

ANNUAL REPORT OF THE
FEDERAL DEPOSIT INSURANCE CORPORATION
1967

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D. C., May 15, 1968

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 1967.

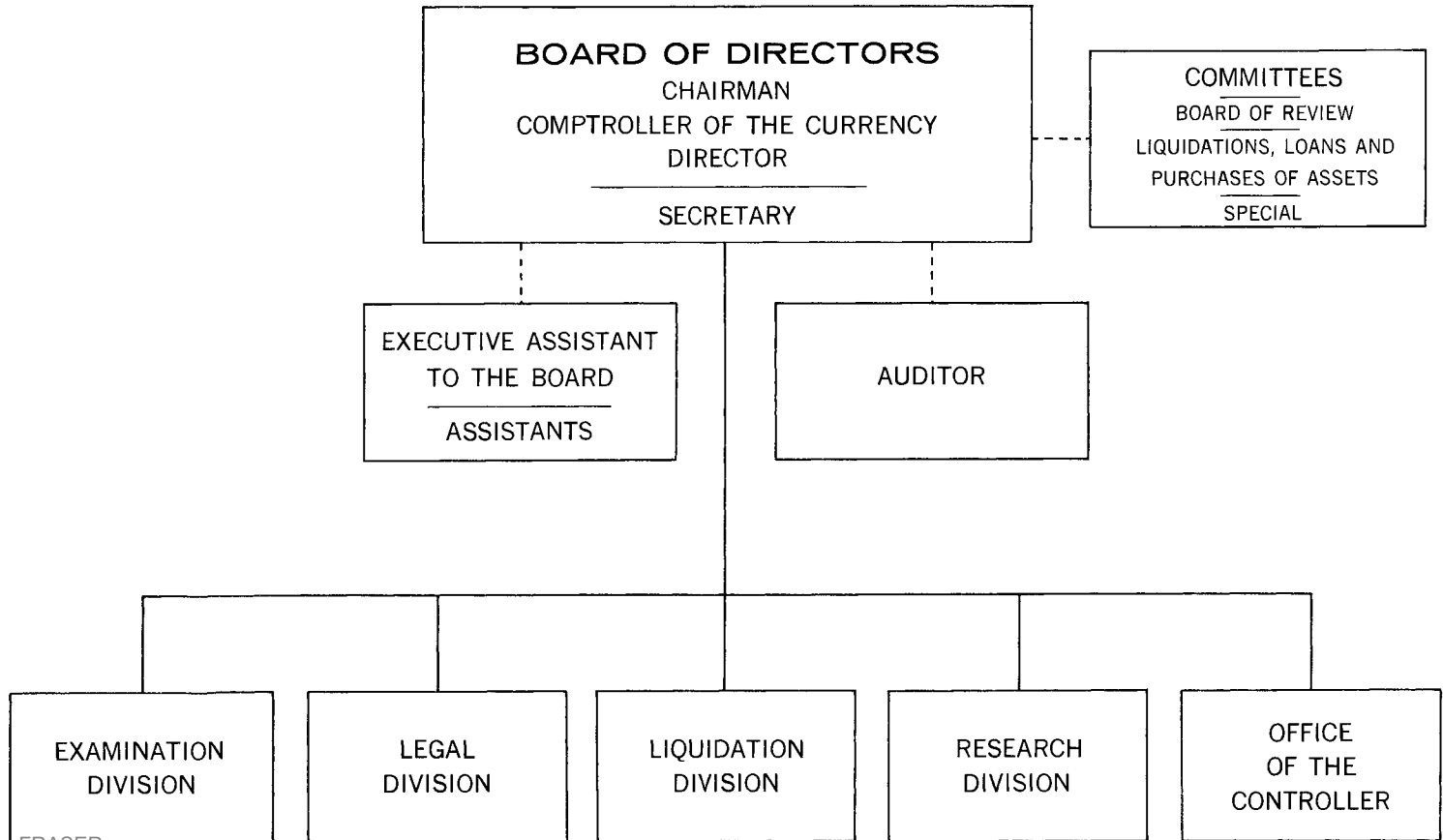
Respectfully yours,

A handwritten signature in black ink, appearing to read "K. A. Randall". The signature is fluid and cursive, with a large, sweeping flourish at the end.

K. A. RANDALL,
Chairman

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

FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

BOARD OF DIRECTORS

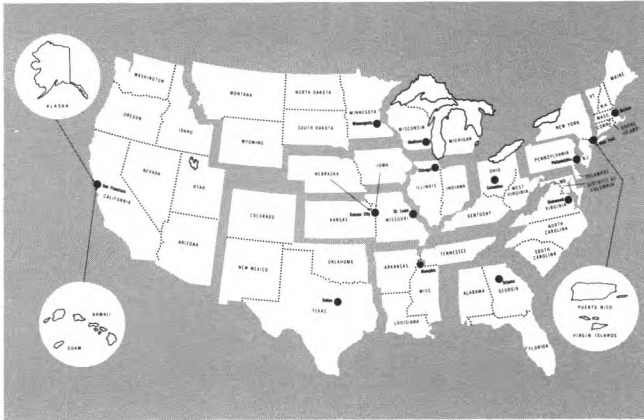
ChairmanK. A. Randall
Director (Vacancy)
Comptroller of the CurrencyWilliam B. Camp

OFFICIALS

Assistant to the ChairmanJohn L. Flannery
Special Assistant to the ChairmanLynn Mah
Special Assistant to the Chairman
for Mutual Savings BanksRaymond T. Cahill
Assistant to the DirectorAlbert J. Faulstich
(Comptroller of the Currency)
Chief, Division of ExaminationEdward H. DeHority
General CounselS. Rex Lewis
ControllerEdward F. Phelps, Jr.
Director, Division of Research (Vacancy)
Chief, Division of LiquidationA. E. Anderson
SecretaryE. F. Downey
Auditor (Acting)John D. Roderick
Senior Advisor to the BoardRaymond E. Hengren
Executive Assistant to the BoardTimothy J. Reardon, Jr.
Assistant to the BoardWilliam M. Moroney

May 15, 1968

FEDERAL DEPOSIT INSURANCE CORPORATION DISTRICTS



DISTRICT OFFICES AND SUPERVISING EXAMINERS

Boston

Mark J. Laverick
Two Center Plaza
Boston, Massachusetts 02108

New York

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

Philadelphia

Alan R. Miller
Public Ledger Building
6th and Chestnut Streets
Philadelphia, Pennsylvania 19106

Richmond

Albert E. Clark
403 East Grace Street
Richmond, Virginia 23219

Atlanta

Lewis C. Beasley
1000 Bank of Georgia Building
Atlanta, Georgia 30303

Columbus

William D. Allen
Huntington Trust Building
37 West Broad Street
Columbus, Ohio 43215

Madison

Wallace A. Ryan
715 Tenney Building
Madison, Wisconsin 53703

Chicago

John J. Early
164 West Jackson Boulevard
Chicago, Illinois 60604

St. Louis

John Stathos
420 Locust Building
1015 Locust Street
St. Louis, Missouri 63101

Memphis

Quinton Thompson
First National Bank Building
165 Madison Avenue
Memphis, Tennessee 38103

Minneapolis

Roger B. West
748 Roanoke Building
Minneapolis, Minnesota 55402

Kansas City

Stanley Pugh
1708 Federal Reserve Bank Building
Kansas City, Missouri 64106

Dallas

Lloyd Thomas
Federal Reserve Bank Building
Station K
Dallas, Texas 75222

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Walter W. Smith
Wells Fargo Building
44 Montgomery Street
San Francisco, California 94104

FEDERAL DEPOSIT INSURANCE CORPORATION

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

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THE YEAR IN BRIEF

Commercial banks experienced a favorable year in 1967, increasing their assets by more than 12 percent. Operating earnings of insured commercial banks rose about 5.6 percent from 1966, while net income after taxes increased by about 17 percent. The liquidity position of commercial banks and of savings institutions improved significantly in 1967. Investments comprised a larger share of commercial and mutual savings bank assets than a year earlier.

In 1967, the Corporation's disbursements were required in four bank failure cases involving a total of almost \$11 million of deposits and approximately 4,700 depositors. By the end of the year, over 98 percent of the depositors had fully recovered their funds, with the aid of Corporation disbursements totaling \$7.8 million.

The deposit insurance fund rose by \$234 million during the year to a total of \$3,485 million. As of December 31, 1967, the fund amounted to 0.78 percent of total deposits in insured banks, and approximately 1.33 percent of insured deposits.

At the end of 1967, there were 14,244 banks in the United States, of which 13,850, or 97.2 percent, were insured. The banks not participating in Federal deposit insurance included 224 commercial banks and nondeposit trust companies and 170 mutual savings banks. During 1967, the total number of banks in operation decreased by 47, and the number of insured banks by 23. A 1,105 net increase in branches raised the total number of banking offices by 1,058.

The Corporation conducted 7,148 examinations of main offices, 4,662 examinations of departments and branches, and 1,767 investigations during the year. Major changes were made in the structure of FDIC Districts in 1967, involving an increase in their number from 12 to 14 and shifts in the boundaries of several Districts. The new alignment of Districts became fully operational on July 1.

Temporary legislation granting the Federal bank supervisory authorities additional flexibility in establishing maximum interest rates payable by insured banks on deposits, which was enacted in 1966, was extended on September 21, 1967, for a one-year period. The Corporation issued new rules and regulations to define and clarify insurance coverage and to carry out the intent of Congress to provide insurance up to \$15,000 per depositor.

BANKING

DEVELOPMENTS

PART ONE

By most yardsticks 1967 was an excellent year for commercial banks. Deposits and assets increased by about 12 percent, and most banks were able to post sizeable gains in earnings at the same time that they increased their liquidity. A brief review of the principal economic and financial developments in 1967 will help place the principal developments in banking in better perspective.

THE ECONOMY IN 1967

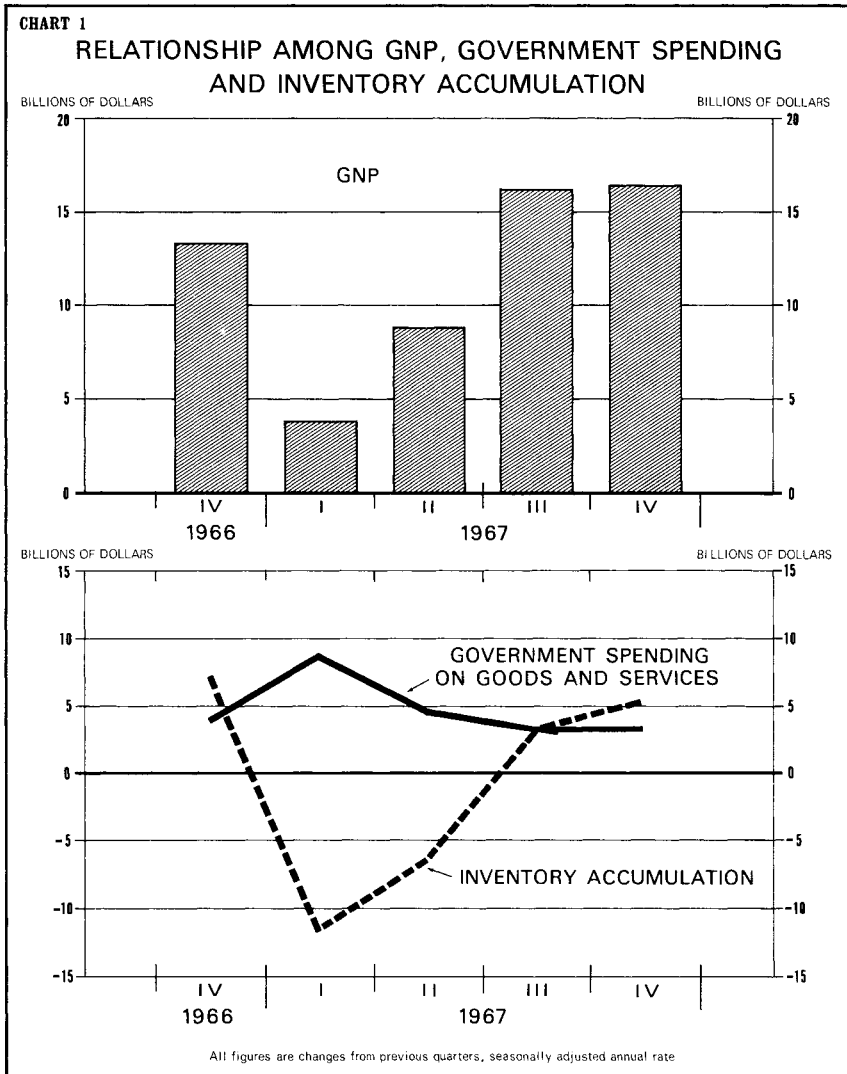
The U.S. economy during 1967 recorded its seventh consecutive year of expansion. The pace of economic activity, however, was not uniform throughout the year or throughout all sectors of the economy. Gross national product (GNP) advanced at an annual rate of only \$13 billion during the first half of the year, in contrast to a gain of more than \$32 billion during the second half of 1967. About half the overall gain came as a result of price level increases.

Changes in GNP in 1967 were closely tied to fluctuations in the level of inventory accumulation and to changes in the level of Government spending. Inventory accumulation was substantial in 1966 and, partly as a result of a disappointing level of final sales, net inventory accumulation occurred at an \$18.5 billion annual rate in the fourth quarter of 1966. Thereafter, inventory accumulation declined sharply, falling to less than \$1 billion in the second quarter of 1967. The depressing effect on the economy of inventory behavior during the first half of 1967 was partially offset by an increase in the level of government expenditures, particularly by the Federal Government.

In the second half of 1967, inventory investment began to pick up and, thus, to exert an expansionary influence on the economy, while the advance in Government expenditures moderated. The net influence of changes in inventory accumulation and Government expenditures on changes in GNP is depicted in Chart 1.

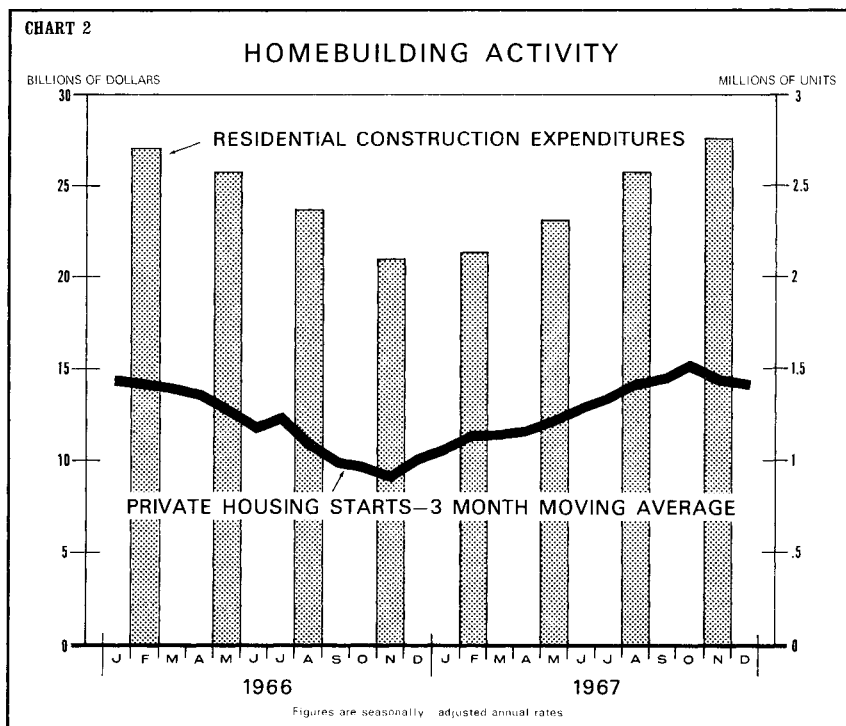
Business spending on plant and equipment declined slightly in the first half of 1967 and posted moderate gains in the second half. Spending on residential construction increased throughout 1967, following a sharp decline in the last three quarters of 1966, and by the fourth quarter of 1967 approximately regained the level achieved prior to the 1966 decline (Chart 2).

Consumer expenditures, particularly for durable goods, expanded at a relatively modest pace in 1967. If the effect of increases in the consumer price level is excluded, expenditures on durable and nondurable goods (consumer expenditures exclusive of spending on services) barely increased between the fourth quarter of 1966 and the fourth



quarter of 1967. Households saved an unusually high proportion of their incomes in 1967 (Chart 3). Recent price rises, uncertainty about the economic outlook and taxes and unsettled conditions in financial markets may have influenced the high personal savings rate. Clearly, the effect of the high savings rate was to moderate the pressure on both goods and financial markets in 1967.

In summary, 1967 can be characterized as a year in which the economy maintained a relatively high rate of activity, but a year in which "real" gains were modest. The economy was able to absorb a rather substantial inventory adjustment and a slowdown in consumer

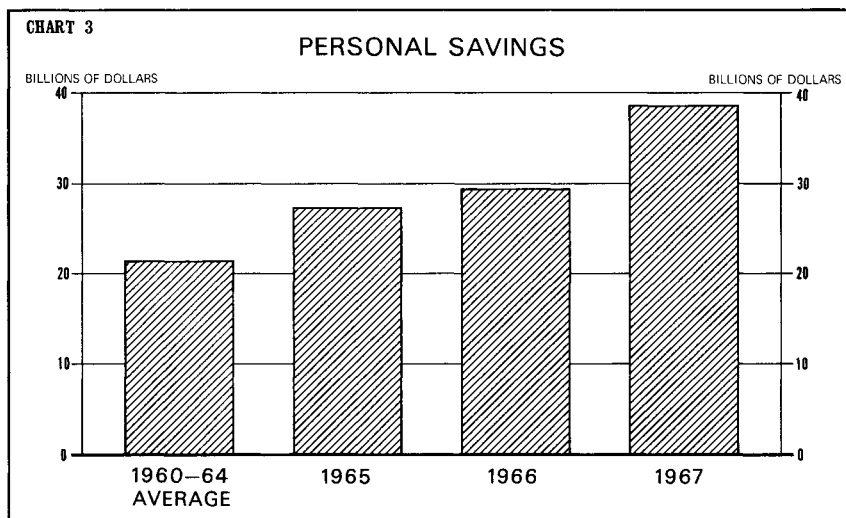


spending relatively painlessly. To a considerable extent this occurred because Government spending increased substantially.

FINANCIAL DEVELOPMENTS

In some respects financial markets behaved paradoxically in 1967. During most of the year monetary policy remained expansionary. Banks and other financial institutions had ample funds to meet loan demands, a situation which contrasted markedly with the stringency existing during much of 1966. However, the cost of funds was high. Interest rates in early 1967 continued the decline begun in late 1966, but began to turn upward once again in March in the case of corporate and Government bonds and about mid-year in the case of short-term securities.

Monetary policy. Following a period of considerable restraint, the monetary authorities began to move toward an easier policy in the fourth quarter of 1966. Throughout most of 1967 the monetary authorities continued to make reserves available to commercial banks. The effect of this increase in the reserve base was supplemented by reductions in reserve requirements on time and savings deposits. In April the discount rate was reduced from 4½ to 4 percent. Monetary



policy remained fairly expansionary until late in 1967 when the expansion of the reserve base was moderated. In late November, partly in response to the devaluation of the British pound, the discount rate was again raised to 4½ percent.

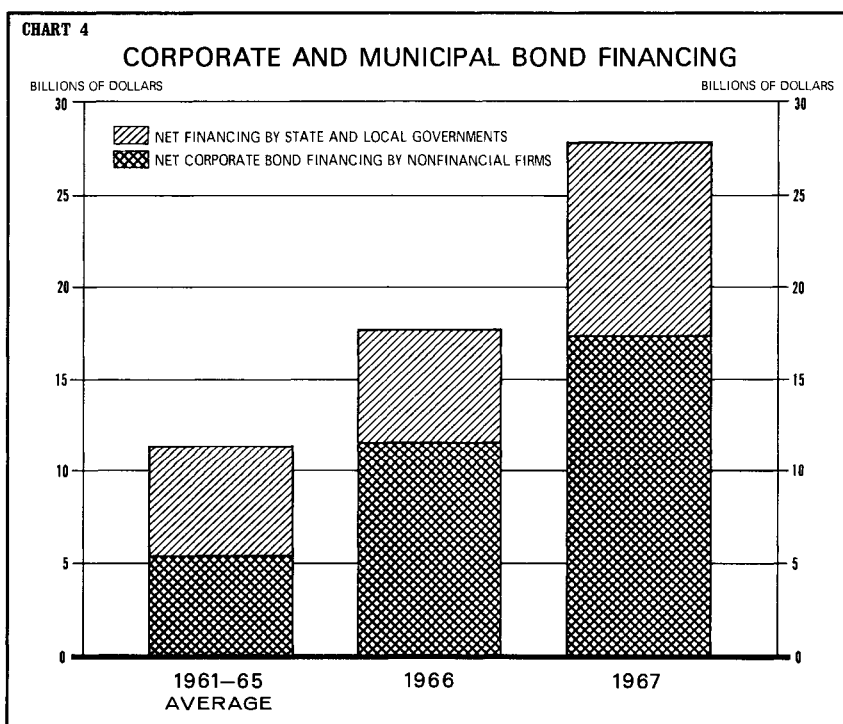
Credit demands. While substantial credit expansion occurred in 1967, credit demands of the various sectors of the economy were not uniformly strong. A Federal cash deficit of approximately \$7.3 billion in calendar year 1967 added to the pressure on financial markets. The acceleration of corporate tax payments and repayment of Federal agency debt contributed to an improved Treasury cash position in the first half of the year when Treasury receipts normally exceed expenditures. In the second half of 1967, however, the cash deficit was about \$20 billion and Treasury financing exerted considerable pressure on financial markets.

State and local governments added a record dollar volume to their debt in 1967. In part this reflected financing postponed from 1966 when financial markets became extremely tight. Both Federal and State and local government financing was concentrated in commercial banks in 1967. Net purchases of Federal and State and local government securities by commercial banks amounted to \$15.3 billion, and banks also were substantial net purchasers of Federal agency securities.

Despite an upswing in housing starts, the volume of mortgage financing in 1967 barely exceeded the relatively low 1966 level. Among other considerations, this reflected the fact that mortgage closings tend to lag somewhat behind movements in housing starts and the fact that high interest rates, and inflexible rate ceilings on mortgages

in some areas, restrained the level of housing turnover and refinancing.

The overall increase in corporate debt in 1967 was slightly less than in 1966. Despite the fact that banks had ample funds during most of 1967 and were generally more eager to make loans than in 1966, corporate borrowing from banks expanded by less than in the two previous years. The expansion of trade credit was also at a slower pace than during the two previous years. What made 1967 so unusual from the standpoint of corporate financing was the tremendous volume of bond financing. Net corporate bond financing increased by about 50 percent compared with an already extremely high 1966 level (Chart 4).



The increase in the volume of corporate bond financing in early 1967 was not surprising. In previous periods when economic activity has slackened and monetary policy has eased, corporations have taken advantage of lower interest rates in the capital market to replenish their liquidity through long-term financing. However, the 1966-1967 decline in interest rates was extremely short-lived, particularly with respect to corporate bonds. The quick turnaround in bond rates reflected expectations that the pace of business activity would accelerate in the

second half of the year and the heavy calendar of bond financing that was building up.

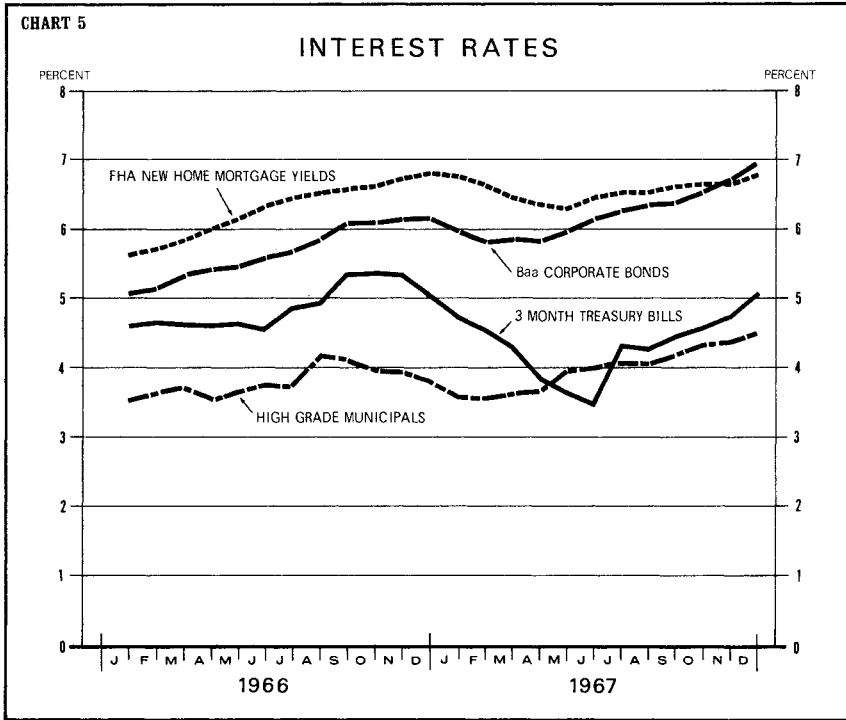
Between February and December, rates on high and medium-grade corporate bonds rose by more than 110 basis points to their highest level since 1921. Despite the rising level of interest rates on corporate bonds, the volume of corporate bond financing continued to be high throughout the year. Either high rates did not weigh heavily in corporate decisions or the need for long-term financing was considered to be very pressing.

Apparently the difficulties experienced by some firms in 1966 with respect to obtaining adequate financing persuaded them of the need for heavier reliance on long-term financing. The heavy volume of bank borrowing in 1965 and 1966 led to relatively high use of credit lines by some firms and, as a result, provided little leeway for financing unexpected cash needs. Long-term financing, for some firms, provided a means for paying down such lines. Additional needs for long-term financing were related to the speed-up in corporate tax payments occurring in 1966 and 1967. This speed-up had the effect of eliminating what had amounted to a permanent source of financing aggregating about \$8 billion for all corporations.

Interest rates. The heavy volume of corporate bond financing put substantial pressure on financial markets. Because the principal suppliers of funds to the corporate bond market in recent years have been insurance companies and pension funds with relatively fixed inflows of funds, it was necessary to tap other financial resources to finance the greatly increased volume of long-term corporate debt. This required concessions to the bond market in the form of substantially higher interest rates to attract such investors as individuals and mutual savings banks.

During the spring of 1967 bond rates increased while the effect of relatively easy monetary policy exerted downward pressure on short-term interest rates. Thus, for a while there emerged an unusually large spread between short-term and long-term interest rates. In the second half of 1967 Treasury bill rates moved up sharply, but still remained well below bond rates.

In the mortgage market, the recovery in the inflow of funds to mortgage lenders outdistanced the recovery in housing starts during the first half of 1967. As a result, normally sluggish mortgage rates did not begin to move up again until well after the turnaround in corporate bond yields, and the rise of mortgage rates in the second half of 1967 (partly because of interest ceilings and usury laws) was relatively modest. Indeed, interest rates on medium-grade corporate bonds moved above the average rate on conventional and insured mortgages in the latter part of 1967.



The experience in 1967 (Chart 5) testified to the fact that interest rate relationships cannot be taken for granted. While a considerable overlap exists among the portfolios of different lenders and considerable arbitrage occurs in financial markets, the mix of credit demands can importantly affect the relationships among interest rates and result in significant deviation from "normal" patterns.

COMMERCIAL BANK PERFORMANCE IN 1967

Deposits. Deposits at insured commercial banks advanced by a record \$43 billion in 1967—more than 12 percent. A substantial increase in the reserve base of member banks contributed importantly to a record \$19 billion—9.8 percent—gain in demand deposits. Sizeable increases were experienced by banks in their IPC, public and bank demand deposits. While most banks shared in the increases, large banks and banks located in financial centers experienced greater-than-average growth in demand deposits.

Time deposits rose by more than \$24 billion in 1967—approximately double the 1966 advance. Two-thirds of the total gain was recorded during the first half of the year. As short-term market rates of interest rose in the second half of 1967, time deposit gains slackened, in part because of attrition in large-denomination certifi-

cates of deposit, but also because of reduced gains in consumer-oriented time deposits.

During 1967 gains occurred in all categories of time deposits. Savings deposits, which had declined in 1966 as a result of competition from other savings instruments—including bank time deposits—increased by \$4.4 billion, or 4.8 percent. Large-denomination CD's, despite a decline in the latter part of the year, increased by about \$4 billion. Other IPC time deposits, excluding negotiable CD's, increased \$12 billion, or about 30 percent.

During 1967 a growing number of commercial banks attempted to bid for a larger share of savings dollars through open book accounts. Such accounts have enabled commercial banks to offer an instrument similar in form and competitive in rate with savings instruments offered by thrift institutions. The 5 percent ceiling applicable on such accounts of less than \$100,000 was generally the prevailing rate on these savings instruments during the second half of 1967. Starting from a relatively low base, time deposit open accounts under \$100,000 experienced the largest percentage gain of the various time deposit categories in 1967.

A number of factors contributed to the favorable performance of time and savings deposits at commercial banks in 1967. These included the high personal savings rate, the desire of spending units to rebuild their liquidity and the relatively attractive rates offered on time deposits compared with short-term money market rates—at least during the first half of the year.

During the early months of 1967 the number of banks lowering their rates on consumer-oriented time deposits exceeded the number of banks raising such rates, but, as market interest rates began to climb, the number of rate increases on time deposits rose. By the latter part of 1967 most of the larger banks were offering the 5 percent maximum permissible rate on at least one time-deposit instrument of less than \$100,000. Rates on negotiable CD's followed roughly the same pattern, although they moved more uniformly in line with money market rates.

In September Congress extended for one year the interest rate legislation originally enacted in September, 1966, and scheduled to expire in September, 1967. The interest rate ceiling remained at 5½ percent for time deposits in denominations of over \$100,000 and 5 percent for denominations of less than \$100,000.

While commercial banks, mutual savings banks, and savings and loan associations all competed actively for individual savings in 1967, some of the intensity of the savings competition of 1966 was gone. The savings pool was growing rapidly, rate competition from the money market was less intensive; and there was only limited opportunity

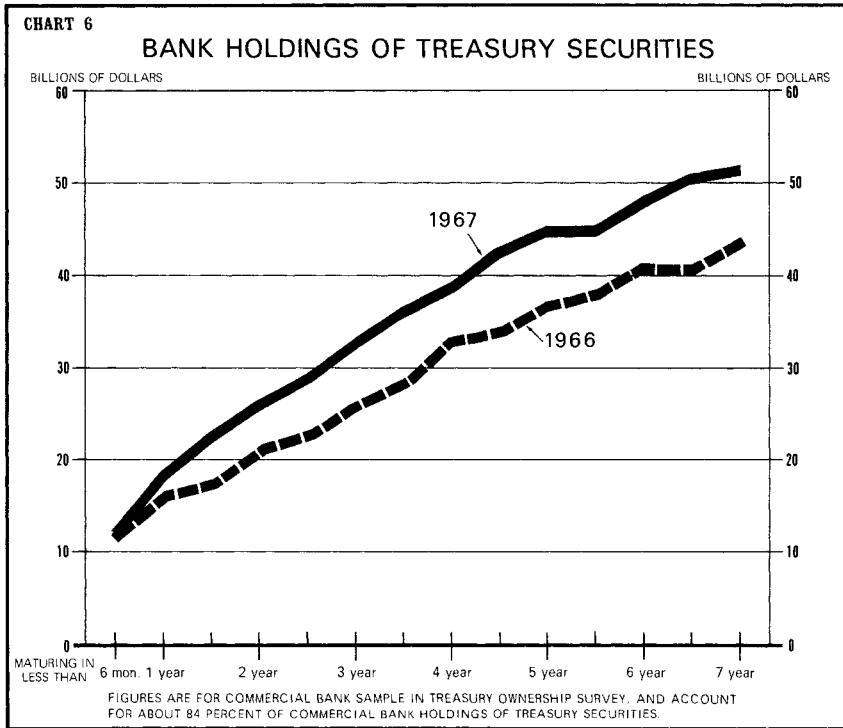
for rate changes, although there continued to be some experimentation with new or modified instruments. In addition, the most rate-sensitive funds posed less of a problem because they had already been largely withdrawn from banks and thrift institutions in 1966. Both mutual savings banks and savings and loan associations experienced sizeable savings gains—about 8 percent in the case of mutuals and about 9 percent in the case of savings and loan associations.

Loans and investments. Loans of insured commercial banks increased by \$18 billion in 1967, slightly more than in 1966, but below the increase experienced in 1965 and 1964. Bank investments rose by \$19 billion, the largest annual gain since World War II. As a result, bank liquidity as measured by the loan-deposit ratio increased for the first time in several years.

In the light of the abundant volume of funds available to banks in 1967 and the fact that there probably existed a backlog of unsatisfied loan demand from 1966, the 8.4 percent loan increase in 1967 was modest. The dollar gains in commercial and industrial, real estate, and consumer loans approximated the gains in 1966. The percentage gain in consumer loans was pulled down by a relatively small gain in automobile loans, which resulted from a high level of loan repayments and reduced new car sales.

The larger banks had greater-than-average percentage gains in deposits, but less-than-average gains in loans. While the 20 largest banks in the country showed a loan increase of 6 percent, all other banks showed a gain of almost 10 percent. In part, the performance of the largest banks may have reflected the fact that they entered 1967 under a somewhat greater pressure to rebuild liquidity than did those banks more removed from money centers. At the same time, high rates of return on municipal and Federal agency securities probably discouraged larger banks from reaching for loans.

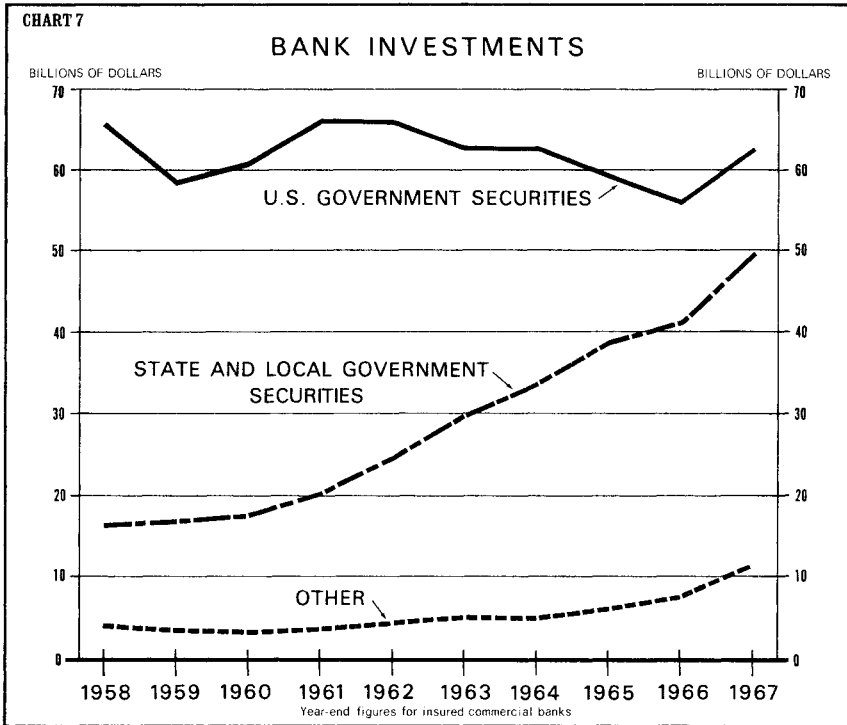
Investments. Banks posted substantial gains in 1967 in Treasury, State and local government, and Federal agency securities. Their holdings of Treasury securities, which had declined during the four previous years, increased by \$6.3 billion or 11 percent. Bank purchases of Treasury securities were largely confined to the short end of the market—maturities of three years and under. Bank options were limited somewhat by the fact that Treasury financing was concentrated, in all but one instance, in relatively short maturities. While banks were concentrating new purchases in the short end of the market during 1967, existing holdings of long and intermediate-term Treasuries were, of course, becoming a year shorter in maturity. The result was a general shortening in maturities and, combined with the increase in the holdings of Treasury securities, a considerable increase in bank liquidity (Chart 6).



Banks raised their investments in State and local government securities by about \$9 billion in 1967 to bring their holdings of such securities to approximately \$50 billion—more than double their holdings of 5 years earlier (Chart 7). Banks raised their holdings of other securities, principally Federal agency securities, by \$3.7 billion, or almost 50 percent. A considerable share of this increase resulted from bank purchases of participation certificates.

Bank earnings. Operating revenue in 1967 increased approximately in line with the rise in bank assets. Operating expenses, however, advanced more rapidly and, as a result, net operating earnings increased less than proportionately to the increase in assets. Comparisons of 1967 to 1966, however, provide a somewhat deceptive picture of bank performance. They show only a 5.6 percent gain in net operating earnings, but a very substantial 16.3 percent gain in net income before taxes and a 17.0 percent increase in after-tax income. Actually, net operating earnings after taxes—the figure most used by commercial banks to report their earnings for statement purposes—appear to have increased by more than 8.5 percent in 1967—somewhat less than the percentage increase in bank assets and operating revenue.

The substantial expansion in bank holdings of tax-exempt securities



had the effect of restraining the before-tax return on bank earning assets, although it probably raised the taxable-equivalent yield on earning assets. This also tended to depress the level and percentage gain in operating revenue and net current operating earnings. The shift to tax-exempt income has a much greater relative impact on net current operating earnings than on operating revenue. A reduction of one percent in operating revenue, other things equal, would result in about a 4 percent reduction in net current operating earnings.

Even if the advance in operating revenue is adjusted upward to reflect the effect of the substantial increase in tax-exempt securities, the 1967 increase in operating revenue would still be less than the increase in operating expenses. Salaries and employee benefits advanced by about 10.9 percent in 1967. The number of bank employees rose about 5.2 percent and the rise in salaries, wages and benefits was slightly more. The other major component of bank expenses—interest on time and savings deposits—increased 18 percent compared with a 15 percent advance in time and savings deposits. As a result, interest payments on time and savings deposits continued to account for a growing share of bank operating expenses.

Larger banks tended to experience greater percentage increases in

wages and salaries, but smaller relative increases in their interest cost on time and savings deposits. For the 50 largest commercial banks, the volume of time and savings deposits grew by 14.1 percent while interest costs on deposits increased by 13.8 percent. Larger banks were able to attract negotiable certificates of deposit at reduced rates in early 1967 and many were already at ceiling rates on savings certificates and other consumer-oriented time deposits in 1966. Many smaller banks, on the other hand, had been paying lower rates in 1966 and moved closer to the rates offered by larger banks which, in many instances, eliminated the competitive gap in 1967. Interest payments on the average outstanding volume of time and savings deposits were approximately 4.24 percent in 1967 compared with 4.02 percent in 1966.

In 1967 few banks realized substantial gains or losses in security transactions and for all insured commercial banks gains and losses approximately offset each other. This was in sharp contrast with the 1966 experience when insured commercial banks took security losses of \$450 million. This year-to-year difference accounts for a considerable part of the large percentage gain in bank net profits between 1966 and 1967. If net security losses realized by commercial banks in 1966 were eliminated and 1966 tax liability were adjusted accordingly, 1966 net income would be raised by about \$200 million. Use of this adjusted figure would produce a year-to-year increase in net income of about 9 percent in 1967.

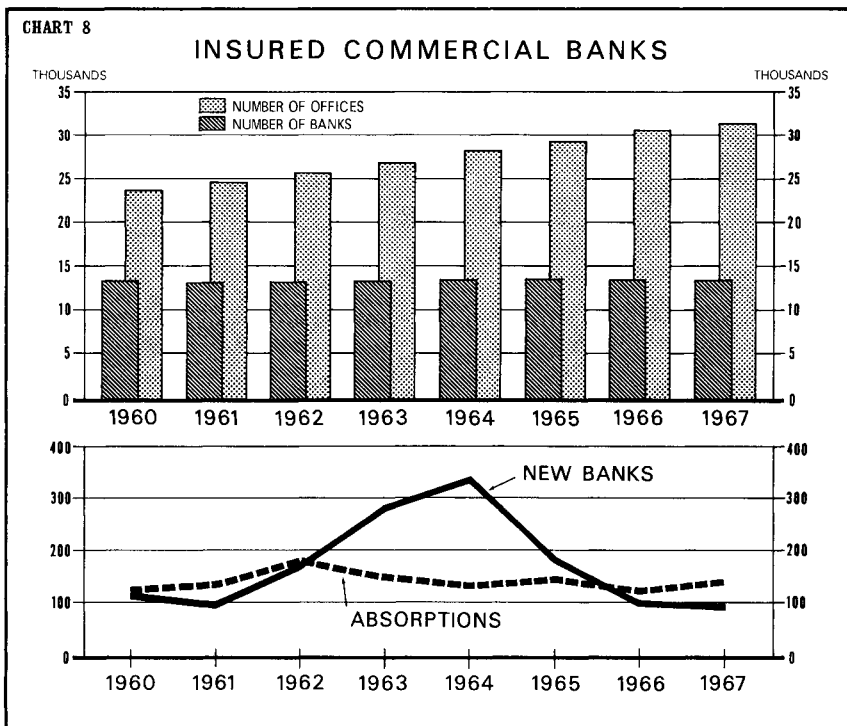
Changes in bank income and expenses in 1967 were similar to those that have been occurring since about 1960. Interest expense on time and savings deposits has advanced relative to the growth in bank assets. Portfolio shifts and higher interest rates in the most recent years have almost raised the ratio of operating revenues to bank assets sufficiently to offset increased expenses. Portfolio shifts have not been fully reflected in operating revenues, however, for expanded investment in tax-exempt securities has been reflected in lower tax payments rather than higher operating revenues. If security gains and losses and their effect on tax liability are eliminated, the after-tax net income per dollar of bank assets shows considerable stability during this period.

Net income of insured commercial banks in 1967 of \$3,142 million represented a return on total capital accounts of about 9.6 per cent and a 10 percent return on total equity capital. Commercial banks paid dividends of \$1,342 million in 1967, an advance of 8.2 percent over dividends paid in 1966. This represented a dividend pay-out ratio of 42.7 per cent, slightly less than the pay-out ratio for banks during the past several years.

Retained earnings of insured commercial banks in 1967 amounted to \$1.8 billion. Total capital accounts increased by \$2.3 billion, about \$300 million of which represented an increase in outstanding capital notes and debentures. Because the overall 7.3 percent increase in bank capital was less than the percentage gain in bank deposits, the ratio of bank capital to deposits declined slightly in 1967.

After charge-offs of \$601 million to loan loss reserves, commercial banks made net additions to such reserves of approximately \$435 million compared to \$325 million in 1966. At the end of 1967 insured commercial banks had loan loss reserves of about \$4.7 billion, approximately 2 percent of total loans and more than 14 percent of total capital accounts. On an after-tax basis, net additions to loan loss reserves were equivalent to between 6 and 7 percent of commercial bank net income in 1967.

Number of banks. During 1967 the number of insured commercial banks and trust companies declined by 24 to 13,517. (Including mutual savings banks the number of insured banks at the end of 1967 was 13,850.) As a result of a substantial increase in the number of bank branches, the number of offices of insured commercial banks increased by more than 1,000 and totaled 31,570 at the end of



1967. Ninety-four insured commercial banks began operations in 1967 and 21 noninsured commercial banks transferred to insured status. This was more than offset, however, by a reduction in the number of banks through mergers and bank closings, including four bank failures.

Banking structure changes during 1967 were similar to those experienced during 1966—a small reduction in the number of banks and a substantial increase in the number of banking offices. The 134 commercial banks absorbed by merger was close to the average number absorbed through merger during the past several years. Changes since 1960 in the number of banks and banking offices are summarized in Chart 8.

Summary. The favorable performance of commercial banks in 1967 was reflected in sizeable gains in their deposits, earning assets and net income. While expenses continued to rise relative to assets and operating revenue, the rise was somewhat less marked than in other recent years and was largely offset by an increase in operating revenue. Aided by monetary policy and the behavior of the economy, banks were able to reverse the recent trend and to achieve a substantial increase in liquidity in 1967. As a result, the banks were able to operate in a more comfortable environment in 1967 compared with 1966.

**OPERATIONS
OF THE CORPORATION**

PART TWO

DISBURSEMENTS TO PROTECT DEPOSITORS

Banks failing in 1967. Disbursements totaling \$7.8 million were made by the Corporation to protect depositors in four banks which failed during the year. Deposits in the four banks amounted to almost \$11 million and were held by 4,729 depositors. Full recovery was received by 4,645 depositors representing more than 98 percent of the total number.

Table 1 gives names and locations of the four banks with dates of closing and dates of first payments to the depositors. The four were placed in receivership with the Corporation serving as receiver in each case.

Following the pattern of failures in recent years, the four banks failed largely as a result of managerial weaknesses and illegal practices rather than as a result of an unfavorable economic environment. Illegal practices included fraudulent use of unissued stock certificates, fictitious loans and self-serving financial operations by leading officers of the banks.

Table 1. INSURED BANKS CLOSED DURING 1967 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION¹

Deposit pay-off case number	Name and location	Date of closing	Number of depositors	Amount of deposits (in thousands)	Date of first payment to depositors	Depositors receiving full recovery	Deposits paid (in thousands) ²
Total			4,729	\$10,878		4,645	\$10,075
280	Bank of Pine Apple, Pine Apple, Alabama	January 31, 1967	1,265	3,885	February 6, 1967	1,229	3,558
281	Southern Bank of St. Petersburg, St. Petersburg, Florida	February 17, 1967	1,277	2,451	February 21, 1967	1,273	2,396
282	Sacul State Bank, Sacul, Texas	June 23, 1967	617	724	June 30, 1967	611	665
283	The Cedar Vale National Bank, Cedar Vale, Kansas	July 7, 1967	1,570	3,818	July 13, 1967	1,532	3,456

¹ Figures adjusted to and as of December 31, 1967.

² Includes \$7,864 thousand paid by FDIC claim agents.

Banks failing, 1934-1967. Since the beginning of Federal deposit insurance the Corporation has made disbursements to protect depositors in 470 banks experiencing financial difficulty. These banks had slightly over 1.6 million deposit accounts and total deposits of \$816 million. Data on the extent and method of protection are shown in Table 2.

Corporation disbursements and losses, 1934-1967. When the Corporation makes disbursements to aid depositors of failing banks, it acquires assets, which it liquidates, or the claims of depositors

whose insured deposits are paid. When an insured bank is closed and placed in receivership, the Corporation shares equally with other creditors in the proceeds from the liquidation. At the end of 1967, there were 36 failed bank cases containing assets to be liquidated. These active cases account for most of the accounts and deposits indicated as not yet paid in Table 2.

In its insurance operations through 1967, the Corporation disbursed \$430 million. Recoveries, actual and anticipated, through the end of 1967 totaled \$377 million, leaving an estimated \$53 million loss, excluding \$9 million of interest and allowable return which was recovered on the Corporation's advances. Details of Corporation disbursements, recoveries and losses are shown in Table 3.

Deposit insurance participation and coverage. National banks and State banks that are members of the Federal Reserve System are automatically covered by Federal deposit insurance. State banks that are not members of the Federal Reserve System become insured upon ap-

Table 2. PROTECTION OF DEPOSITORS OF INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1967

Item	All cases (470 banks)		Deposit payoff cases (280 banks)		Deposit assumption cases (190 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total¹	1,632,606	100.0%	502,007	100.0%	1,130,599	100.0%
Full recovery received or available.....	1,627,973	99.7	497,374	99.1	1,130,599	100.0
From FDIC ²	1,582,337	96.9	451,738 ³	90.0	1,130,599	100.0
From offset ⁴	39,824	2.4	39,824	7.9	.....	.....
From security or preference ⁵	2,957	.2	2,957	.6	.....	.....
From asset liquidation ⁶	2,854	.2	2,854	.6	.....	.....
Full recovery not received as of December 31, 1967	4,633	.3	4,633	.9	.....	.....
Terminated cases.....	3,298	.2	3,298	.6	.....	.....
Active cases ⁷	1,335	.1	1,335	.3	.....	.....
Amount of deposits (in thousands)—total	\$816,245	100.0%	\$245,997	100.0%	\$570,248	100.0%
Paid or made available	790,189	96.8	219,941	89.4	570,248	100.0
By FDIC ²	734,147	89.9	163,899 ⁸	66.6	570,248	100.0
By offset ⁹	12,661	1.6	12,661	5.2	.....	.....
By security or preference ¹⁰	26,316	3.2	26,316	10.7	.....	.....
By asset liquidation ¹¹	17,065	2.1	17,065	6.9	.....	.....
Not paid as of December 31, 1967	26,055	3.2	26,055	10.6	.....	.....
Terminated cases.....	1,858	.2	1,858	.8	.....	.....
Active cases ¹²	24,197	3.0	24,197	9.8	.....	.....

¹ Number of depositors in deposit payoff cases; number of accounts in deposit assumption cases.

² Through direct payment to depositors in deposit payoff cases; through assumption of deposits by other insured banks, facilitated by FDIC disbursements of \$212,888 thousand, in deposit assumption cases.

³ Includes 58,483 depositors in terminated cases who failed to claim their insured deposits (see note 8).

⁴ Includes only depositors with claims offset in full; most of these would have been fully protected by insurance in the absence of offsets.

⁵ Excludes depositors paid in part by FDIC whose deposit balances were less than the insurance maximum.

⁶ The insured portions of these depositor claims were paid by the Corporation.

⁷ Full recovery available to 8,098 of these depositors.

⁸ Includes \$209 thousand unclaimed insured deposits in terminated cases (see note 3).

⁹ Includes all amounts paid by offset.

¹⁰ Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by the Corporation.

¹¹ Includes unclaimed deposits paid to authorized public custodians.

¹² Includes \$10,250 thousand representing deposits available but unclaimed, expected through offset, or expected from proceeds of liquidations; and \$168 thousand representing up to the \$10,000 prevailing insurance maximum of each of certain certificates of deposit whose insured status is in litigation.

**Table 3. ANALYSIS OF DISBURSEMENTS, RECOVERIES AND LOSSES
IN DEPOSIT INSURANCE TRANSACTIONS,
JANUARY 1, 1934 - DECEMBER 31, 1967
(In thousands)**

Type of disbursement	Disbursements	Recoveries ¹	Losses
All disbursements—total	\$430,087	\$377,174	\$52,913
Principal disbursements in deposit assumption and payoff cases—total	376,841	327,012	49,829
Loans and assets purchased (190 deposit assumption cases):			
To December 31, 1967	212,887	187,237	19,304
Estimated additional		6,346	
Deposits paid (280 deposit payoff cases):			
To December 31, 1967	163,147	121,794	30,525
Estimated additional	807	11,635	
Advances and expenses in deposit assumption and payoff cases—total	51,130	47,725	3,405
Expenses in liquidating assets in 190 deposit assumption cases:			
Advances to protect assets	32,893	32,893	
Liquidation expenses	14,832	14,832	
Insurance expenses	399	(²)	399
Field payoff and other insurance expenses in 280 deposit payoff cases	3,006	(²)	3,006
Other disbursements—total	2,116	2,437	(321)
Assets purchased to facilitate termination of liquidations:			
To December 31, 1967	1,772	2,422	(665)
Estimated additional		15	
Unallocated insurance expenses	344	(²)	344

¹ Excludes amounts returned to closed bank equity holders and \$9.3 million of interest and allowable return received by F.D.I.C.

² Not recoverable.

plication to and approval by the Corporation's Board of Directors. The numbers of banks and branches in the United States, classified by insurance status, are shown in Table 101.

The number of banks not participating in Federal deposit insurance continued to decline in 1967, and totaled 394 at the end of the year. One hundred and seventy of these were mutual savings banks, virtually all of which were in Massachusetts and insured by their own State's insurance system. Commercial banks and mutual savings banks grouped according to insured status and class, and by States, are shown in Table 103.

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

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

The roughly one percent of all accounts that exceed the insurance

limitation typically do so by a substantial amount. Consequently, the proportion of total deposits that is insured has always been substantially less than the proportion of accounts fully protected. The June 30, 1966 survey showed that 54 percent of the dollar amount of deposits in insured banks was within the \$10,000 limitation. As of December 30, 1967, insurance coverage within the \$15,000 limitation is estimated to have increased to about 58.2 percent of the \$448.7 billion in total deposits in all insured banks on that date.

SUPERVISORY ACTIVITIES

It has been generally accepted that the activities of banks uniquely affect the public interest, and, therefore, are properly subject to governmental supervision. At present, the majority of banks in the United States are chartered and supervised by the banking agencies of the individual States. Under the existing system of Federal supervision, national banks are chartered and supervised by the Comptroller of the Currency. Insured State banks that are members of the Federal Reserve System are supervised by the Federal Reserve authorities in addition to the States. The authority and responsibilities of the FDIC that are related to deposit insurance extend to all insured banks. To avoid duplication of effort among the Federal supervisory agencies the principal examination activities of the Corporation apply to insured State banks that are not members of the Federal Reserve System. These banks are examined regularly by the Corporation, and must make various reports and comply with rules and regulations of the Corporation. Various activities by the banks, such as the establishment of branches or changing their location, or acquiring other banks through merger, require the Corporation's approval.

Applications for deposit insurance. With respect to applications of banks which will be covered by Federal deposit insurance, the appropriate Federal agency is required by statute to consider several factors: (1) the financial history and condition of the bank, (2) the adequacy of its capital structure, (3) its future earnings prospects, (4) the general character of its management, (5) the convenience and needs of the community to be served by the bank, and (6) the consistency of its corporate powers with the purposes of the Act. Banks chartered by the States and not members of the Federal Reserve System must apply to and be approved by the Corporation to obtain deposit insurance. Banks beginning operations either as national banks or State member banks become insured upon certification by the appropriate agency that the above six factors have been given consideration.

During 1967, the Corporation approved 95 banks for admission to deposit insurance, 76 of which were new banks and 19 of which were

existing banks. Of the new banks acquiring insured status, eight were in Illinois, six in Louisiana, and five each in New Jersey and Virginia. The remainder were divided among 27 States.

Applications for branches. The six factors enumerated above must also be considered before applications for new branches are approved by Federal supervisory agencies. Most of the increase in banking offices in 1967 and in recent years has resulted from the establishment of new branches. The extent of branching, however, as well as its geographical pattern, is influenced by differing State laws and regulations.

Applications for 380 new branches were approved by the Corporation in 1967, about 4 percent fewer than the number approved in 1966. A total of 35 new branches were established in connection with mergers approved by the Corporation, while 21 branches of absorbed banks were continued in operation under these reorganizations.

Mergers. The responsibilities of the Federal supervisory agencies were broadened by the Bank Merger Act of 1960 requiring the consent of one of the Federal supervisory agencies before an insured bank may engage in a merger. Banks must obtain the Corporation's approval for any merger, consolidation, acquisition of assets or assumption of liabilities in which the resulting bank is a nonmember insured bank, outside the District of Columbia, or for a merger involving any insured bank and a noninsured institution.

An amendment to the Act in 1966 sought to establish a uniform set of standards to be taken into account by the bank supervisory authorities, Department of Justice and the courts with respect to their actions on mergers. Before approving an application the supervisory agencies are required to consider several specific factors, including the effect of the transaction on competition, financial and managerial resources, future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served. A merger which has anti-competitive effects may be approved if this factor is clearly outweighed from the standpoint of the public interest by the probable effect with respect to the convenience and needs of the community.

Activities of the supervisory agencies in recent years reflect their increased responsibilities under the 1960 legislation. In the eight year period, mergers approved by the Corporation have involved 522 banks. Two hundred and seventy-five of these were absorbed banks, with assets of approximately \$4.4 billion. One hundred fifty-seven of these absorbed banks were nonmember insured banks, 96 were member banks, and 22 were noninsured institutions.

The volume of bank merger activity continued to be large in 1967,

as indicated in Table 4 showing the approvals of the three Federal agencies during the year. A total of 238 banks were involved, including 116 absorbing banks and 122 absorbed banks. The absorbed banks had combined resources of over \$2.8 billion, and operated 260 offices prior to the merger transactions.

Other applications. The Corporation's approval is required before nonmember insured banks may undertake certain other activities, including any change in the location of the main office or branch, retirement or adjustment of capital, or changes in a bank's corporate powers.

Bank examinations. In general the examination process affords the

Table 4. MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1967

Banks	Number of banks ¹	Resources (in thousands) ²	Offices operated ²	
			Prior to transaction	After transaction
ALL CASES				
Banks involved	238 ³	\$24,084,092	2,048	2,041
Absorbing banks	116	21,194,715	1,788	2,041
Absorbed banks	122 ³	2,889,377	260	.....
National	55	1,501,325	116	.....
State banks members FRS	12	460,252	32	.....
Not members FRS	53	915,865	109	.....
Noninsured institutions	2	11,935	3	.....
CASES WITH RESULTING BANK A NATIONAL BANK				
Banks involved	138	\$15,076,590	1,212	1,210
Absorbing banks	67	12,739,195	1,040	1,210
Absorbed banks	71	2,337,395	172	.....
National	37	1,359,494	84	.....
State banks members FRS	7	406,200	24	.....
Not members FRS	27	571,701	64	.....
Noninsured institutions .....	.....	.....	.....	.....
CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	26	\$ 5,130,400	364	363
Absorbing banks	13	4,991,100	336	363
Absorbed banks	13	139,300	28	.....
National	7	52,800	13	.....
State banks members FRS	2	18,700	2	.....
Not members FRS	4	67,800	13	.....
Noninsured institutions .....	.....	.....	.....	.....
CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM⁴				
Banks involved	74	\$ 3,877,102	472	468
Absorbing banks	36	3,464,420	412	468
Absorbed banks	38 ³	412,682 ⁵	60 ⁵	.....
National	11	89,031	19	.....
State banks members FRS	3	35,352	6	.....
Not members FRS	22	276,364	32	.....
Noninsured institutions	2 ³	11,935	3	.....

¹ The number of absorbing banks is smaller than the number of cases, because a few banks participated in more than one case.

² Where an absorbing bank engaged in more than one transaction, the resources included are those of the bank before the latest transaction, and the number of offices before the first and after the latest transaction.

³ Includes two savings and loan associations.

⁴ Includes one case approved by the Corporation of an absorption of a noninsured institution by a member bank.

⁵ In one case a branch of a national bank was absorbed, and in another a branch of a State member bank was absorbed; resources and offices of branches are included in this table.

principal means of contact between the Corporation and the banks under its supervisory authority. Under the Federal Deposit Insurance Act, the Corporation may examine any insured bank for insurance purposes; however, in the case of national banks and State member banks, a review of the examination reports of the other Federal agencies has been satisfactory for the Corporation's needs.

It is the Corporation's policy to examine banks at least annually—and more often if necessary—in order to be regularly informed of each bank's financial condition, and to be alerted to any conditions which may require correction. In over one-half of the States, the Corporation's examinations are usually conducted jointly or concurrently with the State authorities, a practice which helps to minimize the burden of examination activity and furthers the coordination of supervisory activities among the various agencies.

Banks examined by the Corporation and the State authorities comprise slightly over one-half of all banks in the country, but since most of these banks fall into the small-to-medium size category they account for only about one-fourth of bank assets. Approximately one-third of the banks are examined by the Comptroller of the Currency, about nine percent by the Federal Reserve Banks and the States, and the remaining three percent by the State authorities. Table 104 provides data on the number and size distribution of banks by supervisory status.

During 1967 the Corporation examined 7,148 banks including 129 re-examinations. The number of examinations and investigations conducted by the Corporation in 1966 and 1967 are listed in Table 5.

Realignment of FDIC districts. During 1967 the Corporation made several changes in the distribution of States among FDIC Districts, at

**Table 5. BANK EXAMINATION ACTIVITIES OF
THE FEDERAL DEPOSIT INSURANCE CORPORATION
IN 1966 AND 1967**

Activity	Number	
	1967	1966
Field examinations and investigations—total	13,577	13,663
Examinations of main offices—total	7,148	6,980
Regular examinations of insured banks not members of Federal Reserve System.....	6,962	6,815
Re-examinations; or other than regular examinations.....	129	144
Entrance examinations of operating noninsured banks.....	44	21
Special examinations.....	13	.....
Examinations of departments and branches	4,662	4,832
Examinations of trust departments.....	1,092	1,114
Examinations of branches.....	3,570	3,718
Investigations	1,767	1,851
New bank investigations.....	165	169
State banks members of Federal Reserve System.....	14	14
Banks not members of Federal Reserve System.....	151	155
New branch investigations.....	412	462
Mergers and consolidations.....	146	160
Miscellaneous investigations.....	1,044	1,060

the same time increasing the number of Districts from 12 to 14. The restructuring of Districts, based upon an extensive study by the Division of Examination, was designed to achieve a more balanced workload among the Corporation's field offices and to contribute to the efficiency of its various field operations.

The newly created Districts were: Philadelphia, comprising the States of Pennsylvania and Delaware; and Memphis, consisting of Tennessee, Mississippi, Arkansas, and Louisiana. Other changes were the transfer of Arizona to the San Francisco District office, Colorado and Oklahoma to Dallas, Wyoming to Minneapolis, Kansas to St. Louis, Iowa to Kansas City, Indiana to Chicago, and West Virginia and Kentucky to Columbus. The new alignment of States within Districts, shown on page vi, became fully operational on July 1, 1967.

Citations contemplating termination of insurance. If an examiner's report discloses that an insured bank is engaging in a violation of banking regulations or laws, or other unsound practices, correction is first sought through the usual supervisory action. An Act effective on October 16, 1966, authorizes the Corporation, when corrective action is not obtainable by the State supervisory authority, to issue cease and desist orders directed to specific violations or practices. The Corporation may suspend or remove personnel in situations where personal dishonesty is involved.

When unsound practices or violations of law or regulations persist, the Corporation is authorized under Section 8(a) of the Federal Deposit Insurance Act to commence proceedings which may result in termination of the deposit insurance of the bank. The offending bank is given formal notification and a time limitation is specified for the corrective action, with due notification given also to the State supervisory authority. If this step fails to bring compliance, the bank is given an opportunity to present its case at an administrative hearing before

Table 6. ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936-1967

Disposition or status	1936-1967 ¹	Started during 1967
Total banks against which action was taken	195	.....
Cases closed	195	2
Corrections made	78	2
Banks absorbed or succeeded by other banks	69	.....
<i>With financial aid of the Corporation</i>	62	.....
<i>Without financial aid of the Corporation</i>	7	.....
Banks suspended prior to setting date of termination of insured status by Corporation	36	.....
Insured status terminated, or date for such termination set by Corporation, for failure to make corrections	12	.....
<i>Banks suspended prior to or on date of termination of insured status</i>	9	.....
<i>Banks continued in operation</i> ²	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.

insurance may be terminated. In the event of termination of insurance, each depositor continues to be insured for two years with respect to insured funds on deposit at the time of termination.

Table 6 shows that action was taken against 195 banks between 1936 and 1967, and that all cases were closed at the end of 1967. In most cases the required corrections were made, or the cases were closed because the bank suspended operations or was absorbed by another bank.

There were no cases begun during 1967. Two cases which were open at the end of 1966 were closed when corrections were effected.

Regulation of bank securities. In 1964, Public Law 88-467 extended the provisions of the Securities Exchange Act of 1934 to cover securities traded in the over-the-counter market. Responsibility for administering the Act with respect to insured banks was given to the Federal bank regulatory agencies. Originally applicable to those corporations having 750 or more shareholders and over \$1 million in assets, the minimum shareholder requirement was reduced to 500, effective July 1, 1966.

As a result of the lower shareholder requirement, the Corporation, during 1967, received registration statements from 89 insured State nonmember banks to bring the year-end total to 169. The latter figure reflects the withdrawal from registration of two banks through merger.

In addition to the registration statements filed by banks, the Corporation also receives periodic and current reports required by the Securities Exchange Act, and in addition, regulates proxy solicitation for annual and special meetings of shareholders of the banks. Another section of the Act requires the filing of beneficial ownership reports by every director, officer and large shareholder of a registered bank. As of the end of the year, 4,200 such reports had been received.

Changes in bank ownership and loans secured by bank stock. Public Law 88-593 requires a report to the appropriate Federal banking agency whenever a change occurs in the outstanding voting stock of any insured bank which would result in a change in control of the bank. When such a change does occur, the bank involved must report promptly any changes or replacement of its chief executive officer or any director occurring in the next twelve-month period. A supplementary provision requires a report whenever an insured bank makes a loan secured by 25 percent or more of the outstanding voting stock of an insured bank.

During 1967 there were over 270 changes in control involving insured nonmember banks reported to the Corporation. In those few cases where new ownership was not already known or could not be checked readily, an immediate investigation was made, and the bank involved was accorded special supervisory attention until the effect of

the change was determined and the sound operation of the bank assured.

Other reports from banks. The Corporation obtains statistical and other information from banks through regular calls for reports of condition and through special data requests. Every insured bank reports its financial condition four times each year to one of the Federal supervisory agencies; nonmember insured banks report directly to the Corporation. Income and dividend statements are obtained from banks once each year. In 1947 the Corporation was given responsibility for collection and publication of all-bank statistics under an agreement arranged by the Bureau of the Budget with the Federal banking agencies. Statistics covering assets and liabilities of all banks and income and dividend statements of insured banks are included in Part IV of this report.

In connection with its collection and tabulation of data from the June 30, 1967 Report of Condition, the Corporation initiated a policy of providing individual banks with data comparing their asset distribution with that of other banks within their State. Work was initiated in 1967 to enable the Corporation to distribute comparative banking statistics to all insured commercial banks based on the December, 1967 Report of Condition and the 1967 Income and Dividend Report. Individual bank figures were contrasted with comparable figures for all banks in the same State and in the same local area where branching regulations make the latter data meaningful.

During 1967 the Corporation conducted three surveys of time and savings deposits of insured nonmember banks. These surveys were designed to obtain information on savings flows and on interest rates offered on various savings instruments by individual institutions.

The Corporation made available early in 1967, in a series of 15 booklets, the results of its June, 1966 Survey of Deposits. These surveys are conducted every two years to inform the Corporation of the extent of insurance coverage and its insurance liability under the Federal Deposit Insurance Act. The surveys also provide detailed information on the structure of bank deposits. The 1966 survey obtained, for the first time, data for noninsured banks and for individual offices of all banks. The data were classified by geographic area, size of bank, and type of account, providing a kind and degree of detail not previously available.

Conferences with supervisors of State banks. Conferences with State bank supervisory officials were held in April and October of 1967, continuing a series of such meetings initiated in 1964 to provide State banking department and Corporation officials an opportunity to review banking and bank supervisory developments. The April meeting was attended by the supervisors and staff aides of 13 States in the Corporation's Districts of Boston, Richmond and Chicago. In at-

tendance at the October meeting were state banking department officials of 14 of the 15 States in the Districts of Columbus, Memphis, New York, Philadelphia and St. Louis.

FEDERAL LEGISLATION

Regulation of interest rates. The most significant Federal banking legislation enacted in 1967 was Public Law 90-87, approved September 21, 1967 (81 Stat. 226), which extended for one year the temporary legislation (80 Stat. 823) enacted in 1966 to authorize more flexible regulation by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation of maximum rates of interest payable by insured banks on deposits and to give to the Federal Home Loan Bank Board authority for the first time to regulate rates payable by insured savings and loan associations. The legislation which was extended also authorizes the Board of Governors of the Federal Reserve System to increase reserve requirements on time and savings deposits to a maximum of 10 percent and authorizes Federal Reserve open-market operations in obligations of agencies of the United States Government. This legislation originally was enacted on September 21, 1966 and was to expire at the end of one year commencing on that date.

Loans to executive officers. Section 22(g) of the Federal Reserve Act was amended by Public Law 90-44, approved July 3, 1967 (81 Stat. 109), to liberalize the restrictions on loans by member banks to their executive officers. Under this amendment, a member bank may now make (1) a loan not exceeding \$30,000 to any executive officer if it is secured by a first lien on the officer's home; (2) extensions of credit to any executive officer not exceeding the aggregate amount of \$10,000 to finance the education of the officer's children, and (3) other extensions of credit to any executive officer not exceeding the aggregate amount of \$5,000. The terms of any such loan cannot be more favorable than those afforded to other borrowers and the officer receiving the loan is required to submit a detailed current financial statement.

Bank participation in gambling activities. Public Law 90-203, to prohibit insured banks and savings and loan associations from fostering or participating in certain gambling activities, was approved by the President on December 15, 1967, to take effect on April 1, 1968 (81 Stat. 608). This legislation prohibits insured banks and savings and loan associations from selling or otherwise dealing in lottery tickets, from advertising lotteries, and from advertising or publicizing the existence or identity of any participant or winner in a lottery. However, it does not prohibit such institutions from accepting deposits, cashing checks, or performing other lawful banking services for a

State operating a lottery or an officer or employee of that State who is charged with the administration of the lottery. Administrative enforcement of this law is the responsibility of the Federal agency having primary supervisory authority with respect to the financial institution involved. Criminal penalties also are prescribed.

Purchase of small business investment company stock. Among numerous amendments to the Small Business Investment Company Act of 1958 contained in Public Law 90-104, approved October 11, 1967 (81 Stat. 268), was an amendment to section 302(b) of that Act (15 U.S.C. 682(b)) relating to the purchase of stock of small business investment companies by banks. Under section 302(b), the stock of such companies had been eligible for purchase by national banks, and by insured State banks to the extent permitted by State law, except that a bank was not permitted to hold the stock in an amount aggregating more than two percent of the bank's capital and surplus. The amendment increased the amount of stock of small business investment companies which may be held by a bank to five percent of the bank's capital and surplus, but prescribed a new limitation under which a bank may not acquire such stock if, after making the acquisition, it will hold fifty percent or more of any class of equity securities of the company having actual or potential voting rights.

Anti-trust exemptions. On August 9, 1967, the President approved Public Law 90-62 (81 Stat. 165) which extended until June 30, 1969, the temporary legislation enacted in 1965 (79 Stat. 674) to provide standby authority to exempt from the anti-trust laws voluntary agreements and programs formulated by banks and other lending institutions to curtail the flow of funds to foreign countries in order to improve the balance-of-payments position of the United States.

RULES AND REGULATIONS OF THE CORPORATION

Deposit insurance coverage. The Corporation issued new regulations, effective September 1, 1967, to define and clarify the insurance coverage afforded deposits in insured banks. The basic purpose of these regulations is to carry out the intent of Congress in providing limited insurance coverage for each depositor, with a maximum now of \$15,000. The regulations (which are included in revised Part 330 of the Corporation's regulations) interpret the Federal Deposit Insurance Act to limit various devices which had been used to increase the insurance coverage beyond that meant to be provided by law.

In defining the term "insured deposit", section 3(m) of the Federal Deposit Insurance Act speaks of deposits "maintained in the same capacity and the same right." An amendment to this section enacted on October 16, 1966, authorized the Corporation to issue regulations to clarify and define the extent of the insurance coverage, and the new

regulations were issued pursuant to that authority. Similar regulations applicable to shareholders in institutions insured by the Federal Savings and Loan Insurance Corporation were adopted concurrently by the Federal Home Loan Bank Board. In general, the regulations of both agencies provide for parallel treatment of insurance on various types of accounts.

Specifically, the regulations set forth certain general principles regarding record-keeping requirements and the valuation of trust interests which provide a basis for determining the amount of insurance available to deposits held by depositors in the same or in different rights or capacities. As to each right or capacity, the regulations state the various ownership interests and the amount of insurance applicable thereto. Single ownership accounts, including those held by an individual or someone acting for him, testamentary accounts, accounts owned and held by executors or administrators, corporations, partnerships and unincorporated associations, public unit accounts, jointly owned accounts and trust accounts are defined and the amount of insurance coverage available to each such category of ownership is specified.

Advertisement of membership. Part 328 of the Corporation's regulations relating to advertising by insured banks was amended effective August 1, 1967, to include the new official sign and to restate the requirements with regard to its display and the use of the official advertising statement. A new official sign was adopted by the Corporation for use by insured banks in view of the increase in deposit insurance coverage from \$10,000 to \$15,000 for each depositor. As was formerly the case, the official sign must be displayed at each station or window where deposits are received. The use of a substitute sign, in lieu of the official sign, is not permitted.

The mandatory requirements with regard to the official advertising statement—"Member of the Federal Deposit Insurance Corporation"—were relaxed to permit, at an insured bank's option, the use of the short title, "Member FDIC," or a reproduction of the official sign. Promotional items which are of the type or character making it impractical to include the official statement are included in advertisements which are exempted from the requirements as to the official advertising statement.

Published and unpublished records and information. For the purpose of complying with section 3 of the Administrative Procedure Act, as amended by the so-called "Freedom of Information Act," which became effective July 4, 1967, the Corporation, effective on that date, revised Part 309 of its regulations, which contains provisions relating to the availability of Corporation records and information to the public. In the same connection, sections 301.1, 303.10,

305.1, 307.3, and 334.4 of the Corporation's regulations were amended in minor respects and the Corporation published a revised "Description of Central and Field Organization" in the Federal Register on July 4, 1967.

Rules of practice and procedures. Effective August 1, 1967, Part 308 of the Corporation's regulations was revised in the light of amendments to section 8 of the Federal Deposit Insurance Act contained in the Financial Institutions Supervisory Act of 1966. Subpart A of the revised Part 308 prescribes rules of practice and procedure applicable to all hearings held pursuant to the provisions of section 8 pertaining to (1) involuntary termination of the insured status of any bank, (2) the issuance of cease-and-desist orders against any insured State nonmember bank, and (3) the issuance of orders removing or suspending from office or prohibiting from further participation in the conduct of the bank's affairs, any director or officer of an insured State nonmember bank or any other person participating in the conduct of the affairs of such a bank. Subparts B, C, and D prescribe rules and procedures applicable to each of the three classes of proceedings.

Securities of insured State nonmember banks. Part 335 of the Corporation's regulations, which relates to securities of insured State nonmember banks that are subject to the registration requirements of section 12(b) or 12(g) of the Securities Exchange Act of 1934, was amended effective December 31, 1967. The amendments were designed (a) to clarify the meaning of the term "beneficial ownership" as it relates to the reporting of ownership of bank stock held by family members or relatives who reside in the homes of directors, officers and principal stockholders and (b) to provide for the inclusion of minority stockholder proposals in banks' proxy-soliciting material, subject to proper safeguards.

Payment of deposits and interest. As set forth in greater detail in the Corporation's Annual Report for 1966, Parts 327 and 329 of the Corporation's regulations were amended effective January 1, 1967, to sharpen the technical distinctions between time deposits and savings deposits. Part 329 also was amended effective July 1, 1967, to reduce the maximum rate of interest or dividends which insured nonmember mutual savings banks in the State of Alaska may pay on deposits from $5\frac{1}{4}$ to 5 percent per annum. This placed the Alaska banks on the same basis generally as similar banks in other States which had been subject to a 5 percent maximum rate since October 1, 1966. An existing "grandfather clause" permitting the Alaska banks to pay a higher rate on certain funds received prior to September 22, 1966, remained in effect.

Employee responsibilities and conduct. Effective October 7, 1967, the Corporation amended Part 336 in numerous respects. Part 336,

which was adopted in April, 1966, pursuant to Executive Order 11222, prescribes standards of conduct and responsibilities for Corporation employees. It also contains requirements concerning the reporting of employment and financial interests, and the principal amendments were designed to restrict these requirements so as to make them applicable only to employees in positions where the possibility of conflict-of-interest involvement is clear.

Other amendments. Primarily for editorial reasons and to reflect recent statutory changes, there were a number of minor amendments made to Parts 303, 304, and 307 and sections 306.2, 325.0, 327.3(c), and 331.1(d) of the Corporation's regulations effective July 19, 1967.

ADMINISTRATION OF THE CORPORATION

Structure and employees. Management of the Corporation is vested in a Board of Directors, consisting of three members, two of whom are appointed for six-year terms by the President, with the advice and consent of the Senate. Of the two directly appointed members, one serves as Chairman of the Board. The Comptroller of the Currency serves ex-officio as the third member of the Board.

Mr. William W. Sherrill, Director of the Corporation since March 4, 1966, resigned on April 30, 1967 to accept appointment as a member of the Board of Governors of the Federal Reserve System. Mr. K. A. Randall, appointed as a Director on March 10, 1964, and elected Chairman of the Board on April 25, 1965, continues in that position. Mr. William B. Camp, whose appointment as Comptroller of the Currency was confirmed by the Senate on February 1, 1967, continues as the ex-officio member.

The organization of the Corporation and officials, Supervising Examiners and District offices are shown on pages iv, v and vi.

Employment of the Corporation on December 31, 1967 was 340 higher than a year earlier, with the increase consisting of 300 permanent and 40 nonpermanent employees. Additions to the examiner force accounted for most of this increase, while other significant increases occurred in the Division of Liquidation and the Division of Research.

An expanded work load contributed to the need for additional personnel. The number of employees located in the Washington office and field offices, classified by division, are shown in Table 7.

Of the Corporation's total employment, about 72 percent are Examination Division personnel, of whom over 92 percent are assigned to the field offices. From an average employment of 964 field examiners in 1967, 153 left the Corporation during the year, including 34 who left to enter military service. This gave rise to a turnover rate for field

examiners of 15.9 percent, compared with 16.7 percent in 1966. The turnover rate for all permanent employees of the Corporation was 21.3 percent in 1967 compared with 20.8 percent during the previous year.

Table 7. NUMBER OF OFFICERS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1966 AND 1967

Unit	Total		Washington Office		District and other field offices	
	1967	1966	1967	1966	1967	1966
Total	1,869¹	1,529¹	550	426	1,319	1,103
Directors.....	2	3	2	3	0	0
Executive Offices.....	49	44	49	44	0	0
Legal Division.....	38	41	38	41	0	0
Division of Examination.....	1,341	1,111	105	66	1,236	1,045
Division of Liquidation.....	143	112	70	64	73	48
Division of Research.....	132	89	132	89	0	0
Office of Controller.....	164	129	154	119	10	10

¹ Includes 108 non-permanent employees in 1967 serving on a short-term appointment or a when actually employed basis, and 68 in 1966.

Employee benefits and programs. Corporation personnel are covered by the benefit plans generally available to Federal employees. Amendments to the Federal Employees Group Life Insurance Act in 1967 provided additional group life insurance to all personnel, and also additional optional coverage for eligible personnel.

FINANCES OF THE CORPORATION

Assets and liabilities. Assets and liabilities of the Corporation on December 31, 1967 are shown in Table 8.

Total assets of the Corporation amounted to \$3,692 million at the end of 1967. U.S. Government securities, valued at amortized cost and including accrued interest, accounted for over 99 percent of total assets. Most of the remaining assets were various claims and other assets acquired in insurance transactions, which were valued at slightly under \$18 million after reserves for losses. Land and office building, less depreciation, were valued at about \$8 million. Cash balances were slightly over \$4 million.

Total liabilities at the end of 1967 amounted to \$206 million of which almost \$202 million were assessment credits due insured banks.

The difference between the total assets and total liabilities, \$3,485 million on December 31, 1967, constituted the deposit insurance fund. This fund, consisting of the Corporation's accumulated net income, is the basic cash reserve available to the Corporation for the protection of depositors. Additional resources are available to the Corporation through its borrowing power. The Corporation is authorized

by statute to borrow from the U.S. Treasury, and the Secretary of the Treasury is authorized and directed to lend up to \$3 billion, on such terms as they agree upon, when in the judgment of the Corporation's Board of Directors the funds are needed for insurance purposes. The Corporation has not had occasion to use this borrowing authority.

Income and expenses in 1967. Income and expenses of the Corporation in 1967 are shown in Table 9. Total income for the year was

**Table 8. STATEMENT OF FINANCIAL CONDITION,
FEDERAL DEPOSIT INSURANCE CORPORATION,
DECEMBER 31, 1967**

ASSETS		
Cash		\$ 4,158,907
U. S. Government obligations:		
Securities at amortized cost (face value \$3,639,437,000; cost \$3,615,647,815)	\$3,624,822,460	
Accrued interest receivable	36,618,947	3,661,441,407
Assets acquired in receivership and deposit assumption transactions: ¹		
Special assistance to insured banks	\$ 10,000,000	
Subrogated claims of depositors against closed insured banks	26,360,255	
Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability	806,789	
Loans to insured banks	1,941,517	
Equity in assets acquired under purchase agreements	2,831,695	
Assets purchased outright	14,711	
	\$ 41,954,967	
Less reserves for losses	23,959,500	\$ 17,995,467
Miscellaneous assets		357,787
Land and office building, less depreciation on building		7,770,107
Furniture, fixtures and equipment		1
Total assets		<u>\$3,691,723,676</u>
LIABILITIES AND DEPOSIT INSURANCE FUND ²		
Accounts payable and accrued liabilities		\$ 1,729,947
Earnest money, escrow funds and collections held for others ..		301,134
Accrued annual leave of employees		1,567,709
Due insured banks:		
Net assessment income credits available July 1, 1968 (See Table 10)	\$ 182,354,257	
Other assessment credits available immediately	19,477,625	201,831,882
Net insured balances of depositors in closed insured banks—see related asset		806,789
Total liabilities		\$ 206,237,461
Deposit insurance fund, net income accumulated since inception ³ (See Table 9)		<u>\$3,485,486,215</u>
Total liabilities and deposit insurance fund		<u>\$3,691,723,676</u>

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.

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

NOTE: 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.

**Table 9. STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND,
FEDERAL DEPOSIT INSURANCE CORPORATION
YEAR ENDED DECEMBER 31, 1967**

Income:		
Deposit insurance assessments:		
Assessments earned in 1967	\$302,953,719	
Less net assessment income credits to insured banks	182,348,551	\$ 120,605,168
Adjustments of assessments earned in prior years		34,141
Net income from U. S. Government securities		\$ 120,639,309
Other income		142,302,102
		8,240
Total income		\$ 262,949,651
Expenses and losses:		
Administrative and operating expenses:		
Salaries and wages	\$ 15,154,233	
Civil Service retirement fund and F.I.C.A. payments	959,380	
Travel expenses	3,950,527	
Office rentals, communications and other expenses	4,330,424	\$ 24,404,564
Provisions for insurance losses:		
Applicable to banks assisted in 1967	\$ 2,035,000	
Adjustments applicable to banks assisted in prior years	2,571,000	4,606,000
Non-recoverable insurance expenses incurred to protect depositors—net		415,329
Total expenses and losses		\$ 29,425,893
Net addition to the deposit insurance fund—1967		\$ 233,523,758
Deposit insurance fund, January 1, 1967		\$3,251,962,457
Deposit insurance fund, December 31, 1967, net income accumulated since inception (See Table 8 and note 3 of Table 8)		\$3,485,486,215

\$263 million, consisting of \$121 million from net assessments on deposits of insured banks and \$142 million from income on U.S. Government securities.

Assessments earned amounted to almost \$303 million in the year. As provided by statute, the assessments are levied at an annual rate of $\frac{1}{12}$ of one percent of assessable deposits. However, a portion of the difference between assessments and the Corporation's administrative and operating expenses and insurance losses each year is returned to banks in the form of a credit against future assessments. This share was established at 60 percent under the Act of 1950, and raised to 66 $\frac{2}{3}$ percent in 1961. The total credit in 1967 amounted to about \$182 million, and had the effect of reducing the net assessment rate to about one thirty-second of one percent of assessable deposits. The computation of net assessment income in 1967 is shown in Table 10.

The Corporation's administrative and operating expenses and provision for insurance losses totaled \$29 million in 1967. The net addition to the insurance fund for the year was \$234 million.

Table 10. DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1967

Determination of net assessment income:		
Total assessments which became due during the calendar year		\$302,953,719
Less:		
Administrative and operating expenses		\$ 24,404,564
Net additions to reserve to provide for insurance losses:		
Provisions applicable to 1967	\$ 2,035,000	
Adjustments to provisions for banks assisted in prior years	2,576,000	4,611,000
Insurance expenses		415,329
Total deductions		\$ 29,430,893
Net assessment income for 1967 . . .		\$273,522,826
Distribution of net assessment income, December 31, 1967:		
Net assessment income for 1967:		
33½% transferred to the deposit insurance fund		\$ 91,174,275
66½% credited to insured banks		182,348,551
Total . . .		\$273,522,826
Allocation of net assessment income credit among insured banks, December 31, 1967:		
Credit for 1967	\$182,348,551	60.19023%
Adjustments of credits for prior years	5,707	.00189
Total	\$182,354,258	60.19212%
		Percentage of total assessment becoming due in 1967

Table 11. SOURCES AND APPLICATION OF FUNDS, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1967

Funds provided by:		
Net deposit insurance assessments		\$120,639,309
Income from U. S. Government securities, less amortized net discounts		139,609,938
Maturities and sales of U. S. Government securities		298,083,390
Collections on assets acquired in receivership and deposit assumption transactions		2,516,418
Increase in assessment credits due insured banks		13,703,534
Total funds provided		\$574,552,589
Funds applied to:		
Administrative, operating and insurance expenses, less miscellaneous credits		\$ 24,676,449
Acquisition of assets in receivership and deposit assumption transactions		8,135,926
Purchase of U. S. Government securities		541,271,115
Net changes in other assets and liabilities		469,099
Total funds applied		\$574,552,589

The Corporation's financial transactions during 1967 are summarized in Table 11, showing the sources and application of funds. Over three-fourths of total funds available were provided through the turnover of the Corporation's portfolio of U.S. Government securities and interest received on the securities. Purchases of such securities repre-

**Table 12. INCOME AND EXPENSES,
FEDERAL DEPOSIT INSURANCE CORPORATION,
BY YEAR, FROM BEGINNING OF OPERATIONS,
SEPTEMBER 11, 1933, TO DECEMBER 31, 1967
ADJUSTED TO DECEMBER 31, 1967**

(In millions)

Year	Income			Expenses and losses				Net income added to deposit insurance fund ⁴
	Total	Deposit insurance assessments ¹	Investments and other sources ²	Total	Deposit insurance losses and expenses	Interest on capital stock ³	Administrative and operating expenses	
1933-67.....	\$3,897.0	\$2,412.4	\$1,484.6	\$411.5	\$52.8	\$80.6	\$278.1	\$3,485.5
1967.....	262.9	120.6	142.3	29.4	5.0		24.4	233.5
1966.....	241.0	111.7	129.3	25.0	5.2		19.8	216.0
1965.....	214.6	102.2	112.4	24.4	6.7		17.7	190.2
1964.....	197.1	93.0	104.1	18.9	3.4		15.5	178.2
1963.....	181.9	84.2	97.7	16.4	2.0		14.4	165.5
1962.....	161.1	76.5	84.6	13.8	.1		13.7	147.3
1961.....	147.3	73.4	73.9	14.8	1.6		13.2	132.5
1960.....	144.6	79.6	65.0	12.5	.1		12.4	132.1
1959.....	136.5	78.6	57.9	12.1	.2		11.9	124.4
1958.....	126.8	73.8	53.0	11.6			11.6	115.2
1957.....	117.3	69.1	48.2	9.7	.1		9.6	107.6
1956.....	111.9	68.2	43.7	9.6	.5		9.1	102.3
1955.....	105.7	66.1	39.6	9.0	.3		8.7	96.7
1954.....	99.7	62.4	37.3	7.8	.1		7.7	91.9
1953.....	94.2	60.2	34.0	7.3	.1		7.2	86.9
1952.....	88.6	57.3	31.3	7.8	.8		7.0	80.8
1951.....	83.5	54.3	29.2	6.6			6.6	76.9
1950.....	84.8	54.2	30.6	7.8	1.4		6.4	77.0
1949.....	151.1	122.7	28.4	6.4	.3		6.1	144.7
1948.....	145.6	119.3	26.3	7.0	.7	.6	5.7	138.6
1947.....	157.5	114.4	43.1	9.9	.1	4.8	5.0	147.6
1946.....	130.7	107.0	23.7	10.0	.1	5.8	4.1	120.7
1945.....	121.0	93.7	27.3	9.4	.1	5.8	3.5	111.6
1944.....	99.3	80.9	18.4	9.3	.1	5.8	3.4	90.0
1943.....	86.6	70.0	16.6	9.8	.2	5.8	3.8	76.8
1942.....	69.1	56.5	12.6	10.1	.5	5.8	3.8	59.0
1941.....	62.0	51.4	10.6	10.1	.6	5.8	3.7	51.9
1940.....	55.9	46.2	9.7	12.9	3.5	5.8	3.6	43.0
1939.....	51.2	40.7	10.5	16.4	7.2	5.8	3.4	34.8
1938.....	47.7	38.3	9.4	11.3	2.5	5.8	3.0	36.4
1937.....	48.2	38.8	9.4	12.2	3.7	5.8	2.7	36.0
1936.....	43.8	35.6	8.2	10.9	2.6	5.8	2.5	32.9
1935.....	20.8	11.5	9.3	11.3	2.8	5.8	2.7	9.5
1933-34.....	7.0	(4)	7.0	10.0	.2	5.6	4.2 ⁵	-3.0

¹ For the period from 1950 to 1967, inclusive, figures are net after deducting the portion of net assessment income credited to insured banks pursuant to provisions of the Federal Deposit Insurance Act of 1950, as amended. Assessment credits to insured banks for these years amounted to \$1,970 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 United States 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.

sented by far the largest share of the application of funds.

Income and the deposit insurance fund, 1933-1967. The Corporation's net income, expenses and additions to the insurance fund since 1933 are shown in Table 12.

Assessments have provided almost two-thirds of the Corporation's income during the entire period. However, the accumulation of the fund over the years and its investment in U.S. Government securities have brought the Corporation an increasing volume of earnings from this source. By 1961, investment income was providing about one-half of total income, and subsequently its proportionate contribution has increased. Administrative and operating expenses have climbed gradually, while insurance losses have been moderate. Since its inception, the Corporation has been able to retain over 89 percent of its income for additions to the deposit insurance fund.

Table 13. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934-1967

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
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	158,174	67,021	42.4	929.2	.59	1.39
1944	134,662	56,398	41.9	804.3	.60	1.43
1943	111,650	48,440	43.4	703.1	.63	1.45
1942	89,869	32,837	36.5	616.9	.69	1.88
1941	71,209	28,249	39.7	553.5	.78	1.96
1940	65,288	26,638	40.8	496.0	.76	1.86
1939	57,485	24,650	42.9	452.7	.79	1.84
1938	50,791	23,121	45.5	420.5	.83	1.82
1937	48,228	22,557	46.8	383.1	.79	1.70
1936	50,281	22,330	44.4	343.4	.68	1.54
1935	45,125	20,158	44.7	306.0	.68	1.52
1934	40,060	18,075	45.1	333.0	.83	1.84

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

² December 20, 1963.

³ December 28, 1962.

⁴ Revised.

Deposits in banks insured by the Corporation and the amount of the deposit insurance fund each year since 1934 are shown in Table 13. The size of the fund and its immediate availability for the protection of depositors have contributed importantly to the confidence of depositors and the stability of the banking system. Following its first full year of operation, the Corporation has reported net earnings for transfer to the fund each year, and, except for two years, the fund has continually grown. The growth of the fund has approximately kept pace with the growth in insured deposits and total deposits in insured banks, as indicated by the stability of the percentages in the last two columns in Table 13.

Audit. A continuous internal audit is provided by the Auditor of the Corporation. In addition, the financial transactions of the Corporation are audited each year by the General Accounting Office, a practice begun in 1945. Previously, an audit was conducted each year by private accounting firms engaged by the Corporation.

BANKS INVOLVED IN ABSORPTIONS
APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION
IN 1967

State	Town or City	Bank	No. (Table 14)
Arizona	Casa Grande	Central Arizona Bank	34
	Mesa	First Security Bank	34
	Phoenix	The Guaranty Bank	34
	Tempe	The Saguaro Bank	34
Colorado	Littleton	Arapahoe Bank	10
	Littleton	Valley National Bank	10
Connecticut	Danielson	County Bank and Trust Company of Danielson	22
	Willimantic	Willimantic Trust Company	22
Delaware	Wilmington	Brandywine-Mechanics Savings and Loan Association	23
	Wilmington	Wilmington Savings Fund Society	23
Indiana	Madison	North Madison Bank	9
	Madison	The Madison Bank and Trust Company	9
Kansas	Ransom	The Farmers State Bank	1
	Ransom	The First State Bank of Ransom	1
Kentucky	Dayton	Bank of Dayton	15
	Centertown	The Farmers Bank	25
	Fort Thomas	The Fort Thomas-Bellevue Bank	15
	Hartford	The Hartford Bank	25
Maryland	Hughesville	The Hughesville Savings Bank, Incorporated	2
	La Plata	The Southern Maryland National Bank of La Plata	2
Massachusetts	Worcester	Commerce Bank and Trust Company	35
	Melrose	Melrose Trust Company	37
	Shrewsbury	Shrewsbury Bank and Trust Company	35
	Wakefield	Wakefield Trust Company	37
Michigan	Alto	Farmers State Bank of Alto	8
	Wayland	Wayland State Bank	8
Mississippi	Clarksdale	Bank of Clarksdale	38
	Lambert	Bank of Lambert, Lambert, Mississippi	38
Missouri	Clifton Hill	Farmers Savings Bank of Clifton Hill	14
	Salisbury	Salisbury Savings Bank	14
New Jersey	Freehold Township	The Central Jersey Bank and Trust Company	36
	Edison	The Edison Bank	6
	South Plainfield	The First National Bank of South Plainfield	6
	Sea Bright	The Sea Bright National Bank	36
New York	New York	Chemical Bank New York Trust Company	26
	New York	Empire City Savings Bank	16
	New York	Excelsior Savings Bank	16
North Carolina	Mocksville	Bank of Davie	32
	Wilson	Branch Banking & Trust Company	32

BANKS INVOLVED IN ABSORPTIONS
APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION
IN 1967—(Cont.)

State	Town or City	Bank	No. (Table 14)
	Smithfield	First-Citizens Bank & Trust Company	11
	Reidsville	The Commercial Bank of Reidsville, North Carolina	11
Ohio	Sylvania	The Community Savings and Loan Association	18
	Delaware	The Delaware County Bank	21
	Good Hope	The Farmers Bank of Good Hope	3
	Jeffersonville	The Milledgeville Bank	3
	Ostrander	The Ostrander Banking Company	21
	Sylvania	The Sylvania Savings Bank Company	18
Oregon	Cave Junction	Bank of Illinois Valley	19
	Shedd	Bank of Shedd	5
	Eugene	Citizens Bank	7
	Albany	Citizens Valley Bank	5
	Eugene	Emerald National Bank	7
	Coos Bay	Western Bank	19
Pennsylvania	Reading	American Bank and Trust Co. of Pa.	20
	Hanover	Bank of Hanover and Trust Company	4
	Norristown	Continental Bank and Trust Company	30
	Jenkintown	Industrial Valley Bank and Trust Company	13, 17
	Myerstown	Myerstown Bank and Trust Company	20
	Malvern	National Bank of Malvern	13
	Union City	National Bank of Union City	12
	Oil City	Northwest Pennsylvania Bank & Trust Co.	31
	Reading	Peoples Trust City Bank	24
	Philadelphia	Sonsitaly Bank and Trust Company	30
	Elkins Park	The Elkins Park National Bank	17
	Boyertown	The Farmers National Bank and Trust Company of Boyertown	24
	Grove City	The Grove City National Bank	31
	Titusville	The Pennsylvania Bank and Trust Company	12
	Wellsville	The Wellsville National Bank	4
South Carolina	Lynchburg	The Peoples Bank	27
	Florence	The Peoples Bank of South Carolina, Inc.	27
Tennessee	Humboldt	Merchants State Bank	28
	Gibson	The Bank of Gibson	28
Washington	Bellevue	Bank of the West	33
	Renton	Highlands National Bank of Renton	33
Puerto Rico	San German	Banco de San German	29
	San Juan	Banco Popular de Puerto Rico	26, 29

Table 14. DESCRIPTION OF EACH MERGER, CONSOLIDATION, ACQUISITION OF ASSETS OR ASSUMPTION OF LIABILITIES APPROVED BY THE CORPORATION DURING 1967

No. 1	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The First State Bank of Ransom Ransom, Kansas	1,394	1	1
<i>to merge with</i> The Farmers State Bank Ransom	1,512	1	

Summary report by Attorney General, November 17, 1966

The proposed merger would combine the only banks doing business within a 30 mile radius of Ransom, a small town in the rural area of west central Kansas. The two banks are direct competitors to each other and this merger would eliminate that competition, the only competition which now exists in that area for any type of banking service.

Basis for Corporation approval, January 5, 1967

The proposal would merge the only banks in Ransom, Kansas, a rural community of 432 population. The banks are small independent units whose combined resources aggregate less than \$3.0 million and their offices are situated one-half block apart. Under State banking laws one banking office would be eliminated and it is proposed that the resulting bank will occupy the quarters of Farmers, the bank which is to be absorbed.

The merging banks are under a degree of common ownership to the extent that eight individuals, including six directors of Farmers, own more than 20 percent of the applicant's stock and 48 percent of the stock of the Farmers. Applicant's lack of an executive officer and a qualified replacement has weakened the bank's management to a considerable extent. The merging banks do not engage in active solicitation of customers and competition between them is described as mild.

The addition of Farmers' IPC deposits would more than double the applicant's volume and the resulting bank would hold \$2.2 million of such deposits. The size disparity between applicant and the larger of its two closest competitors, which has IPC deposits of \$3.7 million, would be significantly narrowed and the resulting bank would continue to be smaller than four of the six banks within 27 miles of Ransom.

The population of Ransom has been static for about 15 years and the population of the county has declined since 1950. The combined average total deposits for the merging banks was smaller in 1965 than in either of the two previous years. Prospects for future growth in the area are not favorable and there does not appear to be adequate support or need for the two small banks in this community. Each bank has lending limits which are not adequate to accommodate the loan requirements of the increasingly larger agricultural units in the area. The resulting bank would have a legal lending limit twice that of each of the merging banks and it is planned that the community will be provided with new banking quarters which would furnish additional and improved cus-

tomers services and conveniences, including a night depository, drive-up window and additional safe deposit boxes. Furthermore, the proposal would provide stronger, more aggressive management to the applicant and the community would be more efficiently and economically served by a single banking office.

The degree of competition which will be eliminated between the two small merging banks is clearly outweighed in the public interest by the benefits which will result from the proposal. Following consummation of the merger there would remain six banking alternatives, in addition to the resulting bank, within 27 miles from Ransom and the proposal would not tend to create a monopoly or in any other manner be in restraint of trade.

No. 2	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Hughesville Savings Bank, Incorporated Hughesville, Maryland (change title to Bank of Southern Maryland)	9,016	1	2
to merge with The Southern Maryland National Bank of La Plata La Plata	13,136	1	

Summary report by Attorney General, November 23, 1966

The proposed merger of Hughesville Savings and Southern Maryland will eliminate existing competition between two banks in a common service area. While the information given in the application does not permit us to measure the present concentration and the increase resulting from this proposal, it is clear that there will be an increase in concentration.

Basis for Corporation approval, January 18, 1967

The proposal would merge two relatively small banks whose combined resources aggregate little more than \$22.0 million. Applicant is the smaller bank and its only office is located in Hughesville, 12 miles from the sole office of the National bank in La Plata, which is to be merged. The merging banks operate in a common service area, described as southern Maryland, which extends northward within 10 miles of the District of Columbia line. No banking locations intervene the offices of the merging banks, however, the National bank's primary competition is furnished by the La Plata branch of a bank with more than \$600 million IPC deposits; the same bank is the applicant's closest competitor with a branch 8 miles from Hughesville. The proposal would eliminate only a moderate amount of competition between the merging banks.

On June 30, 1966 there were 24 offices of 11 banks operating in the southern Maryland service area. In 1960 and 1961 two large city banks entered the northern portion of this service area. The largest bank, Maryland National Bank with IPC deposits exceeding \$600 million, operates four branches in this area in addition to the La Plata branch and the branch located 8 miles from the applicant. The second largest bank has two branches presently in operation in the service area and holds almost \$300 million in IPC deposits; in addition, it has two applications pending for branches to be located within 6 and 9 miles from La Plata. The resulting bank would have total IPC deposits of \$17.3 million.

Although the resulting institution will be a small bank compared with the large city banks in the area, the increase in financial resources and the legal lending limit will be substantial relative to those of the separate merging banks. The resulting bank, by virtue of its larger financial resources and increased

managerial resources, would be able to more adequately serve the larger credit requirements of the community, enlarge the services presently offered to the depositors and borrowers in the area, and thereby offer more effective competition in this increasingly competitive service area.

The proposed merger would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 3	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Farmers Bank of Good Hope Good Hope, Ohio (change title to The Fayette County Bank) <i>to merge with</i>	1,173	1	2
The Milledgeville Bank Jeffersonville	1,501	1	

Summary report by Attorney General, December 29, 1966

The Farmers Bank of Good Hope, located in Fayette County, Ohio, proposes to acquire the Milledgeville Bank, which operates in a different part of the same County. The latter had, as of June 30, 1966, total assets of \$1.5 million, total deposits of \$1.3 million, and loans and discounts of \$701,000. It operates no branches, provides normal banking services on a relatively limited scale, and does not exercise trust powers.

The Farmers Bank of Good Hope, like The Milledgeville Bank, functions through a single office, located in a small rural community. Its resources and services are even more limited than those of Milledgeville.

The merging banks do not directly compete. They operate under common ownership, with the same officers and directors. Three other banks in Fayette County will continue to be substantially larger than the Resulting Bank. There will also be two other institutions of comparable size, and one smaller bank in the area.

It is concluded that the effects on competition resulting from this merger will not be adverse.

Basis for Corporation approval, February 2, 1967

The proposal would merge two unit banks with combined resources of \$2.7 million which are located 18 miles apart. The applicant and Jeffersonville Bank serve separate areas intervened by two significantly larger banks located in the county seat town. There is no existing competition between the merging banks and recent acquisition of control of both banks by the same management precludes competition between them in the future.

The resulting bank would hold only 5.2 percent of the aggregate IPC deposits held by the nine banks competing in the overall service area. The two largest banks each hold more than 26 percent of such deposits. Competition in both merging banks' service areas should be stimulated to some degree by the larger financial resources of the resulting bank under the existing aggressive common management.

The increased lending limit would permit more adequate accommodation of the agricultural credit needs in the areas of both banks. The present and anticipated industrial development in the Jeffersonville area would be better served and, in general, more comprehensive banking services would be offered both communities.

The proposed merger would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 4	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Hanover and Trust Company Hanover, Pennsylvania to acquire the assets and assume the deposit liabilities of	23,335	2	3
The Wellsville National Bank Wellsville	1,810	1	

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

Basis for Corporation approval, January 26, 1967

Loan losses exceed Wellsville National's total capital account and management has failed to present a suitable recapitalization plan. The Comptroller of the Currency has advised the Corporation that he will appoint a Conservator on January 28, 1967 to enter into an agreement with applicant for the sale of all assets of the Wellsville National Bank in consideration of the assumption by the applicant of all deposits and all other obligations and liabilities of Wellsville National on such terms as a court of record of competent jurisdiction shall direct.

The participating banks' offices are located 20 miles apart. Each bank is faced with competition from larger banks at closer locations and there has been virtually no competition between them. The increase in applicant's IPC deposit size as the result of the transaction would have little competitive effect in either bank's service area.

Wellsville National has been operating since 1907 and in view of the serious asset and management problems now in evidence it cannot survive as a unit bank. Under these circumstances it is found that an emergency exists and the Corporation must act immediately in order to prevent the probable failure of the bank. There is no other bank in Wellsville and the proposals would continue uninterrupted banking service in the community.

No. 5	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Citizens Valley Bank Albany, Oregon to merge with	24,564	5	7
Bank of Shedd Shedd	3,493	2	

Summary report by Attorney General, October 31, 1966

Citizens Valley Bank, Albany, Oregon, is the resulting bank of a 1965 merger between Citizens Bank of Albany and Bank of Lebanon, Lebanon, Oregon. As of August 15, 1966, Citizens had assets of \$24,564,000, loans and discounts of \$15,163,000, deposits of \$22,084,000, and capital accounts of \$1,842,000.

Bank of Shedd, organized in 1913, has no history of mergers or consolidations. It had, as of August 15, 1966, assets of \$3,493,000, loans and discounts of \$2,224,000, deposits of \$3,084,000, and capital accounts of \$390,000 (adjusted August 25, 1966).

These banks are located 12 miles apart and deal in the same service area. Competition between them is present and will be eliminated by the proposed merger. However, in view of the number and size of the competing banks serv-

ing this area, and of Bank of Shedd's relatively small size, we conclude that the proposed merger will not adversely affect the structure of commercial banking in the area.

Basis for Corporation approval, March 2, 1967

The merging banks are located in an area served by a number of branches of the two largest banks in the State, each of which has more than \$1.2 billion in deposits. Applicant, the third largest bank with \$23 million in total deposits, would acquire by the proposed merger the smallest bank in the area, Bank of Shedd, which has total deposits of \$3.1 million. Bank of Shedd's two offices serve a small area within that served by the five offices of the applicant, however, a close working relationship has existed between the two banks since 1961 and there is little competition between the merging banks. Bank of Shedd's future prospects for developing into an effective competitor are minimal.

The two statewide branch banks represented in the resulting service area hold the largest proportions (41.9 percent and 24.0 percent) of the aggregate total deposits held by the banking offices located in the area. Applicant would increase its percentage from 17.9 percent to 20.3 percent and would continue to be the third largest bank in terms of total deposits as well as proportionate shares held. The small increase in the applicant's size would have no adverse effect on competition in the service area.

Bank of Shedd's small size does not permit it to accommodate the size of credits demanded in the area it serves. The latter's offices, as branches of the larger resulting bank, would be able to provide a far greater scope of financing directly in the communities served.

The proposed merger would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 6	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Edison Bank Edison, New Jersey	43,307	4	7
to merge with The First National Bank of South Plainfield South Plainfield	7,371	3	

Summary report by Attorney General, December 28, 1966

First National and The Edison Bank are both located in Northern Middlesex County, a rapidly growing residential and industrial area in Central New Jersey.

First National is the smallest of five banks operating in its service area and of three banks headquartered in that area. It has two branches in addition to its principal office, all of which are located in South Plainfield. As of June 30, 1966, it had total assets of \$7,371,000, total deposits of \$6,863,000, total loans of \$3,012,000, and total capital accounts of \$476,000.

The Edison Bank is the third largest of five banks operating in its service area and the second largest of four banks headquartered in that area. In addition to its main office in Edison, it has three branches. Application for a fourth office was filed in 1964 but has been held in abeyance at The Edison Bank's request pending development of the area.

According to the application, the service areas of the merging banks are contiguous, but there appears to be some present competition between them, and head offices of the two banks are only 4.5 miles apart. If and when the fourth branch for which The Edison Bank has applied is established, additional competition would be probable, since that location is only about 2 miles from the

head office and one branch of First National. From these facts, it would appear that the merger will eliminate a degree of existing competition and an even greater degree of potential competition.

Basis for Corporation approval, March 23, 1967

The proposal would combine a \$7 million bank operating a total of three offices with a \$43 million bank operating a total of four offices. The resulting bank would continue to operate the three offices of First National. The participating banks have been under common ownership since 1964. There is no common management but the president of applicant attends board meetings of First National in an advisory capacity.

Both the applicant and First National consider their trade areas to be contiguous but not overlapping. Neither of the participating banks has a significant volume of business in the other bank's trade area and there is little effective competition between the two banks.

Applicant's main office and two branches in Edison Township compete with the main office and three branches of First Bank and Trust Company, National Association which has a total of nine offices and total deposits of over \$100 million. Other commercial bank competition in the Edison area consists of two single-unit banks with resources less than the applicant and one branch of a larger bank.

First National's three offices compete with Plainfield Trust State National Bank, Plainfield, which operates its main office and four branches in Plainfield. All of these offices are within 2 miles of the nearest office of First National. Plainfield Trust State National Bank has total resources of \$112.7 million. Suburban Trust Company, Westfield, with total resources of \$66,504,000 and eight offices also operates a branch in Plainfield. In September of 1966 the former National State Bank of Plainfield was merged into The National State Bank, Elizabeth, New Jersey, which had total resources of \$203 million as of June 30, 1966 and now operates three branches in Plainfield.

Applicant has 13.8 percent of the IPC deposits in the resulting bank's trade area and would have 16.7 percent after the merger. Applicant is second to Plainfield Trust State National Bank which has 48.4 percent of the IPC deposits in the trade area. The other banks and branches in the trade area have less IPC deposits than the applicant but one bank with IPC deposits almost equal to the resulting bank operates a branch in the trade area and two larger banks also operate branches in the resulting bank's trade area.

This proposed merger would enable the resulting bank to compete more effectively in the market and thereby increase competition. The benefits of increased lending limits, improved managerial resources and automation would accrue mainly to the South Plainfield area but would also permit the applicant to compete more effectively with the larger banks operating in the Edison area.

The proposed merger would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 7	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Citizens Bank Eugene, Oregon	23,867	2	4
to merge with Emerald National Bank Eugene	5,263	2	

Summary report by Attorney General, February 10, 1967

Emerald National Bank, Eugene, Oregon (hereinafter Emerald), with its main office in the Bethel-Danebo area of Eugene and a branch in nearby Veneta, Ore-

gon, proposes to merge with Citizens Bank, Eugene, Oregon (hereinafter Citizens), with its main office in Eugene and a branch in adjoining Springfield, Oregon. As of November 23, 1966, Emerald had total deposits of \$4,788,000 and Citizens had total deposits of \$20,742,000. The closest offices of the two banks are about 3 miles apart.

The merger would eliminate existing and potential competition between the banks and would increase the concentration of banking resources in the Eugene - Springfield area.

Basis for Corporation approval, March 23, 1967

The proposal would merge the two smallest banks serving the Eugene-Springfield area. Applicant holds total deposits of \$20.7 million and National holds total deposits of almost \$4.8 million. The two largest banks in the State, each of which is headquartered in Portland and operates more than 100 offices and holds more than \$1.1 billion in total deposits, operate an aggregate of 14 offices in this area. One other bank serves the area; it is headquartered in Portland, holds total deposits of almost \$61 million and operates a branch in Eugene.

National has a branch in the small farm community of Veneta, 12 miles west from its main office in Eugene. The applicant's only branch is located in Springfield, 4 miles east of Eugene. Surrounding the applicant's main office and within a radius of eight blocks are six branches of the large competing banks. National's chief competition is from three branches of the State's two largest banks. Applicant's Springfield branch faces competition from three branches of the two largest banks in the State. The merging banks' main offices, which are their closest offices, are 3 miles apart and are intervened by a branch of each of the three larger banks serving the area. There is little competition between the merging banks.

The two largest banks in the State operate 14 of the 19 offices in the service area and, in the aggregate, these offices hold almost 85 percent of the total deposits held by all bank offices in the area. The relatively nominal increase in the applicant's share of the aggregate deposits, from 11.7 percent to 14.2 percent would have no significant effect on competition in the resulting service area.

The serious asset, capital and managerial problems of National substantially diminish its ability to provide effective competition and adequately serve the community. These problems would be resolved under the satisfactory financial and managerial resources of the applicant and the community would be better served by National's offices as branches of the resulting bank.

The proposed merger would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 8	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Wayland State Bank Wayland, Michigan	10,186	3	5
to acquire the assets and assume the deposit liabilities of Farmers State Bank of Alto Alto	3,877	2	

Summary report by Attorney General, November 17, 1967

The proposed acquisition would join two relatively small banks (assets of \$10,096,00 and \$3,716,100, respectively) doing business in a predominantly agricultural area within a radius of 25 miles of Grand Rapids, Michigan. The banks are located 25 miles apart and there is apparently no competition be-

tween them. We conclude that the acquisition would not adversely affect the banking structure in the area.

Basis for Corporation approval, April 6, 1967

This proposed transaction would combine two banks whose main offices are 18 miles apart. The applicant operates three offices and has total assets of \$10,186,000 and Farmers with total assets of \$3,877,000 operates two offices. The trade areas of the participating banks do not overlap and they are not directly competitive. There are two unit banks located in the area between the participating banks.

The president and cashier of Farmers have decided to retire and no provision has been made for management succession. The proposed transaction would result in better banking services for the two small communities now served by Farmers. With aggressive management and larger financial resources the Resulting Bank would be in a position to offer more complete banking services which should stimulate competition in Farmers' trade area rather than lessen it.

This proposed transaction would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 9	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Madison Bank and Trust Company Madison, Indiana	20,789	4	5
<i>to acquire the assets and assume the deposit liabilities of</i>			
North Madison Bank Madison	3,590	1	

Summary report by Attorney General, January 26, 1967

The Madison Bank and Trust Company, Madison, Indiana, with total assets of \$20,035,000 and three branch offices, proposes to purchase the assets and assume the liabilities of the North Madison Bank, Madison, Indiana, which has total assets of \$3,306,000, and to operate the acquired properties as a branch office.

Applicant bank is the largest bank in Madison, Indiana and in its service area. The participating banks are two of only three competitor banks located in Madison, Indiana. The area is mixed industrial, residential and agricultural. Neither bank has merged, consolidated or effected an acquisition of assets or assumption of liabilities with any other bank within the past 10 years.

The proposed acquisition will eliminate existing competition between the participating banks, and increase the already high level of banking concentration within the county. Banking alternatives in Madison, Indiana will be reduced from three to two, and the applicant bank's dominant position in the service area in which it does the major part of its business will be materially enhanced.

Basis for Corporation approval, April 6, 1967

Applicant, which has \$16.8 million IPC deposits, would acquire the assets and assume the Selling Bank's liabilities, including IPC deposits of almost \$2.8 million, under the proposed transaction. Applicant's main office and the sole office of the Selling Bank are 3 miles apart in the city of Madison. Selling Bank's closest competitor is the national bank headquartered in Madison which has IPC deposits of \$6.9 million and a branch less than one mile east from Selling Bank. Applicant's office closest to Selling Bank is 1½ miles west.

There are six commercial banks, in addition to the participating banks, within a 15-mile radius of Madison. Considerable competition is furnished by two sav-

ings and loan associations in Madison which together hold withdrawable balances of \$18.2 million. One other association, in Carrollton, Kentucky, holds withdrawable balances of \$3.7 million. The relative increase in applicant's size would not have significant adverse effects on competition in Madison or in the overall service area. Commercial banks outside the service area, particularly in Kentucky, furnish competition to the participating banks for savings deposits; these and other banks outside the service area also provide some competition for commercial and other loans. Existing competition between the small, single-office Selling Bank and the applicant would be eliminated, however, it is not considered substantial relative to the overall competition provided by the numerous commercial banks in the service area, the commercial banks outside the area and the nonbank sources in Madison and throughout the service area.

Each of the three banks in Madison has been in operation for more than 50 years. The limited resources attained by the Selling Bank during its history prevents it from adequately serving the industrial segment of the community which has undergone expansion in recent years. Selling Bank is presently under the active management of a 75 year-old president and its executive vice president is in ill health and on leave of absence. Under this situation, and in view of the lack of management succession which the bank has been unable to resolve by other means over an extended period of time, the future prospects for Selling Bank to aggressively compete and adequately meet the expanding industrial needs of the community are minimal.

The proposal would not substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade. Any unfavorable competitive effects that could result from the merger would be outweighed by the resolution of the management succession problem confronting the Selling Bank and by the increased support which the resulting bank would give to the community, particularly its industrial sector.

No. 10	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Arapahoe Bank Littleton, Colorado (change title to Arapahoe Valley Bank)	7,470	1	1
<i>to acquire the assets and assume the deposit liabilities of</i>			
Valley National Bank Littleton	5,070	1	

Summary report by Attorney General, February 15, 1967

Arapahoe Bank with assets of \$7,205,000 proposes to acquire the assets and assume the liabilities to pay deposits made in Valley National Bank, a bank with assets of \$4,951,000. The banks are both located in the town of Littleton, Colorado, population about 21,500, about 10-1/2 miles distant from Denver, Colorado. The town of Littleton is included in the Denver metropolitan area.

Well over 70 percent of the deposits and loans of each bank originate in the primary service area of the other bank, and the two banks would appear to compete actively with one another. The resulting bank would control 43 percent of the deposits and 52 percent of the loans and discounts of the remaining three banks in Littleton.

Arapahoe Bank is presently a subsidiary of Denver U. S. Bancorporation, a registered bank holding company controlling five banks in Colorado with deposits in excess of \$435,254,000. These deposits represent 14.9 percent of the total deposits held by commercial banks in Colorado. Three of the subsidiary

banks of Denver Bancorporation are located in the Denver metropolitan area and one of these three banks is the second largest bank in Denver with total deposits of over \$385,000,000.

Both the entire Denver metropolitan area—and the narrower suburban Littleton area—may represent relevant markets for certain classes of customers in Colorado, a unit banking State. Some smaller Littleton business borrowers and many individual depositors may be limited to the more convenient suburban community while larger and better known business firms probably have access also to financing within the entire Denver area.

Within the Denver metropolitan area the proposed merger would appear to result in a further increase in banking concentration and a lessening of present and potential competition. This results from the merging bank's present association with Denver Bancorporation, which now controls 24 percent of deposits within the Denver market.

Also, Denver Bancorporation would, through this proposed acquisition by its subsidiary (Arapahoe Bank), acquire a dominant competitive position within the narrower Littleton suburban community as well, affecting important classes of smaller local customers.

Finally, the proposed merger would result in the complete elimination of substantial present competition between the participating banks, within both the Littleton and Denver markets.

Basis for Corporation approval, May 2, 1967

The purchase of Valley's assets by the applicant would result in a bank with \$12 million in resources and comparable in size to The Littleton National Bank, the participating banks' closest commercial bank competitor. The applicant and Valley are located one mile apart and no commercial bank offices intervene. Branch banking is prohibited by statute. Applicant will abandon its present quarters and move to those presently occupied by Valley. In addition to the applicant, there are five commercial banks, two industrial banks and six offices of five savings and loan associations located within a 3-mile radius of Valley.

Applicant would substantially increase its IPC deposit size by the assumption of Valley's liabilities but would remain smaller than the closest competitor in Littleton, The Littleton National Bank. In addition, two other commercial banks competing in the service area, located in Englewood, are significantly larger than the resulting bank in deposit size. The resulting bank would be a subsidiary of applicant's parent company, Denver U. S. Bancorporation, Inc., Denver, a registered bank holding company. Each of the two larger banks in Englewood are also subsidiaries of two other registered bank holding companies and a fourth competitor, the First National Bank of Southglenn, is an affiliate of a national bank in Denver which is the largest bank in the State.

Valley was opened for business in 1963. Serious loan problems have developed and its management is regarded as unsatisfactory. Consummation of the purchase and assumption agreement would resolve the asset and managerial problems of Valley. The proposal would eliminate one of the banking alternatives in Littleton, however, its problems limit its ability to adequately serve the community and effectively compete in the service area. The resulting bank, under applicant's management and with increased financial resources and the services available through the holding company, would be in a position to offer improved services to Valley's customers and to the community as a whole, especially the local business sector.

Although this proposal involves a reduction in competition, it is not believed the overall effect would be to substantially lessen competition in view of the loan problems and unsatisfactory management of Valley, the total competition provided by the commercial banks and nonbank sources located directly in the resulting service area, and the competitive influence on the area from banks and other financial institutions in nearby Denver. Any unfavorable competitive effects which would result from the proposal are outweighed in the public inter-

est by the resolution of the asset and managerial problems of Valley, the selling bank.

No. 11	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First-Citizens Bank & Trust Company Smithfield, North Carolina	516,900	108	109
<i>to merge with</i> The Commercial Bank of Reidsville, North Carolina Reidsville	2,753	1	

Summary report by Attorney General, January 20, 1967

First-Citizens was organized in 1898. It presently operates 108 offices in 49 North Carolina communities and has received regulatory permission to open eight additional *de novo* branches. As of September 20, 1966, First-Citizens had total assets of \$512,433,000 and net loans and discounts of \$274,141,000, total deposits of \$453,843,000 and total capital accounts of \$30,111,000.

Commercial Bank was organized in 1927. Its only office is in Reidsville, North Carolina (population—14,267). Reidsville is the principal city of Rockingham County, which is in the center of the northern tier of counties in North Carolina. As of September 20, 1966, Commercial Bank had total assets of \$2,509,000 and net loans and discounts of \$1,582,000, total deposits of \$2,165,000 and total capital accounts of \$145,000.

There appears to be little if any existing competition between the merging banks, as indicated by the relatively small size of Commercial Bank and the distance between it and the nearest offices of First-Citizens (25 miles).

The proposed merger would eliminate potential competition between the merging banks. North Carolina banking laws permit unrestricted *de novo* branching. First-Citizens would appear to be one of the most likely *de novo* entrants into the Reidsville area, in view of the proximity of its nearest office to the area and the fact that since its organization First-Citizens has established over 100 *de novo* branches.

Basis for Corporation approval, April 25, 1967

Commercial was organized in 1927 as an industrial bank; although it converted to the status of a commercial bank in 1960, its operations and policies continue largely unchanged. Instalment loans represent more than 80 percent of total loans and time deposits comprise 70 percent of total deposits. It operates neither branches nor a trust department. Within Reidsville there are also headquartered two other banks, both considerably larger than Commercial, serving this industrial community of 14,300 population with five offices. Non-bank competition includes two savings and loan associations in Reidsville.

Applicant is the fourth largest bank in North Carolina and the instant proposal will not change this rank. It operates 107 branches in 51 communities in 28 of the State's 100 counties and approval has been obtained for the establishment of 10 additional offices which have not yet opened for business. Its main office is at Smithfield, 115 miles southeast of Reidsville, and its branches nearest to Commercial are the six located in Greensboro, 24 miles southwest of Reidsville. Within Greensboro are represented also the first, second and third largest banks of the State with 7, 11 and 6 branches respectively. The subject proposal would have insignificant effect on competition in the areas presently served by applicant.

Commercial and applicant are not presently in competition with each other and there is small likelihood they would become competitive in the future. Applicant would gain an office in a county in which it is not now represented. The

Reidsville community would benefit from the substitution of a bank branch supported by all the resources and specialized departments of the applicant. Applicant would offer trust facilities, a considerably wider range of credit services and a much larger lending capacity than presently afforded by Commercial. In the Reidsville area, the effect on bank competition would be favorable.

The proposal would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 12	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Pennsylvania Bank and Trust Company Titusville, Pennsylvania	62,412	6	8
<i>to merge with</i> National Bank of Union City Union City	5,931	2	

Summary report by Attorney General, February 27, 1967

This is a proposal to merge the six-office Pennsylvania Bank and Trust Company (deposits of \$54,395,000) and the two-office National Bank of Union City (deposits of \$5,375,400) some 20 miles northwest of Titusville, in northwestern Pennsylvania.

The application indicates that the service areas of the Charter and Merging Banks overlap only to a very small extent, and we conclude that the merger would not adversely affect competition.

Basis for Corporation approval, April 25, 1967

This proposal would combine two banks whose main offices are 22 miles apart which is the shortest distance between offices of the participating banks. The applicant operates six offices and has total assets of \$62,412,000 and Bank of Union with total assets of \$5,931,000 operates two offices. Applicant has one office at Pleasantville, 6 miles southeast of the main office, and its other four offices are located in the central and northern sections of Warren County. The closest of these four offices in Warren County is 32 miles from applicant's main office in Crawford County and the trade area served by these offices does not extend beyond Warren County. Bank of Union is located in the southeastern portion of Erie County and its one office at Wattsburg is 8 miles northeast of Union City. The two offices of Bank of Union and the four offices of applicant in Warren County are separated by two other commercial banks' offices and they are not regarded as being directly competitive.

The Resulting Bank's extensive trade area is in the northwestern section of the State where competition is intense and while this proposed transaction would eliminate an insignificant amount of competition between the participating banks it would also enable the applicant to compete more effectively with its larger competitors and thereby stimulate competition. Other competition in the trade area consists of four branches of banks whose main offices are located outside of the trade area and 13 offices of banks headquartered in the trade area. Of the other commercial banks operating in the trade area, five are larger than the applicant and one is almost equal in size. In addition to Bank of Union, the Union Bank & Trust Co., Erie, which is almost as large as the applicant, has an office in Union City and it is becoming increasingly difficult for Bank of Union to cope with this competition.

This proposed transaction would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 13	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Industrial Valley Bank and Trust Company Jenkintown, Pennsylvania	248,273	28	29
<i>to acquire a portion of the assets and assume a portion of the deposit liabilities of</i>			
National Bank of Malvern Malvern	3,977 ¹	2	1

Summary report by Attorney General, March 17, 1967

This is a proposal whereby the Industrial Valley Bank and Trust Company ("Industrial Valley") would acquire about 59 percent of the assets of the National Bank of Malvern ("Malvern Bank") and would assume the same proportion of its liabilities. The assets to be transferred to Industrial Valley include one of Malvern Bank's two offices (at Paoli, Pennsylvania).

The proposed transaction would eliminate any direct competition which exists between Malvern Bank's Paoli office and Industrial Valley's offices (the closest of which is 9 miles to the north in Phoenixville). At the same time, it should create at least the possibility of competition between Malvern Bank's two existing offices—which are 2 miles apart—since one of them will be operated by Industrial Valley and the other by Malvern Bank. Thus, provided the proposed transaction leaves Malvern Bank sufficiently strong to be a viable competitor, the two opposite effects would probably offset each other.

Industrial Valley appears to be the largest bank operating in Chester County, Pennsylvania (where it has five of its 28 offices and Malvern Bank has both its offices). Its acquisition of the Paoli office of Malvern Bank would appear to increase by about 2 percent its share of the county's IPC demand deposits.

Basis for Corporation approval, April 25, 1967

Applicant has \$248 million in resources and operates 28 offices in four southeastern Pennsylvania counties. Its main office and one branch are in Jenkintown, Montgomery County, which is about 12 miles north from downtown Philadelphia. Nine other branches are located in Montgomery County, 10 branches are located in Philadelphia County, six are in Chester County and one is in Delaware County. Applicant would acquire 58.733 percent of the assets and liabilities of Malvern, a bank with resources of \$6.8 million, including the latter's only branch at Paoli which is 2 miles from Malvern. The main office at Malvern would continue to operate as an independent bank.

Applicant's branch at Phoenixville is 9 miles north of Paoli and is applicant's nearest office to either of Malvern's locations. Phoenixville and Paoli are intervened by the east-west Pennsylvania Turnpike and the volume of business which each derives from the other's service area is negligible. The proposal would eliminate only minimal competition between the participating banks. Malvern is the smallest bank in its service area and faces competition from seven offices of four commercial banks and one office of a mutual savings bank which holds deposits of almost \$1.7 billion. One commercial bank is headquartered in Paoli and has deposits of more than \$30 million. Two other commercial banks in the area have deposits of more than \$350 million and \$1.5 billion and presently compete with the applicant at other locations. Competition in the Malvern-Paoli area should be significantly enhanced, and the convenience and needs of the community would be much better served.

The applicant derives the major portion of its business from the three counties of Montgomery, Philadelphia and Chester. In addition to the participating banks, there are 29 competing commercial and mutual savings banks in these

counties which operate 410 offices. Applicant is eighth largest bank and has total deposits of \$225.6 million. Six of the larger commercial banks are in Philadelphia and one is located in Montgomery County; four of these competitors have deposits ranging from \$334 million to \$842 million and three hold deposits exceeding \$1.0 billion. Each of the four mutual savings banks in Philadelphia is larger than the applicant and hold deposits ranging from \$256 million to \$1.7 billion. Applicant's assumption of about \$3.3 million of Malvern's total deposits would have little effect on competition in applicant's service area.

The proposal would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 14	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Salisbury Savings Bank Salisbury, Missouri <i>to acquire the assets and assume the deposit liabilities of</i> Farmers Savings Bank of Clifton Hill Clifton Hill	8,739	1	1
	975	1	

Summary report by Attorney General, March 27, 1967

Salisbury Savings Bank ("Salisbury Savings"), Salisbury, Missouri—which holds over 50 percent of the IPC demand deposits in Chariton County, Missouri—proposes to acquire the assets and assume the liabilities of Farmers Savings Bank of Clifton Hill ("Farmers'"), Clifton Hill, Missouri, a small bank in neighboring Randolph County.

The proposed acquisition would eliminate existing competition between these two banks—which are only 7 miles apart and are the only banks within this immediate area. The existence of competition between the two banks is underscored by the fact that the Salisbury Savings Bank will have to close the former Farmers office in Clifton Hill, and transfer customer accounts to the Salisbury office, in order to comply with the prohibitions against branch banking under the Missouri law. On the other hand, Farmers may be such a small institution that it is not, in reality, able to offer effective competition at this time.

The proposed acquisition will cause some increase in concentration. It will increase by about 3 percent Salisbury Savings' share (now about 33 percent) of demand deposits in the service area defined in the application.

Basis for Corporation approval, April 25, 1967

The selling bank is located in a community with a population of about 200 and has resources of less than \$1.0 million. The applicant, an \$8.7 million bank, would purchase the assets and assume the liabilities of the selling bank which is located 8 miles distant. The two banks have been under the control of a charitable trust since 1964 (common ownership reportedly has existed for more than 50 years) and have worked in close association with each other. The small selling bank cannot obtain management and other personnel to operate the bank, and its stockholders desire to liquidate. There is no effective competition between the participating banks which would be eliminated by this proposal.

Applicant is the largest of four banks in the resulting service area. The assumption of selling bank's small volume of deposits would not materially alter the competitive situation in the resulting service area. The areas are agricultural in nature and the increasing size of the farm units require larger credit accom-

modations than the selling bank can provide. The proposal would eliminate the selling bank's office but two banking alternatives are available 6 and 8 miles from selling bank's location.

The proposal would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 15	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Fort Thomas-Bellevue Bank Fort Thomas, Kentucky <i>to acquire the assets and assume the deposit liabilities of</i>	15,233	2	3
Bank of Dayton Dayton	3,711	1	

Summary report by Attorney General, March 3, 1967

The Fort Thomas-Bellevue Bank, Fort Thomas, Kentucky, proposes to acquire the assets and assume the liability to pay deposits of the Bank of Dayton, Dayton, Kentucky.

The Fort Thomas-Bellevue Bank operates its only branch office approximately 5 miles northwest of Fort Thomas in Bellevue, four city blocks south of the only office of Dayton Bank. The transaction, if approved, will eliminate all competition presently existing between the Bank of Dayton and the Fort Thomas-Bellevue Bank as well as increase substantially the level of banking concentration within Campbell County, although some additional competition is provided by the Cincinnati, Ohio banks just across the Ohio River.

Basis for Corporation approval, May 2, 1967

The applicant is a \$15 million bank with two offices in Campbell County, Kentucky within easy access of downtown Cincinnati, Ohio. The single office selling bank has \$3.7 million in resources and is located in the community of Dayton, about 4 miles from applicant's main office in Fort Thomas. Applicant's branch is in Bellevue, a community adjacent to Dayton, 0.7 mile from selling bank's office. The communities of Dayton and Bellevue are located along the Ohio River opposite the city of Cincinnati and are part of the Cincinnati metropolitan area. Most of the residents of the participating banks' locations commute to Cincinnati for employment.

While no commercial bank offices intervene any of the participating banks' locations, each of the latter's offices are directly competitive with other commercial banks at closer locations. The participating banks compete not only with the large commercial banks and savings and loan associations in Cincinnati, but with 13 other commercial bank offices in Campbell County, 12 savings and loan associations in that County including six which are located in Fort Thomas, Dayton and Bellevue, and numerous other nonbank financial institutions.

While the proposal would eliminate competition between the participating banks, the amount thereof is not considered to be substantial. Moreover, it appears to be insignificant relative to the total competition furnished by the numerous commercial banks and nonbank sources located in Campbell County and in downtown Cincinnati. The increased size of the applicant would not have material adverse effects on competition in the Campbell County service area and would permit it to compete more effectively with the other financial institutions.

The proposal would resolve the selling bank's management succession problem. The resulting bank's aggressive management, by virtue of its greater

capital resources, would more adequately meet the convenience and needs of the communities to be served and offer more effective competition, especially to the larger Cincinnati, Ohio banks and other financial institutions which represent a strong competitive influence in Campbell County.

The proposed transaction would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 16	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Excelsior Savings Bank New York, New York (change title to Excelsior Empire Savings Bank)	250,960	3	6
to merge with Empire City Savings Bank New York	170,976	3	

Summary report by Attorney General, January 19, 1967

Excelsior Savings Bank was incorporated in 1869; its past 10-year history shows no mergers or consolidations. Excelsior had, as of June 30, 1966, assets of \$250,955,000, loans of \$204,548,000, deposits of \$222,539,000, surplus of \$12,691,000 and undivided profits of \$11,601,000. It operates two branch offices in addition to its head office at 221-223 West 57th Street, all of which are located in the borough of Manhattan.

Empire City Savings Bank, incorporated in 1889, operates its head office at 826-836 Third Avenue and two branch offices. All offices are in Manhattan. Its past 10-year history reveals no mergers or consolidations. As of June 30, 1966, Empire City had assets of \$170,976,000, deposits of \$154,290,000, loans of \$146,380,000, surplus of \$11,431,000, and undivided profits of \$3,113,000.

The head offices of the two banks and their branches are in close proximity, and they appear to be direct competitors. This competition would be eliminated by the proposed merger.

The merging savings banks face competition from some 16 other savings banks controlling deposits exceeding \$11 billion. The merging banks are the smallest and the third smallest in the area and the resulting bank would control approximately 3.3 percent of total savings bank deposits. The resulting increase in concentration would not be substantial.

Basis for Corporation approval, May 22, 1967

Both applicant and Empire City operate three offices each, two each in the midtown section of Manhattan and one each in the upper west side section of the borough. The respective offices of the two banks are relatively distant and separated by numerous offices of competing institutions, including branches of far larger savings banks. The shortest distance between offices of the combining banks is 0.9 mile, sufficient in these circumstances to render them largely non-competitive and to confine their operations to separate and distinct areas. Any competition between the two merging banks is small and indirect. Common borrowers and depositors are few although legal limitations and deposit insurance ceilings on deposits generally tend to promote some duplication of accounts at mutual savings banks that are truly competing against each other.

Applicant and Empire City are among the smallest of the 18 mutual savings banks in the borough of Manhattan and the 50 in New York City, numbering 14th and 16th, respectively, in the borough and 33rd and 42nd in the city. The resulting bank would rank 13th in size in the borough and 24th in the city. By their field of operation, restricted by law largely to the acceptance of savings

deposits and the extension of real estate and certain specified other loans, applicant and Empire City face vigorous competition from the city's concentration of commercial banks, savings and loan associations and insurance companies.

Financial and managerial resources and future prospects of both banks are satisfactory although it is maintained that improved banking locations must be acquired. The resulting bank would begin operations on a sound basis. Certain improvements in services afforded the community would be made practicable by the proposed merger, including the installation of an on-line EDP deposit accounting system such as employed by considerably larger competing mutual savings banks. There would also be gained an increased capacity to handle large real estate loan requests. Various economies are expected to accrue to the resulting bank which would tend to strengthen dividend-paying ability and competitive power.

This proposal would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 17	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Industrial Valley Bank and Trust Company Jenkintown, Pennsylvania	251,589	28	29
to merge with The Elkins Park National Bank Elkins Park	4,443	1	

Summary report by Attorney General, May 8, 1967

This is a proposal to merge the single-office Elkins Park National Bank ("Elkins National"), located 10 miles north of Philadelphia, with Industrial Valley Bank and Trust Company ("Industrial Valley"), which operates 28 offices in Philadelphia, Montgomery, Chester, and Delaware counties.

The two banks appear to be in direct competition. Their head offices are only 2 miles apart in neighboring communities in Montgomery County and Industrial Valley has six other offices within the primary service area of Elkins National. This existing competition would be eliminated by the merger; nevertheless, the adverse effect would be considerably mitigated by the presence in the area of a considerable number of other banks, including branches of the large Philadelphia-based banks.

The merger would also involve some relatively slight increase in banking concentration. Elkins National has 0.7 percent of the IPC demand deposits in Montgomery County and less than 0.1 percent of such deposits in the Philadelphia Metropolitan Area. Industrial Valley (whose figures are not broken down by branch) would appear to hold between 10 and 15 percent of the IPC demand deposits in Montgomery County and 2.9 percent of such deposits in the Philadelphia Metropolitan market as a whole.

Basis for Corporation approval, May 22, 1967

National is a \$4.4 million single office bank located in Elkins Park, Pennsylvania, which is experiencing serious liquidity, asset, capital, earnings and management problems. The bank's common capital is impaired substantially and its blanket bond has been terminated. The applicant is a well-managed, aggressive institution with resources of more than \$200 million. Its main office at Jenkintown is in Montgomery County and about 12 miles north from downtown Philadelphia; it operates a total of 28 offices in four southeastern Pennsylvania counties.

Elkins Park is about 2 miles from Jenkintown and within applicant's service

area. There is little competition between the merging banks since their deposit and loan structures reflect major differences. Moreover, National's many serious problems limit its effectiveness as a competitor. National and the applicant each face competition from numerous significantly larger commercial and mutual savings banks. The relatively nominal increase in applicant's size and its acquisition of a branch in Elkins Park would have little competitive effect in the resulting service area.

The Comptroller of the Currency has certified that an emergency condition exists and the Corporation finds it must act immediately in order to prevent the probable failure of National. The proposal would resolve National's problems and would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 18	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Sylvania Savings Bank Company Sylvania, Ohio	41,818	7	9
<i>to acquire the assets and assume the deposit liabilities of</i>			
The Community Savings and Loan Association Sylvania	8,919	2	

Summary report by Attorney General, April 3, 1967

The proposed merger involves acquisition by one of two commercial banks in Sylvania, Ohio, a suburb of Toledo, Ohio, of the assets of Sylvania's only savings and loan institution. Total deposits of the acquiring bank, Sylvania Savings, are \$41.8 million and share accounts of the Community Savings and Loan Association amount to \$8.7 million. Both institutions operate branches in western Toledo, which is immediately adjacent to Sylvania, and they compete with branches of four major Toledo commercial banks and four major Toledo savings and loan institutions.

The proposed merger would eliminate some competition with respect to time deposits and mortgage loans, which are the only services which both institutions offer; the areas which would be most immediately affected are Sylvania and the western part of Toledo. The two institutions are nevertheless not major factors in either product market, and the resulting increase in concentration would not be substantial.

Basis for Corporation approval, June 13, 1967

The proposed purchase and assumption transaction would combine Sylvania Bank, a \$41.8 million commercial bank headquartered in Sylvania, Ohio, with seven offices in the Sylvania-Toledo, Ohio area, and an \$8.9 million Sylvania savings and loan association which has one branch in Toledo. Association's main office will serve as the mortgage department and trust department of the resulting bank. Its present branch will be closed at expiration of a six-month transition period following consummation of the proposal. The branch is about one block from an office of Sylvania Bank and its closing will cause no inconvenience to customers in that vicinity.

Competition between the participating institutions is limited to mortgage loans and time deposits. There is no competition between them with respect to the numerous other commercial banking activities. Moreover, the degree of competition between Sylvania Bank and Association is curtailed by their close relationship through common ownership and long-existing common management.

Sylvania is a fast-growing suburb of the highly industrial City of Toledo in Lucas County, Ohio. Competition for both participating institutions is furnished primarily by five other commercial banks and four other savings and loan associations which operate numerous offices in and near Toledo. Sylvania Bank is the fifth largest of the commercial banks and Association is by far the smallest savings and loan association in the Sylvania-Toledo service area. The \$8.5 million total deposits of Association to be assumed would raise Sylvania Bank's position to fourth but it would continue to face competition from three substantially larger banks which hold total deposits ranging between \$150 million and \$400 million and four savings and loan associations holding withdrawable balances ranging between \$70 million and \$200 million. The increase in Sylvania Bank's size would have no significant effect on competition in the service area.

Association has experienced net deposit losses in recent years and its future prospects for growth and earnings appear to be limited. This proposal would resolve these problems. Association's customers will continue to receive generally the same mortgage loan and time deposit services which were available at Association plus the numerous additional services offered by a commercial bank. There will remain 21 offices of the other savings and loan associations in the Sylvania-Toledo area which would be accessible to any customers of Association who may prefer to deal with a savings and loan association.

The proposal would not substantially lessen competition, tend to create a monopoly or, in any other manner, be in restraint of trade.

No. 19	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Western Bank Coos Bay, Oregon <i>to merge with</i>	21,934	6	7
Bank of Illinois Valley Cave Junction	2,965	1	

Summary report by Attorney General, March 24, 1967

The proposed merger of the Western Bank ("Western Bank"), Coos Bay, Oregon (total deposits \$19.9 million), and the Bank of Illinois Valley ("Illinois Valley"), Cave Junction, Oregon (total deposits \$3.0 million), involves two banks operating in essentially different banking markets; their head offices are 145 miles apart in nonadjacent counties; and Western Bank's nearest branch to Illinois Valley's only office is about 40 miles away and in a different county.

In Josephine County, Illinois Valley holds about 7 percent of total IPC demand deposits; in Coos County and Curry County, together, Western Bank holds about 20 percent of total IPC demand deposits. It appears unlikely that there is any present direct competition between the merging banks. There are no common depositors or borrowers. Each bank operates in what would appear to be essentially distinct service areas, involving separate counties, with a distance between nearest offices of 40 miles.

We conclude that the proposed merger would not adversely affect competition.

Basis for Corporation approval, July 27, 1967

Western Bank, Coos Bay, Oregon, a State nonmember bank, with total deposits of \$19.6 million, 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 Bank of Illinois Valley, Cave Junction, Oregon (Valley), a State nonmember bank which has total deposits of \$2.7 million. The banks would merge under the charter and title of applicant, and as an incident of the merger the

sole office of Valley would become a branch of applicant, increasing the number of its offices to seven.

Competition. Applicant's six offices are located in five communities spanning about 118 miles along the southern coastline of the State of Oregon. The site of the main office and one branch is the deepwater port of Coos Bay, estimated population 13,800. Valley's sole office is situated in the southeastern Oregon community of Cave Junction, population 330. This Josephine County community is located in the Siskiyou Mountains, 14 miles north of the California boundary. Valley's sole office is 75 road miles to the east of applicant's nearest branch, at Brookings, in adjacent Curry County, and there is nothing to indicate any competition existing between the merging banks. Valley's nearest competitors are situated to the northeast at Grants Pass, 30 miles distant.

Four of the five communities in the two-county area now served by the offices of the applicant have at least one competing bank office. The principal competitors of each of the merging banks are the State's two banking giants which in aggregate hold by far the major portion of its banking business.

The resulting bank, which would serve a three-county area, would have less than 15 percent of the total deposit volume in the resulting service area. The merger would have no adverse effects on competition.

Financial and managerial resources and prospects. The banking factors are favorable with respect to each of the merging banks, as they would be with respect to the resulting bank.

Convenience and needs of the community to be served. The merger would not have a substantial effect on the convenience and needs of the areas now served by applicant but it would benefit Cave Junction by providing larger lending limits, and that former Valley office will have available to it management depth, audit services and similar benefits which the larger institution can provide.

Conclusion. The Board of Directors is of the opinion that the merger would not substantially lessen competition, tend to create a monopoly, or in any other manner, be in restraint of trade, and would benefit the banking convenience and needs in the Cave Junction area.

No. 20	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Bank and Trust Co. of Pa. Reading, Pennsylvania to merge with	310,749	17	19
Myerstown Bank and Trust Company Myerstown	24,814	2	

Summary report by Attorney General, February 23, 1967

American Bank and Trust Co. of Pa. ("American") is the largest bank in Berks County and adjacent counties of Lebanon, Lancaster, and Schuylkill, an area within which branching by banks with head offices in Berks is permitted by State law. As of November 30, 1966, American had assets of \$298,445,000 and deposits of \$262,852,000. Myerstown Bank and Trust Company, Myerstown, Lebanon County, Pennsylvania ("Myerstown Bank") as of November 30, 1966, had assets of \$24,006,000 and deposits of \$21,031,000.

Within the service area of Myerstown Bank (Lebanon County) there are 10 banking offices holding between them \$163 million of deposits (as of June 30, 1966). The three largest banks, combined, in Lebanon County (including the Myerstown Bank) accounted for slightly over half the total county deposits. Alone, the Myerstown Bank accounted for approximately 12 percent of total county deposits, and is the third largest bank in the County.

The acquiring bank (American) derives only a very small amount of demand deposits (\$27,000) from within Lebanon County, constituting a negligible share of total county deposits (about .03 percent); its loans to Lebanon County customers (\$1.4 million) comprise the higher but still small proportion of about 1 percent of total county loans. It may be concluded that the present degree of competition between the American and Myerstown Banks is probably not significant.

However, the proposed merger will eliminate all future potential competition between these two banks. American is by far the largest bank in the four-county area. It has grown to a considerable extent by the merger process. In expanding from \$5 million of deposits in 1929 to \$263 million currently, American has acquired \$67 million, or approximately 25 percent by absorbing other banks. Some \$45 million of deposits have been acquired in six mergers since 1960. Lebanon County is surrounded by the area presently served by American.

If this merger is not approved, therefore, American would be the most likely entrant into Lebanon County by *de novo* branching or by merger with a smaller bank in the area.

Moreover, if this merger is authorized, further acquisitions involving other independent banks within the area may be stimulated, and there are indications that this process of consolidation has already commenced.

If, however, any reason exists to warrant elimination of Myerstown Bank by merger—and none is apparent on the facts presented—less anticompetitive alternatives are available. The Bank's directors state, "The bank has been approached by several institutions [to merge]."

Basis for Corporation approval, July 27, 1967

American Bank and Trust Co. of Pa., Reading, Pennsylvania (applicant), a State nonmember bank with total deposits of about \$275.4 million, 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 Myerstown Bank and Trust Company, Myerstown, Pennsylvania (Myerstown Bank), a State member bank which has total deposits of about \$21.6 million. The banks would merge under applicant's charter and as an incident to the merger the two offices of Myerstown Bank would become branches of the applicant, increasing the number of its offices to 19.

Competition. Applicant is headquartered in Reading (population 98,177), the principal city and seat of Berks County, Pa. Eleven of its branches are located in Reading and general vicinity, three are in Schuylkill County, north of Berks, and two are in Lancaster County, southwest of Berks. Both offices of Myerstown Bank are located in Myerstown (population about 3,300), Lebanon County, west of Berks. They are 21 miles distant from West Reading, site of applicant's closest office. Six offices of other banks are located in the intervening area, including four offices of the \$114.5 million deposit Peoples Trust City Bank, Reading, Pa., and an office of the \$84.6 million deposit Reading Trust Co.

The applicant derives only a very small portion of its demand deposits and loans from Lebanon County and existing competition between it and Myerstown Bank is not significant. The latter competes primarily with 10 other banks within 15 miles of Myerstown. Since Myerstown Bank is located about 3 miles from the Berks County line, it has some Berks County business, e.g., about 12 percent in demand deposits and a somewhat larger percentage in loans. Its largest competitor is the Berks-based Peoples Trust City Bank. Myerstown Bank also receives competition from two larger banks located in the City of Lebanon, about 6½ miles west of Myerstown.

Applicant has been expanding over the years and could legally apply to establish a *de novo* branch in Myerstown Bank's area. But it is not clear that applicant could obtain regulatory approval for such a branch. According to applicant, it has attempted to branch *de novo* where it believed this feasible but there is no area in western Berks County and eastern Lebanon County which lacks a convenient banking facility. In February, 1967, the State denied appli-

cant's request to establish a *de novo* branch in Chester County, and earlier, in September, 1965, denied its request for such a branch in the City of Lancaster.

Myerstown Bank, on the other hand, claims to be interested not in expanding into other areas but in merging with a substantially larger bank, primarily because of the loss of business accounts whose credit needs have outstripped its loan limits. Even if applicant succeeded in penetrating the Myerstown area *de novo*, the result could be to worsen this situation rather than produce significant competition between the merging institutions. Myerstown Bank indicates it decided to confine its merger discussions to applicant because of the similarity of their loan policies in promoting local economic welfare, and it is a fact that applicant has a good record in this respect. In view of the foregoing circumstances, it does not appear that this merger is likely to foreclose any meaningful potential competition.

The merger would increase applicant's share of the deposits in the resulting bank's service area by 1.1 percent, giving it 17 percent of the aggregate. While applicant is the largest bank, there are 70 other banks in the service area and some of these are sizable competitors. So are the out-of-area banks which solicit the prosperous local industries and commercial establishments. No objections to the merger were offered during the field interviews with banking officials, which included the Myerstown area where any harmful impact of this proposal would be mainly felt.

The merger would have no significant adverse effects on competition.

Financial and managerial resources and prospects. The banking factors are favorable with respect to the merging banks as they would be with respect to the resulting bank.

Convenience and needs of the community to be served. Applicant is a well managed, progressive bank with a good record of service to the community, particularly in providing financial and other support for industrial diversification and expansion. The principal effect of the merger on convenience and needs would be to bring to the Myerstown area banking credit ample for its requirements. The economy of the area is prospering and its outlook is favorable, with existing industries developing rapidly and others seeking plant locations. As noted, the credit needs of a number of firms have surpassed Myerstown Bank's capabilities. Applicant would also offer the area generally more complete banking and fiduciary services, including electronic data processing facilities.

Conclusion. The Board of Directors is of the opinion that the merger would not substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade, and would benefit the banking convenience and needs in the Myerstown area.

No. 21	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Delaware County Bank Delaware, Ohio	14,082	3	4
to merge with The Ostrander Banking Company Ostrander	1,835	1	

Summary report by Attorney General, May 9, 1967

The Delaware County Bank, with two offices in the town of Delaware and one office in the town of Galena, 12 miles east of Delaware, proposes to merge with the Ostrander Banking Company. The latter is located in the small community of Ostrander, 8 miles southwest of the town of Delaware.

The proposed merger will eliminate some existing competition between the two banks, whose main offices are 8 miles apart in what still is a rural part of the county.

There are three banks competing in Delaware County: Delaware Bank, Ostrander Bank, and The First National Bank of Delaware (also in the town of Delaware). Thus, the merger would reduce the total number of commercial banks in the county from three to two.

It would also increase concentration in banking resources in Delaware County. Delaware Bank already holds about 38 percent of the total IPC demand deposits in the county, and the proposed merger with Ostrander Bank would add another 5.5 percent to its market share. After the merger, it and The First National Bank of Delaware would have all the county's IPC deposits.

Basis for Corporation approval, July 27, 1967

The Delaware County Bank, Delaware, Ohio (applicant), an insured State non-member bank with total deposits of \$13.1 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge The Ostrander Banking Company, Ostrander, Ohio (Ostrander Company), an insured State nonmember bank which has total deposits of \$1.6 million. The banks would merge under the charter and title of applicant and as an incident of the merger the sole office of Ostrander Company would become a branch of applicant, increasing the number of its offices to four.

Competition. Ostrander Company is 8 miles from applicant's nearest office, at Delaware to the east, and the same distance from banking offices in Marysville, Ohio, to the west. Ostrander Company's service area extends in a radius about 4 miles from Ostrander and adjoins those of the Delaware and Marysville bank. Competition between the participating banks is not substantial, nor apt to become so.

Applicant's two Delaware, Ohio offices are in direct competition with three offices of The First National Bank of Delaware, a \$25 million affiliate of BancOhio Corporation, a registered bank holding company with 23 banks in Ohio having total resources of about \$900 million. First National's Sunbury, Ohio office is only 2 miles distant from applicant's Galena branch. Another BancOhio affiliate is located in Marysville, Ohio. Some additional, but less significant, competition stems from the northern portion of Franklin County where offices of large banks headquartered in Columbus, Ohio are located.

The resulting bank will compete with banks in Delaware County as well as those with nearby offices in the counties adjoining Delaware to the east, west and south. The relevant service area is considered by the Corporation to include 19 banking offices, nine in Delaware County, six in Franklin County and two each in Union and Licking Counties; the resulting bank would be the sixth largest of the 11 banks operating such offices. Applicant's share of the area deposits would increase from about 15 to 17 percent, and the resulting bank would rank third in area deposit volume.

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 and Prospects. The banking factors are favorable with respect to each of the merging banks. These factors with respect to the resulting bank would likewise appear to be favorable, subject to strengthening the bank's capital as set forth in the final paragraph of the accompanying order.

Convenience and Needs of the Community. The resulting bank will have a lending limit of \$85,000 as opposed to \$60,000 for the applicant, and this higher limit would benefit the Delaware community. It would also to some extent benefit the Ostrander community in meeting an indicated need for increased credit capacity to serve the larger farm operations and sizable residential mortgage customers. This need could be accentuated if the population growth from Franklin County (Columbus), now under way in southern Delaware County, becomes more significant in the Ostrander area.

No. 22	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Willimantic Trust Company Willimantic, Connecticut	21,651	2	3
<i>to merge with</i> County Bank and Trust Company of Danielson Danielson	3,409	1	

Summary report by Attorney General, June 20, 1967

The Willimantic Trust Co. proposes to merge with the County Bank and Trust Co., of Danielson. The two banks are located in towns 22 miles apart in Windham County in northeastern Connecticut.

The 1960 population of Windham County was 56,223, and that of the towns of Willimantic and Danielson 13,881 and 4,642, respectively. The Connecticut Development Commission projects a doubling of population by the year 2000.

Windham County has five banks with nine banking offices. In both Willimantic and Danielson the only banking alternative to the applicants are two branches of Connecticut Bank and Trust Co., the State's second largest bank. There are no other banks in the 22 miles between the two communities, which are connected by U.S. Route 6.

These two banks are 22 miles apart in different communities in Windham County. However, because there are no other banks in the intervening area (except for the two branches of Connecticut Bank and Trust), the proposed merger may eliminate some direct competition between Willimantic Trust and County.

Willimantic Trust now holds 20.5 percent of total deposits within Windham County and its acquisition of County would increase its market share by 4.0 percent. (It is not possible to calculate the market shares in terms of IPC demand deposits because Willimantic Trust failed to include separate branch allocation of such deposits.)

Basis for Corporation approval, August 4, 1967

Willimantic Trust Company, Willimantic, Connecticut (applicant), an insured State nonmember bank with total deposits of about \$19,710,000, 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 County Bank and Trust Company of Danielson, Danielson (Town of Killingly), Connecticut (County Bank), an insured State nonmember bank which has total deposits of about \$2,978,000. The banks would merge under the charter and with the title of the applicant, and as an incident of the merger, the sole office of County Bank would become a branch of the applicant, increasing the number of its offices to three.

Competition. Applicant is headquartered in Willimantic (population about 14,400) and operates one branch in Storrs, 9 miles north of the main office. County Bank's office is located in Danielson (population 4,642), 20 miles northeast of Willimantic. The primary service areas of the merging banks are separate but contiguous. The 20 miles intervening their offices are sparsely populated and neither bank derives an appreciable amount of business from the other's service area. No significant competition exists between them, nor is there any reasonable potential for such competition indicated by the record.

Both banks compete directly in their main office communities with branches of the State's largest commercial bank. Additional competition is furnished by a mutual savings bank in each of the communities of Willimantic and Danielson. The State's largest bank holds 61.5 percent of the IPC demand deposits held by the seven bank offices in the resulting service area. Following the merger, applicant would hold 37.4 percent of such deposits. With respect to IPC time

deposits, the resulting bank would be the smallest and hold 20.2 percent of the aggregate. Applicant would operate three of the seven banking offices.

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

Financial and managerial resources and prospects. These factors are favorable with respect to the resulting bank, as they have been with respect to applicant. County Bank, which was opened in 1962, experienced some initial losses but in general its financial condition and management have been regarded as satisfactory.

Convenience and needs of the community to be served. The principal effect of the merger on banking needs and convenience would be in Danielson. Applicant would provide a significantly larger lending limit, and in general more complete and convenient banking services, including trust services which are not presently available at County Bank. The larger loan limit would benefit the improving economy in the Town of Killingly.

Conclusion. The Board of Directors is of the opinion that the merger would not substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade, and would benefit the banking convenience and needs in the Danielson area.

No. 23	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Wilmington Savings Fund Society Wilmington, Delaware	223,176	6	7
<i>to acquire the assets and assume the liabilities of</i>			
Brandywine-Mechanics Savings and Loan Association Wilmington	3,016	1	

Summary report by Attorney General, March 2, 1967

Wilmington Savings Fund Society is the larger of the two mutual savings banks that are presently located in the State of Delaware. It has assets of \$218.6 million and operates six offices, four of which are in or close to the city of Wilmington. The Brandywine-Mechanics Savings and Loan Association has assets of \$3.2 million and operates one office in the City of Wilmington, a little over one mile from Wilmington Savings Fund Society's head office and somewhat less than a mile from one of the latter's branches.

It appears from the application that there is considerable existing competition between these institutions, particularly with respect to mortgage loans. It also appears that Wilmington Savings Fund Society would like to have an office in the Brandywine-Mechanics service area and might open a *de novo* branch therein absent this transaction.

On the other hand, the directors of Brandywine-Mechanics have allegedly decided that their institution will "merge, consolidate or in some other way cease to exist in its present form." From the competitive standpoint, it might be preferable for Brandywine-Mechanics to be purchased by or merge with the smaller of the State's mutual savings banks or with one of the smaller savings and loan associations.

Basis for Corporation approval, August 4, 1967

Wilmington Savings Fund Society, Wilmington, Delaware, (Society) with total deposits of about \$193 million, 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 assume the liabilities of Brandywine-Mechanics Savings and Loan Association, Wilmington, Delaware (S & L), which has total share accounts of about \$2.7 million. As of the effective date of the sale, the share accounts of seller, including serial, full paid, and instalment full

paid, will be converted to deposit accounts of the buyer without loss of interest and/or earnings. The resulting bank would be under the charter and title of Wilmington Savings Fund Society. As an incident to the transaction, the sole office of S & L would become a branch of Society, increasing the number of its offices to seven.

Competition. The main office and one branch of Society are located within the city limits of Wilmington; two of its branches are located in the city's suburbs and the remaining two are in Dover and Newark, outside the Wilmington trade area. S & L's sole office is located in an industrial-residential section in the northwestern part of Wilmington, an area which has experienced steady population decline. Society's branch at 3rd and Union Streets in Wilmington is slightly less than one mile distant from S & L and its main office is a little over a mile away.

The records of S & L indicate that the bulk of its accounts originate within one-half mile of its office. There are no other financial institutions within this area, however, one commercial bank operates a branch 0.7 of a mile distant and has received approval to establish another two blocks distant from S & L. Within a radius of 1½ miles of S & L there are seven other savings and loan associations, the main office and the 3rd and Union Streets branch of Society and four operating commercial bank offices. About 4.5 percent of Society's deposit accounts bear addresses located in S & L's service area, however, these accounts are principally carried at the main office of Society and would appear to evidence the convenience of that location to the depositors' place of business rather than a degree of competition between Society and S & L.

S & L is the fourth smallest of the 10 savings and loan associations in the City of Wilmington and after several years of negligible growth, is experiencing a decline. Its directors have indicated that the organization will definitely merge, consolidate, or in some other way cease to exist in its present form. Society, on the other hand, is a well established institution with a record of consistent growth and sound operation. It would increase in size only nominally as the result of this proposal.

Competition between the participating institutions is not significant, nor apt to become so if they did not merge. 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.

Financial and Managerial Resources and Future Prospects. While Society's record under these factors is favorable, S & L is experiencing a decline in its share accounts, its surplus (capital) protection is below generally accepted standards and the prospects for increasing it are poor. Its management, while capable of operating on the present scale, has made no provision for succession and is determined to withdraw from the field of competition.

The resulting bank would be satisfactory under all these factors.

Convenience and Needs of the Community. The subject transaction would have little effect on the services offered to the community. S & L's office would continue in operation but as a branch of a larger and much stronger savings institution and there would be no reduction in the services offered the community by such institutions.

No. 24	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Peoples Trust City Bank Reading, Pennsylvania	138,415	11	13
<i>to merge with</i> The Farmers National Bank and Trust Company of Boyertown Boyertown	17,256	2	

Summary report by Attorney General, March 13, 1967

Peoples Trust City Bank ("Peoples") is the second largest bank in Berks County, Pennsylvania. Its head office and two branches are located in Reading, which is the commercial and industrial center of Berks County; it also has four branches in the Reading suburbs, and four other branches located elsewhere in the county. The Farmers National Bank & Trust Company of Boyertown ("Farmers"), Boyertown, Pennsylvania, is one of two banks serving a small community, and its surrounding rural area, located about 15 miles east of Reading, in Berks County. The distance between Farmers and the closest branch of Peoples is approximately 10 miles.

The proposed merger would eliminate a certain amount of direct competition, particularly in the market for industrial and commercial loans, where Farmers has been active.

Also, the proposed merger would significantly increase Peoples' share of the already concentrated Berks County market, where Peoples and the largest bank together have more than 75 percent of total deposits. Peoples has total IPC demand deposits of \$39.2 million and Farmers has \$4.2 million in such deposits. These represent 24.4 percent and 2.6 percent, respectively, of the \$160.1 million in total IPC demand deposits for the county as a whole, as reported in the most recent published study.

Although the distance between the two banks and the proximity of Boyertown to Montgomery County (in which the major Philadelphia banks have branches) indicate that the foregoing market shares may overstate somewhat the competitive significance of the proposed Peoples-Farmers merger, we think it plain that the proposed merger would increase in concentration an already highly concentrated banking market. The application reveals no compelling countervailing considerations; Farmers is plainly a well managed and profitable bank, which has been able to serve the needs of its customers directly or through participation loans.

Basis for Corporation approval, September 8, 1967

Peoples Trust City Bank, Reading, Pennsylvania (applicant), an insured State nonmember bank with total deposits of about \$124 million, 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 Farmers National Bank and Trust Company of Boyertown, Boyertown, Pennsylvania (Farmers), which has total deposits of about \$15 million. The banks would merge under the charter and title of applicant, and as an incident thereof, the two offices of Farmers would become branches of applicant, increasing the number of its offices to 13.

Competition. Seven of applicant's 11 offices, including the main office, are located in Reading, Pennsylvania, population 98,000, or its immediate vicinity. The remaining offices are located to the west, northwest and southeast of Reading. All of applicant's offices are within Berks County. Farmers' main office is situated at Boyertown, population 4,000, 14 miles east of Reading and just inside the eastern boundary of Berks County. Farmers' branch is located about 1.5 miles east of Boyertown just inside Montgomery County. The nearest offices of the merging banks are the main office of Farmers and the Birdsboro branch of applicant. They are 12 miles apart, not directly connected by highway, and intervened by offices of other banks. Existing competition between the merging banks, if any, is nominal and there appears to be no reasonable potential for significant competition between them.

Applicant competes directly with 13 offices of a Reading-based bank more than twice applicant's size. This bank would hold 39.2 percent, or the greatest proportion of the deposit volume held by the banks operating within the resulting service area, and the resulting bank would hold 21.2 percent. Farmers' principal competitor is a Boyertown-based bank whose deposit volume is double that of Farmers. Farmers also receives competition from three sizable Philadel-

phia area banks which operate nine offices in the Pottstown area, 6 miles south of Boyertown. Applicant's 2.4 percent gain in deposits would not significantly alter the competitive picture in the resulting service area. While banking in that area is somewhat concentrated, 12 other banks operate 40 offices in the area. Several of these banks are large and formidable competitors. There is also substantial competition from nonbank institutions as well as some competition from out-of-area banks. The resulting bank would be the fifth largest serving the overall trade area and its presence in Boyertown should stimulate competition.

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 and prospects. These factors are favorable with respect to applicant, as they will be with respect to the resulting bank. While the financial and managerial resources of the merging bank, Farmers, are satisfactory, its future prospects are clouded to some extent by its inability to meet the larger credit requirements of a growing community with consequent adverse effect on its demand deposit volume.

Convenience and needs of the community. The merger would have little impact on the convenience and needs of the area now served by applicant, but should significantly benefit the area served by Farmers by providing much greater credit to meet the needs of the area's larger business and industrial concerns. In addition, the applicant with its computer services and generally more complete banking and fiduciary services, would enhance the banking facilities in Boyertown.

For these reasons and on the basis of the above information and other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 25	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Hartford Bank Hartford, Kentucky	4,954	1	2
to merge with The Farmers Bank Centertown	1,085	1	

Summary report by Attorney General, June 29, 1967

The proposed merger would combine two of the six commercial banks operating in Ohio County in West Central Kentucky. The proposed merger would eliminate some direct competition between the applicant banks and would reduce the number of commercial banking alternatives from six to five. The bank which would be eliminated by this merger is presently the county's smallest commercial bank. The acquiring bank holds 22 percent of the county's IPC demand deposits and the acquired bank 6 percent.

Basis for Corporation approval, October 12, 1967

The Hartford Bank, Hartford, Kentucky (applicant), an insured State nonmember bank with total deposits of \$4,539,000, 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 Farmers Bank, Centertown, Kentucky (Farmers), an insured State nonmember bank which has total deposits of \$1,012,500. The banks would merge under the charter and with the title of the applicant, and as an incident to the merger, the sole office of Farmers would become a branch of the applicant, increasing the number of its offices to two.

Competition. Applicant is located in Hartford (population 1,618), the seat of

Ohio County. Farmers' office is located 6 miles southwest in Centertown (population 327). Applicant's influence extends throughout the county and encompasses the service area of Farmers which consists of a small area around Centertown in the southwestern corner of the county. However, there is no significant competition between the merging banks. They have been commonly owned and managed for about 15 years and the possibility of competition developing between them in the future is limited not only by this but by the size and nature of the Centertown area. This area has been declining in population and appears too small in deposit potential to continue to support a viable unit bank.

Applicant's principal competitor is a bank in Beaver Dam which is the largest bank in the county and located 4 miles southeast. Applicant would remain second in size in the county and would have \$5.2 million IPC deposits following consummation of the proposal. The Beaver Dam bank has IPC deposits of \$6.3 million. The addition of \$1 million to applicant's present IPC deposit size would cause little change in competition throughout the county since the merging banks have operated under the same ownership and management for many years.

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 and Prospects. These factors are favorable with respect to the resulting bank as they have been with respect to the applicant. The financial and managerial resources with respect to Farmers are satisfactory, however, its future prospects as a unit bank are unsatisfactory because of its inadequate lending limit of \$12,000, deposit growth potential and the burden on its earnings which has been imposed by the recent increase in time deposit interest rates.

Convenience and Needs of the Community to be Served. There would be some benefit to the convenience and needs of the community now served by the applicant in that increased lending capacity would be available. The Centertown area would benefit by the availability of additional and improved deposit and loan services directly in the community.

For these reasons and on the basis of the above information and other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 26	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Banco Popular de Puerto Rico San Juan, Puerto Rico to acquire a portion of the assets and assume a portion of the deposit liabilities of	397,838	58	58
Chemical Bank New York Trust Company New York, New York	5,149 ²	1	

Summary report by Attorney General, October 13, 1967

This transaction will result in the purchase by Banco Popular of Chemical's lease on banking facilities located at 90 Delancey Street in Manhattan, together with the bulk of that branch office's assets and deposit liabilities. Banco will transfer its banking operation now conducted at 111 Essex Street (one block away) to the Delancey Street location. At the same time, Chemical's banking operation in this now predominantly Spanish-speaking area will be closed. Because of the relative nearness of the two banks to each other, it is probable

that direct competition exists between them, and this competition would be foreclosed by consummation of the instant transaction. However, we do not believe that the transaction would adversely affect over-all area competition, nor do we think that its consummation would result in a significant increase in area concentration.

Basis for Corporation approval, October 13, 1967

Banco Popular de Puerto Rico, San Juan (Hato Rey), Puerto Rico (applicant), an insured nonmember bank with total deposits of about \$345 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to purchase a portion of the assets and assume the liability to pay a portion of the deposits made in the 90 Delancey Street branch of Chemical Bank New York Trust Company, New York (Manhattan), New York (Chemical), which has total deposits of about \$6.3 billion including \$6.5 million in deposits at the branch. As an incident of the proposed transaction, the present office of applicant at 111 Essex Street would be closed. Its operations would be relocated to the 90 Delancey Street branch of Chemical and there would be no change in the existing number of applicant's offices.

Competition. Applicant's Essex Street branch and Chemical's Delancey Street office are 150 feet apart in the Lower East Side section of the Borough of Manhattan in New York City. The population of the service area was 50,473 in 1960. Applicant operates two other branches in Manhattan, one in the Bronx, 42 permanent branches in Puerto Rico and 6 mobile units serving 11 locations on the Island, for a total of 58 outlets, including the main office. Chemical operated a total of 139 offices on June 30, 1967. Its main office and 76 of its branches are located in Manhattan.

There are seven banking offices of six other commercial banks and two branches of a mutual savings bank located in the area served by the participating banks' branches involved in the proposal. The neighborhood is predominantly Puerto Rican and applicant's branch is eminently suited to compete for the business of this segment of the population. Chemical's Delancey Street branch deposits have leveled off since 1962 and it apparently is not competing effectively in this service area. Competition between the participating banks' branches involved in the proposal would not appear to be substantial. Moreover, relative to the total competition generated among the bank offices in the service area, the elimination of Chemical's branch as a competitor would not substantially reduce overall competition.

Applicant's Essex Street branch would assume about \$5.1 million in IPC deposits held by Chemical's Delancey Street branch and the resulting office would hold 11.8 percent of the aggregate IPC deposits held by the eight commercial banking offices remaining in the service area. Two large New York banks, with total deposits of \$4 billion and \$6 billion, each hold 29.1 percent of the IPC deposits through their three branches in the area. Applicant's branch would hold the fourth largest proportion of IPC deposits and the applicant would be the fifth largest commercial bank represented there. The remaining four largest commercial banks having branches in the area hold total deposits ranging between \$1.0 billion and \$11.0 billion.

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.

Financial and Managerial Resources and Prospects. These factors are favorable with respect to the applicant as they will be with respect to the resulting bank. The future prospects of Chemical's Delancey Street branch are clouded to some extent by its apparent lack of deposit growth.

Convenience and Needs of the Community to be Served. Discontinuance of bank operations at applicant's Essex Street branch has been necessitated by condemnation proceedings of its property by the City of New York. Its relocation to a site only 150 feet distant should not cause significant inconvenience

to its customers. The proposed branch and its Spanish-speaking staff will occupy a more prominent location from which to serve the predominantly Puerto Rican neighborhood. The number of bank offices in the area will be reduced by one, however, seven branches of six other commercial banks and two offices of a mutual savings bank will be located within the service area and within 2,000 feet of the proposed branch office.

For these reasons and on the basis of the above information and other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 27	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Peoples Bank of South Carolina, Inc. Florence, South Carolina	9,182	2	3
<i>to merge with</i> The Peoples Bank Lynchburg	924	1	

Summary report by Attorney General, July 25, 1967

Peoples Bank of South Carolina ("Florence Bank") proposes to merge with Peoples Bank of Lynchburg ("Lynchburg Bank").

Florence Bank's operations are centered in the City of Florence (population 24,722), which is the county seat of Florence County (population 84,438). The county is located in the northeastern portion of the State of South Carolina and is primarily an agricultural area, although industry is becoming increasingly important. The county has 10 banks with 22 banking offices; and Florence Bank has about 8.4 percent of the IPC demand deposits of such banks. Within the City of Florence itself, there are four banks with 11 offices: Florence Bank is the smallest of these in terms of total deposits—competing with four branches of The South Carolina National Bank of Charleston (total deposits, \$378.3 million), two branches of The Citizens and Southern National Bank of South Carolina (total deposits, \$203.5 million), and the head office and two branches of Guaranty Bank and Trust Company (total deposits, \$22.1 million).

Lynchburg Bank is located in Lynchburg (population 544), which is located in adjacent Lee County (population 21,832), about 20 miles southwest of Florence. Lynchburg Bank is the only bank in Lynchburg and the surrounding agricultural areas. Lee County, an area of declining population, has three banking offices operated by three banks; and Lynchburg Bank accounts for about 15 percent of the IPC demand deposits of these three banks.

The offices of the two merging institutions are about 20 miles apart in different counties. Since there is only one bank lying between the communities of Florence and Lynchburg, it may well be that the four Florence banks compete to some extent with Lynchburg Bank for business from the intervening area; nevertheless, the amount of direct competition between the merging banks would not appear to be substantial.

While South Carolina law permits statewide branch banking, there is no evidence that either of the merging banks (which appear to be the smallest institutions in their respective areas) is one of the most probable entrants into the market of the other by *de novo* branching.

Therefore, in view of the size of the merging banks and the distance between them, we believe that any adverse effect on competition would be slight.

Basis for Corporation approval, October 18, 1967

The Peoples Bank of South Carolina, Inc., Florence, South Carolina (applicant), an insured State nonmember bank, with total deposits of about \$6.3 million, 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 Peoples Bank, Lynchburg, South Carolina (Lynchburg Bank), which has total deposits of about \$900,000. The banks would merge under the charter and title of applicant and as an incident thereof the sole office of Lynchburg Bank would become a branch of applicant, increasing the number of its offices to three.

Competition. Applicant's main office and sole branch are located in Florence, South Carolina, population 24,700. Lynchburg Bank is located 20 miles southwest of Florence in the farming community of Lynchburg, population 540. The two banks operate in separate and distinct service areas without apparent overlap. There are no other banking offices in Lynchburg but Lynchburg Bank competes against seven other banks with 11 banking offices, including a bank located almost midway between Lynchburg and Florence. Applicant competes against one other bank headquartered in Florence which has two in-town branches, as well as against three larger Charleston and Columbia based banks which operate a total of six branches in Florence and two in Darlington, 10 miles northwest of Florence, but within the trade area served by applicant. There is little competition existing between the two participating banks which would be eliminated by their merger. Applicant holds 9.8 percent of the aggregate deposits of its service area as compared with the 1.7 percent share held by Lynchburg Bank in its service area. Because of Lynchburg's small size and history of decline, there appears to be no reasonable potential for significant competition between the two subject banks.

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 and future prospects. These factors are all favorable with respect to applicant as they would be with respect to the resulting bank. Lynchburg Bank, on the other hand, is facing a management succession problem, inasmuch as the two dominant individuals in management are both over 70 years of age. Its future prospects, furthermore, are clouded by the rising cost of time deposits and the growing need to increase staff salaries to realistic levels.

Convenience and needs of the community. The proposed merger would bring a wider range of banking services to the Lynchburg area including an increase in the legal lending limit from \$16,500 to \$170,600. Local customers would get the benefit of generally higher rates of interest paid on time deposits and of exchanging checks on a par basis.

No. 28	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Merchants State Bank Humboldt, Tennessee to merge with	11,933	3	4
The Bank of Gibson Gibson	970	1	

Summary report by Attorney General, June 27, 1967

Merchants State Bank of Humboldt, Tennessee, proposes to merge with The Bank of Gibson, Gibson, Tennessee. Both banks are located within Gibson County, Tennessee (population 44,699), which has 14 banks with 20 banking offices.

The head offices of the two banks are 5 miles apart, with no other banks in the intervening area. Gibson Bank clearly competes with Merchants, as well as with the other two banks in Humboldt, and the proposed merger would eliminate this competition with Merchants.

Gibson was created by Merchants in 1903, and for many years Merchants has owned about 40 percent of Gibson's stock. This affiliation may in fact reduce the degree of actual competition between them.

Concentration in commercial banking would be increased slightly by the proposal. Within Gibson County, Merchants now has 17 percent of total county IPC demand deposits; its merger with Gibson Bank would add another 2 percent to its market share.

Basis for Corporation approval, October 18, 1967

Merchants State Bank, Humboldt, Tennessee (State Bank), an insured State nonmember bank with total deposits of about \$11 million, 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 of Gibson, Gibson, Tennessee (Merging Bank), also an insured State nonmember bank which has total deposits of about \$900,000. The banks would merge under the charter and title of State Bank and as an incident thereof, the sole office of Merging Bank would become a branch of State Bank, increasing the number of its offices to four.

Competition. Humboldt, Tennessee, the location of the main office and one branch of State Bank (its only other branch is at Rutherford, well outside the service area relevant to this proposal) is in the extreme southern part of Gibson County and has a population in excess of 10,000. The Town of Gibson, the location of Merging Bank, is situated some 5 miles northeast of Humboldt, and is a small farming community with a population of about 300. The service areas of the participating banks overlap; however, competition between them is minimal. State Bank was instrumental in the founding of Merging Bank in 1903, and has since held in excess of 40 percent of that bank's outstanding stock. Merging Bank has been more of a satellite of State Bank than a competitor.

The present concentration of deposits and loans in the service area and in Gibson County would be relatively undisturbed by this merger. State Bank presently has 18.9 percent of the IPC deposits and 23.7 percent of the loans in the service area. The resulting bank would have 20.8 percent and 24.3 percent of the IPC deposits and of the loans, respectively. There would continue to be vigorous competition from nine other banking offices in the primary service area, three of which combined hold 49.0 percent of the IPC deposits and 44.2 percent of the loans. There is also considerable competition from nonbank institutions in the area.

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 and Prospects. These factors are favorable with respect to State Bank, as they will be with respect to the resulting bank. When considering Merging Bank, the financial and managerial resources are satisfactory and its future prospects, although satisfactory also, are somewhat less favorable than State Bank, inasmuch as its size tends to circumscribe the services it is able to render.

Convenience and Needs of the Community. The merger would have little impact on the convenience and needs of the area now served by State Bank, but should benefit the community of Gibson through the resulting bank's ability to handle larger lines of credit and through the introduction of par banking and trust services on a local basis.

Based on the foregoing and other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 29	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Banco Popular de Puerto Rico San Juan, Puerto Rico <i>to acquire the assets and assume the liabilities of</i>	402,987	58	59
Banco de San German San German	3,763	1	

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

Basis for Corporation approval, November 7, 1967

Banco Popular de Puerto Rico, San Juan (Hato Rey), Puerto Rico, an insured nonmember bank with total deposits of about \$350.4 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to purchase the assets and assume the liability to pay deposits of Banco de San German, San German, Puerto Rico, an insured nonmember bank with total deposits of about \$4.5 million. As an incident of the proposed transaction, the present sole office of the Banco de San German would become a branch of the resulting bank.

Substantial shortages have been discovered in the accounts of the Banco de San German, far exceeding capital and reserves and destroying liquidity. The Board of Directors has found that it must act immediately in approving the application to prevent the probable failure of the Banco de San German.

No. 30	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Continental Bank and Trust Company Norristown, Pennsylvania <i>to acquire the assets and assume the liabilities of</i>	443,476	39	40
Sonsitaly Bank and Trust Company Philadelphia	5,705	1	

Summary report by Attorney General, September 26, 1967

The proposed transaction would combine the sixth largest commercial bank in the Philadelphia area, Continental, with one of the smallest commercial banks in that area, Sonsitaly.

In the entire Philadelphia Standard Metropolitan Area, a market probably too broad for analysis in this particular case, the proposed merger would increase Continental's share of total deposits from 4.7 to 5.3 percent, and its effect on concentration in this area would not be substantial.

On the other hand, since the Tasker Street branch of Continental is directly adjacent to Sonsitaly's sole office and is certainly the closest competitor, the proposed merger would eliminate considerable direct competition between these two banks for mortgage loans and certain deposit customers.

Basis for Corporation approval, November 7, 1967

Continental Bank & Trust Company, Norristown, Pennsylvania (Continental), an insured State nonmember bank with total deposits of about \$383 million, 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 assume the liabilities of Sonsitaly Bank and Trust Company, Philadelphia, Pennsylvania (Sonsitaly), also an insured State nonmember bank, which has total deposits of about \$5 million. The banks would effect this transaction under the charter and title of Continental and as an incident thereof the sole office of Sonsitaly would become a branch of Continental, increasing the number of its offices to 40. It also has one approved but unopened branch.

Competition. Continental's service area is located in the southeastern corner of Pennsylvania and consists of all of Philadelphia and Montgomery Counties and portions of four other counties contiguous to Montgomery County. The population of the service area is estimated to be in excess of 2.3 million. Sonsitaly's service area, a section of South Philadelphia, contains 11 offices of six other commercial banks, including a Continental branch, 1½ blocks from Sonsitaly. The resulting bank's share of the aggregate commercial bank deposits of this area would be fourth largest. Continental's nearest other office to Sonsitaly is 1½ miles to the northeast and separated by a competing bank office. Competition between Continental's local branch and Sonsitaly is minimized by the limited range of services that Sonsitaly offers. Its three basic services are checking accounts, savings accounts, and residential mortgage loans and even these limited services are offered principally to the ethnic group related to the ownership interest. The bank's growth has been virtually static and its future appears less than bright. Conversely, Continental is a large institution with broader experience and capacity in all banking functions. The aggressive management and policies of Continental would promote competition in all fields of operation. The present concentration of banking in the Philadelphia area would be largely unaffected by this transaction. In addition, mutual savings banks and nonbank institutions offer considerable competition.

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.

Financial and Managerial Resources and Prospects. Although Continental's record under these factors is favorable, Sonsitaly has experienced only nominal growth, has suffered a decline in the past three years in its adjusted capital and has demonstrated weak earnings. It lacks the management and facilities to compete as a full-service bank.

The resulting bank would be satisfactory under all these factors.

Convenience and Needs of the Community. The transaction would have virtually no effect on the services offered in the trade area of Continental. It would, however, result in a significant expansion of the services offered to Sonsitaly's customers at its present location. A small limited-service bank would be replaced by a branch of a large full-service bank.

Based on the foregoing and on other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 31	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Northwest Pennsylvania Bank & Trust Co. Oil City, Pennsylvania <i>to merge with</i>	103,611	14	16
The Grove City National Bank Grove City	14,004	2	

Summary report by Attorney General, July 24, 1967

Northwest Pennsylvania Bank & Trust Company ("Northwest"), a 14-office bank in northwestern Pennsylvania, proposes to acquire Grove City National

Bank ("Grove City Bank") in Grove City, Pennsylvania. The latter bank operates its main office and a branch in Grove City, Mercer County, Pennsylvania.

Grove City (population, 8,368) has three banking offices: the two offices of Grove City Bank and a branch of First Seneca Bank & Trust Company. There are no other banks in the immediate area.

Mercer County as a whole (population, 127,591) has eight banks with 29 banking offices. This total includes two Northwest branches in the town of Mercer, and a third in the town of Fredonia.

The proposed merger would eliminate at least some direct competition between Northwest and Grove City Bank. Of the six banking offices closest to Grove City, three are branches of Northwest—two located 10 miles to the northwest at Mercer (in Mercer County) and one located 13 miles to the east at Clintonville (in Venango County). Mercer and Grove City are connected by a main highway and there are no towns or banks in between. The three other banks are located 4, 7, and 10 miles away, respectively. It would thus appear that Northwest's offices are close enough to compete with Grove City Bank and First Seneca Bank and Trust Co. for business in Grove City.

There has been a substantial bank merger trend in the four counties—Venango, Clarion, Crawford and Mercer—where Northwest's 14 offices are located. The leading bank in this four-county area is Northwest (deposits of \$92.5 million), with First Seneca Bank & Trust Company (deposits of approximately \$90 million) a close second. Both Northwest and First Seneca have engaged in extensive merger activity in recent years. Since 1953, Northwest has acquired eight banks, and First Seneca has acquired nine. Other banks have also participated in the area's merger trend—which has resulted in the elimination of more than 21 independent banks in the four-county area, and has contributed to the concentration of about 40 percent of the area's deposits in the hands of the area's two largest banks.

Within the four-county area in which Northwest operates, Northwest has 20.1 percent of \$425.4 million in IPC deposits (demand and time), and Grove City Bank has 2.8 percent. In Mercer County alone, Northwest's three branches account for 9.8 percent of the county's \$159.7 million in IPC deposits, and Grove City Bank has 7.8 percent.

Thus the proposed merger involves significant increase in concentration—particularly in Mercer County—in the context of a long-term trend toward increased concentration in banking resources resulting from mergers.

For the reasons stated above, we find the proposed merger between Northwest and Grove City Bank to be significantly anti-competitive.

Basis for Corporation approval, November 7, 1967

Northwest Pennsylvania Bank & Trust Co., Oil City, Pennsylvania (applicant), an insured State nonmember bank with total deposits of \$92,537,000, 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 Grove City National Bank, Grove City, Pennsylvania (Grove City Bank), which has total deposits of \$12,517,000. The banks would merge under the charter and with the title of the applicant, and as an incident to the merger, the two offices of Grove City Bank would become branches of the applicant, increasing the number of its offices to 16.

Competition. Applicant is headquartered in Oil City (population 17,700), which is situated in the central section of Venango County. It operates 14 offices throughout Venango, Clarion, Mercer, and Crawford Counties. Grove City Bank's two offices are in the community of Grove City (population 8,400), which is situated in the southeastern corner of Mercer County. The merging banks' main offices are about 35 miles apart. Applicant's offices closest to Grove City are its branches in Mercer and Clintonville, 10 and 13 miles distant. Primary competition to Grove City Bank is furnished by First Seneca Bank and Trust Company which has IPC deposits of \$87 million and two branches in

Grove City. First Seneca Bank is headquartered in Oil City and is applicant's principal competitor. Four miles from Grove City, in Harrisville, is a branch of the \$2.3 billion IPC deposit bank, Mellon National Bank and Trust Company, Pittsburgh. The merging bank's closest offices derive only a small portion of their business from each other's service areas.

Applicant is the fourth largest bank in absolute size in the resulting service area and the proposal would not significantly increase its share of the aggregate IPC deposits. Applicant presently holds the largest proportion, 19.4 percent, which exceeds by a narrow margin the 19.2 percent held by its principal competitor, First Seneca Bank and Trust Company. The resulting bank would have 22.2 percent. The largest bank in absolute size represented in the area is Mellon National Bank. The increase in applicant's size would not materially affect the existing competitive relationships in the communities it presently serves. The entry of applicant into Grove City would tend to stimulate competition in that community where the applicant's principal competitor is presently represented.

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 and Prospects. These factors are favorable with respect to the resulting bank as they have been with respect to the merging banks. The proposal would resolve a problem of management succession at the Grove City Bank and provide managerial resources of adequate depth and quality.

Convenience and Needs of the Community to be Served. Consummation of the merger will introduce an aggressive management with expanded and more competitive banking services which should benefit the Grove City community. Industry in the area is expanding and recent loan demands have been higher than Grove City Bank could independently accommodate. The applicant will provide more comprehensive and complete trust services than Grove City Bank now offers. The residents of the area will continue to have a good choice of banking facilities with two banking alternatives in Grove City and four others at four locations within 10 miles.

Based on the foregoing and other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 32	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Branch Banking & Trust Company Wilson, North Carolina	157,706	40	42
to merge with Bank of Davie Mocksville	10,230	2	

Summary report by Attorney General, September 29, 1967

The Branch Banking and Trust Co. ("BB&T") proposed to merge with the Bank of Davie ("Davie"). BB&T, the sixth largest bank in North Carolina, operates 40 banking offices primarily in Eastern North Carolina. Davie has two offices in Mocksville, which is in Davie County in the Piedmont region of the State.

At present, the expanding banking market of Davie County is served by only two banks—Davie and a branch of Central Carolina Bank and Trust Co., a Durham-based bank with total deposits of \$80.8 million. Davie is the dominant institution in the market, accounting for over 85 percent of both total deposits and IPC demand deposits in the county.

Since the nearest office of BB&T is approximately 120 miles from the nearest office of Davie, at the opposite end of the State, it is unlikely that there is direct substantial competition between the merging banks which would be foreclosed by the proposed merger.

The proposed merger would eliminate BB&T as a source of potential competition in Davie County, since North Carolina law permits statewide branch banking (N.C. Gen. Stat. §53-62). Since BB&T is the sixth largest bank in the State it would appear to be one of the most likely entrants into Davie County, an area of expanding economic growth.

The proposed merger is part of a continuing trend of acquisitions and mergers by North Carolina's largest commercial banks. This merger trend has already had an adverse effect on potential competition in the State by inhibiting the establishment of *de novo* branches by the largest banks, and thereby retarding the development of a more competitive banking structure in North Carolina.

Basis for Corporation approval, November 2, 1967

Branch Banking & Trust Company, Wilson, North Carolina (applicant), an insured State nonmember bank, with total deposits of about \$134.5 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge Bank of Davie, Mocksville, North Carolina which has total deposits of about \$8.9 million. The banks would merge under the charter and title of applicant and as an incident thereof the two offices of the Bank of Davie would become branches of applicant, increasing the number of its offices to 42.

Competition. Applicant's main office is located in Wilson, North Carolina, 160 miles east of Mocksville and its closest office to Mocksville is at Cary, 102 miles to the east. Applicant is the State's sixth largest bank, operating 40 offices in 18 separate service areas throughout eastern North Carolina in competition with the State's four largest banks and numerous smaller institutions. Bank of Davie is the only bank in Mocksville, population 2,400. It competes with the only other bank in Davie County which has a branch in Cooleemee, 5 miles distant, and approval to establish a branch in Mocksville which is now nearing completion. There is no competition existing between applicant and Bank of Davie which would be eliminated by their merger. Because of several factors, including the long distance between Mocksville and applicant's nearest offices, any potential for competition between the two participating banks through *de novo* branching in each other's area is slight.

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 and Future Prospects. These factors are favorable for applicant and Bank of Davie as they would be with respect to the resulting bank.

Convenience and Needs of the Community. The effect of the proposed merger on the community would be to introduce the wider services of applicant into the Mocksville and Davie County area, including trust and other specialized banking and greatly expand legal lending limitations and capacity.

Based on the foregoing and other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 33	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of the West Bellevue, Washington	7,925	1	2
to merge with Highlands National Bank of Renton Renton	3,032	1	

Summary report by Attorney General, September 1, 1967

The proposed merger involves two small banks that opened for business in 1965, located in King County, Washington (which also contains the City of Seattle).

There appears to be little present direct competition between the merging banks, located approximately 9 miles apart in two different suburbs of Seattle. There are several smaller communities, and a considerable number of banking alternatives, situated between Bellevue and Renton.

Within the Bellevue-Renton area (in King County), the bank resulting from the proposed merger would hold 4.5 percent of total IPC deposits individually; Highlands now holds 1.4 and West 3.1 percent of such deposits. If the merger were approved, there would continue to be eight banks with 25 offices in this area. Among them are banks with considerably larger market shares than the resulting bank, including Seattle-First National Bank, Washington Mutual Savings Bank, Peoples National Bank, and National Bank of Commerce, with about 38, 20, 13, and 12 percent, respectively, of IPC deposits within the Bellevue-Renton area.

Within King County as a whole (which we believe overstates the market), the combined share of IPC demand deposits of the merging banks is only about 0.2 percent.

We conclude that the proposed merger will have little, if any, effect upon competition within the Bellevue-Renton area, King County or the broader Seattle Metropolitan Area.

Basis for Corporation approval, November 15, 1967

Bank of the West, Bellevue, Washington (applicant), an insured State non-member bank with total deposits of \$6.5 million 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 Highlands National Bank of Renton, Renton, Washington (National), which has total deposits of \$2,451,000. The banks would merge under the charter and with the title of the applicant and, as an incident to the merger, the sole office of National would become a branch of the applicant, increasing the number of its offices to two.

Competition. Bellevue (population 22,000) is located 10 miles east from downtown Seattle. Renton (population 23,000) is located 11 miles south from Bellevue and 12 miles southeast from downtown Seattle. Both banks are new institutions opened in 1965; they primarily serve separate although contiguous areas. Several offices of other banks intervene their locations, and competition between them is minimal.

Several offices of some of the largest banks headquartered in the State are located in each merging bank's service area. Eight commercial banks presently operate 22 offices in the combined service area. These offices include 19 operated by five of the State's eight largest commercial banks. The largest bank has eight offices in the area which hold almost 47 percent of the aggregated deposits. Three other banks hold proportions ranging between 12 percent and 17 percent. The resulting bank's two offices would hold but 5.7 percent. The resulting bank would be smallest in absolute size in the combined service area. The next larger bank has \$12.5 million in deposits, and the remaining banks have total

deposits ranging from \$117 million to \$1.4 billion. The proposed merger would have no adverse effect on competition in either merging bank's service area.

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 and Prospects. These factors have been favorable with respect to the merging banks and are so projected for the resulting bank. Future deposit growth prospects for National, as a branch of the applicant, would be enhanced under the latter's more aggressive management.

Convenience and Needs of the Community to be Served. The increased lending limit would be of benefit to customers of both merging banks which are located in economically expanding areas. The resulting bank will offer, to a greater extent, complete mortgage loan services demanded by the heavy residential building activity in both service areas. It is anticipated that National's inadequate quarters will be replaced by a new and larger building which would better serve the needs of the community. It is planned to concurrently extend the daily hours of the proposed branch in Renton for the convenience of the commuter population.

On the basis of the above information and other information available to the Corporation, the Board of Directors has concluded that the approval of the bank's application is warranted.

No. 34	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Guaranty Bank Phoenix, Arizona (change title to United Bank of Arizona)	68,333	6	12
<i>to merge with</i> Central Arizona Bank, Casa Grande,	4,949	2	
First Security Bank, Mesa, and	19,592	3	
The Saguaro Bank Tempe	9,543	1	

Summary report by Attorney General, August 28, 1967

There is no doubt that a certain amount of direct competition exists between Guaranty, First Security and Saguaro, since the distances between Phoenix, Tempe and Mesa are short and the number of commuters may be significant. On the other hand, there would appear to be very little direct competition between Central (in Casa Grande) and the other three banks in Metropolitan Phoenix, 38, 44, and 57 miles away, respectively.

Guaranty is presently the fifth largest bank in Arizona and the fourth largest in the Phoenix area. The other big Arizona banks (Valley National, Arizona Bank, First National Bank of Arizona, and Southern Arizona Bank, the latter two being under common ownership), also operate in the Phoenix area. Banking is already highly concentrated in the Phoenix metropolitan area, with the four largest banks (including Guaranty) holding 92.7 percent of total commercial bank deposits.

Guaranty alone holds 4.2 percent of IPC demand deposits within the Phoenix metropolitan area (which may overstate market area somewhat); its proposed acquisition of First Security and Saguaro would increase its market share to 5.8 percent. (Expressed in terms of total deposits, the combined market share would be about the same, or 5.7 percent.)

Guaranty's proposed acquisition of these two relatively new banks in Mesa and Tempe does not give it individually a high market share, but it would reduce the number of banking alternatives in the Phoenix metropolitan area from 11 to nine. Proposed transaction would also eliminate, at the same time, three of the newer banking entrants in a State with a highly concentrated banking structure and only 16 banks altogether; all of these banks being acquired now possess unusual strength and recent growth and an even greater competitive potential for the future.

Basis for Corporation approval, November 15, 1967

The Guaranty Bank, Phoenix, Arizona (applicant), an insured State nonmember bank with total deposits of \$57,467,000, 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 Central Arizona Bank, Casa Grande, Arizona (Central), an insured State nonmember bank which has total deposits of \$4,079,000, First Security Bank, Mesa, Arizona (First Security), an insured State nonmember bank which has total deposits of \$17,151,000, and The Saguaro Bank, Tempe, Arizona (Saguaro), an insured State nonmember bank which has total deposits of \$8,547,000. The banks would merge under the charter of the applicant and with the title "United Bank of Arizona" and, as an incident to the merger, applicant and Saguaro would retire part of their common capital and the six offices of Central, First Security and Saguaro would become branches of the applicant, increasing the number of its offices to 12.

Competition. Applicant is headquartered in Phoenix (population 518,000), the seat of Maricopa County. It has four branches in Phoenix and one branch in Scottsdale, 12 miles east from the main office. The applicant primarily serves the Phoenix-Scottsdale area. Central's main office is in Casa Grande, 57 miles southeast from the applicant's main office. Central's sole branch is located in Coolidge, 22 miles northeast from Casa Grande. The Casa Grande-Coolidge area has a combined population of 13,500 and is more than 30 miles from any offices of the other participating banks. First Security's three offices are located in Mesa (population 57,000). Mesa is 19 miles southeast of Phoenix. Saguaro's sole office is located in Tempe (population 50,000), 6 miles west from Mesa. Saguaro's office is 4½ miles from the nearest office of First Security and these are the closest of any of the participating banks' offices. The Phoenix-Scottsdale area is separated from the Tempe and Mesa areas by the Salt River bed and numerous bank offices intervene each of the merging banks' locations. This and other evidence indicates that there is little direct competition between Central and any of the other three banks involved in the proposal and that competition between applicant, First Security and Saguaro is not substantial.

Two or more of the State's four largest banks operate offices in each of the areas served by the merging banks. In each case, the offices of the large banks hold the majority of the aggregate deposits held by the bank offices in the respective service areas. In the combined service area 11 banks operate 127 offices. The State's four largest banks operate 109 of these offices and in the aggregate hold almost 90 percent of the deposits. These banks range in absolute deposit size from \$180 million to \$1.0 billion. There is little potential for any significant competition between these large banks and the merging banks. But, in consequence of this merger the resulting bank would have 12 offices and \$87.2 million in deposits, or 6.0 percent of the aggregate, and would be a stronger institution than any of its components. This should tend to enhance its competition with the State's banking giants represented in each participating bank's service area.

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 and Prospects. These factors are found to be generally satisfactory with respect to the resulting bank as they have been

with respect to the merging banks. The proposal would result in stronger overall management and would resolve First Security's undercapitalized position.

Convenience and Needs of the Community to be Served. Most of the State's growth has occurred in the resulting bank's service area and economic prospects are highly favorable. The resulting bank, with resources of almost \$100 million, a lending limit in excess of \$1.0 million, trust services, a computer department and loan specialists, will be better able to serve this expanding region than could the four banks independently.

Based on the above information and other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 35	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Commerce Bank and Trust Company Worcester, Massachusetts	13,157	2	3
<i>to merge with</i> Shrewsbury Bank and Trust Company Shrewsbury	5,375	1	

Summary report by Attorney General, July 25, 1967

The Commerce Bank and Trust Company, Worcester, Massachusetts, proposes to merge with the Shrewsbury Bank and Trust Company, Shrewsbury, Massachusetts.

The Shrewsbury Bank probably competes with Commerce to some extent, although its principal competitor is the local Shrewsbury branch of Worcester County National. Within the entire Worcester Metropolitan Area (an area which probably overstates the market in this case) the merging banks together hold only about 3 percent of total IPC demand deposits. It should be noted that the merging banks are largely owned by one family who hold 95 percent of the stock of Commerce and 89 percent of that of Shrewsbury Bank.

Basis for Corporation approval, November 15, 1967

Commerce Bank and Trust Company, Worcester, Massachusetts (Commerce), an insured State nonmember bank with total deposits of about \$11.2 million, 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 Shrewsbury Bank and Trust Company, Shrewsbury, Massachusetts (Merging Bank), also an insured State nonmember bank, which has total deposits of about \$4.6 million. The banks would effect this transaction under the charter and title of Commerce and as an incident thereof the sole office of Shrewsbury would become a branch of Commerce, increasing the number of its offices to three.

Competition. The primary service area of Commerce is the City of Worcester but touches on parts of six towns, including Shrewsbury, the location of Merging Bank. The primary service area of Merging Bank is the Town of Shrewsbury and portions of adjacent Worcester. Because of this overlapping of service areas, some competition exists between the participating banks but it does not appear to be substantial. The banks, moreover, are 3 miles apart in a populous area and are separated by a number of offices of other much larger banks. In addition, Merging Bank's principal competitor, only one-tenth mile away, is a branch of the largest bank in Worcester County.

Commerce is the second smallest and Merging Bank the smallest in their respective primary service areas. The resulting bank would continue to be one of the smallest in the entire area, with only 5.2 percent of the commercial bank deposits while the next largest commercial bank would be four times as large

with 20.9 percent. In addition, several large mutual savings banks offer competition in the area. This merger should enhance the resulting bank's capacity to compete with the larger banks in its service area.

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.

Financial and Managerial Resources and Prospects. The banking factors with respect to both participating banks are satisfactory, as they would be following the proposed merger.

Convenience and Needs of the Community. This merger would give the resulting banks a significantly higher lending limit. In addition, trust services may be introduced at a future date. The community's needs should be better served through combining the operations of these two relatively small banks.

Based on the foregoing and on other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 36	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Central Jersey Bank and Trust Company Freehold Township, New Jersey	148,233	16	18
to merge with The Sea Bright National Bank Sea Bright	7,738	2	

Summary report by Attorney General, September 29, 1967

The Central Jersey Bank and Trust Company is the second largest of 12 banks located in Monmouth County, New Jersey, where it operates 15 branch offices.

Three branches of Central Jersey—in the towns of Long Branch, Eatontown, and Fort Monmouth—are located from about 5 to 7 miles distant from Sea Bright National. This distance is sufficiently short that we believe the merging banks to be in direct competition with one another for at least certain classes of business. This competition would, of course, be eliminated by the proposed merger.

The proposed merger would also increase the market share of Monmouth County's second largest bank by about 1.2 percent of total IPC deposits to 22.1 percent, and further increase concentration in this already concentrated banking market.

Basis for Corporation approval, November 22, 1967

The Central Jersey Bank and Trust Company, Freehold Township (P.O. Freehold), New Jersey (applicant), an insured State nonmember bank with total deposits of \$133,835,000, 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 Sea Bright National Bank, Sea Bright, New Jersey (National) which has total deposits of \$7,315,000. The banks would merge under the charter and with the title of the applicant and, as an incident to the merger, the two offices of National would become branches of the applicant, increasing the number of its offices to 19, including applicant's approved, but unopened, de novo branch.

Competition. Applicant is headquartered in Freehold Township (population 6,500), which completely surrounds the Borough of Freehold (population 9,100), the seat of Monmouth County. Applicant's 16 offices are in Monmouth County and it has approval for an additional branch in Freehold Township. National's

main office is in the coastal resort community of Sea Bright (year-round population 1,400) and its sole branch is located in Rumson (population 7,400). Monmouth County, the relevant service area, has an estimated population of 420,800. The merging banks' nearest offices are 6 and 7 miles apart. Other operating or approved banking offices intervene these areas. National's conservative policies indicate that it is not a strong competitive force in the area it serves. This and other evidence indicates that existing competition and the potential for significant competition between the merging banks is minimal.

The increase of 1.2 percent in the applicant's share of the aggregate IPC deposits held by the banks in Monmouth County would not change its position as second largest bank. The resulting bank would have 22.1 percent of such deposits. The largest bank in the county holds 24.8 percent. National's nearest competitor, located 2 miles from its Rumson branch, is a branch of the county's third largest bank. The county's largest bank has approval to establish a branch 2 miles from National's main office. The increased resources of the applicant would not significantly affect competition in Monmouth County. Applicant's entry into the communities of Sea Bright and Rumson should stimulate competition in those areas.

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 and Prospects. These factors are satisfactory with respect to the merging banks and are so projected for the resulting bank.

Convenience and Needs of the Community to be Served. The Sea Bright and Rumson areas are not being adequately served by the National Bank. There is a demand in these areas for many services not now provided by National, including a much larger lending limit and types of loans other than those offered by National, which the resulting bank can provide. In addition, the resulting bank will offer computer and trust services.

On the basis of the above information, and other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

No. 37	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Wakefield Trust Company Wakefield, Massachusetts (change title to Melrose-Wakefield Trust Company)	16,077	2	5
<i>to consolidate with</i> Melrose Trust Company Melrose	14,328	3	

Summary report by Attorney General, November 7, 1967

The proposed consolidation involves Wakefield Trust Company, Wakefield, Massachusetts, and the Melrose Trust Company, Melrose, Massachusetts.

The closest offices of the merging banks are about 2½ miles apart in the adjacent communities of Wakefield and Melrose. In the Wakefield-Melrose area, Wakefield Trust is the fourth largest bank and Melrose Trust is the fifth largest. In view of the fact, however, that both banks have for many years been controlled by the same bank holding company, we conclude that the effect of the proposed merger on competition would not be substantial.

Basis for Corporation approval, November 28, 1967

Wakefield Trust Company, Wakefield, Massachusetts (Charter Bank), an in-

sured State nonmember bank with total deposits of about \$14 million, 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 Melrose Trust Company, Melrose, Massachusetts (Merging Bank), also an insured State nonmember bank, which has total deposits of about \$12.5 million. The banks would consolidate under the charter of Wakefield Trust Company and with the title Melrose-Wakefield Trust Company, and as an incident thereof, the three offices of Merging Bank would become branches of the resulting bank, increasing the total number of offices to five.

Competition. Wakefield, the location of Charter Bank's main office and its single branch, is located 10 miles north of Boston. Wakefield's population was approximately 24,000 in 1960. Melrose, where Merging Bank's main office and two branches are situated, is 3 miles nearer to Boston, and its population at the 1960 census was approximately 30,000. Both of the service areas are located in the Boston metropolitan area. Competition between the participating institutions is nominal and is further minimized by the fact that both institutions have long been controlled by The Shawmut Association, Inc., a registered bank holding company. It owns 75.7 percent of the outstanding stock of Charter Bank and acquired control in 1947, and 76.6 percent of the outstanding stock of Merging Bank, which it has controlled since 1937. In view of this long-standing common ownership, the intense competition from two much larger mutual savings banks in the combined service area, and the fact that Wakefield and Melrose are satellite municipalities in a large urban complex centering about Boston, the proposed consolidation would not have a significant effect upon competition. Although the large Boston banks may not legally branch into Wakefield or Melrose, they actively solicit business from those areas and many Wakefield and Melrose residents commute to Boston.

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

Financial and Managerial Resources and Prospects. The banking factors with respect to each participating bank are satisfactory as they would be with respect to the resulting bank following the proposed consolidation.

Convenience and Needs of the Community. Present and potential customers in both communities should benefit from the increased lending power of the resulting bank and the generally expanded services it would be able to offer.

Based on the foregoing and on other information available to the Corporation, the Board of Directors has concluded that approval of the application is warranted.

No. 38	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Clarksdale Clarksdale, Mississippi <i>to merge with</i>	34,087	4	6
The Bank of Lambert, Lambert Mississippi Lambert	4,692	2	

Summary report by Attorney General, November 13, 1967

The Bank of Clarksdale ("Clarksdale Bank"), with \$30.5 million in total deposits, proposes to merge Bank of Lambert ("Lambert Bank"), which holds total deposits of \$4.3 million.

Two of Clarksdale Bank's four offices are situated in Clarksdale, Mississippi (population 22,000), the county seat of Coahoma County (population 46,212). Its two new offices, if approved, will also be located in that county. Lambert

Bank's two offices are situated in adjacent Quitman County (population 21,019). This two-county area is still predominantly agricultural, although there is a gradual trend toward industrial growth. Prospects for continued economic growth are favorable.

Within Coahoma County, Clarksdale Bank competes directly with the four offices of two other commercial banks and is the dominant bank. Lambert Bank competes directly with the two offices of one other commercial bank in Quitman County but is the smaller of the two, holding about 40 percent of total deposits in the county.

The closest offices of the merging banks are about 22 miles apart, and there does not appear to exist a substantial amount of actual competition between them which would be eliminated by the proposed merger.

Mississippi law would permit Clarksdale Bank to expand by *de novo* branching into any community in adjacent Quitman County with a population of 3,500 or more. However, since the largest community in Quitman County appears to be Marks (1960 population 2,600), the proposed merger would apparently not at this time involve the loss of Clarksdale Bank as a potential entrant into this county where only two banks presently operate.

Basis for Corporation approval, November 28, 1967

Bank of Clarksdale, Clarksdale, Mississippi (applicant), an insured State non-member bank with total deposits of \$30,513,000, 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 of Lambert, Lambert, Mississippi, Lambert, Mississippi (Bank of Lambert) which has total deposits of \$4,292,000. The banks would merge under the charter and with the title of the applicant and, as an incident to the merger, the two offices of Bank of Lambert would become branches of the applicant, increasing the number of its offices to eight, including applicant's two approved, but unopened *de novo* branches at Lula and Jonestown.

Competition. Applicant operates a main office and one branch in Clarksdale, population 21,100, the seat of Coahoma County, population 46,200, in the Delta region of northwestern Mississippi. Two other branches are presently in operation, at Friars Point and at Drew, 14 miles northwest and 32 miles south, respectively, of Clarksdale. Bank of Lambert operates only one branch, at Sledge, population 440, 17 miles north of Lambert, a small agricultural center with a population of 1,180. The nearest offices of the merging banks are their main offices which are separated by 22 miles, with Bank of Lambert's primary competitor and the only other bank in Quitman County located 4 miles to the north of Lambert in the intervening area on the primary highway to Clarksdale. Because of the distance between the merging banks, the proximity of other banks and the small size of Bank of Lambert and the communities it serves, there is little competition between them that would be eliminated by this proposal. The evidence further indicates there is little potential for competition.

There are two other effectively competing banks in Clarksdale, and although applicant is the largest bank headquartered in the overall service area, numerous banking alternatives are readily accessible, including branches of a considerably larger bank, based elsewhere. The relatively small increase in applicant's resources would not adversely affect competition in the relevant area.

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 and Prospects. These factors are satisfactory with respect to applicant as they would be for the resulting bank. Bank of Lambert recently lost, through death, illness, and resignation, its active management and three of its directors. Prospects for rebuilding management are poor.

Convenience and Needs of the Community to be Served. The evidence indicates applicant is a well-established bank, able and anxious to expand the services it offers and to extend them into new areas. Bank of Lambert's main office is sorely in need of replacement which applicant is prepared to provide, along with trust services, an increase in lending limitations from \$45,000 to \$386,000, safe deposit box service and exchange of checks on a full-par basis.

On the basis of the above information, and other information available to the Corporation, the Board of Directors has concluded that approval of the bank's application is warranted.

¹ Resources acquired in transfer of Malvern Bank's Paoli office.

² Resources acquired with transfer of Chemical Bank's Delancey Street office.

**LEGISLATION
AND REGULATIONS**

PART THREE

FEDERAL BANKING LEGISLATION—1967

Public Law 90—44
90th Congress, S. 714
July 3, 1967

An Act

To amend section 22(g) of the Federal Reserve Act relating to loans to executive officers by member banks of the Federal Reserve System, and to amend the Federal Credit Union Act to modify the loan provisions relating to directors, members of the supervisory committee, and members of the credit committee of Federal credit unions.

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

Section 1. Section 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is amended to read:

“(g)(1) Except as authorized under this subsection, no member bank may extend credit in any manner to any of its own executive officers. No executive officer of any member bank may become indebted to that member bank except by means of an extension of credit which the bank is authorized to make under this subsection. Any extension of credit under this subsection shall be promptly reported to the board of directors of the bank, and may be made only if—

“(A) the bank would be authorized to make it to borrowers other than its officers;

“(B) it is on terms not more favorable than those afforded other borrowers;

“(C) the officer has submitted a detailed current financial statement; and

“(D) it is on condition that it shall become due and payable on demand of the bank at any time when the officer is indebted to any other bank or banks on account of extensions of credit of any one of the three categories respectively referred to in paragraphs (2), (3), and (4) in an aggregate amount greater than the amount of credit of the same category that could be extended to him by the bank of which he is an officer.

“(2) With the specific prior approval of its board of directors, a member bank may make a loan not exceeding \$30,000 to any executive officer of the bank if, at the time the loan is made—

“(A) it is secured by a first lien on a dwelling which is expected, after the making of the loan, to be owned by the officer and used by him as his residence, and

“(B) no other loan by the bank to the officer under authority of this paragraph is outstanding.

“(3) A member bank may make extensions of credit to any executive officer of the bank, not exceeding the aggregate amount of \$10,000 outstanding at any one time, to finance the education of the children of the officer.

“(4) A member bank may make extensions of credit not otherwise specifically authorized under this subsection to any executive officer of the bank, not exceeding the aggregate amount of \$5,000 outstanding at any one time.

“(5) Except to the extent permitted under paragraph (4), a member bank may not extend credit to a partnership in which one or more of its executive officers are partners having either individually or together a majority interest. For the purposes of paragraph (4), the full amount of any credit so extended shall be considered to have been extended to each officer of the bank who is a member of the partnership.

“(6) Whenever an executive officer of a member bank becomes indebted to any bank or banks (other than the one of which he is an officer) on account of extensions of credit of any one of the three categories respectively referred to in paragraphs (2), (3), and (4) in an aggregate amount greater than the aggregate amount of credit of the same category that could lawfully be extended to him by the bank, he shall make a written report to the board of directors of the bank, stating the date and amount of each such extension of credit, the security thereof, and the purposes for which the proceeds have been or are to be used.

“(7) This subsection does not prohibit any executive officer of a member bank from endorsing or guaranteeing for the protection of the bank any loan or other asset previously acquired by the bank in good faith or from incurring any indebtedness to the bank for the purpose of protecting the bank against loss or giving financial assistance to it.

“(8) Each day that any extension of credit in violation of this subsection exists is a continuation of the violation for the purposes of section 8 of the Federal Deposit Insurance Act.

“(9) Each member bank shall include with (but not as part of) each report of condition and copy thereof filed under section 7(a)(3) of the Federal Deposit Insurance Act a report of all loans under authority of this subsection made by the bank since its previous report of condition.

“(10) The Board of Governors of the Federal Reserve System may prescribe such rules and regulations, including definitions of terms, as it deems necessary to effectuate the purposes and to prevent evasions of this subsection.”

Sec. 2. Section 8 of the Federal Credit Union Act (12 U.S.C. 1757) is amended—

(1) by changing, in paragraph (5) thereof, “shall exceed the amount of his holdings in the Federal Credit Union as represented by shares thereof plus the total unencumbered and unpledged shareholdings in the Federal Credit Union of any member pledged as security for the obligation of such director or committee member” to read “may be made except as authorized under paragraph (6) of this section”;

(2) by redesignating paragraphs (6) through (13) of that section as paragraphs (7) through (14), respectively; and

(3) by inserting, immediately after paragraph (5), the following new paragraph:

“(6) to make loans to its own directors and to members of its own supervisory or credit committee, but all such loans shall be reported to the Director at least annually, and such a loan may be made only if—

“(A) the loan complies with all lawful requirements under this Act with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers;

“(B) upon the making of the loan, the aggregate amount of loans outstanding to the borrower will not exceed the total amount of shareholdings in the credit union, not otherwise encumbered or pledged, which are pledged as security for loans to the borrower, or \$5,000, whichever is greater;

“(C) upon the making of the loan, the aggregate amount of loans outstanding under authority of this paragraph will not exceed 20 per centum of the unimpaired capital and surplus of the credit union;

“(D) the loan is approved by the credit committee and by the board of directors after the submission to them of a detailed current financial statement by the borrower; and

“(E) the borrower takes no part in the consideration of his application and does not attend any committee or board meeting while his application is under consideration;”.

Sec. 3. Paragraph (D) of section 8(8) of the Federal Credit Union Act is amended to read: “(D) in shares or accounts of savings and loan associations or mutual savings banks, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation;”.

Approved July 3, 1967.

Public Law 90—62
90th Congress, S. 1648
August 9, 1967

An Act

To extend the authority for exemptions from the antitrust laws to assist in safeguarding the balance-of-payments position of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of September 9, 1965 (79 Stat. 674; 31 U.S.C., Supp. I, 936) is amended by striking out “twenty months after it becomes law” and inserting in lieu thereof “on June 30, 1969”.

Approved August 9, 1967.

Public Law 90—87
90th Congress, S. 1956
September 21, 1967

An Act

To extend for one year the authority for more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of September 21, 1966 (80 Stat. 823), is hereby amended by striking “one-year” and inserting in lieu thereof “two-year”.

Approved September 21, 1967.

Public Law 90—104
90th Congress, S. 1862
October 11, 1967

An Act

To amend the authorizing legislation of the Small Business Administration, and for other purposes.

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

* * * * *

Sec. 204. Section 302(b) of the Small Business Investment Act of 1958 is amended by striking “except that in no event shall any such bank hold shares

in small business investment companies in an amount aggregating more than 2 percent of its capital and surplus." and inserting "except that in no event may any such bank acquire shares in any small business investment company if, upon the making of that acquisition.

"(1) the aggregate amount of shares in small business investment companies then held by the bank would exceed 5 percent of its capital and surplus, or

"(2) the bank would hold 50 percent or more of any class of equity securities issued by that investment company and having actual or potential voting rights."

* * * * *

Approved October 11, 1967.

Public Law 90-203
90th Congress, H. R. 10595
December 15, 1967

An Act

To prohibit certain banks and savings and loan associations from fostering or participating in gambling activities.

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

Section 1. (a) Chapter 1 of title LXII of the Revised Statutes is amended by inserting, immediately after section 5136, the following new section:

"Sec. 5136A. (a) A national bank may not—

"(1) deal in lottery tickets;

"(2) deal in bets used as a means or substitute for participation in a lottery;

"(3) announce, advertise, or publicize the existence of any lottery;

"(4) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

"(b) A national bank may not permit—

"(1) the use of any part of any of its banking offices by any person for any purpose forbidden to the bank under subsection (a), or

"(2) direct access by the public from any of its banking offices to any premises used by any person for any purpose forbidden to the bank under subsection (a).

"(c) As used in this section—

"(1) The term 'deal in' includes making, taking, buying, selling, redeeming, or collecting.

"(2) The term 'lottery' includes any arrangement whereby three or more persons (the 'participants') advance money or credit to another in exchange for the possibility or expectation that one or more but not all of the participants (the 'winners') will receive by reason of their advances more than the amounts they have advanced, the identity of the winners being determined by any means which includes—

"(A) a random selection;

"(B) a game, race, or contest; or

"(C) any record or tabulation of the result of one or more events in which any participant has no interest except for its bearing upon the possibility that he may become a winner.

"(3) The term 'lottery ticket' includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

"(d) Nothing contained in this section prohibits a national bank from accepting deposits or cashing or otherwise handling checks or other negotiable

instruments, or performing other lawful banking services for a State operating a lottery, or for an officer or employee of that State who is charged with the administration of the lottery.

“(e) The Comptroller of the Currency shall issue such regulations as may be necessary to the strict enforcement of this section and the prevention of evasions thereof.”

(b) The table of sections at the beginning of that chapter is amended by inserting

“5136A. Participation in lotteries prohibited.”

immediately above

“5137. Power to hold real property.”

Sec. 2. The Federal Reserve Act is amended by inserting immediately after section 9 the following new section:

“SECTION 9A. PARTICIPATION IN LOTTERIES PROHIBITED

“(a) A State member may not—

“(1) deal in lottery tickets;

“(2) deal in bets used as a means or substitute for participation in a lottery;

“(3) announce, advertise, or publicize the existence of any lottery;

“(4) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

“(b) A State member bank may not permit—

“(1) the use of any part of any of its banking offices by any person for any purpose forbidden to the bank under subsection (a), or

“(2) direct access by the public from any of its banking offices to any premises used by any person for any purpose forbidden to the bank under subsection (a).

“(c) As used in this section—

“(1) The term ‘deal in’ includes making, taking, buying, selling, redeeming, or collecting.

“(2) The term ‘lottery’ includes any arrangement whereby three or more persons (the ‘participants’) advance money or credit to another in exchange for the possibility or expectation that one or more but not all of the participants (the ‘winners’) will receive by reason of their advances more than the amounts they have advanced, the identity of the winners being determined by any means which includes—

“(A) a random selection;

“(B) a game, race, or contest; or

“(C) any record or tabulation of the result of one or more events in which any participant has no interest except for its bearing upon the possibility that he may become a winner.

“(3) The term ‘lottery ticket’ includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

“(d) Nothing contained in this section prohibits a State member bank from accepting deposits or cashing or otherwise handling checks or other negotiable instruments, or performing other lawful banking services for a State operating a lottery, or for an officer or employee of that State who is charged with the administration of the lottery.

“(e) The Board of Governors of the Federal Reserve System shall issue such regulations as may be necessary to the strict enforcement of this section and the prevention of evasions thereof.”

Sec. 3. The Federal Deposit Insurance Act is amended by redesignating sections 20 and 21 as 21 and 22, respectively, and by inserting immediately after section 19 the following new section:

“Sec. 20. (a) A State nonmember insured bank may not—

“(1) deal in lottery tickets;

“(2) deal in bets used as a means or substitute for participation in a lottery;

“(3) announce, advertise, or publicize the existence of any lottery;

“(4) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

“(b) A State nonmember insured bank may not permit—

“(1) the use of any part of any of its banking offices by any person for any purpose forbidden to the bank under subsection (a), or

“(2) direct access by the public from any of its banking offices to any premises used by any person for any purpose forbidden to the bank under subsection (a).

“(c) As used in this section—

“(1) The term ‘deal in’ includes making, taking, buying, selling, redeeming, or collecting.

“(2) The term ‘lottery’ includes any arrangement whereby three or more persons (the ‘participants’) advance money or credit to another in exchange for the possibility or expectation that one or more but not all of the participants (the ‘winners’) will receive by reason of their advances more than the amounts they have advanced, the identity of the winners being determined by any means which includes—

“(A) a random selection;

“(B) a game, race, or contest; or

“(C) any record or tabulation of the result of one or more events in which any participant has no interest except for its bearing upon the possibility that he may become a winner.

“(3) The term ‘lottery ticket’ includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

“(d) Nothing contained in this section prohibits a State nonmember insured bank from accepting deposits or cashing or otherwise handling checks or other negotiable instruments, or performing other lawful banking services for a State operating a lottery, or for an officer or employee of that State who is charged with the administration of the lottery.

“(e) The Board of Directors shall prescribe such regulations as may be necessary to the strict enforcement of this section and the prevention of evasions thereof.”

Sec. 4. Title IV of the National Housing Act is amended by adding the following new section at the end:

“Sec. 410. (a) An insured institution may not—

“(1) deal in lottery tickets;

“(2) deal in bets used as a means or substitute for participation in a lottery;

“(3) announce, advertise, or publicize the existence of any lottery;

“(4) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

“(b) An insured institution may not permit—

“(1) the use of any part of any of its own offices by any person for any purpose forbidden to the institution under subsection (a), or

“(2) direct access by the public from any of its own offices to any premises used by any person for any purpose forbidden to the institution under subsection (a).

“(c) As used in this section—

“(1) The term ‘deal in’ includes making, taking, buying, selling, redeeming, or collecting.

“(2) The term ‘lottery’ includes any arrangement whereby three or more persons (the ‘participants’) advance money or credit to another in exchange for the possibility or expectation that one or more but not all of the participants (the ‘winners’) will receive by reason of their advances more than the

amounts they have advanced, the identity of the winners being determined by any means which includes—

“(A) a random selection;

“(B) a game, race, or contest; or

“(C) any record or tabulation of the result of one or more events in which any participant has no interest except for its bearing upon the possibility that he may become a winner.

“(3) The term ‘lottery ticket’ includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

“(d) Nothing contained in this section prohibits an insured institution from accepting funds from, or performing any lawful services for, a State operating a lottery, or an officer or employee of that State who is charged with the administration of the lottery.

“(e) The Federal Home Loan Bank Board shall prescribe such regulations as may be necessary to the strict enforcement of this section and the prevention of evasions thereof.”

Sec. 5. (a) Chapter 61 of title 18 of the United States Code is amended by adding the following new section at the end:

“§1306. Participation by financial institutions

“Whoever knowingly violates section 5136A of the Revised Statutes of the United States, section 9A of the Federal Reserve Act, section 20 of the Federal Deposit Insurance Act, or section 410 of the National Housing Act shall be fined not more than \$1,000 or imprisoned not more than one year, or both.”

(b) The table of sections at the beginning of that chapter is amended by adding the following at the end:

“1306. Participation by financial institutions.”

Sec. 6. The amendments made by this Act shall take effect on April 1, 1968.

Approved December 15, 1967.

RULES AND REGULATIONS OF THE CORPORATION—1967

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 329—PAYMENT OF DEPOSITS AND INTEREST THEREON BY INSURED NONMEMBER BANKS

Mutual Savings Banks in Alaska

Effective July 1, 1967, paragraph (e) of §329.7 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 329.7) is amended to read as follows:

§329.7 *Maximum rates of interest or dividends payable on deposits by insured nonmember mutual savings banks.*

* * * * *

(e) *Banks in Alaska.* Notwithstanding paragraph (b) of this section, any insured nonmember mutual savings bank located in the State of Alaska may pay for any time on or after October 1, 1966, and prior to July 1, 1967, a rate of interest or dividends not in excess of 5¼ percent per annum on any deposit, and for any time on or after October 1, 1966, may continue to pay a higher rate of interest or dividends in accordance with any time certificate of deposit, savings certificate, or similar certificate issued by the bank prior to September

22, 1966, requiring maintenance of the deposit for a stated period or making the rate of interest or dividends dependent thereon, and on any renewals or extensions of such certificates on the same terms and conditions. For the purposes of paragraphs (c) and (d) of this section, the applicable maximum rate for any time prior to July 1, 1967, for any such bank located in the State of Alaska is that prescribed by this paragraph.

[F.R. Doc. 67-6717; Filed, June 14, 1967; 8:47 a.m.]

TITLE 12—BANKS AND BANKING
CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION
RECORDS AND INFORMATION

Miscellaneous Amendments

Effective July 4, 1967, §§301.1, 303.10, 305.1, 307.3, 334.4, and Part 309 of the rules and regulations of the Federal Deposit Insurance Corporation are amended as follows:

PART 301—INTRODUCTORY

1. Section 301.1 is amended to read as follows:

§301.1 Scope.

The rules contained in this subchapter are promulgated pursuant to the provisions of the Administrative Procedure Act (5 U.S.C. 551-559), the Federal Deposit Insurance Act (12 U.S.C. 1811-1831), and other applicable laws. In accordance with the provisions of section 3(a) of the Administrative Procedure Act they state (1) the established places at which, the officers from whom, and the methods whereby, the public may secure information, make submittals or requests, or obtain decisions, (2) the general course and method by which the Corporation's functions are channeled and determined, including the nature and requirements of all formal and informal procedures available, and (3) rules of procedure, descriptions of forms available, or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations, except to the extent exempted by law. This subchapter also includes appropriate provisions with respect to rule making, adjudications, and hearings, as prescribed by law. A current description of the Corporation's central and field organization is separately published in the FEDERAL REGISTER. Proceedings by the Corporation within the meaning of this subchapter include:

- (a) The formulation and promulgation of rules and regulations, including amendments thereto or the repeal thereof;
- (b) The disposition of applications, requests, and submittals;
- (c) Formal and informal hearings and adjudications.

PART 303—APPLICATIONS, REQUESTS, AND SUBMITTALS

2. Add to 303.10 after the words "Board of Review" the words "with respect to matters referred to it" and the following three paragraphs:

§303.10 Procedure on applications.

* * * * *

(c) The Chief of the Division of Examination and the Supervising Examiner of the District in which the bank is located have been authorized to take final action with respect to the approval of certain applications, such as applications by a State nonmember insured bank to move its main office or branch or to obtain an extension of a time limitation imposed in connection with a previous application. This delegated authority is subject to certain limitations set forth in the

delegations of authority which are available at the office of each Supervising Examiner. The Chief of the Division of Examination is also authorized to act upon applications by State nonmember insured banks for extensions of time of 90 days or less within which to register securities pursuant to the provisions of section 12(g) of the Securities Exchange Act of 1934, as amended.

(d) For the purpose of assuring the performance and continuity in the management functions and activities of the Corporation, the Board of Directors has delegated, to the extent deemed necessary, authority with respect to the management of the Corporation's affairs to certain designated officers, such authority to be exercised only in the event of an emergency, involving an enemy attack on the continental United States or other warlike occurrence, which renders the Board of Directors unable to perform the management functions and activities normally performed by it.

(e) With respect to any application, the Board of Directors will afford the applicant or other properly interested persons, including Government agencies, an opportunity to present views orally before the Board of Directors or its designated representative or representatives, either at informal conference discussions or at informal presentation of evidence.

PART 305—PAYMENT OF INSURED DEPOSITS

§305.1 [Amended]

3. Amend the seventh sentence of §305.1 to read as follows: "It is the policy of the Corporation to make such payment by issuing its check for the amount of the insured deposit."

PART 307—VOLUNTARY TERMINATION OF INSURED STATUS

§307.3 [Amended]

4. At the beginning of paragraph (c) of §307.3 substitute the words "It is the policy of the Corporation to" for the words "The Corporation will".

PART 334—BANK SERVICE ARRANGEMENTS

§334.4 [Amended]

5. In the first sentence of §334.4 substitute the words "It is the policy of the Corporation that assurances" for the word "Assurances".

6. Amend Part 309 as follows:

PART 309—PUBLISHED AND UNPUBLISHED RECORDS AND INFORMATION

§309.1 *Published and unpublished information.*

(a) *Information published or made available to the public—(1) Federal Register publication.* To the extent required by sections 3 and 4 of the Administrative Procedure Act, as amended (5 U.S.C. 552, 553), and subject to the exemptions set forth in subsection (e) of section 3 of said Act the Corporation publishes in the FEDERAL REGISTER for the guidance of the public (i) descriptions of its central and field organization and the established places at which, the officers from whom, and the methods whereby, the public may secure information, make submittals or requests, or obtain decisions; (ii) statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of all formal and informal procedures available; (iii) rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all such papers and reports or examinations; (iv) substantive rule of general applicability adopted as authorized by law, and statements of general policy

or interpretations of general applicability formulated and adopted by the Corporation; (v) every amendment, revision or repeal of the foregoing; and (vi) general notices of proposed rule making, unless the persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law.

(2) *Other published information—annual reports.* (i) The Corporation publishes an annual report of its operations to Congress pursuant to the requirements of section 17(a) of the Federal Deposit Insurance Act (12 U.S.C. 1827(a)). The Corporation also publishes an annual report to insured banks as of June 30 of each year which presents the current financial statements of the Corporation and its activities during the preceding 6 months, and an annual report on operating banking offices insured by the Corporation as of January 1 of each year which lists the names and locations of all insured banking offices, grouped by city and State.

(ii) Other information: The Corporation also issues the following publications: *Assets, Liabilities, and Capital Accounts, Commercial and Mutual Savings Banks* (semiannually). Presents detailed data from condition statements, by State.

Federal Deposit Insurance Act and Rules and Regulations (of the FDIC). Updates the laws relating to the Federal Deposit Insurance Corporation and rules and regulations made by the Board of Directors.

Your Insured Deposit. Questions and answers on applicability of insurance to particular circumstances.

How to Get Your Money. Questions and answers on how to obtain an insured deposit when a bank fails.

A Career in Bank Supervision. Describes employment opportunities for bank examiners in the Federal Deposit Insurance Corporation.

Symbol of Confidence. Popular perspective on the background, function, and operations of the Federal Deposit Insurance Corporation.

Survey of Deposits of Commercial and Mutual Savings Bank (June 30, 1966). A set of booklets consisting of:

Insurance Coverage of Bank Deposits; National Summary of Accounts and Deposits in all Commercial Banks.

Summary of Accounts and Deposits in All Commercial Banks, FDIC Districts 1-12 (1 booklet for each District).

Summary of Accounts and Deposits in All Mutual Savings Banks.

Assets and Liabilities of all Insured Banks. A semiannual release summarizing for the United States the assets and liabilities of all insured banks. Data for June published the following fall; data for December published following spring.

Income of Insured Commercial Banks. Released once a year in April (data on the previous year) giving leading items of income for all insured commercial banks.

Weekly Press Release. Lists actions taken by the Board of Directors with respect to applications by insured State nonmember banks.

(3) *Information made available to the public.* Except to the extent that the matters set forth in this paragraph relate to or contain information which is exempted from the public disclosure provisions of section 3 of the Administrative Procedure Act, as amended (5 U.S.C. 552), or other law, the Corporation makes available for public inspection and copying, upon request to the Secretary of the Corporation in its office in Washington, D.C., during normal business hours, (i) all final opinions (including concurring and dissenting opinions) and all orders made in the adjudication of cases, (ii) those statements of policy and interpretations which have been adopted by the Corporation and are not published in the FEDERAL REGISTER, and (iii) Manual of Examination Policies and Instructions to Liquidators. To the extent required to prevent a clearly unwarranted invasion of personal privacy, the Corporation may delete identifying details when it makes available or publishes an opinion, statement of policy, in-

terpretation, or staff manual or instruction. In each case the justification for the deletion will be fully explained in writing. The Corporation also maintains and makes available for public inspection and copying a current index providing information for the public as to any matter which is issued, adopted, or promulgated after July 4, 1967, and which is required by the Administrative Procedure Act to be made available or published. The Corporation makes available at its Washington office and at each of the 12 Federal Reserve banks for public inspection and copying reports from insured State nonmember banks required under the provisions of section 12 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78). All requests for copies of records enumerated in subdivisions (i), (ii), and (iii) of this subparagraph must be accompanied by a deposit with the Corporation of the estimated costs of copying such records at the rate of 10 cents per page. Such requests must provide a reasonably specific description of the record sought which will enable the Corporation to locate the record or records without undue difficulty.

Except to the extent that the records relate to or contain information which is exempted from the public disclosure provisions of section 3 of the Administrative Procedure Act, as amended (5 U.S.C. 552) or other law, the Corporation upon request for identifiable records of the Corporation to the Secretary of the Corporation in its office in Washington, D.C., during normal business hours, will make such records available to any person who agrees to pay the costs of searching, preparing and copying such records at the rate of \$5 per hour for searching and preparing and 10 cents per page for copying and has paid in advance to the Corporation the estimated costs thereof. Such requests must provide a reasonably specific description of the record sought which will enable the Corporation to locate the record without undue difficulty. Any denial by an officer or employee of the Corporation of a request for any information or record made under this part by any member of the public may be appealed by a written request to the Board of Directors of the Corporation from the person whose request is denied.

(b) *Unpublished information; confidential and privileged information.* All files, documents, reports, books, accounts, and records (collectively referred to as "records" in this section) pertaining to any bank, or the internal operations and affairs of the Corporation, in the possession or control of the Corporation or any officer, employee, or agent thereof, which are (1) exempt from disclosure by statute or executive order; (2) contained in or related to examination, operating, or condition reports prepared by or on behalf of, or for the use of the Corporation or any agency responsible for the supervision of financial institutions; (3) related solely to the internal personnel rules and practices of the Corporation; (4) privileged or relate to the business, personal, or financial affairs of any person and are furnished in confidence; (5) proceedings for cease and desist and suspension or removal orders or for the termination of the insured status of any bank; (6) interagency or intraagency memorandums or letters which would not be available by law to a private party in litigation with the Corporation; (7) investigatory records compiled for enforcement of the Federal Deposit Insurance Act and other statutes, except to the extent available by law to a private party; (8) personnel files and similar files (including financial files) the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; and (9) records of deliberations and discussions at meetings of the Board of Directors and any committee established by the Board of Directors and exhibits filed therewith, and all facts or information relating to such exempt matters acquired by the officers, employees or agents of the Corporation in the performance of their official duties (collectively referred to as "information" in this section) are confidential and privileged and the disclosure thereof is prohibited except in the manner and to the extent provided for in this section.

(c) *Disclosure prohibited.* (1) Officers, employees, and agents of the Corporation are prohibited from allowing any person to inspect, examine, or copy any

of said confidential or privileged records, or furnishing copies thereof, or disclosing any confidential and privileged information except as herein provided:

(i) The Chief of any Division having custody thereof, in his discretion, may release or furnish any records or information, other than the records enumerated in paragraph (b) of this section, and information acquired in reference thereto, to any governmental agency, State or Federal, in the exercise of its official duties and to any other person: *Provided, however,* That when such records or information are requested by any person other than a governmental agency, the Division Chief shall find that the release or disclosure is not exempted from public disclosure by law or detrimental or prejudicial to the bank or banks or person or persons from whom the records or information were obtained or received.

(ii) The Chief of the Division of Examination may furnish to any bank copies of any reports of examination or investigation of such bank (except the section of the report designated "confidential") and other information pertaining to its affairs: *Provided,* That copies of such reports of examination and other information so furnished to any bank shall remain the property of the Corporation and under no circumstances shall the bank or any of its directors, officials, or employees disclose or otherwise make public in any manner such reports or any portion thereof or other information so furnished.

(iii) The Chief of the Division of Examination may furnish to the Comptroller of the Currency, to any Federal Reserve bank, and to any commission, board, or authority having supervision of a State nonmember bank, copies of reports of examination made on behalf of the Corporation and other information pertaining to insured nonmember banks for use in the exercise of their official duties: *Provided,* That such reports of examination and other information so furnished to such officials or agency shall remain the property of the Corporation and under no circumstances shall any such official or agency disclose or make public in any manner such reports or any portion thereof or other information so furnished.

(iv) The Chief of the Division of Examination may furnish to any official of the Department of Justice or to any State prosecuting authority any information regarding defalcations, burglaries, or robberies affecting insured banks.

(v) The Chief of the Division of Research may furnish to the Comptroller of the Currency, to any Federal Reserve bank, and to any commission, board, or authority having supervision of a State nonmember bank, copies of reports of condition made by insured banks to the Corporation including statements of assets, liabilities, and capital accounts, and of earnings, expenses and distribution of profits for use in the exercise of their official duties: *Provided,* That under no circumstances shall such Federal or State officials make public the contents of such reports or any portion thereof, except in the publication of general statistical reports.

(vi) The General Counsel of the Corporation may disclose to the proper Federal or State prosecuting authorities any and all records and information relating to irregularities discovered in open and closed insured banks believed to constitute violations of any Federal or State statute.

(vii) (a) The General Counsel may authorize the production of any record, the disclosure of any information, and the giving of any testimony with respect thereto, by any officer, employee, or agent of the Corporation, upon any proceeding, hearing, or trial, civil or criminal, in any Federal or State court or before any administrative board, commission, or committee, on behalf of or at the request of the Corporation or the United States where either is a party to or has an interest in the proceeding, hearing or trial, or any State prosecuting official, or the bank or person from whom such confidential and privileged records and information were received or obtained.

(b) The authorization hereunder may be given only in response to a subpoena or other legal process duly issued and served upon the Corporation at its

principal office, which service may be by registered mail addressed to the Corporation at Washington, D.C., specifying the record requested, the nature and scope of the testimony to be elicited, the name of the witness and the place and time of appearance: *Provided*, That the General Counsel, in his discretion, may waive the requirement of service of subpoena or process when he believes it to be in the interest of justice to do so. Without such prior authorization, any officer, employee or agent of the Corporation required to respond to a subpoena or other legal process shall attend at the time and place therein mentioned and respectfully decline to produce any record or disclose any information or give any testimony with respect thereto, basing his refusal upon this rule.

(d) *Service of process on officer, employee, or agent.* Any officer, employee, or agent of the Corporation served with a subpoena, order, or other process requiring his personal attendance as a witness or the production of records or information upon any proceeding mentioned in paragraph (c) (1) (vii) of this section shall promptly advise (1) the court or tribunal which issued the process, and the attorney for the party at whose instance the process was issued, if known, of the substance of this rule, and (2) the General Counsel of the Corporation at Washington, D.C., of such service and of the records and information requested and of any facts which may be of assistance to the General Counsel in determining whether such records and information should be made available.

(e) *Authority of Chairman of Board of Directors.* Notwithstanding any of the foregoing provisions, the Chairman of the Board of Directors, in his discretion and pursuant to law, may authorize the production, examination, or inspection of any records, or the furnishing of copies thereof, or the disclosure of any information, or the Chairman, in his discretion, may direct the General Counsel or the Chief of any Division to refuse to permit the production, examination, or inspection of any records, or the furnishing of copies thereof, or the disclosure of any information, if he shall find such action to be in the best interests of the Corporation and consistent with the public interest and applicable law.

(f) *Publication of data.* The Board of Directors or the Chairman may from time to time authorize and direct the publication and public distribution of information and data compiled from the records of the Corporation.

[F.R. Doc. 67-7535; Filed, July 3, 1967; 8:45 a.m.]

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER A—PROCEDURE AND RULES OF PRACTICE

PART 303—APPLICATIONS, REQUESTS, AND SUBMITTALS

Effective July 19, 1967, Part 303 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR Part 303) is revised to read as follows:

Sec.

- 303.1 Application by nonmember bank for deposit insurance.
- 303.2 Application by insured State nonmember bank to establish a branch.
- 303.3 Application by insured State nonmember bank to move main office or branch.
- 303.4 Application by insured State nonmember bank to reduce or retire capital.
- 303.5 Application for conversion, merger, consolidation, assumption, and sale of asset transactions.
- 303.6 Application by insured State nonmember bank to extend its corporate or charter powers.
- 303.7 Application to continue or resume insured status.
- 303.8 Application for exemption from or exception to advertising requirements.

- 303.9 Other applications.
- 303.10 Procedure on applications.
- 303.11 Notice of disposition of application.

§303.1 *Application by nonmember bank¹ for deposit insurance.*

Application for deposit insurance by an existing or proposed State nonmember bank should be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the bank or proposed bank is or will be located. Any such application by an existing bank must be accompanied by separate applications for the consent of the Corporation to the continued operation of each branch which it proposes to continue to operate. Any such application by a proposed bank must be accompanied by a separate application for the consent of the Corporation to establish and operate each proposed branch. The appropriate forms of application and instructions for completing the same may be obtained upon request from the Supervising Examiner of the District in which the application originates. (See Part 304 of this title for list of forms and instructions.)

§303.2 *Application by insured State nonmember bank to establish a branch.²*

Application by an insured State nonmember bank (except a District bank) to establish and operate a new branch should be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the bank is located. The appropriate form of application and instructions for completing the same may be obtained upon request from the Supervising Examiner of the District in which the application originates. (See Part 304 of this title for list of forms and instructions.)

§303.3 *Application by insured State nonmember bank to move main office or branch.*

Application for the consent of the Corporation to move the main office or branch of an insured State nonmember bank (except a District bank) should be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the bank is located. The appropriate form of application and instructions for completing the same may be obtained upon request from the Supervising Examiner of the District in which the application originates. (See Part 304 of this title for list of forms and instructions.)

§303.4 *Application by insured State nonmember bank to reduce or retire capital.*

Application for the consent of the Corporation to the reduction in the amount, or retirement of any part, of the common or preferred capital stock, or retirement of any of the capital notes or debentures, of an insured State nonmember bank (except a District bank) should be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the bank is located. The appropriate form of application and instructions for completing the same may be obtained upon request from the Supervising Examiner of the District in which the application originates. (See Part 304 of this title for list of forms and instructions.)

§303.5 *Application for conversion, merger, consolidation, assumption and sale of asset transactions.*

(a) *With noninsured bank or institution.* Application by an insured bank for the consent of the Corporation to merge or consolidate with a noninsured bank or institution, or to convert into a noninsured institution, or to assume liability

¹ A nonmember bank is a bank which is not a member of the Federal Reserve System.

² "The term 'branch' includes any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State of the United States or in any Territory of the United States, Puerto Rico, Guam, or the Virgin Islands at which deposits are received or checks paid or money lent." (Sec. 3(o) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813(o)).)

to pay any deposits made in, or similar liabilities of, any noninsured bank or institution, or to transfer assets to any noninsured bank or institution in consideration of the assumption of liability for any portion of the deposits made in such insured bank, together with copies of all agreements or proposed agreements relating thereto, should be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the insured bank is located. The appropriate form of application and instructions for completing the form, as well as instructions concerning notice to depositors, may be obtained upon request from the office of said Supervising Examiner.

(b) *Conversion with diminution of capital or surplus.* Application for the consent of the Corporation to convert into an insured State nonmember bank (except a District bank)—when the conversion will result in the converted bank's having less capital stock or surplus than the converted bank at the time of the shareholders' meeting approving such conversion—together with copies of the charter and/or articles of association of the converted bank, should be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the insured bank is located. The appropriate form of application and instructions for completing the form may be obtained upon request from the office of said Supervising Examiner.

(c) *Merger, consolidation, asset acquisition or assumption transaction between insured banks.* Application by an insured bank for the consent of the Corporation to merge or consolidate with, acquire the assets of, or assume the liability to pay any deposits made in, another insured bank—when the resulting or assuming bank is to be an insured State nonmember bank (except a District bank)—together with copies of all agreements or proposed agreements relating thereto, including the charter or articles of incorporation of the resulting or assuming bank, should be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the resulting or assuming bank is located. The appropriate form of application and instructions for completing the same may be obtained upon request from the office of said Supervising Examiner.

§303.6 *Application by insured State nonmember bank to extend its corporate or charter powers.*

Application for the consent of the Corporation to the extension of the corporate or charter powers of an insured State nonmember bank (except a District bank) should be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the bank is located. The appropriate form of application and instructions for completing the same may be obtained upon request from the Supervising Examiner of the District in which the application originates. (See Part 304 of this title for list of forms and instructions.)

§303.7 *Application to continue or resume insured status.*

Application under § 327.3(c) of this title by a bank whose insured status has been terminated for permission to continue or to resume its status as an insured bank should be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the bank is located. Such application should (a) be in writing, (b) be signed by the president, or cashier, or other managing officer of the bank, (c) be accompanied by a certified copy of the resolution of its board of directors authorizing the submission of such application, (d) contain a statement that the bank's insured status has been terminated (including the date thereof and the basis therefor), that the insurance of its deposits has not ceased, and that it applies for permission to continue or resume its status as an insured bank, and (e) state the reasons why the continuance or resumption of such status should be permitted by the Corporation.

§303.8 *Application for exemption from or exception to advertising requirements.*

Any application made by an insured bank under any of the provisions of Part

328 of this title should be filed with the Division of Examination of the Corporation at its principal office. Such application should (a) be in writing, (b) be signed by the president, or cashier, or other managing officer of the bank, and (c) state, in conformity with the particular provision in respect of which the application is made, the reason for the request in detail and the reason why the application should be granted.

§303.9 *Other applications.*

Except as otherwise provided by rule or regulation, all applications, requests, and submittals for which no form of application has been prescribed by the Corporation should (a) be in writing, (b) be signed by the applicant or his duly authorized agent, (c) contain a statement of the applicant's interest therein, a complete and concise statement of the action requested and the reasons and facts relied upon as the basis for such requested action, and (d) be addressed to the Secretary at the principal office of the Corporation. The applicant shall furnish such other pertinent information as may be required by the Corporation. Whenever applicable, the forms specified in Part 304 of this title should be used, the instructions issued with respect thereto should be followed, and submission should be made as therein provided.

§303.10 *Procedure on applications.*

(a) With respect to applications for deposit insurance under §303.1, the Division of Examination of the Corporation will cause an investigation to be conducted and an examination to be made of the bank or proposed bank. Thereafter, the Board of Directors, in accordance with applicable provisions of law, will act upon such application after considering the report of such investigation and examination, the recommendations thereon of the examiner and Supervising Examiner of the District in which the bank is or will be located, the recommendations of the Division of Examination, the recommendations of the Board of Review with respect to matters referred to it, and the legal opinion of counsel for the Corporation. The applicant bank will be duly advised of the Board's decision upon such application.

(b) With respect to all other applications, requests, or submittals, the Board of Directors will cause such an investigation or examination, or both, to be made by the proper Divisions of the Corporation as the Board shall deem appropriate, and upon the report of such investigation and examination, and the recommendations thereon, will take such action as it shall deem necessary or appropriate in the premises.

(c) The Chief of the Division of Examination and the Supervising Examiner of the District in which the bank is located have been authorized to take final action with respect to the approval of certain applications, such as applications by an insured State nonmember bank to move its main office or branch or to obtain an extension of time limitation imposed in connection with a previous application. This delegated authority is subject to certain limitations set forth in the delegations of authority which are available at the office of each Supervising Examiner. The Chief of the Division of Examination is also authorized to act upon applications by insured State nonmember banks for extensions of time of 90 days or less within which to register securities pursuant to the provisions of section 12(g) of the Securities Exchange Act of 1934, as amended.

(d) For the purpose of assuring the performance and continuity in the management functions and activities of the Corporation, the Board of Directors has delegated, to the extent deemed necessary, authority with respect to the management of the Corporation's affairs to certain designated officers, such authority to be exercised only in the event of an emergency, involving an enemy attack on the continental United States or other warlike occurrence, which renders the Board of Directors unable to perform the management functions and activities normally performed by it.

(e) With respect to any application, the Board of Directors will afford the applicant or other properly interested persons, including Government agencies, an

opportunity to present views orally before the Board of Directors or its designated representative or representatives, either at informal conference discussions or at informal presentation of evidence.

§303.11 *Notice of disposition of application.*

Prompt notice will be given of the grant or denial, in whole or in part, of any written application, petition, or other request of any interested person made in connection with any agency proceeding. In the case of a denial, except in affirming a prior denial, or where the same is self-explanatory, such notice will be accompanied by a simple statement of procedural or other grounds.

[F.R. Doc. 67-8315; Filed, July 18, 1967; 8:48 a.m.]

PART 304—FORMS, INSTRUCTIONS, AND REPORTS

Effective July 19, 1967, Part 304 of the rules and regulations of the Federal Deposit Insurance Corporation (12 C.F.R. 304) is revised to read as follows:

Sec.

304.1 Certified statements.

304.2 Reports of condition, etc.

304.3 Forms and instructions.

§304.1 *Certified statements.*

The certified statements required to be filed by insured banks in accordance with the provisions of section 7 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1817), shall be filed with the Fiscal Agent of the Corporation upon the forms, and in the manner, prescribed by the Board of Directors. The assessments required to be certified must be paid to the Corporation at the time such statements are required to be filed. The form of certified statement will be furnished to all insured banks by, or may be obtained upon request from, the Fiscal Agent.

§304.2 *Reports of condition, etc.*

Whenever required, insured State nonmember banks (except District banks) shall file reports of condition, reports of income and dividends, and summaries of deposits with the Division of Research upon the forms, in the manner, and pursuant to the instructions prescribed by the Board of Directors from time to time. The form of such reports and instructions for completing the same will be furnished to all such banks by, or may be obtained upon request from, the Division of Research. Each insured national bank and each insured District bank at the time of making reports of condition to the Comptroller of the Currency and each insured State member bank at the time of making reports of condition to the Federal Reserve bank, required under the Federal Deposit Insurance Act, shall furnish an executed and attested copy thereof to the Corporation.

§304.3 *Forms and instructions.*

The following forms and instructions have been prepared by the Corporation for the use of banks and may be obtained by any person properly and directly concerned therewith upon request at the office designated in this chapter:

(a) *Form 82: Application of proposed bank (other than mutual savings) for Federal deposit insurance.* The proposed incorporators are required to make statements and representations and to submit information with respect to the several factors enumerated in section 6 of the Federal Deposit Insurance Act (12 U.S.C. 1816). The application on Form 82 must be executed in quadruplicate. Three applications signed by the proposed incorporators must be forwarded to the Supervising Examiner and the other application may be retained by the prospective incorporators. Applications filed on Form 82 must be accompanied by a certified copy of the proposed articles of incorporation or association and the requisite number of properly executed Forms 83. If the pro-

posed bank contemplates the establishment of a branch or branches, its application on Form 82 must be accompanied by a properly executed Form 85 for each branch. After incorporation is duly effected, the bank must submit a properly executed Form 82a.

(b) *Form 82-M: Application of proposed mutual savings bank for Federal deposit insurance.* Form 82-M, which is substantially the same as Form 82, should be used when the proposed bank is to be a mutual savings bank and should be prepared and submitted in the same manner as Form 82. If the proposed bank contemplates the establishment of a branch or branches, its application on Form 82-M must be accompanied by a properly executed Form 85-M for each branch.

(c) *Form 82a and Form 82a-M: Certificate of adoption of resolution.* Form 82a is a copy of the resolution of the board of directors (or trustees) of the bank approving the action of the prospective incorporators in preparing and presenting its application for Federal deposit insurance on Form 82 or 82-M, certified to be a true and correct copy by the president or vice president and cashier or secretary. After incorporation has been duly effected and the bank is chartered to do business by the proper State authority, four properly executed Forms 82a must be transmitted to the Supervising Examiner. If not previously submitted, Form 82a must be accompanied by a copy of the bank's articles of incorporation or association and a copy of the bank's license or authorization to engage in the business of receiving deposits.

(d) *Form 84: Application for Federal deposit insurance by an existing noninsured State bank (other than mutual savings).* The applicant bank is required to submit statements, representations, and information with respect to the several factors enumerated in section 6 of the Federal Deposit Insurance Act (12 U.S.C. 1816) and a copy of the resolution of its board of directors authorizing the bank's president or vice president and cashier or secretary to make the application. The application must be executed in quadruplicate, signed by such officers, and the bank's corporate seal affixed thereto. Three signed applications must be forwarded to the Supervising Examiner and the other application may be retained by the bank. Applications filed on Form 84 must be accompanied by the requisite number of properly executed Forms 83 and a certified copy of the articles of incorporation or association, including any amendments thereto. If the bank has a branch or branches, its application on Form 84 must be accompanied by a properly executed Form 85 for each branch.

(e) *Form 84-M: Application for Federal deposit insurance by an existing noninsured mutual savings bank.* Form 84-M, which is substantially the same as Form 84, should be used by mutual savings banks and should be prepared and submitted in the same manner as Form 84. If the bank has a branch or branches, its application on Form 84-M must be accompanied by a properly executed Form 85-M for each branch.

(f) *Form 83 and Form 83-M: Financial statement.* Form 83 must be executed in triplicate and certified to be true and correct by each individual director (or trustee) and officer of the bank or proposed bank (who is solely responsible for its contents) for the benefit of the Board of Directors of the Corporation in determining, with respect to the applicant bank, the general character of its management in accordance with section 6 of the Federal Deposit Insurance Act (12 U.S.C. 1816). The requisite number of properly executed and signed Forms 83 must accompany each application on Form 82, Form 82-M, Form 84, or Form 84-M.

(g) *Form 85, Form 85a, and Form 85b: Application of insured State non-member bank (except District bank and mutual savings bank) to establish or move its main office or branch.* (1) Form 85 is an application to establish a branch. The applicant bank is required to submit statements, representations, and information with respect to the several factors enumerated in section 6 of the Federal Deposit Insurance Act (12 U.S.C. 1816) and a copy of the resolu-

tion of its board of directors authorizing the bank's president or vice president and cashier or secretary to make the application. The application must be executed in quadruplicate, signed by the president or vice president, have the corporate seal of the bank affixed thereto, and be attested by the cashier or secretary. Three signed applications must be forwarded to the Supervising Examiner and the other application may be retained by the bank. The application must be accompanied by a certified copy of the bank's articles of incorporation or association, including any amendments thereto unless previously submitted to the Corporation and not subsequently amended.

(2) Form 85a is an application to move main office or branch. It is similar to Form 85 and should be prepared and submitted in the same manner as Form 85.

(3) Form 85b is an application to establish a branch pursuant to designation as depository and financial agent of the United States Government. It is similar to Form 85 and should be prepared and submitted in the same manner as Form 85.

(h) *Form 85-M and Form 85a-M: Application by insured nonmember mutual savings bank to establish a branch or move its main office or branch.* (1) Form 85-M is substantially the same as Form 85 and should be prepared and submitted in the same manner as Form 85.

(2) Form 85a-M is substantially the same as Form 85a and should be prepared and submitted in the same manner as Form 85.

(i) *Form 86: Application for merger, consolidation, asset acquisition, or assumption.* The bank applying for prior written consent to merge with, consolidate with, acquire the assets of, or assume liability to pay deposits made in, another bank or institution, pursuant to section 18(c) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1828(c)), and for the establishment of branches incident thereto pursuant to section 18(d) of the Act is required to submit statements, representations, and information with respect to the several factors enumerated in said section 18(c). Twelve copies of the application and all documents, schedules, and exhibits, including the agreement between the participating banks and the charter or articles of incorporation of the resulting or assuming bank, are to be executed by an authorized officer with the bank's corporate seal affixed and forwarded to the Supervising Examiner. The Corporation will furnish the applicant bank with a form of the notice (Form 116) for publication provided for in said section 18(c).

(j) *Form 100: Application for consent to retirement of common or preferred stock, capital notes, or debentures.* The applicant bank is required to submit statements with respect to the nature of the proposal, source of funds to effect the proposal, and other steps involved in the retirement. The application contains a statement of assets and liabilities and the disposition of certain assets adversely classified in the preceding report of examination made of the bank by examiners of the Corporation. Three applications certified to be true and correct and signed by the president or cashier of the bank must be forwarded to the Supervising Examiner.

(k) *Form 102: Application.* Form 102 should be used by all banks applying for the consent of the Corporation with respect to any application requiring such consent and for which no specific form is prescribed by this section or otherwise. The form contains a copy of the resolution of the bank's board of directors describing the proposal and authorizing the application, a statement of the action taken upon the proposal by the proper State banking authority where such action is required, and must be signed by the president or vice president and attested by the cashier or secretary. The application must be accompanied by a copy of the bank's articles of incorporation or association including any amendments thereto unless previously submitted to the Corporation and not subsequently amended. The application must be executed in quadruplicate. Three signed applications must be submitted to the Supervising Examiner of

the District wherein the bank is located and one copy may be retained by the bank.

(l) *Form 64: Report of condition (from banks other than mutual savings).* Form 64 is a report in the form of a standard statement of the assets and liabilities of the reporting bank together with additional detailed breakdown of selected items and information for assessment purposes. When special circumstances so require, additional detail with respect to specific asset or liability items may be required. Reports of condition must be prepared in accordance with the instructions contained in the booklet entitled "Instructions for the preparation of Report of Condition on Form 64", copies of which are furnished by the Corporation to all insured State nonmember banks (except District banks) and which may be obtained on request from the Division of Research.

(m) *Form 64 (Savings): Report of condition (from mutual savings banks).* Form 64 (Savings) is substantially the same as Form 64 and should be used by mutual savings banks.

(n) *Form 73: Report of income and dividends (from banks other than mutual savings).* Report of income and dividends, Form 73, is a report in the form of a standard profit and loss statement and a reconciliation of changes in total capital accounts during the year. When special circumstances so require, additional detail with respect to specific income or expense items, charge-offs or recoveries, profits on assets sold, or changes in total capital account may be required. Reports of income and dividends must be prepared in accordance with the instructions contained in the booklet entitled "Instructions for the preparation of Report of Income and Dividends on Form 73", which is furnished by the Corporation to all insured State nonmember banks (except District banks) and which may be obtained on request from the Division of Research.

(o) *Form 73 (Savings): Report of income and dividends (from mutual savings banks).* Form 73 (Savings) is substantially the same as Form 73 and should be used by mutual savings banks.

(p) *Form 89: Summary of deposits.* Report of summary of deposits is a report of the number of deposit accounts and the amount of deposits in such accounts grouped by size of account and type of deposit. Summary of deposit reports must be prepared in accordance with instructions contained in the pamphlet entitled "Instructions for preparation of Form 89", which is furnished by the Corporation to all insured banks and which may be obtained on request from the Division of Research.

(q) *Form 545: Certified statement (for banks other than mutual savings).* A Form 545 must be submitted on or before January 31 and July 31 of each year by every insured bank, except any newly insured banks which must submit their first certified statement on Form 645, and any mutual savings banks which must use Form 545 (Savings). Form 545 shows the deposit liabilities, less authorized deductions, reported in two reports of condition in each semiannual assessment period. The form will show the computation of the assessment base and the amount of the assessment due the Corporation. It must be prepared in duplicate, certified by the president of the bank or any other officer designated by its board of directors, and an original must be forwarded to the Fiscal Agent. The duplicate copy should be retained in the bank's file.¹ The forms are mailed to all insured banks each six months in ample time to permit compliance with the law, but if not received on or before January 1 or July 1, they should be obtained from the Fiscal Agent. Any questions in respect to such forms should

¹ Section 7(b)(6) of the Federal Deposit Insurance Act, which relates to assessment base deductions, provides, in part, as follows: "Each insured bank, as a condition to the right to make any such deduction in determining its assessment base, shall maintain such records as will readily permit verification of the correctness of its assessment base. No insured bank shall be required to retain such records for such purpose for a period in excess of five years from the date of the filing of any certified statement, except that when there is a dispute between the insured bank and the Corporation over the amount of any assessment the bank shall retain such records until final determination of the issue."

be directed to the Fiscal Agent.

(r) *Form 545 (Savings): Certified statement (for mutual savings banks).* This form is substantially the same as Form 545 and should be used by mutual savings banks.

(s) *Form 645: First certified statement (for banks other than mutual savings).* The first certified statement, Form 645, must be submitted on or before July 31 or January 31 following the semiannual period in which the bank began operation as an insured bank. The form shows the deposit liabilities, less authorized deductions, as provided by law, on the last date within such period for which it was required to submit a report of condition or, if such bank became an insured bank after the last date in such period for which a report of condition was required, such bank shall make a report of condition as of the last day of such semiannual period, and shall file with the Corporation a certified statement showing, as its assessment base for such period, its assessment base for the date of such special report. The form will show the computation of the assessment base and the amount of the assessment due the Corporation. It must be prepared in duplicate, certified by the president of the bank or any other officer designated by its board of directors, and the original must be forwarded to the Fiscal Agent. The duplicate copy shall be retained in the bank's file.¹ The forms will be mailed by the Fiscal Agent to newly insured banks with appropriate instructions for their preparation.

(t) *Form 645 (Savings): First certified statement (for mutual savings banks).* This form is substantially the same as Form 645 and should be used by mutual savings banks.

(u) *Form 845: Final certified statement—for use by an insured bank (except mutual savings banks) whose deposits are assumed by another insured bank.* This statement, Form 845, shows the deposit liabilities, less authorized deductions, of the bank in the report or reports of condition prior to the assumption date. Form 845, accompanied by appropriate letter of explanation and instructions, will be mailed by the Fiscal Agent to each insured bank whose deposit liabilities are assumed by another insured bank. The form must be prepared in duplicate, certified by the president of the bank or any other officer designated by its board of directors, and the original must be forwarded to the Fiscal Agent. The duplicate copy should be retained in the bank's files.¹ If the deposits of the liquidating bank are assumed by a newly insured bank, the liquidating bank is not required to file Form 845 or to pay any assessments upon the deposits so assumed after the semiannual period in which the assumption takes effect.

(v) *Form 845 (Savings): Final certified statement (for mutual savings banks).* This form is substantially the same as Form 845 and should be used by mutual savings banks.

(w) *Form 845A: Final certified statement—for use of an insured bank (other than mutual savings banks) whose deposit liabilities are assumed by another insured operating bank.* (To be used when the assuming bank executes the certified statement for the bank whose deposits were assumed.) Form 845A may be substituted for Form 845 described in paragraph (u) of this section if the assuming bank is executing the certified statement for the bank whose deposit liabilities were assumed. Form 845A is prepared in the same manner as Form 845 except the certification is executed by an official of the assuming bank.

(x) *Form 845A (Savings): Final certified statement—for use of an insured mutual savings bank whose deposit liabilities are assumed by another insured operating bank.* (To be used when the assuming bank executes the certified statement for the bank whose deposits were assumed.) Form 845A (Savings) may be substituted for Form 845 (Savings) described in paragraph (v) of this section if the assuming bank is executing the certified statement for the bank whose deposit liabilities were assumed. Form 845A (Savings) is prepared in the

same manner as Form 845 (Savings) except the certification is executed by an official of the assuming bank.

(y) *Amended and corrected certified statements.* Forms for use in amending or correcting previously submitted certified statements are identical in number and form with Forms 545, 645, 845, 845A (for other than mutual savings banks), 545 (Savings), 645 (Savings), 845 (Savings), and 845A (Savings) described above, except the title of the forms contains the additional word "Amended" or "Corrected". These forms may be obtained on request from the Fiscal Agent.

[F.R. Doc. 67-8318; Filed, July 18, 1967; 8:49 a.m.]

PART 306—RECEIVERSHIPS AND LIQUIDATIONS

National Bank Receiverships

Effective July 19, 1967, the fifth and sixth sentences and footnote 1 of §306.2 *National bank receiverships* of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 306.2) are amended by substituting the figure "\$15,000" for the figure "\$10,000".

[F.R. Doc. 67-8319; Filed, July 18, 1967; 8:49 a.m.]

PART 307—VOLUNTARY TERMINATION OF INSURED STATUS

Miscellaneous Amendments

Effective July 19, 1967, Part 307 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR Part 307) is amended as follows:

1. Footnote 2 is amended by striking out the words "and to the Reconstruction Finance Corporation if it owns or holds as pledgee any preferred stock, capital notes, or debentures of such bank,".

2. Footnote 8 is amended by substituting the words "Section 8(o)" for the words "Section 8(b)".

3. Paragraph (a) of §307.3 is amended by substituting the words "section 8 (q)" for the words "section 8(d)" in the form for notice to depositors.

4. Footnote 9 is amended by substituting the words "Section 8(q)" for the words "Section 8(d)".

[F.R. Doc. 67-8320; Filed, July 18, 1967; 8:49 a.m.]

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 325—INTRODUCTORY

Scope

Effective July 19, 1967, §325.0 *Scope* of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 325.0) is amended by substituting the words "subchapter II of chapter 5 of title 5, United States Code" for the words "the Administrative Procedure Act (60 Stat. 237)" and by substituting the words "section 552(a)(1)(D) of title 5, United States Code" for the words "section 3(a)(3) of the Administrative Procedure Act".

[F.R. Doc. 67-8321; Filed, July 18, 1967; 8:49 a.m.]

PART 327—ASSESSMENTS

Payment of Assessments by Banks Whose Insured Status Has Terminated

Effective July 19, 1967, the first sentence of paragraph (c) of §327.3 *Payment of assessments by banks whose insured status has terminated* of the

rules and regulations of the Federal Deposit Insurance Corporation is amended by substituting the words "section 8(a) or (o)" for the words "section 8(a) or (b)".

[F.R. Doc. 67-8322; Filed, July 18, 1967; 8:49 a.m.]

PART 331—INSURANCE OF TRUST FUNDS

Claim by Fiduciary Bank for Insured Deposits of Trust Estates

Effective July 19, 1967, §331.1(d) of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 331.1(d)) is amended to read as follows:

§331.1 *Claim by fiduciary bank for insured deposits of trust estates.*

(d) *Insured deposit of a trust estate.* In arriving at the total insured deposit of a fiduciary bank or trust company with respect to any trust estate, the deposit of such estate as determined in accordance with any paragraph of this section shall be combined with that determined under any other paragraph of this section and the insured deposit shall be the total less any amount thereof in excess of \$15,000.

[F.R. Doc. 67-8323; Filed, July 18, 1967; 8:49 a.m.]

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER A—PROCEDURE AND RULES OF PRACTICE

PART 308—RULES OF PRACTICE AND PROCEDURES

Effective August 1, 1967, Part 308 of the rules and regulations is amended as follows:

SUBPART A—RULES OF PRACTICE APPLICABLE TO ALL HEARINGS

Sec.

- 308.1 Scope.
- 308.2 Appearance and practice before the Corporation.
- 308.3 Notice of hearing.
- 308.4 Answer.
- 308.5 Conduct of hearings.
- 308.6 Subpenas.
- 308.7 Rules of evidence.
- 308.8 Motions.
- 308.9 Proposed findings and conclusions and recommended decision.
- 308.10 Exceptions.
- 308.11 Briefs.
- 308.12 Oral argument before the Board of Directors.
- 308.13 Notice of submission to the Board of Directors.
- 308.14 Decision of Board of Directors.
- 308.15 Filing papers.
- 308.16 Service.
- 308.17 Copies.
- 308.18 Computing time.
- 308.19 Documents in proceedings confidential.
- 308.20 Formal requirements as to papers filed.

SUBPART B—RULES AND PROCEDURES APPLICABLE TO PROCEEDINGS FOR THE INVOLUNTARY TERMINATION OF INSURED STATUS

- 308.21 Scope.
- 308.22 Grounds for termination of insurance.
- 308.23 Notice of intention to terminate insured status.
- 308.24 Order terminating insured status.
- 308.25 Consent to termination of insured status.
- 308.26 Notice of termination of insured status.
- 308.27 Termination of insured status of banking institution not engaged in the business of receiving deposits other than trust funds.

SUBPART C—RULES AND PROCEDURES APPLICABLE TO PROCEEDINGS RELATING TO CEASE-AND-DESIST ORDERS

- 308.28 Scope.
- 308.29 Grounds for cease-and-desist orders.
- 308.30 Notice of charges and hearing.
- 308.31 Issuance of order.
- 308.32 Effective date.
- 308.33 Temporary cease-and-desist orders.
- 308.34 Effective date of temporary order.

SUBPART D—RULES AND PROCEDURES APPLICABLE TO PROCEEDINGS RELATING TO REMOVAL AND SUSPENSION ORDERS

- 308.35 Scope.
- 308.36 Grounds for removal order.
- 308.37 Grounds for suspension order.
- 308.38 Effective date of suspension order.
- 308.39 Notice of intention to remove and hearing.
- 308.40 Issuance of removal order and effective date.
- 308.41 Suspension and removal where felony charged.

SUBPART A—RULES OF PRACTICE APPLICABLE TO ALL HEARINGS

§308.1 Scope.

(a) This subpart prescribes rules of practice and procedure followed by the Federal Deposit Insurance Corporation in hearings held pursuant to the provisions of section 8 of the Federal Deposit Insurance Act pertaining to (1) involuntary termination of the insured status of any bank, (2) the issuance of cease-and-desist orders against any insured State nonmember bank, and (3) the issuance of orders removing or suspending from office and/or prohibiting from further participation in the conduct of the bank's affairs, any director or officer of an insured State nonmember bank or any other person participating in the conduct of the affairs of such a bank.

(b) In connection with any proceeding under Subpart C or D of this part, the Corporation will provide the appropriate State supervisory authority with timely notice of its intent to institute such a proceeding and the grounds therefor. Unless within such time as the Corporation deems appropriate in the light of the circumstances of the case (which time will be specified in the notice) satisfactory corrective action is effectuated by action of the State supervisory authority, the Corporation will proceed as provided in Subparts C and D of this part.

§308.2 *Appearance and practice before the Corporation.*

(a) *Power of attorney and notice of appearance.* Any person who is a member in good standing of the bar of the highest court of any State, possession, territory, Commonwealth, or the District of Columbia, may represent others before the Corporation upon filing with the Secretary a written declaration that he is currently qualified as provided by this paragraph, and is authorized to represent the particular party on whose behalf he acts. Any other person desiring to appear before or transact business with the Corporation in a representative capacity may be required to file with the Secretary of the Corporation a power of

attorney showing his authority to act in such capacity, and he may be required to show to the satisfaction of the Board of Directors that he has the requisite qualifications. Attorneys and representatives of parties to proceedings shall file a written notice of appearance with the Secretary or with the trial examiner.

(b) *Summary suspension.* Contemptuous conduct at an argument before the Board of Directors or at a hearing before a trial examiner shall be ground for exclusion therefrom and suspension for the duration of the argument or hearing.

§308.3 *Notice of hearing.*

Whenever a hearing is ordered by the Board of Directors in any proceeding pursuant to section 8 of the Federal Deposit Insurance Act, a notice of hearing shall be given by the Secretary or other designated officer acting for the Board of Directors to the party afforded the hearing and to the appropriate supervisory authority. Such notice shall state the time, place, and nature of the hearing, the trial examiner, and the legal authority and jurisdiction under which the hearing is to be held, and shall contain a statement of the matters of fact or law constituting the grounds for the hearing, and shall be delivered by personal service, by registered or certified mail to the last known address, or other appropriate means, sufficiently in advance of the date set for hearing to comply with the provisions of the Federal Deposit Insurance Act. The term "party" means a person or agency named or admitted as a party, or any person or agency who has filed a written request and is entitled as of right to be admitted as a party; but a person or agency may be admitted for a limited purpose.

§308.4 *Answer.*

(a) *When required.* In any notice of hearing issued by the Board of Directors, the Board of Directors may direct the party or parties afforded the hearing to file an answer to the allegations contained in the notice, and any party to any proceeding may file an answer. Except where a different period of not less than 10 days after service of a notice of hearing is specified by the Board of Directors, a party directed to file an answer, or a party who elects to file an answer, shall file the same with the Secretary within 20 days after service upon him of the notice of hearing.

(b) *Requirements of answer; effect of failure to deny.* An answer filed under this section shall specifically admit, deny, or state that the party does not have sufficient information to admit or deny each allegation in the notice of hearing. A statement of lack of information shall have the effect of a denial. Any allegation not denied shall be deemed to be admitted. When a party intends to deny only a part or a qualification of an allegation, he shall specify so much of it as is true and shall deny only the remainder.

(c) *Admitted allegations.* If a party filing an answer under this section elects not to contest any of the allegations of fact set forth in the notice of hearing, his answer shall consist of a statement that he admits all of the allegations to be true. Such an answer shall constitute a waiver of hearing as to the facts alleged in the notice, and together with the notice will provide a record basis on which the trial examiner shall file with the Secretary his recommended decision containing his findings of fact, conclusions of law and proposed order. Any such party may, however, upon service of the recommended decision, findings, conclusions and proposed order of the trial examiner, file exceptions thereto within the time provided in §308.10(a).

(d) *Effect of failure to answer.* Failure of a party to file an answer required by this section within the time provided shall be deemed to constitute a waiver of his right to appear and contest the allegations of the notice of hearing and to authorize the trial examiner, without further notice to the party, to find the facts to be as alleged in the notice and to file with the Secretary a recommended decision containing such findings and appropriate conclusions. The Board of Directors or the trial examiner may, for cause shown, permit the filing of a delayed answer after the time for filing the answer has expired.

(e) *Opportunity for informal settlement.* Any interested party may at any time submit to the Secretary, for consideration by the Board of Directors, written offers or proposals for settlement of a proceeding, without prejudice to the rights of the parties. No such offer or proposal, or counteroffer or proposal, shall be admissible in evidence over the objection of any party in any hearing in connection with such proceeding. The foregoing provisions of this section shall not preclude settlement of any proceeding through the regular adjudicatory process by filing of an answer as provided in this section, or by submission of the case to the trial examiner on a stipulation of facts and an agreed order.

§308.5 *Conduct of hearings.*

(a) *Selection of trial examiner.* Any hearing shall be held before a trial examiner selected by the Civil Service Commission and designated by the Board of Directors and, unless otherwise provided in the notice of hearing, shall be conducted as hereinafter provided.

(b) *Authority of trial examiner.* All hearings governed by this part shall be conducted in accordance with the provisions of chapter 5 of title 5 of the United States Code. The trial examiner designated by the Board of Directors to preside at any such hearing shall have complete charge of the hearing, and he shall have the duty to conduct it in a fair and impartial manner and to take all necessary action to avoid delay in the disposition of proceedings. Such examiner shall have all powers necessary to that end, including the following:

- (1) To administer oaths and affirmations;
- (2) To issue subpoenas and subpoenas duces tecum, as authorized by law, and to revoke, quash, or modify any such subpoena;
- (3) To receive relevant evidence and to rule upon the admission of evidence and offers of proof;
- (4) To take or cause depositions to be taken;
- (5) To regulate the course of the hearing and the conduct of the parties and their counsel;
- (6) To hold conferences for the settlement or simplification of issues or for any other proper purpose; and
- (7) To consider and rule upon, as justice may require, all procedural and other motions appropriate in an adversary proceeding, except that a trial examiner shall not have power to decide any motion to dismiss the proceedings or other motion which results in final determination of the merits of the proceedings.

Without limitation on the foregoing provisions of this paragraph, the trial examiner shall, subject to the provisions of this part, have all the authority of section 556(c) of title 5 of the United States Code.

(c) *Prehearing conference.* The trial examiner may, on his own initiative or at the request of any party, direct counsel for all parties to meet with him at a specified time and place prior to the hearing, or to submit suggestions to him in writing, for the purpose of considering any or all of the following:

- (1) Simplification and clarification of the issues;
- (2) Stipulations, admissions of fact and of the contents and authenticity of documents;
- (3) Matters of which official notice will be taken; and
- (4) Such other matters as may aid in the orderly disposition of the proceeding, including disclosure of the names of witnesses and of documents or other physical exhibits which will be introduced in evidence in the course of the proceeding.

Such conferences shall, at the request of any party, be recorded and at the conclusion thereof the trial examiner shall enter in the record an order which recites the results of the conference. Such order shall include the examiner's rulings upon matters considered at the conference, together with appropriate directions to the parties, if any; and such order shall control the subsequent course of the proceedings, unless modified at the hearing to prevent manifest

injustice. Except as authorized by law, the trial examiner shall not consult any person or party on any fact in issue unless upon notice and opportunity for all parties to participate, nor be responsible to or subject to the supervision or direction of any officer, employee, or agent engaged in the performance of investigative or prosecuting functions. No officer, employee, or agent engaged in the performance of investigative or prosecuting functions in any case shall, in that case or a factually related case, participate or advise in the decision of the trial examiner except as a witness or counsel in the proceedings.

(d) *Attendance at hearings.* A hearing shall ordinarily be private and shall be attended only by the parties, their representatives or counsel, witnesses while testifying, and other persons having an official interest in the proceedings: *Provided, however,* That on written request by a party or representatives of the Board of Directors, or on the Board's own motion, the Board, in its discretion and to the extent permitted by law, may permit other persons to attend or may order the hearing to be public.

(e) *Transcript of testimony.* Hearings shall be recorded and transcripts will be made available to any party upon payment of the cost thereof and, in the event the hearing is public, shall be furnished on similar payment to other interested persons. A copy of the transcript of the testimony taken at any hearing, duly certified by the reporter, together with all exhibits, all papers and requests filed in the proceeding, and any briefs or memoranda of law theretofore filed in the proceeding, shall be filed with the Secretary of the Corporation, who shall transmit the same to the trial examiner. The Secretary shall promptly serve notice upon each of the parties of such filing and transmittal. The trial examiner shall have authority to rule upon motions to correct the record.

(f) *Order of procedure.* The counsel for the Corporation shall open and close.

(g) *Continuances and changes or extensions of time and changes of place of hearing.* Except as otherwise expressly provided by law, the Board of Directors may by the notice of hearing or subsequent order provide time limits different from those specified in this part, and the Board of Directors may, on its own initiative or for good cause shown, change or extend any time limit prescribed by these rules or the notice of hearing, or change the time and place for beginning any hearing hereunder. The trial examiner may continue or adjourn a hearing from time to time and, as permitted by law or agreed to by the parties, from place to place. Extensions of time for making any filing or performing any act required or allowed to be done within a specified time in the course of a proceeding may be granted by the trial examiner for good cause shown.

(h) *Call for further evidence, oral argument, briefs, reopening of hearing.* The trial examiner may call for the production of further evidence upon any issue, may permit oral argument and submission of briefs at the hearing and, upon appropriate notice, may reopen any hearing at any time prior to the certification of his recommended decision to the Secretary. The Board of Directors shall render its decision within 90 days after the Secretary has notified the parties, pursuant to §308.13, that the case has been submitted to the Board of Directors for final decision, unless within such 90-day period the Board of Directors shall order that such notice be set aside and the case reopened for further proceedings.

§308.6 Subpenas.

(a) *Issuance.* The trial examiner, or in the event he is unavailable, the Board of Directors, shall issue subpenas at the request of any party, requiring the attendance of witnesses or the production of documentary evidence at any designated place of hearing; except that where it appears to the trial examiner or the Board of Directors that the subpoena may be unreasonable, oppressive, excessive in scope, or unduly burdensome, the party seeking the subpoena may be required, as a condition precedent to the issuance of the subpoena, to show the general relevance and reasonable scope of the testimony or other evidence sought. In the event the trial examiner or the Board of Directors, after consider-

ation of all the circumstances, determines that the subpoena or any of its terms are unreasonable, oppressive, excessive in scope, or unduly burdensome, he or it may refuse to issue the subpoena, or issue it only upon such conditions as fairness requires.

(b) *Motion to quash.* Any person to whom a subpoena is directed may, prior to the time specified therein for compliance but in no event more than five days after the date of service of such subpoena, with notice to the party requesting the subpoena, apply to the trial examiner, or, if he is unavailable, to the Board of Directors, to revoke, quash, or modify such subpoena, accompanying such application with a statement of the reasons therefor.

(c) *Service of subpoena.* Service of a subpoena upon a person named therein shall be made by delivering a copy of the subpoena to such person and by tendering the fees for 1 day's attendance and the mileage as specified in paragraph (d) of this section, except that when a subpoena is issued at the instance of the Board of Directors fees and mileage need not be tendered at the time of service of the subpoena. If service is made by a U.S. marshal, or his deputy, or an employee of the Corporation, such service shall be evidenced by his return thereon. If made by any other person, such person shall make affidavit thereto, describing the manner in which service is made, and return such affidavit on or with the original subpoena. In case of failure to make service, reasons for the failure shall be stated on the original subpoena. The original subpoena, bearing or accompanied by the required return, affidavit or statement, shall be returned without delay to the trial examiner.

(d) *Attendance of witnesses.* The attendance of witnesses and the production of documents pursuant to a subpoena, issued in connection with a hearing provided for in Subpart B, C, or D of this part, may be required from any place in any State or in any territory at any designated place where the hearing is being conducted. Witnesses subpoenaed in any proceeding under this part shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States.

(e) *Depositions.* The Board of Directors or trial examiner, by subpoena or subpoena duces tecum, may order evidence to be taken by deposition in any proceeding at any stage thereof. Such depositions may be taken by the trial examiner or before any person designated by the Board of Directors or trial examiner and having power to administer oaths. Unless notice is waived, no deposition shall be taken except after at least 5 days' notice to the parties to the proceeding.

(f) *Application and order to take oral deposition.* Any party desiring to take the oral deposition of a witness, in connection with any hearing provided for in this part, shall make application in writing to the trial examiner or, in the event he is unavailable, to the Board of Directors, setting forth the reasons why such deposition should be taken, the name and post office address of the witness, the matters concerning which the witness is expected to testify, its relevance, and the time when, the place where, and the name and post office address of the person before whom it is desired the deposition be taken. A copy of such application shall be served upon every other party to the proceeding by the party making such application. Upon a showing that (1) the proposed witness will be unable to attend or may be prevented from attending the hearing because of age, sickness or infirmity, or will otherwise be unavailable at the hearing, (2) his testimony will be material, and (3) the taking of the deposition will not result in any undue burden to any other party or in undue delay of the proceeding, the trial examiner or the Board of Directors may, in his or its discretion, by such subpoena or subpoena duces tecum, order the oral deposition to be taken. Such subpoena will name the witness whose deposition is to be taken and specify the time when, the place where, and the person before whom the witness is to testify, but such time and place, and the person before whom the deposition is ordered to be taken, may or may not be the same as those named in the application. Notice of the issuance of such subpoena shall be served upon

each of the parties a reasonable time, and in no event less than five days, in advance of the time fixed for the taking of the deposition.

(g) *Procedure on deposition; objections.* Each witness testifying upon oral deposition shall be duly sworn, and the adverse party shall have the right to cross-examine. Objections to questions or evidence shall be in short form, stating the grounds of objection relied upon; but the person taking the deposition shall not have power to rule upon questions of competency or materiality or relevance of evidence. Failure to object to questions or evidence shall not be deemed a waiver except where the ground of the objection is one which might have been obviated or removed if presented at that time. The questions propounded and the answers thereto, together with all objections made (but not including argument or debate) shall be recorded by the person taking the deposition, or under his direction. The deposition shall be subscribed by the witness, unless the parties by stipulation waived the signing or the witness is ill or cannot be found or refused to sign, and certified as a true and complete transcript thereof by the person taking the deposition. If the deposition is not subscribed to by the witness, such person shall state on the record this fact and the reason therefor. Such person shall promptly send the original and two copies of such deposition, together with the original and two copies of all exhibits, by registered mail to the Secretary of the Corporation unless otherwise directed in the order authorizing the taking of the deposition. Interested parties shall make their own arrangements with the person taking the deposition for copies of the testimony and the exhibits.

(h) *Introduction as evidence.* Subject to appropriate rulings on such objections to questions of evidence as were noted at the time the deposition was taken or as would be valid were the witness personally present and testifying (except objections waived under the third sentence of paragraph (g) of this section), the deposition or any part thereof may be read in evidence by any party to the proceeding. Only such part or the whole of a deposition as is received in evidence at a hearing shall constitute a part of the record in such proceeding upon which a decision may be based.

(i) *Payment of fees.* Witnesses whose oral depositions are taken shall be entitled to the same fees as are paid for like services in the courts of the United States. Fees of persons taking such depositions and the fees of the reporter shall be paid by the person upon whose application the deposition was taken.

§308.7 *Rules of evidence.*

(a) *Evidence.* Every party shall have the right to present his case or defense by oral and documentary evidence, to submit rebuttal evidence and to conduct such cross-examination as may be required for a full and true disclosure of the facts. Irrelevant, immaterial, or unduly repetitious evidence shall be excluded.

(b) *Objections.* Objections to the admission or exclusion of evidence shall be in short form, stating the grounds of objections relied upon, and the transcript shall not include argument thereon except as ordered, allowed, or requested by the trial examiner. Rulings on such objections and on any other matters shall be a part of the transcript. Failure to object to admission or exclusion of evidence or to any ruling shall be considered a waiver of such objection.

(c) *Official notice.* All matters officially noticed by the trial examiner shall appear on the record.

§308.8 *Motions.*

(a) *In writing.* An application or request for an order or ruling not otherwise specifically provided for in this part shall be made by motion. After a trial examiner has been designated to preside at a hearing and before the filing with the Secretary of his recommended decision, pursuant to §308.9, such applications or requests shall be addressed to and filed with him. At all other times motions shall be addressed to the Board of Directors and filed with the Secretary. Motions shall be in writing, except that a motion made at a session of a

hearing may be made orally upon the record unless the trial examiner directs that it be reduced to writing. All written motions shall state with particularity the order or relief sought and the grounds therefor.

(b) *Objections.* Within 5 days after service of any written motion, or within such other period of time as may be fixed by the trial examiner or the Board of Directors, any party may file a written answer or objection to such motion. The moving party shall have no right to reply, except as permitted by the trial examiner or the Board of Directors. As a matter of discretion, the trial examiner or the Board of Directors may waive the requirements of this section as to motions for extensions of time, and may rule upon such motions *ex parte*.

(c) *Oral argument.* No oral argument will be heard on motions except as otherwise directed by the trial examiner or the Board of Directors. Written memoranda or briefs may be filed with motions or answers or objections thereto, stating the points and authorities relied upon in support of the position taken.

(d) *Rulings on motions.* Except as otherwise provided in this part, the trial examiner shall rule upon all motions properly addressed to him and upon such other motions as the Board of Directors may direct, except that if the trial examiner finds that a prompt decision by the Board of Directors on a motion is essential to the proper conduct of the proceeding, he may refer such motion to the Board of Directors for decision. The Board of Directors shall rule upon all motions properly submitted to it for decision.

(e) *Appeal from rulings on motions.* All motions and answers or objections thereto and rulings thereon shall become part of the record. Rulings of a trial examiner on any motion may not be appealed to the Board of Directors prior to its consideration of the trial examiner's recommended decision, findings and conclusions except by special permission of the Board of Directors; but they shall be considered by the Board of Directors in reviewing the record. Requests to the Board of Directors for special permission to appeal from such rulings of the trial examiner shall be filed promptly, in writing, and shall briefly state the grounds relied on. The moving party shall immediately serve a copy thereof on every other party to the proceeding.

(f) *Continuation of hearing.* Unless otherwise ordered by the trial examiner or the Board of Directors, the hearing shall continue pending the determination of any motion by the Board of Directors.

§308.9 *Proposed findings and conclusions and recommended decision.*

(a) *Proposed findings and conclusions by parties.* Each party to a hearing shall have a period of 15 days after service of the Secretary's notice of the filing and transmittal of the record, as provided in paragraph (e) of §308.5, or such further time as the trial examiner for good cause shall determine, to file with the trial examiner proposed findings of fact, conclusions of law and order, which may be accompanied by a brief or memorandum in support thereof. Such proposals shall be supported by citation of such statutes, decisions and other authorities, and by page references to such portions of the record, as may be relevant. All such proposals, briefs and memoranda shall become a part of the record.

(b) *Recommended decision and filing of record.* The trial examiner shall, within 30 days after the expiration of the time allowed for the filing of proposed findings, conclusions, and order, or within such further time as the Board of Directors for good cause shall determine, file with the Secretary and certify to the Board of Directors for decision the entire record of the hearing, which shall include his recommended decision, findings of fact, conclusions of law, and proposed order, the transcript, exhibits (including on request of any of the parties any exhibits excluded from evidence or tenders of proof), exceptions, rulings, and all briefs and memoranda filed in connection with the hearing. Promptly upon such filing the Secretary shall serve upon each party to the proceeding a copy of the trial examiner's recommended decision, findings, conclusions, and

proposed order. The provisions of this paragraph and §308.10 shall not apply, however, in any case where the hearing was held before the Board of Directors.

§308.10 *Exceptions.*

(a) *Filing.* Within 15 days after service of the recommended decision, findings, conclusions, and proposed order of the trial examiner, or such further time as the Board of Directors for good cause shall determine, any party (other than a party who has not filed an answer in accordance with paragraphs (a) and (d) of §308.4, unless no answer was required of such party by the Board of Directors) may file with the Secretary exceptions thereto or any part thereof, or to the failure of the trial examiner to make any recommendation, finding, or conclusion, or to the admission or exclusion of evidence, or other ruling of the trial examiner, supported by such brief as may appear advisable.

(b) *Waiver.* Failure of a party to file exceptions to the recommended decision, findings, conclusions, and proposed order of the trial examiner or any portion thereof, or to his failure to adopt a proposed finding or conclusion, or to the admission or exclusion of evidence or other ruling of the trial examiner, within the time prescribed in paragraph (a) of this section, shall be deemed to be a waiver of objection thereto.

§308.11 *Briefs.*

(a) *Contents.* All briefs shall be confined to the particular matters in issue. Each exception or proposed finding or conclusion which is briefed shall be supported by a concise argument or by citation of such statutes, decisions or other authorities and by page reference to such portions of the record or recommended decision of the trial examiner as may be relevant. If the exception relates to the admission or exclusion of evidence, the substance of the evidence admitted or excluded shall be set forth in the brief with appropriate references to the transcript.

(b) *Reply briefs.* Reply briefs may be filed with the Secretary of the Corporation within 10 days after service of briefs and shall be confined to matters in original briefs of opposing parties. Further briefs may be filed only with the permission of the Board of Directors.

(c) *Delays.* Briefs not filed on or before the time fixed in this subpart will be received only upon special permission of the Board of Directors.

§308.12 *Oral argument before the Board of Directors.*

Upon its own initiative, or upon the written request of any party made within the time prescribed for the filing of exceptions, a brief in support thereof, or a reply brief, if any, for oral argument on the findings, conclusions, and recommended decision of the trial examiner, the Board of Directors, if it considers justice will best be served, may order the matter to be set down for oral argument before the Board of Directors or one or more members thereof. Oral argument before the Board of Directors shall be recorded unless otherwise ordered by the Board of Directors.

§308.13 *Notice of submission to the Board of Directors.*

Upon the filing of the record with the Secretary of the Corporation, and upon the expiration of the time for the filing of exceptions and all briefs, including reply briefs or any further briefs permitted by the Board of Directors and upon the hearing of oral argument by the Board of Directors, if ordered by the Board of Directors, the Secretary shall notify the parties that the case has been submitted to the Board of Directors for final decision.

§308.14 *Decision of Board of Directors.*

Appropriate members of the staff, who are not engaged in the performance of investigative or prosecuting functions in the case, or in a factually related case, may advise and assist the Board of Directors in the consideration of the case and in the preparation of appropriate documents for its disposition. Copies of the decision and order of the Board of Directors shall be furnished by the

Secretary of the Corporation to the parties to the proceedings, the bank involved and to the appropriate State supervisory authority, in the case of a State bank. Where the proceedings involve the involuntary termination of the insured status of a bank, copies of the decision and order shall also be furnished to the Board of Governors of the Federal Reserve System in the case of a State member bank, or to the Comptroller of the Currency in the case of a national bank or a District bank.

§308.15 Filing papers.

Recommended decisions, exceptions, briefs and other papers required to be filed with the Board of Directors or Secretary in any proceedings shall be filed with the Secretary, Federal Deposit Insurance Corporation, Washington, D.C. 20429. Any such papers may be sent to the Secretary by mail or express but must be received in the office of the Corporation in Washington, D.C., or post-marked by a post office, within the time limit for such filing.

§308.16 Service.

(a) *By the Board of Directors.* All documents or papers required to be served by the Board of Directors upon any party afforded a hearing shall be served by the Secretary of the Corporation unless some other person shall be designated for such purpose by the Board of Directors. Such service, except for service on counsel for the Board of Directors, shall be made by personal service or by registered mail, addressed to the last known address as shown on the records of the Board of Directors, on the attorney or representative of record of such party, provided that if there is no attorney or representative of record, such service shall be made upon such party at the last known address as shown on the records of the Board of Directors. Such service may also be made in such other manner reasonably calculated to give actual notice as the Board of Directors may by regulation or otherwise provide.

(b) *By the parties.* Except as otherwise expressly provided in this part, all documents or papers filed in a proceeding under this part shall be served by the party filing the same upon the attorneys or representatives of record of all other parties to the proceeding, or, if any party is not so represented, then upon such party. Such service may be made by personal service or by registered, certified, or regular first-class mail addressed to the last known address of such parties, or their attorneys or representatives of record. All such documents or papers shall, when tendered to the Board of Directors or the trial examiner for filing, show that such service has been made.

§308.17 Copies.

Unless otherwise specifically provided in the notice of hearing, an original and seven copies of all documents and papers required or permitted to be filed or served upon the Secretary of the Corporation under this part, except the transcript of testimony and exhibits, shall be furnished to the Secretary of the Corporation.

§308.18 Computing time.

(a) *General rule.* In computing any period of time prescribed or allowed by this part, the date of the act, event or default from which the designated period of time begins to run is not to be included. The last day so computed shall be included, unless it is a Saturday, Sunday, or legal holiday in the District of Columbia, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, nor such legal holiday. Intermediate Saturdays, Sundays, and legal holidays shall be included in the computation unless the time within which the act is to be performed is 10 days or less in which event Saturdays, Sundays, and legal holidays shall not be included.

(b) *Service by mail.* Whenever any party has the right or is required to do some act or take some proceeding, within a period of time prescribed in this part, after the service upon him of any document or other paper of any kind, and such service is made by mail, 3 days shall be added to the prescribed

period from the date when the matter served is deposited in the United States mail.

§308.19 *Documents in proceedings confidential.*

Unless and until otherwise ordered by the Board of Directors, the notice of hearing, the transcript, the recommended decision of the trial examiner, exceptions thereto, proposed findings or conclusions, the findings and conclusions of the Board of Directors and other papers which are filed in connection with any hearing shall not be made public, and shall be for the confidential use only of the Board of Directors, the trial examiner, the parties and appropriate supervising authorities.

§308.20 *Formal requirements as to papers filed.*

(a) *Form.* All papers filed under this subpart shall be printed, typewritten, or otherwise reproduced. All copies shall be clear and legible.

(b) *Signature.* The original of all papers filed by a bank shall be signed by an officer thereof, and if filed by another party shall be signed by said party, or by the duly authorized agent or attorney of the bank or other party, and in all such cases shall show the signer's address. Counsel for the Corporation shall sign the original of all papers filed by him.

(c) *Caption.* All papers filed must include at the head thereof, or on a title page, the name of the Corporation, the name of the party, and the subject of the particular paper.

SUBPART B—RULES AND PROCEDURES APPLICABLE TO PROCEEDINGS FOR THE INVOLUNTARY TERMINATION OF INSURED STATUS

§308.21 *Scope.*

Under the authority of section 8 of the Federal Deposit Insurance Act, the Board of Directors of the Corporation may terminate the insured status of an insured bank upon the grounds set forth therein and enumerated in §§308.22 and 308.27. The procedure for terminating the insured status of a bank as therein prescribed will be followed and hearings required thereunder will be conducted in accordance with the rules and procedures set forth in this subpart and Subpart A of this part.

§308.22 *Grounds for termination of insurance.*

Whenever the Board of Directors finds that an insured bank or its directors or trustees have engaged or are engaging in unsafe or unsound practices in conducting the business of such bank, or that such bank is in an unsafe or unsound condition to continue operations as an insured bank, or that such bank or its directors or trustees have violated an applicable law, rule, regulation or order, or any condition imposed in writing by the Corporation in connection with the granting of any application or other request by the bank, or any written agreement entered into with the Corporation, the Board of Directors will first give to the Comptroller of the Currency in the case of a national bank or a District bank, to the authority having supervision of the bank in the case of a State bank, and to the Board of Governors of the Federal Reserve System in the case of a State member bank, a statement with respect to such practices or violations for the purpose of securing the correction thereof and will forward a copy thereof to the bank.

§308.23 *Notice of intention to terminate insured status.*

Unless correction of the practices, condition or violations set forth in the statement prescribed in §308.22 is made within 120 days, or such shorter period not less than 20 days fixed by the Corporation in any case where the Board of Directors in its discretion has determined that the insurance risk of the Corporation is unduly jeopardized, or fixed by the Comptroller of the Currency in the case of a national bank, or the State authority in the case of a State bank, or Board of Governors of the Federal Reserve System in the case

of a State member bank, as the case may be, the Board of Directors, if it determines to proceed further, will give to the bank not less than 30 days' written notice of its intention to terminate the status of the bank as an insured bank, and will fix a time and place for a hearing before the Board of Directors or before a person designated by it to conduct such hearing, at which evidence may be produced, and upon such evidence the Board of Directors will make written findings which shall be conclusive.

§308.24 Order terminating insured status.

If the Board of Directors finds that any unsafe or unsound practice or condition or violation specified in such statement has been established and has not been corrected within the time prescribed under §308.23, in which to make such corrections, the Board of Directors may order that the insured status of the bank be terminated on a date subsequent to such finding and to the expiration of the time specified in the notice of intention issued under §308.23.

§308.25 Consent to termination of insured status.

Unless the bank appears at the hearing designated in the notice of hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured bank. In the event the bank fails to appear at such hearing, the trial examiner shall forthwith report the matter to the Board of Directors and the Board may thereupon issue an order terminating the bank's insured status.

§308.26 Notice of termination of insured status.

Prior to the effective date of the termination of the insured status of a bank under section 8(a) of the Federal Deposit Insurance Act and at such time as the Board of Directors shall specify, the bank shall mail to each depositor at his last address of record on the books of the bank and publish in not less than two issues of a local newspaper of general circulation and shall furnish the Corporation with proof of publication of notice of such termination of insured status. The notice shall be as follows:

NOTICE

.....
(Date)

1. The status of the, as an insured bank under the provisions of the Federal Deposit Insurance Act, will terminate as of the close of business on the ... day of, 19...;

2. Any deposits made by you after that date, either new deposits or additions to existing deposits, will not be insured by the Federal Deposit Insurance Corporation;

3. Deposits in the bank on the ... day of, 19..., up to a maximum of \$15,000 for each depositor, will continue to be insured, as provided by the Federal Deposit Insurance Act, for 2 years after the close of business on the ... day of, 19...; *Provided, however,* That any withdrawals after the close of business on the ... day of, 19..., will reduce the insurance coverage by the amount of such withdrawals.

.....
(Name of banking institution)

.....
(Address)

There may be included in such notice any additional information or advice the banking institution may deem desirable.

§308.27 Termination of insured status of banking institution not engaged in the business of receiving deposits other than trust funds.

Whenever the Board of Directors shall have evidence indicating that an insured banking institution is not engaged in the business of receiving deposits,

other than trust funds, it will give notice in writing to the banking institution of such fact, and will direct the banking institution to show cause why the insured status of the banking institution should not be terminated under the provisions of section 8(p) of the Federal Deposit Insurance Act. The banking institution shall have 30 days, or such greater period of time as the Board of Directors shall prescribe, after receipt of such notice to submit affidavits or other written proof that it is engaged in the business of receiving deposits, other than trust funds. The Board of Directors may, in its discretion, upon written request of the banking institution, authorize a hearing before it or any person designated by it. If upon consideration of the evidence, the Board of Directors finds that the banking institution is not engaged in the business of receiving deposits, other than trust funds, such finding shall be conclusive and the Corporation will notify the banking institution that its insured status will terminate at the expiration of the first full semiannual assessment period following such notice. Prior to the date of the termination of the insured status of a banking institution under section 8(c) of the Federal Deposit Insurance Act, and within the time specified by the Board of Directors, the banking institution shall mail to each depositor at his last address of record on its books and publish in not less than two issues of a local newspaper of general circulation, a notice of such termination in form substantially as follows:

NOTICE

.....
(Date)

The status of the,
(Name of banking institution) (City or town)
....., as an insured bank, under the Federal Deposit Insurance
(State)

Act, will terminate on the... day of, 19..., and its deposits will thereupon cease to be insured.

.....
(Name of banking institution)

.....
(Address)

There may be included in such notice any additional information or advice the banking institution may deem desirable.

SUBPART C—RULES AND PROCEDURES APPLICABLE TO PROCEEDINGS RELATING TO CEASE-AND-DESIST ORDERS

§308.28 Scope.

The rules and procedures set forth in this subpart are applicable to proceedings by the Board of Directors with a view to ordering an insured State nonmember bank (other than a District bank) to cease and desist from practices and violations described in section 8 of the Federal Deposit Insurance Act and enumerated in §308.29. The procedures for issuing such orders prescribed in section 8 of said Act will be followed and hearings required thereunder will be conducted in accordance with the rules and procedures set forth in this subpart and Subpart A of this part.

§308.29 Grounds for cease-and-desist orders.

If, in the opinion of the Board of Directors, any insured State nonmember bank (other than a District bank) or bank which has insured deposits is engaging or has engaged, or the Board of Directors has reasonable cause to believe that the bank is about to engage, in an unsafe or unsound practice in conducting the business of such bank, or is violating or has violated, or the Board of Directors has reasonable cause to believe that the bank is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Board of Di-

rectors in connection with the granting of an application or other request by the bank, or any written agreement entered into with the Corporation, the Board of Directors may issue and serve upon the bank a notice of charges in respect thereof.

§308.30 *Notice of charges and hearing.*

The notice referred to in §308.29 will contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the bank. The hearing will be fixed for a date not earlier than 30 days nor later than 60 days after service of such notice unless an earlier or a later date is set by the Board of Directors at the request of the bank. Unless the bank appears at the hearing by a duly authorized representative, it will be deemed to have consented to the issuance of the cease-and-desist order.

§308.31 *Issuance of order.*

In the event of such consent, or if upon the record made at any such hearing, the Board of Directors finds that any violation or unsafe or unsound practice specified in the notice of charges has been established, the Board of Directors may issue and serve upon the bank an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the bank and its directors, officers, employees, and agents to cease and desist from the same and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

§308.32 *Effective date.*

A cease-and-desist order will become effective at the expiration of 30 days after the service of such order upon the bank concerned (except in the case of a cease-and-desist order issued upon consent, which will become effective at the time specified therein), and will remain effective and enforceable as provided therein, except to such extent as it is stayed, modified, terminated, or set aside by action of the Board of Directors or a reviewing court.

§308.33 *Temporary cease-and-desist orders.*

Whenever the Board of Directors determines that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges referred to in §308.28, or the continuation thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the bank, or is likely to otherwise seriously prejudice the interests of its depositors, the Board of Directors may issue a temporary order requiring the bank to cease and desist from any such violation or practice.

§308.34 *Effective date of temporary order.*

Such order will become effective upon service upon the bank and, unless set aside, limited, or suspended by a court in proceedings authorized under the Federal Deposit Insurance Act will remain effective and enforceable pending the completion of the administrative proceedings held pursuant to such notice and until such time as the Board of Directors dismisses the charges specified in such notice, or if a cease-and-desist order is issued against the bank pursuant to §308.29, until the effective date of any such order.

SUBPART D—RULES AND PROCEDURES APPLICABLE TO PROCEEDINGS RELATING TO REMOVAL AND SUSPENSION ORDERS

§308.35 *Scope.*

The rules and procedures set forth in this subpart are applicable to proceedings by the Board of Directors to remove or suspend directors or officers of an insured State nonmember bank (other than a District bank) or any other person participating in the conduct of the affairs of such a bank, and/or prohibit such director, officer or other person from further participation in the conduct of the

affairs of such a bank, upon the grounds set forth in section 8 of the Federal Deposit Insurance Act and enumerated in this subpart. The procedures for issuing such orders prescribed in section 8 of said Act will be followed and hearings required thereunder will be conducted in accordance with the rules and procedures set forth in this subpart and Subpart A of this part.

§308.36 *Grounds for removal order.*

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

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

§308.37 *Grounds for suspension order.*

In respect to any director or officer of an insured State nonmember bank (other than a District bank) or any other person referred to in paragraph (a) or (b) of §308.36 the Board of Directors may, if it deems it necessary for the protection of the bank or the interests of its depositors, by written notice to such effect served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the bank.

§308.38 *Effective date of suspension order.*

Any suspension and/or prohibition which is subject to the notice prescribed in §308.37, shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by the Federal Deposit Insurance Act, shall remain in effect pending the completion of the administrative proceedings held pursuant to the notice served under paragraph (a) or (b) of §308.36 and until such time as the Board of Directors shall dismiss the charges specified in such notice, or if an order of removal and/or prohibition is issued against the director or officer or other person, until the effective date of any such order. Copies of any such notice will also be served upon the bank of which he is a director or officer or in the conduct of whose affairs he has participated.

§308.39 *Notice of intention to remove and hearing.*

A notice of intention to remove a director, officer, or other person from office and/or to prohibit his participation in the conduct of the affairs of an insured

bank, will contain a statement of the facts constituting grounds therefor and will fix a time and place at which a hearing will be held thereon. Such hearing will be fixed for a date not earlier than 30 days nor later than 60 days after the date of service of such notice, unless an earlier or a later date is set by the Board of Directors at the request of (a) such director or officer or other person, and for good cause shown, or (b) the Attorney General of the United States. Unless such director, officer, or other person appears at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of such removal and/or prohibition.

§308.40 *Issuance of removal order and effective date.*

In the event of such consent, or if upon the record made at any such hearing the Board of Directors finds that any of the grounds specified in such notice has been established, the Board of Directors may issue such orders of suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of the bank, as it may deem appropriate. Any such order shall become effective at the expiration of 30 days after service upon such bank and the director, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Board of Directors or a reviewing court.

§308.41 *Suspension and removal where felony charged.*

(a) Whenever any director or officer of an insured State nonmember bank (other than a District bank), or other person participating in the conduct of the affairs of such bank, is charged in any information, indictment, or complaint authorized by a U.S. attorney, with the commission of or participation in a felony involving dishonesty or breach of trust, the Board of Directors may, by written notice served upon such director, officer, or other person suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the bank. A copy of such notice will also be served upon the bank. Such suspension and/or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Board of Directors.

(b) In the event that a judgment of conviction with respect to such offense is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the Board of Directors may issue and serve upon such director, officer, or other person an order removing him from office and/or prohibiting him from further participation in any manner in the conduct of the affairs of the bank except with the consent of the Board of Directors. A copy of such order will also be served upon such bank, whereupon such director or officer shall cease to be a director or officer of such bank. A finding of not guilty or other disposition of the charge will not preclude the Board of Directors from thereafter instituting proceedings to remove such director, officer, or other person from office and/or to prohibit further participation in bank affairs, pursuant to the provisions of this subpart.

[F.R. Doc. 67-8385; Filed, July 31, 1967; 8:45 a.m.]

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 328—ADVERTISEMENT OF MEMBERSHIP

Effective August 1, 1967, Part 328 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR Part 328) is amended to read as follows:

Sec.

328.0 Scope.

328.1 Mandatory requirements with regard to the official sign and its display.

328.2 Mandatory requirements with regard to the official advertising statement and manner of use.

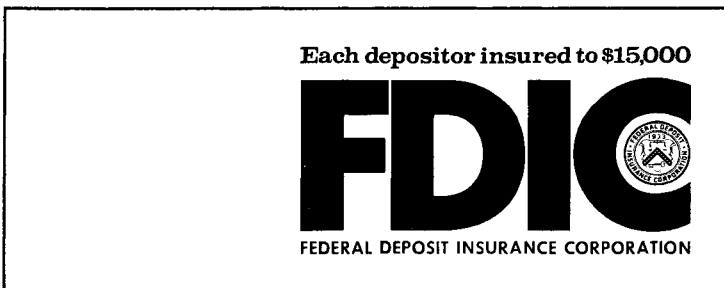
§328.0 Scope.

The regulation contained in this part prescribes the requirements with regard to the official sign insured banks must display and the requirements with regard to the official advertising statement insured banks must include in their advertisements. It also prescribes an approved short title which insured banks may use at their option. It imposes no limitations on other proper advertising of insurance of deposits by insured banks and does not apply to advertisements published in foreign countries by insured banks which maintain offices in such foreign countries in which offices the deposits are not insured.

§328.1 *Mandatory requirements with regard to the official sign and its display*

(a) *Insured banks to display official sign.* Each insured bank shall continuously display an official sign as hereinafter prescribed at each station or window where insured deposits are usually and normally received in its principal place of business and in all its branches: *Provided*, That no bank becoming an insured bank shall be required to display such official sign until twenty-one (21) days after its first day of operation as an insured bank. The official sign may be displayed by any insured bank prior to the date display is required. Additional signs in other sizes, colors, or materials, incorporating the basic design of the official sign, may be displayed in other locations within an insured bank.

(b) *Official sign.* The official sign referred to in paragraph (a) of this section shall be of the following design:



The "symbol" of the Corporation shall be that portion of the official sign represented by the letters and the Corporation seal contained upon the sign.

(1) Any insured bank may procure official signs from the Corporation. Variations in size, color, and materials in the official sign, as described in the "Official Catalog of Insured Bank Signs"—No. ED1, may be procured at no charge from the Corporation by insured banks for official use. The Corporation shall furnish to banks an order blank for use in procuring the official signs. Any bank which promptly, after receipt of the order blank, fills it in, executes it, and properly directs and forwards it to the Federal Deposit Insurance Corporation, Washington, D.C. 20429, shall not be deemed to have violated this regulation on account of not displaying an official sign, or signs, unless the bank shall omit to display such official sign or signs after receipt thereof.

(2) Official signs reflecting variations in color and materials and additional

signs reflecting variations in size, color, and materials may be procured by insured banks from commercial suppliers.

(c) *Receipt of deposits at same teller's station or window as noninsured bank or institution.* An insured bank is forbidden to receive deposits at any teller's station or window where any noninsured bank or institution receives deposits or similar liabilities.

(d) *Required changes in official sign.* The Corporation may require any insured bank, upon at least 30 days' written notice, to change the wording of its official signs in a manner deemed necessary for the protection of depositors or others.

§328.2 *Mandatory requirements with regard to the official advertising statement and manner of use.*

(a) *Insured banks to include official advertising statement in all advertisements except as provided in paragraph (c) of this section.* Each insured bank shall include the official advertising statement, prescribed in paragraph (b) of this section, in all of its advertisements except as provided in paragraph (c) of this section.

(1) An insured bank is not required to include the official advertising statement in its advertisements until thirty (30) days after its first day of operation as an insured bank.

(2) In cases where the Board of Directors of the Federal Deposit Insurance Corporation shall find the application to be meritorious, that there has been no neglect or willful violation in the observance of this section and that undue hardship will result by reason of its requirements, the Board of Directors may grant a temporary exemption from its provision to a particular bank upon its written application setting forth the facts. For the procedure to be followed in making such application see §303.8 of this chapter.

(3) In cases where advertising copy not including the official advertising statement is on hand on the date the requirements of this section become operative, the insured bank may cause the official advertising statement to be included by use of a rubber stamp or otherwise.

(b) *Official advertising statement.* The official advertising statement shall be in substance as follows: "Member of the Federal Deposit Insurance Corporation". The word "the" or the words "of the" may be omitted. The words "This bank is a" or the words "This institution is a" or the name of the insured bank followed by the words "is a" may be added before the word "member". The short title "Member of FDIC" or "Member FDIC" or a reproduction of the "symbol" may be used by insured banks at their option as the official advertising statement. The official advertising statement shall be of such size and print to be clearly legible. Where it is desired to use the "symbol" of the Corporation as the official advertising statement, and the "symbol" must be reduced to such proportions that the small lines of type and the Corporation seal therein are indistinct and illegible, the Corporation seal in the letter C and the two lines of small type may be blocked out or dropped.

(c) *Types of advertisements which do not require the official advertising statement.* The following is an enumeration of the types of advertisements which need not include the official advertising statement:

(1) Statements of condition and reports of condition of an insured bank which are required to be published by State or Federal law;

(2) Bank supplies such as stationery (except when used for circular letters), envelopes, deposit slips, checks, drafts, signature cards, deposit passbooks, certificates of deposit, etc.;

(3) Signs or plates in the banking office or attached to the building or buildings in which the banking offices are located;

(4) Listings in directories;

(5) Advertisements not setting forth the name of the insured bank;

(6) Display advertisements in bank directory, provided the name of the bank is listed on any page in the directory with a symbol or other descriptive matter indicating it is a member of the Federal Deposit Insurance Corporation;

(7) Joint or group advertisements of banking services where the names of insured banks and noninsured banks or institutions are listed and form a part of such advertisements;

(8) Advertisements by radio which do not exceed thirty (30) seconds in time;

(9) Advertisements by television, other than display advertisements, which do not exceed thirty (30) seconds in time;

(10) Advertisements which are of the type or character making it impractical to include thereon the official advertising statement including, but not limited to promotional items such as calendars, matchbooks, pens, pencils, and key chains;

(11) Advertisements which contain a statement to the effect that the bank is a member of the Federal Deposit Insurance Corporation, or that the bank is insured by the Federal Deposit Insurance Corporation, or that its deposits or depositors are insured by the Federal Deposit Insurance Corporation to the maximum of \$15,000 for each depositor;

(12) Advertisements relating to the making of loans by the bank or loan services;

(13) Advertisements relating to safekeeping box business or services;

(14) Advertisements relating to trust business or trust department services;

(15) Advertisements relating to real estate business or services;

(16) Advertisements relating to armored car services;

(17) Advertisements relating to service charges or analysis charges;

(18) Advertisements relating to securities business or securities department services;

(19) Advertisements relating to travel department business, including traveler's checks on which the bank issuing or causing to be issued the advertisement is not primarily liable;

(20) Advertisements relating to savings bank life insurance.

(d) *Outstanding billboard advertisements.* Where an insured bank has billboard advertisements outstanding which are required to include the official advertising statement and has direct control of such advertisements either by possession or under the terms of a contract, it shall, as soon as it can consistent with its contractual obligations, cause the official advertising statement to be included therein.

(e) *Official advertising statement in non-English language.* The non-English equivalent of the official advertising statement may be used in any advertisement: *Provided,* That the translation has had the prior written approval of the Corporation.

[F.R. Doc. 67-7385; Filed, July 10, 1967; 8:45 a.m.]

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 330—CLARIFICATION AND DEFINITION OF DEPOSIT INSURANCE COVERAGE

Effective September 1, 1967, Part 330 of the rules and regulations of the Federal Deposit Insurance Corporation (12 C.F.R. 330) is revised to read as follows:

Sec.

330.1 General principles applicable in determining insurance of deposit accounts.

- 330.2 Single ownership accounts.
- 330.3 Testamentary accounts.
- 330.4 Accounts held by executors or administrators.
- 330.5 Accounts held by a corporation or partnership.
- 330.6 Accounts held by an unincorporated association.
- 330.7 Independent activity.
- 330.8 Public unit accounts.
- 330.9 Joint accounts.
- 330.10 Trust accounts.
- 330.11 Deposits evidenced by negotiable instruments.
- 330.12 Deposit obligations for payment of items forwarded for collection by bank acting as agent.
- 330.13 Continuation of prior coverage.
- 330.14 Notification.

§330.1 *General principles applicable in determining insurance of deposit accounts.*

(a) *General.* This Part 330 provides for determination by the Corporation of the insured depositors of an insured bank and the amount of their insured deposit accounts. The rules for determining the insurance coverage of deposit accounts maintained by depositors in the same or different rights and capacities in the same insured bank are set forth in the following provisions of this part. Insofar as rules of local law enter into such determinations, the law of the jurisdiction in which the insured bank's principal office is located shall govern.

(b) *Records.* (1) The deposit account records of the insured bank shall be conclusive as to the existence of any relationship pursuant to which the funds in the account are deposited and on which a claim for insurance coverage is founded. Examples would be trustee, agent, custodian or executor. No claim for insurance based on such a relationship will be recognized in the absence of such disclosure.

(2) If the deposit account records of an insured bank disclose the existence of a relationship which may provide a basis for additional insurance, the details of the relationship and the interests of other parties in the account must be ascertainable either from the records of the bank or the records of the depositor maintained in good faith and in the regular course of business.

(3) The deposit account records of an insured bank in connection with a trust account shall disclose the name of both the settlor (grantor) and the trustee of the trust and shall contain an account signature card executed by the trustee.

(4) The interests of the co-owners of a joint deposit account shall be deemed equal, unless otherwise stated on the insured bank's records in the case of a tenancy in common.

(c) *Valuation of trust interests.* (1) Trust interests in the same trust deposited in the same account will be separately insured if the value of the trust interest is capable of determination, without evaluation of contingencies, except for those covered by the present worth tables and rules of calculation for their use set forth in §20.2031-7 of the Federal Estate Tax Regulations (26 CFR 20.2031-7).

(2) In connection with any trust in which certain trust interests are not capable of evaluation in accordance with the foregoing rule, payment by the Corporation to the trustee with respect to all such trust interests shall not exceed the basic insured amount of \$15,000.

(3) Each trust interest in any trust established by two or more settlors shall be deemed to be derived from each settlor pro rata to his contribution to the trust.

(4) The term "trust interest" means the interest of a beneficiary in an irrev-

ocable express trust, whether created by trust instrument or statute, but does not include any interest retained by the settlor.

(5) With respect to trust funds held by an insured bank in a fiduciary capacity pursuant to section 7(i) of the Act, the term "trust interest" shall mean the same as the term "trust funds" as used in section 3(p) of the Act.

§330.2 *Single ownership accounts.*

Funds owned by an individual and deposited in the manner set forth below shall be added together and insured up to \$15,000 in the aggregate.

(a) *Individual accounts.* Funds owned by an individual (or by the community between husband and wife of which the individual is a member) and deposited in one or more deposit accounts in his own name shall be insured up to \$15,000 in the aggregate.

(b) *Accounts held by agents or nominees.* Funds owned by a principal and deposited in one or more deposit accounts in the name or names of agents or nominees shall be added to any individual deposit accounts of the principal and insured up to \$15,000 in the aggregate.

(c) *Accounts held by guardians, custodians, or conservators.* Funds held by a guardian, custodian, or conservator for the benefit of his ward or for the benefit of a minor under a Uniform Gifts to Minors Act and deposited in one or more deposit accounts in the name of the guardian, custodian, or conservator shall be added to any individual deposit accounts of the ward or minor and insured up to \$15,000 in the aggregate.

§330.3 *Testamentary accounts.*

(a) Funds owned by an individual and deposited in a revocable trust account, tentative or "Totten" trust account, "payable-on-death" account or similar account evidencing an intention that on his death the funds shall belong to his spouse, child or grandchild shall be insured up to \$15,000 in the aggregate as to each such named beneficiary, separately from any other accounts of the owner.

(b) If the named beneficiary of such an account is other than the owner's spouse, child or grandchild, the funds in such account shall be added to any individual accounts of such owner and insured up to \$15,000 in the aggregate.

§330.4 *Accounts held by executors or administrators.*

Funds of a decedent held in the name of the decedent or in the name of the executor or administrator of his estate and deposited in one or more deposit accounts shall be insured up to \$15,000 in the aggregate, separately from the individual deposit accounts of the beneficiaries of the estate or of the executor or administrator.

§330.5 *Accounts held by a corporation or partnership.*

Deposit accounts of a corporation or partnership engaged in any independent activity shall be insured up to \$15,000 in the aggregate. A deposit account of a corporation or partnership not engaged in an independent activity shall be deemed to be owned by the person or persons owning such corporation or comprising such partnership and, for deposit insurance purposes, the interest of each person in such a deposit account shall be added to any other deposit accounts individually owned by such person and insured up to \$15,000 in the aggregate.

§330.6 *Accounts held by an unincorporated association.*

Deposit accounts of an unincorporated association engaged in any independent activity shall be insured up to \$15,000 in the aggregate. A deposit account of an unincorporated association not engaged in an independent activity shall be deemed to be owned by the persons comprising such association and, for deposit insurance purposes, the interest of each owner in such a deposit account shall be added to any other deposit accounts individually owned by such person and insured up to \$15,000 in the aggregate.

§330.7 Independent activity.

The term "independent activity" means any activity other than one directed solely at increasing insurance coverage.

§330.8 Public unit accounts.

(a) *General.* Where different officers, agents or employees of the same public unit, having by law the official custody of public funds of the unit, deposit the same in an insured bank, each such officer, agent or employee shall be separately insured up to \$15,000 in such custodial capacity. An officer, employee, or agent of a public unit shall be deemed to be insured only up to \$15,000 with respect to all public funds of the same unit held by him, regardless of how many offices he holds in such unit or the purposes for which such funds are held or designated. If the same person is an officer, employee, or agent of more than one public unit, he shall be separately insured up to \$15,000 with respect to the public funds held by him of each such unit.

(b) *Public bond issues.* Where an officer, agent or employee of a public unit has custody of certain funds which by law or under the bond indenture are required to be paid to the holders of bonds issued by the public unit, any deposit of such funds in an insured bank shall be deemed to be a deposit by a trustee of trust funds of which the bondholders are pro rata beneficiaries, and each such beneficial interest shall be separately insured up to \$15,000.

§330.9 Joint accounts.

(a) *Separate insurance coverage.* Deposits owned jointly, whether as joint tenants with right of survivorship, as tenants by the entireties, as tenants in common, or by husband and wife as community property, shall be insured separately from deposit accounts individually owned by the co-owners.

(b) *Qualifying joint accounts.* A joint deposit account shall be deemed to exist, for purposes of insurance of accounts, only if each co-owner has personally executed a deposit account signature card and possesses withdrawal rights. The restrictions of this subsection shall not apply to holders in due course of a deposit obligation of a bank evidenced by a negotiable instrument which had, in fact, been negotiated prior to the closing of the bank.

(c) *Failure to qualify.* A deposit account owned jointly which does not qualify as a joint account for purposes of insurance of accounts shall be treated as owned by the named persons as individuals and the actual ownership interest of each such person in such account shall be added to any other accounts individually owned by such person and insured up to \$15,000 in the aggregate.

(d) *Same combination of individuals.* All joint deposit accounts owned by the same combination of individuals shall first be added together and insured up to \$15,000 in the aggregate.

(e) *Interest of each co-owner.* The interests of each co-owner in all joint deposit accounts owned by different combinations of individuals shall then be added together and insured up to \$15,000 in the aggregate.

§330.10 Trust accounts.

All trust interests for the same beneficiary deposited in deposit accounts established pursuant to valid trust agreements created by the same settlor (grantor) shall be added together and insured up to \$15,000 in the aggregate, separately from other deposit accounts of the trustee of such trust funds or the settlor or beneficiary of such trust arrangements.

§330.11 Deposits evidenced by negotiable instruments.

If any insured deposit obligation of a bank be evidenced by a negotiable certificate of deposit, negotiable draft, negotiable cashier's or officer's check, negotiable certified check, or negotiable traveler's check or letter of credit, the owner of such deposit obligation will be recognized for all purposes of claim for insured deposits to the same extent as if his name and interest were disclosed on the records of the bank provided the instrument was in fact negotiated to

such owner prior to the date of the closing of the bank. Affirmative proof of such negotiation must be offered in all cases to substantiate the claim.

§330.12 *Deposit obligations for payment of items forwarded for collection by bank acting as agent.*

Where a closed bank has become obligated for the payment of items forwarded for collection by a bank acting solely as agent, the owner of such items will be recognized for all purposes of claim for insured deposits to the same extent as if his name and interest were disclosed on the records of the bank when such claim for insured deposits, if otherwise payable, has been established by the execution and delivery of prescribed forms. Such bank forwarding such items for the owners thereof will be recognized as agent for such owners for the purpose of making an assignment of the rights of such owners against the closed insured bank to the Federal Deposit Insurance Corporation and for the purpose of receiving payment on behalf of such owners.

§330.13 *Continuation of prior coverage.*

All deposit accounts insured under the rules and interpretations heretofore in effect shall continue to be insured, anything in this part to the contrary notwithstanding, until April 15, 1968.

§330.14 *Notification of depositors.*

Each insured bank is required to provide notice of these revisions to the Rules and Regulations for Clarification and Definition of Insurance Coverage of Deposit Accounts, Part 330, prior to February 1, 1968, to the depositors of each deposit account which had a balance in excess of \$5,000 on any date selected by the bank between September 1, 1967, and February 1, 1968. Such notice shall consist of mailing to such depositors at their last known address as shown on the records of the insured bank, a question and answer brochure on insurance of deposit accounts prepared by the Federal Deposit Insurance Corporation. Such brochure shall also be made available to the public at each teller's station or window where deposits are normally received and at new account stations of an insured bank. Additional explanatory materials may also be sent to depositors at the option of the insured bank.

INTERPRETATION

§330.101 *Recognition of deposit ownership in custodial accounts.*

(a) The opinion of the Board of Directors has been requested as to whether a fractional or percentage computation of the interests of owners of commingled funds on deposit in custodial accounts in banks insured by the Federal Deposit Insurance Corporation meets the requirements of §330.1.

(b) Section 330.1 provides that if the name and interest of an owner of any portion of a specifically designated custodial deposit is disclosed on the records of the person in whose name the deposit is maintained and such records are maintained in good faith and in the regular course of business, such owner will be recognized for all purposes of claim for insured deposits to the same extent as if his name and interest were disclosed on the records of the bank.

(c) The Board of Directors has concluded that, if the records of the depositor, maintained in good faith and in the regular course of business, reflect, at all times, the name and ascertainable interest of each owner in a specifically designated custodial deposit, such interest may be determined on a fractional or percentage basis. This may be accomplished in any manner which indicates that where the funds of an owner are commingled with other funds held in custody and a portion thereof is placed on deposit in one or more insured banks, his interest in a custodial deposit in any one insured bank would represent at any given time the same fractional share as his share of the total commingled funds.

[F.R. Doc. 67-8195; Filed, July 13, 1967; 8:50 a.m.]

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 335—SECURITIES OF INSURED STATE NONMEMBER BANKS

Effective December 31, 1967, Part 335 is amended as follows:

1. Amend §335.2 by adding §335.2(ff) immediately following §335.2(ee) to read as follows:

§335.2 Definitions.

* * * * *

(ff) The terms "beneficial ownership," "beneficially owned," and the like, when used with respect to the reporting of ownership of the bank's equity securities in any statement or report required by this regulation, shall include, in addition to direct and indirect beneficial ownership by the reporting person, ownership of such securities (1) by the spouse (except where legally separated) and minor children of such reporting person, and (2) by any other relative of the reporting person who has the same home as such person.

2. Amend §335.5(d)(1) and (3) and add a new paragraph (k) to read as follows:

§335.5 Proxies, proxy statements, and statements where management does not solicit proxies.

* * * * *

(d) *Requirements as to proxy.* (1) The form of proxy (i) shall indicate in boldface type whether or not the proxy is solicited on behalf of the management of the bank, (ii) shall provide a specifically designed blank space for dating proxy, and (iii) shall identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the management or by security holders. No reference need be made, however, to matters as to which discretionary authority is conferred pursuant to subparagraph (3) of this paragraph.

* * * * *

(3) A proxy may confer discretionary authority with respect to other matters that may come before the meeting, if (i) the persons on whose behalf the solicitation is made are not aware a reasonable time prior to the time the solicitation is made that any such other matters are to be presented for action of the meeting and (ii) a specific statement to that effect, except with respect to proposals omitted pursuant to paragraph (k) of this section for which discretionary authority may also be conferred, is made in the proxy statement or in the form of proxy.

* * * * *

(k) *Proposals of security holders.* (1) If any security holder entitled to vote at a meeting of security holders of the bank shall submit to the management of the bank, within the time hereinafter specified, a proposal which is accompanied by notice of his intention to present the proposal for action at the meeting, the management shall set forth the proposal in its proxy statement and shall identify it in its form of proxy and provide means by which security holders can approve or disapprove the proposal. The management of the bank shall not be required by this section to include the proposal in its proxy statement for an annual meeting unless the proposal is submitted to management not less than 60 days in advance of a day corresponding to the first date on which the management's statement was released to security holders in connection with the preceding annual meeting of security holders. A proposal to be pre-

mented at any other meeting shall be submitted to the management of the bank a reasonable time before the solicitation is made. This paragraph (k) shall not apply, however, to elections to office.

(2) If the management opposes the proposal, it shall also, at the written request of the security holder, include in the proxy statement (i) the name and address of the security holder, or a statement that such name and address will be furnished upon request, and (ii) a statement of the security holder, which shall not include such name and address, of not more than 100 words in support of the proposal. The statement and request of the security holder shall be furnished to the management at the same time that the proposal is furnished. Neither the management nor the bank shall be responsible for such statement.

(3) Notwithstanding subparagraphs (1) and (2) of this paragraph, the management may omit a proposal and any statement in support thereof from its proxy statement and form of proxy under any of the following circumstances:

(i) If the proposal is impossible to accomplish or, under applicable law, is not a proper subject for action by security holders; or

(ii) If the proposal consists of a recommendation or request that the management take action with respect to a matter relating to the conduct of the ordinary business operations of the bank; or

(iii) If it appears that the proposal is submitted by the security holder principally for the purpose of enforcing a personal claim or redressing a personal grievance against the bank or its management, or principally for the purpose of promoting general economic, political, racial, religious, social, or similar causes; or

(iv) If the management has at the security holder's request included a proposal in its proxy statement and form of proxy relating to either of the two preceding annual meetings of security holders or any special meeting held subsequent to the earlier of such two annual meetings, and such security holder has failed without good cause to present the proposal, in person or by proxy, for action at the meeting; or

(v) If substantially the same proposal has previously been submitted to security holders in the management's proxy statement and form of proxy relating to any meeting of security holders held within the preceding 5 calendar years, it may be omitted from the proxy statement relating to any meeting of security holders held within the 3 calendar years after the latest such previous submission: *Provided*, That (a) if the proposal was submitted at only one meeting during such preceding period, it received less than 5 percent of the total number of votes cast in regard thereto, or (b) if the proposal was submitted at only two meetings during such preceding period, it received at the time of its second submission less than 10 percent of the total number of votes cast in regard thereto, or (c) if the proposal was submitted at three or more meetings during such period, it received at the time of its latest submission less than 20 percent of the total number of votes cast in regard thereto; or

(vi) If, prior to the receipt of such proposal, substantially the same proposal has been received by the management from another security holder and is to be included in the bank's proxy soliciting material.

(4) Whenever the management asserts that a proposal and any statement in support thereof may properly be omitted from the proxy statement and form of proxy, it shall file with the Corporation, not later than 20 days prior to the date the preliminary copies of the proxy statement and form of proxy are filed pursuant to paragraph (f)(1) of this section or such shorter period prior to such date as the Corporation may permit, a copy of the proposal and any statement in support thereof as received from the security holder, together with a statement of the reasons why the management deems such omission to be proper in the particular case, and, where such reasons are based on matters of law, a supporting opinion of counsel. The management shall at the same time,

if it has not already done so, notify the security holder submitting the proposal of its intention to omit the proposal from its proxy statement and shall forward to him a copy of the statement of the reasons why the management deems the omission of the proposal to be proper and a copy of such supporting opinion of counsel.

[F.R. Doc. 67-14057; Filed, Dec. 5, 1967; 8:45 a.m.]

TITLE 12—BANKS AND BANKING
CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION
PART 336—EMPLOYEE RESPONSIBILITIES AND CONDUCT

Miscellaneous Amendments

Effective October 7, 1967, Part 336 is amended as follows:

Section 336.735-11(c) is deleted and the provisions thereof transferred to §336.735-10; §336.735-11(d) is amended to indicate the circumstances under which a gift to an official superior may be allowed; the heading of §336.735-12 is amended for clarity and paragraph (f)(1) of that section is deleted and the provisions thereof transferred to §336.735-11(f) and amended to show that the exception does not allow non-Corporation reimbursement for travel on official business under Corporation orders; §§336.735-11(d) and (e) and 336.735-19 are amended to correct statutory references made obsolete by the codification of Title 5, United States Code; paragraph (r) is added to §336.735-19 to include reference to 18 U.S.C. 219; §§336.735-13(a)(1), 336.735-31, and 336.735-32 are amended, and §336.735-31a is added, to restrict the requirements relative to reporting employment and financial interests to those employees in positions in which the possibility of conflicts-of-interest involvement is clear and to evidence the availability of the Corporation's grievance procedure for settling questions concerning the applicability of the reporting requirement. Section 336.735-34 is amended to eliminate quarterly supplementary statements; §336.735-38 is amended to insure the confidentiality of statements submitted; and §336.735-40 (a)(2) is amended to clarify the Corporation's discretionary authority relative to which financial interests are to be reported by a special Corporation employee. These amendments were approved by the Civil Service Commission on September 20, 1967. Effective upon publication in the *Federal Register*, Part 336 is amended as set out below.

§336.735-10 Proscribed actions.

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

- (a) Using public office for private gain;
- (b) Giving preferential treatment to any person;
- (c) Impeding Corporation efficiency or economy;
- (d) Losing complete independence or impartiality;
- (e) Making a Corporation decision outside official channels; or
- (f) Affecting adversely the confidence of the public in the integrity of the Corporation.

§336.735-11 Gifts, entertainment, and favors.

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

* * * * *

(c) [Deleted]

(d) An employee shall not solicit a contribution from another employee for a

gift to an official superior, make a donation as a gift to an official superior, or accept a gift from an employee receiving less pay than himself (5 U.S.C. 7351). However, this paragraph does not prohibit a voluntary gift of nominal value or donation in a nominal amount made on a special occasion such as marriage, illness, or retirement.

(e) An employee shall not accept a gift, present, decoration, or other thing from a foreign government unless authorized by Congress as provided by the Constitution and in Public Law 89-673, 80 Stat. 952.

(f) Neither this section nor §336.735-12 precludes an employee from receipt of bona fide reimbursement, unless prohibited by law, for expenses of travel and such other necessary subsistence as is compatible with this part for which no Corporation payment or reimbursement is made. However, this paragraph does not allow an employee to be reimbursed, or payment to be made on his behalf, for excessive personal living expenses, gifts, entertainment, or other personal benefits, nor does it allow an employee to be reimbursed by a person for travel on official business under Corporation orders when reimbursement is prescribed by the Corporation.

§336.735-12 Outside employment and other activity.

* * *
 (f) * * *
 (1) [Deleted]
 * * *

§336.735-19 Miscellaneous statutory provisions.

* * * * *
 (d) The prohibitions against disloyalty and striking (5 U.S.C. 7311, 18 U.S.C. 1918).

* * * * *
 (g) The provision relating to the habitual use of intoxicants to excess (5 U.S.C. 7352).

(h) The prohibition against the misuse of a Government vehicle (31 U.S.C. 638a(c)).

* * * * *
 (j) The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (18 U.S.C. 1917).

* * * * *
 (p) The prohibitions against political activities in subchapter III of chapter 73 of title 5, United States Code and 18 U.S.C. 602, 603, 607, and 608.

* * * * *
 (r) The prohibition against an employee acting as the agent of a foreign principal registered under the Foreign Agents Registration Act (18 U.S.C. 219).

§336.735-13 Financial interests.

(a) * * *
 (1) Own, directly or indirectly, or control the ownership of stock in an insured bank, without full disclosure in writing to, and with the approval of, the Board of Directors of the Corporation.
 * * * * *

§336.735-31 Employees required to submit statements.

Except as provided in §336.735-32, statements of employment and financial interests will be filed by the following employees:

(a) Those paid at a level of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

(b) Those receiving compensation equivalent to that prescribed under section 5332 of title 5, United States Code for grade GS-13 or above whose positions are specifically identified in appendix A to this part which are included by reason of meeting the following criteria:

(1) Positions the incumbents of which are responsible for making a Corporation decision or taking a Corporation action in regard to:

(i) Contracting or procurement;

(ii) Administering or monitoring grants or subsidies;

(iii) Regulating or auditing private or other non-Federal enterprise; or

(iv) Other activities where the decision or action has an economic impact on the interests of any non-Federal enterprise.

(2) Positions which the Corporation determines require the incumbent to report employment and financial interests in order to carry out the purpose of law, Executive order, this part, and the Corporation's regulations.

(c) Alterations to, deletions from and other amendments of the list of positions in appendix A to this part may be made under the criteria in paragraph (b) of this section and are effective upon approval by the Chairman of the Board and actual notification to the incumbents. Amendments to the list in appendix A to this part shall be submitted annually for publication in the *Federal Register*.

§336.735-31a *Employee's complaint on filing requirement.*

An employee may complain to the Counselor designated in the regulations in this part that his position has been improperly included in the regulations in this part as one requiring the submission of a statement of employment and financial interests. When a complaint cannot be resolved or explained satisfactorily to the employee he shall be granted a review of the matter through the Corporation's grievance procedure.

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

Employees subject to separate reporting requirements under section 401 of the Executive order.

§336.735-34 *Supplementary statements.*

Changes in, or additions to, the information contained in an employee's statement of employment and financial interests shall be reported in a supplementary statement as of June 30 each year. If no changes or additions occur, a negative report is required. Notwithstanding the filing of the annual report required by this section, each employee shall at all times avoid acquiring a financial interest that could result, or taking an action that would result, in a violation of the conflicts-of-interest provisions of section 208 of title 18, United States Code, or Subpart B of this part.

§336.735-38 *Confidentiality of employees' statements.*

The Corporation shall hold statements of employment and financial interest, and each supplementary statement, in confidence. All statements shall be received, reviewed, and retained in the office of the assistant to the Chairman of the Board of Directors who is responsible for maintaining the statements in confidence and shall not allow access to, or allow information to be disclosed from, a statement except to carry out the purpose of this part. The Corporation may not disclose information from a statement except as the Chairman of the Corporation or the Civil Service Commission may determine for good cause shown.

§336.735-40 *Specific provisions of regulations for special Corporation employees.*

(a) * * *

(2) The financial interests of the special Corporation employee which the Corporation determines are relevant in the light of the duties he is to perform.

* * * * *

APPENDIX A—EMPLOYEES WHO MUST FILE STATEMENTS
 SPECIFIC POSITIONS

A Head, Associate Head or Assistant Head of a Division or Office of the Corporation (regardless of his specific title).

An Adviser or Assistant to the Board of Directors.

A Supervising Examiner.

An Assistant Supervising Examiner.

[F.R. Doc. 67-11859; Filed, Oct. 6, 1967; 8:47 a.m.]

STATE BANKING LEGISLATION—1967

In 1967, the legislatures of 47 States held regular sessions. Some of the more important State banking legislation enacted during 1967 is listed below on a State-by-State basis.

ALABAMA

Uniform Gifts to Minors Act amendments	HB	14
Establishment and operation of branch offices	HB	728
	HB	260
	HB	919
	SB	333
	SB	579
	SB	442
	SB	43-X
Fiduciaries—voting of corporation stock	SB	197
	SB	200
State banks—examination fees	SB	256
Equalization of State and national banks	HB	156-X
Common trust funds	SB	201

ALASKA

Uniform Gifts to Minors Act	HB	30
Veterans' loans	SB	113

ARIZONA

Enactment of Uniform Commercial Code	SB	23
Banking law amendments regarding disclosure of information, branch offices, fees, etc.	SB	109

ARKANSAS

Enactment of the Uniform Gifts to Minors Act	HB	87
Cease and desist orders	HB	144
Bank service corporations—computer services	HB	295
Destruction of bank records after six years	HB	237
Maximum interest rates	HB	543
Uniform Commercial Code amendments	SB	307
Capital notes	SB	272
Banking law study	SB	161
Title to bank property—subsidiaries	SB	140
State banks given same privileges as national banks	SB	358
Pension funds—investment in bank certificates of deposit ..	SB	104

Contracts by minors	SB	138
Guardianship deposits—bond unnecessary if deposited in an insured bank	HB	320
	HB	528

CALIFORNIA

Bank service corporations	SB	1494
School district security deposits	AB	1076
Government deposits	AB	1075
Insured loans	AB	1381
Trust investments	AB	1585
	AB	1806
Credit cards	AB	1714
	SB	1055
Claims on bank accounts	AB	1822
Safe deposit boxes	AB	1851
	AB	1852
Taxation	AB	2257
	AB	1994
	SB	192
	SB	339
	SB	556
	SB	519
Savings bank investments	SB	116
Transmission of money abroad	SB	901
Loans to bank officers	SB	694
Stock holdings	SB	1040
Bank investments in foreign banks	SB	1183
	SB	1264
Commercial bank reserves	SB	568
Loans—fraud	SB	538
Corporate Securities Law—exemptions	SB	865

COLORADO

Banking law amendments relating to loans and interest on savings and time deposits	HB	1015
Enactment of the Uniform Gifts to Minors Act	SB	62
Bank liquidation funds—transfer	SB	283
Bank employees—stock option and purchase plans	SB	250
Investment of bank funds in Inter-American Development Bank	HB	1255
Colorado Trust Company Act	SB	50
	SB	153
Insufficient funds	HB	1210
	SB	354

CONNECTICUT

Savings banks—student loans	SB	641
	HB	3887
	HB	5410
Uniform Gifts to Minors Act amendments	HB	5091
Bank loans and investments	SB	403
	SB	737
Banking commissioner—expenses	SB	404
Banking law amendments	SB	406
Limited power branch banks	SB	427
Capital stock	SB	470
Powers of State banks and trust companies	SB	471
Deposit segregation	SB	473

Credit cards	SB	524
Savings bank deposits	SB	591
Secured loans	SB	644
	SB	643
Real estate investments—savings banks	SB	642
State bank investments	SB	743
Bank directors	SB	1005
Savings banks—time deposits	SB	1008
Reserve funds	SB	1170
Finance charges—disclosure	HB	2628
Joint tenants	HB	5384

DELAWARE

Branches	HB	184
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FLORIDA

Trust fund investments	SB	316
Unclaimed property	HB	40
Examination fees of State banks & trust companies	HB	750
Bank employee stock option plans	SB	1406
Legal investments	HB	1283
	SB	682
	SB	742
Non-par banking	SB	1183
Credit cards	SB	1002
FDIC as liquidator	HB	769
Industrial savings banks	HB	749
Audit of State banks	SB	375
Public fund depositories	HB	1373
Stockholders' meetings	SB	61
Payment of item by payor bank	SB	59
State financial law study	HB	2459
Uniform Sale of Securities Act	SB	683
	SB	1061
Banks insured by FDIC authorized depositories for Florida scholarship program	SB	1292

GEORGIA

Uniform Commercial Code amendments	HB	48
Bank reserves	HB	634
Place of business	HB	585
Branch banks	SB	170

HAWAII

Uniform Gifts to Minors Act	HB	237
Uniform Commercial Code amendments	HB	356
	HB	297
Banking law amendments	HB	829
Uniform Sale of Securities Act	HB	1005
Bank shareholders—votes	SB	468
Unclaimed property	SB	997
Branch banks	SB	1002
Foreign banks	SB	35
Investment of common trust funds	SB	1022

IDAHO

Deposit of trust funds	HB	130
Uniform Gifts to Minors Act	HB	136
Abandoned property	HB	145

Branch banking—investigation fee	HB	205
Independent audit	HB	208
Bank fees—authority to do business	HB	207
Maximum interest rates	SB	62
	HB	370
Uniform Commercial Code enacted ..	SB	2
	SB	8
Legal investments ..	HB	36

ILLINOIS

Illinois Gifts to Minors Act amendments	HB	1563
	HB	363
Uniform Commercial Code amendments	HB	1254
Credit cards	SB	190
	HB	2282
Installment loans—interest rates ...	SB	30
	HB	2071
Negotiable instruments—bank holidays	SB	980
Safety deposit boxes	HB	830
Disposition of unclaimed property	SB	344

INDIANA

Disposition of unclaimed property	HB	1682
Branch banks	HB	1461
Mutual savings banks—organization	SB	95
	SB	97
Financial Institutions Act amendments	SB	100
	SB	462
Certificates of deposit—interest	SB	320
Student loans	SB	241
Purchase of stock	SB	319
Shareholders' meetings	SB	284

IOWA

Disposition of unclaimed property	HB	101
Bank parking lot offices	HB	474
Installment loans	SB	184
Interest—savings and time deposits	SB	298
Uniform Commercial Code amendments	SB	561
	SB	560
Power of State banks to own and lease certain personal property	SB	729
Banking law study	SCR	41
Capital notes and debentures	SB	436
Debt management	HB	284

KANSAS

Auxiliary teller facilities	HB	1474
Banking law amendments—equalization of powers of State and national banks	HB	1461
Credit cards—fraudulent use	HB	1229
Taxation of banking associations	HB	1628
Bank investments	SB	57
Money orders—transmission of money	SB	145
Deposit of public monies	SB	356
Uniform Commercial Code amendments	SB	427
Trust companies	SB	146

LOUISIANA

Student loans	SB	35
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MAINE

Uniform Gifts to Minors Act amendments	HB	320
Savings banks—power to act as trustee	SB	614
Use of name "industrial bank" prohibited	HB	467
Uniform Commercial Code amendments	HB	582
Loans—disclosure of interest charges	HB	964
	SB	373
	HB	345
Joint accounts	HB	1001
Consolidation of banks and savings and loan associations ..	HB	1002
Insurance of industrial loans	HB	1035
	HB	1246-X
Sale of checks and money orders	SB	77
Authorization of out-of-state banks as fiduciaries	SB	105
Savings banks—participation loans	SB	325
Guaranteed loans—savings banks	SB	390
Disclosure of interest and finance charges	HB	1215

MARYLAND

Dormant accounts	SB	179
False pretenses—bad checks	HB	313
	HB	312
	HB	154
Credit cards	HB	434
Property leases	SB	387
Secondary mortgage loan law	SB	566
Demand deposits	SB	388
Currency exchanges	SB	389
Joint deposits	HB	459
Disposition of unclaimed property	SB	68
Student loans	SB	146

MASSACHUSETTS

Cooperative banks—safe deposit vaults	HB	713
Cooperative bank investments	HB	715
	HB	4694
Savings banks—dividends	HB	1329
	HB	1330
Banks prohibited from engaging in travel agency business ..	SB	1144
Study on impairment of bank capital or deposits	HB	4703
Investments—savings banks	HB	4594
	HB	4691
	HB	4662
	HB	4694
Study on bank mortgages in depressed areas	SB	1459
	HB	4672
Cooperative bank branches	SB	213
Check stop payment	SB	1278
Group Insurance Fund investments in bank stock	HB	62

MICHIGAN

Loans—participation with other financial institutions	HB	2791
Credit cards—wrongful use	HB	2319
Foreign operations	HB	2656

MINNESOTA

Reserves	HB	645
Pledging of bank assets	SB	47-X
Investment of trust funds in certificates of deposit	HB	1395

Loan limitations	SB	433
Worthless checks—issuance	HB	966
Banking act amendments	HB	646
Non-par banking	HB	645
Trust investments	HB	1383
Student loans	HB	820
Corporate existence	SB	325

MISSOURI

Revision of banking laws	SB	1
Uniform Gifts to Minors Act amendments	SB	100
Credit cards—fraud	SB	156
Taxation	SB	3

MONTANA

Capital notes or debentures—issuance	HB	46
Joint deposits—right of survivorship	HB	44
Equalization of State and national banks	HB	52
Uniform Disposition of Unclaimed Property Act	HB	396
Reserve requirements	HB	45
Uniform Gifts to Minors Act amendments	HB	393
Bank stock tax	HB	205

NEBRASKA

Interest rates	LB	13
Uniform Commercial Code amendments	LB	17
Computer center stock—legal investments for banks	LB	124
Banking law amendments	LB	197
Charter applications	LB	788
Banking fees—safekeeping of securities	LB	749
Bank officers' tenure	LB	882
Credit cards—unlawful use	LB	409
Corporate name requirements	LB	787

NEVADA

Uniform Gifts to Minors Act amendments	AB	10
Commercial instruments recording fees	SB	101
	AB	32
Certificates of deposit as security bonds	AB	85
Bank stock tax—valuation of shares	AB	419
Credit cards	AB	527
Stockholders' meetings	SB	275
Branch banking	SB	130
Installment loans	SB	402
Bank examination fees	SB	472
Non-resident bank may not act as sole executor	AB	225
Depreciation rates on bank property	SB	131
Corporate fiduciaries	SB	414

NEW HAMPSHIRE

Savings bank charters	HB	34
Savings deposits accounts—verification	HB	35
Bank examinations	HB	37
Reserves of State banks	HB	78
Uniform Commercial Code amendments	HB	227
Uniform Gifts to Minors Act	HB	284
Savings bank investments	HB	282
	HB	298
	HB	712

	HB	369
	HB	356
	HB	295
Bank notes—signatures	SB	114
Abandoned property	HB	477
NEW JERSEY		
Uniform Commercial Code amendments	AB	756
Mergers and consolidations	SB	456
	SB	402
Unclaimed property	SB	419
	SB	442
Loans and investments of savings banks	AB	136
NEW MEXICO		
Interest rates on bank installment loans	HB	124
Uniform Commercial Code amendments	SB	115
	HB	253
Disposition of abandoned property	SB	158
Credit cards	SB	211
Uniform Gifts to Minors Act amendments	SB	266
Student loans	SB	201
NEW YORK		
Savings bank investments	SB	1466
	SB	121
	SB	122
	AB	486
	AB	487
	AB	488
Common trust funds	AB	779
Safe deposit boxes	AB	1962
Uniform Commercial Code amendments	AB	3643
Publication of reports of condition	AB	4605
Savings banks—student loans	AB	4622
Credit cards—liability for lost or stolen cards	AB	4772
Savings banks—computation of tax	AB	4853
Foreign banking corporations—protection of depositors	AB	5303
Banking law study	AR	175
Bank holding companies—consolidated returns	SB	3930
	SB	246-A
Nondiscriminatory treatment of State and national banks	SB	681
Safe deposit boxes—access by fiduciaries	SB	916
	AB	1962
Reports of superintendent of banks	SB	3302-A
Trust law amendments	SB	3808
	AB	779
Payment of moneys held in bank at infant's maturity	AB	1517
Savings banks—insurance	AB	3004
NORTH CAROLINA		
Worthless checks	HB	31
Uniform Commercial Code amendments	HB	251
Interest on loans	HB	465
Credit cards—illegal use	HB	1076
	HB	1144
Joint tenancy ownership	HB	959
Banking law amendments	SB	210
State banks—securities	SB	535

NORTH DAKOTA

Uniform Commercial Code amendments	HB	705
Taxation of banks	HB	729
Use of bank assets	HB	811
Investment of fiduciary funds	SB	67
Uniform Gifts to Minors Act amendments	SB	98
Bank examination fees	SB	231
Powers	SB	322
Farm loans by Bank of North Dakota	HB	863
Retention of decedent's assets	SB	99

OHIO

Revised banking code enacted	SB	97
Educational loans	SB	245
Veterans' loans	HB	909
Unclaimed funds	SB	411
Taxable deposits—listing date	HB	470

OKLAHOMA

Uniform Disposition of Unclaimed Property Act	HB	532
Reports by bank commissioner	HB	603
	SB	96
Reserve banks	HB	717
Uniform Gifts to Minors Act amendments	HB	823
	SB	23
	SCR	33
Issuance of bad checks	SB	123
Student loans	SB	62
Conflict of interest by employees of Oklahoma Banking Department	SB	122
Rental of bank premises	SB	209
Limitation of loans on real estate	SB	219
Banking code amendments	SB	428

OREGON

Security deposits	SB	227
Mutual savings banks—investments	SB	232
Stockholders' meetings	SB	295
Uniform Gifts to Minors Act amendments	SB	401
Foreign banks	SB	465
Unclaimed property	SB	400
	HB	1300
Loans—prepayment privilege	HB	1146
Sale of Securities Act	HB	1299
Election offenses	HB	1663

PENNSYLVANIA

State depositories	HB	1525
Banks authorized to act as deposit administrator for county retirement funds	SB	533
Investment powers of fiduciaries	SB	821
	SB	819
Capital stock—taxation	HB	1278

RHODE ISLAND

Interest	HB	1798
Uncollectible checks	SB	600

SOUTH CAROLINA

Foreign banking corporations prohibited from acting as trustees	HB	1611
	HB	1609
Worthless checks	SB	542
Uniform Commercial Code amendments	SB	198
	SB	200
Loans	HB	1602

SOUTH DAKOTA

Uniform Commercial Code amendments	HB	529
Installment loans	SB	82
	HB	761
State banks as depositories of public moneys	SB	108
Fraudulent checks	SB	215
Uniform Trust Law amendments	SB	230

TENNESSEE

Common stock increases	HB	519
Power of banks to acquire and lease personal property	HB	520
Investment powers	HB	430
Banking law study	HJR	61
Fraudulent checks, drafts and credit cards	HR	644

TEXAS

Interest—consumer protection	HB	452
	HB	758
State banks—cash reserves	HB	697
Stock option plans	SB	41
Trust companies	SB	133
Business Corporation Act amendments	SB	132
Uniform Commercial Code amendments	SB	459
State depositories of public funds	SB	550
Business and Commerce Code enacted	HB	293

UTAH

Bank credit—exchange of information	HB	7
Branch banking study	HJR	30
Uniform Gifts to Minors Act amendments	SB	3
Bank reserves	SB	17
Banking law amendments	SB	18
	SB	21
	SB	172
Banking law study	HJR	31

VERMONT

Banking corporations—taxes	HB	402
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WASHINGTON

Investment of funds by fiduciaries	HB	12
Uniform Commercial Code amendments	SB	42
Banking law amendments	SB	622
	SB	65
Mutual savings banks	SB	178
Uniform Gifts to Minors Act enacted	SB	338
Bad Checks—usurious contracts	HB	224

WEST VIRGINIA

Computer services	HB	706
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Fiduciary investments ..	SB	35
	SB	36
WISCONSIN		
Branch banks—change of location	AB	283
	AB	123
Uniform Gifts to Minors Act amendments	SB	131
Credit card fraud	SB	190
Loans to veterans	AB	223
WYOMING		
Fiduciary investments	SB	2
Uniform Gifts to Minors Act	HB	109
Maximum indebtedness of State banks	HB	146
Uniform Commercial Code amendments	HB	49
Taxation	HB	357

**STATISTICS OF BANKS
AND DEPOSIT INSURANCE**

PART FOUR

NUMBER OF BANKS AND BRANCHES

- Table 101. Changes in number and classification of banks and branches in the United States (States and other areas) during 1967
- Table 102. Changes in number of commercial banks and branches during 1967, by State
- Table 103. Number of banking offices in the United States (States and other areas), December 30, 1967
Grouped according to insurance status and class of bank, and by State or area and type of office
- Table 104. Number and deposits of all commercial and mutual savings banks (States and other areas), December 30, 1967
Grouped by class and by deposit size

Tabulations for all banks are prepared in accordance with an agreement among the Federal bank supervisory agencies. Provision of deposit facilities for the general public is the chief criterion for distinguishing between banks and other types of financial institutions. However, trust companies engaged in general fiduciary business though not in deposit banking are included; and credit unions and savings and loan associations are excluded except in the case of a few which accept deposits under the terms of special charters.

Branches include all offices of a bank other than its head office, at which deposits are received, checks paid, or money lent. Banking facilities separate from a banking house, banking facilities at government establishments, offices, agencies, paying or receiving stations, drive-in facilities and other facilities operated for limited purposes are defined as branches under the Federal Deposit Insurance Act, Section 3(o), regardless of the fact that in certain States, including several which prohibit the operation of branches, such limited facilities are not considered branches within the meaning of State law.

Commercial banks include the following categories of banking institutions:

National banks;

Incorporated State banks, trust companies, and bank and trust companies, regularly engaged in the business of receiving deposits, whether demand or time, except mutual savings banks;

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

Industrial and Morris Plan banks which operate under general banking codes, or are specifically authorized by law to accept deposits and in practice do so, or the obligations of which are regarded as deposits for deposit insurance;

Special types of banks of deposit: cash depositories in South Carolina; regulated certificated banks, and a savings and loan company operating under Superior Court charter, in Georgia; government operated banks in American Samoa, North Dakota, and Puerto Rico; a cooperative bank, usually classified as a credit union, operating under a special charter in New Hampshire; a savings institution, known as a "trust company," operating under special charter in Texas; an employee's mutual banking association in Pennsylvania; the Savings Banks Trust Company in New York; and branches of foreign banks engaged in a general deposit business in New York, Oregon, Washington, Puerto Rico, and Virgin Islands.

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

Nondeposit trust companies include institutions operating under trust company charters which are not regularly engaged in deposit banking but are engaged in fiduciary business other than that incidental to real estate title or investment activities.

Mutual savings banks include all banks operating under State banking codes applying to mutual savings banks.

Institutions excluded. Institutions in the following categories are excluded, though such institutions may perform many of the same functions as commercial and savings banks:

Banks which have suspended operations or have ceased to accept new deposits and are proceeding to liquidate their assets and pay off existing deposits;

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

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

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

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

Federal Reserve Banks and other banks, such as the Federal Home Loan Banks and the Savings and Loan Bank of the State of New York, which operate as rediscount banks and do not accept deposits except from financial institutions.

Table 101. CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1967

Type of change	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			
	Total	In-sured	Non-insured	Total	Insured				Noninsured			Total	In-sured	Non-insured
					Total	Members F. R. System		Not members F. R. System	Banks of deposit	Non-deposit trust companies ¹				
						National	State							
ALL BANKING OFFICES														
Number of offices, December 30, 1967	33,194	32,574	620	31,860	31,570	14,974	4,983	11,613	235	55	1,334	1,004	330	
Number of offices, December 31, 1966	32,136	31,491	645	30,872	30,544	14,436	4,867	11,241	251	77	1,264	947	317	
Net change during year	+1,058	+1,083	-25	+988	+1,026	+538	+116	+372	-16	-22	+70	+57	+13	
Offices opened	1,335	1,300	35	1,261	1,243	602	224	417	18	15	74	57	17	
Banks	109	94	15	109	94	18	3	73	15	15	74	57	17	
Branches	1,226	1,206	20	1,152	1,149	584	221	344	3	3	74	57	17	
Offices closed	277	240	37	273	238	129	42	67	13	22	4	2	2	
Banks	156	140	16	153	139	65	17	57	13	1	3	1	2	
Branches	121	100	21	120	99	64	25	10	1	21	1	1	1	
Change in classification		+23	-23		+21	+65	-66	+22	-21			+2	-2	
Among banks		+23	-23		+21	+6	-24	+39	-21			+2	-2	
Among branches						+59	-42	-17						
BANKS														
Number of banks, December 30, 1967	14,244	13,850	394	13,741	13,517	4,758	1,312	7,447	177	47	503	333	170	
Number of banks, December 31, 1966	14,291	13,873	418	13,785	13,541	4,799	1,350	7,392	196	48	506	332	174	
Net change during year	-47	-23	-24	-44	-24	-41	-38	+55	-19	-1	-3	+1	-4	
Banks beginning operation	109	94	15	109	94	18	3	73	15	15				
New banks	107	94	13	107	94	18	3	73	13	13				
Banks added to count	2		2	2					2	2				
Banks ceasing operation	156	140	16	153	139	65	17	57	13	1	3	1	2	
Absorptions, consolidations, and mergers	137	132	5	134	131	64	16	51	3	3	3	1	2	
Closed-financial difficulties	4	4		4	4	1		3						
Other liquidations	7	4	3	7	4		1	3	3					
Discontinued deposit operations	4	4	4	4					4					
Banks deleted from count	4		4	4					3	1				
Noninsured banks becoming insured		+23	-23		+21			+21	-21			+2	-2	

Other changes in classification													
National succeeding State bank						+6	-24	+18					
State succeeding national bank						+11	-4	-7					
Admission of insured bank to F. R. System						-5		+5					
Withdrawal from F. R. System with continued insurance							+1	-1					
							-21	+21					
Changes not involving number in any class													
Change in title	191	184	7	185	178	77	15	86	7		6	6	
Change in location	18	18		18	18	9	4	5					
Change in title and location	9	9		9	9	6		3					
Change in name of location	3	3		3	3	3							
Change in corporate powers:													
Granted trust powers	53	53		53	53			53					
BRANCHES													
Number of branches, December 30, 1967²	18,950	18,724	226	18,119	18,053	10,216	3,671	4,166	58	8	831	671	160
Number of branches, December 31, 1966²	17,845	17,618	227	17,087	17,003	9,637	3,517	3,849	55	29	758	615	143
Net change during year	+1,105	+1,106	-1	+1,032	+1,050	+579	+154	+317	+3	-21	+73	+56	+17
Branches opened for business	1,226	1,206	20	1,152	1,149	584	221	344	3		74	57	17
Facilities designated by Treasury	7	7		7	7	4		3					
Absorbed banks converted to branches	116	114	2	113	113	73	14	26			3	1	2
Branches replacing head offices relocated	21	21		21	21	8	1	12					
New branches	1,067	1,051	16	997	996	496	205	295	1		70	55	15
Branches and facilities added to count ³	15	13	2	14	12	3	1	8	2		1	1	
Branches discontinued	121	100	21	120	99	64	25	10		21	1	1	
Facilities designated by Treasury	14	14		14	14	11	2	1					
Branches	76	76		75	75	50	18	7			1	1	
Branches and facilities deleted from count	31	10	21	31	10	3	5	2		21			
Other changes in classification													
Branches changing class as result of conversion						+59	-42	-17					
Branches of insured banks withdrawing from F. R. System						+8	-7	-1					
Branches transferred through absorption, consolidation or merger							-16	+16					
						+51	-19	-32					
Changes not involving number in any class													
Changes in operating powers of branches	9	9		9	9	4	5						
Branches transferred through absorption, consolidation or conversion	65	64	1	62	62	59	1	2			3	2	1
Changes in title, location, or name of location	411	409	2	399	399	241	83	75			12	10	2

¹ Includes one trust company member of the Federal Reserve System.

² Includes facilities established at request of the Treasury or Commanding Officer of Government installations, and also a few seasonal branches that were not in operation as of December 31.

³ Branches opened prior to 1967 but not included in count as of December 31, 1966.

Table 102. CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES DURING 1967, BY STATE

State	In operation				Net change during 1967		Beginning operation in 1967				Ceasing operation in 1967		
	Dec. 30, 1967		Dec. 31, 1966		Banks	Branches	Banks		Branches		Banks		Branches
	Banks	Branches	Banks	Branches			New	Other	New	Other	Absorptions	Other	
Total United States	13,741	18,119	13,785	17,087	-44	1,032	107	2	1,009	143	134	19	120
50 States and D.C.	13,721	17,931	13,766	16,907	-45	1,024	105	2	1,001	142	133		119
Other Areas	20	188	19	180	1	8	2		8	1	1		1
State													
Alabama	266	211	267	186	- 1	25			24	1		1	
Alaska	12	54	12	55	NA	- 1							1
Arizona	17	265	18	282	- 1	-17			6			1	23
Arkansas	248	130	246	119	2	11	3		12	1	1		2
California	178	2,692	193	2,537	-15	155			156	17	15		18
Colorado	256	7	252	9	4	- 2	4	2			1	1	2
Connecticut	67	357	67	336		21	1		21	1	1		1
Delaware	19	74	20	71	- 1	3			3	1	1		1
District of Columbia	14	96	14	94	NA	2			2				
Florida	450	21	447	19	3	2	5		2		1	1	
Georgia	426	227	426	211		16	8		17	1	2	6	2
Hawaii	11	123	11	120	NA	3			3				
Idaho	26	141	25	140	1	1	1		2				1
Illinois	1,067	18	1,061	5	6	13	7		12	1	1		
Indiana	417	542	419	507	- 2	35	1		34	3	3		2
Iowa	674	260	674	250		10	1		9	1	1		
Kansas	601	58	601	53		5	5		6		1	4	1
Kentucky	346	268	348	243	- 2	25			25	3	2		3
Louisiana	226	305	220	286	6	19	6		19	2			2
Maine	44	194	44	183	NA	11			11				
Maryland	122	442	122	415		27	1		26	2	1		1
Massachusetts	159	647	162	614	- 3	33			36	3	3		6
Michigan	341	1,049	347	988	- 6	61			63	7	6		9
Minnesota	723	9	723	9	NA	NA							
Mississippi	188	281	190	259	- 2	22			21	3	2		2
Missouri	664	78	661	71	3	7	4		9		1		2
Montana	133	5	132	3	1	2	2		1	1	1		
Nebraska	439	33	439	29		4	1		6			1	2
Nevada	9	75	9	70	NA	5			5				
New Hampshire	76	37	75	33	1	4	1		3	1			

New Jersey	228	757	232	712	- 4	45	4	38	9	8	2
New Mexico	64	109	64	101	NA	8	9	9			1
New York	327	2,136	336	2,060	- 9	76	6	79	10	13	13
North Carolina	128	859	137	790	- 9	69	2	62	12	11	2
North Dakota	169	64	167	61	2	3	2	3	1		5
Ohio	531	1,069	537	1,009	- 6	60	2	54	7	8	1
Oklahoma	422	46	420	42	2	4	2	4			
Oregon	50	285	52	273	- 2	12	1	9	3	3	
Pennsylvania	522	1,421	546	1,338	-24	83		63	24	24	4
Rhode Island	14	149	11	128	3	21	3	23			2
South Carolina	125	328	128	302	- 3	26	1	24	4	3	1
South Dakota	166	87	167	83	- 1	4		3	1	1	2
Tennessee	299	404	298	378	1	26	2	26	4	1	4
Texas	1,149	59	1,147	53	2	6	7	3	4	4	1
Utah	55	112	55	111	NA	1		1			
Vermont	46	67	48	59	- 2	8		6	2	2	
Virginia	250	656	251	612	- 1	44	6	37	7	7	
Washington	95	452	95	424		28	4	23	5	4	
West Virginia	194		190		4	NA	4				
Wisconsin	599	171	591	173	8	- 2	8				2
Wyoming	69	1	69	1	NA	NA					
Other Areas											
Pacific Islands	1	13	1	13	NA	NA					
Panama Canal Zone		2		2	NA	NA					
Puerto Rico	12	160	12	154		6	1	6	1	1	1
Virgin Islands	7	13	6	11	1	2	1	2			

N.A.—No activity.

NUMBER OF BANKS AND BRANCHES

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 30, 1967
 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	In-sured	Non-insured	Total	Insured			Noninsured				Total	In-sured	Non-insured	All banks of deposit	Com-mercial banks of deposit	Mutual savings banks
					Total	Members F. R. System		Not members F. R. System	Banks of deposit ²	Non-deposit trust companies ³							
						National	State										
United States—all offices	33,194	32,574	620	31,860	31,570	14,974	4,983	11,613	235	55	1,334	1,004	330	98.3	99.3	75.3	
Banks	14,244	13,850	394	13,741	13,517	4,758	1,312	7,447	177	47	503	333	170	97.6	98.7	66.2	
<i>Unit banks</i>	10,412	10,123	289	10,181	9,982	3,229	854	5,899	157	42	231	141	90	97.6	98.5	61.0	
<i>Banks operating branches</i>	3,832	3,727	105	3,560	3,535	1,529	458	1,548	20	5	272	192	80	97.4	99.4	70.6	
Branches	18,950	18,724	226	18,119	18,053	10,216	3,671	4,166	58	8	831	671	160	98.8	99.7	80.7	
50 States and D.C.—all offices	32,983	32,394	589	31,652	31,393	14,940	4,983	11,470	205	54	1,331	1,001	330	98.4	99.4	75.2	
Banks	14,222	13,840	382	13,721	13,509	4,757	1,312	7,440	166	46	501	331	170	97.6	98.8	66.1	
<i>Unit banks</i>	10,401	10,121	280	10,171	9,981	3,229	854	5,898	155	41	230	140	90	97.7	98.5	60.9	
<i>Banks operating branches</i>	3,821	3,719	102	3,550	3,528	1,528	458	1,542	17	5	271	191	80	97.5	99.5	70.5	
Branches	18,761	18,554	207	17,931	17,884	10,183	3,671	4,030	39	8	830	670	160	98.9	99.8	80.7	
Other areas—all offices	211	180	31	208	177	34	143	143	30	1	3	3	1	85.7	85.5	100.0	
Banks	22	10	12	20	8	1	7	7	11	1	2	2	1	47.6	42.1	100.0	
<i>Unit banks</i>	11	2	9	10	1	1	1	1	8	1	1	1	1	20.0	11.1	100.0	
<i>Banks operating branches</i>	11	8	3	10	7	1	1	1	3	1	1	1	1	72.7	70.0	100.0	
Branches	189	170	19	188	169	33	136	136	19	1	1	1	1	89.9	89.9	100.0	
State																	
Alabama—all offices	477	477	.....	477	477	244	33	200	.....	.....	.....	.....	.....	100.0	100.0	.....
Banks	266	266	.....	266	266	88	22	156	.....	.....	.....	.....	.....	100.0	100.0	.....
<i>Unit banks</i>	199	199	.....	199	199	51	17	131	.....	.....	.....	.....	.....	100.0	100.0	.....
<i>Banks operating branches</i>	67	67	.....	67	67	37	5	25	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches	211	211	.....	211	211	156	11	44	.....	.....	.....	.....	.....	100.0	100.0	.....
Alaska—all offices	68	66	2	66	64	51	.....	13	2	.....	2	2	.....	97.1	97.0	100.0
Banks	14	12	2	12	10	5	.....	5	2	.....	2	2	.....	85.7	83.3	100.0
<i>Unit banks</i>	6	4	2	4	2	.....	.....	2	.....	.....	2	2	.....	66.7	50.0	100.0
<i>Banks operating branches</i>	8	8	.....	8	8	5	.....	3	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches	54	54	.....	54	54	46	.....	8	.....	.....	.....	.....	.....	100.0	100.0	.....
Arizona—all offices	282	282	.....	282	282	194	18	70	.....	.....	.....	.....	.....	100.0	100.0	.....
Banks	17	17	.....	17	17	4	1	12	.....	.....	.....	.....	.....	100.0	100.0	.....
<i>Unit banks</i>	7	7	.....	7	7	1	.....	6	.....	.....	.....	.....	.....	100.0	100.0	.....
<i>Banks operating branches</i>	10	10	.....	10	10	3	1	6	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches	265	265	.....	265	265	190	17	58	.....	.....	.....	.....	.....	100.0	100.0	.....
Arkansas—all offices	378	375	3	378	375	138	36	201	2	1	.....	.....	.....	99.5	99.5	.....
Banks	248	245	3	248	245	67	16	162	2	1	.....	.....	.....	99.2	99.2	.....
<i>Unit banks</i>	180	177	3	180	177	36	8	133	2	1	.....	.....	.....	98.9	98.9	.....
<i>Banks operating branches</i>	68	68	.....	68	68	31	8	29	.....	.....	.....	.....	.....	100.0	100.0	.....
Branches	130	130	.....	130	130	71	20	39	.....	.....	.....	.....	.....	100.0	100.0	.....

California—all offices	2,870	2,859	11	2,870	2,859	2,017	509	333	11					100.0	100.0	
Banks.....	178	172	6	178	172	80	12	80	6					100.0	100.0	
Unit banks.....	49	45	4	49	45	28	1	18	4					100.0	100.0	
Banks operating branches.....	129	127	2	129	127	54	11	62	2					100.0	100.0	
Branches.....	2,692	2,687	5	2,692	2,687	1,937	497	253	5					100.0	100.0	
Colorado—all offices	263	224	39	263	224	122	18	84	39					85.2	85.2	
Banks.....	256	217	39	256	217	118	17	82	39					84.8	84.8	
Unit banks.....	250	211	39	250	211	115	16	80	39					84.4	84.4	
Banks operating branches.....	6	6		6	6	3	1	2						100.0	100.0	
Branches.....	7	7		7	7	4	1	2						100.0	100.0	
Connecticut—all offices	609	606	3	424	421	219	105	97	2	1	185	185		99.7	99.5	100.0
Banks.....	137	134	3	67	64	30	6	28	2	1	70	70		98.5	97.0	100.0
Unit banks.....	50	47	3	21	18	8		10	2	1	29	29		95.9	90.0	100.0
Banks operating branches.....	87	87		46	46	22	6	18			41	41		100.0	100.0	100.0
Branches.....	472	472		357	357	189	99	69			115	115		100.0	100.0	100.0
Delaware—all offices	104	104		93	93	9	33	51			11	11		100.0	100.0	100.0
Banks.....	21	21		19	19	5	2	12			2	2		100.0	100.0	100.0
Unit banks.....	10	10		10	10	3		7						100.0	100.0	
Banks operating branches.....	11	11		9	9	2	2	5			2	2		100.0	100.0	100.0
Branches.....	83	83		74	74	4	31	39			9	9		100.0	100.0	100.0
Dist. of Columbia—all offices	110	110		110	110	67	3	8						100.0	100.0	
Banks.....	14	14		14	14	9	35	2						100.0	100.0	
Unit banks.....	1	1		1	1	1	7	2						100.0	100.0	
Banks operating branches.....	13	13		13	13	8	3	2						100.0	100.0	
Branches.....	96	96		96	96	58	32	6						100.0	100.0	
Florida—all offices	471	468	3	471	468	212	9	247	2	1				99.6	99.6	
Banks.....	450	447	3	450	447	200	8	239	2	1				99.6	99.6	
Unit banks.....	430	427	3	430	427	189	7	231	2	1				99.5	99.5	
Banks operating branches.....	20	20		20	20	11	1	8						100.0	100.0	
Branches.....	21	21		21	21	12		8						100.0	100.0	
Georgia—all offices	653	635	18	653	635	203	42	390	18					97.2	97.2	
Banks.....	426	408	18	426	408	61	12	335	18					95.8	95.8	
Unit banks.....	339	321	18	339	321	31	5	285	18					94.7	94.7	
Banks operating branches.....	87	87		87	87	30	7	50						100.0	100.0	
Branches.....	227	227		227	227	142	30	55						100.0	100.0	
Hawaii—all offices	134	129	5	134	129	45		84		5				100.0	100.0	
Banks.....	11	7	4	11	7	2		5		4				100.0	100.0	
Unit banks.....	3		3	3						3						
Banks operating branches.....	6	7		8	7	2		5		1				100.0	100.0	
Branches.....	123	122	1	123	122	43		79		1				100.0	100.0	

**Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS),
DECEMBER 30, 1967—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	In- sured	Non- insured	Total	Insured			Noninsured			Total	In- sured	Non- insured	All banks of de- posit	Com- mer- cial banks of de- posit	Mutual savings banks
					Total	Members F. R. System		Not mem- bers F. R. Sys- tem	Banks of de- posit ²	Non- de- posit trust com- pan- ies ³						
						National	State									
Idaho—all offices	167	167	.....	167	167	112	31	24	.....	.....	.....	.....	100.0	100.0	.....
Banks	26	26	.....	26	26	9	7	10	.....	.....	.....	.....	100.0	100.0	.....
Unit banks	12	12	.....	12	12	3	4	5	.....	.....	.....	.....	100.0	100.0	.....
Banks operating branches	14	14	.....	14	14	6	3	5	.....	.....	.....	.....	100.0	100.0	.....
Branches	141	141	.....	141	141	103	24	14	.....	.....	.....	.....	100.0	100.0	.....
Illinois—all offices	1,085	1,080	5	1,085	1,080	435	101	544	2	3	.....	.....	99.8	99.8	.....
Banks	1,067	1,062	5	1,067	1,062	422	98	542	2	3	.....	.....	99.8	99.8	.....
Unit banks	1,050	1,045	5	1,050	1,045	410	95	540	2	3	.....	.....	99.8	99.8	.....
Banks operating branches	17	17	.....	17	17	12	3	2	.....	.....	.....	.....	100.0	100.0	.....
Branches	18	18	.....	18	18	13	3	2	.....	.....	.....	.....	100.0	100.0	.....
Indiana—all offices	963	959	4	959	955	411	146	398	3	1	4	4	99.7	99.7	100.0	
Banks	421	417	4	417	413	123	79	211	3	1	4	4	99.3	99.3	100.0	
Unit banks	241	237	4	237	233	54	51	128	3	1	4	4	98.8	98.7	100.0	
Banks operating branches	180	180	.....	180	180	69	28	83	.....	.....	.....	.....	100.0	100.0	.....
Branches	542	542	.....	542	542	288	67	187	.....	.....	.....	.....	100.0	100.0	.....
Iowa—all offices	934	921	13	934	921	145	76	700	12	1	.....	.....	98.7	98.7	.....
Banks	674	661	13	674	661	102	57	502	12	1	.....	.....	98.2	98.2	.....
Unit banks	473	460	13	473	460	64	43	353	12	1	.....	.....	97.5	97.5	.....
Banks operating branches	201	201	.....	201	201	38	14	149	.....	.....	.....	.....	100.0	100.0	.....
Branches	260	260	.....	260	260	43	19	198	.....	.....	.....	.....	100.0	100.0	.....
Kansas—all offices	659	658	1	659	658	198	48	412	1	.....	.....	.....	99.8	99.8	.....
Banks	601	600	1	601	600	171	40	389	1	.....	.....	.....	99.8	99.8	.....
Unit banks	545	544	1	545	544	146	32	366	1	.....	.....	.....	99.8	99.8	.....
Banks operating branches	56	56	.....	56	56	25	8	23	.....	.....	.....	.....	100.0	100.0	.....
Branches	58	58	.....	58	58	27	8	23	.....	.....	.....	.....	100.0	100.0	.....
Kentucky—all offices	614	608	6	614	608	203	57	348	6	.....	.....	.....	99.0	99.0	.....
Banks	346	340	6	346	340	80	14	246	6	.....	.....	.....	98.3	98.3	.....
Unit banks	228	222	6	228	222	39	6	177	6	.....	.....	.....	97.4	97.4	.....
Banks operating branches	118	118	.....	118	118	41	8	69	.....	.....	.....	.....	100.0	100.0	.....
Branches	268	268	.....	268	268	123	43	102	.....	.....	.....	.....	100.0	100.0	.....

Louisiana—all offices	531	530	1	531	530	195	43	292	1									99.8	99.8	
Banks	226	225	1	226	225	47	10	168	1									99.6	99.6	
Unit banks	120	119	1	120	119	15	1	103	1									99.2	99.2	
Banks operating branches	106	106		106	106	32	9	65										100.0	100.0	
Branches	305	305		305	305	148	33	124										100.0	100.0	
Maine—all offices	287	279	8	238	232	100	61	71	6		49	47	2					97.2	97.5	95.9
Banks	76	71	5	44	41	21	6	14	3		32	30	2					93.4	93.2	93.8
Unit banks	33	29	4	11	9	6	2	1	2		22	20	2					87.9	81.8	90.9
Banks operating branches	43	42	1	33	32	15	4	13	1		10	10						97.7	97.0	100.0
Branches	211	208	3	194	191	79	55	57	3		17	17						98.6	98.5	100.0
Maryland—all offices	611	603	8	564	556	261	63	232	8		47	47						98.7	98.6	100.0
Banks	128	127	1	122	121	48	7	66	1		6	6						99.2	99.2	100.0
Unit banks	55	55		55	55	17	1	37										100.0	100.0	
Banks operating branches	73	72	1	67	66	31	6	29	1		6	6						98.6	98.5	100.0
Branches	483	476	7	442	435	213	56	166	7		41	41						98.6	98.4	100.0
Massachusetts—all offices	1,171	835	336	806	798	462	158	178	6	2	365	37	328					71.4	99.3	10.1
Banks	335	162	173	159	154	89	16	49	4	1	176	8	168					48.5	97.5	4.5
Unit banks	128	37	91	38	35	22		14	3		90	2	88					28.9	92.1	2.2
Banks operating branches	207	125	82	121	119	68	16	35	1	1	86	6	80					60.7	99.2	7.0
Branches	836	673	163	647	644	373	142	129	2	1	189	29	160					80.6	99.7	15.3
Michigan—all offices	1,390	1,386	4	1,390	1,386	590	486	310	3	1								99.8	99.8	
Banks	341	339	2	341	339	98	111	130	1	1								99.7	99.7	
Unit banks	151	150	1	151	150	30	52	68		1								100.0	100.0	
Banks operating branches	190	189	1	190	189	68	59	62	1									99.5	99.5	
Branches	1,049	1,047	2	1,049	1,047	492	375	180	2									99.8	99.8	
Minnesota—all offices	733	729	4	732	728	201	28	499	4		1	1						99.5	99.5	100.0
Banks	724	720	4	723	719	195	28	496	4		1	1						99.4	99.4	100.0
Unit banks	719	715	4	718	714	193	28	493	4		1	1						99.4	99.4	100.0
Banks operating branches	5	5		5	5	2		3										100.0	100.0	
Branches	9	9		9	9	6		3										100.0	100.0	
Mississippi—all offices	469	469		469	469	147	18	304										100.0	100.0	
Banks	188	188		188	188	36	6	146										100.0	100.0	
Unit banks	87	87		87	87	7	1	79										100.0	100.0	
Banks operating branches	101	101		101	101	29	5	67										100.0	100.0	
Branches	281	281		281	281	111	12	158										100.0	100.0	
Missouri—all offices	742	734	8	742	734	119	97	518	5	3								99.3	99.3	
Banks	664	656	8	664	656	98	79	479	5	3								99.2	99.2	
Unit banks	586	578	8	586	578	77	61	440	5	5								99.1	99.1	
Banks operating branches	78	78		78	78	21	18	39										100.0	100.0	
Branches	78	78		78	78	21	18	39										100.0	100.0	
Montana—all offices	138	137	1	138	137	51	44	42		1								100.0	100.0	
Banks	133	132	1	133	132	48	42	42		1								100.0	100.0	
Unit banks	128	127	1	128	127	45	40	42		1								100.0	100.0	
Banks operating branches	5	5		5	5	3	2											100.0	100.0	
Branches	5	5		5	5	3	2											100.0	100.0	

**Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS),
DECEMBER 30, 1967—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	In- sured	Non- insured	Total	Insured				Noninsured			Total	In- sured	Non- insured	All banks of de- posit	Com- mer- cial banks of de- posit	Mutual savings banks		
					Total	Members F. R. System		Not mem- bers F. R. Sys- tem	Banks of de- posit ²	Non- de- posit trust com- pan- ies ³	Total							In- sured	Non- insured
						National	State												
Nebraska—all offices	472	466	6	472	466	145	13	308	1	5				99.8	99.8				
Banks	439	433	6	439	433	127	12	294	1	5				99.8	99.8				
<i>Unit banks</i>	407	401	6	407	401	109	11	281	1	5				99.8	99.8				
<i>Banks operating branches</i>	32	32		32	32	18	1	13						100.0	100.0				
<i>Branches</i>	33	33		33	33	18	1	14						100.0	100.0				
Nevada—all offices	84	84		84	84	41	31	12						100.0	100.0				
Banks	9	9		9	9	3	3	3						100.0	100.0				
<i>Unit banks</i>	2	2		2	2	1	1	1						100.0	100.0				
<i>Banks operating branches</i>	7	7		7	7	2	3	2						100.0	100.0				
<i>Branches</i>	75	75		75	75	38	28	9						100.0	100.0				
New Hampshire—all offices	155	152	3	113	110	82	2	26	3		42	42		98.1	97.3	100.0			
Banks	108	105	3	76	73	52	1	20	3		32	32		97.2	96.1	100.0			
<i>Unit banks</i>	71	68	3	47	44	29		15	3		24	24		95.8	93.6	100.0			
<i>Banks operating branches</i>	37	37		29	29	23	1	5			8	8		100.0	100.0	100.0			
<i>Branches</i>	47	47		37	37	30	1	6			10	10		100.0	100.0	100.0			
New Jersey—all offices	1,036	1,033	3	985	982	645	206	131		3	51	51		100.0	100.0	100.0			
Banks	249	246	3	228	225	144	40	41		3	21	21		100.0	100.0	100.0			
<i>Unit banks</i>	72	69	3	62	59	37	8	14		3	10	10		100.0	100.0	100.0			
<i>Banks operating branches</i>	177	177		166	166	107	32	27			11	11		100.0	100.0	100.0			
<i>Branches</i>	787	787		757	757	501	166	90			30	30		100.0	100.0	100.0			
New Mexico—all offices	173	173		173	173	94	14	65						100.0	100.0				
Banks	64	64		64	64	34	7	23						100.0	100.0				
<i>Unit banks</i>	22	22		22	22	14	3	5						100.0	100.0				
<i>Banks operating branches</i>	42	42		42	42	20	4	18						100.0	100.0				
<i>Branches</i>	109	109		109	109	60	7	42						100.0	100.0				
New York—all offices	2,862	2,829	33	2,463	2,430	1,267	1,027	136	27	6	399	399		99.1	98.9	100.0			
Banks	452	428	24	327	303	184	80	39	19	5	125	125		95.7	94.1	100.0			
<i>Unit banks</i>	182	166	16	144	128	83	26	19	12	4	38	38		93.3	91.4	100.0			
<i>Banks operating branches</i>	270	262	8	183	175	101	54	20	7	1	87	87		97.4	96.2	100.0			
<i>Branches</i> ⁴	2,410	2,401	9	2,136	2,127	1,083	947	97	8	1	274	274		99.7	99.6	100.0			

North Carolina—all offices	987	981	6	987	981	326	118	537	6					99.4	99.4	
Banks	128	127	1	128	127	25	4	98	1					99.2	99.2	
Unit banks	51	51		51	51	7	1	43						100.0	100.0	
Banks operating branches	77	76	1	77	76	18	3	55	1					98.7	98.7	
Branches	859	854	5	859	854	301	114	439	5					99.4	99.4	
North Dakota—all offices	233	228	5	233	228	53	6	169	5					97.9	97.9	
Banks	169	166	3	169	166	42	4	120	3					98.2	98.2	
Unit banks	122	120	2	122	120	32	3	85	2					98.4	98.4	
Banks operating branches	47	46	1	47	46	10	1	35	1					97.9	97.9	
Branches	64	62	2	64	62	11	2	49	2					96.9	96.9	
Ohio—all offices	1,601	1,600	1	1,600	1,599	831	438	330	1	1	1			99.9	99.9	100.0
Banks	532	531	1	531	530	223	125	182	1	1	1			99.8	99.8	100.0
Unit banks	279	278	1	278	277	89	74	114	1	1	1			99.8	99.8	100.0
Banks operating branches	253	253		253	253	134	51	68						100.0	100.0	
Branches	1,069	1,069		1,069	1,069	608	313	148						100.0	100.0	
Oklahoma—all offices	468	467	1	468	467	256	27	184	1					100.0	100.0	
Banks	422	421	1	422	421	220	24	177	1					100.0	100.0	
Unit banks	378	377	1	378	377	186	21	170	1					100.0	100.0	
Banks operating branches	44	44		44	44	34	3	7						100.0	100.0	
Branches	46	46		46	46	36	3	7						100.0	100.0	
Oregon—all offices	337	334	3	335	332	233	14	85	2	1	2	2		99.4	99.4	100.0
Banks	51	48	3	50	47	12	2	33	2	1	1	1		96.0	95.9	100.0
Unit banks	24	21	3	24	21	7	1	13	2	1				91.3	91.3	
Banks operating branches	27	27		26	26	5	1	20			1	1		100.0	100.0	100.0
Branches	286	286		285	285	221	12	52			1	1		100.0	100.0	100.0
Pennsylvania—all offices	2,020	2,008	12	1,943	1,931	1,226	261	444	9	3	77	77		99.6	99.5	100.0
Banks	529	519	10	522	512	336	36	140	7	3	7	7		98.7	98.7	100.0
Unit banks	286	277	9	285	276	182	18	76	6	3	1	1		97.9	97.9	100.0
Banks operating branches	243	242	1	237	236	154	18	64	1		6	6		99.6	99.6	100.0
Branches	1,491	1,489	2	1,421	1,419	890	225	304	2		70	70		99.9	99.9	100.0
Rhode Island—all offices	218	209	9	163	154	61	29	64	9		55	55		95.9	94.5	100.0
Banks	21	19	2	14	12	4	1	7	2		7	7		90.5	85.7	100.0
Unit banks				14	12	4	1	7	2		7	7		90.5	85.7	100.0
Banks operating branches	21	19	2	14	12	4	1	7	2		7	7		90.5	85.7	100.0
Branches	197	190	7	149	142	57	28	57	7		48	48		96.4	95.3	100.0
South Carolina—all offices	453	450	3	453	450	239	11	200	3					99.3	99.3	
Banks	125	122	3	125	122	26	6	90	3					97.6	97.6	
Unit banks	57	54	3	57	54	5	3	46	3					94.7	94.7	
Banks operating branches	68	68		68	68	21	3	44						100.0	100.0	
Branches	328	328		328	328	213	5	110						100.0	100.0	
South Dakota—all offices	253	252	1	253	252	83	28	141	1					99.6	99.6	
Banks	166	165	1	166	165	35	24	106	1					99.4	99.4	
Unit banks	127	126	1	127	126	25	21	80	1					99.2	99.2	
Banks operating branches	39	39		39	39	10	3	26						100.0	100.0	
Branches	87	87		87	87	48	4	35						100.0	100.0	

**Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS),
DECEMBER 30, 1967—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	In- sured	Non- insured	Total	Insured			Noninsured			Total	In- sured	Non- insured	All banks of de- posit	Com- mer- cial banks of de- posit	Mutual savings banks
					Total	Members F. R. System		Not mem- bers F. R. Sys- tem	Banks of de- posit ²	Non- de- posit trust com- pan- ies ³						
						National	State									
Tennessee—all offices	703	698	5	703	698	322	39	337	4	1				99.4	99.4	
Banks	299	295	4	299	295	77	10	208	3	1				99.0	99.0	
Unit banks	174	171	3	174	171	20	5	146	2	1				98.8	98.8	
Banks operating branches	125	124	1	125	124	57	5	62	1					99.2	99.2	
Branches	404	403	1	404	403	245	29	129	1					99.8	99.8	
Texas—all offices	1,208	1,198	10	1,208	1,198	564	73	561	10					99.2	99.2	
Banks	1,149	1,139	10	1,149	1,139	542	68	529	10					99.1	99.1	
Unit banks	1,093	1,083	10	1,093	1,083	522	63	498	10					99.1	99.1	
Banks operating branches	56	56		56	56	20	5	31						100.0	100.0	
Branches	59	59		59	59	22	5	32						100.0	100.0	
Utah—all offices	167	167		167	167	71	37	59						100.0	100.0	
Banks	55	55		55	55	12	10	33						100.0	100.0	
Unit banks	34	34		34	34	8	5	21						100.0	100.0	
Banks operating branches	21	21		21	21	4	5	12						100.0	100.0	
Branches	112	112		112	112	59	27	26						100.0	100.0	
Vermont—all offices	121	120	1	113	112	65		47		1	8	8		100.0	100.0	100.0
Banks	52	51	1	46	45	27		18		1	6	6		100.0	100.0	100.0
Unit banks	26	25	1	22	21	13		8		1	4	4		100.0	100.0	100.0
Banks operating branches	26	26		21	21	14		10			2	2		100.0	100.0	100.0
Branches	69	69		67	67	38		29			2	2		100.0	100.0	100.0
Virginia—all offices	906	906		906	906	522	159	225						100.0	100.0	
Banks	250	250		250	250	113	48	89						100.0	100.0	
Unit banks	105	105		105	105	37	25	43						100.0	100.0	
Banks operating branches	145	145		145	145	76	23	46						100.0	100.0	
Branches	656	656		656	656	409	111	136						100.0	100.0	
Washington—all offices	576	575	1	547	546	402	42	102	1		29	29		99.8	99.8	100.0
Banks	100	99	1	95	94	27	9	58	1		5	5		99.0	98.9	100.0
Unit banks	51	50	1	50	49	12	4	33	1		1	1		98.0	98.0	100.0
Banks operating branches	49	49		45	45	15	5	25			4	4		100.0	100.0	100.0
Branches ⁴	476	476		452	452	375	33	44			24	24		100.0	100.0	100.0

West Virginia—all offices	194	194		194	194	80	34	80						100.0	100.0	
Banks	194	194		194	194	80	34	80						100.0	100.0	
Unit banks	194	194		194	194	80	34	80						100.0	100.0	
Banks operating branches																
Branches																
Wisconsin—all offices	773	770	3	770	767	140	66	561	1	2	3	3		99.9	99.9	100.0
Banks	602	599	3	599	596	116	52	428	1	2	3	3		99.8	99.8	100.0
Unit banks	498	498	3	498	490	104	44	342	1	2	3	3		99.8	99.8	100.0
Banks operating branches	106	106		106	106	12	8	86						100.0	100.0	
Branches	171	171		171	171	24	14	133						100.0	100.0	
Wyoming—all offices	70	70		70	70	41	13	16						100.0	100.0	
Banks	69	69		69	69	40	13	16						100.0	100.0	
Unit banks	68	68		68	68	39	13	16						100.0	100.0	
Banks operating branches	1	1		1	1	1								100.0	100.0	
Branches	1	1		1	1	1								100.0	100.0	
Other Areas																
Pacific Islands—all offices ⁵	14	5	9	14	5	4		1	9					35.7	35.7	
Banks	1		1	1					1							
Unit banks ⁶	1		1	1					1							
Banks operating branches																
Branches ⁷	13	5	8	13	5	4		1	8					38.5	38.5	

**Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS),
DECEMBER 30, 1967—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	In-sured	Non-insured	Total	Insured			Noninsured			Total	In-sured	Non-insured	All banks of deposit	Com-mercial banks of deposit	Mutual savings banks
					Total	Members F. R. System		Not members F. R. System	Banks of deposit ²	Non-deposit trust companies ³						
						National	State									
Panama Canal Zone—all offices	2		2	2					2							
Banks																
<i>Unit banks</i>																
<i>Banks operating branches</i>																
Branches ⁸	2		2	2					2							
Puerto Rico—all offices	173	159	14	172	158	16		142	14	1	1		91.9	91.9	100.0	
Banks	13	8	5	12	7			7	5	1	1		61.5	58.3	100.0	
<i>Unit banks</i>	4	2	2	3	1			1	2	1	1		50.0	33.8	100.0	
<i>Banks operating branches</i>	9	6	3	9	6			6	3				66.7	66.7		
Branches ⁹	160	151	9	160	151	16		135	9				94.4	94.4		
Virgin Islands—all offices	22	16	6	20	14	14			5	1	2		76.2	73.7	100.0	
Banks	8	2	6	7	1	1			5	1	1		28.6	16.7	100.0	
<i>Unit banks</i>	6		6	6					5	1						
<i>Banks operating branches</i>	2	2		1	1	1							100.0	100.0	100.0	
Branches ¹⁰	14	14		13	13	13				1	1		100.0	100.0	100.0	

¹ Nondeposit trust companies are excluded in computing these percentages.

² Includes 10 noninsured branches of insured banks; 8 branches in the Pacific Islands and 2 in the Panama Canal Zone.

³ Includes one trust company in Massachusetts, member of the F. R. System, operating one branch.

⁴ Massachusetts: 1 branch operated by a noninsured bank in New York.
New York: 7 branches operated by two insured banks in Puerto Rico (not members of F. R. System).

Oregon: 1 branch operated by a national bank in California.
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.

⁵ United States possessions (American Samoa, Guam, Midway Islands, and Wake Island); Trust Territories (Kwajalein, Palau Islands, Ponape Island, Saipan and Truk Atoll).

⁶ American Samoa.

⁷ Pacific Islands: 13 branches.

⁸ Caroline Islands on Truk Atoll (Moen Island); 1 noninsured branch—operated by a national bank in California.

Mariana Islands: 5 branches—(4 insured on Guam and 1 noninsured on Saipan)—operated by a national bank in California.

Guam: 1 insured branch—operated by an insured bank in Hawaii (not member of F. R. System).

Caroline Islands: 2 noninsured branches (1 each on Palau Islands (Koror) and Ponape Island (Kolonia)—operated by a bank in Hawaii (not member of F. R. System).

Marshall Islands: Kwajalein Atoll—2 noninsured branches operated by a bank in Hawaii (not member of F. R. System).

Midway Islands on Sand Island: 1 noninsured branch operated by a 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).

⁸ Panama Canal Zone: 2 noninsured branches operated by 2 national banks in New York.

⁹ Puerto Rico: 16 insured branches operated by 2 national banks in New York.

¹⁰ Virgin Islands: 10 insured branches operated by 2 national banks in New York.

Back figures: See the Annual Report for 1966, pp. 128-139 and earlier reports.

**Table 104. NUMBER AND DEPOSITS OF ALL COMMERCIAL AND MUTUAL SAVINGS BANKS,
(STATES AND OTHER AREAS), DECEMBER 30, 1967
BANKS GROUPED BY CLASS AND BY DEPOSIT SIZE**

Deposit size	All banks	Insured commercial banks				Non-insured banks and trust companies	Mutual savings banks	
		Total	Members F.R. System		Not members F.R. System		Insured	Non-insured
			National	State				
Number of Banks								
Less Than \$1,000,000	475	354	32	12	310	121		
\$1,000,000 To \$2,000,000	1,494	1,462	194	66	1,202	29	2	1
\$2,000,000 To \$5,000,000	3,922	3,888	1,000	320	2,568	19	12	3
\$5,000,000 To \$10,000,000	3,473	3,418	1,280	331	1,807	18	18	19
\$10,000,000 To \$25,000,000	2,800	2,663	1,254	292	1,117	12	80	45
\$25,000,000 To \$50,000,000	998	871	472	112	287	13	58	56
\$50,000,000 To \$100,000,000	497	404	230	66	108	5	56	32
\$100,000,000 To \$500,000,000	454	355	226	83	46	7	79	13
\$500,000,000 Or More	131	102	70	30	2		28	1
Total	14,244	13,517	4,758	1,312 (In Thousands)	7,447	224	333	170
Amount of Deposits								
Less Than \$1,000,000	298,016	261,603	25,603	9,229	226,771	36,413		
\$1,000,000 To \$2,000,000	2,269,067	2,220,737	301,961	100,628	1,818,148	43,948	3,128	1,254
\$2,000,000 To \$5,000,000	13,270,666	13,153,095	3,528,022	1,113,340	8,511,733	60,864	45,448	11,259
\$5,000,000 To \$10,000,000	24,822,667	24,423,680	9,319,988	2,381,418	12,722,274	119,698	141,013	138,276
\$10,000,000 To \$25,000,000	43,625,085	41,316,705	19,696,675	4,648,017	16,972,013	208,613	1,355,321	744,446
\$25,000,000 To \$50,000,000	34,428,988	29,847,719	16,290,831	3,814,873	9,742,015	541,581	2,076,905	1,962,783
\$50,000,000 To \$100,000,000	33,983,105	27,601,511	15,721,593	4,593,839	7,286,079	310,605	3,875,775	2,195,214
\$100,000,000 To \$500,000,000	95,452,494	73,855,396	46,713,301	17,673,666	9,468,429	1,086,806	18,528,056	1,982,236
\$500,000,000 Or More	210,551,031	182,115,477	120,485,419	61,302,148	1,327,910		26,887,316	548,238
Total	458,701,119	395,795,923	232,083,393	95,637,158	68,075,372	2,408,528	52,912,962	7,583,706

NUMBER OF BANKS AND BRANCHES

ASSETS AND LIABILITIES OF BANKS

- Table 105. Assets and liabilities of all banks in the United States (States and other areas), June 30, 1967
Banks grouped according to insurance status and type of bank
- Table 106. Assets and liabilities of all banks in the United States (States and other areas), December 30, 1967
Banks grouped according to insurance status and type of bank
- Table 107. Assets and liabilities of insured commercial and insured mutual savings banks in the United States (States and other areas), December call dates, 1963 through 1967
- Table 108. Assets and liabilities of insured commercial banks in the United States (States and other areas), December 30, 1967
Banks grouped by class of bank
- Table 109. Assets and liabilities of insured commercial banks operating throughout 1967 in the United States (States and other areas), December 30, 1967
Banks grouped according to amount of deposits
- Table 110. Percentages of assets and liabilities of insured commercial banks operating throughout 1967 in the United States (States and other areas), December 30, 1967
Banks grouped according to amount of deposits
- Table 111. Distribution of insured commercial banks in the United States (States and other areas), December 30, 1967
Banks grouped according to amount of deposits and by ratios of selected items to assets or deposits

Statements of assets and liabilities are submitted by insured commercial banks upon either a cash or an accrual basis, depending upon the bank's method of bookkeeping. Assets reported represent aggregate book value, on the date of call, less valuation and premium reserves.

Assets and liabilities held in or administered by a savings, bond, insurance, real estate, foreign, or any other department of a bank, except a trust department, are consolidated with the respective assets and liabilities of the commercial department. "Deposits of individuals, partnerships, and corporations" include trust funds deposited by a trust department in a commercial or savings department. Other assets held in trust are not included in statements of assets and liabilities.

In the case of banks with one or more domestic branches, the assets and liabilities reported are consolidations of figures for the head office and all domestic branches. In the case of a bank with foreign branches, net amounts due from its own foreign branches are included in "Other assets," and net amounts due to its own foreign branches are included in "Other liabilities." Branches outside the 50 States of insured banks in the United States are treated as separate entities but as in the case of other branches are not included in the count of banks. Data for such branches are not included in the figures for the States in which the parent banks are located.

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

Individual loan items are reported gross instead of net of valuation reserves. Accordingly, reserves for losses on loans are shown separately.

Instalment loans are ordinarily reported net if the instalment payments are applied directly to the reduction of the loan. Such loans are reported gross if, under contract, the payments do not immediately reduce the unpaid balances of the loan but are assigned or pledged to assure repayment at maturity.

Asset and liability data for noninsured banks are tabulated from reports pertaining to the individual banks. In a few cases these reports are not as detailed as those submitted by insured banks, and some of the items reported have been allocated to more detailed categories according to the distribution of asset and liability data for insured State banks not members of the Federal Reserve System or for other noninsured banks.

Additional data on assets and liabilities of all banks as of June 30, 1967, and December 30, 1967, are shown in the Corporation's semiannual publication, "Assets, Liabilities, and Capital Accounts, Commercial and Mutual Savings Banks," Report of Call No. 80, and Report of Call No. 82. Data from Call No. 79, April 25, 1967, and Call No. 81, October 4, 1967, were not tabulated for all insured banks. Comparable tabulations for State and national banks were not feasible because of a change in the form used for national institutions.

Sources of data

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

State banks members of the Federal Reserve System: Board of Governors of the Federal Reserve System.

Other insured banks: Federal Deposit Insurance Corporation.

Noninsured banks: State banking authorities; and reports from individual banks.

Table 105. ASSETS AND LIABILITIES OF ALL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1967

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	All banks			Commercial banks and nondeposit trust companies				Mutual savings banks		
	Total	Insured	Non-insured	Total	Insured	Noninsured		Total	Insured	Non-insured
						Banks of deposit ¹	Non-deposit trust companies ²			
Total assets	479,589,828	467,727,015	11,862,813	415,436,529	411,916,531	3,219,846	300,152	64,153,299	55,810,484	8,342,815
Cash, balances with other banks, and cash collection items—total	66,396,810	65,693,765	703,045	65,244,375	64,677,419	501,753	65,203	1,152,435	1,016,346	136,089
Currency and coin.....	5,032,369	4,986,036	46,333	4,879,041	4,860,227	18,283	531	153,328	125,809	27,519
Reserve with F. R. Banks (member banks).....	18,999,192	18,999,192		18,999,192	18,999,192					
Demand balances with banks in U. S.	14,520,697	14,028,234	492,463	13,930,090	13,573,566	384,236	28,288	534,607	454,668	79,939
Other balances with banks in U. S.	1,004,065	934,952	69,113	629,715	576,354	17,242	36,119	374,350	358,598	15,752
Balances with banks in foreign countries.....	280,547	245,024	35,523	280,547	245,024	35,515	5			
Cash items in process of collection.....	26,559,940	26,500,327	59,613	26,469,790	26,423,056	46,477	287	90,150	77,271	12,879
Securities—total	123,093,968	119,858,555	3,235,413	111,214,261	110,220,353	824,842	169,066	11,879,707	9,638,202	2,241,505
U. S. Gov't. obligations (including guaranteed).....	58,690,963	57,010,401	1,680,562	54,387,116	53,976,042	343,525	67,549	4,303,847	3,034,359	1,269,488
Obligations of States and subdivisions.....	47,236,439	46,909,341	327,098	46,993,979	46,679,334	256,871	57,774	242,460	230,007	12,453
Securities of Federal agencies and corporations.....	8,827,428	8,572,005	255,423	7,564,130	7,415,557	138,307	10,266	1,263,298	1,156,448	106,850
Other securities.....	8,339,138	7,366,808	972,330	2,269,036	2,149,420	86,139	33,477	6,070,102	5,217,388	852,714
Loans and discounts, net—total	276,536,096	268,941,012	7,595,084	226,515,813	224,791,795	1,687,708	36,310	50,020,283	44,149,217	5,871,066
Valuation reserves.....	4,558,892	4,539,570	19,322	4,413,495	4,403,172	10,209	114	145,397	136,398	8,999
Loans and discounts, gross—total	281,094,988	273,480,582	7,614,406	230,929,308	229,194,967	1,697,917	36,424	50,165,680	44,285,615	5,880,065
Real estate loans—total.....	104,624,393	98,715,605	5,908,788	55,730,974	55,497,309	223,415	10,250	48,893,419	43,218,296	5,675,123
Secured by farm land.....	3,325,260	3,297,671	27,589	3,274,391	3,251,309	22,378	704	60,869	46,362	4,507
Secured by residential properties:										
Insured by FHA.....	22,343,789	21,293,212	1,050,577	7,396,481	7,324,088	71,812	581	14,947,308	13,969,124	978,184
Guaranteed by VA.....	14,262,407	13,809,280	1,053,127	2,444,609	2,463,566	30,967	76	11,767,798	10,745,714	1,022,084
Not insured or guaranteed by FHA or VA.....	42,406,690	39,459,247	2,907,443	25,595,709	25,524,909	64,117	6,683	16,810,981	13,974,358	2,836,643
Secured by other properties.....	22,286,247	21,416,195	870,052	16,969,784	16,933,437	34,141	2,266	5,316,463	4,482,758	833,705
Loans to commercial and foreign banks.....	1,808,486	1,724,905	83,581	1,784,801	1,701,220	83,314	267	23,685	23,685	
Loans to other financial institutions.....	12,305,242	12,185,711	119,531	12,277,319	12,157,889	118,814	616	27,923	27,822	101
Federal funds sold (loaned) ³	3,949,900	3,876,314	73,586	3,949,900	3,876,314					
Loans to brokers and dealers in securities.....	4,674,789	4,459,369	215,420	4,598,708	4,383,465	208,151	7,092	76,081	75,904	177
Other loans for carrying securities.....	3,338,174	3,279,757	58,417	3,330,732	3,275,358	49,773	5,601	7,442	4,399	3,043
Loans to farmers (excluding real estate).....	9,346,155	9,325,325	20,830	9,344,333	9,323,503	20,674	156	1,822	1,822	
Commercial and industrial loans.....	85,295,727	84,613,519	682,208	85,043,292	84,370,555	665,604	7,133	252,435	242,964	9,471
Other loans to individuals.....	50,624,776	50,241,417	383,359	49,771,001	49,572,047	196,149	2,805	853,775	669,370	184,405
All other loans (including overdrafts).....	5,127,346	5,058,660	68,686	5,098,248	5,037,307	59,073	1,868	29,098	21,353	7,745
Other assets—total	13,562,954	13,233,683	329,271	12,462,080	12,226,964	205,543	29,573	1,100,874	1,006,719	94,155
Bank premises, furniture and fixtures, and real estate.....	6,479,268	6,378,774	100,494	5,979,384	5,939,766	24,629	14,989	499,884	439,008	60,876
All other miscellaneous assets.....	7,083,686	6,854,909	228,777	6,482,696	6,287,198	180,914	14,584	600,990	567,711	33,279

Total liabilities and capital accounts	479,589,828	467,727,015	11,862,813	415,436,529	411,916,531	3,219,846	300,152	64,153,299	55,810,484	8,342,815
Business and personal deposits—total	358,684,658	349,683,052	9,001,606	300,467,414	298,846,581	1,500,344	120,489	58,217,244	50,836,471	7,380,773
Individuals, partnerships, and corporations—demand	138,406,287	137,522,507	883,780	137,942,098	137,094,184	769,326	78,588	464,189	428,323	35,866
<i>Deposits of savings and loan associations</i>	2,255,300	2,253,261	2,036	2,255,300	2,253,264	2,036				
<i>Other deposits of individuals, partnerships, and corporations</i>	136,150,987	135,269,243	881,744	135,686,798	134,840,920	767,290	78,588	464,189	428,323	35,866
Individuals, partnerships, and corporations—time	212,713,146	204,705,522	8,007,624	154,973,753	154,311,036	620,839	41,878	57,739,393	50,394,486	7,344,907
<i>Savings deposits</i>	149,435,761	141,898,959	7,626,895	91,769,473	91,601,550	282,736	25,187	57,666,291	50,347,499	7,318,882
<i>Deposits accumulated for payment of personal loans</i>	1,276,296	1,272,411	3,885	1,276,058	1,273,374	3,678		244	37	207
<i>Deposits of savings and loan associations</i>	822,227	822,065	162	822,227	822,065	162				
<i>Other deposits of individuals, partnerships, and corporations</i>	61,178,859	60,802,987	376,772	61,106,901	60,755,047	334,263	16,691	72,858	47,040	25,818
Certified and officers' checks, letters of credit, travelers' checks, etc.	7,565,225	7,455,023	110,202	7,551,563	7,441,361	110,179	23	13,662	13,662	
Government deposits—total	36,558,483	36,344,186	214,657	36,515,231	36,302,339	212,076	816	43,612	41,847	1,765
United States Government—demand	5,183,633	5,156,186	27,447	5,176,614	5,149,778	26,020	816	7,019	6,408	611
United States Government—time	290,459	286,847	3,612	290,044	286,546	3,498		415	301	114
States and subdivisions—demand	15,319,338	15,204,948	114,390	15,316,304	15,201,915	114,389		3,034	3,033	1
States and subdivisions—time	15,765,413	15,696,205	69,208	15,732,269	15,664,100	68,169		33,144	32,105	1,039
Domestic interbank deposits—total	17,604,562	17,399,383	205,179	17,603,332	17,398,153	204,752	427	1,230	1,230	
Commercial banks in the U. S.—demand	15,439,249	15,405,734	33,515	15,439,089	15,405,574	33,088	427	160	160	
Commercial banks in the U. S.—time	709,272	708,747	525	708,202	707,677	525		1,070	1,070	
Mutual savings banks in the U. S.—demand	929,361	807,393	121,968	929,361	807,393	121,968				
Mutual savings banks in the U. S.—time	526,680	477,509	49,171	526,680	477,509	49,171				
Foreign government and bank deposits—total	7,899,561	7,662,665	236,896	7,899,561	7,662,665	236,675	221			
Foreign governments, central banks, etc.—demand	823,278	770,569	52,709	823,278	770,569	52,489	220			
Foreign governments, central banks, etc.—time	5,114,136	5,049,945	64,191	5,114,136	5,049,945	64,191				
Banks in foreign countries—demand	1,692,231	1,594,003	98,228	1,692,231	1,594,003	98,227	1			
Banks in foreign countries—time	269,916	248,148	21,768	269,916	248,148	21,768				
Total deposits	420,747,624	411,089,286	9,658,338	362,485,538	360,209,738	2,153,847	121,953	58,262,086	50,879,548	7,382,538
<i>Demand</i>	185,358,602	183,916,363	1,442,239	184,870,538	183,464,777	1,325,686	80,075	488,064	451,586	36,478
<i>Time</i>	235,389,022	227,172,923	8,216,099	177,615,000	176,744,961	828,161	41,878	57,774,022	50,427,962	7,346,060
Other liabilities—total	20,491,027	19,515,473	975,554	19,532,462	18,775,668	733,672	23,122	958,565	739,805	218,760
Federal funds purchased (borrowed) ¹	4,417,635	4,416,135	1,500	4,417,635	4,416,135	1,500				
Other liabilities for borrowed money	831,983	687,279	144,704	790,368	645,673	142,448	2,247	41,615	41,606	9
All other miscellaneous liabilities	15,241,409	14,412,059	829,350	14,324,459	13,713,860	589,724	20,875	916,950	698,199	218,751
Total liabilities (excluding capital accounts)	441,238,651	430,604,759	10,633,892	382,018,000	378,985,406	2,887,519	145,075	59,220,651	51,619,353	7,601,298
Capital accounts—total	38,351,177	37,122,256	1,228,921	33,418,529	32,931,125	332,327	155,077	4,932,648	4,191,131	741,517
Capital notes and debentures	1,991,174	1,943,352	47,822	1,988,062	1,940,240	47,672	150	3,112	3,112	
Preferred stock	65,197	61,723	3,474	65,197	61,723	3,324	150			
Common stock	9,259,094	9,123,981	135,113	9,259,094	9,123,981	84,534	50,579			
Surplus	17,973,416	17,381,027	592,389	14,548,615	14,371,528	109,711	67,376	3,424,801	3,009,499	415,302
Undivided profits and reserves	9,062,296	8,612,173	450,123	7,557,561	7,433,653	87,086	36,822	1,504,735	1,178,520	326,215
Number of banks ²	14,267	13,867	400	13,762	13,533	182	47	505	334	171

¹ Includes asset and liability figures for 13 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to these branches by the parent banks.

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

³ Also includes securities purchased under agreements to resell.

⁴ Also includes securities sold under agreements to repurchase.

⁵ Includes 3 nonimpaired banks of deposit for which asset and liability data are not available.

Back figures: See the Annual Report for 1966, pp. 142-143, and earlier reports.

Table 106. ASSETS AND LIABILITIES OF ALL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 30, 1967
BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK
 (Amounts in thousands of dollars)

Asset, liability, or capital account item	All banks			Commercial banks and nondeposit trust companies				Mutual savings banks		
	Total	Insured	Non-insured	Total	Insured	Noninsured		Total	Insured	Non-insured
						Banks of deposit ¹	Non-deposit trust companies ²			
Total assets	520,968,446	508,579,786	12,388,660	454,602,683	450,712,578	3,578,548	311,557	66,365,763	57,867,208	8,498,555
Cash, balances with other banks, and cash collection items—total	79,151,117	78,414,188	736,929	78,154,481	77,532,592	555,370	66,519	996,636	881,596	115,040
Currency and coin.....	6,155,069	6,106,794	48,275	5,973,319	5,953,155	19,768	396	181,750	153,639	28,111
Reserve with F. R. Banks (member banks).....	20,275,051	20,275,051		20,275,051	20,275,051					
Demand balances with banks in U. S.....	17,506,073	16,981,438	524,635	16,969,749	16,520,060	420,467	29,222	536,324	461,378	74,946
Other balances with banks in U. S.....	816,045	746,983	69,062	610,669	544,658	29,373	36,638	205,376	202,325	3,051
Balances with banks in foreign countries.....	329,092	280,249	48,843	329,092	280,249	48,834	9			
Cash items in process of collection.....	34,069,787	34,023,673	46,114	33,996,601	33,959,419	36,928	254	73,186	64,254	8,932
Securities—total	136,974,174	133,710,653	3,263,521	124,332,114	123,263,625	897,414	171,075	12,642,060	10,447,028	2,195,032
U. S. Gov't. obligations (including guaranteed).....	66,956,584	65,339,997	1,616,587	62,676,745	62,229,348	379,148	68,249	4,279,839	3,110,649	1,169,190
Obligations of States and subdivisions.....	50,340,975	50,026,296	314,679	50,124,099	49,820,973	245,595	57,531	216,876	205,323	11,553
Securities of Federal agencies and corporations.....	10,208,523	9,951,128	257,395	9,051,177	8,901,164	140,410	9,603	1,157,346	1,049,964	107,382
Other securities.....	9,468,092	8,393,232	1,074,860	2,480,093	2,312,140	132,261	35,692	6,987,999	6,081,092	906,907
Loans and discounts, net—total	290,252,700	282,202,282	8,050,418	238,660,065	236,709,837	1,907,278	42,950	51,592,635	45,492,445	6,100,190
Valuation reserves.....	4,881,656	4,859,365	22,261	4,744,763	4,732,606	11,761	396	136,893	126,789	10,104
Loans and discounts, gross—total	295,134,356	287,061,677	8,072,679	243,404,828	241,442,443	1,919,039	43,346	51,729,528	45,619,234	6,110,294
Real estate loans—total.....	109,508,874	103,273,821	6,235,053	59,018,966	58,678,014	330,662	10,290	50,489,908	44,595,807	5,894,101
Secured by farm land.....	3,562,532	3,530,031	32,501	3,445,704	3,419,336	25,635	793	116,848	110,695	6,153
Secured by residential properties:										
Insured by FHA.....	22,782,632	21,680,636	1,102,006	7,709,085	7,603,100	105,394	591	15,073,547	14,057,536	1,016,011
Guaranteed by VA.....	14,491,033	13,369,846	1,121,187	2,696,358	2,613,060	83,293	5	11,794,675	10,756,786	1,037,889
Not insured or guaranteed by FHA or VA.....	45,008,417	41,982,199	3,026,218	27,336,623	27,157,632	79,395	6,596	12,771,794	14,824,567	2,947,227
Secured by other properties.....	23,664,240	22,731,109	933,131	17,031,196	17,881,886	43,945	2,365	6,735,044	4,846,223	886,821
Loans to commercial and foreign banks.....	12,603,290	12,456,909	146,381	12,593,389	12,447,077	146,127	185	9,901	9,832	69
Loans to other financial institutions.....	4,061,542	3,924,357	137,185	4,061,542	3,924,357	136,805	380			
Federal funds sold (loaned).....	6,296,390	6,098,580	197,810	6,214,828	6,017,418	189,865	7,545	81,562	81,162	400
Loans to brokers and dealers in securities.....	3,792,673	3,728,633	64,040	3,786,373	3,724,055	53,941	8,377	6,300	4,578	1,722
Other loans for carrying securities.....	9,283,160	9,261,903	21,257	9,281,477	9,260,220	21,110	147	1,683	1,683	
Loans to farmers (excluding real estate).....	89,151,015	86,416,016	2,734,999	88,979,351	88,257,588	710,926	10,837	171,664	158,428	13,236
Commercial and industrial loans.....	52,764,372	52,363,056	401,316	51,845,017	51,628,083	214,135	2,799	919,355	734,973	184,382
Other loans to individuals.....	5,759,169	5,679,063	80,106	5,721,670	5,657,948	60,954	2,768	37,499	21,115	16,384
Other assets—total	14,590,455	14,252,663	337,792	13,456,023	13,206,524	218,486	31,013	1,134,432	1,046,139	88,293
Bank premises, furniture and fixtures, and real estate.....	6,853,280	6,749,270	104,010	6,329,664	6,289,874	24,797	14,993	523,616	459,396	64,220
All other miscellaneous assets.....	7,737,175	7,503,393	233,782	7,126,359	6,916,650	193,689	16,020	610,816	586,743	24,073

Total liabilities and capital accounts	520,968,446	508,579,786	12,388,660	454,602,683	450,712,578	3,578,548	311,557	66,365,763	57,867,208	8,498,555
Business and personal deposits—total	392,033,205	382,730,034	9,303,171	331,581,370	329,860,033	1,593,180	128,157	60,451,835	52,870,001	7,581,834
Individuals, partnerships, and corporations—demand	159,865,777	158,903,429	962,348	159,433,672	158,491,340	857,563	84,769	432,105	412,089	20,016
Deposits of savings and loan associations	2,669,681	2,666,882	2,799	2,609,681	2,666,882	2,789				
Other deposits of individuals, partnerships, and corporations	157,196,096	156,236,547	959,549	156,763,991	155,824,458	854,764	84,769	432,105	412,089	20,016
Individuals, partnerships, and corporations—time	223,438,231	215,171,503	8,266,728	163,432,828	162,727,918	661,549	43,361	60,005,403	52,443,585	7,561,818
Savings deposits	154,729,689	146,842,397	7,887,272	94,785,181	94,451,453	306,570	25,153	59,946,488	52,390,939	7,555,549
Deposits accumulated for payment of personal loans	1,288,380	1,283,997	4,383	1,288,286	1,283,923	4,363		94	74	20
Deposits of savings and loan associations	553,893	553,739	154	553,893	553,739	154				
Other deposits of individuals, partnerships, and corporations	66,866,289	66,491,370	374,919	66,307,463	66,433,798	350,482	18,208	58,321	52,572	6,249
Certified and officers' checks, letters of credit, travelers' checks, etc.	8,729,197	8,655,102	74,095	8,714,870	8,640,775	74,068				
Government deposits—total	37,242,368	37,031,822	210,546	37,198,797	36,990,123	208,029	645	43,571	41,699	1,872
United States Government—demand	5,272,983	5,244,746	28,237	5,266,446	5,238,918	26,883	645	6,537	5,828	709
United States Government—time	289,215	285,856	3,359	288,853	285,533	3,320		362	323	39
States and subdivisions—demand	15,688,935	15,580,596	108,339	15,686,280	15,577,942	108,338		2,655	2,654	1
States and subdivisions—time	15,991,235	15,920,624	70,611	15,957,218	15,887,730	69,488		34,017	32,894	1,123
Domestic interbank deposits—total	20,869,345	20,661,349	207,996	20,668,083	20,660,087	207,523	473	1,262	1,262	
Commercial banks in the U. S.—demand	18,828,832	18,788,543	40,289	18,828,695	18,788,406	39,816	473	137	137	
Commercial banks in the U. S.—time	729,814	728,139	1,675	728,689	727,014	1,675		1,125	1,125	
Mutual savings banks in the U. S.—demand	1,062,408	935,212	127,196	1,062,408	935,212	127,196				
Mutual savings banks in the U. S.—time	248,291	209,455	38,836	248,291	209,455	38,836				
Foreign government and bank deposits—total	8,556,201	8,285,680	270,521	8,556,201	8,285,680	269,358	1,163			
Foreign governments, central banks, etc.—demand	906,371	874,451	31,920	906,371	874,451	31,862				
Foreign governments, central banks, etc.—time	5,267,265	5,166,228	101,037	5,267,265	5,166,228	100,037	1,000			
Banks in foreign countries—demand	2,030,106	1,909,911	120,195	2,030,106	1,909,911	120,090	105			
Banks in foreign countries—time	352,459	335,090	17,369	352,459	335,090	17,369				
Total deposits	458,701,119	448,708,885	9,992,234	398,204,451	395,795,923	2,278,090	130,438	60,496,668	52,912,962	7,583,706
Demand	212,384,609	210,891,990	1,498,619	211,928,848	210,456,955	1,385,816	86,077	455,761	435,035	20,726
Time	246,316,510	237,816,895	8,493,615	186,275,603	185,338,968	892,274	44,361	60,040,907	52,477,927	7,562,980
Other liabilities—total	22,752,361	21,627,346	1,125,015	21,870,225	20,910,731	935,364	24,130	882,136	716,615	165,521
Federal funds purchased (borrowed) ¹	4,991,456	4,980,322	11,134	4,991,456	4,980,322	11,134				
Other liabilities for borrowed money	916,787	636,953	279,834	847,541	568,797	276,732	2,012	69,246	68,156	1,090
All other miscellaneous liabilities	16,844,118	16,010,071	834,047	16,031,228	15,361,612	647,498	22,118	812,890	648,459	164,431
Total liabilities (excluding capital accounts)	481,453,480	470,336,231	11,117,249	420,074,676	416,706,654	3,213,454	154,568	61,378,804	53,629,577	7,749,227
Capital accounts—total	39,514,966	38,243,555	1,271,411	34,528,007	34,005,924	365,094	156,989	4,986,959	4,237,631	749,328
Capital notes and debentures	2,035,275	1,987,454	47,821	2,032,211	1,984,390	47,821	150	3,034	3,064	
Preferred stock	92,050	87,076	4,974	92,050	87,076	4,974				
Common stock	9,401,080	9,253,642	147,438	9,401,080	9,253,642	147,438				
Surplus	18,650,245	18,055,718	594,527	15,172,077	14,983,375	123,851	64,851	3,478,168	3,072,343	405,825
Undivided profits and reserves	9,336,316	8,859,665	476,651	7,830,589	7,697,441	95,365	37,583	1,505,727	1,162,224	343,503
Number of banks ⁵	14,244	13,850	394	13,741	13,517	177	47	503	333	170

¹ Includes asset and liability figures for 13 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to those branches by the parent banks.

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

³ Also includes securities purchased under agreements to resell.

⁴ Also includes securities sold under agreements to repurchase.

⁵ Includes 3 uninsured banks for which asset and liability data are not available.

Back figures, 1934-1966: See preceding table and the Annual Report for 1966, pp. 144-145, and earlier reports.

Table 107. ASSETS AND LIABILITIES OF INSURED COMMERCIAL AND INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1963 THROUGH 1967

(Amounts in thousands of dollars)

Assets	Insured commercial banks					Insured mutual savings banks				
	Dec. 20, 1963	Dec. 31, 1964	Dec. 31, 1965	Dec. 31, 1966	Dec. 30, 1967	Dec. 20, 1963	Dec. 31, 1964	Dec. 31, 1965	Dec. 31, 1966	Dec. 30, 1967
Total assets	311,790,848	345,130,205	375,394,111	402,946,336	450,712,578	43,018,983	47,044,184	50,499,716	53,049,468	57,867,208
Cash, balances with other banks, and cash collection items—total	50,445,462	60,032,916	60,436,719	68,651,850	77,532,592	721,513	893,139	904,000	847,825	881,596
Currency and coin.....	4,053,057	4,551,889	4,865,803	5,457,281	5,953,155	104,083	138,843	142,598	145,587	153,639
Reserve with Federal Reserve Banks (member banks).....	17,149,613	17,580,743	17,992,395	19,068,820	20,275,051					
Demand balances with banks in the United States (except private banks and American branches of foreign banks).....	11,644,517	14,090,586	14,354,186	15,136,611	16,520,060	441,946	476,644	493,600	474,276	461,378
Other balances with banks in the United States.....	367,817	558,335	484,817	257,066	544,658	141,043	224,274	212,193	166,743	202,325
Balances with banks in foreign countries.....	298,992	300,841	255,865	250,872	280,249					
Cash items in process of collection.....	16,931,466	22,950,522	22,483,653	28,481,200	33,959,419	34,441	53,378	55,609	61,219	64,254
Obligations of the U. S. Government, direct and guaranteed—total	62,811,737	62,588,052	59,209,832	55,903,996	62,229,348	4,324,018	4,110,452	3,759,961	3,323,662	3,110,649
Direct:										
Treasury bills and certificates of indebtedness.....	12,650,993	13,301,211				227,842	232,494	309,700	306,712	365,205
Treasury notes and other bonds maturing in 1 year or less.....	7,062,518	9,001,237				231,424	139,679	178,142	132,570	179,084
Treasury notes and other bonds maturing in 1 to 5 years.....	29,334,529	26,638,335	(1)	(1)	(1)	891,708	1,130,798	941,780	1,012,437	1,087,857
Other bonds maturing in 5 to 10 years.....	12,244,036	12,481,688				1,423,462	1,107,233	975,170	680,603	384,276
Other bonds maturing after 10 years.....	1,137,045	778,067				1,296,853	1,241,155	1,177,097	998,066	896,128
United States non-marketable bonds.....	277,927	247,362				115,721	92,527	67,037	61,857	36,129
Guaranteed obligations.....	104,689	140,152				137,008	166,566	111,035	131,417	161,970
Other securities—total	34,660,292	38,371,648	44,440,876	48,381,827	61,034,277	5,040,575	5,014,656	5,010,410	5,352,088	7,336,379
Obligations of States and subdivisions.....	29,611,314	33,343,807	38,480,349	40,831,664	49,820,973	410,862	367,846	300,273	236,697	205,323
Securities of Federal agencies and corporations.....	3,503,243	3,446,144	4,513,114	5,959,194	8,901,164	712,425	749,219	842,356	1,009,066	1,049,964
Other bonds, notes, and debentures.....	784,083	762,790				3,003,773	2,904,732	2,731,805	2,932,706	4,703,008
Federal Reserve Bank stock.....	491,175	818,907	21,447,413	21,590,969	2,312,140					
Other corporate stocks.....	270,477					913,515	992,859	1,135,976	1,173,619	1,378,084
Total securities	97,472,029	100,959,700	103,650,708	104,285,823	123,263,625	9,364,593	9,125,108	8,770,371	8,675,750	10,447,028

Loans and discounts, net—total	155,933,367	175,096,194	201,114,143	218,455,698	236,709,837	32,299,615	36,233,052	39,964,343	42,593,177	45,492,445
Valuation reserves.....	2,994,811	3,552,676	4,011,273	4,336,933	4,732,606	218,740	209,774	209,331	140,483	126,789
Loans and discounts, gross—total	158,928,178	178,648,870	205,125,416	222,792,631	241,442,443	32,518,355	36,442,826	40,173,674	42,733,660	45,619,234
Real estate loans—total.....	39,088,205	43,733,086	49,393,933	54,099,590	58,678,014	31,892,036	35,823,288	39,435,679	41,808,403	44,595,807
Secured by farm land.....	2,303,251	2,616,604	2,888,012	3,112,422	3,419,336	46,848	48,629	46,819	47,719	110,995
Secured by residential properties:										
Insured by FHA.....	7,047,238	7,243,497	7,592,405	7,441,201	7,603,100	9,969,510	11,527,827	12,911,024	13,563,472	14,057,536
Guaranteed by VA.....	2,817,152	2,684,468	2,637,439	2,556,527	2,613,060	9,500,673	10,129,274	10,427,383	10,473,930	10,756,786
Not insured or guaranteed by FHA or VA.....	16,380,889	18,810,798	21,929,584	24,659,845	27,157,632	9,386,663	10,739,893	12,245,612	13,490,913	14,822,567
Secured by other properties.....	10,539,675	12,377,719	14,346,493	16,329,595	17,884,866	2,988,342	3,377,665	3,804,841	4,322,969	4,846,223
Loans to domestic commercial and foreign banks.....	3,594,633	3,420,989	2,095,012	2,132,957	1,847,683	15,617	16,228	12,505	33,368	11,656
Loans to other financial institutions.....	9,441,479	10,849,646	13,186,038	13,186,038	12,447,077	7,016	9,322	14,342	10,905	9,832
Federal funds sold (loaned) ³	(4)	(4)	2,064,215	2,460,941	3,924,357					
Loans to brokers and dealers in securities.....	5,325,642	5,355,550	5,087,694	5,643,112	6,017,418	24,278	25,759	21,585	42,245	81,162
Other loans for purchasing securities.....	2,476,760	2,794,217	3,175,076	3,149,552	3,724,055	11,579	4,807	4,812	4,329	4,578
Loans to farmers directly guaranteed by the Commodity Credit Corporation.....	816,838	513,580	533,948	(5)	(5)					
Other loans to farmers (excluding loans on real estate).....	6,644,575	6,982,643	7,669,065	8,549,399	9,260,220	2,499	2,152	1,913	1,809	1,683
Commercial and industrial loans (including open market paper).....	52,984,200	60,040,383	71,235,183	80,408,482	88,257,588	160,682	156,977	144,698	191,599	158,428
Other loans to individuals—total.....	34,531,746	39,814,778	45,497,215	47,992,068	51,628,083	388,211	391,145	515,673	617,747	734,973
Passenger automobile instalment loans.....	12,437,272	14,661,720	17,139,214	18,290,164	18,890,458	13,978	24,370	35,555	42,879	53,790
Retail (charge account) credit card plans.....					828,313					
Check credit and revolving credit plans.....					521,909					
Other retail consumer instalment loans.....	3,200,612	3,748,783	4,176,950	4,692,533	4,781,232	923	1,016	2,039	3,769	6,378
Residential repair and modernization instalment loans.....	2,909,590	3,012,861	3,126,804	3,216,162	3,351,554	66,450	75,397	88,646	105,998	119,569
Other instalment loans for personal expenditures.....	5,718,920	6,441,204	7,388,640	8,091,439	8,361,180	88,484	126,027	199,220	244,976	297,131
Single-payment loans for personal expenditures.....	10,265,352	11,950,210	13,665,853	13,701,770	14,893,437	218,376	164,335	190,213	220,125	258,105
All other loans (including overdrafts).....	4,024,100	5,143,998	5,187,791	5,170,077	5,657,938	16,437	13,148	22,467	23,255	21,115
Total loans and securities	253,405,396	276,055,894	304,764,851	322,741,521	359,973,462	41,664,208	45,358,160	48,734,714	51,268,927	55,939,473
Bank premises, furniture and fixtures, and other real estate—total	4,394,800	4,753,588	5,144,222	5,619,987	6,289,874	312,897	342,898	381,225	415,193	459,396
Bank premises, and furniture and fixtures, and other assets indirectly representing bank premises or other real estate.....	4,305,466	(7)	(7)	(7)	6,007,170	290,072	316,189	353,930	387,395	428,779
Real estate owned other than bank premises.....	89,334				282,704	22,825	26,709	27,295	27,798	30,617
Miscellaneous assets—total	3,545,190	4,287,807	5,048,319	5,932,978	6,916,650	320,365	449,987	479,777	517,523	586,743
Customers' liability on acceptances outstanding.....	1,591,458	1,697,120	1,862,571	2,178,017	2,314,772					
Other assets.....	1,953,732	2,590,687	3,185,748	3,754,961	4,601,878	320,365	449,987	479,777	517,523	586,743
PERCENTAGES										
To total assets:										
Cash and balances with other banks.....	16.2%	17.4%	16.1%	17.0%	17.2%	1.7%	1.9%	1.8%	1.6%	1.5%
U.S. Government obligations, direct and guaranteed.....	20.1	18.2	15.8	13.9	13.8	10.0	8.7	7.5	6.3	5.4
Other securities.....	11.1	11.1	11.8	12.0	13.5	11.7	10.7	9.9	10.1	12.7
Loans and discounts.....	50.0	50.7	53.6	54.2	52.5	75.1	77.0	79.1	80.3	78.6
Other assets.....	2.6	2.6	2.7	2.9	2.9	1.5	1.7	1.7	1.7	1.8
Total capital accounts.....	8.1	8.0	8.0	7.9	7.5	8.3	7.9	7.8	7.8	7.3
To total assets other than cash and U. S. Government obligations:										
Total capital accounts.....	12.8	12.4	11.7	11.4	10.9	9.4	8.9	8.6	8.5	7.9

Table 107. ASSETS AND LIABILITIES OF INSURED COMMERCIAL AND INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1963 THROUGH 1967—CONTINUED

(Amounts in thousands of dollars)

Liabilities and capital	Insured commercial banks					Insured mutual savings banks				
	Dec. 20, 1963	Dec. 31, 1964	Dec. 31, 1965	Dec. 31, 1966	Dec. 30, 1967	Dec. 20, 1963	Dec. 31, 1964	Dec. 31, 1965	Dec. 31, 1966	Dec. 30, 1967
Total liabilities and capital accounts	311,790,848	345,130,205	375,394,111	402,946,336	450,712,578	43,018,983	47,044,184	50,499,716	53,049,468	57,867,208
Business and personal deposits—total	228,042,312	252,983,403	275,205,357	293,565,757	329,860,033	38,627,061	42,714,295	45,848,773	48,212,477	52,870,001
Individuals, partnerships, and corporations—demand.....	123,561,302	134,300,734	139,077,920	144,323,672	158,491,340	281,375	312,703	345,204	366,110	412,089
<i>Deposits of savings and loan associations</i>			2,294,862	2,298,371	2,666,882					
<i>Other deposits of individuals, partnerships, and corporations</i>	(?)	(?)	136,783,058	142,025,301	155,824,458	281,375	312,703	345,204	366,110	412,089
Individuals, partnerships, and corporations—time.....	100,033,046	112,804,696	130,195,436	142,261,089	162,727,918	38,337,379	42,389,690	45,491,617	47,834,854	52,443,585
Savings deposits.....	76,413,701	82,966,971	92,554,897	90,076,746	94,451,458	38,324,849	42,374,371	45,477,204	47,812,107	52,390,939
<i>Deposits accumulated for payment of personal loans</i>	836,450	956,410	1,078,207	1,223,553	1,283,923	631	800	28	38	74
<i>Deposits of savings and loan associations</i>			922,485	620,601	553,739					
<i>Other deposits of individuals, partnerships, and corporations</i>	22,782,895	28,881,315	35,639,847	50,340,189	66,438,798	11,899	14,519	14,385	22,709	52,572
Certified and officers' checks, letters of credit, travelers' checks, etc.....	4,447,964	5,877,973	5,932,001	6,980,996	8,640,775	8,307	11,902	11,952	11,513	14,327
Government deposits—total	27,142,510	30,068,312	32,216,843	33,768,382	36,990,123	28,767	34,844	37,131	41,829	41,699
United States Government—demand.....	6,729,214	6,500,876	5,523,816	4,990,164	5,238,916	5,025	6,574	6,795	6,148	5,828
United States Government—time.....	268,203	270,832	281,330	257,599	285,533	97	152	407	297	323
States and subdivisions—demand.....	12,261,389	13,497,662	14,241,724	15,059,104	15,577,942	2,046	1,584	2,079	3,265	2,654
States and subdivisions—time.....	7,883,704	9,798,942	12,169,973	13,461,515	15,887,730	21,599	26,534	27,850	32,119	32,894
Domestic interbank and postal savings deposits—total	14,268,764	16,754,488	17,311,718	18,355,321	20,660,087	1,236	1,960	1,387	1,330	1,262
Commercial banks in the U. S.—demand.....	13,323,080	15,492,798	15,779,062	16,947,228	18,788,406	32	88	122	126	137
Commercial banks in the U. S.—time.....	268,710	382,943	510,159	476,896	727,014	1,204	1,872	1,265	1,204	1,125
Mutual savings banks in the U. S.—demand.....	610,294	740,382	860,378	782,525	935,212					
Mutual savings banks in the U. S.—time.....	49,252	118,835	162,119	148,672	209,455					
Postal savings.....	17,428	19,530	(?)	(?)	(?)					
Foreign government and bank deposits—total	5,193,043	6,424,074	6,778,763	7,150,699	8,285,680	55				
Foreign governments, central banks, etc.—demand.....	841,590	826,137	892,867	869,268	874,451	22				
Foreign governments, central banks, etc.—time.....	3,045,415	3,893,693	4,086,126	4,212,084	5,166,228	33				
Banks in foreign countries—demand.....	1,177,311	1,454,685	1,529,097	1,784,407	1,909,911					
Banks in foreign countries—time.....	128,727	249,559	270,673	284,940	335,090					
Total deposits	274,646,629	306,230,277	331,512,681	352,840,159	395,795,923	38,657,119	42,751,099	45,887,291	48,255,636	52,912,962
<i>Demand</i>	162,952,144	178,691,247	183,836,885	191,737,364	210,456,955	296,807	332,851	366,162	387,162	435,035
<i>Time</i>	111,694,485	127,539,030	147,675,816	161,102,795	185,338,968	38,360,312	42,418,248	45,521,139	47,868,474	52,477,927

Other liabilities—total	11,821,823	11,461,821	13,976,496	18,413,009	20,910,731	790,247	562,242	655,013	653,735	716,615
Federal funds purchased (borrowed) ⁸	3,576,530	2,591,133	2,438,413	2,824,088	4,980,322					
Other liabilities for borrowed money.....			1,898,290	1,904,513	568,797	37,647	20,402	90,800	68,876	68,156
Acceptances outstanding.....	1,620,293	1,737,101	1,897,569	2,234,455	2,382,072					
Other liabilities.....	6,625,000	7,133,587	7,742,224	11,449,953	12,979,540	752,600	541,840	564,213	584,859	648,459
Total liabilities (excluding capital accounts)	286,468,452	317,692,098	345,489,177	371,253,168	46,706,654	39,447,366	43,313,341	46,542,304	48,909,371	53,629,577
Capital accounts—total	25,322,396	27,438,107	29,904,934	31,693,168	34,005,924	3,571,617	3,730,843	3,957,412	4,140,097	4,237,631
Capital stock, notes, and debentures.....	7,450,833	8,738,836	10,200,361	10,648,322	11,325,108	533	674	2,759	3,112	3,064
Surplus.....	12,163,471	12,893,189	13,464,797	13,998,697	14,983,375	2,473,815	2,658,871	2,798,625	2,923,692	3,072,343
Undivided profits.....	5,113,403	5,113,007	5,437,575	6,166,477	6,610,743	828,115	759,920	822,112	821,662	774,284
Reserves.....	594,989	693,075	802,201	879,672	1,086,698	269,154	311,378	333,916	391,631	387,940
MEMORANDA										
Capital stock, notes, and debentures:										
Par or face value—total	7,450,833	8,738,836	10,200,361	10,648,322	11,325,108	533	674	2,759	3,112	3,064
Common stock.....	7,282,980	7,886,432	8,507,770	8,856,837	9,253,642					
Capital notes and debentures.....	130,014	810,657	1,652,701	1,729,902	1,984,390	533	674	2,759	3,112	3,064
Preferred stock.....	37,839	41,747	39,890	61,513	87,076					
PERCENTAGES										
To total deposits:										
IPC demand.....	45.0%	43.9%	42.0%	40.9%	40.0%	0.7%	0.7%	0.8%	0.8%	0.8%
IPC time and savings.....	36.4	36.8	39.3	40.3	41.1	99.2	99.2	99.1	99.1	99.1
Government deposits.....	9.9	9.8	9.7	9.6	9.4	0.1	0.1	0.1	0.1	0.1
Domestic interbank & postal savings.....	5.2	5.5	5.2	5.2	5.2					
Foreign governments and banks.....	1.9	2.1	2.0	2.0	2.1					
Other deposits.....	1.6	1.9	1.8	2.0	2.2					
Number of banks	13,291	13,493	13,547	13,541	13,517	330	327	329	332	333

¹ Available only on a par value basis.

² Excludes corporate stocks, other than Federal Reserve Bank stock, of national banks; reported with "Other assets."

³ As of December 30, 1967 also includes securities purchased under agreements to resell.

⁴ Prior to December 31, 1965, "Federal funds sold (loaned)" not reported separately; most were included with loans to banks.

⁵ Included with "Securities of Federal agencies and corporations."

⁶ Net of mortgages and other liens; previously included with "Other liabilities."

⁷ Not available.

⁸ As of December 30, 1967 also includes securities sold under agreements to repurchase.

Back figures, 1954-1962: See the Annual Report for 1962, pp. 130-133, and earlier reports.

Table 108. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES
 (STATES AND OTHER AREAS), DECEMBER 30, 1967
 BANKS GROUPED BY CLASS OF BANK
 (Amounts in thousands of dollars)

Asset or liability item	Total	Members F. R. System		Not members F. R. System
		National	State	
Total assets	450,712,578	264,098,743	111,175,202	75,438,633
Cash and due from banks.....	77,532,592	46,675,689	22,311,693	8,545,210
Obligations of the U. S. Government.....	62,229,348	34,307,948	12,639,952	15,281,448
Obligations of States and subdivisions.....	49,820,973	29,002,600	12,514,782	8,303,591
Other securities.....	11,213,304	6,345,823	1,448,707	3,418,774
Loans and discounts, net—total.....	236,709,837	139,811,402	58,512,721	38,385,714
Real estate.....	58,678,014	33,148,218	12,583,501	12,946,295
To banks and other financial institutions.....	14,294,760	8,593,499	4,767,410	933,851
Federal funds sold (loaned) ¹	3,924,357	2,561,629	876,693	486,035
To purchase or carry securities.....	9,741,473	4,703,721	4,219,242	818,510
To farmers.....	9,260,220	4,594,173	1,110,878	3,555,169
Commercial and industrial.....	88,257,588	55,323,678	24,181,754	8,752,156
Consumer instalment.....	36,734,646	21,160,002	6,894,261	8,680,383
Single payment to individuals.....	14,893,437	8,873,776	3,586,678	2,432,983
Other loans.....	5,657,948	3,693,420	1,541,432	423,096
Less: Valuation reserves.....	4,732,606	2,840,714	1,249,128	642,764
Other assets.....	13,206,524	7,955,281	3,747,347	1,503,896
Total liabilities and capital accounts	450,712,578	264,098,743	111,175,202	75,438,633
Deposits—total.....	395,795,923	232,083,393	95,637,158	68,075,372
Individuals, partnerships, and corporations—demand.....	158,491,340	92,392,694	39,102,513	26,996,133
Individuals, partnerships, and corporations—savings and time.....	162,727,918	95,414,825	35,227,179	32,085,914
U. S. Government.....	5,524,451	3,309,417	1,569,246	645,788
States and subdivisions.....	31,465,672	18,552,526	6,202,325	6,710,821
Domestic interbank.....	20,615,754	13,427,880	6,381,640	806,234
Foreign government and bank.....	6,040,679	3,515,162	2,475,765	49,752
Other deposits.....	8,640,775	4,339,315	3,609,440	692,020
Federal funds purchased (borrowed) ²	4,980,322	3,181,502	1,700,344	98,476
Other liabilities for borrowed money.....	568,797	296,821	191,165	80,811
Other liabilities.....	15,361,612	8,807,411	5,289,781	1,264,420
Capital stock, notes, and debentures.....	11,325,108	6,601,287	2,829,550	1,894,271
Other capital accounts.....	22,680,816	13,128,329	5,527,204	4,025,283
Number of banks.....	13,517	4,758	1,312	7,447

¹ Also includes securities purchased under agreements to resell.

² Also includes securities sold under agreements to repurchase.

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1967 IN THE UNITED STATES
 (STATES AND OTHER AREAS), DECEMBER 30, 1967
 BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS
 (Amounts in thousands of dollars)

Asset or liability item	All banks ¹	Banks with deposits of—								
		Less than \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$25,000,000	\$25,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	\$100,000,000 to \$500,000,000	\$500,000,000 or more
Total assets	449,364,224	283,838	2,449,021	14,582,295	26,926,333	45,592,268	33,013,140	30,484,477	82,271,363	213,761,489
Cash and due from banks.....	77,242,956	52,583	350,091	1,912,192	3,408,943	5,612,055	4,114,667	4,043,957	13,484,121	44,264,347
Obligations of the U. S. Government.....	62,000,152	82,806	711,014	3,725,814	5,890,109	8,932,291	5,785,895	5,087,162	11,314,282	20,470,779
Obligations of States and subdivisions.....	49,703,133	7,198	82,207	1,025,549	2,789,784	5,532,869	4,127,542	3,859,175	9,867,407	22,411,402
Other securities.....	11,159,427	22,236	187,956	871,066	1,328,473	1,853,886	1,213,107	993,068	1,778,224	2,911,411
Loans and discounts, net—total.....	236,097,510	116,551	1,091,890	6,837,916	13,036,766	22,764,401	17,051,567	15,769,853	43,738,544	115,690,022
Real estate.....	58,547,547	23,543	275,584	2,110,180	4,298,102	7,690,619	5,775,470	5,125,596	12,237,145	21,011,308
To banks and other financial institutions.....	14,278,490	1,340	10,056	63,285	161,888	353,108	396,096	517,333	2,285,857	10,489,527
Federal funds sold (loaned)?.....	3,905,657	380	2,278	47,522	152,494	397,765	465,057	327,453	771,047	1,741,661
To purchase or carry securities.....	9,733,096	1,245	7,153	60,946	172,661	367,809	325,112	400,628	1,495,821	6,901,721
To farmers.....	9,251,362	50,201	419,677	1,873,370	2,153,391	1,784,223	556,987	362,709	752,388	1,298,416
Commercial and industrial.....	88,045,204	13,363	127,405	984,124	2,428,329	5,057,399	4,332,177	4,616,340	14,198,400	56,287,667
Consumer instalment.....	35,605,311	19,402	184,872	1,293,540	2,838,321	5,563,140	3,990,294	3,364,956	8,239,979	11,110,807
Single payment to individuals.....	14,820,228	6,177	61,993	413,323	874,561	1,633,365	1,309,194	1,091,125	3,464,140	5,966,350
Other loans.....	5,633,552	1,787	13,780	81,394	156,446	308,001	217,805	272,743	1,183,816	3,397,780
Less: Valuation reserves.....	4,722,937	887	10,908	89,768	199,427	391,028	316,625	309,030	890,049	2,515,215
Other assets.....	13,161,046	2,464	25,863	209,758	472,258	896,766	720,362	731,262	2,088,785	8,013,528

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1967 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 30, 1967—CONTINUED
BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS
(Amounts in thousands of dollars)

Asset or liability item	All banks ¹	Banks with deposits of—								
		Less than \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$25,000,000	\$25,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	\$100,000,000 to \$500,000,000	\$500,000,000 or more
Total liabilities and capital accounts	449,364,224	283,838	2,449,021	14,582,295	26,926,333	45,592,268	33,013,140	30,484,477	82,271,363	213,761,489
Deposits—total	394,615,206	245,369	2,169,755	13,090,121	24,385,979	41,306,621	29,847,719	27,536,767	73,538,184	182,494,691
Demand deposits	209,781,109	170,165	1,257,093	6,731,797	11,952,763	19,563,936	14,324,265	13,360,688	39,455,150	102,965,252
Time and savings deposits	184,834,097	75,204	912,662	6,358,324	12,433,216	21,742,685	15,523,454	14,176,079	34,083,034	79,529,439
Individuals, partnerships, and corporations—demand	158,016,249	146,302	1,070,480	5,642,431	9,913,936	16,153,438	11,726,652	10,633,516	29,804,081	72,925,413
Individuals, partnerships, and corporations—time and savings	162,291,785	66,495	834,164	5,877,569	11,528,790	20,161,350	14,301,261	12,792,455	30,785,164	65,944,537
U. S. Government	5,511,113	814	8,578	75,475	188,165	422,829	328,707	335,026	1,133,458	3,018,061
States and subdivisions	31,323,338	29,530	237,415	1,351,665	2,428,240	3,785,051	2,618,880	2,599,983	6,207,729	12,064,845
Domestic interbank	22,800,570	1,321	7,102	51,489	120,811	376,342	539,945	839,733	4,641,617	16,222,210
Foreign government and bank	6,039,169			525	100	2,740	4,879	32,819	89,190	5,908,916
Other deposits	8,632,982	907	12,016	90,967	205,937	404,871	327,395	303,235	876,945	6,410,709
Federal funds purchased (borrowed) ³	4,979,897		150	5,687	14,251	42,546	32,123	72,326	585,739	4,227,075
Other liabilities for borrowed money	568,774	100	1,544	10,710	19,384	22,225	31,350	13,963	122,684	346,814
Other liabilities	15,331,054	1,285	11,920	112,256	302,011	752,790	716,737	699,988	2,022,624	10,711,443
Capital stock, notes, and debentures	11,265,351	10,602	67,797	363,997	631,684	1,039,981	763,567	728,703	1,989,560	5,669,460
Other capital accounts	22,603,942	26,482	197,855	999,524	1,573,024	2,428,105	1,621,644	1,432,730	4,012,572	10,312,006
Number of banks	13,419	327	1,424	3,866	3,412	2,662	871	403	353	101

¹ This group of banks is the same as the group shown in Table 115 under the heading "Operating throughout the year."

² Also includes securities purchased under agreements to resell.

³ Also includes securities sold under agreements to repurchase.

Note: For income and expense data by size of bank, see Tables 116 and 117, pp. 194–197.
Back figures, 1941–1966: See the Annual Report for 1966, p. 151, and earlier reports.

Table 110. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1967 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 30, 1967

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Asset or liability item	All banks ¹	Banks with deposits of—								
		Less than \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$25,000,000	\$25,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	\$100,000,000 to \$500,000,000	\$500,000,000 or more
Total assets	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	17.2	18.5	14.3	13.1	12.7	12.3	12.5	13.3	16.4	20.7
Obligations of the U. S. Government	13.8	29.2	29.0	25.6	21.9	19.6	17.5	16.7	13.8	9.6
Obligations of States and subdivisions	11.1	2.5	3.4	7.0	10.4	12.1	12.5	12.7	12.0	10.5
Other securities	2.5	7.8	7.7	6.0	4.9	4.1	3.7	3.3	2.2	1.4
Loans and discounts, net—total	52.5	41.1	44.6	46.9	48.4	49.9	51.7	51.7	53.2	54.1
Real estate	13.0	8.3	11.3	14.5	16.0	16.9	17.5	16.8	14.9	9.8
To banks and other financial institutions	3.2	.5	.4	.4	.6	.8	1.2	1.7	2.8	4.9
Federal funds sold (loaned) ²	.9	.1	.1	.3	.6	.9	1.4	1.1	.9	.8
To purchase or carry securities	2.2	.4	.3	.4	.6	.8	1.0	1.3	1.8	3.2
To farmers	2.1	17.7	17.1	12.8	8.0	3.9	1.7	1.2	.9	.6
Commercial and industrial	19.6	4.7	5.2	6.7	9.0	11.1	13.1	15.1	17.3	26.3
Consumer instalment	8.1	6.8	7.5	8.9	10.5	12.2	12.1	11.0	10.0	5.2
Single payment to individuals	3.3	2.2	2.5	2.8	3.2	3.6	4.0	3.6	4.2	2.8
Other loans	1.3	.6	.6	.6	.7	.7	.9	.9	1.4	1.6
Less: Valuation reserves	1.1	.3	.4	.6	.7	.9	1.0	1.0	1.1	1.2
Other assets	2.9	.9	1.1	1.4	1.8	2.0	2.2	2.4	2.5	3.7
Total liabilities and capital accounts	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Deposits—total	87.8	86.4	88.6	89.8	90.6	90.6	90.4	90.3	89.4	85.4
Demand deposits	46.7	40.0	51.3	46.2	44.4	42.9	43.4	43.8	48.0	48.2
Time and savings deposits	41.1	46.5	37.3	43.6	46.2	47.7	47.0	46.5	41.4	37.2
Individuals, partnerships, and corporations—demand	35.2	51.5	43.7	38.7	36.8	35.4	35.5	34.9	36.2	34.1
Individuals, partnerships, and corporations—time and savings	36.1	23.4	34.1	40.3	42.8	44.2	43.3	42.0	37.4	30.8
U. S. Government	1.2	.3	.4	.5	.7	.9	1.0	1.1	1.4	1.4
States and subdivisions	7.0	10.4	9.7	9.3	9.0	8.3	7.9	8.5	7.5	5.6
Domestic interbank	5.1	.5	.3	.4	.4	.8	1.6	2.8	5.6	7.6
Foreign government and bank	1.3	.0	.0	.0	.0	.0	.0	.0	.1	2.8
Other deposits	1.9	.3	.5	.6	.8	.9	1.0	1.0	1.1	3.0
Federal funds purchased (borrowed) ³	1.1	.0	.0	.0	.1	.1	.2	.2	.7	2.0
Other liabilities for borrowed money	.1	.0	.1	.1	.1	.0	.1	.0	.7	2.2
Other liabilities	3.4	.5	.5	.8	1.1	1.7	2.2	2.3	2.5	5.0
Capital stock, notes, and debentures	2.5	3.7	2.8	2.5	2.3	2.3	2.3	2.4	2.4	2.7
Other capital accounts	5.0	9.3	8.1	6.9	5.8	5.3	4.9	4.7	4.9	4.8

Footnotes to this table: See Table 109.

**Table 111. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS),
DECEMBER 30, 1967**
BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS

Ratios	All banks	Number of banks with deposits of—								
		Less than \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$25,000,000	\$25,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	\$100,000,000 to \$500,000,000	\$500,000,000 or more
Ratios of obligations of States and sub- divisions to total assets										
Zero.....	1,311	158	372	473	214	80	7	6	1	.....
More than zero—less than 1 percent.....	820	53	275	359	92	29	10	1	.....	1
1.0 to 2.49 percent.....	964	39	281	432	145	45	14	4	3	1
2.5 to 4.99 percent.....	1,442	44	202	659	287	169	47	20	12	2
5.0 to 9.99 percent.....	3,360	38	205	992	1,003	680	212	88	102	40
10.0 to 14.99 percent.....	3,079	15	70	552	962	850	310	159	129	32
15.0 to 19.99 percent.....	1,728	4	36	263	459	577	192	90	84	23
20.0 percent or more.....	813	3	21	158	256	233	79	36	24	3
Ratios of U. S. Government obligations to total assets										
Less than 5 percent.....	251	13	23	66	66	55	16	3	6	3
5 to 9.99 percent.....	1,083	21	57	218	252	255	101	64	73	42
10 to 19.99 percent.....	4,716	66	302	1,005	1,207	1,151	477	223	231	54
20 to 29.99 percent.....	4,292	89	446	1,293	1,239	874	221	90	38	2
30 to 39.99 percent.....	2,101	75	341	864	486	261	47	20	7	.....
40 to 49.99 percent.....	470	39	97	203	92	30	6	2	.....	1
50 percent or more.....	604	51	196	239	76	37	3	2	.....	.....
Ratios of loans to total assets										
Less than 20 percent.....	183	38	49	58	24	10	2	2	.....	.....
20 to 29.99 percent.....	700	60	156	257	151	60	8	5	3	.....
30 to 39.99 percent.....	2,086	75	304	724	540	339	64	28	10	2
40 to 49.99 percent.....	4,478	91	462	1,262	1,192	942	285	127	98	19
50 to 59.99 percent.....	4,312	61	345	1,105	1,064	916	368	184	198	71
60 to 69.99 percent.....	1,557	22	128	407	392	362	138	54	45	9
70 percent or more.....	201	7	18	75	55	34	6	4	1	1
Ratios of cash and due from banks to total assets										
Less than 5 percent.....	192	5	29	49	41	48	16	1	3	.....
5.0 to 7.49 percent.....	1,386	10	140	433	376	286	88	37	16	.....
7.5 to 9.99 percent.....	2,794	33	248	800	775	621	184	85	45	3
10.0 to 14.99 percent.....	5,079	87	484	1,424	1,326	1,091	372	151	125	19
15.0 to 19.99 percent.....	2,480	76	301	727	609	422	145	87	79	34
20.0 to 24.99 percent.....	1,004	57	136	310	194	140	54	34	55	24
25.0 percent or more.....	582	86	124	145	97	55	12	9	32	22

Ratios of total demand deposits to total deposits										
Less than 25 percent	281	6	15	80	88	69	14	7	2	
25 to 29.99 percent	548	2	35	167	155	125	38	17	6	3
30 to 39.99 percent	2,391	16	178	676	639	552	178	90	53	9
40 to 49.99 percent	3,671	32	280	986	1,003	849	286	120	97	18
50 to 59.99 percent	3,272	58	338	1,010	815	636	208	96	88	23
60 to 69.99 percent	1,922	69	266	496	480	338	111	53	73	36
70 to 79.99 percent	711	52	147	219	146	64	26	17	27	13
80 percent or more	721	119	203	254	92	30	10	4	9	
Ratios of total capital accounts to total assets other than cash and due from banks, U. S. Government obligations, and FHA and VA real estate loans										
Less than 7.5 percent	360			16	67	144	79	31	20	3
7.5 to 9.99 percent	2,364	2	46	275	660	773	315	148	125	20
10.0 to 12.49 percent	3,618	13	147	784	1,101	938	288	162	135	50
12.5 to 14.99 percent	2,597	25	224	886	776	456	128	36	43	23
15.0 to 19.99 percent	2,584	75	402	1,150	583	272	49	20	27	6
20.0 to 24.99 percent	1,003	68	262	442	166	48	9	4	1	
25.0 to 34.99 percent	649	75	231	255	58	23	3	3	1	
35.0 percent or more	342	96	150	80	7	9				
Ratios of total capital accounts to total assets										
Less than 5 percent	303		2	27	64	113	54	28	12	3
5 to 5.99 percent	1,048	1	11	111	288	352	161	65	52	7
6 to 6.99 percent	2,248	4	80	405	672	633	222	110	95	27
7 to 7.99 percent	2,766	19	170	655	805	673	192	114	105	33
8 to 8.99 percent	2,296	28	204	774	625	421	126	50	49	19
9 to 9.99 percent	1,657	26	213	620	440	236	68	19	25	10
10 to 11.99 percent	1,778	86	333	782	358	156	34	13	13	3
12 to 14.99 percent	934	86	282	365	125	56	11	5	4	
15 percent or more	487	104	167	149	41	23	3			
Number of banks	13,517	354	1,462	3,888	3,418	2,663	871	404	355	102

Back figures, 1958-1966: See Annual Report for 1966, pp. 154-155, and earlier reports.

INCOME OF INSURED BANKS

- Table 112. Income of insured commercial banks in the United States (States and other areas), 1959-1967
- Table 113. Ratios of income of insured commercial banks in the United States (States and other areas), 1959-1967
- Table 114. Sources and disposition of total income, insured commercial banks in the United States (States and other areas), 1959-1967
- Table 115. Income of insured commercial banks in the United States (States and other areas), 1967
Banks grouped by class of bank
- Table 116. Income of insured commercial banks operating throughout 1967 in the United States (States and other areas)
Banks grouped according to amount of deposits
- Table 117. Ratios of income of insured commercial banks operating throughout 1967 in the United States (States and other areas)
Banks grouped according to amount of deposits
- Table 118. Income of insured commercial banks in the United States (States and other areas), by State, 1967
- Table 119. Income of insured mutual savings banks, 1959-1967
- Table 120. Ratios of income of insured mutual savings banks, 1959-1967
- Table 121. Sources and disposition of total income, insured mutual savings banks, 1959-1967
- Table 122. Income of insured mutual savings banks in the United States (States and other areas), by State, 1967

The income data received and published by the Corporation relate to commercial and mutual savings banks insured by the Corporation.

Commercial Banks

Reports of income and dividends are submitted to the Federal supervisory agencies on either a cash or an accrual basis.

Income data are included for all insured banks operating at the end of the respective years, unless indicated otherwise. In addition, appropriate adjustments have been made for banks in operation during part of the year but not at the end of the year. Data for 5 insured branches in Guam of 2 insured banks in California and Hawaii, for 7 insured branches in New York of 2 insured banks in Puerto Rico, for 16 insured branches in Puerto Rico and for 7 insured branches in the Virgin Islands of insured banks in New York are not available.

The uniform Report of Income and Dividends (formerly called Report of Earnings and Dividends) was revised extensively in 1961. New items were added, combining components previously included in other items; and some items were subsumed into new categories. Thus certain items, even carrying the same designation (e.g. other current operating expenses), are not comparable with data reported for prior years.

The revised form breaks out the following items not previously available separately: (1) benefits to officers and other employees; (2) net occupancy expense of bank premises, with a supporting schedule; (3) furniture and equipment expense (including costs related to the purchase or rental of automated data processing systems); and (4) losses on securities sold.

Two expense items previously reported separately have been combined with other items: (1) taxes other than on net income;

and (2) recurring depreciation on banking house, furniture and fixtures. Taxes on bank premises, social security taxes paid in behalf of building employees, and recurring depreciation on banking house are now included under occupancy expense of bank premises. Other social security taxes are included with officer and employee benefits. Recurring depreciation on furniture and fixtures is now included with furniture and equipment expense.

Revenue and expenses incident to "Federal funds" transactions have been classified as "Interest and discount on loans" and "Interest and discount on borrowed money," respectively.

In addition to other minor changes in classification, new designations have been given to certain items. For example, the term "net income" is the new equivalent of the former term "net profits." A further change entailed the division of officers and other employees into two groups: those engaged in banking operations, and those concerned with building operations.

Mutual savings banks

The present report of income and dividends for mutual savings banks was first used by the Corporation for the calendar year 1951. For a discussion of the history and principles of this report see pp. 50-52 in Part Two of the 1951 Annual Report.

Sources of data

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

State banks members of the Federal Reserve System: Board of Governors of the Federal Reserve System.

Other insured banks: Federal Deposit Insurance Corporation.

Table 112. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1959-1967

(Amounts in thousands of dollars)

Income item	1959	1960	1961	1962	1963	1964	1965	1966	1967 ¹
Current operating revenue—total	9,669,352	10,723,545	11,069,604	12,218,959	13,509,713	15,024,487	16,817,187	19,508,414	21,781,611
Interest on U. S. Government obligations	1,732,174	1,790,341	1,901,732	2,093,207	2,176,454	2,240,389	2,224,711	2,317,794	2,601,900
Interest and dividends on other securities	546,253	578,783	629,134	759,030	921,060	1,085,334	1,285,287	1,531,517	1,904,886
Interest and discount on loans	5,856,688	6,698,655	6,891,442	7,578,200	8,516,837	9,612,079	10,999,867	13,042,757	14,351,421
Service charges and fees on loans	111,991	108,655	117,259	139,645	155,478	173,159	204,996	243,643	295,216
Service charges on deposit accounts	531,916	589,954	630,458	681,243	728,857	781,405	842,775	915,049	987,187
Other charges, commissions, fees, etc.	205,935	218,566	223,283	237,446	248,362	280,289	304,276	354,036	411,021
Trust department	426,016	460,251	502,871	543,916	573,252	629,694	689,628	756,130	820,269
Other current operating revenue	258,381	278,340	2173,425	2186,272	2189,413	2222,138	2265,647	2347,488	2409,711
Current operating expenses—total	6,264,207	6,932,820	7,440,492	8,589,177	9,714,980	10,897,460	12,486,120	14,561,852	16,553,642
Salaries—officers	892,657	966,643	1,028,869	1,098,146	1,183,264	1,284,140	1,392,765	1,526,300	1,674,955
Salaries and wages—other employees	1,684,159	1,831,323	1,869,961	1,975,406	2,101,111	2,234,922	2,369,259	2,569,442	2,862,941
Officer and employee benefits	(*)	(*)	377,494	419,098	457,033	490,732	525,692	598,768	667,345
Fees paid to directors and committees	51,866	56,292	59,794	63,236	67,469	72,176	77,093	83,791	92,074
Interest on time and savings deposits	1,580,250	1,785,086	2,106,645	2,845,283	3,464,308	4,088,061	5,070,781	6,259,472	7,379,863
Interest on borrowed money	78,350	87,385	37,997	64,325	106,517	127,277	189,519	301,768	266,476
Taxes other than on net income	252,763	285,801	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Recurring depreciation on banking house, furniture and fixtures	191,424	212,493	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Occupancy expense of bank premises—net	(7)	(7)	510,691	555,670	608,462	670,243	731,573	802,060	873,541
Furniture and equipment	(8)	(8)	224,852	267,885	311,518	362,301	411,889	458,695	533,846
Other current operating expenses	1,532,739	1,707,797	1,224,189	1,300,128	1,415,298	1,567,608	1,717,549	1,961,556	2,202,601
Net current operating earnings	3,405,145	3,790,725	3,629,112	3,629,782	3,794,733	4,127,027	4,331,067	4,946,562	5,227,969
Recoveries, transfers from valuation reserves, and profits—total	328,889	574,826	708,171	467,061	468,450	322,104	390,368	341,711	417,624
On securities:									
Profits on securities sold or redeemed	47,277	329,322	453,730	256,987	167,445	74,723	84,619	62,464	150,238
Recoveries	27,946	12,927	9,934	6,241	4,046	6,633	7,114	5,077	3,986
Transfers from valuation reserves	111,447	55,568	86,574	56,761	60,516	57,284	97,435	100,950	62,089
On loans:									
Recoveries	20,551	25,684	16,825	16,902	17,913	17,383	17,962	15,585	14,307
Transfers from valuation reserves	57,607	70,211	51,817	56,610	131,235	62,313	84,001	55,762	44,439
All other	64,062	81,114	89,291	73,560	87,295	103,768	99,237	101,873	142,565
Losses, charge-offs, and transfers to valuation reserves—total	1,361,515	978,422	935,461	836,665	883,637	1,017,299	1,177,540	1,574,027	1,326,581
On securities:									
Losses on securities sold	745,081	219,767	(44,290)	58,939	49,887	88,397	85,045	454,911	154,550
Charge-offs prior to sale			(21,354)	12,603	12,827	11,256	9,224	10,198	8,403
Transfers to valuation reserves	168,003	156,232	224,678	95,039	63,530	72,213	63,370	78,932	74,572
On loans:									
Losses and charge-offs	25,459	35,760	31,194	30,107	29,588	32,385	36,188	31,251	28,341
Transfers to valuation reserves	318,965	451,667	481,200	528,710	609,059	666,040	846,877	775,792	885,885
All other	104,006	114,996	132,745	111,267	118,746	147,008	136,836	222,943	174,830
Net income before related taxes	2,372,519	3,387,129	3,401,822	3,260,178	3,379,546	3,431,832	3,543,895	3,714,246	4,319,012

Taxes on net income—total	884,458	1,384,397	1,406,102	1,256,382	1,226,783	1,148,203	1,029,162	1,029,906	1,177,154	
Federal.....	832,797	1,300,940	1,317,292	1,159,725	1,130,629	1,050,624	927,423	911,585	1,020,988	
State.....	51,661	83,457	88,810	96,657	96,154	97,579	101,739	118,321	156,166	
Net income after related taxes	1,488,061	2,002,732	1,995,720	2,003,796	2,152,763	2,283,629	2,514,733	2,684,340	3,141,858	
Dividends and interest on capital—total	776,386	831,546	895,053	941,189	993,374	1,088,310	1,202,349	1,307,387	1,426,202	
Cash dividends declared on common stock.....	774,167	829,522	893,230	939,426	990,039	1,062,561	1,146,186	1,240,048	1,342,538	
Dividends declared on preferred stock and interest on capital notes and debentures.....	2,219	2,024	1,823	1,763	3,335	25,749	56,163	67,339	83,664	
Net additions to capital from income	711,675	1,171,186	1,100,667	1,062,607	1,159,389	1,195,319	1,312,384	1,376,953	1,715,656	
Memoranda										
Recoveries credited to valuation reserves (not included in recoveries above):										
On securities.....	5,585	18,294	9,911	4,714	6,216	4,515	4,158	3,300	5,638	
On loans.....	73,790	68,232	73,844	84,863	96,897	157,791	124,062	143,859	168,680	
Losses charged to valuation reserves (not included in losses above):										
On securities.....	207,061	47,716	22,463	16,305	17,314	43,683	25,761	60,282	29,072	
On loans.....	122,315	264,405	249,500	238,825	323,475	394,181	429,490	545,647	601,194	
Average assets and liabilities ¹⁰										
Assets—total	237,577,389	246,776,722	254,198,199	274,220,778	298,940,778	325,490,626	357,214,409	387,113,663	421,128,433	
Cash and due from banks.....	46,881,654	49,317,003	46,613,211	49,438,670	50,987,566	54,449,343	59,013,596	62,867,398	70,248,679	
United States Government obligations.....	61,878,948	57,773,429	61,792,135	64,519,314	64,058,431	61,439,390	59,419,551	56,088,649	57,357,584	
Other securities.....	20,284,525	20,092,632	21,660,321	25,761,084	31,421,875	36,360,062	41,540,772	47,054,812	55,213,293	
Loans and discounts.....	103,872,351	114,275,450	117,969,985	127,789,110	145,028,233	164,816,703	187,661,591	210,240,170	226,145,245	
All other assets.....	4,660,311	5,318,208	6,162,547	6,712,000	7,434,673	8,425,128	9,578,899	10,862,634	12,163,632	
Liabilities and capital—total	237,577,389	246,776,722	254,198,199	274,220,778	298,940,778	325,490,626	357,214,409	387,113,663	421,128,433	
Total deposits.....	213,428,979	220,099,028	225,214,703	243,319,550	264,069,489	287,988,560	315,643,533	340,336,714	368,906,501	
Demand deposits.....	140,599,745	150,451,481	147,656,176	153,849,494	159,561,973	168,382,122	178,089,360	185,336,407	194,988,924	
Time and savings deposits.....	66,829,234	69,647,547	77,658,528	89,470,056	104,507,516	119,606,438	137,554,173	155,000,307	173,923,577	
Borrowings and other liabilities.....	5,410,250	6,712,522	7,694,509	8,197,420	10,587,389	11,110,692	12,750,015	15,926,263	19,345,258	
Total capital accounts.....	18,738,160	19,965,172	21,288,987	22,703,808	24,283,900	26,391,374	28,820,861	30,850,686	32,876,674	
Number of employees (including building employees), December 30:										
Active officers.....	98,934	103,211	107,279	112,458	117,147	124,351	130,486	138,206	145,346	
Other employees.....	481,666	506,596	526,101	543,695	531,820	578,307	601,677	639,155	669,691	
Number of banks, December 30	13,114	13,126	13,115	13,124	13,291	13,493	13,547	13,541	13,517	

¹ The figures for 1967 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.

² Excludes rentals from bank premises; included with "Occupancy expense of bank premises—net."

³ Excludes compensation of building officers and other employees; included with "Occupancy expense of bank premises—net."

⁴ Included with "Other current operating expenses", except Social Security taxes paid on bank's account which were included with "Taxes other than on net income."

⁵ Included with "Officer employee benefits", "Occupancy expense of bank premises—net", and "Other current operating expenses."

⁶ Included with "Occupancy expense of bank premises—net", and "Furniture and equipment."

⁷ Included with "Taxes other than on net income", "Recurring depreciation on banking house, furniture and fixtures", and "Other current operating expenses."

⁸ Included with "Recurring depreciation on banking house, furniture and fixtures", and "Other current operating expenses."

⁹ Not comparable with amounts reported for previous years; see footnotes 4, 5, 7, and 8.

¹⁰ For 1959 through 1960 and for 1964 through 1967, averages of amounts reported at beginning, middle, and end of year. For 1961 and 1962, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year. For 1963, averages of amounts reported at 1962 year-end, 1963 spring, mid-year, and year-end calls.

Note: Due to rounding differences, data for 1959 may not add to totals.

Table 113. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1959-1967

Income item	1959	1960	1961	1962	1963	1964	1965	1966	1967
Amounts per \$100 of current operating revenue									
Current operating revenue—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Interest on U. S. Government obligations	17.91	16.69	17.18	17.13	16.11	14.91	13.23	11.88	11.95
Interest and dividends on other securities	5.65	5.40	5.68	6.21	6.82	7.22	7.64	7.85	8.74
Income on loans	61.73	63.48	63.31	63.16	64.19	65.13	66.63	68.11	67.24
Service charges on deposit accounts	5.50	5.50	5.70	5.58	5.39	5.20	5.01	4.69	4.53
Other charges, commissions, fees, etc.	2.13	2.04	2.02	1.94	1.84	1.87	1.81	1.81	1.89
Other current operating revenue	7.08	6.89	16.11	15.98	15.65	15.67	15.68	15.66	15.65
Current operating expenses—total	64.78	64.65	67.22	70.29	71.91	72.53	74.25	74.64	76.00
Salaries, wages, and fees	27.19	26.62	26.73	25.67	24.81	23.90	22.83	20.99	21.26
Officer and employee benefits	(3)	(3)	3.41	3.43	3.38	3.27	3.13	3.07	3.06
Interest on time and savings deposits	16.34	16.65	19.03	23.28	25.64	27.21	30.15	32.09	33.88
Taxes other than on net income	2.61	2.66	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Recurring depreciation on banking house, furniture and fixtures	1.98	1.98	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Occupancy expense of bank premises—net	(6)	(6)	4.61	4.55	4.50	4.46	4.35	4.11	4.01
Furniture and equipment	(7)	(7)	2.03	2.19	2.31	2.41	2.45	2.35	2.45
Other current operating expenses	16.66	16.74	*11.41	*11.17	*11.27	*11.28	*11.34	*12.03	*11.34
Net current operating earnings	35.22	35.35	32.78	29.71	28.09	27.47	25.75	25.36	24.00
Amounts per \$100 of total assets*									
Current operating revenue—total	4.07	4.35	4.35	4.45	4.52	4.62	4.71	5.04	5.17
Current operating expenses—total	2.64	2.81	2.92	3.13	3.25	3.35	3.50	3.76	3.93
Net current operating earnings	1.43	1.54	1.43	1.32	1.27	1.27	1.21	1.28	1.24
Recoveries, transfers from valuation reserves, and profits—total	.14	.23	.28	.17	.16	.10	.11	.09	.10
Losses, charge-offs, and transfers to valuation reserves—total	.57	.40	.37	.30	.30	.32	.33	.41	.31
Net income before related taxes	1.00	1.37	1.34	1.19	1.13	1.05	.99	.96	1.03
Net income after related taxes	.63	.81	.79	.73	.72	.70	.70	.69	.75
Amounts per \$100 of total capital accounts*									
Net current operating earnings	18.17	18.99	17.05	15.99	15.63	15.64	15.03	16.03	15.90
Recoveries, transfers from valuation reserves, and profits—total	1.76	2.88	3.32	2.06	1.93	1.22	1.35	1.11	1.27
Losses, charge-offs, and transfers to valuation reserves—total	7.27	4.90	4.39	3.69	3.64	3.86	4.08	5.10	4.03
Net income before related taxes	12.66	16.97	15.98	14.36	13.92	13.00	12.30	12.04	13.14
Taxes on net income	4.72	6.94	6.61	5.53	5.06	4.35	3.57	3.34	3.58
Net income after related taxes	7.94	10.03	9.37	8.83	8.86	8.65	8.73	8.70	9.56
Cash dividends declared	4.14	4.16	4.20	4.15	4.09	4.12	4.17	4.24	4.34
Net additions to capital from income	3.80	5.87	5.17	4.68	4.77	4.53	4.56	4.46	5.22
Special ratios*									
Income on loans per \$100 of loans	5.75	5.96	5.94	6.04	5.98	5.94	5.97	6.32	6.48
Income on U. S. Government obligations per \$100 of U. S. Government obligations	2.80	3.10	3.08	3.24	3.40	3.65	3.74	4.13	4.54
Income on other securities per \$100 of other securities	2.69	2.88	2.90	2.95	2.93	2.98	3.09	3.25	3.45
Service charges per \$100 of demand deposits	.36	.39	.43	.44	.46	.46	.47	.49	.51
Interest paid per \$100 of time and savings deposits	2.36	2.56	2.71	3.18	3.31	3.42	3.69	4.04	4.24
Number of banks, December 30	13,114	13,126	13,115	13,124	13,291	13,493	13,547	13,541	13,517

Notes: For footnotes, see Table 112, p. 189, Nos. 2-10.

Table 114. SOURCES AND DISPOSITION OF TOTAL INCOME, INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1959-1967
(Amounts in millions of dollars)

Income item	1959	1960	1961	1962	1963	1964	1965	1966	1967
Amount									
Total income	9,998	11,298	11,778	12,686	13,978	15,347	17,208	19,850	22,199
Sources									
Loans	5,969	6,807	7,009	7,718	8,672	9,785	11,205	13,286	14,647
U. S. Government obligations	1,732	1,791	1,902	2,093	2,176	2,240	2,225	2,318	2,602
Other securities	546	579	629	759	921	1,086	1,285	1,532	1,905
Service charges on deposits	532	590	630	681	729	781	843	915	987
Other current income	1,890	1,957	900	968	1,011	1,132	1,260	1,457	1,641
Recoveries, etc.	329	575	708	467	468	322	390	342	418
Disposition									
Salaries and wages ²	2,629	2,854	3,336	3,556	3,808	4,082	4,365	4,778	5,297
Interest on deposits	1,580	1,785	2,107	2,845	3,464	4,088	5,071	6,259	7,380
Other current expenses	32,055	32,293	1,998	2,188	2,442	2,728	3,051	3,524	3,876
Charge-offs, etc.	1,362	979	935	837	884	1,017	1,178	1,574	1,327
Income taxes	884	1,384	1,406	1,256	1,227	1,148	1,029	1,030	1,177
Dividends and interest on capital	776	832	895	941	993	1,088	1,202	1,307	1,426
Additions to capital accounts	712	1,171	1,101	1,063	1,159	1,195	1,312	1,377	1,716
Percentage distribution									
Total income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sources									
Loans	59.7	60.2	59.5	60.8	62.0	63.8	65.1	66.9	66.0
U. S. Government obligations	17.3	15.9	16.2	16.5	15.6	14.6	12.9	11.7	11.7
Other securities	5.5	5.1	5.3	6.0	6.6	7.1	7.5	7.7	8.6
Service charges on deposits	5.3	5.2	5.4	5.4	5.2	5.1	4.9	4.6	4.4
Other current income	8.9	8.5	7.6	7.6	7.2	7.3	7.3	7.4	7.4
Recoveries, etc.	3.3	5.1	6.0	3.7	3.4	2.1	2.3	1.7	1.9
Disposition									
Salaries and wages	26.3	25.3	28.3	28.0	27.2	26.6	25.4	24.0	23.9
Interest on deposits	15.8	15.8	17.9	22.4	24.8	26.6	29.5	31.5	33.2
Other current expenses	20.6	20.3	17.0	17.2	17.5	17.8	17.7	17.7	17.5
Charge-offs, etc.	13.6	8.6	7.9	6.6	6.3	6.6	6.8	8.0	6.0
Income taxes	8.8	12.2	11.9	10.0	8.8	7.5	6.0	5.2	5.3
Dividends and interest on capital	7.8	7.4	7.6	7.4	7.1	7.1	7.0	6.6	6.4
Additions to capital accounts	7.1	10.4	9.4	8.4	8.3	7.8	7.6	7.0	7.7

¹ For description of changes in report form made in 1961, see p. 187. Rentals from bank premises are included in "other current income" in 1959-1960, and in net "other current expenses" in 1961-1967.

² Includes in each year fees paid to directors and committees. In 1961-1967 includes officer and employee benefits; these were included in "other current expenses" in 1959-1960. In 1961-1967 excludes salaries, wages, and benefits of officers and employees in building department which are included in "other current expenses."

³ Not comparable with amounts shown in 1961-1967; see footnotes 1 and 2.

Note: Due to rounding differences, components may not add to totals.

Table 115. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1967
BANKS GROUPED BY CLASS OF BANK
 (Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Not members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Current operating revenue—total	21,781,611	12,651,856	5,196,634	3,933,121	21,725,712	55,899
Interest on U. S. Government obligations	2,601,900	1,401,230	532,744	667,926	2,593,756	8,144
Interest and dividends on other securities	1,904,886	1,122,238	439,134	343,514	1,899,401	5,485
Interest and discount on loans	14,351,421	8,458,494	3,430,284	2,462,643	14,316,233	35,188
Service charges and fees on loans	295,216	169,563	69,220	56,433	294,176	1,040
Service charges on deposit accounts	987,187	576,984	180,165	230,038	985,180	2,007
Other charges, commissions, fees, etc.	411,021	230,181	85,187	95,653	410,407	614
Trust department	820,269	435,378	349,260	35,631	817,992	2,277
Other current operating revenue	409,711	257,788	110,640	41,283	408,567	1,144
Current operating expenses—total	16,553,642	9,649,628	3,849,403	3,054,611	16,508,575	45,067
Salaries—officers	1,674,955	901,887	355,312	417,756	1,670,204	4,751
Salaries and wages—other employees	2,862,941	1,673,178	715,439	474,324	2,855,091	7,850
Officer and employee benefits	667,345	391,406	170,952	104,987	664,970	2,375
Fees paid to directors and committees	92,074	43,483	13,542	35,049	91,882	192
Interest on time and savings deposits	7,379,863	4,416,753	1,672,927	1,290,183	7,362,516	17,347
Interest on borrowed money	266,476	153,860	105,179	7,437	265,861	615
Occupancy expense of bank premises—net	873,541	489,588	219,198	164,755	870,934	2,607
Furniture and equipment	533,846	313,345	116,334	104,167	531,886	1,960
Other current operating expenses	2,202,601	1,266,128	480,520	455,953	2,195,231	7,370
Net current operating earnings	5,227,969	3,002,228	1,347,231	878,510	5,217,137	10,832
Recoveries, transfers from valuation reserves, and profits—total	417,624	252,755	98,755	66,114	416,272	1,352
On securities:						
Profits on securities sold or redeemed	150,238	91,305	29,572	29,361	149,858	380
Recoveries	3,986	2,566	176	1,244	3,978	8
Transfers from valuation reserves	62,089	36,703	22,454	2,932	62,089	
On loans:						
Recoveries	14,307	6,700	1,625	5,982	14,269	38
Transfers from valuation reserves	44,439	28,715	5,619	10,105	44,420	19
All other	142,565	86,766	39,309	16,490	141,658	907
Losses, charge-offs, and transfers to valuation reserves—total	1,326,581	770,868	317,409	238,304	1,319,426	7,155
On securities:						
Losses on securities sold	154,550	76,039	56,463	22,048	151,784	2,766
Charge-offs prior to sale	8,403	4,472	906	3,025	8,403	
Transfers to valuation reserves	74,572	52,165	11,686	10,721	74,572	
On loans:						
Losses and charge-offs	28,341	13,564	1,594	13,183	28,338	3
Transfers to valuation reserves	885,885	519,200	207,103	159,582	883,194	2,691
All other	174,830	105,428	39,657	29,745	173,135	1,695
Net income before related taxes	4,319,012	2,484,115	1,128,577	706,320	4,313,983	5,029

Taxes on net income—total	1,177,154	680,154	325,190	171,810	1,175,919	1,235
Federal.....	1,020,988	594,209	269,971	156,808	1,019,796	1,192
State.....	156,166	85,945	55,219	15,002	156,123	43
Net income after related taxes	3,141,858	1,803,961	803,387	534,510	3,138,064	3,794
Dividends and interest on capital—total	1,426,202	842,490	404,345	179,367	1,422,080	4,122
Cash dividends declared on common stock.....	1,342,538	794,308	374,914	173,316	1,338,416	4,122
Dividends declared on preferred stock and interest on capital notes and debentures.....	83,664	48,182	29,431	6,051	83,664	.....
Net additions to capital from income	1,715,656	961,471	399,042	355,143	1,715,984	328
Number of banking employees (exclusive of building employees), December 30:						
Active officers.....	144,868	75,808	26,357	42,703	144,408	460
Other employees.....	637,511	369,780	144,622	123,109	635,491	2,020
Memoranda						
Recoveries credited to valuation reserves (not included in recoveries above):						
On securities.....	5,638	3,839	771	1,028	5,638	.....
On loans.....	168,680	105,914	29,899	32,867	168,363	317
Losses charged to valuation reserves (not included in losses above):						
On securities.....	29,072	21,875	1,291	5,906	29,072	.....
On loans.....	601,194	363,169	123,053	114,972	599,725	1,469
Occupancy expense of bank premises						
Occupancy expense of bank premises, net—total	873,541	489,588	219,198	164,755	870,934	2,607
Rental and other income.....	186,244	121,929	46,160	18,155	185,088	1,156
Occupancy expense of bank premises, gross—total	1,059,785	611,517	265,358	182,910	1,056,022	3,763
Salaries—building department officers.....	3,574	2,175	949	450	3,571	3
Salaries and wages—building department employees.....	103,430	62,132	26,155	15,143	103,077	353
Building department personnel benefits.....	12,989	7,981	3,939	1,069	12,940	49
Recurring depreciation.....	189,818	115,361	42,433	32,024	189,517	301
Maintenance and repairs.....	128,505	78,470	26,528	23,507	127,984	521
Insurance and utilities.....	177,785	100,445	42,457	34,883	177,305	480
Rents paid.....	295,006	156,241	87,439	51,326	293,554	1,452
Taxes.....	148,678	88,712	35,458	24,508	148,074	604
Number of building employees, December 30:						
Officers.....	478	274	109	95	478	.....
Other employees.....	32,180	17,730	6,634	7,816	32,080	100
Number of banks, December 30	13,517	4,758	1,312	7,447	13,419	98

These figures 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.
Back figures, 1934-1968: See the Annual Report for 1966 pp. 162-163, and earlier reports.

Table 116. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1967 IN THE UNITED STATES (STATES AND OTHER AREAS)

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

Income item	All banks ¹	Banks with deposits of— ²								
		Less than \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$25,000,000	\$25,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	\$100,000,000 to \$500,000,000	\$500,000,000 or more
Current operating revenue—total	21,725,712	14,544	125,778	740,425	1,368,613	2,315,326	1,670,376	1,536,438	4,044,783	9,909,429
Interest on U. S. Government obligations	2,593,756	3,905	32,395	167,076	258,867	377,621	241,683	208,727	453,580	849,902
Interest and dividends on other securities	1,899,401	675	7,315	52,171	117,870	217,315	160,145	148,197	362,541	833,172
Interest and discount on loans	14,316,233	8,305	74,601	451,378	853,656	1,460,941	1,067,943	985,085	2,660,910	6,753,414
Service charges and fees on loans	294,176	91	532	4,354	10,701	25,225	21,804	25,468	64,642	141,359
Service charges on deposit accounts	985,180	624	5,399	36,569	80,870	149,777	101,168	81,868	194,572	334,333
Other charges, commissions, fees, etc.	410,407	542	4,339	21,945	30,622	43,558	29,048	28,317	76,040	175,996
Trust department	817,992	205	45	583	2,300	16,857	29,571	36,936	176,270	555,225
Other current operating revenue	408,567	197	1,152	6,349	13,727	24,032	19,014	21,840	56,228	266,028
Current operating expenses—total	16,508,575	10,881	94,091	564,106	1,052,269	1,796,353	1,301,188	1,210,252	3,074,033	7,405,402
Salaries—officers	1,670,204	3,898	26,344	116,223	162,204	226,596	147,867	127,953	299,869	559,250
Salaries and wages—other employees	2,855,091	1,163	10,136	70,006	150,778	277,221	214,467	201,200	579,855	1,350,265
Officer and employee benefits	664,970	351	2,854	17,128	34,051	60,847	46,889	44,852	134,308	323,690
Fees paid to directors and committees	91,882	327	2,499	12,266	17,330	20,842	10,546	7,176	11,655	8,241
Interest on time and savings deposits	7,362,516	2,545	31,619	222,691	442,928	780,495	564,511	534,447	1,282,000	3,501,280
Interest on borrowed money	265,861	11	136	703	1,655	3,146	4,642	5,838	31,354	128,376
Occupancy expense of bank premises—net	870,934	637	4,314	27,076	54,460	95,598	68,856	68,295	168,351	382,347
Furniture and equipment	531,886	278	2,431	16,329	32,775	57,999	45,148	46,329	123,993	206,604
Other current operating expenses	2,195,231	1,671	13,758	81,684	156,088	273,609	197,262	174,162	442,648	854,349
Net current operating earnings	5,217,137	3,663	31,687	176,319	316,344	518,973	369,188	326,186	970,750	2,504,027
Recoveries, transfers from valuation reserves, and profits—total	416,272	559	2,133	13,067	22,816	40,144	31,537	31,389	76,451	198,176
On securities:										
Profits on securities sold or redeemed	149,858	317	463	3,707	9,426	17,194	13,802	13,910	37,890	53,149
Recoveries	3,978	9	36	181	618	1,168	498	423	327	718
Transfers from valuation reserves	62,089		20	571	419	3,681	3,434	2,381	9,580	42,003
On loans:										
Recoveries	14,269	197	1,123	4,153	3,807	2,132	780	397	918	762
Transfers from valuation reserves	44,420	4	200	1,803	3,062	5,773	2,842	5,534	7,956	17,246
All other	141,658	32	291	2,652	5,484	10,196	10,181	8,744	19,780	84,298
Losses, charge-offs, and transfers to valuation reserves—total	1,319,426	696	6,681	46,234	90,483	146,615	101,943	88,793	218,664	619,317
On securities:										
Losses on securities sold	151,784	15	451	4,310	8,957	13,673	11,370	8,691	22,851	81,466
Charge-offs prior to sale	8,403	6	53	884	1,777	2,651	783	341	516	1,392
Transfers to valuation reserves	74,572	4	71	800	1,956	4,599	5,543	4,717	12,979	43,903
On loans:										
Losses and charge-offs	28,338	342	2,001	8,158	8,218	6,009	1,692	886	809	223
Transfers to valuation reserves	883,194	259	3,225	26,515	58,373	100,137	70,354	61,486	150,775	412,070
All other	173,135	70	880	5,567	11,202	19,546	12,201	12,672	30,734	80,263
Net income before related taxes	4,313,983	3,526	27,139	143,152	248,677	412,502	298,782	268,782	828,537	2,082,886

Taxes on net income—total	1,175,919	711	5,532	32,557	59,616	104,875	77,037	68,376	231,082	596,133
Federal.....	1,019,796	661	4,968	29,723	55,070	97,907	71,954	63,611	213,429	482,473
State.....	156,123	50	564	2,834	4,546	6,968	5,083	4,765	17,653	113,660
Net income after related taxes	3,138,064	2,815	21,607	110,595	189,061	307,627	221,745	200,406	597,455	1,486,753
Dividends and interest on capital—total	1,422,080	830	7,232	33,950	60,998	104,126	81,927	76,248	269,628	787,141
Cash dividends declared on common stock.....	1,338,416	830	7,221	33,900	60,723	102,985	80,396	73,635	257,585	721,141
Dividends declared on preferred stock and interest on capital notes and debentures.....	83,664	.....	11	50	275	1,141	1,531	2,613	12,043	66,000
Net additions to capital from income	1,715,984	1,985	14,375	76,645	128,063	203,501	139,818	124,158	327,827	699,612
Number of banking employees (exclusive of building employees), December 30:										
Active officers.....	144,408	784	4,076	13,817	16,954	21,441	12,688	10,323	23,519	40,806
Other employees.....	635,491	451	3,478	20,131	40,681	73,028	54,060	48,614	130,911	264,137
Memoranda										
Recoveries credited to valuation reserves (not included in recoveries above):										
On securities.....	5,638	.....	1	26	180	722	310	727	1,988	1,684
On loans.....	168,363	46	1,190	6,869	15,074	25,364	14,535	13,251	29,799	62,235
Losses charged to valuation reserves (not included in losses above):										
On securities.....	29,072	.....	1	184	163	1,029	617	2,174	2,976	21,928
On loans.....	599,725	158	2,603	19,068	43,949	77,908	51,491	48,858	110,133	245,557
Occupancy expense of bank premises										
Occupancy expense of bank premises, net—total	870,934	637	4,314	27,076	54,460	95,598	69,856	68,295	168,351	382,347
Rental and other income.....	185,088	21	301	1,978	4,027	10,184	10,737	15,903	52,035	89,902
Occupancy expense of bank premises, gross—total	1,056,022	658	4,615	29,054	58,487	105,782	80,593	84,198	220,386	472,249
Salaries—building department officers.....	3,571	47	77	55	39	54	89	189	878	2,143
Salaries and wages—building department employees.....	103,077	13	316	2,861	5,969	10,640	8,454	8,478	25,114	41,232
Building department personnel benefits.....	12,940	.....	2	51	180	817	884	949	3,387	6,670
Recurring depreciation.....	189,517	59	798	6,273	12,514	22,023	15,173	15,055	38,192	79,430
Maintenance and repairs.....	127,984	77	635	3,566	7,212	13,348	10,659	11,412	26,980	54,095
Insurance and utilities.....	177,305	297	1,785	7,810	12,739	20,033	13,736	12,561	32,899	75,445
Rents paid.....	293,554	73	397	3,647	10,340	22,081	18,700	23,723	63,284	151,309
Taxes.....	148,074	92	605	4,791	9,494	16,786	12,898	11,831	29,652	61,925
Number of building employees, December 30:										
Officers.....	478	.....	12	44	24	43	28	25	115	187
Other employees.....	32,080	60	609	2,901	3,406	4,041	2,754	2,720	7,027	8,562
Number of banks, December 30	13,419	327	1,424	3,866	3,412	2,662	871	403	353	101

¹ This group of banks is the same as the group shown in Table 115 under the heading "Operating throughout the year".

² For asset and liability data, see Table 109, p. 181.

³ The figures in this table 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.

Back figures, 1941-1966: See the Annual Report for 1966, pp. 164-165, and earlier reports.

**Table 117. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1967 IN THE UNITED STATES
(STATES AND OTHER AREAS) ¹**
BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	Banks with deposits of— ²								
	Less than \$1,000,000	\$1,000,000 to \$2,000,000	\$2,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$25,000,000	\$25,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	\$100,000,000 to \$500,000,000	\$500,000,000 or more
Amounts per \$100 of current operating revenue									
Current operating revenue—total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Interest on U.S. Government obligations	26.85	25.76	22.56	18.91	16.31	14.47	13.59	11.21	8.58
Interest and dividends on other securities	4.64	5.82	7.05	8.61	9.39	9.59	9.65	8.96	8.41
Income on loans	57.73	59.73	61.55	63.16	64.19	65.24	65.77	67.38	69.58
Service charges on deposit accounts	4.29	4.29	4.94	5.91	6.47	6.06	5.33	4.81	3.37
Other service charges, commissions, fees, etc.	3.73	3.45	2.96	2.24	1.88	1.74	1.84	1.88	1.78
Other current operating revenue	2.76	.95	.94	1.17	1.77	2.91	3.83	5.75	8.29
Current operating expenses—total	74.81	74.81	76.19	76.89	77.59	77.90	78.77	76.00	74.73
Salaries, wages, and fees	37.05	30.99	26.81	24.13	22.66	22.32	21.89	22.04	19.36
Officer and employee benefits	2.41	2.27	2.31	2.49	2.63	2.81	2.92	3.32	3.27
Interest on time and savings deposits	17.50	25.14	30.08	32.36	33.71	33.80	34.78	31.70	35.33
Occupancy expense of bank premises—net	4.38	3.43	3.66	3.98	4.13	4.18	4.45	4.16	3.86
Furniture and equipment	1.91	1.93	2.21	2.39	2.50	2.70	3.02	3.07	2.08
Other current operating expenses	11.56	11.05	11.13	11.53	11.95	12.09	11.72	11.72	10.83
Net current operating earnings	25.19	25.19	23.81	23.11	22.41	22.10	21.23	24.00	25.27
Amounts per \$100 of total assets³									
Current operating revenue—total	5.12	5.14	5.08	5.08	5.08	5.07	5.05	4.95	4.64
Current operating expenses—total	3.83	3.84	3.87	3.91	3.94	3.95	3.98	3.76	3.46
Net current operating earnings	1.29	1.29	1.21	1.17	1.14	1.12	1.07	1.19	1.17
Recoveries, transfers from valuation reserves, and profits—total	.20	.09	.09	.08	.09	.10	.10	.09	.09
Losses, charge-offs, and transfers to valuation reserves—total	.25	.27	.32	.34	.32	.31	.29	.27	.29
Net income before related taxes	1.24	1.11	.98	.92	.91	.91	.88	1.01	.97
Net income after related taxes	.99	.88	.76	.70	.68	.67	.66	.73	.70
Memoranda									
Recoveries credited to valuation reserves (not included in recoveries above):									
On securities		(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
On loans	.02	.05	.05	.06	.06	.04	.04	.04	.03
Losses charged to valuation reserves (not included in losses above):									
On securities		(³)	(³)	(³)	(³)	(³)	.01	(³)	.01
On loans	.06	.11	.13	.16	.17	.16	.16	.13	.11

Amounts per \$100 of total capital accounts²									
Net current operating earnings	9.88	11.93	12.93	14.35	14.96	15.48	15.09	16.17	15.67
Recoveries, transfers from valuation reserves, and profits—total	1.51	.80	.96	1.03	1.16	1.32	1.45	1.27	1.24
Losses, charge-offs, and transfers to valuation reserves—total	1.88	2.51	3.39	4.10	4.23	4.27	4.11	3.64	3.88
Net income before related taxes	9.51	10.22	10.50	11.28	11.89	12.53	12.44	13.80	13.03
Taxes or net income	1.92	2.08	2.39	2.70	3.02	3.23	3.16	3.85	3.73
Net income after taxes	7.59	8.13	8.11	8.58	8.87	9.30	9.27	9.95	9.30
Cash dividends declared	2.24	2.72	2.49	2.77	3.00	3.43	3.53	4.49	4.93
Net additions to capital from income	5.35	5.41	5.62	5.81	5.87	5.86	5.74	5.46	4.38
Memoranda									
Recoveries credited to reserve accounts (not included in recoveries above):									
On securities		⁽³⁾	⁽³⁾	.01	.02	.01	.03	.03	.01
On loans	.12	.45	.50	.68	.73	.61	.61	.50	.39
Losses charged to reserve accounts (not included in losses above):									
On securities		⁽³⁾	.01	.01	.03	.03	.10	.05	.14
On loans	.43	.98	1.40	1.99	2.25	2.16	2.26	1.83	1.54
Special ratios²									
Income on loans per \$100 of loans	7.15	6.81	6.58	6.53	6.42	6.29	6.30	6.17	5.83
Income on U.S. Government obligations per \$100 of U.S. Government obligations	4.72	4.56	4.48	4.39	4.23	4.18	4.10	4.01	4.15
Income on other securities per \$100 of other securities	2.29	2.71	2.75	2.86	2.94	3.00	3.05	3.11	3.29
Service charges per \$100 of demand deposits	.37	.43	.54	.68	.77	.71	.61	.50	.32
Interest paid per \$100 of time and savings deposits	3.38	3.46	3.50	3.56	3.59	3.65	3.78	3.81	4.40
Occupancy expense of bank premises per \$100 of current operating revenue									
Occupancy expense of bank premises, net—total	4.38	3.43	3.66	3.98	4.13	4.18	4.45	4.16	3.86
Rental and other income	.14	.24	.27	.29	.44	.64	1.04	1.29	.91
Occupancy expense of bank premises, gross—total	4.52	3.67	3.92	4.27	4.57	4.82	5.48	5.45	4.77
Salaries and wages—building department officers and employees	.41	.31	.39	.44	.46	.51	.56	.64	.44
Building department personnel benefits			.01	.01	.04	.05	.06	.08	.07
Recurring depreciation	.41	.63	.85	.91	.95	.91	.98	.94	.80
Maintenance and repairs	.53	.50	.48	.53	.58	.64	.74	.67	.55
Insurance and utilities	2.04	1.42	1.05	.93	.87	.82	.82	.81	.76
Rents paid	.50	.32	.49	.76	.95	1.12	1.54	1.56	1.53
Taxes	.63	.48	.65	.69	.72	.77	.77	.73	.62
Number of banks, December 30	327	1,424	3,866	3,412	2,662	871	403	353	101

¹ This group of banks is the same as the group shown in Table 115 under the heading "Operating throughout the year."

² For asset and liability data, see Table 109, p. 181.

³ Less than .005.

Back figures, 1941-1966: See the Annual Report for 1966, pp. 166-167, and earlier reports.

Table 118. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1967

(Amounts in thousands of dollars)

Income item	Total United States	Other areas		50 States and D.C.	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut
		Puerto Rico	Virgin Islands								
Current operating revenue—total	21,781,611	68,114	2,968	21,710,529	216,727	25,336	163,592	125,991	2,532,687	207,459	256,738
Interest on U. S. Government obligations	2,601,900	5,482	327	2,595,091	34,218	3,374	13,487	17,278	204,248	23,815	21,907
Interest and dividends on other securities	1,904,886	3,455	295	1,901,136	19,497	1,428	11,252	12,697	222,240	12,145	23,784
Interest and discount on loans	14,351,421	47,315	1,743	14,302,363	136,944	15,358	114,697	83,379	1,710,815	134,209	166,610
Service charges and fees on loans	295,216	5,709	409	289,098	1,923	1,737	3,422	441	58,065	3,648	2,344
Service charges on deposit accounts	987,187	2,663	45	984,479	12,944	2,085	11,151	6,856	154,337	15,651	14,758
Other charges, commissions, fees, etc.	411,021	2,237	79	408,705	4,216	851	3,456	2,913	47,781	4,397	4,653
Trust department	820,269	57		820,212	4,339	148	3,963	1,099	68,668	8,739	20,014
Other current operating revenue	409,711	1,196	70	408,445	2,646	355	2,164	1,328	66,533	4,855	2,668
Current operating expenses—total	16,553,642	56,502	2,469	16,494,671	155,236	19,990	135,003	95,071	2,051,179	162,580	194,451
Salaries—officers	1,674,955	5,565	232	1,669,158	21,041	2,937	14,080	14,342	191,586	19,825	22,247
Salaries and wages—other employees	2,862,941	11,933	562	2,850,446	28,550	4,671	26,213	15,100	359,117	28,264	42,019
Officer and employee benefits	667,345	2,664	125	664,556	6,792	706	5,160	3,466	76,699	5,830	10,023
Fees paid to directors and committees	92,074	183	10	91,881	1,369	61	244	1,337	1,952	1,329	1,150
Interest on time and savings deposits	7,379,863	20,482	1,045	7,358,336	59,911	6,410	57,269	35,552	1,015,404	63,882	68,024
Interest on borrowed money	266,476	465	44	265,967	371	51	1,683	713	36,484	946	888
Occupancy expense of bank premises—net	873,541	3,222	66	870,253	7,372	1,364	8,147	5,409	113,101	10,027	13,024
Furniture and equipment	533,846	1,847	46	531,953	6,181	1,022	5,694	3,466	58,841	7,217	8,418
Other current operating expenses	2,202,601	10,141	339	2,192,121	23,649	2,768	16,513	15,686	207,995	25,260	28,640
Net current operating earnings	5,227,969	11,612	499	5,215,858	61,491	5,346	28,589	30,920	471,508	44,879	62,287
Recoveries, transfers from valuation reserves, and profits—total	417,624	2,322	104	415,198	5,581	494	2,425	2,002	54,116	3,693	2,975
On securities:											
Profits on securities sold or redeemed	150,238	1,571	1	148,666	3,716	392	1,538	802	17,020	1,805	1,315
Recoveries	3,986			3,986	17		1	34	5	86	4
Transfers from valuation reserves	62,089			62,089	140			23	8,667	391	334
On loans:											
Recoveries	14,307	90		14,217	223			328	955	331	11
Transfers from valuation reserves	44,439	165		44,274	566	5	13	349	1,023	99	100
All other	142,565	496	103	141,966	919	97	873	466	26,446	981	1,211
Losses, charge-offs, and transfers to valuation reserves—total	1,326,581	3,716	203	1,322,662	13,297	2,046	14,241	8,038	158,244	10,887	14,556
On securities:											
Losses on securities sold	154,550	479	2	154,069	702	35	947	616	17,810	632	500
Charge-offs prior to sale	8,403			8,403	134			140	44	60	6
Transfers to valuation reserves	74,572	5		74,567	218			195	15,323	81	116
On loans:											
Losses and charge-offs	28,341	410		27,931	495		7	479	1,838	905	4
Transfers to valuation reserves	885,885	2,423	172	883,290	10,198	1,766	11,060	5,382	94,438	7,686	10,880
All other	174,830	399	29	174,402	1,550	245	2,227	1,226	28,791	1,523	3,050
Net income before related taxes	4,319,012	10,218	400	4,308,394	53,775	3,794	16,773	24,884	367,380	37,685	50,706

Taxes on net income—total	1,177,154	458	47	1,176,649	15,430	1,198	3,397	5,457	92,044	11,741	15,263
Federal.....	1,020,988	379	47	1,020,562	13,005	1,193	2,989	5,457	55,418	9,575	9,287
State.....	156,166	79	.....	156,087	2,425	5	408	.....	36,626	2,166	5,976
Net income after related taxes	3,141,858	9,760	353	3,131,745	38,345	2,596	13,376	19,427	275,336	25,944	35,443
Dividends and interest on capital—total	1,426,202	3,635	.....	1,422,567	12,695	575	9,636	5,909	154,461	11,999	17,357
Cash dividends declared on common stock.....	1,342,538	3,025	.....	1,339,513	12,692	575	8,120	5,781	140,368	11,632	16,655
Dividends declared on preferred stock and interest on capital notes and debentures.....	83,664	610	.....	83,054	3	.....	1,516	128	14,093	367	702
Net additions to capital from income	1,715,656	6,125	353	1,709,178	25,650	2,021	3,740	13,518	120,875	13,945	18,086
Number of banking employees (exclusive of building employees), December 30:											
Active officers.....	144,868	586	19	144,263	1,928	180	1,241	1,516	16,887	1,732	1,680
Other employees.....	637,511	3,075	136	634,300	7,642	838	5,806	4,049	72,124	11,956	8,881
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities.....	5,638	.....	.....	5,638	127	.....	.....	8	525	.....	30
On loans.....	168,680	1,272	73	167,335	2,692	418	2,223	1,608	18,902	2,305	1,192
Losses charged to valuation reserves (not included in losses above):											
On securities.....	29,072	.....	.....	29,072	79	.....	.....	5	14,758	.....	122
On loans.....	601,194	2,629	127	598,438	10,789	1,911	8,944	3,738	85,888	6,865	7,110
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	873,541	3,222	66	870,253	7,372	1,364	8,147	5,409	113,101	10,027	13,024
Rental and other income.....	186,244	459	5	185,780	763	384	1,472	660	12,287	3,436	1,845
Occupancy expense of bank premises, gross—total	1,059,785	3,681	71	1,056,033	8,135	1,748	9,619	6,069	125,388	13,463	14,869
Salaries—building department officers.....	3,574	17	.....	3,557	26	2	61	14	453	41	27
Salaries and wages—building department employees.....	103,430	239	.....	103,191	863	36	612	712	4,672	1,144	1,233
Building department personnel benefits.....	12,989	35	.....	12,954	83	11	98	66	731	118	156
Recurring depreciation.....	189,818	486	8	189,324	1,514	396	1,670	1,798	15,581	1,633	2,575
Maintenance and repairs.....	128,505	479	6	128,020	893	424	856	543	19,517	1,397	1,614
Insurance and utilities.....	177,785	551	13	177,221	1,473	363	2,255	1,186	16,344	2,029	3,011
Rents paid.....	295,006	1,645	41	293,320	2,897	275	3,139	926	53,512	5,560	4,062
Taxes.....	148,678	229	3	148,446	386	241	928	824	14,578	1,541	2,191
Number of building employees, December 30:											
Officers.....	478	3	.....	475	13	.....	5	3	31	6	3
Other employees.....	32,180	69	.....	32,111	371	7	140	328	981	298	333
Number of banks, December 30.....	13,517	7	1	13,509	266	10	17	245	172	217	64

**Table 118. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS),
BY STATE, 1967—CONTINUED**

(Amounts in thousands of dollars)

Income item	Delaware	District of Columbia	Florida	Georgia	Hawaii	Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky
Current operating revenue—total	64,347	137,038	515,304	358,651	77,298	62,920	1,580,718	450,829	274,232	213,646	209,492
Interest on U. S. Government obligations	7,413	25,084	84,751	39,739	6,113	7,018	237,722	84,243	46,549	41,212	38,152
Interest and dividends on other securities	7,069	5,905	52,358	23,820	5,735	4,245	150,694	32,448	22,735	19,294	17,346
Interest and discount on loans	36,701	86,792	296,552	229,398	53,899	42,615	1,000,079	282,974	177,990	131,115	131,863
Service charges and fees on loans	1,077	2,477	9,548	8,210	3,768	1,136	14,598	4,552	1,151	1,042	2,255
Service charges on deposit accounts	1,611	7,241	35,724	24,141	2,752	5,043	45,993	18,404	13,264	12,554	7,849
Other charges, commissions, fees, etc.	713	1,330	10,365	16,939	2,776	1,834	19,890	11,825	5,999	4,015	2,593
Trust department	8,375	7,443	15,232	11,089	781	445	71,407	11,296	3,650	2,249	6,925
Other current operating revenue	1,388	766	10,774	5,315	1,474	584	40,335	5,087	2,894	2,165	2,509
Current operating expenses—total	41,005	95,814	406,852	269,908	59,128	48,216	1,193,290	339,115	208,105	150,918	150,496
Salaries—officers	5,746	9,903	45,579	32,552	5,760	6,313	110,466	40,702	36,171	27,519	20,777
Salaries and wages—other employees	10,063	18,392	73,573	51,652	11,086	8,366	181,569	58,802	28,378	21,587	25,103
Officer and employee benefits	2,127	3,101	14,262	12,618	3,465	2,061	45,015	12,394	7,234	5,288	5,475
Fees paid to directors and committees	282	583	3,399	2,663	312	181	6,950	3,059	1,615	1,851	1,736
Interest on time and savings deposits	12,097	39,657	162,923	95,802	24,042	19,772	575,462	133,633	87,068	59,919	59,483
Interest on borrowed money	60	820	2,789	2,321	134	132	27,468	4,640	1,018	561	508
Occupancy expense of bank premises—net	2,497	6,022	20,186	17,065	3,416	2,261	50,499	18,109	9,921	7,291	7,681
Furniture and equipment	2,216	3,459	19,360	10,939	2,737	2,333	32,710	12,516	7,167	5,376	5,756
Other current operating expenses	5,917	13,877	64,781	44,296	8,176	6,797	163,151	55,260	29,533	21,526	23,977
Net current operating earnings	23,342	41,224	108,452	88,743	18,170	14,704	387,428	111,714	66,127	62,728	58,996
Recoveries, transfers from valuation reserves, and profits—total	1,711	3,280	7,996	10,837	800	749	36,081	16,682	4,595	3,709	4,259
On securities:											
Profits on securities sold or redeemed	969	927	2,926	4,888	500	67	11,490	4,824	2,480	1,584	1,455
Recoveries	2	8	88	50		2	777	56	15	24	37
Transfers from valuation reserves	108		289	367		222	6,100	3,858	149	251	324
On loans:											
Recoveries	53	69	278	176	1	73	592	389	376	602	209
Transfers from valuation reserves	253	40	732	3,662		7	1,201	2,100	925	161	403
All other	326	2,236	3,683	1,694	299	378	15,921	5,455	650	1,087	1,831
Losses, charge-offs, and transfers to valuation reserves—total	2,512	9,555	32,300	22,979	4,555	4,200	86,115	31,475	14,404	14,355	14,982
On securities:											
Losses on securities sold	377	724	3,827	1,145	410	1,375	11,931	2,309	2,093	1,168	710
Charge-offs prior to sale	1	2	57	96			1,199	266	198	353	334
Transfers to valuation reserves		54	503	428		28	6,655	5,583	311	189	1,014
On loans:											
Losses and charge-offs	43	431	1,946	396		332	1,198	547	552	1,287	631
Transfers to valuation reserves	1,457	7,494	21,857	16,199	3,598	2,205	55,244	19,349	9,378	8,790	9,161
All other	634	850	4,110	4,715	547	260	9,888	3,421	1,872	2,568	3,132
Net income before related taxes	22,541	34,949	84,148	76,601	14,415	11,253	337,394	96,921	56,318	52,082	48,273

Taxes on net income—total	8,103	13,886	19,020	21,418	3,865	3,536	92,546	27,171	13,512	14,137	14,279
Federal	7,544	13,886	19,020	21,418	3,070	2,793	92,546	27,171	13,512	12,610	14,279
State	559				795	743				1,527	
Net income after related taxes	14,438	21,063	65,128	55,183	10,550	7,717	244,848	69,750	42,806	37,945	33,994
Dividends and interest on capital—total	8,049	10,662	21,646	22,149	7,020	3,842	82,809	21,455	14,425	12,195	11,953
Cash dividends declared on common stock	8,049	10,068	20,971	19,605	5,728	3,689	82,481	20,723	14,398	12,061	11,797
Dividends declared on preferred stock and interest on capital notes and debentures		594	675	2,544	1,292	153	328	732	27	134	156
Net additions to capital from income	6,389	10,401	43,482	33,034	3,530	3,875	162,039	48,295	28,381	25,750	22,041
Number of banking employees (exclusive of building employees), December 30:											
Active officers	453	697	4,252	2,965	501	573	8,521	3,615	3,585	2,755	2,314
Other employees	2,328	3,783	18,330	11,695	2,421	2,030	38,107	14,340	7,671	5,608	6,775
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities			48	125			104	52	4	28	24
On loans	85	622	4,530	2,720	389	198	11,872	5,078	2,092	2,410	1,444
Losses charged to valuation reserves (not included in losses above):											
On securities			28	79	11		730	926	52	7	165
On loans	328	5,281	20,617	7,266	2,321	1,026	42,925	12,836	4,933	7,250	5,066
Occupancy expense of bank premises											
Occupancy expense of bank premises, net-total	2,497	6,022	20,186	17,065	3,416	2,261	50,499	18,109	9,921	7,291	7,681
Rental and other income	271	1,179	6,211	2,472	1,336	371	8,310	3,379	1,404	1,455	1,429
Occupancy expense of bank premises, gross-total	2,768	7,201	26,397	19,537	4,752	2,632	58,809	21,488	11,325	8,746	9,110
Salaries—building department officers		2	103	38	56	5	112	50	28	68	12
Salaries and wages—building department employees	182	1,239	2,411	1,352	231	235	8,929	2,912	1,425	1,041	1,338
Building department personnel benefits	29	110	279	137	62	15	936	266	110	58	105
Recurring depreciation	371	972	4,815	2,792	705	635	10,345	4,081	2,251	1,810	1,724
Maintenance and repairs	234	722	3,708	2,214	561	242	7,671	2,996	1,408	1,136	1,233
Insurance and utilities	421	996	5,056	2,983	959	511	7,829	3,779	2,091	1,776	1,758
Rents paid	1,367	2,377	5,577	6,492	1,760	658	14,261	4,727	2,402	1,742	1,804
Taxes	164	783	4,448	3,529	418	331	8,726	2,677	1,610	1,115	1,136
Number of building employees, December 30:											
Officers		1	9	3	4	1	13	10	9	7	6
Other employees	47	296	674	486	86	66	2,200	1,031	796	483	583
Number of banks, December 30	19	14	447	408	7	26	1,062	413	661	600	340

**Table 118. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS),
BY STATE, 1967—CONTINUED**
(Amounts in thousands of dollars)

Income item	Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota	Mississippi	Missouri	Montana	Nebraska	Nevada
Current operating revenue—total	275,318	62,138	232,591	531,988	951,771	411,248	136,202	508,702	75,558	152,103	51,444
Interest on U. S. Government obligations	46,926	6,072	30,842	47,126	124,408	60,709	18,547	82,472	12,068	21,795	6,437
Interest and dividends on other securities	24,025	5,520	16,598	37,122	87,102	38,054	14,327	49,870	5,910	11,400	4,018
Interest and discount on loans	172,128	42,343	152,545	345,292	641,217	253,800	86,277	323,813	47,901	101,297	33,264
Service charges and fees on loans	2,527	697	5,238	5,346	15,672	3,451	629	3,705	1,044	652	1,370
Service charges on deposit accounts	15,386	3,618	15,970	29,861	34,289	21,225	8,091	18,684	5,069	7,549	3,488
Other charges, commissions, fees, etc.	8,254	746	4,386	21,460	13,485	19,241	5,426	7,348	2,111	4,169	664
Trust department	2,092	2,412	4,622	32,276	25,337	10,610	1,178	12,842	721	2,974	1,304
Other current operating revenue	3,980	730	2,390	13,505	10,261	4,158	1,727	9,968	734	2,267	899
Current operating expenses—total	204,215	48,244	166,732	382,317	785,596	321,538	99,666	369,675	58,571	111,486	40,327
Salaries—officers	22,892	5,446	15,780	40,456	52,191	41,179	14,261	43,198	8,726	20,900	4,694
Salaries and wages—other employees	34,791	9,729	36,318	89,548	125,696	43,652	17,430	59,931	8,046	15,974	7,217
Officer and employee benefits	7,116	1,990	7,137	19,667	26,240	11,423	4,481	11,957	2,523	4,724	1,182
Fees paid to directors and committees	2,498	455	1,239	1,775	3,067	2,670	1,244	3,122	508	1,302	118
Interest on time and savings deposits	76,854	17,267	59,567	117,480	421,872	152,817	34,161	163,140	22,910	40,734	16,228
Interest on borrowed money	2,820	263	2,080	8,646	9,928	3,218	1,476	4,826	750	936	97
Occupancy expense of bank premises—net	12,506	2,960	11,342	26,202	36,123	13,669	4,172	16,950	2,736	5,185	2,863
Furniture and equipment	8,086	1,902	7,227	16,210	19,983	9,380	4,683	12,430	1,917	4,761	1,808
Other current operating expenses	36,652	8,232	26,042	62,333	90,496	43,530	17,758	54,121	10,455	16,970	6,120
Net current operating earnings	71,103	13,894	65,859	149,671	166,175	89,710	36,536	139,027	16,987	40,617	11,117
Recoveries, transfers from valuation reserves, and profits—total	6,314	1,080	3,684	47,742	10,648	3,752	4,323	12,683	1,574	3,532	2,449
On securities:											
Profits on securities sold or redeemed	3,993	685	1,920	4,338	4,300	1,343	857	4,752	377	1,914	1,334
Recoveries	7	2	86	49	16	285	481	100	316	63	.....
Transfers from valuation reserves	731	48	317	12,559	742	272	734	5,415	243	332	928
On loans:											
Recoveries	283	28	87	202	189	474	262	425	312	208	.....
Transfers from valuation reserves	236	96	512	8,725	1,803	402	1,026	1,037	125	576	.....
All other	1,064	221	762	21,869	3,598	976	963	954	201	439	187
Losses, charge-offs, and transfers to valuation reserves—total	23,742	3,060	13,376	41,454	52,580	22,199	13,516	27,879	3,818	9,101	5,191
On securities:											
Losses on securities sold	1,244	375	695	1,051	8,746	2,873	719	2,927	280	606	840
Charge-offs prior to sale	204	16	75	13	103	417	841	333	163	358	.....
Transfers to valuation reserves	2,664	4	1,190	1,663	359	116	1,955	3,157	443	825	393
On loans:											
Losses and charge-offs	671	2	242	97	391	1,101	604	1,077	405	454	.....
Transfers to valuation reserves	14,839	2,105	7,698	25,604	38,290	15,348	7,947	17,966	1,916	5,661	3,456
All other	4,120	558	3,476	13,026	4,691	2,344	1,450	2,419	611	1,197	502
Net income before related taxes	53,675	11,914	56,167	155,959	124,243	71,263	27,343	123,831	14,743	35,048	8,375

Taxes on net income—total	15,708	2,315	20,003	45,254	17,412	21,267	6,709	35,203	4,262	10,141	1,156
Federal.....	15,708	2,315	20,003	34,090	17,412	14,449	6,709	32,646	4,034	10,141	1,156
State.....				11,164		6,818		2,557	228		
Net income after related taxes	37,967	9,599	36,164	110,705	106,831	49,996	20,634	88,628	10,481	24,907	7,219
Dividends and interest on capital—total	14,897	4,337	14,891	39,009	46,439	21,482	8,362	34,956	6,026	9,728	3,665
Cash dividends declared on common stock.....	14,305	4,236	14,349	38,909	43,941	21,295	8,064	33,499	6,026	9,570	3,304
Dividends declared on preferred stock and interest on capital notes and debentures.....	592	81	542	100	2,498	187	298	1,457		158	361
Net additions to capital from income	23,070	5,262	21,273	71,696	60,392	28,514	12,272	53,672	4,455	15,179	3,554
Number of banking employees (exclusive of building employees), December 30:											
Active officers.....	2,006	537	1,450	3,229	4,106	3,838	1,396	4,087	782	2,169	468
Other employees.....	8,399	2,443	8,586	19,309	27,511	10,926	4,471	14,819	1,950	4,265	1,663
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities.....	1	1	3	535	2	6	114	113	4	33	
On loans.....	3,012	498	968	4,256	7,443	2,350	1,158	2,921	1,558	1,874	302
Losses charged to valuation reserves (not included in losses above):											
On securities.....	147	3	12	162	13		790	2,910	4		9
On loans.....	10,684	1,632	3,843	16,814	27,682	5,482	4,317	10,535	1,975	3,680	2,780
Occupancy expense of bank premises											
Occupancy expense of bank premises, net-total	12,506	2,960	11,342	26,202	36,123	13,669	4,172	16,950	2,736	5,185	2,863
Rental and other income.....	2,679	550	1,402	3,752	4,275	5,265	1,981	2,310	672	1,271	704
Occupancy expense of bank premises, gross-total	15,185	3,510	12,744	29,954	40,398	18,934	6,153	19,260	3,408	6,456	3,567
Salaries—building department officers.....	34	5	14	186	208	35	1	81		48	18
Salaries and wages—building department employees.....	1,753	493	691	2,701	5,114	1,496	624	2,474	440	789	311
Building department personnel benefits.....	167	40	119	446	661	89	72	284	43	84	3
Recurring depreciation.....	2,294	637	2,484	4,543	7,818	2,857	918	4,430	724	1,102	766
Maintenance and repairs.....	1,650	341	1,890	3,027	6,328	2,325	1,053	2,751	366	736	320
Insurance and utilities.....	2,672	596	2,243	5,460	6,669	3,673	1,318	3,649	554	1,115	644
Rents paid.....	3,494	914	4,134	8,579	8,271	5,664	827	3,830	507	1,721	1,057
Taxes.....	3,121	484	1,169	5,012	5,329	2,795	1,340	1,761	774	861	448
Number of building employees, December 30:											
Officers.....	5	1	1	46	26	6	2	11		7	2
Other employees.....	536	230	295	745	1,500	701	264	872	187	403	76
Number of banks, December 30.....	225	41	121	154	339	719	188	656	132	433	9

**Table 118. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS),
BY STATE, 1967—CONTINUED**
(Amounts in thousands of dollars)

Income item	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island
Current operating revenue—total	43,882	648,760	65,731	4,009,286	325,087	63,694	974,450	234,568	199,420	1,322,169	86,810
Interest on U. S. Government obligations	4,062	69,647	9,089	337,821	30,614	12,531	147,974	35,746	21,109	146,264	6,503
Interest and dividends on other securities	2,533	72,750	4,383	331,221	34,098	6,960	100,727	19,697	16,378	118,854	8,591
Interest and discount on loans	31,878	429,061	43,251	2,759,938	207,251	36,554	620,639	151,413	131,034	897,420	59,110
Service charges and fees on loans	333	8,238	570	43,667	9,744	430	7,976	1,958	3,560	13,886	705
Service charges on deposit accounts	3,011	34,899	4,984	101,549	16,946	3,102	41,681	14,545	16,596	38,384	3,574
Other charges, commissions, fees, etc.	644	8,466	1,614	54,515	12,098	3,206	12,349	4,356	2,447	14,316	994
Trust department	742	19,489	875	261,768	9,593	437	33,575	3,824	4,562	71,633	6,099
Other current operating revenue	679	6,210	965	118,807	4,743	474	9,529	3,029	3,734	21,412	1,234
Current operating expenses—total	33,510	508,906	51,148	2,929,361	253,729	49,379	724,724	173,552	163,277	993,485	64,181
Salaries—officers	4,049	46,642	7,201	209,121	30,743	7,660	63,957	28,242	19,249	86,922	4,876
Salaries and wages—other employees	5,584	94,984	9,480	540,943	48,435	5,695	118,370	27,273	28,319	165,204	11,201
Officer and employee benefits	1,245	21,833	1,596	141,783	10,912	1,805	24,021	6,464	5,959	43,944	3,762
Fees paid to directors and committees	401	3,530	469	5,946	1,154	591	3,749	1,633	359	6,676	280
Interest on time and savings deposits	13,630	220,261	17,771	1,381,873	101,720	23,640	345,350	67,458	76,797	459,677	31,363
Interest on borrowed money	87	1,671	175	88,553	2,582	88	8,143	1,928	1,111	15,079	552
Occupancy expense of bank premises—net	1,814	30,691	2,878	171,503	13,073	2,135	30,821	9,046	8,581	49,483	3,253
Furniture and equipment	1,207	17,473	2,358	68,047	9,733	1,375	20,759	6,687	5,532	34,134	1,907
Other current operating expenses	5,493	71,921	9,220	321,592	35,377	6,390	109,554	24,821	17,370	132,366	6,987
Net current operating earnings	10,372	139,854	14,583	1,079,925	71,358	14,315	249,726	61,016	36,143	328,684	22,629
Recoveries, transfers from valuation reserves, and profits—total	1,608	13,924	1,545	37,900	7,999	633	20,909	4,196	1,391	16,840	1,153
On securities:											
Profits on securities sold or redeemed	319	4,866	293	13,478	4,154	339	7,885	1,780	744	7,388	815
Recoveries	57	84		371	16	9	122	22	8	60	
Transfers from valuation reserves	499	3,620	25	2,699	1,344		3,299	667		4,067	
On loans:											
Recoveries	54	363	113	499	47	82	332	928	54	409	4
Transfers from valuation reserves	48	1,862	202	3,438	549	30	4,321	146	4	1,583	50
All other	631	3,129	912	17,415	1,889	173	4,950	653	581	3,333	284
Losses, charge-offs, and transfers to valuation reserves—total	2,411	32,035	4,365	240,397	17,171	2,552	57,365	17,385	12,076	79,881	5,386
On securities:											
Losses on securities sold	262	4,640	574	35,590	1,333	502	9,577	596	333	15,533	180
Charge-offs prior to sale	23	89	10	609	61	54	185	94		340	
Transfers to valuation reserves	55	462	77	3,202	924	2	10,318	591		3,078	50
On loans:											
Losses and charge-offs	82	435	161	137	185	184	719	1,770	115	591	
Transfers to valuation reserves	1,733	19,972	2,676	182,381	11,636	1,444	32,125	12,911	7,160	53,157	4,169
All other	256	6,437	867	18,478	3,032	366	4,441	1,423	4,468	7,182	987
Net income before related taxes	9,569	121,743	11,763	877,428	62,186	12,396	213,270	47,827	25,458	265,643	18,396

Taxes on net income—total	2,965	22,406	2,694	264,794	15,411	3,144	56,582	13,670	7,325	65,661	5,099
Federal.....	2,965	22,406	2,694	194,913	13,447	2,806	56,582	12,015	4,862	65,661	4,021
State.....				69,881	1,964	338		1,655	2,463		1,078
Net income after related taxes	6,604	99,337	9,069	612,634	46,775	9,252	156,688	34,157	18,133	199,982	13,297
Dividends and interest on capital—total	2,182	42,743	3,641	345,237	18,084	3,756	61,932	16,094	10,907	104,475	6,607
Cash dividends declared on common stock.....	2,182	40,649	3,551	304,096	16,669	3,756	60,621	15,162	10,854	102,831	6,607
Dividends declared on preferred stock and interest on capital notes and debentures.....		2,094	90	41,141	1,415		1,311	932	53	1,644	
Net additions to capital from income	4,422	56,594	5,428	267,397	28,691	5,496	94,756	18,063	7,226	95,507	6,690
Number of banking employees (exclusive of building employees), December 30:											
Active officers.....	374	3,811	658	13,466	2,907	789	5,305	2,662	1,868	7,670	403
Other employees.....	1,458	21,478	2,300	97,914	12,851	1,596	26,920	6,803	6,343	37,518	2,683
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities.....				617	435		351	8		93	
On loans.....	313	4,558	1,485	25,282	1,152	281	7,424	4,111	856	7,889	546
Losses charged to valuation reserves (not included in losses above):											
On securities.....	9	7	2	2,421	2,138		1,662	24		113	40
On loans.....	999	15,148	4,181	97,937	4,186	1,076	17,994	12,433	3,720	25,265	2,096
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	1,814	30,691	2,878	171,503	13,073	2,135	30,821	9,046	8,581	49,483	3,253
Rental and other income.....	205	3,432	573	32,889	2,199	488	13,702	3,972	351	7,301	1,716
Occupancy expense of bank premises, gross—total	2,109	34,123	3,451	204,392	15,272	2,623	44,523	13,018	8,932	56,784	4,969
Salaries—building department officers.....		44	2	559	41	10	193	37	92	303	49
Salaries and wages—building department employees.....	208	3,356	471	14,534	1,429	293	6,623	1,580	741	8,742	1,117
Building department personnel benefits.....	14	474	57	2,676	150	22	685	158	97	1,268	236
Recurring depreciation.....	362	5,889	672	38,321	2,557	611	7,927	2,570	2,308	10,845	734
Maintenance and repairs.....	200	5,461	381	17,982	1,722	199	6,229	1,349	1,556	6,017	475
Insurance and utilities.....	310	5,204	496	35,716	2,855	608	7,349	2,380	1,580	9,156	605
Rents paid.....	550	7,135	1,003	63,416	5,281	484	12,004	4,031	1,296	13,973	920
Taxes.....	375	6,560	369	31,188	1,237	396	3,513	913	1,262	6,480	833
Number of building employees, December 30:											
Officers.....		5		95	3	6	17	7	7	30	4
Other employees.....	92	913	147	2,949	599	175	2,135	578	205	2,800	305
Number of banks, December 30	73	225	64	303	127	166	530	421	47	512	12

**Table 118. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS),
BY STATE, 1967—CONTINUED**

(Amounts in thousands of dollars)

Income item	South Carolina	South Dakota	Ten- nessee	Texas	Utah	Vermont	Virginia	Wash- ington	West Virginia	Wis- consin	Wyoming
Current operating revenue—total	101,884	71,524	308,858	1,063,855	92,653	39,000	360,327	283,296	116,463	400,300	36,444
Interest on U. S. Government obligations	13,150	13,982	41,927	127,051	8,577	3,988	42,103	27,447	24,547	72,234	6,000
Interest and dividends on other securities	9,274	5,111	27,373	97,316	8,484	2,900	28,686	22,619	9,475	32,899	2,169
Interest and discount on loans	65,115	44,006	208,333	718,324	60,682	28,169	242,599	185,083	71,402	255,088	24,146
Service charges and fees on loans	650	352	4,382	10,855	2,251	476	7,421	5,280	1,505	2,725	409
Service charges on deposit accounts	7,036	3,613	11,529	55,377	6,725	2,035	19,104	23,255	3,509	15,411	2,026
Other charges, commissions, fees, etc.	3,645	3,079	6,666	17,323	3,246	307	7,212	8,293	1,886	7,236	971
Trust department	2,031	636	6,439	22,880	2,108	726	10,025	8,007	2,756	9,434	343
Other current operating revenue											
Current operating expenses—total	983	745	2,209	14,729	580	399	3,177	3,312	1,383	5,273	380
Salaries—officers	71,986	53,277	228,809	792,371	71,548	31,612	277,942	220,394	82,048	316,433	28,275
Salaries and wages—other employees	12,404	9,348	25,217	99,229	7,148	3,261	29,645	23,976	10,405	38,505	4,089
Officer and employee benefits	17,920	7,034	38,527	119,337	10,851	4,777	47,199	47,326	13,457	43,695	3,998
Fees paid to directors and committees	3,860	2,274	8,560	26,633	2,422	987	11,271	9,857	2,897	11,745	870
Interest on time and savings deposits	719	683	1,378	7,799	453	376	2,242	615	1,087	3,326	444
Interest on borrowed money	16,049	22,986	96,098	320,322	34,579	16,247	123,734	87,424	34,384	155,255	12,360
Occupancy expense of bank premises—net	272	111	5,903	17,914	823	34	1,683	1,326	338	787	180
Furniture and equipment	4,135	2,523	11,033	41,822	3,177	1,548	13,651	12,205	3,786	13,587	1,408
Other current operating expenses	3,657	1,673	8,506	28,414	2,769	898	9,091	8,888	2,567	11,426	1,057
	12,970	6,645	33,387	130,901	9,326	3,484	39,426	28,877	13,127	38,607	3,869
Net current operating earnings	29,898	18,247	80,049	271,484	21,105	7,388	82,385	62,902	34,415	83,867	8,169
Recoveries, transfers from valuation reserves, and profits—total	1,141	786	8,114	13,533	1,446	439	6,645	6,948	2,144	5,537	601
On securities:											
Profits on securities sold or redeemed	436	404	6,763	3,792	1,221	196	2,557	2,870	831	2,860	164
Recoveries	2	2	77	127	4	25	302	12	72	3	
Transfers from valuation reserves	15	37	174	907		10	699	172	90	171	50
On loans:											
Recoveries	20	46	241	2,685	26	39	489	74	324	117	135
Transfers from valuation reserves	315	66	122	1,517	27	31	194	2,558	288	651	95
All other	353	231	737	4,505	168	163	2,681	972	599	1,666	154
Losses, charge-offs, and transfers to valuation reserves—total	5,416	2,672	19,190	74,248	4,818	1,970	25,660	16,912	7,034	17,314	1,747
On securities:											
Losses on securities sold	760	347	3,947	3,098	941	440	1,642	1,746	1,237	3,034	90
Charge-offs prior to sale	15	38	688	390	16	19	77	24	46	201	11
Transfers to valuation reserves	303		1,306	5,644			4,357	438	89	145	59
On loans:											
Losses and charge-offs	116	48	475	5,368	66	29	404	178	303	173	257
Transfers to valuation reserves	3,166	1,829	10,368	52,504	3,496	1,293	15,735	12,137	3,989	11,234	1,203
All other	1,056	410	2,406	7,244	299	189	3,445	2,389	1,370	2,527	127
Net income before related taxes	25,623	16,361	68,973	210,769	17,733	5,857	63,370	52,938	29,255	72,090	7,023

Taxes on net income—total	8,948	5,310	18,646	58,211	4,150	1,672	17,080	16,186	9,658	19,447	2,157
Federal.....	8,334	4,776	18,178	58,211	3,659	1,564	17,080	16,186	9,658	14,951	2,157
State.....	614	534	468		491	108				4,496	
Net income after related taxes	16,675	11,051	50,327	152,558	13,583	4,185	46,290	36,752	19,867	52,643	4,866
Dividends and interest on capital—total	7,351	4,347	16,216	71,269	7,065	1,936	23,121	13,743	6,685	20,591	1,956
Cash dividends declared on common stock.....	7,323	4,329	15,242	68,799	6,897	1,867	22,989	13,701	6,675	19,902	1,900
Dividends declared on preferred stock and interest on capital notes and debentures.....	28	18	974	2,470	168	69	132	42	10	689	56
Net additions to capital from income	9,324	6,704	34,111	81,289	6,518	2,249	23,169	23,009	13,182	32,052	2,910
Number of banking employees (exclusive of building employees), December 30:											
Active officers.....	1,203	937	2,607	9,085	713	343	2,899	2,187	1,058	3,474	381
Other employees.....	4,791	1,881	9,840	28,975	2,941	1,280	12,168	10,165	3,389	11,306	974
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities.....	1	1	1	585		6	1,607		46		
On loans.....	352	531	1,760	16,061	408	248	2,335	1,052	729	2,320	522
Losses charged to valuation reserves (not included in losses above):											
On securities.....		2	23	1,070		72	395	50	16	16	
On loans.....	1,316	1,843	6,848	50,911	2,440	672	9,749	4,333	2,001	7,452	1,320
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	4,135	2,523	11,033	41,822	3,177	1,548	13,651	12,205	3,786	13,587	1,408
Rental and other income.....	302	486	3,367	33,230	1,076	175	1,528	1,199	900	2,902	262
Occupancy expense of bank premises, gross—total	4,437	3,009	14,400	75,052	4,253	1,723	15,179	13,404	4,686	16,489	1,670
Salaries—building department officers.....	1	3	56	222	13		13	80	27	79	5
Salaries and wages—building department employees.....	391	354	1,873	7,266	561	234	2,009	965	753	2,057	181
Building department personnel benefits.....	54	35	185	741	38	26	193	167	73	215	12
Recurring depreciation.....	1,039	459	3,453	15,245	864	298	2,732	3,588	1,115	3,124	370
Maintenance and repairs.....	568	273	1,534	9,112	379	175	1,307	2,526	536	1,679	204
Insurance and utilities.....	1,013	661	2,587	13,101	665	268	2,938	2,269	825	2,880	341
Rents paid.....	1,080	650	2,359	13,218	1,231	515	4,801	2,379	740	3,561	157
Taxes.....	291	574	2,353	16,147	502	207	1,186	1,430	616	2,894	400
Number of building employees, December 30:											
Officers.....	1	4	7	23	1		6	14	3	9	2
Other employees.....	203	221	712	2,318	220	118	867	294	341	844	60
Number of banks, December 30	122	165	295	1,139	55	45	250	94	194	596	69

Back figures, 1946-1966: See The Annual Report for 1966, pp. 168-177, and earlier reports.

Table 119. INCOME OF INSURED MUTUAL SAVINGS BANKS, 1959-1967
(Amounts in thousands of dollars)

Income item	1959	1960	1961	1962	1963	1964	1965	1966	1967 ¹
Current operating income—total	1,280,347	1,461,763	1,595,183	1,755,582	1,946,776	2,164,115	2,391,753	2,606,012	2,884,789
Interest on U. S. Government obligations	146,353	152,458	151,931	156,410	153,659	147,751	142,509	130,873	130,873
Interest and dividends on other securities	180,535	199,258	205,751	206,367	203,720	207,164	211,278	226,023	301,218
Interest and discount on real estate mortgage loans—net	921,315	1,070,173	1,194,282	1,342,896	1,534,446	1,738,621	1,950,930	2,141,099	2,326,459
Interest and discount on real estate mortgage loans—gross	991,952	1,104,100	1,231,774	1,383,735	1,580,276	1,790,318	2,009,214	2,203,133	2,391,848
Less: Mortgage servicing fees	29,154	32,343	36,045	35,245	44,174	46,756	56,165	63,998	63,000
Premium amortization	1,483	1,584	1,447	1,536	1,636	1,641	2,119	2,036	1,441
Interest and discount on other loans and discounts—net	12,669	18,407	18,767	22,733	27,576	33,538	41,773	53,172	67,925
Income on real estate other than bank building—net	-1	27	-38	-52	-108	-122	-97	-255	-209
Income on real estate other than bank building—gross	216	397	379	302	296	421	541	513	761
Less: Operating expense	217	370	417	354	404	543	638	768	670
Income on other assets	7,486	7,474	9,081	9,777	9,984	13,121	18,713	18,095	25,248
Income from service operations	11,990	13,966	15,409	17,451	17,499	18,425	21,405	25,369	33,275
Current operating expenses—total	201,402	224,789	241,685	252,963	274,544	290,471	311,755	334,451	353,947
Salaries—officers	32,082	36,608	38,158	40,466	42,792	45,391	48,514	52,085	55,510
Salaries and wages—other employees	64,396	71,295	75,303	79,165	84,514	89,514	93,680	98,421	105,612
Pension, hospitalization and group insurance payments, and other employee benefits	20,006	22,656	24,134	25,419	27,202	28,138	30,080	33,593	34,243
Fees paid to trustees and committee members	3,366	3,731	3,994	4,158	4,404	4,604	4,720	4,855	4,945
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—net	22,695	25,255	27,369	29,269	32,160	34,683	37,219	38,855	42,412
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—gross	32,268	35,120	37,268	39,297	42,583	45,871	49,093	51,388	53,631
Less: Income from bank building	9,573	9,865	9,899	10,028	10,423	11,188	11,874	12,532	13,219
Deposit insurance assessments	11,316	11,707	12,824	12,709	14,035	15,887	16,810	17,712	17,712
Furniture and fixtures (including recurring depreciation)	4,445	4,740	5,438	5,997	7,714	9,182	10,262	11,777	13,799
All other current operating expenses	43,096	48,797	54,465	56,317	63,049	64,924	71,393	78,055	79,714
Net current operating income	1,078,945	1,236,974	1,353,498	1,502,619	1,672,232	1,873,644	2,079,998	2,271,561	2,530,842
Franchise and income taxes—total	11,649	13,637	16,011	17,966	22,587	26,022	29,487	37,480	37,708
State franchise and income taxes	11,172	13,190	15,277	17,502	19,168	21,657	22,048	31,426	33,737
Federal income taxes	477	447	734	464	3,419	4,365	7,439	6,054	3,971
Net current operating income after taxes	1,067,296	1,223,337	1,337,487	1,484,653	1,649,645	1,847,622	2,050,511	2,234,081	2,493,134
Dividends and interest on deposits	897,469	1,073,542	1,147,767	1,334,005	1,481,869	1,653,768	1,809,350	2,087,072	2,395,762
Net current operating income after taxes and dividends	169,827	149,795	189,720	150,648	167,776	193,854	241,161	147,009	97,372
Non-recurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total	91,205	142,009	113,763	105,907	113,085	105,454	75,130	177,612	93,536
Non-recurring income	21,147	31,133	17,567	20,453	28,678	18,048	15,242	20,211	20,377
Realized profits and recoveries on:									
Securities sold or matured	39,498	34,860	54,263	55,751	28,752	36,472	27,375	59,173	47,292
Real estate mortgage loans	192	283	629	739	2,465	1,088	1,266	773	705
Other real estate	646	535	337	462	807	571	719	1,548	2,059
All other assets	2,498	6,576	459	957	871	1,096	1,532	3,429	1,114
Transfers from valuation adjustment provisions ² on:									
Securities	14,270	57,588	10,873	5,460	26,995	22,029	11,817	13,635	7,774
Real estate mortgage loans	12,021	10,480	29,068	21,465	24,342	25,786	16,365	78,458	13,435
Other real estate	17	86	36	66	46	92	121	20	64
All other assets	916	468	531	554	129	272	693	365	716

Non-recurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total	125,876	123,664	116,143	109,192	101,611	88,234	93,036	147,688	94,744
Non-recurring expenses	11,385	16,981	17,692	18,941	17,331	12,991	15,306	10,499	12,458
Realized losses on:									
Securities sold:									
Real estate mortgage loans	66,875	63,846	40,851	31,379	47,629	39,884	48,124	100,585	63,624
Other real estate	330	508	1,252	1,083	1,681	2,023	3,037	7,015	4,891
All other assets	260	210	375	662	656	712	886	1,644	1,850
Transfers to valuation adjustment provisions ² on:									
Securities	440	315	404	424	655	936	927	2,646	1,932
Real estate mortgage loans	30,347	23,352	19,337	30,925	11,548	8,692	6,524	13,015	5,229
Other real estate	16,151	17,679	35,377	25,252	21,534	22,266	17,394	11,590	3,796
All other assets	40	19	111	76	74	57	122	97	127
	1,048	754	744	450	503	673	716	597	837
Net additions to total surplus accounts from operations	134,156	168,140	187,340	147,363	179,250	211,074	223,255	176,933	96,164
Memoranda									
Recoveries credited to valuation adjustment provisions² (not included in recoveries above) on:									
Securities	173	471	278	1,658	3,389	756	341	1,277	2,726
Real estate mortgage loans	99	136	53	48	201	64	85	212	231
Other real estate	2								1
All other assets	37	585	6	35	14	13	24	46	89
Realized losses charged to valuation adjustment provisions² (not included in realized losses above) on:									
Securities	9,339	8,110	7,721	5,830	12,973	6,058	6,564	6,811	2,172
Real estate mortgage loans	197	1,131	720	501	5,136	765	841	1,220	4,040
Other real estate	26	13	5	6	190		118	257	204
All other assets	385	165	218	448	178	258	308	341	1,016
Average assets and liabilities³									
Assets—total	31,248,671	34,339,564	35,916,590	38,152,221	41,180,616	44,609,410	48,466,656	51,399,898	55,173,023
Cash and due from banks	689,698	721,308	757,912	794,362	786,298	768,719	891,727	838,855	953,843
United States Government obligations	5,236,825	5,092,512	4,791,909	4,748,691	4,563,328	4,351,966	4,030,731	3,594,830	3,156,304
Other securities	4,677,222	5,036,291	5,228,022	5,151,555	5,115,637	5,057,794	5,069,343	5,153,130	6,312,183
Real estate mortgage loans	19,937,652	22,628,058	24,255,437	26,435,337	29,538,513	33,121,502	36,991,670	40,095,486	42,794,592
Other loans and discounts	244,010	355,327	353,474	441,994	543,458	588,196	672,117	842,896	1,003,436
Other real estate	7,002	11,555	18,955	19,640	21,114	28,389	27,228	29,263	27,987
All other assets	456,262	494,513	510,881	560,642	612,268	692,844	783,840	845,438	924,678
Liabilities and surplus accounts—total	31,248,671	34,339,564	35,916,590	38,152,221	41,180,616	44,609,410	48,466,656	51,399,898	55,173,023
Total deposits	28,136,390	30,822,839	32,320,488	34,350,820	37,175,285	40,334,274	43,985,749	46,590,719	50,247,915
Savings and time deposits	28,106,989	30,790,599	32,113,129	34,070,511	36,870,906	39,997,217	43,609,062	46,172,242	49,805,468
Demand deposits	30,301	32,240	207,359	280,309	304,379	337,057	376,687	418,477	442,447
Other liabilities	512,192	598,011	506,744	537,630	588,622	660,037	653,614	764,445	730,825
Total surplus accounts	2,600,089	2,918,714	3,089,358	3,263,771	3,416,709	3,615,099	3,827,293	4,044,734	4,194,283
Number of active officers, December 30	2,504	2,885	2,977	3,085	3,170	3,281	3,423	3,602	3,708
Number of other employees, December 30	15,110	16,753	17,290	17,617	18,459	18,958	19,451	19,609	20,367
Number of banks, December 30	268	325	330	331	330	327	329	332	333

¹ Figures for 1967 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.

² Includes "Valuation reserves" and "Other asset valuation provisions (direct write-downs)."

³ For 1959 and 1960, averages of figures reported at beginning, middle, and end of year. For 1961 through 1967, 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.

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS, 1959-1967

Income item	1959	1960	1961	1962	1963	1964	1965	1966	1967
Amounts per \$100 of current operating income									
Current operating income—total	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Interest on U. S. Government obligations	11.43	10.43	9.52	8.91	7.89	7.09	6.18	5.47	4.54
Interest and dividends on other securities	14.10	13.63	12.90	11.76	10.46	9.57	9.83	8.67	10.44
Interest and discount on real estate mortgage loans—net	71.96	73.21	74.87	76.49	78.82	80.34	81.57	82.16	80.65
Interest and discount on other loans and discounts—net	.99	1.25	1.18	1.29	1.42	1.55	1.75	2.04	2.35
Income on other assets	.58	.51	.57	.56	.51	.60	.78	.69	.87
Income from service operations	.94	.96	.96	.99	.90	.85	.89	.97	1.15
Current operating expenses—total	15.73	15.38	15.15	14.41	14.10	13.42	13.03	12.83	12.27
Salaries—officers	2.51	2.50	2.39	2.30	2.20	2.10	2.03	2.00	1.93
Salaries and wages—other employees	5.03	4.88	4.72	4.51	4.34	4.14	3.92	3.78	3.66
Pension, hospitalization and group insurance payments, and other employee benefits	1.56	1.55	1.51	1.45	1.40	1.30	1.26	1.29	1.19
Fees paid to trustees and committee members	.26	.26	.25	.24	.23	.21	.20	.19	.17
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—net	1.77	1.73	1.72	1.67	1.65	1.60	1.55	1.49	1.47
Deposit insurance assessments	.88	.80	.80	.69	.65	.65	.66	.64	.61
Furniture and fixtures (including recurring depreciation)	.35	.32	.34	.34	.39	.42	.43	.45	.48
All other current operating expenses	3.37	3.34	3.42	3.21	3.24	3.00	2.98	2.99	2.76
Net current operating income	84.27	84.62	84.85	85.59	85.90	85.58	86.97	87.17	87.73
Franchise and income taxes—total	.91	.93	1.00	1.02	1.16	1.20	1.24	1.44	1.31
State franchise and income taxes	.87	.90	.96	1.00	.98	1.00	.93	1.21	1.17
Federal income taxes	.04	.03	.04	.02	.18	.20	.31	.23	.14
Net current operating income after taxes	83.36	83.69	83.85	84.57	84.74	85.38	85.73	85.73	86.42
Dividends and interest on deposits	70.10	73.44	71.95	75.99	76.12	76.42	75.65	80.09	83.04
Net current operating income after taxes and dividends	13.26	10.25	11.90	8.58	8.62	8.96	10.08	5.64	3.38
Amounts per \$100 of total assets									
Current operating income—total	4.10	4.26	4.44	4.60	4.73	4.85	4.93	5.07	5.23
Current operating expenses—total	.65	.66	.67	.66	.67	.65	.64	.65	.64
Net current operating income	3.45	3.60	3.77	3.94	4.06	4.20	4.29	4.42	4.39
State franchise and income taxes	.03	.04	.05	.05	.05	.06	.06	.07	.07
Net current operating income after taxes	3.42	3.56	3.72	3.89	4.01	4.14	4.23	4.35	4.52
Dividends and interest on deposits	2.87	3.12	3.19	3.50	3.60	3.71	3.73	4.06	4.34
Net current operating income after taxes and dividends	.55	.44	.53	.39	.41	.43	.50	.29	.18
Non-recurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total	.29	.41	.31	.28	.27	.24	.15	.34	.16
Non-recurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total	.41	.36	.32	.28	.24	.20	.19	.29	.17
Net additions to total surplus accounts from operations	.43	.49	.52	.39	.44	.47	.46	.34	.17
Special ratios									
Interest on U. S. Government obligations per \$100 of U. S. Government obligations	2.79	2.99	3.17	3.29	3.37	3.52	3.67	3.96	4.15
Interest and dividends on other securities per \$100 of other securities	3.86	3.96	3.94	4.01	3.98	4.10	4.17	4.39	4.77
Interest and discount on real estate mortgage loans per \$100 of real estate mortgage loans	4.62	4.73	4.92	5.08	5.19	5.25	5.27	5.34	5.44
Interest and discount on other loans and discounts per \$100 of other loans and discounts	5.19	5.18	5.31	5.14	5.07	5.70	6.22	6.31	6.77
Dividends and interest on deposits per \$100 of savings and time deposits	3.19	3.49	3.57	3.92	4.02	4.13	4.15	4.52	4.81
Net additions to total surplus accounts from operations per \$100 of total surplus accounts	5.16	5.76	6.06	4.52	5.25	5.84	5.83	4.37	2.29
Number of banks, December 30	268	325	330	331	330	327	329	332	333

Table 121. SOURCES AND DISPOSITION OF TOTAL INCOME, INSURED MUTUAL SAVINGS BANKS, 1959-1967
(Amounts in millions of dollars)

Income item	1959	1960	1961	1962	1963	1964	1965	1966	1967
Amount									
Total income	1,372	1,604	1,709	1,861	2,060	2,270	2,467	2,783	2,978
Sources									
Loans.....	934	1,089	1,213	1,366	1,562	1,772	1,993	2,194	2,394
U.S. Government obligations.....	146	153	152	156	154	153	148	143	131
Other securities.....	181	199	206	206	204	207	211	226	301
Other current income.....	19	21	24	27	27	32	40	43	58
Non-recurring income, recoveries, etc.....	91	142	114	106	113	105	75	177	94
Disposition									
Salaries and wages ¹	120	134	142	149	159	168	177	189	200
Dividends and interest on deposits.....	897	1,073	1,148	1,334	1,482	1,654	1,809	2,087	2,396
Other current expenses.....	81	91	100	104	115	122	135	146	154
Non-recurring expenses, losses, etc.....	127	124	116	109	102	88	93	148	95
Income taxes.....	12	14	16	18	23	26	29	37	37
Additions to capital accounts.....	134	168	187	147	179	211	223	177	96
Percentage distribution									
Total income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sources									
Loans.....	68.1	67.9	71.0	73.3	75.8	78.1	80.8	78.8	80.4
U.S. Government obligations.....	10.7	9.5	8.9	8.4	7.5	6.8	6.0	5.1	4.4
Other securities.....	13.2	12.4	12.0	11.1	9.9	9.1	8.6	8.1	10.1
Other current income.....	1.4	1.3	1.4	1.5	1.3	1.4	1.6	1.6	1.9
Non-recurring income, recoveries, etc.....	6.6	8.9	6.7	5.7	5.5	4.6	3.0	6.4	3.2
Disposition									
Salaries and wages ¹	8.7	8.3	8.3	8.0	7.7	7.4	7.2	6.8	6.7
Dividends and interest on deposits.....	65.4	66.9	67.1	71.6	71.9	72.9	73.3	75.0	80.5
Other current expenses.....	5.9	5.7	5.9	5.6	5.6	5.4	5.5	5.2	5.2
Non-recurring expenses, etc.....	9.3	7.7	6.8	5.9	5.0	3.9	3.8	5.3	3.2
Income taxes.....	.9	.9	1.0	1.0	1.1	1.1	1.2	1.3	1.2
Additions to capital accounts.....	9.8	10.5	10.9	7.9	8.7	9.3	9.0	6.4	3.2

¹ Includes pension, hospitalization and other employee benefits and fees paid to trustees and committee members.

Note: Due to rounding differences, components may not add to totals.

Table 122. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES, BY STATE, 1967

(Amounts in thousands of dollars)

Income item	All States and other areas	Connecticut	Indiana	Maine	Maryland	Massachusetts	New Hampshire
Current operating income—total	2,884,789	237,390	5,020	38,367	42,887	93,609	55,776
Interest on U. S. Government obligations	130,873	11,108	1,023	3,857	4,444	11,622	3,975
Interest and dividends on other securities	301,218	28,721	442	5,681	4,607	7,592	5,752
Interest and discount on real estate mortgage loans—net	2,326,459	185,833	3,258	26,785	25,398	71,639	41,296
Interest and discount on real estate mortgage loans—gross	2,391,848	188,424	3,271	27,224	25,502	73,530	41,944
Less: Mortgage servicing fees	63,405	2,518	13	439	101	1,511	626
Premium amortization	1,984	73			3	380	22
Interest and discount on other loans and discounts—net	67,925	8,774	103	1,683	4,880	1,892	3,976
Income on real estate other than bank building—net	-209	11	2	22	8	6	-21
Income on real estate other than bank building—gross	767	87	2	61	10	17	34
Less: Operating expense	976	76		39	2	11	55
Income on other assets	25,248	670	7	13	2,562	475	200
Income from service operations	33,275	2,273	185	326	988	383	598
Current operating expenses—total	353,947	35,950	1,402	5,529	7,649	11,090	8,204
Salaries—officers	55,510	7,263	420	1,147	1,023	1,597	1,918
Salaries and wages—other employees	105,612	9,410	315	1,379	2,494	2,974	1,962
Pension, hospitalization and group insurance payments, and other employee benefits	34,243	3,279	81	332	631	853	626
Fees paid to trustees and committee members	4,945	514	42	169	60	110	241
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—net	42,412	4,237	113	653	870	1,417	678
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—gross	55,631	4,746	150	767	933	1,729	1,233
Less: Income from bank building	13,219	509	37	114	63	312	555
Deposit insurance assessments	17,712	1,410	32	244	264	875	329
Furniture and fixtures (including recurring depreciation)	13,799	1,650	36	223	90	731	201
All other current operating expenses	79,714	8,187	363	1,382	2,217	2,533	2,249
Net current operating income	2,530,842	201,440	3,618	32,838	35,238	82,519	47,572
Franchise and income taxes—total	37,708	6,753	106	121	635	1,467	492
State franchise and income taxes	33,737	6,515		7	216	1,326	380
Federal income taxes	3,971	238	106	114	419	141	112
Net current operating income after taxes	2,493,134	194,687	3,512	32,717	34,603	81,052	47,080
Dividends and interest on deposits	2,395,762	176,115	2,917	28,795	32,121	81,925	42,712
Net current operating income after taxes and dividends	97,372	18,572	595	3,922	2,482	-873	4,368

Non-recurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total	93,536	8,696	15	1,386	2,973	983	2,549
Non-recurring income	20,377	1,175	1	89	57	81	204
Realized profits and recoveries on:							
Securities sold or matured:							
Real estate mortgage loans	47,292	5,235	4	1,180	28	634	1,515
Other real estate	705	83	4	18	37	30	12
All other assets	2,059	181		27		1	16
Transfers from valuation adjustment provisions on:							
Securities	1,114	173		6		149	173
Real estate mortgage loans	7,774	1,452		66	52	39	201
Other real estate	13,435	193	6		2,455		428
All other assets	64						
	716	204			344	49	
Non-recurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total	94,744	8,851	423	1,985	535	3,248	1,892
Non-recurring expenses	12,458	1,290	3	253	114	217	219
Realized losses on:							
Securities sold:							
Real estate mortgage loans	63,624	4,341	97	1,124	245	2,777	978
Other real estate	4,891	891		37	18	93	7
All other assets	1,850	53		52		25	62
Transfers to valuation adjustment provisions on:							
Securities	1,932	664	13	43		81	107
Real estate mortgage loans	5,229	1,102	214	238		19	1
Other real estate	3,796	122	96	189	30		403
All other assets	127	62		45			
	837	326		4	128	36	115
Net additions to total surplus accounts from operations	96,164	18,417	187	3,323	4,920	-3,138	5,025
Memoranda							
Recoveries credited to valuation adjustment provisions (not included in recoveries above) on:							
Securities	2,726	11			52		
Real estate mortgage loans	231						5
Other real estate	1						
All other assets	89				21		50
Realized losses charged to valuation adjustment provisions (not included in realized losses above) on:							
Securities	2,172	72		2	4	1	
Real estate mortgage loans	4,040	1	5		3		66
Other real estate	204						
All other assets	1,016	4			85		856
Number of banks, December 30	333	70	4	30	6	8	32

Table 122. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES, BY STATE, 1967—CONTINUED

(Amounts in thousands of dollars)

Income item	New Jersey	New York	Pennsylvania	Rhode Island	Vermont	Washington	Wisconsin	Other States or areas ¹
Current operating income—total	125,069	1,946,109	175,976	51,883	12,453	48,335	1,794	50,121
Interest on U. S. Government obligations	10,294	67,413	8,884	2,426	896	2,915	189	1,827
Interest and dividends on other securities	15,444	179,960	32,737	6,907	224	5,051	126	7,974
Interest and discount on real estate mortgage loans—net	96,268	1,616,020	130,722	39,667	10,396	39,280	1,360	38,537
Interest and discount on real estate mortgage loans—gross	98,588	1,663,382	137,555	41,318	10,485	39,551	1,379	39,695
Less: Mortgage servicing fees	1,830	46,394	6,797	1,649	89	271	19	1,148
Premium amortization	490	968	36	2				10
Interest and discount on other loans and discounts—net	916	39,713	1,440	2,430	786	466	49	817
Income on real estate other than bank building—net	-17	-184	6	-55	4	16		-7
Income on real estate other than bank building—gross	21	407	8	87	5	16		12
Less: Operating expense	38	591	2	142	1			19
Income on other assets	235	19,331	1,124	40	90	224	6	271
Income from service operations	1,929	23,856	1,063	468	57	383	64	702
Current operating expenses—total	19,098	216,196	23,516	8,485	1,883	6,772	415	7,758
Salaries—officers	3,263	30,739	2,895	1,778	516	1,425	112	1,414
Salaries and wages—other employees	5,526	66,908	7,831	2,058	441	2,148	95	2,071
Pension, hospitalization and group insurance payments, and other employee benefits	1,918	22,043	2,170	904	126	714	19	547
Fees paid to trustees and committee members	403	2,978	60	130	58	70	9	101
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—net	2,103	27,745	2,101	885	145	602	54	809
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—gross	2,244	35,936	4,360	1,197	191	860	56	1,229
Less: Income from bank building	141	8,191	2,259	312	46	258	2	420
Deposit insurance assessments	793	11,697	1,091	320	77	266	11	303
Furniture and fixtures (including recurring depreciation)	963	7,970	1,079	304	75	202	21	254
All other current operating expenses	4,129	46,116	6,289	2,106	445	1,345	94	2,259
Net current operating income	105,971	1,729,913	152,460	43,398	10,570	41,563	1,379	42,363
Franchise and income taxes—total	621	24,468	471	1,585	113	703	2	171
State franchise and income taxes		23,196	431	1,541	1		2	122
Federal income taxes	621	1,272	40	44	112	703		49
Net current operating income after taxes	105,350	1,705,445	151,989	41,813	10,457	40,860	1,377	42,192
Dividends and interest on deposits	98,948	1,666,840	140,135	38,387	9,514	36,690	1,230	39,424
Net current operating income after taxes and dividends	6,402	38,605	11,854	3,426	943	4,161	147	2,768

Non-recurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total	2,684	67,583	1,789	3,415	122	254	20	1,067
Non-recurring income	911	14,947	239	2,102	25	55	15	456
Realized profits and recoveries on:								
Securities sold or matured	1,574	34,488	786	1,130	83	107	2	526
Real estate mortgage loans	47	290	8	48	7	44	3	74
Other real estate	88	1,734	4		6	2		
All other assets	64	318	177	1	1	41		11
Transfers from valuation adjustment provisions on:								
Securities		5,390	569			5		
Real estate mortgage loans		10,219		134				
Other real estate		58	6					
All other assets		119						
Non-recurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total	1,533	68,096	5,835	1,092	72	241	41	900
Non-recurring expenses	395	9,442	136	175	27	153	3	31
Realized losses on:								
Securities sold	776	47,643	5,129	266	19	41	37	151
Real estate mortgage loans	44	3,708	30	4	16	15	1	27
Other real estate	7	1,046	47	551	3	3		1
All other assets	35	878	1	82	4	1		23
Transfers to valuation adjustment provisions on:								
Securities	50	2,613	463		1	28		500
Real estate mortgage loans	226	2,571						159
Other real estate		16	4					8
All other assets		179	25	14	2			8
Net additions to total surplus accounts from operations	7,553	38,092	7,808	5,749	993	4,174	126	2,935
Memoranda								
Recoveries credited to valuation adjustment provisions (not included in recoveries above) on:								
Securities		23		2,382				258
Real estate mortgage loans	1	222		3				
Other real estate			1					
All other assets		12		1				5
Realized losses charged to valuation adjustment provisions (not included in realized losses above) on:								
Securities	1	78	112	1,873	1	28		
Real estate mortgage loans	31	3,906		12				16
Other real estate		200						4
All other assets		50		10				11
Number of banks, December 30	21	125	7	7	6	5	3	9

¹ Other States or areas include Alaska, Delaware, Minnesota, Ohio, Oregon, Puerto Rico, and Virgin Islands.

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES;
DEPOSIT INSURANCE DISBURSEMENTS

- Table 123. Number and deposits of banks closed because of financial difficulties, 1934-1967
- Table 124. Insured banks requiring disbursements by the Federal Deposit Insurance Corporation during 1967
- Table 125. Depositors, deposits, and disbursements in insured banks requiring disbursements by the Federal Deposit Insurance Corporation, 1934-1967
Banks grouped by class of bank, year of deposit payoff or deposit assumption, amount of deposits, and State
- Table 126. Recoveries and losses by the Federal Deposit Insurance Corporation on principal disbursements for protection of depositors, 1934-1967

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 1967.

For detailed data regarding noninsured banks which suspended in the years 1934-1962, see the Annual Report for 1963, pp. 27-41. For 1963-1966, see Table 123 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, 1967.

Table 123. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934-1967

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	606	131	475	8	467	908,029	61,973	846,056	41,147	804,909
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

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 noninsured bank placed in receivership in 1934, with no deposits at time of closing, is omitted (see Table 22, note 9). Deposits are unavailable for 7 banks.

² For information regarding these cases, see Table 23 of the Annual Report for 1963.

³ For information regarding each bank, see the Annual Report for 1958, pp. 48-83 and pp. 98-127, and tables regarding deposit insurance disbursements in subsequent annual reports. Deposits are adjusted as of December 31, 1967, and exclude deposits for three cases requiring disbursements by the Corporation; 1 bank in voluntary liquidation in 1937 (payoff case no. 90); 1 noninsured bank in 1938 with insured deposits at date of suspension, its insurance status having been terminated prior to suspension (payoff case no. 162); and 1 foreign-owned bank closed in 1941 by order of the Federal Government (payoff case no. 234).

Table 124. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1967

Case number	Name and location		Class of bank	Number of depositors ¹	Date of closing	First payment to depositors or disbursement by FDIC	Disbursement ²	Receiver or liquidating agent				
Deposit payoff 280	Bank of Pine Apple, Pine Apple, Alabama		SM	1,265	January 31, 1967	February 6, 1967	\$2,304,479	Federal Deposit Insurance Corporation				
281	Southern Bank of St. Petersburg, St. Petersburg, Florida		NM	1,277	February 17, 1967	February 21, 1967	1,902,958	Federal Deposit Insurance Corporation				
282	Sacul State Bank, Sacul, Texas		NM	617	June 23, 1967	June 30, 1967	582,953	Federal Deposit Insurance Corporation				
283	The Cedar Vale National Bank, Cedar Vale, Kansas		N	1,570	July 7, 1967	July 13, 1967	3,073,810	Federal Deposit Insurance Corporation				
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 280	365,709	987,920	37,491	2,878,325	1		19,741	4,289,187	3,884,599	150,000	254,588	
281	183,577	1,368,467		912,626	414,675		4,380	2,883,725	2,451,411	500,000	-67,686	
282	141,455	113,622	30,000	462,813	5,416		8,665	761,971	723,985	25,000	12,986	
283	560,282	580,812	6,000	2,849,111	37,200	23,126	1,720	4,058,251	3,818,263	50,000	189,988	

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, 1967, plus additional disbursements estimated to be required in these cases.

Table 125. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1967
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)				
	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Principal disbursements			Advances and expenses ²	
										Total	Payoff cases ³	Assumption cases ⁴	Payoff cases ⁵	Assumption cases ⁶
All banks	470	280	190	1,632,597	501,998	1,130,599	816,244	245,996	570,248	376,843	163,955	212,888	3,005	48,126
Class of bank														
National banks	85	30	55	332,675	84,215	248,460	184,000	80,597	103,403	78,716	38,407	40,309	820	6,395
State banks members														
F.R.S.	25	9	16	373,810	88,204	285,606	194,421	33,303	161,119	105,888	25,617	80,271	196	19,273
Banks not members F.R.S.	360	241	119	926,112	329,579	596,533	437,823	132,097	305,726	192,239	99,931	92,308	1,989	22,458
Year⁷														
1934	9	9		15,767	15,767		1,968	1,968		941	941			43
1935	25	24	1	44,655	32,331	12,234	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	12,728	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	5,888	1,672	53	72
1944	2	1		5,487	899	4,588	1,915	456	1,459	1,503	500	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		365
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		17,790	8,080	9,710	11,953	6,503	5,450	6,784	4,438	2,346	106	665
1956	2	1	1	15,197	5,465	9,732	11,329	4,702	6,628	3,333	2,795	536	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	19,242		19,242		274
1964	7	7		19,934	19,934		23,438		23,438	13,770		13,770		570
1965	5	3	2	15,817	14,369	1,454	13,861	42,889	972	11,036	11,036	473	486	108
1966	7	1	6	95,424	1,012	94,412	103,528	774	102,749	15,075	735	14,340	188	495
1967	4	4		4,729	4,729		10,878		10,878	8,272		8,272		134
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	72	37	24	91,218	57,287	33,931	21,881	12,921	8,961	14,993	10,550	4,443	163	611
\$500,000 to \$1,000,000	61	35	37	161,923	74,870	87,053	55,972	27,935	28,037	36,675	20,957	15,718	383	2,288
\$1,000,000 to \$2,000,000	52	17	35	211,161	66,768	144,393	74,044	22,210	51,834	41,103	17,085	24,018	353	3,545
\$2,000,000 to \$5,000,000	41	14	27	257,640	73,531	184,109	128,929	46,744	82,185	69,111	32,454	36,657	479	5,733
\$5,000,000 to \$10,000,000	16	4	12	222,948	32,665	190,283	105,189	27,715	77,474	44,112	17,828	26,284	434	5,491
\$10,000,000 to \$25,000,000	6	3	3	198,137	89,189	108,948	113,498	49,429	64,068	59,514	39,444	20,070	309	5,404
\$25,000,000 to \$50,000,000	5	1	4	284,809	12,481	272,328	199,594	40,176	159,418	83,427	9,774	73,653	422	24,723
\$50,000,000 to \$100,000,000	1		1	83,044		83,044	92,960		92,960	10,000		10,000		82

State																			
Alabama	4	2	2	9,170	2,059	7,111	6,170	3,985	2,185	1,089	94	995	46	91					
Arkansas	7	6	1	5,446	4,541	905	2,538	1,942	596	4,335	4,191	144	40	48					
California	4	3	1	21,059	17,890	3,169	47,298	46,220	1,078	13,881	13,020	861	517	138					
Colorado	3	2	1	2,094	1,382	712	2,987	2,262	725	1,410	938	472	39	61					
Connecticut	2	2		5,379	5,379		1,526	1,526		1,242	1,242		8						
Florida	4	2	2	5,991	1,725	4,266	5,908	2,668	3,240	3,459	2,145	1,314	45	151					
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	29					
Illinois	20	8	12	79,721	41,802	37,919	50,765	25,081	25,684	28,466	20,484	7,982	303	791					
Indiana	20	15	5	30,006	12,549	17,457	13,593	3,932	9,662	6,197	3,096	3,101	39	384					
Iowa	7	4	3	16,055	4,066	11,989	9,401	4,383	5,018	3,875	2,804	1,071	46	113					
Kansas	10	6	4	6,715	3,824	2,891	5,052	4,357	694	4,093	3,601	492	33	72					
Kentucky	23	18	5	36,139	18,490	17,649	8,888	3,953	4,934	5,455	3,329	2,126	44	201					
Louisiana	3	3		6,087	6,087		1,652	1,652		668	668		10						
Maine	1		1	9,710		9,710	5,450		5,450	2,346		2,346		665					
Maryland	5	2	3	22,567	6,643	15,924	4,566	828	3,738	3,109	735	2,374	9	371					
Massachusetts	2	2	2	9,046		9,046	3,019		3,019	1,564		1,564		1,030					
Michigan	10	4	6	115,963	2,084	113,779	107,727	1,394	106,332	17,461	1,311	16,150	206	760					
Minnesota	5	5		2,650	2,650		818	818		640	640		17						
Mississippi	3	3		1,651	1,651		334	334		257	257		5						
Missouri	49	36	13	41,277	29,478	11,799	11,107	7,240	3,867	7,678	6,011	1,667	99	233					
Montana	5	3	2	1,500	849	651	1,095	215	880	639	186	453	6	21					
Nebraska	6	6		5,069	6,069		8,145	8,145		5,008	5,008		46						
New Hampshire			1	1,780		1,780	296		296	117		117		8					
New Jersey	39	12	27	522,563	103,797	418,766	194,630	33,128	161,502	82,125	26,468	55,657	161	20,154					
New York	26	3	23	269,621	28,440	241,181	145,439	13,286	132,153	67,872	10,836	57,036	32	10,847					
North Carolina	7	2	5	10,408	3,677	6,731	3,266	1,421	1,845	2,387	1,156	1,231	23	179					
North Dakota	29	18	11	14,103	6,760	7,343	3,830	1,552	2,278	2,656	1,397	1,259	24	203					
Ohio	4	2	2	13,751	7,585	6,166	7,223	2,345	4,877	2,098	1,610	488	7	44					
Oklahoma	11	8	3	25,070	20,149	4,921	13,765	11,053	2,712	9,247	7,936	1,311	178	104					
Oregon	2	1	1	3,439	1,230	2,209	2,670	1,368	1,302	1,948	986	962	11	81					
Pennsylvania	29	8	21	166,894	43,828	123,066	75,756	14,340	61,416	51,292	10,133	41,159	75	9,524					
South Carolina	2	1	1	1,848	403	1,445	849	136	714	274	136	138		10					
South Dakota	23	22	1	12,515	11,412	1,103	2,987	2,862	126	2,411	2,388	23	26	9					
Tennessee	12	8	4	12,358	9,993	2,365	1,942	1,620	322	1,278	1,164	114	28	25					
Texas	32	26	6	42,784	35,848	6,936	25,108	19,185	5,922	15,637	13,241	2,396	446	292					
Vermont	3	2	1	11,057	8,587	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	8,285	3,889	4,396	286	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	423					
Wyoming	1		1	3,212		3,212	2,033		2,033	202		202		19					

¹ Adjusted to December 31, 1967. In assumption cases, number of depositors refers to number of deposit accounts.
² Excludes \$344 thousand of non-recoverable insurance expenses in cases which were resolved without payment of claims or a disbursement to facilitate assumption of deposits by another insured bank, and other expenses of field liquidation employees not chargeable to liquidation activities.
³ Includes estimated additional disbursements in active cases.
⁴ Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
⁵ These disbursements are not recoverable by the Corporation; they consist almost wholly of field payoff expenses.
⁶ Includes advances to protect assets and liquidation expenses of \$47,725 thousand, all of which have been fully recovered by the Corporation, and \$399 thousand of non-recoverable expenses.
⁷ No case in 1962 required disbursements. Disbursement totals for each year relate to cases occurring during that year, including disbursements made in subsequent years.
Note: Due to rounding differences, components may not add to totals.

Table 126. RECOVERIES AND LOSSES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON PRINCIPAL DISBURSEMENTS FOR PROTECTION OF DEPOSITORS, 1934-1967

(Amounts in thousands of dollars)

Liquidation status and year of deposit payoff or deposit assumption	All cases					Deposit payoff cases					Deposit assumption cases				
	Number of banks	Principal disbursements	Recoveries to Dec. 31, 1967	Estimated additional recoveries	Losses ¹	Number of banks	Principal disbursements ²	Recoveries to Dec. 31, 1967	Estimated additional recoveries	Losses ¹	Number of banks	Principal disbursements ³	Recoveries to Dec. 31, 1967	Estimated additional recoveries	Losses ¹
Total	470	376,841	309,028	17,983	49,829	280	163,954	121,794	11,635	30,525	190	212,887	187,237	6,346	19,304
Status															
Active	36	121,125	79,482	17,983	23,659	21	60,188	33,319	11,635	15,232	15	60,937	46,163	6,347	8,427
Terminated	434	255,716	229,546		26,170	259	103,765	88,472		15,293	175	151,951	141,074		10,877
Year⁴															
1934	9	941	734		207	9	941	734		207					
1935	25	8,891	6,196	5	2,689	24	6,026	4,274		1,751	1	2,865	1,922	5	938
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	70,246	120	3,767	19	4,895	4,313		582	24	69,239	65,933	120	3,185
1941	15	23,880	23,290		591	8	12,278	12,065		213	7	11,602	11,225		378
1942	20	10,825	10,136		688	6	1,612	1,320		292	14	9,213	8,816		396
1943	5	7,172	7,048		123	4	5,500	5,376		123	1	1,672	1,672		
1944	2	1,503	1,462		40	1	404	363		40	1	1,099	1,099		
1945	1	1,768	1,768								1	1,768	1,768		
1946	1	265	265								1	265	265		
1947	5	1,724	1,634	19	72						5	1,724	1,634	19	72
1948	3	2,990	2,349		641						3	2,990	2,349		641
1949	4	2,552	2,183		369						4	2,552	2,183		369
1950	4	3,986	2,601		1,385						4	3,986	2,601		1,385
1951	2	1,885	1,792	91	3						2	1,885	1,792	91	3
1952	3	1,369	577		792						3	1,369	577		792
1953	2	5,017	5,017								2	5,017	5,017		
1954	2	913	654		258						2	913	654		258
1955	5	6,784	6,554		230	4	4,438	4,208		230	1	2,346	2,346		
1956	2	3,333	3,038	55	240	1	2,795	2,500	55	240	1	538	538		
1957	1	1,031	1,031			1	1,031	1,031							
1958	4	3,026	2,998		28	3	2,796	2,768		28	1	230	230		
1959	3	1,835	1,738		97	3	1,835	1,738		97					
1960	1	4,765	4,765			1	4,765	4,765							
1961	5	6,200	4,652	41	1,508	5	6,200	4,652	41	1,508					
1963	2	19,242	15,775	1,522	1,945	2	19,242	15,775	1,522	1,945					
1964	7	13,767	10,129	1,441	2,197	7	13,767	10,129	1,441	2,197					
1965	5	11,506	657	3,664	7,185	3	11,033	357	3,661	7,015	2	473	300	3	170
1966	7	15,075	2,741	6,213	6,121	1	735	611	104	20	6	14,340	2,130	6,109	6,101
1967	4	8,272	389	4,812	3,070	4	8,272	389	4,812	3,070					

¹ Includes estimated losses in active cases. Not adjusted for interest or allowable return, which was collected in some cases in which the disbursement was fully recovered.

² Includes estimated additional disbursements in active cases.

³ Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.

⁴ No case in 1962 required disbursements.

Note: Due to rounding differences, components may not add to totals.

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