ANNUAL REPORT OF THE

FEDERAL DEPOSIT INSURANCE CORPORATION

1971

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D. C., June 15, 1972

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 1971.

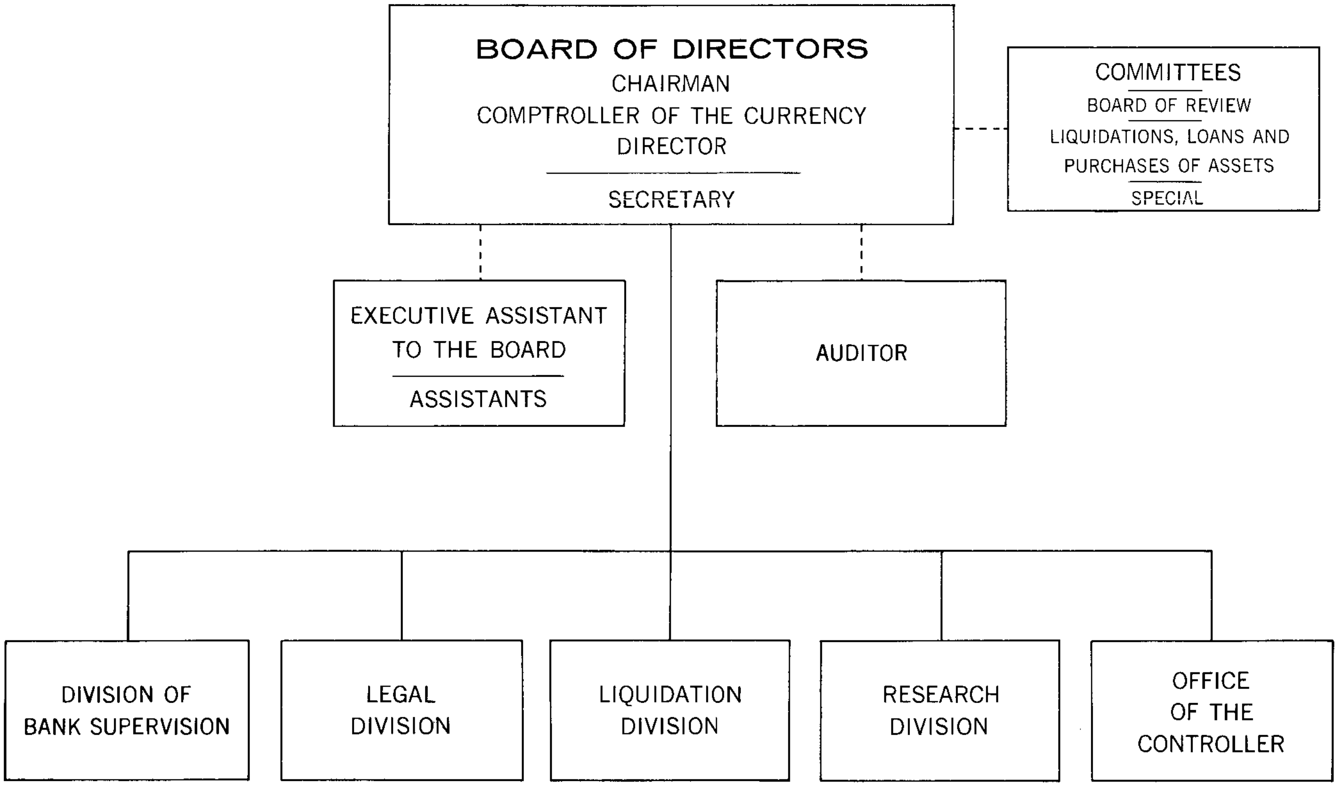
Respectfully yours,

Frank Wille

FRANK WILLE
Chairman

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

FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

BOARD OF DIRECTORS

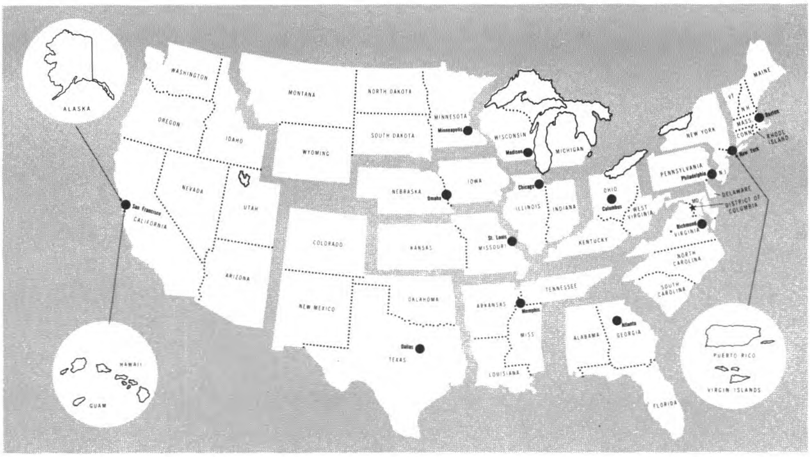
Chairman	Frank Wille
Director	Irvine H. Sprague
Comptroller of the Currency	William B. Camp

OFFICIALS

Assistant to the Chairman	Robert E. Barnett
Special Assistant to the Chairman	Paul M. Rooney
Assistant to the Director	Alan R. Miller
Assistant to the Director (Comptroller of the Currency)	Albert J. Faulstich
Director, Division of Bank Supervision	Edward J. Roddy
General Counsel	William E. Murane
Controller	Edward F. Phelps, Jr.
Director, Division of Research	Paul M. Horvitz
Chief, Division of Liquidation	John J. Slocum
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

June 15, 1972

FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS



REGIONAL DIRECTORS

Atlanta
Lewis C. Beasley
2 Peachtree St., N.W., Suite 3030
Atlanta, Georgia 30303

Boston
Mark J. Laverick
2 Center Plaza, Room 810
Boston, Massachusetts 02108

Chicago
John J. Early
164 West Jackson Blvd., Rm. 1500
Chicago, Illinois 60604

Columbus
William D. Allen
37 West Broad Street, Suite 600
Columbus, Ohio 43215

Dallas
Quinton Thompson
300 North Ervay Street,Suite 3300
Dallas, Texas 75201

Madison
Wallace A. Ryen
110 E. Main Street, Room 715
Madison, Wisconsin 53703

Memphis
James W. Thompson
165 Madison Avenue, Suite 1010
Memphis, Tennessee 38103

Minneapolis
Roger B. West
109 South 7th Street, Suite 710
Minneapolis, Minnesota 55402

New York
Claude C. Phillippe
345 Park Avenue
New York, New York 10022

Omaha
Burton L. Blasingame
1700 Farnam Street, Suite 1200
Omaha, Nebraska 68102

Philadelphia
Charles E. Doster
5 Penn Center Plaza, Suite 2901
Philadelphia, Pennsylvania 19103

Richmond
James A. Davis
908 E. Main Street, Suite 435
Richmond, Virginia 23219

St. Louis
Robert V. Shumway
720 Olive Street, Suite 2909
St. Louis, Missouri 63101

San Francisco
Walter W. Smith
44 Montgomery Street, Suite 3600
San Francisco, California 94104

FEDERAL DEPOSIT INSURANCE CORPORATION

Main Office: 550 17th Street, N. W., Washington, D. C. 20429

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BANKING OFFICES—BANK PERFORMANCE—1971

For the second straight year, the number of operating commercial banks in the United States rose, after annual declines from 1965 to 1969. The total increased by 99, to 13,804 in operation at the end of the year. The number of commercial banks beginning operations (203) was the largest since 1964, while the number ceasing operations (104) was the smallest since 1951. Mutual savings banks declined by four during 1971, leaving 490 in operation at the end of the year. Branches of commercial banks increased by 1,490, to a total of 23,370.

Insured commercial banks beginning operations during 1971 exceeded banks ceasing operations by 95, and in addition, six previously noninsured banks became insured, bringing the number of these insured banks to 13,612 at the end of the year. Although 37 new national banks began operations in 1971, the merging of more than 40 national banks and the net shifting of 11 national banks to State charters caused a net decrease of 21 national banks. State member banks of the Federal Reserve System were reduced by 19, due to net changes in supervisory status, while the number of State-chartered banks that were admitted to Federal Reserve membership was offset by an equal number of banks that were absorbed through mergers.

The number of insured nonmember commercial banks rose by 141. This growth reflected a gain of 150 new banks beginning operations and of 36 banks changing supervisory status, and a reduction of 45 banks mainly through mergers. Noninsured commercial banks and nondeposit trust companies declined by two, leaving 192 at the end of 1971.

Additional details of changes in numbers of banks and branches during 1971 are shown in tables 101 and 102 of this report.

Commercial banks operated within an environment of declining interest rates and easy money market conditions during much of 1971. At the same time, the money and capital markets were generally free of the disruptive financial crises that had occurred in previous years. These conditions enabled banks to post substantial increases in time and savings deposits in 1971, since rates paid by banks compared favorably with those of competing money market institutions. These deposits grew by almost $42 billion, or 17.8 percent, during the year. At the same time, demand deposits increased by more than 6 percent (see table 109).

Total assets of insured commercial banks increased by almost $64 billion, or 11 percent, between December 1970 and December 1971. Although virtually all types of bank assets showed sizeable gains during the year, the greatest percentage increases occurred in municipal holdings, government agency issues, real estate loans, and certain categories of consumer loans. Because of lower rates on loans, operating revenue rose by less than half of the increase in total assets in 1971. Net current operating earnings increased by a modest 1.4 percent for the year. After taking account of net profits on securities (compared to losses in 1970), net income of insured commercial banks increased by 8.2 percent in 1971 (see table 114).

The declines in interest rates, particularly in the short-term sector, together with a high personal savings rate, contributed to favorable deposit inflows into savings banks during 1971. Deposits of all mutual savings banks increased by $9.9 billion (13.7 percent) in 1971, compared to a $4.5 billion (6.7 percent) gain in 1970 (see table 110). This was by far the largest dollar gain experienced by savings banks in a single calendar year.

A large share of the increased funds available to savings banks went into investments, which increased by 33.8 percent. Corporate bonds increased by 49.1 percent. At the same time, real estate loans increased by about 7 percent, considerably less than the percentage growth in deposits. The fact that yields on high-quality corporate bonds were relatively high, compared to rates on mortgages, undoubtedly contributed to the heavy emphasis on investments by savings banks.

Even though interest rates declined in 1971, savings banks were able to increase significantly their gross yield on assets. The large inflow of funds enabled savings banks to acquire a substantial volume of assets affording returns that were higher than the average rate on existing loan and investment portfolios, although interest rates declined in 1971. Although tax liabilities were greater, net current operating revenue increased considerably in 1971 (see table 119).

Several changes in the mutual savings bank condition and income report formats were implemented at year-end 1971, making it impossible to measure precisely year-to-year changes in income items and certain balance sheet items. A discussion of these changes is contained on pages 202 and 225 of this report.

DEPOSIT INSURANCE PARTICIPATION AND COVERAGE

About 98.6 percent of all commercial banks in operation in the United States, and about two-thirds of mutual savings banks, were insured by the Corporation at the end of 1971. All except one of the noninsured mutuals were located in Massachusetts and were covered by that State's deposit insurance program. Eight mutual savings banks in Massachusetts were insured by the Corporation.

Based upon the Corporation's survey of deposits in mid-1970, it is estimated that over 99 percent of depositors in insured banks were fully protected by Federal deposit insurance on December 31,

1971. Each depositor is protected by Federal deposit insurance on accounts held in the same right and capacity in each insured bank up to the maximum limit of insurance as provided by the Federal Deposit Insurance Act (as amended). Several increases in the insurance limit—most recently from $15,000 to $20,000 on December 23, 1969—have resulted in a continuing high level of depositor protection.

The insured portion of total deposits in all insured banks was estimated to be 64.4 percent at the end of the year. This percentage varies considerably among different types of accounts; for example, at the time of the deposit survey, over 94 percent of savings deposits in insured commercial banks, but only about 55 percent of demand deposits of individuals and businesses, were insured.

OPERATIONS OF THE CORPORATION
PART ONE

DEPOSIT INSURANCE DISBURSEMENTS

Methods of protecting depositors. The Federal Deposit Insurance Act provides two principal methods of protecting depositors in insured banks which encounter financial difficulties—by paying off depositors directly and by assisting in bank absorptions.

When an insured bank fails and is closed by the chartering authority, the Corporation, after it has verified the bank's records and after the depositors have presented their claims, pays depositors the amount of their insured deposits. The Corporation may make this payment in cash, or, as is more customary, it may make payment through transfer of the depositor's account to another insured bank in the same community. The Corporation acts as receiver for all insured national banks that are placed in receivership, and as receiver for closed State banks when so appointed by State authorities.

In the second method of protecting depositors, the Corporation facilitates the absorption of the distressed bank by another insured bank. Under section 13(e) of the Federal Deposit Insurance Act, the Corporation has the authority to facilitate such an absorption, by means of the purchase of assets or granting a loan secured by assets of the distressed bank. Use of this method is authorized whenever, in the judgment of the Board of Directors, it will reduce the risk or avert a threatened loss to the Corporation.

Banks failing in 1971. To protect depositors during 1971, the Corporation made disbursements in six cases (see table 1). The amount disbursed through December 31, including some estimated additional required disbursements, totaled almost $163 million. Five banks were placed in liquidation, and in three of these cases, the Corporation was designated as receiver. In the sixth case, which involved by far the largest Corporation disbursement, another operating insured bank assumed the deposit liability of the failing bank, and the Corporation as receiver is liquidating the assets.

In four of the six failures, there had existed self-serving, unsafe, and unsound loan practices and policies. Three of these four cases involved brokered funds which tied in to adversely classified loans made by the banks. A contributing factor in one of these cases was a runoff of deposits, unfavorable publicity involving the controlling stockholder, his corporate interests, and others. In the fourth case, contributing factors were depreciation in long-term municipal securities, forward loan commitments, and unwarranted cash dividend payments based on unrealized and contingent future income tax benefits. The remaining two failures involved defalcations.

Since 1934 the Corporation has made disbursements in 495 cases. Involved in these cases were 1.78 million depositors, or accounts, having total deposits of about $1,063 million. From insurance payments, secured or preferred status, offsets, and liquidating

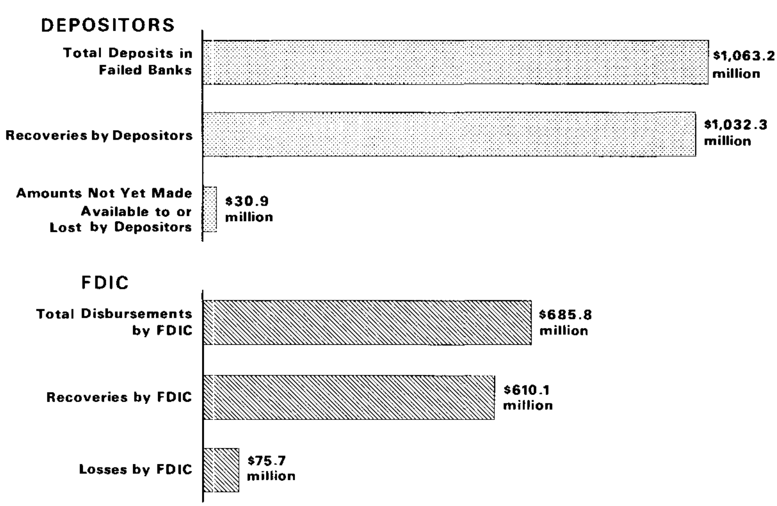
Table 1. INSURED BANKS CLOSED DURING 1971 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION[1]

Case number	Name and location	Date of closing or deposit assumption	Number of depositors	Amount of deposits (in thousands)[2]	Date of first payment to depositors or disbursement by FDIC	Depositors receiving full recovery	Deposits paid (in thousands)[2]
Total			**71,842**	**$131,874**		**65,514**	**$116,435**
Deposit payoff							
293	Sharpstown State Bank Houston, Texas	January 25, 1971	27,403	66,903	February 2, 1971	23,515	55,685
295	Farmers State Bank of Carlock Carlock, Illinois	February 17, 1971	1,102	2,077	February 22, 1971	1,017	1,941
296	Bank of Salem Salem, Nebraska	April 5, 1971	413	584	April 7, 1971	388	540
297	The First National Bank of Cripple Creek Cripple Creek, Colorado	November 30, 1971	863	1,275	December 2, 1971	494	722
298	First Community State Bank of Savannah Savannah, Missouri	December 30, 1971	1,961	3,488	January 4, 1972	0[3]	0[3]
Deposit assumption							
202	Birmingham-Bloomfield Bank Birmingham, Michigan	February 16, 1971	40,100	57,547	February 16, 1971	40,100	57,547

[1] Figures adjusted to and as of December 31, 1971.
[2] Includes $49,887 thousand paid by FDIC claim agents in deposit payoff cases. All deposits were made available in full through assuming bank, with FDIC assistance, in deposit assumption case.
[3] Deposit payoff not begun until January 4, 1972.

distributions, 97.1 percent of these deposits have been paid or made available to depositors through the end of 1971 (see chart A). In 293 deposit payoff cases, 98.1 percent of depositors have received their deposits in full, and 91.4 percent of the total deposits in these

Chart A
DEPOSITS AND LOSSES IN FAILED INSURED BANKS
1934–1971



banks have been paid or made available as of the end of 1971. All deposits were made available in full in the 202 deposit assumption cases.

Corporation disbursements in the 495 cases have amounted to $685 million, of which $254 million was disbursed in payoff cases and $431 million in assumption cases. Details on the extent and method of deposit insurance protection are shown in tables 2 and 3.

Aid to operating insured bank. In July 1971, the Board of Directors of the Corporation approved a loan of $1.5 million to Unity Bank and Trust Company, Boston (Roxbury), Massachusetts. Unity Bank, acting through its duly appointed conservator, applied to the Corporation for assistance under section 13(c) of the Federal Deposit Insurance Act. This section authorizes the Corporation to provide financial assistance to an insured operating bank in danger of closing whenever, in the opinion of the Board of Directors, the continued operation of such a bank is essential to providing adequate banking service in the community. The action under section

Table 2. PROTECTION OF DEPOSITORS OF INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1971

Item	All cases (495 banks)		Deposit payoff cases (293 banks)		Deposit assumption cases (202 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total[1]	**1,775,856**	**100.0**	**560,447**	**100.0**	**1,215,409**	**100.0**
Full recovery received or available	**1,765,029**	**99.4**	**549,620**	**98.1**	**1,215,409**	**100.0**
From FDIC[2]	1,718,608	96.8	503,199[3]	89.8	1,215,409	100.0
From offset[4]	40,484	2.3	40,484	7.2	...	...
From security or preference[5]	3,044	0.2	3,044	0.6	...	...
From asset liquidation[6]	2,893	0.1	2,893	0.5	...	...
Full recovery not received as of December 31, 1971	**10,827**	**0.6**	**10,827**	**1.9**	...	...
Terminated cases	3,406	0.2	3,406	0.6	...	...
Active cases	7,421	0.4	7,421	1.3	...	...
Amount of deposits (in thousands)—total	**$1,063,225**	**100.0**	**$360,451**	**100.0**	**$702,774**	**100.0**
Paid or made available	**1,032,307**	**97.1**	**329,533**	**91.4**	**702,774**	**100.0**
By FDIC[2]	950,993	89.4	248,219[7]	68.8	702,774	100.0
By offset[8]	17,617	1.7	17,617	4.9	...	...
By security or preference[9]	33,793	3.2	33,793	9.4	...	...
By asset liquidation[10]	29,904	2.8	29,904	8.3	...	...
Not paid as of December 31, 1971	**30,918**	**2.9**	**30,918**	**8.6**	...	...
Terminated cases	2,348	0.2	2,348	0.7	...	...
Active cases[11]	28,570	2.7	28,570	7.9	...	...

[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 $374,320 thousand, in deposit assumption cases.
[3]Includes 59,559 depositors in terminated cases who failed to claim their insured deposits (see note 7).
[4]Includes only depositors with claims offset in full; most of these would have been fully protected by insurance in the absence of offsets.
[5]Excludes depositors paid in part by FDIC whose deposit balances were less than the insurance maximum.
[6]The insured portions of these depositor claims were paid by the Corporation.
[7]Includes $225 thousand unclaimed insured deposits in terminated cases (see note 3).
[8]Includes all amounts paid by offset.
[9]Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by the Corporation.
[10]Includes unclaimed deposits paid to authorized public custodians.
[11]Includes $19,655 thousand representing deposits available, expected through offset, or expected from proceeds of liquidations.

Table 3. ANALYSIS OF DISBURSEMENTS, RECOVERIES, AND LOSSES IN DEPOSIT INSURANCE TRANSACTIONS, JANUARY 1, 1934–DECEMBER 31, 1971
(In thousands)

Type of disbursement	Disbursements	Recoveries[1]	Losses
All disbursements—total	**$685,755**	**$610,105**	**$75,650**
Principal disbursements in deposit assumption and payoff cases—total	**623,211**	**553,426**	**69,785**
Equity in assets acquired under agreements with insured banks (202 deposit assumption cases):			
To December 31, 1971	374,320	261,833	22,398
Estimated additional	....	90,089	....
Deposits paid (293 deposit payoff cases):			
To December 31, 1971	247,278	148,858	47,387
Estimated additional	1,613	52,646	....
Advances and expenses in deposit assumption and payoff cases—total	**60,257**	**54,235**	**6,022**
Expenses in liquidating assets:			
Advances to protect assets	36,010	36,010	....
Liquidation expenses	18,225	18,225	....
Insurance expenses	1,737	(2)	1,737
Field payoff and other insurance expenses in 293 deposit payoff cases	4,285	....	4,285
Other disbursements—total	**2,287**	**2,444**	**(157)**
Assets purchased to facilitate termination of liquidations:			
To December 31, 1971	1,774	2,428	(670)
Estimated additional	....	16	....
Unallocated insurance expenses	513	(2)	513

[1]Excludes amounts returned to closed bank equity holders and $10.3 million of interest and allowable return received by FDIC.
[2]Not recoverable.

13(c) was the Corporation's first use of this authority, which was given to it in 1950 when the Federal deposit insurance laws were revised and reenacted. Unity Bank, a $9.3 million deposit institution, was established in 1968 as a community venture to serve the black community of the Roxbury-Dorchester area of Boston.

The loan is unsecured and subordinated to the claims of depositors and other general creditors of the bank, and it matures not later than December 31, 1976. The loan is part of an assistance program under which additional financial aid, including approximately $500 thousand, was provided by a group of Massachusetts banks.

SUPERVISORY ACTIVITIES

The Federal Deposit Insurance Corporation has supervisory responsibilities primarily for insured State banks that are not members of the Federal Reserve System; State member banks are supervised by the Federal Reserve. All State-chartered banks are also supervised by the banking authorities of their respective States. National banks are chartered and supervised by the Office of the Comptroller of the Currency.

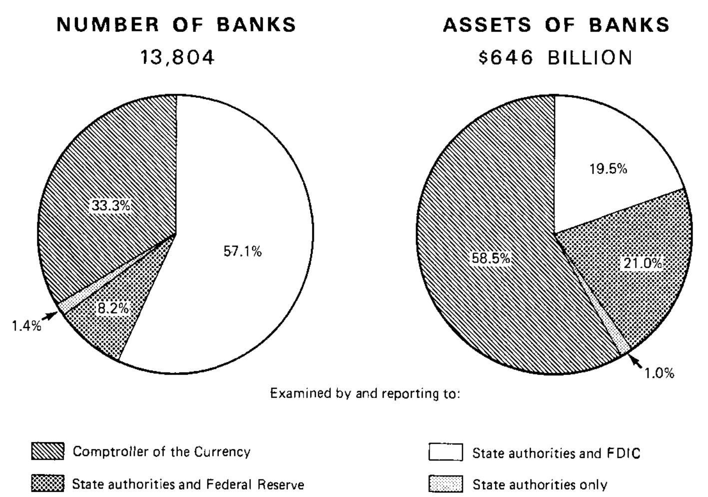
Bank examinations. The Corporation is empowered, under the Federal Deposit Insurance Act, to examine any insured bank for insurance purposes. In practice, however, the Corporation has rarely examined national or State member banks. Banks examined by the Corporation comprise almost three-fifths of all insured banks. On the average, these banks are considerably smaller than member banks of the Federal Reserve System (which include national banks and State member banks—see chart B).

In about half of the States, and in Puerto Rico, the duplication of examining activity is reduced because the Corporation and the State authorities conduct their examinations on a joint or concurrent basis. The Corporation conducts independent examinations in the other States, usually after consultation with the banking authorities in those States. The Corporation also reviews the reports of examinations made by other Federal supervisory agencies.

The bank examination provides information that enables the Corporation to exercise its supervisory responsibilities and to evaluate its risks as an insurer of depositors. In examination reports, the major concerns are the quality of a bank's assets, the effectiveness of its internal management controls, the adequacy of its fidelity bonds, and the bank's compliance with pertinent banking laws and regulations. A substantial volume of additional examining and investigating activity is required for processing applications for deposit insurance, mergers, branches, and other actions by insured banks for which the prior approval of the Corporation is required. During the past decade, examination activities have been considerably expanded because of added legal responsibilities for mergers and because of increased numbers of various applications.

Chart B

SUPERVISION OF COMMERCIAL BANKS
IN THE UNITED STATES
December 31, 1971



During 1971, the total number of examinations and investigations increased by 8.4 percent from the previous year (see table 4). While regular examinations of insured banks increased by only about 2 percent, examinations of departments and branches and investigations were up more than 14 percent from 1970.

Cease-and-desist and termination-of-deposit-insurance proceedings. When an insured State nonmember bank violates a law or regulation or engages in an unsafe or unsound banking practice, the Corporation usually attempts correction through consultation between appropriate supervisory authorities and the bank's management. If these efforts fail, the Corporation may initiate cease-and-desist or termination-of-deposit-insurance proceedings pursuant to sections 8(b) or 8(a), respectively, of the Federal Deposit Insurance Act. In certain instances, the Corporation and a bank may agree, in writing, on a specific corrective program to which the bank must adhere. Violation of a written agreement can itself be the basis for instituting cease-and-desist or termination-of-deposit-insurance proceedings.

The Corporation may initiate cease-and-desist proceedings by issuing and serving a Notice of Charges on the bank. The Notice of Charges specifies what unsafe or unsound practices the bank has engaged in and what applicable laws it has violated. The notice also specifies a time for an administrative hearing. After the administrative hearing, or upon the bank's formal consent to the issuance of a corrective order, the Corporation may order the bank not only to stop the violation or practice but also to take affirmative action to correct the conditions that had resulted. In 1971 the Corporation issued section 8(b) orders against seven banks. The Corporation also entered into a formal written agreement with one bank (see table 5).

The Board of Directors may initiate termination-of-deposit-insurance proceedings against any insured bank. The bank concerned, as well as the appropriate Federal and State agencies, are formally notified and a specified time is designated for the bank to correct the specified unsafe or unsound practices, conditions, or violations. If full corrective action is not taken within the prescribed time period, the bank is afforded an administrative hearing before insurance may be terminated. If the Board of Directors finds that any specified unsafe or unsound practice, condition, or violation has been established and has not been corrected within the time prescribed in which to make such corrections, it may order that the insured status of the bank be terminated. If the bank's deposit insurance is terminated, the insured deposits in the bank, less any subsequent withdrawals, shall continue to be insured for two years from the date of termination.

Table 4. BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1970 AND 1971

Activity	Number	
	1971	1970
Field examinations and investigations—total	**19,173**	**17,688**
Examinations of main offices—total	**8,217**	**8,078**
Regular examinations of insured banks not members of Federal Reserve System	7,971	7,807
Reexaminations or other than regular examinations	226	215
Entrance examinations of operating noninsured banks	14	43
Special examinations	6	13
Examinations of departments and branches	**7,513**	**6,953**
Examinations of trust departments	1,506	1,441
Examinations of branches	6,007	5,512
Investigations	**3,443**	**2,657**
New bank investigations	241	225
State banks members of Federal Reserve System	8	13
Banks not members of Federal Reserve System	233	212
New branch investigations	816	636
Mergers and consolidations	174	190
Miscellaneous investigations	2,212	1,606

Since 1934, the Corporation has initiated termination-of-deposit-insurance proceedings against 215 banks. The majority of these cases were settled when the bank voluntarily took corrective action or when the bank was absorbed by another bank (see table 6). In only 13 cases was a date actually set for termination of insurance.

In the eight cases open at the end of 1970, five banks voluntarily complied with the Corporation's corrective orders, and deposit insurance was therefore not terminated. Section 8(a) action against one bank was discontinued when a consent cease-and-desist order was issued under the provisions of section 8(b). In another case, the section 8(a) proceedings against one bank were discontinued when the bank failed. The assets of the latter were absorbed by another bank with the financial aid of the Corporation.

During 1971, the Corporation initiated five new termination-of-deposit-insurance proceedings. Section 8(a) action was discontinued against one bank when it was sold. Section 8(a) proceedings against another bank were discontinued when the bank took necessary corrective action. At the end of the year, termination action against three banks awaited either the completion of the corrective period and reexamination or the analysis of the examination report.

Table 5. CEASE-AND-DESIST ORDERS AND ACTIONS TO CORRECT SPECIFIC UNSAFE OR UNSOUND PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1971

Total actions taken	9
Cease-and-desist orders issued[1]	7
Cease-and-desist orders outstanding December 31, 1971	5
Cease-and-desist orders discontinued	2
Formal written agreements outstanding December 31, 1971[2]	2

[1]The Corporation's authority to issue cease-and-desist orders was added in 1966 (12 U.S.C. 1818(b)). The first use of this authorit commenced in 1971.
[2]One written agreement was imposed in lieu of § 8(a) proceeding and the proceeding discontinued on this basis.

Table 6. ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936–1971

Disposition or status	1936–1971[1]	Started during 1971
Total banks against which action was taken	**215**	**5**
Cases closed	**212**	**2**
Corrections made	87	1
Banks absorbed or succeeded by other banks	73	1
With financial aid of the Corporation	64	1
Without financial aid of the Corporation	9	....
Banks suspended prior to setting date of termination of insured status by Corporation	37	....
Insured status terminated, or date for such termination set by Corporation, for failure to make corrections	13	....
Banks suspended prior to or on date of termination of insured status	9	....
Banks continued in operation[2]	4	....
Formal written corrective program imposed and 8(a) action discontinued	1	....
Cease-and-desist order issued and 8(a) action discontinued	1	....
Cases not closed December 31, 1971	**3**	**3**
Action deferred pending analysis of examination	3	3

[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.

Applications for deposit insurance. As provided by section 4(b) of the Federal Deposit Insurance Act, Federal deposit insurance is mandatory for all national banks and for all State banks that are members of the Federal Reserve System. Upon receiving a national charter or, if a State bank, being admitted to membership in the Federal Reserve System, a bank becomes insured upon certification by the deciding Federal agency that several factors have been considered. These factors, specified in section 6 of the Act, are: the financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community, and finally, the consistency of the bank's corporate powers with the purposes of the Act. State-chartered nonmember banks apply directly to the Corporation for deposit insurance.

In 1971, the Corporation approved 159 applications (20 more than in 1970) from new banks for deposit insurance. Four applications from previously noninsured banks were approved during the year, bringing the total number of approvals for deposit insurance to 163.

Most new-bank applications for deposit insurance originated in States where unit banking is prevalent. The largest State group originated in Illinois (26), followed by Florida (25) and Texas (18).

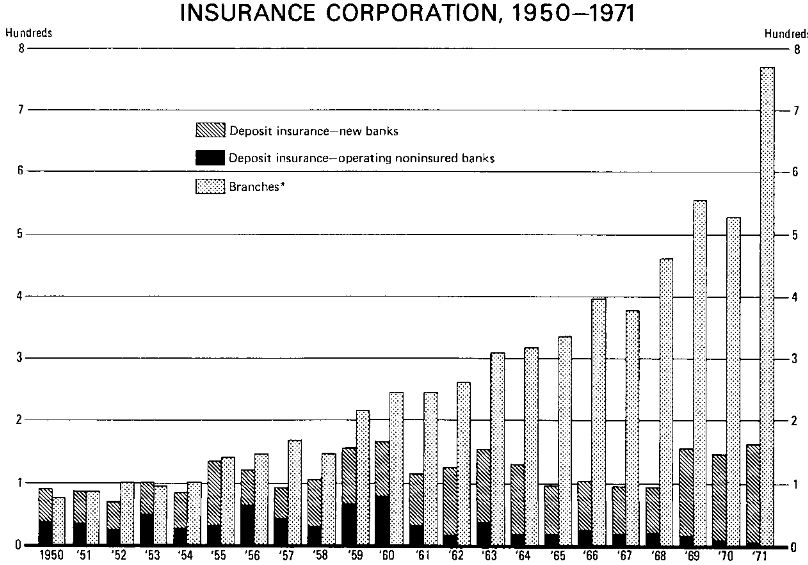
Applications for branches. Before establishing or moving a branch office, an insured bank must obtain the prior approval of the appropriate Federal supervisory agency. Under section 3(o) of the Federal Deposit Insurance Act, a *branch* includes "any branch place of business . . . at which deposits are received, checks paid, or money lent." The Act (section 18(d)) requires that the Corporation consider the same six factors itemized in section 6 (application for deposit insurance) when it passes upon an insured nonmember bank application to establish or to move a branch.

Whether branching is permitted, and if so, its geographic extent, are determined by the laws of each State. Long-standing Federal legislation provides that the branching of national banks shall be governed in these respects by the laws of each State, in the same manner as State banks. At present, 35 States and the District of Columbia permit some form of branching, and unit banking is prevalent (certain limited-service facilities or offices are not defined as branches in some States) in 15 States.

The number of branches of commercial banks in the United States rose from less than 5,000 in 1950 to more than 23,000 in 1971. In 1950, about one quarter of all commercial banking offices were branches; by 1971, almost two out of every three offices were branches. These trends are reflected in approvals by the Corporation for deposit insurance and branches (see chart C).

Applications for new branches approved by the Corporation totaled more than 750 during 1971, approximately 42 percent above the 1970 figure. This number includes approvals for tellers' windows and other such limited-service offices. In 1971, these facilities accounted for less than a fifth of the total, but the number rose faster than regular branch approvals. In addition, 21 branches resulted from conversion of main offices in bank mergers approved

Chart C APPLICATIONS FOR DEPOSIT INSURANCE AND BRANCHES APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1950–1971



*Includes facilities and other limited-service offices.

by the Corporation. Over one-fourth of the increase in regular branch approvals in 1971, as compared to the number in 1970, was due to a sharp rise in applications from the State of Georgia where amended banking laws permitting somewhat more branching became effective early in the year.

Mergers. Under provisions of the Bank Merger Act of 1960, which amended section 18(c) of the Federal Deposit Insurance Act, approval by a Federal bank supervisory agency is required before any insured bank may engage in a merger transaction. The prior approval of the Federal Deposit Insurance Corporation is required if the resulting bank is to be an insured bank that is not a member of the Federal Reserve System (outside the District of Columbia), and in any merger of an insured bank with a noninsured institution.

To encourage uniform standards, the Act requires the responsible Federal agency to request, from each of the two nondeciding agencies and the Attorney General, a report on the competitive factors involved in each proposed merger transaction. This report, which is normally due within 30 days after the request has been made, and within ten days in an emergency, can be dispensed with if the responsible agency believes that immediate action is necessary to prevent a failure of one of the merging banks.

In 1966, Congress moved to resolve certain differences in the interpretation of the Bank Merger Act with reference to the specific criteria that are applicable to the treatment of merger proposals by the three Federal agencies and the courts. Amendments to the Act in that year provided in part that a merger whose effect may be to substantially lessen competition in any section of the country, or may tend to create a monopoly, *may* be approved, but only if the deciding agency finds that these anticompetitive effects are clearly outweighed in the public interest by the probable effects on the needs and convenience of the community to be served. As judicially construed, the amendments preclude the approval of such a merger unless the probable effect of the transaction in meeting convenience and needs is likely to benefit all seekers of banking services in the area of competitive impact, and unless the expected gains cannot be achieved through other, less anticompetitive means. The deciding agency cannot, under any circumstances, approve a merger which would result in monopoly or which involves a combination or conspiracy to attempt to monopolize the business of banking in any part of the United States. Under the Act as amended, the Justice Department may bring action under the antitrust laws to prevent the merger of an insured bank within 30 days (or, in emergency situations, within 5 days) after the merger has been approved by a Federal supervisory agency.

Since 1960, the Corporation has approved merger cases involving the absorption of more than 460 operating banks. These mergers comprise slightly over one quarter of the total mergers approved by the Federal bank supervisory agencies (see chart D). (The merger statistics used in this section do not include corporate reorganizations of individual banking institutions, such as banks in process of forming one-bank holding companies, which do not have the effect of lessening the number of existing operating banks.)

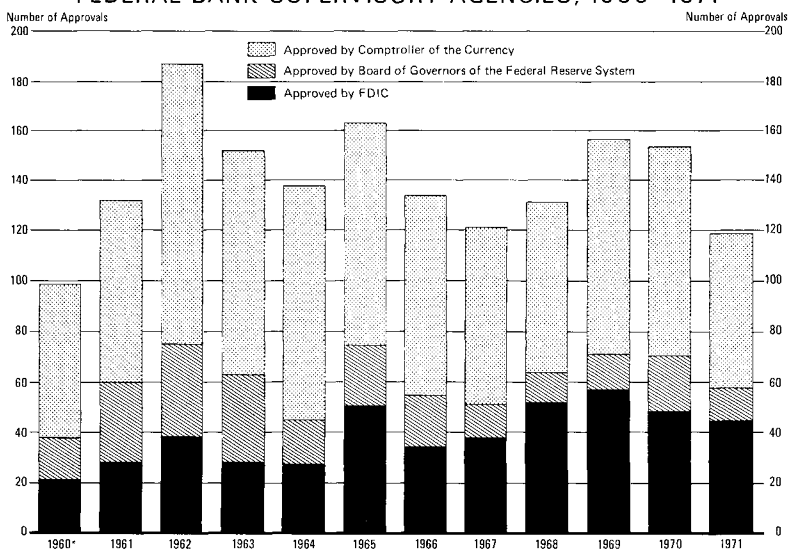
The Corporation approved slightly fewer mergers in 1971 than it had in 1970. Moreover, the combined total merger approvals by the Federal agencies declined by more than one-fifth from the figure in 1970, and the total was the lowest number for any full year since the passage of the Bank Merger Act in 1960. Details of approvals in 1971 are shown in tables 7 and 8; descriptions of cases approved or denied by the Corporation are contained in pages 29-169.

Regulation of bank securities. In 1964 the provisions of the Securities Exchange Act of 1934 were extended by statute to cover securities traded in the over-the-counter market. Administration of the Act with respect to insured banks was made the responsibility of the Federal bank supervisory agencies. Corporations now having 500 or more stockholders and more than $1 million in assets are covered.

During 1971, the Corporation received registration statements from 29 insured State nonmember banks. This brought the year-end total to 229, compared to 209 at the end of 1970. One registered bank which withdrew from the Federal Reserve System was added

Chart D

MERGERS APPROVED BY FEDERAL BANK SUPERVISORY AGENCIES, 1960–1971



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

Table 7. MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1971

Banks	Number of banks	Resources (in thousands)	Offices operated: Prior to transaction	Offices operated: After transaction
ALL CASES[1]				
Banks involved	217	$42,690,881	2937	2944
Absorbing banks	99[2]	38,429,001[3]	2530[3]	2944[3]
Absorbed banks	118	4,261,880	407	
National	46	1,306,456	165	
State member FRS	10	539,678	41	
Not member FRS	55	2,310,707	192	
Noninsured institutions	7[4]	105,039	9	
CASES WITH RESULTING BANK A NATIONAL BANK				
Banks involved	113	31,060,958	2326	2336
Absorbing banks	52	28,289,201	2024	2336
Absorbed banks	61	2,771,757	302	
National	31	1,050,201	135	
State member FRS	6	405,334	23	
Not member FRS	23	1,309,756	143	
Noninsured institutions	1[4]	6,466	1	
CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	23	4,509,538	158	156
Absorbing banks	10	4,325,192	139	156
Absorbed banks	13	184,346	19	
National	2	48,036	3	
State member FRS	1	4,711	1	
Not member FRS	10	131,599	15	
CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM[5]				
Banks involved	83	7,358,846	482	481
Absorbing banks	38	6,046,603	395	481
Absorbed banks	45	1,312,243[6]	87[6]	
National	13	208,219	27	
State member FRS	3	129,633[6]	17[6]	
Not member FRS	22	869,352	34	
Noninsured institutions	7[7]	105,039	9	

[1] Omitted are corporate reorganizations and other absorptions involving banks which prior to the transaction did not individually operate an office in the United States.
[2] The number of absorbing banks is smaller than the number of cases because a few banks participated in more than one case.
[3] Where an absorbing bank engaged in more than one transaction, the resources included are those of the bank before the latest transaction, and the number of offices before the first and after the latest transaction.
[4] The case involving a noninsured bank reported as an approval by the Comptroller of the Currency was also included in approvals reported by the Corporation. This case is included only once in the totals of this table.
[5] In two cases involving the absorption of noninsured institutions, the surviving banks were member banks of the FRS.
[6] In one case, approval was given for an operating bank to acquire four branches of another bank; these branches and resources are included in this table.
[7] Includes three savings and loan associations.

to the total during the year, and the registration of 10 banks was terminated. Termination resulted primarily from registered banks' merging into other operating banks or becoming subsidiaries of bank holding companies.

In addition to registration statements, banks, as well as individuals, are required by the Corporation to file substantial information for public inspection. For example, registered banks regularly file annual reports and documents used in soliciting shareholder proxies; officers, directors, and major shareholders report acquisitions and dispositions of a registered bank's outstanding shares; and persons who have acquired, or who are attempting by tender offer to acquire, a sizeable part of a registered bank's outstanding shares file required information.

Changes in bank ownership and loans secured by bank stock. Under Public Law 88-593, enacted in 1964, each insured bank is required to report to the appropriate Federal bank supervisory agency any of its outstanding voting stock changes which would result in an alteration in stock control. Such reports must include any change or replacement of the bank's chief executive officer, or any director, that occurs during a 12-month period following the change in control. The law also requires insured banks to report any loans secured by 25 percent or more of the outstanding voting stock of an insured bank. The Corporation received 479 such notices of change in control involving insured nonmember banks during 1971.

Other supervisory activities. *Bank security.* The Bank Protection Act of 1968 directs the Federal bank supervisory agencies to promulgate rules that establish minimum standards with which banks under their supervision must comply. These standards cover installation, maintenance, and operation of security devices and procedures to discourage certain bank crimes and to assist in apprehending

Table 8. APPROVALS UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1971, BANKS GROUPED BY SIZE AND IN STATES ACCORDING TO STATUS OF BRANCH BANKING

Absorbing banks		Absorbed banks							
Number of banks by size (resources in $mil)[1]		Number of banks	Number of branches	Resources (in thousands)	Number of banks by size (resources in $mil)				
					–5	5–10	10–25	25–100	Over 100
Total–U.S.	**99**	**118**	**289**	**$4,261,880**	**27**	**31**	**36**	**18**	**6**
–5	1	1	1	4,440	1	0	0	0	0
5–10	6	6	3	35,634	3	3	0	0	0
10–25	5	5	2	105,994	2	1	0	2	0
25–100	39	46	68	1,071,763	11	13	14	6	2
100–500	26	27	81	1,393,673	5	7	9	4	2
Over 500	22	33	134	1,650,376	5	7	13	6	2
(A) Statewide branching[2]	**34**	**40**	**208**	**2,346,059**	**6**	**10**	**16**	**4**	**4**
25–100	8	10	20	349,859	3	3	3	0	1
100–500	11	10	61	486,102	1	5	3	0	1
Over 500	15	20	127	1,510,098	2	2	10	4	2
(B) Limited-area branching[2]	**62**	**75**	**81**	**1,847,302**	**20**	**21**	**19**	**13**	**2**
–5	1	1	1	4,440	1	0	0	0	0
5–10	5	5	3	30,923	2	3	0	0	0
10–25	4	4	2	61,975	2	1	0	1	0
25–100	30	35	48	702,115	8	10	10	6	1
100–500	15	17	20	907,571	4	2	6	4	1
Over 500	7	13	7	140,278	3	5	3	2	0
(C) Unit banking[2]	**3**	**3**	**0**	**68,519**	**1**	**0**	**1**	**1**	**0**
5–10	1	1	0	4,711	1	0	0	0	0
10–25	1	1	0	44,019	0	0	0	1	0
25–100	1	1	0	19,789	0	0	1	0	0

[1]See table 7, note 1.

[2]For the purpose of describing branching patterns, 19 States and the District of Columbia were included in group A, 16 in group B, and 15 in group C. It should be noted that for other purposes the classification of some States might differ from that used here.

persons who commit these crimes. During 1971, the Corporation received 713 crime reports filed pursuant to its regulations.

Truth in lending. Under the provisions of Title 1 of the Consummer Credit Protection Act (Truth-in-Lending Act), the Corporation acquired certain responsibilities for protecting consumers in their use of credit. Creditors are required to disclose, in a prescribed manner, the cost of credit they extend to individuals for personal, family, household, or agricultural purposes. Although the Board of Governors of the Federal Reserve System is responsible for issuing regulations implementing the law, various Federal agencies share administrative responsibility for enforcing the law. The Corporation is responsible for enforcing the law with respect to insured State banks that are not members of the Federal Reserve System.

Nondiscrimination in lending for housing. Under the Civil Rights Act of 1968, the Corporation was given certain responsibilities to assist in preventing discriminatory practices in lending for housing purposes. In December 1971, the Corporation published notice of its intention to formulate regulations to cover several areas incidental to real estate financing by insured nonmember banks. The Corporation also issued a policy statement relating to the advertising of real estate lending services, a summary of which is contained on page 178 of this report.

Training programs for examiners. The Corporation conducts a comprehensive formal training program for its examination staff. At various stages in their careers, examiners undergo intensive classroom training conducted in the Corporation's modern and versatile training center, which is located in a nearby suburb of Washington, D.C. These training programs include four divisions of the Bank Examination School: a basic three-week course dealing with fundamentals of banking and bank accounting, for new trainees; a two-week session emphasizing audit techniques and bank operations, for assistant examiners; a three-week program centering on credit analysis and asset appraisal, for senior assistant examiners; and a two-week course stressing the more sophisticated problem areas confronting examiners, for commissioned examiners. In addition, specialized training offered includes two courses (basic and advanced) in examining computerized banks, and two sessions (basic and advanced) in examining trust departments. All but the basic course in examining computerized banks are two-week courses. Over 700 examiners from the FDIC, State banking departments, other Federal agencies, and foreign central banks participated in these programs during 1971.

Each year, 31 examiners are enrolled in the various graduate schools of banking which are conducted on major college campuses throughout the country. During the past 22 years, over 400 Corporation examiners have graduated from these programs, which involve two-week resident sessions over three years and a considerable amount of extension work.

Publications and statistical reports from banks. Each insured bank reports its assets and liabilities at each quarter, and income and expenses at the end of the year. These reports are submitted to the appropriate Federal bank supervisory agency. Under an agreement among the Federal supervisory agencies, the Corporation is responsible for assembling and publishing these data for all banks. The Corporation also obtains semiannual information on assets and liabilities, but not income, of noninsured banks.

The Report of Condition for December 31, 1971, and the 1971 Report of Income for mutual savings banks were revised. The revisions, which affect comparability of some items listed in the tables at the back of this report, are discussed on pages 202 and 224.

Tabulations of midyear and year-end reports of condition of all banks are published semiannually in *Assets and Liabilities-Commercial and Mutual Savings Banks.* Income data for insured banks are published in the issue of *Assets and Liabilities* that contains year-end report of condition figures.

During the past year, the Corporation continued a program, initiated in 1967, of providing each reporting bank with individual operating statistics based on midyear and year-end reports of condition. A package of tables is tailored to provide a comparison of each bank's operations with those of similar-sized banks, nationally, by State, and by areas within States where branching is limited. The national, State, and area tables for insured commercial banks are published for year-end data in *Bank Operating Statistics.* Comparable summary data for mutual savings banks may be obtained upon request to the Division of Research.

In 1971 the Corporation published *Trust Assets of Insured Commercial Banks-1970,* which summarized the results of a survey of all banks holding trust assets. This survey, conducted in conjunction with the Board of Governors of the Federal Reserve System and the Comptroller of the Currency, was the third one for which comparable statistics of trust assets have been compiled and published.

During 1971 the FDIC continued its monthly survey of mortgage lending activity for a selected panel of insured commercial banks and mutual savings banks. The survey, which was started in 1969, collects detailed data on acquisitions and dispositions, as well as outstanding balances, of construction and long-term mortgage loans at banks.

The quarterly surveys of interest rates paid on savings and other time deposits held by individuals and businesses at insured nonmember commercial banks and FDIC-insured mutual savings banks were continued in 1971. Survey results for insured nonmember commercial banks were combined with those for Federal Reserve member banks, and summary findings were published by the Board of Governors. Tabulated information obtained from the surveys, together with a text summary of current savings developments, was sent to each reporting bank at each quarter.

In the interest of improving the quality of information available to the bank supervisory agencies and the banking community, the Corporation has, for several years, awarded annually a number of fellowships for research in banking and related fields. Four fellowships were awarded to doctoral candidates during 1971. The successful applicants were selected on the basis of the importance of their proposed research, the relevancy of their research to the interests of the Corporation, and the expected ability of the applicants to complete their projects successfully.

ADMINISTRATION OF THE CORPORATION

Structure and employees. Management of the Corporation is vested in a Board of Directors that consists of the Chairman, the Director, and the Comptroller of the Currency, who serves *ex officio* as a member. The Chairman and the Director are appointed by the President of the United States, with the advice and consent of the Senate, for six-year terms; the Comptroller of the Currency, also a Presidential appointee, serves a five-year term of office.

There was no change in the membership of the Board in 1971. The terms of office of Chairman Frank Wille and Director Irvine H. Sprague began on April 1, 1970, and September 27, 1968, respectively. Mr. William B. Camp's appointment as Comptroller of the Currency was due to continue until February 1, 1972.

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

Employment of the Corporation on December 31, 1971 was 99 above a year earlier, with over half of this increase occurring among field personnel of the Division of Liquidation (see table 9). Approx-

Table 9. NUMBER OF OFFICERS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1970 AND 1971

Unit	Total		Washington office		Regional and other field offices	
	1971	1970	1971	1970	1971	1970
Total	**2,607[1]**	**2,508[1]**	**644**	**621**	**1,963**	**1,887**
Directors	3	3	3	3	0	0
Executive Offices	45	46	45	46	0	0
Legal Division	63	54	59	48	4	6
Division of Bank Supervision	1,908	1,890	102	109	1,806	1,781
Division of Liquidation	230	175	88	85	142	90
Division of Research	182	176	182	176	0	0
Office of the Controller	176	164	165	154	11	10

[1]Includes 133 nonpermanent employees serving on a short-term appointment or when actually employed basis in 1971 and 129 in 1970. Nonpermanent employees include college students participating in the work-study program, clerical workers employed on a temporary basis at banks in process of liquidation, and other personnel.

imately three-fourths of the Corporation's employees are assigned to the Division of Bank Supervision, within which almost 95 percent of the personnel are field employees. At the end of 1971, the Corporation employed 1,581 bank examiners, including 94 women.

The turnover rate for field examiners was 7.0 percent, down significantly from the 10.0 percent recorded the year before, and 15.8 percent in 1969. For all employees, exclusive of nonpermanent employees, the turnover rate was 11.4 percent in 1971, compared to 15.9 percent in 1970 and 20.1 percent in 1969.

FINANCES OF THE CORPORATION

Assets and liabilities. The Corporation's assets amounted to $4,993 million on December 31, 1971 (see table 10). Cash holdings were $10 million, and U.S. Government obligations, at amortized cost value, amounted to $4,831 million. Various assets acquired in

Table 10. STATEMENT OF FINANCIAL CONDITION, FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1971

ASSETS		
Cash		$ 10,292,846
U.S. Government obligations:		
Securities at amortized cost (face value $4,786,437,000; cost $4,753,022,806)	$4,770,811,832	
Accrued interest receivable	60,194,345	4,831,006,177
Assets acquired in receivership and deposit assumption transactions:[1]		
Special assistance to insured banks	8,014,385	
Subrogated claims of depositors against closed insured banks	82,053,079	
Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability	1,612,723	
Equity in assets acquired under purchase agreements with insured banks	93,596,201	
Assets purchased outright	15,898	
	$ 185,292,286	
Less reserves for losses	42,539,000	142,753,286
Assistance to operating insured bank		1,500,000
Miscellaneous assets		464,109
Land and office building, less depreciation on building		7,229,291
Furniture, fixtures and equipment		1
Total assets		**$4,993,245,710**
LIABILITIES AND DEPOSIT INSURANCE FUND[2]		
Accounts payable and accrued liabilities		$ 3,372,962
Earnest money, escrow funds, and collections held for others		1,257,734
Accrued annual leave of employees		2,391,063
Due insured banks:		
Net assessment income credits available July 1, 1972 (see table 12)	$ 241,358,942	
Other assessment credits available immediately	3,392,984	244,751,926
Net insured balances of depositors in closed insured banks—see related asset		1,612,723
Total liabilities		**$ 253,386,408**
Deposit insurance fund, net income accumulated since inception (see table 11)		**4,739,859,302**
Total liabilities and deposit insurance fund		**$4,993,245,710**

[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 3.
[2]Capital stock was retired by payments to the United States Treasury in 1947 and 1948.

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

receivership and deposit assumption transactions, consisting primarily of equity in assets acquired under purchase agreements with insured banks, and subrogated claims of depositors against closed insured banks, totaled approximately $143 million after allowance for reserves for losses. Land and the headquarters building in Washington, D.C., less depreciation on the building, were carried at slightly over $7 million.

The Corporation's liabilities on December 31 were $253 million. More than $244 million of this total were net assessment credits due insured banks, of which less than 2 percent of these credits were available immediately; the remainder are to become available on July 1, 1972.

The deposit insurance fund, which consists of the excess amount of total assets over liabilities, amounted to $4,740 million at year-end. Additional resources for protecting depositors are available to the Corporation by virtue of its authority to borrow up to $3 billion from the U.S. Treasury. Under provisions of the Federal Deposit Insurance Act, the Secretary of the Treasury is authorized and directed to make the loan when, in the judgment of the Corporation's Board of Directors, the funds are required for insurance purposes.

Income and expenses. The Corporation's total income in 1971 was $415 million, including U.S. Government securities income of $239 million and net assessment income of almost $176 million (see table 11). Administrative and operating expenses, together with a net provision for insurance losses and other expenses incurred to protect depositors, totaled slightly less than $55 million. The excess of income over expenses and insurance losses added $360 million to the deposit insurance fund during the year.

The basic assessment rate established by Federal statute in 1935 is 1/12 of one percent of total assessable deposits. Legislation enacted in 1950 reduced the effective rate of assessments by providing for a credit to be applied against the gross assessments levied each year. The credit, set initially at 60 percent, was raised to 66-2/3 percent effective December 31, 1961. The percentage is applied to the gross assessments due in the calendar year after subtracting the Corporation's administrative and operating expenses and insurance losses and reserves for losses in such calendar year. Assessments were paid by insured banks, after allowance for the assessment credit, at a rate of 1/29 of one percent of assessable deposits in 1971.

Assessments, which are due in January and July of each year, cover the deposit insurance for the ensuing six months. Assessments are paid in cash or by a charge against a bank's available credit. Thus, the cash payment on each date is the assessment due, less the credit available as of that date. Because the assessment credits become available primarily at midyear, the cash flow to the Corpora-

Table 11. STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1971

Income:		
Deposit insurance assessments:		
Assessments earned in 1971	$416,870,060	
Less net assessment income credits to insured banks	241,350,441	$ 175,519,619
Adjustments of assessments earned in prior years		38,850
		$ 175,558,469
Net income from U.S. Government securities		239,180,585
Other income		399,838
Total income		**$ 415,138,892**
Expenses and losses:		
Administrative and operating expenses:		
Salaries and wages	$ 31,071,262	
Civil Service retirement fund and FICA payments	2,136,961	
Travel expenses	7,691,145	
Office rentals, communications and other expenses	6,002,212	$ 46,901,580
Provisions for insurance losses:		
Applicable to banks assisted in 1971	$ 17,250,000	
Adjustments applicable to banks assisted in prior years	−10,285,000	6,965,000
Nonrecoverable insurance expenses incurred to protect depositors—net		982,818
Total expenses and losses		**$ 54,849,398**
Net addition to the deposit insurance fund—1971		**$ 360,289,494**
Deposit insurance fund, January 1, 1971		**4,379,569,808**
Deposit insurance fund, December 31, 1971, net income accumulated since inception		**$4,739,859,302**

tion from assessments occurs primarily at the beginning of the year.

The determination and the allocation of net assessment income in 1971 are shown in table 12. Sources and application of the Corporation's funds in 1971 are shown in table 13 and chart E.

Table 12. DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1971

Determination of net assessment income:		
Total assessments which became due during the calendar year		$416,870,059
Less:		
Administrative and operating expenses		$ 46,901,580
Net additions to reserve to provide for insurance losses:		
Provisions applicable to banks assisted in 1971	$ 17,250,000	
Adjustments to provisions for banks assisted in prior years	−10,290,000	6,960,000
Insurance expenses		982,818
Total deductions		**$ 54,844,398**
Net assessment income for 1971		**$362,025,661**
Distribution of net assessment income, December 31, 1971:		
Net assessment income for 1971:		
33 1/3% transferred to the deposit insurance fund		$120,675,220
66 2/3% credited to insured banks		241,350,441
Total		**$362,025,661**
Allocation of net assessment income credit among insured banks, December 31, 1971:		Percentage of total assessment becoming due in 1971
Credit for 1971	$241,350,441	57.89585
Adjustments of credits for prior years	8,501	.00203
Total	**$241,358,942**	**57.89788**

Table 13. SOURCES AND APPLICATION OF FUNDS,
FEDERAL DEPOSIT INSURANCE CORPORATION,
YEAR ENDED DECEMBER 31, 1971

		Percent
Funds provided by:		
Net deposit insurance assessments	$175,558,468	18.5
Income from U.S. Government securities, less amortized net discounts	240,611,272	25.4
Maturities and sales of U.S. Government securities	477,902,849	50.3
Collections on assets acquired in receivership and deposit assumption transactions	55,218,588	5.8
Total funds provided	**$949,291,177**	**100.0**
Funds applied to:		
Administrative, operating and insurance expenses, less miscellaneous credits	$ 47,349,356	5.0
Acquisition of assets in receivership and deposit assumption transactions	166,001,967	17.5
Purchase of U.S. Government securities	732,495,437	77.2
Net changes in other assets and liabilities	3,134,475	0.3
Decrease in assessment credits due insured banks	309,942	.....
Total funds applied	**$949,291,177**	**100.0**

Income and the deposit insurance fund, 1933-1971. The Corporation's net income, after expenses and insurance losses are deducted, is transferred to the deposit insurance fund, and the amount of the fund represents the accumulated total of such additions (see table 14). Gross assessments earned by the Corporation have exceeded income from assessments by the amount of the deposit insurance credit, which has totaled more than $2.8 billion since

Chart E

SOURCES AND USES OF INCOME
FEDERAL DEPOSIT INSURANCE CORPORATION

1971

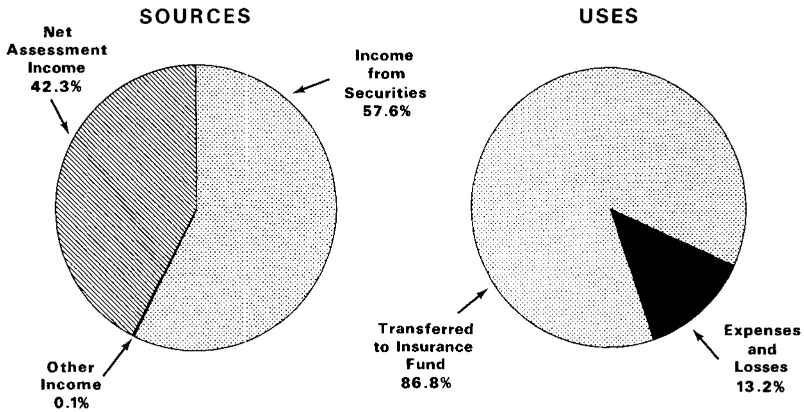


Table 14. INCOME AND EXPENSES,
FEDERAL DEPOSIT INSURANCE CORPORATION,
BY YEAR, FROM BEGINNING OF OPERATIONS,
SEPTEMBER 11, 1933, TO DECEMBER 31, 1971
ADJUSTED TO DECEMBER 31, 1971
(In millions)

Year	Income			Expenses and losses				Net income added to deposit insurance fund[4]
	Total	Deposit insurance assess-ments[1]	Invest-ments and other sources[2]	Total	Deposit insurance losses and expenses	Interest on capital stock[3]	Adminis-trative and operating expenses	
1933–71...	**$5,325.7**	**$3,023.8**	**$2,301.9**	**$585.9**	**$75.6**	**$80.6**	**$429.7**	**$4,739.8**
1971......	415.1	175.6	239.5	65.2	18.3	.....	46.9	349.9
1970......	382.7	159.3	223.4	48.9	6.7	.....	42.2	333.8
1969......	335.8	144.0	191.8	34.9	1.4	.....	33.5	300.9
1968......	295.0	132.4	162.6	29.6	0.6	.....	29.0	265.4
1967......	263.0	120.7	142.3	29.7	5.3	.....	24.4	233.3
1966......	241.0	111.7	129.3	24.0	4.2	.....	19.8	217.0
1965......	214.6	102.2	112.4	22.9	5.2	.....	17.7	191.7
1964......	197.1	93.0	104.1	18.4	2.9	.....	15.5	178.7
1963......	181.9	84.2	97.7	15.1	0.7	.....	14.4	166.8
1962......	161.1	76.5	84.6	13.8	0.1	.....	13.7	147.3
1961......	147.3	73.4	73.9	14.8	1.6	.....	13.2	132.5
1960......	144.6	79.6	65.0	12.5	0.1	.....	12.4	132.1
1959......	136.5	78.6	57.9	12.1	0.2	.....	11.9	124.4
1958......	126.8	73.8	53.0	11.6	.....	.....	11.6	115.2
1957......	117.3	69.1	48.2	9.7	0.1	.....	9.6	107.6
1956......	111.9	68.2	43.7	9.4	0.3	.....	9.1	102.5
1955......	105.7	66.1	39.6	9.0	0.3	.....	8.7	96.7
1954......	99.7	62.4	37.3	7.8	0.1	.....	7.7	91.9
1953......	94.2	60.2	34.0	7.3	0.1	.....	7.2	86.9
1952......	88.6	57.3	31.3	7.8	0.8	.....	7.0	80.8
1951......	83.5	54.3	29.2	6.6	.....	.....	6.6	76.9
1950......	84.8	54.2	30.6	7.8	1.4	.....	6.4	77.0
1949......	151.1	122.7	28.4	6.4	0.3	.....	6.1	144.7
1948......	145.6	119.3	26.3	7.0	0.7	0.6	5.7	138.6
1947......	157.5	114.4	43.1	9.9	0.1	4.8	5.0	147.6
1946......	130.7	107.0	23.7	10.0	0.1	5.8	4.1	120.7
1945......	121.0	93.7	27.3	9.4	0.1	5.8	3.5	111.6
1944......	99.3	80.9	18.4	9.3	0.1	5.8	3.4	90.0
1943......	86.6	70.0	16.6	9.8	0.2	5.8	3.8	76.8
1942......	69.1	56.5	12.6	10.1	0.5	5.8	3.8	59.0
1941......	62.0	51.4	10.6	10.1	0.6	5.8	3.7	51.9
1940......	55.9	46.2	9.7	12.9	3.5	5.8	3.6	43.0
1939......	51.2	40.7	10.5	16.4	7.2	5.8	3.4	34.8
1938......	47.7	38.3	9.4	11.3	2.5	5.8	3.0	36.4
1937......	48.2	38.8	9.4	12.2	3.7	5.8	2.7	36.0
1936......	43.8	35.6	8.2	10.9	2.6	5.8	2.5	32.9
1935......	20.8	11.5	9.3	11.3	2.8	5.8	2.7	9.5
1933–34...	7.0	(4)	7.0	10.0	0.2	5.6	4.2[5]	−3.0

[1]For the period from 1950 to 1971, inclusive, figures are net after deducting the portion of net assessment income credited to insured banks pursuant to provisions of the Federal Deposit Insurance Act of 1950, as amended. Assessment credits to insured banks for these years amount to $2,844 million.

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

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

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

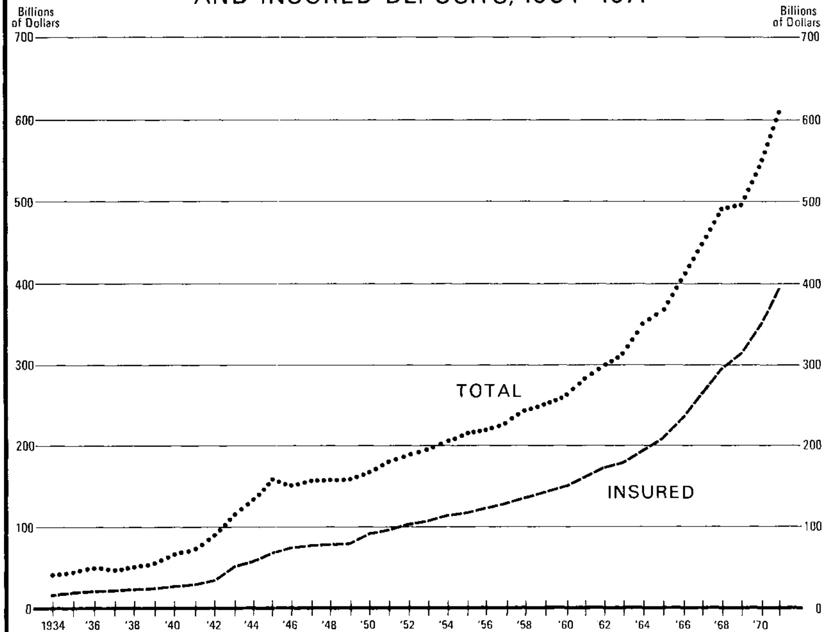
[5]Net after deducting the portion of expenses and losses charged to banks withdrawing from the temporary insurance funds on June 30, 1934.

1950. Since around 1961, the majority of the Corporation's income each year has been derived from interest on U.S. Government securities held, rather than from assessments as was previously the case.

During 1971, deposits in insured banks rose by 12 percent, to a total of $610 billion (see table 15). Insured deposits grew at a slightly faster pace, and at the end of the year the estimated amount of these deposits represented about 64.4 percent of total

Chart F

TOTAL DEPOSITS IN INSURED BANKS AND INSURED DEPOSITS, 1934–1971



RATIO OF INSURED DEPOSITS TO TOTAL DEPOSITS IN INSURED BANKS

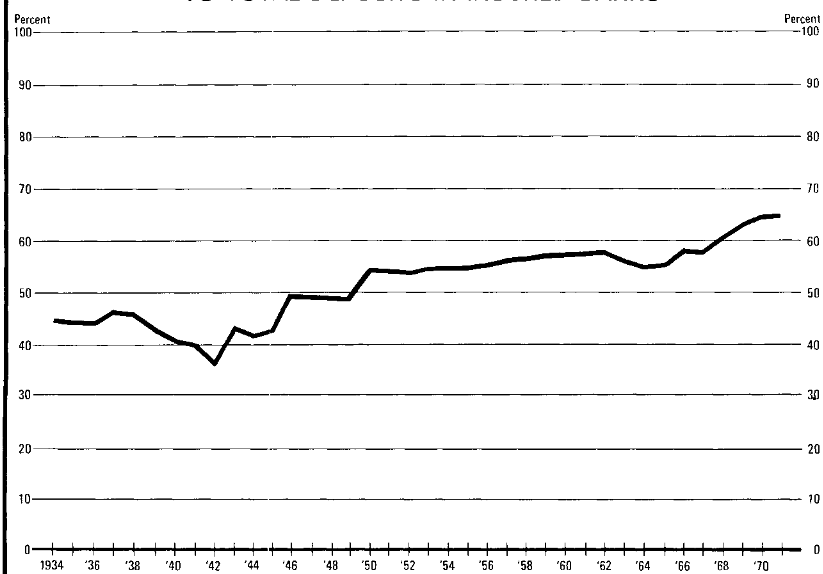


Table 15. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934–1971

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
1971	$610,685	$393,276	64.4%	$4,739.9	.78%	1.21%
1970	545,198	349,581	64.1	4,379.6	.80	1.25
1969	495,858	313,085	63.1	4,051.1	.82	1.29
1968	491,513	296,701	60.2	3,749.2	.76	1.26
1967	448,709	261,149	58.2	3,485.5	.78	1.33
1966	401,096	234,150	58.4	3,252.0	.81	1.39
1965	377,400	209,690	55.6	3,036.3	.80	1.45
1964	348,981	191,787	55.0	2,844.7	.82	1.48
1963	313,304[2]	177,381	56.6	2,667.9	.85	1.50
1962	297,548[3]	170,210[4]	57.2[4]	2,502.0	.84	1.47[4]
1961	281,304	160,309[4]	57.0[4]	2,353.8	.84	1.47[4]
1960	260,495	149,684	57.5	2,222.2	.85	1.48
1959	247,589	142,131	57.4	2,089.8	.84	1.47
1958	242,445	137,698	56.8	1,965.4	.81	1.43
1957	225,507	127,055	56.3	1,850.5	.82	1.46
1956	219,393	121,008	55.2	1,742.1	.79	1.44
1955	212,226	116,380	54.8	1,639.6	.77	1.41
1954	203,195	110,973	54.6	1,542.7	.76	1.39
1953	193,466	105,610	54.6	1,450.7	.75	1.37
1952	188,142	101,842	54.1	1,363.5	.72	1.34
1951	178,540	96,713	54.2	1,282.2	.72	1.33
1950	167,818	91,359	54.4	1,243.9	.74	1.36
1949	156,786	76,589	48.8	1,203.9	.77	1.57
1948	153,454	75,320	49.1	1,065.9	.69	1.42
1947	154,096	76,254	49.5	1,006.1	.65	1.32
1946	148,458	73,759	49.7	1,058.5	.71	1.44
1945	157,174	67,021	42.4	929.2	.59	1.39
1944	134,662	56,398	41.9	804.3	.60	1.43
1943	111,650	48,440	43.4	703.1	.63	1.45
1942	89,869	32,837	36.5	616.9	.69	1.88
1941	71,209	28,249	39.7	553.5	.78	1.96
1940	65,288	26,638	40.8	496.0	.76	1.86
1939	57,485	24,650	42.9	452.7	.79	1.84
1938	50,791	23,121	45.5	420.5	.83	1.82
1937	48,228	22,557	46.8	383.1	.79	1.70
1936	50,281	22,330	44.4	343.4	.68	1.54
1935	45,125	20,158	44.7	306.0	.68	1.52
1934	40,060	18,075	45.1	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.

deposits in insured banks. Increases in the proportion of insured deposits to total deposits in insured banks have occurred primarily because of the statutory raises—in 1935, 1950, 1966, and 1969—in the maximum deposit insurance per depositor (see chart F). This amount, originally at $2,500, is now at $20,000. In most other years, the percentage has been virtually stable, as from the mid—1950's through 1965, or it has increased only gradually.

Audit. Each year, financial transactions of the Corporation are audited by the General Accounting Office. A continuous internal audit is provided by the Office of the Auditor.

MERGER DECISIONS OF THE CORPORATION
PART TWO

BANKS INVOLVED IN ABSORPTIONS APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1971

State	Town or City	Bank	Page
Alaska	Anchorage	National Bank of Alaska	122
	Petersburg	Bank of Petersburg	122
California	Los Angeles	Union Bank	90
	San Diego	San Diego Bank (change title to San Diego Trust & Savings Bank)	125
		San Diego Trust & Savings Bank	125
	San Francisco	California Canadian Bank	90
Connecticut	Bridgeport	The Columbus Industrial Bank	100
	Falls Village	Falls Village Savings Bank	43
	Hartford	The Connecticut Bank and Trust Company	100
	Torrington	The Torrington Savings Bank	43
Georgia	Atlanta	The Citizens and Southern Emory Bank	95
		The Citizens and Southern Park National Bank	95
	Chamblee	The Citizens and Southern Bank of Chamblee	95
	Decatur	The Citizens and Southern South DeKalb Bank	95
	East Point	The Citizens and Southern Bank of East Point	97
	Roswell	The Citizens and Southern Bank of North Fulton	97
	Sandy Springs	The Citizens and Southern Bank of Sandy Springs	97
Illinois	Chicago	Civic Center Bank and Trust Co.	83
		The South East National Bank of Chicago	83
Louisiana	Houma	Bank of Terrebonne & Trust Company	102
		Terrebonne Bank and Trust Company	102
Maryland	Baltimore	Fayette Trust Company (change title to The Equitable Trust Company)	139
		The Equitable Trust Company	53, 139, 140
	Clinton	The Clinton Bank	140
	Stevensville	Tidewater Bank	53
Massachusetts	Arlington	The Arlington National Bank	68
	Boston	Barclay Bank and Trust Company of Boston (change title to United States Trust Company)	126
		United States Trust Company	126
	Cambridge	Cambridge Savings Bank	55

State	Town or City	Bank	Page
	Cambridge	North Avenue Savings Bank	55
	Everett	Industrial Bank and Trust Company	47
	Watertown	Coolidge Bank and Trust Company	47, 68
Michigan	Birmingham	Birmingham Bloomfield Bank	36
		Fidelity Bank of Michigan	36
	Carson City	The State Bank of Carson City	85
	Ionia	First Security Bank	85
Mississippi	Houston	The Bank of Houston	72
	Magnolia	Citizens Savings Bank, Magnolia, Mississippi	103
		Magnolia Bank (change title to Southwest Mississippi Bank)	103
	Tupelo	Bank of Mississippi	72
Missouri	Jefferson City	Capital City Trust Company (change title to The Central Trust Bank)	128
		The Central Trust Bank	128
New Jersey	Franklin Township	Franklin State Bank	75
	Matawan Township	The Farmers and Merchants National Bank of Matawan	75
New York	Albany	Home Savings Bank of Upstate New York	45
		Mechanics Exchange Savings Bank	58
	Buffalo	The Western New York Savings Bank	39
	Cobleskill	Cobleskill Savings and Loan Association	58
	Hoosick Falls	The Permanent Savings and Loan Association of Hoosick Falls	45
	New Paltz	New Paltz Savings Bank	86
	New York (Brooklyn)	Kings Highway Savings Bank (change title to Franklin Savings Bank of New York)	60
	New York (Manhattan)	Barclays Bank of New York	38
		European-American Bank & Trust Company	133
		The Franklin Savings Bank in the City of New York	60
	Niagara Falls	The First Federal Savings and Loan Association of Niagara County	39
	Ossining	The Bank for Savings of Westchester	41
	Port Jervis	Co-Operative Loan and Savings Society	86
	Tarrytown	Westchester County Savings Bank	41
	Troy	The Troy Savings Bank	88
	Whitehall	Whitehall Co-Operative Savings and Loan Association	88
North Carolina	Fayetteville	Cape Fear Bank & Trust Company	113
		Cumberland Bank (change title to Cape Fear Bank & Trust Company)	113
Ohio	Bergholz	The Bergholz State Bank Company	134

State	Town or City	Bank	Page
	Canal Winchester	The Canal State Bank (change title to The Canal Winchester Bank)	129
		The Canal Winchester Bank	129
	Cleveland	The Midwest Bank & Trust Company	106
		The M. W. Bank & Trust Company (change title to The Midwest Bank & Trust Company)	106
	Huron	F. C. Bank Co. (change title to The Firelands Community Bank)	107
		The Firelands Community Bank	107
	Salineville	The Citizens Banking Company	134
	Zanesville	The First Trust and Savings Bank	108
		The First Trust State Bank (change title to The First Trust and Savings Bank)	108
Oregon	Clatskanie	First National Bank in Clatskanie	62
	Coos Bay	Western Bank	62
	Dallas	Polk County State Bank	48
	Eugene	Citizens Bank of Oregon	70
	Harrisburg	First National Bank of Harrisburg	70
	Portland	The Oregon Bank	48
Pennsylvania	Bethlehem	First Valley Bank	64, 79
	Dalmatia	Farmers' State Bank of Dalmatia	109
	Lansford	The First National Bank of Lansford	64
	Lock Haven	Lock Haven Trust Company (change title to Central Counties Bank)	50
	Mahanoy City	American Bank	142
	Millersburg	Millersburg Trust Company (change title to Mid Penn Bank)	109
	Muncy	Commonwealth Bank and Trust Company	114
	Nesquehoning	The First National Bank of Nesquehoning	79
	New Castle	Lawrence Savings and Trust Company	116
	Oil City	First Seneca Bank and Trust Company	116
	Reading	American Bank and Trust Co. of Pa.	76, 142
	Sayre	The First National Bank of Sayre	114
	Scranton	East Scranton State Bank	34
		South Side Bank and Trust Company (change title to Penn Security Bank and Trust Company)	34
	Slatington	Slatington National Bank and Trust Company	76
	State College	The First National Bank of State College	50
South Carolina	Chester	The Commercial Bank	136

State	Town or City	Bank	Page
	Greenville	Southern Bank and Trust Company	110
	Laurens	The First National Bank of Laurens	110
	McColl	McColl State Bank	136
	Orangeburg	American Bank & Trust	136
Tennessee	Jonesboro	Jonesboro Bank & Trust Company (change title to The Banking & Trust Company)	145
		The Banking & Trust Company	145
Utah	Ogden	Commercial Security Bank	130
	Salt Lake City	Granite National Bank	130
Virginia	Bailey's Crossroads	Bailey's Crossroads Bank (change title to Hamilton Bank and Trust Company)	67
		Hamilton Bank and Trust Company	67
	Bland	Bank of Bland County	82
		First County Bank (change title to Bank of Bland County)	82
	Colonial Beach	The Bank of Westmoreland	94
		Westmoreland County Bank (change title to The Bank of Westmoreland)	94
	Front Royal	Bank of Warren	93
		The Bank of Front Royal (change title to Bank of Warren)	93
	Surry	Bank of Surry County, Inc.	120
		First Bank of Surry (change title to Bank of Surry County, Inc.)	120
	Whaleyville	Bank of Whaleyville, Inc.	121
		The Bank of Virginia of the Southeast	121
Wisconsin	Gleason	Gleason State Bank	36
	Merrill	Lincoln County Bank	36

Other

England	London	Barclays Bank, D.C.O.	38
France	Paris	Societe Generale pour Favoriser le Developpement du Commerce et de l'Industrie en France	133

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BANKS INVOLVED IN ABSORPTIONS
DENIED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION
IN 1971

Georgia	Atlanta	The Citizens and Southern Emory Bank	152
	Tucker	The Citizens and Southern Bank of Tucker	152

State	Town or City	Bank	Page
Indiana	Anderson	Anderson Banking Company	150
	Lapel	The State Bank of Lapel	150
Maryland	Westminster	The Union National Bank of Westminster	147
		Westminster Trust Company (change title to Northern Maryland Bank and Trust Company)	147
North Carolina	Lucama	The Lucama-Kenly Bank	159
	Smithfield	First-Citizens Bank & Trust Company	159
Pennsylvania	Norristown	Continental Bank	155
	Reading	Bank of Pennsylvania	155

BANKS INVOLVED IN ABSORPTION DENIALS AFFIRMED BY THE CORPORATION IN 1971

North Carolina	Lucama	The Lucama-Kenly Bank	159
	Smithfield	First-Citizens Bank & Trust Company	159
Washington	Aberdeen	Grays Harbor Savings and Loan Association	164
	Seattle	Washington Mutual Savings Bank	164

BANK ABSORPTIONS APPROVED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
South Side Bank and Trust Company Scranton, Pennsylvania (change title to Penn Security Bank and Trust Company)	48,925	2	3
to merge with			
East Scranton State Bank Scranton	10,608	1	

Summary report by Attorney General, August 19, 1970

The head offices of the merging banks are located only one mile from each other in Scranton proper. It is apparent, therefore, that some existing competition would be eliminated by the proposed transaction.

As of June 30, 1968, ten commercial banks operated 11 banking offices in Scranton-Dunmore. The three largest of such banks held about 65 per cent of the total commercial bank deposits in this market. South Side, the third largest, controlled about 8.1 per cent of such deposits, while State Bank, the smallest, held about 2.3 per cent.

The proposed merger would, thus, give the resulting bank about 10.5 per cent of commercial bank deposits in Scranton-Dunmore and would increase the already high degree of banking concentration existing in that market. We conclude that the proposed merger may have an adverse effect on competition.

Basis for Corporation approval, January 8, 1971

South Side Bank and Trust Company, Scranton, Pennsylvania ("South Side Bank"), an insured State nonmember bank with total deposits of $44,900,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with East Scranton State Bank, Scranton, Pennsylvania ("East Scranton Bank"), which has total deposits of $9,500,000. The banks would merge under the charter of South Side Bank and under the title "Penn Security Bank and Trust Company." As an incident to the merger, the only office of East Scranton Bank would become a branch of the resulting bank.

Competition. Each bank has its main office in the city of Scranton, located in Lackawanna County, the northeastern part of Pennsylvania. South Side Bank also has a branch office in Moscow, Pennsylvania, a small community 9 miles southeast of Scranton. The economy of Lackawanna County has been relatively static in recent years, with a small decrease in population and some influx of new plants to replace the area's prior dependence on anthracite mining. The textile industry is the area's largest employer.

South Side Bank derives the major portion of its business from the city of Scranton (1970 estimated population: 102,294) and the contiguous community of Dunmore (1970 estimated population: 17,296), to the east of Scranton. East Scranton Bank derives the major volume of its business from a residential area in the eastern part of the city of Scranton; however, some business is also obtained from other sections of the city as well as the Dunmore community. The main office of East Scranton Bank is only 1 mile northeast of South Side Bank's main office, and the primary service area of East Scranton Bank is wholly within the service area of South Side Bank. The proposed merger would eliminate existing competition between the two banks and also the potential for increased competition through *de novo* branching, at least on the part of South Side Bank, into East Scranton Bank's service area.

Ten commercial banks, however, serve the Scranton-Dunmore area, all of them headquartered within 3 miles of South Side Bank's main office. South Side Bank is the third largest of these 10 banks, holding 9.4 percent of the total deposits held at all commercial bank offices in the two communities as of July 30, 1970 (the first and second largest held 39.8 percent and 17.8 percent, respectively, of such deposits). East Scranton Bank, on the other hand, is the smallest of the 10 banks, holding 2.3 percent of such deposits. The amount of direct competition between the two banks that would be eliminated by their proposed merger may thus be viewed as relatively insubstantial, and the same conclusion may be drawn with respect to the amount of potential competition that would be eliminated in view of the proximity of the present offices of the two banks and the fact that nine banks, of varying sizes, would continue to serve the Scranton-Dunmore area.

Banks headquartered in Lackawanna County or any of five adjacent counties, moreover, may branch or merge into the Scranton-Dunmore area under Pennsylvania law. Within this larger area, the resulting bank would hold only 3.4 percent of total commercial bank deposits in the six counties, four banks, not presently represented in Lackawanna County, would be larger than the resulting bank, and three of them (those headquartered in nearby Wilkes-Barre) may be considered potential entrants into the Scranton-Dunmore area either by merger or by *de novo* branching.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources are regarded as satisfactory with respect to both participating banks and are so projected for the resulting bank. Future prospects of the resulting bank may also be regarded as satisfactory.

Convenience and Needs of the Community to be Served. The proposed merger would replace a limited-service unit bank with a larger branch bank offering a wider range of banking services, including home improvement loans and education loans, a larger lending limit, trust services, computer services, and higher rates of interest on certain types of time accounts. While customers of East Scranton Bank will benefit from these changes, the same services are conveniently available only a short distance from the bank's office and the increment to community needs and convenience must be viewed as modest. In the Board's judgment, however, they outweigh the limited anticompetitive effects of the proposed merger.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Fidelity Bank of Michigan Birmingham, Michigan (in organization)	4,000	—	5
to acquire certain assets and assume the deposit liabilities of			
Birmingham Bloomfield Bank Birmingham	109,739	5	

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

Basis for Corporation approval, February 12, 1971

Pursuant to Sections 5 and 18(c) of the Federal Deposit Insurance Act, applications have been made by Fidelity Bank of Michigan for Federal deposit insurance and for consent to purchase certain assets and assume the deposit liabilities of Birmingham Bloomfield Bank, Birmingham, Michigan, an insured nonmember bank which has been closed and is in the hands of the Receiver.

A conservator was appointed for and closed the Birmingham Bloomfield Bank on February 11, 1971, and the Federal Deposit Insurance Corporation was appointed Receiver pursuant to the order of the Circuit Court for the County of Oakland, Michigan, entered February 12, 1971. It is expected that Fidelity Bank of Michigan will successfully replace Birmingham Bloomfield Bank.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Lincoln County Bank Merrill, Wisconsin	14,238	1	1
to consolidate with			
Gleason State Bank Gleason	1,976	1	

Summary report by Attorney General, November 3, 1970

The self-defined service areas of the two banks overlap, and each draws some business from the other's area. Furthermore, the application indicates that banking customers in the Gleason area may be expected to use Merrill banks more in the future. (Application p. 12). In addition, the two banks in Merrill are the closest banking alternatives for residents of the Gleason area. Hence, this acquisition will eliminate some existing competition.

In addition, the Gleason State Bank is one of only four banks presently serving Lincoln County. Its merger with a bank already serving that county will eliminate the possibility of its being used as a foothold for entry by a banking organization not presently serving the county.

Basis for Corporation approval, February 12, 1971

Lincoln County Bank, Merrill, Wisconsin ("Lincoln Bank"), an insured State nonmember bank with total deposits of $12,989,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to consolidate with Gleason State Bank, Gleason, Wisconsin ("Gleason Bank"), an insured State nonmember bank which has total deposits of $1,735,000. The banks would consolidate under the charter and title of Lincoln Bank, and subsequent to the consolidation, Lincoln Bank will apply to establish a branch in Gleason Bank's sole office.

Competition. The consolidating banks are located 15 miles apart in Lincoln County in the north-central section of Wisconsin. Merrill has a population of approximately 9,500 persons and has some diversified industry, while Gleason is a small residential community of approximately 300 persons. The combined Merrill-Gleason market area is devoted primarily to dairy farming.

The areas served by the two banks are largely separate, but there is a limited degree of overlap and a number of common customers attributable to persons who have moved from one location to the other, commuters, and borrowers whose requirements exceed the lending limits of Gleason Bank.

Consummation of this proposal would result in two banks of approximately equal size serving the Merrill-Gleason market. Five banks and one trust company with combined deposits of approximately $140 million, however, are headquartered in Wausau, located 16 miles south of Merrill, and these institutions offer residents of the Merrill-Gleason area banking options. Under Wisconsin law, an alternative merger with an out-of-county bank whose principal office was more than 25 miles away might leave Gleason without the banking services it has at present.

In view of the small size of Gleason Bank, its limited capabilities as a competitor, the availability of several banking options in Wausau, and the limitations which would apply on the maintenance of a branch at Gleason if a distant, out-of-county bank sought to consolidate with Gleason Bank, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of both banks and the future prospects of Lincoln Bank are satisfactory. The future prospects of Gleason Bank as an independent institution are limited in view of the lack of growth potential in the immediate Gleason area.

Convenience and Needs of the Community to be Served. If the consolidation is consummated, Lincoln Bank proposes to establish a branch in Gleason Bank's sole office as soon as legally possible, so that banking service there will be continued. Due to the $22,000 lending limit of the Gleason Bank, some larger potential borrowers have sought credit elsewhere. In other instances, loans have had to be participated with outside banks. This proposal would increase the credit limit available to farm operators in the Gleason area more than tenfold and would permit general economies of scale.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Barclays Bank of New York New York (Manhattan), New York (proposed new bank)	5,267	—	1
to acquire certain assets and assume certain deposit liabilities of			
Barclays Bank D.C.O. London, England	19,093[1]	1[1]	

Summary report by Attorney General, December 31, 1970

The proposed transaction is part of a reorganization of the banking business presently carried on in New York by Barclays Bank, D.C.O. and will only result in the transfer of banking business from an existing subsidiary of the Barclays group to a new subsidiary. As such, it will have no effect on competition.

Basis for Corporation approval, February 19, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed in behalf of Barclays Bank of New York, New York (Manhattan), New York ("Applicant"), a proposed new bank, for Federal deposit insurance and for the Corporation's prior consent for the proposed new bank to acquire certain assets of and to assume the liability to pay certain deposits made in a branch office located at 300 Park Avenue, New York (Manhattan), New York, of Barclays Bank D.C.O., London, England ("DCO"), an operating noninsured foreign bank, under the Applicant's charter and title. The new bank will assume an existing lease and occupy the quarters presently used by the aforementioned branch office. DCO will continue to conduct operations in New York from its remaining two branches located at 120 Broadway, New York (Manhattan), New York, and at the John F. Kennedy International Airport, Jamaica (Queens), New York. All the stock of Applicant, except directors' qualifying shares, will be owned by DCO.

Competition. Approval of the subject proposals would enable Barclays Bank to expand the services it may offer under New York law and to enter the local New York market more vigorously, especially as to individual and small business accounts. Close affiliation with the internationally prominent Barclays organization would continue.

[1] Assets and office to be transferred.

Open only since 1964, the branch site to be converted now claims $30 million in deposits and $28 million in loans. It is located in the uptown financial area of Manhattan, surrounded by commercial activity and high-rise office buildings. Banking competition in the 27-square-block service area immediately surrounding the site is intense, with 10 commercial banks and three foreign branches operating a total of 21 offices. The largest New York City commercial banks all have offices in the immediate vicinity. Favorable action would not eliminate any existing office but should allow Barclays Bank to compete more effectively by offering a wider variety of services.

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

Financial and Managerial Resources; Future Prospects. Each of these factors has been resolved favorably to the Applicant.

Convenience and Needs of the Community to be Served. Applicant, like the prior branch office, would continue to serve the convenience and needs of its market, with the added authority to offer all the services authorized by New York law to be offered by a State-chartered commercial bank.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Western New York Savings Bank Buffalo, New York	399,011	5	6
to merge with **The First Federal Savings and Loan Association of Niagara County** Niagara Falls	13,408	1	

Summary report by Attorney General, December 15, 1970

The main offices of Western and First Federal are approximately 20 miles apart, and the closest office of Western is approximately 15 miles from First Federal. The service area of First Federal is limited to Niagara Falls, from which Western derives only a limited amount of deposits. Moreover, there are several banking offices in the intervening areas between the offices of Western and First Federal. The proposed merger should, therefore, have no significantly adverse effect on existing competition.

New York law, with exceptions not relevant here, does not permit savings banks to open *de novo* branches beyond the county in which their head offices are located. Western, therefore, may not branch *de novo* into Niagara County in which First Federal principally operates.

Western is the third largest savings institution in Erie County and holds about 11 per cent of the county's total savings deposits. First Federal is the smallest savings institution in Niagara Falls, and holds about 3 per cent of total savings deposits in Niagara County. We do not believe that the proposed merger would have a significantly adverse effect on potential competition.

Basis for Corporation approval, March 1, 1971

The Western New York Savings Bank, Buffalo, New York ("Western"), an insured mutual savings bank with total deposits of $373,027,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The First Federal Savings and Loan Association of Niagara County, Niagara Falls, New York ("Federal"), a member of the Federal Home Loan Bank System, which has total deposits of $12,615,000. The institutions would merge under the charter and title of Western and, as an incident to the merger, the only office of Federal would become a branch of Western, increasing the number of its offices to six.

Competition. Western is the third largest mutual thrift institution in New York's Ninth Banking District. It presently operates a total of five offices in Erie County (1970 population: 1,100,597), with its main office and two branches in the city of Buffalo and two other branches in the suburban communities of Amherst and West Seneca. Under State law, Western has one remaining *de novo* branching privilege, its use being limited to a location in Erie County.

Federal's only office is located in the city of Niagara Falls, Niagara County. Its primary trade area is the city of Niagara Falls and the southwestern portion of Niagara County, which has an estimated population of 160,000. It is the smallest of the four mutual thrift institutions in this area, its three larger competitors having deposits of approximately $91 million, $80 million, and $69 million.

The nearest Western office is about 14 miles from Federal's office, and there are several offices of other financial institutions in the intervening area. Neither Western nor Federal derives a significant amount of deposit business from the areas served by the other, and Federal holds only a negligible amount of mortgage loans from the Western service area. While Western has more mortgage loans on Niagara County properties than Federal, the amounts involved, and Federal's recent inactivity in the local mortgage market, indicate that little competition between the two institutions in that market would be eliminated by their proposed merger. A merger of Western and Federal, therefore, would not eliminate significant existing competition between them.

Nor would the proposed merger eliminate any significant potential for increased competition between Western and Federal in the future. Western cannot branch into Federal's trade area since, under State law, its one remaining *de novo* privilege must be utilized in Erie County. While Federal could legally branch *de novo* into Erie County, this is not likely to occur in view of Federal's comparatively limited financial resources and its lack of management depth. While an alternative merger could strengthen the competitive position of Federal's merger partner relative to Western and the two larger mutual savings banks in the Ninth Banking District, the only realistic alternatives are the three competing mutual institutions in Niagara County; and a merger of any one of them with Federal would undoubtedly eliminate substantial existing competition. The much smaller savings and loan associations elsewhere in the district (with which Federal might also merge under New York law) could not easily absorb Federal's low net worth position or its lack of management depth.

The proposed merger would increase slightly an already high degree of concentration among the three largest mutual thrift institutions in the Ninth Banking District, which together hold 80.2 percent of all mutual institution deposits. Western's 14.6 percent share of this total would be increased, if the proposed merger is approved, to 15.1 percent. While this is an adverse consequence of the proposed merger, its importance is substantially reduced by the lack of realistic, less anticompetitive merger alternatives open to Federal and the likelihood that Western's entry into Niagara County will enhance competition among the mutual thrift institutions in that county.

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

Financial and Managerial Resources; Future Prospects. Federal, established in 1960, has a low net worth position and inadequate management. Without assistance, its future prospects are not favorable. The resulting bank, however, would have satisfactory financial and managerial resources. Its prospects in the Niagara Falls area are good.

Convenience and Needs of the Community to be Served. The proposed merger would have little, if any, effect upon the present customers of Western; but in the Niagara Falls area, the resulting bank would provide a number of services not now offered by Federal, such as savings bank life insurance, school savings, and on-line EDP facilities. Western, moreover, pays 5 percent on day-of-deposit-to-day-of-withdrawal accounts and on Christmas and vacation club accounts (Federal pays 4¾ percent on the former, and no interest on club accounts). The other three mutual institutions in the Niagara Falls area offer one or more of these services and rates, but none offers them all. The increased competition caused by Western's entry should, therefore, redound to the benefit of Niagara County residents generally. Western, in addition, would have a significantly greater capacity than Federal to satisfy local mortgage credit demands.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Westchester County Savings Bank Tarrytown, New York	32,644	1	3
to merge with **The Bank for Savings of Westchester** Ossining	76,319	2	

Summary report by Attorney General, December 31, 1970

Both offices of Ossining Bank are located within seven miles from the office of Tarrytown Bank. Neither bank, however, receives any substantial amount or number of savings deposits from the areas served by the other. Nor does it appear that the applicant banks solicit savings deposits from each other's area.

While precise figures on the origin of mortgage loans are not readily available, it is apparent that the geographic distribution of such loans is considerably wider than that for savings accounts. The two banks probably compete to some extent for mortgage loan business. The immediate service areas of the applicant banks each contain no other mutual savings banks, but each have one savings and loan association and several offices of large commercial banks.

Under the New York law, no savings bank may branch *de novo* into any city or village with a population of one million or less in which is already located the principal office of another savings bank. Thus, both Tarrytown and Ossining are closed to *de novo* branching by savings banks at the present time. While there are a number of communities served by each bank which are open to *de novo* branching, such communities are also open to *de novo* branching by other Westchester County savings banks, as well as by the many large savings institutions headquartered in New York City. The proposed merger would remove the home office protection afforded to Ossining by Ossining Bank.

In view of the short distance separating the applicant banks and the fact that some existing competition for mortgage loans will be eliminated, we conclude that the proposed transaction may have some adverse effect on competition.

Basis for Corporation approval, March 1, 1971

Westchester County Savings Bank, Tarrytown, New York ("Applicant"), an insured mutual savings bank with total deposits of $30,426,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Bank for Savings of Westchester, Ossining, New York ("Bank for Savings"), an insured mutual savings bank with total deposits of $69,726,000. The institutions would merge under the charter and title of Applicant and, as an incident to the merger, the two offices of Bank for Savings would become branch offices of the Applicant, increasing the number of its offices to three.

Competition. Applicant's main office is about 6½ miles south of the nearest office of Bank for Savings, both of which are located in older, relatively static communities along the Hudson River in suburban Westchester County (1970 population: 890,000). Applicant and Bank for Savings claim adjacent trade areas of 30,000 and 40,000, respectively, with sectors of commercial and residential growth lying chiefly in and around the northern portion of Bank for Savings' primary service area.

Bank for Savings is the ninth largest, and Applicant the 16th largest, of the mutual thrift institutions headquartered in Westchester County. The two banks together account for about 5.9 percent of the deposits and 5.5 percent of the offices of the 28 mutual thrift institutions with offices in Westchester County, while their share of total deposits held by all mutual thrift institutions in the larger metropolitan New York City area would be less than 1 percent.

The proposed merger would not eliminate significant existing competition between the two banks. Their primary service areas do not overlap, although each derives a moderate amount of deposit and loan business from throughout Westchester County. Such business, however, is not substantial relative to the total amount of thrift institution deposits and loans estimated to originate in

Westchester County. Thrift institutions in Westchester County, moreover, are subject to competition for the deposit and loan business of commuters from savings banks and savings and loan associations located in New York City.

Some potential for increased competition between the two banks would be eliminated by their proposed merger since each has unused *de novo* branch privileges which could be exercised elsewhere in Westchester County, particularly its growing areas in the north. This potential competition is not significant, however, when consideration is given to the fact that 28 different mutual institutions presently have offices in Westchester County, when many of those headquartered in the county also have unused *de novo* branch privileges remaining, when significant competition for Westchester County business is offered by New York City thrift institutions, and when a significant number of New York City thrift institutions presently without offices in Westchester County can also establish *de novo* branches there with appropriate supervisory approvals.

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

Financial and Managerial Resources; Future Prospects. While management succession at Applicant has been a source of supervisory concern, the institution to be formed by the proposed merger would have adequate financial and managerial resources, and favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed merger would bring to the Tarrytown public thrift institution services not presently offered by Applicant. These include origination of FHA and VA loans, larger size mortgage loans, mortgage loans on commercial properties, 5 percent day-of-deposit-to-day-of-withdrawal accounts, 5¼ percent 90-day savings certificates, on-line EDP facilities, and safe deposit services. While most of these services are available either at competing institutions in Tarrytown or nearby, the proposed merger would provide a convenient, alternative source for all of them.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Torrington Savings Bank Torrington, Connecticut	42,758	2	3
to consolidate with			
Falls Village Savings Bank Falls Village	5,152	1	

Summary report by Attorney General, December 18, 1970

The closest offices of the merging institutions are located about 20 miles apart, with several other banks in the intervening area. The application indicates that they draw little business from each other's service area. Thus, it would not appear that any substantial existing competition will be eliminated.

While Torrington Bank could be permitted to branch *de novo* into the area served by Falls Village Bank, such expansion appears unlikely in view of the modest size of the acquiring bank, Connecticut's home office protection laws, and the relatively rural character of the Falls Village area. For these reasons, as well as the small size of the bank to be acquired, we do not believe that the proposed merger would result in the loss of substantial potential competition.

Basis for Corporation approval, March 10, 1971

The Torrington Savings Bank, Torrington, Connecticut ("Applicant"), an insured mutual savings bank with total deposits of $38,969,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to consolidate with Falls Village Savings Bank, Falls Village, Town of Canaan, Connecticut ("Other Bank"), also an insured mutual savings bank with total deposits of $4,845,000. The banks would consolidate under the charter and title of Applicant and, as an incident thereto, the only office of Other Bank would become a branch of Applicant, increasing the number of its offices to three.

Competition. The two offices of Applicant are in Torrington, Connecticut. The sole office of Other Bank, which is the smallest mutual savings bank in Connecticut, is approximately 20 miles northwest in Falls Village. The offices of the participating banks are separated by a State forest and a State park, with only a two-lane highway as a connector. Their trade areas consist of essentially separate areas, and there is no significant existing competition between the banks.

The proposed consolidation would have its greatest impact in the sparsely populated exurban trade area of Other Bank, which consists of the towns of Canaan, Cornwall, North Canaan, Salisbury, and Sharon (combined 1970 populations: 10,824).

Canaan Savings Bank, three times the size of Other Bank, is the only other thrift institution in this area. In recent years, Other Bank's share of its deposit market has been declining relative to Canaan Savings Bank, largely due to time lags in raising dividend rates to depositors. The proposed consolidation should stimulate thrift institution competition in the Falls Village area without reducing the number of alternatives in the area for thrift institution services.

Applicant's trade area is centered in the city of Torrington, and includes the towns of Goshen, Harwinton, and New Hartford. Total population of this area in 1970 was 40,373. Applicant is slightly larger than the only other thrift institution serving the same area, First Federal Savings and Loan Association, but the proposed consolidation should not adversely affect the ability of that institution to compete with Applicant.

"Home office protection" in Connecticut makes it impossible for either participating bank to branch into the principal community served by the other. While each could branch *de novo* into areas surrounding such communities, Other Bank lacks the resources to do so, while Applicant is unlikely to be attracted to the sparsely populated communities open to it in Other Bank's trade area. The proposed consolidation is unlikely, therefore, to eliminate any significant potential for future competition between the two institutions through *de novo* branching.

On the other hand, the proposed consolidation would reduce the number of alternative thrift institutions in the combined service areas from four to three and enhance Applicant's present position as the largest thrift institution among the four now competing there. Continued growth in Applicant's trade area is likely, however, to attract additional competition from among the numerous other mutual thrift institutions in Connecticut which have legal authority to branch *de novo* into such areas of growth, thereby increasing the total number of thrift institution alternatives in the combined area. In that connection, it is relevant to note that a mutual thrift institution contemplating *de novo* entry into the Torrington-Falls Village area is likely to be significantly larger than either Applicant or Other Bank, whose combined deposits represent less than 1 percent of the total deposits of all mutual savings banks in Connecticut.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable with respect to Applicant. Other Bank has in recent times encountered problems with respect to limited earnings, noncompetitive dividend rates, and a static deposit structure leading to limited funds to supply the credit needs of the community. Its net worth position is also below average. For the consolidated bank, all of these factors would be favorable.

Convenience and Needs of the Community to be Served. The customers of Other Bank would be provided with broader services as a result of the proposed consolidation since Other Bank does not now offer 5½ percent notice accounts or personal, educational, or installment loans. In addition, the resulting bank should be better able than the Falls Village institution to satisfy the credit needs of its trade area, since it would have more funds available to lend and a higher limit on the size of acceptable loans.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Home Savings Bank of Upstate New York Albany, New York	122,272	4	5
to merge with			
The Permanent Savings and Loan Association of Hoosick Falls Hoosick Falls	1,127	1	

Summary report by Attorney General, February 16, 1971

The proposal would merge Permanent, the smallest of four savings and loan associations operating in Rensselaer County, with Home Savings, the sixth largest of eight mutual savings banks operating in the Albany-Schenectady-Troy area.

The head offices of the merging institutions are about 25 miles apart and the closest offices are about 17 miles apart. Neither institution obtains substantial business from the areas immediately served by the other, and there are other savings institutions operating in the intervening areas. It would not appear, therefore, that significant direct competition would be eliminated by the merger of the two institutions.

New York law does not permit a mutual savings bank to establish *de novo* branches outside of the county where its main office is located. Home Savings, therefore, could not establish *de novo* offices in Rensselaer County. In view of this fact, and the size and limited service area of Permanent, we conclude that the proposed merger would be unlikely to have any significantly adverse effect on potential competition.

Basis for Corporation approval, March 12, 1971

Home Savings Bank of Upstate New York, Albany, New York ("Home"), an insured mutual savings bank with total deposits of $114,520,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Permanent Savings and Loan Association of Hoosick Falls, Hoosick Falls, New York ("Permanent S&L"), a federally insured State-chartered savings and loan association with total deposits of $1,015,000. The institutions would merge under the charter and title of Home and, as an incident to the merger, the only office of Permanent S&L would become a branch of Home, increasing the number of its offices to five.

Competition. Home operates its main office and one branch in the city of Albany, an additional branch in the town of Colonie, an Albany suburb, and a third branch in Washington County, which it recently acquired by merger with the Greenwich Savings and Loan Association. Under New York law, it may open *de novo* branches only in Albany County but can acquire branches by merger anywhere in the State's Fourth Banking District.

Permanent S&L operates its only office in Hoosick Falls, Rensselaer County, New York, and serves a stable agricultural and vacation area of 23,000 persons in Hoosick Falls and its environs. The area also includes a few small industrial plants. Under State law, Permanent S&L could open a *de novo* branch within 50 miles of its main office, including those portions of Albany County not subject to "home office protection." Permanent S&L is by far the smallest of five mutual thrift institutions serving Rensselaer County.

Hoosick Falls is 35 miles from the city of Albany, and 20 miles southeast of the nearest Home office in Greenwich, Washington County. The primary trade areas of the two institutions do not overlap, although there is some overlap in outlying areas served by Home's Greenwich office and by Permanent S&L. While Home had more than a nominal amount of deposits from the Hoosick Falls area, this is attributable to past differences in dividend rates between the two institutions. Except for such deposits, neither draws any significant business from areas served by the other, and there is almost no prospect of increased competition between them in the future because of the branching restrictions on Home and because of Permanent S&L's limited resources.

Home is the fourth largest savings bank headquartered in the city of Albany and the sixth largest mutual institution headquartered in the Fourth Banking District. At year-end 1969, it held 5.9 percent of all the deposits held by mutual savings institutions in the district, while the comparable percentage for Permanent S&L was less than 0.1.

The most immediate impact of the proposed merger will be in the Hoosick Falls area, where larger size mortgage loans and the introduction of services not before available at Permanent S&L will increase the competition between resulting bank's branch, nearby commercial banks, and a nearby thrift institution in Bennington, Vermont.

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

Financial and Managerial Resources; Future Prospects. The overall financial and managerial position of each institution, and of the resulting bank, is considered satisfactory. The future prospects of each institution, and of the resulting bank, are also considered satisfactory.

Convenience and Needs of the Community to be Served. The major benefits which would accrue to customers of Permanent S&L include more liberal mortgage lending policies with more lendable funds available, larger size mortgage loans, and additional services, such as FHA and VA loans, a 5 percent day-of-deposit-to-day-of-withdrawal account, time deposits, savings bank life insurance, student and home improvement loans, and on-line deposit facilities.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Coolidge Bank and Trust Company Watertown, Massachusetts	75,938	5	6
to merge with			
Industrial Bank and Trust Company Everett	9,122	1	

Approved under emergency provisions. No report rendered by the Attorney General.

Basis for Corporation approval, March 31, 1971

Coolidge Bank and Trust Company, Watertown, Massachusetts ("Coolidge"), an insured State nonmember bank with total deposits of $61,206,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Industrial Bank and Trust Company, Everett, Massachusetts ("Industrial"), an insured State nonmember bank which has total deposits of $8,002,000. The institutions would merge under the charter and title of Coolidge and, as an incident to the merger, the only office of Industrial would become a branch of Coolidge, increasing the number of its offices to six.

The Board of Directors of this Corporation has found that it must act immediately in order to prevent the probable failure of Industrial and, pursuant to Section 18(c) (3) and (4) of the FDIC Act, has waived customary publication and requests for reports on the competitive factors involved from the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Attorney General. The three agencies were advised in advance of the Corporation's action and given the opportunity to submit opinions; no adverse comments were received.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Oregon Bank Portland, Oregon	132,916	21	22
to merge with			
Polk County State Bank Dallas	8,919	1	

Summary report by Attorney General, November 16, 1970

The office of Polk County State Bank ("State") is about 15 miles from the Salem branch of Oregon Bank, with several other banking offices located in the intervening area. Thus, it would not appear that any substantial existing competition will be eliminated by the proposed merger.

Oregon Bank has shown a tendency to branch *de novo* and it has the size and ability to do so anywhere in the state. State law prohibits it from branching directly into Dallas itself. However, Oregon Bank could branch into areas adjacent to Dallas and if such areas were subsequently annexed to the city, the branch could then be moved anywhere in the city.

Commercial banking in Oregon is dominated by United States National Bank of Oregon (total deposits as of December 31, 1969 of $1.5 billion) and First National Bank of Oregon, Portland, Oregon (total deposits as of December 31, 1969 of $1.6 billion). United States National has an office in Polk County already and First National has an office as close to Dallas as does Oregon Bank.

Oregon Bank, although much smaller than the other two, is the third largest bank headquartered in the State and the only other bank approaching statewide coverage. Of the remaining banks headquartered in the State, only one has deposits in excess of $60 million, and only six banks have deposits in excess of $25 million. Given this extraordinarily concentrated statewide structure, continued acquisitions by Oregon Bank, which must now be considered one of the leading banks in the State, can result in some adverse competitive effects; such acquisitions will tend to foreclose the opportunity that any other banks of comparable size can be created in Oregon to challenge Oregon Bank and the statewide leaders on a local or statewide basis. This acquisition will eliminate State as a possible participant in such an organization, and it will remove existing potential competition between Oregon Bank and State.

Basis for Corporation approval, April 9, 1971

The Oregon Bank, Portland, Oregon ("Oregon Bank"), an insured State nonmember bank with total deposits of $118,757,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Polk County State Bank, Dallas, Oregon ("Polk Bank"), an insured State nonmember bank with total deposits of $7,919,000. The banks would merge under the title and charter of Oregon Bank. Application is also made under Section 18(d) of the Federal Deposit Insurance Act to establish Polk Bank's sole office as a branch of the resulting bank.

Competition. Oregon Bank's 21 offices serve nine separate and distinct areas, the largest and most important of which is the Portland metropolitan area. Oregon Bank has no office in Polk County (population 34,950), where Polk Bank is located. The closest office of Oregon Bank to Polk Bank is in Salem, the State capital, 15 miles east of Dallas. This recently established office holds the smallest share of local commercial bank deposits (1.6 percent) and competes with offices of Oregon's two largest banks, which have about 78 percent of such local deposits. The immediate service areas of Polk Bank and Oregon Bank's Salem branch do not overlap, and there is no present competition between them which would be eliminated by the proposed merger. The potential, moreover, for future competition between the two banks through the establishment of *de novo* branches is limited. Oregon Bank cannot branch *de novo* into Dallas, and the below average population per commercial bank office in Polk County makes *de novo* branching elsewhere in the county relatively unattractive in the near future. Polk Bank's small size makes extensive *de novo* branch activity on its part remote in any event.

Banking in Oregon is concentrated in two statewide branch systems which, combined, held 79.2 percent of total commercial bank deposits in the State on June 30, 1970. Oregon Bank, with only 2.9 percent of the State's commercial bank deposits, ranks fourth in deposit size and competes against one or both of these two large banks in all but one of its nine service areas.

The acquisition of Polk Bank would have no significant effect on competition in areas presently served by Oregon Bank. The greatest impact of the proposed merger would be in Polk County and the Salem SMSA (consisting of Polk and Marion counties).

Polk Bank has the largest share of commercial bank deposits (about 38.0 percent) in its immediate service area, but United States National Bank, the second-ranking bank in terms of local deposits, holds the largest share of commercial bank loans in the area. In the combined two-county SMSA, the resulting bank would have two of the 37 commercial bank offices and about 3.5 percent of local commercial bank deposits. In neither of these areas would the proposed merger be likely to have any significant adverse competitive effect. Competition with United States National Bank in the immediate Dallas area should actually be enhanced.

The proposed merger would reduce by one the limited number of independent banks remaining in the State of Oregon, a highly concentrated banking market by virtue of the shares of total commercial bank deposits and loans controlled by the two largest banks in the State. Although holding a very small share of the same market, Oregon Bank is the fourth largest bank in terms of commercial bank deposits held (Bank of California, N.A., has a substantial branch office operation in Portland). It is half again as large as First State Bank of Oregon, the fifth largest commercial bank in the State, which holds about 2.0 percent of total commercial bank deposits. Forty-five other commercial banks of varying deposit size are also headquartered in the State. Against this background, while each proposed merger with Oregon Bank must be carefully scrutinized by the regulatory agencies so as not to foreclose the development of additional banks that could compete with it in the intermediate size range, the Corporation does not view this particular acquisition as substantially affecting the possible growth of such competition. Polk Bank is a relatively small bank, and some 20 commercial banks in Oregon having more than $10 million in deposits would remain actual or potential competitors of Oregon Bank.

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

Financial and Managerial Resources; Future Prospects. These factors are considered satisfactory for both banks and, accordingly, for the resulting bank.

Convenience and Needs of the Community to be Served. The public in the area served by Polk Bank would benefit from having locally available an alternative to United States National Bank for larger size loans, FHA and VA mortgage loans, trust department services, bank credit card services, and certain international banking services. At the same time, the proposed merger would not reduce the number of commercial bank offices or the number of alternative banking sources in Polk County.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Lock Haven Trust Company Lock Haven, Pennsylvania (change title to Central Counties Bank)	32,475	2	7
to merge with			
The First National Bank of State College State College	29,224	5	

Summary report by Attorney General, November 3, 1970

The head offices of the two banks are about 30 miles apart and the closest offices are about 20 miles apart. Only two banking offices intervene between the closest offices, however, and it appears that there is presently a limited amount of competition between the two banks which would be eliminated by the merger.

Each bank could expand *de novo* into the area served by the other, and each holds the largest share, by a small margin, of deposits in its market. Because of the relatively small size of the two banks, however, and because several other banks exist which could be considered potential entrants into each market, the effect of the merger on potential competition would not be significantly adverse.

Basis for Corporation approval, April 9, 1971

Lock Haven Trust Company, Lock Haven, Pennsylvania ("Trust Company"), an insured State nonmember bank with total deposits of $26,363,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The First National Bank of State College, State College, Pennsylvania ("First National"), which has total deposits of $26,115,000. The banks would merge under the charter of Trust Company and with the title "Central Counties Bank," but the main office of First National would be the main office of the resulting bank. Trust Company's main office and the four branches of First National would become branches of the resulting bank, which would have a total of seven offices, not including one approved but unopened branch.

Competition. Trust Company's main office is in Lock Haven, Pennsylvania, a small manufacturing community of 11,302 people in southeastern Clinton County. Its only branch is located in Mill Hall, also in Clinton County, 4 miles southwest of Lock Haven. Trust Company, in addition, has an authorized but unopened branch in Renovo, another Clinton County community, 28 road miles northwest of Lock Haven. After Trust Company opens its Renovo branch, its trade area will consist of all of Clinton County, the southwestern portions of Lycoming County, and the northeastern portions of Centre County. The population of Clinton County in 1970 was 37,481, a decline of 0.4 percent since 1960.

First National operates a total of five offices in the central portion of Centre County: three in State College and one each in Nittany Mall and Milesburg. Largely because of the stimulus provided by the increase in enrollments and year-round operation of Pennsylvania State University (whose main campus is in State College), the population of Centre County increased 26.3 percent between 1960 and 1970 (from 78,580 to 99,267), and the population of State College increased 50.7 percent (from 22,409 to 33,778). There is also light industry and dairy farming in the First National trade area.

The nearest offices of Trust Company and First National are 21 road miles apart, being separated by a mountainous and sparsely populated area in which other commercial banks have offices. Neither of the two banks has actively sought business beyond the immediate environs of their respective offices, and each can be said to serve separate, although adjacent, areas. The two banks draw only nominal business from each other's service areas, and their merger would not eliminate any significant existing competition between them.

The proposed merger would, however, eliminate the possibility of increased competition between the two banks which might occur if either opened *de novo* branches in areas served by the other. While Trust Company is more likely to be interested in the possibility of branching *de novo* into Centre County than First National would be in branching *de novo* into Clinton County because of the differing growth rates of the two counties, neither possibility can be considered probable in the near future. The population per commercial bank office is already low in both counties, First National's management lacks the aggressiveness and depth necessary for out-of-area expansion, and Trust Company, because of the terrain and its present service area, might find a more natural area for expansion in the direction of Williamsport, in Lycoming County. Moreover, if future growth warrants *de novo* branching in either county, there are numerous banks both within and without the two counties that could undertake such expansion. Accordingly, the fact that the proposed merger would eliminate potential competition between the two participating banks through *de novo* branching is not a significant consideration under the facts presented.

Trust Company controls about 21 percent of the total deposits held at 19 commercial bank offices within its trade area, ranking second among 13 banks in that deposit market. In the separate trade area it serves, First National holds a similar share of the total deposits at 25 commercial bank offices within its trade area, ranking second among 11 banks. The $102 million deposit Mid-State Bank & Trust Company, headquartered in Altoona, holds the largest share of local deposits in each trade area. For this reason, the proposed merger should have no adverse competitive effect on other banks within the two service areas.

While the merger would create the largest bank headquartered in Centre County, the area of potential competition for the resulting bank would include also the six surrounding counties, since Pennsylvania law permits banks headquartered in Centre County to branch or merge throughout the seven-county area. In that seven-county area, the combined bank would hold 7.4 percent of total commercial bank deposits, ranking third to the 15.1 percent share held by Mid-State Bank & Trust Company and the 7.6 percent share held by The First National Bank of Altoona. Thirty-eight other commercial banks presently compete in the same seven-county area, with 10 of them larger than $20 million in deposit size. Under the circumstances, the proposed merger would not result in any undue concentration of banking resources within the area of potential competition, nor establish a precedent which might lead to such concentration in the future. Numerous options would remain available to the banking public, both in the immediate and the foreseeable future.

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has adequate financial resources, and while First National lacks adequate management succession, the resulting bank would have greater management depth and adequate managerial resources overall. The future prospects for the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. Trust Company has been more aggressive in the lending field than has First National, which should benefit the State College area, since it has a strong demand for large amounts of credit to finance housing projects, including high-rise apartments.

The resulting bank, in addition, would have a legal lending limit almost twice as large as either of the participating banks, which should be beneficial to both the Lock Haven and State College areas. The resulting bank, in short, should compete more vigorously than First National within the State College area, while the people in the Lock Haven area should enjoy also the benefits of enhanced competition with larger banks at the eastern edge of that market.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Equitable Trust Company Baltimore, Maryland	684,371	64	65
to acquire the assets and assume the deposit liabilities of			
Tidewater Bank Stevensville	5,507	1	

Summary report by Attorney General, March 4, 1971

Tidewater's sole office is located on Kent Island, on the Eastern Shore of the Chesapeake Bay. Equitable operates no offices on the Eastern Shore; its closest offices are in Anne Arundel County across the Bay at some distance from Tidewater. It does not appear that any substantial existing competition would be eliminated by the proposed merger.

Under applicable state law, Equitable could be permitted to open *de novo* branch offices on or near Kent Island, as could any other commercial bank in the state. Equitable ranks among the most significant potential entrants into areas it does not presently serve.

Tidewater is the only bank on Kent Island. Its closest competitor is located in nearby Queen Annes County, and is of comparable size. The application indicates that some competition is afforded by branches of two of Maryland's largest banks in Chestertown and Easton, the closest communities of substantial size on the Eastern Shore. Banking offices across the Bay in the Annapolis area may provide alternatives for some customers, although Kent Island is more closely integrated into the Eastern Shore community and passage across the bridge to Annapolis requires payment of a toll.

Basis for Corporation approval, April 25, 1971

The Equitable Trust Company, Baltimore, Maryland ("Equitable"), an insured State nonmember bank with total resources of $684,371,000 and total deposits of $597,995,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets and assume the liability to pay deposits of Tidewater Bank, Stevensville, Maryland ("Tidewater"), an insured State nonmember bank with total resources of $5,507,000 and total deposits of

$4,909,000. Application is also made, under Section 18(d) of the Federal Deposit Insurance Act, to establish Tidewater's sole office as a branch of the resulting bank, and to the temporary retirement of 14,062 shares of Equitable's capital stock. After the merger, the resulting bank would have 73 authorized offices.

Competition. Equitable is the third largest bank in Maryland, holding approximately 11.0 percent of all commercial bank deposits in the State. Its branches are concentrated in the Baltimore area and in the densely populated corridor between Baltimore and the District of Columbia. None of Equitable's branches are located on Kent Island or in Eastern Maryland.

Tidewater is a unit bank headquartered in Stevensville on Kent Island, approximately 12 miles west of Annapolis, in Chesapeake Bay. It is the only bank with an office on the island. The population of Kent Island is estimated at 4,800, with 2,500 residing in Stevensville. The island is largely rural, with agricultural and seafood activities predominating. Its economy has shown little development in the past, and only a modest new industrial park is planned for the future. Toll bridges connect the island to the Western Shore, while toll-free bridges connect it to the much closer Eastern Shore.

Travel to the nearby Eastern Shore communities of Grasonville and Queenstown is relatively easy for Kent Island residents, with Queenstown Bank of Maryland, a $7.2 million deposit institution, serving both communities. Both Tidewater and Queenstown Bank of Maryland, in turn, are affected by the competition offered in Centreville, some 7 miles northeast of Queenstown, by the Centreville National Bank of Maryland, a $9.8 million deposit institution. Tidewater is the smallest of these three banks.

The Equitable office nearest to Kent Island is some 20 miles to the west, with intervening commercial bank offices and little local travel between the two locations. Neither draws any significant bank business from areas served by the other, and their proposed merger, accordingly, would not eliminate any meaningful present competition between the two banks.

While Equitable has successfully demonstrated its *de novo* branching capabilities and must be considered, in view of Maryland's statewide branching laws, the most likely entrant into eastern Maryland (its two larger statewide competitors already being represented), the proposed merger is not likely to eliminate any significant potential for increased competition in the future between Tidewater and Equitable through the *de novo* branching route. Other Eastern Shore communities, with more substantial population and economic development, offer greater incentives to Equitable for *de novo* branching than Kent Island, which already has a significantly lower population per commercial bank office than the State of Maryland as a whole. Tidewater has not branched since its organization in 1903 and cannot reasonably be expected, because of its limited resources, to branch *de novo* into areas now served by Equitable.

Competition between Equitable and Tidewater could arise in the future, however, through Tidewater's possible merger with another bank that presently competes with Equitable or could be expected to compete with Equitable in the future. In this connection, the Corporation notes that in the past 15 years, 61 commercial banks in Maryland have been absorbed by merger (while only 24 have been chartered) and that in the same period of time the percentage of statewide commercial bank deposits held by the three largest banks in Maryland, of which Equitable is one, has increased from 36.3 percent to 42.6

percent. The percentage of such deposits held by the five largest commercial banks in Maryland has increased over the same period of time from 49.0 percent to 60.3 percent. Generally speaking, adding to the resources of any one of these banks by merger encourages the further concentration of banking assets in the State, with potentially adverse consequences to the long-run structure of Maryland banking and to the public's choice of alternative banking facilities. The merger of significant local banks with any of the larger banks in the State should, accordingly, be approached with the most careful regulatory scrutiny.

The Corporation does not believe, however, under the facts presented, that the proposed merger would establish a significant precedent adversely affecting the future structure of commercial banking in the State of Maryland or that the proposed merger would adversely affect the ability of other banks in that State to compete in the future with the largest statewide banks. Equitable has merged only three banks since 1955, and none since 1963. Tidewater is the smallest of three banks that compete in the vicinity of Kent Island. Equitable does not compete in that market, and the proposed merger would eliminate no existing competition between them and no reasonable likelihood of future competition between them brought about by *de novo* branching. Statewide, Tidewater's share of commercial bank deposits is insignificant and Equitable's share is not so high as to preclude this additional acquisition.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable for Equitable, for Tidewater, and for the resulting bank.

Convenience and Needs of the Community to be Served. The proposed merger would replace a small unit bank with a branch office of a full-service institution not presently serving the same market or its environs. Equitable should be able to bring to Tidewater's present customers a significant volume of lendable funds, thereby relieving local demands for credit, which have resulted in a loan-deposit ratio at Tidewater of 89.6 percent. Trust services, not presently available from Tidewater or its two competitors, would also become conveniently available to residents of this part of Maryland. The resulting bank would, in addition, have a much higher lending limit and a wider variety of loan services than any of the three banks presently in the area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Cambridge Savings Bank Cambridge, Massachusetts	172,680	1	3
to consolidate with			
North Avenue Savings Bank Cambridge	62,445	2	

Summary report by Attorney General, October 30, 1970

All of the offices of the merging banks are in Cambridge, the closest about one mile apart. The application indicates that their service areas overlap substantially; indeed, each of the seven communities which are included in the service area of North Avenue is also within the service area of Cambridge Bank. The proposed merger would eliminate competition between the banks for savings deposits and mortgage loans.

Although all offices of the merging banks are located in Cambridge, the application indicates that they draw about two-thirds of their deposits from neighboring communities, including Arlington, Belmont, Boston, Brookline, Lexington, Medford, Newton, Somerville, Watertown and Winchester. Because of this fact and the status of Cambridge as a shopping center and commuter terminal for these nearby areas, the competitive effect of the proposed merger may be approximated by examining the effect on concentration therein. Twenty-seven savings banks, plus numerous other thrift institutions operate offices in Cambridge and the above listed communities. The application indicates that Cambridge Bank holds about 2.9 per cent of total savings deposits held by thrift institutions in this area, while North Avenue holds about 1 per cent. These figures would be slightly reduced if time and savings deposits in commercial banks are included.

These percentages, however, would appear to understate the effects of the proposed merger, in view of the proximity of the offices of the merging banks. The merging banks are two of four savings banks operating offices in Cambridge. One savings and loan association and three cooperative banks are located in Cambridge. We conclude that the proposed merger is likely to have some adverse effect on competition for time and savings deposits and residential mortgage loans.

Basis for Corporation approval, April 30, 1971

Cambridge Savings Bank, Cambridge, Massachusetts ("Applicant"), an insured mutual savings bank with total resources of $172,680,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with North Avenue Savings Bank, Cambridge, Massachusetts ("North Avenue"), a noninsured mutual savings bank with total resources of $62,445,360, under the charter and title of Applicant, and to establish the two offices of North Avenue as branches of the resulting bank, increasing the number of its offices to three.

Competition. Applicant's sole office is in Harvard Square, Cambridge, Massachusetts, while North Avenue's two offices are in Porter Square, 1 mile away, and Kendall Square, both also located within the city of Cambridge. Two other savings banks and two cooperative banks also have offices in Cambridge, but the resulting bank would be the largest thrift institution in the city and would have three of the eight thrift institution offices located there. The two participating banks have offices in different parts of Cambridge and draw substantial deposits from outside Cambridge, but their proposed merger would undoubtedly eliminate some existing competition between them, particularly in the four-town area of Arlington, Belmont, Cambridge, and Somerville, from which each draws more than half its deposits.

The proposed merger however, is unlikely to have a substantial anticompetitive effect. The city of Cambridge lies in the center of the Boston metropolitan area, separated from the downtown core only by the Charles River. Underground and surface transportation allow relatively easy commutation between Cambridge and Boston and between neighboring suburbs and Cambridge. A sampling of the 15 mutual thrift institutions located in Boston indicates that collectively they draw significant deposit business from the four-town area previously described. Based on this sample and the probable draw of thrift institutions near but outside the four-town area, the resulting bank is not likely to have more than 20 percent of the thrift institution deposits that originate within the four towns, an area whose limited size results in a figure overstating the actual competitive impact of the proposed merger. In a larger market area consisting of the city of Boston and suburban communities immediately to the north and west of Boston, the resulting bank would have somewhat less than 4 percent of all thrift institution deposits. This figure, on the other hand, probably underestimates the actual competitive impact of the proposed merger because of the relatively large total deposit figures of the thrift institutions headquartered throughout the city of Boston.

In addition to competing with thrift institutions in Boston and in suburban areas near but outside the four towns, the resulting bank would be subject to possible competition from thrift institutions headquartered in Middlesex County (1970 population: 1,388,129), since Massachusetts law permits each of them to branch *de novo* anywhere within the county. There are 70 such institutions (other than the two participating banks) headquartered in Middlesex County, at least 16 of which exceed $50 million in deposit size. These 70 institutions operate a total of 131 offices within the county. Federal savings and loan associations, moreover, are not limited in the location of their offices by the geographic restrictions of Massachusetts law and those headquartered outside Middlesex County, including those headquartered in the city of Boston, could also establish branch offices in Cambridge. As a result, the Cambridge public will undoubtedly continue to have convenient access to numerous thrift institution options even if the proposed merger is approved.

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

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

Convenience and Needs of the Community to be Served. The proposed merger should encourage the resulting bank to be more active than either constituent bank in establishing *de novo* branches in the growing suburban areas of Middlesex County, thereby increasing competition for thrift institution deposits within the county. The resulting bank should also be better able to maintain the 5¼ percent dividend rate now being paid on regular savings accounts, in accordance with Federal rate regulations applicable to Massachusetts thrift institutions. North Side depositors, in addition, would gain the protections and assurances of Federal deposit insurance.

Under the circumstances, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Mechanics Exchange Savings Bank Albany, New York	117,288	4	5
to merge with **Cobleskill Savings and Loan Association** Cobleskill	3,623	1	

Summary report by Attorney General, March 3, 1971

Cobleskill and Albany are about 42 miles apart. The application indicates that neither institution derives any business from the service area of the other. Thus, it appears that the merger would not eliminate any existing competition.

New York law would not permit Mechanics Bank to branch *de novo* into Schoharie County. This fact and the size and limited service area of Cobleskill Savings together with the existence of other large savings banks in Albany indicate that no substantial potential competition would be eliminated by the proposed merger.

Basis for Corporation approval, May 14, 1971

Mechanics Exchange Savings Bank, Albany, New York ("Mechanics Exchange"), an insured mutual savings bank with total deposits of $107,324,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Cobleskill Savings and Loan Association, Cobleskill, New York ("Savings and Loan"), an insured savings and loan association with total deposits of $3,378,000. The institutions would merge under the charter and title of Mechanics Exchange and, as an incident to the merger, the only office of Savings and Loan would become a branch of Mechanics Exchange, increasing the number of its offices to five.

Competition. Mechanics Exchange, headquartered in the city of Albany, in New York State's Fourth Banking District, serves an area encompassing the three counties of Albany, Schenectady, and Rensselaer (1970 population: 590,179), including the cities of Albany, Schenectady, and Troy. It presently operates a total of four offices in Albany County, with its main office and one branch in the city of Albany and one branch each in the suburban communities of Guilderland and Colonie. Under State law, Mechanics Exchange has one remaining *de novo* branching privilege, but the franchise must be exercised in Albany County. It may merge, however, with a savings and loan association headquartered anywhere in the Fourth Banking District. Mechanics Exchange ranks seventh in deposit size of the eight mutual savings banks operating in the three-county area, and holds about 5.3 percent of all mutual institution assets in the Fourth Banking District. Its larger competitors all derive the bulk of their business from the three-county area.

Savings and Loan's only office is located in the village of Cobleskill (population 4,322) in Schoharie County, adjacent to Albany County on the west. It is the only mutual thrift institution in Schoharie County, and its service area extends to a radius of 15 miles from Cobleskill. Four commercial banks, operating six offices in Schoharie County, also offer time and savings deposits to local residents. While Cobleskill and Schoharie County as a whole experienced no population growth in the 1960s, a new branch of the State university has been established at Cobleskill, with some promise for the future development of the surrounding area. This educational facility has a current enrollment of 1,700.

The service areas of the participating institutions do not overlap and the nearest offices are 36 miles apart. There are offices of other financial institutions in the intervening territory, few common depositors, and no common borrowers. Mechanics Exchange has approximately $900,000 in deposits from the area served by Savings and Loan, attributable primarily to past differences in savings rates and bank-by-mail campaigns. In view of the distance between the two institutions, and the relatively small amount of deposit business held by Mechanics Exchange from Savings and Loan's area, the proposed merger would not eliminate significant existing competition between them.

The potential for increased competition between the two participating institutions in the future is limited. Mechanics Exchange cannot branch *de novo* into Savings and Loan's trade area, and there is no other mutual thrift institution in Schoharie County with which Mechanics Exchange might merge so as to provide an alternative means of entry. Savings and Loan has the legal authority to branch *de novo* into the trade area of Mechanics Exchange, but this must be considered remote in view of the small size of Savings and Loan and the vigorous competition that now exists among thrift institutions already serving Albany, Schenectady, and Rensselaer counties.

The effects of the proposed merger on banking concentration among thrift institutions in the Albany-Schenectady-Rensselaer area and in the State's Fourth Banking District would be minimal. While Savings and Loan has numerous merger alternatives among mutual thrift institutions in the Fourth Banking District, the relative size of Mechanics Exchange is not so large as to make some other merger preferable, as a competitive matter, to the one proposed.

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has adequate financial and managerial resources, as would the resulting bank. The future prospects of the resulting bank would be more favorable than for Savings and Loan as an independent institution.

Convenience and Needs of the Community to be Served. This proposed transaction will have little effect on present customers served by Mechanics Exchange, but it should benefit the Cobleskill area served by Savings and Loan. The resulting bank would offer all the services which mutual savings banks are permitted by statute to offer, including the following services not now offered in the Cobleskill area: 6 percent time deposits, 5 percent day-of-deposit-to-day-of-withdrawal accounts, 5 percent Christmas club accounts, and savings bank life insurance. The resulting bank would also provide another convenient alternative for the following services offered by commercial banks in the Cobleskill area, thereby stimulating competition for such services: FHA and VA mortgage loans, student loans, safe-deposit boxes, and money order services. It would also have a greater capacity than Savings and Loan to help meet the increased mortgage lending requirements of the area resulting from the growth of the State university branch at Cobleskill.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Kings Highway Savings Bank New York (Brooklyn), New York (change title to Franklin Savings Bank of New York)	423,263	4	9
to merge with **The Franklin Savings Bank in the City of New York** New York (Manhattan)	607,919	5	

Summary report by Attorney General, March 19, 1971

The distance between the main office of Franklin Savings and the Kings Savings branch at Second Avenue and 25th Street is 2.0 miles; the newly-approved branch of Franklin Savings will be 1.8 miles distant from the same Kings Savings branch.

Franklin Savings derives $4.6 million in deposits from the Brooklyn primary service area of Kings Savings (or 1.57 per cent of Kings Savings' deposits in that area) and $3.6 million in deposits from the secondary area served by Kings Savings (or 7.51 per cent of Kings Savings in that area). Since the primary and secondary service areas of Kings Savings are located entirely within the secondary area served by Franklin Savings, there is some overlap in deposits derived by Kings Savings from the area served by Franklin Savings.

The mortgage loan portfolio of Franklin Savings indicates that $70.4 million of its loans are in New York State, with the great bulk, $435.6 million, going out-of-state. Kings Savings exhibits $76.2 million in New York State with $262.3 million to customers outside New York.

Thus, some direct competition exists between the merging banks for savings accounts and for loans which will be eliminated by consummation of the proposed merger.

Franklin Savings is the twelfth largest mutual savings bank headquartered in Manhattan, and holds about 3.5 per cent of IPC time and savings deposits in Manhattan savings bank offices. Kings Savings holds about 4 per cent of such deposits in Brooklyn.

Basis for Corporation approval, May 14, 1971

Kings Highway Savings Bank, New York (Brooklyn), New York, ("Kings

Highway"), an insured mutual savings bank having total deposits of $387 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Franklin Savings Bank in the City of New York, New York (Manhattan), New York ("Franklin"), an insured mutual savings bank having total deposits of $543 million, under the charter of Kings Highway, but with the title "Franklin Savings Bank of New York." This procedure preserves for the resulting bank the four unused *de novo* branching privileges that Kings Highway has under New York law. Application is also made for consent to establish Franklin's six authorized offices as branches (including one approved but unopened). Request is also made that, following the merger, the main office of Kings Highway be designated a branch and that the office at Eighth Avenue and 42nd Street, New York (Manhattan), New York (the present main office of Franklin), be designated as the main office of the resulting bank.

Competition. Franklin, the larger of the two banks, has five offices, with a sixth to be opened in September of 1971. All six offices are in Manhattan. Franklin ranks 12th of the 17 mutual savings banks headquartered in Manhattan (with 3.5 percent of their aggregate deposits) and 23rd among the 44 headquartered in all of New York City (with 1.7 percent of their aggregate deposits).

Kings Highway has four offices: two in Brooklyn, one in Manhattan (at 441 Second Avenue), and one in Nassau County. Kings Highway ranks 11th in size among the 15 mutual savings banks headquartered in Brooklyn (with 3.6 percent of their aggregate deposits) and 31st among the 44 mutual savings banks headquartered in New York City (with 1.2 percent of their aggregate deposits).

The resulting bank would be the 12th largest in terms of deposits, of 43 mutual savings banks headquartered in New York City, having total deposits of approximately $930 million and nine offices. Its total deposits would represent 2.9 percent of all mutual savings bank deposits in New York City and approximately 2.5 percent of the combined deposits of all mutual thrift institutions, including savings and loan associations, headquartered there.

The nearest offices of the two banks are in Manhattan, approximately 2 miles apart. The approved but unopened office of Franklin at 38th Street and Eighth Avenue would, however, be 1.8 miles distant from the Kings Highway office at 441 Second Avenue. These offices, as well as the other offices of the two banks, serve essentially separate and distinct areas, with very little direct competition existing. There are only four common borrowers, while common deposits of the two banks approximate 0.75 percent of total deposits of the merged banks. Each bank draws more than 75 percent of its total deposits from its home borough, but they both draw some deposits, because of commuting patterns or bank-by-mail convenience, from the primary area served by the other. This direct competition is relatively insubstantial, however, in view of the small share of the market held by the two banks, either separately or in combination.

The proposed merger would eliminate the potential for increased competition between Franklin and Kings Highway through *de novo* branching, since each may exercise its unused privileges under New York law anywhere in New York City. But almost one hundred other mutual institutions, including 12 of larger size, would remain available as thrift institution alternatives in New York City, and each would be a source of potential competition to the resulting bank in the future. Because of this and because of the limited share of the market held, or likely to be held, by the resulting bank, the elimination of such potential competition is not competitively significant.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable for the merging banks and is so projected for the resulting bank. If the proposed merger is approved, a below-average surplus position for Kings Highway will be raised to the approximate level of all New York City savings banks.

Convenience and Needs of the Community to be Served. Both banks generally offer all savings bank services permitted by New York law. However, the New York City public should benefit from the additional source made available for larger size real estate loans and 6½ percent passbook loans, as well as for expanded services in the property improvement loan and savings bank life insurance field. A network of 10 offices at locations in Brooklyn, Manhattan, and Nassau County should also serve the convenience of many present and potential customers.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Western Bank Coos Bay, Oregon	47,483	11	12
to merge with **First National Bank in Clatskanie** Clatskanie	6,144	1	

Summary report by Attorney General, March 4, 1971

The closest offices of the two banks are 275 miles apart. According to the application, neither bank draws any business from the service area of the other. Thus, the proposed merger would not eliminate any significant existing competition between the two banks.

Commercial banking in Oregon is dominated by two Portland banks, First National Bank of Oregon (total deposits as of June 30, 1970, $1.5 billion) and United States National Bank of Oregon (total deposits as of June 30, 1970, $1.4 billion). Western Bank, although much smaller than either of these, is the sixth largest of 48 Oregon commercial banks.

Western Bank could branch *de novo* into Columbia County, in competition with Clatskanie Bank. It has shown a willingness to expand elsewhere *de* *novo.* However, the relatively small size of Clatskanie Bank and the limited population and economic base in the northern part of Columbia County operate to limit the potential competition between the two banks. Thus, the effect of the proposed merger on competition would not be significantly adverse.

Basis for Corporation approval, May 14, 1971

Western Bank, Coos Bay, Oregon ("Western Bank"), an insured State nonmember bank with total deposits of $42,474,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with First National Bank in Clatskanie, Clatskanie, Oregon, ("Clatskanie Bank"), total deposits $5,604,000. The banks would merge under the title and charter of Western Bank. Application is also made under Section 18(d) of the Federal Deposit Insurance Act to establish Clatskanie Bank's sole office as a branch of the resulting bank.

Competition. Western Bank, the seventh largest commercial bank operating in the State of Oregon operates 11 offices, serving six separate and distinct areas in the southwestern, eastern, and northeastern sections of the State. Clatskanie Bank, with only one office, serves the northern portion of Columbia County, in northwestern Oregon.

The closest office of Western Bank to Clatskanie (1970 population: 1,286) is located at North Bend, 271 miles south. The distance involved suggests, and an analysis of deposit and loan business confirms, that there is no overlap in areas served and that the proposed merger, accordingly, would not eliminate any existing competition between the two banks. Furthermore, there is little potential for increased competition between the two banks in the future. Western Bank is precluded by Oregon's home office protection law from entering Clatskanie on a *de novo* basis and has little incentive to enter the unincorporated areas served by that bank in view of the sparse population in such areas and the commercial bank competition presently offered by United States National Bank of Oregon, Clatskanie Bank, and The Oregon Bank in Rainier. For its part, Clatskanie Bank, because of its limited resources and lack of any branching experience, is unlikely to undertake *de novo* branching into areas served by Western Bank.

In the Clatskanie area, the proposed merger would provide a third full-service bank conveniently available to the public and replace a relatively unaggressive local bank having an 18 percent loan-deposit ratio with a much more aggressive emergent statewide bank. Commercial bank competition in the area should be stimulated as a result.

Commercial banking statewide in Oregon is dominated by two large branch banks (First National Bank of Oregon and United States National Bank of Oregon) which, combined, held 79.2 percent of the total commercial bank deposits in the State on December 31, 1970. Western Bank, which held only 1.0 percent of such deposits, competes against both of these large banks in all but one of its service areas. Approval of the proposed merger would increase the resulting bank's share of statewide deposits to only 1.1 percent.

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

Financial and Managerial Resources; Future Prospects. Western Bank's financial and managerial resources are considered satisfactory. The financial resources of Clatskanie Bank are satisfactory, but present management is beyond normal retirement age and successor management appears to be lacking. The proposed merger would provide a solution to this succession problem. The future prospects of the resulting bank are favorable, and the growth of its Clatskanie office should surpass that of Clatskanie Bank as an independent institution.

Convenience and Needs of the Community to be Served. The resulting bank would offer, in Clatskanie, the following services not now offered by Clatskanie Bank: loans in excess of the latter's lending limit (currently $25,000), passbook savings at the maximum rate allowed by Federal interest rate regulations, trust services, additional types of loans, including government insured and guaranteed mortgage loans, and a credit card program. The resulting bank would serve as a convenient alternative for these services to United States National Bank's office in Clatskanie and to The Oregon Bank's recently acquired office in Rainier, some 15 miles to the east.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Valley Bank Bethlehem, Pennsylvania	160,108	11	12
to merge with **The First National Bank of Lansford** Lansford	6,260	1	

Summary report by Attorney General, February 16, 1971

Lansford is about 45 miles from Bethlehem, and several banking offices intervene between the offices of the two merging banks. At the present time the two banks have only three common customers. It does not appear that the proposed merger would eliminate a significant amount of existing competition between the two banks.

Under applicable Pennsylvania law, First Valley Bank could be permitted to open *de novo* branches in Carbon County in closer proximity to Lansford Bank, thus bringing the two banks into direct competition. There are also several other large banks equally capable of entering Carbon County in this manner.

Twelve banks operate a total of 15 banking offices in Carbon County, including two relatively large banks headquartered in nearby Hazelton. Lansford Bank is one of three banks of approximately equal size in Lansford, and holds about 5 per cent of total county deposits.

In view of the size and limited service area of Lansford Bank, and the existence of other potential *de novo* entrants into Carbon County, we do not believe that the proposed merger would have a significantly adverse effect on potential competition.

Basis for Corporation approval, May 14, 1971

First Valley Bank, Bethlehem, Pennsylvania ("Valley Bank"), an insured State nonmember bank with total resources of $160,107,900, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The First National Bank of Lansford, Lansford, Pennsylvania ("FNB Lansford"), with total resources of $6,260,400. The banks would merge under the charter and title of Valley Bank and, as an incident to the merger, the one office of FNB Lansford would become a branch of the resulting bank, increasing the number of its offices to 12.

Competition. Valley Bank operates 10 offices in and near Bethlehem, in North Northampton County (population 213,022), and one office in Allentown, in Lehigh County (population 253,057). Valley Bank also has the necessary approvals to establish two *de novo* branches, one in Bethlehem and the other in Fogelsville, 4 miles southwest of Allentown, in Lehigh County. Valley Bank's service area today is confined to Lehigh and Northampton counties, in the eastern section of Pennsylvania near the New Jersey border.

FNB Lansford operates only one office, located in the Borough of Lansford (1970 population: 5,094), in the southwestern part of Carbon County (1970 population: 50,021) close to the Schuykill County border. Lansford is in the midst of the once prosperous anthracite coal fields, but the mining there has now been reduced to a few small independent operations. Two local manufacturing firms employ a total of 1,600 persons, but the resident population in the immediate Lansford area showed a decline of 14.5 percent between 1960 and 1970. The prospects for any significant economic development in Lansford in the near future are not bright. FNB Lansford serves an area of approximately 5 miles radius around Lansford.

The office of Valley Bank nearest to Lansford is in Allentown, about 40 miles southeast, while the approved but unopened Fogelsville branch would be about 35 miles from Lansford. Valley Bank and FNB Lansford serve different trade areas, separated by topographical barriers, with a number of banking alternatives in the intervening area. There is no significant competition between the two banks today, and their proposed merger would not eliminate significant existing competition.

FNB Lansford is the smallest of three commercial banks with offices in Lansford. It also competes with branches of American Bank & Trust Company, a $438 million institution in Coaldale, 2 miles west, and Tamaqua, 5 miles west, and with branches, in Tamaqua, of Pennsylvania National Bank and Trust Company, a $108 million institution, and The Miners National Bank of Pottsville, a $43 million institution. The entry of another full-service commercial bank should stimulate commercial bank competition in the area now served by FNB Lansford.

Northampton County is contiguous to Carbon County, so that each of the participating banks under Pennsylvania law could branch *de novo* into the trade area of the other. In view of the relatively small size of FNB Lansford, and the competition it could anticipate from much larger institutions now operating in Lehigh and Northampton counties, however, its entry *de novo* into the Bethlehem metropolitan area seems remote. Similarly, the stagnant economy of the Lansford area, the limited and declining population there, and the sizeable number of competitors already serving the same market make it unlikely that Valley Bank would branch *de novo* into the Lansford area in the foreseeable future. Accordingly, it appears unlikely that the proposed merger would eliminate any significant potential for increased competition between Valley Bank and FNB Lansford in the future.

The effect of the proposed merger on banking concentration in the area is also not significant. Valley Bank is the largest commercial bank headquartered in Northampton County, but the area of potential competition for the resulting bank would include the four surrounding counties as well, since Pennsylvania law permits banks headquartered in Northampton County to branch or merge throughout the five-county area. In that five-county area, as of June 30, 1970, the two participating banks held 7.6 percent of total commercial bank deposits and only 12 of 187 commercial bank offices, with two banks headquartered in Allentown holding a significantly larger deposit share. Thirty-eight other commercial banks are headquartered in the same five-county area, and 15 commercial banks not headquartered in the five-county area already operate offices in one or more of the five counties under Pennsylvania law. Under the circumstances, the proposed merger would not result in any undue concentration of banking resources within the area of potential competition nor establish a precedent which might lead to such concentration in the future. Numerous options would remain available to the banking public, both in the immediate and the foreseeable future.

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

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do as independent institutions, and this would also be the case for the resulting bank. Each of the participating banks should remain profitable in the future, but the prospects of FNB Lansford would appear to be more favorable as part of the resulting bank than as an independent institution.

Convenience and Needs of the Community to be Served. Consummation of this proposed transaction would not affect present or potential customers of Valley Bank, but it would bring to Lansford residents a convenient source for certain bank services not presently available in the borough, such as trust services, 5 percent time accounts, certificates of deposit at maximum rates permitted by Federal interest rate regulations, charge card services, and specialized commercial loan services. For residents of Coaldale and Tamaqua, Valley Bank's entry into the area would provide a nearby alternative for such services and stimulate competition.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bailey's Crossroads Bank Bailey's Crossroads, Virginia (in organization; change title to Hamilton Bank and Trust Company)	50	—	2
to merge with **Hamilton Bank and Trust Company** Bailey's Crossroads	13,167	2	

Summary report by Attorney General, April 13, 1971

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

Basis for Corporation approval, May 14, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Bailey's Crossroads Bank, Bailey's Crossroads, Virginia ("Bailey"), a proposed new bank in organization, and for consent to its merger with Hamilton Bank and Trust Company, Bailey's Crossroads, Virginia ("Hamilton"), total resources $13,167,000, under Bailey's charter and Hamilton's title. The resulting bank will operate from the present main office, one existing branch, and two approved but unopened branches of Hamilton.

The new bank formation and merger are designed solely as a means for Northern Virginia Bankshares, Inc., Bailey's Crossroads, Virginia, to acquire control of Hamilton. Virginia Bankshares, Inc., received approval on April 8, 1971, from the Board of Governors of the Federal Reserve System to become a registered bank holding company and, concurrent with the approval, received consent to acquire 100 percent of the voting stock of the successor bank to this merger. Bailey will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing and proposed locations of Hamilton, and with the same management. The proposal will not, per se, change the banking services which Hamilton has provided usefully and conveniently to the Bailey's Crossroads and Falls Church areas. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Coolidge Bank and Trust Company Watertown, Massachusetts	85,060	6	9
to acquire the assets and assume the deposit liabilities of			
The Arlington National Bank Arlington	16,092	3	

Summary report by Attorney General, March 18, 1971

The proposed merger would eliminate some direct competition between these banks which operate in some adjacent communities. Moreover, the service areas of the two banks (as defined in their application) overlap in Belmont, four miles south of Arlington, four miles west of Cambridge, and four miles north of Watertown; neither bank has an office in Belmont. The application states that about 5 per cent (approximately $2.4 million) of Coolidge's total deposits originates in Arlington Bank's service area, and about 7 per cent (approximately $1 million) of Arlington Bank's total deposits originates in Coolidge's service area. This competition would be eliminated by the proposed acquisition.

In addition, Massachusetts law, which allows countywide branching, would permit Coolidge to enter Arlington Bank's area by *de novo* branching and thereby increase the existing amount of direct competition.

The resulting bank will have 14.5 per cent of total IPC demand deposits of commercial banks within the Arlington-Watertown-Cambridge-Belmont area. This represents an increase of 2.7 per cent for Coolidge. Within this area, it will compete with larger subsidiaries of the state's two largest holding companies, and to a lesser extent it may also compete against banks in nearby Boston.

We believe that the effect of the proposed acquisition would have at least some adverse effect on competition in the Arlington-Watertown-Cambridge-Belmont area.

Basis for Corporation approval, May 21, 1971

Coolidge Bank and Trust Company, Watertown, Massachusetts ("Coolidge"), an insured State nonmember bank with total resources of $85,060,300 and total deposits of $69,207,900, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets and assume liability to pay deposits made in The Arlington National Bank, Arlington, Massachusetts ("Arlington Bank"), which has total resources of $16,092,000 and total deposits of $13,827,000. The resulting bank would retain the charter and title of Coolidge and the main office of Coolidge would continue as the main office of the resulting bank. Arlington Bank's main office and two branches would become branches of the resulting bank, increasing the number of its offices to nine.

Competition. Coolidge was organized in 1960 and presently operates its main office and one branch in Watertown, a branch in Everett, and three branches in Cambridge. In addition to these communities, the service area extends into Newton, Waltham, and Belmont. With the exception of the branch in Everett, which is 8 miles away and was acquired by merger earlier this year, all of Coolidge's branches are within a 5-mile radius of the main office. The towns served by Coolidge are suburbs of Boston, having a combined population of approximately 385,000, which represents a slight increase over the 1960 population of 380,000. While the communities are generally wholesale and retail centers, some economic support is provided by several large nationally known manufacturing concerns, including B.F. Goodrich Company and Western Electric Company. Several institutions of higher learning also are located in the area served.

In addition to its main office in Arlington, Arlington Bank operates branches in Lexington and Bedford. All of Arlington Bank's offices are in close proximity, but the area served by the bank extends to West Medford and Belmont. The population of Arlington Bank's service area is about 100,000, with only slight growth since 1960. These communities are also wholesale and retail centers for local residents who work in this area or commute to Boston for employment. A large military installation and a Veterans Administration hospital are prominent employers within Arlington Bank's service area.

The distance between the nearest offices of the two banks is 2½ miles, but with only a slight overlap of their respective service areas in and around the town of Belmont. Neither bank has an office in that community, and there are a number of intervening commercial bank offices. Both service areas are densely populated, and traffic congestion is heavy. The proposed merger would eliminate some existing competition between the two banks, but the amounts involved are not a significant percentage of the total deposit or loan business originating in the areas of overlap.

Coolidge holds approximately 12 percent of total IPC deposits in its service area, while Arlington Bank holds approximately 15 percent of the total IPC deposits in its service area. Each is the third-ranking bank in its service area in terms of local IPC deposits, their two larger competitors in each case being affiliates of large statewide holding companies. The Coolidge area is served by 12 other commercial banks, the Arlington Bank service area by eight other commercial banks. Arlington Bank has shown little deposit growth in recent years and is not considered an aggressive competitor.

In both service areas, affiliates of Baystate Corporation and Shawmut Association, Inc., two large registered bank holding companies in Massachusetts, dominate. The eight banks that they operate in the combined area account for 38 of 63 commercial banking offices and 68.6 percent of total commercial bank IPC deposits. By contrast, in the combined service area, the resulting bank would operate only nine offices controlling 13.6 percent of total commercial bank IPC deposits.

While Coolidge and Arlington Bank could legally establish *de novo* branches in each other's service area, since they are both headquartered within Middlesex County, there are 37 commercial banks within the county which would remain as actual or potential competitors of the resulting bank.

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has acceptable financial and managerial resources, as would the resulting bank. The future prospects of the Arlington Bank offices would be more favorable as branches of Coolidge than if they continued to operate as an independent institution.

Convenience and Needs of the Community to be Served. The resulting bank would replace a lethargic competitor with Coolidge's aggressive and innovative policies. Services to be extended to customers of Arlington Bank would include no-charge, no-minimum balance checking accounts, longer banking hours, interest concessions on certain loans which are paid on time, and the extension of education loans to graduate students. The lending limit of the resulting bank would be significantly higher than the present lending limit of either bank, and it should be possible to expand the limited trust services now offered by Coolidge. To the extent alternative sources presently exist for such services, the public would benefit by having conveniently available an additional source, thereby stimulating competition.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Citizens Bank of Oregon Eugene, Oregon	42,401	6	7
to acquire the assets and assume the deposit liabilities of			
First National Bank of Harrisburg Harrisburg	9,544	1	

Summary report by Attorney General, January 20, 1971

Harrisburg Bank, which is just across the Lane County line, is 20 miles north of Citizens Bank's main office and 15 miles north of Citizens Bank's nearest office. There are three competitive banking offices between the merging banks' nearest offices. Partly because of its low service charges, Harrisburg Bank obtains $873,000 in deposits, or about 10 per cent of its total deposits, from Citizens Bank's service area. Harrisburg Bank is, for this reason, a disturbing or disruptive element in the market served by Citizens Bank. The application makes clear that these low service charges will be phased out by Citizens Bank.

As of June 30, 1968, Citizens Bank was the third largest of seven banks in Lane County, and held 12 per cent of total county deposits. Oregon's two dominant banks held 83 per cent of county deposits. In the light of this high level of concentration, the acquisition of the one disturbing element in the market by one of the established competitors already serving that market would appear to have an adverse effect upon competition.

Basis for Corporation approval, June 25, 1971

Citizens Bank of Oregon, Eugene, Oregon ("Citizens"), an insured State nonmember bank with total deposits of $37,007,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to acquire the assets and to assume the liability to pay deposits made in First National Bank of Harrisburg, Harrisburg, Oregon ("Harrisburg Bank"), which has total deposits of $8,932,000. As an incident to the transaction, the only office of Harrisburg Bank would become a branch of applicant, increasing the number of its offices to seven.

Competition. Citizens' main office and four branches are located in the Eugene-Springfield metropolitan area, some 115 miles south of Portland, and its remaining office is located in Veneta, 15 miles west of Eugene. In this banking market, Citizens competes with three much larger commercial banks although it is the third ranking of the four in terms of local area deposits. Harrisburg Bank has only one office, located in Harrisburg (population 1,311), approximately 21 miles north of Eugene. Its immediate competition comes from a branch of United States National Bank of Oregon, the second largest bank in the State, at Junction City, 4 miles away, and from a branch in Halsey, 10 miles north, of the Citizens Valley Bank of Albany, a $48 million institution and the sixth largest bank operating in Oregon. Citizens' closest office to Harrisburg is its River Road Branch, 15 miles south of Harrisburg.

The areas served by the two banks are basically separate and distinct. Citizens derives only a nominal amount of business from the Harrisburg area, although Harrisburg Bank draws $873,000 of its total deposits and $456,000 of its total loans from the Eugene-Springfield metropolitan area. Most of these account relationships originated as a result of the very liberal service charge policy Harrisburg Bank had on checking accounts under its former management. They represent approximately 0.4 percent of the deposits and 0.2 percent of the loans held by all commercial banks operating in the Eugene-Springfield area. In view of the amounts involved and the likelihood that the low service charge policy followed by Harrisburg Bank will be changed in any event, the Corporation is of the opinion that the degree of present competition likely to be eliminated by the proposed merger is not significant. The proposed merger, moreover, should enhance competition in the Harrisburg-Halsey-Junction City area.

Under Oregon law, which permits statewide branching subject to home office and branch office protection, Citizens is prohibited from branching *de novo* into Harrisburg itself, and the limited population of the unincorporated areas surrounding Harrisburg makes it unreasonable to expect Citizens to open a *de novo* office there. For its part, Harrisburg Bank cannot realistically be considered a potential *de novo* entrant into the Eugene-Springfield metropolitan area. It has limited resources, no branching experience, and would be entering a market in which the three largest banks headquartered in the State compete. Accordingly, the potential for increased competition between Citizens and Harrisburg Bank through the *de novo* branching route may be considered almost nonexistent.

An alternative merger between Harrisburg Bank and some bank not already represented in Lane or Linn counties might be considered preferable to the merger proposed, since Citizens is one of only four commercial banks in the Eugene-Springfield area, and the entry of additional banks into Lane County and Linn County banking markets would be desirable. Eugene itself, however, is not closed to *de novo* branching under Oregon law and it is there, rather than in Harrisburg, that new competition can be expected. Realistic merger alternatives for Harrisburg Bank are relatively few in number and probably limited to those banks of larger size than Harrisburg Bank already operating in Lane County, Linn County, or, possibly, adjacent Benton County. Several of these alternatives would present a similar competitive question, while others would definitely be less desirable competitively than the merger proposed because of the relative size, statewide, of the possible acquiring bank. Citizens has less than 1 percent of total statewide commercial bank deposits, and the addition of an $8.9 million bank would not materially change that percentage or create an adverse precedent for the commercial bank structure in Oregon, a structure presently dominated by the State's two largest banks, which together hold approximately 77.8 percent of all commercial bank deposits in Oregon.

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

Financial and Managerial Resources; Future Prospects. Each of these factors with regard to Citizens and the resulting bank may be regarded as favorable. The managerial resources of Harrisburg Bank have become strained in recent years, its classified assets are excessive, and its earnings have been below average. The proposed merger would supply necessary management strength and additional capital, and bring about a reallocation of assets which should significantly improve the earnings of the resulting branch.

Convenience and Needs of the Community to be Served. The proposed merger would bring to the residents of the Harrisburg-Halsey-Junction City area a more aggressive lending institution, with a significantly larger percentage of its funds devoted to installment loans, than Harrisburg Bank, thus enhancing competition with the Halsey branch of Citizens Valley Bank of Albany and the Junction City branch of United States National Bank of Oregon. In addition, the resulting bank would offer a number of deposit services, specialized loan services, electronic data processing services, and a much higher lending limit than Harrisburg Bank now offers, thereby providing a third convenient alternative for many of these services to area residents.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Mississippi Tupelo, Mississippi	71,555	15	18
to merge with			
The Bank of Houston Houston	7,710	3	

Summary report by Attorney General, March 4, 1971

The closest branches of the participating banks are approximately 18 road miles apart. There are, however, no intervening banks. Thus, it appears that some existing competition between the two banks would be eliminated by this merger.

Mississippi law permits branch banks to be established within a radius of 100 miles of the parent bank; branch offices are permitted to be established within limits of the county or any adjacent county to the county of domicile of the parent branch. However, a bank is barred from establishing a branch bank in any town or city of less than 3,100 population where there is one or more banks in operation. Thus, Mississippi Bank could not establish a *de novo* branch in Houston or Okolona, the largest towns in Chickasaw County at this time.

Mississippi Bank is, however, the sixth largest bank in the state, and the largest in the northeastern portion of Mississippi. It holds about 25 per cent of the total deposits in the northeastern Mississippi area. Since both banks could branch into other parts of the area, the merger would eliminate some potential competition.

Basis for Corporation approval, July 12, 1971

Bank of Mississippi, Tupelo, Mississippi, an insured State nonmember bank with total resources of $71,555,000 and total deposits of $61,621,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Bank of Houston, Houston, Mississippi ("Houston Bank"), which has total resources of $7,710,000 and total deposits of $6,860,000. The banks would merge under the charter and title of Bank of Mississippi and the main office of Houston Bank and its two branches at Houlka and Vardaman would become branches of the resulting bank. The resulting bank would have 18 offices, not including two approved but unopened branches.

Competition. Bank of Mississippi currently operates 14 branches in five northeastern counties of the State of Mississippi and has the necessary approvals to establish two additional branches within the corporate limits of Tupelo (Lee County).

Houston Bank operates a total of three offices, with its main office and one branch in western Chickasaw County (population 16,805) and another branch in Vardaman, in the east-central portion of Calhoun County (population 14,623). Bank of Mississippi has no offices in Chickasaw County, but it acquired one branch in Calhoun County, at Bruce, by merger in 1968.

The nearest Bank of Mississippi office to an office of Houston Bank is its Calhoun County office at Bruce, 18 miles northwest of Vardaman, with the Calhoun City branch of the $77.5 million deposit Grenada Bank intervening. All three of these Calhoun County communities are sparsely populated, with low family incomes. A very small second bank also serves Bruce, but because of the road system, neither of the offices in Bruce represents a convenient banking alternative for the people in and around Vardaman. Houston Bank's main office is subject to competition from Houston State Bank and Bank of Mantee, 11 miles south, in Webster County. It holds 29.2 percent of the local area deposits held at commercial bank offices in Calhoun City, Vardaman, Mantee, Houston, and Houlka. Other parts of northeast Mississippi served by Bank of Mississippi are separated from Houston Bank's service area in Calhoun and Chickasaw counties by the Tombigbee National Forest. Under these circumstances, the proposed merger would not eliminate significant existing competition between Houston Bank and Bank of Mississippi. The only common customers are seven borrowers, all from the Houston area, whose credit requirements exceeded the lending limit of Houston Bank.

The likelihood of increased competition in the future between Bank of Mississippi and Houston Bank through *de novo* branching is remote. Neither of the two locations in Chickasaw County where Houston Bank has offices is open to *de novo* branching by outside banks under Mississippi law, nor is Okolona, the only other community of more than 2,500 population in the county. In counties which are not adjacent to its home county, a Mississippi bank is limited in the number of *de novo* branches it can open, and this limitation would make other nonadjacent counties, with greater growth and disposable income, more attractive to Bank of Mississippi for this purpose than Calhoun County. Houston Bank, because of limited resources, natural barriers, the restraints of Mississippi's home office and branch protection law and its lack of experience in *de novo* branching, is unlikely on its part to establish *de novo* branches in the more populated and competitive locations where Bank of Mississippi derives the bulk of its business.

While Bank of Mississippi is the largest of the three banks headquartered in Tupelo, its Lee County deposits are only slightly greater than those of the second largest Tupelo bank. Moreover, in each of the counties served by Bank of Mississippi, including populous Lee County (with 46,148 people), the possibility exists that Grenada Bank and the $30 million First-Columbus National Bank, as well as other banks within the 100-mile limit set forth in Mississippi law, may seek entry by merger, thereby subjecting Bank of Mississippi to new and increased competition in the future. In the 18-county northeast quadrant of Mississippi, bounded by Marshall, Tishomingo, Lowndes, and Webster counties, Bank of Mississippi holds 12.1 percent of all commercial bank deposits, while in the State of Mississippi as a whole it holds 2.0 percent of all commercial bank deposits.

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has adequate financial resources, as would the resulting bank. Houston Bank lacks management succession and depth, but Bank of Mississippi could remedy this deficiency. The future prospects of the resulting bank, in terms of earnings and capitalization, should be more favorable than for either bank operating independently.

Convenience and Needs of the Community to be Served. The resulting bank would provide services to the people of the Houston area which are not now available at Houston State Bank or Bank of Mantee, principally savings accounts for passbook savers and trust services. To customers of Houston Bank, the resulting bank would also bring a new emphasis on installment loans, more specialized loan services, a higher lending limit, and computerized bookkeeping. To the extent these items of banking services are available at the Calhoun City branch of Grenada Bank, the proposed merger would add a second convenient source for these services in the Houlka-Houston-Vardaman area, thereby enhancing competition and service in the local banking market.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Franklin State Bank Franklin Township, New Jersey	95,586	10	15
to merge with **The Farmers and Merchants National Bank of Matawan** Matawan Township	33,711	5	

Summary report by Attorney General, April 28, 1971

The closest office of Franklin to an office of Farmers is about 10 miles distant, with numerous banking offices intervening. It does not appear that the proposed merger would eliminate substantial existing competition.

Franklin could enter Monmouth County *de novo* rather than through the proposed merger. However, due to the presence of numerous larger potential entrants, and Farmers' modest market position, we conclude that the proposed merger would not have a significantly adverse effect on potential competition.

Basis for Corporation approval, July 19, 1971

Franklin State Bank, Franklin Township (P.O. Somerset), New Jersey ("Franklin Bank"), a State nonmember bank with total deposits of $82,346,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with The Farmers and Merchants National Bank of Matawan, Matawan Township, New Jersey ("Matawan Bank"), total deposits $29,755,000, and for consent to establish branches at the five locations where Matawan Bank is presently operating. Matawan Bank has a small trust department, and Franklin Bank has also requested the Corporation's consent to exercise trust powers.

Competition. Franklin Bank cperates 10 offices in Middlesex, Union, and Somerset counties, in New Jersey's Second Banking District. Matawan Bank maintains five offices, all located in Monmouth County, which is also a part of New Jersey's Second Banking District. Most of the areas served by the two banks are rapidly growing residential areas, with light industry nearby, and expanding. Matawan Bank held about 3.4 percent of all commercial bank IPC deposits in Monmouth County as of June 30, 1970.

There is no overlap at the present time in any of the areas served by the two banks. Their closest offices are 17 road miles apart and separated by major north-south highways. Loans and deposits originating in areas served by the other are negligible in amount, and there are no common accounts of individuals, partnerships, or corporations. The proposed merger, accordingly, would eliminate no existing competition between Franklin Bank and Matawan Bank.

In view of the growth potential of the areas served by both banks and Franklin Bank's vigorous *de novo* branching activity since its organization in 1963, the proposed merger is likely to eliminate some potential for increased competition between the two banks in the future through *de novo* branching, although each would be barred from the immediate environs of the other's head office under New Jersey law. However, nine of the 10 largest commercial banks headquartered in the Second Banking District and four subsidiaries of large statewide bank holding companies now compete in areas that would be served by the resulting bank, and each of them may also be considered likely *de novo* entrants into other growth areas served by Franklin Bank and Matawan Bank. The proposed merger, moreover, would open Matawan Bank's home office community to *de novo* branching by outside banks. Under these circumstances, the loss of potential competition between Franklin Bank and Matawan Bank through *de novo* branch activity in the future is not significant.

At year-end 1970, there were 65 insured commercial banks headquartered in New Jersey's Second Banking District. Franklin Bank held 1.7 percent of their IPC deposits and Matawan Bank held 0.8 percent of such deposits. The resulting bank, with 2.5 percent of total commercial bank deposits in the district, would be the 10th largest bank headquartered therein, with a growing number of small second district banks being controlled by much larger banks in other districts through a parent holding company.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources are adequate with respect to the participating banks and are so projected for the resulting bank. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. The proposed merger would bring to customers of Matawan Bank low-cost checking account services, a greater willingness to make commercial and industrial loans, and the convenience of evening and Saturday banking hours, while customers of Franklin Bank would gain the use of a small but growing trust department. Business customers of both banks would have another source for $1 million loans, the approximate lending limit of the resulting bank. To the extent these services are available at other institutions within the areas served, the proposed merger would provide an additional alternative for the banking public.

Based on the foregoing, the Board of Directors has concluded that the application to merge Franklin Bank and Matawan Bank should be approved, as well as Franklin Bank's application to exercise trust powers upon consummation of the merger.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Bank and Trust Co. of Pa. Reading, Pennsylvania	621,961	34	35
to merge with			
Slatington National Bank and Trust Company Slatington	11,085	1	

Summary report by Attorney General, June 4, 1971

Slatington National serves the adjacent communities of Slatington and Walnutport, and the surrounding vicinity. The closest office of American is in Coaldale, Schuylkill County, about 19 miles from Slatington. No substantial existing competition presently exists between the two banks.

American will soon enter Lehigh County through the opening of its new *de novo* offices in Alburtis and Allentown (if approval of the latter is obtained), which are about 18 and 13 miles, respectively, from Slatington. In view of American's substantial size and capabilities, it is probable that, absent the proposed merger, its new offices in the county would compete to some extent with Slatington National, particularly in view of the commuter pattern of Allentown. American could also extend its *de novo* branching activities in the county to its northern area, where Slatington National is located, but the other large banks in Allentown also provide important sources of potential competition in this area.

Slatington National is slightly the larger of the two banks in Slatington, and the largest of the three banks in the vicinity of that town. It is the tenth largest of the 12 banks operating offices in Lehigh County, and holds about 1.8 per cent of county deposits.

Basis for Corporation approval, July 19, 1971

American Bank and Trust Co. of Pa., Reading, Pennsylvania ("American"), an insured State nonmember bank with total resources of $621,961,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Slatington National Bank and Trust Company, Slatington, Pennsylvania ("Slatington National"), with total resources of $11,085,000. The banks would merge under the charter and title of American and, as an incident to the merger, the one office of Slatington National would become a branch of the resulting bank, increasing the number of its authorized offices to 38.

Competition. American operates 34 offices in six of the seven counties where it may legally branch or merge under Pennsylvania law, i.e., Berks, Schuylkill, Montgomery, Lebanon, Lancaster, and Chester counties. American also has regulatory approval to establish two branch offices in Lehigh County, the last remaining county open to it under Pennsylvania law. In addition, it has an additional authorized but unopened office in Montgomery County. American is an aggressive, full-service bank with a large trust department.

Slatington National is a unit bank located in Slatington, a borough of 4,687 persons in the northeast corner of Lehigh County. Slatington National holds only 1.7 percent of all commercial bank deposits in Lehigh County and serves an area of some 10,000 population, which includes adjacent Berlinsville and Walnutport, in Northampton County, and the borough of Neffs, some 5 miles to the south in Lehigh County. Slatington National is the second largest of four commercial banks serving these 10,000 persons. The area today is primarily residential, with limited farm and factory employment. Most of its residents commute to work in Allentown or Bethlehem, some 12-15 miles to the southeast.

The nearest American office to Slatington is in Coaldale, Schuylkill County, about 22 miles west. At present, the two banks serve separate trade areas, and neither derives any significant business from communities served by the other.

The proposed merger, accordingly, would not eliminate any existing competition between American and Slatington National.

While Slatington National is unlikely, because of its limited resources, lack of management, and absence of branching experience, to branch *de novo* into areas served by American, American has demonstrated a capacity to branch *de novo* throughout its seven-county branching and merging area. It might find the immediate area around Slatington to be relatively unattractive for *de novo* branching in view of its limited population and growth potential, but American's proposed office in Allentown will bring American into competition with Slatington National at least for the banking business of Slatington residents who commute to Allentown. The proposed merger would eliminate this potential for increased competition between the two banks in the future, but the significance of this aspect of the application is reduced by the presence of seven other commercial banks in Allentown and Bethlehem, the presence of four large banks headquartered in Montgomery County, which can now enter Lehigh County for the first time, and the small share of total Lehigh County deposits presently held by Slatington National.

Within the seven-county area where American may branch or merge, there were as of June 30, 1970, 404 offices of 103 commercial banks with total IPC deposits of slightly over $4 billion. American held about 8 percent of the commercial bank offices and about 10 percent of total IPC deposits. In Montgomery County, however, where American has 10 authorized offices, it faces competition from six larger banks, including four previously headquartered in Philadelphia. By moving their main offices to Montgomery County, these banks now have become eligible to branch into Berks, Lehigh, and Chester counties. Banks headquartered in Harrisburg may similarly enter Lebanon and Lancaster counties. American may thus face increasing competition throughout its seven-county area, including the Allentown-Slatington area of Lehigh County, with the result that its present share of IPC deposits in the seven-county area may decline, rather than increase, in the future.

Under these circumstances, the acquisition of a $12 million unit bank, located in a county from which American derives only $1.4 million in deposits today, is not likely to result in such a concentration of assets in the seven-county area as to foreclose effective commercial bank competition in the future.

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

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

Financial and Managerial Resources; Future Prospects. American has satisfactory financial and managerial resources, as would the resulting bank. Slatington National lacks a qualified senior executive officer or an experienced loan officer at present, its earnings performance has been unimpressive, and its future prospects appear more favorable as part of the resulting bank than as an independent bank.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would bring to customers of Slatington National significantly larger lending limits, bank credit cards, computer services not presently available, and access to a much larger and more sophisticated management staff. Present activity in FHA loans, installment credit, dealer financing, and fiduciary services should be expanded as a result. To the extent such services are presently available at established banks in the Allentown-Bethlehem area, the Slatington area public will benefit from the convenient availability of another competitor offering the same services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Valley Bank Bethlehem, Pennsylvania	166,368	12	13
to merge with **The First National Bank of Nesquehoning** Nesquehoning	4,822	1	

Summary report by Attorney General, June 22, 1971

First National is approximately 39 miles northwest of both Bethlehem and Allentown. First National is, however, the only bank in Nesquehoning. The nearest banking alternatives for residents of Nesquehoning are approximately four to five miles west in Summit Hill and Lansford and about five miles east in Jim Thorpe. All of these cities lie along the Nesquehoning Creek; all are within the service area of First National. If Valley's pending application to acquire Lansford Bank is approved, as well as the instant application, existing competition for deposits and loans in this area will be eliminated.

Eight banks operate single offices in the service area of First National, a rectangular area from Lansford to Jim Thorpe, paralleling Nesquehoning Creek. The Jim Thorpe National Bank (deposits $12 million) holds the leading share of deposits in these offices (about 25 per cent); the shares of the seven other banks graduate from 7 to 14 per cent. First National holds about 8.6 per cent of these deposits, while Lansford Bank holds about 11 per cent. The combined shares of these two banks in First National's service area amount to about 20 per cent; in Carbon County as a whole, this total share is about 9 per cent.

Valley seeks approval of mergers with Lansford Bank and First National. Consummation of both mergers would have an adverse effect on competition in west-central Carbon County. The extent of this effect, however, would depend on the competitive ability of First National, which may be presently impaired by the tenuous condition of its loan portfolio.

Basis for Corporation approval, August 13, 1971

First Valley Bank, Bethlehem, Pennsylvania ("Valley Bank"), an insured State nonmember bank with total resources of $166,368,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The First National Bank of Nesquehoning, Nesquehoning, Pennsylvania ("FNB Nesquehoning"), with total resources of $4,822,000. The banks would merge under the charter and title of Valley Bank and, as an incident to the merger, the one office of FNB Nesquehoning would become a branch of the resulting bank, increasing the number of its authorized offices to 15.

Competition. Valley Bank operates 10 offices in and nearby Bethlehem, in Northampton County (population 214,368), and one office in Allentown, in Lehigh County (population 255,304). Valley Bank also has the necessary approvals to establish two *de novo* branches, one to be located in Bethlehem and the other in Fogelsville, 4 miles southwest of Allentown, in Lehigh County. On June 24, 1971, Valley Bank merged with The First National Bank of Lansford, Lansford, Pennsylvania, a unit bank with total resources of $6.3 million, located in Carbon County, and established the sole office of the latter as a branch. Valley Bank's service area today is confined to Lehigh and Northampton counties, in the eastern section of Pennsylvania near the New Jersey border, and the western portion of Carbon County surrounding Lansford.

FNB Nesquehoning operates only one office, located in the Borough of Nesquehoning (1970 population: 3,338), in the central western part of Carbon County (1970 population: 50,573). Nesquehoning is in the midst of once-prosperous anthracite fields, but the mining there has now been reduced to a few small independent operations. The local community supplies only about 200 jobs, and the resident population in the immediate Nesquehoning area declined approximately 10 percent between 1960 and 1970. The prospects for any significant economic development in Nesquehoning in the near future are not bright. FNB Nesquehoning derives virtually all of its banking business from the immediate Nesquehoning area. FNB Nesquehoning's growth through the years has remained relatively stagnant, as has the growth of most other small unit banks in the surrounding areas of Carbon County.

All Valley Bank offices, except the one recently acquired by merger in Lansford, are at least 40 miles from Nesquehoning. The Lansford office, however, is only 4 miles to the west. While neither this office nor FNB Nesquehoning derives any significant business from the localized area served by the other, residents of Nesquehoning have relatively convenient access to both of these offices and to 16 other banking offices within a 10-mile radius, including those of much larger banks in Tamaqua and Coaldale, in nearby Schuylkill County. This 10-mile area best approximates the market within which the proposed merger would have any immediate competitive impact.

Within that area, Valley Bank's Lansford office and FNB Nesquehoning together hold 8.9 percent of local IPC deposits. Ten other banks are represented, including two local banks in Lansford, two local banks in Jim Thorpe, 5 miles to the east of Nesquehoning, and the larger banks previously mentioned in Coaldale and Tamaqua. While the proposed merger would eliminate some degree of choice for residents of the area and some slight existing competition between the Valley Bank office in Lansford and FNB Nesquehoning, neither factor is of overriding significance. FNB Nesquehoning has been a weak competitor, burdened by significant asset and management problems. The share of area deposits held by the two offices is not unduly high, and a significant number of meaningful options would remain.

Under Pennsylvania law, each bank could legally branch *de novo* into trade areas served by the other. Such activity on FNB Nesquehoning's part is considered unrealistic, in view of its limited resources, its asset condition, and the competition from much larger banks it could expect in places attractive for *de novo* branching. Similarly, the stagnant economy of the Nesquehoning area, the limited and declining population there, and the relatively large number of competitors with conveniently accessible offices, make it unlikely that Valley Bank would find *de novo* branching into the area served by FNB Nesquehoning attractive in the foreseeable future. For these reasons, the proposed merger would not eliminate any significant potential for increased competition in the future between Valley Bank and FNB Nesquehoning through *de novo* branching.

The effect of the proposed merger on banking concentration in relevant areas is almost not significant. Valley Bank is the largest commercial bank headquartered in Northampton County, but the area of potential competition for the resulting bank would include the four surrounding counties as well, since Pennsylvania law permits banks headquartered in Northampton County to branch or merge throughout the five-county area. In that five-county area, as of June 30, 1970, the two participating banks held 8.2 percent of total commercial bank deposits (after adjusting for Valley Bank's merger with the First National Bank of Lansford), and only 13 of 187 commercial bank offices, with two banks headquartered in Allentown holding a significantly larger deposit share. Thirty-seven other commercial banks are headquartered in the same five-county area, and 15 commercial banks not headquartered in the five-county area already operate offices in one or more of the five counties under Pennsylvania law. The proposed merger, accordingly, would not result in any undue concentration of banking resources within the area of potential competition nor establish a precedent which might lead to such concentration in the future.

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

Convenience and Needs of the Community to be Served. The proposed merger would bring to customers of FNB Nesquehoning certain services not now available to them, such as trust department services, Master Charge, short-term certificates of deposit, and a greater willingness and capacity to make commercial and industrial loans. These services, however, are conveniently available to Nesquehoning residents at offices of other banks within a 10-mile radius, including Valley Bank's office in Lansford. The increase in community convenience and needs resulting from the proposed merger must, therefore, be considered nominal and of no significant weight in favor of approval.

Financial and Managerial Resources; Future Prospects. FNB Nesquehoning has an unsatisfactory capital position in the light of its classified assets and no management depth. Past earnings have been poor and its earnings potential is not impressive. Valley Bank would provide aggressive and capable supervision of FNB Nesquehoning's loan portfolio; and with Valley Bank's financial and managerial resources predominant, the resulting bank should have adequate capital, satisfactory earnings, good management, and favorable future prospects. The banking factors presented by the application weigh clearly in favor of approval.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First County Bank Bland, Virginia (in organization; change title to Bank of Bland County)	370	—	2
to merge with **Bank of Bland County** Bland	4,501	2	

Summary report by Attorney General, June 4, 1971

The proposed merger is part of a plan through which First County Bank (org.) would become a subsidiary of First Virginia Bankshares Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First Virginia Bankshares Corporation, it would have no effect on competition.

Basis for Corporation approval, August 13, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal Deposit Insurance for First County Bank, Bland, Virginia ("First Bank"), a proposed new bank in organization, and for consent to its merger with Bank of Bland County, Bland, Virginia ("Second Bank"), total resources $4,501,000, under First Bank's charter and Second Bank's title. The resulting bank is to operate from the present main office and one existing branch of Second Bank.

The new bank formation and merger are designed solely as a means by which First Virginia Bankshares Corporation, Arlington, Virginia, a registered bank holding company, can acquire 100 percent of the voting stock of the bank resulting from the proposed merger pursuant to authority recently granted by the Board of Governors of the Federal Reserve System. First Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Second Bank, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in

Bland County nor affect the banking services which Second Bank has provided to Bland County residents in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Civic Center Bank and Trust Co. Chicago, Illinois	10,313	1	1
to merge with			
The South East National Bank of Chicago Chicago	44,019	1	

Summary report by Attorney General, March 18, 1971

The offices of the merging banks are five miles apart and there are many banking alternatives in the intervening area. Hence, it is unlikely that the proposed merger would eliminate any significant competition between the two banks.

As of June 30, 1968, Civic Center held about .1 per cent of total commercial bank deposits in the City of Chicago, while National Bank held about .4 per cent of such deposits. Thus, the resulting bank's share of the Chicago market, post-merger, would still be less than one-half of one per cent.

We conclude that the proposed merger would not have a significantly adverse effect upon competition.

Basis for Corporation approval, August 20, 1971

Civic Center Bank and Trust Co., Chicago, Illinois ("Civic"), an insured State nonmember bank with total resources of $10,313,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The South East National Bank of Chicago, Chicago, Illinois ("Southeast"), a national banking association with total resources of $44,019,000. The banks would merge under the charter and title of Civic and, as an incident to the merger, the one office of Southeast would be closed.

Competition. Civic's only office is located in the downtown business district of Chicago, known as the Loop, and it draws its banking business primarily from a daytime population estimated at 100,000 persons who work nearby. Some business is also drawn from several adjacent residential developments. Illinois banking statutes do not permit branch banking, except for limited teller facilities within 1,500 feet of the bank's main office. Because of these restrictions, all Chicago banks make an effort to advertise and compete throughout the city and its environs. Civic, however, established in 1966, has less than 0.1 percent of the total deposits held by all commercial banks in its immediate vicinity.

Southeast's only office is located in the Woodlawn section of Chicago, about 9 miles south-southeast of Civic's quarters. This is a blighted and deteriorating area with a high crime rate, extensive vandalism, and declining population. Southeast serves primarily a 12-square mile area surrounding its office, with a population estimated at 260,000, down 13.9 percent from 1960.

The primary service areas of the two banks do not overlap, and their secondary service areas coincide only to a slight extent. The proposed merger would not appear to eliminate any substantial amount of direct competition between the two banks, and Illinois banking statutes make impossible any increase in competition between them through the establishment of *de novo* branch offices.

Civic and Southeast each hold a minuscule percentage of the total deposits held by the 95 commercial banks headquartered in Chicago or by the 205 commercial banks headquartered in Cook County. Their proposed merger would have no competitive impact except possibly to redistribute a portion of Southeast's banking business among the nine other commercial banks which operate in its primary service area in Woodlawn. Less than 50 percent of Southeast's deposit volume, however, originated in this area, and the manner in which such business will be redistributed, if not retained by the resulting bank, cannot be predicted.

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

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial resources for the business they do as independent institutions, as would the resulting bank. Recent litigation and publicity involving the directors and controlling interest of Civic have been a significant factor, however, in its 50 percent deposit decline since 1968 and in its recent unsatisfactory earnings performance. Largely because of its location, Southeast has also shown a significant drop in deposits over the same period. Each bank has management weaknesses, but the proposed consolidation of offices, management, and financial resources should permit favorable development in all areas of weakness in the future.

Convenience and Needs of the Community to be Served. The community to be served by the resultant bank would be largely the community presently served by Civic, whose customers would benefit from the greater lending capacity, higher lending limit, and, possibly, more efficient management and operations of the resultant bank. In the community presently served by Southeast, the banks remaining would continue to provide adequate banking service to local residents. Some Southeast customers, however, are likely to be inconvenienced by the greater distance to Civic's office or the greater distance to Woodlawn offices of competing banks. Consideration of community needs and convenience weigh neither significantly for nor significantly against approval. The Board of Directors has concluded, because of the banking factors presented by the proposed merger, that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Security Bank Ionia, Michigan	34,396	4	5
to consolidate with **The State Bank of Carson City** Carson City	6,387	1	

Summary report by Attorney General, June 22, 1971

Security, which operates four of the ten banking offices in Ionia County, is the largest bank operating there, accounting for 45 per cent of the county's deposits and 67 per cent of the deposits held by the two banks in the City of Ionia. State Bank is the fifth largest of the ten banks operating in Montcalm County.

Ionia and Carson City are 22 miles apart, and Security's office in Lyons is located about 20 miles south of Carson City. There is one intervening bank and competition between the two consolidating banks appears to be insignificant.

Since Michigan law prohibits the establishment of a branch in a city or village in which a state or national bank is in operation, Security's entry into Carson City by the branching method is barred. However, recent legislation makes *de novo* entry by the holding company device an alternative method for entry; thus, Security may be considered a potential entrant into the Montcalm county market. Nevertheless, this consolidation with one of the smaller banks in the market would not appear to have a seriously adverse effect on competition.

Basis for Corporation approval, August 20, 1971

First Security Bank, Ionia, Michigan ("First Security"), an insured nonmember bank with total deposits of about $30,968,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with The State Bank of Carson City, Carson City, Michigan ("State Bank"), which has total deposits of about $5,590,000. The banks would consolidate under the charter and title of First Security and, as an incident to the consolidation, the single office of State Bank would become a branch of First Security.

Competition. First Security is headquartered in Ionia (population 6,361), which is situated about 35 miles east of Grand Rapids and 45 miles northwest of Lansing. In addition to its main office, First Security operates branches in Belding, Lyons, and Saranac. All four of its offices are located in Ionia County (population 45,848), where First Security is the second largest bank in terms of overall size but the largest in terms of Ionia County deposits. State Bank's single office is in Carson City (population 1,217), which is situated in adjacent Montcalm County (population 39,660) about 24 miles northeast of Ionia. It is the sixth largest of 10 commercial banks operating in Montcalm County. Neither bank has a trust department.

The office of First Security nearest to State Bank is 17 miles away, and there are two offices of competing banks intervening. First Security and State Bank serve separate markets, although their service areas overlap slightly in the sparsely populated northeast corner of Ionia County. Neither bank has any significant loan or deposit business from areas served by the other, and their proposed merger will eliminate little, if any, existing competition between them. The possibility of increased competition developing between the two banks through *de novo* branching is unlikely, since State law prohibits a bank from branching *de novo* into another city or village in which there is located an office of another bank.

The proposed merger would have its most immediate impact in Carson City and surrounding towns, where the higher lending limit of the resulting bank and First Security's broader range of services should stimulate competition with the larger banks in that market with which State Bank presently competes. Within a 15-mile radius of Carson City, six commercial banks, ranging in deposit size from $5.6 million to $37.7 million, operate a total of 12 offices. The proposed merger would not affect the number of alternative sources of banking service available to residents of this area, nor would the proposed merger result in any undue concentration of banking resources in any relevant geographic area.

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

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

Convenience and Needs of the Community to be Served. First Security plans to provide State Bank customers with modern banking quarters, including drive-in facilities. It would also utilize its on-premises electronic data processing facilities to process accounts maintained at the Carson City office and would extend the lending services of State Bank. Customers of State Bank would further benefit from First Security's policy of paying interest on completed Christmas Club accounts and of computing passbook savings interest on a daily basis.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
New Paltz Savings Bank New Paltz, New York	48,729	2	3
to merge with			
Co-Operative Loan and Savings Society Port Jervis	9,890	1	

Summary report by Attorney General, July 6, 1971

The distance between the closest offices of Co-Operative Loan and New Paltz Bank is approximately 50 miles. The service areas of the two institutions do not appear to overlap significantly. Deposits are not drawn by either party from the other's service area, and the amount of loans made by either party in the other's service area is negligible. Thus, it appears that the merger would not eliminate significant existing competition.

New York law would not presently permit New Paltz Bank to branch *de novo* into Orange County. This fact and the size and limited service area of Co-Operative Loan, together with the existence of other large savings banks in the area indicate that no substantial potential competition would be eliminated by the proposed merger.

Basis for Corporation approval, August 20, 1971

New Paltz Savings Bank, New Paltz, New York, an insured mutual savings bank with total deposits of $45,222,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Co-Operative Loan and Savings Society, Port Jervis, New York ("S&L") an insured savings and loan association with total deposits of $9,096,000. The institutions would merge under the charter and title of New Paltz Savings Bank and, as an incident to the merger, the only office of S&L would become a branch of the former, increasing the number of its offices to three.

Competition. New Paltz Savings Bank, headquartered in the town of New Paltz, in New York's Ulster County, has one branch in the community of Woodstock, 28 miles north of New Paltz, and serves an area consisting of the towns and cities of New Paltz, Woodstock, Kingston, Rosendale, Modena, Highland, Poughkeepsie, and Newburgh, all of which are located in the Hudson River Valley. Under New York law, mutual savings banks may merge with savings and loan associations headquartered in the same banking district, and both institutions here proposed to be merged are in the State's Third Banking District. New Paltz Savings Bank is the third largest of nine mutual thrift institutions headquartered in Ulster County, and the 19th largest such institution headquartered in the Third Banking District, with 1.4 percent of the district's total thrift institution deposits.

S&L's only office is located in the town of Port Jervis (1970 population: 8,852), in the southwest corner of Orange County. It is the fourth largest of seven thrift institutions headquartered in the Third Banking District. Principal business activities of the area include the manufacture of cosmetics, glass, silver plating, television tubes, and containers for military and aerospace equipment.

The areas presently served by New Paltz Savings Bank and S&L do not overlap, and their nearest offices are 50 miles apart. Offices of other mutual thrift institutions are located in the intervening territory, and there are no common depositors or borrowers. New Paltz Savings Bank has approximately $515,000 in loans from the area served by S&L, and the latter has about $155,000 in loans from MSB's area. In view of the distance between the two institutions, and the relatively small amount of loan business originated by each institution from areas served by the other, it is concluded that the proposed merger would not eliminate significant existing competition between them.

Under a recent change in New York law, effective January 1, 1972, mutual savings banks and savings and loan associations may establish one branch *de novo* each year anywhere within their multicounty home banking districts. S&L has not established a branch since it was organized, and the likelihood of its doing so in the New Paltz area is remote in view of its small size and the distance involved. Absent the proposed merger, however, New Paltz Savings Bank could branch *de novo* into the Port Jervis area, which presently has no mutual savings bank. The proposed merger would eliminate that potential for increased competition between the two institutions, but this is not a factor of competitive significance in view of the large number of mutual savings banks and savings and loan associations in the Third Banking District which will gain the same legal authority after January 1, 1972, and in view of the fact that larger thrift institutions than New Paltz Savings Bank are more likely entrants into the Port Jervis area.

The effects of the proposed merger on banking concentration among thrift institutions in the State's Third Banking District would be minimal.

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

Financial and Managerial Resources; Future Prospects. Each of the participating institutions has adequate financial and managerial resources, as would the resulting institution. The future prospects of S&L would be more favorable as a branch of the resulting institution than as an independent unit.

Convenience and Needs of the Community to be Served. The proposed transaction would have little effect on present customers of New Paltz Savings Bank, but it should benefit residents of the Port Jervis area served by S&L. The resulting institution would offer most of the services which mututal savings banks are permitted by statute to offer, including 5 percent day-of-deposit-to-day-of-withdrawal accounts and savings bank life insurance, not now offered in the Port Jervis area. The resulting institution would also provide another convenient alternative for the following services offered by other financial institutions in the Port Jervis area, thereby stimulating competition for such services: 6 percent time deposits, FHA mortgage and home improvement loans, student loans, and computerized on-line banking facilities. It would also have a greater capacity than S&L to help meet the growing mortgage lending requirements of the area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Troy Savings Bank Troy, New York	178,213	2	3
to merge with			
Whitehall Co-Operative Savings and Loan Association Whitehall	319	1	

Summary report by Attorney General, June 22, 1971

The closest offices of the merging institutions are over 70 miles apart. Due to this distance, and the very small size of Whitehall Savings, there is probably little or no existing competition between the parties.

No savings banks operate offices in Washington County; one insured savings and loan association (deposits $4 million) is located therein. Under New York law, Troy Savings is presently unable to branch *de novo* into Washington County. In view of this fact and the size and competitive significance of Whitehall Savings, we conclude that the proposed merger is unlikely to have any significant adverse effect on competition.

Basis for Corporation approval, August 20, 1971

The Troy Savings Bank, Troy, New York ("Troy Savings Bank"), an insured mutual savings bank with total deposits of $163,857,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Whitehall Co-Operative Savings and Loan Association, Whitehall, New York ("S&L"), a noninsured savings and loan association with total deposits of $265,000. The institutions would merge under the charter and title of Troy Savings Bank, and, as an incident to the merger, S&L's only office would become a branch of Troy Savings Bank, to be relocated to 184 Broadway Street, Whitehall, New York, a distance of about 1 mile from S&L's present location. The number of Troy Savings Bank's offices would be increased to three.

Competition. Troy Savings Bank, headquartered in the city of Troy, in New York's Fourth Banking District, presently operates two offices in Rensselaer County (population 152,510): its main office in the city of Troy and a branch in the suburban community of East Greenbush, 10 miles south of Troy. Under New York law, Troy Savings Bank may merge with a savings and loan association headquartered anywhere in the Fourth Banking District. Troy Savings Bank is the largest mutual thrift institution headquartered in Rensselaer County and the fourth largest headquartered in the Fourth Banking District, with 8.1 percent of all mutual institution deposits therein.

S&L's one office is located in the village of Whitehall (population 3,764), along the northern boundary of Washington County, which adjoins Rensselaer County on the north. It is the only thrift institution in the Whitehall area and draws virtually all its deposit and loan business from the same area. One commercial bank office is also located in Whitehall. The majority of S&L's accounts earn interest at the rate of 4 percent per annum.

The areas served by the two participating institutions do not overlap and their nearest offices are 70 miles apart. Offices of other mutual thrift institutions are located in the intervening territory, and the merging institutions have few depositors and borrowers from each other's service areas. In view of the distance between the two institutions, and the small amount of deposit volume ($13,900) held by Troy Savings Bank from S&L's service area, it can be concluded that the proposed merger would not eliminate any significant existing competition between them.

Effective January 1, 1972, mutual savings banks and savings banks and savings and loan associations in New York will be allowed to branch *de novo* anywhere within the multicounty banking districts in which they are headquartered. S&L has not established a branch since it was organized and the likelihood of its doing so in the Troy area is remote in view of its small size and the distance involved. Troy Savings Bank has the capacity to branch *de novo* into the Whitehall area, but the size of the institution being absorbed and its ineffectiveness as a competitor make its acquisition the equivalent of *de novo* entry by Troy Savings Bank into Washington County. Mutual thrift institutions in New York, moreover, are limited to opening one *de novo* branch per year, and the small community of Whitehall would be a relatively unattractive location to Troy Savings Bank for the exercise of such an annual privilege.

The effects of the proposed merger on banking concentration among thrift institutions in the State's Fourth Banking District would be minimal. S&L has numerous merger alternatives among mutual thrift institutions in the Fourth Banking District, but it is the smallest such institution in the district, and the relative size of Troy Savings is not so large as to make some other merger preferable, as a competitive matter, to the one proposed.

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

Financial and Managerial Resources; Future Prospects. Each of the participating institutions has adequate financial and managerial resources for the business they transact, as would the resulting bank. The future prospects of S&L as a branch of the resulting bank would be much more favorable than as an independent institution.

Convenience and Needs of the Community to be Served. The proposed merger would have little effect in the areas now served by Troy Savings Bank but it should benefit residents of the Whitehall area. The resulting bank would offer all the services which mutual savings banks are permitted by statute to offer, including the following services not now offered in the Whitehall area: 6 percent time deposits, 5 percent day-of-deposit-to-day-of-withdrawal accounts, 5 percent regular savings accounts, and savings bank life insurance. The resulting bank would also provide another convenient alternative for the following services offered by the commercial bank branch in Whitehall, thereby stimulating competition: FHA and VA mortgage loans, student loans, safe deposit boxes, and money order and travelers' check services. It would also have a greater capacity than S&L to help meet the mortgage lending requirements of the area.

The proposed relocation of S&L's office, moreover, would replace an institution open for business only one evening per week for 3 hours and located in an antiquated and inadequate office with a modern full-service savings bank facility open 5 days a week, thereby adding significantly to the convenience of local residents.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
California Canadian Bank San Francisco, California	118,911	12	16
to acquire a portion of the assets and assume a portion of the deposit liabilities of			
Union Bank Los Angeles	17,850[2]	4[2]	

[2]Resources of four branches of Union Bank to be purchased by California Canadian Bank.

Summary report by Attorney General, June 7, 1971

The four offices of Union to be acquired by CCB are all in different areas. Some competition exists between CCB and the San Francisco office of Union which it seeks to acquire, which is about 1.5 miles from CCB's home office. However, the proposed acquisition would not eliminate Union as a banking alternative in San Francisco, nor appreciably increase concentration in San Francisco banking.

Two CCB offices in Contra Costa County are two and ten miles distant from the Contra Costa County office of Union which CCB proposed to acquire. This proposed acquisition would eliminate competition between the parties to this transaction in Contra Costa county, but would not increase the share of county deposits held by CCB significantly.

CCB does not operate offices in either Marin or Sonoma County, the locations of the other two Union offices which it seeks to acquire, but could be permitted to open *de novo* branches in these counties. However, the proposed acquisition of these two offices represents essentially the replacement of Union by CCB in these counties, and would leave Union capable of reentering the counties itself. Thus, the positions of the banks as present competitor and potential entrant in or into Marin and Sonoma Counties will be reversed, resulting in no significantly adverse effect on potential competition in these areas.

Basis for Corporation approval, September 3, 1971

California Canadian Bank, San Francisco, California ("Canadian"), an insured State nonmember bank with total deposits of approximately $104 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase a portion of the assets of and assume the liability to pay a portion of the deposits made in Union Bank, Los Angeles, California ("Union"). Incident to this proposal, four offices of Union, having total deposits of $17,565,000, would become branches of Canadian, increasing the number of its operating offices to 16.

Competition. Canadian's head office and one of its branches are located in San Francisco. It also operates five branches in other communities located within or adjacent to the San Francisco Bay area, as well as three branches in San Diego and two branches in Los Angeles. In addition, *de novo* branches in El Cajon, San Jose, and Sacramento have been approved but have not yet been opened. Union, headquartered in Los Angeles, is the sixth largest bank in California, with approximately $2 billion in total deposits and 29 offices. The four branches it seeks to dispose of in the proposed transaction were acquired by merger in 1970.

The four branches are located in the Fisherman's Wharf area of San Francisco and in the communities of Pleasant Hill (Contra Costa County, San Rafael (Marin County), and Santa Rosa (Sonoma County), Canadian has no offices in Marin County, Sonoma County, or within 15 or 55 miles, respectively, of the two Union branches last mentioned; and as to them, no existing competition between Canadian and Union would be eliminated by the proposed transaction.

The Fisherman's Wharf branch of Union, which serves a limited population, is less than 2 miles from Canadian's main office in the downtown financial section of San Francisco and only a slightly greater distance from Canadian's Parkside branch. The three offices serve quite different neighborhoods and clientele, however, and Bank of America and First Western Bank and Trust Company also maintain branch offices in the Fisherman's Wharf area. If the proposed acquisition is approved, Canadian would operate only three of the 173 commercial banking offices in San Francisco, holding less than 1 percent of the city's total commercial bank deposits. In addition, Union would remain an alternative source of commercial bank services with three offices in or near the downtown financial section of the city. Any elimination of existing or potential competition within the San Francisco banking market would accordingly be inconsequential.

Union's Pleasant Hill office is only 1.7 miles from Canadian's Concord office and 4 miles from Canadian's Lafayette office, both of which are also located in Contra Costa County. The proposed transaction would eliminate some existing competition between the two banks in the Concord-Pleasant Hill area, a middle-income residential area of some 110,000 people. At present, area residents are also served by offices of four large statewide branch banks. A smaller, fifth bank has been authorized a branch which is not yet open. Canadian's share of the local IPC deposit market would increase to about 17 percent, substantially outdistanced only by the share of the local market held by two Bank of America offices. With the continued growth in this area expected from the opening of the Bay Area Rapid Transit System, however, new entrants into the area by banks much larger than Canadian and not presently represented there can be expected. If the proposed acquisition is approved, Canadian's three offices in Contra Costa County would still have less than 1 percent of total county IPC deposits.

In the case of all four branches, competition for the retail banking business of individuals and small businesses may be significantly enhanced because Canadian's management actively seeks such business, whereas Union's management does not—a difference which explains Union's willingness to divest itself of the four branches here involved.

On a statewide basis, the transfer of these four offices would represent a slight deconcentration in the banking resources held by the State's 10 largest banks. Canadian itself ranks 21st among California's 154 commercial banks and holds 0.2 percent of total statewide commercial bank deposits.

Overall, the Board of Directors finds the limited anticompetitive effect of the proposed acquisition of Union's Pleasant Hill branch outweighed by the various procompetitive factors mentioned above. In the Board's opinion, the proposed transaction would not lessen competition substantially in any section of California, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. These factors are satisfactory with respect to both participating banks, as they would be for the resulting bank.

Convenience and Needs of the Community to be Served. All of the services presently provided by Union at the four offices involved in this proposed transaction would be provided by Canadian, and Canadian proposes to offer trust services as well, which are not presently provided at any of the four Union offices. It appears, moreover, that Canadian would compete more aggressively than Union for the retail banking business characteristic of the areas served by the four offices, and among other things, would give more emphasis to consumer lending.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Bank of Front Royal Front Royal, Virginia (in organization; change title to Bank of Warren)	50	–	2
to merge with **Bank of Warren** Front Royal	15,276	2	

Summary report by Attorney General, July 14, 1971

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

Basis for Corporation approval, September 20, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for The Bank of Front Royal, Front Royal, Virginia ("New Bank"), a proposed new bank in organization, and for prior consent to its merger with Bank of Warren, Front Royal, Virginia ("Other Bank"), a State member bank, total resources $15,276,000 as of April 20, 1971, under New Bank's charter and Other Bank's title. The resulting bank will operate Other Bank's two existing offices and, incident to the merger, will be an insured State nonmember bank and the initial capital of New Bank will be retired.

The new bank formation and merger are designed solely as a means by which Virginia Commonwealth Bankshares, Inc., Richmond, Virginia, a registered bank holding company, can acquire 100 percent of the voting stock of the successor bank to this merger. Application is pending before the Board of Governors of the Federal Reserve System for approval of the acquisition by the holding company. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Other Bank and with the same management. The proposal will not, per se, change the banking services which Other Bank has provided usefully and conveniently to the Front Royal area. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Westmoreland County Bank Colonial Beach, Virginia (in organization; change title to The Bank of Westmoreland)	1,476	—	5
to merge with **The Bank of Westmoreland** Colonial Beach	24,473	5	

Summary report by Attorney General, August 17, 1971

The proposed merger is part of a plan through which Westmoreland County Bank (org.) would become a subsidiary of First Virginia Bancshares, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the acquisition of the surviving bank by First Virginia Bankshares. it would have no effect on competition.

Basis for Corporation approval, September 23, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Westmoreland County Bank, Colonial Beach, Virginia ("First Bank"), a proposed new bank in organization, and for consent to its merger with The Bank of Westmoreland, Colonial Beach ("Second Bank"), total resources $24,473,000, under First Bank's charter and Second Bank's title. The resulting bank will operate from the present main office and four existing branches of Second Bank.

The new bank formation and merger are designed solely as a means by which First Virginia Bankshares Corporation, Arlington, Virginia, a registered bank holding company, can acquire 100 percent of the voting stock of the bank resulting from the proposed merger. Application for such acquisition is pending before the Board of Governors of the Federal Reserve System. First Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Second Bank and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Second Bank or affect the banking services which Second Bank has provided to Westmoreland, King George, and Northumberland counties' residents in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Citizens and Southern Emory Bank Atlanta, Georgia	41,894	3	8
to acquire the assets and assume the deposit liabilities of			
The Citizens and Southern Bank of Chamblee Chamblee	24,659	2	
and			
The Citizens and Southern Park National Bank Atlanta	12,589	1	
and			
The Citizens and Southern South DeKalb Bank Decatur	6,653	2	

Summary report by Attorney General, March 12, 1971

The proposed mergers would eliminate present and future competition between (i) C&S and its subsidiaries, and (ii) the banks which it seeks to merge into its subsidiaries. Consummation of these mergers would allow C&S, which already is the dominant bank in Atlanta, to transfer its dominance to North Fulton County, and to increase its share of DeKalb County deposits from 25% to over 41%. (Even within the five-county Atlanta SMSA, an area which clearly overstates the market, these mergers would increase C&S' leading share from 26% to 28%.)

Moreover, this merger must be evaluated in the context of the other pending merger proposals of First National and Trust Company. If all the proposed mergers were consummated, these banks which now dominate Atlanta would, together or separately, obtain positions of dominance in both North Fulton County and DeKalb County. These three Atlanta banks account for 53% of DeKalb County deposits now and would control almost 82% if all the proposed "affiliate" mergers were consummated. The same three banks' control of North Fulton County would increase from 0% to over 50%. These proposed mergers, involving three banks accounting for 54% of North Fulton County's deposits and nine banks accounting for over 28% of DeKalb County's deposits, would forever eliminate the possibility that significant numbers of Fulton or DeKalb "affiliates" of the major Atlanta banks could become independent sources of new competition. If they were all approved, few significant sources of deconcentration would remain in either Fulton or DeKalb Counties.

For the foregoing reasons, we believe that the C&S mergers would have a significantly adverse effect on competition in North Fulton County, DeKalb County and the Atlanta area generally.

Basis for Corporation approval, October 4, 1971

The Citizens and Southern Emory Bank, Atlanta, Georgia ("Emory Bank"), an insured State nonmember bank with total deposits of $34,800,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to acquire the assets of, and to assume the liability to pay deposits made in: The Citizens and Southern Bank of Chamblee, Chamblee, Georgia ("Chamblee Bank"), an insured State nonmember bank with total deposits of $21,700,000; The Citizens and Southern Park National Bank, Atlanta, Georgia ("Park National Bank"), which has total deposits of $11,300,000; and The Citizens and Southern South DeKalb Bank, Decatur, Georgia ("South DeKalb Bank"), an insured State nonmember bank with total deposits of $5,100,000. Application also is made under Section 18(d) of the Federal Deposit Insurance Act to operate as branches of Emory Bank: the main office and branch of Chamblee Bank; the sole office of Park National Bank; and the main office and branch of South DeKalb Bank.

Competition. The Citizens and Southern National Bank ("C&S National"), Savannah, Georgia, is the owner of all the outstanding stock of Citizens and Southern Holding Company ("C&S Holding"), Savannah, Georgia, which in turn owns 95.14 percent of the stock of Emory Bank, and 5 percent each of the stock of Chamblee Bank, Park National Bank, and South DeKalb Bank. The three offices of Emory Bank and all offices of the three banks it proposes to acquire are located in DeKalb County. The C&S system, including its 5 percent affiliates, presently controls 41.8 percent of all deposits held at DeKalb County commercial bank offices and operates 25.4 percent of the commercial bank offices in the county making it by far the largest banking system in DeKalb County.

Because the C&S system has such a large share of the banking resources of DeKalb County, proposed new acquisitions of nonaffiliated banks in the same market would raise the most serious competitive problems under the Bank Merger Act as amended and under Section 7 of the Clayton Act. Whether similar considerations require the Corporation to deny the proposed acquisitions by a C&S subsidiary of three banks in which C&S Holding has only 5 percent stock interest is the question raised by the present applications.

Emory Bank and the three banks proposed to be acquired together serve nearly the whole of DeKalb County; with the exception of South DeKalb Bank, they draw their business from overlapping areas in the county. Emory Bank holds 12.8 percent of total DeKalb County deposits; Chamblee Bank (organized in 1960) holds 5.8 percent, Park National Bank (organized in 1967) 2.8 percent, and South DeKalb Bank (organized in 1969) 1.1 percent, respectively, of total DeKalb County deposits. These four banks, however, do not compete today and never have competed in the past.

Except that these four banks are located in DeKalb County, rather than Fulton County, substantially the same facts are presented as to the organization of the banks, the close working relationship between them, the lack of competition between them, and the unlikely prospect of voluntary disaffiliation, as were presented by the proposals to merge the Citizens and Southern Bank of North Fulton, Roswell, Georgia ("North Fulton Bank"), and other C&S Banks in Fulton County, approved today by the Corporation.

Following the reasoning set down in the basis in that matter, the Corporation concludes that the proposed acquisitions would not be anticompetitive, either as to existing or as to potential competition and that since the other factors to be considered weigh neither for approval nor denial, approval of the applications is warranted. See In Re: The Citizens and Southern Bank of East Point, East Point, Georgia; Application for Consent to Acquisition of Assets and Assumption of Liability to Pay Deposits and to Establish Two Branches, decided October 4, 1971.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Citizens and Southern Bank of East Point East Point, Georgia	33,672	2	4
to acquire the assets and assume the deposit liabilities of			
The Citizens and Southern Bank of North Fulton Roswell	8,613	1	
and			
The Citizens and Southern Bank of Sandy Springs Sandy Springs	23,940	1	

Summary report by Attorney General, March 12, 1971

The proposed mergers would eliminate present and future competition between (i) C&S and its subsidiaries, and (ii) the banks which it seeks to merge into its subsidiaries. Consummation of these mergers would allow C&S, which already is the dominant bank in Atlanta, to transfer its dominance to North Fulton County, and to increase its share of DeKalb County deposits from 25% to over 41%. (Even within the five-county Atlanta SMSA, an area which clearly overstates the market, these mergers would increase C&S' leading share from 26% to 28%.)

Moreover, this merger must be evaluated in the context of the other pending merger proposals of First National and Trust Company. If all the proposed mergers were consummated, these banks which now dominate Atlanta would, together or separately, obtain positions of dominance in both North Fulton County and DeKalb County. These three Atlanta banks account for 53% of DeKalb County deposits now and would control almost 82% if all the proposed "affiliate" mergers were consummated. The same three banks' control of North Fulton County would increase from 0% to over 50%. These proposed mergers, involving three banks accounting for 54% of North Fulton County's deposits and nine banks accounting for over 28% of DeKalb County's deposits, would forever eliminate the possibility that significant numbers of Fulton or DeKalb "affiliates" of the major Atlanta banks could become independent sources of new competition. If they were all approved, few significant sources of deconcentration would remain in either Fulton or DeKalb Counties.

For the foregoing reasons, we believe that the C&S mergers would have a significantly adverse effect on competition in North Fulton County, DeKalb County and the Atlanta area generally.

Basis for Corporation approval, October 4, 1971

The Citizens and Southern Bank of East Point, East Point, Georgia ("East Point Bank"), an insured State nonmember bank with total deposits of $27,606,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to acquire the assets of and to assume the liability to pay deposits made in The Citizens and Southern Bank of North Fulton, Roswell, Georgia ("North Fulton Bank"), an insured State nonmember bank with total deposits of $7,013,000, and The Citizens and Southern Bank of Sandy Springs, Sandy Springs, Georgia ("Sandy Springs Bank"), an insured State nonmember bank with total deposits of $21,001,000. Application is made also under Section 18(d) of the Federal Deposit Insurance Act to operate the main, and only, offices of the North Fulton Bank and Sandy Springs Bank as branches of the resulting bank, increasing the number of its authorized offices to five.

Competition. The Citizens and Southern National Bank ("C&S National"), Savannah, Georgia, is the owner of all the outstanding stock of Citizens and Southern Holding Company ("C&S Holding"), Savannah, Georgia, which in turn owns 90.25 percent of the stock of East Point Bank and 5.0 percent each of the stock of North Fulton Bank and Sandy Springs Bank.

The proposed mergers would consolidate, in East Point Bank, the Fulton County activities of the C&S system outside the city of Atlanta. That system in the aggregate presently controls 30.2 percent of all deposits held at Fulton County commercial bank offices and 28.6 percent of all commercial bank offices in the county, making it the largest banking system in the county.

Because the C&S system has such a large share of the banking resources in Fulton County, proposed new acquisitions of nonaffiliated banks in the same market would raise the most serious competitive problems under the Bank Merger Act as amended and under Section 7 of the Clayton Act. Whether similar considerations require the Corporation to deny the proposed mergers into a C&S subsidiary of two banks in which C&S Holding has only a 5.0 percent stock interest is the question raised by the present applications.

East Point Bank operates a main office and one branch, both located in East Point, a suburban community of about 39,400 population, bordering on Atlanta and about 6 miles south of that city's downtown section. East Point Bank presently holds 1.0 percent of total Fulton County deposits. The two banks it seeks to merge have offices to the north of the city of Atlanta, where East Point Bank also has an authorized but unopened branch.

North Fulton Bank is a unit bank located at Roswell (population 5,430), about 9 miles north of the city of Atlanta along U.S. Route 19. Established in 1967, it has 0.2 percent of the total commercial bank deposits in Fulton County. Sandy Springs Bank, also a unit bank, is about 8 miles south of Roswell and lies just north of the city of Atlanta. Established in 1959, it controls 0.8 percent of the total commercial bank deposits in Fulton County. The authorized branch of East Point Bank lies approximately midway between Roswell and Sandy Springs. These three offices service a combined area in which six other commercial banks, i.e., the second, third, fourth, and fifth largest Atlanta banks, as well as two local banks in Roswell, have eight authorized offices.

The banks involved in the proposed mergers do not compete today and never have competed in the past. The two smaller banks were both organized under C&S guidance and direction at a time when Georgia law did not permit C&S National or any other Atlanta bank to branch outside the city of Atlanta. A close working relationship has existed ever since, and a majority of the stock in each bank has been held continuously by directors, officers, and employees of C&S National, directors, officers, and employees of subsidiary banks of C&S Holding, and a number of influential customers who maintain significant banking relationships with one or more such banks. The remaining stock is well dispersed, with no significant blocs held independently of the C&S system. From the inception of both banks, their management has been drawn from the C&S system, C&S National has hired all their employees, and these employees participate fully in the various employee benefits provided by the C&S system. Customers seeking services not provided by Sandy Springs Bank or North Fulton Bank are referred to C&S National, and that bank provides credit services, investment advice, and numerous other services for the two smaller banks in much the same manner as it does for its own branches or subsidiary banks. Like the other banks in the C&S system, these 5 percent banks use the C&S name and logo and advertise jointly. More than 40 percent of their respective loan portfolios are loans purchased from C&S National, while their buildings have been leased from other C&S entities. When additional capital became desirable, C&S National subscribed to capital notes of each bank. In short, North Fulton Bank and Sandy Springs Bank have been recognized by the public and C&S National as part of the C&S system since their inception.

Under these circumstances, the proposed mergers of these two 5 percent banks into a majority-owned C&S subsidiary would not eliminate any existing competition between them or between either bank and any other C&S unit. Such mergers would not alter the existing competitive structure of Fulton County in any way or add to the concentration of banking resources now held by the C&S system. The Corporation also finds that the opening of these two *de novo* banks served the convenience and needs of their respective communities and enhanced competition in both areas without increasing the percentage of Fulton County deposits then controlled by the C&S system.

Furthermore, the Corporation finds no reasonable probability that North Fulton Bank or Sandy Springs Bank would become disassociated from the C&S system in the future if the proposed mergers are denied. This conclusion is based in part on the close working relationship described above and the continuing nature of that relationship throughout the history of both banks. The following considerations also appear relevant.

The relationship between each bank and the C&S system has been mutually advantageous; voluntary disaffiliation would run the risk of significant transfers of banking relationships and official staff, and a consequent weakening of the ability of both banks to compete in the new and intensely competitive climate of countywide branching.

Neither bank has had significant transfers of stock since it was organized, and there is some evidence that persons who bought shares initially expected a merger into C&S National or a C&S majority-owned subsidiary whenever Georgia law was changed to permit it. The virtually unanimous vote of the shareholders of both banks approving the proposed merger into East Point Bank tends to confirm this expectation and attests to the complete acceptance of C&S direction by shareholders as well as directors of the two banks.

In the one recent example of voluntary disaffiliation by a 5 percent bank from the C&S system—out of more than 30 possibilities statewide—that bank had a very significant bloc of stock held independently of C&S influence and a history of local independence on the part of its board of directors and top management. Its disaffiliation does not increase the likelihood of disaffiliation of North Fulton Bank or Sandy Springs Bank if the present mergers are denied.

If voluntary disaffiliation represents no more than an unlikely possibility, the Corporation finds itself unable to conclude that the proposed mergers would eliminate any significant potential for increased competition between the two banks or between either of them and the rest of the C&S system banks.

The Corporation concludes that the proposed mergers would not be anticompetitive either as to existing or as to potential competition.

Financial and Managerial Resources; Future Prospects. These factors are satisfactory with respect to each of the banks involved and are so projected for the resulting bank.

Convenience and Needs of the Community to be Served. In view of the close working relationship that presently exists between the C&S system and these two banks, consummation of the mergers proposed would not change, in any significant way, the ability of Sandy Springs Bank or North Fulton Bank to serve the convenience and needs of Fulton County residents.

With the various factors to be considered weighing neither for approval nor denial, the Corporation concludes that the management decision to restructure the existing C&S system in the manner proposed should be honored. Accordingly, approval of the applications appears to be warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Connecticut Bank and Trust Company Hartford, Connecticut	1,114,463	60	61
to merge with **The Columbus Industrial Bank** Bridgeport	100	1	

Summary report by Attorney General, June 22, 1971

Connecticut Bank and Trust Company does not now operate any offices in the vicinity of Bridgeport. The closest offices of Connecticut Bank and Trust Company are in New Haven, about 20 miles northeast. It does not appear that Connecticut Bank and Trust Company's offices in New Haven draw substantial business from Bridgeport. Moreover, Columbus Bank's service area is confined to its immediate vicinity. Therefore, we conclude that the proposed merger is unlikely to eliminate significant existing competition.

Under Connecticut law, commercial banks may open *de novo* branches throughout the state, except in communities subject to home office protection. Connecticut Bank and Trust Company is patently capable of establishing *de novo* branches, and has received approval to open new branches in Fairfield, adjacent to Bridgeport, and in Milford, about nine miles east of Bridgeport. Because of home office protection, Connecticut Bank and Trust Company is precluded from branching into Bridgeport itself, but it may be possible for entry into Bridgeport itself to be accomplished via the holding company device.

However, Columbus Bank is very small, and, from a competitive standpoint, its acquisition is tantamount to *de novo* entry into the City of Bridgeport. Therefore, although Connecticut Bank and Trust Company would appear capable of entering the broader Bridgeport area absent the proposed merger, we conclude that this merger would have no significant adverse effect on potential competition.

Basis for Corporation approval, October 8, 1971

The Connecticut Bank and Trust Company, Hartford, Connecticut ("Connecticut Bank"), a State member bank with total resources of $1,114,463,000 and total deposits of $929,007,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Columbus Industrial Bank, Bridgeport, Connecticut ("Columbus"), a State noninsured bank with total resources of $100,000. The banks would merge under the charter and title of Connecticut Bank and, as an incident to the merger, the one office of Columbus would become a branch of the resulting bank, increasing the number of its offices to 61.

Competition. Connecticut Bank operates 60 offices which serve all of central Connecticut from Enfield, Somers, and Stafford, which border on Massachusetts, through the capitol region surrounding Hartford to New Haven, the principal city of south-central Connecticut. Other areas served are southeastern Connecticut around New London and Norwich; northeastern Connecticut near Brooklyn and Killingly; Winchester and Torrington in northwestern Connecticut; and Mansfield and Windham in the east-central portion of the State. While urban centers in Connecticut generally declined in population between 1960 and 1970, the growth of suburban communities around these urban centers increased substantially, with the State as a whole growing by 19.6 percent. The following are growth rates in the 10-year period for Standard Metropolitan Statistical Areas (SMSAs) served by Connecticut Bank: Hartford 20.9 percent, New Haven 10.8 percent, New London-Groton-Norwich 21.9 percent.

Connecticut Bank is the second largest bank in Connecticut, holding 17.7 percent of all deposits at insured commercial banks as of June 30, 1971. Connecticut law permits statewide *de novo* branching subject to home office protection. Connecticut Bank, because of this home office protection feature, is barred from branching *de novo* into Bridgeport, the State's second largest city and most important manufacturing center.

Columbus, an uninsured industrial bank, operates only one office in Bridgeport, which is located 18 miles southwest of New Haven on Long Island Sound. The population of Bridgeport was substantially the same in 1970 as it was in 1960, but the Bridgeport SMSA experienced a population gain of 15.1 percent in the same decade. Although classified as an area of substantial unemployment, Bridgeport is expected to remain strong as an industrial center.

The office of Connecticut Bank nearest to Bridgeport is its recently opened Fairfield Branch, about 3 miles to the west. Columbus, however, has no deposits, no trust department, and a loan portfolio of less than $100,000. For this reason and because Connecticut Bank appears to draw very little business from

Bridgeport, the proposed merger would not eliminate any significant existing competition between the two institutions.

As previously noted, commercial banks may branch *de novo* throughout the State, except in communities subject to home office protection. Thus, each of the participating banks could legally branch *de novo* into the trade areas served by the other although not into their respective home office communities. This is most unlikely for Columbus because of its small size and limited services. While Connecticut Bank is currently branching *de novo* outside Bridgeport, its draw at these offices is not likely to bring it into increased competition with Columbus. Thus, their proposed merger is not likely to have any adverse effect on the potential for increased competition between the two institutions in the future.

Because of Columbus's small size and limited services, the proposed merger is the practical equivalent of *de novo* entry by Connecticut Bank into the city of Bridgeport, which is now served by only four commercial banks, the largest of which rank fourth, fifth, and eighth among all commercial banks in the State. The proposed merger, by replacing an industrial bank of $100,000 which does not accept deposits with a branch of a commercial bank having resources of over $1 billion, should be a significant stimulant to future competition within the city of Bridgeport.

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

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do as independent institutions, as would the resulting bank. The small size and ineffectiveness of Columbus within its trade area indicate that its future prospects should be better as part of the resulting bank than as an independent unit.

Convenience and Needs of the Community to be Served. Consummation of this proposed transaction would bring to the customers of Columbus a complete range of commercial banking services, covering the retail, wholesale, and trust requirements of all potential customers. In addition, the proposed transaction would offer to all residents of Bridgeport an additional option for such services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Terrebonne Bank and Trust Company Houma, Louisiana (in organization)	200	–	9
to merge with			
Bank of Terrebonne & Trust Company Houma	73,674	9	

Summary report by Attorney General, July 19, 1971

The proposed merger is part of a plan through which Terrebonne Bank & Trust Company (org.) would become a subsidiary of a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the acquisition of the surviving bank by a bank holding company, it would have no effect on competition.

Basis for Corporation approval, October 8, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Terrebonne Bank and Trust Company, Houma, Louisiana ("New Bank"), a proposed new bank in organization, and for consent to its merger with Bank of Terrebonne & Trust Company, Houma, Louisiana ("Other Bank"), total resources $73,674,000, under New Bank's charter and title. The resulting bank will operate from the present main office and eight existing branches of Other Bank.

The new bank formation and merger are designed solely as a means for The Terrebonne Corporation, Houma, Louisiana, which has an application pending before the Board of Governors of the Federal Reserve System for prior approval to become a one-bank holding company, to acquire 100 percent of the voting stock of the successor bank to this merger. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Other Bank, and with the same management. The proposal will not, per se, change the banking services Other Bank has provided usefully and conveniently to the Terrebonne Parish area. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Magnolia Bank Magnolia, Mississippi (change title to Southwest Mississippi Bank)	8,242	2	3
to consolidate with			
Citizens Savings Bank, Magnolia, Mississippi Magnolia	4,362	1	

Summary report by Attorney General, December 4, 1970

The head offices of the merging banks are located one-half block apart in the town of Magnolia. Both banks operate in the same service and banking market area, and it is estimated that 30 per cent of their deposit and loan customers maintain common accounts in both banks. Therefore, it would appear that this merger will eliminate substantial direct competition between the merging banks.

An appropriate market in which to measure the competitive effects of the merger is Pike County, wherein all offices of the participating banks are located. As of December 31, 1969, Deposit Guaranty National Bank (with an office in McComb) held 48.5 per cent of total county deposits and First National Bank (also with an office in McComb) held 42.9 per cent of such deposits. Their combined share of these deposits was in excess of 90 per cent. As of the same date, Magnolia Bank held 1 per cent of such deposits and Citizens Savings Bank .36 per cent. The two other banks in Pike County are larger than either of the participants and controlled 4.6 and 1.1 per cent of total county IPC deposits.

These concentration figures may understate the competitive effects of this merger, for competition between the merging banks would appear to be most direct in Magnolia itself, where there are no other commercial banking alternatives. The proposed merger would combine the only competitive alternatives in Magnolia, and would tend to deter the development of a more competitive commercial banking structure in that community.

Since this merger would combine two direct competitors, we conclude that it would have an adverse effect on competition.

Basis for Corporation approval, October 8, 1971

Magnolia Bank, Magnolia, Mississippi ("Applicant"), an insured State nonmember bank with total resources of $8,242,000 and total deposits of $7,423,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with Citizens Savings Bank, Magnolia, Mississippi ("Citizens"), an insured State nonmember bank with total resources of $4,362,000 and total deposits of $3,988,000, under the charter of Applicant and with the title "Southwest Mississippi Bank." The one office of Citizens would become a branch of the resulting bank, increasing the number of its offices to three.

Competition. Each of the banks which seek to merge has its main office in Magnolia, a small town of 1,913 population in the southern part of Pike County, Mississippi. In addition, Applicant operates a branch office in Osyka, an even smaller community 10 miles south of Magnolia, near the Louisiana border. Although Magnolia is the county seat, the economic center of this part of Mississippi is McComb, about 6 miles north of Magnolia. McComb has three commercial banks: branches of Deposit Guaranty National Bank and First National Bank of Jackson, the two largest banks in Mississippi, and the independent, local Bank of McComb. Six miles south of Osyka, the Guaranty Bank and Trust Company of Hammond, Louisiana, has a branch at Kentwood, a community of 2,736 persons. All of these communities are connected in a north-south direction by Interstate Highway 55 and U.S. Route 51. The proposed merger would thus have its most immediate impact in a banking market consisting of Pike County and the Kentwood portion of northern Tangipahoa Parish in Louisiana. This market contains a population of approximately 35,000 persons.

Pike County and the town of Magnolia both experienced declines in population from 1960 to 1970, while Kentwood, Louisiana, increased in population by only 129 persons. There has been some influx of light industry into the area, but an offsetting decline in agricultural activity makes it likely that the area's future economic prospects will be relatively static. In addition, effective buying income for Pike County families is lower than the Mississippi average and, for both areas, is significantly below the nationwide average.

The proposed merger of the two banks in Magnolia would reduce the number of separate banks in this limited market from six to five, but it does not appear that competition would be significantly affected. Both banks offer limited services, the same rates on loans and deposits and identical service charges. Both banks have been inaggressive competitors in Magnolia and in the relevant geographic market, both have small staffs, and Citizens in particular has the additional handicaps of minimal net income and a deteriorated physical plant.

The two large Jackson Banks in McComb dominate the relevant geographic market, holding between them about 58.2 percent of local IPC deposits. The Bank of McComb holds about 15.8 percent of such deposits, the Kentwood branch of Guaranty Bank & Trust Company about 10.6 percent, Applicant about 10.2 percent, and Citizens about 5.2 percent. The proposed merger would increase Applicant's share of total IPC deposits in the market, but the resulting bank would continue to rank far behind the two large branch banks in McComb, while overcoming the advantage of size, which Bank of McComb presently enjoys with respect to Applicant.

The proposed merger should enable the resulting bank to realize, in time, certain limited economies of scale, since a majority of the assets of both Applicant and Citizens are in real estate loans and business loans—the two functions in which the Corporation's research indicates some savings as volume increases. This might enable the resulting bank to increase its range of services and to open one or two *de novo* branches elsewhere in the market, thus enhancing competition with the remaining four commercial banks.

While these same benefits might be realized by some alternative merger with banks not presently in the market, only the two banks in Brookhaven, some 30 miles away to the north of Magnolia, appear to present realistic possibilities for such mergers. One of these is closely held by its controlling family, and a merger with Applicant of Citizens would probably require a significant dilution of their control position.

Given the static economic conditions and limited population in the relevant geographic market, the small size of both banks, the lack of vigorous competition between them, the presence of four remaining alternatives, and the very limited number of less anticompetitive merger options likely to be available to either bank, the Board of Directors is of the opinion that the proposed transaction would not substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade in any section of the country.

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do as independent institutions. Citizens is ill-equipped for the future, however, because its limited size and earnings restrict its ability to attract additional staff, to renovate its physical plant and equipment, and to expand its service offerings. The resulting bank, however, would have satisfactory prospects for the future.

Convenience and Needs of the Community to be Served. While the proposed transaction would reduce the number of separate banks in the relevant geographic market from six to five, the resulting bank should prove better able to service the customers of both Applicant and Citizens and is more likely to provide a realistic alternative to the three banks in McComb than either bank separately. Better installment lending service, longer banking hours, a credit card service, and more attractive and convenient facilities are likely subsequent to the merger.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The M. W. Bank & Trust Company Cleveland, Ohio (in organization; change title to The Midwest Bank & Trust Company)	500	—	1
to merge with **The Midwest Bank & Trust Company** Cleveland	35,231	1	

Summary report by Attorney General, August 13, 1971

The proposed merger is part of a plan through which M. W. Bank & Trust Company would become a subsidiary of Midwest Bancorporation (of Ohio), Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the acquisition of the surviving bank by Midwest Bancorporation (of Ohio), Inc., it would have no effect on competition.

Basis for Corporation approval, October 8, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for The M. W. Bank & Trust Company, Cleveland, Ohio ("New Bank"), a proposed new bank in organization, and for prior consent to its merger with The Midwest Bank & Trust Company, Cleveland, Ohio, ("Other Bank"), a State nomember bank, total resources $35,231,000 as of June 30, 1971, under New Bank's charter and Other Bank's title. The resulting bank will operate Other Bank's one existing office and one approved branch, and initial Class A capital of New Bank will be retired.

The new bank formation and merger are being utilized by Midwest Bancorporation (of Ohio), Inc. ("Holding Company"), solely as a means to acquire control of Other Bank. Holding Company's application to become a registered bank holding company and to acquire control of Other Bank is now pending before the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business of Other Bank at its one existing office and one approved branch, and with the same management. The proposal will not, per se, change the banking services Other Bank has provided to the Cleveland area. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
F. C. Bank Co. Huron, Ohio (in organization; change title to The Firelands Community Bank)	250	—	2
to merge with **The Firelands Community Bank** Huron	18,361	2	

Summary report by Attorney General, August 13, 1971

The proposed merger is part of a plan through which F. C. Bank Company (Org.) would become a subsidiary of Midwest Bancorporation (of Ohio), Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the acquisition of the surviving bank by Midwest Bancorporation (of Ohio), Inc., it would have no effect on competition.

Basis for Corporation approval, October 8, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for F. C. Bank Company, Huron, Ohio ("New Bank"), a proposed new bank in organization, and for prior consent to its merger with The Firelands Community Bank, Huron, Ohio, ("Other Bank"), a State nonmember bank, total resources $18,361,000 as of June 30, 1971, under New Bank's charter and Other Bank's title. The resulting bank will operate Other Bank's two existing offices, and initial Class A capital of New Bank will be retired.

The new bank formation and merger are being utilized by Midwest Bancorporation (of Ohio), Inc. ("Holding Company"), solely as a means to acquire control of Other Bank. Holding Company's application to become a registered bank holding company and to acquire control of Other Bank is now pending before the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business of Other Bank at its existing locations and with the same management. The proposal will not, per se, change the banking services which Other Bank has provided to the Erie

County area. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The First Trust State Bank Zanesville, Ohio (in organization; change title to The First Trust and Savings Bank)	600	—	5
to merge with **The First Trust and Savings Bank** Zanesville	27,058	5	

Summary report by Attorney General, June 22, 1971

The proposed merger is part of a plan through which First Trust State Bank (org.) would become a holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Central Bancorporation, Inc., it would have no effect on competition.

Basis for Corporation approval, October 15, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for The First Trust State Bank, Zanesville, Ohio ("New Bank"), a proposed new bank in organization, and for prior consent to its merger with The First Trust and Savings Bank, Zanesville, Ohio ("Other Bank"), total resources as of April 20, 1971, $27,058,000, under New Bank's charter and Other Bank's title. The resulting bank will operate from the present main office and four existing branches of Other Bank.

The new bank formation and merger are designed solely as a means for the Central Bancorporation, Inc., Cincinnati, Ohio, a registered bank holding company, to acquire Other Bank. The Board of Governors of the Federal Reserve System has approved the holding company's acquisition of 100 percent of the voting stock of the successor bank to this merger. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Other Bank and with the same management. The proposal will not, per se, change the banking services which Other Bank has provided usefully and conveniently to the Zanesville area. All factors required to be considered as to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Millersburg Trust Company Millersburg, Pennsylvania (change title to Mid Penn Bank)	15,202	2	3
to merge with			
Farmers' State Bank of Dalmatia Dalmatia	5,306	1	

Summary report by Attorney General, April 28, 1971

The head offices of the two banks are only ten miles apart, with no banking offices intervening. The Mahantango Mountain forms a geographical barrier between the two areas, however. Nevertheless, the banks have a total of 91 common customers, and it appears that there is some existing competition between the banks which will be eliminated by the merger.

Both banks could branch *de novo* into the communities served by the other, thus coming more fully into competition with each other. In view of the relatively small size of these banks and of the communities involved, however, such potential competition is not considered significant.

Accordingly, it is our view that the merger may have some adverse effect on competition.

Basis for Corporation approval, October 15, 1971

Millersburg Trust Company, Millersburg, Pennsylvania ("Trust Company"), an insured State nonmember bank with total resources of $15,202,000 and total deposits of $13,533,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Farmers' State Bank Dalmatia, Dalmatia, Pennsylvania, ("Farmers"), which has total resources of $5,306,000 and total deposits of $4,578,000. The banks would merge under the charter of Trust Company and with the title "Mid Penn Bank." The sole office of Farmers would become a branch of the resulting bank.

Competition. Trust Company operates two offices: the main office in Millersburg (population 3,074) and one branch in Elizabethville (population 1,629). Its trade area extends eastward from the Susquehanna River, covering the northern portion of Dauphin County and a small portion of northwestern Schuylkill County. Industrial employment is available in Millersburg and Elizabethville, while the surrounding area is principally agricultural.

Farmers operates its sole office in Dalmatia, a small village of about 500 persons, which is located on the eastern side of the Susquehanna River, about 10 miles north of Millersburg, in lower Northumberland County. The local economy is largely agricultural, but there is a blouse factory and a chicken-processing plant as well.

The proposed merger would affect the public's choice of banking services only within a sparsely populated area on the eastern side of the Susquehanna River, consisting of Dalmatia and neighboring communities within a radius of 15 miles. Including both Millersburg and Elizabethville in the population count of this area, there are an estimated 7,800 people who are served by five commercial banks. These five banks include the two applicants, the $13.6 million Upper Dauphin National Bank, headquartered in Millersburg, the $3.9 million Halifax National Bank, and the $4.5 million Herndon National Bank. While the two applicants are both located within this area, their main offices are 10 miles apart and are separated by a range of mountains. Neither appears to draw much business from the primary service area of the other, although there are a number of common customers. Their proposed merger, accordingly, would not eliminate significant existing competition between them.

Under Pennsylvania law, banks may branch *de novo* in their headquarters county and in any adjacent county, but, given the small size of the communities here involved, increased competition between Trust Company and Farmers through *de novo* branching appears remote.

The proposed merger would make Trust Company the largest bank within 15 miles of Dalmatia, on the eastern side of the Susquehanna, and would reduce from five to four the number of separate banks operating therein, but the number of such options is still high for 7,800 people. Should the future growth of the area warrant new banking offices, several banks larger than the resulting bank would remain as potential retrants into the area, including banks headquartered in Harrisburg and Sunbury.

Within the nine-county area in which Trust Company can establish offices, it would hold, together with Farmers, only 0.6 percent of aggregate commercial bank deposits.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources for the applicant banks, as well as their future prospects, are satisfactory, as they would be for the resulting bank.

Convenience and Needs of the Community to be Served. The proposed merger would substitute for Farmers Bank a more aggressive branch bank with greater lending capacity, a higher percentage of its assets in loans, and with trust services, a bank credit card, automatic savings plans, and a computer service for deposit accounts. This broadening of the range of services now offered by Farmers Bank should prove convenient to most Farmers Bank customers.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Southern Bank and Trust Company Greenville, South Carolina	105,769	20	23
to merge with **The First National Bank of Laurens** Laurens	5,612	3	

Summary report by Attorney General, July 7, 1971

Southern Bank's closest branch to First National is located in Gray Court, Laurens County, seven miles northwest of the City of Laurens, with a major highway and no intervening banks between the two cities. If the merger is consummated, therefore, some direct competition will be eliminated.

As of June 30, 1970, Southern Bank was the second largest of three banks serving the City of Greenville with 16.1 per cent of the city's total deposits, ranked third in size out of seven banks in Greenville County, and controlled 15 per cent of the county's total deposits. Its Gray Court branch held 1.9 per cent of Laurens County's total deposits. First National was the second largest of two banks serving the City of Laurens, with 25.2 per cent of the city's total deposits. It ranked third in size out of six banks in Laurens County, and held 11.5 per cent of the county's total deposits. Four banks held 94.5 per cent of such deposits (as of June 30, 1970) and this merger would increase that share to 96.4 per cent.

Based upon the elimination of some banking competition between two banks holding about 2 per cent and 11.5 per cent of bank deposits in Laurens County, together with the resulting increase in concentration by the four largest banks in Laurens County from 94 to 96 per cent have an adverse effect on competition.

Basis for Corporation approval, October 15, 1971

Southern Bank and Trust Company, Greenville, South Carolina ("Southern"), an insured State nonmember bank with total resources of $105,769,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The First National Bank of Laurens, Laurens, South Carolina ("FNB Laurens"), with total resources of $5,612,000. The banks would merge under the charter and title of Southern and, as an incident to the merger, the three offices of FNB Laurens would become branches of the resulting bank, increasing the number of its offices to 23.

Competition. Southern, the sixth largest bank in South Carolina, operates 20 offices in seven of the 46 counties in the State, all in its northwest section. The area served by these offices is largely dependent on the textile and related industries, bordering on and converging with the fast-growing Piedmont Industrial Crescent, of which Greenville, the site of Southern's main office, is a part. With 3.7 percent of statewide commercial bank deposits, Southern ranks behind the five larger banks in the State, which hold, respectively, 22.5 percent, 13.3 percent, 9.6 percent, 8.7 percent, and 3.7 percent of these deposits.

FNB Laurens was organized in 1961 and its offices are all situated in the city of Laurens (population 10,298), which is the seat of Laurens County. The economy of this area is described as primarily industrial, with textiles and related manufacturing industries predominating.

A slight overlap exists in the service areas of the two banks. Southern's nearest office to Laurens is in Gray Court, 9 miles northwest, but the intervening area is sparsely populated and originates little banking business. Gray Court's population is only 859. The deposits held by Southern's branch office there, acquired by merger in 1964, amounted to approximately $740,000 by June 30, 1970, which was only 1.9 percent of total Laurens County commercial bank deposits on that date. While FNB Laurens holds some $100,000 in deposits originating in the Gray Court area, Southern reports no business derived from the area served by FNB Laurens. Hence it appears that the proposal would eliminate little, if any, existing competition between them.

The proposed merger, because of the disparate size of the two banks, would have no competitive effect in Southern's present service area and should serve to stimulate competition in the Laurens area, where FNB Laurens, a small, conservative bank, presently competes with two local banks at least three times larger. These two banks hold 39.6 percent and 34.0 percent of total Laurens County commercial bank deposits, respectively, while FNB Laurens holds 11.5 percent of such deposits. FNB Laurens also competes with a branch of First National Bank of South Carolina, the State's third largest commercial bank, in Clinton, 8 miles from Laurens, and with a branch of Bankers Trust of South Carolina, the State's fourth largest commercial bank, in Joanna, 10 miles southeast of Laurens.

South Carolina law permits statewide branch banking, but the limited resources and conservative management of FNB Laurens make it unlikely that FNB Laurens would attempt *de novo* branching beyond the Laurens area, and certainly not into the sparsely populated and unpromising Gray Court area. Southern, on the other hand, has a history of aggressive expansion, by both merger and *de novo* branching. While the section of Laurens County served by FNB Laurens is growing fairly rapidly and has bright economic prospects, it is considered improbable that such growth would be sufficient in the near future to justify the establishment of any significant number of additional *de novo* offices. Should such growth warrant new branch offices, the State's two largest banks and at least two other banks of approximately the same size as Southern, but not presently represented in Laurens County, are also potential entrants into this market. For this reason, the loss of potential competition between Southern and FNB Laurens through *de novo* branching and the reduction from six to five in the number of banking alternatives in Laurens County is not likely to have any adverse effect on commercial bank competition in the county over the long run.

Moreover, in view of the relatively small share of the statewide banking market held by Southern, the proposed merger would have no adverse effect on the competitive structure of commercial banking in the State of South Carolina as a whole.

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

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for their functions as independent banks, and satisfactory future prospects, as would the resulting bank.

Convenience and Needs of the Community to be Served. The proposed merger would bring to residents of the city of Laurens an aggressive, full-service bank with specialized loan services, trust services, and an increased lending limit not now available at any of the three banks serving the city. Similar services are available elsewhere in Laurens County, at locations at least 8 miles away, but their convenient availability at the county seat should benefit all residents of the immediate area.

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

	Resources (in thousands of dollars	Banking Offices	
		In operation	To be operated
Cumberland Bank Fayetteville, North Carolina (in organization; change title to Cape Fear Bank & Trust Company)	450	—	3
to merge with **Cape Fear Bank & Trust Company** Fayetteville	17,857	3	

Summary report by Attorney General, July 6, 1971

The proposed merger is part of a plan through which The Cumberland Bank would become a subsidiary of United Carolina Bancshares Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by United Carolina Bancshares Corporation, it would have no effect on competition.

Basis for Corporation approval, October 27, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Cumberland Bank, Fayetteville, North Carolina ("Cumberland"), a proposed new bank in organization, and for consent to its merger with Cape Fear Bank & Trust Company, Fayetteville, North Carolina ("Cape Fear"), total resources $17,857,000, under Cumberland's charter and Cape Fear's title. The resulting bank will operate from the present main office and two branches of Cape Fear.

The new bank formation and merger are designed solely as a means for United Carolina Bancshares Corporation, Whiteville, North Carolina, a registered bank holding company, to acquire 100 percent of the voting stock of the successor bank to this merger. Cumberland will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Cape Fear, and with the same management. The proposal wll not, per se, change the banking services which Cape Fear has provided usefully and conveniently to the Fayetteville and Clinton areas. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Commonwealth Bank and Trust Company Muncy, Pennsylvania	57,348	8	10
to merge with			
The First National Bank of Sayre Sayre	17,717	2	

Summary report by Attorney General, July 16, 1971

Commonwealth operates no offices in Bradford County. The closest offices of the two banks are approximately 35 miles apart with one or two banks in the intervening area. Therefore, the amount of direct competition between the banks is probably limited.

Under Pennsylvania statutes, a bank may branch throughout its home office county and in contiguous counties. Commonwealth is the fourth largest bank able to open a *de novo* branch in Bradford County which does not already operate therein. The three larger banks have total deposits of $70, $51 and $50 million.

As of June 30, 1970, First National was the fourth largest bank in the county in terms of total deposits with 13.4 per cent of the county's total deposits and the second largest in terms of IPC demand deposits with 17.4 per cent. The four largest banks account for 61.6 per cent of total deposits and 66.7 per cent of IPC demand deposits. First National is the largest bank in the Sayre area (including one New York bank just across the Pennsylvania border) with 35.5 per cent of the total deposits and 40.0 per cent of the IPC demand deposits. There are seven banks smaller than First National headquartered in Bradford County, including two headquartered in the Sayre area.

Basis for Corporation approval, October 29, 1971

Commonwealth Bank and Trust Company, Muncy, Pennsylvania ("Commonwealth"), a State nonmember bank with total resources of $57,348,000 and total IPC deposits of $45,787,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The First National Bank of Sayre, Sayre, Pennsylvania ("FNB Sayre"), with total resources of $17,717,000 and total IPC deposits of $15,093,000. The banks would merge under the charter and title of Commonwealth and, as an incident to the merger, the two offices of FNB Sayre would become branches of Commonwealth, increasing the number of its offices to 10.

Competition. Commonwealth operates eight offices, serving communities in widely separated areas in Lycoming and Tioga counties and the east-central portion of Potter County, Pennsylvania. Their economies are diverse, ranging from agricultural, dairy farming, and lumbering activities to manufacturing and industry.

Both of FNB Sayre's offices are located in Sayre (1970 population: 7,473), the largest borough in Bradford County, which is situated in northeastern

Pennsylvania on the New York State border. The county is predominantly rural and sparsely populated, with only limited amounts of industry. A substantial number of area residents apparently commute northwest to Elmira, New York, northeast to Owego, New York, and south to Towanda, Pennsylvania, to work. Including offices in these three communities as well as others within a 20-mile radius of Sayre, FNB Sayre would be the fifth largest of 15 commercial banks in terms of area deposits, with 6.0 percent of total IPC deposits held at commercial bank offices within the relevant market area.

The nearest offices of Commonwealth to FNB Sayre are approximately 40 miles west and southwest in neighboring Tioga County, and travel between them is not convenient. The two banks serve separate trade areas, and the proposed merger would not eliminate any existing competition between Commonwealth and FNB Sayre. The proposed merger should, in fact, stimulate competition in the Sayre banking market in which FNB Sayre competes with much larger banks having a larger share of area IPC deposits.

Under Pennsylvania law, Commonwealth has legal authority to branch *de novo* into the Sayre market and FNB Sayre has legal authority to branch *de novo* into Tioga and Lycoming, two of the counties in which Commonwealth has offices today.

Such *de novo* branching on the part of FNB Sayre is considered remote because of its limited resources and the distances that would be involved. Such *de novo* branching on the part of Commonwealth also seems unlikely because of the limited population of the Sayre market, the presence of a large number of competing banks in that market, and the relatively greater attractiveness of other locations for *de novo* branching in the 10-county area in which banks headquartered in Lycoming County can branch or merge under Pennsylvania law. The proposed merger, for these reasons, is not likely to eliminate any significant potential for increased competition between the two institutions through *de novo* branching.

While an alternative merger by FNB Sayre might bring the resulting bank into increased competition in the future with Commonwealth, neither FNB Sayre nor Commonwealth has such a large percentage of the banking resources in its respective branching or merging area as to require denial of the proposed merger. In its 10-county area of potential competition, Commonwealth would increase its percentage share of total commercial bank deposits held at offices therein from 4.8 percent to 6.2 percent, ranking second in this respect, after Northern Central Bank and Trust Company, Williamsport.

In reviewing the application, the Corporation has noted the ownership, by Commonwealth, of stock in five banks within this relevant 10-county area. Three of these banks may be considered significant actual or potential competitors. While Commonwealth does not control 10 percent or more of the commercial bank deposits in its overall banking and merging area, and so does not fall within the precise language of the Corporation's policy requiring a divestiture of all stocks which such a bank might own in other banks within its branching and merging area,[3] the Corporation nonetheless considers it advis-

[3]See the Corporation's decision of December 1, 1970, with respect to the proposed merger of The Pennsylvania Bank and Trust Company, Titusville, and The Exchange Bank and Trust Company, Franklin, and its decision of July 19, 1971, with respect to American Bank and Trust Company of Pennsylvania, Reading, and Slatington National Bank and Trust Company, Slatington.

able, if the proposed merger is approved, to require Commonwealth to divest itself, within a reasonable period of time, of the stock it now holds in the three banks which may be considered significant actual or potential competitors, thereby avoiding any artificial restraint on banking competition in the future in this relevant 10-county area.

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

Financial and Managerial Resources; Future Prospects. Commonwealth has satisfactory financial and managerial resources, as would the resulting bank. FNB Sayre's management weaknesses would be eliminated by the proposed merger. Future prospects for the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would bring to customers of FNB Sayre access to a much larger and more sophisticated management team, additional computer services not presently available, and significantly larger lending limits. According to the application, lower interest rates would be paid on regular savings accounts, but area competition should provide dissatisfied depositors with other alternatives.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Seneca Bank and Trust Company Oil City, Pennsylvania	143,742	15	23
to merge with **Lawrence Savings and Trust Company** New Castle	49,414	8	

Summary report by Attorney General, January 20, 1971

First Seneca estimates that its Grove City and Sharon branches, located in Mercer County, draw approximately $300,000 in deposits from the Lawrence Trust service area, while the Volant office of Lawrence Trust draws approximately $120,000 in deposits from the areas serviced by the Grove City and Sharon branches of First Seneca. The distances between Lawrence Trust's Volant branch and the Grove City and Sharon offices of First Seneca are approximately ten miles and 16 miles, respectively, with several banks intervening. Thus, it would appear that only an insignificant amount of direct competition would be eliminated by the proposed merger.

Under Pennsylvania law, Lawrence Trust could be permitted to open *de novo* branches in Mercer, Butler and Beaver Counties. First Seneca operates six branches in Mercer County, and as of June 30, 1968, held about 19 per cent of commercial bank deposits therein. Thus, the proposed merger would eliminate some potential competition in Mercer County. However, Lawrence Trust is not among the very largest potential entrants into Mercer County, which does not appear to be growing at a fast rate.

First Seneca is presently unable to open branch offices in Lawrence County but would become eligible to do so if the proposed relocation of its home office into Butler County takes place. (This relocation is necessary for consummation of the proposed merger with Lawrence Trust.) First Seneca could effect such a move without giving up any of its existing branches; its present ability to branch northwards into Crawford, Warren and Forrest Counties would be lost in return for the opportunity to expand into Lawrence County and other counties to the south in the vicinity of Pittsburgh. Thus, if First Seneca moves its home office to Butler, it would become one of the largest possible entrants into Lawrence County.

Banking in Lawrence County is concentrated; Lawrence Trust holds the second largest share of county deposits, about 28 per cent. The other three banks hold shares of 33 per cent, 25 per cent and 14 per cent.

Thus, this particular merger would combine a bank with a substantial share of the deposits in Lawrence County with one of the largest and most capable banks which could enter the county *de novo,* although such entry would require a change of home office. There is some question as to the state of the economy and population of Lawrence County, but it appears to be evolving from a relatively static position to one of some growth. In these circumstances, we conclude that the proposed merger would have an adverse effect on potential competition.

Basis for Corporation approval, November 3, 1971

First Seneca Bank and Trust Company, Oil City, Pennsylvania ("First Seneca"), an insured State nonmember bank with total resources of $143,742,000 and total deposits of $125,060,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Lawrence Savings and Trust Company, New Castle, Lawrence County, Pennsylvania ("Lawrence Savings"), an insured State member bank with total resources of $49,414,000 and total deposits of $42,320,000. The banks would merge under the charter and title of First Seneca. Application also is made under Section 18(d) of the Federal Deposit Insurance Act to establish Lawrence Savings' eight offices as branches of the resulting bank and to relocate the main office of the resulting bank from Oil City, Venango County, Pennsylvania, to Butler, Butler County, Pennsylvania, where First Seneca has recently opened a *de novo* branch.

Competition. First Seneca presently operates 15 offices in the northwestern section of Pennsylvania, six of which are located in Clarion County (population 38,414, up 2.7 percent since 1960), six of which are located in Mercer County (population 127,175, down 0.3 percent since 1960), two of which are located in Venango County (population 62,353, down 4.5 percent since 1960), and one of which, a recently opened *de novo* office which First Seneca desires to make its main office, is located in Butler County (population 127,941, up 11.6 percent since 1960). Within these four counties, First Seneca holds approximately 17.2 percent of all commercial bank deposits and operates 19.0 percent of all commercial bank offices, ranking first with regard to the total deposits held at commercial bank offices in these four counties and second with regard to the total number of commercial bank offices located within such counties. Larger banks than First Seneca, however, operate offices in one or more of the four counties indicated. First Seneca has no offices in three counties presently open to it under Pennsylvania law (Crawford, Warren, and Forest counties to the north and east of its present headquarters county of Venango).

Lawrence Savings operates seven offices within Lawrence County and one office within Beaver County, which is adjacent to Lawrence County on the south. Lawrence County experienced a 4.9 percent decline in population between 1960 and 1970, and now has 107,374 people. The city of New Castle, in which Lawrence Savings is headquartered, had a population of 38,559 in 1970, down 13.9 percent since the 1960 census. Twenty offices of four commercial banks, all headquartered in New Castle, are located in Lawrence County. The First National Bank of Lawrence County is the largest, with deposits of $46,467,000, or 32.5 percent of all commercial bank deposits in the county. Lawrence Savings is the second largest, with deposits of $37,990,000, or 26.6 percent of the county total. Peoples Bank of Western Pennsylvania (deposits $37,674,000) and The Citizens National Bank of New Castle (deposits $20,788,000) rank third and fourth, respectively, with 26.4 percent and 14.5 percent of such deposits. Lawrence County borders the Ohio State line and adjoins only three Pennsylvania counties: Mercer to the north, Butler to the east, and Beaver to the south. During the 1960s, Mercer County lost slightly in population, Beaver County gained slightly in population, while Butler County had impressive growth.

Thus, the area within which Lawrence Savings has its eight offices and the area within which First Seneca has all but one of its 15 offices are both relatively stagnant in terms of economic growth and prospects. Both areas are now dependent on diversified manufacturing activities although agriculture is still important.

The closest offices of the two banks—First Seneca's Grove City Office in Mercer County and Lawrence Savings' Volant office in Lawrence County—are 10 miles apart but serve separate trade areas. Neither bank draws more than minimal deposit or loan business from areas served by the other. A large utility firm operating throughout western Pennsylvania is the only common depositor. While both banks operate trust departments, neither holds any trust business originating in areas served by the other. Their proposed merger would obviously not eliminate any significant existing competition between them.

The proposed merger, on the other hand, would eliminate the possibility of increased competition between the two banks in the future, through *de novo* branching by First Seneca or by an alternative merger on the part of Lawrence Savings.

First Seneca cannot consummate the proposed merger without first moving its main office, as it proposes, to a county adjacent to Lawrence County. In view of the stable, if not stagnant, economies of the three counties (Crawford, Warren, and Forest) in which it would lose the right to branch or merge by virtue of a move to Butler County, and in view of the fact that a home office in Butler County would open up, to First Seneca, five counties of much greater aggregate population and deposit potential (Allegheny, Westmoreland, Armstrong, Beaver, and Lawrence), the proposed move appears reasonably probable whether or not the proposed merger is approved. First Seneca is an aggressive, well-managed bank that has in the past sought to expand by both the merger route and *de novo* branching. Since its opportunities to continue to do so without a move of its main office are limited, the Corporation considers it reasonable to conclude that its main office is likely to be moved to Butler County whether or not the proposed merger is approved.

Once headquartered in Butler County, First Seneca would be the largest bank with legal authority to enter Lawrence County by merger or *de novo* branching and would therefore become the most likely potential entrant into Lawrence County. Since the Lawrence County banking market is highly concentrated among four banks, it would be clearly preferable, as a competitive matter, to require First Seneca to enter Lawrence County by *de novo* branching rather than by merger with the second largest bank already competing in the market. Moreover, the present population (5,370 persons) for each commercial bank office in Lawrence County, and the income levels prevailing in the county (which approximate the statewide average), do not appear to preclude additional *de novo* branching in Lawrence County despite its 1960-1970 decline in population. In addition, other, less anticompetitive, merger alternatives from among banks headquartered in Mercer, Butler, or Beaver County are probably available to Lawrence Savings, in which case the resulting bank would be likely to offer increased competition to First Seneca throughout the area.

While a reasonable probability of increased competition between Lawrence Savings and First Seneca would thus be eliminated by the proposed merger, there is another competitive aspect of the proposal which weighs significantly in favor of approval. A move of its main office to Butler County would place First Seneca in a position not only to enter Lawrence County, but also to enter Pittsburgh and surrounding areas in Allegheny, Beaver, Westmoreland, and Armstrong counties. The banking market in these locations, which serves many more people than the banks in Lawrence County, is effectively concentrated in the four largest Pittsburgh banks: Mellon National Bank and Trust Company, a $4.4 billion institution, Pittsburgh National Bank, a $1.8 billion institution, Western Pennsylvania National Bank, a $1.0 billion institution, and The Union National Bank of Pittsburgh, a $821 million institution. Among them, these four banks control 88.4 percent of the commercial bank deposits and operate 71.3 percent of the offices in Allegheny, Beaver, Westmoreland, and Armstrong counties, an area with a total population of 2,265,959 people. Were First Seneca and Lawrence Savings permitted to merge, the resulting bank would be the next largest commercial bank able to enter these four counties and the bank most likely, in time, to offer residents and businessmen in these four counties another alternative for many of the services now provided only by the four large Pittsburgh banks. As such, the resulting bank would also be a vehicle for deconcentration in this four-county area. First Seneca's desire and willingness to enter these four counties as an aggressive competitor is likely to increase in direct proportion to its own size, management sophistication, and ability to offer a comparable range of services. The resulting bank's increased capitalization, moreover, would improve its *de novo* branching capabilities.

In weighing these two conflicting competitive consequences of the proposed merger, the Corporation has concluded that it should affirmatively encourage First Seneca's entry into the populous and highly concentrated Pittsburgh banking market and in particular the areas around Pittsburgh in Allegheny and Westmoreland counties, where future expansion possibilities appear far brighter than in less populated Lawrence County. While additional competitors in all of these counties are desirable, the Corporation considers it significant that residents and businessmen in Lawrence County are in reasonably close proximity to three major banks headquartered 20 miles away in Youngstown, Ohio, each with more than $100 million in deposits. Branch offices of these banks are even closer, in Poland and New Middletown, Ohio, only 15 miles from New Castle, as contrasted with the longer distance from New Castle to Butler City or Pittsburgh.

Even without the entrance of a fifth bank directly into Lawrence County, the public there appears to have a sizeable number of banking alternatives to which they can turn for their banking needs.

Overall, the Board of Directors believes that the conflicting competitive factors presented by the application weigh in favor of approval, rather than denial, of the application.

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable for both banks involved in this proposal, and they are so projected for the resulting bank. The proposed merger would, however, resolve an emerging management succession problem at Lawrence Savings.

Convenience and Needs of the Community to be Served. The proposed merger would bring to residents and businessmen of Lawrence County an aggressive competitor, larger than any of the four banks presently operating in the county, and with a broader range of capabilities and services than the existing banks. Thus the resulting bank would possess lending limits sufficient to service most local credits that now accrue to out-of-area banks or must be granted by the existing banks on a participated basis. Trust services would be expanded and improved so that larger estates and trusts originating in Lawrence County, but which heretofore have been placed with banks outside the county, could be accepted. At the same time, the number of alternative sources of banking service available to Lawrence County residents and businessmen would not be reduced.

Moreover, as pointed out in the discussion on competition, the merger would provide a significant competitor for Allegheny, Westmoreland, Beaver, and Armstrong counties.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Bank of Surry Surry, Virginia (in organization; change title to Bank of Surry County, Inc.)	477	—	1
to merge with			
Bank of Surry County, Inc. Surry	5,214	1	

Summary report by Attorney General, August 27, 1971

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

Basis for Corporation approval, November 24, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal Deposit Insurance for First Bank of Surry, Surry, Virginia ("First"), a proposed new bank in organization, and for consent to its merger with Bank of Surry County, Inc., Surry, Virginia ("County"), total resources $5,214,000, under First's charter and County's title. The resulting bank is to operate from the present sole office of County.

The new bank formation and merger are designed solely as means by which First Virginia Bankshares Corporation, Arlington, Virginia ("Bankshares"), a registered multibank holding company, can acquire 100 percent of the voting stock of the bank resulting from the proposed merger pursuant to authority granted by the Board of Governors of the Federal Reserve System. First will not be in operation as a commercial bank prior to the merger, but subsequent to consummation thereof it will operate the same banking business at the existing location of County, plus additional banking services including a trust department, and with the same management.

The proposal will not, per se, change the competitive structure of commercial banking in Surry County. All factors considered pertinent to the subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Bank of Virginia of the Southeast Whaleyville, Virginia (in organization)	50	—	1
to merge with			
Bank of Whaleyville, Inc. Whaleyville	4,292	1	

Summary report by Attorney General, September 27, 1971

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

Basis for Corporation approval, November 24, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for The Bank of Virginia of the Southeast, Whaleyville, Virginia ("First Bank"), a proposed new bank in organization, and for consent to its merger with Bank of Whaleyville, Inc., Whaleyville, Virginia ("Second Bank"), an insured State nonmember bank with total resources of $4,292,000, under the charter and title of First Bank. The resulting bank will operate from the one existing office of Second Bank.

The new bank formation and merger are designed solely as a means by which Virginia Commonwealth Bankshares, Inc., Richmond, Virginia, a registered bank holding company, can acquire 100 percent of the voting stock of the bank resulting from the proposed merger. Application for said acquisition is pending before the Board of Governors of the Federal Reserve System. First Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing location of Second Bank, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Second Bank or affect the banking services which Second Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
National Bank of Alaska Anchorage, Alaska	231,995	28	29
to merge with **Bank of Petersburg** Petersburg	6,466	1	

Summary report by Attorney General, April 21, 1971

Generally, banking competition is evaluated within fairly limited geographic areas because of the desire and need of most ordinary customers to have easy access to their bank. However, when a bank has the only office within an area, its customers must of necessity go beyond that area to find any alternative to the local monopolist. When two banks which enjoy such local monopoly checked only by competitive alternatives in adjacent areas, propose to merge and thus eliminate the only remaining check on monopoly power, it is relevant to consider a larger area in appraising the competitive effects of a merger. Furthermore, the comparatively low deposit level of the existing banking offices in the area and lack of rapid population growth mean that entry of other banks into this area in the future is extremely unlikely.

In this case, National Bank of Alaska's Wrangell office is the only alternative banking facility within 100 miles of Bank of Petersburg. These offices, located on separate islands, are 30 miles apart. Hence, this merger would create an absolute regional monopoly of commercial banking offices in the Wrangell-Petersburg area, under the control of the largest bank in the state. It would also reinforce and entrench National Bank of Alaska's dominant position in the entire southeastern area of Alaska. Therefore, we conclude that this merger would have an adverse effect on competition.

Basis for Corporation approval, November 30, 1971

National Bank of Alaska, Anchorage, Alaska ("NBA"), with total resources of \$231,995,000 and total deposits of \$206,853,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Petersburg, Petersburg, Alaska, a noninsured bank with total resources of \$6,466,000 and total deposits of \$5,925,000. The banks would merge under the title and charter of NBA and the existing office of Bank of Petersburg would be operated as a branch, subject to approval by the Comptroller of the Currency. The resulting bank would have a total of 29 offices, not including one approved but unopened branch.

Competition. NBA operates 28 offices throughout the far-flung State of Alaska (1970 population: 302,173), from the Aleutian Islands in the west to Metlakatla in the southeast and including the major population centers of Anchorage, Fairbanks, Juneau, and Ketchikan. NBA is the largest of 11 commercial banks in the State of Alaska, with 33.1 percent of their total deposits.

Bank of Petersburg operates only one office, located at Petersburg (1970 population: 2,042) on Mitkof Island, although it also serves residents of the immediately adjacent island of Kupreanof. These islands are located in the southeastern section of the State and are supported primarily by seasonal operations in logging and fishing. The islands are isolated and the only access is by boat or plane. Their economic outlook is not bright, and no substantial change is expected in the foreseeable future.

The nearest NBA office to Bank of Petersburg is located in Wrangell, some 28 air miles away on another island. Commercial air and water carrier service between them is infrequent and at times unreliable, and neither office draws more than nominal business from the service area of the other. Moreover, since the middle of 1969, Bank of Petersburg has been controlled by NBA's chairman and principal stockholder and NBA officers have been managing Bank of Petersburg in effect as an NBA branch. In view of the separate service areas of the two banks and their common management, the proposed merger of NBA and Bank of Petersburg would not eliminate any significant existing competition between them.

Increased competition between NBA and Bank of Petersburg in the future through *de novo* branching, as permitted by Alaska's statewide branching laws, appears unlikely. Without regard to the current relationship between NBA and Bank of Petersburg, the latter, due to its small size and isolated location, would not be likely to branch at all into areas served by NBA. While NBA has the resources and experience to expand *de novo* throughout the State of Alaska, the business potential of Bank of Petersburg's service area clearly provides no incentive for NBA to establish a *de novo* office there, in view of the small service area population, limited income levels, seasonal economy, and limited economic prospects for the future. The proposed merger, accordingly, would eliminate no significant potential for increased competition between the two banks from *de novo* branching.

The one factor of competitive concern presented by the application is the precedent which approval of this proposed merger might establish for the commercial bank structure of the State of Alaska, a structure which is already highly concentrated. As previously noted, NBA is the largest of 11 commercial banks in the State, with 33.1 percent of total statewide commercial bank deposits. Only one other bank in the State exceeds $60 million in deposit size, and it holds an additional 28.8 percent of such deposits. Their combined percentage share of Alaska's commercial bank deposits would be increased to 62.8 percent by consummation of the proposed merger, and NBA's share alone would be increased to 34.0 percent.

Alaska, however, is not a typical State. With the largest land mass of the fifty States, it is nevertheless the smallest in population, with widely scattered communities of very limited population outside the greater Anchorage area—many of which, like Petersburg, are on relatively isolated islands along the southern and southeastern coasts. These communities, if they have commercial bank facilities at all, are unlikely to have more than one or two offices, and the affiliation of such offices with a large branch bank may be the only way to provide adequate banking service (in terms of management and range of services offered) for all parts of the community. Bank of Petersburg, for example, is the store's only independent bank which is located on an isolated island. For this reason, approval of its proposed merger with NBA cannot be a significant adverse precedent for other similar mergers. Moreover, when NBA's chairman obtained personal stock control of Bank of Petersburg in 1969, its low-quality asset structure, likely loan losses, eroded capital position, and inadequate management and internal controls made it unlikely that the bank could continue to provide any banking service at all to the people in its service area without significant outside assistance from one of Alaska's major branch banks. It appears further that only the second largest bank in the State was in a position at that time to offer similar assistance to Bank of Petersburg without being significantly weakened itself by Bank of Petersburg's deteriorating condition.

Under these circumstances, the Board of Directors considers the increase in statewide deposit concentration which would result from approval of NBA's merger with Bank of Petersburg less significant as a competitive factor than a similar increase in some other State where population density might be greater and access to banking alternatives more convenient. Moreover, in view of Bank of Petersburg's condition at the time, the acquisition of control by NBA's chariman in 1969 cannot be characterized as "anticompetitive" when it occurred. Whatever residual significance the increase in NBA's share of statewide commercial bank deposits has in the consideration of this merger is clearly outweighed by the banking factors presented and a consideration of public convenience and needs.

Financial and Managerial Resources; Future Prospects. The resulting bank would have adequate financial and managerial resources and favorable future prospects. While Bank of Petersburg's condition today is much improved over its 1968 condition, because of the technical and managerial assistance provided by NBA over the past 3 years, its future prospects would have to be considered bleak as an independent bank operating only one office in a service area of limited population and economic activity.

Convenience and Needs of the Community to be Served. Residents of Mitkof and Kupreanof islands would benefit if the proposed merger is approved, by having conveniently available the full range of loan, deposit, and trust services offered by a large, full-service branch bank with the capacity to provide competent local management on a continuing basis. With the highest lending limits in Alaska and a deposit base significantly broader than Mitkof and Kupreanof islands, NBA would also have the ability to meet local credit needs without outside participation and without regard to seasonal economic fluctuations in the immediate area. As an incident to the proposed merger, deposit accounts at the Petersburg office would carry FDIC insurance for the first time.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
San Diego Bank San Diego, California (in organization; change title to San Diego Trust & Savings Bank)	625	–	16
to merge with **San Diego Trust & Savings Bank** San Diego	216,759	16	

Summary report by Attorney General, November 26, 1969

The proposed merger is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, this merger is merely part of a corporate reorganization and as such will have no effect on competition.

Basis for Corporation approval, November 30, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal Deposit Insurance for San Diego Bank, San Diego, California ("New Bank"), a proposed new bank in organization, and for consent to its merger with San Diego Trust & Savings Bank, San Diego, California ("Old Bank"), total resources $216,759,000, under New Bank's charter and Old Bank's title. The resulting bank is to operate from the present main office and 20 existing or authorized branch locations of Old Bank.

The new bank and merger are designed solely for the purpose of forming a one-bank holding company which is to hold stock ownership, except for directors' qualifying shares, of the resulting bank. New Bank will not be in operation as a commercial bank prior to consummation of the transaction and will begin business at the present locations of Old Bank with the latter's assets, liabilities, capital, and management. The proposal will not, per se, change the banking services which Old Bank has provided to San Diego County in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Barclay Bank and Trust Company of Boston Boston, Massachusetts (change title to United States Trust Company)	18,393	4	7
to merge with **United States Trust Company** Boston	51,063	3	

Summary report by Attorney General, September 28, 1971

The closest offices of the merging banks are slightly more than a mile apart. All three offices of U.S. Trust and four offices of Barclay Bank are located within a 6.5 mile diameter area in Boston. There are numerous intervening competitive banking offices between the offices of U.S. Trust and Barclay Bank. The proposed merger would eliminate some direct competition between the merging banks.

As of June 30, 1970, the 19 commercial banks with 120 branches in Suffolk County held $5.2 billion in total county deposits. U.S. Trust and Barclay Bank held 0.8 per cent and 0.2 per cent, respectively, of such deposits. The merged bank would hold 1.0 per cent of total commercial bank deposits in the county.

The proposed merger would not have a significantly adverse effect upon competition.

Basis for Corporation approval, November 30, 1971

Barclay Bank and Trust Company of Boston, Boston, Massachusetts ("Barclay"), an insured State nonmember bank with total assets of $18,393,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with United

States Trust Company, Boston, Massachusetts ("US"), with total assets of $51,063,000. The banks would merge under Barclay's charter but with the US name. As incidents to the merger, the main office of US would become the main office of the resulting bank, and the present main office of Barclay and two branch offices of US would become branches, increasing to seven the number of offices of the resulting bank.

Competition. Barclay and US are both headquartered in the city of Boston (population 735,190), and although located in different neighborhood areas, all of their respective offices are also in that city. Barclay is a relatively new bank, having been chartered in 1960, while US has been in existence since 1887. The bulk of their deposit and loan accounts are derived from persons residing in Boston, Brookline, and Newton.

In assessing the competitive impact of the proposed merger, it appears that the narrowest geographic area which might be considered relevant would be the city of Boston, while the broadest would be the Metropolitan Boston SMSA. For ease of analysis, and since the competitive findings would be the same whichever area is selected, the Corporation will utilize, in this statement, the commercial bank structure of the smaller geographic area, i.e., the city of Boston.

The city of Boston has 15 insured commercial banks, but the pace of competition is largely set by its four largest banks: The First National Bank of Boston, State Street Bank and Trust Company, The National Shawmut Bank of Boston, and New England Merchants National Bank. Together, these four banks control 94.7 percent of the total IPC deposits held by all 15 insured Boston banks, and this pattern recurs in specific neighborhoods of the city, including those served by Barclay and US. Of the 15 insured commercial banks in Boston, US is the sixth largest, and Barclay the ninth largest; their percentage shares of total IPC deposits in the city are 0.9 and 0.3, respectively. The resulting bank would rank fifth in deposit size, less than one-tenth the size of the fourth largest bank in Boston, and hold only 1.2 percent of the total IPC deposit market.

Barclay and US both compete in the Boston banking market today, and each draws some deposit and loan business from neighborhood areas served by the other and from other parts of Boston. Thus, Barclay draws $1.8 million in deposits from US neighborhoods, and US draws $4.0 million in deposits from Barclay neighborhoods. While these amounts represent more than a nominal percentage of each bank's total deposits, neither is a significant percentage of the total deposit business originating in the city. Should the merger be approved, Boston residents would continue to have four relatively large banks available as alternative sources for banking service and a large number of smaller banks for the fundamental banking services.

Barclay has been expanding aggressively since a change of control in 1967. US has been relatively nonaggressive as a competitor, has never opened a *de novo* branch, and has experienced an actual decline in deposits over the past few years. Under present management, US is not likely to branch *de novo* into neighborhood areas now served by Barclay, while the only neighborhood area of US which is likely to attract Barclay is the downtown financial center. Its *de novo* entry there would not materially change its competitive structure. Since all banks headquartered in Suffolk County (which includes the city of Boston) can branch *de novo* throughout the city of Boston, numerous banks would remain, if the proposed merger is approved, to provide new commercial bank offices for Boston residents whenever development patterns within the city require such facilities.

Under these circumstances, the proposed merger would not eliminate significant existing or potential competition between the two banks or in the city of Boston, nor would the proposed merger increase significantly the concentration of commercial bank resources in any relevant market.

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

Financial and Managerial Resources; Future Prospects. Barclay has satisfactory managerial resources and a sound asset structure, but its capital ratios have been reduced since 1967 primarily by its rapid deposit growth, and its earnings have been retarded by the start-up expenses of new branches. US has had good earnings, weak loan administration, and an exceptionally strong capital position (resulting in part from the deposit decline of recent years). US has been family owned and operated since its establishment in 1887, but it has been relatively nonaggressive as a competitor and lacks management depth. It appears that the future prospects of the resulting bank would be substantially more favorable than those of either bank as an independent unit.

Convenience and Needs of the Community to be Served. Barclay customers would benefit from full computer and trust services, substantially higher lending limits, and a better earnings performance which could form the basis for innovations and improvements in banking service. Customers of US would benefit from a change in management philosophy, and both groups should benefit from the introduction of services not presently available at either bank, such as home improvement loans and revolving consumer credit. While all of these benefits can be found at conveniently located offices of competing banks, their provision at offices of the resulting bank should increase the practical alternatives for such services and serve to stimulate competition with the four large commercial banks that presently dominate the Boston banking market.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Capital City Trust Company Jefferson City, Missouri (in organization; change title to The Central Trust Bank)	210	—	2
to merge with **The Central Trust Bank** Jefferson City	145,749	2	

Summary report by Attorney General, August 27, 1971

The proposed merger is part of a plan through which Capital City Trust Co. (org.) would become a subsidiary of Central Bancompany, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Central Bancompany, Inc., it would have no effect on competition.

Basis for Corporation approval, November 30, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Capital City Trust Company, Jefferson City, Missouri ("Capital"), a proposed new bank in organization, and for prior consent to its merger with The Central Trust Bank, Jefferson City, Missouri ("Central"), an insured nonmember bank, total resources $145,749,000 as of April 20, 1971, under Capital's charter and Central's title. The resulting bank will operate Central's existing main office and detached facility, and incident to the merger the initial capital of the proposed new bank in organization will be retired.

The new bank formation and merger are designed solely as a means by which Central Bancompany, Inc., Jefferson City, Missouri, a newly approved bank holding company, can acquire 100 percent of the voting stock of the bank resulting from the proposed merger pursuant to authority recently granted by the Board of Governors of the Federal Reserve System. Capital will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Central, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area of Central or affect the banking services which Central has provided in the past. All factors considered pertinent specifically to the three subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Canal State Bank Canal Winchester, Ohio (in organization; change title to The Canal Winchester Bank)	500	—	2
to merge with **The Canal Winchester Bank** Canal Winchester	12,688	2	

Summary report by Attorney General, September 27, 1971

The proposed merger is part of a plan through which Canal State Bank (Org.) would become a subsidiary of Central Bancorporation, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the acquisition of the surviving bank by Central Bancorporation, Inc., it would have no effect on competition.

Basis for Corporation approval, November 30, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal Deposit Insurance for The Canal State Bank, Canal Winchester, Ohio ("State Bank"), a proposed new bank in organization, and for consent to its merger with The Canal Winchester Bank, Canal Winchester, Ohio ("Canal Bank"), total resources $12,688,000, under State Bank's charter and Canal Bank's title, and for consent to establish the sole branch of Canal Bank as a branch of the resulting bank.

The new bank formation and merger are designed solely as means by which The Central Bancorporation, Inc., Cincinnati, Ohio ("Central"), a registered multibank holding company, can acquire 100 percent of the voting stock (less directors' qualifying shares) of the bank resulting from the proposed merger pursuant to authority granted by the Board of Governors of the Federal Reserve System. State Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation thereof it will operate the same banking business at the existing locations of Canal Bank, with the same management.

The proposal will not, per se, change the competitive structure of commercial banking in the trade area of Canal Bank or affect the banking services which the latter has provided in the past. All factors are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Commercial Security Bank Ogden, Utah	139,460	7	9
to acquire the assets and assume the deposit liabilities of			
Granite National Bank Salt Lake City	11,400	2	

Summary report by Attorney General, August 27, 1971

Commercial's Beehive branch is only 4.9 miles from Granite's head office and only two miles from its recently opened city branch office. Furthermore, Commercial's new office will be about two miles from Granite's head office. The banks already have common customers and derive business from one another's area. This competition will increase when Commercial's new office is opened. Thus, the proposed merger will eliminate existing competition. However, the proposed merger will not significantly increase concentration in Salt Lake County. As of June 30, 1970, Commercial, the seventh largest bank in the county, held approximately 2.3 per cent of the county's total deposits and Granite, the county's tenth largest bank, held approximately 0.9 per cent.

Basis for Corporation approval, November 30, 1971

Commercial Security Bank, Ogden, Utah ("Commercial"), an insured State nonmember bank with total resources of $139,460,000 and total deposits of $113,256,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of and assume liability to pay deposits made in Granite National Bank, Salt Lake City, Utah ("Granite"), which has total resources of $11,400,000 and total deposits of $9,612,000. The two offices of Granite would be operated as branches of Commercial, increasing the number of its authorized offices to 10. In another application, Commercial has requested written consent to issue capital notes and retire said notes at maturity, 7 years after date of issue.

Competition. Commercial has eight authorized offices: four are in Ogden, its headquarters community, two are in Tooele County (some 40 miles southwest of Salt Lake City), and two are in Salt Lake City—one acquired by merger at year-end 1968 and the other, an authorized but unopened *de novo* office. Granite was organized in 1963, with its main office in the suburban "Sugarhouse" area of Salt Lake City. Since November 1970, Granite has also maintained a downtown Salt Lake City branch which was opened *de novo.*

The proposed merger would have its most immediate competitive impact in Salt Lake City, an urban area which declined 7.2 percent in population during the 1960s and now has a population of 175,885. By contrast, the population of the Salt Lake City SMSA, which consists of Salt Lake and Davis counties, increased 24.5 percent during the same period, to a present combined population of 557,635. The Salt Lake City metropolitan area is the financial, commercial, industrial, and distribution center for a large area which includes, in addition to Utah, southern Idaho, western Wyoming, and eastern Nevada.

Granite's main office is about 5 miles from the Salt Lake City branch of Commercial and approximately 2 miles from the location selected for Commercial's approved but not yet opened branch. Each of these offices serves a different neighborhood area, however, and numerous competing banks intervene. Granite's new downtown Salt Lake City branch is only five blocks from Commercial's existing Salt Lake City branch, but most competing commercial banks are also represented in this area. Granite's branch is actually located in an economically depressed part of downtown Salt Lake City, and it has attracted much less in deposits than was anticipated. The effect of this branch on downtown Salt Lake City banking competition has been minimal. While each bank draws some banking business from neighborhood areas served by the other, the volume of such business is not substantial relative to the total business originating in Salt Lake City.

In the "Sugarhouse" area of Salt Lake City, from which Granite derives practically all of its business, the three largest banks in the State held 83.5 percent of local IPC deposits as of June 30, 1970. Of the four commercial banks operating in this area on that date, Granite ranked third, with 16.4 percent of local IPC deposits. Consummation of the proposed merger is likely to increase competition in the "Sugarhouse" area, as the resulting bank should be able to compete more effectively than Granite with the three large banks presently in the same market. Granite, moreover, has not been a particularly aggressive competitor in that market.

Under Utah law, Granite and Commercial can both branch *de novo* throughout Salt Lake County, but Granite cannot branch *de novo* into Commercial's home county. When Commercial opens its second branch in Salt Lake City, the level of competition between the two banks should increase somewhat, but the degree of overlap is not likely to be substantial. Moreover, *de novo* branching by Commercial into the "Sugarhouse" area of Salt Lake City does not seem likely in view of the number of commercial bank offices already located there relative to the local population.

As of June 30, 1970, Commercial was the 8th largest of 13 banks operating in Salt Lake County, in terms of local Salt Lake County deposits, with only 2.1 percent of such deposits. Granite was the 11th largest of such banks similarly measured, on the same date, with only 0.8 percent of total Salt Lake County commercial bank deposits. By contrast, the three largest commercial banks in Salt Lake County, ranging in deposit size from $274 million to $527 million, controlled 67 percent of such deposits among them. Under these circumstances, while the proposed merger would eliminate some existing competition between Granite and Commercial in Salt Lake City and some potential for increased competition between them in the future, the extent of such competition is not considered to be of sufficient magnitude to require denial of the proposed transaction.

Commercial banking in the State of Utah is concentrated in its three largest banks, which, as of June 30, 1971, held 58.3 percent of total deposits held by all commercial banks in the State. Commercial is the fourth largest commercial bank in the State, with 6.1 percent of total statewide commercial bank deposits, while Granite is the 25th largest, with 0.5 percent of such deposits. Consummation of the proposed transaction would not substantially change the commercial bank structure of the State of Utah.

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

Financial and Managerial Resources; Future Prospects. Commercial has satisfactory financial and managerial resources, as would the resulting bank. Granite's asset problems and managerial weaknesses would be eliminated by the proposed transaction. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. This proposed transaction would not have any great effect on present customers of Commercial, but Granite customers in the "Sugarhouse" area of Salt Lake City should benefit from the wider range of commercial bank services that would be offered by the resulting bank, including trust, credit card, and computer services. In addition, the present lending limit of Granite ($99,500) would be increased to $1.1 million. While similar services are now offered by Sugarhouse branches of the three largest banks in the State, consummation of the proposed transaction would provide an alternative source for such services and should stimulate competition with those banks throughout Salt Lake County.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
European-American Bank & Trust Company New York (Manhattan), New York	220,149	3	5
to acquire certain assets and assume a portion of the liabilities of			
Societe Generale pour Favoriser le Developpement du Commerce et de l'Industrie en France Paris, France	21,174	2	

Summary report by Attorney General, October 26, 1971

The head office of EABTC and one of SG's branches are both located on Wall Street; the other SG branch is located one-half mile east of one of EABTC's two Manhattan branches. The greatest distance separating the offices of these banks is six miles. Due to this geographic proximity and the derivation of accounts by both banks from a common service area, some direct competition exists. Consummation of this acquisition, therefore, will result in the elimination of this competition.

According to the *FDIC, Summary of Deposits,* June 30, 1970, EABTC is the 27th largest commercial bank in New York County. EABTC controls 0.64 per cent of the IPC demand deposits and 0.44 per cent of the total deposits held by commercial banks in New York County. SG is the 34th largest commercial bank in New York County. SG holds 0.51 per cent of the IPC demand deposits and 0.32 per cent of the total deposits held by commercial banks in the county. The combination of these banks in their entireties would place their share of the market at approximately one per cent. The specific transaction, involving the partial acquisition of deposits and loans, represents a smaller share of the market. Hence, this acquisition will not substantially increase the market position of EABTC. Furthermore, in view of the relatively insubstantial positions of the banks involved in New York County, the proposed transaction will not substantially increase concentration in banking.

Basis for Corporation approval, December 3, 1971

European-American Bank & Trust Company, New York (Manhattan), New York ("European-American"), an insured State nonmember bank with total resources of $220,149,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire certain assets of, and assume liability to pay certain deposits made in, two branch offices located at 66 Wall Street and 15 West 50th Street, New York (Manhattan), New York, of Societe Generale pour Favoriser le Developpement du Commerce et de l'Industrie en France, Paris, France ("Societe Generale"), an operating noninsured foreign bank, under European-American's charter and title, and to establish those offices as branches of the resulting bank. This transaction is part of a plan to facilitate the broadening of Societe Generale's New York-based international financial capabilities through a significant stock investment in European-American, rather than through an expansion of Societe Generale's present branches. Five other major foreign banks share in European-American's ownership.

Competition. European-American operates a total of three offices, all located in New York (Manhattan), New York. Societe Generale operates two offices, both of which are also in Manhattan. The closest locations of the two banks are their Wall Street offices, which are only a few doors apart in Manhattan's heavily banked financial district. There is some competition between them, but it can not be considered significant in view of the very small share of the total New York City market which the two institutions have, for IPC deposits or for international loan transactions. Both banks are primarily engaged in corporate and international banking and compete with the very largest New York City banks for this business. The proposed transaction represents a change only in the manner in which Societe Generale does business in this country, and as such would have no discernible effect on the competitive structure of banking in New York City or in any other area.

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

Financial and Managerial Resources; Future Prospects. Each of these factors with regard both to European-American and Societe Generale has been resolved favorably.

Convenience and Needs of the Community to be Served. Both parties to this acquisition serve a specialized banking need in the field of international trade and finance, and serve only to a minor extent the normal domestic banking needs of individuals and corporations. The proposed acquisition should enable both parties to participate more effectively in meeting these specialized banking needs.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Citizens Banking Company Salineville, Ohio	3,833	2	4
to acquire the assets and assume the deposit liabilities of			
The Bergholz State Bank Company Bergholz	4,440	2	

Summary report by Attorney General, October 12, 1971

The closest offices of the merging banks are approximately ten miles apart, with no banks in the intervening area. Each bank draws a small,amount of banking business from the service area of the other. All four offices of the merging banks encompass a broad, but very lightly populated, area between the more heavily populated areas of Columbiana and Jefferson Counties. While the merging banks could be considered as alternatives for banking customers in this area, other larger banks in each county would appear to be at least as attractive for customers of the merging banks seeking services from beyond their home communities.

In view of the size of the merging banks and the characteristics of their service areas, we do not believe that the proposed merger would have a significantly adverse effect on competition.

Basis for Corporation approval, December 3, 1971

The Citizens Banking Company, Salineville, Ohio ("Citizens"), an insured State nonmember bank with total resources of $3,833,000 and total deposits of $3,233,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of and assume liability to pay deposits made in The Bergholz State Bank Company, Bergholz, Ohio ("State Bank"), which has total resources of $4,440,000 and total deposits of $3,939,000. The two offices of State Bank would be operated as branches of Citizens, increasing the number of its offices to four.

Competition. Citizens has two offices: its main office in Salineville, Ohio, and a branch in Columbiana County. Salineville is located in both Columbiana and Jefferson counties, which gives Citizens the right under Ohio law to branch *de novo* or merge in both counties. The main office of State Bank is in Jefferson County, as is its one branch in Richmond, approximately 11 miles southeast of Bergholz.

The 1970 population of Salineville was 1,686, as compared to 1,898 in 1960, a decline of 11.2 percent. Only one small manufacturing concern is located in the village. The one branch of Citizens is within the trade area of East Liverpool and Wellsville, and the latter has also been declining in population. Most of the residents in the area served by Citizens commute to industrial centers within a 35-mile radius for employment.

Bergholz is in the northwest corner of Jefferson County, approximately 10 miles southwest of Salineville. The population of Bergholz was 955 at the 1960 census and declined to 914 at the 1970 census. It, too, has only one small plant. The one branch of State Bank at Richmond is approximately 8 miles northwest of Steubenville (population 30,771). The population of Richmond increased from 728 to 777 between 1960 and 1970. All of the commercial banks headquartered in Steubenville operate branches in Wintersville, a community of 4,921 population located between Richmond and Steubenville.

Ten miles separate the nearest offices of Citizens and State Bank, but the area is sparsely populated woodland served by mediocre roadways. There are no other commercial banking offices in the intervening area, but the activity which draws residents of Salineville is toward the north (Lisbon) and the east (Wellsville), while the activity which draws residents of Bergholz is to the south (Amsterdam and Steubenville). There are a few common customers and some relatively small accounts which the participating banks draw from areas presently served by the other. The proposed merger would eliminate this existing competition, but it is not considered significant in amount.

Under Ohio law, Citizens can branch *de novo* into Jefferson County, but State Bank cannot branch *de novo* into Columbiana County. *De novo* activity by either bank into areas now served by the other appears unlikely, however, in view of the limited population and limited deposit potential of such areas.

In the two counties of Columbiana and Jefferson there are 19 commercial banks operating a total of 47 offices. Of the IPC deposits held by these 19 banks, the two largest shares are held by banks headquartered in Steubenville, with 20.6 percent and 14.8 percent. State Bank, with 1.1 percent of the IPC deposits, has the 17th largest share, and Citizens, with 0.8 percent of such deposits, has the 19th largest share. The resulting bank would have only 1.9 percent of the combined IPC deposits in both counties.

Thus, no significant potential competition would be eliminated by the proposed transaction, and no undue concentration of banking resources in the two-county area would occur.

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has satisfactory financial and managerial resources, as would the resulting bank. Consummation of this proposed transaction should permit certain economies of scale, and future prospects for the resulting bank appear favorable.

Convenience and Needs of the Community to be Served. Citizens has a lending limit of $31,200, State Bank $23,000, and that of the resulting bank would be $53,200. Citizens pays 4½ percent interest on savings accounts, while State Bank pays 4 percent. Consummation of the proposed transaction would almost double the lending limit applicable to customers of Citizens, but it is the customers of State Bank who would benefit the most from the proposed merger. They would receive a higher interest rate on savings accounts, free checking accounts, a substantial increase in lending limits, and the conveniences of computerized operations. The communities of Bergholz and Richmond should also benefit from more aggressive management policies.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Bank & Trust Orangeburg, South Carolina	63,922	15	18
to merge with **The Commercial Bank** Chester	11,306	2	
and **McColl State Bank** McColl	1,955	1	

Summary report by Attorney General, November 10, 1971

The closest branch of American Bank to either of the banks it seeks to acquire is at Lugoff in Kershaw County. This office is about 45 miles from Commercial Bank and 73 miles from McColl Bank, with numerous intervening banks. Thus, it does not appear that any significant amount of existing competition will be eliminated by the proposed merger.

Statewide branching is permitted in South Carolina. Thus, American Bank could branch *de novo* into either or both of the areas presently served by the two banks it seeks to merge. However, the economic prospects of those two areas make such entry somewhat unlikely. In addition, the size of the banks to be acquired and their position in their respective markets support the conclusion that the proposed mergers are not likely to have adverse competitive effects.

Basis for Corporation approval, December 3, 1971

American Bank & Trust, Orangeburg, South Carolina ("American"), an insured State nonmember bank with total resources of $63,922,000, has filed separate applications, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Commercial Bank, Chester, South Carolina ("Commercial"), having total resources of $11,306,000, and with McColl State Bank, McColl, South Carolina ("McColl Bank"), having total resources of $1,955,000. Both banks would merge under the charter and title of American and, as an incident to each merger, the offices of both banks would become branches of the resulting bank. If both mergers are approved, the number of authorized American offices would be increased to 19.

Competition. American has 16 authorized offices in seven of the 46 counties of the State, all located in the central and south-central sections of South Carolina. This area has a diversified economic base, has been experiencing significant growth, and includes the State capital, Columbia (population 113,542. American has no office in either Chester or Marlboro County. American is the ninth largest commercial bank in South Carolina, with 2.2 percent of statewide commercial bank deposits. The four largest banks in the State hold, respectively 22.5 percent, 13.3 percent, 9.6 percent, and 8.7 percent of such deposits.

Both of Commercial's offices are located in the city of Chester (population 7,045), the seat of Chester County (population 29,811). The economy of the area is shifting from agricultural to industrial, with textile-related plants predominating, while the remaining agricultural activity is shifting from cotton to livestock and dairy farming. Commercial is the largest bank in Chester County, holding 43.0 percent of that county's IPC bank deposits, followed by a local bank with 33.1 percent and an office of the State's seventh-largest bank, located in a small, remote community of the county.

McColl Bank, organized in 1932 as a cash depository, converted to an insured commercial bank in 1960. Its only office is in the town of McColl (population 2,524), near the northeastern border of Marlboro County (population 27,151) within the State of North Carolina. Agriculture is also declining in relative importance in this area, but it is still considered the principal factor in Marlboro County's economy. McColl Bank is the smallest of four banks operating in Marlboro County, with only 8.0 percent of countywide deposits. Two of the three largest banks in the State, operating in the county seat, together hold 82.0 percent thereof, and the seventh-largest bank, with a location in another small community, also holds 10.0 percent.

The nearest American office to one of Commercial's offices is approximately 50 miles away, while the nearest American office of McColl Bank is approximately 70 miles away. The two merging banks are also widely separated from each other. All three banks serve different trade areas, and none appears to have deposit or loan business originating in areas served by either of the other two. The proposed mergers, accordingly, would not eliminate any present competition among the three banks involved. In both Chester and Marlboro counties, moreover, competition with larger, statewide banks should be be enhanced.

South Carolina law permits statewide branch banking, but the potential for increased competition between the three banks through *de novo* branching in the absence of merger appears too insignificant to justify a denial of either proposed merger. Marlboro and Chester counties both lost population over the last decade and other South Carolina counties would appear to be more attractive for *de novo* branching. McColl Bank has limited resources and no *de novo* branching experience. Both American and Commercial have resources for additional *de novo* branching, but there are numerous South Carolina banks larger than either that are more likely *de novo* entrants into Marlboro County or the areas each bank now serves.

Moreover, in view of the relatively small share of the statewide banking market held by American, the proposed mergers would have no adverse effect on the competitive structure of commercial banking in the State of South Carolina as a whole.

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

Financial and Managerial Resources; Future Prospects. All three banks have adequate financial and managerial resources and satisfactory future prospects, as would the resulting bank.

Convenience and Needs of the Community to be Served. The proposed acquisition of Commercial would bring to residents of the city of Chester and its environs a full-service bank offering specialized loan services, trust services, computer facilities, and an increased lending limit, none of which are conveniently available to them (the nearest office of a large statewide bank being some 20 miles away). The proposed acquisition of McColl Bank would bring to residents of the town of McColl and its environs similar services, although such services can presently be found at bank offices within 10 miles of McColl. The proposed mergers should, in any event, stimulate competition with the large statewide banks found in both counties, with resulting benefits to the general public in both counties.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Fayette Trust Company Baltimore, Maryland (in organization; change title to The Equitable Trust Company)	900	—	65
to merge with **The Equitable Trust Company** Baltimore	721,157	65	

Summary report by Attorney General, October 1, 1971

The proposed merger is part of a plan through which Fayette Trust Company (Org.) would become a subsidiary of Columbia Holding, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the surviving bank by Columbia Holding, Inc., it would have no effect on competition.

Basis for Corporation approval, December 17, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Fayette Trust Company, Baltimore, Maryland ("New Bank"), a proposed new bank in organization, and for prior consent to its merger with The Equitable Trust Company, Baltimore, Maryland, ("Other Bank"), a State nonmember bank, total resources $721,157,000 as of June 30, 1971, under New Bank's charter and Other Bank's title. The resulting bank will operate Other Bank's existing 65 offices and initial capital of New Bank will be retired.

The new bank formation and merger are being utilized by Columbia Holding, Inc. ("Holding Company"), solely as a means to acquire control of Other Bank. Holding Company's application to become a registered bank holding company and to acquire control of Other Bank is now pending before the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business of Other Bank at its existing locations, and with the same management. The proposal will not, per se, change the banking services which Other Bank has provided to its trade area. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Equitable Trust Company Baltimore, Maryland	721,157	65	68
to acquire the assets and assume the deposit liabilities of			
The Clinton Bank Clinton	27,138	3	

Summary report by Attorney General, September 27, 1971

The head office of Equitable in Baltimore is about 45 miles from Clinton Bank. The closest branches of Equitable and Clinton Bank are about 13 miles apart; the application indicates that the merging banks draw no appreciable deposits and loans from each other's service area. Although Equitable operates a total of four offices in Prince Georges County, it does not appear that the proposed merger would eliminate substantial existing competition. Sixteen banks operate a total of about 87 banking offices in Prince Georges County, an area which overstates the market area primarily affected by the proposed merger. Equitable and Clinton Bank rank sixth and seventh among these banks, holding about 2.8 per cent each of total county deposits.

Maryland law permits statewide branching; accordingly, Equitable and Clinton Bank could be permitted to open *de novo* branches in those areas presently served by each other. In view of the size of Clinton Bank, its elimination as a potential new competitor in Equitable's service areas does not appear to be competitively significant.

Equitable is among the largest banks not operating offices in Clinton Bank's service area. Clinton Bank is among the smaller of the nine banks in its service area, operating three of the 29 commercial banking offices in the vicinity.

Basis for Corporation approval, December 22, 1971

The Equitable Trust Company, Baltimore, Maryland ("Equitable"), an insured State nonmember bank with total resources of $721,157,000 and total deposits of $632,964,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets and assume the liability to pay deposits of The Clinton Bank, Clinton, Maryland ("Clinton"), an insured State nonmember bank with total resources of $27,138,000 and total deposits of $25,483,000. Application is also made under Section 18(d) of the Federal Deposit Insurance Act to establish Clinton's three offices as branches of the resulting bank. After the transaction, the resulting bank would have 80 authorized offices.

Competition. Equitable is the third largest bank in Maryland, holding 11.3 percent of all commercial bank deposits in the State. Its branches are concentrated in the Baltimore area and in the densely populated corridor between Baltimore and the District of Columbia. Equitable has five branches in the northern section of Prince Georges County, which adjoins the District of Columbia to the south and east, but none in the southern section of the county.

Clinton's banking business today is drawn primarily from southern Prince Georges County. Its main office is located about 7 miles southeast of the District of Columbia line on the fringe of the District's expanding suburban sector, while Clinton's two branches are located in the more densely populated communities of Camp Springs and Temple Hill, closer in to the District line. The population of this southern portion of Prince Georges County is estimated at 107,700 persons, with nine banks and 29 commercial bank offices as of June 30, 1970, to serve that population. Clinton is the seventh largest of these nine banks, which include among them, three of the State's largest banks. Clinton holds an estimated 14.6 percent of the total deposits of these 29 offices, ranking fourth in this respect. If Prince Georges County as a whole, or a larger segment of the Washington SMSA, was considered relevant in assessing the competitive impact of the proposed acquisition, Clinton's percentage share of the total deposit market would, of course, be appreciably smaller.[4]

Equitable's nearest office is 13 miles north of Clinton's Camp Springs Branch. While both locations are in the Washington SMSA, numerous offices of competing banks separate them, and there appears to be almost no direct competition between the two banks which would be eliminated by the proposed transaction.

Maryland law permits statewide *de novo* branching as well as merging, but the proposed transaction is not likely to eliminate any significant potential for increased competition in the future between Clinton and Equitable. Clinton's past branching history and relatively limited resources make it an unlikely candidate for significant *de novo* branching in the highly developed and competitive banking markets presently served by Equitable. Equitable has aggressively demonstrated its *de novo* branching capabilities in recent years, but the limited population served by each commercial bank office in southern Prince Georges County today is likely to lead its *de novo* efforts into other areas until the population growth is this section of the county catches up with the rate of growth being experienced elsewhere in the Washington SMSA. When that happens, there are numerous large banks in Maryland capable of expanding *de novo* in the same area.

Competition between Equitable and Clinton could arise in the future, however, through Clinton's possible acquisition by another bank that presently competes with Equitable or could be expected to compete with Equitable in the future. In this connection, the Corporation has carefully noted the growing concentration of commercial bank resources held by Maryland's largest banks, including Equitable. The Corporation does not believe, however, under the facts presented, that the proposed acquisition would establish a significant precedent adversely affecting the future structure of commercial banking in the State of Maryland or that it would adversely affect the ability of other banks in that State to compete in the future with the largest statewide banks. Clinton is the seventh largest of nine commercial banks in its local area, holding only the fourth largest share of local deposits. Equitable does not compete in that local market and holds only some 2.8 percent of total Prince Georges County commercial bank deposits and an even smaller share of the total commercial bank deposits in the Washington SMSA. The proposed acquisition would not elimi-

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[4]Clinton's share of total commercial bank deposits in Prince Georges County as of June 30, 1970, was approximately 2.8 percent.

nate significant existing or potential competition between the two banks or add materially to Equitable's strength in Prince Georges County, the Washington SMSA, or the State of Maryland as a whole.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable for Equitable, as they would be for the resulting bank. Clinton has a low net worth position and a below-average net earnings performance, both of which would be improved by the proposed acquisition.

Convenience and Needs of the Community to be Served. The proposed transaction would have little effect on present customers served by Equitable, but the resulting bank would provide a number of services not now offered by Clinton, such as personal and corporate trust services, computer applications for customers, a wider variety of time deposit instruments, and more specialized loan services. Equitable's much larger lending limit would replace Clinton's $90,000 limit, which should prove more convenient to Clinton's commercial and industrial customers. To the extent these services are available at other institutions within the area served, the proposed transaction would provide an additional alternative for the banking public.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Bank and Trust Co. of Pa. Reading, Pennsylvania	689,877	36	37
to merge with **American Bank** Mahanoy City	9,154	1	

Summary report by Attorney General, August 13, 1971

American Bank operates a total of six offices in Schuylkill County, all having been acquired in a series of five mergers from 1964 to 1970. American Bank operates two offices in Frackville, about seven miles west of Mahanoy City, and one office in Tamaqua, about 11 miles east of Mahanoy City. Few banking offices intervene. Statistics presented in the application show that American Bank obtains some business from Mahanoy Bank's service area, particularly in the eastern part of the service area, toward Tamaqua. Thus, the proposed merger would eliminate existing competition between the two banks. Moreover, the proposed merger would eliminate Mahanoy Bank as an attractive entry vehicle for capable banks not yet operating in the general area, thus lessening potential competition in an area with brightening economic prospects.

On June 30, 1970, American Bank held about 17.3 per cent of the total deposits held by the 18 commercial banks operating in Schuylkill County, the second largest share in the county. The three largest banks in the county together held about 60.4 per cent of total county deposits. On the same date, Mahanoy Bank held about 2.3 per cent of total county deposits. Thus the proposed merger would increase American Bank's market share to 19.6 per cent, and increase the concentration of deposits in the three largest banks to 62.7 per cent.

In view of the already successful entry of American Bank into Schuylkill County, and the elimination of existing and potential competition which would attend the proposed merger, we conclude that its overall competitive effect would be adverse.

Basis for Corporation approval, December 22, 1971

American Bank and Trust Co. of Pa., Reading, Pennsylvania ("American"), an insured State nonmember bank with total resources of $689,877,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with American Bank, Mahanoy City, Pennsylvania ("Mahanoy City Bank"), with total resources of $9,154,000.[5] The banks would merge under the charter and title of American and, as an incident to the merger, the one office of Mahanoy City Bank would become a branch of the resulting bank, increasing the number of its authorized offices to 38.

Competition. American, 11th in size among some 456 commercial banks in Pennsylvania, operates 36 offices located in the seven counties where it may legally branch or merge under Pennsylvania law, i.e., Berks, Chester, Lancaster, Lebanon, Lehigh, Montgomery, and Schuylkill. One additional office, to be located in Lehigh County, has been authorized. With 2.0 percent of total commercial bank deposits in Pennsylvania, American ranks behind 10 larger banks which hold commercial bank deposit shares ranging from 11.2 percent to 2.1 percent. American is an aggressive, full-service bank with a large trust department. Its six offices in Schuylkill County, all of them acquired by merger, hold about 16.9 percent of the county's total commercial bank deposits.

Mahanoy City Bank is a unit bank located in Mahanoy City (population 7,257), a borough in the north-central portion of Schuylkill County. It holds 2.4 percent of the county's total commercial bank deposits. The area from which most of its business is drawn, however, consists largely of Mahanoy City and its sparsely populated mountainous environs. Formerly devoted to the mining of anthracite coal, this section of Schuylkill County has never recovered from the decline and mechanization of that industry, and remains economically depressed. The area presently contains seven small industrial plants in diversified fields, but many local residents commute long distances for employment to the county seat at Pottsville (population 19,715), some 14 miles to the south, or to larger communities even further away. The one other commercial bank office in the community, a branch of the $137 million deposit Pennsylvania National Bank and Trust Company of Pottsville, holds twice

[5] Deposit data are as of June 30, 1971, adjusted for the subsequent merger of American with Slatington National Bank and Trust Company. Deposit percentages are as of June 30, 1970.

the amount of local deposits held by Mahanoy City Bank.

The nearest American offices to Mahanoy City are the two it has in Frackville, 8 miles to the southwest. Three small unit banks are located in the intervening borough of Shenandoah, 4 miles west of Mahanoy City, and the rugged terrain south of Mahanoy City limits active competition from American's Frackville offices. Despite the fact that American also has offices in McAdoo, Tamaqua, and Coaldale, some 10-15 miles east of Mahanoy City, American as a whole draws only $576,000 in deposits from communities also served by Mahanoy City Bank—a very small percentage of the total deposits originating in the area. The two banks apparently have no common customers and no loans originating in areas served by the other. While American offices in Frackville and to the east represent an alternative source of banking services today for Mahanoy residents dissatisfied with their local banks, four such alternatives would remain for the residents of this sparsely populated area of Pennsylvania even if the proposed merger is approved. The transaction, accordingly, would not eliminate significant existing competition between the two banks.

The proposed merger, on the other hand, would increase somewhat the concentration of commercial banking resources in Schuylkill County and in the seven-county area available to American for branching or merging under Pennsylvania law. American's share of total Schuylkill County deposits would increase to approximately 20 percent—a point at which future acquisitions in the county would be difficult to approve. Pennsylvania National Bank and Trust Company, however, would continue to have a much larger share of local deposits both in Mahanoy City and in Schuylkill County as a whole. In addition, numerous banking alternatives would remain available in Schuylkill County. Within American's seven-county branching area, there are at least 404 offices of 103 commercial banks with total IPC deposits, as of June 30, 1970, aggregating over $4 billion. American holds 7.8 percent of the total number of commercial bank offices and 9.6 percent of the total deposits held at such offices in the seven-county area. As such, it is the largest bank headquartered in the district by a narrow margin. Four large Philadelphia banks, however, have recently relocated their offices to Montgomery County in order to be able to branch into three of the seven counties in American's branching area, and others are planning similar action. The large Harrisburg-based banks can enter three other counties of these seven, so that American's share of the total deposits in the seven-county area may well diminish, rather than increase, in the future.

Under these circumstances, the acquisition of a $9 million unit bank in Schuylkill County does not appear likely to result in such a concentration of assets in the county or in the seven-county branching district as to foreclose effective commercial bank competition in the future.

In accordance with Corporation policy, American has already been required, as a condition to approval of its merger with Slatington National Bank and Trust Company earlier this year, to divest itself, within a reasonable period of time, of stock it holds in other Pennsylvania banks which can branch or merge under Pennsylvania law into one or more of the seven counties in which American may branch or merge.

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

Financial and Managerial Resources; Future Prospects. American has satisfactory financial and managerial resources, as would the resulting bank. Mahanoy City Bank faces the imminent retirement of its two senior officers, thereby posing a management succession problem which would be resolved by the proposed merger. While its financial and managerial resources are adequate for the business it does today, its future prospects, under the circumstances, would be brighter as a branch of the resulting bank than as an independent bank.

Convenience and Needs of the Community to be Served. Mahanoy City Bank has been an unaggressive competitor which has failed to offer time and savings deposits at the maximum rates allowed by regulations, or loans in excess of $35,000 (even though its lending limit is $66,000). Its relevant loan-to-deposits and loan-to-assets ratios, moreover, are much lower than American's. American would extend to customers of Mahanoy City Bank its full range of banking services, including bank credit card, lending, trust, and computer services, not now offered by Mahanoy City Bank. While it appears that the demand for such services can now be met at the Mahanoy City Branch of Pennsylvania Bank and Trust Company, the presence of a second source for such services should stimulate local competition and benefit all residents of the Mahanoy City area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Jonesboro Bank & Trust Company Jonesboro, Tennessee (in organization; change title to The Banking & Trust Company)	100	–	5
to merge with **The Banking & Trust Company** Jonesboro	27,861	5	

Summary report by Attorney General, December 21, 1971

The proposed merger is part of a plan through which Jonesboro Bank & Trust Company (Org.) would become a subsidiary of First National Holding Corporation of Memphis, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First National Holding Corporation of Memphis, it would have no effect on competition.

Basis for Corporation approval, December 22, 1971

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Jonesboro Bank & Trust Company, Jonesboro, Tennessee ("New Bank"), a proposed new bank in organization, and for prior consent to its merger with The Banking & Trust Company, Jonesboro, Tennessee ("Old Bank"), a State nonmember bank with total resources of $27,861,000 as of April 20, 1971, under New Bank's charter and Old Bank's title. The resulting bank will operate other bank's existing five offices.

The New Bank formation and merger are being utilized by First National Holding Corporation, Memphis, Tennessee ("Holding Company"), solely as a means to acquire control of Old Bank. Holding Company's application to become a registered bank holding company and to acquire control of Old Bank was approved by the Board of Governors of the Federal Reserve System on November 9, 1971. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business of Old Bank at its existing locations, and with the same management. The proposal will not, per se, change the banking services which other bank has provided to its trade area. All factors required to be considered pertinent to each application are favorably resolved.

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

BANK ABSORPTIONS DENIED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Westminster Trust Company Westminster, Maryland (change title to Northern Maryland Bank and Trust Company)	18,390	4	
to merge with			
The Union National Bank of Westminster Westminster	14,596	4	

Summary report by Attorney General, March 3, 1971

All offices of the parties to the proposed merger are located in Carroll County. The two offices of Westminster Trust in Westminster are in direct and immediate competition with the two Westminster offices of Union National and its office under construction nearby. Westminster Trust's other two offices in Union Mills and Winfield, and Union National's office in Finksburg, are from six to 10 miles from Westminster, and no other competing bank lies directly between any of these offices and the town of Westminster itself. The application lists Carroll County as the primary service area of both banks. It is apparent that their proposed merger would eliminate substantial direct competition.

Eleven banks operate a total of 23 banking offices in Carroll County. Nine banks are headquartered in the county. As of June 30, 1968, Westminster Trust held the second largest share, about 12 per cent, of total commercial bank deposits in Carroll County banking offices, while Union National held the third largest share, about 10 per cent. The largest bank headquartered in the county, Carroll County Bank and Trust Company, held about 37 per cent of such deposits. If the proposed merger were approved, the resulting bank would hold about 22 per cent of the deposits in Carroll County banking offices, and after the completion of Union National's new branch near Westminster, would operate eight of the 24 banking offices which will then exist.

The two leading banks in the county would together hold almost 60 per cent of Carroll County commercial bank deposits and would operate 12 of the 24 banking offices which will then exist.

Even these substantial concentration figures understate the effects of the proposed merger, for four of the offices Westminster Trust and Union National (five, counting the office of Union National under construction) are in or very near Westminster. Only one other bank, the county's largest, operates offices in the Westminster area. If the proposed merger were approved, only two banks would operate offices in this area.

In view of the elimination of direct competition and increase in concentration which would result from the proposed merger, we conclude that it would have a significantly adverse effect on competition.

Basis for Corporation denial, May 14, 1971

Westminster Trust Company, Westminster, Maryland ("Trust Company"), a State nonmember insured bank with total resources of $18,390,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Union National Bank of Westminster, Westminster, Maryland ("Union Bank"), with total resources of $14,596,000, under the charter of Trust Company and with the title of "Northern Maryland Bank and Trust Company." The four offices of Union Bank would become branches of the resulting bank, increasing the number of its offices to eight.

Competition. The proposed merger would consolidate the second and third ranking banks presently headquartered in Westminster, Maryland (1970 population: 7,143). Trust Company operates two offices there, one in Union Mills, 7 miles northwest of Westminster and one in Winfield, 12 miles southwest of Westminster. Union Bank operates two offices in downtown Westminster, one in a shopping center on the outskirts of Westminster and one in Finksburg, 8 miles southeast of Westminster. The two banks are substantially smaller than the largest bank presently operating in Westminster, Carroll County Bank and Trust Company, a $45 million deposit institution.

The offices of Trust Company and Union Bank are all located in Carroll County (1970 population: 68,329), which is in the north-central sector of Maryland adjacent to the Pennsylvania State line. The rural orientation of Carroll County is being replaced by emphasis on light manufacturing, retail and wholesale trade and services. Farm operations, following a general trend, are being consolidated with consequent increase in the size of the average farm and its capital requirements. Although Carroll County is on the outer fringe of the Baltimore SMSA and some commutation to other parts of the SMSA occurs, the proposed merger would have its greatest public impact in Carroll County and in the adjacent communities of Reisterstown and Glyndon, both of which are in Baltimore County but easily accessible to Westminster by divided highway. Both banks draw their deposit and loan business almost exclusively from this area. Both banks, headquartered in Westminster, the county seat and geographic center of Carroll County, have offices in communities easily accessible to Westminster, and there appears to be only limited economic interaction between the people in this market area and the rest of the Baltimore SMSA or the York (Pennsylvania) SMSA to the north.

The close identity of service areas for Trust Company and Union Bank emphasizes that their proposed merger would eliminate direct competition between them, and the figures indicate this competition is relatively substantial and significant. Union Bank has a somewhat larger total of public deposits than Trust Company, but except for this difference their deposit structures are similar. More than one-half of Union Bank's deposits, moreover, are derived from customers who also deposit at Trust Company. Half of each bank's loan portfolio is in real estate loans, and both banks do approximately the same volume of installment lending in the area.

The proposed merger would not only eliminate this existing competition but also the possibility, through *de novo* branching, of increased competition between the two banks in the future. Both have been successful in opening *de novo* branches in Carroll County in the past, and population trends in the county and in Reisterstown and Glyndon make further *de novo* branching likely in the future.

Twelve commercial banks have offices in the designated market area, with Trust Company holding 12.2 percent of total IPC deposits, and Union Bank 9.0 percent. Their proposed merger would create a bank holding 21.2 percent of the market, exceeded only by Carroll County Bank and Trust Company, with 33.7 percent of the area's total IPC deposits. None of the other nine banks would have more than 9.8 percent of the area's total IPC deposits. Approval of the proposed merger would thus add significantly to commercial bank concentration in the relevant geographic market and encourage other direct competitors to merge.

Furthermore, although 12 commercial banks have offices in the relevant geographic market, approximately 50 percent of area IPC deposits are held at the Westminster offices of Carroll County Bank and Trust Company, Westminster Trust Company and Union Bank. By contrast, only one-tenth of the area's population lives there. This emphasizes Westminster's role as the economic as well as geographic center of the market and indicates further that many area residents turn to Westminster for banking services which are not provided by the smaller institutions elsewhere in the market. For this reason, a disproportionately large segment of the public living in the market area would be affected by the proposed reduction from three to two in the number of banking alternatives in Westminster.

Based on the foregoing and on applicable judicial precedents, the Board of Directors is of the opinion that the effect of the proposed merger would be substantially to lessen existing and potential competition in commercial banking in Carroll County, Reisterstown, and Glyndon.

Convenience and Needs of the Community to be Served. If the proposed merger were approved, the only immediate change in services to the public would be an increase in lending limits from $90,000 in the case of Trust Company and $70,000 in the case of Union Bank to $172,000. With one exception, neither bank has originated any loan within the past year which has been shared with any other bank and it appears that only a very small number of business customers would benefit from the higher lending limit. The application further states that it is not anticipated that any new services would initially be offered by the resulting bank.

The Board of Directors, accordingly, cannot find that the anticompetitive effects of the proposed transaction would be clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the banking public in the relevant geographic market.

Financial and Managerial Resources; Future Prospects. Each of the participating banks has adequate financial resources, with Union Bank's recent earnings performance somewhat more impressive than Trust Company's. Union Bank anticipates a management succession problem in the next few years, but there are alternatives available to the proposed merger for the resolution of what is presently only a potential problem. The future prospects of both banks, in a growing market, are favorable.

Based on the foregoing, the Board of Directors has concluded that approval of the application is not warranted and that it must, accordingly, be denied.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Anderson Banking Company Anderson, Indiana	65,494	8	
to merge with **The State Bank of Lapel** Lapel	3,820	1	

Summary report by Attorney General, December 15, 1971

Lapel Bank is located 11 miles from Anderson where six of Anderson Bank's offices are located. Anderson Bank draws a number of customers from Lapel and the application indicates that Lapel is within Anderson Bank's service area. Thus, the proposed merger would eliminate direct competition between the merging banks.

As of June 30, 1970, nine banks operated a total of 26 banking offices in Madison County. Anderson Bank ranked first in the total deposit market with a 40.5 per cent share; Lapel Bank, with about 2.2 per cent of such deposits, ranked eighth.

As a result of this merger, Anderson Bank's share of the commercial banking deposits in Madison County will be increased to about 42.7 per cent. This represents a significant increase in an already concentrated banking market. The proposed merger would, therefore, have an adverse effect on competition.

Basis for Corporation denial July 19, 1971

Anderson Banking Company, Anderson, Indiana ("Applicant"), an insured State nonmember bank with total deposits of $60,076,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The State Bank of Lapel, Lapel, Indiana ("Lapel Bank"), an insured State nonmember bank which has total deposits of $3,405,000. The banks would merge under the charter and title of Applicant and, as an incident to the merger, the one office of Lapel Bank would become a branch of the resulting bank, increasing the number of its offices to nine.

Competition. The eight offices of Applicant are all in Madison County, which, with small portions of contiguous counties, constitutes its primary trade area. Anderson, the county seat of Madison County, is a highly industrialized city located in the east-central section of the State of Indiana, between Indianapolis, 35 miles to the southwest, and Muncie, 18 miles to the northeast. In the 10 years prior to 1970, the population of Madison County increased from 125,819 to 137,451.

Lapel Bank's sole office is in the town of Lapel (population 1,725), about 11 miles southwest of Anderson near the Madison County-Hamilton County border. Lapel serves as a trading center for nearby farmers. A sizable number of area residents commute to Anderson to work in the industrial plants located there.

Applicant is the largest, and Lapel Bank the smallest, commercial bank in Madison County, with 39.7 percent and 2.1 respectively, of total IPC deposits held by Madison County commercial banks. Applicant and the two next largest banks in the county together hold some 75 percent of total IPC deposits. Some Madison County banks, however, such as those in Alexandria and Summitville, are not readily accessible to Lapel area residents, while commercial banks in Noblesville (9 miles to the west of Lapel in Hamilton County) and Fortville (8 miles to the south of Lapel in Hancock County) are. After making these adjustments to local area deposits, Applicant alone would hold about 30 percent of the resulting market, and together with The American National Bank of Noblesville and Citizens Banking Company, Anderson, the second and third ranking banks, respectively, in the same market, would hold 67 percent of such deposits. The proposed merger would thus add to the strength of the dominant local bank, increase the concentration of banking resources in an already highly concentrated market, reduce by one the number of alternative sources of commercial bank services conveniently available to Lapel area residents, and eliminate direct competition between Applicant and Lapel Bank for the banking business of those area residents who commute to Anderson to work.

Under relevant Indiana law, which permits *de novo* branching for Madison County banks only within Madison County and subject to home office protection, Applicant could not enter Lapel by *de novo* branching at the present time. Applicant could enter unincorporated areas near Lapel, but this may be relatively unattractive in view of their sparse population. Were Lapel Bank to merge with one of the other seven Madison County banks, however, home office protection would be removed from Lapel, and Applicant has indicated it would, in that event, be likely to seek a *de novo* branch within the incorporated areas of Lapel. Consummation of the proposed merger would eliminate that potential for increased competition between the two banks in the future.

In view of Applicant's present 30 percent share of the relevant deposit market, its dominant position in Madison County as a whole, the highly concentrated nature of commercial banking in the relevant market and in Madison County as a whole, the elimination of both present and potential competition if this merger is approved, and the availability to Lapel Bank of other alternatives if this merger is denied, the Board of Directors is of the opinion that the effect of the proposed transaction may be to lessen competition substantially within the relevant market and within Madison County as a whole.

Convenience and Needs of the Community to be Served. The proposed merger would replace a small, limited-service bank with an office of a larger bank offering a higher lending limit and certain lending and deposit services not now available at Lapel Bank. Such services are available, with only slight inconvenience, however, from banks in Noblesville, Pendleton, and Anderson, including Applicant. Thus, the proposed merger would have only slight impact on the convenience and needs of the community to be served.

Financial and Managerial Resources; Future Prospects. Both banks have adequate financial and managerial resources, although Lapel Bank has permitted a management succession problem to arise. The stock of Lapel Bank is closely held, however, and it is one of the most profitable Madison County banks. The record indicates that Lapel Bank is likely to have other solutions to its management succession problem even if the proposed merger with Applicant is denied,

Since the anticompetitive effects of the proposed merger are not clearly outweighed by the convenience and needs of the community to be served, the Board of Directors has concluded that the proposed merger of Applicant and Lapel Bank should be denied.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Citizens and Southern Emory Bank Atlanta, Georgia	41,894	3	
to acquire the assets and assume the deposit liabilities of			
The Citizens and Southern Bank of Tucker Tucker	28,552	2	

Summary report by Attorney General, March 12, 1971

The proposed mergers would eliminate present and future competition between (i) C&S and its subsidiaries, and (ii) the banks which it seeks to merge into its subsidiaries. Consummation of these mergers would allow C&S, which already is the dominant bank in Atlanta, to transfer its dominance to North Fulton County, and to increase its share of DeKalb County deposits from 25% to over 41%. (Even within the five-county Atlanta SMSA, an area which clearly overstates the market, these mergers would increase C&S' leading share from 26% to 28%.)

Moreover, this merger must be evaluated in the context of the other pending merger proposals of First National and Trust Company. If all the proposed mergers were consummated, these banks which now dominate Atlanta would, together or separately, obtain positions of dominance in both North Fulton County and DeKalb County. These three Atlanta banks account for 53% of DeKalb County deposits now and would control almost 82% if all the proposed "affiliate" mergers were consummated. The same three banks' control of North Fulton County would increase from 0% to over 50%. These proposed mergers, involving three banks accounting for 54% of North Fulton County's deposits and nine banks accounting for over 28% of DeKalb County's deposits, would forever eliminate the possibility that significant numbers of Fulton or DeKalb "affiliates" of the major Atlanta banks could become independent sources of new competition. If they were all approved, few significant sources of deconcentration would remain in either Fulton or DeKalb Counties.

For the foregoing reasons, we believe that the C&S mergers would have a significantly adverse effect on competition in North Fulton County, DeKalb County and the Atlanta area generally.

Basis for Corporation denial, October 4, 1971

The Citizens and Southern Emory Bank, Atlanta, Georgia ("Emory Bank"), an insured State nonmember bank with total deposits of $34,796,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to acquire the asset of and to assume the liability to pay deposits made in Citizens and Southern Bank of Tucker, Tucker, Georgia ("Tucker Bank"), an insured State nonmember bank with total deposits of $24,738,000. Application is made also under Section 18(d) of the Federal Deposit Insurance Act to operate the main and single branch office of Tucker Bank as branches of the resulting bank.

Competition. The Citizens and Southern National Bank ("C&S National"), Savannah, Georgia, is the owner of all the outstanding stock of Citizens and Southern Holding Company ("C&S Holding"), Savannah, Georgia, which in turn owns 95.14 percent of the stock of Emory Bank and 5.0 percent of the stock of Tucker Bank.

The C&S system, including its 5% affiliates, presently controls 41.8 percent of all deposits held at DeKalb County commercial bank offices and 25.4 percent of all commercial bank offices in the county, making it by far the largest banking system in DeKalb County.

Tucker Bank was organized in 1919 and did not become affiliated with the C&S system until early 1965. At that time Tucker Bank maintained only one office, holding approximately $4 million in deposits.

When C&S Holding acquired its 5% interest in Tucker Bank, approximately 75 percent of Tucker Bank's remaining stock was acquired simultaneously by holders close to the C&S system. Ever since, Tucker Bank has been operated with substantially the same close working relationship between it and other C&S banks that exists between the C&S system and the 5% banks which it organized *de novo.* This relationship, and the lack of existing competition between C&S banks, are detailed in the Basis for Corporation Approval issued this date in connection with the proposed acquisition by The Citizens and Southern Bank of East Point and two other 5% C&S banks in Fulton County.

Even as to Tucker Bank, the Corporation sees no reason to anticipate a voluntary disaffiliation from the C&S system if this proposed merger is denied.

The close, and apparently friendly, working relationship that presently exists with the C&S system argues against the likelihood of such disaffiliation despite the fact that 17 percent of the outstanding stock of Tucker Bank remains in the hands of the family that controlled the bank as an independent institution when C&S acquired its interest in 1965. As in the case of the other proposed mergers of 5% banks into majority-owned C&S subsidiaries, more than 87 percent of the outstanding shares of Tucker Bank were voted in favor of this proposed merger and only 26 shares (less than 0.1 percent) of the outstanding shares were voted against the proposal. Disaffiliation, if it occurs, would appear to depend on compulsory process to sever the C&S relationship with this bank, rather than the denial of the application now before the Corporation.

While the Corporation finds that existing competition would not be eliminated by the proposed merger, and that future competition through voluntary disaffiliation is unlikely, it subscribes to the following view expressed by the Board of Governors of the Federal Reserve System in its May 20, 1971, opinion on the reconsideration of its earlier decision relating to the proposed merger of Trust Company of Georgia and Peachtree Bank and Trust Company, Chamblee, Georgia:

> . . . A merger of two banks which are not significant competitors cannot be regarded as eliminating significant existing competition, and similarly, if future competition is unlikely—even though possible—the merger cannot be regarded as reasonably likely to lessen future competition.
>
> This does not mean that every proposed merger before the Board of two related banks receives favorable consideration. *First of all, consideration must be given to the question of whether the relationship was anticompetitive in its origins; if so, little weight should be attributed to such relationship, since to do so might encourage evasion of the law.* *** [Emphasis supplied.]

The Corporation took a similar position in its December 1, 1970, opinion approving the proposed merger of The Lone Tree Savings Bank into The Farmers and Merchants Savings Bank, also of Lone Tree, Iowa, and in its December 4, 1970, opinion approving the proposed merger of Embarrass State Bank, Embarrass, Wisconsin, into Citizens State Bank, Shawano, Wisconsin.

The following circumstances surrounding the affiliation of Tucker Bank with the C&S system in 1965 appear relevant. Tucker Bank was a small, limited-service unit bank serving primarily the credit needs of outside business interests of the Cofer family, its controlling owners. A new national bank was being organized in Tucker, which promised more intense competition. Seeking more experienced banking management and a good price for their stock, the controlling owners of Tucker Bank approached C&S National, with whose management they were personally friendly, and the sale of 80 percent of their stock to C&S interests was consummated shortly thereafter.

While the C&S affiliation resulted in broadening the banking services offered to Tucker Bank customers, it also resulted in a significant increase in the share of DeKalb County banking resources controlled by the C&S system. At year-end 1964, the C&S system already controlled approximately 24 percent of total DeKalb County commercial bank deposits and a slightly larger share of all the commercial bank offices in the county. Tucker Bank's deposits represented at that time about 5 percent of total DeKalb County commercial bank deposits. Its affiliation with the C&S system not only increased substantially that system's lead over other banking organizations in the county, but foreclosed the possibility that Tucker Bank, either as an independent bank under different control or as part of another large banking organization with a less substantial share of DeKalb County banking resources, would become a significant competitor to the C&S system.

Tucker Bank at the time was not in an unsound condition, it had had no experience actually competing against the new bank being organized in its community, and the record discloses no serious effort on the part of its owners to find some other, less anticompetitive solution to the new situation it faced. Moreover, with the growth projected for the Tucker area, the C&S system might have found it desirable and practicable, if not in 1964-1965, then at some later date, to establish a *de novo* bank in the area served by Tucker Bank, just as it did in other growing sections of DeKalb County prior to the recent change in Georgia's branching laws.

Based on the increased concentration of DeKalb County banking resources in the C&S system and the elimination of probable future competition with Bank of Tucker had the affiliation with C&S not taken place, the Corporation finds that the present affiliation was anticompetitive in its origins and should not now be ratified by the Corporation's approval under the Bank Merger Act.

Financial and Managerial Resources; Future Prospects. These factors are satisfactory with respect to each of the banks involved and are so projected for the resulting bank.

Convenience and Needs of the Community to be Served. In view of the close working relationship that presently exists between the C&S system and these two banks, neither consummation nor denial of the proposed merger would change in any significant way the ability of Tucker Bank to serve the convenience and needs of DeKalb County residents.

With the various other factors to be considered weighing neither for approval nor denial, the Corporation concludes that the application now before it should be denied in view of the anticompetitive nature of the original affiliation of Bank of Tucker with the C&S system in 1965.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Continental Bank Norristown, Pennsylvania	717,597	50	
to merge with **Bank of Pennsylvania** Reading	252,416	22	

Summary report by Attorney General, July 20, 1971

Continental principally serves the Philadelphia area composed of Montgomery, Bucks, Delaware, and Philadelphia Counties. It also has offices in nearby Chester County. The head offices of the two banks are about 32 miles apart, but the closest branch offices are located only six miles apart. There is some competitive overlap: Continental draws $2 million in deposits from residents of Bank of Pennsylvania's service area, while Bank of Pennsylvania draws $3 million in deposits from residents of Continental's service area. There is also some overlapping loan and trust business. Therefore, the proposed merger would eliminate some direct competition.

Pennsylvania law permits *de novo* branching by a commercial bank in the county in which its home office is located, and all counties contiguous thereto. Thus, Continental and Bank of Pennsylvania may be permitted to open *de novo* branches in each other's service area.

The major effect of the proposed merger would be to eliminate Continental as a potential *de novo* entrant into Berks and Lehigh Counties. Both of these counties are growing and becoming increasingly important economically. Both appear to be attractive areas for expansion by Philadelphia-oriented banks. In fact, three of the five largest banks traditionally headquartered in Philadelphia have recently moved their head offices to suburban Montgomery County, where Continental has its head office, in order to become eligible to expand into Chester, Berks and Lehigh Counties.

Bank of Pennsylvania operates the largest number of offices in Berks County, and holds the second largest share of the county's total commercial bank deposits, about 25 per cent. It holds about 2 per cent of commercial bank deposits in Lehigh County and about 15 per cent of total commercial bank deposits in the two county area. Both Berks and Lehigh Counties have highly concentrated banking structures. In Berks County, the three largest banks control about 83 per cent of total county commercial bank deposits. The three largest banks in Lehigh County hold about 85 per cent of such deposits.

Bank of Pennsylvania is one of the three banks which occupy leading positions in Berks County. The other two, American Bank and Trust Company of Pennsylvania, and National Central Bank, are substantially larger in terms of overall size. Under existing law, neither of these two banks could merge with a Philadelphia area bank absent radical divestiture of their widely dispersed branch systems.

At present, Continental is the third largest bank able to branch *de novo* into Berks and Lehigh Counties, behind the $2.5 billion First Pennsylvania Banking and Trust Company, and the $1.3 billion Fidelity Bank. In addition, the $2.1 billion Girard Bank has recently received approval to relocate its head office in Montgomery County, and the $2.0 billion Philadelphia National Bank has expressed some intent to follow, absent any changes in state restrictions on branching. The fifth billion dollar Philadelphia Bank, Provident National Bank, could also move its home office to Montgomery County and thereby become a potential entrant into the areas served by Bank of Pennsylvania.

Thus, Continental is the sixth largest of the commercial banks which, under present Pennsylvania law, may be considered significant potential entrants into Berks and Lehigh Counties. Although it is substantially smaller, in terms of overall resources, than the largest of these banks, it easily possesses the capability to expand into new areas in ways other than by acquisition of a leading bank. Expansion in this manner would preserve leading banks in such new areas, most capable of offering effective competition to new competitors.

Therefore, in view of the elimination of some existing competition between the merging banks, and the potential for increased competition, primarily in those areas served by Bank of Pennsylvania, we conclude that the proposed merger would have an adverse effect on competition.

Basis for Corporation denial, December 22, 1971

Continental Bank, Norristown, Pennsylvania ("Continental"), a State nonmember insured bank with total resources of $717,597,000 and total deposits of $620,966,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Pennsylvania, Reading, Pennsylvania, with total resources of $252,416,000 and total deposits of $220,289,000. The banks would merge under the charter and title of Continental and, as an incident to the merger, the 22 offices of Bank of Pennsylvania would become branches of the resulting bank, increasing the number of its offices to 72.

Competition. Continental presently operates 50 offices in the Philadelphia SMSA, 20 of which are located in Philadelphia (population 1,948,609, down 2.7 percent since 1960), 16 of which are located in Montgomery County (population 623,799, up 20.7 percent since 1960), 6 of which are located in Buck's County (population 415,056, up 34.5 percent since 1960), 3 of which are located in Delaware County (population 600,035, up 8.5 percent since 1960), and 5 of which are located in Chester County (population 278,311, up 32.2 percent since 1960). Within this five-county area, Continental holds approximately 5.9 percent of all commercial bank deposits and 9.0 percent of all commercial bank offices, ranking sixth with regard to the total deposits held at commercial bank offices in these five counties and fifth with regard to the number of commercial bank offices within such counties. Continental's main office is in Montgomery County, but it has no office in the two remaining counties open to it under Pennsylvania law (i.e., Berks and Lehigh).

Bank of Pennsylvania operates 22 offices, 19 of which are located in Berks County (population 296,382, up 7.6 percent since 1960) and 3 of which are located in Lehigh County (population 255,304, up 12.2 percent since 1960). Fourteen banks have a total of 56 offices in Berks County, but only three banks are of substantial size: American Bank & Trust Company, headquartered in Reading, a $679 million institution, National Central Bank, headquartered in Lancaster, a $627 million institution that recently merged with Reading Trust Company, and Bank of Pennsylvania. Although third largest in total resources, Bank of Pennsylvania ranks second in terms of Berks County deposits, with 26.1 percent of total IPC deposits held at offices within the county. In Lehigh County, where Bank of Pennsylvania has opened two *de novo* offices since 1968, it holds only 2.2 percent of total IPC deposits held at offices within the county and competes with eleven other banks, six of which exceed $100 million in total assets. In the combined two-county area, Bank of Pennsylvania holds 15.9 percent of total IPC deposits, ranking third in this regard in the Berks-Lehigh banking market. Under Pennsylvania law, Bank of Pennsylvania has the right to branch *de novo* or merge in several other counties where it has no offices today—ie., Montgomery, Chester, Lancaster, Lebanon, and Schuylkill. If the proposed merger is approved, the resulting bank would lose the legal authority to enter Lancaster, Lebanon, and Schuylkill counties.

The closest offices of the two banks—Continental's Pottstown Branch in Montgomery County and Bank of Pennsylvania's Boyertown Branch in Berks County—are 8 miles apart, but the immediate areas served by each bank are quite distinct. While there are a number of common depositors, approximately 15 are major national firms or utilities doing business throughout this section of Pennsylvania. Neither bank draws more than a small amount of deposit, loan, or trust business from areas presently served by the other, and their proposed merger would not eliminate any significant existing competition between them.

The proposed merger, on the other hand, would eliminate the possibility of increased competition between the two banks in the future and adversely affect future competition in a number of counties in this general section of Pennsylvania.

Since 1965, most of the major Philadelphia banks, including Continental, have moved their main offices to Montgomery County so as to extend the geographic reach of their branch systems to Lehigh, Berks, and Chester counties as permitted by Pennsylvania law. Continental itself now has five offices in fast-growing Chester County, where income levels are substantially above statewide averages and the population per commercial bank office is 6,325. Lehigh County similarly is a growing county, with above average income levels and a population per commercial bank office of approximately 5,800. Berks County has only average income levels and a somewhat lower population per commercial bank office than Lehigh (i.e., 5,489 persons), but it, too, has been growing substantially in population and additional *de novo* branching appears likely. While Continental is not the largest Philadelphia bank able to enter Berks and Lehigh counties *de novo,* it is clearly one of the most likely entrants in view of its aggressive efforts in the past to expand by both *de novo* branching and by merger into counties where it was not already represented.

Commercial banking resources are already highly concentrated in both Berks and Lehigh counties. American Bank & Trust Company, National Central Bank, and Bank of Pennsylvania together hold 82.4 percent of all Berks County commercial bank deposits, while the three principal banks in Lehigh County hold 84.5 percent of its total commercial bank deposits. If the deconcentration of banking resources and greater public choice among alternative sources of banking service are to be encouraged, *de novo* entry by significant banks not presently represented in either county, or their entry by merger with much smaller local banks than Bank of Pennsylvania, is clearly preferable to a transaction in which one of the most likely entrants seeks to acquire a bank with a market share as large as that which Bank of Pennsylvania currently holds in Berks County.

The proposed transaction would adversely affect future competition in other counties as well. Bank of Pennsylvania, a $252 million institution, now has legal capacity to expand *de novo* or by merger into five counties in addition to Berks and Lehigh.

Continental has a significant share of the local deposit market in two of these counties (Montgomery and Chester), and both are among the fastest growing counties in Pennsylvania, with income levels well above the statewide average. In the absence of merger, greater competition between Bank of Pennsylvania and Continental in these two counties would be increasingly likely as Bank of Pennsylvania seeks additional ways to expand outside its headquarters county. Bank of Pennsylvania, it should be noted, has opened six *de novo* branches since 1968, and has had successful experience in branch operations. The proposed merger would eliminate this additional potential for increased competition between the two banks.

Bank of Pennsylvania, moreover, would lose the legal capacity to expand *de novo* or by merger into Lancaster, Lebanon, and Schuylkill counties if the proposed merger is approved. Based on population trends, income levels, and the present number of commercial bank offices, Lancaster County (population 319,693, up 14.8 percent since 1960) must be considered the most attractive, and Lebanon County the next most attractive, of the three counties for expansionary moves today by outside banks. Bank of Pennsylvania, as the largest such outside bank with capacity to enter and with successful branching experience, is the most likely potential entrant into both counties, but such entry would no longer be possible if the proposed merger is approved.

The Board of Directors has concluded, accordingly, that approval of the proposed merger would eliminate a significant potential for greater competition between Bank of Pennsylvania and Continental Bank in Berks, Lehigh, Chester, and Montgomery counties and would adversely affect future commercial bank competition in Lancaster and Lebanon counties. Since Bank of Pennsylvania and Continental are both effective competitors in the banking markets they serve today, the Board of Directors has further concluded that the competitive factors presented by the application weigh against approval despite the fact that significant existing competition between the two banks would not be eliminated.

Convenience and Needs of the Community to be Served. Approval of the proposed merger would have no appreciable effect on present or potential customers of Continental, but it would increase the unsecured lending limit available to Bank of Pennsylvania customers from $1.7 million and make available to them a number of specialized services presently offered by Continental, but not by Bank of Pennsylvania. The demand in Berks County for such services and for loans above $1.7 million is limited, however, and no claim is made that any essential banking needs are going unmet today. What demand there is for these specialized services can apparently be satisfied today by the two larger banks with offices in Reading or by the Philadelphia banks with offices in nearby Montgomery County. Continental, moreover, can introduce another local source for such services by branching *de novo* into Reading without the anticompetitive consequences of the proposed merger.

With $252 million in assets, Bank of Pennsylvania should be quite capable of meeting the normal banking requirements of the vast majority of its customers. These retail customers would experience little apparent benefit from the proposed merger and could, in fact, be adversely affected if Continental extended to them its significantly higher service charges on nonbusiness checking accounts.

Considerations of convenience and need, therefore, would appear to weigh neither significantly for, nor significantly against, approval of the proposed merger.

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do as independent institutions, and both have satisfactory prospects for the future. The same would be true of the resulting bank if the merger were to be approved. While three of Bank of Pennsylvania's top four officers plan to retire during calendar 1972, it is the Corporation's view that qualified replacements are readily available to the bank, either by promotion from within or by outside recruitment.

Inasmuch as the anticompetitive effects of the proposed merger are not, in the opinion of the Board of Directors, outweighed by any other factors, the Corporation has concluded that the proposed merger of Continental and Bank of Pennsylvania should be denied.

BANK ABSORPTION DENIALS AFFIRMED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First-Citizens Bank & Trust Company Smithfield, North Carolina	679,981	145	
to merge with			
The Lucama-Kenly Bank Lucama	6,372	3	

Summary report by Attorney General, April 7, 1970

First-Citizens and Lucama each operate offices in Johnston, Wilson and Nash Counties. Their head offices at Smithfield and Lucama are 23 miles apart but First-Citizens' home office at Smithfield is 13 miles distant from Lucama's branch at Kenly. First-Citizens' three branches at Wilson, in Wilson County, are located some ten miles from Lucama, and its office at Spring Hope, in Nash County, is 20 miles distant from Lucama's branch at Bailey. Thus, it would appear that the proposed merger would eliminate direct competition between the participants.

Nine banks operate some 37 offices in the tri-county Johnston, Wilson, and Nash area. First-Citizens' share of the total deposits in this area, 28 per cent, will increase only slightly, some 2.2 per cent, as a result of the merger. Its share of the total deposits in Wilson County, where Lucama is based, will also increase from 17 per cent to 19.2 per cent.

It should be noted, however, that the proposed merger is part of a continuing trend of acquisitions and mergers by North Carolina's largest commercial banks which has the effect of retarding the development of a more competitive banking structure in North Carolina (a state in which the five largest banks already control more than two-thirds of total deposits).

Basis for Corporation denial, January 4, 1971

First-Citizens Bank & Trust Company, Smithfield, North Carolina ("Citizens"), an insured State nonmember bank with total deposits of $571,829,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Lucama-Kenly Bank, Lucama, North Carolina ("Lucama-Kenly"), an insured State nonmember bank with total deposits of $5,616,000. The banks would merge under the charter and title of Citizens and, as an incident to the merger, the three offices of Lucama-Kenly would become branches of Citizens, increasing the number of its offices to 148. Approval is also requested for the retirement provisions of preferred stock.

Competition. Citizens is the fourth largest bank in North Carolina, controlling 9.1 percent of total commercial bank deposits in the State (the first, second, and third largest banks holding 20.7 percent, 17.0 percent, and 13.6 percent of such deposits, respectively). Citizens has branches widely distributed throughout the State, but most of its 145 offices are located in eastern North Carolina. Its main office and 9 branches are located in Johnston County (1970 estimated population: 60,477), it has a branch at Spring Hope in adjacent Nash County (1970 estimated population: 57,233) and is also represented in adjacent Wilson County (1970 estimated population: 57,328), where it has two branches at Wilson.

Lucama-Kenly has one office in each of these three counties: its main office at Lucama in Wilson County, a branch office at Bailey in Nash County, and a branch office at Kenly in Johnston County. Each is a sparsely populated community served only by Lucama-Kenly, and there are no intervening banks between the three locations. The area served by Lucama-Kenly, however, is also partially served by Citizens' offices at Spring Hope, Wilson, Selma, and Smithfield, by offices at Wilson of First Union National Bank of North Carolina (the State's third largest bank), by offices at Wilson, Micro, and Selma of Branch Banking & Trust Company (the State's sixth largest bank, and by an office at Smithfield of First National Bank of Smithfield. Citizens has the largest share of local deposits (an estimated 37 percent), Branch Banking & Trust Company the next largest share (an estimated 35 percent), and Lucama-Kenly the smallest share (an estimated 5 percent). Wilson is 8 miles from Lucama-Kenly's nearest office, Micro and Selma are 5 miles from Lucama-Kenly's nearest office, while Spring Hope is 16 miles north and Smithfield 16 miles south of Lucama-Kenly's nearest office.

With offices of Citizens surrounding the area served by Lucama-Kenly and also serving parts of the same area, the proposed merger would have the effect of eliminating existing competition between the two banks, reducing the number of alternatives in the vicinity of Lucama-Kenly's service area from five to four, and adding to the very high share of the local banking market already held by Citizens.

North Carolina law permits statewide *de novo* branching, but the likelihood of competition arising between Citizens and Lucama-Kenly through increased *de novo* branching activity is remote. Lucama-Kenly has very limited resources for such *de novo* branching activities against the larger banks in the surrounding area, while Citizens is not likely to be attracted to Lucama, Kenly, or Bailey because of their limited population and lack of growth potential. On the other hand, Lucama-Kenly has alternative merger possibilities available to it and a different merger might bring the resulting bank into significant competition with Citizens in Wilson, Johnston, and Nash counties as well as elsewhere in North Carolina.

In this regard, as was noted in approving the recent proposed merger of Citizens and The Haynes Bank, Cliffside, North Carolina, the Corporation is keenly aware of recent developments in the commercial banking structure of North Carolina. Since year-end 1964, more than 43 banks in the State have merged out of existence, and a sizable number of these have merged with the five largest banks in the State. Those banks already hold 67.2 percent of all commercial bank deposits and 63 percent of all commercial bank offices in North Carolina. While most of Citizens' expansion during the past 6 years has been accomplished by *de novo* branching, it has acquired 3 small banks since year-end 1964. Generally speaking, adding to the resources of a bank the size of Citizens by merger encourages the further concentration of banking assets in the State, rather than the deconcentration of such assets which might occur through *de novo* branching or some alternative merger. For as the number of viable, independent banks remaining in the State decreases, opportunities for deconcentration, through the affiliation of such banks with other banks capable of challenging the larger banks in the State, become increasingly less numerous. Under these circumstances, the merger of significant local banks with any of the larger banks in the State should be approached with the most careful regulatory scrutiny, increasing in vigor with the size of the acquiring bank.

Here, Citizens seeks to merge with a bank having three offices in a general trade area where it already holds more than 37 percent of area deposits. As a consequence, the merger would bring no new source of competition to the area but instead would serve to entrench Citizens in an even more dominant position in the market than it has today. The precedent of approval, moreover, would encourage the largest banks in the State to seek similar mergers in areas they already serve and in which they, too, have a significant portion of the market. A denial of the merger, on the other hand, would encourage Lucama-Kenly to seek out another merger partner, smaller than Citizens and not presently represented within convenient driving distance of its three offices. Such a merger might well produce the benefits in banking service claimed for this proposal, while also enlarging the public's choice of convenient banking alternatives.

Based on these facts, and in view of the large number of less anticompetitive mergers available to Lucama-Kenly, the Board of Directors is of the opinion that the effect of the proposed transaction may be substantially to lessen competition in Johnston, Wilson, and Nash counties and in North Carolina generally.

Convenience and Needs of the Community to be Served. The proposed merger would replace a small, independent bank offering limited services with branches of the fifth largest bank in North Carolina, offering a full range of banking and trust services. This increase in convenience would affect only limited numbers of customers, and is further reduced in importance by the proximity today of six branches of Citizens to Lucama-Kenly's three offices. Since these branches already offer the wider range of services, the more liberal credit policies, and the more aggressive management that the proposed merger would bring to Lucama-Kenly's three offices, the Corporation considers the additional increment to community needs and convenience to be slight. They can, moreover, be achieved as readily by numerous other, less anticompetitive mergers.

Financial and Managerial Resources; Future Prospects. These factors are adequate with respect to both merging banks and should be favorable for the resulting bank. They add, however, no decisive weight toward approval or denial of a proposed merger the effect of which may be substantially to lessen competition in a relevant market. A special examination of Lucama-Kenly concluded on December 11, 1970, moreover, disclosed no financial or management condition which might adversely affect the future prospects of that institution.

Based on the foregoing, the Board of Directors has concluded that approval of the proposed merger of Citizens and Lucama-Kenly is not warranted and should, accordingly, be denied.

Statement upon reconsideration, July 12, 1971

First-Citizens Bank & Trust Company, Smithfield, North Carolina ("Citizens"), an insured State nonmember bank with total deposits of $663,191,900, was denied on January 4, 1971, the Corporation's prior approval to merge with The Lucama-Kenly Bank, Lucama, North Carolina ("Lucama-Kenly"), an insured State nonmember bank with total deposits of $7,170,000. Citizens then petitioned the Corporation to reconsider its original denial offering to divest any one of Lucama-Kenly's branches if necessary to obtain the Corporation's approval. The Corporation's Board of Directors, having reconsidered the application in light of Citizens' petition and subsequent analysis, affirms its original denial, with the following additional statement.

In its Petition for Reconsideration, Citizens takes the position that if the merger were approved, competition would not be lessened in any primary area served by Lucama-Kenly's three offices nor in Johnston, Nash, or Wilson counties as a whole.

To support this conclusion, it suggests that consideration of the competitive impact of the proposed merger should be limited to very narrow geographic areas surrounding each Lucama-Kenly office and then finds that Citizens has practically no deposit accounts and insignificant loan business from any of those areas. It also stresses the fact that each county has more commercial banks and more commercial bank offices for its residents than the average for North Carolina or the United States.

The Corporation agrees with Citizens that not all of Johnston, Wilson, and Nash counties can properly be considered in assessing the competitive impact of a merger between Citizens and Lucama-Kenly since many bank offices in all three counties are quite remote from Lucama-Kenly's three offices and cannot reasonably be considered in competition with them.[6] The Corporation does not agree, however, that the competitive impact of the proposed merger should be assessed only within the narrowly circumscribed areas suggested by Citizens.

The residents and businessmen of Johnston, Wilson, and Nash counties who will be affected by the proposed merger are those for whom any one of the three offices of Lucama-Kenly are convenient alternatives to other offices for the banking services they need or desire. Given the semirural nature of the countryside around each Lucama-Kenly office, the general reliance of the public on automobile travel for transportation, and the existence of well-paved roads, including a major U.S. route that links Lucama and Kenly with Smithfield on the south and Wilson on the north, the Corporation considers it not unreasonable to consider all commercial bank offices within approximately 15 miles of any Lucama-Kenly office as offering competition to that bank.

Within 15 miles of these offices, there are 42 commercial bank offices today holding about $135 million in IPC deposits. Nine different banks have offices in this area, but three hold more than 86 percent of area deposits: Citizens (with 11 offices and 33 percent of area deposits), Branch Banking & Trust Company (with 14 offices and 29 percent of total area deposits) and First Union National Bank of North Carolina (with six offices and 24 percent of total area deposits). Lucama-Kenly is the only remaining independent bank of consequence between Smithfield, Selma, and Micro to the south and Wilson to the north. In the former locations, Citizens and Branch Banking & Trust Company both conduct significant branch operations; in Wilson, all three of the dominant area banks have significant branch operations. And for some area residents near Lucama-Kenly's office in Bailey, Wilson on the east might be the more obvious choice for alternative sources of commercial bank service than Middlesex, Zebulon, or Wendell to the west. The proposed merger would add Lucama-Kenly's 4 percent to Citizens' present share of local area deposits and reduce by one the limited number of commercial bank alternatives available to any particular customer or potential customer of Lucama-Kenly.

The Board reiterates its general concern that the proposed merger, because it involves an acquisition in an area where Citizens is already well represented, would provide an undesirable precedent in the long-run for the commercial bank structure of the State of North Carolina, where an evident merger trend has significantly increased the share of statewide commercial bank deposits

[6]The Corporation frequently uses countywide deposit totals to approximate a market because of the convenient availability of such data in its biennial Summary of Deposits, most recently published as of June 30, 1970.

held by the five largest banks in the State since 1964. Even conceding that a more accurate percentage figure would be 33 percent rather than 37 percent, the Board finds no reason to revise its earlier conclusion that:

> Here, Citizens seeks to merge with a bank having three offices in a general trade area where it already holds more than 37 percent of area deposits. As a consequence, the merger would bring no new source of competition to the area but instead would serve to entrench Citizens in an even more dominant position in the market than it has today. The precedent of approval, moreover, would encourage the largest banks in the State to seek similar mergers in areas they already serve and in which they, too, have a significant portion of the market. A denial of the merger, on the other hand, would encourage Lucama-Kenly to seek out another merger partner, smaller than Citizens and not presently represented within convenient driving distance of its three offices. Such a merger might well produce the benefits in banking service claimed for this proposal, while also enlarging the public's choice of convenient banking alternatives.
>
> Based on these facts, and in view of the large number of less anticompetitive mergers available to Lucama-Kenly, the Board of Directors is of the opinion that the effect of the proposed transaction may be substantially to lessen competition in Johnston, Wilson, and Nash counties and in North Carolina generally.[7]

Based on the foregoing, and on its review of the banking factors and the convenience and needs of the community to be served, the Board concludes again that approval of the proposed merger of Citizens and Lucama-Kenly is not warranted and should, accordingly, be denied.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Washington Mutual Savings Bank Seattle, Washington	807,335	22	
to consolidate with			
Grays Harbor Savings and Loan Association Aberdeen	5,148	1	

Statement upon reconsideration, July 30, 1971

Washington Mutual Savings Bank, Seattle, Washington ("Washington Mutual"), an insured mutual savings bank with total deposits of $744,000,000,

[7]Because the Corporation's original decision discounted the likelihood of competition arising between Citizens and Lucama-Kenly through increased *de novo* branching, the Board considers the lower-than-average population per commercial bank office which exists in Johnston, Wilson, and Nash counties to be irrelevant to its reconsideration of the application. Moreover, since regulatory policy is or should be directed toward the deconcentration of highly concentrated local banking markets, the fact that Citizens' share of total deposits in the three-county area has shown a modest decline since 1966 provides no affirmative basis for reversing the Corporation's earlier decision.

was denied on December 18, 1970, the Corporation's prior approval to consolidate with Grays Harbor Savings and Loan Association, Aberdeen, Washington ("S&L"), an FSLIC-insured institution with total withdrawable balances of $4,700,000. Washington Mutual and S&L then petitioned the Corporation to reconsider its original denial. The Corporation's Board of Directors, having done so, affirms its original denial with the following additional statement.

The applicants requested reconsideration on essentially three grounds: (1) that the Corporation improperly utilized a line of commerce limited to mutual savings banks and savings and loan associations in assessing the competitive impact of their proposed merger; (2) that the Corporation made certain errors of fact with regard to the potential competition issues presented by the application; and (3) that in any event the likely benefits to the convenience and needs of the community to be served and the resolution of S&L's management succession problem are such as to warrant approval of the application.

Line of Commerce. Whether or not commercial bank time deposits under $100,000 should be included with thrift institution deposit totals in assessing the competitive impact of a merger between thrift institutions under the Bank Merger Act is a much-debated question among lawyers, economists, bankers, and public officials. The Corporation recognizes, of course, that commercial banks and thrift institutions are all deposit-type institutions and that in a sense they can all be said to compete in seeking to attract the savings of individual members of the public. The Corporation also recognizes that no definitive answer to this question has yet been given by the United States Supreme Court in its decisions under the Bank Merger Act as amended in 1966, all the decided cases having involved mergers of commercial banks.

One thing at least is clear. The United States Supreme Court, with apparent finality, has determined that commercial banking constitutes a separate "line of commerce" for purposes of analyzing the competitive aspects of commercial bank mergers,[8] despite the arguments presented to it that deposit and loan competition from financial institutions other than commercial banks should also be considered. Its exclusion of thrift institution deposits was particularly striking in the *Phillipsburg* case, where the bulk of each bank's total deposits represented time deposits under $100,000 and where the bulk of each bank's total loans were real estate loans and mortgages—an asset and liability mix not too dissimilar from that of mutual savings banks and savings and loan associations. The Supreme Court expressly found error in the District Court's view that since the activities of the merging banks made them much more like savings institutions than like so many of the larger commercial banks, attention had to be given in the competitive analysis to different groupings of products and services within the more general line of commerce denoted by the term "commercial banking."

In its original denial of this application, the Corporation determined to exclude commercial bank time deposits from its analysis of the competitive effect of the proposed merger, looking instead solely to the deposits of mutual savings banks and the withdrawable shares of savings and loan associations. The Corporation cited its earlier decision involving the proposed merger of United

[8] *United States* v. *Philadelphia National Bank,* 374 U.S. 321 (1963); *United States* v. *Phillipsburg National Bank,* 399 U.S. 350 (1970). See also *United States* v. *First National Bancorporation,* Civil No. C-2413 (D. Colo., filed July 12, 1971).

Mutual Savings Bank and State Mutual Savings Bank, both headquartered in Tacoma, Washington, wherein it had said:

> In the State of Washington, where mutual savings and loan associations have the option to become mutual savings banks (State Mutual converted at the end of 1969), where both types of institutions may pay interest on deposits below $100,000 at the same rates and each at rates higher than commercial banks, where at least some differential in interest rates has persisted between thrift institutions and commercial banks at almost all times throughout the post-World War II period, where both types of institutions are identified by the public as thrift institutions engaged primarily in mortgage lending, where both by statute have very similar powers, privileges, restrictions, and liabilities, it would appear that the *decisive* line of commerce for assessing the competitive implications of a proposed merger of mutual savings banks should be "thrift institution banking" as offered by savings banks and savings and loan associations. As indicated, in the State of Washington, savings banks and savings and loan associations are uniquely able to compete for deposits under $100,000 and are generally considered interchangeable alternatives for thrift-type deposits and for deposit institutions emphasizing home mortgage lending.

The Corporation adheres to this view of the appropriate "line of commerce" for purposes of the proposed merger of Washington Mutual and S&L.

There is no doubt that in the State of Washington as elsewhere, commercial banks, especially those in major metropolitan areas, aggressively advertise their offering of so-called consumer time deposits, which carry a rate of interest higher than the rate of interest paid on regular savings accounts. A member of the public interested in the highest return available to him at a deposit-type institution, however, is likely to turn to a mutual savings bank or savings and loan association, which, since the end of World War II, have generally paid higher rates of interest than commercial banks on the same type of account. Under Federal regulations currently in force, these types of thrift institutions may offer a regular savings account, increasingly available on a "day-of-deposit-to-day-of-withdrawal" basis, at a maximum rate of interest of 5 percent per annum (compared with a 4½ percent maximum rate at commercial banks) and a rate of interest on time deposits ¼ percent higher than the maximum rate payable by commercial banks on accounts of less than $100,000 but of the same maturity.

Mutual savings banks and savings and loan associations, moreover, compete for the public's savings under operating rules that are different, in many basic respects, from those under which commercial banks operate. Besides their legal ability to offer higher maximum interest rates than commercial banks on comparable deposits, they are not required to maintain minimum reserves against their savings deposits, they have no holders of common stock to whom regular dividend payments must be provided, and they are permitted to set aside substantially higher tax-free reserves for loan losses than commercial banks. These differences in operating rules assist mutual thrift institutions to pay the higher rates of interest authorized by Federal regulation, to resist disintermediation, and to continue their role as the nation's principal source of residential mortgage money. The fact that legislature and public agencies treat mutual thrift institutions quite differently from commercial banks supports the view that they should be considered a separate line of commerce from commercial banks for purposes of the Bank Merger Act.

Members of the public may, of course, wish to limit their banking business to one institution and may, for this reason, deliberately forego the additional increment of interest available at mutual savings banks or savings and loan associations, depositing even their excess savings at the commercial bank they also utilize for checking accounts or loans which the more restricted thrift institutions cannot offer. The rapid growth of time deposits at mutual thrift institutions, including those in the State of Washington,[9] and the stability of their regular savings deposits, make it clear, however, that the incremental interest advantage offered by such institutions is a meaningful difference to a substantial portion of the public and that such people will overcome any inconveniences involved to deposit their savings in a thrift institution rather than a commercial bank. Savings accounts at commercial banks and savings accounts at thrift institutions are not, therefore, interchangeable products for a significant portion of the public.

In summary, the Corporation believes that the unique ability of mutual thrift institutions to offer a higher rate of interest than commercial banks on consumer savings, the differences in the rules under which such institutions operate, and the differentiation between them which is made by a substantial portion of the public all warrant the treatment of mutual thrift institutions as a separate "line of commerce" for purposes of the Bank Merger Act.[10] The Corporation further notes that an agency determination to include commercial bank time deposits under $100,000 with the deposits of mutual thrift institutions in the same market would make the merger rules for thrift institutions demonstrably more lenient than the merger rules applicable to commercial banks.[11] The Corporation knows no reason of public policy why this result should be encouraged.

Potential Competition. In its original denial of the application, the Corporation indicated that neither Washington Mutual nor S&L derives more than a nominal amount of business from areas presently served by the other, and that their proposed merger, accordingly, would not eliminate any meaningful existing competition between them. The Corporation further found, however, that the proposed merger would eliminate the possibility of future competition between the two institutions (i) through *de novo* branching into the Aberdeen-

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[9] Fixed-maturitytime accounts and other special accounts jumped from 1.3 percent of total deposits at mutual savings banks in Washington in January 1970 to 13.7 percent of their total deposits in January 1971. See May 1971 *Annual Report* of the Executive Vice President, National Association of Mutual Savings Banks, table 3, page 9.

[10] The Corporation recognizes that the powers of mutual thrift institutions have been expanding in a number of respects that bring them increasingly into competition for both loans and deposits with commercial banks, and that additional changes in interest rate ceilings and operating conditions may obliterate the distinctions upon which its determination of the appropriate "line of commerce" in these cases rests. If future changes in operating conditions make the division of commercial banks and mutual thrift institutions into separate lines of commerce factually untenable, it will be timely then to reconsider the proper line of commerce for both types of institutions.

[11] This point can be illustrated by a geographic market containing five commercial banks and five thrift institutions of equal deposit size. Each commercial bank would be considered as having 20 percent of the market in its "line of commerce" under Supreme Court decisions, while each thrift institution would be considered as having a much lower percentage (possibly as low as 10 percent) of the market in its line of commerce if commercial bank time deposits under $100,000 could be included.

Hoquiam area on the part of Washington Mutual, and (ii) through an alternative merger on the part of S&L with another mutual thrift institution which would not have Washington Mutual's 22.9 percent share of all thrift institution deposits in the State of Washington and which would preserve the possibility of more effective competition against Washington Mutual in the future from among the State's other thrift institutions.

A review of Washington State supervisory policy in authorizing *de novo* branches for mutual savings banks, together with such pertinent facts as the stabilized economy of the Aberdeen-Hoquiam area, its slow growth rate and lower than average income levels, and the present population (approximately 7,300 persons) per thrift institution office already serving that area, has caused the Corporation to revise its opinion that Washington Mutual "could in the normal course enter the Aberdeen-Hoquiam area" by *de novo* branching if the proposed merger is denied. There appears to be little likelihood of such entry in the immediate future if S&L merges with a mutual savings bank other than Washington Mutual, although the longer range possibilities of *de novo* entry cannot be totally discounted.

The Corporation's earlier conclusion on this point was not, however, the principal reason for its denial of the application. That reason was stated in the original *Basis for Corporation Denial* as follows:

> More importantly, the proposed merger would establish a significant precedent for the approval of additional mergers in highly concentrated markets in the State of Washington and elsewhere, among commercial banks as well as mutual thrift institutions, with the cumulative effect of further concentrating the banking resources of a given market in the largest institutions which operate there. As such concentration continues, the public's choice of alternate sources of banking services is likely to diminish.

As the Corporation's original denial pointed out, Washington Mutual has more than 22 percent of all thrift institution deposits in the State, a percentage share three times larger than the second-ranking thrift institution.[12] Where institutions in the same line of commerce may branch or merge on a statewide basis, the Corporation believes that the entire State should be considered one of the relevant geographic areas in assessing the likely competitive impact of a proposed merger. It further believes that if institutions with 22 percent of a statewide market are permitted to make further acquisitions without compelling reasons based on public convenience and needs, two related results are likely: (1) more such mergers would be encouraged both among thrift institutions and among commercial banks, thus concentrating even further the banking resources of a given State into fewer and fewer hands, and (2) effective competition with such dominant institutions would become increasingly difficult as possible merger partners and their offices are acquired by the dominant institution itself, rather than by a smaller institution which could hope in time, by successive mergers, aggressive *de novo* branching or both, to offer significant competition to the former throughout wide areas of the same State. Indeed, even if Washington Mutual is denied any further mergers, only three or four

[12] Its percentage share of statewide deposit totals, if commercial bank time deposits under $100,000 are also included, would be slightly over 13 percent—a percentage share significantly lower than 22 percent, but one that would still raise a serious question as to the disposition of this application.

other thrift institutions of a size approximately equal to that of Washington Mutual could be created from all the thrift institution deposits in the State of Washington.

The adverse precedent which the proposed merger might establish, because of the share of the potential statewide market already held by Washington Mutual, can best be illustrated by noting that only 72 commercial banks in the country, out of a total approaching 14,000, have 10 percent or more of the total commercial bank deposits in their respective States and only 29 have percentage shares exceeding 20 percent of the total commercial bank deposits in their respective States. Even fewer mutual thrift institutions would have a similar share of statewide thrift institution deposit totals.

The Corporation is not persuaded by any of the material submitted on reconsideration that S&L is limited to a very few merger alternatives and that Washington Mutual is the most logical of these. There are 79 other mutual thrift institutions in the State of Washington, including some 70 savings and loan associations, from which S&L may legally seek a merger partner. Their capacity to absorb S&L's mortgage portfolio may vary, because of statutory or regulatory restrictions, but the effect of these restrictions has changed even within the past year. The Corporation is confident that S&L's directors can find a satisfactory alternative to the merger proposed if it is again denied.

Finally, the Corporation would reiterate the view expressed in its original denial:

> The Corporation believes that the Bank Merger Act as amended requires consideration of the long-term competitive implications of a proposed merger as well as its short-term effects. In situations where one of the institutions involved in a proposed merger already has such a large share of its potential market as Washington Mutual, the Corporation further believes that additions by merger to its existing strength should be avoided unless (i) significant improvements in banking service can be achieved only by consummation of the proposed merger or (ii) the condition of the institution to be merged is such that an immediate resolution of its problems appears to be necessary to prevent a failure.

Public Convenience and Needs; S&L's Management Succession Problem. The Corporation has reviewed again and affirms its earlier findings on the benefits to the public which may be expected to occur if this application is approved and also its findings with respect to S&L's management succession problem. It continues to differ with the applicants as to the weight which should be assigned these findings in reaching an overall conclusion on the application.

Based on the foregoing, the Corporation's Board of Directors again concludes that approval of the proposed merger of Washington Mutual and S&L is not warranted and should, accordingly, be denied.

LEGISLATION AND REGULATIONS
PART THREE

FEDERAL LEGISLATION — 1971

Regulation of interest rates. The Act of March 31, 1971 (Public Law 92-8; 85 Stat. 13) and the Act of May 18, 1971 (Public Law 92-15; 85 Stat. 38) extended until May 31, 1971, and May 31, 1973, respectively, the statutory authority vested in 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 for regulating in a flexible manner the rates of interest or dividends payable by insured banks on time and savings deposits and by members of the Federal Home Loan Bank System (other than those the deposits of which are insured by the Federal Deposit Insurance Corporation) on deposits, shares, or withdrawable accounts. They also extended for the same periods of time the authority of the Federal Deposit Insurance Corporation and of the Federal Home Loan Bank Board for subjecting certain noninsured banks and institutions to interest and dividend-rate controls comparable to those applicable to insured banks and institutions.

State taxation of national banks. On December 24, 1969, the President approved legislation (the Act of December 24, 1969 (Public Law 91-156; 83 Stat. 434)) designed to clarify the liability of national banks for certain taxes. The purpose of the Act was to equalize the tax treatment of State and national banks gradually so that under the terms of a permanent amendment to section 5219 of the Revised Statutes of the United States, as amended (12 U.S.C. 548), to become effective on January 1, 1972—

> . . . For the purposes of any tax law enacted under authority of the United States or any State, a national bank shall be treated as a bank organized and existing under the laws of the State or other jurisdiction within which its principal office is located.

A temporary amendment to section 5219 of the Revised Statutes, effective during the period from December 24, 1969, through December 31, 1971, authorized States and their political subdivisions to apply generally the same tax rules to locally headquartered national banks as they did to State banks. Moreover, with some restrictions, States and their political subdivisions were authorized to impose certain specified taxes on national banks not having their principal offices within the taxing jurisdiction. For example, nondomiciliary States and their political subdivisions were authorized to impose (1) sales taxes and use taxes complementary thereto upon purchases, sales, and use within the taxing jurisdiction; (2) taxes on real property or on the occupancy of real property located within the taxing jurisdiction; (3) taxes (including documentary stamp taxes) on the execution, delivery, or recordation of documents within the taxing jurisdiction; (4) taxes on tangible personal property (not including cash or currency) located within the taxing jurisdiction; and (5) license, registration, transfer, excise, or other fees or taxes imposed on the ownership, use, or transfer of tangible personal property located within the taxing jurisdiction. The temporary amendment, however, prohibited States from imposing any sales or use taxes on tangible personal property which was the subject matter of a written contract of purchase entered into before September 1, 1969.

Because of the important implications of the permanent amendment to section 5219 of the Revised Statutes in long-standing Federal policy regarding the taxation of national banks, the Act of December 24, 1969, directed the Board of Governors of the Federal Reserve System to—

> . . . make a study to determine the probable impact on the banking systems and other economic effects of the changes in existing law to be made by [the permanent amendment] governing income taxes, intangible property taxes, so-called doing business taxes, and any other similar taxes which are or may be imposed on banks . . .

and to report the results of its study to the Congress not later than December 31, 1970. The report was required to include the Board's recommendations as to what additional Federal legislation, if any, might be needed to reconcile the promotion of the economic efficiency of the banking systems of the Nation with the achievement of effectiveness and local autonomy in meeting the fiscal needs of the States and their political subdivisions.

On May 4, 1971, the Board of Governors submitted its report, entitled "State and Local Taxation of Banks," to the Congress. The report stated the Board's conclusion that—

> . . . additional Federal legislation is needed before the "permanent amendment" of section 5219 of the Revised Statutes (12 U.S.C. 548) becomes effective on January 1, 1972. If that provision is allowed to go into effect without revision, the changed tax status of banks might open the way for State and local tax measures that could impair the ability of the banking system and possibly the entire structure of financial intermediaries to contribute to the efficient allocation of the Nation's credit resources . . .
>
> The two major areas which appear to warrant further legislation relate to the new authority in [the permanent amendment] for State and local governments to tax intangible personal property of national banks and for States other than the State of the principal office to levy income or other "doing business" taxes on national banks . . . . An additional problem area relates to the possibility of discriminatory State and local taxes . . . . Two sub-

sidiary issues [are] the tax treatment of interest income on U. S. Government securities and of cash and currency . . . .

The Board's recommendations for additional Federal legislation regarding each of these areas and issues were detailed in the report.

In a concluding comment, the Board of Governors noted that—

. . . The Congress undoubtedly will wish to make a detailed review of the proposed modifications of policy, with the result that definitive action may not be feasible before [the permanent amendment] becomes effective on January 1, 1972. Unless action on the proposals can be completed this year, the Board would recommend that the effective date of the "permanent amendment" be postponed beyond next January 1, since some of the potential adverse effects of the new statutory provisions in their present form might prove difficult to remedy.

Following the Board's recommendation, the Congress, by section 4(a) of the Act of December 22, 1971 (Public Law 92-213; 85 Stat. 775), deferred the effective date of the permanent amendment to section 5219 of the Revised Statutes to January 1, 1973, thereby automatically continuing the temporary amendment to that section in effect through December 31, 1972. Section 4(b) of the Act of December 22, 1971, directs the Board of Governors of the Federal Reserve System to study the probable impact on State and local government revenues of the extension of the effective date of the temporary amendment regarding intangible personal property taxes on national banks. The section also directs the Board of Governors to report the results of its study to the Congress not later than June 22, 1972.

Dissemination of criminal record information to insured banks. In the recent case of *Menard* v. *Mitchell,* 328 F. Supp. 718 (D.D.C. 1971), the U. S. District Court for the District of Columbia limited the dissemination of criminal record information by the Federal Bureau of Investigation. The primary thrust of the court's opinion was to preclude dissemination of Federal Bureau of Investigation arrest records for employment and licensing purposes to State and local governments and to private employers, such as insured banks.

In response to the *Menard* decision, section 902 of the Supplemental Appropriations Act, 1972 (Public Law 92-184; 85 Stat. 627), approved on December 15, 1971, authorizes the Federal Bureau of Investigation to use funds appropriated for the fiscal year ending June 30, 1972—

. . . for the exchange of identification records with officials of federally chartered or insured banking institutions to promote or maintain the security of those institutions, and, if authorized by State statute and approved by the Attorney General, to officials of State and local governments for purposes of employment and licensing, any such exchange to be made only for the official use of any such official and subject to [cancellation if dissemination is made outside the receiving departments or related agencies].

Economic Stabilization Act Amendments of 1971. Section 2 of the Economic Stabilization Act Amendments of 1971 (Public Law 92-210; 85 Stat. 743), approved on December 22, 1971, amended the Economic Stabilization Act of 1970 (12 U.S.C. 1904 note) in its entirety. The amendments authorize the President to issue such orders and regulations as he deems appropriate, accompanied by a statement of reasons for such orders and regulations, (1) to stabilize prices, rents, wages, and salaries at levels not less than those prevailing on May 25, 1970, except that prices may be stabilized at levels below those prevailing on that date if such action is necessary to eliminate windfall profits or is otherwise necessary to carry out the purposes of the amended Act; and (2) to stabilize interest rates and corporate dividends and similar transfers at levels consistent with orderly economic growth. Unless further extended, the authority expires at midnight on April 30, 1973.

The Economic Stabilization Act of 1970 conferred no authority upon the President with respect to interest rates. The 1971 amendments, however, direct the President, whenever he implements the other authority conferred upon him by the amendments with respect to significant segments of the economy, to—

> . . . require the issuance of regulations or orders providing for the stabilization of interest rates and finance charges, unless he issues a determination, accompanied by a statement of reasons, that such regulations or orders are not necessary to maintain such rates and charges at levels consonant with orderly economic growth.

RULES AND REGULATIONS AND STATEMENTS OF GENERAL POLICY

Housekeeping amendments. Effective January 27, 1971, the Board of Directors adopted amendments to Parts 303, 304, 326, 334, and 336 of the rules and regulations of the Federal Deposit Insurance Corporation (1) to reflect the redesignation of the Division of Examination as the Division of Bank Supervision and the redesignation of the Chief of the Division of Examination as the Director of the Division of Bank Supervision, and (2) to effect various minor structural and technical changes in those parts.

Further technical amendments to Parts 301, 303, 326, 327, and 329 of the Corporation's rules and regulations were adopted effective February 18, 1971. The purpose of the amendments was to reflect (1) the repeal of the Administrative Procedure Act and the reenactment of its provisions as a part of title 5 of the United States

Code and (2) the amendment of sections 3 and 7 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813, 1817), to make banks in American Samoa eligible for Federal deposit insurance and to include branches located in American Samoa within the definition of the term "branch" for the purposes of the Federal Deposit Insurance Act.

Certain tender offers and acquisitions of securities. Effective March 3, 1971, the Board of Directors adopted amendments to Part 335 of the Corporation's rules and regulations, entitled "Securities of Insured State Nonmember Banks." The amendments to Part 335 implemented amendments to sections 13(d), 13(e), 14(d), and 14(e) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m(d), 78m(e), 78n(d), and 78n(e)), effected by the Act of December 22, 1970 (Public Law 91-567; 84 Stat. 1497), which were designed to provide additional protection for investors.

Under the terms of the amendments, any person, entity, or group of persons making a tender offer for, or a request or invitation for tenders of, the equity securities of a bank which are registered with the Corporation under section 12 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78l), must now file a statement when the offer relates to more than 5 percent of the bank's outstanding shares, rather than 10 percent of the shares as was previously required. Similarly, any person, entity, or group of persons acquiring shares of a registered security, whose aggregate holdings will exceed 5 percent of the outstanding shares, is now required to file a statement with the Corporation within 10 days of such acquisition.

The amendments provide an exemption for any person, entity, or group holding more than 5 percent of the registered stock of a bank if (1) the acquisition is made pursuant to preemptive subscription rights in an offering made to all holders of the class, (2) the purchaser acquires only his pro rata share, and (3) the acquisition is duly reported pursuant to section 16(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78p(a)), and section 335.6 of the Corporation's rules and regulations. The amendments also require offerors proceeding under the Securities Act of 1933, as amended (15 U.S.C. 77a et seq.), to file a copy of the prospectus required by that Act as an exhibit to the statement filed under the regulations.

Civil Rights Act nondiscrimination requirements in real estate lending activities. Section 805 of the Civil Rights Act of 1968 (42 U.S.C. 3605) makes it unlawful for any bank, building and loan association, insurance company, or other corporation or enterprise whose business consists in whole or in part of making real estate loans to deny a loan or other financial assistance to a person applying therefor for the purpose of purchasing, constructing, repairing, or maintaining a dwelling, or to discriminate against him in fixing the amount, interest rate, duration, or other terms and conditions of such loan or other financial assistance, because of race, color, religion, or national origin.

On December 17, 1971, in recognition of the fact that increased public awareness of nondiscrimination requirements and the availability of complaint procedures are necessary for effective implementation of the Civil Rights Act's requirements imposed on financial institutions, the Board of Directors adopted certain minimum procedures, applicable after March 1, 1972, to be followed by all financial institutions subject to the Corporation's supervisory authority.

The statement of policy issued on December 17 directs every insured State nonmember bank which directly or through third parties engages in any form of advertising of real estate lending services to indicate prominently, in a manner appropriate to the advertising media and format utilized, that the bank makes real estate loans without regard to race, color, religion, or national origin. It also requires written advertisements relating to real estate lending services to include a facsimile of a prescribed logotype in order to increase public recognition of the nondiscrimination requirements and guarantees of section 805 of the Civil Rights Act of 1968.

Finally, the statement of policy directs every insured State nonmember bank engaged in the business of making real estate loans to display conspicuously in the public lobby of each of its offices a notice that incorporates a facsimile of the prescribed logotype and attests to the bank's policy of compliance with the nondiscrimination requirements of section 805 of the Civil Rights Act of 1968. The notice must include the address of the Department of Housing and Urban Development as the agency to be notified concerning any complaint alleging a violation of the nondiscrimination provisions of section 805.

STATISTICS OF BANKS
AND DEPOSIT INSURANCE
PART FOUR

NUMBER OF BANKS AND BRANCHES

Banks: **Commercial banks** include the following categories of banking institutions:

National banks;

Incorporated State banks, trust companies, and bank and trust companies, regularly engaged in the business of receiving deposits, whether demand or time, except mutual savings banks;

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

Industrial and Morris Plan banks which operate under general banking codes, or are specifically authorized by law to accept deposits and in practice do so, or the obligations of which are regarded as deposits for deposit insurance;

Special types of banks of deposit; regulated certificated banks, and a savings and loan company operating under Superior Court charter in Georgia; government-operated banks in North Dakota and Puerto Rico; a cooperative bank, usually classified as a credit union, operating under a special charter in New Hampshire; a savings institution, known as a "trust company," operating under special charter in Texas; the Savings Banks Trust Company in New York; and branches of foreign banks engaged in a general deposit business in New York, Oregon, Washington, Puerto Rico, and Virgin Islands;

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

Nondeposit trust companies include institutions operating under trust company charters which are not regularly engaged in deposit banking but are engaged in fiduciary business other than that incidental to real estate title or investment activities.

Mutual savings banks include all banks operating under State banking codes applying to mutual savings banks.

Institutions excluded. Institutions in the following categories are excluded, though such institutions may perform many of the same functions as commercial and savings banks:

Banks which have suspended operations or have ceased to accept new deposits and are proceeding to liquidate their assets and pay off existing deposits;

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

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

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

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

Federal Reserve Banks and other banks, such as the Federal Home Loan Banks and the Savings and Loan Bank of the State of New York, which operate as rediscount banks and do not accept deposits except from financial institutions.

Branches: Branches include all offices of a bank other than its head office, at which deposits are received, checks paid, or money lent. Banking facilities separate from a banking house, banking facilities at government establishments, offices, agencies, paying or receiving stations, drive-in facilities, and other facilities operated for limited purposes are defined as branches under the Federal Deposit Insurance Act, Section 3(o), regardless of the fact that in certain States, including several which prohibit the operation of branches, such limited facilities are not considered branches within the meaning of State law.

Table 101. CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1971

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			
	Total	Insured	Noninsured	Total	Total	National	State				Total	Insured	Noninsured
ALL BANKING OFFICES													
Number of offices, December 31, 1971[1]	38,860	38,229	631	37,174	36,918	17,922	4,949	14,047	203	53	1,686	1,311	375
Number of offices, December 31, 1970[1]	37,166	36,544	622	35,585	35,321	17,191	4,798	13,332	209	55	1,581	1,223	358
Net change during year	+1,694	+1,685	+9	+1,589	+1,597	+731	+151	+715	−6	−2	+105	+88	+17
Offices opened	1,903	1,874	29	1,790	1,782	827	231	724	7	1	113	92	21
Banks	205	198	7	203	196	37	9	150	6	1	2	2	0
Branches	1,698	1,676	22	1,587	1,586	790	222	574	1	0	111	90	21
Offices closed	209	202	7	201	197	99	31	67	3	1	8	5	3
Banks	110	105	5	104	101	47	9	45	2	1	6	4	2
Branches	99	97	2	97	96	52	22	22	1	0	2	1	1
Change in classification	0	+13	−13	0	+12	+3	−49	+58	−10	−2	0	+1	−1
Among banks	0	+6	−6	0	+6	−11	−19	+36	−4	−2	0	0	0
Among branches	0	+7	−7	0	+6	+14	−30	+22	−6	0	0	+1	−1
BANKS													
Number of banks, December 31, 1971	14,294	13,939	355	13,804	13,612	4,600	1,128	7,884	147	45	490	327	163
Number of banks, December 31, 1970	14,199	13,840	359	13,705	13,511	4,621	1,147	7,743	147	47	494	329	165
Net change during year	+95	+99	−4	+99	+101	−21	−19	+141	0	−2	−4	−2	−2
Banks beginning operation	205	198	7	203	196	37	9	150	6	1	2	2	0
New banks	203	198	5	201	196	37	9	150	5	0	2	2	0
Banks added to count	2	0	2	2	0	0	0	0	1	1	0	0	0
Banks ceasing operation	110	105	5	104	101	47	9	45	2	1	6	4	2
Absorptions, consolidations, and mergers	103	100	3	97	96	46	9	41	1	0	6	4	2
Closed because of financial difficulty	5	5	0	5	5	1	0	4	0	0	0	0	0
Other liquidations	2	0	2	2	0	0	0	0	1	1	0	0	0
Noninsured banks becoming insured	0	+6	−6	0	+6	0	0	+6	−4	−2	0	0	0

Other changes in classification	0	0	0	0	0	−11	−19	+30	0	0	0	0	0
National succeeding State bank	0	0	0	0	0	+10	−3	−7	0	0	0	0	0
State succeeding national bank	0	0	0	0	0	−21	0	+21	0	0	0	0	0
Admission of insured bank to F.R. System	0	0	0	0	0	0	+4	−4	0	0	0	0	0
Withdrawal from F.R. System with continued insurance	0	0	0	0	0	0	−20	+20	0	0	0	0	0
Changes not involving number in any class													
Change in title	249	244	5	245	241	83	19	139	3	1	4	3	1
Change in location	20	20	0	20	20	7	1	12	0	0	0	0	0
Change in title and location	16	16	0	15	15	8	0	7	0	0	1	1	0
Change in name of location	6	6	0	6	6	1	0	5	0	0	0	0	0
Change in location within city	314	311	3	305	304	101	9	194	1	0	9	7	2
Changes in corporate powers													
Granted trust powers (State nonmember banks only)	91	91	0	91	91	0	0	91	0	0	0	0	0
BRANCHES													
Number of branches, December 31, 1971[1]	24,566	24,290	276	23,370	23,306	13,322	3,821	6,163	56	8	1,196	984	212
Number of branches, December 31, 1970[1]	22,967	22,704	263	21,880	21,810	12,570	3,651	5,589	62	8	1,087	894	193
Net change during year	+1,599	+1,586	+13	+1,490	+1,496	+752	+170	+574	−6	0	+109	+90	+19
Branches opened for business	1,698	1,676	22	1,587	1,586	790	222	574	1	0	111	90	21
Facilities designated by Treasury	6	6	0	6	6	6	0	0	0	0	0	0	0
Absorbed bank converted to branch	87	86	1	83	83	49	13	21	0	0	4	3	1
Branch replacing head office relocated	28	28	0	26	26	11	1	14	0	0	2	2	0
New branches	1,559	1,540	19	1,456	1,455	718	204	533	1	0	103	85	18
Branches and/or facilities added to count[2]	18	16	2	16	16	6	4	6	0	0	2	0	2
Branches discontinued	99	97	2	97	96	52	22	22	1	0	2	1	1
Facilities designated by Treasury	3	3	0	3	3	3	0	0	0	0	0	0	0
Branches	83	81	2	81	80	40	21	19	1	0	2	1	1
Branches and/or facilities deleted from count	13	13	0	13	13	9	1	3	0	0	0	0	0
Other changes in classification	0	+7	−7	0	+6	+14	−30	+22	−6	0	0	+1	−1
Branches changing class as a result of conversion	0	+6	−6	0	+6	−7	+10	+3	−6	0	0	0	0
Branches transferred through absorption, consolidation, or merger	0	+1	−1	0	0	+21	−17	−4	0	0	0	+1	−1
Branches of insured banks withdrawing from FRS	0	0	0	0	0	0	−23	+23	0	0	0	0	0
Changes not involving number in any class													
Changes in operating powers of branches	3	3	0	3	3	3	0	0	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	102	98	4	83	83	58	14	11	0	0	19	15	4
Changes in title, location, or name of location	778	774	4	741	741	379	128	234	0	0	37	33	4

[1] Includes facilities established at request of the Treasury or commanding officer of government installations, and also a few seasonal branches that were not in operation as of December 31.
[2] Branches opened prior to 1971 but not included in count as of December 31, 1970.

Table 102. CHANGES IN NUMBER OF COMERCIAL BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1971, BY STATE

State	In operation				Net change during 1971		Beginning operation in 1971				Ceasing operation in 1971			
	Dec. 31, 1971		Dec. 31, 1970				Banks		Branches		Banks		Branches	
	Banks	Branches	Banks	Branches	Banks	Branches	New	Other	New	Other	Absorptions	Other	Branches	Other
Total United States	**13,804**	**23,370**	**13,705**	**21,880**	**+99**	**+1,490**	**201**	**2**	**1,472**	**115**	**97**	**7**	**81**	**16**
50 States and D.C.	**13,783**	**23,120**	**13,686**	**21,644**	**+97**	**+1,476**	**200**	**1**	**1,458**	**114**	**97**	**7**	**80**	**16**
Other Areas	**21**	**250**	**19**	**236**	**+2**	**+14**	**1**	**1**	**14**	**1**	**0**	**0**	**1**	**0**
States														
Alabama	273	303	272	272	+1	+31	3	0	30	2	2	0	1	0
Alaska	11	65	11	62	NA	+3	0	0	3	0	0	0	0	0
Arizona	13	347	12	323	+1	+24	1	0	24	0	0	0	0	0
Arkansas	253	179	250	165	+3	+14	3	0	15	0	0	0	1	0
California	152	3,176	152	3,033	NC	+143	7	0	144	8	7	0	7	2
Colorado	278	29	270	19	+8	+10	9	0	10	1	0	1	0	1
Connecticut	63	469	61	436	+2	+33	5	0	34	5	3	0	6	0
Delaware	18	99	18	87	NA	+12	0	0	12	0	0	0	0	0
District of Columbia	14	108	14	103	NA	+5	0	0	5	0	0	0	0	0
Florida	540	43	500	33	+40	+10	40	0	10	0	0	0	0	0
Georgia	434	412	441	296	−7	+116	3	0	110	11	9	1	3	2
Hawaii	10	142	10	140	NA	+2	0	0	2	0	0	0	0	0
Idaho	24	165	24	156	NA	+9	0	0	9	0	0	0	0	0
Illinois	1,134	123	1,108	98	+26	+25	28	0	25	1	1	1	1	0
Indiana	408	671	407	632	+1	+39	1	0	42	0	0	0	2	1
Iowa	666	329	666	318	NA	+11	0	0	13	0	0	0	1	1
Kansas	603	73	601	69	+2	+4	2	0	4	0	0	0	0	0
Kentucky	343	361	343	328	NA	+33	0	0	32	2	0	0	1	0
Louisiana	235	414	231	393	+4	+21	4	0	21	1	0	0	1	0
Maine	44	237	43	226	+1	+11	1	0	12	0	0	0	1	0
Maryland	112	567	115	521	−3	+46	0	0	46	3	3	0	1	2
Massachusetts	158	781	162	744	−4	+37	1	0	38	5	5	0	6	0
Michigan	331	1,254	331	1,203	NC	+51	3	0	56	2	3	0	7	0
Minnesota	731	17	729	11	+2	+6	2	0	6	0	0	0	0	0
Mississippi	183	369	182	348	+1	+21	2	0	21	1	1	0	1	0
Missouri	672	100	671	93	+1	+7	2	0	10	0	0	1	3	0
Montana	144	10	140	5	+4	+5	4	0	5	0	0	0	0	0
Nebraska	443	45	441	42	+2	+3	3	0	3	1	0	1	1	0
Nevada	8	89	8	86	NA	+3	0	0	3	0	0	0	0	0
New Hampshire	74	69	74	63	NA	+6	0	0	6	0	0	0	0	0

New Jersey	211	1,097	217	1,012	–6	+85	6	0	74	13	12	0	2	0
New Mexico	68	140	66	130	+2	+10	2	0	9	1	0	0	0	0
New York	311	2,556	311	2,441	NC	+115	7	0	121	7	7	0	10	3
North Carolina	95	1,224	98	1,119	–3	+105	3	0	101	7	6	0	3	0
North Dakota	169	72	169	71	NA	+1	0	0	2	0	0	0	1	0
Ohio	514	1,370	516	1,304	–2	+66	2	0	63	5	4	0	2	0
Oklahoma	437	71	434	60	+3	+11	2	1	10	1	0	0	0	0
Oregon	46	359	49	337	–3	+22	0	0	18	4	3	0	0	0
Pennsylvania	454	1,826	471	1,727	–17	+99	0	0	86	16	16	1	3	0
Rhode Island	13	179	13	171	NA	+8	0	0	9	0	0	0	1	0
South Carolina	99	459	102	418	–3	+41	1	0	42	5	4	0	6	0
South Dakota	159	100	161	98	–2	+2	0	0	1	2	2	0	1	0
Tennessee	310	528	308	488	+2	+40	2	0	41	0	0	0	1	0
Texas	1,215	86	1,191	76	+24	+10	25	0	11	1	0	1	1	1
Utah	50	148	48	139	+2	+9	3	0	8	1	1	0	0	0
Vermont	42	89	43	85	–1	+4	0	0	4	1	1	0	0	1
Virginia	245	887	233	825	+12	+62	13	0	63	2	1	0	3	0
Washington	92	589	91	558	+1	+31	3	0	31	3	2	0	2	1
West Virginia	199	6	200	5	–1	+1	0	0	1	0	1	0	0	0
Wisconsin	611	286	608	273	+3	+13	6	0	12	2	3	0	0	1
Wyoming	71	2	70	2	+1	NA	1	0	0	0	0	0	0	0
Other Areas														
Pacific Islands	0	23	0	20	NA	+3	0	0	3	0	0	0	0	0
Panama Canal Zone	0	2	0	2	NA	NA	0	0	0	0	0	0	0	0
Puerto Rico	13	197	13	190	NA	+7	0	0	7	0	0	0	0	0
Virgin Islands	8	28	6	24	+2	+4	1	1	4	1	0	0	1	0

NA–No activity
NC–No change

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
	Total	Insured	Non-insured	Total	Insured				Noninsured		Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
					Total	Members F.R. System		Not members F.R. System	Banks of deposit[2]	Nondeposit trust companies						
						National	State									
United States—all offices	**38,860**	**38,229**	**631**	**37,174**	**36,918**	**17,922**	**4,949**	**14,047**	**203**	**53**	**1,686**	**1,311**	**375**	**98.5**	99.5	**77.8**
Banks	14,294	13,939	355	13,804	13,612	4,600	1,128	7,884	147	45	490	327	163	97.8	98.9	66.7
Unit banks	*9,764*	*9,519*	*245*	*9,586*	*9,416*	*2,868*	*668*	*5,880*	*129*	*41*	*178*	*103*	*75*	*97.9*	*98.6*	*57.9*
Banks operating branches	*4,530*	*4,420*	*110*	*4,218*	*4,196*	*1,732*	*460*	*2,004*	*18*	*4*	*312*	*224*	*88*	*97.7*	*99.6*	*71.8*
Branches	24,566	24,290	276	23,370	23,306	13,322	3,821	6,163	56	8	1,196	984	212	98.9	99.8	82.3
50 States & D.C.—all offices	**38,588**	**37,992**	**596**	**36,903**	**36,682**	**17,871**	**4,947**	**13,864**	**168**	**53**	**1,685**	**1,310**	**375**	**98.6**	99.5	**77.7**
Banks	14,272	13,928	344	13,783	13,602	4,599	1,128	7,875	136	45	489	326	163	97.9	99.0	66.7
Unit banks	*9,754*	*9,517*	*237*	*9,577*	*9,415*	*2,868*	*668*	*5,879*	*121*	*41*	*177*	*102*	*75*	*98.0*	*98.7*	*57.6*
Banks operating branches	*4,518*	*4,411*	*107*	*4,206*	*4,187*	*1,731*	*460*	*1,996*	*15*	*4*	*312*	*224*	*88*	*97.7*	*99.6*	*71.8*
Branches	24,316	24,064	252	23,120	23,080	13,272	3,819	5,989	32	8	1,196	984	212	99.0	99.9	82.3
Other Areas—all offices	**272**	**237**	**35**	**271**	**236**	**51**	**2**	**183**	**35**	**0**	**1**	**1**	**0**	**87.1**	87.1	**100.0**
Banks	22	11	11	21	10	1	0	9	11	0	1	1	0	50.0	47.6	100.0
Unit banks	*10*	*2*	*8*	*9*	*1*	*0*	*0*	*1*	*8*	*0*	*1*	*1*	*0*	*20.0*	*11.1*	*100.0*
Banks operating branches	*12*	*9*	*3*	*12*	*9*	*1*	*0*	*8*	*3*	*0*	*0*	*0*	*0*	*75.0*	*75.0*	*0.0*
Branches	250	226	24	250	226	50	2	174	24	0	0	0	0	90.4	90.4	0.0
State																
Alabama—all offices	**576**	**576**	**0**	**576**	**576**	**301**	**33**	**242**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	273	273	0	273	273	88	20	165	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*177*	*177*	*0*	*177*	*177*	*39*	*15*	*123*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*96*	*96*	*0*	*96*	*96*	*49*	*5*	*42*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	303	303	0	303	303	213	13	77	0	0	0	0	0	100.0	100.0	0.0
Alaska—all offices	**78**	**77**	**1**	**76**	**75**	**63**	**0**	**12**	**1**	**0**	**2**	**2**	**0**	**98.7**	**98.7**	**100.0**
Banks	13	12	1	11	10	5	0	5	1	0	2	2	0	92.3	90.9	100.0
Unit banks	*6*	*5*	*1*	*4*	*3*	*0*	*0*	*3*	*1*	*0*	*2*	*2*	*0*	*83.3*	*75.0*	*100.0*
Banks operating branches	*7*	*7*	*0*	*7*	*7*	*5*	*0*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	65	65	0	65	65	58	0	7	0	0	0	0	0	100.0	100.0	0.0
Arizona—all offices	**360**	**360**	**0**	**360**	**360**	**231**	**21**	**108**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	13	13	0	13	13	3	1	9	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*3*	*3*	*0*	*3*	*3*	*1*	*0*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*10*	*10*	*0*	*10*	*10*	*2*	*1*	*7*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	347	347	0	347	347	228	20	99	0	0	0	0	0	100.0	100.0	0.0

Arkansas—all offices	**432**	**430**	**2**	**432**	**430**	**157**	**32**	**241**	**1**	**1**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	253	251	2	253	251	69	12	170	1	1	0	0	0	99.6	99.6	0.0
Unit banks	*163*	*161*	*2*	*163*	*161*	*32*	*5*	*124*	*1*	*1*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Banks operating branches	*90*	*90*	*0*	*90*	*90*	*37*	*7*	*46*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	179	179	0	179	179	88	20	71	0	0	0	0	0	100.0	100.0	0.0
California—all offices	**3,328**	**3,315**	**13**	**3,328**	**3,315**	**2,563**	**313**	**439**	**0**	**13**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	152	144	8	152	144	57	9	78	0	8	0	0	0	100.0	100.0	0.0
Unit banks	*34*	*28*	*6*	*34*	*28*	*7*	*0*	*21*	*0*	*6*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*118*	*116*	*2*	*118*	*116*	*50*	*9*	*57*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	3,176	3,171	5	3,176	3,171	2,506	304	361	0	5	0	0	0	100.0	100.0	0.0
Colorado—all offices	**307**	**264**	**43**	**307**	**264**	**141**	**19**	**104**	**43**	**0**	**0**	**0**	**0**	**86.0**	**86.0**	**0.0**
Banks	278	235	43	278	235	122	18	95	43	0	0	0	0	84.5	84.5	0.0
Unit banks	*253*	*210*	*43*	*253*	*210*	*105*	*17*	*88*	*43*	*0*	*0*	*0*	*0*	*83.0*	*83.0*	*0.0*
Banks operating branches	*25*	*25*	*0*	*25*	*25*	*17*	*1*	*7*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	29	29	0	29	29	19	1	9	0	0	0	0	0	100.0	100.0	0.0
Connecticut—all offices	**761**	**760**	**1**	**532**	**531**	**276**	**116**	**139**	**1**	**0**	**229**	**229**	**0**	**99.9**	**99.8**	**100.0**
Banks	131	130	1	63	62	26	3	33	1	0	68	68	0	99.2	98.4	100.0
Unit banks	*38*	*37*	*1*	*17*	*16*	*4*	*0*	*12*	*1*	*0*	*21*	*21*	*0*	*97.4*	*94.1*	*100.0*
Banks operating branches	*93*	*93*	*0*	*46*	*46*	*22*	*3*	*21*	*0*	*0*	*47*	*47*	*0*	*100.0*	*100.0*	*100.0*
Branches	630	630	0	469	469	250	113	106	0	0	161	161	0	100.0	100.0	100.0
Delaware—all offices	**132**	**132**	**0**	**117**	**117**	**9**	**45**	**63**	**0**	**0**	**15**	**15**	**0**	**100.0**	**100.0**	**100.0**
Banks	20	20	0	18	18	5	2	11	0	0	2	2	0	100.0	100.0	100.0
Unit banks	*9*	*9*	*0*	*9*	*9*	*3*	*0*	*6*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*11*	*11*	*0*	*9*	*9*	*2*	*2*	*5*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	112	112	0	99	99	4	43	52	0	0	13	13	0	100.0	100.0	100.0
D.C.—all offices	**122**	**122**	**0**	**122**	**122**	**83**	**30**	**9**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	14	14	0	14	14	11	1	2	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*1*	*1*	*0*	*1*	*1*	*1*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*13*	*13*	*0*	*13*	*13*	*10*	*1*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	108	108	0	108	108	72	29	7	0	0	0	0	0	100.0	100.0	0.0
Florida—all offices	**583**	**578**	**5**	**583**	**578**	**242**	**11**	**325**	**2**	**3**	**0**	**0**	**0**	**99.7**	**99.7**	**0.0**
Banks	540	535	5	540	535	230	10	295	2	3	0	0	0	99.6	99.6	0.0
Unit banks	*501*	*496*	*5*	*501*	*496*	*219*	*9*	*268*	*2*	*3*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Banks operating branches	*39*	*39*	*0*	*39*	*39*	*11*	*1*	*27*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	43	43	0	43	43	12	1	30	0	0	0	0	0	100.0	100.0	0.0
Georgia—all offices	**846**	**840**	**6**	**846**	**840**	**287**	**65**	**488**	**6**	**0**	**0**	**0**	**0**	**99.3**	**99.3**	**0.0**
Banks	434	428	6	434	428	60	10	358	6	0	0	0	0	98.6	98.6	0.0
Unit banks	*297*	*291*	*6*	*297*	*291*	*23*	*2*	*266*	*6*	*0*	*0*	*0*	*0*	*98.0*	*98.0*	*0.0*
Banks operating branches	*137*	*137*	*0*	*137*	*137*	*37*	*8*	*92*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	412	412	0	412	412	227	55	130	0	0	0	0	0	100.0	100.0	0.0
Hawaii—all offices	**152**	**147**	**5**	**152**	**147**	**10**	**0**	**137**	**0**	**5**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	10	7	3	10	7	1	0	6	0	3	0	0	0	100.0	100.0	0.0
Unit banks	*2*	*0*	*2*	*2*	*0*	*0*	*0*	*0*	*0*	*2*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*8*	*7*	*1*	*8*	*7*	*1*	*0*	*6*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	142	140	2	142	140	9	0	131	0	2	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
	Total	Insured	Non-insured	Total	Insured				Noninsured		Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
					Total	Members F.R. System		Not members F.R. System	Banks of deposit[2]	Nondeposit trust companies						
						National	State									
Idaho—all offices	**189**	**189**	**0**	**189**	**189**	**121**	**36**	**32**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	24	24	0	24	24	7	6	11	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*10*	*10*	*0*	*10*	*10*	*2*	*3*	*5*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*14*	*14*	*0*	*14*	*14*	*5*	*3*	*6*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	165	165	0	165	165	114	30	21	0	0	0	0	0	100.0	100.0	0.0
Illinois—all offices	**1,257**	**1,254**	**3**	**1,257**	**1,254**	**486**	**88**	**680**	**1**	**2**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	1,134	1,131	3	1,134	1,131	415	78	638	1	2	0	0	0	99.9	99.9	0.0
Unit banks	*1,016*	*1,013*	*3*	*1,016*	*1,013*	*348*	*68*	*597*	*1*	*2*	*0*	*0*	*0*	*99.9*	*99.9*	*0.0*
Banks operating branches	*118*	*118*	*0*	*118*	*118*	*67*	*10*	*41*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	123	123	0	123	123	71	10	42	0	0	0	0	0	100.0	100.0	0.0
Indiana—all offices	**1,084**	**1,081**	**3**	**1,079**	**1,076**	**482**	**121**	**473**	**2**	**1**	**5**	**5**	**0**	**99.8**	**99.8**	**100.0**
Banks	412	409	3	408	405	122	61	222	2	1	4	4	0	99.5	99.5	100.0
Unit banks	*212*	*209*	*3*	*209*	*206*	*48*	*38*	*120*	*2*	*1*	*3*	*3*	*0*	*99.1*	*99.0*	*100.0*
Banks operating branches	*200*	*200*	*0*	*199*	*199*	*74*	*23*	*102*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	672	672	0	671	671	360	60	251	0	0	1	1	0	100.0	100.0	100.0
Iowa—all offices	**995**	**987**	**8**	**995**	**987**	**161**	**79**	**747**	**7**	**1**	**0**	**0**	**0**	**99.3**	**99.3**	**0.0**
Banks	666	658	8	666	658	99	49	510	7	1	0	0	0	98.9	98.9	0.0
Unit banks	*446*	*438*	*8*	*446*	*438*	*56*	*33*	*349*	*7*	*1*	*0*	*0*	*0*	*98.4*	*98.4*	*0.0*
Banks operating branches	*220*	*220*	*0*	*220*	*220*	*43*	*16*	*161*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	329	329	0	329	329	62	30	237	0	0	0	0	0	100.0	100.0	0.0
Kansas—all offices	**676**	**675**	**1**	**676**	**675**	**206**	**35**	**434**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	603	602	1	603	602	171	28	403	1	0	0	0	0	99.8	99.8	0.0
Unit banks	*532*	*531*	*1*	*532*	*531*	*138*	*21*	*372*	*1*	*0*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*71*	*71*	*0*	*71*	*71*	*33*	*7*	*31*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	73	73	0	73	73	35	7	31	0	0	0	0	0	100.0	100.0	0.0
Kentucky—all offices	**704**	**700**	**4**	**704**	**700**	**231**	**75**	**394**	**4**	**0**	**0**	**0**	**0**	**99.4**	**99.4**	**0.0**
Banks	343	339	4	343	339	80	14	245	4	0	0	0	0	98.8	98.8	0.0
Unit banks	*200*	*196*	*4*	*200*	*196*	*35*	*6*	*155*	*4*	*0*	*0*	*0*	*0*	*98.0*	*98.0*	*0.0*
Banks operating branches	*143*	*143*	*0*	*143*	*143*	*45*	*8*	*90*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	361	361	0	361	361	151	61	149	0	0	0	0	0	100.0	100.0	0.0

Louisiana—all offices	649	648	1	649	648	234	48	366	1	0	0	0	0	99.8	99.8	0.0
Banks	235	234	1	235	234	49	10	175	1	0	0	0	0	99.6	99.6	0.0
Unit banks	99	98	1	99	98	11	1	86	1	0	0	0	0	99.0	99.0	0.0
Banks operating branches	136	136	0	136	136	38	9	89	0	0	0	0	0	100.0	100.0	0.0
Branches	414	414	0	414	414	185	38	191	0	0	0	0	0	100.0	100.0	0.0
Maine—all offices	342	337	5	281	277	128	70	79	4	0	61	60	1	98.5	98.6	98.4
Banks	76	71	5	44	40	19	6	15	4	0	32	31	1	93.4	90.9	96.9
Unit banks	25	20	5	11	7	3	1	3	4	0	14	13	1	80.0	63.6	92.9
Banks operating branches	51	51	0	33	33	16	5	12	0	0	18	18	0	100.0	100.0	100.0
Branches	266	266	0	237	237	109	64	64	0	0	29	29	0	100.0	100.0	100.0
Maryland—all offices	728	728	0	679	679	312	82	285	0	0	49	49	0	100.0	100.0	100.0
Banks	117	117	0	112	112	39	7	66	0	0	5	5	0	100.0	100.0	100.0
Unit banks	41	41	0	41	41	11	1	29	0	0	0	0	0	100.0	100.0	0.0
Banks operating branches	76	76	0	71	71	28	6	37	0	0	5	5	0	100.0	100.0	100.0
Branches	611	611	0	567	567	273	75	219	0	0	44	44	0	100.0	100.0	100.0
Massachusetts—all offices	1,358	978	380	939	933	525	177	231	6	0	419	45	374	72.0	99.4	10.7
Banks	328	162	166	158	154	84	14	56	4	0	170	8	162	49.4	97.5	4.7
Unit banks	111	34	77	36	33	20	0	13	3	0	75	1	74	30.6	91.7	1.3
Banks operating branches	217	128	89	122	121	64	14	43	1	0	95	7	88	59.0	99.2	7.4
Branches[3]	1,030	816	214	781	779	441	163	175	2	0	249	37	212	79.2	99.7	14.9
Michigan—all offices	1,585	1,581	4	1,585	1,581	688	545	348	3	1	0	0	0	99.8	99.8	0.0
Banks	331	329	2	331	329	104	101	124	1	1	0	0	0	99.7	99.7	0.0
Unit banks	122	121	1	122	121	30	36	55	0	1	0	0	0	100.0	100.0	0.0
Banks operating branches	209	208	1	209	208	74	65	69	1	0	0	0	0	99.5	99.5	0.0
Branches	1,254	1,252	2	1,254	1,252	584	444	224	2	0	0	0	0	99.8	99.8	0.0
Minnesota—all offices	749	746	3	748	745	205	26	514	3	0	1	1	0	99.6	99.6	100.0
Banks	732	729	3	731	728	198	25	505	3	0	1	1	0	99.6	99.6	100.0
Unit banks	719	716	3	718	715	195	24	496	3	0	1	1	0	99.6	99.6	100.0
Banks operating branches	13	13	0	13	13	3	1	9	0	0	0	0	0	100.0	100.0	0.0
Branches	17	17	0	17	17	7	1	9	0	0	0	0	0	100.0	100.0	0.0
Mississippi—all offices	552	552	0	552	552	185	20	347	0	0	0	0	0	100.0	100.0	0.0
Banks	183	183	0	183	183	38	7	138	0	0	0	0	0	100.0	100.0	0.0
Unit banks	68	68	0	68	68	5	2	61	0	0	0	0	0	100.0	100.0	0.0
Banks operating branches	115	115	0	115	115	33	5	77	0	0	0	0	0	100.0	100.0	0.0
Branches	369	369	0	369	369	147	13	209	0	0	0	0	0	100.0	100.0	0.0
Missouri—all offices	772	766	6	772	766	124	87	555	3	3	0	0	0	99.6	99.6	0.0
Banks	672	666	6	672	666	98	71	497	3	3	0	0	0	99.6	99.6	0.0
Unit banks	574	568	6	574	568	73	55	440	3	3	0	0	0	99.5	99.5	0.0
Banks operating branches	98	98	0	98	98	25	16	57	0	0	0	0	0	100.0	100.0	0.0
Branches	100	100	0	100	100	26	16	58	0	0	0	0	0	100.0	100.0	0.0
Montana—all offices	154	153	1	154	153	56	44	53	0	1	0	0	0	100.0	100.0	0.0
Banks	144	143	1	144	143	52	40	51	0	1	0	0	0	100.0	100.0	0.0
Unit banks	134	133	1	134	133	48	36	49	0	1	0	0	0	100.0	100.0	0.0
Banks operating branches	10	10	0	10	10	4	4	2	0	0	0	0	0	100.0	100.0	0.0
Branches	10	10	0	10	10	4	4	2	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971—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: Total	All banks: Insured	All banks: Non-insured	Commercial banks and nondeposit trust companies: Total	Insured: Total	Insured: Members F.R. System: National	Insured: Members F.R. System: State	Insured: Not members F.R. System	Noninsured: Banks of deposit[2]	Noninsured: Nondeposit trust companies	Mutual savings banks: Total	Mutual savings banks: Insured	Mutual savings banks: Non-insured	Percentage insured[1]: All banks of deposit	Percentage insured[1]: Commercial banks of deposit	Percentage insured[1]: Mutual savings banks
Nebraska—all offices	**488**	**483**	**5**	**488**	**483**	**151**	**11**	**321**	**1**	**4**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	443	438	5	443	438	125	10	303	1	4	0	0	0	99.8	99.8	0.0
Unit banks	*400*	*395*	*5*	*400*	*395*	*100*	*9*	*286*	*1*	*4*	*0*	*0*	*0*	*99.7*	*99.7*	*0.0*
Banks operating branches	*43*	*43*	*0*	*43*	*43*	*25*	*1*	*17*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	45	45	0	45	45	26	1	18	0	0	0	0	0	100.0	100.0	0.0
Nevada—all offices	**97**	**97**	**0**	**97**	**97**	**68**	**15**	**14**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	8	8	0	8	8	4	1	3	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*6*	*6*	*0*	*6*	*6*	*3*	*1*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	89	89	0	89	89	64	14	11	0	0	0	0	0	100.0	100.0	0.0
New Hampshire—all offices	**189**	**187**	**2**	**143**	**141**	**103**	**3**	**35**	**2**	**0**	**46**	**46**	**0**	**98.9**	**98.6**	**100.0**
Banks	104	102	2	74	72	48	1	23	2	0	30	30	0	98.1	97.3	100.0
Unit banks	*63*	*61*	*2*	*42*	*40*	*24*	*0*	*16*	*2*	*0*	*21*	*21*	*0*	*96.8*	*95.2*	*100.0*
Banks operating branches	*41*	*41*	*0*	*32*	*32*	*24*	*1*	*7*	*0*	*0*	*9*	*9*	*0*	*100.0*	*100.0*	*100.0*
Branches	85	85	0	69	69	55	2	12	0	0	16	16	0	100.0	100.0	100.0
New Jersey—all offices	**1,382**	**1,380**	**2**	**1,308**	**1,306**	**866**	**235**	**205**	**0**	**2**	**74**	**74**	**0**	**100.0**	**100.0**	**100.0**
Banks	231	229	2	211	209	120	33	56	0	2	20	20	0	100.0	100.0	100.0
Unit banks	*51*	*49*	*2*	*43*	*41*	*17*	*5*	*19*	*0*	*2*	*8*	*8*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*180*	*180*	*0*	*168*	*168*	*103*	*28*	*37*	*0*	*0*	*12*	*12*	*0*	*100.0*	*100.0*	*100.0*
Branches	1,151	1,151	0	1,097	1,097	746	202	149	0	0	54	54	0	100.0	100.0	100.0
New Mexico—all offices	**208**	**208**	**0**	**208**	**208**	**112**	**16**	**80**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	68	68	0	68	68	33	7	28	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*16*	*16*	*0*	*16*	*16*	*7*	*2*	*7*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*52*	*52*	*0*	*52*	*52*	*26*	*5*	*21*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	140	140	0	140	140	79	9	52	0	0	0	0	0	100.0	100.0	0.0
New York—all offices	**3,370**	**3,335**	**35**	**2,867**	**2,832**	**1,507**	**1,135**	**190**	**29**	**6**	**503**	**503**	**0**	**99.1**	**99.0**	**100.0**
Banks	431	405	26	311	285	166	73	46	21	5	120	120	0	95.1	93.1	100.0
Unit banks	*141*	*123*	*18*	*120*	*102*	*62*	*20*	*20*	*14*	*4*	*21*	*21*	*0*	*89.8*	*87.9*	*100.0*
Banks operating branches	*290*	*282*	*8*	*191*	*183*	*104*	*53*	*26*	*7*	*1*	*99*	*99*	*0*	*97.6*	*96.3*	*100.0*
Branches[3]	2,939	2,930	9	2,556	2,547	1,341	1,062	144	8	1	383	383	0	99.7	99.7	100.0

North Carolina—all offices	**1,319**	**1,311**	**8**	**1,319**	**1,311**	**633**	**1**	**677**	**8**	**0**	**0**	**0**	**0**	**99.4**	**99.4**	**0.0**
Banks	95	94	1	95	94	23	1	70	1	0	0	0	0	98.9	98.9	0.0
Unit banks	*30*	*30*	*0*	*30*	*30*	*3*	*1*	*26*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*65*	*64*	*1*	*65*	*64*	*20*	*0*	*44*	*1*	*0*	*0*	*0*	*0*	*98.5*	*98.5*	*0.0*
Branches	1,224	1,217	7	1,224	1,217	610	0	607	7	0	0	0	0	99.4	99.4	0.0
North Dakota—all offices	**241**	**236**	**5**	**241**	**236**	**54**	**6**	**176**	**5**	**0**	**0**	**0**	**0**	**97.9**	**97.9**	**0.0**
Banks	169	166	3	169	166	42	4	120	3	0	0	0	0	98.2	98.2	0.0
Unit banks	*117*	*115*	*2*	*117*	*115*	*31*	*3*	*81*	*2*	*0*	*0*	*0*	*0*	*98.3*	*98.3*	*0.0*
Banks operating branches	*52*	*51*	*1*	*52*	*51*	*11*	*1*	*39*	*1*	*0*	*0*	*0*	*0*	*98.1*	*98.1*	*0.0*
Branches	72	70	2	72	70	12	2	56	2	0	0	0	0	97.2	97.2	0.0
Ohio—all offices	**1,885**	**1,883**	**2**	**1,884**	**1,882**	**994**	**493**	**395**	**2**	**0**	**1**	**1**	**0**	**99.9**	**99.9**	**100.0**
Banks	515	513	2	514	512	218	118	176	2	0	1	1	0	99.6	99.6	100.0
Unit banks	*224*	*222*	*2*	*223*	*221*	*66*	*59*	*96*	*2*	*0*	*1*	*1*	*0*	*99.1*	*99.1*	*100.0*
Banks operating branches	*291*	*291*	*0*	*291*	*291*	*152*	*59*	*80*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	1,370	1,370	0	1,370	1,370	776	375	219	0	0	0	0	0	100.0	100.0	0.0
Oklahoma—all offices	**508**	**506**	**2**	**508**	**506**	**245**	**19**	**242**	**0**	**2**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	437	435	2	437	435	197	16	222	0	2	0	0	0	100.0	100.0	0.0
Unit banks	*369*	*367*	*2*	*369*	*367*	*152*	*13*	*202*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*68*	*68*	*0*	*68*	*68*	*45*	*3*	*20*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	71	71	0	71	71	48	3	20	0	0	0	0	0	100.0	100.0	0.0
Oregon—all offices	**408**	**406**	**2**	**405**	**403**	**268**	**0**	**135**	**2**	**0**	**3**	**3**	**0**	**99.5**	**99.5**	**100.0**
Banks	47	45	2	46	44	8	0	36	2	0	1	1	0	95.7	95.7	100.0
Unit banks	*15*	*13*	*2*	*15*	*13*	*1*	*0*	*12*	*2*	*0*	*0*	*0*	*0*	*86.7*	*86.7*	*0.0*
Banks operating branches	*32*	*32*	*0*	*31*	*31*	*7*	*0*	*24*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches[3]	361	361	0	359	359	260	0	99	0	0	2	2	0	100.0	100.0	100.0
Pennsylvania—all offices	**2,394**	**2,385**	**9**	**2,280**	**2,271**	**1,378**	**282**	**611**	**7**	**2**	**114**	**114**	**0**	**99.7**	**99.7**	**100.0**
Banks	462	455	7	454	447	286	23	138	5	2	8	8	0	98.9	98.9	100.0
Unit banks	*204*	*198*	*6*	*203*	*197*	*128*	*8*	*61*	*4*	*2*	*1*	*1*	*0*	*98.0*	*98.0*	*100.0*
Banks operating branches	*258*	*257*	*1*	*251*	*250*	*158*	*15*	*77*	*1*	*0*	*7*	*7*	*0*	*99.6*	*99.6*	*100.0*
Branches[3]	1,932	1,930	2	1,826	1,824	1,092	259	473	2	0	106	106	0	99.9	99.9	100.0
Rhode Island—all offices	**274**	**264**	**10**	**192**	**182**	**102**	**0**	**80**	**10**	**0**	**82**	**82**	**0**	**96.4**	**94.8**	**100.0**
Banks	20	18	2	13	11	5	0	6	2	0	7	7	0	90.0	84.6	100.0
Unit banks	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*20*	*18*	*2*	*13*	*11*	*5*	*0*	*6*	*2*	*0*	*7*	*7*	*0*	*90.0*	*84.6*	*100.0*
Branches	254	246	8	179	171	97	0	74	8	0	75	75	0	96.9	95.5	100.0
South Carolina—all offices	**558**	**558**	**0**	**558**	**558**	**272**	**15**	**271**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	99	99	0	99	99	19	6	74	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*34*	*34*	*0*	*34*	*34*	*4*	*2*	*28*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*65*	*65*	*0*	*65*	*65*	*15*	*4*	*46*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	459	459	0	459	459	253	9	197	0	0	0	0	0	100.0	100.0	0.0
South Dakota—all offices	**259**	**259**	**0**	**259**	**259**	**94**	**29**	**136**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	159	159	0	159	159	32	25	102	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*120*	*120*	*0*	*120*	*120*	*22*	*22*	*76*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*39*	*39*	*0*	*39*	*39*	*10*	*3*	*26*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	100	100	0	100	100	62	4	34	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
					Insured				Noninsured							
						Members F.R. System										
	Total	Insured	Non-insured	Total	Total	National	State	Not members F.R. System	Banks of deposit[2]	Nondeposit trust companies	Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Tennessee—all offices	**838**	**834**	**4**	**838**	**834**	**371**	**51**	**412**	**3**	**1**	**0**	**0**	**0**	**99.6**	**99.6**	**0.0**
Banks	310	307	3	310	307	77	14	216	2	1	0	0	0	99.4	99.4	0.0
Unit banks	*159*	*157*	*2*	*159*	*157*	*17*	*8*	*132*	*1*	*1*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Banks operating branches	*151*	*150*	*1*	*151*	*150*	*60*	*6*	*84*	*1*	*0*	*0*	*0*	*0*	*99.3*	*99.3*	*0.0*
Branches	528	527	1	528	527	294	37	196	1	0	0	0	0	99.8	99.8	0.0
Texas—all offices	**1,301**	**1,293**	**8**	**1,301**	**1,293**	**550**	**58**	**685**	**8**	**0**	**0**	**0**	**0**	**99.4**	**99.4**	**0.0**
Banks	1,215	1,207	8	1,215	1,207	530	49	628	8	0	0	0	0	99.3	99.3	0.0
Unit banks	*1,134*	*1,126*	*8*	*1,134*	*1,126*	*512*	*41*	*573*	*8*	*0*	*0*	*0*	*0*	*99.3*	*99.3*	*0.0*
Banks operating branches	*81*	*81*	*0*	*81*	*81*	*18*	*8*	*55*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	86	86	0	86	86	20	9	57	0	0	0	0	0	100.0	100.0	0.0
Utah—all offices	**198**	**198**	**0**	**198**	**198**	**88**	**35**	**75**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	50	50	0	50	50	9	6	35	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*29*	*29*	*0*	*29*	*29*	*5*	*3*	*21*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*21*	*21*	*0*	*21*	*21*	*4*	*3*	*14*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	148	148	0	148	148	79	29	40	0	0	0	0	0	100.0	100.0	0.0
Vermont—all offices	**141**	**140**	**1**	**131**	**130**	**76**	**0**	**54**	**0**	**1**	**10**	**10**	**0**	**100.0**	**100.0**	**100.0**
Banks	48	47	1	42	41	26	0	15	0	1	6	6	0	100.0	100.0	100.0
Unit banks	*21*	*20*	*1*	*17*	*16*	*11*	*0*	*5*	*0*	*1*	*4*	*4*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*27*	*27*	*0*	*25*	*25*	*15*	*0*	*10*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	93	93	0	89	89	50	0	39	0	0	4	4	0	100.0	100.0	100.0
Virginia—all offices	**1,132**	**1,132**	**0**	**1,132**	**1,132**	**619**	**173**	**340**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	245	245	0	245	245	101	45	99	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*87*	*87*	*0*	*87*	*87*	*26*	*21*	*40*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*158*	*158*	*0*	*158*	*158*	*75*	*24*	*59*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	887	887	0	887	887	518	128	241	0	0	0	0	0	100.0	100.0	0.0
Washington—all offices	**749**	**747**	**2**	**681**	**679**	**488**	**44**	**147**	**1**	**1**	**68**	**68**	**0**	**99.9**	**99.9**	**100.0**
Banks	101	99	2	92	90	24	7	59	1	1	9	9	0	99.0	98.9	100.0
Unit banks	*44*	*42*	*2*	*42*	*40*	*6*	*3*	*31*	*1*	*1*	*2*	*2*	*0*	*97.7*	*97.6*	*100.0*
Banks operating branches	*57*	*57*	*0*	*50*	*50*	*18*	*4*	*28*	*0*	*0*	*7*	*7*	*0*	*100.0*	*100.0*	*100.0*
Branches[3]	648	648	0	589	589	464	37	88	0	0	59	59	0	100.0	100.0	100.0

West Virginia—all offices	**205**	**205**	**0**	**205**	**205**	**87**	**34**	**84**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	199	199	0	199	199	86	33	80	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*193*	*193*	*0*	*193*	*193*	*85*	*32*	*76*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*6*	*6*	*0*	*6*	*6*	*1*	*1*	*4*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	6	6	0	6	6	1	1	4	0	0	0	0	0	100.0	100.0	0.0
Wisconsin—all offices	**900**	**896**	**4**	**897**	**893**	**195**	**61**	**637**	**1**	**3**	**3**	**3**	**0**	**99.9**	**99.9**	**100.0**
Banks	614	610	4	611	607	126	40	441	1	3	3	3	0	99.8	99.8	100.0
Unit banks	*439*	*435*	*4*	*436*	*432*	*90*	*30*	*312*	*1*	*3*	*3*	*3*	*0*	*99.8*	*99.8*	*100.0*
Banks operating branches	*175*	*175*	*0*	*175*	*175*	*36*	*10*	*129*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	286	286	0	286	286	69	21	196	0	0	0	0	0	100.0	100.0	0.0
Wyoming—all offices	**73**	**73**	**0**	**73**	**73**	**43**	**13**	**17**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	71	71	0	71	71	42	13	16	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*69*	*69*	*0*	*69*	*69*	*41*	*13*	*15*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	2	2	0	2	2	1	0	1	0	0	0	0	0	100.0	100.0	0.0
Other Areas																
Trust Terr.—all offices[4]	**23**	**11**	**12**	**23**	**11**	**6**	**0**	**5**	**12**	**0**	**0**	**0**	**0**	**47.8**	**47.8**	**0.0**
Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Unit banks	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Branches[5]	23	11	12	23	11	6	0	5	12	0	0	0	0	47.8	47.8	0.0
Canal Zone—all offices	**2**	**0**	**2**	**2**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0.0**	**0.0**	**0.0**
Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Unit banks	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Branches[6]	2	0	2	2	0	0	0	0	2	0	0	0	0	0.0	0.0	0.0
Puerto Rico—all offices	**211**	**196**	**15**	**210**	**195**	**19**	**0**	**176**	**15**	**0**	**1**	**1**	**0**	**92.9**	**92.9**	**100.0**
Banks	14	9	5	13	8	0	0	8	5	0	1	1	0	64.3	61.5	100.0
Unit banks	*4*	*2*	*2*	*3*	*1*	*0*	*0*	*1*	*2*	*0*	*1*	*1*	*0*	*50.0*	*33.3*	*100.0*
Banks operating branches	*10*	*7*	*3*	*10*	*7*	*0*	*0*	*7*	*3*	*0*	*0*	*0*	*0*	*70.0*	*70.0*	*0.0*
Branches[7]	197	187	10	197	187	19	0	168	10	0	0	0	0	94.9	94.9	0.0
Virgin Islands—all offices	**36**	**30**	**6**	**36**	**30**	**26**	**2**	**2**	**6**	**0**	**0**	**0**	**0**	**83.3**	**83.3**	**0.0**
Banks	8	2	6	8	2	1	0	1	6	0	0	0	0	25.0	25.0	0.0
Unit banks	*6*	*0*	*6*	*6*	*0*	*0*	*0*	*0*	*6*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches[8]	28	28	0	28	28	25	2	1	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971–CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

[1] Nondeposit trust companies are excluded in computing these percentages.

[2] Includes 14 noninsured branches of insured banks: 12 branches in the Pacific Islands and 2 in the Canal Zone.

[3] Massachusetts: 1 branch operated by a noninsured bank in New York.
New York: 15 branches operated by 3 insured banks in Puerto Rico (not members of F.R. System).
Oregon: 1 branch operated by a national bank in California.
Pennsylvania: 2 branches—1 operated by a noninsured bank in New York and 1 operated by a national bank in New Jersey.
Washington: 2 branches operated by a national bank in California.

[4] U.S. possessions: (American Samoa, Guam, Midway Islands, and Wake Island): Trust Territories (Kwajalein, Majuro, Palau Islands, Ponape Island, Saipan, and Truk).

[5] Pacific Islands: 23 branches.
American Samoa (Pago Pago): 1 insured branch—operated by an insured bank in Hawaii (not member of F.R. System).
Guam: 10 insured branches—operated by 2 insured banks in Hawaii (not members of F.R. System): a national bank in California, and a national bank in New York.
Carolina Islands: 4 noninsured branches—1 branch operated by a national bank in California, and 3 branches operated by 2 insured banks in Hawaii (not members of F. R. System).
Saipan Islands: 3 noninsured branches—2 branches operated by a national bank in California, and 1 branch operated by an insured bank in Hawaii (not member of F. R. System).
Marshall Islands: 3 noninsured branches—1 branch operated by a national bank in California, and 2 branches operated by an insured bank in Hawaii (not member of F. R. System).
Midway Islands on Sand Island: 1 noninsured branch operated by an insured bank in Hawaii (not member of F. R. System).
Wake Island: 1 noninsured branch operated by an insured bank in Hawaii (not member of F. R. System).

[6] Canal Zone: 2 noninsured branches operated by 2 national banks in New York.

[7] Puerto Rico: 19 insured branches operated by 2 national banks in New York.

[8] Virgin Islands: 19 insured branches operated by 2 national banks in New York, 1 national bank in California, and 1 state member bank in Pennsylvania.

Table 104. NUMBER AND DEPOSITS OF ALL COMMERCIAL AND MUTUAL SAVINGS BANKS, (STATES AND OTHER AREAS), DECEMBER 31, 1971
BANKS GROUPED BY CLASS AND DEPOSIT SIZE

Deposit size (in dollars)	All banks	Insured commercial banks				Non-insured banks and trust companies	Mutual savings banks	
		Total	Members F.R. System		Non-members F.R. System		Insured	Non-insured
			National	State				
Number of banks								
Less than 1 million	246	146	15	4	127	100	0	0
1 to 2 million	747	732	75	28	629	15	0	0
2 to 5 million	3,034	3,004	549	176	2,279	24	4	2
5 to 10 million	3,374	3,333	992	243	2,098	12	15	14
10 to 25 million	3,848	3,756	1,556	325	1,875	13	46	33
25 to 50 million	1,535	1,406	690	153	563	6	74	49
50 to 100 million	717	608	338	75	195	9	59	41
100 to 500 million	606	479	289	87	103	13	91	23
500 million to 1 billion	108	85	52	18	15	0	22	1
1 billion or more	79	63	44	19	0	0	16	0
Total	**14,294**	**13,612**	**4,600**	**1,128**	**7,884**	**192**	**327**	**163**
	(In thousands of dollars)							
Amount of deposits								
Less than 1 million	139,669	106,278	9,908	2,271	94,099	33,391	0	0
1 to 2 million	1,173,025	1,146,403	116,307	44,165	985,931	26,622	0	0
2 to 5 million	10,465,030	10,368,027	1,989,980	642,530	7,735,517	74,068	17,372	5,563
5 to 10 million	24,501,725	24,173,892	7,366,564	1,784,867	15,022,461	96,234	112,445	119,154
10 to 25 million	59,755,689	58,076,282	24,631,093	5,062,790	28,382,399	210,752	873,626	595,029
25 to 50 million	53,672,681	48,990,656	24,403,194	5,335,465	19,251,997	200,182	2,657,594	1,824,249
50 to 100 million	49,901,167	42,058,102	23,482,555	5,055,981	13,519,566	665,238	4,314,198	2,863,629
100 to 500 million	126,949,935	97,960,146	62,399,846	18,351,062	17,209,238	2,419,805	22,242,315	4,327,669
500 million to 1 billion	75,235,324	58,537,172	36,477,494	12,402,911	9,656,767	0	15,956,103	742,049
1 billion or more	223,094,282	197,767,104	134,672,428	63,094,676	0	0	25,327,178	0
Total	**624,888,527**	**539,184,062**	**315,549,369**	**111,776,718**	**111,857,975**	**3,726,292**	**71,500,831**	**10,477,342**

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971

BANKS GROUPED BY DEPOSIT SIZE AND STATE

(Amounts in thousands of dollars)

State	All banks	Banks with deposits of–									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total United States											
Banks	13,804	246	747	3,028	3,345	3,769	1,412	617	492	85	63
Total deposits	541,219,080	137,618	1,167,414	10,439,664	24,243,386	58,231,407	49,164,892	42,383,940	99,146,483	58,537,172	197,767,104
State											
Alabama											
Banks	273	2	11	47	98	84	14	8	8	1	0
Deposits	5,777,332	1,719	17,239	181,005	733,214	1,292,478	487,499	541,127	1,789,424	733,627	0
Alaska											
Banks	11	0	0	0	2	3	2	2	2	0	0
Deposits	654,284	0	0	0	12,144	47,270	72,320	115,337	407,213	0	0
Arizona											
Banks	13	0	2	0	2	0	1	2	3	1	2
Deposits	4,322,061	0	3,725	0	13,872	0	28,734	138,147	599,477	532,241	3,005,865
Arkansas											
Banks	253	8	11	60	70	74	18	7	5	0	0
Deposits	3,636,632	5,336	16,468	216,462	498,542	1,146,576	592,304	430,403	730,541	0	0
California											
Banks	152	9	1	6	17	54	20	21	14	3	7
Deposits	56,161,156	267	1,744	22,520	137,532	967,447	688,924	1,587,266	3,291,325	2,339,387	47,124,744
Colorado											
Banks	278	37	15	63	69	53	28	7	4	2	0
Deposits	5,068,642	19,716	21,537	228,312	498,795	785,867	1,008,657	481,419	872,108	1,152,231	0
Connecticut											
Banks	63	1	2	7	10	20	9	3	8	1	2
Deposits	5,566,939	396	3,054	22,865	72,525	317,889	322,981	213,628	2,005,188	529,971	2,078,442
Delaware											
Banks	18	0	1	4	5	3	1	0	4	0	0
Deposits	1,424,086	0	1,939	14,978	39,529	52,247	36,059	0	1,279,334	0	0

Washington D.C.												
Banks	14	0	0	0	0	2	4	2	4	2	0
Deposits	2,951,573	0	0	0	0	30,711	130,835	141,733	1,028,179	1,620,115	0
Florida												
Banks	540	5	13	45	111	179	114	50	22	1	0
Deposits	16,249,166	2,289	18,515	158,517	836,526	2,986,819	4,106,619	3,431,255	3,847,488	861,138	0
Georgia												
Banks	434	11	36	107	123	118	21	9	6	2	1
Deposits	8,272,753	6,340	56,128	378,285	876,376	1,789,117	772,678	568,166	1,105,803	1,409,982	1,309,878
Hawaii												
Banks	10	1	0	0	1	1	0	2	3	2	0
Deposits	1,909,897	189	0	0	7,636	11,975	0	182,637	386,268	1,321,192	0
Idaho												
Banks	24	0	0	7	4	7	2	0	3	1	0
Deposits	1,540,748	0	0	29,123	29,020	102,622	72,321	0	742,331	565,331	0
Illinois												
Banks	1,134	11	52	259	265	279	155	73	34	2	4
Deposits	39,258,425	6,062	86,471	895,853	1,886,875	4,404,965	5,460,774	5,009,175	5,884,179	1,340,336	14,283,735
Indiana												
Banks	408	3	8	56	103	135	61	21	18	1	2
Deposits	11,980,768	660	13,199	199,297	757,736	2,079,981	2,099,197	1,473,355	2,699,077	500,264	2,158,002
Iowa												
Banks	666	5	30	241	189	152	30	14	5	0	0
Deposits	7,360,661	2,643	50,634	821,263	1,321,961	2,165,434	1,028,393	906,026	1,064,307	0	0
Kansas												
Banks	603	20	72	219	144	115	23	4	6	0	0
Deposits	5,614,381	15,771	105,644	701,203	1,019,371	1,802,807	765,138	274,694	929,753	0	0
Kentucky												
Banks	343	4	21	74	113	92	25	7	5	2	0
Deposits	6,125,414	2,641	32,068	246,239	845,366	1,393,025	908,861	464,614	1,099,019	1,133,581	0
Louisiana												
Banks	235	3	9	25	56	85	29	12	14	2	0
Deposits	7,686,337	2,646	14,393	88,307	416,543	1,245,389	885,753	911,715	2,902,086	1,219,505	0
Maine												
Banks	44	3	2	2	8	16	6	2	5	0	0
Deposits	1,382,986	1,513	2,830	6,626	63,882	233,599	206,944	142,306	725,286	0	0
Maryland												
Banks	112	0	1	18	23	41	16	4	4	4	1
Deposits	5,940,883	0	1,564	69,338	165,599	614,675	576,866	220,289	717,542	2,489,721	1,085,289
Massachusetts												
Banks	158	0	2	7	27	54	28	23	13	3	1
Deposits	11,807,188	0	3,056	23,842	204,312	813,768	1,006,998	1,607,936	2,447,350	2,781,938	2,917,988

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971–CONTINUED

BANKS GROUPED BY DEPOSIT SIZE AND STATE

(Amounts in thousands of dollars)

State	All banks	Banks with deposits of–									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Michigan											
Banks	331	1	2	29	75	110	53	32	20	4	5
Deposits	23,165,535	790	3,778	115,520	540,073	1,705,755	1,863,354	2,212,351	3,857,309	2,369,165	10,497,440
Minnesota											
Banks	731	2	51	272	187	154	47	9	6	2	1
Deposits	10,543,659	1,284	82,494	896,882	1,299,520	2,254,182	1,630,524	547,470	826,554	1,871,263	1,133,486
Mississippi											
Banks	183	1	5	29	53	65	22	4	4	0	0
Deposits	3,622,380	908	7,953	106,840	411,530	969,237	724,812	284,555	1,116,545	0	0
Missouri											
Banks	672	15	59	175	165	171	48	23	13	2	1
Deposits	12,692,281	10,848	92,393	615,028	1,219,854	2,643,307	1,644,523	1,517,629	2,480,001	1,455,888	1,012,810
Montana											
Banks	144	1	9	37	45	34	12	5	1	0	0
Deposits	1,868,781	0	12,864	123,801	322,008	504,307	453,485	346,687	105,629	0	0
Nebraska											
Banks	443	28	91	138	98	63	19	1	5	0	0
Deposits	4,131,390	17,648	139,252	450,637	678,037	912,209	634,272	59,817	1,239,518	0	0
Nevada											
Banks	8	0	0	0	0	2	0	1	4	1	0
Deposits	1,371,207	0	0	0	0	33,844	0	67,147	593,839	676,377	0
New Hampshire											
Banks	74	2	0	19	20	22	7	3	1	0	0
Deposits	1,175,544	1,532	0	69,410	147,880	342,473	246,804	235,768	131,677	0	0
New Jersey											
Banks	211	2	0	9	25	57	54	24	34	6	0
Deposits	17,063,256	0	0	32,770	202,191	983,883	1,957,837	1,755,513	7,853,953	4,277,109	0
New Mexico											
Banks	68	1	1	2	22	25	12	2	3	0	0
Deposits	1,839,517	767	1,980	7,473	180,339	395,027	411,496	105,284	737,151	0	0

New York											
Banks	311	8	5	27	47	74	44	39	47	7	13
Deposits	95,788,934	3,447	8,289	96,035	330,126	1,169,076	1,652,106	2,750,806	10,511,052	5,250,593	74,017,404
North Carolina											
Banks	95	1	2	14	22	27	10	6	8	2	3
Deposits	8,371,967	95	3,096	51,581	158,972	449,577	357,934	406,769	1,400,117	1,348,436	4,195,390
North Dakota											
Banks	169	2	9	61	56	26	10	4	1	0	0
Deposits	1,764,966	1,777	15,317	215,828	393,172	410,912	351,110	222,885	153,965	0	0
Ohio											
Banks	514	3	9	82	119	155	78	32	26	7	3
Deposits	23,589,399	1,743	13,920	295,586	854,689	2,487,080	2,695,034	2,250,673	5,570,008	4,732,198	4,688,468
Oklahoma											
Banks	437	11	40	142	101	102	28	6	7	0	0
Deposits	6,315,203	8,102	64,357	465,484	727,101	1,538,550	905,551	415,375	2,190,683	0	0
Oregon											
Banks	46	0	0	7	10	17	5	4	1	0	2
Deposits	4,539,610	0	0	24,836	72,840	251,064	170,666	267,397	171,057	0	3,581,750
Pennsylvania											
Banks	454	5	3	48	95	153	74	33	29	7	7
Deposits	31,445,359	262	5,409	174,834	727,374	2,469,252	2,558,734	2,135,455	5,372,390	4,608,986	13,392,663
Rhode Island											
Banks	13	0	0	1	2	3	1	4	0	2	0
Deposits	1,829,105	0	0	4,287	13,299	38,713	31,581	248,552	0	1,492,673	0
South Carolina											
Banks	99	0	7	18	38	22	5	2	6	1	0
Deposits	2,789,596	0	12,302	61,814	262,217	359,744	156,928	133,901	1,197,747	604,943	0
South Dakota											
Banks	159	1	14	74	38	17	10	1	4	0	0
Deposits	1,763,952	756	22,753	252,566	278,667	261,871	307,016	50,871	589,452	0	0
Tennessee											
Banks	310	4	16	69	74	95	34	7	7	4	0
Deposits	8,697,768	1,536	25,062	234,811	523,369	1,472,352	1,141,530	485,581	1,815,483	2,998,044	0
Texas											
Banks	1,215	17	82	277	283	361	106	46	35	4	4
Deposits	30,040,728	11,047	121,727	959,061	2,073,159	5,535,008	3,660,203	3,121,998	6,263,485	2,407,805	5,887,235
Utah											
Banks	50	1	2	7	12	18	3	2	4	1	0
Deposits	2,099,108	417	3,135	27,229	81,415	257,349	87,742	139,413	922,064	580,344	0
Vermont											
Banks	42	1	2	4	9	17	5	2	2	0	0
Deposits	991,726	0	3,338	16,621	61,163	255,665	184,430	168,561	301,948	0	0

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971—CONTINUED

BANKS GROUPED BY DEPOSIT SIZE AND STATE

(Amounts in thousands of dollars)

State	All banks	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Virginia											
Banks	245	6	5	30	50	90	33	16	12	2	1
Deposits	9,210,785	3,414	6,884	108,421	372,274	1,376,054	1,081,006	1,111,993	2,742,396	1,395,004	1,013,339
Washington											
Banks	92	2	11	19	20	21	8	4	4	1	2
Deposits	6,206,186	1,192	18,592	64,795	147,510	312,104	282,720	296,229	1,158,362	642,939	3,281,743
West Virginia											
Banks	199	0	4	34	63	66	21	8	3	0	0
Deposits	3,298,014	0	6,662	128,721	457,832	1,010,980	757,347	517,971	418,501	0	0
Wisconsin											
Banks	611	4	24	142	159	205	46	21	9	0	1
Deposits	10,611,979	946	37,261	485,642	1,145,028	3,108,987	1,610,706	1,444,346	1,677,630	0	1,101,433
Wyoming											
Banks	71	1	5	13	17	27	6	2	0	0	0
Deposits	933,066	919	8,388	42,958	124,391	393,584	195,488	167,338	0	0	0
Other Areas											
Trust Territories											
Banks	0	0	0	0	0	0	0	0	0	0	0
Deposits	0	0	0	0	0	0	0	0	0	0	0
Canal Zone											
Banks	0	0	0	0	0	0	0	0	0	0	0
Deposits	0	0	0	0	0	0	0	0	0	0	0
Puerto Rico											
Banks	13	0	0	1	0	1	4	1	4	2	0
Deposits	2,257,283	0	0	2,863	0	17,087	151,098	74,377	717,013	1,294,845	0
Virgin Island											
Banks	8	3	0	1	0	2	0	0	2	0	0
Deposits	508,484	0	0	3,295	0	27,513	0	0	477,676	0	0

[1]Excludes data for branches in U.S. possessions and trust territories of banks headquartered in the United States and for 15 insured branches, in New York, of 3 insured nonmember banks in Puerto Rico.

ASSETS AND LIABILITIES OF BANKS

Commercial banks

Before 1969, statements of assets and liabilities were submitted by insured commercial banks on either a cash or an accrual basis, depending upon the bank's method of bookkeeping. In 1969, insured commercial banks having resources of $50 million or more, and beginning in 1970, $25 million or more, were required to report their assets and liabilities on the basis of accrual accounting. Where the results are not significantly different, particular accounts may be reported on a cash basis. Banks not subject to full accrual accounting are required to report the installment loan function on an accrual basis, or else to submit a statement of unearned income on installment loans carried in surplus accounts. All banks are required to report income taxes on an accrual basis.

All majority-owned premises subsidiaries are fully consolidated in 1969 and subsequent reports. Consolidation is required of other majority-owned domestic subsidiaries (but not domestic commercial bank subsidiaries) meeting either of the following criteria: any subsidiary in which the bank's investment represents 5 percent or more of its equity capital accounts, or any subsidiary whose gross operating revenues amount to 5 percent of the bank's gross revenues.

In the case of insured banks with branches outside the 50 States, net amount due from such branches are included in "Other assets," and net amount due to such branches are included in "Other liabilities." Branches of insured banks outside the 50 States are treated as separate entities but are not included in the count of banks. Data for such branches are not included in the figures for the States in which the parent banks are located.

Prior to 1969, securities held by commercial banks were reported net of valuation reserves; total loans were reported both gross (before deductions for reserves) and net, the latter included in "Total assets." Beginning in 1969, loans and securities are shown on a gross basis in "Total assets" of commercial banks. All reserves on loans and securities, including the reserves for bad debts set up pursuant to Internal Revenue Service rulings, are included in "Reserves on loans and securities" on the liability side of the balance sheet.

Individual loan items are reported gross. Installment loans, however, are ordinarily reported net if the installment payments are applied directly to the reduction of the loan. Such loans are reported gross if, under contract, the payments do not immediately reduce the unpaid balances of the loan but are assigned or pledged to assure repayment at maturity.

The category "Trading account securities" was added to the condition report of commercial banks in 1969 to obtain this segregation for banks that regularly deal in securities with other banks or with the public. Banks occasionally holding securities purchased for possible resale report these under "Investment securities."

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

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

Asset and liability data for noninsured banks are tabulated from reports pertaining to the individual banks. In a few cases, these reports are not as detailed as those submitted by insured banks.

Additional data on assets and liabilities of all banks as of June 30, 1971, and December 31, 1971, are shown in the Corporation's semiannual publication *Assets and Liabilities—Commercial and Mutual Savings Banks.*

Mutual savings banks

Effective December 31, 1971, the reports of condition and income for mutual savings banks were revised. Among the changes was the requirement that mutual savings banks report on a consolidated basis with respect to branches and subsidiaries in the same manner as commercial banks (see above).

One objective of the revisions in 1971 was to provide a simplified reporting form. To this end, the schedules for deposits and securities were condensed and simplified.

Several changes were made in the reporting of specific items. Loans are reported in somewhat more detail than formerly. In real estate loans, construction loans are shown separately, and loans secured by residential properties are detailed as to those secured by 1- to 4-family properties and by multifamily (5 or more) properties.

Another important change shifted various reserve accounts which had been carried as deductions against assets (about $200 million in 1971) into the surplus accounts. Figures for the years 1967-1970 in table 110 have been revised in order to provide comparability with the 1971 data.

Sources of data

Insured banks: see p. 225; noninsured banks: State banking authorities; and reports from individual banks.

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1971

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[4]
			Total	National[1]	State				
Total assets	**605,150,667**	**599,825,220**	**484,748,511**	**354,793,984**	**129,954,527**	**115,076,709**	**5,325,447**	**4,912,822**	**412,625**
Cash, reserves, balances with banks, and collection items—total	**96,583,901**	**95,534,534**	**84,834,135**	**57,335,586**	**27,498,549**	**10,700,399**	**1,049,367**	**993,589**	**55,778**
Currency and coin	7,695,103	7,664,768	5,882,668	4,436,404	1,446,264	1,782,100	30,335	29,900	435
Reserve with Federal Reserve banks (member banks)	24,067,449	24,067,449	24,067,449	17,883,015	6,184,434	0	0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	20,053,503	19,243,109	11,740,482	9,130,787	2,609,695	7,502,627	810,394	766,435	43,959
Other balances with banks in United States	1,691,970	1,630,795	1,241,856	1,107,539	134,317	388,939	61,175	49,815	11,360
Balances with banks in foreign countries	548,194	472,936	374,234	256,301	117,933	98,702	75,258	75,258	0
Cash items in process of collection	42,527,682	42,455,477	41,527,446	24,521,540	17,005,906	928,031	72,205	72,181	24
Securities—total	**158,325,019**	**157,099,337**	**118,744,678**	**89,532,009**	**29,212,669**	**38,354,659**	**1,225,682**	**1,002,047**	**223,635**
U.S. Treasury securities	60,586,143	60,217,230	44,050,423	33,771,504	10,278,919	16,166,807	368,913	336,541	32,372
Securities of other U.S. Government agencies and corp'ns	15,643,064	15,448,228	9,971,248	7,435,468	2,535,780	5,476,980	194,836	183,167	11,669
Obligations of States and subdivisions	78,270,484	77,790,298	61,991,631	46,253,549	15,738,082	15,798,667	480,186	371,957	108,229
Other securities	3,825,328	3,643,581	2,731,376	2,071,488	659,888	912,205	181,747	110,382	71,365
Investment securities—total	154,193,533	152,970,105	114,661,409	86,473,692	28,187,717	38,308,696	1,223,428	999,793	223,635
U.S. Treasury securities	*58,650,815*	*58,284,156*	*42,124,985*	*32,211,803*	*9,913,182*	*16,159,171*	*366,659*	*334,287*	*32,372*
Securities of other U.S. Government agencies and corp'ns	*14,995,493*	*14,800,657*	*9,339,401*	*6,993,918*	*2,345,483*	*5,461,256*	*194,836*	*183,167*	*11,669*
Obligations of States and subdivisions	*76,764,642*	*76,284,456*	*60,505,834*	*45,235,935*	*15,269,899*	*15,778,622*	*480,186*	*371,957*	*108,229*
Other securities	*3,782,583*	*3,600,836*	*2,691,189*	*2,032,036*	*659,153*	*909,647*	*181,747*	*110,382*	*71,365*
Trading account securities—total	4,131,486	4,129,232	4,083,269	3,058,317	1,024,952	45,963	2,254	2,254	0
U.S. Treasury securities	*1,935,328*	*1,933,074*	*1,925,438*	*1,559,701*	*365,737*	*7,636*	*2,254*	*2,254*	*0*
Securities of other U.S. Government agencies and corp'ns	*647,571*	*647,571*	*631,847*	*441,550*	*190,297*	*15,724*	*0*	*0*	*0*
Obligations of States and subdivisions	*1,505,842*	*1,505,842*	*1,485,797*	*1,017,614*	*468,183*	*20,045*	*0*	*0*	*0*
Other securities	*42,745*	*42,745*	*40,187*	*39,452*	*735*	*2,558*	*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	**15,707,644**	**15,425,698**	**12,040,844**	**9,573,998**	**2,466,846**	**3,384,854**	**281,946**	**276,145**	**5,801**
With domestic commercial banks	14,881,649	14,599,703	11,244,792	8,903,940	2,340,852	3,354,911	281,946	276,145	5,801
With brokers and dealers in securities	569,239	569,239	556,692	479,653	77,039	12,547	0	0	0
With others	256,756	256,756	239,360	190,405	48,955	17,396	0	0	0

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1971—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[4]
			Total	National[1]	State				
Other loans and discounts—total	**310,656,115**	**308,473,424**	**248,999,299**	**183,739,988**	**65,259,331**	**59,474,125**	**2,182,691**	**2,128,381**	**54,310**
Real estate loans—total	76,639,497	76,447,755	57,259,064	43,828,204	13,430,860	19,188,691	191,742	178,954	12,788
Secured by farmland	*3,999,266*	*3,970,212*	*1,880,732*	*1,483,422*	*397,310*	*2,089,480*	*29,054*	*28,538*	*516*
Secured by residential properties:									
Secured by 1- to 4-family residential properties:									
Insured by Federal Housing Administration	*7,477,862*	*7,447,597*	*6,425,704*	*5,352,049*	*1,073,655*	*1,021,893*	*30,265*	*29,257*	*1,008*
Guaranteed by Veterans Administration	*2,635,592*	*2,621,355*	*2,242,651*	*1,820,613*	*422,038*	*378,704*	*14,237*	*12,931*	*1,306*
Not insured or guaranteed by FHA or VA	*34,340,917*	*34,251,781*	*25,181,096*	*19,823,661*	*5,357,435*	*9,070,685*	*89,136*	*82,537*	*6,599*
Secured by multifamily (or more) residential properties:									
Insured by Federal Housing Administration	*668,307*	*668,138*	*615,674*	*361,691*	*253,983*	*52,464*	*169*	*169*	*0*
Not insured by FHA	*3,040,332*	*3,039,754*	*2,448,870*	*1,561,386*	*887,484*	*590,884*	*578*	*578*	*0*
Secured by other properties	*24,477,221*	*24,448,918*	*18,464,337*	*13,425,382*	*5,038,955*	*5,984,581*	*28,303*	*24,944*	*3,359*
Loans to domestic commercial and foreign banks	2,858,010	2,718,140	2,496,292	1,708,441	787,851	221,848	139,870	139,870	0
Loans to other financial institutions	17,026,366	16,893,148	15,789,832	10,716,357	5,073,475	1,103,316	133,218	132,666	552
Loans to brokers and dealers in securities	5,635,037	5,556,513	5,332,921	2,144,389	3,188,532	223,592	78,524	71,256	7,268
Other loans for purchasing or carrying securities	3,494,792	3,481,633	3,024,330	2,205,301	819,029	457,303	13,159	8,323	4,836
Loans to farmers (excluding loans on real estate)	12,250,357	12,232,208	7,108,603	5,978,848	1,129,755	5,123,605	18,149	17,907	242
Commercial and industrial loans (incl. open market paper)	115,340,405	114,115,868	98,899,734	71,428,732	27,471,002	15,216,134	1,224,537	1,206,096	18,441
Other loans to individuals—total	69,691,394	69,433,002	52,168,381	40,733,310	11,435,071	17,264,621	258,392	254,703	3,689
Passenger automobile instalment loans	*23,581,777*	*23,467,768*	*16,656,859*	*13,505,132*	*3,151,727*	*6,810,909*	*114,009*	*112,631*	*1,378*
Credit cards and related plans:									
Retail (charge account) credit card plans	*3,915,604*	*3,915,576*	*3,536,148*	*2,814,308*	*721,840*	*379,428*	*28*	*28*	*0*
Check credit and revolving credit plans	*1,367,823*	*1,367,823*	*1,191,037*	*767,373*	*423,664*	*176,786*	*0*	*0*	*0*
Other retail consumer instalment loans:									
Mobile homes, not including travel trailers	*3,886,247*	*3,883,261*	*2,849,185*	*2,353,447*	*495,738*	*1,034,076*	*2,986*	*2,986*	*0*
Other retail consumer goods	*4,383,682*	*4,370,333*	*3,084,925*	*2,512,000*	*572,925*	*1,285,408*	*13,349*	*13,100*	*249*
Residential repair and modernization instalment loans	*3,754,229*	*3,748,516*	*2,892,255*	*2,197,303*	*694,952*	*856,261*	*5,713*	*5,545*	*168*
Other instalment loans for personal expenditures	*10,945,692*	*10,869,712*	*7,852,121*	*6,079,215*	*1,772,906*	*3,017,591*	*75,980*	*75,260*	*720*
Single-payment loans for personal expenditures	*17,856,340*	*17,810,013*	*14,105,851*	*10,504,532*	*3,601,319*	*3,704,162*	*46,327*	*45,153*	*1,174*
All other loans (including overdrafts)	7,720,257	7,595,157	6,920,142	4,996,386	1,923,756	675,015	125,100	118,606	6,494
Total loans and securities	**484,688,778**	**480,998,459**	**379,784,821**	**282,845,975**	**96,938,846**	**101,213,638**	**3,690,319**	**3,406,573**	**283,746**
Bank premises, furniture and fixtures, and other assets representing bank premises	9,698,209	9,646,706	7,736,159	6,031,002	1,705,157	1,910,547	51,503	33,922	17,581
Real estate owned other than bank premises	413,902	403,811	285,467	211,060	74,407	118,344	10,091	4,653	5,438
Investments in subsidiaries not consolidated	808,311	787,477	772,025	612,820	159,205	15,452	20,834	3,809	17,025
Customers' liability on acceptances outstanding	4,089,242	3,969,957	3,796,869	2,219,343	1,577,526	173,088	119,285	119,285	0
Other assets	8,868,324	8,484,276	7,539,035	5,538,198	2,000,837	945,241	384,048	350,991	33,057

Total liabilities, reserves, and capital accounts	**605,150,667**	**599,825,220**	**484,748,511**	**354,793,984**	**129,954,527**	**115,076,709**	**5,325,447**	**4,912,822**	**412,625**
Business and personal deposits—total	**414,935,952**	**412,923,601**	**324,351,559**	**241,966,158**	**82,385,401**	**88,572,042**	**2,012,351**	**1,853,076**	**159,275**
Individuals, partnerships, and corporations—demand	177,637,703	176,761,655	141,784,429	104,817,518	36,966,911	34,977,226	876,048	742,710	133,338
Individuals, partnerships, and corporations—time	225,280,871	224,373,495	171,894,101	131,280,284	40,613,817	52,479,394	907,376	881,439	25,937
Savings deposits	*108,572,442*	*108,248,928*	*83,792,524*	*64,850,780*	*18,941,744*	*24,456,404*	*323,514*	*304,933*	*18,581*
Deposits accumulated for payment of personal loans	*753,269*	*744,645*	*535,890*	*406,627*	*129,263*	*208,755*	*8,624*	*8,612*	*12*
Other deposits of individuals, partnerships, and corp'ns.	*115,955,160*	*115,379,922*	*87,565,687*	*66,022,877*	*21,542,810*	*27,814,235*	*575,238*	*567,894*	*7,344*
Certified and officers' checks, letters of credit, travelers' checks, etc.	12,017,378	11,788,451	10,673,029	5,868,356	4,804,673	1,115,422	228,927	228,927	0
Government deposits—total	**52,934,337**	**52,687,553**	**41,115,611**	**32,163,085**	**8,952,526**	**11,571,942**	**246,784**	**245,279**	**1,505**
United States Government—demand	8,512,345	8,478,326	6,988,231	5,122,979	1,865,252	1,490,095	34,019	32,517	1,502
United States Government—time	520,239	519,862	463,699	374,003	89,696	56,163	377	375	2
States and subdivisions—demand	17,504,422	17,393,258	13,020,236	10,388,751	2,631,485	4,373,022	111,164	111,164	0
States and subdivisions—time	26,397,331	26,296,107	20,643,445	16,277,352	4,366,093	5,652,662	101,224	101,223	1
Domestic interbank deposits—total	**30,842,819**	**30,627,139**	**29,497,706**	**16,800,443**	**12,697,263**	**1,129,433**	**215,680**	**215,014**	**666**
Commercial banks in the United States—demand	27,590,732	27,509,738	26,639,931	14,912,115	11,727,816	869,807	80,994	80,502	492
Commercial banks in the United States—time	1,692,090	1,683,075	1,483,253	1,138,550	344,703	199,822	9,015	9,015	0
Mutual savings banks in the United States—demand	1,130,129	1,026,748	969,989	475,510	494,479	56,759	103,381	103,207	174
Mutual savings banks in the United States—time	429,868	407,578	404,533	274,268	130,265	3,045	22,290	22,290	0
Foreign government and bank deposits—total	**8,746,184**	**8,297,519**	**8,059,551**	**4,610,813**	**3,448,738**	**237,968**	**448,665**	**445,656**	**3,009**
Foreign governments, central banks, etc.—demand	864,136	773,409	742,838	414,487	328,351	30,571	90,727	90,326	401
Foreign governments, central banks, etc.—time	5,036,647	4,869,949	4,779,330	2,890,167	1,889,163	90,619	166,698	164,275	2,423
Banks in foreign countries—demand	2,615,635	2,435,951	2,360,014	1,192,856	1,167,158	75,937	179,684	179,499	185
Banks in foreign countries—time	229,766	218,210	177,369	113,303	64,066	40,841	11,556	11,556	0
Total deposits	**507,459,292**	**504,535,812**	**403,024,427**	**295,540,499**	**107,483,928**	**101,511,385**	**2,923,480**	**2,759,025**	**164,455**
Demand	*247,872,480*	*246,167,536*	*203,178,697*	*143,192,572*	*59,986,125*	*42,988,839*	*1,704,944*	*1,568,852*	*136,092*
Time	*259,586,812*	*258,368,276*	*199,845,730*	*152,347,927*	*47,497,803*	*58,522,546*	*1,218,536*	*1,190,173*	*28,363*
Miscellaneous liabilities—total	**45,872,355**	**44,050,536**	**40,630,340**	**29,443,766**	**11,186,574**	**3,420,196**	**1,821,819**	**1,764,720**	**57,099**
Federal funds purchased (borrowed) and securities sold under agreements to repurchase	20,479,685	20,390,661	19,947,020	14,472,865	5,474,155	443,641	89,024	89,024	0
Other liabilities for borrowed money	2,183,241	1,968,427	1,782,763	1,185,891	596,872	185,664	214,814	201,868	12,946
Mortgage indebtedness	654,683	652,352	494,690	371,775	122,915	157,662	2,331	2,331	0
Acceptances outstanding	4,194,833	4,051,525	3,876,771	2,265,481	1,611,290	174,754	143,308	143,308	0
Other liabilities	18,359,913	16,987,571	14,529,096	11,147,754	3,381,342	2,458,475	1,372,342	1,328,189	44,153
Total liabilities	**553,331,647**	**548,586,348**	**443,654,767**	**324,984,265**	**118,670,502**	**104,931,581**	**4,745,299**	**4,523,745**	**221,554**
Minority interest in consolidated subsidiaries	**4,134**	**3,529**	**1,097**	**1,078**	**19**	**2,432**	**605**	**0**	**605**
Reserves on loans and securities—total	**6,276,955**	**6,264,325**	**5,262,748**	**3,801,974**	**1,460,774**	**1,001,577**	**12,630**	**11,564**	**1,066**
Reserve for bad debt losses on loans	5,966,052	5,959,272	5,061,552	3,665,978	1,395,574	897,720	6,780	6,136	644
Other reserves on loans	122,341	119,833	68,980	46,926	22,054	50,853	2,508	2,508	0
Reserves on securities	188,562	185,220	132,216	89,070	43,146	53,004	3,342	2,920	422

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1971—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[4]
			Total	National[1]	State				
Capital accounts—total	**45,537,931**	**44,971,018**	**35,829,899**	**26,006,667**	**9,823,232**	**9,141,119**	**566,913**	**377,513**	**189,400**
Capital notes and debentures	2,687,221	2,595,983	2,289,050	1,314,230	974,820	306,933	91,238	91,238	0
Equity capital—total	42,850,710	42,375,035	33,540,849	24,692,437	8,848,412	8,834,186	475,675	286,275	189,400
Preferred stock	*117,211*	*112,671*	*97,537*	*64,322*	*33,215*	*15,134*	*4,540*	*4,540*	*0*
Common stock	*11,729,904*	*11,602,757*	*9,095,334*	*6,680,548*	*2,414,786*	*2,507,423*	*127,147*	*76,706*	*50,441*
Surplus	*19,192,770*	*19,064,415*	*15,402,761*	*11,325,084*	*4,077,677*	*3,661,654*	*128,355*	*96,636*	*31,719*
Undivided profits	*10,762,219*	*10,601,737*	*8,144,539*	*5,954,583*	*2,189,956*	*2,457,198*	*160,482*	*72,907*	*87,575*
Reserve for contingencies and other capital reserves	*1,048,606*	*993,455*	*800,678*	*667,900*	*132,778*	*192,777*	*55,151*	*35,486*	*19,665*
PERCENTAGES									
Of total assets:									
Cash and balances with other banks	16.0%	15.9%	17.5%	16.2%	21.2%	9.3%	19.7%	20.2%	13.5%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	12.2	12.2	10.6	11.1	9.4	18.8	10.5	10.5	10.7
Other securities	14.0	14.0	13.9	14.2	13.0	14.5	12.5	9.9	43.5
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	53.9	54.0	53.9	54.5	52.1	54.6	46.3	48.9	14.6
Other assets	3.9	3.9	4.2	4.1	4.2	2.7	11.0	10.4	17.7
Total capital accounts[5]	7.5	7.5	7.4	7.3	7.6	7.9	17.6[3]	13.2[3]	45.9
Of total assets other than cash and U.S. Treasury securities:									
Total capital accounts[5]	10.1	10.1	10.0	9.8	10.6	10.4	23.1[3]	17.3[3]	58.4
Number of banks	13,747	13,555	5,737	4,599	1,138	7,818	192	147	45

[1]Excludes the national bank located in the Virgin Islands.

[2]Includes asset and liability figures for 16 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.

[3]Data for branches of foreign banks referred to in the previous note have been excluded in computing this ratio for noninsured banks of deposit and in total columns.

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

[5]Only asset and liability data are included for branches located in "other areas" of banks headquartered in one of the 50 States; because no capital is allocated to these branches, they are excluded from the computation of ratios of capital accounts to assets.

Note: Further information on the reports of assets and liabilities of banks may be found on page 201.

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[1]	Nondeposit trust companies[3]
			Total	National	State				
Total assets	**646,283,186**	**639,903,322**	**513,621,617**	**378,104,223**	**135,517,394**	**126,281,705**	**6,379,864**	**6,057,755**	**322,109**
Cash, reserves, balances with banks, and collection items—total	**100,346,466**	**98,690,700**	**86,245,425**	**59,247,104**	**26,998,321**	**12,445,275**	**1,655,766**	**1,605,449**	**50,317**
Currency and coin	7,607,130	7,591,590	5,792,863	4,411,262	1,381,601	1,798,727	15,540	15,139	401
Reserve with Federal Reserve banks (member banks)	27,482,817	27,482,817	27,482,817	19,782,666	7,700,151	0	0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	23,276,153	21,962,456	13,042,231	10,294,576	2,747,655	8,920,225	1,313,697	1,277,754	35,943
Other balances with banks in United States	2,551,465	2,427,914	1,866,299	1,402,229	464,070	561,615	123,551	109,593	13,958
Balances with banks in foreign countries	707,406	567,033	443,662	293,442	150,220	123,371	140,373	140,373	0
Cash items in process of collection	38,721,495	38,658,890	37,617,553	23,062,929	14,554,624	1,041,337	62,605	62,590	15
Securities—total	**170,351,374**	**169,167,078**	**127,402,895**	**96,030,383**	**31,372,512**	**41,764,183**	**1,184,296**	**1,023,227**	**161,069**
U.S. Treasury securities	65,367,909	65,029,368	47,642,979	36,395,702	11,247,277	17,386,389	338,541	311,877	26,664
Securities of other U.S. Government agencies and corp'ns	17,979,603	17,787,490	11,411,944	8,634,436	2,777,508	6,375,546	192,113	186,994	5,119
Obligations of States and subdivisions	82,644,224	82,199,178	65,265,613	48,649,145	16,616,468	16,933,565	445,046	365,250	79,796
Other securities	4,359,638	4,151,042	3,082,359	2,351,100	731,259	1,068,683	208,596	159,106	49,490
Investment securities—total	165,040,682	163,859,514	122,164,898	92,388,347	29,776,551	41,694,616	1,181,168	1,020,099	161,069
U.S. Treasury securities	*63,032,080*	*62,696,667*	*45,333,581*	*34,679,061*	*10,654,520*	*17,363,086*	*335,413*	*308,749*	*26,664*
Securities of other U.S. Government agencies and corp'ns	*17,263,949*	*17,071,836*	*10,719,626*	*8,261,744*	*2,457,882*	*6,352,210*	*192,113*	*186,994*	*5,119*
Obligations of States and subdivisions	*80,580,067*	*80,135,021*	*63,222,462*	*47,288,557*	*15,933,905*	*16,912,559*	*445,046*	*365,250*	*79,796*
Other securities	*4,164,586*	*3,955,990*	*2,889,229*	*2,158,985*	*730,244*	*1,066,761*	*208,596*	*159,106*	*49,490*
Trading account securities—total	5,310,692	5,307,564	5,237,997	3,642,036	1,595,961	69,567	3,128	3,128	0
U.S. Treasury securities	*2,335,829*	*2,332,701*	*2,309,398*	*1,716,641*	*592,757*	*23,303*	*3,128*	*3,128*	*0*
Securities of other U.S. Government agencies and corp'ns	*715,654*	*715,654*	*692,318*	*372,692*	*319,626*	*23,336*	*0*	*0*	*0*
Obligations of States and subdivisions	*2,064,157*	*2,064,157*	*2,043,151*	*1,360,588*	*682,563*	*21,006*	*0*	*0*	*0*
Other securities	*195,052*	*195,052*	*193,130*	*192,115*	*1,015*	*1,922*	*0*	*0*	*0*
Federal funds sold and securities purchases under agreements to resell—total	**19,974,528**	**19,643,272**	**15,379,764**	**12,705,094**	**2,674,670**	**4,263,508**	**331,256**	**324,256**	**7,000**
With domestic commercial banks	17,402,745	17,071,489	12,832,845	10,444,311	2,388,534	4,238,644	331,256	324,256	7,000
With brokers and dealers in securities	1,959,519	1,959,519	1,951,644	1,754,258	197,386	7,875	0	0	0
With others	612,264	612,264	595,275	506,525	88,750	16,989	0	0	0

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[1]	Nondeposit trust companies[3]
			Total	National	State				
Other loans and discounts—total	**330,562,160**	**328,225,896**	**263,871,006**	**195,105,022**	**68,765,984**	**64,354,890**	**2,336,264**	**2,305,096**	**31,168**
Real estate loans—total	82,515,170	82,314,290	61,419,899	46,907,128	14,512,771	20,894,391	200,880	188,773	12,107
Secured by farmland	*4,204,560*	*4,173,726*	*1,976,511*	*1,562,656*	*413,855*	*2,197,215*	*30,834*	*30,276*	*558*
Secured by residential properties:									
Secured by 1- to 4-family residential properties:									
Insured by Federal Housing Administration	*7,505,587*	*7,476,243*	*6,453,140*	*5,365,872*	*1,087,268*	*1,023,103*	*29,344*	*29,095*	*249*
Guaranteed by Veterans Administration	*2,980,163*	*2,966,378*	*2,568,927*	*2,104,546*	*464,381*	*397,451*	*13,785*	*13,671*	*114*
Not insured or guaranted by FHA or VA	*37,534,739*	*37,438,104*	*27,405,164*	*21,452,385*	*5,952,779*	*10,032,940*	*96,635*	*91,149*	*5,486*
Secured by multifamily (5 or more) residential properties:									
Insured by Federal Housing Administration	*804,795*	*803,880*	*714,290*	*397,705*	*316,585*	*89,590*	*915*	*915*	*0*
Not insured by FHA	*3,179,049*	*3,177,970*	*2,538,660*	*1,625,596*	*913,064*	*639,310*	*1,079*	*1,079*	*0*
Secured by other properties	*26,306,277*	*26,277,989*	*19,763,207*	*14,398,368*	*5,364,839*	*6,514,782*	*28,288*	*22,588*	*5,700*
Loans to domestic commercial and foreign banks	4,605,319	4,405,298	4,123,229	2,745,453	1,377,776	282,069	200,021	200,021	0
Loans to other financial institutions	17,053,412	16,908,213	15,759,484	10,894,011	4,865,473	1,148,729	145,199	145,199	0
Loans to brokers and dealers in securities	7,293,938	7,202,440	6,895,170	3,284,086	3,611,084	307,270	91,498	90,758	740
Other loans for purchasing or carrying securities	3,660,516	3,646,064	3,166,834	2,326,229	840,605	479,230	14,452	9,943	4,509
Loans to farmers (excluding loans on real estate)	12,523,429	12,506,206	7,327,507	6,182,303	1,145,204	5,178,699	17,223	16,912	311
Commercial and industrial loans (incl. open market paper)	119,628,756	118,401,203	101,890,987	73,930,109	27,960,878	16,510,216	1,227,553	1,223,973	3,580
Other loans to individuals—total	75,104,246	74,796,848	55,992,881	43,640,140	12,352,741	18,803,967	307,398	304,179	3,219
Passenger automobile instalment loans	*25,007,880*	*24,850,695*	*17,501,277*	*14,208,269*	*3,293,008*	*7,349,418*	*157,185*	*155,774*	*1,411*
Credit cards and related plans:									
Retail (charge account) credit card plans	*4,530,903*	*4,523,889*	*4,090,422*	*3,255,403*	*835,019*	*433,467*	*7,014*	*7,014*	*0*
Check credit and revolving credit plans	*1,463,857*	*1,463,857*	*1,276,233*	*811,400*	*464,833*	*187,624*	*0*	*0*	*0*
Other retail consumer instalment loans:									
Mobile homes, not including travel trailers	*4,677,629*	*4,674,364*	*3,433,471*	*2,849,731*	*583,740*	*1,240,893*	*3,265*	*3,265*	*0*
Other retail consumer goods	*4,668,852*	*4,655,510*	*3,180,451*	*2,586,401*	*594,050*	*1,475,059*	*13,342*	*13,090*	*252*
Residential repair and modernization instalment loans	*3,871,337*	*3,865,597*	*2,982,570*	*2,264,669*	*717,901*	*883,027*	*5,740*	*5,585*	*155*
Other instalment loans for personal expenditures	*11,485,426*	*11,409,477*	*8,239,526*	*6,393,800*	*1,845,726*	*3,169,951*	*75,949*	*75,604*	*345*
Single-payment loans for personal expenditures	*19,398,362*	*19,353,459*	*15,288,931*	*11,270,467*	*4,018,464*	*4,064,528*	*44,903*	*43,847*	*1,056*
All other loans (including overdrafts)	8,177,374	8,045,334	7,295,015	5,195,563	2,099,452	750,319	132,040	125,338	6,702
Total loans and securities	**520,888,062**	**517,036,246**	**406,653,665**	**303,840,499**	**102,813,166**	**110,382,581**	**3,851,816**	**3,652,579**	**199,237**

Bank premises, furniture and fixtures, and other assets representing bank premises	10,338,340	10,285,384	8,220,803	6,440,847	1,779,956	2,064,581	52,956	35,896	17,060
Real estate owned other than bank premises	400,929	390,833	267,688	180,850	86,838	123,145	10,096	4,581	5,515
Investments in subsidiaries not consolidated	932,515	911,550	902,989	713,118	189,871	8,561	20,965	3,809	17,156
Customers' liability on acceptances outstanding	4,013,411	3,914,186	3,711,080	2,197,657	1,513,423	203,106	99,225	99,225	0
Other assets	9,363,463	8,674,423	7,619,967	5,484,148	2,135,819	1,054,456	689,040	656,216	32,824
Total liabilities, reserves, and capital accounts	**646,283,186**	**639,903,322**	**513,621,617**	**378,104,223**	**135,517,394**	**126,281,705**	**6,379,864**	**6,057,755**	**322,109**
Business and personal deposits—total	**442,064,649**	**439,568,884**	**342,518,136**	**257,259,182**	**85,258,954**	**97,050,748**	**2,495,765**	**2,413,689**	**82,076**
Individuals, partnerships, and corporations—demand	192,630,191	191,775,515	152,406,177	112,990,616	39,415,561	39,369,338	854,676	774,221	80,455
Individuals, partnerships, and corporations—time	239,246,138	237,930,791	181,510,053	138,908,461	42,601,592	56,420,738	1,315,347	1,313,902	1,445
Savings deposits	*112,538,338*	*112,165,951*	*86,054,256*	*66,624,967*	*19,429,289*	*26,111,695*	*372,387*	*372,117*	*270*
Deposits accumulated for payment of personal loans	*689,158*	*677,179*	*482,242*	*387,338*	*94,904*	*194,937*	*11,979*	*11,979*	*0*
Other deposits of individuals, partnerships, and corp'ns	*126,018,642*	*125,087,661*	*94,973,555*	*71,896,156*	*23,077,399*	*30,114,106*	*930,981*	*929,806*	*1,175*
Certified and officers' checks, letters of credit, travelers' checks, etc	10,188,320	9,862,578	8,601,906	5,360,105	3,241,801	1,260,672	325,742	325,566	176
Government deposits—total	**59,247,376**	**58,987,158**	**45,850,512**	**35,528,675**	**10,321,837**	**13,136,646**	**260,218**	**258,639**	**1,579**
United States Government—demand	10,293,282	10,263,251	8,432,134	6,019,716	2,412,418	1,831,117	30,031	28,455	1,576
United States Government—time	531,903	530,769	445,189	374,588	70,601	85,580	1,134	1,132	2
States and subdivisions—demand	17,848,768	17,714,586	12,988,742	10,109,957	2,878,785	4,725,844	134,182	134,182	0
States and subdivisions—time	30,573,423	30,478,552	23,984,447	19,024,414	4,960,033	6,494,105	94,871	94,870	1
Domestic interbank deposits—total	**32,350,126**	**31,906,847**	**30,502,687**	**17,956,603**	**12,546,084**	**1,404,160**	**443,279**	**442,709**	**570**
Commercial banks in the United States—demand	28,071,096	28,014,732	26,969,017	15,616,113	11,352,904	1,045,715	56,364	56,264	100
Commercial banks in the United States—time	2,660,522	2,441,489	2,149,209	1,620,716	528,493	292,280	219,033	219,033	0
Mutual savings banks in the United States—demand	1,316,782	1,163,740	1,100,112	550,736	549,376	63,628	153,042	152,572	470
Mutual savings banks in the United States—time	301,726	286,886	284,349	169,038	115,311	2,537	14,840	14,840	0
Foreign government and bank deposits—total	**9,248,203**	**8,721,173**	**8,454,752**	**4,804,909**	**3,649,843**	**266,421**	**527,030**	**524,802**	**2,228**
Foreign governments, central banks, etc.—demand	878,969	803,364	782,960	374,450	408,510	20,404	75,605	75,310	295
Foreign governments, central banks, etc.—time	5,312,346	5,053,554	4,980,524	3,015,812	1,964,712	73,030	258,792	256,859	1,933
Banks in foreign countries—demand	2,856,636	2,681,096	2,556,521	1,357,128	1,199,393	124,575	175,540	175,540	0
Banks in foreign countries—time	200,252	183,159	134,747	57,519	77,228	48,412	17,093	17,093	0
Total deposits	**542,910,354**	**539,184,062**	**427,326,087**	**315,549,369**	**111,776,718**	**111,857,975**	**3,726,292**	**3,639,839**	**86,453**
Demand	*264,084,044*	*262,278,862*	*213,837,569*	*152,378,821*	*61,458,748*	*48,441,293*	*1,805,182*	*1,722,110*	*83,072*
Time	*278,826,310*	*276,905,200*	*213,488,518*	*163,170,548*	*50,317,970*	*63,416,682*	*1,921,110*	*1,917,729*	*3,381*
Miscellaneous liabilities—total	**49,451,778**	**47,367,281**	**43,618,375**	**31,564,112**	**12,054,263**	**3,748,906**	**2,084,497**	**2,025,853**	**58,644**
Federal funds purchased (borrowed) and securities sold under agreements to repurchase	24,289,292	24,179,742	23,733,702	17,302,411	6,431,291	446,040	109,550	109,550	0
Other liabilities for borrowed money	1,698,681	1,463,429	1,312,366	866,103	446,263	151,063	235,252	222,184	13,068
Mortgage indebtedness	670,650	668,331	502,842	378,541	124,301	165,489	2,319	2,319	0
Acceptances outstanding	4,156,223	4,039,643	3,833,728	2,243,173	1,590,555	205,915	116,580	116,580	0
Other liabilities	18,636,932	17,016,136	14,235,737	10,773,884	3,461,853	2,780,399	1,620,796	1,575,220	45,576
Total liabilities	**592,362,132**	**586,551,343**	**470,944,462**	**347,113,481**	**123,830,981**	**115,606,881**	**5,810,789**	**5,665,692**	**145,097**
Minority interest in consolidated subsidiaries	**4,156**	**3,551**	**1,071**	**1,052**	**19**	**2,480**	**605**	**0**	**605**

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[1]	Nondeposit trust companies[3]
			Total	National	State				
Reserves on loans and securities—total	**6,457,840**	**6,443,382**	**5,389,321**	**3,917,232**	**1,472,082**	**1,054,061**	**14,458**	**14,379**	**79**
Reserve for bad debt losses on loans	6,159,464	6,151,274	5,198,853	3,790,835	1,408,018	952,421	8,190	8,113	77
Other reserves on loans	117,720	113,427	65,439	45,673	19,766	47,988	4,293	4,293	0
Reserves on securities	180,656	178,681	125,029	80,731	44,298	53,652	1,975	1,973	2
Capital accounts—total	**47,459,058**	**46,905,046**	**37,286,763**	**27,072,451**	**10,214,312**	**9,618,283**	**554,012**	**377,684**	**176,328**
Capital notes and debentures	3,054,496	2,956,180	2,585,047	1,449,007	1,136,040	371,133	98,316	98,296	20
Equity capital—total	44,404,562	43,948,866	34,701,716	25,623,444	9,078,272	9,247,150	455,696	279,388	176,308
Preferred stock	*96,506*	*91,930*	*76,497*	*43,282*	*33,215*	*15,433*	*4,576*	*4,576*	*0*
Common stock	*11,927,261*	*11,811,129*	*9,211,183*	*6,785,463*	*2,425,720*	*2,599,946*	*116,132*	*75,363*	*40,769*
Surplus	*20,020,325*	*19,895,816*	*15,992,699*	*11,818,285*	*4,174,414*	*3,903,117*	*124,509*	*94,194*	*30,315*
Undivided profits	*11,287,099*	*11,135,068*	*8,599,567*	*6,300,098*	*2,299,469*	*2,535,501*	*152,031*	*66,321*	*85,710*
Reserve for contingencies and other capital reserves	*1,073,371*	*1,014,923*	*821,770*	*676,316*	*145,454*	*193,153*	*58,448*	*38,934*	*19,514*
PERCENTAGES									
Of total assets:									
Cash and balances with other banks	15.5%	15.4%	16.8%	15.7%	19.9%	9.9%	26.0%	26.5%	15.6%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	12.4	12.5	10.9	11.4	9.7	18.8	8.3	8.2	9.9
Other securities	13.9	14.0	13.9	14.0	13.5	14.3	10.3	8.7	40.1
Loans and discounts (including federal funds sold and securities purchased under agreements to resell)	54.2	54.4	54.4	55.0	52.7	54.3	41.8	43.4	11.8
Other assets	3.9	3.8	4.0	4.0	4.2	2.7	13.7	13.2	22.5
Total capital accounts[4]	7.4	7.3	7.3	7.2	7.5	7.6	15.7[2]	11.4[2]	54.7
Of total assets other than cash and U.S. Treasury securities:									
Total capital accounts[4]	9.9	9.8	9.8	9.5	10.4	10.0	19.9[2]	14.4[2]	71.9
Number of banks	13,804	13,612	5,728	4,600	1,128	7,884	192	147	45

[1]Includes asset and liability figures for 18 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.
[2,3,4]See table 106, notes 3–5.

Note: Further information on the reports of assets and liabilities of banks may be found on page 201.

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1971, AND DECEMBER 31, 1971

BANKS GROUPED BY INSURANCE STATUS

(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1971			December 31, 1971		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Total assets	**85,771,736[1]**	**74,353,539[1]**	**11,418,197[1]**	**89,573,352**	**77,891,927**	**11,681,425**
Cash, balances with banks, and collection items—total	**1,229,993**	**1,079,152**	**150,841**	**1,396,453**	**1,273,735**	**122,718**
Currency and coin	206,551	169,494	37,057	231,119	195,679	35,440
Demand balances with banks in the United States	537,520	459,252	78,268	615,066	551,149	63,917
Other balances with banks in the United States	403,911	378,885	25,026	452,803	445,384	7,419
Cash items in process of collection	82,011	71,521	10,490	97,465	81,523	15,942
Securities—total	**20,350,888[1]**	**17,067,835[1]**	**3,283,053[1]**	**21,684,078**	**18,491,379**	**3,192,699**
United States Government and agency securities—total	5,439,918	4,296,402	1,143,516	6,267,243[5]	5,156,321[5]	1,110,922[5]
Securities maturing in 1 year or less[2]	....	....	....	*1,087,341*	*867,992*	*219,349*
Securities maturing in 1 to 5 years[2]	....	....	....	*2,396,515*	*1,823,997*	*572,518*
Securities maturing in 5 to 10 years[2]	....	....	....	*999,397*	*832,859*	*166,538*
Securities maturing after 10 years[2]	....	....	....	*1,783,990*	*1,631,473*	*152,517*
State, county, and municipal obligations	324,768	315,033	9,735	391,947	373,810	18,137
Corporate bonds	11,754,252[3]	10,100,843[3]	1,653,409[3]	10,390,293	9,293,507	1,096,786
Other bonds, notes, and debentures[3]	....	....	....	1,647,445	1,194,941	452,504
Corporate stock—total	2,831,950	2,355,557	476,393	2,987,150	2,472,800	514,350
Bank	*514,555*	*269,643*	*244,912*	*504,419*	*288,373*	*216,046*
Other	*2,317,395*	*2,085,914*	*231,481*	*2,482,731*	*2,184,427*	*298,304*
Federal funds sold and securities purchased under agreements to resell[4]	....	....	....	**609,536**	**493,536**	**116,000**
Other loans and discounts—total	**62,558,909[1]**	**54,708,705[1]**	**7,850,204[1]**	**64,186,091**	**56,066,722**	**8,119,369**
Real estate loans - total	59,643,347	52,176,507	7,466,840	61,977,841	54,222,077	7,755,764
Construction loans[2]	....	....	....	*965,591*	*736,386*	*229,205*
Secured by farmland	*106,996[5]*	*100,846[5]*	*6,150[5]*	*49,781*	*41,656*	*8,125*
Secured by residential properties:						
Secured by 1- to 4-family residential properties:						
Insured by Federal Housing Administration	*14,755,094*	*13,622,205*	*1,132,889*	*14,673,597*	*13,532,344*	*1,141,253*
Guaranteed by Veterans Administration	*12,010,591*	*10,871,505*	*1,139,086*	*12,074,421*	*10,923,517*	*1,150,904*
Not insured or guaranteed by FHA or VA	*15,851,188*	*12,367,993*	*3,483,195*	*16,494,745*	*13,031,229*	*3,463,516*
Secured by multifamily (5 or more) residential properties:						
Insured by Federal Housing Administration	*1,526,415*	*1,456,261*	*70,154*	*1,467,886*	*1,396,791*	*71,095*
Not insured by FHA	*7,218,772*	*6,831,486*	*387,286*	*7,651,498*	*7,136,586*	*514,912*
Secured by other properties	*8,174,291*	*6,926,211*	*1,248,080*	*8,600,322*	*7,423,568*	*1,176,754*
Loans to domestic commercial and foreign banks	558,033[4]	516,832[4]	41,201[4]	50,574	49,628	946
Loans to other financial institutions	65,362	65,139	223	37,145	36,492	653
Loans to brokers and dealers in securities	53,682	53,649	33	5,984	5,951	33
Other loans for purchasing or carrying securities	9,762	8,842	920	4,184	3,485	699
Loans to farmers (excluding loans on real estate)	1,129	1,129	....	1,110	1,110	....
Commercial and industrial loans	729,999	713,341	16,658	481,110	463,001	18,109

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1971, AND DECEMBER 31, 1971—CONTINUED

BANKS GROUPED BY INSURANCE STATUS

(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1971			December 31, 1971		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Loans to individuals for personal expenditures	1,416,976	1,134,355	282,621	1,558,973	1,260,144	298,829
All other loans (including overdrafts)	80,619	38,911	41,708	69,170	24,834	44,336
Total loans and securities	**82,909,797[1]**	**71,776,540[1]**	**11,133,257[1]**	**86,479,705**	**75,051,637**	**11,428,068**
Bank premises, furniture and fixtures, and other assets representing bank premises	627,371	558,113	69,258	663,135	590,326	72,809
Real estate owned other than bank premises	78,101	72,768	5,333	98,893	90,987	7,906
Investments in subsidiaries not consolidated[2]	....	....	....	42,407	41,518	889
Other assets	926,474	866,966	59,508	892,759	843,724	49,035
Total liabilities and surplus accounts	**85,771,736**	**74,353,539**	**11,418,197**	**89,573,352**	**77,891,927**	**11,681,425**
Deposits—total	**78,321,726**	**68,145,292**	**10,176,434**	**81,978,173**	**71,500,831**	**10,477,342**
Savings deposits	72,182,062	62,141,225	10,040,837	65,937,786	57,644,100	8,293,686
Deposits accumulated for payment of personal loans	157	157	....	3,387	80	3,307
Fixed maturity and other time deposits	5,373,307	5,302,958	70,349	15,312,106	13,173,871	2,138,235
Savings and time deposits—total	*77,555,526*	*67,444,340*	*10,111,186*	*81,253,279*	*70,818,051*	*10,435,228*
Demand deposits—total	*766,200*	*700,952*	*65,248*	*724,894*	*682,780*	*42,114*
Miscellaneous liabilities—total	**1,316,622**	**971,841**	**344,781**	**1,266,146**	**975,996**	**290,150**
Securities sold under agreements to repurchase	....	....	....	....	....	....
Other borrowings	101,531	101,331	200	100,895	100,045	850
Other liabilities	1,215,091	870,510	344,581	1,165,251	875,951	289,300
Total liabilities	**79,638,348**	**69,117,133**	**10,521,215**	**83,244,319**	**72,476,827**	**10,767,492**
Minority interest in consolidated subsidiaries[2]	....	....	....	**953**	**1**	**952**
Surplus accounts—total	**6,133,388**	**5,236,406**	**896,982**	**6,328,080**	**5,415,099**	**912,981**
Capital notes and debentures	6,074	6,074	(2)	13,296	10,456	2,840
Other surplus accounts	6,127,314[1]	5,230,332[1]	896,982[1]	6,314,784	5,404,643	910,141
PERCENTAGES						
Of total assets:[1]						
Cash and balances with other banks	1.4%	1.4%	1.3%	1.6%	1.7%	1.1%
U.S. Government and agency securities	6.4	5.8	10.0	7.0	6.6	9.5
Other securities	17.4	17.2	18.7	17.2	17.1	17.8
Loans and discounts (including federal funds sold and securities purchased under agreements to resell)	72.9	73.6	68.8	72.3	72.6	70.5
Other assets	1.9	2.0	1.2	1.9	2.0	1.1
Total surplus accounts	7.2	7.0	7.9	7.1	7.0	7.8
Of total assets other than cash and U.S. Government and agency securities:						
Total surplus accounts	7.8	7.6	8.9	7.7	7.6	8.7
Number of banks	491	327	164	490	327	163

[1]Figures on securities and loans on June 30, 1971, have been revised to a gross basis to provide comparability with data as of December 31, 1971. See page 202 for information on changes in reports for December 31, 1971.
[2]Not reported separately prior to December 31, 1971.
[3]Corporate bonds included with other bonds, notes, and debentures prior to December 31, 1971.
[4]Federal funds sold included with loans to banks prior to December 31, 1971.
[5]Farmers Home Administration insured notes, previously reported as loans secured by farmland, included in U.S. Government and agency securities for December 31, 1971.

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1961, 1967–1971

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 30, 1961	Dec. 30, 1967	Dec. 31, 1968	Dec. 31, 1969[1]	Dec. 31, 1970	Dec. 31, 1971
Total assets	**279,980,591**[2]	**455,445,184**[2]	**505,453,732**[2]	**530,714,711**	**576,350,801**	**639,903,322**
Cash, reserves, balances with banks, and collection items–total	**56,181,467**	**77,532,592**	**83,269,951**	**89,335,129**	**93,048,095**	**98,690,700**
Currency and coin	3,692,593	5,953,155	7,216,003	7,346,973	7,084,430	7,591,590
Reserve with Federal Reserve banks (member banks)	16,917,834	20,275,051	21,230,246	21,452,826	23,325,123	27,482,817
Demand balances with banks in the U. S. (except American branches of foreign banks)	13,816,911	16,520,060	18,089,886	19,389,950	21,088,737	21,962,456
Other balances with banks in the U.S.	80,713	544,658	334,917	230,150	1,401,661	2,427,914
Balances with banks in foreign countries	249,421	280,249	264,433	320,921	395,356	567,033
Cash items in process of collection	21,423,995	33,959,419	36,134,466	40,594,309	39,752,788	38,658,890
Investment securities–total	**89,661,642**	**123,263,625**	**135,242,315**	**122,203,185**	**141,554,863**	**163,859,514**
U.S. Treasury securities	66,090,869	62,229,348	64,171,324	53,262,588	58,880,431	62,696,667
Securities of other U.S. Government agencies and corporations	2,112,292	8,901,164	10,081,641	9,239,140	12,481,059	17,071,836
Obligations of States and subdivisions	20,103,538	49,820,973	58,391,738	57,572,607	67,414,393	80,135,021
Other securities	1,354,943	2,312,140	2,597,612	2,128,850	2,778,980	3,955,990
Trading account securities[3]	....	....	....	**3,181,756**	**5,664,059**	**5,307,564**
Federal funds sold[4]	....	**3,924,357**	**6,526,458**	**9,712,405**	**15,952,321**	**19,643,272**
Other loans and discounts–total	**127,413,856**[2]	**237,518,086**[2]	**264,671,395**[2]	**286,751,602**	**298,189,504**	**328,225,896**
Real estate loans–total	30,330,432	58,678,014	65,332,745	70,325,953	73,053,364	82,314,290
Secured by farmland	*1,731,465*	*3,419,336*	*3,735,180*	*3,992,931*	*4,319,352*	*4,173,726*
Secured by residential properties:						
Secured by 1- to 4-family residential properties:						
Insured by Federal Housing Administration	*5,996,563*	*7,603,100*	*7,809,567*	*7,262,023*	*7,302,286*	*7,476,243*
Guaranteed by Veterans Administration	*2,613,165*	*2,613,060*	*2,626,560*	*2,596,261*	*2,563,475*	*2,966,378*
Not insured or guaranteed by FHA or VA	*12,570,273*	*27,157,632*	*30,712,679*	*31,210,921*	*32,321,718*	*37,438,104*
Secured by multifamily (5 or more) properties:						
Insured by Federal Housing Administration[3]	....	....	....	*562,501*	*588,760*	*803,880*
Not insured by FHA[3]	....	....	....	*2,647,857*	*2,718,829*	*3,177,970*
Secured by other properties	*7,448,966*	*17,884,886*	*20,448,759*	*22,053,459*	*23,238,944*	*26,277,989*
Loans to domestic commercial and foreign banks	1,032,864	1,847,683	2,145,604	2,425,147	2,581,078	4,405,298
Loans to other financial institutions	7,310,112	12,447,077	13,676,953	14,938,963	15,794,299	16,908,213
Loans to brokers and dealers in securities	4,030,000	6,017,418	6,409,302	5,646,962	6,208,570	7,202,440
Other loans for purchasing or carrying securities	2,107,360	3,724,055	4,068,900	3,994,818	3,517,601	3,646,064
Loans to farmers (excluding loans on real estate)	6,224,041	9,260,220	9,712,410	10,323,657	11,153,583	12,506,206
Commercial and industrial loans (including open market paper)	45,156,607	88,257,588	98,161,381	108,393,788	112,214,990	118,401,203
Other loans to individuals–total	27,819,669	51,628,083	58,414,799	63,355,683	66,005,700	74,796,848
Passenger automobile installment loans	*9,062,043*	*18,890,458*	*21,200,443*	*22,706,108*	*22,366,443*	*24,850,695*
Credit cards and related plans:						
Retail (charge account) credit card plans	(5)	*828,313*	*1,312,020*	*2,639,497*	*3,807,987*	*4,523,889*
Check credit and revolving credit plans	(5)	*521,909*	*798,115*	*1,082,791*	*1,343,990*	*1,463,857*
Other retail consumer installment loans:[3]	*2,807,751*	*4,781,232*	*5,520,274*	*6,269,924*	*7,306,995*	....
Mobile homes, not including travel trailers	....	....	....	....	....	*4,674,364*
Other retail consumer goods	....	....	....	....	....	*4,655,510*
Residential repair and modernization installment loans	*2,693,068*	*3,351,554*	*3,494,813*	*3,654,863*	*3,716,802*	*3,865,597*

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1961, 1967–1971—CONTINUED

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 30, 1961	Dec. 30, 1967	Dec. 31, 1968	Dec. 31, 1969[1]	Dec. 31, 1970	Dec. 31, 1971
Other installment loans for personal expenditures	*4,480,462*	*8,361,180*	*9,390,559*	*9,936,340*	*10,534,538*	*11,409,477*
Single-payment loans for personal expenditures	*8,776,345*	*14,893,437*	*16,698,575*	*17,066,160*	*16,928,945*	*19,353,459*
All other loans (including overdrafts)	3,402,771	5,657,948	6,749,301	7,346,631	7,660,319	8,045,334
Total loans and securities	**217,075,498**	**364,706,068**	**406,440,168**	**421,848,948**	**461,360,747**	**517,036,246**
Bank premises, furniture and fixtures, and other assets representing bank premises	3,450,217	6,007,170	6,656,856	8,070,059	9,143,432	10,285,384
Real estate owned other than bank premises	93,778	282,704	323,257	360,820	406,832	390,833
Investments in subsidiaries not consolidated[3]	....	....	....	651,095	740,897	911,550
Customers' liability on acceptances outstanding	1,651,595	2,314,772	2,472,778	3,308,881	3,753,246	3,914,186
Other assets	1,528,036	4,601,878	6,290,722	7,139,779	7,897,552	8,674,423
Total liabilities, reserves, and capital accounts	**279,980,591**	**155,445,184**	**505,453,732**	**530,714,711**	**576,350,801**	**639,903,322**
Business and personal deposits—total	**203,088,106**	**329,860,033**	**361,993,247**	**365,934,821**	**395,246,811**	**439,568,884**
Individuals, partnerships, and corporations—demand	123,489,686	158,491,340	172,006,973	178,185,683	181,897,284	191,775,515
Individuals, partnerships, and corporations—time	74,561,084	162,727,918	180,506,278	176,240,900	204,962,756	237,930,791
Savings deposits	*63,887,537*	*94,451,458*	*96,166,256*	*93,796,302*	*98,815,863*	*112,165,951*
Deposits accumulated for payment of personal loans	*771,554*	*1,283,923*	*1,215,522*	*1,129,305*	*802,924*	*677,179*
Other deposits of individuals, partnerships, and corporations	*9,901,993*	*66,992,537*	*83,124,500*	*81,315,293*	*105,343,969*	*125,087,661*
Certified and officers' checks, letters of credit, travelers' checks, etc.	5,037,336	8,640,775	9,479,996	11,508,238	8,386,771	9,862,578
Government deposits—total	**23,881,005**	**36,990,123**	**41,385,278**	**36,092,200**	**49,455,597**	**58,987,158**
United States Government—demand	5,943,251	5,238,918	5,012,445	5,050,538	7,914,962	10,263,251
United States Government—time	280,030	285,533	376,629	222,560	465,476	530,769
States and subdivisions—demand	12,215,686	15,577,942	16,881,042	17,559,438	17,784,768	17,714,586
States and subdivisions—time	5,442,038	15,887,730	19,115,162	13,259,664	23,290,391	30,478,552
Domestic interbank deposits—total	**16,680,600**	**20,660,087**	**23,221,458**	**24,858,037**	**28,968,652**	**31,906,847**
Commercial banks in the United States—demand	15,751,918	18,788,406	21,424,784	23,394,428	26,290,939	28,014,732
Commercial banks in the United States—time	213,214	727,014	714,271	415,216	1,424,049	2,441,489
Mutual savings banks in the United States—demand	700,355	935,212	933,799	1,017,123	975,413	1,163,740
Mutual savings banks in the United States—time	15,113	209,455	148,604	31,270	278,251	286,886
Foreign government and bank deposits—total	**4,255,164**	**8,285,680**	**8,051,716**	**10,104,607**	**8,842,795**	**8,721,173**
Foreign governments, central banks, etc.—demand	656,922	874,451	866,885	940,239	919,683	803,364
Foreign governments, central banks, etc.—time	2,178,055	5,166,228	4,752,732	6,378,964	4,627,306	5,053,554
Banks in foreign countries—demand	1,297,787	1,909,911	2,118,758	2,475,098	3,000,626	2,681,096
Banks in foreign countries—time	122,400	335,090	313,341	310,306	295,180	183,159
Total deposits	**247,904,875**	**395,795,923**	**434,651,699**	**436,989,665**	**482,513,855**	**539,184,062**
Demand	*165,092,941*	*210,456,955*	*228,724,682*	*240,130,785*	*247,170,446*	*262,278,862*
Time	*82,811,934*	*185,338,968*	*205,927,017*	*196,858,880*	*235,343,409*	*276,905,200*
Miscellaneous liabilities—total	**7,346,272**	**20,910,731**	**28,958,217**	**47,966,725**	**44,968,169**	**47,367,281**
Federal funds purchased (borrowed)[7]	....	4,980,322	7,468,200	14,684,700	16,609,041	24,179,742
Other liabilities for borrowed money	462,309	568,797	1,214,440	3,367,342	2,572,528	1,463,429
Mortgage indebtedness[3]	....	....	....	601,562	668,545	668,331
Acceptances outstanding	1,689,406	2,382,072	2,508,707	3,387,309	3,848,666	4,039,643
Other liabilities	5,194,557	12,979,540	17,766,870	25,925,812	21,269,389	17,016,136

Total liabilities	**255,251,147**	**416,706,654**	**463,609,916**	**484,956,390**	**527,482,024**	**586,551,343**
Minority interest in consolidated subsidiaries	....	....	....	**3,295**	**3,219**	**3,551**
Reserves on loans and securities–total	**2,606,474**	**4,732,606**	**5,215,817**	**6,178,797**	**6,299,150**	**6,443,382**
Reserve for bad debt losses on loans	2,606,474	4,732,606	5,215,817	5,885,873	5,998,689	6,151,274
Other reserves on loans[3]	....	....	....	108,824	115,601	113,427
Reserves on securities[3]	....	....	....	184,100	184,860	178,681
Capital accounts–total	**22,122,970**	**34,055,924**	**36,627,999**	**39,576,229**	**42,566,408**	**46,905,046**
Capital notes and debentures	22,107	1,984,390	2,110,137	1,998,316	2,091,879	2,956,180
Equity capital–total	22,100,863	32,020,534	34,517,862	37,577,913	40,474,529	43,948,866
Preferred stock	*14,745*	*87,076*	*90,686*	*103,416*	*107,304*	*91,930*
Common stock	*6,584,701*	*9,253,642*	*9,772,605*	*10,529,322*	*11,137,824*	*11,811,129*
Surplus	*10,798,364*	*14,983,375*	*16,173,907*	*17,460,832*	*18,072,590*	*19,895,816*
Undivided profits	*4,156,764*	*6,610,743*	*7,419,669*	*8,426,787*	*10,145,848*	*11,135,068*
Reserve for contingencies and other capital reserves	*546,289*	*1,086,698*	*1,060,995*	*1,057,556*	*1,010,963*	*1,014,923*
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	20.1%	17.0%	16.5%	16.8%	16.1%	15.4%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	24.3	15.6	14.7	11.8	12.4	12.5
Other securities	7.7	11.5	12.1	11.8	13.2	14.0
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	45.5	53.0	53.6	55.9	54.5	54.4
Other assets	2.4	2.9	3.1	3.7	3.8	3.8
Total capital accounts	7.9	7.5	7.2	7.5	7.4	7.3
Of total assets other than cash and U.S. Treasury securities:						
Total capital accounts	14.0	10.8	10.2	10.2	10.0	9.8
Number of banks	13,115	13,517	13,488	13,473	13,511	13,612

[1]For description of changes in 1969 in the Report of Condition, see p. 201 and notes to tables.
[2]Assets in 1968 and prior years include "Other loans and discounts" at gross (before deduction of valuation reserves) value, as reported in 1969–1971. "Other loans and discounts" in 1966–1968 exclude Federal funds sold, now reported separately.
[3]Not available prior to figure shown, see note 1.
[4]Prior to December 31, 1966, "Federal funds sold (loaned)" not reported separately; most were included with loans to banks; beginning in 1967, includes securities purchased under agreements to resell, which previously were reported with "Loans to domestic commercial and foreign banks" and "Other loans for purchasing or carrying securities."
[5]Before 1967, loans extended under credit cards and related plans were distributed among other installment loan items.
[6]Net of mortgages and other liens; previously included with "Other liabilities." Includes real estate owned other than bank premises.
[7]Prior to December 31, 1966, Federal funds purchased were included in "Other liabilities for borrowed money"; beginning in 1967, includes securities sold under agreements to repurchase, which previously were reported with "Other liabilities for borrowed money."

Table 110. ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1967–1971
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	Dec. 30, 1967	Dec. 31, 1968	Dec. 31, 1969	Dec. 31, 1970	Dec. 31, 1971
Total assets	**58,076,403[1]**	**62,321,377[1]**	**64,837,892[1]**	**68,739,524[1]**	**77,891,927**
Cash, balances with banks, and collection items–total	**881,596**	**883,058**	**780,079**	**1,115,656**	**1,273,735**
Currency and coin	153,639	164,965	179,378	173,646	195,679
Demand balances with banks in the United States	461,378	497,725	499,506	538,858	551,149
Other balances with banks in the United States	202,325	157,610	42,964	316,584	445,384
Cash items in process of collection	64,254	62,758	58,231	86,568	81,523
Securities–total	**10,529,434[1]**	**11,878,958[1]**	**11,926,825[1]**	**13,550,849[1]**	**18,491,379**
United States Government and agency securities–total	4,174,223	4,102,711	3,608,068	3,860,276	5,156,321[5]
Securities maturing in 1 year or less[2]	....	....	....	....	*867,992*
Securities maturing in 1 to 5 years[2]	....	....	....	....	*1,823,997*
Securities maturing in 5 to 10 years[2]	....	....	....	....	*832,859*
Securities maturing after 10 years[2]	....	....	....	....	*1,631,473*
State, county, and municipal obligations	211,449	190,944	190,949	192,606	373,810
Corporate bonds	4,727,063[3]	5,937,694[3]	6,273,969[3]	7,413,742[3]	9,293,507
Other bonds, notes, and debentures					1,194,941
Corporate stock–total	1,416,699	1,647,609	1,853,839	2,084,225	2,472,800
Bank	*232,232*	*246,455*	*251,903*	*251,321*	*288,373*
Other	*1,184,467*	*1,401,154*	*1,601,936*	*1,832,904*	*2,184,427*
Federal funds sold and securities purchased under agreements to resell[4]	....	....	....	....	**493,536**
Other loans and discounts–total	**45,619,234[1]**	**48,409,279[1]**	**50,949,496[1]**	**52,753,808[1]**	**56,066,722**
Real estate loans–total	44,595,807	47,177,405	49,329,087	50,695,693	54,222,077
Construction loans[2]	....	....	....	....	*736,386*
Secured by farmland	*110,695[5]*	*111,935[5]*	*106,943[5]*	*112,723[5]*	*41,656*
Secured by residential properties:					
Secured by 1- to 4-family residential properties:					
Insured by Federal Housing Administration	*14,057,536[6]*	*14,500,512[6]*	*14,742,577[6]*	*13,563,069*	*13,532,344*
Guaranteed by Veterans Administration	*10,756,786[6]*	*10,940,229[6]*	*11,030,456[6]*	*10,884,718*	*10,923,517*
Not insured or guaranteed by FHA or VA	*14,824,567[6]*	*16,029,770[6]*	*17,193,309[6]*	*12,089,288*	*13,031,229*
Secured by multifamily (5 or more) residential properties:[6]					
Insured by Federal Housing Administration	....	....	....	*1,358,590*	*1,396,791*
Not insured by FHA	....	....	....	*6,015,291*	*7,136,586*
Secured by other properties	*4,846,223*	*5,594,959*	*6,255,802*	*6,672,014*	*7,423,568*
Loans to domestic commercial and foreign banks	11,654[4]	23,773[4]	319,279[4]	280,999[4]	49,628
Loans to other financial institutions	9,827	25,109	25,111	53,867	36,492
Loans to brokers and dealers in securities	81,162	37,369	30,710	16,342	5,951
Other loans for purchasing or carrying securities	4,578	5,143	7,433	1,838	3,485
Loans to farmers (excluding loans on real estate)	1,681	1,409	1,201	1,068	1,110
Commercial and industrial loans	158,428	237,600	206,348	586,589	463,001
Loans to individuals for personal expenditures	734,973	869,601	987,198	1,081,513	1,260,144
All other loans (including overdrafts)	21,124	31,870	43,129	35,899	24,834
Total loans and securities	**56,148,668[1]**	**60,288,237[1]**	**62,876,321[1]**	**66,304,657[1]**	**75,051,637**

Bank premises, furniture and fixtures, and other assets representing bank premises	428,779	470,421	497,059	528,680	590,326
Real estate owned other than bank premises	30,617	36,449	47,607	62,805	90,987
Investments in subsidiaries not consolidated[2]	....	....	....	....	41,518
Other assets	586,743	643,212	636,826	727,726	843,724
Total liabilities and surplus accounts	**58,076,403**	**62,321,377**	**64,837,892**	**68,739,524**	**77,891,927**
Deposits—total	**52,912,962**	**56,861,324**	**58,867,848**	**62,683,783**	**71,500,831**
Savings deposits	52,390,941	56,110,409	57,729,948	57,989,110	57,644,100
Deposits accumulated for payment of personal loans	74	....	1,096	64	80
Fixed maturity and other time deposits	86,912	260,935	602,968	4,100,994	13,173,871
Savings and time deposits—total	*52,477,927*	*56,371,344*	*58,334,012*	*62,090,168*	*70,818,051*
Demand deposits—total	*435.035*	*489,980*	*533,836*	*593,615*	*682,780*
Miscellaneous liabilities—total	**716,615**	**781,183**	**1,068,152**	**1,000,127**	**975,996[1]**
Securities sold under agreements to repurchase	....	....	....	....	....
Other borrowings	68,155	70,814	381,690	252,171	100,045
Other liabilities	648,460	710,369	686,462	747,956	875,951
Total liabilities	**53,629,577**	**57,642,507**	**59,936,000**	**63,683,910**	**72,476,827**
Minority interest in consolidated subsidiaries[2]	....	....	....	....	1
Surplus accounts—total	**4,446,826**	**4,678,870**	**4,901,892**	**5,055,614**	**5,415,099**
Capital notes and debentures	3,064	3,657	4,617	6,068	10,456
Other surplus accounts	4,443,762[1]	4,675,213[1]	4,897,275[1]	5,049,546[1]	5,404,643
PERCENTAGES					
Of total assets:[1]					
Cash and balances with other banks	1.5%	1.4%	1.2%	1.6%	1.7%
U.S. Government and agency securities	7.2	6.6	5.6	5.6	6.6
Other securities	10.9	12.5	12.8	14.1	17.1
Loans and discounts (including federal funds sold and securities purchased under agreements to resell)	78.6	77.7	78.6	76.8	72.6
Other assets	1.8	1.8	1.8	1.9	2.0
Total surplus accounts	7.7	7.5	7.6	7.4	7.0
Of total assets other than cash and U.S. Government and agency securities:					
Total surplus account	8.4	8.2	8.1	7.9	7.6
Number of banks	333	334	331	329	327

[1, 2, 3, 4, 5] See notes to table 108.
[6] Prior to December 31, 1970, real estate loans secured by multifamily residential properties were combined with those secured by 1- to 4-family residential properties.

Table 111. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1971 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971

BANKS GROUPED BY AMOUNT OF DEPOSITS

Asset, liability, or capital account item	All banks	Banks with deposits of— Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Cash and due from banks	15.5	18.0	13.9	11.6	11.2	10.9	11.3	11.5	14.7	15.7	19.3
U.S. Treasury and agency securities[1]	12.5	29.6	31.5	27.9	23.4	19.7	16.8	15.5	12.6	10.4	7.6
Obligations of States and political subdivisions	12.6	2.1	3.7	7.6	11.5	14.0	14.9	15.0	14.6	13.5	10.5
Other securities	.6	1.2	.8	.6	.7	.7	.7	.9	.7	.6	.5
Federal funds sold (loaned)[2]	3.1	7.7	4.7	4.3	4.1	3.9	3.5	3.2	3.0	3.3	2.5
Other loans and discounts—total	51.3	40.3	44.1	46.5	47.4	48.5	49.9	50.9	50.9	52.2	53.0
Real estate loans—total	12.9	5.5	9.3	12.5	14.4	15.8	16.4	17.2	14.6	13.6	9.3
Loans to banks and other financial institutions	3.3	.8	.3	.4	.4	.7	.9	1.2	2.1	3.9	5.9
Loans to purchase or carry securities	1.7	(5)	.1	.2	.3	.4	.5	.7	1.4	1.0	3.1
Loans to farmers	2.0	15.6	17.3	14.4	9.8	5.2	2.3	1.0	.9	.6	.6
Commercial and industrial loans	18.5	5.3	5.7	6.7	8.3	10.4	12.8	14.4	16.6	19.0	25.1
Installment loans for personal expenditures	8.7	7.4	8.2	8.8	10.4	12.0	12.7	12.1	10.5	9.1	5.1
Single payment loans for personal expenditures	3.0	2.5	2.5	3.0	3.2	3.5	3.7	3.7	3.6	3.6	2.2
All other loans (including overdrafts)	1.2	3.2	.6	.5	.6	.6	.6	.6	1.2	1.4	1.7
Other assets	4.5	1.2	1.3	1.5	1.9	2.2	2.8	3.0	3.5	4.3	6.7
Total liabilities, reserves, and capital accounts	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Deposits—total	84.3	82.7	87.2	89.0	89.4	89.4	88.7	88.0	86.0	83.5	79.9
Demand	*41.0*	*56.3*	*48.2*	*40.5*	*39.1*	*37.9*	*37.9*	*37.8*	*41.1*	*43.1*	*42.8*
Time	*43.2*	*26.3*	*38.9*	*48.4*	*50.3*	*51.5*	*50.7*	*50.3*	*44.8*	*40.4*	*37.2*
Individuals, partnerships, and corporations—demand	30.2	48.9	41.7	33.9	32.0	31.0	31.1	30.6	30.6	31.7	28.6
Individuals, partnerships, and corporations—time	37.2	23.0	35.2	44.6	46.2	47.2	46.1	44.6	38.9	34.5	29.8
U.S. Government	1.7	.2	.8	1.2	1.4	1.5	1.5	1.3	1.6	2.1	1.8
States and subdivisions	7.5	9.5	8.7	8.4	8.7	8.2	8.1	8.6	8.9	8.6	6.0
Domestic interbank	5.2	.6	.3	.3	.3	.4	1.0	1.8	4.9	5.4	9.0
Foreign government and bank	.9	.0	(5)	(5)	(5)	(5)	(5)	.1	.1	.2	2.3
Other deposits	1.5	.4	.5	.6	.7	.9	1.0	1.0	1.0	1.0	2.4
Federal funds purchased (borrowed)[3]	3.8	.0	(5)	.1	.1	.2	.4	.8	2.7	4.8	6.9
Other liabilities for borrowed money	.2	.0	.1	.1	.1	(5)	.1	.1	.3	.5	.2
Other liabilities[4]	3.3	.7	.9	1.1	1.5	2.1	2.8	3.0	2.9	3.0	4.5
Reserves on loans and securities	1.0	.3	.5	.6	.6	.7	.8	.9	.9	.9	1.2
Capital notes and debentures	.5	(5)	(5)	(5)	.1	.1	.2	.3	.4	.5	.7
Other capital accounts	6.9	16.3	11.2	8.9	8.1	7.3	6.9	6.8	6.8	6.7	6.6
Number of banks	13,415	111	678	2,925	3,309	3,753	1,404	608	479	85	63

[1]Securities held in trading accounts are included in "Other assets."
[2]Includes securities purchased under agreements to resell.
[3]Includes securities sold under agreements to repurchase.
[4]Includes minority interest in consolidated subsidiaries.
[5]Less than 0.05 percent.

Note: For income and expense data by size of bank, see tables 117 and 118. Assets and liabilities (in $000) of all commercial banks by size of bank are contained in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1971 report of income), December 31, 1971.

Table 112. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS OPERATING THROUGHOUT 1971 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971

BANKS GROUPED BY AMOUNT OF DEPOSITS

Assets, liabilities, or surplus item	All banks[1]	Banks with deposits of— Less than $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Cash and due from banks	1.6	6.3	3.7	2.1	1.7	1.8	1.7	1.9	1.4
United States Government and agency securities	6.6	8.0	13.0	9.8	7.5	8.0	7.7	5.4	6.0
Corporate bonds	11.9	8.0	7.6	9.6	7.7	9.4	11.5	12.5	13.0
State, county, and municipal obligations	.5	.3	.5	.5	.8	.8	.4	.6	.4
Other securities	4.7	4.6	6.0	7.4	6.0	5.8	5.0	5.4	3.6
Federal funds sold and securities purchased under agreements to resell	.6	(2)	1.5	.7	1.3	1.0	.6	.5	.6
Other loans and discounts	72.0	71.8	66.2	68.5	73.5	71.7	71.1	71.6	73.0
Real estate loans—total	69.6	66.0	61.1	64.7	69.4	69.0	68.4	69.6	71.0
Construction loans	*.9*	*7.8*	*.3*	*1.2*	*1.3*	*1.1*	*1.1*	*1.4*	*.4*
Secured by farmland	*.1*	*.3*	*.8*	*.5*	*.3*	*.1*	(2)	*.1*	*.0*
Secured by residential properties:									
Insured by FHA	*19.2*	*14.7*	*5.0*	*6.3*	*8.5*	*12.9*	*17.7*	*18.8*	*23.4*
Guaranteed by VA	*14.0*	*4.3*	*5.5*	*5.3*	*7.2*	*9.8*	*12.8*	*12.0*	*18.2*
Not insured or guaranteed by FHA or VA	*25.9*	*36.2*	*40.6*	*43.7*	*45.2*	*38.5*	*28.6*	*26.2*	*18.4*
Secured by other properties	*9.5*	*2.7*	*8.9*	*7.7*	*6.8*	*6.6*	*8.1*	*11.1*	*10.6*
Commercial and industrial loans	.6	.4	.3	.2	.5	.2	.4	.7	.7
Loans to individuals for personal expenditures	1.6	4.6	4.3	3.3	3.4	2.4	2.1	1.2	1.1
All other loans including overdrafts	.2	.9	.4	.4	.3	.1	.2	.2	.1
Other assets	2.0	1.0	1.5	1.3	1.4	1.6	2.0	2.0	2.1
Total liabilities and surplus accounts	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Deposits—total	91.8	90.4	90.7	91.1	91.4	91.2	91.9	91.9	91.8
Savings deposits	74.0	82.1	76.2	76.7	74.0	74.7	74.9	74.9	72.4
Deposits accumulated for payment of personal loans	(2)	(2)	(2)	.0	(2)	(2)	(2)	.0	.0
Fixed maturity and other time deposits	16.9	7.8	14.1	13.9	16.5	15.6	15.9	16.5	18.5
Demand deposits	.9	.6	.4	.5	1.0	.8	1.1	.6	.9
Miscellaneous liabilities	1.3	1.2	.7	.8	.9	1.2	1.1	1.1	1.5
Surplus accounts	7.0	8.4	8.6	8.1	7.7	7.7	6.9	6.9	6.7
Capital notes and debentures	(2)	2.1	(2)	.1	(2)	(2)	(2)	(2)	.0
Other surplus accounts	6.9	6.3	8.6	8.0	7.7	7.6	6.9	6.9	6.7
Number of banks	327	4	15	46	74	59	91	22	16

[1] Dollar amounts of assets and liabilities of all mutual savings banks are shown in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1971 report of income), December 31, 1971; see table 111 notes.
[2] Less than 0.05 percent.

Table 113. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS

Ratios (In percent)	All banks	Number of banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Ratios of obligations of States and subdivisions to total assets of—											
Zero	901	92	226	360	161	54	7	0	1	0	0
More than 0.0 but less than 1.0	556	18	124	273	76	49	9	4	3	0	0
1.0 to 2.49	641	9	102	342	117	56	9	1	5	0	0
2.5 to 4.99	1,069	10	103	451	289	148	41	15	10	1	1
5.0 to 7.49	1,349	4	62	409	400	309	85	31	32	10	7
7.5 to 9.99	1,652	9	42	351	490	459	164	57	58	9	13
10.0 to 12.49	1,764	0	25	278	493	564	206	95	71	14	18
12.5 to 14.99	1.677	1	15	184	413	597	244	113	87	14	9
15.0 to 17.49	1,408	2	13	126	330	539	201	100	69	21	7
17.5 to 19.99	1,001	0	9	100	209	374	162	81	55	5	6
20.0 to 24.99	1,096	0	6	77	239	410	208	79	66	9	2
25.0 or more	498	1	5	53	116	197	70	32	22	2	0
Ratios of U.S. Treasury securities to total assets of—											
Less than 5	1,258	23	53	206	281	377	155	56	72	13	22
5 to 9.99	2,829	14	79	373	575	853	418	220	214	50	33
10 to 14.99	3,027	22	110	499	708	914	416	207	127	16	8
15 to 19.99	2,262	16	103	510	605	697	222	63	43	3	0
20 to 24.99	1,560	14	88	398	479	419	113	35	11	3	0
25 to 29.99	1,043	12	75	359	293	232	49	16	7	0	0
30 to 34.99	645	13	56	260	162	132	16	6	0	0	0
35 to 39.99	416	8	43	172	101	76	10	3	3	0	0
40 to 44.99	242	6	52	91	66	24	2	1	0	0	0
45 to 49.99	148	10	34	54	29	15	4	1	1	0	0
50 or more	182	8	39	82	34	17	1	0	1	0	0

Ratios of loans to total assets of–											
Less than 20	123	18	18	39	26	14	4	1	3	0	0
20 to 24.99	155	9	24	60	41	20	1	0	0	0	0
25 to 29.99	322	6	40	111	94	52	12	5	2	0	0
30 to 34.99	545	5	54	156	153	128	30	12	7	0	0
35 to 39.99	938	10	73	258	240	246	71	23	16	0	0
40 to 44.99	1,448	7	79	347	378	415	132	46	41	2	1
45 to 49.99	1,980	15	85	406	497	559	226	101	72	12	7
50 to 54.99	2,402	23	105	443	540	742	296	111	105	21	16
55 to 59.99	2,351	9	87	421	545	663	288	154	128	33	23
60 to 64.99	1,782	17	69	331	422	529	217	102	74	10	11
65 to 69.99	1,035	12	56	256	254	280	98	43	25	7	4
70 to 74.99	369	7	23	115	108	76	25	10	5	0	0
75 or more	162	8	19	61	35	32	6	0	1	0	0
Ratios of cash and due from banks to total assets of–											
Less than 5	546	3	17	147	145	165	42	20	7	0	0
5.0 to 7.49	2,328	15	112	529	650	661	231	86	37	7	0
7.5 to 9.99	3,321	9	129	724	863	1,017	340	147	81	9	2
10.0 to 12.49	2,811	20	122	573	624	862	346	140	98	16	10
12.5 to 14.99	1,877	18	89	381	480	506	208	96	82	7	10
15.0 to 17.49	1,054	16	66	240	241	244	104	67	54	11	11
17.5 to 19.99	656	18	57	140	134	142	66	29	39	16	15
20.0 to 24.99	639	16	77	160	122	107	58	17	55	19	8
25.0 to 29.99	231	14	38	65	47	33	7	5	19	0	3
30.0 or more	149	17	25	45	27	19	4	1	7	0	4
Ratios of total demand deposits to total deposits of–											
Less than 25	486	3	10	100	147	161	35	18	11	0	1
25 to 29.99	1,015	1	23	203	250	319	137	55	23	3	1
30 to 34.99	1,634	2	34	331	413	511	184	103	51	4	1
35 to 39.99	2,159	7	60	468	558	660	249	82	61	8	6
40 to 44.99	2,280	11	94	495	559	668	243	114	77	11	8
45 to 49.99	2,005	14	108	429	500	553	219	89	68	15	10
50 to 54.99	1,468	8	100	327	343	374	164	65	66	13	8
55 to 59.99	1,013	12	75	231	242	263	89	39	47	7	8
60 to 64.99	598	15	43	142	143	132	45	24	32	13	9
65 to 69.99	340	9	46	90	73	57	19	8	24	8	6
70 to 79.99	308	21	44	89	67	41	17	6	15	3	5
80 to 89.99	105	15	24	27	19	11	4	3	2	0	0
90 or more	201	28	71	72	19	6	1	2	2	0	0

Table 113. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1971—CONTINUED

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS

Ratios (In percent)	All banks	Number of banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Ratios of total capital accounts to total assets other than cash and due from banks, and U.S. Treasury securities, and U.S. Government agency securities of—											
Less than 7.5	602	0	1	23	77	210	164	71	40	6	10
7.5 to 9.99	3,688	1	13	320	734	1,394	622	293	239	46	26
10.0 to 12.49	3,895	7	71	654	1,118	1,274	419	170	137	25	20
12.5 to 14.99	2,117	5	98	618	649	507	138	52	37	7	6
15.0 to 17.49	1,132	8	90	423	328	218	40	10	13	1	1
17.5 to 19.99	686	13	83	286	204	74	15	5	6	0	0
20.0 to 22.49	430	11	75	208	91	35	3	4	3	0	0
22.5 to 24.99	260	13	45	129	47	21	1	2	2	0	0
25.0 to 29.99	325	14	89	154	47	15	4	1	1	0	0
30.0 to 34.99	166	9	51	74	28	4	0	0	0	0	0
35.0 to 39.99	70	4	21	39	5	1	0	0	0	0	0
40.0 or more	241	61	95	76	5	3	0	0	1	0	0
Ratios of total capital accounts to total assets of—											
Less than 5	352	0	2	34	60	124	80	29	19	3	1
5 to 5.99	1,341	0	9	136	282	501	229	90	71	8	15
6 to 6.99	2,936	4	30	404	695	1,001	406	195	158	27	16
7 to 7.99	3,090	3	76	577	794	976	356	156	108	31	13
8 to 8.99	2,162	7	94	511	628	574	186	74	70	9	9
9 to 9.99	1,406	6	92	452	395	311	73	40	27	3	7
10 to 10.99	820	8	86	301	211	143	42	10	14	3	2
11 to 11.99	465	19	73	184	101	54	22	6	5	1	0
12 to 12.99	301	12	59	124	62	35	5	2	2	0	0
13 to 14.99	294	17	64	116	63	24	4	3	3	0	0
15 to 16.99	154	15	44	60	25	7	2	1	0	0	0
17 or more	291	55	103	105	17	6	1	2	2	0	0
Number of banks	13,612	146	732	3,004	3,333	3,756	1,406	608	479	85	63

INCOME OF INSURED BANKS

The income data received and published by the Corporation relate to commercial and mutual savings banks insured by the Corporation.

Commercial banks

Prior to 1969, reports of income and dividends were submitted to the Federal supervisory agencies on either a cash or an accrual basis. In 1969, banks with assets of $50 million or more, and beginning in 1970, $25 million or more, were required to report consolidated income accounts on an accrual basis. Smaller banks continue to have the option of submitting their reports on a cash or an accrual basis, except that unearned discount on installment loans, and income taxes, must be reported on an accrual basis. For more detail on the method of cash or accrual reporting by banks, and on the inclusion of subsidiaries in consolidated statements of condition and income, refer to page 201 of this report.

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.

In 1969 the Report of Income was revised to include a more detailed breakdown of investment income and separation of income from Federal funds transactions from other loan income. The overall contents of "Operating income" were not changed significantly from prior years, the principal changes being the consolidation of subsidiaries and conversion to accrual accounting.

Under "Operating expenses," expense of Federal funds transactions, which is now itemized separately, was included prior to 1969 under "Interest on borrowed money." "Interest on capital notes and debentures," now included in operating expenses, before 1969 was not treated as a charge against operating earnings or net income. The item "Provision for loan losses" covers actual loan losses (charge-offs less recoveries), or an average percentage of loan losses experienced during the previous five years, applied to average loans outstanding during the year, beginning in 1969. Newly organized banks and others are also permitted to determine their loan loss ratio by averaging forward from 1969 or their first year of operation. Prior to 1969, loan losses for most banks (those on a reserve basis) were not charged against operating income or net income. Instead, transfers to loan loss reserves were included as a charge against net income (but not against operating income). Actual losses charged to loan loss reserves were treated as a memorandum item.

Beginning in 1969, "Applicable income taxes" for income before securities gains or losses is an estimate of the tax liability that a bank would incur if its taxes were based solely on operating income and expenses; that is, if there were no security gains or losses, no extraordinary items, etc.

Income from securities gains and losses, reported both gross and after taxes, prior to 1969 was reported as separate gain or loss items. It is now included, along with a subtraction for minority interest in consolidated subsidiaries, before arriving at net income (after taxes).

The memorandum item "Total provision for income taxes" does not necessarily equal the sum of "Applicable income taxes" and the tax effects of security gains or losses and of extraordinary charges or credits. The principal difference is accounted for by the fact that the transfer to reserve for bad debts generally exceeds provision for loan loss and consequently tends to reduce tax liability.

In comparing the 1969-1971 reports with prior data, certain generalizations are applicable. Because of the inclusion of additional items in "Operating expenses," "Income before taxes or security gains or losses" is understated, compared with the current operating income of prior reports. On the other hand, "Net income" for years prior to 1969 tends to be somewhat understated because it includes transfers to bad debt reserves which would generally exceed the provision for loan losses. Table 115 provides several operating ratios which afford comparisons between years prior to 1969 and more recent earnings experience.

Mutual savings banks

For a discussion of the report of income and dividends for mutual savings banks used in 1970 and previous years, see the 1951 *Annual Report*, pp. 50-52.

Beginning December 31, 1971, income and expenses for mutual savings banks are reported on a consolidated basis in the same manner as required of commercial banks, including all domestic branches, domestic bank premises subsidiaries, and other significant nonbanking domestic subsidiaries (see pg. 202).

Under operating income, certain income from securities formerly in the "other" category are shown separately beginning in 1971. Income from U.S. Treasury securities is combined with income from U.S. Government agency and corporation securities. Somewhat fewer items are detailed under operating expense. Beginning in 1971, actual net loan losses (charge-offs less recoveries) are included as an expense item in the operating section of the report. In 1970 and prior years (table 119), the amounts shown for this expense item are "recoveries credited to valuation adjustment provisions on real estate mortgage loans" *less* "the realized losses charged to valuation adjustment provisions on these loans", which were reported in those years in the "memoranda" section.

The nonoperating sections of the report were condensed in 1971, with realized gains and losses on securities, mortgage loans, and real estate reported "net" rather than in separate sections and captions as before. Detailed data formerly reported on reconcilement of valuation adjustment provisions was almost entirely eliminated, except for a simple reconciliation of surplus.

Sources of data

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

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

Other insured banks: Federal Deposit Insurance Corporation.

Table 114. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1963–1971
(Amounts in thousands of dollars)

Income item	1963	1964	1965	1966	1967	1968	1969[1]	1970	1971
Operating income—total	**13,509,713**	**15,024,487**	**16,817,187**	**19,508,414**	**21,781,611**	**25,478,404**	**30,806,805**	**34,716,420**	**36,364,008**
Interest and fees on loans[2]	8,672,315	9,785,238	11,204,863	13,286,400	14,646,637	17,121,079	20,726,664	22,967,366	23,069,354
Income on Federal funds sold and securities purchased under agreements to resell[2]	....	....	....	....	....	....	811,580	1,006,367	871,167
Interest on U.S. Treasury securities	2,176,454	2,240,389	2,224,711	2,317,794	2,601,900	3,004,655	2,845,257	3,078,725	3,395,663
Interest and dividends on securities of other U.S. Government agencies and corporations[3]	....	....	....	....	....	....	551,068	688,421	916,559
Interest on obligations of States and political subdivisions[3]	....	....	....	....	....	....	2,215,971	2,620,257	3,127,136
Interest and dividends on other securities[3]	921,060	1,085,334	1,285,287	1,531,517	1,904,886	2,376,223	134,548	151,832	238,033
Trust department income	573,252	629,694	689,628	756,130	820,269	906,206	1,021,900	1,132,292	1,257,807
Service charges on deposit accounts	728,857	781,405	842,775	915,049	987,187	1,055,964	1,120,196	1,178,192	1,231,470
Other service charges, collection and exchange charges, commissions, and fees	248,362	280,289	304,276	354,036	411,021	478,028	693,578	842,480	989,432
Other operating income	189,413	222,138	265,647	347,488	409,711	536,249	686,043	1,050,488	1,267,387
Operating expense—total[4]	**9,714,980**	**10,897,460**	**12,486,120**	**14,561,852**	**16,553,642**	**19,354,237**	**24,076,791**	**27,588,602**	**29,650,981**
Salaries and wages of officers and employees	3,284,375	3,519,062	3,762,024	4,095,742	4,537,896	5,101,803	5,878,812	6,656,884	7,202,972
Pensions and other employee benefits	457,033	490,732	525,692	598,768	667,345	755,744	903,469	1,060,167	1,192,011
Interest on deposits	3,464,308	4,088,061	5,070,781	6,259,472	7,379,863	8,681,705	9,789,893	10,483,795	12,217,994
Expense of Federal funds purchased and securities sold under agreements to repurchase[5]	....	....	....	....	....	....	1,205,787	1,400,838	1,095,648
Interest on other borrowed money[5]	106,517	127,277	189,519	301,768	266,476	528,986	433,120	464,568	139,388
Interest on capital notes and debentures[4]	....	....	....	....	....	....	100,742	104,730	142,381
Occupancy expense of bank premises, net	608,462	670,243	731,573	802,060	873,541	970,034	1,073,339	1,254,520	1,410,190
Gross occupancy expense	760,908	831,158	898,440	980,444	1,059,785	1,173,423	1,331,926	1,555,734	1,730,402
Less rental income	152,446	160,915	166,867	178,384	186,244	203,389	258,587	301,214	320,212
Furniture and equipment, depreciation, rental costs, servicing, etc.	311,518	362,301	411,889	458,695	533,846	631,564	773,072	909,090	1,018,128
Provision for loan losses[4]	....	....	....	....	....	....	521,064	703,150	867,260
Other operating expenses	1,482,767	1,639,784	1,794,642	2,045,347	2,294,675	2,684,401	3,397,493	4,550,860	4,365,009
Income before income taxes and securities gains or losses[6]	....	....	....	....	....	....	**6,730,014**	**7,127,818**	**6,713,027**
Net current operating earnings (old basis)	**3,794,733**	**4,127,027**	**4,331,067**	**4,946,562**	**5,227,969**	**6,124,167**	....	....	....
Applicable income taxes[6]	....	....	....	....	....	....	**2,164,419**	**2,173,775**	**1,689,146**
Income before securities gains or losses[6]	....	....	....	....	....	....	**4,565,595**	**4,954,043**	**5,023,881**
Securities gains or losses, net[6]	....	....	....	....	....	....	**–237,707**	**–103,695**	**213,245**
Gross	117,558	–13,674	–426	–392,447	–4,312	–438,520	–512,242	–224,028	359,279
Taxes	....	....	....	....	....	....	–274,535	–120,333	146,034
Net income before extraordinary items[6]	....	....	....	....	....	....	**4,327,888**	**4,850,348**	**5,237,126**
Extraordinary charges or credits, net[6]	....	....	....	....	....	....	**6,914**	**–12,810**	**–639**
Gross	....	....	....	....	....	....	3,994	–35,865	–12,552
Taxes	....	....	....	....	....	....	–2,920	–23,055	–11,913
Less minority interest in consolidated subsidiaries[6]	....	....	....	....	....	....	**235**	**245**	**282**
Net income	....	....	....	....	....	....	**4,334,567**	**4,837,293**	**5,236,205**
Recoveries, charge-offs, transfers from reserves, net	**–532,745**	**–681,521**	**–786,746**	**–839,869**	**–904,645**	**–992,665**	....	....	....

Net income before taxes (old basis)	**3,379,546**	**3,431,832**	**3,543,895**	**3,714,246**	**4,319,012**	**4,692,982**	....	....	....
Total provision for income taxes	**1,226,783**	**1,148,203**	**1,029,162**	**1,029,906**	**1,177,154**	**1,267,044**	**1,505,336**	**1,863,787**	**1,651,807**
Federal income taxes	1,130,629	1,050,624	927,423	911,585	1,020,988	1,086,889	1,287,514	1,619,790	1,367,492
State and local income taxes	96,154	97,579	101,739	118,321	156,166	180,155	217,822	243,997	284,315
Net income after taxes (old basis)	**2,152,763**	**2,283,629**	**2,514,733**	**2,684,340**	**3,141,858**	**3,425,938**	....	....	....
Dividends on capital–total[7]	**993,374**	**1,088,310**	**1,202,349**	**1,307,387**	**1,426,202**	**1,589,114**	**1,769,314**	**2,040,027**	**2,230,556**
Cash dividends declared on common stock	990,039	1,062,561	1,146,186	1,240,048	1,342,538	1,488,670	1,762,279	2,033,288	2,225,125
Cash dividends declared on preferred stock[7]	3,335	25,749	56,163	67,339	83,664	100,444	7,035	6,739	5,431
Memoranda									
Recoveries credited to reserves (not included above):									
On loans	96,897	157,791	124,062	143,859	168,680	219,115	209,124	255,350	317,320
On securities	6,216	4,515	4,158	3,300	5,638	1,913	1,986	1,260	2,253
Losses charged to reserves (not included above):									
On loans	323,475	394,181	429,490	545,647	601,194	629,707	697,874	1,236,988	1,404,520
On securities	17,314	43,683	25,761	60,282	29,072	32,262	12,448	2,881	3,714
Average assets and liabilities[8]									
Assets–total	**301,861,288**	**328,756,207**	**360,944,351**	**391,255,121**	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**
Cash and due from banks	50,997,566	54,449,343	59,013,596	62,867,398	70,248,679	78,504,024	86,663,384	89,089,607	95,673,527
United States Treasury securities	64,058,431	61,439,390	59,419,551	56,088,649	57,357,584	61,545,807	56,724,083[10]	54,198,407[10]	59,923,562[10]
Obligations of States and political subdivisions[9]	....	....	....	....	....	....	58,011,200[10]	62,012,771[10]	74,606,153[10]
Other securities[9]	31,421,875	36,360,062	41,540,772	47,054,812	55,213,293	65,318,374	11,839,130[10]	12,821,687[10]	18,216,064[10]
Loans and discounts	147,948,743	168,082,284	191,391,533	214,381,628	230,636,149	253,678,319	283,479,251	301,667,242	327,633,687
All other assets	7,434,673	8,425,128	9,578,899	10,862,634	12,163,632	14,091,481	19,608,435[10]	24,090,694[10]	27,369,727[10]
Liabilities and capital–total	**301,861,288**	**328,756,207**	**360,944,351**	**391,255,121**	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**
Total deposits	264,069,489	287,988,560	315,643,533	340,336,714	368,906,501	407,508,260	431,468,339	449,522,141	507,101,968
Demand deposits	*159,561,973*	*168,382,122*	*178,089,360*	*185,336,407*	*194,982,924*	*213,628,389*	*230,490,525*	*237,588,875*	*251,447,347*
Time and savings deposits	*104,507,516*	*119,606,438*	*137,554,173*	*155,000,307*	*173,923,577*	*193,879,871*	*200,977,814*	*211,933,266*	*255,654,621*
Borrowings and other liabilities	13,507,899	14,376,273	16,479,957	20,067,721	23,836,162	30,297,605	46,642,486	53,212,878	51,507,005
Total capital accounts	24,283,900	26,391,374	28,820,861	30,850,686	32,876,674	35,332,148	38,214,658	41,145,389	44,813,747
Number of employees (end of period)	648,967	702,658	732,163	777,361	815,037	866,725	904,008	959,867	980,660
Number of banks (end of period)	13,291	13,493	13,547	13,541	13,517	13,488	13,473	13,511	13,612

[1] Figures before 1969 may differ slightly from those published by the Board of Governors of the Federal Reserve System and the Comptroller of the Currency because of differences in rounding techniques. Revisions in Report of Income in 1969 are discussed on pp. 224–225; also see notes to tables.

[2] "Income on Federal funds sold" was included in "Interest and discount on loans" in 1968 and prior years (see 1968 report, p. 198).

[3] Income from "Securities of other U.S. Government agencies and corporations" and from "Obligations of States and political subdivisions" were included in income from "Other securities" in 1968 and prior years.

[4] "Interest on capital notes and debentures" and "Provision for loan losses" not included in "Operating expense–total" in 1968 and prior years.

[5] "Expense of Federal funds purchased and securities sold under agreements to repurchase" were included in "Interest on borrowed money" in 1968 and prior years.

[6] Data are not available prior to 1969. See page 224 of this report.

[7] In 1968 and prior years, "Dividends declared on preferred stock" was reported in combination with "Interest on capital notes and debentures."

[8] For 1964–1971, averages of amounts reported at beginning, middle, and end of year. For 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, midyear, and year-end calls. 1962–1968 averages of securities and loans have been revised to a gross basis.

[9] In 1968 and prior years, "Obligations of States and political subdivisions" were included in "Other securities."

[10] Securities held in trading accounts are included in "All other assets."

Table 115. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1963–1971

Income item	1963	1964	1965	1966	1967	1968	1969	1970	1971
Amounts per $100 of operating income									
Operating income—total	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00
Income on loans[1]	64.19	65.13	66.63	68.11	67.24	67.20	69.91	69.05	65.84
Interest on U.S. Treasury securities[2]	16.11	14.91	13.23	11.88	11.95	11.79	9.23	8.87	9.34
Interest on State and local government obligations[2]	....	....	....	....	....	....	7.19	7.55	8.60
Interest and dividends on other securities[2]	6.82	7.22	7.64	7.85	8.74	9.33	2.23	2.42	3.17
Trust department income	4.24	4.19	4.10	3.88	3.77	3.56	3.32	3.26	3.46
Service charges on deposit accounts	5.39	5.20	5.01	4.69	4.53	4.14	3.64	3.39	3.39
Other charges, commissions, fees, etc.	1.84	1.87	1.81	1.81	1.89	1.88	2.25	2.43	2.72
Other operating income	1.41	1.48	1.58	1.78	1.88	2.10	2.23	3.03	3.48
Operating expense—total[3]	71.91	72.53	74.25	74.64	76.00	75.96	78.15	79.47	81.54
Salaries and wages	24.31	23.42	22.37	20.99	20.83	20.02	19.08	19.18	19.81
Pensions and other benefits	3.38	3.27	3.13	3.07	3.07	2.97	2.93	3.05	3.28
Interest on time and savings deposits	25.64	27.21	30.15	32.09	33.88	34.07	31.78	30.20	33.60
Interest on borrowed money[3]	.79	.85	1.13	1.55	1.22	2.08	5.65	5.67	3.79
Occupancy expense of bank premises, net	4.50	4.46	4.35	4.11	4.01	3.81	3.48	3.61	3.88
Furniture and equipment, etc.	2.31	2.41	2.45	2.35	2.45	2.48	2.51	2.62	2.80
Provision for loan losses[3]	....	....	....	....	....	....	1.69	2.03	2.38
Other operating expenses	10.98	10.91	10.67	10.48	10.54	10.53	11.03	13.11	12.00
Income before income taxes and securities gains or losses	....	....	....	....	....	....	21.85	20.53	18.46
Net current operating earnings (old basis)	28.09	27.47	25.75	25.36	24.00	24.04	....	....	....
Amounts per $100 of total assets									
Operating income—total	4.48	4.57	4.66	4.99	5.12	5.38	5.97	6.38	6.03
Net current operating earnings (old basis)	1.26	1.26	1.20	1.26	1.23	1.29	....	....	....
Income before income taxes and securities gains or losses	....	....	....	....	....	....	1.30	1.31	1.11
Net income[4]	.71	.69	.70	.69	.74	.72	.84	.89	.87
Amounts per $100 of total capital accounts									
Net income[4]	8.86	8.65	8.73	8.70	9.56	9.70	11.34	11.76	11.68
Cash dividends declared on common stock	4.08	4.03	3.98	4.02	4.08	4.21	4.61	4.94	4.97
Net additions to capital from income	4.77	4.53	4.56	4.46	5.22	5.20	6.71	6.80	6.71
Special ratios									
Income on loans per $100 of loans[1]	5.86	5.82	5.85	6.20	6.35	6.75	7.60	7.95	7.31
Income on U.S. Treasury securities per $100 of U.S. Treasury securities	3.40	3.65	3.74	4.13	4.54	4.88	5.02	5.68	5.67
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions[2]	....	....	....	....	....	....	3.82	4.23	4.19
Income on other securities per $100 of other securities[2]	2.93	2.98	3.09	3.25	3.45	3.64	5.79	6.55	6.34
Service charges per $100 of demand deposits	.46	.46	.47	.49	.51	.49	.49	.50	.49
Interest paid per $100 of time and savings deposits	3.31	3.42	3.69	4.04	4.24	4.48	4.87	4.95	4.78
Number of banks (end of period)	13,291	13,493	13,547	13,541	13,517	13,488	13,473	13,511	13,612

[1] Includes Federal funds sold.
[2] "Interest on State and local government obligations" included in "Interest and dividends on other securities" in 1968 and prior years. Income from securities held in trading accounts is included in "Other operating income."
[3] "Interest on capital notes and debentures," which is included in "Interest on borrowed money" in 1969–1971, and "Provision for loan losses" were not included in "Operating expense—total" in 1968 and prior years.
[4] Because of changes in the form of reporting by banks, figures in 1969–1971 are not fully comparable with those in 1968 and prior years; see table 114 and page 224.

Table 116. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1971
BANKS GROUPED BY CLASS OF BANK
(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Operating income—total	**36,364,008**	**21,295,292**	**7,384,655**	**7,684,061**	**36,342,253**	**21,755**
Interest and fees on loans	23,069,354	13,660,013	4,663,187	4,746,154	23,059,023	10,331
Income on Federal funds sold and securities purchased under agreements to resell	871,167	533,714	143,335	194,118	868,692	2,475
Interest on U.S. Treasury securities	3,395,663	1,848,927	585,697	961,039	3,392,499	3,164
Interest and dividends on securities of other U.S. Government agencies and corporations	916,559	442,811	135,472	338,276	915,057	1,502
Interest on obligations of States and political subdivisions	3,127,136	1,838,925	630,069	658,142	3,127,110	26
Interest and dividends on other securities	238,033	137,630	44,662	55,741	236,797	1,236
Trust department income	1,257,807	699,552	482,502	75,753	1,257,805	2
Service charges on deposit accounts	1,231,470	709,337	186,731	335,402	1,230,540	930
Other service charges, collection and exchange charges, commissions, and fees	989,432	624,471	171,223	193,738	988,653	779
Other operating income	1,267,387	799,912	341,777	125,698	1,266,077	1,310
Operating expense—total	**29,650,981**	**17,418,151**	**5,936,483**	**6,296,347**	**29,621,300**	**29,681**
Salaries and wages of officers and employees	7,202,972	4,137,117	1,531,020	1,534,835	7,193,852	9,120
Pensions and other employee benefits	1,192,011	697,996	276,021	217,994	1,191,233	778
Interest on deposits	12,217,994	7,223,663	2,204,950	2,789,381	12,212,037	5,957
Expense of Federal funds purchased and securities sold under agreements to repurchase	1,095,648	739,041	334,474	22,133	1,095,641	7
Interest on other borrowed money	139,388	80,744	46,691	11,953	139,334	54
Interest on capital notes and debentures	142,381	67,788	55,204	19,389	142,308	73
Occupancy expense of bank premises, net	1,410,190	810,390	320,661	279,139	1,407,618	2,572
Gross occupancy expense	1,730,402	1,021,586	387,420	321,396	1,727,714	2,688
Less rental income	320,212	211,196	66,759	42,257	320,096	116
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,018,128	606,187	191,530	220,411	1,016,833	1,295
Provision for loan losses	867,260	514,007	167,942	185,311	866,685	575
Other operating expenses	4,365,009	2,541,218	807,990	1,015,801	4,355,759	9,250
Income before income taxes and securities gains or losses	**6,713,027**	**3,877,141**	**1,448,172**	**1,387,714**	**6,720,953**	**−7,926**
Applicable income taxes	**1,689,146**	**942,730**	**406,393**	**340,023**	**1,689,244**	**−98**
Income before securities gains or losses	**5,023,881**	**2,934,411**	**1,041,779**	**1,047,691**	**5,031,709**	**−7,828**
Net securities gains or losses	**213,245**	**106,727**	**37 466**	**69,052**	**212,974**	**271**
Gross	359,279	189,168	65,586	104,525	358,995	284
Taxes	146,034	82,441	28,120	35,473	146,021	13
Net income before extraordinary items	**5,237,126**	**3,041,138**	**1,079,245**	**1,116,743**	**5,244,683**	**−7,557**
Extraordinary charges or credits, net	**−639**	**−1,836**	**−657**	**1,854**	**−516**	**−123**
Gross	−12,552	−10,563	−2,261	272	−12,421	−131
Taxes	−11,913	−8,727	−1,604	−1,582	−11,905	−8

Table 116. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1971—CONTINUED

BANKS GROUPED BY CLASS OF BANK

(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Less minority interest in consolidated subsidiaries	**282**	**117**	....	**165**	**282**	......
Net income	**5,236,205**	**3,039,185**	**1,078,588**	**1,118,432**	**5,243,885**	**−7,680**
Total provision for income taxes	**1,651,807**	**901,526**	**391,512**	**358,769**	**1,651,962**	**−155**
Federal income taxes	1,367,492	745,607	302,553	319,332	1,367,660	−168
State and local income taxes	284,315	155,919	88,959	39,437	284,302	13
Dividends on capital—total	**2,230,556**	**1,388,666**	**519,689**	**322,201**	**2,230,553**	3
Cash dividends declared on common stock	2,225,125	1,384,653	519,093	321,379	2,225,122	3
Cash dividends declared on preferred stock	5,431	4,013	596	822	5,431	......
Memoranda						
Recoveries credited to reserves (not included above):						
On loans	317,320	209,692	45,085	62,543	317,320	......
On securities	2,253	1,294	224	735	2,253	......
Losses charged to reserves (not included above):						
On loans	1,404,520	873,354	293,444	237,722	1,404,499	21
On securities	3,714	1,408	445	1,861	3,714	......
Number of employees, December 31	980,660	565,529	185,146	229,985	978,548	2,112
Number of banks, December 31	13,612	4,600	1,128	7,884	13,415	197

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1971 IN THE UNITED STATES (STATES AND OTHER AREAS)

BANKS GROUPED BY AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

Income item	All banks[1]	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Operating income—total	36,342,253	6,188	74,036	683,829	1,595,394	3,869,825	3,265,918	2,825,041	6,471,462	4,071,574	13,478,986
Interest and fees on loans	23,059,023	3,334	41,135	397,954	948,813	2,345,801	2,021,776	1,761,729	4,106,710	2,639,949	8,791,822
Income on Federal funds sold and securities purchased under agreements to resell	868,692	309	2,052	19,433	47,363	119,141	95,448	75,667	154,456	95,144	259,679
Interest on U.S. Treasury securities	3,392,499	1,534	17,500	134,362	257,676	531,572	377,100	303,253	584,093	308,406	877,003
Interest and dividends on securities of other U.S. Government agencies and corporations	915,057	378	5,438	46,782	88,468	174,099	133,519	100,015	171,129	66,560	128,669
Interest on obligations of States and political subdivisions	3,127,110	91	1,761	34,278	123,056	353,463	324,174	276,990	618,861	354,010	1,040,426
Interest and dividends on other securities	236,797	52	668	4,345	9,364	22,788	20,532	22,652	46,982	23,917	85,497
Trust department income	1,257,805	3	286	323	3,083	16,626	36,119	54,618	237,270	174,085	735,392
Service charges on deposit accounts	1,230,540	212	2,619	24,936	69,311	187,000	148,790	117,272	226,529	127,437	326,434
Other service charges, collection and exchange charges, commissions, and fees	988,653	191	1,620	14,543	32,597	76,669	69,232	75,556	193,123	138,769	386,353
Other operating income	1,266,077	84	957	6,873	15,663	42,666	39,228	37,289	132,309	143,297	847,711
Operating expense—total	29,621,300	4,948	59,352	552,805	1,286,073	3,137,730	2,679,882	2,343,631	5,310,311	3,320,523	10,926,045
Salaries and wages of officers and employees	7,193,852	2,121	20,762	156,422	322,175	730,189	614,478	549,280	1,307,974	825,592	2,664,859
Pensions and other employee benefits	1,191,233	191	1,680	15,953	40,131	101,169	92,433	84,043	215,572	145,805	494,256
Interest on deposits	12,212,037	1,157	20,710	240,708	587,780	1,472,086	1,240,897	1,061,443	2,211,525	1,237,671	4,138,060
Expense of Federal funds purchased and securities sold under agreements to repurchase	1,095,641	0	10	240	1,056	3,782	8,469	15,114	125,197	154,130	787,643
Interest on other borrowed money	139,334	4	52	480	1,118	2,566	3,666	3,717	14,866	23,062	89,803
Interest on capital notes and debentures	142,308	2	9	160	685	4,379	6,111	7,597	21,361	19,435	82,569
Occupancy expense of bank premises, net	1,407,618	283	2,045	19,275	48,176	129,615	118,340	110,823	261,380	163,252	554,429
Gross occupancy expense	1,727,714	291	2,184	20,646	51,667	141,728	135,600	135,938	332,255	228,409	678,996
Less rental income	320,096	8	139	1,371	3,491	12,113	17,260	25,115	70,875	65,157	124,567
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,016,833	155	1,803	16,317	41,878	104,069	94,578	88,752	227,519	127,395	314,367
Provision for loan losses	866,685	92	2,056	16,803	38,716	91,978	75,538	63,692	134,543	107,066	336,201
Other operating expenses	4,355,759	943	10,225	86,447	204,358	497,897	425,372	359,170	790,374	517,115	1,463,858
Income before income taxes and securities gains or losses	6,720,953	1,240	14,684	131,024	309,321	732,095	586,036	481,410	1,161,151	751,051	2,552,941
Applicable income taxes	1,689,244	317	3,991	36,044	81,161	181,866	133,537	105,712	263,408	186,461	696,747

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1971 IN THE UNITED STATES (STATES AND OTHER AREAS)—CONTINUED

BANKS GROUPED BY AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

Income item	All banks[1]	Banks with deposits of— Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Income before securities gains or losses	5,031,709	923	10,693	94,980	228,160	550,229	452,499	375,698	897,743	564,590	1,856,194
Net securities gains or losses	212,974	32	382	4,279	12,855	35,424	32,205	28,555	52,511	20,129	26,602
Gross	358,995	69	473	5,535	17,351	52,983	52,169	49,543	94,672	36,950	49,250
Taxes	146,021	37	91	1,256	4,496	17,559	19,964	20,988	42,161	16,821	22,648
Net income before extraordinary items	5,244,683	955	11,075	99,259	241,015	585,653	484,704	404,253	950,254	584,719	1,882,796
Extraordinary charges or credits, net	−516	1	15	100	710	108	802	1,338	201	3,682	−7,473
Gross	−12,421	1	13	118	693	−1,758	658	1,364	−1,504	5,222	−17,228
Taxes	−11,905	0	−2	18	−17	−1,866	−144	26	−1,705	1,540	−9,755
Less minority interest in consolidated subsidiaries	282	0	0	35	14	11	7	4	71	140	0
Net income	5,243,885	956	11,090	99,324	241,711	585,750	485,499	405,587	950,384	588,261	1,875,323
Total provision for income taxes	1,651,962	402	4,635	39,522	85,591	189,450	144,381	117,079	276,402	181,351	613,149
Federal income taxes	1,367,660	368	4,321	36,383	78,607	172,432	131,276	104,454	241,375	154,164	444,280
State and local income taxes	284,302	34	314	3,139	6,984	17,018	13,105	12,625	35,027	27,187	168,869
Dividends on capital—total	2,230,553	254	3,318	27,256	59,201	149,198	146,503	132,212	395,636	276,900	1,040,075
Cash dividends declared on common stock	2,225,122	254	3,318	27,245	59,171	148,875	146,235	131,945	394,365	276,008	1,037,706
Cash dividends declared on preferred stock	5,431	0	0	11	30	323	268	267	1,271	892	2,369
Memoranda											
Recoveries credited to reserves (not included above):											
On loans	317,320	35	749	6,842	18,777	44,953	29,431	28,076	58,948	34,679	94,830
On securities	2,253	0	0	28	35	257	562	583	778	10	0
Losses charged to reserves (not included above):											
On loans	1,404,499	120	2,176	19,182	52,021	131,980	105,746	96,704	217,160	166,006	613,404
On securities	3,714	0	6	197	180	711	888	420	1,255	57	0
Number of employees, December 31	978,548	416	3,438	23,397	48,415	111,036	93,116	82,141	185,272	112,387	318,930
Number of banks, December 31	13,415	111	678	2,925	3,309	3,753	1,404	608	479	85	63

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

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1971 IN THE UNITED STATES (STATES AND OTHER AREAS)[1]

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	Banks with deposits of–									
	Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Amounts per $100 of operating income										
Operating income–total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Income on loans[2]	58.87	58.33	61.03	62.44	63.70	64.83	65.04	65.85	67.18	67.15
Interest on U.S. Treasury securities[3]	24.79	23.64	19.65	16.15	13.74	11.55	10.73	9.03	7.57	6.51
Interest on State and local government obligations[3]	1.47	2.38	5.01	7.71	9.13	9.93	9.81	9.56	8.69	7.72
Interest and dividends on other securities[3]	6.95	8.25	7.48	6.13	5.09	4.72	4.34	3.37	2.22	1.59
Trust department income	.05	.38	.05	.20	.43	1.10	1.93	3.67	4.28	5.45
Service charges on deposit accounts	3.42	3.54	3.65	4.35	4.83	4.55	4.15	3.50	3.13	2.42
Other charges, commissions, fees, etc.	3.09	2.19	2.13	2.04	1.98	2.12	2.68	2.98	3.41	2.87
Other operating income[3]	1.36	1.29	1.00	.98	1.10	1.20	1.32	2.04	3.52	6.29
Operating expense–total	**79.96**	**80.17**	**80.84**	**80.61**	**81.08**	**82.06**	**82.96**	**82.06**	**81.55**	**81.06**
Salaries and wages	34.27	28.04	22.87	20.19	18.87	18.82	19.44	20.21	20.27	19.77
Pensions and other benefits	3.09	2.27	2.33	2.52	2.61	2.83	2.98	3.33	3.58	3.67
Interest on time and savings deposits	18.70	27.97	35.20	36.84	38.04	38.00	37.57	34.17	30.40	30.70
Interest on borrowed money	.10	.10	.13	.18	.28	.56	.94	2.50	4.83	7.12
Occupancy expense of bank premises, net	4.57	2.76	2.82	3.02	3.35	3.62	3.92	4.04	4.01	4.11
Furniture and equipment, etc.	2.50	2.44	2.39	2.62	2.69	2.90	3.14	3.52	3.13	2.33
Provision for loan losses	1.49	2.78	2.46	2.43	2.38	2.31	2.26	2.08	2.63	2.50
Other operating expenses	15.24	13.81	12.64	12.81	12.86	13.02	12.71	12.21	12.70	10.86
Income before income taxes and securities gains or losses	**20.04**	**19.83**	**19.16**	**19.39**	**18.92**	**17.94**	**17.04**	**17.94**	**18.45**	**18.94**
Amounts per $100 of total assets[5]										
Operating income–total	5.96	6.05	6.01	5.94	5.97	5.92	5.96	5.74	5.81	5.45
Income before income taxes and securities gains or losses	1.19	1.20	1.15	1.15	1.13	1.06	1.02	1.03	1.07	1.03
Net income	.92	.91	.87	.90	.90	.88	.86	.84	.84	.76
Memoranda										
Recoveries credited to reserves (not included above):										
On loans	.03	.06	.06	.07	.07	.05	.06	.05	.05	.04
On securities	0	0	(4)	(4)	(4)	(4)	(4)	(4)	(4)	0
Losses charged to reserves (not included above):										
On loans	.12	.18	.17	.19	.20	.19	.20	.19	.24	.25
On securities	0	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	0

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1971 IN THE UNITED STATES (STATES AND OTHER AREAS) [1]

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	Banks with deposits of–									
	Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Amounts per $100 of total capital accounts[5]										
Net income	5.65	8.01	9.61	11.10	12.07	12.29	11.93	11.70	11.55	10.44
Cash dividends declared on common stock	1.50	2.40	2.63	2.72	3.07	3.70	3.88	4.86	5.42	5.78
Net additions to capital from income	4.15	5.62	6.97	8.38	8.99	8.58	8.04	6.83	6.12	4.65
Memoranda										
Recoveries credited to reserves (not included above):										
On loans	.21	.54	.66	.86	.93	.75	.83	.73	.68	.53
On securities	0	0	(4)	(4)	.01	.01	.02	.01	(4)	0
Losses charged to reserves (not included above):										
On loans	.71	1.57	1.86	2.39	2.72	2.68	2.84	2.67	3.26	3.42
On securities	0	(4)	.02	.01	.01	.02	.01	.02	(4)	0
Special ratios[5]										
Income on loans per $100 of loans[2]	7.31	7.23	7.22	7.20	7.24	7.18	7.17	7.01	7.02	6.60
Income on U.S. Treasury securities per $100 of U.S. Treasury securities[3]	6.55	5.95	5.69	5.56	5.53	5.52	5.52	5.40	5.19	5.31
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions[3]	4.24	3.84	3.98	3.99	3.89	3.96	3.88	3.77	3.74	4.02
Income on other securities per $100 of other securities[3]	5.02	6.01	5.78	5.38	5.41	5.40	5.48	5.21	5.17	6.22
Service charges per $100 of demand deposits	.36	.44	.54	.66	.76	.71	.66	.49	.42	.31
Interest paid per $100 of time and savings deposits	4.23	4.35	4.36	4.35	4.41	4.43	4.46	4.38	4.37	4.50
Number of banks, December 31	111	678	2,925	3,309	3,753	1,404	608	479	85	63

[1] This group of banks is the same as the group shown in table 116 under heading "Operating throughout the year."
[2] Includes Federal funds.
[3] Income from securities held in trading accounts is included in "Other operating income."
[4] Less than 0.005.
[5] Ratios are based on assets and liabilities reported at end of year.

Table 119. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1967–1971
(Amounts in thousands of dollars)

Income item	1967	1968	1969	1970	1971
Operating income—total	2,884,789	3,238,735	3,581,559	3,874,870	4,529,014
Interest and fees on real estate mortgage loans, net	2,326,459	2,538,502	2,768,370	2,963,859	3,275,859
Interest and fees on real estate mortgage loans, gross	*2,389,864*	*2,603,928*	*2,835,708*	*3,031,157*	*3,344,057*
Less: Mortgage servicing fees	*63,405*	*65,426*	*67,338*	*67,298*	*68,198*
Interest and fees on other loans	67,925	83,807	121,172	154,230	163,675
Interest on U.S. government and agency securities[2]	....	....	....	....	268,370
Interest on corporate bonds	432,091	552,841	633,835	693,986	546,033
Interest on State, county, and municipal obligations[2]	....	....	....	....	12,789
Interest on other bonds, notes, and debentures[2]	....	....	....	....	75,489
Dividends on corporate stock[2]	....	....	....	....	105,592
Income from service operations	33,275	40,964	35,942	35,107	27,669
Other operating income	25,039	22,621	22,240	27,688	53,538
Operating expenses—total	357,756[1]	390,669[1]	443,049[1]	520,862[1]	581,693
Salaries	161,122	175,307	193,613	217,536	243,446
Pensions and other employee benefits	34,243	37,149	41,860	47,072	55,944
Interest on borrowed money	2,922	4,021	9,864	20,327	7,862
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals), net	42,412	47,184	52,491	60,655	71,113
Furniture and equipment (including recurring depreciation)	13,799	16,414	19,726	22,603	28,365
Actual net loan losses (charge-offs less recoveries)	3,809	889	898	1,363	3,328
Other operating expenses	99,449	109,705	124,597	151,306	171,635
Net operating income before interest and dividends on deposits	2,527,033[1]	2,848,066[1]	3,138,510[1]	3,354,008[1]	3,947,321
Interest and dividends on deposits—total	2,395,762	2,612,638	2,808,141	2,987,200	3,418,845
Savings deposits[2]	....	....	....	....	3,058,645
Other time deposits[2]	....	....	....	....	360,200
Net operating income after interest and dividends on deposits	131,271	235,428	330,369	366,808	528,476
Net realized gains (or losses) on—total	−21,703[1]	7,203[1]	−59,457[1]	−121,372[1]	−58,286
Securities	−15,778	11,237	−37,719	−91,760	−44,290
Real estate mortgage loans	−4,186	−3,137	−23,381	−26,334	−12,133
Real estate	6	493	434	−568	−1,690
Other transactions	−1,745	−1,390	1,209	−2,710	−173
Less minority interest in consolidated subsidiaries[2]	....	....	....	....	....
Net income before taxes	109,568[1]	242,631[1]	270,912[1]	245,436[1]	470,190
Franchise and income taxes—total	37,708	47,710	61,874	78,421	126,601
Federal income tax	3,971	8,429	14,303	25,310	63,833
State and local franchise and income taxes	33,737	39,281	47,571	53,111	62,768
Net income	71,860[1]	194,921[1]	209,038[1]	167,015[1]	343,589

Table 119. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1967–1971
(Amounts in thousands of dollars)

Income item	1967	1968	1969	1970	1971
Memoranda					
Change in surplus accounts, net	78,549[1]	218,501[1]	220,063[1]	188,484[1]	486,234
Discount on securities, total[2]	....	....	....	....	16,513
Average assets and liabilities[3]					
Assets–total[4]	**55,382,218**	**59,871,912**	**63,518,853**	**65,986,370**	**73,661,663**
Cash and due from banks	953,843	825,767	715,778	778,430	1,156,181
United States Government and agency securities[4]	4,219,878	4,297,630	3,865,250	3,893,429	4,437,666
Other securities[4]	5,331,015	6,964,029	8,254,868	8,471,553	11,932,355
Real estate mortgage loans[4]	42,920,455	45,566,125	48,091,156	49,745,250	52,364,759
Other loans and discounts[4]	1,004,362	1,176,814	1,463,714	1,904,974	2,309,498
Other real estate	27,987	36,156	38,345	57,981	75,520
All other assets	924,678	1,005,391	1,089,742	1,134,753	1,385,684
Liabilities and surplus accounts–total[4]	**55,382,218**	**59,871,912**	**63,518,853**	**65,986,370**	**73,661,663**
Total deposits	50,247,915	54,534,572	57,834,645	59,862,839	67,443,302
Savings and time deposits	*49,805,468*	*54,053,723*	*57,304,999*	*59,296,823*	*66,784,186*
Demand deposits	*442,447*	*480,849*	*529,646*	*566,016*	*659,116*
Other liabilities	730,825	793,930	888,123	1,162,859	982,655
Total surplus accounts[4]	4,403,478	4,543,410	4,796,085	4,960,672	5,235,706
Number of employees (end of period)	24,075	25,063	26,105	27,505	30,134
Number of banks (end of period)	333	334	331	329	327

[1]Figures have been revised to provide comparability with 1971 data—see page 225 for information on changes in reports in 1971.
[2]Data are not available prior to 1971, see page 225.
[3]For 1970 and prior years, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year; for 1971, averages of amounts reported at beginning, middle, and end of year.
[4]Averages for 1967–1970 have been revised to a gross basis; see notes to table 108.

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1967–1971

Income item	1967	1968	1969	1970	1971
Amounts per $100 of operating income					
Operating income—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Interest and fees on real estate mortgage loans—net	80.65	78.38	77.30	76.49	72.33
Interest and fees on other loans	2.35	2.59	3.38	3.98	3.61
Interest on U.S. Government and agency securities[2]	....	....	....	....	5.93
Interest on corporate bonds[2]	....	....	....	....	12.06
Interest on State, county, and municipal obligations	14.98	17.07	17.70	17.91	.28
Interest on other bonds, notes, and debentures[2]	....	....	....	....	1.67
Dividends on corporate stock[2]	....	....	....	....	2.33
Income from service operations	1.15	1.26	1.00	.91	.61
Other operating income	.87	.70	.62	.71	1.18
Operating expense—total	**12.40**[1]	**12.06**[1]	**12.37**[1]	**13.44**[1]	**12.84**
Salaries	5.58	5.41	5.41	5.61	5.37
Pensions and other employee benefits	1.19	1.15	1.17	1.22	1.24
Interest on borrowed money	.10	.12	.27	.52	.17
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals)—net	1.47	1.46	1.47	1.57	1.57
Furniture and equipment (including recurring depreciation)	.48	.50	.55	.58	.63
Actual net loan losses (chargeoffs less recoveries)	.13	.03	.02	.04	.07
Other operating expenses	3.45	3.39	3.48	3.90	3.79
Net operating income before interest and dividends on deposits	**87.60**[1]	**87.94**[1]	**87.63**[1]	**86.56**[1]	**87.16**
Interest and dividends on deposits—total	**83.05**	**80.67**	**78.41**	**77.09**	**75.49**
Savings deposits	(2)	(2)	(2)	(2)	67.54
Other time deposits					7.95
Net operating income after interest and dividends on deposits	**4.55**[1]	**7.27**[1]	**9.22**[1]	**9.47**[1]	**11.67**
Net realized gains (or losses) on—total	**–.75**[1]	**.22**[1]	**–1.66**[1]	**–3.14**[1]	**–1.29**
Securities	–.55	.35	–1.05	–2.37	–.98
Real estate mortgage loans	–.14	–.10	–.65	–.68	–.27
Real estate	(5)	.01	.01	–.02	–.04
Other transactions	–.06	–.04	.03	–.07	(5)
Less minority interest in consolidated subsidiaries	....	....	....	....	....
Net income before taxes	**3.80**[1]	**7.49**[1]	**7.56**[1]	**6.33**[1]	**10.38**
Franchise and income taxes—total	**1.31**	**1.47**	**1.72**	**2.02**	**2.79**
Federal income tax	.14	.26	.40	.65	1.41
State and local franchise and income taxes	1.17	1.21	1.32	1.37	1.38
Net income	**2.49**[1]	**6.02**[1]	**5.84**[1]	**4.31**[1]	**7.59**

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1967–1971

Income item	1967	1968	1969	1970	1971
Amounts per $100 of total assets[3]					
Operating income—total	5.21	5.41	5.64	5.87	6.15
Operating expense—total	.65	.65	.70	.79	.79
Net operating income before interest and dividends on deposits	4.56	4.76	4.94	5.08	5.36
Interest and dividends on deposits—total	4.32	4.37	4.42	4.52	4.64
Net operating income after interest and dividends on deposits	.24	.39	.52	.56	.72
Net realized gains (or losses)—total	–.04	.02	–.09	–.19	–.08
Net income before taxes	.20	.41	.43	.37	.64
Franchise and income taxes—total	.07	.08	.10	.12	.17
Net income	.13	.33	.33	.25	.47
Special ratios[3]					
Interest on U.S. Government and agency securities per $100 of U.S. Government and agency securities[4]	4.52	4.91	5.23	5.61	6.05
Interest and dividends on other securities per $100 of other securities[4]	....	....	....	....	6.20
Interest and fees on real estate mortgage loans per $100 of real estate loans[4]	5.42	5.57	5.76	5.96	6.26
Interest and fees on other loans per $100 of other loans[4]	6.76	7.12	8.28	8.10	7.09
Interest and dividends on deposits per $100 of savings and time deposits	4.81	4.83	4.90	5.04	5.12
Net income per $100 of total surplus accounts[4]	1.63	4.29	4.36	3.37	6.56
Number of banks	333	334	331	329	327

1, 2, 3, 4 See notes to table 119.

5 Less than 0.005.

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES; DEPOSIT INSURANCE DISBURSEMENTS

Deposit insurance disbursements

Disbursements by the Federal Deposit Insurance Corporation to protect depositors are made when the insured deposits of banks in financial difficulties are paid off, or when the deposits of a failing bank are assumed by another insured bank with the financial aid of the Corporation. In deposit payoff cases, the disbursement is the amount paid by the Corporation on insured deposits. In deposit assumption cases, the principal disbursement is the amount loaned to failing banks, or the price paid for assets purchased from them; additional disbursements are made in those cases as advances for protection of assets in process of liquidation and for liquidation expenses.

Noninsured bank failures

No noninsured bank failed in 1971.

For detailed data regarding noninsured banks which suspended in the years 1934-1962, see the *Annual Report* for 1963, pp. 27-41. For 1963-1970, see table 121 of this report, and previous reports for respective years.

Sources of data

Insured banks: books of bank at date of closing; and books of FDIC, December 31, 1971.

Table 121. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934–1971

Year	Number					Deposits (in thousands of dollars)				
	Total	Non-insured[1]	Insured			Total	Non-insured[1]	Insured		
			Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]			Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]
Total	**632**	**132**	**500**	**8**	**492**	**1,155,118**	**62,396**	**1,092,722**	**41,147**	**1,051,575**
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
1967	4	.....	4	.....	4	10,878	......	10,878	......	10,878
1968	3	.....	3	.....	3	22,524	......	22,524	......	22,524
1969	9	.....	9	.....	9	40,120	......	40,120	......	40,120
1970	8[4]	1[4]	7	.....	7	52,763[4]	423[4]	52,340	......	52,340
1971	6	.....	6	.....	6	131,682	......	131,682	......	131,682

[1]For information regarding each of these banks, see table 22 in the *Annual Report* of the Federal Deposit Insurance Corporation for 1963, page 221 of the report for 1964, page 179 of the report for 1965, and page 183 of the 1966 report. One non-insured bank placed in receivership in 1934, with no deposits at time of closing, is omitted (see table 22, note 9). Deposits are unavailable for 7 banks.

[2]For information regarding these cases, see table 23 of the *Annual Report* for 1963.

[3]For information regarding each bank, see the *Annual Report* for 1958, pp. 48–83 and pp.98–127, and tables regarding deposit insurance disbursements in subsequent annual reports. Deposits are adjusted as of December 31, 1971, and exclude deposits for three cases requiring disbursements by the Corporation: 1 bank in voluntary liquidation in 1937 (payoff case no. 90); 1 noninsured bank in 1938 with insured deposits at date of suspension, its insurance status having been terminated prior to suspension (payoff case no. 162); and 1 foreign-owned bank closed in 1941 by order of the Federal Government (payoff case no. 234).

[4]Revised.

Table 122. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1971

Case number	Name and location	Class of bank	Number of depositors or accounts[1]	Date of closing or deposit assumption	First payment to depositors or disbursement by FDIC	FDIC disbursement[2]	Receiver or liquidating agent or assuming bank
Deposit payoff							
293	Sharpstown State Bank Houston, Texas	NM	27,300	January 25, 1971	February 2, 1971	$47,280,250	Federal Deposit Insurance Corporation
295	Farmers State Bank of Carlock Carlock, Illinois	NM	1,101	February 17, 1971	February 22, 1971	1,912,042	Federal Deposit Insurance Corporation
296	Bank of Salem Salem, Nebraska	NM	416	April 5, 1971	April 7, 1971	540,520	State Banking Authority
297	The First National Bank of Cripple Creek Cripple Creek, Colorado	N	951	November 30, 1971	December 2, 1971	1,121,008	Federal Deposit Insurance Corporation
298	First Community State Bank of Savannah Savannah, Missouri	NM	1,961	December 30, 1971	January 4, 1972	2,884,967	State Banking Authority
Deposit assumption							
202	Birmingham-Bloomfield Bank Birmingham, Michigan	NM	40,100	February 16, 1971	February 16, 1971	109,245,319	Fidelity Bank of Michigan Birmingham, Michigan

Case number	Assets[1]							Total	Liabilities and capital accounts[1]			
	Cash and due from banks	U.S. Government obligations	Other securities	Loans, discounts, and overdrafts	Banking house furniture & fixtures	Other real estate	Other assets		Deposits	Other liabilities	Capital stock	Other capital accounts
Deposit payoff												
293	4,997,226	6,545,895	2,405,953	41,024,650	6,417,705	16,001,295	1,510,647	78,903,371	66,762,842	118,953	6,000,000	6,021,576
295	127,160	64,242	0	1,684,246	50,216	0	269,999	2,195,863	2,077,193	10	50,000	68,660
296	107,218	0	60,000	491,508	6,071	0	14,444	679,241	605,970	0	30,000	43,271
297	122,672	2,000	113,301	888,094	20,625	0	154,359	1,301,051	1,200,824	0	50,000	50,227
298	465,288	549,972	115,670	2,500,289	66,319	0	3,738	3,701,276	3,488,477	0	205,000	7,799
Deposit assumption												
202	2,074,171	7,299,942	29,083,566	68,235,962	1,718,447	1,310,604	16,505	109,739,197	57,547,481	46,329,584	3,230,240	2,631,892

[1]Figures as determined by FDIC agents after adjustment of books of the bank immediately following its closing.

[2]Includes disbursements made to December 31, 1971, plus additional disbursements estimated to be required in these cases.

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1971

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	**495**	**293**	**202**	**1,775,826**	**560,417**	**1,215,409**	**1,063,195**	**360,422**	**702,773**	**623,211[8]**	**248,889[8]**	**374,322**	**4,282[8]**	**55,975**
Class of banks														
National	91	34	57	358,290	98,485	259,805	224,548	103,396	121,152	115,929	57,703	58,226	1,364	7,945
State member F.R.S.	27	10	17	376,257	88,892	287,365	197,673	34,388	163,286	108,177	26,496	81,681	288	19,427
Nonmember F.R.S.	377	249	128	1,041,279	373,040	668,239	640,973	222,638	418,335	399,105[8]	164,690[8]	234,415	2,630[8]	28,603
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	.....	376
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	3,458	2,795	663	87	51
1957	1	1	....	2,338	2,338	....	1,163	1,163	....	1,031	1,031	....	20	......
1958	4	3	1	9,587	4,380	5,207	8,240	4,156	4,084	3,026	2,796	230	38	31
1959	3	3	....	3,073	3,073	....	2,593	2,593	....	1,835	1,835	....	51	......
1960	1	1	....	11,171	11,171	....	6,930	6,930	....	4,765	4,765	....	82	......

1961	5	5	....	8,301	8,301	....	8,936	8,936	....	6,200	6,200	....	154	......
1963	2	2	....	36,430	36,430	....	23,444	23,444	....	19,232	19,232	....	318	......
1964	7	7	....	19,934	19,934	....	23,438	23,438	....	13,746	13,746	....	587	......
1965	5	3	2	15,817	14,363	1,454	43,861	42,889	972	11,391	10,918	473	601	123
1966	7	1	6	95,424	1,012	94,412	103,523	774	102,749	15,075	735	14,340	25	1,186
1967	4	4	....	4,729	4,729	....	10,878	10,878	....	8,125	8,125	....	231	......
1968	3	....	3	12,850	....	12,850	22,524	....	22,524	5,284	....	5,284	.....	845
1969	9	4	5	27,370	6,540	20,830	40,133	9,011	31,122	37,045	7,631	29,414	245	2,999
1970	7	4	3	31,167	20,137	11,030	52,419	31,087	21,332	46,500	26,744	19,756	499	701
1971	6	5	1	71,842	31,742	40,100	131,874	74,327	57,547	157,710[8]	50,855[8]	106,855	423[8]	2,587
Banks with deposits of														
Less than $100,000	107	83	24	38,347	29,695	8,652	6,418	4,947	1,471	5,000	4,309	691	88	154
$100,000 to $250,000	109	86	23	83,370	65,512	17,858	17,759	13,920	3,839	12,906	11,554	1,352	209	173
$250,000 to $500,000	62	37	25	92,179	57,287	34,892	22,315	12,921	9,394	15,615	10,549	5,066	164	611
$500,000 to $1,000,000	71	35	36	160,000	73,908	86,092	53,869	26,265	27,604	35,522	20,427	15,095	408	2,334
$1,000,000 to $2,000,000	57	21	36	209,749	70,265	139,484	76,202	27,628	48,574	44,136	21,937	22,199	542	3,693
$2,000,000 to $5,000,000	48	20	28	277,438	84,019	193,419	156,704	64,666	92,038	87,288[8]	44,004[8]	43,284	830[8]	6,512
$5,000,000 to $10,000,000	24	5	19	256,796	40,754	216,042	161,285	37,655	123,630	80,154	26,137	54,017	573	7,493
$10,000,000 to $25,000,000	9	4	5	222,591	99,093	123,498	151,639	65,341	86,297	83,299	53,031	30,268	595	6,506
$25,000,000 to $50,000,000	5	1	4	284,809	12,481	272,328	199,594	40,176	159,418	95,153	9,660	85,493	532	25,580
$50,000,000 to $100,000,000	3	1	2	150,547	27,403	123,144	217,410	66,903	150,507	164,136	47,281	116,855	339	2,917
State														
Alabama	4	2	2	9,170	2,059	7,111	6,170	3,985	2,185	3,557	2,562	995	90	91
Arkansas	7	6	1	5,446	4,541	905	2,538	1,942	596	1,720	1,576	144	43	48
California	4	3	1	21,059	17,890	3,169	47,298	46,220	1,078	25,607	12,906	12,701	627	995
Colorado	5	3	2	9,673	2,245	7,428	12,327	3,537	8,790	5,583	2,059	3,524	72	932
Connecticut	2	2	....	5,379	5,379	....	1,526	1,526	....	1,242	1,242	....	8	......
Florida	5	2	3	14,082	1,725	12,357	17,665	2,668	14,997	6,163	2,145	4,018	63	601
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	22	10	12	82,295	44,376	37,919	54,640	28,956	25,684	31,897	23,915	7,982	437	791
Indiana	20	15	5	30,006	12,549	17,457	13,594	3,933	9,662	6,197	3,096	3,101	39	384
Iowa	8	5	3	17,725	5,736	11,989	13,376	8,358	5,018	7,515	6,444	1,071	116	113
Kansas	10	6	4	6,715	3,824	2,891	5,052	4,358	694	4,093	3,601	492	55	72
Kentucky	25	19	6	39,925	18,964	20,961	15,522	5,213	10,309	11,933	4,505	7,428	103	361
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	13	5	8	165,811	10,173	155,638	177,381	11,334	166,046	134,067	9,652	124,415	171	3,832
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	51	37	14	49,016	31,439	17,577	21,713	10,728	10,985	13,275[8]	6,009[8]	7,266	102[8]	679
Montana	5	3	2	1,500	849	651	1,095	215	880	639	186	453	6	21
Nebraska	7	7	....	6,482	6,482	....	8,729	8,729	....	5,549	5,549	....	55	......
New Hampshire	1	....	1	1,780	....	1,780	296	....	296	117	....	117	.....	8
New Jersey	40	13	27	532,467	113,701	418,766	210,542	49,040	161,502	95,712	40,055	55,657	403	20,154

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1971–CONTINUED

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

Classification	Number of banks			Number of depositors[1]			Deposits[1] (in thousands of dollars)			Disbursements by FDIC[1] (in thousands of dollars)				
										Principal disbursements			Advances and expenses[2]	
	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases[3]	Assumption cases[4]	Payoff cases[5]	Assumption cases[6]
New York	26	3	23	269,621	28,440	241,181	145,439	13,286	132,153	67,997	10,836	57,161	32	10,847
North Carolina	7	2	5	10,408	3,677	6,731	3,266	1,421	1,845	2,387	1,156	1,231	23	179
North Dakota	29	18	11	14,103	6,760	7,343	3,830	1,552	2,278	2,656	1,397	1,259	24	203
Ohio	4	2	2	13,751	7,585	6,166	7,223	2,345	4,877	2,098	1,610	488	7	44
Oklahoma	12	8	4	27,650	20,149	7,501	18,920	11,053	7,867	10,275	7,936	2,339	178	395
Oregon	2	1	1	3,439	1,230	2,209	2,670	1,368	1,302	1,948	986	962	11	81
Pennsylvania	30	8	22	168,834	43,828	125,006	84,595	14,340	70,255	60,149	10,133	50,016	75	9,732
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	39	30	9	86,535	68,319	18,216	119,734	93,301	26,432	80,436	66,623	13,813	1,000	1,553
Utah	1	....	1	3,254	....	3,254	5,992	....	5,992	3,248	....	3,248	.....	223
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	8,263	3,867	4,396	297	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	434
Wyoming	1	....	1	3,212	....	3,212	2,033	....	2,033	202	....	202	.....	19

[1]Adjusted to December 31, 1971. In assumption cases, number of depositors refers to number of deposit accounts.
[2]Excludes $513 thousand of nonrecoverable 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 $54,235 thousand, all of which have been fully recovered by the Corporation, and $1,737 thousand of nonrecoverable 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.
[8]Disbursements to depositors in bank closing on December 30, 1971, did not begin until 1972.
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, 1934–1971
(Amounts in thousands of dollars)

Liquidation status and year of deposit payoff or deposit assumption	All cases					Deposit payoff cases					Deposit assumption cases				
	Number of banks	Principal disburse-ments	Recoveries to Dec. 31,1971	Estimated additional recoveries	Losses[1]	Number of banks	Principal disburse-ments[2]	Recoveries to Dec. 31, 1971	Estimated additional recoveries	Losses[1]	Number of banks	Principal disburse-ments[3]	Recoveries to Dec. 31, 1971	Estimated additional recoveries	Losses[1]
Total	**495**	**623,209[5]**	**410,694**	**142,737**	**69,780**	**293**	**248,888[5]**	**148,858**	**52,646**	**47,386**	**202**	**374,321**	**261,836**	**90,091**	**22,394**
Status															
Active	54	357,296[5]	172,022	142,737	42,537	30	139,779[5]	56,113	52,646	31,020	24	217,517	115,909	90,091	11,517
Terminated	441	265,913	238,670	......	27,244	263	109,109	92,743	......	16,367	178	156,804	145,927	......	10,877
Year[4]															
1934	9	941	734	......	207	9	941	734	......	207	....	......	......	......	......
1935	25	8,891	6,205	3	2,682	24	6,026	4,274	......	1,751	1	2,865	1,931	3	931
1936	69	14,781	12,325	......	2,455	42	8,056	6,595	......	1,460	27	6,725	5,730	......	995
1937	75	19,161	15,610	......	3,549	50	12,045	9,520	......	2,524	25	7,116	6,090	......	1,025
1938	74	30,479	28,055	......	2,425	50	9,092	7,908	......	1,184	24	21,387	20,147	......	1,241
1939	60	67,770	60,618	......	7,153	32	26,196	20,399	......	5,798	28	41,574	40,219	......	1,355
1940	43	74,134	70,338	......	3,796	19	4,895	4,313	......	582	24	69,239	66,025	......	3,214
1941	15	23,880	23,290	......	591	8	12,278	12,065	......	213	7	11,602	11,225	......	378
1942	20	10,825	10,136	......	688	6	1,612	1,320	......	292	14	9,213	8,816	......	396
1943	5	7,172	7,048	......	123	4	5,500	5,376	......	123	1	1,672	1,672	......	......
1944	2	1,503	1,462	......	40	1	404	363	......	40	1	1,099	1,099	......	......
1945	1	1,768	1,768	......	......	....	......	......	......	......	1	1,768	1,768	......	......
1946	1	265	265	......	......	....	......	......	......	......	1	265	265	......	......
1947	5	1,724	1,646	15	64	....	......	......	......	......	5	1,724	1,646	15	64
1948	3	2,990	2,349	......	641	....	......	......	......	......	3	2,990	2,349	......	641
1949	4	2,552	2,183	......	369	....	......	......	......	......	4	2,552	2,183	......	369
1950	4	3,986	2,601	......	1,385	....	......	......	......	......	4	3,986	2,601	......	1,385
1951	2	1,885	1,885	......	......	....	......	......	......	......	2	1,885	1,885	......	......
1952	3	1,369	577	......	792	....	......	......	......	......	3	1,369	577	......	792
1953	2	5,017	5,017	......	......	....	......	......	......	......	2	5.017	5.017	......	......
1954	2	913	654	......	258	....	......	......	......	......	2	913	654	......	258
1955	5	6,784	6,554	......	230	4	4,438	4,208	......	230	1	2,346	2,346	......	......
1956	2	3,458	3,244	214	......	1	2,795	2,581	214	......	1	663	663	......	......
1957	1	1,031	1,031	......	......	1	1,031	1,031	......	......	....	......	......	......	......
1958	4	3,026	2,998	......	28	3	2,796	2,768	......	28	1	230	230	......	......
1959	3	1,835	1,738	......	97	3	1,835	1,738	......	97	....	......	......	......	......
1960	1	4,765	4,765	......	......	1	4,765	4,765	......	......	....	......	......	......	......
1961	5	6,200	4,698	1	1,501	5	6,200	4,698	1	1,501	....	......	......	......	......
1963	2	19,232	17,140	1,692	400	2	19,232	17,140	1,692	400	....	......	......	......	......
1964	7	13,743	11,655	454	1,636	7	13,743	11,655	454	1,636	....	......	......	......	......
1965	5	11,392	6,091	88	5,214	3	10,919	5,774	87	5,060	2	473	317	1	154
1966	7	15,075	5,832	1,733	7,511	1	735	611	104	20	6	14,340	5,221	1,629	7,491
1967	4	8,125	6,426	233	1,465	4	8,125	6,426	233	1,465	....	......	......	......	......
1968	3	5,284	4,716	34	535	....	......	......	......	......	3	5,284	4,716	34	535
1969	9	37,045	30,417	6,034	595	4	7,631	4,461	2,645	525	5	29,414	25,956	3,389	70
1970	7	46,500	23,804	16,594	6,100	4	26,744	8,085	13,659	5,000	3	19,756	15,719	2,935	1,100
1971	6	157,710[5]	24,817	115,642	17,250	5	50,855[5]	48	33,557	17,250	1	106,855	24,769	82,085	......

[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.
[5]Disbursements to depositors in bank closing on December 31, 1971, did not begin until 1972.
Note: Due to rounding differences, components may not add to totals.

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