679	41,808,403
Secured by farm land	*2,002,871*	*2,303,351*	*2,616,604*	*2,888,012*	*3,112,422*	*46,072*	*46,848*	*48,629*	*46,819*	*47,719*
Secured by residential properties:										
Insured by FHA	*6,494,946*	*7,047,238*	*7,243,497*	*7,592,405*	*7,441,201*	*8,681,793*	*9,969,510*	*11,527,827*	*12,911,024*	*13,563,472*
Guaranteed by VA	*2,635,240*	*2,817,152*	*2,684,468*	*2,637,439*	*2,556,527*	*8,836,802*	*9,500,673*	*10,129,274*	*10,427,383*	*10,473,930*
Not insured or guaranteed by FHA or VA	*14,237,357*	*16,380,889*	*18,810,798*	*21,929,584*	*24,659,845*	*8,233,845*	*9,386,663*	*10,739,893*	*12,245,612*	*13,490,913*
Secured by other properties	*8,938,880*	*10,539,675*	*12,377,719*	*14,346,493*	*16,329,595*	*2,642,970*	*2,988,342*	*3,377,665*	*3,804,841*	*4,232,369*
Loans to domestic commercial and foreign banks	2,552,321	3,594,633	3,420,989	2,095,012	2,132,957	8,049	15,617	16,228	12,505	33,368
Loans to other financial institutions	8,468,121	9,441,479	10,849,646	13,186,038	13,186,453	5,234	7,016	9,322	14,342	10,905
Federal funds sold (loaned)	([3])	([3])	([3])	2,064,215	2,460,941	....	....	....	....	....
Loans to brokers and dealers in securities	5,120,629	5,325,642	5,355,550	5,087,694	5,643,112	57,296	24,278	25,759	21,585	42,245
Other loans for purchasing or carrying securities	2,103,614	2,476,760	2.794,217	3,175,076	3,149,552	11,320	11,579	4,807	4,812	4,329
Loans to farmers directly guaranteed by the Commodity Credit Corporation	1,111,661	816,838	513,580	533,948	([4])	....	....	....	....	....
Other loans to farmers (excluding loans on real estate)	5,961,308	6,644,575	6,982,643	7,669,065	8,549,399	2,250	2,499	2,152	1,913	1,809
Commercial and industrial loans (including open market paper)	48,668,367	52,984,200	60,040,383	71,235,183	80,408,482	192,554	160,682	156,977	144,698	191,599
Other loans to individuals for personal expenditures—total	30,524,024	34,531,746	39,814,778	45,497,461	47,992,068	266,162	388,211	391,145	515,673	617,747
Passenger automobile instalment loans	*10,529,184*	*12,437,272*	*14,661,720*	*17,139,214*	*18,290,164*	*5,736*	*13,978*	*24,370*	*35,555*	*42,879*
Other retail consumer instalment loans	*2,857,682*	*3,200,612*	*3,748,783*	*4,176,950*	*4,692,533*	*1,203*	*923*	*1,016*	*2,039*	*3,769*
Residential repair and modernization instalment loans	*2,762,423*	*2,909,590*	*3,012,861*	*3,126,804*	*3,216,162*	*63,068*	*66,450*	*75,397*	*88,646*	*105,998*
Other instalment loans for personal expenditures	*5,034,282*	*5,718,920*	*6,441,204*	*7,388,640*	*8,091,439*	*58,229*	*88,484*	*126,027*	*199,220*	*244,976*
Single-payment loans for personal expenditures	*9,340,453*	*10,265,352*	*11,950,210*	*13,665,853*	*13,701,770*	*137,926*	*218,376*	*164,335*	*190,213*	*220,125*
All other loans (including overdrafts)	3,898,252	4,024,100	5,143,998	5,187,791	5,170,077	9,071	16,437	13,148	22,467	23,255
Total loans and securities	**234,935,796**	**253,405,396**	**276,055,894**	**304,764,851**	**322,741,521**	**38,597,340**	**41,664,208**	**45,358,160**	**48,734,714**	**51,268,927**
Bank premises, furniture and fixtures, and other real estate—total	**3,884,209**	**4,394,800**	**4,753,588**	**[5]5,144,222**	**[5]5,619,987**	**288,287**	**312,897**	**342,898**	**381,225**	**415,193**
Bank premises	2,609,561	3,082,103				243,406	260,904	277,072	308,289	329,951
Furniture and fixtures	793,893	863,387				25,206	29,168	39,117	45,641	57,444
Real estate owned other than bank premises	106,984	89,334	([1])	([1])	([1])	19,675	22,825	26,709	27,295	27,798
Investments and other assets indirectly representing bank premises or other real estate	373,771	359,976				....	....	....	....	....
Miscellaneous assets—total	**3,363,993**	**3,545,190**	**4,287,807**	**5,048,319**	**5,932,978**	**282,071**	**320,365**	**449,987**	**479,777**	**517,523**
Customers' liability on acceptances outstanding	1,618,937	1,591,458	1,697,120	1,862,571	2,178,017	....	....	....	....	....
Other assets	1,745,056	1,953,732	2,590,687	3,185,748	3,754,961	282,071	320,365	449,987	479,777	517,523
PERCENTAGES										
To total assets:										
Cash and balances with other banks	18.2%	16.2%	17.4%	16.1%	17.0%	2.0%	1.7%	1.9%	1.8%	1.6%
U.S. Government obligations, direct and guaranteed	22.3	20.1	18.2	15.8	13.9	11.6	10.0	8.7	7.5	6.3
Other securities	9.8	11.1	11.1	11.8	12.0	13.0	11.7	10.7	9.9	10.1
Loans and discounts	47.3	50.0	50.7	53.6	54.2	72.0	75.1	77.0	79.1	80.3
Other assets	2.4	2.6	2.6	2.7	2.9	1.4	1.5	1.7	1.7	1.7
Total capital accounts	8.0	8.1	8.0	8.0	7.9	8.4	8.3	7.9	7.8	7.8
To total assets other than cash and U. S. Government obligations:										
Total capital accounts	13.5	12.8	12.4	11.7	11.4	9.7	9.4	8.9	8.6	8.5

Table 106. ASSETS AND LIABILITIES OF INSURED COMMERCIAL AND INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1962 THROUGH 1966—CONTINUED

(Amounts in thousands of dollars)

Liabilities and capital	Insured commercial banks					Insured mutual savings banks				
	Dec. 28, 1962	Dec. 20, 1963	Dec. 31, 1964	Dec. 31, 1965	Dec. 31, 1966	Dec. 28, 1962	Dec. 20, 1963	Dec. 31, 1964	Dec. 31, 1965	Dec. 31, 1966
Total liabilities and capital accounts	**295,982,703**	**311,790,848**	**345,130,205**	**375,394,111**	**402,946,336**	**39,951,409**	**43,018,983**	**47,044,184**	**50,499,716**	**53,049,468**
Business and personal deposits—total	**216,424,179**	**228,042,312**	**252,983,403**	**275,205,357**	**293,565,757**	**36,073,907**	**38,627,061**	**42,714,295**	**45,848,773**	**48,212,477**
Individuals, partnerships, and corporations—demand	123,296,625	123,561,302	134,300,734	139,077,920	144,323,672	257,875	281,375	312,703	345,204	366,110
Deposits of savings and loan associations	(1)	(1)	(1)	*2,294,862*	*2,298,371*	...	...	...	...	...
Other deposits of individuals, partnerships, and corporations				*136,783,058*	*142,025,301*	*257,875*	*281,375*	*312,703*	*345,204*	*366,110*
Individuals, partnerships, and corporations—time	88,678,022	100,033,046	112,804,696	130,195,436	142,261,089	35,808,838	38,337,379	42,389,690	45,491,617	47,834,854
Savings deposits	*71,043,588*	*76,413,701*	*82,966,971*	*92,554,897*	*90,076,746*	*35,797,789*	*38,324,849*	*42,374,371*	*45,477,204*	*47,812,107*
Deposits accumulated for payment of personal loans	*783,826*	*836,450*	*956,410*	*1,078,207*	*1,223,553*	*705*	*631*	*800*	*28*	*38*
Deposits of savings and loan associations	*16,850,608*	*22,782,895*	*28,881,315*	*922,485*	*620,601*	...	...	...	...	...
Other deposits of individuals, partnerships, and corporations				*35,639,847*	*50,340,189*	*10,344*	*11,899*	*14,519*	*14,385*	*22,709*
Certified and officers' checks, letters of credit, travelers' checks, etc	4,449,532	4,447,964	5,877,973	5,932,001	6,980,996	7,194	8,307	11,902	11,952	11,513
Government deposits—total	**25,581,722**	**27,142,510**	**30,068,312**	**32,216,843**	**33,768,382**	**29,312**	**28,767**	**34,844**	**37,131**	**41,829**
United States Government—demand	6,824,658	6,729,214	6,500,876	5,523,816	4,990,164	9,096	5,025	6,574	6,795	6,148
United States Government—time	266,143	268,203	270,832	281,330	257,599	56	97	152	407	297
States and subdivisions—demand	12,064,372	12,261,389	13,497,662	14,241,724	15,059,104	1,711	2,046	1,584	2,079	3,265
States and subdivisions—time	6,426,549	7,883,704	9,798,942	12,169,973	13,461,515	18,449	21,599	26,534	27,850	32,119
Domestic interbank and postal savings deposits—total	**14,888,976**	**14,268,764**	**16,754,488**	**17,311,718**	**18,355,321**	**945**	**1,236**	**1,960**	**1,387**	**1,330**
Commercial banks in the U. S.—demand	13,907,380	13,323,080	15,492,798	15,779,062	16,947,228	26	32	88	122	126
Commercial banks in the U. S.—time	240,989	268,710	382,943	510,159	476,896	919	1,204	1,872	1,265	1,204
Mutual savings banks in the U. S.—demand	684,285	610,294	740,382	860,378	782,525	...	...	...	...	...
Mutual savings banks in the U. S.—time	38,153	49,252	118,835	162,119	148,672	...	...	...	...	...
Postal savings	18,169	17,428	19,530	(1)	(1)	...	...	...	...	...
Foreign government and bank deposits—total	**4,548,654**	**5,193,043**	**6,424,074**	**6,778,763**	**7,150,699**	...	**55**	...	...	...
Foreign governments, central banks, etc.—demand	724,335	841,590	826,137	892,867	869,268	...	22	...	...	...
Foreign governments, central banks, etc.—time	2,431,688	3,045,415	3,893,693	4,086,126	4,212,084	...	33	...	...	...
Banks in foreign countries—demand	1,265,391	1,177,311	1,454,685	1,529,097	1,784,407	...	...	...	...	...
Banks in foreign countries—time	127,240	128,727	249,559	270,673	284,940	...	...	...	...	...
Total deposits	**261,443,531**	**274,646,629**	**306,230,277**	**331,512,681**	**352,840,159**	**36,104,164**	**38,657,119**	**42,751,099**	**45,887,291**	**48,255,636**
Demand	*163,216,578*	*162,952,144*	*178,691,247*	*183,836,865*	*191,737,364*	*275,902*	*296,807*	*332,851*	*366,152*	*387,162*
Time	*98,226,953*	*111,694,485*	*127,539,030*	*147,675,816*	*161,102,795*	*35,828,262*	*38,360,312*	*42,418,248*	*45,521,139*	*47,868,474*

Miscellaneous liabilities—total	**10,786,803**	**11,821,823**	**11,461,821**	**13,976,496**	**18,413,009**	**503,798**	**790,247**	**562,242**	**655,013**	**653,735**
Federal funds purchased (borrowed)	3,583,534	3,576,530	2,591,133	2,438,413	2,824,088	...	...	...	...	...
Other liabilities for borrowed money				1,898,290	1,904,513	7,278	37,647	20,402	90,800	68,876
Acceptances outstanding	1,655,648	1,620,293	1,737,101	1,897,569	2,234,455	...	...	...	...	...
Other liabilities	5,547,621	6,625,000	7,133,587	7,742,224	11,449,953	496,520	752,600	541,840	564,213	584,859
Total liabilities (excluding capital accounts)	**272,230,334**	**286,468,452**	**317,692,098**	**345,489,177**	**371,253,168**	**36,607,962**	**39,447,366**	**43,313,341**	**46,542,304**	**48,909,371**
Capital accounts—total	**23,752,369**	**25,322,396**	**27,438,107**	**29,904,934**	**31,693,168**	**3,343,447**	**3,571,617**	**3,730,843**	**3,957,412**	**4,140,097**
Capital stock, notes, and debentures	6,937,352	7,450,533	8,738,836	10,200,361	10,648,322	150	533	674	2,759	3,112
Surplus	11,458,444	12,163,471	12,893,189	13,464,797	13,998,697	2,363,637	2,473,815	2,658,871	2,798,625	2,923,692
Undivided profits	4,789,690	5,113,403	5,113,007	5,437,575	6,166,477	698,915	828,115	759,920	822,112	821,662
Reserves	566,883	594,989	693,075	802,201	879,672	280,745	269,154	311,378	333,916	391,631
MEMORANDA										
Capital stock, notes, and debentures:										
Par or face value—total	**6,937,652**	**7,450,833**	**8,738,836**	**10,200,361**	**10,648,322**	**150**	**533**	**674**	**2,759**	**3,112**
Common stock	6,882,362	7,282,980	7,886,432	8,507,770	8,856,837	...	...	...	...	...
Capital notes and debentures	20,496	130,014	810,657	1,652,701	1,729,902	150	533	674	2,759	3,112
Preferred stock	34,794	37,839	41,747	39,890	61,583	...	...	...	...	...
Number of banks	13,126	13,291	13,493	13,547	13,541	331	330	327	329	332

[1] Not available.
[2] Excludes as of December 31, 1965, and December 31, 1966, corporate stocks, other than Federal Reserve bank stock, of national banks; reported with "Other assets."
[3] Prior to December 31, 1965, "Federal funds sold (loaned)" not reported separately; most were included with loans to banks.
[4] Included with "Securities of Federal agencies and corporations (not guaranteed by U.S.)."
[5] Net of mortgages and other liens; previously included with "Other liabilities."

Back figures, 1934–1961: See the Annual Report for 1962, pp. 130–133, and earlier reports.

Table 107. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1966

BANKS GROUPED BY CLASS OF BANK

(Amounts in thousands of dollars)

Asset or liability item	Total	Members F. R. System		Not members F. R. System
		National	State	
Total assets	**402,946,336**	**236,601,473**	**99,491,899**	**66,852,964**
Cash and due from banks	68,651,850	41,720,766	19,048,608	7,882,476
Obligations of the U.S. Government	55,903,996	30,354,996	11,560,208	13,988,792
Obligations of States and subdivisions	40,831,664	23,778,053	10,019,825	7,033,786
Other securities[1]	7,550,163	3,935,051	1,224,982	2,390,130
Loans and discounts, net total	218,455,698	129,648,241	54,560,488	34,246,969
Real estate	54,099,590	30,535,304	12,042,963	11,521,323
To banks and other financial institutions	15,319,410	9,111,732	5,299,360	908,318
Federal funds sold (loaned)	2,460,941	1,728,570	390,595	341,776
To purchase or carry securities	8,792,664	4,624,675	3,426,505	741,484
To farmers	8,549,399	4,284,392	1,040,100	3,224,907
Commercial and industrial	80,408,482	50,554,796	22,146,077	7,707,609
Consumer instalment	34,290,298	19,832,740	6,618,693	7,838,865
Single payment to individuals	13,701,770	8,218,948	3,318,273	2,164,549
Other loans	5,170,077	3,368,273	1,424,775	377,029
Less: Valuation reserves	4,336,933	2,611,189	1,146,853	578,891
Other assets	11,552,965	7,164,366	3,077,788	1,310,811
Total liabilities and capital accounts	**402,946,336**	**236,601,473**	**99,491,899**	**66,852,964**
Deposits—total	352,840,159	207,048,778	85,547,346	60,244,035
Individuals, partnerships, and corporations—demand	144,323,672	84,253,857	35,476,211	24,593,604
Individuals, partnerships, and corporations—savings and time	142,261,089	83,269,791	31,445,436	27,545,862
U.S. Government	5,247,763	3,226,427	1,432,928	588,408
States and subdivisions	28,520,619	16,882,516	5,550,718	6,087,385
Domestic interbank	18,355,321	12,004,359	5,621,393	729,569
Foreign government and bank	7,150,699	3,997,607	3,032,312	120,780
Other deposits	6,980,996	3,414,221	2,988,348	578,427
Federal funds purchased (borrowed)	2,824,088	1,870,810	910,603	42,675
Other liabilities for borrowed money	1,904,513	1,248,983	587,663	67,867
Other liabilities	13,684,408	7,973,994	4,638,844	1,071,570
Capital stock, notes, and debentures	10,648,322	6,299,933	2,586,745	1,761,644
Other capital accounts	21,044,846	12,158,975	5,220,698	3,665,173
Number of banks	13,541	4,799	1,350	7,392

[1] Excludes corporate stocks, other than Federal Reserve bank stock, of national banks; reported with "Other assets."

Table 108. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1966 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1966

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

Asset or liability item	All banks[1]	Banks with deposits of—								
		Less than $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 $25,000,000	$25,000,000 to $50,000,000	$50,000,000 to $100,000,000	$100,000,000 to $500,000,000	$500,000,000 or more
Total assets	**401,915,698**	**379,498**	**2,793,544**	**15,698,289**	**25,564,009**	**41,793,236**	**28,554,472**	**26,784,260**	**73,182,628**	**187,165,762**
Cash and due from banks	68,548,275	68,785	410,619	2,132,933	3,370,870	5,362,767	3,801,041	3,778,964	12,596,795	37,025,501
Obligations of the U.S. Government	55,822,655	116,167	835,551	4,125,821	5,725,468	8,220,504	5,107,810	4,404,310	9,802,691	17,484,333
Obligations of States and subdivisions	40,825,591	10,288	101,991	1,103,229	2,647,963	4,860,430	3,473,138	3,174,107	8,131,251	17,323,194
Other securities[2]	7,524,395	21,989	172,359	756,792	1,002,789	1,314,112	701,294	617,574	979,402	1,958,084
Loans and discounts, net--total	217,772,407	158,924	1,241,931	7,341,511	12,373,831	21,215,305	14,868,412	14,216,689	39,976,678	106,379,126
Real estate	53,872,353	35,115	314,707	2,283,814	4,169,587	7,250,111	4,987,548	4,561,456	10,834,257	19,435,758
To banks and other financial institutions	15,283,840	1,875	13,695	70,216	157,142	346,914	463,614	579,554	2,551,790	11,099,040
Federal funds sold (loaned)	2,456,665	....	2,475	44,581	135,918	355,680	306,709	246,623	603,630	761,049
To purchase or carry securities	8,780,447	876	8,859	75,646	172,791	332,631	280,573	404,529	1,517,821	5,986,721
To farmers	8,537,326	67,283	463,223	1,870,583	1,932,420	1,526,588	444,926	292,232	689,288	1,250,783
Commercial and industrial	80,181,403	16,676	146,444	1,111,990	2,280,126	4,768,185	3,764,858	4,161,515	12,746,246	51,185,363
Consumer instalment	34,181,124	26,923	217,231	1,438,688	2,731,304	5,195,907	3,549,165	3,000,421	7,543,096	10,478,389
Single payment to individuals	13,683,773	9,126	72,533	455,067	839,315	1,543,753	1,158,415	1,020,576	3,298,134	5,286,854
Other loans	5,131,596	2,102	14,883	84,656	144,995	265,551	196,623	239,724	1,011,293	3,171,769
Less: Valuation reserves	4,336,120	1,052	12,119	93,730	189,767	370,015	284,019	289,941	818,877	2,276,600
Other assets	11,422,375	3,345	31,093	238,003	443,088	820,118	602,777	592,616	1,695,811	6,995,524
Total liabilities and capital accounts	**401,915,698**	**379,498**	**2,793,544**	**15,698,289**	**25,564,009**	**41,793,236**	**28,554,472**	**26,784,260**	**73,182,628**	**187,165,762**
Deposits--total	351,904,803	329,796	2,470,658	14,065,384	23,100,435	37,826,754	25,752,730	24,124,493	65,294,262	158,940,291
Demand deposits	*191,357,907*	*226,416*	*1,470,610*	*7,496,123*	*11,685,112*	*18,459,188*	*12,826,162*	*12,060,612*	*36,277,772*	*90,855,912*
Time and savings deposits	*160,546,896*	*103,380*	*1,000,048*	*6,569,261*	*11,415,323*	*19,367,566*	*12,926,568*	*12,063,881*	*29,016,490*	*68,084,379*
Individuals, partnerships, and corporations—demand	144,033,719	194,432	1,244,389	6,208,017	9,631,089	15,162,083	10,452,431	9,526,783	27,300,887	64,313,608
Individuals, partnerships, and corporations—time and savings	141,787,187	93,444	918,838	6,110,611	10,639,929	18,025,669	11,959,275	11,004,785	26,308,860	56,725,776
U.S. Government	5,226,711	1,513	11,750	97,151	217,020	422,380	302,113	271,743	979,611	2,923,430
States and subdivisions	28,438,900	37,706	274,770	1,491,359	2,311,036	3,483,365	2,242,015	2,225,812	5,679,471	10,693,366
Domestic interbank	18,342,205	1,245	8,282	61,059	118,157	361,758	487,965	772,908	4,211,124	12,319,707
Foreign government and bank	7,110,075	....	....	665	874	11,873	44,093	71,450	105,853	6,875,267
Other deposits	6,966,006	1,456	12,629	96,522	182,330	359,626	264,838	251,012	708,456	5,089,137
Federal funds purchased (borrowed)	2,823,688	....	25	4,050	8,855	17,725	23,920	47,755	331,055	2,390,303
Other liabilities for borrowed money	1,904,371	100	2,262	17,061	20,934	27,997	20,372	11,100	138,901	1,665,644
Other liablities	13,657,567	1,634	13,994	121,201	275,985	671,093	619,384	623,254	1,829,028	9,501,994
Capital stock, notes, and debentures	10,613,734	13,980	81,619	422,829	631,071	989,152	699,655	664,746	1,857,402	5,253,280
Other capital accounts	21,011,535	33,988	224,986	1,067,764	1,526,729	2,260,515	1,438,411	1,312,912	3,731,980	9,414,250
Number of banks	13,440	433	1,624	4,154	3,265	2,447	751	351	320	95

[1] This group of banks is the same as the group shown in Table 114 under the heading "Operating throughout the year."

[2] Excludes corporate stocks, other than Federal Reserve Bank stock, of national banks; reported with "Other assets."

Note: For income and expense data by size of bank, see Tables 115 and 116, pp. 164-167.

Back figures, 1941-1965: See the Annual Report for 1965, p. 145, and earlier reports.

Table 109. AVERAGE ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1966[1]

(Amounts in thousands of dollars)

State	Assets[1]					Total	Liabilities and capital accounts[1]				
							Deposits				
	Cash and due from banks	U.S. Government obligations	Other securities[2]	Loans and discounts	All other assets		Total	Demand	Time and savings	Borrowings and other liabilities	Total capital accounts
Total United States	**62,867,398**	**56,088,649**	**47,054,812**	**210,240,170**	**10,862,634**	**387,113,663**	**340,336,714**	**185,336,407**	**155,000,307**	**15,926,263**	**30,850,686**
50 States and D. C.	**62,770,759**	**55,988,573**	**46,977,713**	**209,646,560**	**10,836,807**	**386,220,412**	**339,561,516**	**184,999,542**	**154,561,974**	**15,891,719**	**30,767,177**
Other areas	**96,639**	**100,076**	**77,099**	**593,610**	**25,827**	**893,251**	**775,198**	**336,865**	**438,333**	**34,544**	**83,509**
State											
Alabama	635,364	741,475	529,869	1,772,266	66,756	3,745,730	3,374,217	2,065,341	1,308,876	63,113	308,400
Alaska	46,943	62,528	45,706	196,585	13,381	365,143	336,889	174,059	162,830	6,464	21,790
Arizona	302,425	247,110	266,105	1,515,219	95,560	2,426,419	2,170,886	1,041,780	1,129,106	64,401	191,132
Arkansas	440,013	360,560	341,833	1,119,130	39,368	2,300,904	2,092,143	1,313,416	778,727	22,252	186,509
California	5,763,905	4,483,473	4,644,000	24,822,344	1,554,384	41,268,106	36,353,680	15,337,069	21,016,611	1,941,911	2,972,515
Colorado	558,177	491,089	290,395	1,819,384	92,578	3,251,623	2,924,649	1,605,931	1,318,718	64,732	262,242
Connecticut	621,229	436,699	531,531	2,329,779	101,323	4,020,561	3,532,072	2,170,004	1,362,068	145,484	343,005
Delaware	184,355	174,662	163,380	553,234	21,764	1,097,395	966,366	665,767	300,599	28,726	102,303
District of Columbia	447,452	534,344	132,054	1,394,318	46,209	2,554,377	2,303,595	1,447,040	856,555	56,540	194,242
Florida	1,559,874	1,818,712	1,147,217	4,007,210	257,929	8,790,942	7,893,279	4,575,882	3,317,397	210,756	686,907
Georgia	989,316	785,828	583,726	2,978,404	148,194	5,485,468	4,830,600	2,982,839	1,847,761	184,574	470,294
Hawaii	145,484	142,080	128,749	684,123	63,714	1,164,150	1,013,725	518,391	495,334	33,798	116,627
Idaho	132,960	157,276	98,773	585,149	24,345	998,503	907,848	506,447	401,401	17,260	73,395
Illinois	4,271,244	5,326,431	3,779,709	15,146,622	689,233	29,213,239	25,890,592	13,762,695	12,127,897	1,136,870	2,185,777
Indiana	1,262,378	1,888,824	842,935	3,964,416	137,288	8,095,841	7,224,989	4,030,299	3,194,690	277,454	593,398
Iowa	763,112	1,069,636	617,618	2,498,531	62,949	5,011,846	4,540,034	2,580,504	1,959,530	45,379	426,433
Kansas	594,516	830,328	536,281	1,832,613	49,805	3,843,543	3,455,414	2,160,022	1,295,392	38,878	349,251
Kentucky	714,848	804,033	402,398	1,857,752	59,416	3,838,447	3,463,858	2,232,457	1,231,401	43,727	330,862
Louisiana	973,398	989,961	604,803	2,334,156	88,028	4,990,346	4,502,230	2,942,484	1,559,746	90,420	397,696
Maine	121,780	138,695	134,008	569,444	23,598	987,525	865,840	437,470	428,370	34,252	87,433
Maryland	628,546	617,366	421,546	2,267,198	80,957	4,015,613	3,591,247	2,143,060	1,448,187	101,652	322,714
Massachusetts	1,574,900	983,724	832,688	5,003,221	255,116	8,649,649	7,377,286	5,228,709	2,148,577	508,292	764,071
Michigan	2,082,201	2,743,823	2,122,675	8,894,109	331,331	16,174,139	14,733,182	6,024,793	8,708,389	370,945	1,070,012
Minnesota	1,070,967	1,261,707	930,006	3,519,398	129,301	6,911,379	6,202,194	3,132,161	3,070,033	171,926	537,259
Mississippi	384,376	398,750	375,263	1,135,715	52,285	2,346,389	2,119,293	1,359,566	759,727	43,613	183,483

Missouri	1,677,733	1,678,263	1,267,127	4,767,786	165,447	9,556,356	8,516,311	5,243,468	3,272,843	233,270	806,775
Montana	179,928	253,441	146,949	648,375	28,021	1,256,714	1,138,426	603,273	535,153	21,469	91,436
Nebraska	460,900	459,038	280,406	1,374,261	44,608	2,619,213	2,333,802	1,550,091	783,711	47,333	238,078
Nevada	94,957	140,874	100,054	435,243	30,242	801,370	720,484	359,305	361,179	14,074	66,812
New Hampshire	90,683	90,633	58,094	444,412	12,017	695,839	605,236	326,741	278,495	25,884	64,719
New Jersey	1,432,484	1,649,486	1,903,264	6,367,179	224,337	11,576,750	10,335,170	5,098,100	5,237,070	364,984	876,596
New Mexico	159,245	198,832	115,170	569,583	25,752	1,068,582	964,568	571,723	392,845	21,469	82,545
New York	15,162,977	7,153,677	8,900,393	44,415,953	3,338,492	78,971,492	65,993,519	39,420,888	26,572,631	6,501,020	6,476,953
North Carolina	864,752	606,082	755,159	2,886,228	135,920	5,248,141	4,603,129	2,688,546	1,914,583	215,445	429,567
North Dakota	113,047	247,296	181,944	506,112	23,155	1,071,554	971,701	487,489	484,212	16,906	82,947
Ohio	2,604,020	3,112,443	2,356,818	9,637,393	307,923	18,018,597	16,133,224	7,821,650	8,311,574	426,876	1,458,497
Oklahoma	864,825	775,301	502,177	2,115,710	78,594	4,336,607	3,851,657	2,487,464	1,364,193	95,155	389,795
Oregon	463,513	501,926	391,054	1,827,535	115,737	3,299,765	2,981,789	1,328,124	1,653,665	87,331	230,645
Pennsylvania	3,364,242	3,293,246	3,096,162	13,216,602	537,014	23,507,266	20,630,391	10,275,147	10,355,244	796,916	2,079,959
Rhode Island	146,227	126,159	244,384	863,690	24,518	1,404,978	1,233,726	557,599	676,127	58,921	112,331
South Carolina	316,020	271,607	223,870	862,312	39,416	1,713,225	1,508,992	1,143,959	365,033	55,232	149,001
South Dakota	145,259	295,567	129,072	591,968	23,006	1,184,872	1,077,323	564,907	512,416	13,946	93,603
Tennessee	1,054,942	893,245	707,969	2,999,835	119,300	5,775,291	5,167,791	2,935,562	2,232,229	158,403	449,097
Texas	4,073,287	2,776,470	2,482,985	10,238,208	584,224	20,155,174	17,987,300	11,060,691	6,926,609	525,019	1,642,855
Utah	251,235	182,552	211,291	900,144	35,082	1,580,304	1,425,148	662,537	762,611	36,738	118,418
Vermont	57,567	95,516	72,621	408,652	10,952	645,308	584,293	200,913	383,380	11,084	49,931
Virginia	793,066	850,320	673,635	3,336,370	119,651	5,773,042	5,155,443	2,552,198	2,603,245	149,787	467,812
Washington	737,337	602,121	495,889	2,462,448	127,923	4,425,718	3,972,216	2,162,173	1,810,043	122,577	330,925
West Virginia	298,452	560,873	254,684	946,423	43,056	2,103,488	1,857,799	1,031,281	826,518	42,878	202,811
Wisconsin	990,618	1,547,435	872,219	3,706,743	142,434	7,259,449	6,587,181	3,137,933	3,449,248	129,129	543,139
Wyoming	103,680	137,056	51,055	317,075	15,174	624,040	558,789	289,594	269,195	11,071	54,180
Other area											
Puerto Rico	93,285	91,662	74,420	571,956	25,133	856,456	742,182	326,759	415,423	33,148	81,126
Virgin Islands	3,354	8,414	2,679	21,654	694	36,795	33,016	10,106	22,910	1,396	2,383

[1] Asset and liability items are averages of the amounts reported for the following call dates: December 31, 1965; June 30, 1966; and December 31, 1966.
[2] Excludes as of December 31, 1966, corporate stocks, other than Federal Reserve bank stock, of national banks; reported with "All other assets".

Note: For income data by State, see Table 117, pp. 168-177.

Back figures, 1946-1965: See the Annual Report for 1965, pp. 146-147, and earlier reports.

Table 110. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1966

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS

Ratios	All banks	Number of banks with deposits of—								
		Less than $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 $25,000,000	$25,000,000 to $50,000,000	$50,000,000 to $100,000,000	$100,000,000 to $500,000,000	$500,000,000 or more
Ratios of obligations of States and subdivisions to total assets of—										
Zero	1,442	182	415	562	201	66	9	6	1	....
More than zero but less than 1 percent	829	66	269	370	77	35	6	4	1	1
1 to 4.99 percent	2,586	131	575	1,115	422	242	57	25	13	6
5 to 9.99 percent	3,482	51	242	1,035	974	708	210	88	129	45
10 to 14.99 percent	2,929	18	96	638	935	728	242	141	103	28
15 to 19.99 percent	1,517	9	33	298	417	461	165	64	57	13
20 percent or more	756	2	33	161	248	207	63	24	16	2
Ratios of U. S. Government obligations to total assets of—										
Less than 10 percent	1,228	33	76	301	265	266	97	58	84	48
10 to 19.99 percent	4,511	94	318	1,017	1,143	1,093	401	204	196	45
20 to 29.99 percent	4,200	118	488	1,315	1,181	783	205	74	34	2
30 to 39.99 percent	2,307	95	421	983	510	236	42	14	6	....
40 to 49.99 percent	893	70	228	406	129	54	5	1	....	....
50 to 59.99 percent	301	29	97	123	39	10	2	1	....	....
60 percent or more	101	20	35	34	7	5	....	....	....	....
Ratios of loans to total assets of—										
Less than 10 percent	27	10	9	5	1	2	....	....	....	....
10 to 19.99 percent	188	27	47	69	30	9	3	3	....	....
20 to 29.99 percent	755	60	180	304	150	52	4	4	1	....
30 to 39.99 percent	2,140	120	341	816	506	275	51	18	12	1
40 to 49.99 percent	4,276	106	514	1,314	1,120	825	236	89	63	9
50 to 59.99 percent	4,265	98	415	1,120	1,029	863	323	164	184	69
60 percent or more	1,890	38	157	551	438	421	135	74	60	16
Ratios of cash and due from banks to total assets of—										
Less than 10 percent	3,642	75	403	1,199	918	711	194	99	38	5
10 to 14.99 percent	5,373	110	599	1,605	1,399	1,075	332	125	114	14
15 to 19.99 percent	2,747	106	349	839	637	469	149	83	83	32
20 to 24.99 percent	1,154	77	178	358	218	147	67	32	52	25
25 to 29.99 percent	401	41	83	121	69	29	9	11	21	17
30 to 34.99 percent	124	20	29	32	25	11	1	1	3	2
35 percent or more	100	30	22	25	8	5	....	1	9	....

Ratios of total demand deposits to total deposits of—										
Less than 20 percent	84	5	4	22	28	19	5	......	1	......
20 to 29.99 percent	623	7	42	195	181	140	34	15	6	3
30 to 39.99 percent	2,098	17	173	612	584	461	139	68	39	5
40 to 49.99 percent	3,391	46	301	1,019	852	746	224	107	79	17
50 to 59.99 percent	3,315	73	381	1,068	816	589	192	96	79	21
60 to 69.99 percent	2,199	85	316	651	518	373	106	40	73	37
70 to 79.99 percent	950	83	202	304	175	88	36	22	28	12
80 percent or more	881	143	244	308	120	31	16	4	15	......
Ratios of total capital accounts to total assets other than cash and due from banks, U. S. Government obligations, C.C.C. loans, and F.H.A. and V.A. real estate loans of—										
Less than 10 percent	1,999	3	37	265	486	708	260	128	96	16
10 to 14.99 percent	6,208	49	370	1,637	1,903	1,359	425	198	194	73
15 to 19.99 percent	2,912	98	482	1,304	625	299	55	17	26	6
20 to 24.99 percent	1,221	89	333	560	167	54	10	6	2	......
25 to 29.99 percent	509	53	179	212	50	10	1	2	2	......
30 to 34.99 percent	267	46	99	88	21	11	1	1	......	......
35 to 39.99 percent	153	35	58	47	11	2	......	......	......	......
40 percent or more	272	86	105	66	11	4	......	......	......	......
Ratios of total capital accounts to total assets of—										
Less than 4 percent	35	......	1	3	5	12	7	6	1	......
4 to 5.99 percent	980	1	18	121	264	337	144	50	40	5
6 to 7.99 percent	4,754	24	270	1,147	1,377	1,168	353	196	171	48
8 to 9.99 percent	4,165	94	464	1,488	1,047	675	193	81	86	37
10 to 11.99 percent	1,969	109	385	818	402	180	40	13	17	5
12 to 14.99 percent	1,033	111	315	411	120	54	13	4	5	......
15 percent or more	605	120	210	191	59	21	2	2	......	......
Number of banks	13,541	459	1,663	4,179	3,274	2,447	752	352	320	95

Back figures, 1958-1965: See the Annual Report for 1965, pp. 148-149, and earlier reports.

INCOME OF INSURED BANKS

The income data received and published by the Corporation relate to commercial and mutual savings banks insured by the Corporation.

Commercial banks

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

Income data are included for all insured banks operating at the end of the respective years, unless indicated otherwise. In addition, appropriate adjustments have been made for banks in operation during part of the year but not at the end of the year. Data for 5 insured branches in Guam of 2 insured banks in California and Hawaii, for 7 insured branches in New York of 2 insured banks in Puerto Rico, for 16 insured branches in Puerto Rico and for 7 insured branches in the Virgin Islands of insured banks in New York are not available.

The uniform Report of Income and Dividends (formerly called Report of Earnings and Dividends) was revised extensively in 1961. New items were added, combining components previously included in other items; and some items were subsumed into new categories. Thus certain items, even carrying the same designation (e.g. other current operating expenses), are not comparable with data reported for prior years.

The revised form breaks out the following items not previously available separately: (1) benefits to officers and other employees; (2) net occupancy expense of bank premises, with a supporting schedule; (3) furniture and equipment expense (including costs related to the purchase or rental of automated data processing systems); and (4) losses on securities sold.

Two expense items previously reported separately have been combined with other items: (1) taxes other than on net income; and (2) recurring depreciation on banking house, furniture and fixtures. Taxes on bank premises, social security taxes paid in behalf of building employees, and recurring depreciation on banking house are now included under occupancy expense of bank premises. Other social security taxes are included with officer and employee benefits. Recurring depreciation on furniture and fixtures is now included with furniture and equipment expense.

Revenue and expenses incident to "Federal funds" transactions have been classified as "Interest and discount on loans" and "Interest and discount on borrowed money," respectively.

In addition to other minor changes in classification, new designations have been given to certain items. For example, the term "net income" is the new equivalent of the former term "net profits." A further change entailed the division of officers and other employees into two groups: those engaged in banking operations, and those concerned with building operations.

Mutual savings banks

The present report of income and dividends for mutual savings banks was first used by the Corporation for the calendar year 1951. For a discussion of the history and principles of this report see pp. 50-52 in Part Two of the 1951 Annual Report.

Sources of data

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

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

Other insured banks: Federal Deposit Insurance Corporation.

Table 111. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1958-1966

(Amounts in thousands of dollars)

Income item	1958	1959	1960	1961	1962	1963	1964	1965	1966
Current operating revenue—total	**8,500,949**	**9,669,352**	**10,723,545**	**11,069,604**	**12,218,959**	**13,509,713**	**15,024,487**	**16,817,187**	**19,508,414**
Interest on U. S. Government obligations	1,544,023	1,732,174	1,790,341	1,901,732	2,093,207	2,176,454	2,240,389	2,224,711	2,317,794
Interest and dividends on other securities	501,978	546,253	578,783	629,134	759,030	921,060	1,085,334	1,285,287	1,531,517
Interest and discount on loans	5,046,782	5,856,688	6,698,655	6,891,442	7,578,200	8,516,837	9,612,079	10,999,867	13,042,757
Service charges and fees on loans	94,674	111,991	108,655	117,259	139,645	155,478	173,159	204,996	243,643
Service charges on deposit accounts	486,507	531,916	589,954	630,458	681,243	728,857	781,405	842,775	915,049
Other charges, commissions, fees, etc.	191,408	205,935	218,566	223,283	237,446	248,362	280,289	304,276	354,036
Trust department	379,395	426,016	460,251	502,871	543,916	573,252	629,694	689,628	756,130
Other current operating revenue	256,183	258,381	278,340	[1]173,425	[1]186,272	[1]189,413	[1]222,138	[1]265,647	[1]347,488
Current operating expenses—total	**5,612,723**	**6,264,207**	**6,932,820**	**7,440,492**	**8,589,177**	**9,714,980**	**10,897,460**	**12,486,120**	**14,561,852**
Salaries—officers	827,142	892,657	966,643	[2]1,028,869	[2]1,098,146	[2]1,183,264	[2]1,284,140	[2]1,392,765	[2]1,526,300
Salaries and wages—other employees	1,573,330	1,684,159	1,831,323	[2]1,869,961	[2]1,975,406	[2]2,101,111	[2]2,234,922	[2]2,369,259	[2]2,569,442
Officer and employee benefits	([3])	([3])	([3])	377,494	419,098	457,033	490,732	525,692	598,768
Fees paid to directors and committees	48,271	51,866	56,292	59,794	63,236	67,469	72,176	77,093	83,791
Interest on time and savings deposits	1,380,575	1,580,250	1,785,086	2,106,645	2,845,283	3,464,308	4,088,061	5,070,781	6,259,472
Interest on borrowed money	24,161	78,350	87,385	37,997	64,325	106,517	127,277	189,519	301,768
Taxes other than on net income	221,571	252,763	285,801	([4])	([4])	([4])	([4])	([4])	([4])
Recurring depreciation on banking house, furniture and fixtures	168,371	191,424	212,493	([5])	([5])	([5])	([5])	([5])	([5])
Occupancy expense of bank premises—net	([6])	([6])	([6])	510,691	555,670	608,462	670,243	731,573	802,060
Furniture and equipment	([7])	([7])	([7])	224,852	267,885	311,518	362,301	411,889	458,695
Other current operating expenses	1,369,305	1,532,739	1,707,797	[8]1,224,189	[8]1,300,128	[8]1,415,298	[8]1,567,608	[8]1,717,549	[8]1,961,556
Net current operating earnings	**2,888,223**	**3,405,145**	**3,790,725**	**3,629,112**	**3,629,782**	**3,794,733**	**4,127,027**	**4,331,067**	**4,946,562**
Recoveries, transfers from valuation reserves, and profits—total	**868,115**	**328,889**	**574,826**	**708,171**	**467,061**	**468,450**	**322,104**	**390,368**	**341,711**
On securities:									
Profits on securities sold or redeemed	681,554	47,277	329,322	453,730	256,987	167,445	74,723	84,619	62,464
Recoveries	9,646	27,946	12,927	9,934	6,241	4,046	6,633	7,114	5,077
Transfers from valuation reserves	57,145	111,447	55,568	86,574	56,761	60,516	57,284	97,435	100,950
On loans:									
Recoveries	22,439	20,551	25,684	16,825	16,902	17,913	17,383	17,962	15,585
Transfers from valuation reserves	42,158	57,607	70,211	51,817	56,610	131,235	62,313	84,001	55,762
All other	55,176	64,062	81,114	89,291	73,560	87,295	103,768	99,237	101,873
Losses, charge-offs, and transfers to valuation reserves—total	**783,213**	**1,361,515**	**978,422**	**935,461**	**836,665**	**883,637**	**1,017,299**	**1,177,540**	**1,574,027**
On securities:									
Losses on securities sold	93,657	745,081	219,767	44,290	58,939	49,887	88,397	85,045	454,911
Charge-offs prior to sale				21,354	12,603	12,827	11,256	9,224	10,198
Transfers to valuation reserves	268,159	168,003	156,232	224,678	95,039	63,530	72,213	63,370	78,932
On loans:									
Losses and charge-offs	25,053	25,459	35,760	31,194	30,107	29,588	32,385	36,188	31,251
Transfers to valuation reserves	282,227	318,965	451,667	481,200	528,710	609,059	666,040	846,877	775,792
All other	114,117	104,006	114,996	132,745	111,267	118,746	147,008	136,836	222,943
Net income before related taxes	**2,973,128**	**2,372,519**	**3,387,129**	**3,401,822**	**3,260,178**	**3,379,546**	**3,431,832**	**3,543,895**	**3,714,246**

Taxes on net income—total	**1,271,459**	**884,458**	**1,384,397**	**1,406,102**	**1,256,382**	**1,226,783**	**1,148,203**	**1,029,162**	**1,029,906**
Federal	1,198,890	832,797	1,300,940	1,317,292	1,159,725	1,130,629	1,050,624	927,423	911,585
State	72,570	51,661	83,457	88,810	96,657	96,154	97,579	101,739	118,321
Net income after related taxes	**1,701,667**	**1,488,061**	**2,002,732**	**1,995,720**	**2,003,796**	**2,152,763**	**2,283,629**	**2,514,733**	**2,684,340**
Dividends and interest on capital—total	**725,866**	**776,386**	**831,546**	**895,053**	**941,189**	**993,374**	**1,088,310**	**1,202,349**	**1,307,387**
Cash dividends declared on common stock	723,500	774,167	829,522	893,230	939,426	990,039	1,062,561	1,146,186	1,240,048
Dividends declared on preferred stock and interest on capital notes and debentures	2,366	2,219	2,024	1,823	1,763	3,335	25,749	56,163	67,339
Net additions to capital from income	**975,802**	**711,675**	**1,171,186**	**1,100,667**	**1,062,607**	**1,159,389**	**1,195,319**	**1,312,384**	**1,376,953**
Memoranda									
Recoveries credited to valuation reserves (not included in recoveries above):									
On securites	10,410	5,585	18,294	9,911	4,714	6,216	4,515	4,158	3,300
On loans	69,073	73,790	68,232	73,844	84,863	96,897	157,791	124,062	143,859
Losses charged to valuation reserves (not included in losses above):									
On securities	19,741	207,061	47,716	22,463	16,305	17,314	43,683	25,761	60,282
On loans	127,515	122,315	264,405	249,500	238,825	323,475	394,181	429,490	545,647
Average assets and liabilities[9]									
Assets—total	**228,359,687**	**237,577,389**	**246,776,722**	**254,198,199**	**274,220,778**	**298,940,778**	**325,490,626**	**357,214,409**	**387,113,663**
Cash and due from banks	46,766,041	46,881,654	49,317,003	46,613,211	49,438,670	50,997,566	54,449,343	59,013,596	62,867,398
United States Government obligations	62,355,819	61,878,548	57,773,429	61,792,135	64,519,914	64,058,431	61,439,390	59,419,551	56,088,649
Other securities	19,237,561	20,284,525	20,092,632	21,660,321	25,761,084	31,421,875	36,360,062	41,540,772	47,054,812
Loans and discounts	95,666,835	103,872,351	114,275,450	117,969,985	127,789,110	145,028,233	164,816,703	187,661,591	210,240,170
All other assets	4,333,431	4,660,311	5,318,208	6,162,547	6,712,000	7,434,673	8,425,128	9,578,899	10,862,634
Liabilities and capital—total	**228,359,687**	**237,577,389**	**246,776,722**	**254,198,199**	**274,220,778**	**298,940,778**	**325,490,626**	**357,214,409**	**387,113,663**
Total deposits	206,196,015	213,428,979	220,099,028	225,214,703	243,319,550	264,069,489	287,988,560	315,643,533	340,336,714
Demand deposits	*143,813,475*	*146,599,745*	*150,451,481*	*147,556,175*	*153,849,494*	*159,561,973*	*168,382,122*	*178,089,360*	*185,336,407*
Time and savings deposits	*62,382,540*	*66,829,234*	*69,647,547*	*77,658,528*	*89,470,056*	*104,507,516*	*119,606,438*	*137,554,173*	*155,000,307*
Borrowings and other liabilities	4,440,097	5,410,250	6,712,522	7,694,509	8,197,420	10,587,389	11,110,692	12,750,015	15,926,263
Total capital accounts	17,723,575	18,738,160	19,965,172	21,288,987	22,703,808	24,283,900	26,391,374	28,820,861	30,850,686
Number of employees (including building employees), December 31:									
Active officers	95,308	98,934	103,211	107,279	112,458	117,147	124,351	130,486	138,206
Other employees	457,023	481,666	506,596	526,101	543,695	531,820	578,307	601,677	639,155
Number of banks, December 31	13,124	13,114	13,126	13,115	13,124	13,291	13,493	13,547	13,541

[1] Excludes rentals from bank premises; included with "Occupancy expense of bank premises—net."
[2] Excludes compensation of building officers and other employees; included with "Occupancy expense of bank premises—net."
[3] Included with "Other current operating expenses", except Social Security taxes paid on bank's account which were included with "Taxes other than on net income."
[4] Included with "Officer and employee benefits", "Occupancy expense of bank premises—net", and "Other current operating expenses."
[5] Included with "Occupancy expense of bank premises—net", and "Furniture and equipment."
[6] Included with "Taxes other than on net income", "Recurring depreciation on banking house, furniture and fixtures", and "Other current operating expenses."
[7] Included with "Recurring depreciation on banking house, furniture and fixtures", and "Other current operating expenses."
[8] Not comparable with amounts reported for previous years; see footnotes 3, 4, 6, and 7.
[9] For 1958 through 1960 and for 1964 through 1966, averages of amounts reported at beginning, middle, and end of year. For 1961 and 1962, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year. For 1963, averages of amounts reported at 1962 year-end, 1963 spring, mid-year, and year-end calls.

Note: Due to rounding differences, data for 1958–1959 may not add to totals.

Back figures, 1934–1957: See the following Annual Reports: 1957, pp. 118–119; 1950, pp. 250–251; and 1941, pp. 158–159.

Table 112. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1958-1966

Income item	1958	1959	1960	1961	1962	1963	1964	1965	1966
Amounts per $100 of current operating revenue									
Current operating revenue—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Interest on U. S. Government obligations	18.16	17.91	16.69	17.18	17.13	16.11	14.91	13.23	11.88
Interest and dividends on other securities	5.91	5.65	5.40	5.68	6.21	6.82	7.22	7.64	7.85
Income on loans	60.48	61.73	63.48	63.31	63.16	64.19	65.13	66.63	68.11
Service charges on deposit accounts	5.72	5.50	5.50	5.70	5.58	5.39	5.20	5.01	4.69
Other charges, commissions, fees, etc.	2.25	2.13	2.04	2.02	1.94	1.84	1.87	1.81	1.81
Other current operating revenue	7.48	7.08	6.89	[1]6.11	[1]5.98	[1]5.65	[1]5.67	[1]5.68	[1]5.66
Current operating expenses—total	**66.02**	**64.78**	**64.65**	**67.22**	**70.29**	**71.91**	**72.53**	**74.25**	**74.64**
Salaries, wages, and fees	28.80	27.19	26.62	[2]26.73	[2]25.67	[2]24.81	[2]23.90	[2]22.83	[2]20.99
Officer and employee benefits	(3)	(3)	(3)	3.41	3.43	3.38	3.27	3.13	3.07
Interest on time and savings deposits	16.24	16.34	16.65	19.03	23.28	25.64	27.21	30.15	32.09
Taxes other than on net income	2.61	2.61	2.66	(4)	(4)	(4)	(4)	(4)	(4)
Recurring depreciation on banking house, furniture and fixtures	1.98	1.98	1.98	(5)	(5)	(5)	(5)	(5)	(5)
Occupancy expense of bank premises—net	(6)	(6)	(6)	4.61	4.55	4.50	4.46	4.35	4.11
Furniture and equipment	(7)	(7)	(7)	2.03	2.19	2.31	2.41	2.45	2.35
Other current operating expenses	16.39	16.66	16.74	[8]11.41	[8]11.17	[8]11.27	[8]11.28	[8]11.34	[8]12.03
Net current operating earnings	**33.98**	**35.22**	**35.35**	**32.78**	**29.71**	**28.09**	**27.47**	**25.75**	**25.36**
Amounts per $100 of total assets[9]									
Current operating revenue—total	3.72	4.07	4.35	4.35	4.45	4.52	4.62	4.71	5.04
Current operating expenses—total	2.46	2.64	2.81	2.92	3.13	3.25	3.35	3.50	3.76
Net current operating earnings	1.26	1.43	1.54	1.43	1.32	1.27	1.27	1.21	1.28
Recoveries, transfers from valuation reserves, and profits—total	.38	.14	.23	.28	.17	.16	.10	.11	.09
Losses, charge-offs, and transfers to valuation reserves—total	.34	.57	.40	.37	.30	.30	.32	.33	.41
Net income before related taxes	1.30	1.00	1.37	1.34	1.19	1.13	1.05	.99	.96
Net income after related taxes	.75	.63	.81	.79	.73	.72	.70	.70	.69
Amounts per $100 of total capital accounts[9]									
Net current operating earnings	16.30	18.17	18.99	17.05	15.99	15.63	15.64	15.03	16.03
Recoveries, transfers from valuation reserves, and profits—total	4.89	1.76	2.88	3.32	2.06	1.93	1.22	1.35	1.11
Losses, charge-offs, and transfers to valuation reserves—total	4.42	7.27	4.90	4.39	3.69	3.64	3.86	4.08	5.10
Net income before related taxes	16.77	12.66	16.97	15.98	14.36	13.92	13.00	12.30	12.04
Taxes on net income	7.17	4.72	6.94	6.61	5.53	5.06	4.35	3.57	3.34
Net income after related taxes	9.60	7.94	10.03	9.37	8.83	8.86	8.65	8.73	8.70
Cash dividends declared	4.09	4.14	4.16	4.20	4.15	4.09	4.12	4.17	4.24
Net additions to capital from income	5.51	3.80	5.87	5.17	4.68	4.77	4.53	4.56	4.46
Special ratios[9]									
Income on loans per $100 of loans	5.37	5.75	5.96	5.94	6.04	5.98	5.94	5.97	6.32
Income on U. S. Government obligations per $100 of U. S. Government obligations	2.48	2.80	3.10	3.08	3.24	3.40	3.65	3.74	4.13
Income on other securities per $100 of other securities	2.61	2.69	2.88	2.90	2.95	2.93	2.98	3.09	3.25
Service charges per $100 of demand deposits	.34	.36	.39	.43	.44	.46	.46	.47	.49
Interest paid per $100 of time and savings deposits	2.21	2.36	2.56	2.71	3.18	3.31	3.42	3.69	4.04
Number of banks, December 31	13,124	13,114	13,126	13,115	13,124	13,291	13,493	13,547	13,541

Note: For footnotes 1 through 9, see Table 111, p. 159.

Back figures, 1934-1957: See the following Annual Reports: 1957, pp. 120-121; 1950, pp. 252-253; and 1941, pp. 160-161.

Table. 113. SOURCES AND DISPOSITION OF TOTAL INCOME, INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1958-1966

(Amounts in millions of dollars)

Income item	1958	1959	1960	1961	1962	1963	1964	1965	1966
Amount									
Total income	**9,369**	**9,998**	**11,298**	**11,778**	**12,686**	**13,978**	**15,347**	**17,208**	**19,850**
Sources									
Loans	5,141	5,969	6,807	7,009	7,718	8,672	9,785	11,205	13,286
U.S. Government obligations	1,544	1,732	1,791	1,902	2,093	2,176	2,240	2,225	2,318
Other securities	502	546	579	629	759	921	1,086	1,285	1,532
Service charges on deposits	487	532	590	630	681	729	781	843	915
Other current income	[1]827	[1]890	[1]957	900	968	1,011	1,132	1,260	1,457
Recoveries, etc	868	329	575	708	467	468	322	390	342
Disposition									
Salaries and wages[2]	2,449	2,629	2,854	3,336	3,556	3,808	4,082	4,365	4,778
Interest on deposits	1,381	1,580	1,785	2,107	2,845	3,464	4,088	5,071	6,259
Other current expenses	[3]1,783	[3]2,055	[3]2,293	1,998	2,188	2,442	2,728	3,051	3,524
Charge-offs, etc	783	1,362	979	935	837	884	1,017	1,178	1,574
Income taxes	1,271	884	1,384	1,406	1,256	1,227	1,148	1,029	1,030
Dividends and interest on capital	726	776	832	895	941	993	1,088	1,202	1,307
Additions to capital accounts	976	712	1,171	1,101	1,063	1,159	1,195	1,312	1,377
Percentage distribution									
Total income	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Sources									
Loans	54.9	59.7	60.2	59.5	60.8	62.0	63.8	65.1	66.9
U.S. Government obligations	16.5	17.3	15.9	16.2	16.5	15.6	14.6	12.9	11.7
Other securities	5.3	5.5	5.1	5.3	6.0	6.6	7.1	7.5	7.7
Service charges on deposits	5.2	5.3	5.2	5.4	5.4	5.2	5.1	4.9	4.6
Other current income	8.8	8.9	8.5	7.6	7.6	7.2	7.3	7.3	7.4
Recoveries, etc	9.3	3.3	5.1	6.0	3.7	3.4	2.1	2.3	1.7
Disposition									
Salaries and wages	26.1	26.3	25.3	28.3	28.0	27.2	26.6	25.4	24.0
Interest on deposits	14.7	15.8	15.8	17.9	22.4	24.8	26.6	29.5	31.5
Other current expenses	19.1	20.6	20.3	17.0	17.2	17.5	17.8	17.7	17.7
Charge-offs, etc	8.4	13.6	8.6	7.9	6.6	6.3	6.6	6.8	8.0
Income taxes	13.6	8.8	12.2	11.9	10.0	8.8	7.5	6.0	5.2
Dividends and interest on capital	7.7	7.8	7.4	7.6	7.4	7.1	7.1	7.0	6.6
Additions to capital accounts	10.4	7.1	10.4	9.4	8.4	8.3	7.8	7.6	7.0

[1] For description of changes in report form made in 1961, see p. 157. Rentals from bank premises are included in "other current income" in 1958-1960, and in net "other current expenses" in 1961-1966.

[2] Includes in each year fees paid to directors and committees. In 1961-1966 includes officer and employee benefits; these were included in "other current expenses" in 1958-1960. In 1961-1966 excludes salaries, wages, and benefits of officers and employees in building department which are included in "other current expenses."

[3] Not comparable with amounts shown in 1961-1966; see footnotes 1 and 2.

Note: Due to rounding differences, components may not add to totals.

Table 114. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1966

BANKS GROUPED BY CLASS OF BANK

(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Not members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Current operating revenue—total	**19,508,414**	**11,305,378**	**4,755,000**	**3,448,036**	**19,497,005**	**11,409**
Interest on U. S. Government obligations	2,317,794	1,231,785	469,831	616,178	2,315,758	2,036
Interest and dividends on other securities	1,531,517	901,126	363,957	266,434	1,530,927	590
Interest and discount on loans	13,042,757	7,700,685	3,188,090	2,153,982	13,035,499	7,258
Service charges and fees on loans	243,643	135,244	62,011	46,388	243,406	237
Service charges on deposit accounts	915,049	532,561	172,132	210,356	914,598	451
Other charges, commissions, fees, etc.	354,036	194,856	70,522	88,658	353,763	273
Trust department	756,130	395,355	327,117	33,658	756,117	13
Other current operating revenue	347,488	213,766	101,340	32,382	346,937	551
Current operating expenses—total	**14,561,852**	**8,451,916**	**3,481,992**	**2,627,944**	**14,549,565**	**12,287**
Salaries—officers	1,526,300	822,843	324,214	379,243	1,524,366	1,934
Salaries and wages—other employees	2,569,442	1,489,942	650,557	428,943	2,567,552	1,890
Officer and employee benefits	598,768	351,208	155,684	91,876	598,445	323
Fees paid to directors and committees	83,791	39,895	12,797	31,099	83,721	70
Interest on time and savings deposits	6,259,472	3,733,005	1,480,411	1,046,056	6,256,578	2,894
Interest on borrowed money	301,768	169,896	123,988	7,884	301,723	45
Occupancy expense of bank premises—net	802,060	449,563	204,044	148,453	800,858	1,202
Furniture and equipment	458,695	271,484	97,893	89,318	458,228	467
Other current operating expenses	1,961,556	1,124,080	432,404	405,072	1,958,094	3,462
Net current operating earnings	**4,946,562**	**2,853,462**	**1,273,008**	**820,092**	**4,947,440**	**−878**
Recoveries, transfers from valuation reserves, and profits—total	**341,711**	**228,598**	**55,246**	**57,867**	**341,582**	**129**
On securities:						
Profits on securities sold or redeemed	62,464	37,999	12,032	12,433	62,392	72
Recoveries	5,077	3,353	480	1,244	5,074	3
Transfers from valuation reserves	100,950	79,483	15,094	6,373	100,930	20
On loans:						
Recoveries	15,585	7,179	1,842	6,564	15,570	15
Transfers from valuation reserves	55,762	40,162	5,033	10,567	55,760	2
All other	101,873	60,422	20,765	20,686	101,856	17
Losses, charge-offs, and transfers to valuation reserves—total	**1,574,027**	**910,315**	**419,472**	**244,240**	**1,573,211**	**816**
On securities:						
Losses on securities sold	454,911	236,736	175,585	42,590	454,768	143
Charge-offs prior to sale	10,198	4,715	1,065	4,418	10,199	−1
Transfers to valuation reserves	78,932	53,501	13,739	11,692	78,899	33
On loans:						
Losses and charge-offs	31,251	15,105	2,807	13,339	31,237	14
Transfers to valuation reserves	775,792	435,497	193,926	146,369	775,352	440
All other	222,943	164,761	32,350	25,832	222,756	187
Net income before related taxes	**3,714,246**	**2,171,745**	**908,782**	**633,719**	**3,715,811**	**−1,565**

Taxes on net income—total	**1,029,906**	**607,047**	**266,608**	**156,251**	**1,029,882**	**24**
Federal	911,585	545,591	222,034	143,960	911,576	9
State	118,321	61,456	44,574	12,291	118,306	15
Net income after related taxes	**2,684,340**	**1,564,698**	**642,174**	**477,468**	**2,685,929**	**–1,589**
Dividends and interest on capital—total	**1,307,387**	**777,845**	**364,784**	**164,758**	**1,307,287**	**100**
Cash dividends declared on common stock	1,240,048	736,591	344,542	158,915	1,239,944	104
Dividends declared on preferred stock and interest on capital notes and debentures	67,339	41,254	20,242	5,843	67,343	–4
Net additions to capital from income	**1,376,953**	**786,853**	**277,390**	**312,710**	**1,378,642**	**–1,689**
Number of banking employees (exclusive of building employees), December 31:						
Active officers	137,803	72,968	25,205	39,630	137,523	280
Other employees	606,120	362,034	129,317	114,769	605,410	710
Memoranda						
Recoveries credited to valuation reserves (not included in recoveries above):						
On securities	3,300	2,282	518	500	3,302	–2
On loans	143,859	93,446	22,222	28,191	143,839	20
Losses charged to valuation reserves (not included in losses above):						
On securities	60,282	45,453	9,222	5,607	60,269	13
On loans	545,647	326,400	112,220	107,027	545,471	176
Occupancy expense of bank premises						
Occupancy expense of bank premises, net—total	**802,060**	**449,563**	**204,044**	**148,453**	**800,858**	**1,202**
Rental and other income	178,384	116,421	45,755	16,208	178,345	39
Occupancy expense of bank premises, gross—total	**980,444**	**565,984**	**249,799**	**164,661**	**979,203**	**1,241**
Salaries—building department officers	2,968	1,884	807	277	2,968	....
Salaries and wages—building department employees	97,881	58,787	25,336	13,758	97,816	65
Building department personnel benefits	12,528	7,719	3,726	1,083	12,509	19
Recurring depreciation	177,848	107,379	41,394	29,075	177,666	182
Maintenance and repairs	111,752	67,358	24,062	20,332	111,599	153
Insurance and utilities	167,268	94,915	40,515	31,838	167,029	239
Rents paid	268,767	143,049	79,919	45,799	268,274	493
Taxes	141,432	84,893	34,040	22,499	141,342	90
Number of building employees, December 31:						
Officers	403	179	64	160	403	....
Other employees	33,035	17,691	6,872	8,472	32,991	44
Number of banks, December 31	13,541	4,799	1,350	7,392	13,440	101

Back figures, 1934-1965: See the Annual Report for 1965, pp. 156-157, and earlier reports.

Table 115. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1966 IN THE UNITED STATES (STATES AND OTHER AREAS)

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

Income item	All banks[1]	Banks with deposits of—[2]								
		Less than $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 $25,000,000	$25,000,000 to $50,000,000	$50,000,000 to $100,000,000	$100,000,000 to $500,000,000	$500,000,000 or more
Current operating revenue—total	**19,497,005**	**18,979**	**138,480**	**776,566**	**1,268,694**	**2,108,624**	**1,437,916**	**1,347,421**	**3,610,193**	**8,790,132**
Interest on U. S. Government obligations	2,315,758	4,949	36,054	178,745	249,082	358,024	223,047	188,453	413,828	663,576
Interest and dividends on other securities	1,530,927	809	7,332	48,633	99,812	179,116	125,899	116,588	283,721	669,017
Interest and discount on loans	13,035,499	11,008	82,149	472,033	787,108	1,331,381	913,761	868,229	2,412,111	6,157,719
Service charges and fees on loans	243,406	126	526	4,992	10,027	21,862	17,547	21,229	51,173	115,924
Service charges on deposit accounts	914,598	871	6,194	41,469	77,600	139,204	90,454	74,498	179,237	305,071
Other charges, commissions, fees, etc.	353,763	745	4,935	23,342	28,938	39,051	23,960	26,563	62,101	144,128
Trust department	756,117	209	97	736	4,884	18,607	27,282	35,025	163,553	505,724
Other current operating revenue	346,937	262	1,193	6,616	11,243	21,379	15,966	16,836	44,469	228,973
Current operating expenses—total	**14,549,565**	**14,171**	**102,660**	**584,492**	**957,157**	**1,610,397**	**1,098,923**	**1,036,100**	**2,684,512**	**6,461,153**
Salaries—officers	1,524,366	4,987	29,350	121,947	152,985	209,033	128,755	113,509	266,022	497,778
Salaries and wages—other employees	2,567,552	1,529	11,579	77,519	144,038	262,425	191,386	180,400	522,891	1,175,785
Officer and employee benefits	598,445	421	2,980	17,795	31,841	56,529	40,805	41,479	119,000	287,595
Fees paid to directors and committees	83,721	465	2,591	12,471	15,636	18,662	9,180	6,157	10,293	8,266
Interest on time and savings deposits	6,256,578	3,323	32,492	216,151	381,249	664,454	454,705	434,269	1,069,390	3,000,545
Interest on borrowed money	301,723	12	194	920	1,783	4,418	5,190	7,856	40,430	240,920
Occupancy expense of bank premises—net	800,858	787	4,907	30,063	52,230	89,690	62,170	61,361	156,186	343,464
Furniture and equipment	458,228	373	2,759	17,623	29,959	53,177	37,300	38,497	106,958	171,582
Other current operating expenses	1,958,094	2,274	15,808	90,003	147,436	252,009	169,432	152,572	393,342	735,218
Net current operating earnings	**4,947,440**	**4,808**	**35,820**	**192,074**	**311,537**	**498,227**	**338,993**	**311,321**	**925,681**	**2,328,979**
Recoveries, transfers from valuation reserves, and profits—total	**341,582**	**413**	**2,818**	**12,035**	**20,239**	**29,186**	**20,835**	**23,245**	**62,858**	**169,953**
On securities:										
Profits on securities sold or redeemed	62,392	33	370	2,296	5,130	7,815	4,280	3,688	12,749	26,031
Recoveries	5,074	9	72	218	532	1,826	535	363	412	1,107
Transfers from valuation reserves	100,930	3	108	242	740	1,965	2,964	5,960	14,054	74,894
On loans:										
Recoveries	15,570	291	1,468	4,226	3,800	2,647	624	486	1,294	734
Transfers from valuation reserves	55,760	3	237	2,037	3,297	5,981	3,669	4,401	5,866	30,269
All other	101,856	74	563	3,016	6,740	8,952	8,763	8,347	28,483	36,918
Losses, charge-offs, and transfers to valuation reserves—total	**1,573,211**	**1,004**	**8,856**	**55,017**	**90,214**	**148,540**	**98,833**	**98,463**	**244,703**	**827,581**
On securities:										
Losses on securities sold	454,768	46	528	6,330	13,793	27,448	24,930	24,797	66,777	290,119
Charge-offs prior to sale	10,199	21	107	1,253	1,971	2,527	993	1,594	464	1,269
Transfers to valuation reserves	78,899	7	167	939	2,045	4,069	3,432	4,276	14,985	48,979
On loans:										
Losses and charge-offs	31,237	490	3,284	10,373	8,047	5,427	1,270	884	1,057	405
Transfers to valuation reserves	775,352	281	3,582	28,963	53,592	91,491	57,492	57,584	136,100	346,267
All other	222,756	159	1,188	7,159	10,766	17,578	10,716	9,328	25,320	140,542
Net income before related taxes	**3,715,811**	**4,217**	**29,782**	**149,092**	**241,562**	**378,873**	**260,995**	**236,103**	**743,836**	**1,671,351**

Taxes on net income—total	**1,029,882**	**778**	**5,638**	**31,445**	**58,418**	**99,081**	**71,800**	**63,891**	**217,735**	**481,096**
Federal	911,576	712	5,101	28,598	54,099	92,855	67,145	59,416	203,467	400,183
State	118,306	66	537	2,847	4,319	6,226	4,655	4,475	14,268	80,913
Net income after related taxes	**2,685,929**	**3,439**	**24,144**	**117,647**	**183,144**	**279,792**	**189,195**	**172,212**	**526,101**	**1,190,255**
Dividends and interest on capital—total	**1,307,287**	**998**	**7,628**	**35,557**	**58,470**	**96,899**	**74,081**	**73,411**	**248,142**	**712,101**
Cash dividends declared on common stock	1,239,944	998	7,628	35,513	58,178	95,930	72,444	71,093	236,883	661,277
Dividends declared on preferred stock and interest on capital notes and debentures	67,343	....	....	44	292	969	1,637	2,318	11,259	50,824
Net additions to capital from income	**1,378,642**	**2,441**	**16,516**	**82,090**	**124,674**	**182,893**	**115,114**	**98,801**	**277,959**	**478,154**
Number of banking employees (exclusive of building employees), December 31:										
Active officers	137,523	975	4,342	14,785	16,414	19,951	11,278	9,648	21,407	38,723
Other employees	605,410	680	4,084	23,266	56,719	70,673	49,985	45,986	123,128	230,889
Memoranda										
Recoveries credited to valuation reserves (not included in recoveries above):										
On securities	3,302	....	....	62	42	398	859	414	588	939
On loans	143,839	74	786	6,729	12,641	22,456	13,692	15,990	24,586	46,885
Losses charged to valuation reserves (not included in losses above):										
On securities	60,269	....	31	267	540	2,185	3,426	3,345	13,468	37,007
On loans	545,471	224	2,405	20,307	38,536	72,402	44,930	44,449	95,996	226,222
Occupancy expense of bank premises										
Occupancy expense of bank premises, net—total	**800,858**	**787**	**4,907**	**30,063**	**52,230**	**89,690**	**62,170**	**61,361**	**156,186**	**343,464**
Rental and other income	178,345	45	329	2,216	4,148	9,567	11,064	14,810	49,522	86,644
Occupancy expense of bank premises, gross—total	**979,203**	**832**	**5,236**	**32,279**	**56,378**	**99,257**	**73,234**	**76,171**	**205,708**	**430,108**
Salaries—building department officers	2,968	2	8	34	26	71	89	171	733	1,834
Salaries and wages—building department employees	97,816	43	385	2,959	5,632	10,066	8,103	7,826	23,449	39,353
Building department personnel benefits	12,509	2	9	141	338	819	839	866	3,163	6,332
Recurring depreciation	177,666	105	932	6,702	12,314	20,579	14,247	13,116	36,062	73,609
Maintenance and repairs	111,599	125	746	3,913	6,801	11,846	9,412	9,800	23,937	45,019
Insurance and utilities	167,029	348	1,802	8,559	12,267	19,068	12,268	11,390	30,951	70,376
Rents paid	268,274	70	497	4,643	10,009	20,620	16,924	22,235	58,802	134,474
Taxes	141,342	137	857	5,328	8,991	16,188	11,352	10,767	28,611	59,111
Number of building employees, December 31:										
Officers	403	....	79	35	26	31	18	23	67	124
Other employees	32,991	111	1,332	3,170	3,381	3,926	2,758	2,651	6,875	8,787
Number of banks, December 31	13,440	433	1,624	4,154	3,265	2,447	751	351	320	95

[1] This group of banks is the same as the group shown in Table 114 under the heading "Operating throughout the year".
[2] For asset and liability data, see Table 108, p. 151.
Back figures, 1941-1965: See the Annual Report for 1965, pp. 160-161, and earlier reports.

Table 116. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1966 IN THE UNITED STATES (STATES AND OTHER AREAS)[1]

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	Banks with deposits of—[2]								
	Less than $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 $25,000,000	$25,000,000 to $50,000,000	$50,000,000 to $100,000,000	$100,000,000 to $500,000,000	$500,000,000 or more
Amounts per $100 of current operating revenue									
Current operating revenue—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Interest on U.S. Government obligations	26.08	26.04	23.02	19.63	16.98	15.51	13.99	11.46	7.55
Interest and dividends on other securities	4.26	5.30	6.26	7.87	8.49	8.75	8.65	7.86	7.61
Income on loans	58.66	59.70	61.43	62.83	64.18	64.77	66.01	68.23	71.37
Service charges on deposit accounts	4.59	4.47	5.34	6.12	6.60	6.29	5.53	4.97	3.47
Other service charges, commissions, fees, etc.	3.93	3.56	3.00	2.28	1.85	1.67	1.97	1.72	1.64
Other current operating revenue	2.48	.93	.95	1.27	1.90	3.01	3.85	5.76	8.36
Current operating expenses—total	**74.67**	**74.13**	**75.27**	**75.44**	**76.37**	**76.42**	**76.90**	**74.36**	**73.50**
Salaries, wages, and fees	36.78	31.43	27.29	24.64	23.25	22.90	22.27	22.14	19.13
Officer and employee benefits	2.22	2.15	2.29	2.51	2.68	2.84	3.08	3.30	3.27
Interest on time and savings deposits	17.51	23.46	27.84	30.05	31.51	31.62	32.23	29.62	34.14
Occupancy expense of bank premises—net	4.15	3.54	3.87	4.12	4.25	4.32	4.55	4.33	3.91
Furniture and equipment	1.97	1.99	2.27	2.36	2.52	2.60	2.86	2.96	1.95
Other current operating expenses	12.04	11.56	11.71	11.76	12.16	12.14	11.91	12.01	11.10
Net current operating earnings	**25.33**	**25.87**	**24.73**	**24.56**	**23.63**	**23.58**	**23.10**	**25.64**	**26.50**
Amounts per $100 of total assets[2]									
Current operating revenue—total	5.00	4.96	4.94	4.96	5.04	5.04	5.03	4.93	4.69
Current operating expenses—total	3.73	3.68	3.72	3.74	3.85	3.85	3.87	3.67	3.45
Net current operating earnings	1.27	1.28	1.22	1.22	1.19	1.19	1.16	1.26	1.24
Recoveries, transfers from valuation reserves, and profits—total	.10	.10	.08	.08	.07	.07	.09	.09	.09
Losses, charge-offs, and transfers to valuation reserves—total	.26	.31	.35	.35	.35	.35	.37	.33	.44
Net income before related taxes	1.11	1.07	.95	.95	.91	.91	.88	1.02	.89
Net income after related taxes	.91	.86	.75	.72	.67	.66	.64	.72	.64
Memoranda									
Recoveries credited to valuation reserves (not included in recoveries above):									
On securities	....	....	(3)	(3)	(3)	(3)	(3)	(3)	(3)
On loans	.02	.03	.04	.05	.05	.05	.06	.03	.03
Losses charged to valuation reserves (not included in losses above):									
On securities	....	(3)	(3)	(3)	.01	.01	.01	.02	.02
On loans	.06	.09	.13	.15	.17	.16	.17	.13	.12

Amounts per $100 of total capital accounts[2]									
Net current operating earnings	10.02	11.68	12.89	14.44	15.33	15.86	15.74	16.56	15.88
Recoveries, transfers from valuation reserves, and profits—total	.86	.92	.80	.93	.90	.97	1.18	1.12	1.15
Losses, charge-offs, and transfers to valuation reserves—total	2.09	2.89	3.69	4.18	4.57	4.62	4.98	4.37	5.64
Net income before related taxes	8.79	9.71	10.00	11.19	11.66	12.21	11.94	13.31	11.39
Taxes on net income	1.62	1.84	2.11	2.70	3.05	3.36	3.23	3.90	3.28
Net income after taxes	7.17	7.87	7.89	8.49	8.61	8.85	8.71	9.41	8.11
Cash dividends declared	2.08	2.48	2.38	2.71	2.98	3.47	3.71	4.44	4.85
Net additions to capital from income	5.09	5.39	5.51	5.78	5.63	5.38	5.00	4.97	3.26
Memoranda									
Recoveries credited to reserve accounts (not included in recoveries above):									
On securities			(3)	(3)	.01	.04	.02	.01	.01
On loans	.15	.26	.45	.59	.69	.64	.81	.44	.32
Losses charged to reserve accounts (not included in losses above):									
On securities		.01	.02	.03	.07	.16	.17	.24	.25
On loans	.47	.78	1.36	1.79	2.23	2.10	2.25	1.72	1.54
Special ratios[2]									
Income on loans per $100 of loans	7.01	6.66	6.50	6.44	6.38	6.26	6.26	6.16	5.90
Income on U.S. Government obligations per $100 of U.S. Government obligations	4.26	4.31	4.33	4.35	4.36	4.37	4.28	4.22	3.80
Income on other securities per $100 of other securities	2.51	2.67	2.61	2.73	2.90	3.02	3.07	3.11	3.47
Service charges per $100 of demand deposits	.38	.42	.55	.66	.75	.71	.62	.49	.34
Interest paid per $100 of time and savings deposits	3.21	3.25	3.29	3.34	3.43	3.52	3.60	3.69	4.41
Occupancy expense of bank premises per $100 of current operating revenue									
Occupancy expense of bank premises, net—total	**4.15**	**3.54**	**3.87**	**4.12**	**4.25**	**4.32**	**4.55**	**4.33**	**3.91**
Rental and other income	.23	.24	.29	.32	.45	.77	1.10	1.37	.98
Occupancy expense of bank premises, gross—total	**4.38**	**3.78**	**4.16**	**4.44**	**4.70**	**5.09**	**5.65**	**5.70**	**4.89**
Salaries and wages—building department officers and employees	.24	.28	.39	.44	.48	.57	.59	.67	.47
Building department personnel benefits	.01	.01	.02	.03	.04	.06	.06	.09	.07
Recurring depreciation	.55	.67	.86	.97	.97	.99	.97	1.00	.84
Maintenance and repairs	.66	.54	.50	.53	.56	.65	.73	.66	.51
Insurance and utilities	1.83	1.30	1.10	.97	.90	.85	.85	.86	.80
Rents paid	.37	.36	.60	.79	.98	1.18	1.65	1.63	1.53
Taxes	.72	.62	.69	.71	.77	.79	.80	.79	.67
Number of banks, December 31	433	1,624	4,154	3,265	2,447	751	351	320	95

[1] This group of banks is the same as the group shown in Table 114 under the heading "Operating throughout the year."
[2] For asset and liability data, see Table 108, p. 151.
[3] Less than .005.
Back figures, 1941-1965: See the Annual Report for 1965, pp. 162-163, and earlier reports.

Table 117. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1966

(Amounts in thousands of dollars)

Income item	Total United States	Other areas		50 States and D.C.	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut
		Puerto Rico	Virgin Islands								
Current operating revenue—total	**19,508,414**	**57,042**	**2,040**	**19,449,332**	**191,904**	**23,424**	**144,772**	**110,775**	**2,303,949**	**184,814**	**227,010**
Interest on U. S. Government obligations	2,317,794	3,964	293	2,313,537	31,760	2,625	10,571	15,560	176,485	21,536	18,349
Interest and dividends on other securities	1,531,517	2,306	27	1,529,184	16,355	1,355	9,367	10,537	161,522	9,517	16,013
Interest and discount on loans	13,042,757	40,939	1,417	13,000,401	121,475	15,102	102,303	73,374	1,614,259	121,334	151,663
Service charges and fees on loans	243,643	4,283	156	239,204	1,409	1,472	3,082	320	53,177	2,689	2,220
Service charges on deposit accounts	915,049	2,628	29	912,392	11,665	1,923	10,503	6,162	146,305	14,596	13,413
Other charges, commissions, fees, etc.	354,036	2,179	75	351,782	3,851	725	3,601	2,710	39,645	3,445	4,196
Trust department	756,130	28	....	756,102	3,835	116	3,333	1,138	63,483	7,871	18,828
Other current operating revenue	347,488	715	43	346,730	1,554	106	2,012	974	49,073	3,826	2,328
Current operating expenses—total	**14,561,852**	**47,103**	**1,537**	**14,513,212**	**134,738**	**18,632**	**117,477**	**81,170**	**1,841,348**	**143,417**	**166,683**
Salaries—officers	1,526,300	5,142	172	1,520,986	18,572	2,796	12,985	12,734	179,079	18,181	20,360
Salaries and wages—other employees	2,569,442	10,415	363	2,558,664	25,552	4,320	23,658	13,329	325,452	25,459	37,010
Officer and employee benefits	598,768	1,881	56	596,831	5,565	664	4,530	2,941	67,592	5,422	9,220
Fees paid to directors and committees	83,791	191	9	83,591	1,157	66	196	1,200	1,655	1,207	1,007
Interest on time and savings deposits	6,259,472	16,415	604	6,242,453	50,079	5,871	46,386	29,269	892,459	53,374	53,716
Interest on borrowed money	301,768	353	22	301,393	516	90	410	490	31,924	1,147	839
Occupancy expense of bank premises—net	802,060	3,083	42	798,935	6,552	1,301	7,933	4,675	102,962	9,581	11,624
Furniture and equipment	458,695	1,403	40	457,252	5,310	912	4,924	3,093	55,027	6,458	7,283
Other current operating expenses	1,961,556	8,220	229	1,953,107	21,435	2,612	16,455	13,439	185,198	22,588	25,624
Net current operating earnings	**4,946,562**	**9,939**	**503**	**4,936,120**	**57,166**	**4,792**	**27,295**	**29,605**	**462,601**	**41,397**	**60,327**
Recoveries, transfers from valuation reserves, and profits—total	**341,711**	**1,207**	**8**	**340,496**	**1,859**	**523**	**716**	**1,542**	**22,716**	**3,064**	**3,054**
On securities:											
Profits on securities sold or redeemed	62,464	717	....	61,747	738	29	49	510	10,023	458	459
Recoveries	5,077	....	....	5,077	10	....	61	16	17	39	26
Transfers from valuation reserves	100,950	....	....	100,950	172	....	168	60	1,868	1,286	399
On loans:											
Recoveries	15,585	123	....	15,462	231	....	....	379	1,187	275	15
Transfers from valuation reserves	55,762	164	....	55,598	143	11	26	246	968	112	480
All other	101,873	203	8	101,662	565	483	412	331	8,653	894	1,675
Losses, charge-offs, and transfers to valuation reserves—total	**1,574,027**	**2,994**	**53**	**1,570,980**	**15,813**	**2,697**	**12,935**	**7,799**	**157,973**	**13,374**	**14,983**
On securities:											
Losses on securities sold	454,911	396	....	454,515	4,055	919	2,734	883	30,670	3,553	2,881
Charge-offs prior to sale	10,198	....	....	10,198	242	....	....	116	157	198	8
Transfers to valuation reserves	78,932	....	....	78,932	173	....	463	24	15,197	98	558
On loans:											
Losses and charge-offs	31,251	542	....	30,709	336	160	....	646	2,177	986	54
Transfers to valuation reserves	775,792	1,740	48	774,004	9,335	1,464	8,954	4,875	89,065	7,226	8,042
All other	222,943	316	5	222,622	1,672	154	784	1,255	20,707	1,313	3,440
Net income before related taxes	**3,714,246**	**8,152**	**458**	**3,705,636**	**43,212**	**2,618**	**15,076**	**23,348**	**327,344**	**31,087**	**48,398**

Taxes on net income—total	**1,029,906**	**−6**	**257**	**1,029,655**	**13,858**	**341**	**3,593**	**5,385**	**101,026**	**9,015**	**16,177**
Federal	911,585	67	257	911,261	11,880	337	3,218	5,385	68,111	7,349	11,705
State	118,321	−73	...	118,394	1,978	4	375	...	32,915	1,666	4,472
Net income after related taxes	**2,684,340**	**8,158**	**201**	**2,675,981**	**29,354**	**2,277**	**11,483**	**17,963**	**226,318**	**22,072**	**32,221**
Dividends and interest on capital—total	**1,307,387**	**3,568**	...	**1,303,819**	**11,496**	**566**	**7,878**	**5,376**	**139,503**	**10,329**	**16,622**
Cash dividends declared on common stock	1,240,048	2,953	...	1,237,095	11,494	566	7,415	5,327	129,505	10,054	16,029
Dividends declared on preferred stock and interest on capital notes and debentures	67,339	615	...	66,724	2	...	463	49	9,998	275	593
Net additions to capital from income	**1,376,953**	**4,590**	**201**	**1,372,162**	**17,858**	**1,711**	**3,605**	**12,587**	**86,815**	**11,743**	**15,599**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	137,803	603	13	137,187	1,853	176	1,172	1,421	16,274	1,576	1,592
Other employees	606,120	2,769	92	603,259	7,108	802	5,552	3,840	67,544	6,076	8,195
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities	3,300	...	...	3,300	6	...	...	1	176	...	12
On loans	143,859	535	44	143,280	2,568	370	1,733	1,057	17,473	1,768	1,411
Losses charged to valuation reserves (not included in losses above):											
On securities	60,282	...	...	60,282	178	...	...	170	14,744	...	1,362
On loans	545,647	1,124	52	544,471	7,910	2,065	9,031	3,049	80,713	6,553	5,146
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**802,060**	**3,083**	**42**	**798,935**	**6,552**	**1,301**	**7,933**	**4,675**	**102,962**	**9,581**	**11,624**
Rental and other income	178,384	536	6	177,842	816	207	995	612	11,556	3,219	1,542
Occupancy expense of bank premises, gross—total	**980,444**	**3,619**	**48**	**976,777**	**7,368**	**1,508**	**8,928**	**5,287**	**114,518**	**12,800**	**13,166**
Salaries—building department officers	2,968	15	...	2,953	23	...	82	6	368	38	25
Salaries and wages—building department employees	97,881	194	...	97,687	774	44	533	630	4,203	1,110	1,151
Building department personnel benefits	12,528	27	...	12,501	66	3	83	72	664	121	155
Recurring depreciation	177,848	389	6	177,453	1,354	245	1,649	1,522	14,280	1,608	2,240
Maintenance and repairs	111,752	504	3	111,245	785	379	909	501	17,628	1,334	1,365
Insurance and utilities	167,268	477	5	166,786	1,435	377	1,874	1,023	15,629	1,774	2,619
Rents paid	268,767	1,474	32	267,261	2,597	281	3,019	770	47,858	5,418	3,748
Taxes	141,432	539	2	140,891	334	179	779	763	13,888	1,397	1,863
Number of building employees, December 31:											
Officers	403	4	...	399	3	...	5	1	26	5	3
Other employees	33,035	65	...	32,970	349	10	140	310	928	326	320
Number of banks, December 31	13,541	8	1	13,532	267	10	17	243	187	215	63

Note: For average asset and liability data by State, see Table 109, pp. 152-153.
Back figures, 1946-1965: See the Annual Report for 1965, pp. 164-173, and earlier reports.

Table 117. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1966—CONTINUED

(Amounts in thousands of dollars)

Income item	Delaware	District of Columbia	Florida	Georgia	Hawaii	Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky
Current operating revenue—total	**61,405**	**127,166**	**448,515**	**312,592**	**69,954**	**56,676**	**1,402,555**	**399,659**	**243,181**	**188,164**	**182,360**
Interest on U. S. Government obligations	11,174	22,368	77,840	34,740	5,842	6,461	216,551	79,290	47,186	36,279	34,309
Interest and dividends on other securities	3,159	4,075	39,411	18,615	4,468	3,268	123,238	25,173	18,646	15,080	13,434
Interest and discount on loans	33,270	82,821	260,793	203,758	49,848	38,936	887,493	250,300	153,624	117,231	115,374
Service charges and fees on loans	915	1,915	7,695	6,942	2,892	784	11,114	3,640	923	890	1,792
Service charges on deposit accounts	1,496	6,819	32,846	21,665	2,466	4,885	42,613	16,735	12,157	11,634	6,970
Other charges, commissions, fees, etc.	576	1,123	9,306	13,340	2,514	1,322	16,429	9,411	5,012	3,366	2,067
Trust department	9,462	7,067	13,277	10,014	866	387	67,494	10,419	3,408	1,872	6,336
Other current operating revenue	1,353	978	7,347	3,518	1,058	633	37,623	4,691	2,225	1,812	2,078
Current operating expenses—total	**36,623**	**85,903**	**346,410**	**232,796**	**52,912**	**41,752**	**1,028,692**	**294,266**	**179,906**	**129,802**	**126,795**
Salaries—officers	5,529	9,374	41,396	29,085	5,140	5,774	99,931	36,676	33,465	25,204	18,871
Salaries and wages—other employees	8,944	16,895	66,315	45,104	10,026	7,865	159,201	52,091	26,100	20,045	22,630
Officer and employee benefits	1,963	2,628	12,178	11,168	3,032	1,877	41,899	11,379	6,330	4,704	5,168
Fees paid to directors and committees	271	596	3,104	2,287	257	190	6,182	2,768	1,495	1,705	1,583
Interest on time and savings deposits	10,627	32,984	128,418	76,171	20,230	15,623	482,295	112,023	69,641	46,452	45,267
Interest on borrowed money	113	1,414	4,129	4,688	697	228	33,384	4,759	831	694	717
Occupancy expense of bank premises net	2,140	5,473	18,888	14,823	3,040	2,070	46,720	16,225	9,052	6,651	6,883
Furniture and equipment	1,745	3,179	16,174	8,778	3,287	1,935	28,889	10,493	6,039	4,477	4,451
Other current operating expenses	5,291	13,360	55,808	40,692	7,203	6,190	130,191	47,852	26,953	19,870	21,225
Net current operating earnings	**24,782**	**41,263**	**102,105**	**79,796**	**17,042**	**14,924**	**373,863**	**105,393**	**63,275**	**58,362**	**55,565**
Recoveries, transfers from valuation reserves, and profits—total	**1,281**	**1,100**	**4,636**	**5,093**	**919**	**157**	**39,749**	**6,688**	**3,417**	**2,572**	**2,912**
On securities:											
Profits on securities sold or redeemed	281	258	781	2,259	371	37	3,347	1,522	870	584	415
Recoveries	....	1	42	7	....	3	660	48	147	27	35
Transfers from valuation reserves	59	....	116	158	....	31	17,267	2,085	8	179	409
On loans:											
Recoveries	20	14	340	223	3	73	745	324	384	889	377
Transfers from valuation reserves	682	3	752	660	40	....	5,765	854	459	233	892
All other	239	824	2,605	1,786	505	13	11,965	1,855	1,549	660	784
Losses, charge-offs, and transfers to valuation reserves—total	**4,370**	**6,092**	**32,079**	**22,003**	**4,279**	**3,691**	**127,956**	**33,748**	**15,781**	**14,083**	**13,584**
On securities:											
Losses on securities sold	1,504	369	4,593	2,748	926	1,502	54,749	6,869	3,396	2,258	1,580
Charge-offs prior to sale	1	....	137	79	....	2	985	356	222	376	301
Transfers to valuation reserves	208	28	212	1,164	....	21	11,878	2,588	156	114	967
On loans:											
Losses and charge-offs	24	37	2,322	321	....	230	1,315	687	544	1,580	897
Transfers to valuation reserves	2,504	4,862	21,368	14,296	2,873	1,813	45,636	19,284	8,691	7,777	7,475
All other	129	796	3,447	3,395	480	123	13,393	3,964	2,772	1,978	2,364
Net income before related taxes	**21,693**	**36,271**	**74,662**	**62,886**	**13,682**	**11,390**	**285,656**	**78,333**	**50,911**	**46,851**	**44,893**

Taxes on net income—total	**8,297**	**15,444**	**17,745**	**18,026**	**4,601**	**4,318**	**80,807**	**22,741**	**12,890**	**13,077**	**13,853**
Federal	7,732	15,444	17,745	18,026	3,856	3,523	80,807	22,741	12,890	11,929	13,853
State	565	....	....	....	745	795	....	....	....	1,148	....
Net income after related taxes	**13,396**	**20,827**	**56,917**	**44,860**	**9,081**	**7,072**	**204,849**	**55,592**	**38,021**	**33,774**	**31,040**
Dividends and interest on capital—total	**7,711**	**10,405**	**19,867**	**18,346**	**6,174**	**3,958**	**79,134**	**19,296**	**13,081**	**11,037**	**11,490**
Cash dividends declared on common stock	7,711	9,816	18,883	16,823	5,454	3,805	78,808	18,590	13,067	10,963	11,343
Dividends declared on preferred stock and interest on capital notes and debentures	....	589	984	1,523	720	153	326	706	14	74	147
Net additions to capital from income	**5,685**	**10,422**	**37,050**	**26,514**	**2,907**	**3,114**	**125,715**	**36,296**	**24,940**	**22,737**	**19,550**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	428	675	3,933	2,747	786	534	7,918	3,383	3,195	2,538	2,193
Other employees	2,185	3,616	33,549	10,900	3,272	2,039	35,214	13,262	7,175	5,439	6,544
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities	....	....	43	19	12	....	68	463	8	2	78
On loans	95	562	4,038	2,285	374	190	9,066	3,782	1,580	1,939	1,175
Losses charged to valuation reserves (not included in losses above):											
On securities	85	....	370	284	12	....	2,824	779	36	149	914
On loans	387	2,162	20,695	6,987	1,721	881	32,026	13,090	3,971	6,959	3,964
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**2,140**	**5,473**	**18,888**	**14,823**	**3,040**	**2,070**	**46,720**	**16,225**	**9,052**	**6,651**	**6,883**
Rental and other income	270	1,178	5,797	2,427	977	366	8,692	3,543	1,339	1,417	1,368
Occupancy expense of bank premises, gross—total	**2,410**	**6,651**	**24,685**	**17,250**	**4,017**	**2,436**	**55,412**	**19,768**	**10,391**	**8,068**	**8,251**
Salaries—building department officers	....	8	79	33	54	1	144	26	17	29	4
Salaries and wages—building department employees	206	1,164	2,220	1,209	208	226	8,383	2,867	1,304	1,010	1,194
Building department personnel benefits	36	106	236	131	63	13	893	223	98	74	99
Recurring depreciation	431	914	4,532	2,513	569	573	9,509	3,893	2,005	1,645	1,615
Maintenance and repairs	209	821	2,998	1,899	427	199	6,296	2,618	1,294	998	1,152
Insurance and utilities	403	747	4,903	2,673	855	487	8,170	3,527	1,982	1,636	1,560
Rents paid	956	2,184	5,172	5,478	1,487	603	13,955	4,141	2,268	1,616	1,625
Taxes	169	707	4,545	3,314	354	334	8,062	2,473	1,423	1,060	1,002
Number of building employees, December 31:											
Officers	....	1	16	5	4	1	81	2	6	7	7
Other employees	73	318	706	472	83	90	2,767	1,071	785	506	581
Number of banks, December 31	20	14	444	394	7	25	1,053	415	661	599	342

Note: For average asset and liability data by State, see Table 109, pp. 152-153.
Back figures, 1946-1965: See the Annual Report for 1965, pp. 164-173, and earlier reports.

Table 117. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1966—CONTINUED

(Amounts in thousands of dollars)

Income item	Louisiana	Maine	Maryland	Massa-chusetts	Michigan	Minne-sota	Mis-sissippi	Missouri	Montana	Nebraska	Nevada
Current operating revenue—total	**239,746**	**55,517**	**208,589**	**471,059**	**833,059**	**361,646**	**120,794**	**451,463**	**68,141**	**132,330**	**46,591**
Interest on U. S. Government obligations	42,769	6,015	26,856	38,340	112,382	56,496	17,672	74,153	10,775	19,711	5,785
Interest and dividends on other securities	19,119	4,343	13,282	27,424	69,941	29,555	12,523	38,476	4,668	8,268	3,315
Interest and discount on loans	150,404	38,097	138,993	314,857	564,445	222,531	75,480	291,752	43,651	89,003	30,384
Service charges and fees on loans	1,975	571	4,304	4,380	11,841	2,621	492	2,967	1,033	545	1,384
Service charges on deposit accounts	13,284	3,314	14,624	27,206	31,332	19,435	7,264	17,367	4,721	7,530	3,197
Other charges, commissions, fees, etc.	7,542	608	3,677	18,244	13,757	17,643	4,706	6,655	1,883	2,824	545
Trust department	1,818	2,071	4,245	29,780	22,398	9,966	1,180	11,950	690	2,676	1,237
Other current operating revenue	2,835	498	2,608	10,828	6,963	3,399	1,477	8,143	720	1,773	744
Current operating expenses—total	**174,081**	**42,939**	**147,543**	**327,366**	**660,946**	**279,387**	**86,689**	**319,891**	**51,557**	**94,163**	**34,791**
Salaries—officers	20,780	4,986	14,410	36,476	47,228	38,084	13,006	39,275	7,983	19,351	4,302
Salaries and wages—other employees	30,853	8,641	32,257	79,570	110,139	39,953	15,130	55,024	7,551	14,796	6,734
Officer and employee benefits	6,219	1,778	6,119	18,014	24,051	10,267	3,980	11,005	2,279	4,210	874
Fees paid to directors and committees	2,230	438	1,125	1,684	2,728	2,348	1,128	2,900	415	1,269	100
Interest on time and savings deposits	59,916	15,560	51,226	88,903	340,313	122,281	29,107	127,070	18,969	29,717	13,331
Interest on borrowed money	3,249	397	2,078	11,369	6,628	5,719	977	9,034	464	900	80
Occupancy expense of bank premises—net	11,438	2,724	9,922	23,186	32,015	12,859	3,605	15,857	2,416	4,651	2,850
Furniture and equipment	6,389	1,537	6,040	13,598	17,016	8,286	3,462	10,720	1,614	4,186	1,506
Other current operating expenses	33,007	6,878	24,366	54,566	80,828	39,590	16,294	49,006	9,866	15,083	5,014
Net current operating earnings	**65,665**	**12,578**	**61,046**	**143,693**	**172,113**	**82,259**	**34,105**	**131,572**	**16,584**	**38,167**	**11,800**
Recoveries, transfers from valuation reserves, and profits—total	**8,232**	**502**	**4,453**	**6,379**	**14,600**	**4,410**	**3,929**	**15,917**	**2,913**	**2,989**	**431**
On securities:											
Profits on securities sold or redeemed	962	112	344	833	1,087	609	316	1,708	138	315	48
Recoveries	19	4	39	73	15	850	430	37	300	592	....
Transfers from valuation reserves	993	55	153	1,168	8,963	556	1,002	6,360	379	1,179	....
On loans:											
Recoveries	299	46	69	185	179	513	356	578	270	255	....
Transfers from valuation reserves	671	17	455	542	796	131	1,250	2,606	1,203	259	....
All other	5,288	268	3,393	3,578	3,560	1,751	575	4,628	623	389	383
Losses, charge-offs, and transfers to valuation reserves—total	**18,298**	**4,175**	**15,928**	**39,128**	**65,717**	**24,634**	**14,653**	**37,374**	**4,839**	**11,193**	**3,256**
On securities:											
Losses on securities sold	1,699	1,447	2,786	6,489	25,418	9,105	966	10,125	1,464	3,460	344
Charge-offs prior to sale	289	23	91	31	110	300	1,097	1,127	294	647	....
Transfers to valuation reserves	1,448	156	1,365	4,876	371	205	2,568	2,376	350	249	....
On loans:											
Losses and charge-offs	648	24	140	241	320	852	508	1,594	371	380	....
Transfers to valuation reserves	11,569	1,910	9,535	21,395	35,715	11,463	7,949	17,263	1,756	4,758	2,406
All other	2,645	615	2,011	6,096	3,783	2,709	1,565	4,889	604	1,699	506
Net income before related taxes	**55,599**	**8,905**	**49,571**	**110,944**	**120,996**	**62,035**	**23,381**	**110,115**	**14,658**	**29,963**	**8,975**

Taxes on net income—total	**15,032**	**1,955**	**16,526**	**43,400**	**15,006**	**18,508**	**5,131**	**30,854**	**4,306**	**8,299**	**2,683**
Federal	15,032	1,955	16,526	34,172	15,006	12,566	5,131	28,629	3,943	8,299	2,683
State				9,228		5,942		2,225	363		
Net income after related taxes	**40,567**	**6,950**	**33,045**	**67,544**	**105,990**	**43,527**	**18,250**	**79,261**	**10,352**	**21,664**	**6,292**
Dividends and interest on capital—total	**13,161**	**3,658**	**13,485**	**36,144**	**42,115**	**19,560**	**7,155**	**27,764**	**6,158**	**8,762**	**3,463**
Cash dividends declared on common stock	12,622	3,581	13,062	36,135	38,742	19,395	6,891	26,381	6,158	8,614	3,339
Dividends declared on preferred stock and interest on capital notes and debentures	539	77	423	9	3,373	165	264	1,383		148	124
Net additions to capital from income	**27,406**	**3,292**	**19,560**	**31,400**	**63,875**	**23,967**	**11,095**	**51,497**	**4,194**	**12,902**	**2,829**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	1,963	531	1,418	3,037	3,883	3,688	1,294	3,800	749	1,974	422
Other employees	7,842	2,390	8,084	18,604	25,996	10,484	4,074	14,191	1,973	4,098	1,640
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities		19		247	4	20	16	80		2	36
On loans	1,895	511	603	4,991	6,729	1,544	1,100	2,203	4,253	1,690	407
Losses charged to valuation reserves (not included in losses above):											
On securities	161	294	146	5,592	419	10	1,323	1,579		65	65
On loans	6,639	1,164	3,705	16,991	20,423	5,360	3,708	8,784	3,534	3,423	1,906
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**11,438**	**2,724**	**9,922**	**23,186**	**32,015**	**12,859**	**3,605**	**15,857**	**2,416**	**4,651**	**2,850**
Rental and other income	2,744	562	1,352	3,642	3,778	4,594	1,921	3,612	690	1,284	590
Occupancy expense of bank premises, gross—total	**14,182**	**3,286**	**11,274**	**26,828**	**35,793**	**17,453**	**5,526**	**19,469**	**3,106**	**5,935**	**3,440**
Salaries—building department officers	51	5	13	174	170	19	1	50		20	11
Salaries and wages—building department employees	2,095	485	629	2,583	4,664	1,404	547	2,305	403	732	306
Building department personnel benefits	173	41	108	446	652	104	71	309	46	89	26
Recurring depreciation	2,182	603	2,284	4,253	6,882	2,572	895	4,784	598	1,036	733
Maintenance and repairs	1,522	312	1,545	2,740	4,909	1,803	860	3,064	336	629	376
Insurance and utilities	2,008	543	2,005	4,810	6,334	3,483	1,144	3,502	543	993	626
Rents paid	3,085	827	3,633	6,786	7,535	5,585	803	3,573	486	1,589	919
Taxes	3,066	470	1,057	5,036	4,647	2,483	1,205	1,882	694	847	443
Number of building employees, December 31:											
Officers	7		1	16	19	2	2	20		7	1
Other employees	707	241	287	814	1,455	701	265	919	173	423	77
Number of banks, December 31	219	41	121	157	345	719	190	652	131	433	9

Note: For average asset and liability data by State, see Table 109, pp. 152-153.
Back figures, 1946-1965: See the Annual Report for 1965, pp. 164-173, and earlier reports.

Table 117. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1966—CONTINUED

(Amounts in thousands of dollars)

Income item	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island
Current operating revenue—total	**38,949**	**583,211**	**60,537**	**3,663,835**	**280,635**	**57,317**	**871,823**	**211,027**	**178,711**	**1,192,701**	**77,457**
Interest on U. S. Government obligations	3,704	64,280	8,483	268,058	26,992	11,556	129,030	33,231	18,813	135,102	5,199
Interest and dividends on other securities	2,144	61,015	3,209	298,114	23,415	5,652	76,403	14,956	12,474	98,492	8,150
Interest and discount on loans	28,314	387,322	40,758	2,566,600	184,539	32,922	570,587	139,000	120,904	810,608	52,959
Service charges and fees on loans	337	6,621	520	35,854	7,078	352	6,611	1,495	2,500	11,383	644
Service charges on deposit accounts	2,707	31,812	4,435	97,194	16,122	2,851	38,518	13,601	15,486	35,982	3,324
Other charges, commissions, fees, etc.	580	7,330	1,698	47,290	10,789	3,072	10,901	3,497	2,185	12,604	1,223
Trust department	631	18,791	807	239,159	8,582	391	31,460	2,946	4,304	68,133	5,391
Other current operating revenue	532	6,040	627	111,566	3,118	521	8,313	2,301	2,045	20,397	567
Current operating expenses—total	**29,270**	**450,105**	**45,947**	**2,687,119**	**209,357**	**43,226**	**636,163**	**151,833**	**142,561**	**877,301**	**57,230**
Salaries—officers	3,721	42,730	6,729	187,528	27,665	7,062	56,376	26,104	18,137	79,537	4,422
Salaries and wages—other employees	4,921	86,582	9,215	481,871	41,229	5,303	109,393	24,911	25,378	151,187	10,078
Officer and employee benefits	1,135	20,166	1,481	130,876	8,616	1,622	22,049	5,878	4,754	39,147	2,872
Fees paid to directors and committees	368	3,287	429	5,596	1,044	472	3,566	1,501	316	6,419	252
Interest on time and savings deposits	11,442	184,895	14,193	1,265,058	79,315	19,566	291,850	53,639	64,426	390,949	28,036
Interest on borrowed money	131	5,094	355	109,359	2,303	144	5,825	3,029	990	13,850	653
Occupancy expense of bank premises—net	1,590	27,539	2,981	160,627	11,814	2,072	28,066	8,048	7,626	45,735	2,768
Furniture and equipment	1,063	15,465	2,097	56,503	7,656	1,148	17,816	5,848	4,759	29,244	1,685
Other current operating expenses	4,899	64,347	8,467	289,701	29,715	5,837	101,222	22,875	16,175	121,233	6,464
Net current operating earnings	**9,679**	**133,106**	**14,590**	**976,716**	**71,278**	**14,091**	**235,660**	**59,194**	**36,150**	**315,400**	**20,227**
Recoveries, transfers from valuation reserves, and profits—total	**738**	**7,428**	**1,117**	**30,825**	**5,264**	**716**	**17,861**	**3,672**	**1,199**	**62,267**	**1,721**
On securities:											
Profits on securities sold or redeemed	377	2,424	154	8,633	862	179	1,747	1,396	197	3,463	84
Recoveries	3	157	6	261	6	119	65	95	....	296	....
Transfers from valuation reserves	53	1,578	1	5,760	646	....	7,964	380	....	33,715	580
On loans:											
Recoveries	22	128	84	445	42	99	456	975	74	864	5
Transfers from valuation reserves	36	2,019	116	4,229	599	93	3,724	358	6	17,135	850
All other	247	1,122	756	11,497	3,109	226	3,905	468	922	6,794	202
Losses, charge-offs, and transfers to valuation reserves—total	**2,832**	**34,531**	**4,928**	**336,125**	**22,395**	**3,281**	**65,535**	**16,132**	**10,226**	**145,247**	**7,648**
On securities:											
Losses on securities sold	652	10,822	1,272	156,526	6,543	1,464	20,042	2,643	2,095	18,171	3,150
Charge-offs prior to sale	81	66	24	491	88	75	253	132	....	268	4
Transfers to valuation reserves	1	1,872	12	3,894	1,828	12	7,607	291	....	5,483	170
On loans:											
Losses and charge-offs	57	299	147	336	136	103	687	2,069	250	1,024	53
Transfers to valuation reserves	1,710	17,119	2,868	159,269	9,900	1,079	32,070	9,664	6,285	40,000	3,395
All other	331	4,353	605	15,609	3,900	548	4,876	1,333	1,596	80,301	876
Net income before related taxes	**7,585**	**106,003**	**10,779**	**671,416**	**54,147**	**11,526**	**187,986**	**46,734**	**27,123**	**232,420**	**14,300**

Taxes on net income—total	**2,372**	**20,548**	**3,233**	**170,765**	**14,346**	**2,875**	**49,894**	**13,874**	**7,876**	**62,269**	**2,885**
Federal	2,372	20,548	3,233	127,276	12,825	2,565	49,894	12,643	5,473	62,269	2,123
State	....	....	....	43,489	1,521	310	....	1,231	2,403	....	762
Net income after related taxes	**5,213**	**85,455**	**7,546**	**500,651**	**39,801**	**8,651**	**138,092**	**32,860**	**19,247**	**170,151**	**11,415**
Dividends and interest on capital—total	**1,928**	**38,166**	**3,349**	**316,957**	**16,488**	**3,518**	**57,235**	**16,186**	**10,523**	**99,742**	**6,006**
Cash dividends declared on common stock	1,928	35,936	3,258	283,510	15,062	3,518	57,011	15,300	10,483	98,123	6,006
Dividends declared on preferred stock and interest on capital notes and debentures	....	2,230	91	33,447	1,426	....	224	886	40	1,619	....
Net additions to capital from income	**3,285**	**47,289**	**4,197**	**183,694**	**23,313**	**5,133**	**80,857**	**16,674**	**8,724**	**70,409**	**5,409**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	371	3,619	633	12,816	2,626	769	4,810	2,570	1,836	7,238	374
Other employees	1,325	19,715	2,359	86,538	11,790	1,546	25,974	6,652	5,957	35,496	2,492
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities	7	4	....	410	181	....	780	12	....	83	1
On loans	313	3,296	1,759	16,951	876	324	5,084	3,466	666	6,024	259
Losses charged to valuation reserves (not included in losses above):											
On securities	48	611	....	6,533	665	....	3,902	36	....	7,712	48
On loans	742	13,059	4,505	102,549	3,798	666	16,488	9,082	2,952	25,749	1,159
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**1,590**	**27,539**	**2,981**	**160,627**	**11,814**	**2,072**	**28,066**	**8,048**	**7,626**	**45,735**	**2,768**
Rental and other income	184	3,162	517	31,402	2,257	415	13,105	3,903	385	7,181	1,649
Occupancy expense of bank premises, gross—total	**1,774**	**30,701**	**3,498**	**192,029**	**14,071**	**2,487**	**41,171**	**11,951**	**8,011**	**52,916**	**4,417**
Salaries—building department officers	1	31	4	473	42	4	159	24	89	187	49
Salaries and wages—building department employees	187	3,156	455	13,996	1,291	284	6,612	1,530	701	8,351	1,059
Building department personnel benefits	16	460	60	2,557	112	25	782	188	89	1,194	156
Recurring depreciation	328	5,442	735	37,226	2,777	600	7,588	2,274	1,961	10,222	687
Maintenance and repairs	160	4,639	365	15,588	1,625	185	5,230	1,334	1,369	5,369	454
Insurance and utilities	300	4,739	544	35,029	2,519	589	6,984	2,179	1,441	8,642	528
Rents paid	465	6,482	960	58,435	4,563	410	10,356	3,515	1,202	12,784	808
Taxes	317	5,752	375	28,725	1,142	390	3,460	907	1,159	6,167	676
Number of building employees, December 31:											
Officers	1	4	....	31	3	3	14	5	8	26	3
Other employees	88	939	145	3,002	618	178	2,162	571	198	2,869	304
Number of banks, December 31	72	229	64	311	136	164	536	419	49	536	9

Note: For average asset and liability data by State, see Table 109, pp. 152-153.
Back figures, 1946-1965: See the Annual Report for 1965, pp. 164-173, and earlier reports.

Table 117. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1966—CONTINUED

(Amounts in thousands of dollars)

Income item	South Carolina	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming
Current operating revenue—total	**90,330**	**64,491**	**277,322**	**953,226**	**85,745**	**35,190**	**319,763**	**246,782**	**103,742**	**355,821**	**32,907**
Interest on U. S. Government obligations	12,024	13,097	38,712	118,014	7,625	3,967	37,089	25,406	23,037	64,736	5,502
Interest and dividends on other securities	7,594	4,175	22,504	78,322	7,230	2,371	22,413	16,463	7,604	30,607	1,730
Interest and discount on loans	57,760	39,532	189,766	649,505	57,970	25,375	219,040	162,966	63,976	225,462	21,981
Service charges and fees on loans	503	337	3,362	10,039	1,710	373	5,929	4,001	903	2,346	322
Service charges on deposit accounts	6,084	3,379	10,357	49,753	6,265	1,889	17,614	21,003	3,349	14,599	1,941
Other charges, commissions, fees, etc.	3,477	3,006	5,149	14,183	2,576	254	6,041	6,709	1,560	6,079	856
Trust department	1,818	567	5,463	20,803	1,890	667	9,060	7,211	2,222	8,301	288
Other current operating revenue	1,070	398	2,009	12,607	479	294	2,577	3,023	1,091	3,691	287
Current operating expenses—total	**61,776**	**47,161**	**201,740**	**707,120**	**64,185**	**28,421**	**240,034**	**187,510**	**71,236**	**270,145**	**25,097**
Salaries—officers	11,008	8,797	22,893	91,165	6,714	2,839	27,035	21,552	9,173	34,968	3,798
Salaries and wages—other employees	16,005	6,465	33,658	109,438	9,926	4,328	42,224	41,058	12,075	38,871	3,904
Officer and employee benefits	3,373	2,105	7,644	23,307	2,163	929	9,384	8,540	2,512	10,452	770
Fees paid to directors and committees	620	582	1,258	6,879	431	364	2,072	456	982	3,043	363
Interest on time and savings deposits	12,262	19,006	84,964	272,730	30,330	14,646	101,474	71,977	28,885	125,414	10,118
Interest on borrowed money	131	169	4,132	20,018	1,219	52	1,970	1,469	316	1,985	234
Occupancy expense of bank premises—net	3,666	2,406	9,988	41,766	2,922	1,407	11,855	10,869	3,382	12,380	1,312
Furniture and equipment	3,136	1,437	7,563	24,407	2,580	706	7,796	7,256	2,369	8,956	954
Other current operating expenses	11,575	6,194	29,640	117,410	7,900	3,150	36,224	24,333	11,542	34,076	3,644
Net current operating earnings	**28,554**	**17,330**	**75,582**	**246,106**	**21,560**	**6,769**	**79,729**	**59,272**	**32,506**	**85,676**	**7,810**
Recoveries, transfers from valuation reserves, and profits—total	**677**	**680**	**7,165**	**11,272**	**254**	**450**	**7,775**	**3,960**	**2,586**	**5,771**	**345**
On securities:											
Profits on securities sold or redeemed	194	105	4,083	2,118	43	151	667	848	931	3,556	72
Recoveries	20	111	47	175	...	2	23	26	15	129	23
Transfers from valuation reserves	98	...	523	728	16	13	3,235	516	16	55	...
On loans:											
Recoveries	39	52	271	3,006	55	17	198	92	158	43	108
Transfers from valuation reserves	91	87	757	2,352	10	38	238	1,697	256	627	24
All other	235	325	1,484	2,893	130	229	3,414	781	1,210	1,361	118
Losses, charge-offs, and transfers to valuation reserves—total	**4,269**	**3,828**	**20,051**	**70,160**	**6,796**	**1,853**	**27,873**	**18,872**	**6,529**	**17,447**	**1,987**
On securities:											
Losses on securities sold	471	1,671	6,816	9,094	2,741	540	6,092	6,227	1,001	6,671	319
Charge-offs prior to sale	29	32	670	485	13	21	45	4	52	160	16
Transfers to valuation reserves	164	7	506	4,903	...	10	3,470	640	161	51	37
On loans:											
Losses and charge-offs	106	114	591	6,165	172	10	319	187	251	93	146
Transfers to valuation reserves	2,850	1,432	9,059	42,698	3,318	1,159	14,755	9,412	4,190	9,220	1,293
All other	649	572	2,409	6,815	552	113	3,192	2,402	874	1,252	176
Net income before related taxes	**24,962**	**14,182**	**62,696**	**187,218**	**15,018**	**5,366**	**59,631**	**44,360**	**28,563**	**74,000**	**6,168**

Taxes on net income—total	**8,853**	**4,164**	**18,721**	**51,785**	**3,824**	**1,265**	**15,346**	**14,721**	**10,056**	**25,012**	**2,077**
Federal	8,260	3,759	18,355	51,785	3,384	1,115	15,346	14,721	10,056	20,709	2,077
State	593	405	366	...	440	150	...	...	...	4,303	...
Net income after related taxes	**16,109**	**10,018**	**43,975**	**135,433**	**11,194**	**4,101**	**44,285**	**29,639**	**18,507**	**48,988**	**4,091**
Dividends and interest on capital—total	**6,477**	**3,700**	**15,038**	**64,988**	**6,854**	**1,747**	**21,169**	**12,988**	**6,043**	**19,059**	**1,964**
Cash dividends declared on common stock	6,476	3,682	14,110	63,468	6,686	1,687	20,992	12,970	6,037	18,371	1,908
Dividends declared on preferred stock and interest on capital notes and debentures	1	18	928	1,520	168	60	177	18	6	688	56
Net additions to capital from income	**9,632**	**6,318**	**28,937**	**70,445**	**4,340**	**2,354**	**23,116**	**16,651**	**12,464**	**29,929**	**2,127**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	1,107	930	2,485	8,600	682	315	3,643	2,016	985	3,243	366
Other employees	4,685	1,993	9,076	27,562	2,761	1,145	10,484	9,418	3,149	10,507	947
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities	...	2	4	344	...	...	155	...	2	3	...
On loans	401	525	2,590	16,931	263	182	1,652	1,155	537	2,245	389
Losses charged to valuation reserves (not included in losses above):											
On securities	...	8	40	5,366	...	...	3,580	77	48	47	...
On loans	1,262	1,140	6,449	48,447	2,442	725	7,522	3,702	2,082	6,026	978
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**3,666**	**2,406**	**9,988**	**41,766**	**2,922**	**1,407**	**11,855**	**10,869**	**3,382**	**12,380**	**1,312**
Rental and other income	371	389	3,106	30,708	1,145	165	1,783	1,031	857	2,785	252
Occupancy expense of bank premises, gross—total	**4,037**	**2,795**	**13,094**	**72,474**	**4,067**	**1,572**	**13,638**	**11,900**	**4,239**	**15,165**	**1,564**
Salaries—building department officers	1	3	45	209	13	1	10	68	23	62	4
Salaries and wages—building department employees	356	331	1,635	6,902	523	211	1,834	939	681	1,898	166
Building department personnel benefits	50	42	162	681	40	21	209	165	68	209	14
Recurring depreciation	940	402	3,179	13,984	838	288	2,428	3,280	960	2,965	430
Maintenance and repairs	598	253	1,453	6,721	356	125	1,213	2,184	481	1,465	170
Insurance and utilities	952	638	2,261	12,443	634	248	2,655	2,022	791	2,670	313
Rents paid	899	626	2,034	13,666	1,168	476	4.229	2,078	637	3,321	150
Taxes	241	500	2,325	17,868	495	202	1,060	1,164	598	2,575	317
Number of building employees, December 31:											
Officers	1	5	6	19	1	...	1	9	3	6	2
Other employees	210	234	653	2,246	195	103	863	283	303	845	64
Number of banks, December 31	124	166	294	1,137	55	47	251	94	189	588	69

Note: For average asset and liability data by State, see Table 109, pp. 152-153.
Back figures, 1946-1965: See the Annual Report for 1965, pp. 164-173, and earlier reports.

Table 118. INCOME OF INSURED MUTUAL SAVINGS BANKS, 1958-1966

(Amounts in thousands of dollars)

Income item	1958	1959	1960	1961	1962	1963	1964	1965	1966
Current operating income—total	**1,149,643**	**1,280,347**	**1,461,763**	**1,595,183**	**1,755,582**	**1,946,776**	**2,164,115**	**2,391,753**	**2,606,012**
Interest on U. S. Government obligations	141,950	146,353	152,458	151,931	156,410	153,659	153,368	147,751	142,509
Interest and dividends on other securities	167,489	180,535	199,258	205,751	206,367	203,720	207,164	211,278	226,023
Interest and discount on real estate mortgage loans—net	808,975	921,315	1,070,173	1,194,282	1,342,896	1,534,446	1,738,621	1,950,930	2,141,099
Interest and discount on real estate mortgage loans—gross	*836,515*	*951,952*	*1,104,100*	*1,231,774*	*1,383,735*	*1,580,276*	*1,790,318*	*2,009,214*	*2,203,133*
Less: Mortgage servicing fees	*25,985*	*29,154*	*32,343*	*36,045*	*39,283*	*44,174*	*49,756*	*56,165*	*59,998*
Premium amortization	*1,555*	*1,483*	*1,584*	*1,447*	*1,556*	*1,656*	*1,941*	*2,119*	*2,036*
Interest and discount on other loans and discounts—net	11,749	12,669	18,407	18,767	22,733	27,576	33,538	41,773	53,172
Income on real estate other than bank building—net	2	−1	27	−38	−52	−108	−122	−97	−255
Income on real estate other than bank building—gross	*139*	*216*	*397*	*379*	*302*	*296*	*421*	*541*	*513*
Less: Operating expense	*137*	*217*	*370*	*417*	*354*	*404*	*543*	*638*	*768*
Income on other assets	8,384	7,486	7,474	9,081	9,777	9,984	13,121	18,713	18,095
Income from service operations	11,094	11,990	13,966	15,409	17,451	17,499	18,425	21,405	25,369
Current operating expenses—total	**187,758**	**201,402**	**224,789**	**241,685**	**252,963**	**274,544**	**290,471**	**311,755**	**334,451**
Salaries—officers	30,099	32,082	36,608	38,158	40,466	42,792	45,391	48,514	52,085
Salaries and wages—other employees	61,797	64,396	71,295	75,303	79,165	84,514	89,514	93,680	98,421
Pension, hospitalization and group insurance payments, and other employee benefits	18,314	20,006	22,656	24,134	25,419	27,202	28,138	30,080	33,593
Fees paid to trustees and committee members	3,203	3,366	3,731	3,994	4,158	4,404	4,604	4,720	4,855
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—net	20,925	22,695	25,255	27,369	29,269	32,160	34,683	37,219	38,855
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—gross	*30,252*	*32,268*	*35,120*	*37,298*	*39,297*	*42,583*	*45,871*	*49,093*	*51,387*
Less: Income from bank building	*9,327*	*9,573*	*9,865*	*9,929*	*10,028*	*10,423*	*11,188*	*11,874*	*12,532*
Deposit insurance assessments	10,183	11,316	11,707	12,824	12,172	12,709	14,035	15,887	16,810
Furniture and fixtures (including recurring depreciation)	3,501	4,445	4,740	5,438	5,997	7,714	9,182	10,262	11,777
All other current operating expenses	39,736	43,096	48,797	54,465	56,317	63,049	64,924	71,393	78,055
Net current operating income	**961,885**	**1,078,945**	**1,236,974**	**1,353,498**	**1,502,619**	**1,672,232**	**1,873,644**	**2,079,998**	**2,271,561**
Franchise and income taxes—total	**10,342**	**11,649**	**13,637**	**16,011**	**17,966**	**22,587**	**26,022**	**29,487**	**37,480**
State franchise and income taxes	9,831	11,172	13,190	15,277	17,502	19,168	21,657	22,048	31,426
Federal income taxes	511	477	447	734	464	3,419	4,365	7,439	6,054
Net current operating income after taxes	**951,543**	**1,067,296**	**1,223,337**	**1,337,487**	**1,484,653**	**1,649,645**	**1,847,622**	**2,050,511**	**2,234,081**
Dividends and interest on deposits	**812,254**	**897,469**	**1,073,542**	**1,147,767**	**1,334,005**	**1,481,869**	**1,653,768**	**1,809,350**	**2,087,072**
Net current operating income after taxes and dividends	**139,289**	**169,827**	**149,795**	**189,720**	**150,648**	**167,776**	**193,854**	**241,161**	**147,009**
Non-recurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total	**66,160**	**91,205**	**142,009**	**113,763**	**105,907**	**113,085**	**105,454**	**75,130**	**177,612**
Non-recurring income	17,295	21,147	31,133	17,567	20,453	28,678	18,048	15,242	20,211
Realized profits and recoveries on:									
Securities sold or matured	30,974	39,498	34,860	54,263	55,751	28,752	36,472	27,375	59,173
Real estate mortgage loans	138	192	283	629	739	2,465	1,088	1,266	773
Other real estate	367	646	535	337	462	807	571	719	1,548
All other assets	624	2,498	6,576	459	957	871	1,096	1,532	3,429
Transfers from valuation adjustment provisions[1] on:									
Securities	8,345	14,270	57,588	10,873	5,460	26,995	22,029	11,817	13,635
Real estate mortgage loans	8,068	12,021	10,480	29,068	21,465	24,342	25,786	16,365	78,458
Other real estate	28	17	86	36	66	46	92	121	20
All other assets	321	916	468	531	554	129	272	693	365

Non-recurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total	**79,852**	**126,876**	**123,664**	**116,143**	**109,192**	**101,611**	**88,234**	**93,036**	**147,688**
Non-recurring expenses	13,699	11,385	16,981	17,692	18,941	17,331	12,991	15,306	10,499
Realized losses on:									
Securities sold	25,056	66,875	63,846	40,851	31,379	47,629	39,884	48,124	100,585
Real estate mortgage loans	603	330	508	1,252	1,083	1,681	2,023	3,037	7,015
Other real estate	191	260	210	375	662	656	712	886	1,644
All other assets	684	440	315	404	424	655	936	927	2,646
Transfers to valuation adjustment provisions[1] on:									
Securities	21,946	30,347	23,352	19,337	30,925	11,548	8,692	6,524	13,015
Real estate mortgage loans	16,733	16,151	17,679	35,377	25,252	21,534	22,266	17,394	11,590
Other real estate	45	40	19	111	76	74	57	122	97
All other assets	895	1,048	754	744	450	503	673	716	597
Net additions to total surplus accounts from operations	**125,597**	**134,156**	**168,140**	**187,340**	**147,363**	**179,250**	**211,074**	**223,255**	**176,933**
Memoranda									
Recoveries credited to valuation adjustment provisions[1] (not included in recoveries above) on:									
Securities	571	173	471	278	1,658	3,389	756	341	1,277
Real estate mortgage loans	14	99	136	53	48	201	64	85	212
Other real estate	....	2	....	....	....	....	....	....	....
All other assets	5	37	585	6	35	14	13	24	46
Realized losses charged to valuation adjustment provisions[1] (not included in realized losses above) on:									
Securities	6,267	9,339	8,110	7,721	5,830	12,973	6,058	6,564	6,811
Real estate mortgage loans	217	197	1,131	720	501	5,136	765	841	1,220
Other real estate	3	26	13	5	6	190	....	118	257
All other assets	300	385	165	218	448	178	258	308	341
Average assets and liabilities[2]									
Assets—total	**29,160,570**	**31,248,671**	**34,339,564**	**35,916,590**	**38,152,221**	**41,180,616**	**44,609,410**	**48,466,656**	**51,399,898**
Cash and due from banks	742,225	689,698	721,308	757,912	794,362	786,298	768,719	891,727	838,855
United States Government obligations	5,338,796	5,236,825	5,092,512	4,791,909	4,748,691	4,563,328	4,351,966	4,030,731	3,594,830
Other securities	4,378,447	4,677,222	5,036,291	5,228,022	5,151,555	5,115,637	5,057,794	5,069,343	5,153,130
Real estate mortgage loans	18,045,621	19,937,652	22,628,058	24,255,437	26,435,337	29,538,513	33,121,502	36,991,670	40,095,486
Other loans and discounts	227,027	244,010	355,327	353,474	441,994	543,458	588,196	672,117	842,896
Other real estate	4,361	7,002	11,555	18,955	19,640	21,114	28,389	27,228	29,263
All other assets	424,093	456,262	494,513	510,881	560,642	612,268	692,844	783,840	845,438
Liabilities and surplus accounts—total	**29,160,570**	**31,248,671**	**34,339,564**	**35,916,590**	**38,152,221**	**41,180,616**	**44,609,410**	**48,466,656**	**51,399,898**
Total deposits	26,304,610	28,136,390	30,822,839	32,320,488	34,350,820	37,175,285	40,334,274	43,985,749	46,590,719
Savings and time deposits	*26,274,758*	*28,106,089*	*30,790,599*	*32,113,129*	*34,070,511*	*36,870,906*	*39,997,217*	*43,609,062*	*46,172,242*
Demand deposits	*29,852*	*30,301*	*32,240*	*207,359*	*280,309*	*304,379*	*337,057*	*376,687*	*418,477*
Other liabilities	431,019	512,192	598,011	506,744	537,630	588,622	660,037	653,614	764,445
Total surplus accounts	2,424,941	2,600,089	2,918,714	3,089,358	3,263,771	3,416,709	3,615,099	3,827,293	4,044,734
Number of active officers, December 31	2,356	2,504	2,885	2,977	3,085	3,170	3,281	3,423	3,602
Number of other employees, December 31	14,925	15,110	16,753	17,290	17,617	18,459	18,958	19,451	19,609
Number of banks, December 31	241	268	325	330	331	330	327	329	332

[1] Includes "Valuation reserves" and "Other asset valuation provisions (direct write-downs)."

[2] For 1958 through 1960, averages of figures reported at beginning, middle, and end of year. For 1961 through 1966, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year.

Back figures, 1934-1957: Data for 1934-1950, which however are not comparable with figures for 1951-1966, may be found in the following Annual Reports: 1941, p. 173; and 1950, pp. 272-273. For 1951-1957, see the Annual Report for 1959, pp. 166-167.

Table 119. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS, 1958-1966

Income item	1958	1959	1960	1961	1962	1963	1964	1965	1966
Amounts per $100 of current operating income									
Current operating income—total	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00
Interest on U. S. Government obligations	12.35	11.43	10.43	9.52	8.91	7.89	7.09	6.18	5.47
Interest and dividends on other securities	14.57	14.10	13.63	12.90	11.76	10.46	9.57	8.83	8.67
Interest and discount on real estate mortgage loans—net	70.37	71.96	73.21	74.87	76.49	78.82	80.34	81.57	82.16
Interest and discount on other loans and discounts—net	1.02	.99	1.26	1.18	1.29	1.42	1.55	1.75	2.04
Income on other assets	.73	.58	.51	.57	.56	.51	.60	.78	.69
Income from service operations	.96	.94	.96	.96	.99	.90	.85	.89	.97
Current operating expenses—total	**16.33**	**15.73**	**15.38**	**15.15**	**14.41**	**14.10**	**13.42**	**13.03**	**12.83**
Salaries—officers	2.62	2.51	2.50	2.39	2.30	2.20	2.10	2.03	2.00
Salaries and wages—other employees	5.37	5.03	4.88	4.72	4.51	4.34	4.14	3.92	3.78
Pension, hospitalization and group insurance payments, and other employee benefits	1.59	1.56	1.55	1.51	1.45	1.40	1.30	1.26	1.29
Fees paid to trustees and committee members	.28	.26	.26	.25	.24	.23	.21	.20	.19
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation), —net	1.82	1.77	1.73	1.72	1.67	1.65	1.60	1.55	1.49
Deposit insurance assessments	.89	.88	.80	.80	.69	.65	.65	.66	.64
Furniture and fixtures (including recurring depreciation)	.30	.35	.32	.34	.34	.39	.42	.43	.45
All other current operating expenses	3.46	3.37	3.34	3.42	3.21	3.24	3.00	2.98	2.99
Net current operating income	**83.67**	**84.27**	**84.62**	**84.85**	**85.59**	**85.90**	**86.58**	**86.97**	**87.17**
Franchise and income taxes—total	**.90**	**.91**	**.93**	**1.00**	**1.02**	**1.16**	**1.20**	**1.24**	**1.44**
State franchise and income taxes	.86	.87	.90	.96	1.00	.98	1.00	.93	1.21
Federal income taxes	.04	.04	.03	.04	.02	.18	.20	.31	.23
Net current operating income after taxes	**82.77**	**83.36**	**83.69**	**83.85**	**84.57**	**84.74**	**85.38**	**85.73**	**85.73**
Dividends and interest on deposits	**70.65**	**70.10**	**73.44**	**71.95**	**75.99**	**76.12**	**76.42**	**75.65**	**80.09**
Net current operating income after taxes and dividends	**12.12**	**13.26**	**10.25**	**11.90**	**8.58**	**8.62**	**8.96**	**10.08**	**5.64**
Amounts per $100 of total assets [1]									
Current operating income—total	3.94	4.10	4.26	4.44	4.60	4.73	4.85	4.93	5.07
Current operating expenses—total	.64	.65	.66	.67	.66	.67	.65	.64	.65
Net current operating income	3.30	3.45	3.60	3.77	3.94	4.06	4.20	4.29	4.42
State franchise and income taxes	.04	.03	.04	.05	.05	.05	.06	.06	.07
Net current operating income after taxes	3.26	3.42	3.56	3.72	3.89	4.01	4.14	4.23	4.35
Dividends and interest on deposits	2.78	2.87	3.12	3.19	3.50	3.60	3.71	3.73	4.06
Net current operating income after taxes and dividends	.48	.55	.44	.53	.39	.41	.43	.50	.29
Non-recurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions [2]—total	.22	.29	.41	.31	.28	.27	.24	.15	.34
Non-recurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions [2]—total	.27	.41	.36	.32	.28	.24	.20	.19	.29
Net additions to total surplus accounts from operations	.43	.43	.49	.52	.39	.44	.47	.46	.34
Special ratios [1]									
Interest on U. S. Government obligations per $100 of U. S. Government obligations	2.66	2.79	2.99	3.17	3.29	3.37	3.52	3.67	3.96
Interest and dividends on other securities per $100 of other securities	3.83	3.86	3.96	3.94	4.01	3.98	4.10	4.17	4.39
Interest and discount on real estate mortgage loans per $100 of real estate mortgage loans	4.48	4.62	4.73	4.92	5.08	5.19	5.25	5.27	5.34
Interest and discount on other loans and discounts per $100 of other loans and discounts	5.18	5.19	5.18	5.31	5.14	5.07	5.70	6.22	6.31
Dividends and interest on deposits per $100 of savings and time deposits	3.09	3.19	3.49	3.57	3.92	4.02	4.13	4.15	4.52
Net additions to total surplus accounts from operations per $100 of total surplus accounts	5.18	5.16	5.76	6.06	4.52	5.25	5.84	5.83	4.37
Number of banks, December 31	241	268	325	330	331	330	327	329	332

[1] For 1958 through 1960, averages of figures reported at beginning, middle, and end of year. For 1961 through 1966, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year

[2] Includes "Valuation reserves" and "O[illegible] (direct write-downs)."

Back figures, 1934, 1941-1950, [illegible] ich however are not comparable with figures for 1951-1966, may be found in the

1950 [illegible] For 1951-1957

Table 120. SOURCES AND DISPOSITION OF TOTAL INCOME, INSURED MUTUAL SAVINGS BANKS, 1958-1966
(Amounts in millions of dollars)

Income item	1958	1959	1960	1961	1962	1963	1964	1965	1966
Amount									
Total income	**1,216**	**1,372**	**1,604**	**1,709**	**1,861**	**2,060**	**2,270**	**2,467**	**2,783**
Sources									
Loans	821	934	1,089	1,213	1,366	1,562	1,772	1,993	2,194
U.S. Government obligations	142	146	153	152	156	154	153	148	143
Other securities	167	181	199	206	206	204	207	211	226
Other current income	20	19	21	24	27	27	32	40	43
Non-recurring income, recoveries, etc	66	91	142	114	106	113	105	75	177
Disposition									
Salaries and wages[1]	113	120	134	142	149	159	168	177	189
Dividends and interest on deposits	812	897	1,073	1,148	1,334	1,482	1,654	1,809	2,087
Other current expenses	74	81	91	100	104	115	122	135	146
Non-recurring expenses, losses, etc.	80	127	124	116	109	102	88	93	148
Income taxes	10	12	14	16	18	23	26	29	37
Additions to capital accounts	126	134	168	187	147	179	211	223	177
Percentage distribution									
Total income	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Sources									
Loans	67.5	68.1	67.9	71.0	73.3	75.8	78.1	80.8	78.8
U.S. Government obligations	11.7	10.7	9.5	8.9	8.4	7.5	6.8	6.0	5.1
Other securities	13.8	13.2	12.4	12.0	11.1	9.9	9.1	8.6	8.1
Other current income	1.6	1.4	1.3	1.4	1.5	1.3	1.4	1.6	1.6
Non-recurring income, recoveries, etc.	5.4	6.6	8.9	6.7	5.7	5.5	4.6	3.0	6.4
Disposition									
Salaries and wages[1]	9.3	8.7	8.3	8.3	8.0	7.7	7.4	7.2	6.8
Dividends and interest on deposits	66.8	65.4	66.9	67.1	71.6	71.9	72.9	73.3	75.0
Other current expenses	6.1	5.9	5.7	5.9	5.6	5.6	5.4	5.5	5.2
Non-recurring expenses, etc.	6.6	9.3	7.7	6.8	5.9	5.0	3.9	3.8	5.3
Income taxes	.8	.9	.9	1.0	1.0	1.1	1.1	1.2	1.3
Additions to capital accounts	10.4	9.8	10.5	10.9	7.9	8.7	9.3	9.0	6.4

[1] Includes pension, hospitalization and other employee benefits and fees paid to trustees and committee members.

Note: Due to rounding differences, components may not add to totals.

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES; DEPOSIT INSURANCE DISBURSEMENTS

Deposit insurance disbursements

Disbursements by the Federal Deposit Insurance Corporation to protect depositors are made when the insured deposits of banks in financial difficulties are paid off, or when the deposits of a failing bank are assumed by another insured bank with the financial aid of the Corporation. In deposit payoff cases, the disbursement is the amount paid by the Corporation on insured deposits. In deposit assumption cases, the principal disbursement is the amount loaned to failing banks, or the price paid for assets purchased from them; additional disbursements are made in those cases as advances for protection of assets in process of liquidation and for liquidation expenses.

Noninsured bank failure

One noninsured bank failed in 1966, the Intra Bank, Societe Anonyme Lebanaise, a branch of the Beirut bank, licensed in New York State and located in New York City. It closed on October 15, 1966, and on June 30, 1966 had deposits of $2,648,000.

For detailed data regarding noninsured banks which suspended in the years 1934-1962, see the Annual Report for 1963, pp. 27-41. For 1963-1965, see Table 121, this Report, and previous Reports for respective years.

Sources of data

Insured banks: books of bank at date of closing; and books of FDIC, December 31, 1966.

Table 121. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934-1966

Year	Number					Deposits (in thousands of dollars)				
	Total	Non-insured[1]	Insured			Total	Non-insured[1]	Insured		
			Total	Without disburse-ments by FDIC[2]	With disburse-ments by FDIC[3]			Total	Without disburse-ments by FDIC[2]	With disburse-ments by FDIC[3]
Total	**602**	**131**	**471**	**8**	**463**	**897,151**	**61,973**	**835,178**	**41,147**	**794,031**
1934	61	52	9	...	9	37,332	35,364	1,968	...	1,968
1935	32	6	26	1	25	13,987	583	13,404	85	13,319
1936	72	3	69	...	69	28,100	592	27,508	...	27,508
1937	83	7	76	2	74	34,141	528	33,613	328	33,285
1938	80	7	73	...	73	60,444	1,038	59,406	...	59,406
1939	72	12	60	...	60	160,211	2,439	157,772	...	157,772
1940	48	5	43	...	43	142,787	358	142,429	...	142,429
1941	16	2	14	...	14	18,805	79	18,726	...	18,726
1942	23	3	20	...	20	19,541	355	19,186	...	19,186
1943	5	...	5	...	5	12,525	...	12,525	...	12,525
1944	2	...	2	...	2	1,915	...	1,915	...	1,915
1945	1	...	1	...	1	5,695	...	5,695	...	5,695
1946	2	1	1	...	1	494	147	347	...	347
1947	6	1	5	...	5	7,207	167	7,040	...	7,040
1948	3	...	3	...	3	10,674	...	10,674	...	10,674
1949	9	4	5	1	4	9,217	2,552	6,665	1,190	5,475
1950	5	1	4	...	4	5,555	42	5,513	...	5,513
1951	5	3	2	...	2	6,464	3,056	3,408	...	3,408
1952	4	1	3	...	3	3,313	143	3,170	...	3,170
1953	5	1	4	2	2	45,101	390	44,711	26,449	18,262
1954	4	2	2	...	2	2,948	1,950	998	...	998
1955	5	...	5	...	5	11,953	...	11,953	...	11,953
1956	3	1	2	...	2	11,689	360	11,329	...	11,329
1957	3	1	2	1	1	12,502	1,255	11,247	10,084	1,163
1958	9	5	4	...	4	10,413	2,173	8,240	...	8,240
1959	3	...	3	...	3	2,593	...	2,593	...	2,593
1960	2	1	1	...	1	7,965	1,035	6,930	...	6,930
1961	9	4	5	...	5	10,611	1,675	8,936	...	8,936
1962	3	2	1	1	...	4,231	1,220	3,011	3,011	...
1963	2	...	2	...	2	23,444	...	23,444	...	23,444
1964	8	1	7	...	7	23,867	429	23,438	...	23,438
1965	9	4	5	...	5	45,256	1,395	43,861	...	43,861
1966	8	1	7	...	7	106,171	2,648	103,523	...	103,523

[1] For information regarding each of these banks, see Table 22 in the Annual Report of the Federal Deposit Insurance Corporation for 1963, page 221 of the report for 1964, page 179 of the report for 1965, and page 183 of this report. One noninsured bank placed in receivership in 1934, with no deposits at time of closing, is omitted (see Table 22, note 9). Deposits are unavailable for 7 banks.

[2] For information regarding these cases, see Table 23 of the Annual Report for 1963.

[3] For information regarding each bank, see the Annual Report for 1958, pp. 48-83 and pp. 98-127, and tables regarding deposit insurance disbursements in subsequent annual reports. Deposits are adjusted as of December 31, 1966, and exclude deposits for three cases requiring disbursements by the Corporation: 1 bank in voluntary liquidation in 1937 (payoff case no. 90); 1 noninsured bank in 1938 with insured deposits at date of suspension, its insurance status having been terminated prior to suspension (payoff case no. 162); and 1 foreign-owned bank closed in 1941 by order of the Federal Government (payoff case no. 234).

Table 122. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1966

Case number	Name and location	Class of bank	Number of accounts[1]	Date of closing or deposit assumption	FDIC disbursement[2] (in thousands)	Receiver or liquidating agent or assuming bank
Deposit payoff						
278	Citizens Bank, Pottsville, Arkansas	NM	1,012	January 24, 1966	$ 732	Federal Deposit Insurance Corporation
Deposit assumption						
115	Five Points National Bank, Miami, Florida	N	3,072	January 12, 1966	1,217	Coral Way National Bank, Miami, Florida
207	Blanket State Bank, Blanket, Texas	NM	1,556	January 31, 1966	818	First National Bank in Brownwood, Brownwood, Texas
208	Saguache County National Bank, Saguache, Colorado	N	712	March 17, 1966	472	The First National Bank of Center, Center, Colorado
209	Bank of Gray Summit, Gray Summit, Missouri	NM	3,630	April 7, 1966	1,021	United Bank of Union, Union, Missouri
279	Public Bank, Detroit, Michigan	NM	83,044	October 12, 1966	10,000	Bank of the Commonwealth, Detroit, Michigan
116	First State Bank of Tuscola, Tuscola, Texas	NM	2,398	October 17, 1966	811	First State Bank in Tuscola, Tuscola, Texas

Case number	Assets[1]							Total	Liabilities and capital accounts[1]			
	Cash and due from banks	U. S. Government obligations	Other securities	Loans, discounts and overdrafts	Banking house, furniture and fixtures	Other real estate	Other assets[3]		Deposits	Other liabilities	Capital stock	Other capital accounts
Deposit payoff												
278	254,331	96,000	16,000	377,930	450	....	87,664	832,375	774,426	....	25,000	32,949
Deposit assumption												
115	312,921	628,649	657,381	1,005,856	71,569	....	26,665	2,703,041	2,966,731	10,903	400,000	−674,593
207	135,023	130,300	15,000	955,114	19,629	2	2,029	1,257,097	1,182,865	....	25,000	49,232
208	71,753	165,837	28,285	236,235	10,209	....	45	512,364	725,400	....	50,000	−263,036
209	434,641	323,260	71,709	1,064,312	26,204	....	14,736	1,934,862	1,832,485	6,746	50,000	45,631
279	7,879,024	17,183,595	1,927,079	78,123,201	3,857,964	6,812	1,099,297	110,076,972	92,959,930	16,180,926	4,620,000	−3,683,884
116	168,564	543,482	2,978	2,513,151	69,810	....	32,022	3,330,007	3,080,829	56,845	62,500	129,833

[1] Figures as determined by FDIC agents after adjustment of books of the bank immediately following its closing. In deposit payoff case, number of accounts refers to number of depositors.
[2] Includes disbursements made to December 31, 1966, plus additional disbursements estimated to be required in these cases.
[3] Includes in case number 278 a shortage account of $75,603.

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1966

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

Classification	Number of banks			Number of depositors[1]			Deposits[1] (in thousands of dollars)			Disbursements by FDIC[1] (in thousands of dollars)				
										Principal disbursements			Advances and expenses[2]	
	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases[3]	Assumption cases[4]	Payoff cases[5]	Assumption cases[6]
All banks	**466**	**276**	**190**	**1,627,868**	**497,269**	**1,130,599**	**805,366**	**235,118**	**570,248**	**368,572**	**155,695**	**212,877**	**2,678**	**47,915**
Class of bank														
National banks	84	29	55	331,105	82,645	248,460	180,182	76,779	103,403	75,617	35,308	40,309	705	6,331
State banks members F. R. S.	24	8	16	372,545	86,939	285,606	190,536	29,418	161,119	103,273	23,002	80,271	151	19,273
Banks not members F. R. S.	358	239	119	924,218	327,685	596,533	434,648	128,922	305,726	189,681	97,384	92,297	1,823	22,313
Year[7]														
1934	9	9	...	15,767	15,767	...	1,968	1,968	...	941	941	...	43	...
1935	25	24	1	44,655	32,331	12,324	13,319	9,091	4,229	8,891	6,026	2,865	108	272
1936	69	42	27	89,018	43,225	45,793	27,508	11,241	16,267	14,781	8,056	6,725	67	934
1937	75	50	25	130,387	74,148	56,239	33,349	14,960	18,389	19,161	12,045	7,116	103	905
1938	74	50	24	203,961	44,288	159,673	59,684	10,296	49,388	30,479	9,092	21,387	93	4,902
1939	60	32	28	392,718	90,169	302,549	157,772	32,738	125,034	67,770	26,196	41,574	162	17,603
1940	43	19	24	256,361	20,667	235,694	142,429	5,657	136,773	74,134	4,895	69,239	89	17,237
1941	15	8	7	73,005	38,594	34,411	29,718	14,730	14,987	23,880	12,278	11,602	50	1,479
1942	20	6	14	60,688	5,717	54,971	19,186	1,816	17,369	10,825	1,612	9,213	38	1,076
1943	5	4	1	27,371	16,917	10,454	12,525	6,637	5,888	7,172	5,500	1,672	53	72
1944	2	1	1	5,487	899	4,588	1,915	456	1,459	1,503	404	1,099	9	37
1945	1	...	1	12,483	...	12,483	5,695	...	5,695	1,768	...	1,768	...	96
1946	1	...	1	1,383	...	1,383	347	...	347	265	...	265	...	11
1947	5	...	5	10,637	...	10,637	7,040	...	7,040	1,724	...	1,724	...	362
1948	3	...	3	18,540	...	18,540	10,674	...	10,674	2,990	...	2,990	...	200
1949	4	...	4	5,671	...	5,671	5,475	...	5,475	2,552	...	2,552	...	166
1950	4	...	4	6,366	...	6,366	5,513	...	5,513	3,986	...	3,986	...	524
1951	2	...	2	5,276	...	5,276	3,408	...	3,408	1,885	...	1,885	...	127
1952	3	...	3	6,752	...	6,752	3,170	...	3,170	1,369	...	1,369	...	195
1953	2	...	2	24,469	...	24,469	18,262	...	18,262	5,017	...	5,017	...	428
1954	2	...	2	1,811	...	1,811	998	...	998	913	...	913	...	145
1955	5	4	1	17,790	8,080	9,710	11,953	6,503	5,450	6,784	4,438	2,346	106	665
1956	2	1	1	15,197	5,465	9,732	11,329	4,702	6,628	3,333	2,795	538	87	51
1957	1	1	...	2,338	2,338	...	1,163	1,163	...	1,031	1,031	...	20	...
1958	4	3	1	9,587	4,380	5,207	8,240	4,156	4,084	3,026	2,796	230	38	31
1959	3	3	...	3,073	3,073	...	2,593	2,593	...	1,835	1,835	...	51	...
1960	1	1	...	11,171	11,171	...	6,930	6,930	...	4,765	4,765	...	82	...
1961	5	5	...	8,301	8,301	...	8,936	8,936	...	6,208	6,208	...	154	...
1963	2	2	...	36,430	36,430	...	23,444	23,444	...	19,242	19,242	...	267	...
1964	7	7	...	19,934	19,934	...	23,438	23,438	...	13,761	13,761	...	560	...
1965	5	3	2	15,817	14,363	1,454	43,861	42,889	972	11,508	11,045	463	393	89
1966	7	1	6	95,424	1,012	94,412	103,523	774	102,749	15,074	735	14,339	106	308
Banks with deposits of—														
Less than $100,000	107	83	24	38,347	29,695	8,652	6,418	4,947	1,471	5,000	4,309	691	88	154
$100,000 to $250,000	109	86	23	83,370	65,512	17,858	17,759	13,920	3,839	12,906	11,554	1,352	209	173
$250,000 to $500,000	61	37	24	91,218	57,287	33,931	21,881	12,921	8,961	14,993	10,550	4,443	162	607
$500,000 to $1,000,000	71	34	37	161,306	74,253	87,053	55,248	27,211	28,037	36,069	20,361	15,708	357	2,251
$1,000,000 to $2,000,000	52	17	35	211,161	66,768	144,393	74,044	22,210	51,834	41,112	17,094	24,018	353	3,473
$2,000,000 to $5,000,000	38	11	27	253,528	69,419	184,109	118,775	36,590	82,185	61,434	24,778	36,656	361	5,637
$5,000,000 to $10,000,000	16	4	12	222,948	32,665	190,283	105,189	27,715	77,474	44,102	17,818	26,284	425	5,491
$10,000,000 to $25,000,000	6	3	3	198,137	89,189	108,948	113,498	49,429	64,068	59,514	39,444	20,070	303	5,404
$25,000,000 to $50,000,000	5	1	4	284,809	12,481	272,328	199,594	40,176	159,418	83,439	9,786	73,653	338	24,723
$50,000,000 to $100,000,000	1	...	1	83,044	...	83,044	92,960	...	92,960	10,000	...	10,000	81	...

State														
Alabama	3	1	2	7,905	794	7,111	2,285	100	2,185	1,089	94	995	1	91
Arkansas	7	6	1	5,446	4,541	905	2,538	1,942	596	1,720	1,576	144	33	48
California	4	3	1	21,059	17,890	3,169	47,298	46,220	1,078	13,893	13,032	861	433	138
Colorado	3	2	1	2,094	1,382	712	2,987	2,262	725	1,410	938	472	38	42
Connecticut	2	2	...	5,379	5,379	...	1,526	1,526	...	1,242	1,242	...	8	...
Florida	3	1	2	4,714	448	4,266	3,457	217	3,240	1,517	203	1,314	3	106
Georgia	10	8	2	9,410	8,797	613	1,959	1,870	89	1,620	1,551	69	33	33
Idaho	2	2	...	2,451	2,451	...	1,894	1,894	...	1,493	1,493	...	29	...
Illinois	20	8	12	79,721	41,802	37,919	50,765	25,081	25,684	28,466	20,484	7,982	296	791
Indiana	20	15	5	30,006	12,549	17,457	13,593	3,932	9,662	6,197	3,096	3,101	39	384
Iowa	7	4	3	16,055	4,066	11,989	9,401	4,383	5,018	3,875	2,804	1,071	46	113
Kansas	9	5	4	5,145	2,254	2,891	1,234	539	694	974	482	492	5	72
Kentucky	23	18	5	36,139	18,490	17,649	8,888	3,953	4,934	5,455	3,329	2,126	44	201
Louisiana	3	3	...	6,087	6,087	...	1,652	1,652	...	668	668	...	10	...
Maine	1	...	1	9,710	...	9,710	5,450	...	5,450	2,346	...	2,346	...	665
Maryland	5	2	3	22,567	6,643	15,924	4,566	828	3,738	3,109	735	2,374	9	371
Massachusetts	2	...	2	9,046	...	9,046	3,019	...	3,019	1,564	...	1,564	...	1,030
Michigan	10	4	6	115,863	2,084	113,779	107,727	1,394	106,332	17,462	1,312	16,150	124	760
Minnesota	5	5	...	2,650	2,650	...	818	818	...	640	640	...	17	...
Mississippi	3	3	...	1,651	1,651	...	334	334	...	257	257	...	5	...
Missouri	49	36	13	41,277	29,478	11,799	11,107	7,240	3,867	7,678	6,011	1,667	99	174
Montana	5	3	2	1,500	849	651	1,095	215	880	639	186	453	6	21
Nebraska	6	6	...	6,069	6,069	...	8,145	8,145	...	5,008	5,008	...	46	...
New Hampshire	1	...	1	1,780	...	1,780	296	...	296	117	...	117	...	8
New Jersey	39	12	27	522,563	103,797	418,766	194,630	33,128	161,502	82,125	26,468	55,657	161	20,154
New York	26	3	23	269,621	28,440	241,181	145,439	13,286	132,153	67,872	10,836	57,036	32	10,847
North Carolina	7	2	5	10,408	3,677	6,731	3,266	1,421	1,845	2,387	1,156	1,231	23	179
North Dakota	29	18	11	14,103	6,760	7,343	3,830	1,552	2,278	2,656	1,397	1,259	24	203
Ohio	4	2	2	13,751	7,585	6,166	7,223	2,345	4,877	2,098	1,610	488	7	44
Oklahoma	11	8	3	25,070	20,149	4,921	13,765	11,053	2,712	9,255	7,944	1,311	178	104
Oregon	2	1	1	3,439	1,230	2,209	2,670	1,368	1,302	1,948	986	962	11	81
Pennsylvania	29	8	21	166,894	43,828	123,066	75,756	14,340	61,416	51,292	10,133	41,159	75	9,524
South Carolina	2	1	1	1,848	403	1,445	849	136	714	274	136	138	...	10
South Dakota	23	22	1	12,515	11,412	1,103	2,987	2,862	126	2,411	2,388	23	26	9
Tennessee	12	8	4	12,358	9,993	2,365	1,942	1,620	322	1,278	1,164	114	28	25
Texas	31	25	6	42,167	35,231	6,936	24,384	18,461	5,922	15,030	12,645	2,385	424	209
Vermont	3	2	1	11,057	8,687	2,370	3,725	3,375	350	3,445	3,259	186	21	22
Virginia	9	4	5	35,715	12,638	23,077	17,778	7,652	10,127	8,275	3,879	4,396	278	505
Washington	1	...	1	4,179	...	4,179	1,538	...	1,538	935	...	935	...	512
West Virginia	3	3	...	8,346	8,346	...	2,006	2,006	...	1,458	1,458	...	11	...
Wisconsin	31	20	11	26,898	18,739	8,159	9,512	5,966	3,545	7,188	5,096	2,092	54	420
Wyoming	1	...	1	3,212	...	3,212	2,033	...	2,033	202	...	202	...	19

[1] Adjusted to December 31, 1966. In assumption cases, number of depositors refers to number of deposit accounts.
[2] Excludes $295 thousand of non-recoverable insurance expenses in cases which were resolved without payment of claims or a disbursement to facilitate assumption of deposits by another insured bank, and other expenses of field liquidation employees not chargeable to liquidation activities.
[3] Includes estimated additional disbursements in active cases.
[4] Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
[5] These disbursements are not recoverable by the Corporation; they consist almost wholly of field payoff expenses.
[6] Includes advances to protect assets and liquidation expenses of $47,555 thousand, all of which have been fully recovered by the Corporation, and $360 thousand of non-recoverable expenses.
[7] No case in 1962 required disbursements. Disbursement totals for each year relate to cases occurring during that year, including disbursements made in subsequent years.
Note: Due to rounding differences, components may not add to totals.

Table 124. RECOVERIES AND LOSSES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON PRINCIPAL DISBURSEMENTS FOR PROTECTION OF DEPOSITORS, 1934-1966

(Amounts in thousands of dollars)

Liquidation status and year of deposit payoff or deposit assumption	All cases					Deposit payoff cases					Deposit assumption cases				
	Number of banks	Principal disbursements	Recoveries to Dec. 31, 1966	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[2]	Recoveries to Dec. 31, 1966	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[3]	Recoveries to Dec. 31, 1966	Estimated additional recoveries	Losses[1]
Total	**466**	**368,572**	**306,692**	**16,656**	**45,224**	**276**	**155,695**	**120,230**	**8,282**	**27,183**	**190**	**212,877**	**186,462**	**8,374**	**18,041**
Status															
Active	36	119,473	83,368	16,656	19,449	20	58,469	37,902	8,282	12,285	16	61,004	45,466	8,374	7,164
Terminated	430	249,099	223,324	...	25,775	256	97,226	82,328	...	14,898	174	151,873	140,996	...	10,877
Year[4]															
1934	9	941	734	...	207	9	941	734	...	207	...	...	...	...	...
1935	25	8,891	6,193	1	2,696	24	6,026	4,274	...	1,751	1	2,865	1,919	1	945
1936	69	14,781	12,325	...	2,455	42	8,056	6,595	...	1,460	27	6,725	5,730	...	995
1937	75	19,161	15,610	...	3,549	50	12,045	9,520	...	2,524	25	7,116	6,090	...	1,025
1938	74	30,479	28,055	...	2,425	50	9,092	7,908	...	1,184	24	21,387	20,147	...	1,241
1939	60	67,770	60,618	...	7,153	32	26,196	20,399	...	5,798	28	41,574	40,219	...	1,355
1940	43	74,134	70,241	125	3,767	19	4,895	4,313	...	582	24	69,239	65,928	125	3,185
1941	15	23,880	23,290	...	591	8	12,278	12,065	...	213	7	11,602	11,225	...	378
1942	20	10,825	10,136	...	688	6	1,612	1,320	...	292	14	9,213	8,816	...	396
1943	5	7,172	7,048	...	123	4	5,500	5,376	...	123	1	1,672	1,672	...	...
1944	2	1,503	1,462	...	40	1	404	363	...	40	1	1,099	1,099	...	...
1945	1	1,768	1,768	...	...	...	...	...	...	...	1	1,768	1,768	...	...
1946	1	265	265	...	...	...	...	...	...	...	1	265	265	...	...
1947	5	1,724	1,631	22	72	...	...	...	...	...	5	1,724	1,631	22	72
1948	3	2,990	2,349	...	641	...	...	...	...	...	3	2,990	2,349	...	641
1949	4	2,552	2,183	...	369	...	...	...	...	...	4	2,552	2,183	...	369
1950	4	3,986	2,601	...	1,385	...	...	...	...	...	4	3,986	2,601	...	1,385
1951	2	1,885	1,792	91	3	...	...	...	...	...	2	1,885	1,792	91	3
1952	3	1,369	577	...	792	...	...	...	...	...	3	1,369	577	...	792
1953	2	5,017	5,017	...	...	...	...	...	...	...	2	5,017	5,017	...	...
1954	2	913	654	...	258	...	...	...	...	...	2	913	654	...	258
1955	5	6,784	6,554	...	230	4	4,438	4,208	...	230	1	2,346	2,346	...	...
1956	2	3,333	3,038	45	250	1	2,795	2,500	45	250	1	538	538	...	...
1957	1	1,031	1,031	...	...	1	1,031	1,031	...	...	...	...	...	...	...
1958	4	3,026	2,998	...	28	3	2,796	2,768	...	28	1	230	230	...	...
1959	3	1,835	1,722	8	105	3	1,835	1,722	8	105	...	...	...	...	...
1960	1	4,765	4,765	...	...	1	4,765	4,765	...	...	...	...	...	...	...
1961	5	6,208	4,571	130	1,508	5	6,208	4,571	130	1,508	...	...	...	...	...
1963	2	19,242	15,775	2,337	1,130	2	19,242	15,775	2,337	1,130	...	...	...	...	...
1964	7	13,761	9,198	2,316	2 247	7	13,761	9,198	2,316	2,247	...	...	...	...	...
1965	5	11,508	551	3,231	7,726	3	11,045	348	3,217	7,480	2	463	203	14	246
1966	7	15,074	1,939	8,350	4,785	1	735	476	229	30	6	14,339	1,463	8,121	4,755

[1] Includes estimated losses in active cases. Not adjusted for interest or allowable return, which was collected in some cases in which the disbursement was fully recovered.
[2] Includes estimated additional disbursements in active cases.
[3] Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
[4] No case in 1962 required disbursements.

Note: Due to rounding differences, components may not add to totals.

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