# ANNUAL REPORT OF THE
# FEDERAL DEPOSIT INSURANCE CORPORATION
# 1969

## LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D. C., March 9, 1970

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 1969.

Respectfully yours,

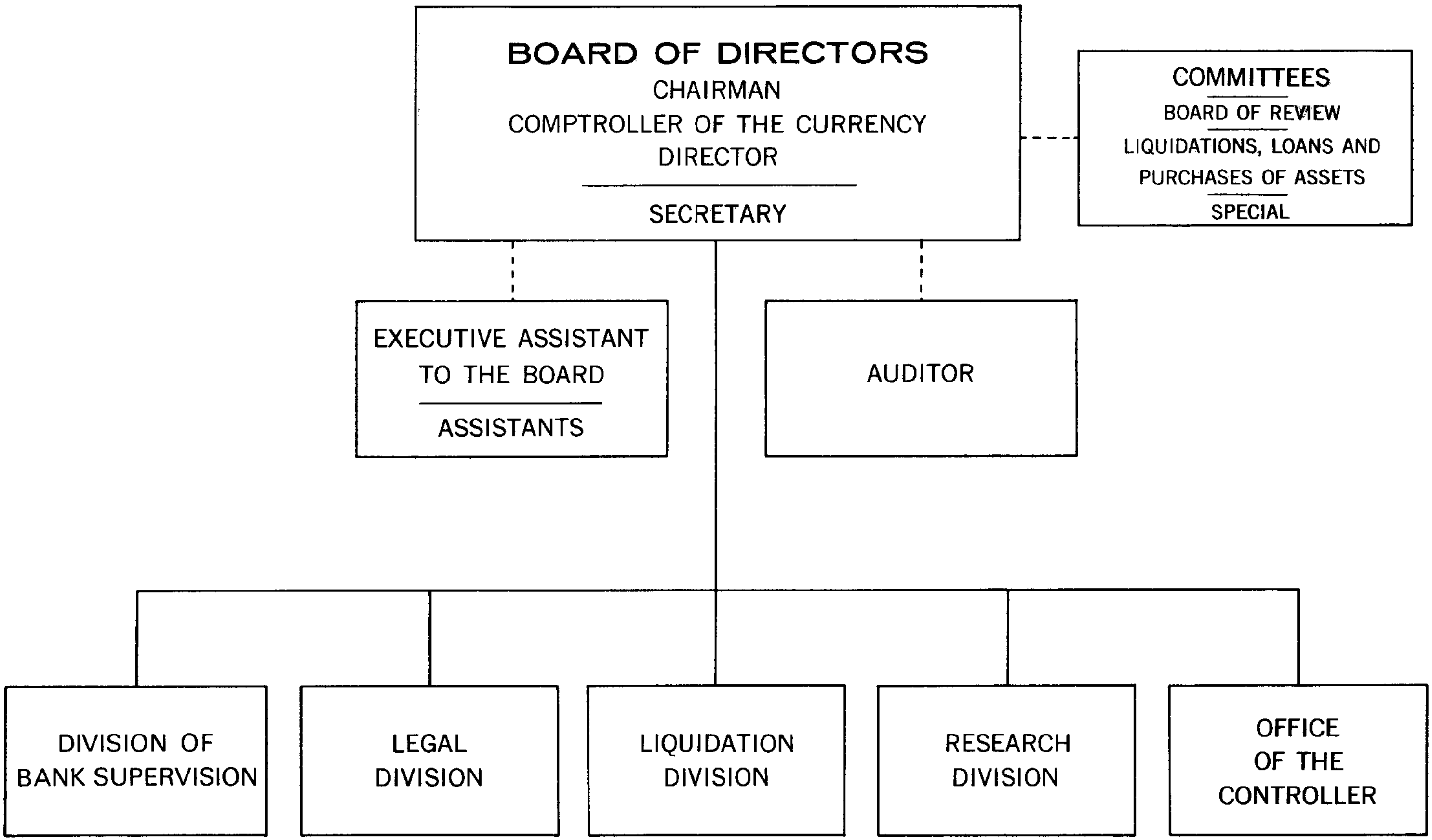
K. A. Randall

K. A. RANDALL,
Chairman

THE PRESIDENT OF THE SENATE

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

# FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

## BOARD OF DIRECTORS

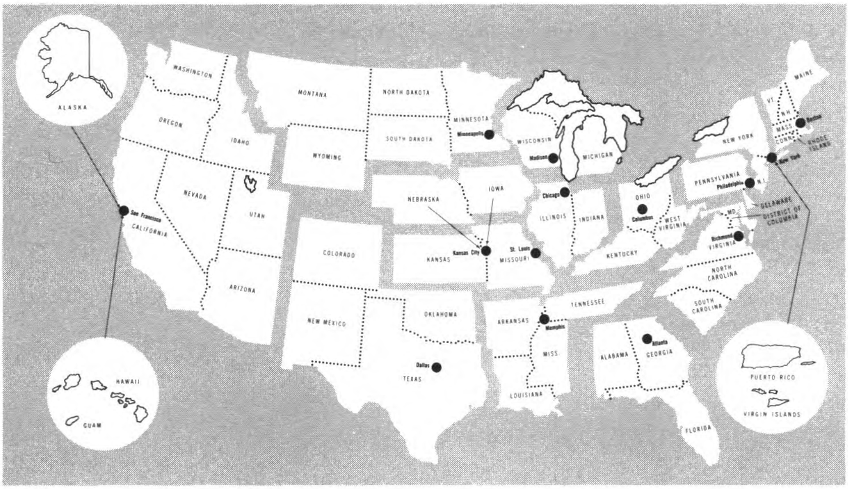
| | |
|---|---|
| *Chairman* | K. A. Randall |
| *Director* | Irvine H. Sprague |
| *Comptroller of the Currency* | William B. Camp |

## OFFICIALS

| | |
|---|---|
| *Assistant to the Chairman* | John L. Flannery |
| *Special Assistant to the Chairman* | Lynn Mah |
| *Special Assistant to the Chairman for Mutual Savings Banks* | Raymond T. Cahill |
| *Assistant to the Director* | Alan R. Miller |
| *Special Assistant to the Director* | John F. Burby |
| *Assistant to the Director (Comptroller of the Currency)* | Albert J. Faulstich |
| *Director, Division of Bank Supervision* | John L. Flannery |
| *Associate Director, Division of Bank Supervision* | Edward J. Roddy |
| *General Counsel* | Leslie H. Fisher |
| *Controller* | Edward F. Phelps, Jr. |
| *Director, Division of Research* | Paul M. Horvitz |
| *Chief, Division of Liquidation* | John J. Slocum |
| *Secretary* | E. F. Downey |
| *Auditor (Acting)* | John D. Roderick |
| *Senior Advisor to the Board* | Raymond E. Hengren |
| *Executive Assistant to the Board* | Timothy J. Reardon, Jr. |
| *Assistant to the Board* | William M. Moroney |
| *Special Assistant to the Board* | Edward H. DeHority |

March 9, 1970

# FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS

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**FEDERAL DEPOSIT INSURANCE CORPORATION**

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

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# BANKING DEVELOPMENTS
# PART ONE

Banks operated in an environment in 1969 that was dominated by upward pressure on prices, wages, and interest rates. While the economy continued to operate at virtually full employment, practically no growth in real output occurred. Most of the dollar increase in gross national product was accounted for by a more than 5 percent rise in prices.

Strong credit demands from the private sector and very restrictive monetary policy combined to produce extremely tight conditions in financial markets. As a result, interest rates, which were relatively high at the beginning of 1969, rose throughout the year and reached the highest levels of the century. Average yields on corporate and municipal securities increased by more than 2 percentage points in 1969. The commercial bank prime rate was raised three times during the first half of 1969, reaching 8½ percent in June, where it remained throughout the year.

## BANK PERFORMANCE IN 1969

**Balance sheet changes.** Money market rates moved up sharply throughout the year while interest ceilings on time and savings deposits remained unchanged. As a result, the relative attractiveness of bank time deposits diminished significantly and some banks experienced substantial outflows of these deposits. The amount of large denomination negotiable certificates of deposit at weekly reporting banks declined by approximately $12 billion in 1969 as the spread between the prevailing 6¼ percent ceiling on large denomination CD's and comparable money market instruments approached 2 percentage points by the latter part of 1969.

Gains in consumer CD's were modest compared with the increases experienced in recent years; as a result, total time deposits of insured commercial banks declined by almost $10 billion.

Total demand deposits increased by about $11 billion, enabling insured commercial banks to post a slight deposit increase for the year. Total assets increased by about 5 percent in 1969, to a year-end level of $531 billion (the amount of the increase is overstated somewhat by changes in reporting requirements; see notes to tables in Part 4). A considerable portion of the increase in bank resources was financed by borrowing through Federal funds, Eurodollars, and other sources. This was most pronounced among larger banks seeking to replace funds lost through the attrition of large denomination CD's.

Loans at insured commercial banks increased by about $25 billion (more than 9 percent). This loan increase occurred although changes in the deposit mix plus increased reserve requirements on demand deposits had the effect of reducing considerably the volume of funds available for acquiring earning assets. In addition to increased borrowing, banks financed a substantial portion of their loan acquisitions in 1969 through reducing investments by almost $10 billion.

Most major loan categories contributed to the 1969 loan increase. Testimony to the proliferation of bank credit cards and the growth in their use was a $1.6 billion (76 percent) increase in credit card and check credit loans outstanding in 1969.

**Bank earnings.** Total operating income of insured commercial banks increased by 21 percent in 1969, reflecting a moderate growth in earning assets and a significant rise in the average rate of return on assets. The ratio of operating income to average assets of banks rose to 5.97 percent, an increase of approximately 59 basis points over the comparable ratio for 1968. Loan income grew by about 26 percent as the average rate of return on loans increased to 7.60 percent.

The 1969 income report for insured commercial banks was substantially revised; as a result, figures on expenses and net income are not precisely comparable to those of previous years. In prior years, provision for loan losses was not treated as an operating expense. If data were adjusted to account for this, the year-to-year increase in operating expenses would amount to about 20 percent, a figure approximately in line with the one for operating income.

Despite the reduction in outstanding time deposits, the interest cost on time and savings deposits rose by 12.7 percent. The interest cost of borrowed funds grew by more than $1 billion, or more than 200 percent, bringing the increase in interest cost for both categories to over 24 percent.

Net current operating earnings of insured commercial banks were $4,565 million in 1969. This figure reflects taxes on operating earnings, calculated before "below the line" charges against earnings from such items as security losses, extraordinary income or expenses, and excess of transfers to bad-debt reserves in excess of the item carried under operating expenses. No comparable figures for previous years exist for after-tax current operating earnings, but if 1968 figures were adjusted accordingly, the year-to-year gain would be approximately in line with the percentage increase in total operating income.

Banks experienced net security losses of $512 million (before tax credits) in 1969, slightly in excess of losses realized in 1968 but modest compared with the unrealized decline in bank investment values resulting from the substantial increase in interest rates in 1969.

Net income of insured commercial banks was $4,334 million in 1969, approximately 0.84 percent of average outstanding assets and 11.34 percent of average capital accounts. While the figure for net income is not fully comparable to the statistics reported for previous years, it is relatively close, and the ratios for 1969 compare favorably with figures for the previous decade. Dividend payments, about 40 percent of net income, were up 18 percent from 1968.

In summary, the combination of high and rising interest rates, along with restrictions on the ability of banks to compete for deposits, placed banks in a very tight liquidity position in 1969 and reduced considerably the market value of bank security portfolios. The same forces enabled banks to increase substantially their rate of return on assets and capital accounts.

**Mutual savings banks.** The same economic and policy variables affected mutual savings banks in 1969; therefore, their deposits increased by only $2.6 billion, 4 percent. This was well below deposit gains experienced during each of the two previous years, and it was the first time in recent history that the net deposit increase at savings banks was less than total interest payments on deposits.

Current operating income of FDIC-insured savings banks increased by more than 10 percent, reflecting the investment of new funds and internally generated cash in substantially higher-yielding assets. As a consequence, the gross yield of FDIC-insured savings banks on average outstanding assets increased by about 24 basis points, from 5.42 percent in 1968 to 5.66 percent in 1969. The increase in interest payments on deposits was more modest, as the rate paid on average outstanding time and savings deposits increased from about 4.83 percent to 4.90 percent. Thus, net current operating income after taxes and dividends increased by more than 40 percent, and net rate of return on average outstanding assets increased from about 0.32 percent, in 1968, to approximately 0.42 percent, in 1969.

FDIC-insured mutual savings banks realized significantly higher losses on sales of securities and mortgages in 1969. As a result of these below-the-line transactions, the net addition to surplus from operations was somewhat less in 1969 than it was in 1968. The total surplus accounts of all savings banks increased by about 4.8 percent in 1969, slightly more than the rise in total assets.

**Number of banks and branches.** On December 31, 1969, a total of 14,178 banks—including 13,681 commercial and 497 mutual savings—were operating in the United States. There were 17 fewer commercial banks and 4 fewer mutual savings banks than at the end of 1968. The overall figure for branches of all banks rose during the year, by 1,273, of which 1,196 were branches of commercial banks. The total number of banking offices—35,582 on December 31, 1969—was 1,252 more than at year-end 1968.

The number of insured commercial banks declined by 15 during the year, as decreases of 47 national banks and 60 State member banks more than offset an addition of 92 insured nonmember banks. During the year, 18 noninsured banks converted to insured status, with 16 becoming nonmember insured banks and two becoming State member banks. Changes in number of banks and branches during 1969 are shown in Table 101 of this report.

## FEDERAL LEGISLATION

**Regulation of interest rates.** Little legislation of interest to the banking industry was enacted during the first session of the 91st Congress until the closing days of 1969, when several important measures were approved. Notably, the Act of December 23, 1969 (83 Stat. 371), extends for an additional 15-month period—through March 21, 1971—the statutory flexible authority of the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board for regulating interest and dividend rates payable by insured banks on time and savings deposits and by members of the Federal Home Loan Bank System on deposits, shares, or withdrawable accounts.

The act temporarily authorizes the Corporation's Board of Directors and the Federal Home Loan Bank Board to subject certain noninsured banks (including noninsured mutual savings banks) and certain nonmember building and loan, savings and loan, and homestead associations (including cooperative banks) to interest- and dividend-rate controls essentially comparable to those applicable to insured banks and to members of the Federal Home Loan Bank System. The authority expires at the close of March 21, 1971, unless it is extended by a subsequent act of Congress. The authority can only be exercised with respect to noninsured institutions located in a State where the total amount of deposits and shares in those institutions exceeds 20 percent of the total amount of deposits and shares in all designated financial institutions in the State and where the State supervisory authority is not authorized by State laws to regulate the rates of interest or dividends payable by noninsured institutions or, if it is so authorized, has not issued regulations in the exercise of that authority. The effect of these conditions is to limit the applicability of the law to Massachusetts. Before July 31, 1970, the authority can only be exercised by the Corporation's Board of Directors and by the Federal Home Loan Bank Board to limit the rates of interest or dividends payable by noninsured institutions to maximum rates not lower than 5½ percent per annum.

In addition to prohibiting the payment of dividends as well as interest on demand deposits, the act extends the Corporation's authority to regulate interest and dividend rates payable by insured nonmember banks, at the discretion of the Corporation's Board of Directors, to obligations other than deposits that are undertaken by insured nonmember banks or their affiliates to obtain funds to be used in the banking business. Similarly, the act clarifies the authority of the Board of Governors of the Federal Reserve System to determine what types of obligations, whether issued directly by a member bank or indirectly by an affiliate of a member bank, or by other means, shall be deemed a deposit for the purposes of statutes and regulations that relate to the payment of interest or dividends on time and savings deposits by member banks of the Federal Reserve System.

**Increase in deposit insurance coverage.** In addition to extending the statutory flexible authority for regulating interest and dividend rates, the Act of December 23, 1969 (83 Stat. 371), increased from $15,000 to $20,000 the maximum amount of insurance coverage provided by the Federal Deposit Insurance Corporation and by the Federal Savings and Loan Insurance Corporation. The increase in insurance coverage is not applicable to any claim arising out of the closing of an insured bank or institution before December 23, 1969.

**State taxation of national banks.** Legislation to clarify the liability of national banks for certain taxes was approved by the President on December 24, 1969. The Act of December 24, 1969 (83 Stat. 434), gradually equalizes the tax treatment of State and national banks so that by January 1, 1972, for any tax law enacted under authority of the United States or any State, a national bank will be treated as a bank organized and existing under the laws of the State or other jurisdiction within which its principal office is located. During the interim period, a State, or political subdivision thereof, generally may apply the same tax rules to locally headquartered national banks that it now does to State banks. Moreover, with some restrictions, States and their political subdivisions may impose certain specified taxes of their own on national banks not having their principal offices within the taxing jurisdiction. For example, nondomiciliary States and their political subdivisions may impose taxes on the following if they occur within the area's jurisdiction: (1) purchases, sales, and use, (2) real property or its occupancy, (3) execution, delivery, or recordation of documents (this includes documentary stamp taxes), (4) tangible personal property (not including cash or currency), and (5) ownership, use, or transfer of tangible personal property. The act prohibits States from imposing any sales or use taxes on tangible personal property which was the subject matter of a written contract of purchase entered into before September 1, 1969.

**Tax Reform Act of 1969.** On December 30, 1969, the President approved the Tax Reform Act of 1969 (83 Stat. 487). The act is important to the banking industry because, in addition to other provisions (see Part 3 of this report), it alters the tax treatment accorded the bad-debt reserves of financial institutions.

Under prior revenue rulings, commercial banks generally were allowed to build up bad-debt reserves equal to 2.4 percent of their outstanding loans not insured by the Federal Government. Under the provisions of section 431 of the Tax Reform Act of 1969 (83 Stat. 616), commercial banks may add to their bad-debt reserves only an amount necessary to increase the balance of their reserves for losses on eligible loans at the close of each taxable year to 1.8 percent for taxable years beginning after July 11, 1969, but before 1976, to 1.2 percent for taxable years beginning after 1975 but before 1982, and to 0.6 percent for taxable years beginning after 1981 but before 1988. For taxable years beginning before 1988 a bank may, and for taxable years beginning after 1987 a bank must, compute additions to its bad-debt reserve on the basis of its actual loss experience as indicated by losses for the taxable year and the 5 preceding years. If the bad-debt reserve at the close of any base year is less than the allowable percentage, no more than one-fifth of the difference may be added to the reserve for losses in any 1 year. If the reserve at the close of any base year equals or exceeds the allowable percentage, a bank need not reduce its bad-debt reserve but may add thereto only the amount necessary to increase the balance of the reserve at the close of the taxable year to the allowable percentage or to the balance of the reserve at the close of the base year, whichever is greater. The act allows commercial banks to carry back net operating losses for 10 years and to carry forward net operating losses for 5 years.

Before enactment of the Tax Reform Act of 1969, mutual savings banks and savings and loan associations were permitted to compute additions to their bad-debt reserves on the basis of actual experience or under either of two alternative formulas. These alternatives included deducting 60 percent of taxable income or deducting 3 percent of qualifying real property loans. The act repeals the 3-percent method of computation and reduces the 60-percent method of computation to 40 percent over a 10-year period. Additionally, the act subjects mutual savings banks as well as savings and loan associations to investment standards in order to qualify for the special deduction.

**Text of statutes.** The text of pertinent provisions of the foregoing statutes, together with a summary of significant State banking legislation enacted during 1969, is presented in Part 3 of this report.

# OPERATIONS OF THE CORPORATION
## PART TWO

## DISBURSEMENTS TO PROTECT DEPOSITORS

**Banks failing in 1969.** The Corporation disbursed $26 million during 1969 to protect depositors of nine insured banks in serious financial difficulty (see Table 1). Four of the banks with deposits totaling $9 million were placed in receivership and payments were made, directly by the Corporation, in amounts up to the $15,000 insurance limit prevailing at the time. Depositors in the other five banks were protected in full when sound operating banks assumed $31 million of deposit liabilities of the failing banks. For the most part, the nine failures resulted from financial irregularities rather than adverse local economic conditions. The irregularities included forged or fictitious notes, loans to self-serving officials, poor judgment and lax collection policies, speculative real estate loans, and shortages in loan income

**Table 1.** INSURED BANKS CLOSED DURING 1969 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION[1]

| Case number | Name and location | Date of closing or deposit assumption | Number of depositors | Amount of deposits (in thousands)[2] | Date of first payment to depositors or disbursement by FDIC | Depositors receiving full recovery | Deposits paid (in thousands)[2] |
|---|---|---|---|---|---|---|---|
| **Total** | | | 27,363 | $40,120 | | 26,422 | $39,483 |
| **Deposit payoff** | | | | | | | |
| 284 | Citizens State Bank, Alvarado, Texas | April 12, 1969 | 2,343 | 2,300 | April 18, 1969 | 1,878 | 2,152 |
| 285 | The First State Bank, Dodson, Texas | May 12, 1969 | 688 | 1,085 | May 14, 1969 | 618 | 1,039 |
| 286 | The State National Bank, Lovelady, Texas | May 28, 1969 | 2,030 | 3,814 | June 2, 1969 | 1,832 | 3,453 |
| 287 | First National Bank of Ursa, Ursa, Illinois | August 20, 1969 | 1,472 | 1,799 | August 25, 1969 | 1,264 | 1,717 |
| **Deposit assumption** | | | | | | | |
| 194 | The Rocky Mountain Bank, Lakewood, Colorado | February 6, 1969 | 6,716 | 8,065 | February 6, 1969 | 6,716 | 8,065 |
| 195 | The Morrice State Bank, Morrice, Michigan | May 6, 1969 | 1,759 | 2,167 | May 6, 1969 | 1,759 | 2,167 |
| 196 | The Big Lake State Bank, Big Lake, Texas | August 22, 1969 | 2,642 | 4,426 | September 2, 1969 | 2,642 | 4,426 |
| 197 | The First State Bank, Aransas Pass, Texas | September 5, 1969 | 6,459 | 10,472 | September 8, 1969 | 6,459 | 10,472 |
| 198 | The First National Bank of Coalville, Coalville, Utah | October 10, 1969 | 3,254 | 5,992 | October 10, 1969 | 3,254 | 5,992 |

[1] Figures adjusted to and as of December 31, 1969.
[2] Includes $7,393 thousand paid by FDIC claim agents in deposit payoff cases. All deposits were made available in full through assuming banks, with FDIC assistance, in deposit assumption cases.

accounts and excessive charges to expense accounts. Since the beginning of Federal deposit insurance, the Corporation has made disbursements to protect depositors in 482 failing banks. The approximately 1.7 million depositors (or accounts) in these banks held total deposits of about $879 million (see Table 2). Data on the extent and method of deposit insurance protection are shown in Table 3.

**Deposit insurance participation and coverage.** Effective December 23, 1969, the maximum amount of insurance per depositor was increased from $15,000 to $20,000. Set first at $2,500, the insurance maximum was raised to $5,000 in mid-1934, to $10,000 in 1950, and to $15,000 on October 16, 1966. The maximum applies to the aggregate of deposits held in the same right and capacity in an insured bank.

Since the inception of Federal deposit insurance, the proportion of all operating banks covered has been high; at the end of 1969 over 97 percent of all operating banks in the United States were insured by the Corporation. The noninsured banks included 208 commercial

**Table 2.** PROTECTION OF DEPOSITORS OF INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1969

| Item | All cases (482 banks) | | Deposit payoff cases (284 banks) | | Deposit assumption cases (198 banks) | |
|---|---|---|---|---|---|---|
| | Number or amount | Percent | Number or amount | Percent | Number or amount | Percent |
| **Number of depositors or accounts—total**[1] | **1,672,804** | **100.0** | **508,525** | **100.0** | **1,164,279** | **100.0** |
| **Full recovery received or available** | **1,668,416** | **99.7** | **504,137** | **99.1** | **1,164,279** | **100.0** |
| From FDIC[2] | 1,622,535 | 97.0 | 458,256[3] | 90.1 | 1,164,279 | 100.0 |
| From offset[4] | 39,999 | 2.4 | 39,999 | 7.9 | ........ | ..... |
| From security or preference[5] | 3,008 | 0.2 | 3,000 | 0.6 | ........ | ..... |
| From asset liquidation[6] | 2,874 | 0.1 | 2,874 | 0.5 | ........ | ..... |
| **Full recovery not received as of December 31, 1969** | **4,388** | **0.3** | **4,388** | **0.9** | ........ | ..... |
| Terminated cases | 3,312 | 0.2 | 3,312 | 0.7 | ........ | ..... |
| Active cases | 1,076 | 0.1 | 1,076 | 0.2 | ........ | ..... |
| **Amount of deposits (in thousands)—total** | **878,831** | **100.0** | **$254,936** | **100.0** | **623,895** | **100.0** |
| **Paid or made available** | **864,445** | **98.4** | **240,550** | **94.4** | **623,895** | **100.0** |
| By FDIC[2] | 795,328 | 90.5 | 171,433[7] | 67.3 | 623,895 | 100.0 |
| By offset[8] | 13,494 | 1.5 | 13,494 | 5.3 | ........ | ..... |
| By security or preference[9] | 27,076 | 3.1 | 27,076 | 10.6 | ........ | ..... |
| By asset liquidation[10] | 28,547 | 3.3 | 28,547 | 11.2 | ........ | ..... |
| **Not paid as of December 31, 1969** | **14,386** | **1.6** | **14,386** | **5.6** | ........ | ..... |
| Terminated cases | 1,866 | 0.2 | 1,866 | 0.7 | ........ | ..... |
| Active cases[11] | 12,520 | 1.4 | 12,520 | 4.9 | ........ | ..... |

[1] Number of depositors in deposit payoff cases; number of accounts in deposit assumption cases.
[2] Through direct payment to depositors in deposit payoff cases; through assumption of deposits by other insured banks, facilitated by FDIC disbursements of $247,653 thousand, in deposit assumption cases.
[3] Includes 58,755 depositors in terminated cases who failed to claim their insured deposits (see note 7).
[4] Includes only depositors with claims offset in full; most of these would have been fully protected by insurance in the absence of offsets.
[5] Excludes depositors paid in part by FDIC whose deposit balances were less than the insurance maximum.
[6] The insured portions of these depositor claims were paid by the Corporation.
[7] Includes $212 thousand unclaimed insured deposits in terminated cases (see note 3).
[8] Includes all amounts paid by offset.
[9] Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by the Corporation.
[10] Includes unclaimed deposits paid to authorized public custodians.
[11] Includes $12,520 thousand representing deposits available, expected through offset or expected from proceeds of liquidations; and $33 thousand representing up to $10,000 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, 1969
(In thousands)

| Type of disbursement | Disbursements | Recoveries[1] | Losses |
|---|---|---|---|
| **All disbursements—total** | **$475,057** | **$419,327** | **$55,730** |
| **Principal disbursements in deposit assumption and payoff cases—total** | **418,969** | **367,289** | **51,680** |
| Assets acquired under agreements with insured banks (198 deposit assumption cases): | | | |
| To December 31, 1969 | 247,653 | 210,500 | 24,071 |
| Estimated additional | ............ | 13,082 | .......... |
| Deposits paid (284 deposit payoff cases): | | | |
| To December 31, 1969 | 170,829 | 134,572 | 27,609 |
| Estimated additional | 487 | 9,135 | .......... |
| **Advances and expenses in deposit assumption and payoff cases—total** | **53,865** | **49,599** | **4,266** |
| Expenses in liquidating assets: | | | |
| Advances to protect assets | 33,810 | 33,810 | .......... |
| Liquidation expenses | 15,789 | 15,789 | .......... |
| Insurance expenses | 1,066 | (2) | 1,066 |
| Field payoff and other insurance expenses in 284 deposit payoff cases | 3,200 | ............ | 3,200 |
| **Other disbursements—total** | **2,223** | **2,439** | **(216)** |
| Assets purchased to facilitate termination of liquidations: | | | |
| To December 31, 1969 | 1,773 | 2,424 | (666) |
| Estimated additional | ............ | 15 | .......... |
| Unallocated insurance expenses | 450 | (2) | 450 |

[1] Excludes amounts returned to closed bank equity holders and $9.3 million of interest and allowable return received by FDIC.

[2] Not recoverable.

1970 – $ 9.9

banks and nondeposit trust companies and 166 mutual savings banks, virtually all of the latter being located in Massachusetts and covered by its deposit insurance system.

All except a small percentage of accounts in FDIC-insured banks have remained fully covered under the successively higher limits of Federal deposit insurance. Based upon data from the Corporation's most recent survey of deposits, it is estimated that 99.1 percent of accounts in insured banks on December 31, 1969, were within the insurance maximum of $20,000. Because the average size of a small proportion of accounts greatly exceeds the insurance limit per depositor, the percentage of insured deposits to total deposits in insured banks is substantially less than the proportion of fully covered accounts.

Of deposits totaling $495.9 billion in insured banks on December 31, 1969, an estimated $313.1 billion, or 63.1 percent, were insured. This figure is about $16 billion greater than the estimated amount which would have been covered had the insurance maximum remained at $15,000.

## SUPERVISORY ACTIVITIES

**Bank examinations.** The Corporation may examine any insured bank for insurance purposes; however, to avoid duplicating the activity of other Federal bank supervisory agencies, the Corporation utilizes the reports of examinations conducted by those agencies. The banks that are subject to regular examination by the Corporation comprise about 57 percent of all insured banks in the United States and 27 percent of the assets of these banks. To further reduce the burden for banks and supervisory authorities, the Corporation's examinations are conducted jointly or concurrently, in over one-half of the States, with those of the State authorities.

Field examinations and investigations in connection with insurance, branch, and merger applications, conducted by the Corporation during 1969, totaled 16,412, including 7,637 examinations of main offices (see Table 4). The total was about 6 percent more than it was in 1968. In recent years, examinations of departments and branches have accounted for just over one-third of the total, and investigations for about 14 percent.

**Table 4.** BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1968 AND 1969

| Activity | Number | |
|---|---|---|
| | 1969 | 1968 |
| **Field examinations and investigations—total** | **16,412** | **15,483** |
| **Examinations of main offices—total** | **7,637** | **7,650** |
| Regular examinations of insured banks not members of Federal Reserve System | 7,416 | 7,451 |
| Re-examinations; or other than regular examinations | 175 | 154 |
| Entrance examinations of operating noninsured banks | 36 | 41 |
| Special examinations | 10 | 4 |
| **Examinations of departments and branches** | **6,328** | **5,638** |
| Examinations of trust departments | 1,279 | 1,210 |
| Examinations of branches | 5,049 | 4,428 |
| **Investigations** | **2,447** | **2,195** |
| New bank investigations | 282 | 195 |
| State banks members of Federal Reserve System | 22 | 25 |
| Banks not members of Federal Reserve System | 260 | 170 |
| New branch investigations | 629 | 538 |
| Mergers and consolidations | 246 | 185 |
| Miscellaneous investigations | 1,290 | 1,277 |

**Citations contemplating termination of insurance.** When other measures have failed to correct a violation of law or regulation, or unsafe or unsound banking practice, the ultimate step available to the Corporation is to initiate proceedings to terminate the bank's insured status. When this action becomes necessary, the bank and the State authorities are formally notified, after which the bank must take corrective action within the time specified. If compliance is still not obtained, before insurance may be terminated the bank is given an opportunity to present its case at an administrative hearing.

Table 5 shows that action has been taken against 203 banks since 1936 and that in the majority of cases the corrections were made or the bank was absorbed or succeeded by another bank. Insurance was terminated, or a date set for this, in 12 cases for failure to make corrections.

**Table 5.** ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936-1969

| Disposition or status | 1936-1969 [1] | Started during 1969 |
|---|---|---|
| **Total banks against which action was taken** | **203** | **5** |
| **Cases closed** | **197** | ............ |
| Corrections made | 79 | ............ |
| Banks absorbed or succeeded by other banks | 70 | ............ |
| With financial aid of the Corporation | 63 | ............ |
| Without financial aid of the Corporation | 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 | ............ |
| Banks suspended prior to or on date of termination of insured status | 9 | ............ |
| Banks continued in operation [2] | 3 | ............ |
| **Cases not closed December 31, 1969** | 6 | 5 |
| Correction period not expired | 4 | 3 |
| Action deferred pending analysis of examination | 2 | 2 |

[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.

Six cases were open at the end of 1969, including five started during the year. Of two active cases at the beginning of 1969, one was closed because the bank was absorbed with the Corporation's financial aid, while in the second case the correction period had not expired at the end of the year.

**Applications for deposit insurance.** State-chartered banks which are not members of the Federal Reserve System become insured by application to and approval by the FDIC. Those banks obtaining national charters, and State banks becoming members of the Federal Reserve System, acquire insured status without applying to the Corporation. The Federal Deposit Insurance Act requires the supervisory agency to consider, before admitting any bank to deposit insurance, the financial history and condition of the bank, adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community, and finally, the consistency of the bank's corporate powers with the purposes of the act.

During 1969 the Corporation approved 157 applications for deposit insurance; these involved 140 new banks and 17 operating banks. Twenty-three new banks were located in Florida, and 19 in Illinois.

**Applications for branches.** Under Federal law, the supervisory agencies must consider the above six factors in passing upon applications by insured banks to establish new branches. The Corporation approved 556 such applications during 1969, almost 21 percent more than in 1968. In addition, conversion of main offices into branches in merger cases during the year created 47 branches of insured nonmember banks.

**Mergers.** The Bank Merger Act of 1960 (as amended) requires a Federal bank supervisory agency to give its approval before an insured bank may engage in any merger transaction. If the continuing bank is to be an insured nonmember bank, or if an insured bank is applying to absorb a noninsured institution, the Corporation's approval must be obtained before the transaction may be consummated. The act provides that the supervisory agencies must consider specifically the effect of the transaction on competition, financial and managerial resources, prospects of the existing and proposed institutions, and convenience and needs of the community to be served. Details of the applications approved by the Corporation under section 18(c) of the Federal Deposit Insurance Act during 1969 are discussed in Table 15, pages 36-136.

Tabulations of the number of mergers approved by the Federal agencies under section 18(c) during 1969 are shown in Table 6. (The

**TABLE 6.** MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1969

| Banks | Number of banks[2] | Resources (in thousands)[3] | Offices operated[3] | |
|---|---|---|---|---|
| | | | Prior to transaction | After transaction |
| ALL CASES[1] | | | | |
| Banks involved | 293 | $48,350,897 | 3553 | 3543 |
| Absorbing banks | 138 | 44,364,611 | 3112 | 3543 |
| Absorbed banks | 155 | 3,986,286 | 441 | ...... |
| National | 55 | 1,651,778 | 194 | ...... |
| State bank members FRS | 17 | 559,283 | 55 | ...... |
| Not members FRS | 78 | 1,594,243 | 174 | ...... |
| Noninsured institutions | 5 | 180,982 | 18 | ...... |
| CASES WITH RESULTING BANK A NATIONAL BANK | | | | |
| Banks involved | 162 | $31,228,319 | 2278 | 2272 |
| Absorbing banks | 78 | 29,372,988 | 2035 | 2272 |
| Absorbed banks | 84 | 1,855,331 | 243 | ...... |
| National | 42 | 1,294,725 | 153 | ...... |
| State members FRS | 7 | 179,737 | 24 | ...... |
| Not members FRS | 33 | 378,446 | 64 | ...... |
| Noninsured institutions | 2[4] | 2,423 | 2 | ...... |
| CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM | | | | |
| Banks involved | 32 | $9,981,450 | 453 | 452 |
| Absorbing banks | 16 | 9,594,329 | 411 | 452 |
| Absorbed banks | 16 | 387,121 | 42 | ...... |
| National | 3 | 85,166 | 12 | ...... |
| State members FRS | 5 | 230,260 | 14 | ...... |
| Not members FRS | 8 | 71,695 | 16 | ...... |
| Noninsured institutions | ... | ...... | ... | ...... |
| CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM[5] | | | | |
| Banks involved | 103 | $7,143,551 | 839 | 834 |
| Absorbing banks | 46 | 5,397,294 | 681 | 834 |
| Absorbed banks | 57[6] | 1,746,257 | 158 | ...... |
| National | 10 | 271,887 | 29 | ...... |
| State members FRS | 5 | 149,286 | 17 | ...... |
| Not members FRS | 37 | 1,144,102 | 94 | ...... |
| Noninsured institutions | 5[4] | 180,982 | 18 | ...... |

[1] Omitted are corporate reorganizations and other absorptions involving banks which prior to the transaction did not individually operate an office in the United States.

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

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

[4] Merger cases nos. 57 and 58 in Table 15 were reported also as approved cases by the Office of the Comptroller of the Currency. These cases are included only once in the totals in this table.

[5] Includes two cases approved by the Corporation of an absorption of a noninsured bank by a national bank, and one case in which the absorbing bank was a State member bank.

[6] Includes one building and loan association..

table does not include corporate reorganizations of individual banking institutions, such as banks in process of forming one-bank holding companies, which do not have the effect of lessening the number of existing operating banks). Banks absorbed through mergers in 1969 numbered 25 more than in 1968, and branches of banks absorbed in 1969 exceeded the previous year's total by 132.

The number of banks, by size of assets and by status of branch banking in their States (that is, statewide branching, limited-area branching, or unit banking), which were involved in absorptions approved by the Federal agencies during 1969 are listed in Table 7.

**Regulation of bank securities.** Legislation enacted in 1964 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 for insured banks was given to the Federal bank regulatory agencies. Only those corporations now having 500 or more shareholders and more than $1 million in assets are covered.

The Corporation, during 1969, received registration statements from 19 insured State nonmember banks coming under the provisions

**TABLE 7.** APPROVALS UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1969
BANKS GROUPED BY SIZE AND IN STATES ACCORDING TO STATUS OF BRANCH BANKING

| Absorbing banks | | Absorbed banks | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Number of banks by size (resources in $mil) | | | | |
| Number of banks by size (resources in $mil)[1] | | Number of banks[1] | Number of branches | Resources (in thousands) | -5 | 5-10 | 10-25 | 25-100 | Over 100 |
| **Total—U.S.** | 138 | 155 | 286 | $3,986,286 | 50 | 32 | 37 | 25 | 11 |
| -5 | 6 | 6 | 9 | 132,535 | 4 | 1 | 0 | 0 | 1 |
| 5-10 | 9 | 9 | 16 | 205,525 | 5 | 1 | 2 | 0 | 1 |
| 10-25 | 21 | 27 | 41 | 468,483 | 14 | 6 | 4 | 2 | 1 |
| 25-100 | 45 | 49 | 64 | 730,122 | 21 | 12 | 7 | 8 | 1 |
| 100-500 | 34 | 40 | 94 | 1,632,027 | 5 | 9 | 10 | 12 | 4 |
| 500 or more | 23 | 24 | 62 | 817,594 | 1 | 3 | 14 | 3 | 3 |
| **(A) Statewide branching**[2] | 49 | 60 | 86 | 931,576 | 20 | 16 | 15 | 7 | 2 |
| 10-25 | 6 | 10 | 6 | 54,232 | 7 | 2 | 1 | .. | .. |
| 25-100 | 15 | 16 | 28 | 212,089 | 8 | 3 | 2 | 3 | .. |
| 100-500 | 14 | 19 | 31 | 310,462 | 4 | 8 | 5 | 1 | 1 |
| 500 or more | 14 | 15 | 21 | 354,793 | 1 | 3 | 7 | 3 | 1 |
| **(B) Limited area branching**[2] | 82 | 88 | 200 | 2,958,881 | 26 | 15 | 22 | 16 | 9 |
| -5 | 4 | 4 | 9 | 128,063 | 2 | 1 | 0 | 0 | 1 |
| 5-10 | 7 | 7 | 16 | 197,708 | 4 | 0 | 2 | 0 | 1 |
| 10-25 | 15 | 17 | 35 | 414,251 | 7 | 4 | 3 | 2 | 1 |
| 25-100 | 27 | 30 | 36 | 434,493 | 12 | 9 | 5 | 3 | 1 |
| 100-500 | 20 | 21 | 63 | 1,321,565 | 1 | 1 | 5 | 11 | 3 |
| 500 or more | 9 | 9 | 41 | 462,801 | 0 | 0 | 7 | 0 | 2 |
| **(C) Unit banking**[2] | 7 | 7 | 0 | 95,829 | 4 | 1 | 0 | 2 | 0 |
| -5 | 2 | 2 | 0 | 4,472 | 2 | 0 | 0 | 0 | 0 |
| 5-10 | 2 | 2 | 0 | 7,817 | 1 | 1 | 0 | 0 | 0 |
| 25-100 | 3 | 3 | 0 | 83,540 | 1 | 0 | 0 | 2 | 0 |

[1] See footnote 1, Table 6.

[2] For the purpose of analyzing branching activity, 17 States were included in Group A, 18 in Group B, and 15 in Group C. It should be noted that for other purposes the classification of some States might differ from that used here.

of the act, bringing the year-end total to 94. The latter figure reflects the addition of one registered bank which withdrew from the Federal Reserve System and the termination of registration of 12 banks. Terminations resulted when five registered banks were merged into operating banks, six reorganized as subsidiaries of one-bank holding companies, and one sold its assets and liquidated.

In addition to the registration statements filed by banks, the Corporation also receives current reports required by the Securities Exchange Act and regulates proxy solicitation for annual and special meetings of the shareholders of these banks. Another section of the act requires the filing of beneficial ownership reports by every director, major officer, and large shareholder of a registered bank. During the past year, 3,400 such reports had been received.

**Changes in bank ownership and loans secured by bank stock.** Public Law 88-593 requires insured banks to report, to the appropriate Federal banking agency, any of its outstanding voting stock changes which would result in an alteration in control of management. Such reports must include any change or replacement of the bank's chief executive officer, or any director, that occurs during the 12 months following the change in control. Also, the law specifies that insured banks must report any loans secured by 25 percent or more of the outstanding voting stock of an insured bank.

This legislation is to alert the supervisory authorities to management changes which might adversely affect the bank. Reports received by one Federal agency are exchanged with the other Federal banking agencies, as well as with the State authority if a State-chartered bank is involved. Over 400 changes in control involving insured nonmember banks were reported to the Corporation in 1969.

**Publications and statistical reports from banks.** The Corporation obtains reports of condition at quarterly intervals, and a report of income and dividends once each year, from each insured bank under its supervision, as do the other Federal banking agencies for banks under their supervision. The commercial bank Report of Condition format and contents were changed in June 1969. The new form provides more detail on bank assets and alters the treatment of reserves, shifting them to a separate liability account rather than subtracting them from assets. The Report of Income and Dividends also was changed to bring income reporting into line with accepted accounting practices and to provide a better gauge of bank performance to the supervisory authorities and the public. Changes in these two reports were effected following extensive discussions among the three Federal banking agencies, State supervisory authorities, and representatives of the banking industry. New report formats are reflected in the 1969 statistical tables in this publication.

The Corporation processed the revised Report of Condition as of June 30, 1969, for all insured commercial banks. Additionally, the Corporation prepared and distributed, to each bank, data on the bank's major call report items, comparing them with figures for other banks of the same size class and geographical location.

This effort was part of an on-going project in which the Corporation furnishes special mailings of semiannual data on balance sheet information and annual data on income and dividends to both commercial banks and FDIC-insured mutual savings banks. Comprehensive income and year-end balance sheet information for commercial banks are published in *Bank Operating Statistics 1969* (available on request).

In 1969 the Corporation, in conjunction with the Board of Governors of the Federal Reserve System and the Comptroller of the Currency, published *Trust Assets of Insured Commercial Banks—1968*. The statistics presented in this publication are a compilation of more than 3,300 reports from banks holding trust assets. Each agency edited the reports from trust departments under its supervision. Processing of all data for publication was handled by the Federal Deposit Insurance Corporation in cooperation with the other two agencies.

In its continuing effort to keep abreast of current developments in the market for savings, the Corporation conducted four surveys—on January 31, April 30, July 31, and October 31—of interest rates paid during 1969 on time and savings deposits by insured nonmember commercial banks and by FDIC-insured mutual savings banks. (Member banks of the Federal Reserve System were surveyed by the Federal Reserve Board of Governors.) Tabulated survey data and a summary of recent developments in the savings market were sent to each reporting bank along with the survey questionnaires.

The Corporation financially supported a study of the impact of computers on small and medium-sized banks, which was published in 1969 under the title "Banking Computer Style." The study focused on managerial and operational problems that banks encountered during the early years of computerization.

On April 10, 1969, the Corporation announced the awarding of four FDIC Fellowships in Banking, Finance, and Economics for 1969. These fellowships, which are intended to encourage research in banking and related fields, are part of a program to improve the quality of information useful to bank supervisors and to the banking community.

The Corporation has supported research on banking by staff in its own Research Division and provided assistance to researchers at various colleges and universities. Results of these works have been published in academic journals, banking trade publications, and various other forms.

**Training programs for examiners and liquidators.** The Corporation carries out a comprehensive and varied training and educational program for personnel of the Division of Bank Supervision (formerly the Examination Division). Although the bulk of the bank examiner's training is of the "on-the-job" variety, it is preceded by a one-week programmed instruction course developed by the Corporation to acquaint new trainees with the FDIC's organization and functions and with basic subject matter the examiners are expected to master during the initial stages of their careers.

Each year, 26 FDIC examiners are enrolled in one of the Graduate Schools of Banking which are conducted on major college campuses throughout the country. Over 380 Corporation examiners have graduated from these three-year programs during the past 20 years. Formal training developed specifically for examiner personnel includes the three divisions of the Bank Examination School (Assistant Examiners, Examiners, and Trust) and a basic and intermediate version of the Course in Examining a Computerized Bank. In recent times, a minimum of 500 Division of Bank Supervision personnel have participated in these programs each year.

Recognizing the need to equip examiners to meet the demands imposed by rapidly advancing technology in the banking industry, the Division of Bank Supervision will begin operating a modern and versatile training center during the early part of 1970. This center, located in a nearby suburb of Washington, D.C., will enable the Corporation to provide consistent quality training at all levels.

The Corporation also has developed a one-week self-instructional program for new employees of the Division of Liquidation; examiners and assistant examiners who have been detailed to the Liquidation Division to assist in pay-off or assumption transactions; and temporary employees hired locally to assist in these proceedings. The program, which saves considerable training time and expense, is designed to teach those skills performed by the Liquidation personnel within the first 30 days after an insured bank has closed.

For its achievements in the field of training during 1969, the Corporation received the Government Organization Award given annually by the Washington, D.C., area chapter of the American Society for Training and Development, and the Training Officers Conference.

**Conferences with banking groups.** Conferences with State bank supervisory authorities were held in May and September 1969. The States and territories invited to participate comprised eight of the Corporation's 14 Regions: Boston, Kansas City, Richmond, Columbus, Chicago, Memphis, New York, and Philadelphia. The May meeting was attended by 28 supervisors and aides from banking departments of 12 States, and the September meeting by 34 supervisors and aides from banking departments of 11 States, Puerto Rico, and the Virgin Islands. These conferences were a continuation of a program initiated in 1964 to provide officials of State banking departments and the Corporation an opportunity to review industry developments at the State and Federal levels.

## ADMINISTRATION OF THE CORPORATION

**Structure and employees.** The Corporation is managed by a three-member Board of Directors. The Chairman and the Director are appointed each for a six-year term by the President with the advice and consent of the Senate. The Comptroller of the Currency, also a Presidential appointee, serves *ex officio* as the third member of the Board.

The names of Corporation officials, Regional Directors, and Regional offices are shown on pages v and vi.

At the end of 1969, the Corporation's employment totaled 2,283, of which 151 were serving on a temporary basis. The total figure represents an increase of 228, including an additional 28 nonpermanent employees, during the year (Table 8).

**Table 8.** NUMBER OF OFFICERS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1968 AND 1969

| Unit | Total | | Washington office | | Regional and other field offices | |
|---|---|---|---|---|---|---|
| | 1969 | 1968 | 1969 | 1968 | 1969 | 1968 |
| **Total** | **2,283**[1] | **2,055**[1] | **636** | **589** | **1,647** | **1,466** |
| Directors | 3 | 3 | 3 | 3 | ........ | ........ |
| Executive Offices | 49 | 48 | 49 | 48 | ........ | ........ |
| Legal Division | 55 | 45 | 49 | 45 | 6 | ........ |
| Division of Bank Supervision | 1,686 | 1,526 | 135 | 135 | 1,551 | 1,391 |
| Division of Liquidation | 159 | 132 | 77 | 67 | 82 | 65 |
| Division of Research | 165 | 146 | 165 | 146 | ........ | ........ |
| Office of the Controller | 166 | 155 | 158 | 145 | 8 | 10 |

[1] Includes 151 nonpermanent employees serving on a short-term appointment or when actually employed basis in 1969 and 123 in 1968. Nonpermanent employees include college students participating in the work-study program, clerical workers employed on a temporary basis at banks in process of liquidation, and other personnel.

The increase of 160 employees in the Division of Bank Supervision occurred entirely in the Regional and field offices, which account for over 90 percent of the Division's total personnel.

From an average employment of 1,253 field examiners, 198 left the Corporation in 1969, including 52 who entered military service. The turnover rate for field examiners was 15.8 percent, compared with 16.1 percent in 1968.

## FINANCES OF THE CORPORATION

**Assets and liabilities.** The total assets of the Corporation amounted to $4,297 million at the end of the year. Cash and U.S. Government obligations valued at amortized cost totaled $4,261 million. Assets acquired in receivership and deposit assumption transactions, less reserves for losses, amounted to $22.2 million. Land and the Corporation's main office building, less depreciation on the building, were carried at $7.5 million.

Total liabilities on December 31 were $246 million, of which $241 million were assessment credits due insured banks. About 8.6 percent of the credits were available immediately, the remainder to become available on July 1, 1970. Assets and liabilities of the Corporation on December 31, 1969, are shown in Table 9.

The Corporation's total assets minus its liabilities comprise the deposit insurance fund, which amounted to $4,051 million at the end of the year. Although the fund constitutes the Corporation's principal financial resource for the protection of depositors, others are available

**Table 9.** STATEMENT OF FINANCIAL CONDITION, FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1969

| | | |
|---|---|---|
| ASSETS | | |
| **Cash** | | $ 6,347,222 |
| **U. S. Government obligations:** | | |
| Securities at amortized cost (face value $4,233,818,000; cost $4,198,275,582) | $4,209,929,779 | |
| Accrued interest receivable | 51,221,862 | 4,261,151,641 |
| **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 | 21,208,349 | |
| Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability | 486,790 | |
| Equity in assets acquired under purchase agreements | 16,276,428 | |
| Assets purchased outright | 14,545 | |
| | $ 47,986,112 | |
| Less reserves for losses | 25,754,000 | 22,232,112 |
| **Miscellaneous assets** | | 241,073 |
| **Land and office building, less depreciation on building** | | 7,499,699 |
| **Furniture, fixtures, and equipment** | | 1 |
| **Total assets** | | $4,297,471,748 |
| LIABILITIES AND DEPOSIT INSURANCE FUND[2] | | |
| **Accounts payable and accrued liabilities** | | $ 2,147,946 |
| **Earnest money, escrow funds, and collections held for others** | | 698,482 |
| **Accrued annual leave of employees** | | 2,140,619 |
| **Due insured banks:** | | |
| Net assessment income credits available July 1, 1970 (See Table 11) | $ 220,230,677 | |
| Other assessment credits available immediately | 20,658,862 | 240,889,539 |
| **Net insured balances of depositors in closed insured banks—see related asset** | | 486,790 |
| **Total liabilities** | | $ 246,363,376 |
| **Deposit insurance fund, net income accumulated since inception (See Table 10)** | | 4,051,108,372 |
| **Total liabilities and deposit insurance fund** | | $4,297,471,748 |

[1] Reported hereunder is the book value of assets in process of liquidation. An analysis of all assets acquired in receivership and deposit assumption transactions, including those assets which have been liquidated, is furnished in Table 3.

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

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

to it by virtue of its authority, granted in 1947, to borrow from the U.S. Treasury. Under this authority, which the Corporation has never had occasion to use, the Secretary of the Treasury is directed to lend up to $3 billion to the Corporation when in the judgment of its Board of Directors the funds are needed for insurance purposes.

**Income and expenses.** The Corporation's total income in 1969 was $336 million, consisting of $144 million from assessments, less credits to insured banks, and income from securities of $192 million.

Total expenses and losses in 1969 amounted to $34 million, providing a net addition to the deposit insurance fund of about $302 million. Details of income and expenses for the year are shown in Table 10.

**Table 10.** STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1969

| | | |
|---|---|---|
| **Income:** | | |
| Deposit insurance assessments: | | |
| Assessments earned in 1969 | $364,221,713 | |
| Less net assessment income credits to insured banks | 220,218,423 | $ 144,003,290 |
| Adjustments of assessments earned in prior years | | 65,219 |
| | | $ 144,068,509 |
| Net income from U. S. Government securities | | 191,709,155 |
| Other income | | 30,961 |
| **Total income** | | **$ 335,808,625** |
| **Expenses and losses:** | | |
| Administrative and operating expenses: | | |
| Salaries and wages | $ 22,067,592 | |
| Civil Service retirement fund and F.I.C.A. payments | 1,393,302 | |
| Travel expenses | 5,372,739 | |
| Office rentals, communications and other expenses | 4,640,413 | $ 33,474,046 |
| Provisions for insurance losses: | | |
| Applicable to banks assisted in 1969 | $ 3,850,000 | |
| Adjustments applicable to banks assisted in prior years | −4,008,109 | −158,109 |
| Non-recoverable insurance expenses incurred to protect depositors—net | | 605,241 |
| **Total expenses and losses** | | **$ 33,921,178** |
| **Net addition to the deposit insurance fund—1969** | | **$ 301,887,447** |
| **Deposit insurance fund, January 1, 1969** | | **3,749,220,925** |
| **Deposit insurance fund, December 31, 1969, net income accumulated since inception** | | **$4,051,108,372** |

The assessment ratio is set by statute at 1/12 of one percent of total assessable deposits of each insured bank. The Federal Deposit Insurance Act of 1950 provided that a portion of the assessments earned by the Corporation each year, after deducting insurance losses and operating expenses, be returned to the insured banks in the form of a credit against future assessments. The amount of the credit was set initially at 60 percent and was raised to 66⅔ percent in 1961. In 1969 the amount returned to insured banks was $220 million; this had the effect of reducing the net assessment rate to 1/30 of one

**Table 11.** DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1969

| | | |
|---|---|---|
| **Determination of net assessment income:** | | |
| Total assessments which became due during the calendar year | | $364,221,713 |
| Less: | | |
| Administrative and operating expenses | | $ 33,474,046 |
| Net additions to reserve to provide for insurance losses: | | |
| Provisions applicable to banks assisted in 1969 | $ 3,850,000 | |
| Adjustments to provisions for banks assisted in prior years | −4,035,209 | −185,209 |
| Insurance expenses | | 605,241 |
| Total deductions | | 33,894,078 |
| **Net assessment income for 1969** | | **$330,327,635** |
| **Distribution of net assessment income, December 31, 1969:** | | |
| Net assessment income for 1969: | | |
| 33⅓% transferred to the deposit insurance fund | | $110,109,212 |
| 66⅔% credited to insured banks | | 220,218,423 |
| **Total** | | **$330,327,635** |
| **Allocation of net assessment income credit among insured banks, December 31, 1969:** | | Percentage of total assessment becoming due in 1969 |
| Credit for 1969 | $220,218,423 | 60.46274 |
| Adjustments of credits for prior years | 12,254 | .00336 |
| **Total** | **$220,230,677** | **60.46610** |

percent of assessable deposits. The computation and allocation of net assessment income in 1969 are shown in Table 11. Sources and application of the Corporation's funds in 1969 are given in Table 12.

**Income and the deposit insurance fund, 1933-1969.** The income and expenses of the Corporation and addition to the insurance fund each year appear in Table 13.

The Federal Deposit Insurance Act requires that monies of the Corporation not otherwise employed be invested in U.S. Treasury

**Table 12.** SOURCES AND APPLICATION OF FUNDS, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1969

| | | Percent |
|---|---|---|
| **Funds provided by:** | | |
| Net deposit insurance assessments | $ 144,068,509 | 5.9 |
| Income from U. S. Government securities, less amortized net discounts | 190,631,260 | 7.7 |
| Maturities and sales of U. S. Government securities | 2,070,846,033 | 84.2 |
| Collections on assets acquired in receivership and deposit assumption transactions | 30,326,233 | 1.2 |
| Increase in assessment credits due insured banks | 23,790,314 | 1.0 |
| **Total funds provided** | **$2,459,662,349** | **100.0** |
| **Funds applied to:** | | |
| Administrative, operating and insurance expenses, less miscellaneous credits | $ 33,913,122 | 1.4 |
| Acquisition of assets in receivership and deposit assumption transactions | 38,744,255 | 1.6 |
| Purchase of U. S. Government securities | 2,378,623,794 | 96.7 |
| Net changes in other assets and liabilities | 8,381,178 | 0.3 |
| **Total funds applied** | **$2,459,662,349** | **100.0** |

**Table 13.** INCOME AND EXPENSES, FEDERAL DEPOSIT INSURANCE CORPORATION, BY YEAR, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, TO DECEMBER 31, 1969 ADJUSTED TO DECEMBER 31, 1969
(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 | |
| **1933-69** | **$4,527.9** | **$2,688.9** | **$1,839.0** | **$476.8** | **$55.6** | **$80.6** | **$340.6** | **$4,051.1** |
| 1969 | 335.8 | 144.0 | 191.8 | 37.9 | 4.4 | ............ | 33.5 | 297.9 |
| 1968 | 295.0 | 132.4 | 162.6 | 29.7 | .7 | ............ | 29.0 | 265.3 |
| 1967 | 263.0 | 120.7 | 142.3 | 29.7 | 5.3 | ............ | 24.4 | 233.3 |
| 1966 | 241.0 | 111.7 | 129.3 | 25.0 | 5.2 | ............ | 19.8 | 216.0 |
| 1965 | 214.6 | 102.2 | 112.4 | 22.9 | 5.2 | ............ | 17.7 | 191.7 |
| 1964 | 197.1 | 93.0 | 104.1 | 18.7 | 3.2 | ............ | 15.5 | 178.4 |
| 1963 | 181.9 | 84.2 | 97.7 | 15.5 | 1.1 | ............ | 14.4 | 166.4 |
| 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 | 0.6 | 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 1969, inclusive, figures are net after deducting the portion of net assessment income credited to insured banks pursuant to provisions of the Federal Deposit Insurance Act of 1950, as amended. Assessment credits to insured banks for these years amount to $2,172 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.

obligations or securities fully guaranteed by the United States. While almost three-fifths of the Corporation's total income since 1934 came from assessments, income from investments provided 57 percent of the Corporation's total income in 1969 and continues to increase at a faster rate than income from net assessments.

Insured deposits and the deposit insurance fund at the end of each year since 1934 are shown in Table 14. The rise in the estimated amount of insured deposits by over $16 billion, to $313 billion at the end of 1969, is attributable almost totally to the increase in the maximum level of insurance per depositor in 1969. Similarly, the ratio of insured deposits to total deposits in insured banks, 63.1 percent, is estimated to be about 3.1 percentage points above the level that would have existed under the $15,000 maximum.

**Audit.** The General Accounting Office has audited the financial transactions of the Corporation each year since 1945. Previously, audits were conducted annually by private firms engaged by the Corporation. The Corporation also provides its own continuous internal audit.

**Table 14.** INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934-1969

| 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 |
| 1969 | $495,858 | $313,085 | 63.1% | $4,051.1 | .82% | 1.29% |
| 1968 | 491,513 | 296,701 | 60.2 | 3,749.2 | .76 | 1.26 |
| 1967 | 448,709 | 261,149 | 58.2 | 3,485.5 | .78 | 1.33 |
| 1966 | 401,096 | 234,150 | 58.4 | 3,252.0 | .81 | 1.39 |
| 1965 | 377,400 | 209,690 | 55.6 | 3,036.3 | .80 | 1.45 |
| 1964 | 348,981 | 191,787 | 55.0 | 2,844.7 | .82 | 1.48 |
| 1963 | 313,304[2] | 177,381 | 56.6 | 2,667.9 | .85 | 1.50 |
| 1962 | 297,548[3] | 170,210[4] | 57.2[4] | 2,502.0 | .84 | 1.47[4] |
| 1961 | 281,304 | 160,309[4] | 57.0[4] | 2,353.8 | .84 | 1.47[4] |
| 1960 | 260,495 | 149,684 | 57.5 | 2,222.2 | .85 | 1.48 |
| 1969 | 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.

## RULES AND REGULATIONS AND STATEMENTS OF GENERAL POLICY

**Definition of the term "political subdivision" for insurance purposes.** Effective January 8, 1969, the Board of Directors amended the Corporation's rules and regulations, Part 330, to define, for the first time, the term "political subdivision" for insurance purposes. The amendment is intended to clarify the insurance coverage afforded deposits of public units and to enable them, as well as insured banks, to comply with all legal requirements relating to public fund depositories. Under the provisions of the amendment, the term "political subdivision" includes any subdivision of a public unit, as defined in section 3(m) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813(m)), or any principal department of such public unit (1) the creation of which has been expressly authorized by State statute, (2) to which some functions of government have been delegated by State statute, and (3) to which funds have been allocated by statute or ordinance for its exclusive use and control. The definition specifically includes drainage, irrigation, navigation, improvement, levee, sanitary, school or power districts and bridge or port authorities and other special districts created by State statute or compacts between States. Excluded from the term are subordinate or nonautonomous divisions, agencies, or boards within principal departments.

A similar amendment, applicable to public unit accounts in insured savings and loan associations, was adopted by the Federal Home Loan Bank Board.

**Minimum security devices and procedures for insured nonmember banks.** On January 13, 1969, the Corporation's Board of Directors—simultaneously with the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Home Loan Bank Board—adopted a regulation implementing the Bank Protection Act of 1968 (82 Stat. 294).

The new Part 326 of the Corporation's rules and regulations, entitled "Minimum Security Devices and Procedures for Insured Nonmember Banks," establishes minimum standards with which each insured State nonmember bank must comply for installing, maintaining, and operating security devices, and it lists procedures for banks to follow to discourage robberies, burglaries, and larcenies and to assist in identifying and apprehending persons who commit such acts. For example, the new regulation (1) requires the designation of a security officer for each insured State nonmember bank; (2) requires each bank to submit reports on security devices proposed for each banking office; (3) requires the development of a security program for each bank; and (4) requires each bank to develop a plan for installing, maintaining, and operating appropriate security devices in each banking office. The regulation also requires each bank to submit compliance reports as of the last business day in June of 1970 and as of the last business day in June of each calendar year thereafter.

Part 326 requires bank security officers to seek the advice of law enforcement officers in determining the specific needs of each office. In addition to specifying certain minimum requirements, the new part describes, in an appendix, some standards for various other security devices that might be considered appropriate for installation in banking offices located in areas with a high incidence of crimes against financial institutions.

**Special notice account deposits in Massachusetts.** To prevent deterioration in the competitive position of the eight insured nonmember mutual savings banks located in Massachusetts, as compared with the large number there not subject to the Corporation's interest-rate regulation, the Board of Directors, effective April 14, 1969, granted the eight a local rate exemption which, in effect, permits them to pay up to 5½ percent—a rate being offered by a number of the State-insured institutions—on 90-day special notice accounts. More specifically, the Board of Directors adopted an amendment, to Part 329 of the Corporation's rules and regulations, which permits insured nonmember mutual savings banks located in Massachusetts to pay a higher rate of interest or dividends on any deposit subject to a written agreement with the depositor that the deposit may not be withdrawn other than pursuant to the terms of a withdrawal notice signed by the depositor and received by the bank not less than 90 days in advance of a nine-day withdrawal period.

**Advertising of interest paid on deposits in insured nonmember banks.** The Board of Directors, on June 13, adopted amendments to Part 329, entitled "Interest on Deposits," to govern the advertising of interest paid on deposits in insured nonmember banks. These amendments, which became effective August 1, 1969, implement authority granted to the Corporation by the Act of September 21, 1968 (82 Stat. 856). Similar amendments were approved by the Board of Governors of the Federal Reserve System and by the Federal Home Loan Bank Board with respect to financial institutions subject to supervision by them.

The amendments supersede advertising guidelines that were set forth in a 1966 letter addressed by the Corporation to all insured nonmember banks. The amendments incorporate the guideline requirements that interest rates be stated in terms of annual rates of simple interest; that the annual rate of simple interest be stated with equal prominence where a percentage yield achieved by compounding interest during one year is advertised; and that time and amount requirements for an advertised rate be stated. In the interest of greater clarity, advertisements of yields based on periods in excess of a year (such as average annual yields achieved by compounding) are prohibited.

**Time deposits of foreign governments.** Effective November 5, 1969, section 329.3(g) of the Corporation's rules and regulations was amended to expand the categories of organizations on whose time deposits insured nonmember banks may pay rates of interest in excess of those generally permitted by the Corporation's interest-rate regulation. Formerly, time deposits of foreign governments, of monetary or financial authorities of foreign governments, or of international financial institutions of which the United States is a member were exempt from the interest-rate limitations. The amended subsection broadens these categories of exempt organizations with respect to time deposits having maturities of 2 years or less and representing funds deposited and owned by (1) a foreign government or an agency or instrumentality thereof engaged principally in activities which are ordinarily performed in the United States by governmental entities, (2) an international entity of which the United States is a member, or (3) any other foreign, international, or supranational entity specifically designated by the Board of Directors as exempt. The amended subsection further provides that any such certificate of deposit, issued by an insured nonmember bank to any such entity, on which the contract rate of interest exceeds the maximum rate generally prescribed by the Corporation's interest-rate regulation, must provide that, if the certificate is transferred to a nonexempt holder, the date of transfer shall appear on the certificate and that the maximum interest-rate limitations shall apply to the certificate for any period during which it is held by a person other than an exempt governmental entity.

An alternative method of transferring such a certificate to a nonexempt holder is also provided by the amended subsection. If it desires to do so, a bank may issue a new certificate to the transferee so long as the new certificate does not mature before the maturity date of the original certificate and does not provide for interest after the date of transfer at a rate in excess of the applicable maximum rate authorized by section 326.6 of the Corporation's rules and regulations as of the date of issuance of the original certificate.

**Increase in insurance coverage.** Effective December 23, 1969, the Board of Directors adopted amendments to Parts 306, 308, 328, 330, and 331 of the Corporation's rules and regulations in order to conform them to the provisions of section 7 of the Act of December 23, 1969 (83 Stat. 375), which increased the maximum amount of the insured deposit of each depositor from $15,000 to $20,000 effective upon the date of its enactment.

**Securities of insured nonmember banks.** Effective December 31, 1969, the Board of Directors adopted amendments to Part 335 of its rules and regulations relating to the form and content of commercial bank financial statements and proxy solicitation provisions. This part of the rules and regulations, entitled "Securities of Insured State Nonmember Banks," applies the disclosure provisions of the Securities Exchange Act of 1934 to the securities of insured State nonmember banks that have 500 or more shareholders.

The major change effected by the amendments is to implement the "net income" concept in bank income reports. Briefly, the change (1) requires a bank to recognize a loan loss factor in reporting operating expenses; (2) requires securities gains and losses to be reported, as realized, in a bank's statement of income; and (3) designates the last line of the statement of income as "net income." In addition, per share earnings are required to be reported. The amendments generally are intended to make financial reports required by Part 335 of the Corporation's rules and regulations consistent with the format and instructions for the preparation of reports submitted periodically to the Federal bank regulatory agencies.

Copies of statements and reports of all banks subject to Part 335 will continue to be available for public inspection at the Corporation's Washington office and at the New York, Chicago, and San Francisco Federal Reserve Banks. In addition, this information for each reporting bank will be available at the Federal Reserve bank in the district in which the bank is located.

Part 309 of the Corporation's rules and regulations, which provides for the availability to the public of reports required from insured State nonmember banks, has been amended to conform to the amended Part 335.

**Truth-in-Lending regulation.** On July 1, 1969, the disclosure and advertising provisions of Title I of the Consumer Credit Protection Act (Truth-in-Lending Act) and its implementing regulation (Federal Reserve Board Regulation Z) went into effect. Administrative enforcement of Truth-in-Lending with respect to insured banks is divided among the Comptroller of the Currency, for national banks; the Board of Governors of the Federal Reserve System, for State member banks; and the Federal Deposit Insurance Corporation, for insured State nonmember banks.

Materials prepared by the Board of Governors of the Federal Reserve System, including its official interpretations of regulation Z, have been distributed by the Corporation to all insured State nonmember banks.

**Text of regulations.** The text of pertinent provisions of the foregoing regulations (except Federal Reserve Board Regulation Z) is presented in Part 3 of this report.

## BANKS INVOLVED IN ABSORPTIONS APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1969

| State | Town or City | Bank | No. (Table 15) |
|---|---|---|---|
| Alaska | Anchorage | The First National Bank of Anchorage | 57 |
| | Valdez | The First Bank of Valdez | 57 |
| Arizona | Phoenix | Pioneer Bank of Arizona (change title to Great Western Bank & Trust Company) | 12, 65 |
| | | Westam, Inc. | 12 |
| | | United Bank of Arizona | 9 |
| | Tucson | Great Western Bank & Trust Company | 65 |
| | Yuma | Bank of Yuma | 9 |
| California | Fremont | Bank of Fremont | 47 |
| | | Fremont Bank | 47 |
| | San Diego | City Bank of San Diego | 7 |
| | San Francisco | Bank of America National Trust and Savings Association | 1 |
| | | Barclays Bank of California | 51 |
| | | California Canadian Bank | 7 |
| | San Jose | First Valley Bank | 51 |
| Connecticut | New Haven | The Union and New Haven Trust Company | 28 |
| | Stamford | The Fairfield County Trust Company (change title to Union Trust Company) | 28 |
| Georgia | Avondale Estates | The Citizens and Southern DeKalb Bank | 48 |
| | Decatur | The Citizens and Southern Belvedere Bank | 48 |
| Hawaii | Honolulu | Bank of Hawaii | 55 |
| Illinois | Chicago | Bev Bank (change title to Beverly Bank) | 37 |
| | | Beverly Bank | 37 |
| | Decatur | The Millikin Trust Company | 58 |
| | | The Millikin National Bank of Decatur | 58 |
| Indiana | Albany | Albany State Bank and Trust Company | 29 |
| | Fort Wayne | Allen Bank and Trust Company (change title to Indiana Bank and Trust Company of Fort Wayne) | 43 |
| | | Financial Bank, Inc. (change title to The Peoples Trust and Savings Company) | 66 |

| State | Town or City | Bank | No. (Table 15) |
|---|---|---|---|
| | Fort Wayne (cont'd) | Indiana Bank and Trust Company of Fort Wayne | 43 |
| | | The Peoples Trust and Savings Company | 66 |
| | Jamestown | Citizens State Bank | 27 |
| | Lebanon | The Boone County State Bank | 27 |
| | Muncie | Industrial Trust & Savings Bank | 29 |
| | Roachdale | Roachdale Bank and Trust Company | 33 |
| | Russellville | Russellville Bank | 33 |
| Iowa | Casey | Casey State Bank (change title to Security State Bank) | 34 |
| | Des Moines | Bankers Trust Company | 38 |
| | Menlo | Menlo Savings Bank | 34 |
| | Windsor Heights | Bankers Trust Company of Windsor Heights | 38 |
| Louisiana | Baton Rouge | American Bank & Trust Company | 73 |
| | | Great American Bank & Trust Company (change title to American Bank & Trust Company) | 73 |
| Maryland | Baltimore | Clifton Savings Bank | 49 |
| | | Clifton Trust Bank | 49 |
| | Crisfield | Marine Bank of Crisfield | 59 |
| | Princess Anne | Bank of Somerset | 59 |
| Michigan | Barryton | Central Michigan Bank | 72 |
| | Big Rapids | Citizens State Bank (change title to Central Michigan Bank) | 72 |
| | Cadillac | The Cadillac State Bank | 13 |
| | Kalkaska | The Kalkaska State Bank | 13 |
| | Morrice | The Morrice State Bank | 17 |
| | Owosso | The Owosso Savings Bank | 17 |
| New Hampshire | Concord | New Hampshire Savings Bank | 10 |
| | Pittsfield | Pittsfield Savings Bank | 10 |
| New Jersey | Clayton | The Clayton National Bank | 68 |
| | Freehold | The Central Jersey Bank and Trust Company | 67 |
| | Linden | Community Bank of Linden (change title to Community State Bank & Trust Company) | 2 |
| | Penns Grove | Peoples Bank of South Jersey | 68 |
| | Rahway | State Bank of Rahway | 2 |
| | Scotch Plains | First National Bank of Scotch Plains | 60 |
| | Somerset | Franklin State Bank | 60 |
| | Westfield | The National Bank of Westfield | 67 |

| State | Town or City | Bank | No. (Table 15) |
|---|---|---|---|
| New York | New York (Brooklyn) | Anchor Savings Bank | 32 |
| | | Bushwick Savings Bank (change title to Anchor Savings Bank) | 32 |
| | | The Prudential Savings Bank | 35 |
| | New York | West Side Savings Bank (change title to Prudential Savings Bank) | 35 |
| North Carolina | Durham | Central Carolina Bank & Trust Company | 30, 61 |
| | Gibsonville | The Bank of Gibsonville | 21 |
| | Harrellsville | Bank of Harrellsville | 20 |
| | Lenoir | Lenoir Industrial Bank, Inc. | 63 |
| | Marshville | Mutual Bank & Trust Company | 24 |
| | Monroe | American Bank & Trust Company | 23 |
| | Mount Olive | Southern Bank and Trust Company | 62 |
| | North Wilkesboro | The Northwestern Bank | 14, 63 |
| | | Wilkes County Bank & Trust Company (change title to The Northwestern Bank) | 14 |
| | Pittsboro | Bank of Pittsboro | 61 |
| | Rocky Mount | Peoples Bank & Trust Company | 20 |
| | Roxobel | Roanoke Chowan Bank | 62 |
| | Salisbury | Security Bank and Trust Company | 24 |
| | Smithfield | First-Citizens Bank & Trust Company | 21 |
| | Wadesboro | Anson Bank and Trust Company | 23 |
| | Whiteville | Eastern Bank and Trust Company (change title to Waccamaw Bank and Trust Company) | 46 |
| | | Waccamaw Bank and Trust Company | 46 |
| | Yadkinville | Bank of Yadkin | 30 |
| Ohio | Akron | Evans Savings Association | 3 |
| | Barberton | The Barberton State Bank (change title to The American Bank of Commerce) | 3 |
| | Manchester | The Bank of Manchester Company | 6 |
| | Winchester | The Winchester Bank Company (change title to The First State Bank of Adams County) | 6 |
| Pennsylvania | Allentown | The Merchants National Bank of Allentown | 8 |
| | Bakerton | The First National Bank of Bakerton | 40 |
| | Bethlehem | First Valley Bank | 11 |
| | | The First National Bank and Trust Company of Bethlehem | 11 |

| State | Town or City | Bank | No. (Table 15) |
|---|---|---|---|
| | Chambersburg | National Valley Bank and Trust Company | 50 |
| | | Valley Bank and Trust Company | 50 |
| | Doylestown | Doylestown Trust Company | 22 |
| | Hughesville | The First National Bank of Hughesville | 41 |
| | Jenkintown | Industrial Valley Bank and Trust Company | 22 |
| | Jersey Shore | The Union National Bank of Jersey Shore | 52 |
| | Johnstown | Johnstown Bank and Trust Company | 40 |
| | Muncy | Commonwealth Bank and Trust Company | 5, 41, 52 |
| | | The Citizens National Bank of Muncy | 5 |
| | Norristown | Continental Bank and Trust Company | 8 |
| | Reading | Bank of Pennsylvania | 31 |
| | | Washington Street Bank and Trust Company | 31 |
| | St. Marys | Elk County Bank and Trust Company | 4 |
| | | The Saint Marys National Bank | 4 |
| | Wellsboro | Commonwealth Bank and Trust Company | 5 |
| | Wilkes-Barre | Miners National Bank of Wilkes-Barre | 15 |
| | | United Penn Bank | 15 |
| South Carolina | Blacksburg | Blacksburg State Bank | 69 |
| | Charleston | The Carolina Bank and Trust Company of Charleston | 44 |
| | Cheraw | Peoples Bank of Cheraw | 56 |
| | Dillon | Citizens Bank of South Carolina | 25, 56 |
| | Great Falls | Bank of Great Falls | 56 |
| | Greenville | First Piedmont Bank and Trust Co. | 26 |
| | | Piedmont Bank (change title to First Piedmont Bank and Trust Company) | 26 |
| | | Southern Bank and Trust Company | 69 |
| | Greenwood | State Bank and Trust Company | 16, 44 |
| | Johnston | Ridge Banking Company | 16 |
| | Lake View | Lake Banking Company | 56 |
| | Nichols | The Bank of Nichols | 25 |
| | North Augusta | North Augusta Banking Company | 16 |
| | Orangeburg | The Southern National Bank of Orangeburg | 16 |

| State | Town or City | Bank | No. (Table 15) |
|---|---|---|---|
| Texas | Aransas Pass | First State Bank | 45 |
| | | The First State Bank, Aransas Pass, Texas | 45 |
| | Big Lake | Reagan State Bank | 42 |
| | | The Big Lake State Bank | 42 |
| | Houston | Bank of Texas | 39 |
| | | Esperson State Bank (change title to Bank of Texas) | 39 |
| Virginia | Annandale | First Virginia Bank | 36 |
| | Arlington | Arlington Trust Company, Inc. | 19 |
| | | Old Dominion Bank | 36 |
| | Charlottesville | Citizens Bank and Trust Company | 18 |
| | | Jefferson Bank of Charlottesville (change title to Citizens Bank and Trust Company of Charlottesville) | 18 |
| | Driver | First County Bank (change title to The Bank of Nansemond) | 70 |
| | Falls Church | Falls Church Bank | 36 |
| | Herndon | Republic Bank and Trust Company (change title to Arlington Trust Company, Incorporated) | 19 |
| | Nansemond | The Bank of Nansemond | 70 |
| | Virginia Beach | Ocean Bank (change title to People's Bank of Virginia Beach) | 54 |
| | | People's Bank of Virginia Beach | 54 |
| Wisconsin | Amery | Union State Bank | 71 |
| | Deer Park | State Bank of Deer Park | 71 |
| | Lime Ridge | The State Bank of Lime Ridge | 64 |
| | North Freedom | Bank of North Freedom | 64 |
| | Reedsburg | The Reedsburg Bank | 64 |
| | Spring Green | State Bank of Spring Green | 53 |
| | | The Farmers State Bank of Spring Green (change title to Bank of Spring Green) | 53 |
| *Other* | | | |
| American Samoa | Pago Pago, Tutuila | Bank of American Samoa | 55 |
| Uruguay | Montevideo | Banco del Este, S.A. | 1 |

**Table 15.** DESCRIPTION OF EACH MERGER, CONSOLIDATION, ACQUISITION OF ASSETS OR ASSUMPTION OF LIABILITIES APPROVED BY THE CORPORATION DURING 1969

| No. 1 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Bank of America National Trust and Savings Association**<br>San Francisco, California | 18,337,978 | —[1] | — |
| *to acquire the assets and assume the deposit liabilities of its noninsured subsidiary* | | | |
| **Banco del Este, S.A.**<br>Montevideo, Uruguay | 281 | 1 | |

Summary report by Attorney General, September 20, 1968

Banco del Este is a small bank headquartered in Montevideo, Uruguay with a service area predominantly agricultural. Permission was granted Bank of America by the Board of Governors of the Federal Reserve System on March 14, 1968 to acquire Banco del Este as a wholly owned subsidiary.

The proposed merger would convert an already existing banking subsidiary of Bank of America into a branch of Bank of America. Thus, the proposed merger would have no effect on competition.

Basis for Corporation approval, January 30, 1969

Bank of America National Trust and Savings Association, San Francisco, California (Applicant), total deposits $15.8 billion, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's approval to acquire assets and assume liability to pay deposits made in Banco del Este, S.A., Montevideo, Uruguay (Banco), total deposits $70,000, a noninsured subsidiary of Applicant.

The subject banks are not now in competition with each other because of their affiliation, which was effected in April 1968, nor were they in competition for some time prior to that date since Applicant has no offices in Uruguay and its office closest to Banco is 150 miles distant in Buenos Aires, Argentina.

There are 28 banks operating 198 offices in Montevideo, including one U.S. bank and a number of other banks foreign to Uruguay. Banco operates one office and is among the three smallest banks in the city. Applicant has more than 900 domestic offices and is represented in 62 countries through its overseas branches, representative offices, and affiliates. The overall proposal represents the entry into Uruguay of an additional U.S. bank which, by virtue of its vast resources and facilities, should tend to increase competition, especially in the field of international banking.

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

The factors of financial and managerial resources, future prospects, and convenience and needs of the community to be served are satisfactory with respect to the merging banks and are so projected for the resulting bank.

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

| No. 2 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Community Bank of Linden**<br>Linden, New Jersey<br>(change title to Community State Bank & Trust Company) | 33,456 | 3 | 5 |
| *to merge with*<br>**State Bank of Rahway**<br>Rahway | 17,745 | 2 | |

Summary report by Attorney General, October 30, 1968

Community Bank and State Bank are located in the contiguous communities of Linden (population 44,000), and Rahway (population 28,000); this area is adjacent to Elizabeth, New Jersey, on the north. Two banks, Community Bank and an Elizabeth based bank (total deposits $176 million) operate six offices in Linden, and two banks, State Bank and another Elizabeth based bank, (total deposits $185 million) operate three offices in Rahway. The merging banks are each the smaller bank in their respective communities.

All three of Community Bank's offices are within 2½ miles of State Bank's two offices. The nearest offices are about 1½ miles apart. Thus, it is clear that there is direct competition between the merging banks, which would be eliminated by the proposed merger.

As of June 30, 1966, four banks operated seven offices in the combined Linden-Rahway market. Two other small banks each operate one office near the borders of Linden-Rahway. If one includes these banks in the market, as of June 30, 1966, Community Bank had the second largest share, or 23 percent, of total IPC demand deposits, and State Bank, had the fourth largest share, or 11 percent, of IPC demand deposits. If this merger had been consummated, the combined bank would have had the largest share, or 34 percent of such deposits, and three banks, two of which are headquartered in Elizabeth, would have had about 88 percent of IPC demand deposits.

Consummation of this merger would eliminate existing competition, would increase concentration in the Linden-Rahway area, and would eliminate a significant independent competitor.

In view of these facts, we conclude that the competitive effects of this merger would be significantly adverse.

### Supplemental report by Attorney General, January 15, 1969

This is in regard to our report of October 30, 1968, on the competitive factors involved in the proposed merger of State Bank of Rahway, Rahway, New Jersey ("State Bank"), into Community Bank of Linden, Linden, New Jersey ("Community Bank"). Our report concluded that the merger would eliminate existing competition between the banks, increase concentration, and eliminate a significant independent competitor and that therefore its competitive effect . . . would be significantly adverse.

It has since come to our attention that the two banks have had common management ever since the second bank was organized in 1958. It appears that in 1955, a group of local citizens had obtained a charter for Community Bank, which was to be a progressive bank, responsible to the banking needs of the local Linden community. In 1958, a group of citizens from Rahway approached Community Bank's management about creating the same type of bank for Rahway. Under New Jersey law, which prohibited *de novo* branching into any community where a bank operated an office,[1] Community Bank could not branch into Rahway. In response to this invitation, management personnel of Community Bank were instrumental in the organization of State Bank and the two banks have been commonly managed since that time, although there is divergence in shareholding and some of the lower management is separate.

We do not normally conclude that a bank merger will not have anticompetitive effects merely because common management or ownership exists between the merging banks. A merger between such banks may permanently eliminate the potential for competition between them if those common arrangements should be terminated at some time in the future. This is particularly so where the common arrangements are of recent origin or show signs of being a speculative venture. Moreover, such common ownership may itself raise problems under the antitrust laws.

However, when the history of common management of merging banks goes back to the organization of the second bank, such organization may be similar to the establishment of a *de novo* branch by the first bank. In the present circumstances, it does not appear that the proposed merger, which would make State Bank an actual branch of Community Bank, would eliminate any meaningful competition between the two banks.

### Basis for Corporation approval, February 27, 1969

Community Bank of Linden, Linden, New Jersey (Applicant), an insured State nonmember bank with total deposits of $29,413,000, 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 State Bank of Rahway, Rahway, New Jersey (State Bank), which has total deposits of $15,612,000. The banks would merge under the charter of Applicant and with the title "Community State Bank & Trust Company"; and, as an incident to the merger, the two offices of State Bank would become branches of Applicant, increasing the number of its offices to five.

*Competition.* Linden (population 39,900) and Rahway (population 27,700) are contiguous communities located in the southeastern part of Union County,

[1] New Jersey Statutes Annotated §17: 9A-19. This provision has just been amended to provide only *home office* protection against *de novo* branching. Assembly Bill No 677 (1968).

which is part of the Newark SMSA as well as the New York-Northeastern New Jersey Standard Consolidated Area, which had a population of 14,759,400 in 1960. The farthest distance between offices of the participating banks is 2.75 miles and the shortest distance between offices is 1.5 miles. The trade areas served by the participating banks overlap to some extent, but the number of common customers is not significant.

Applicant could not branch de novo into Rahway; so, at the request of Rahway residents, five directors of Applicant organized State Bank. Since the organization of State Bank in 1959 a major portion of Applicant's stock has been held by the same individuals who also hold a major portion of State Bank's stock. Originally, five of State Bank's nine directors were also directors of Applicant, and top management of the participating banks has been the same since State Bank was organized. The policies of the participating banks are the same, and the offices of State Bank are operated more like offices of Applicant than as an independent competitive bank.

There has recently been a change in the branching law in the State of New Jersey, which will become effective in 6 months. Under the new law the State is divided into three regions and each bank can legally establish de novo branches anywhere within the district, except for those municipalities wherein the main office of a bank is located. Consummation of this proposal would open Rahway to de novo branching by all of the banks located in the second district.

The resulting bank would have five of the 20 commercial banking offices in its trade area, and it would rank second with 27.1 percent of the IPC deposits. In addition to the participating banks there are seven commercial banks operating offices in the resulting bank's trade area. Of these seven, three are more than twice the size of the resulting bank. The largest bank operating in the resulting bank's trade area had total IPC deposits of over $161 million as of June 29, 1968, and it has two offices in Rahway and 16.8 percent of the IPC deposits in the resulting bank's trade area. The second largest bank operating in the resulting bank's trade area had total IPC deposits of over $160 million as of June 29, 1968, and it has three offices in Linden and 29.6 percent of the IPC deposits in the resulting bank's trade area.

In view of the common stockholders and management, there is very little, if any, direct competition, between the participating banks, which would be eliminated by this proposal; and while it is possible that the participating banks could become competitive sometime in the future, this is not regarded as a likely prospect. This proposal should enable the resulting bank to compete more effectively with the much larger institutions operating 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 have been favorable with respect to the merging banks and are so projected for the resulting bank.

*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 an economically expanding area. The resulting bank would also offer longer banking hours and the services of a trust department, which the participating banks do not now have.

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. 3 | Resources (in thousands of dollars) | Banking Offices: In operation | Banking Offices: To be operated |
|---|---|---|---|
| **The Barberton State Bank**<br>Barberton, Ohio<br>(change title to The American Bank of Commerce) | 6,585 | 1 | 15 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **Evans Savings Association**<br>Akron | 169,323 | 14 | |

Summary report by Attorney General, April 5, 1968

Evans' competition with Barberton Bank, as well as with other commercial banks in the Akron metropolitan area, is limited to time accounts and loans. It is the second largest of eleven competing savings organizations.

Barberton's share of time and savings deposits in the market amounts to less than one percent. The proposed acquisition might eliminate some limited degree of competition between Evans and Barberton with respect to time deposits and mortgage loans, but it does not appear that the impact would be appreciable within either Akron, Ohio, or Summit County.

We do not consider that this proposed merger would have any important effect upon competition within the area.

Basis for Corporation approval, February 27, 1969

The Barberton State Bank, Barberton, Ohio (Applicant), an insured State nonmember bank with total deposits of $5 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume liability to pay deposits made in Evans Savings Association, Akron, Ohio (Evans), a State stock building and loan association which is a member of the FSLIC and Federal Home Loan Bank and which has total deposits of $152 million. The transaction would be effected under Applicant's charter and with the title "The American Bank of Commerce"; and, as an incident thereto, Applicant's main and only office would be moved to Evans' main office location, and Applicant's office and Evans' 13 branches would become branches of the resulting bank.

*Competition* Applicant's sole office is in Barberton (population 33,800), 6.5 miles from Evans' main office in Akron, (population 290,000). Applicant's service area is Barberton and vicinity and is entirely within Evans' service area of Summit County. Their closest offices are 2.75 miles apart. The participating institutions are competitive with each other only for time and savings deposits and mortgage loans, and the degree of competition between them for that type of business is limited. Applicant has relatively few mortgage loans and the smallest proportion of time and savings deposits in the area. Moreover, it is experiencing severe asset and management problems and is an ineffective competitor.

Applicant is the smallest bank in the service area, and Evans is the second largest savings association. The proposal would introduce a new bank into Akron, which would be fourth largest of five banks headquartered there. Applicant presently competes in Barberton with two offices of the county's largest bank, which has deposits of over $400 million. The significant increase in

Applicant's size would have no adverse competitive effects in Barberton. The conversion of Evans' 14 offices to commercial bank offices should tend to stimulate banking competition in Akron and throughout Summit County.

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

*Financial and Managerial Resources, Future Prospects, and Convenience and Needs of the Community to be Served.* These factors are favorable with respect to Evans and are so projected for the resulting bank. The proposal would eliminate a small commercial bank with severe asset and managerial problems. The convenience and needs of Summit County would be more adequately met by the addition of the services of another commercial bank to Akron and 14 bank offices to the county.

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

| No. 4 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Elk County Bank and Trust Company**<br>St. Marys, Pennsylvania | 21,067 | 3 | 4 |
| *to merge with* | | | |
| **The Saint Marys National Bank**<br>St. Marys | 15,495 | 1 | |

Summary report by Attorney General, January 16, 1969

In these circumstances, where the two merging banks have been subject to common control since the second bank was organized, we conclude that the proposed merger would have no significant effect on competition.

Basis for Corporation approval, February 27, 1969

Elk County Bank and Trust Company, St. Marys, Pennsylvania, an insured State nonmember bank with total deposits of $19,056,000, 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 Saint Marys National Bank, also of St. Marys, which has total deposits of $13,010,000. The banks would merge under the charter and with the title of the applicant. Saint Marys has permission to open a branch, and the applicant has requested that it be permitted to establish this de novo branch, which would increase the number of its offices to four.

*Competition.* The two banks have been owned and operated by the same families since their organization, and they do not compete with each other. The only discernible effects on competition are that the resulting bank would build a modern plant, enabling it to compete more effectively in the two-county service area, and that the elimination of one bank and its name might make the area more attractive for an out-of-town bank to establish a branch. Other than these, the proposal would eliminate a legal technicality and, of course, separate FDIC insurance coverage of depositors in both 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 have been favorable with respect to the merging banks and are so projected for the resulting bank. Future deposit growth is expected to be inhibited during the period of conversion from the present antiquated buildings to a modern, efficient building, and then to resume a normal pace. Present cramped conditions are not conducive to real growth. The buildings are adjacent and will be replaced, in two stages, by one new building.

*Convenience and Needs of the Community to be Served.* Modern quarters would serve the convenience and needs of the customers at the main office, who sometimes have to stand in the rain while waiting their turn at a window, and who have to stand while discussing loans and other business. The increased lending limit would be of benefit to customers throughout the service area: Elks County (population 38,000) and Cameron County (population 8,000). Branch service would be continued as at present; and one more branch would be opened, as presently scheduled.

Another aim of the proponents is, by building a new and modern banking house, to make more attractive the small and somewhat shabby business center of the town of St. Marys.

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. 5 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Commonwealth Bank and Trust Company**<br>Wellsboro, Pennsylvania | 20,365 | 4 | 5 |
| *to merge with* | | | |
| **The Citizens National Bank of Muncy**<br>Muncy | 6,142 | 1 | |

Summary report by Attorney General, October 31, 1968

The two banks serve different, widely spread, geographic areas and there are several banks in the intervening area. Thus, there does not seem to be any existing competition which could be eliminated by this merger.

Under Pennsylvania law, either bank could branch *de novo* into the service area of the other. In Lycoming County, there were, as of June 30, 1966, 13 commercial banks operating 17 offices and holding total deposits of $161 million. At that time, Muncy Bank had about 3 percent of total county deposits; three banks headquartered in Williamsport accounted for more than 50 percent of such deposits.

The proposed merger would eliminate Commonwealth Bank, the largest bank in Tioga County, as a potential competitor by *de novo* entry into Lycoming County. However, besides the three banks in Williamsport, there are at least three other banks larger than Commonwealth Bank which can also legally branch *de novo* into Muncy and Lycoming County.

Basis for Corporation approval, February 27, 1969

Commonwealth Bank and Trust Company, Wellsboro, Pennsylvania (Applicant), an insured State nonmember bank with total deposits of $17,884,000, 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 Citizens National Bank of Muncy, Muncy, Pennsylvania, which has total deposits of $5,590,000. The banks would merge with the title and under the charter of Applicant. The main office would be at Muncy; the present main office at Wellsboro would be operated as a branch, together with presently existing branches and one drive-up facility approved but not yet in operation. The Muncy bank has no branches.

*Competition.* The two banks operate in completely separate areas and do not compete with each other. The only apparent impact on competition would appear to be the shift from a $6 million bank to a $27 million bank with headquarters in Lycoming County, a service area of approximately 109,000 people, including the city of Williamsport. This shift should positively stimulate competition in that area. It would also enable the resulting bank to branch into 10 adjacent counties, if it so chose, instead of four. Meanwhile, at the branch in Wellsboro (formerly the main office), there is no reason to expect any diminution of competition or service to that area, which comprises approximately 35,000 people in Tioga County and the eastern third, more or less, of Potter County.

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

*Financial and Managerial Resources and Future Prospects.* Both banks are sound and well-managed institutions, with no problems of consequence. Neither has a management succession problem. Capitalization is considered adequate, and earnings have been at reasonable levels. It is expected that the resulting bank will continue the patterns of growth, profitability, and retention of earnings adequate to margin growth. It is anticipated that growth will be stimulated by the proposed merger, but not so drastically as to put great pressure on the margin of capital protection. By greater diversification of its economic and geographic base, Applicant should become a stronger bank, less vulnerable to adversity in one or two industries.

*Convenience and Needs of the Communities to be Served.* Applicant was formed in 1965, when national banks in Galeton, Lawrence, and Westfield were merged into the Tioga County Savings and Trust Company and continued as branches of the bank under its present name. Applicant plans to relocate the Galeton branch and establish a drive-up facility in Wellsboro. Since that merger, deposits have risen from $15,950,000 (1965 average) to $16,920,000 (for 1966). They decreased to $16,898,000 (average for 1967), attributable almost entirely to a decrease in public funds. It appears patent that the institution has been serving the needs of the community, and logical that it will continue to do so, even though the present main office will become a branch.

The Muncy bank was organized in 1886 and has operated successfully since then. Although it has no branches, its deposits have increased over 20 percent over the same 3-year period: from $4,155,000 to $5,054,000. Evidently it has been of service to the convenience and needs of the community. With the advent of a management familiar with branching, it is not unlikely that the resulting bank will provide even more service to the community (Lycoming County), possibly including branches there or in adjoining counties.

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

| No. 6 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Winchester Bank Company**<br>Winchester, Ohio<br>(change title to The First State Bank of Adams County) | 4,689 | 2 | 3 |
| *to consolidate with*<br>**The Bank of Manchester Company**<br>Manchester | 2,543 | 1 | |

### Summary report by Attorney General, November 29, 1968

Winchester (population 1,600) and Manchester (population 2,200), 20 miles to the south, are both located in Adams County in an area which is principally agricultural.

Only one bank operates in Winchester and two banks operate in Manchester: Manchester Bank and the Farmers Bank of Manchester (total deposits, $1.7 million); there is one intervening bank about half way between Manchester and Winchester at West Union. Because of the distance separating the merging banks, their small size, and the presence of an intervening bank, it is doubtful that the merging banks compete with one another to any significant extent.

Although Ohio law would permit each of the consolidating banks to open a *de novo* branch in the town where the other's office is located, it is doubtful that this right would be exercised because of the small size of the banks as well as of the towns involved.

### Basis for Corporation approval, March 12, 1969

The Winchester Bank Company, Winchester, Ohio (Applicant), an insured State nonmember bank with total deposits of about $4.3 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to consolidate with The Bank of Manchester Company, Manchester, Ohio (Manchester Bank), also an insured State nonmember bank, which has total deposits of about $2.3 million. The banks would consolidate under the charter of Applicant and with the title "The First State Bank of Adams County"; and, as an incident thereof, the sole office of Manchester Bank would become a branch of the resulting bank, increasing the total number of offices to three.

*Competition.* The participating banks are in Adams County (population about 19,500), which is located in southwestern Ohio and borders on the Ohio River. Applicant's service area is the northwestern corner of Adams County, but it includes small portions of Highland and Brown Counties. Manchester Bank's service area extends for about 5 miles in all directions from the village of Manchester, except to the south, where the Ohio River is an effective barrier. Competition between the participating banks is virtually nonexistent. Their service areas are separate and distinct; their closest offices are separated by 20 miles of rural territory; and there is only a nominal volume of business derived by each bank from the service area of the other. Furthermore, the potential for competition to increase is slight.

The proposal would unite the two smallest of the four small banks in Adams County to form the second largest bank, but all three of the remaining banks would be similar in size, so that the effect on concentration would not be significant.

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.* The banking factors are considered satisfactory with respect to the individual participating banks, as they are with respect to the resulting bank.

*Convenience and Needs of the Community to be Served.* The principal effect of this proposal appears to be having three, rather than four, banks of comparable size competing in the limited Adams County market; two of these banks are now significantly smaller than the others. In addition, an increased lending limit would be made available locally to the communities served by the subject 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. 7 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **California Canadian Bank**<br>San Francisco, California | 92,756 | 8 | 10 |
| *to purchase the assets and assume the deposit liabilities of* | | | |
| **City Bank of San Diego**<br>San Diego | 18,566 | 2 | |

## Summary report by Attorney General, January 28, 1969

California Canadian Bank maintains its head office and two branches in San Francisco, and five additional branches, located in all the principal counties of California except San Diego County. City Bank of San Diego has its main office and two branches in San Diego.

The closest branches of the merging banks are one hundred ten miles apart, with a multitude of other banks in the intervening area. Therefore, the proposed merger would not appear to eliminate any significant amount of existing competition between the two banks.

Since California law permits statewide branch banking, CCB could legally branch *de novo* into San Diego County. CCB has demonstrated some propensity for internal expansion by establishing six new branch offices since 1965. CCB is not, however, one of the most likely entrants into the San Diego market. There are numerous banks larger than CCB that are not yet operating in San Diego including the nation's eleventh and twelfth largest commercial banks, each with deposits of over $3.5 billion.

## Basis for Corporation approval, March 27, 1969

California Canadian Bank, San Francisco, California (Applicant), an insured State nonmember bank with total deposits of $80,314,000, 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 liabilities of City Bank of San Diego, San Diego, California (City Bank), which has total deposits of $16,267,000. The two offices of City Bank would become branches of Applicant. City Bank also has permission to establish a third office. Applicant has requested that it be permitted to establish this de novo branch, which would increase the number of its offices to 11.

*Competition.* San Francisco (population 786,000) is 522 miles north of San Diego (population 660,000). Applicant's branch in Los Angeles is 110 miles north of San Diego. These are the three largest cities on the west coast of the United States. Numerous offices of other banks intervene between Los Angeles and San Diego. There is no competition between the two banks.

California banking is dominated by several statewide banks, notably Bank of America, N.T. and S.A., which holds 43 percent of deposits and loans. Applicant would hold 0.2 percent of both deposits and loans after consummation of the proposed transaction. It has been holding a decreasing share of the market for many years. By establishing branches in San Diego, it hopes to regain its former position in California banking. In the six counties in which the two banks operate, Applicant holds 0.3 percent of total deposits. City bank holds 0.9 percent in San Diego County and an insignificant percentage in the six counties. Senior officials of banks in San Diego were in general agreement that the proposed transaction would stimulate competition in that market. It would have no measurable effect in the Los Angeles or San Francisco Bay areas.

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 have been favorable with respect to the two banks and are so projected for the resulting bank.

*Convenience and Needs of the Communities to be Served.* The increased lending limits would be of benefit to customers of both banks, which are located in economically expanding areas. The proposal would introduce trust services in the San Diego operation, which does not now offer them.

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. 8 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Continental Bank and Trust Company**<br>Norristown, Pennsylvania | 501,096 | 42 | 54 |
| *to merge with* | | | |
| **The Merchants National Bank of Allentown**<br>Allentown | 154,601 | 12 | |

## Summary report by Attorney General, January 16, 1969

Allentown (1960 population 108,000), located about fifty miles north-northwest of Philadelphia, is the principal city in Lehigh County, Pennsylvania. Bethlehem (1960 population 75,000), located partly in Lehigh County and partly in Northampton County, is contiguous to Allentown on the east. Continental operates no offices in Lehigh County. The closest offices of the two banks are approximately 20 miles apart, with several banks in the intervening area. However, there appears to be some competition between them, especially for larger deposits and loans.

As of June 30, 1968, there were five banks headquartered in the Allentown-Bethlehem market and six smaller banks, each with total deposits of less than $20 million, headquartered elsewhere in Lehigh County. In terms of total deposits, Merchants National is the second largest bank operating in the Allentown-Bethlehem market and the third largest operating in Lehigh County. In the Allentown-Bethlehem market as of June 30, 1966, Merchants National had the third largest share, or about 20 percent, of IPC deposits, and three banks had about 70 percent of such deposits. In Lehigh County, as of the same date, Merchants National had the second largest share, or about 27 percent of IPC deposits.

Pennsylvania law permits *de novo* branching by a commercial bank into all counties which are contiguous to the county in which the bank's head office is located. Since Montgomery County is contiguous to Lehigh County, Continental could be permitted to branch *de novo* into Lehigh County and into Allentown. Most of the other large banks which operate in the Philadelphia four county area are headquartered in Philadelphia County, which is not contiguous to Lehigh, and thus may not branch into Lehigh County. Continental is the largest bank which can legally branch into Lehigh County. Moreover, it has been active in *de novo* branching in recent years, having opened six new offices since 1965, received approval for a seventh, and applied for approval for an eighth. Thus, it appears that Continental is the most likely potential *de novo* entrant into both Lehigh County and the Allentown-Bethlehem market.

The application states that Continental was recently denied permission by the Pennsylvania Department of Banking to establish a *de novo* branch in Lehigh County. However, given the prospects for growth in Allentown and nearby Lehigh County as well as Continental's demonstrated desire to branch *de novo* into the area, we believe that conditions will ultimately permit such action by Continental. Moreover, even if *de novo* entry by Continental were not possible, the proposed merger would foreclose the possibility of entry by Continental by means of a merger with one of the small banks in the area.

The proposed merger would combine the most likely entrant into the large and concentrated Allentown-Bethlehem and Lehigh County markets, either by *de novo* branching or through merger with a small bank in Lehigh County, with the second largest competitor there. Accordingly, it is our view that the proposed merger would have a significantly adverse effect on competition.

## Basis for Corporation approval, March 27, 1969

Continental Bank and Trust Company, Norristown, Pennsylvania (Applicant), an insured nonmember bank with total deposits of $435,240,000, 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 Merchants National Bank of Allentown, Allentown, Pennsylvania (Merchants), which has total deposits of $132,453,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the 12 offices of Merchants would become branches of Applicant, increasing the number of its offices to 54.

*Competition.* The service area of Applicant, of which the population is estimated at 2,300,000, is essentially Philadelphia and southeastern Pennsylvania. Of Applicant's 42 offices, 21 are in Philadelphia. The city of Philadelphia and the surrounding area are heavily industrialized with diversified activity, extensive commercial services, port facilities, and an expanding residential population. The economy in the communities in the surrounding counties (Montgomery, Chester, and Delaware) where Applicant presently has branches, for the most part, is geared to the economy of the greater Philadelphia area.

The service area of Merchants is confined to Lehigh County and the southern portion of Northampton County, including the city of Bethlehem, which occupies a portion of both counties. Lehigh County is contiguous to Montgomery County on the north and the merger would expand Applicant's primary service area to this region. The population of Merchants' service area is estimated at 525,000. Allentown is a heavily industrialized community, part of the Allentown-Bethlehem area which has experienced substantial population growth in recent years.

The main offices of the participating banks are 47 miles apart, and the shortest distance between offices is the 28 miles separating Applicant's office at Hatfield and Merchants' office at Emmaus. The two banks operate in separate market areas with several other commercial banking offices in the intervening area, and there is very little, if any, competition between them. Moreover, there seems to be little potential for competition. Merchants has shown no inclination to expand beyond the two counties it presently serves, and in 1968 the State Authority denied Applicant permission to establish a de novo branch in Allentown. For these and other reasons, elimination of potential competition is not considered a realistic objection to this proposal.

Applicant is the sixth largest commercial bank in its trade area, as measured in terms of IPC deposits, and this proposal would not change that position. Two commercial banks and one mutual savings bank headquartered in Philadelphia have IPC deposits of over $1 billion. With respect to this market area, the merger would have no significant effect on competition. Any competitive effects would occur in the service area of Merchants, where it ranks fourth in terms of IPC deposits. The resulting bank would be the largest bank operating in the Allentown area; however, this proposal would not intensify the concentration in the service area of Merchants nor would it reduce the number of banking alternatives. The primary trade area of the resulting bank would be the six counties where its offices would be located plus small portions of some adjacent counties. Within this trade area the resulting bank would have only 6.1 percent of the IPC deposits and five other commercial banks would have a greater share of the market. The merger should tend to increase competition in the area now served by Merchants.

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.

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank. The earnings record of Merchants has not been as good as Applicant's; and the future prospects of Merchants, as a part of the resulting bank, would be enhanced. Future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* As a result of the merger, the Allentown-Bethlehem area would gain the advantage of a bank with a larger lending limit than any now available in the area. The resulting bank would have a lending limit of more than $3 million higher than Merchants' present lending limit. This proposal would not significantly benefit the trade area served by Applicant, but it would permit the resulting bank to fill the need for larger amounts of credit in the Allentown area and also provide additional conveniences for that area. Additionally, the availability of a local bank with branches in Philadelphia would be of some service.

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

| No. 9 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **United Bank of Arizona**<br>Phoenix, Arizona | 105,512 | 12 | 13 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **Bank of Yuma**<br>Yuma | 6,671 | 1 | |

Summary report by Attorney General, January 16, 1969

The United Bank of Arizona ("United Bank") which resulted from a merger in January, 1968, of four central Arizona banks, operates its main office and four of its branch offices in Phoenix, and seven additional branch offices within a radius of 40 miles from Phoenix.

The closest offices of the merging banks are 177 miles apart. Thus it appears that there is little if any existing competition between them which would be eliminated by the merger.

Arizona law permits statewide *de novo* branching. United Bank could, therefore, be permitted to establish a *de novo* branch in Yuma or any other town or city in Yuma County.

Yuma Bank, with about 10 percent of total Yuma County commercial bank deposits, is the smallest of four banks operating in the county. It competes directly with branches of the three largest banks in the state, with total deposits of $1.1 billion, $675 million, and $292 million, respectively.

Basis for Corporation approval, April 3, 1969

United Bank of Arizona, Phoenix, Arizona (Applicant), an insured State nonmember bank with total deposits of $92,201,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to purchase assets and assume the liability for deposits of Bank of Yuma, Yuma, Arizona (Yuma), which has total deposits of $5,793,000. The resulting bank would operate under the charter and with the title of Applicant; and, as an incident to the transaction, the one office of Yuma would become a branch of Applicant, increasing the number of its offices to 13.

*Competition.* The shortest distance between offices of the participating banks is 177 miles, and each serves a separate and distinct trade area. Applicant's primary trade area is the Phoenix SMSA, which had a population of 663,500 in 1960. Yuma is located in the extreme southwestern corner of the State and serves a trade area with an estimated population of 40,000. There is virtually no competition between the participating banks. Both banks are in direct competition with the largest banks in Arizona. The resulting bank will hold only 3.8 percent and 4.0 percent of the deposits and loans, respectively, of banks in the State of Arizona.

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 manner be in restraint of trade.

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources of the participating banks are adequate, as they would be for the resulting bank. Earnings of both Applicant and Yuma have not been impressive, but the future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* This proposed transaction would have no appreciable effect in Applicant's present trade area, but it would enable the resulting bank to better serve the convenience and needs in the Yuma area. A major benefit to the Yuma area would be the larger lending limit, and there would also be an increase in services, including trust and computer facilities.

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

| No. 10 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **New Hampshire Savings Bank**<br>Concord, New Hampshire | 97,454 | 3 | 4 |
| *to merge with* | | | |
| **Pittsfield Savings Bank**<br>Pittsfield | 3,734 | 1 | |

Summary report by Attorney General, July 29, 1968

New Hampshire Savings Bank operates two offices in Concord and one in Contoocook, 11 miles to the west. Pittsfield Savings Bank operates its only office 13 miles east of Concord. All offices of both the merging banks are located in lower Merrimack County, New Hampshire, (1960 population, 67,785), which is largely rural in nature.

The closest offices of the two merging banks are 13 miles apart, with no intervening banking offices, and the two banks have a substantial number of common deposit and loan accounts. Thus, the proposed merger would eliminate direct competition between the two banks.

New Hampshire Savings is the largest of five savings banks in the county, holding about 50 percent of total deposits of the savings banks, while Pittsfield Savings is the smallest accounting for about 1.9 percent of such deposits. When the market shares are adjusted to include time deposits of the six commercial banks operating in the county, the resulting bank would still control almost half the total time deposits.

The proposed merger would eliminate existing competition between New Hampshire Savings and Pittsfield Savings and enhance the dominant position of New Hampshire Savings, both in Merrimack County as a whole and in the lower portion of that county where both banks have all their offices. The effect of this merger on competition would be substantially adverse.

### Basis for Corporation approval, April 11, 1969

New Hampshire Savings Bank, Concord, New Hampshire (Applicant), an insured mutual savings bank with total deposits of $85,777,000, 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 Pittsfield Savings Bank, Pittsfield, New Hampshire (Pittsfield Savings), which has total deposits of $3,348,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the main and only office of Pittsfield Savings would become a branch of Applicant, increasing the number of its offices to four.

*Competition.* Applicant is headquartered in Concord, which has a population of 29,000. It operates one branch in Concord and one in Contoocook Village, all located in the south-central part of the State. The only office operated by Pittsfield Savings is situated in Pittsfield, which has a population of 2,400 and is located 17 road miles northeast from Concord. The merging banks' closest offices are 16 road miles apart.

In Concord, there are two other savings banks with IPC deposits totaling $38.6 million and $28.9 million, as well as two commercial banks. Manchester, the largest city in New Hampshire, is located 18 miles south of Concord via Interstate Highway 93 and contains the State's two largest mutual savings banks, with IPC deposits totaling $172.5 million and $118.5 million, some of which originate in the Pittsfield area. There is one other bank in Pittsfield, a small commercial bank presently affiliated with the merging banks. As a condition to the approval of the instant merger, this affiliation will be terminated.

Pittsfield Savings' small size, restrictive loan policy, inability to keep pace with sharply increased interest rates paid on savings deposits in Concord and Manchester, dormant management situation, and incapacity to acquire the services of a qualified executive officer, strongly suggest that it cannot effectively compete in its service area. Although Applicant has some business in Pittsfield, Pittsfield Savings has almost none in Concord. As a result of the merger, a small unit bank would be replaced by a branch of the larger Applicant, which would provide substantial benefits to the Pittsfield community.

The Board of Directors is of the opinion that the effect of the proposed merger would not be substantially to lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade. Any anticompetitive effects resulting from the merger would clearly be outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served. The customers at Pittsfield Savings would immediately benefit from: 1. an increase in the rate of interest paid on their savings accounts (from 4.5 percent to 5 percent); 2. a higher legal lending limit; 3. extended banking hours; and 4. more varied services. Modern banking quarters and facilities to include a community room would be provided to replace the present structure, built in 1876. Moreover, terminating the affiliation of the merging banks with the commercial bank in Pittsfield, as required as a condition to approval of the merger, would result in the latter's independent status and encouragement to offer full financial services, including facilities for savings deposits (which it has hitherto refrained from accepting).

*Financial and Managerial Resources and Future Prospects.* These factors are favorable with respect to Applicant and are so projected for the resulting bank. Management at Pittsfield Savings is aging and lacks depth; its chief executive died in February 1967 and a qualified replacement has not been found. The bank's future prospects are dim.

*Convenience and Needs of the Community to be Served.* There would be little change in Concord as a result of the merger. Most significant would be the expanded services to be offered by the resultant branch bank in Pittsfield, as just described, together with granting the commercial bank a better basis to become more competitive and thus better serve the public.

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

| No. 11 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **First Valley Bank**<br>Bethlehem, Pennsylvania<br>(in organization) | — | — | 7 |
| *to merge with*<br>**The First National Bank and Trust Company of Bethlehem**<br>Bethlehem | 129,895 | 7 | |

Summary report by Attorney General, January 16, 1969

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

Basis for Corporation approval, April 11, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for First Valley Bank, Bethlehem, Pennsylvania (Valley Bank), a proposed new bank in organization, and for consent to the merger of The First National Bank and Trust Company of Bethlehem, Bethlehem, Pennsylvania (National), which has total resources of $130 million, and Valley Bank, under the latter's charter and with its title. The resulting bank will operate from the seven existing locations and two approved but unopened branches of National.

The proposal involves the formation of a one-bank holding company to hold stock ownership of National, which will convert to an insured State nonmember bank through the simultaneous new bank formation and merger. The new bank (Valley Bank) will not be in operation as a commercial bank prior to the merger and will begin business at the present locations of National with the latter's assets, liabilities, capital, and management.

Bethlehem is located in eastern Pennsylvania between Allentown and Easton, and the three cities comprise the Lehigh Valley market area. The 1960 population of Bethlehem was 75,400. The economy, largely dominated by Bethlehem Steel Corporation, is dependent upon industrial activities, which provide substantial employment not only for local residents but for many persons who commute considerable distances. In addition to National, there are six other commercial banks, in the three-city area, operating multiple branch systems and holding total deposits in excess of $570 million. The proposed merger, of itself, would have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

On the basis of the above information, the Board of Directors has concluded that approval of the applications for Federal deposit insurance and consent to merge is warranted.

| No. 12 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Pioneer Bank of Arizona**<br>Phoenix, Arizona | 59,535 | 10 | 10 |
| *to merge with*<br>**Westam, Inc.**<br>Phoenix | — | — | |

Summary report by Attorney General, February 12, 1969

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

Basis for Corporation approval, April 24, 1969

Pioneer Bank of Arizona, Phoenix, Arizona (Pioneer), an insured nonmember bank with total deposits of $53 million, has applied, pursuant to the provisions of Section 18(c)(1)(A) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and with its title with Westam, Inc., Phoenix, Arizona, a nonbanking corporation formed for the sole purpose of facilitating the formation of a one-bank holding company to own Pioneer.

Pioneer, the only operating bank involved in this proposal, presently operates its main office and seven branches in Phoenix and one branch each in Prescott and Scottsdale. Additionally, it has approval to establish a branch in Sun City, which is not yet in operation. The merger, of itself, will not change the number of offices or the services presently provided by Pioneer, which will continue operations at the same locations and with the same assets, liabilities, capital, and management.

Phoenix, the State capital and seat of Maricopa County, is located in south-central Arizona. It is by far the largest city in the State, having a current estimated population of 525,000. Both the population and economy have expanded substantially in recent years. The economy, which for many years depended almost entirely on agriculture and tourism, now is oriented more to industrial activity, which in 1966 accounted for about 43 percent of total personal income of $2.2 billion. Banking in Arizona is concentrated in four banks which held over 90 percent of total bank loans and deposits and operated 257 of the State's 292 banking offices as of October 30, 1968. The three largest banks are headquartered in Phoenix. On the same date, Pioneer held only 1.7

percent of total State deposits and 2.5 percent of deposits in the Phoenix service area. The proposed merger, of itself, would have no effect on competition.

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

| No. 13 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Cadillac State Bank**<br>Cadillac, Michigan | 44,953 | 6 | 7 |
| *to consolidate with* | | | |
| **The Kalkaska State Bank**<br>Kalkaska | 5,660 | 1 | |

## Summary report by Attorney General, March 13, 1969

The office of Cadillac Bank nearest to the Kalkaska Bank is in Fife Lake (population 1,300), and about one mile from the western border of Kalkaska County; there are no banking offices in the intervening area. These two offices of the merging banks are the only banking offices within Kalkaska Bank's self-designated service area, which includes almost all of Kalkaska County. The merger would, therefore, eliminate existing competition between the merging banks and eliminate Kalkaska Bank as an independent bank that could be acquired by some other bank not now serving this area. The interlocks and common ownership between the banks do not avoid these anticompetitive effects. They were recently accomplished and appear to be designed to facilitate the merger and, in any event, they may not be permanent.

We conclude that the merger would have adverse competitive effects.

## Basis for Corporation approval, April 24, 1969

The Cadillac State Bank, Cadillac, Michigan (Applicant), an insured State nonmember bank with total deposits of $41,776,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to consolidate with The Kalkaska State Bank, Kalkaska, Michigan (State Bank), which has total deposits of $5,237,000. The banks would consolidate under the charter and with the title of Applicant; and, as an incident to the merger, the one office of State Bank would become a branch of Applicant, which would increase the number of its offices to seven.

*Competition.* The population of Cadillac is currently estimated at 11,500, as compared to 10,100 in 1960. It is located on inland Lakes Cadillac and Mitchell, 50 miles southeast of Traverse City and 47 miles east of Lake Michigan. Kalkaska is 39 miles northeast of Cadillac, and State Bank is the only bank in Kalkaska County. The community of Kalkaska (population 1,300) is the only incorporated city or town in the county, which has a population of 4,300. The shortest distance between offices of the participating banks is the 14 miles between Kalkaska and Applicant's office at Fife Lake. The trade area served by State Bank does not extend beyond Kalkaska County. Applicant's primary service area consists of most of Wexford County and portions of Osceola and Missaukee and a very small part of Kalkaska and Grand Traverse Counties. Applicant's office at Fife Lake is very close to the Kalkaska County line, and there is some overlapping of the trade areas served by the participating banks. There is no significant amount of actual or potential competition which would be eliminated by this proposal.

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 participating banks and are so projected for the resulting bank.

*Convenience and Needs of the Community to be Served.* This proposal is not expected to have any noticeable effect in Applicant's trade area, but it should benefit the trade area served by State Bank by providing new and better services. Some of the benefits to the Kalkaska area would be a larger lending limit, trust services, and a new building including drive-in windows.

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

| No. 14 | Resources (in thousands of dollars) | Banking Offices: In operation | Banking Offices: To be operated |
|---|---|---|---|
| **Wilkes County Bank & Trust Company**<br>North Wilkesboro, North Carolina<br>(in organization; change title to The Northwestern Bank) | 225 | — | 93 |
| *to merge with*<br>**The Northwestern Bank**<br>North Wilkesboro | 443,702 | 93 | |

## Summary report by Attorney General, February 12, 1969

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

## Basis for Corporation approval, April 24, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Wilkes County Bank & Trust Company, North Wilkesboro, North Carolina (Wilkes), a proposed new bank in organization, and for consent to its merger with The Northwestern Bank, North Wilkesboro, North Carolina (Northwestern), an insured nonmember bank which has total resources of $443,700,000, under the charter of the former and with the latter's title. The resulting bank will operate from the existing and approved but unopened offices of Northwestern.

Northwestern, the only operating bank involved in this proposal, operates a regional branch system through 93 existing offices in 57 cities and towns in central and western North Carolina, including the major cities of Asheville, Charlotte, and Winston-Salem. This broad service area includes virtually all types of economic activity in agriculture, industry, and tourism. Essentially, the proposal involves the formation of a one-bank holding company to hold stock ownership of Northwestern. Wilkes will not be in operation prior to the merger and will begin business with Northwestern's title and will provide the same services. The merger, of itself, would have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 15 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **United Penn Bank**<br>Wilkes-Barre, Pennsylvania<br>(in organization) | — | — | 11 |
| *to merge with* | | | |
| **Miners National Bank of Wilkes-Barre**<br>Wilkes-Barre | 177,984 | 11 | |

Summary report by Attorney General, March 3, 1969

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

Basis for Corporation approval, April 24, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for United Penn Bank, Wilkes-Barre, Pennsylvania (United), a proposed new bank in organization, and for consent to the merger of Miners National Bank of Wilkes-Barre, Wilkes-Barre, Pennsylvania (National), which has 11 offices and total resources of $178 million, and United, under the latter's charter and with its title. The resulting bank will operate from the existing locations of National.

The proposal involves the formation of a one-bank holding company to hold stock ownership of National, which will convert to an insured State nonmember bank through the simultaneous new bank formation and merger. United will not be in operation as a commercial bank prior to the merger and will begin business at the present locations of National with the latter's assets, liabilities, capital, and management.

National has provided needed and useful banking services to the Wilkes-Barre community on a convenient and successful basis for many years. The subject proposal will not alter these services or the service area and, involving only a change in title, change in charter, and change in form of corporate organization, will, of itself, have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 16 | Resources (in thousands of dollars) | Banking Offices: In operation | Banking Offices: To be operated |
|---|---|---|---|
| **State Bank and Trust Company**<br>Greenwood, South Carolina | 135,653 | 33 | 43 |
| *to merge with* | | | |
| **North Augusta Banking Company**<br>North Augusta | 7,136 | 2 | |
| and | | | |
| **Ridge Banking Company**<br>Johnston | 6,285 | 3 | |
| and | | | |
| **The Southern National Bank of Orangeburg**<br>Orangeburg | 16,056 | 5 | |

Summary report by Attorney General, February 12, 1969

The proposed merger would eliminate little, if any, effective competition between State Bank and North Augusta Banking due to the long standing common ownership and control between the banks, dating back to the time of organization of North Augusta Banking. The merger of Ridge Banking into State Bank would eliminate some existing competition and the development of greater competition between the merging banks. The merger of State Bank and Southern National would eliminate potential competition between the merging banks.

Basis for Corporation approval, April 30, 1969

State Bank and Trust Company, Greenwood, South Carolina (Applicant), an insured State nonmember bank with total deposits of $123,218,900, 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 North Augusta Banking Company, North Augusta, South Carolina (North Bank), an insured State nonmember bank with total deposits of $6,293,300; Ridge Banking Company, Johnston, South Carolina (Ridge Bank), an insured State nonmember bank with total deposits of $5,440,300; and The Southern National Bank of Orangeburg, Orangeburg, South Carolina (South Bank), which has total deposits of $14,420,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the transactions, the 10 offices of North Bank, Ridge Bank, and South Bank would become branches of Applicant, increasing the number of its offices to 43.

*Competition.* Applicant operates 33 offices in 11 of the 46 counties in the northwestern part of South Carolina. Applicant is the fourth largest bank in the State, and these proposals would not change that position. As a result of these proposals, it is believed that Applicant would become more competitive with its three larger competitors.

North Bank operates two offices in North Augusta (population 10,300), and the closest office of Applicant is located at Langley, 8 miles northeast. North Bank's primary competition consists of two branches of larger banks located in North Augusta. One of these branches is operated by an Aiken-based bank with total deposits of almost $20 million and the other is part of a statewide system, operated by the largest bank in the State, with total deposits of $393 million. Between Applicant and North Bank there is some common ownership and management which has existed since North Bank was organized, and there is no significant amount of actual or potential competition which would be eliminated by this proposal.

Ridge Bank operates two offices in Johnston (population 2,100) and one office in Ridge Spring (population 600), 7 miles northeast of Johnston. The shortest distance between offices of Applicant and Ridge Bank is the 9 miles separating Ridge Spring from Applicant's office at Batesburg. Ridge Bank competes with independent banks at Edgefield and Trenton in addition to two branches of larger banks. One of these branches is operated by the largest bank in the State. In view of the sparsely populated trade area served by Ridge Bank it does not seem likely that Applicant would branch de novo in this area, and there is no significant amount of present or potential competition which would be eliminated by this proposed merger.

South Bank operates four offices in Orangeburg and one in North, 14 miles northwest. The population of the trade area served by South Bank is estimated at 34,000. The shortest distance between offices of Applicant and South Bank is the 16 miles between Applicant's branch at Wagener and South Bank's office at North; and they are not considered to be directly competitive. South Bank competes with two larger banks headquartered in Orangeburg and with two branches of other banks, one of which is operated by the largest bank in South Carolina. In view of the present number of banking offices in the area the possibility of Applicant branching de novo into South Bank's trade area is believed remote.

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

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources of the participating banks are adequate, as they would be for the resulting bank. Future prospects are better for the resulting bank than they are for the participating banks operating as independent units.

*Convenience and Needs of the Community to be Served.* These proposed transactions would have no appreciable effect in Applicant's present trade area, but they would enable the resulting bank to better serve the convenience and needs in the trade areas of the other three banks. Benefits to the communities served by North Bank, Ridge Bank, and South Bank would be a much larger lending limit, full trust services, computer facilities, travel agency services, and a bank charge card plan.

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

| No. 17 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Owosso Savings Bank**<br>Owosso, Michigan | 42,890 | 4 | 5 |
| *to acquire certain assets and assume the deposit liabilities of* | | | |
| **The Morrice State Bank**<br>Morrice | 1,594 | 1 | |

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

Basis for Corporation Approval, May 5, 1969

Pursuant to Sections 5 and 18(c) of the Federal Deposit Insurance Act, applications have been filed by The Owosso Savings Bank, Owosso, Michigan, to purchase certain assets and assume the deposit liabilities of The Morrice State Bank, Morrice, Michigan, and to establish a branch at the present location of The Morrice State Bank, an insured member bank.

Estimated losses in the assets of The Morrice State Bank exceed its capital funds. The Board of Directors has found that it must act immediately in approving the applications to prevent the probable failure of The Morrice State Bank.

Morrice, Michigan, has a population of about 600 and serves an agricultural trade area of approximately 4,000. The nearest competing bank is The State Bank of Perry, some 2 miles distant. The Morrice State Bank has served this community for many years and has developed a sizable volume of business. It is expected that a branch of The Owosso Savings Bank will successfully replace the institution and continue to offer banking services to the community and trade area.

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

| No. 18 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Jefferson Bank of Charlottesville**<br>Charlottesville, Virginia<br>(in organization; change title to Citizens Bank and Trust Company of Charlottesville) | 202 | — | 5 |
| *to merge with* | | | |
| **Citizens Bank and Trust Company**<br>Charlottesville | 28,992 | 5 | |

Summary report by Attorney General, February 12, 1969

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

Basis for Corporation approval, May 8, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Jefferson Bank of Charlottesville, Charlottesville, Virginia (Jefferson), a proposed new bank in organization, and for consent to its merger with Citizens Bank and Trust Company, Charlottesville, Virginia (Citizens), with total resources of $29 million, under Jefferson's charter and with the title "Citizens Bank and Trust Company of Charlottesville." The resulting bank will operate from the main office and four existing branches of Citizens.

The proposal involves the formation of a one-bank holding company to hold stock ownership of Citizens through the simultaneous new bank formation and merger. Jefferson will not be in operation as a commercial bank prior to the merger, following which it will operate the same banking business at the same locations as Citizens and with the same management and personnel. The proposal, of itself, will not change the banking services which Citizens has provided usefully to the Charlottesville community on a convenient and successful basis for many years; nor will it, involving only a change in charter and form of organization, have any effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 19 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Republic Bank and Trust Company**<br>Herndon, Virginia<br>(change title to Arlington Trust Company, Incorporated) | 4,391 | 2 | 9 |
| *to merge with* | | | |
| **Arlington Trust Company, Inc.**<br>Arlington | 112,053 | 7 | |

Summary report by Attorney General, March 4, 1969

The Financial General Corporation, Washington, D. C., a registered bank holding company, owns 80 percent of Arlington Trust and 58 percent of Republic Bank.

The head offices of the merging banks are 20 miles apart, their closest offices are about 10 miles apart, and there are numerous banking alternatives in the intervening area. In addition, both banks are controlled by the same bank holding company. These facts indicate that the proposed transaction will not eliminate any effective competition.

Basis for Corporation approval, May 8, 1969

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, an application has been filed with the Corporation for its prior consent to merge Arlington Trust Company, Inc, Arlington, Virginia (Trust Company), an insured State nonmember bank with total deposits of $100,227,000, with Republic Bank and Trust Company, Herndon, Virginia (Republic Bank), an insured State nonmember bank with total deposits of $3,801,000. The resulting bank would operate under the charter of Republic Bank and with the title "Arlington Trust Company, Incorporated." The seven offices presently operated by Trust Company would become branches of the resulting bank in addition to two approved but unopened branches, increasing the number of offices of the resulting bank to 11. Incidental to the proposed merger, the common capital stock of the resulting bank would be less than the common capital stock of the combined banks prior to the merger, with an offsetting credit to the surplus account, and there would be no decrease in total capital.

*Competition.* All offices of Trust Company are located in Arlington County, and Republic Bank's two offices are in the communities of Herndon and Vienna, in Fairfax County. The main offices of the participating banks are 20 miles apart, and the shortest distance between offices is 10 miles. Both of the participating banks are located in the heavily populated Washington, D.C.-Maryland-Virginia SMSA. There are several other banking offices located in the area between the offices of the participating banks, and there is no significant amount of competition between Trust Company and Republic Bank. Legally, Trust Company cannot branch de novo in Fairfax County, and Republic Bank cannot branch de novo in Arlington County. Both of the participating banks are owned by the same registered bank holding company, and this proposal would not increase that holding company's share of the market in northern Virginia. There is no significant amount of actual or potential competition, between the participating banks, which would be eliminated by this proposal; and its consummation would have no discernible anticompetitive effects.

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 manner be in restraint of trade.

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources of the participating banks are adequate, as they would be for the resulting bank. Since it was organized in 1963, Republic Bank has not grown as fast as anticipated, and its future prospects would be better as a part of the resulting bank. The future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* This proposed transaction would have no appreciable effect in Trust Company's trade area, but it would enable the resulting bank to better serve the convenience and needs in the trade area served by Republic Bank. Immediate benefits to the trade area served by Republic Bank would be an increased lending limit, trust services, and mortgage loan services. In the long run, the relocation of the charter to Fairfax County will permit the resulting bank to establish de novo branches to meet the expanding banking needs of this rapidly developing county.

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

| No. 20 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Peoples Bank & Trust Company**<br>Rocky Mount, North Carolina | 95,790 | 23 | 24 |
| *to merge with* | | | |
| **Bank of Harrellsville**<br>Harrellsville | 1,616 | 1 | |

Summary report by Attorney General, February 11, 1969

Harrellsville (population 171) is a small farming community located in North Carolina's tidewater section with little growth potential.

Although the head offices of the merging banks are about 72 miles apart, Peoples Bank operates branches at Edenton and at Hertford, each located about twenty miles east of Harrellsville, with no banks in the intervening areas. Therefore, it appears that the proposed merger might eliminate some existing competition. However, both Wachovia Bank & Trust Company (total deposits, $1 billion) and Planters National Bank (total deposits, $82 million) operate branches about 12 miles southwest of Harrellsville.

### Basis for Corporation approval, May 15, 1969

Peoples Bank & Trust Company, Rocky Mount, North Carolina (Applicant), an insured nonmember bank with total deposits of $85,907,000, 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 Bank of Harrellsville, Harrellsville, North Carolina (Other Bank), which has total deposits of $1,448,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the only office of Other Bank would become a branch of Applicant, increasing the number of its offices to 24.

*Competition.* Applicant is based in Rocky Mount (population 32,140) and operates a banking system which includes branches in 13 other communities in the northeastern part of North Carolina. The estimated population of Applicant's trade area is 100,000. Other Bank is located at Harrellsville (population 171) and serves an area with an estimated population of 2,500. A distance of 72 miles separates the participating banks, and there is no effective competition between the two. The nearest intervening branch of Applicant is 42 miles from Other Bank; and Applicant also operates four branches in the same general area of Other Bank, but the nearest is 32 miles away. These are not considered competitive.

Applicant is the eighth largest bank in its relevant trade area in terms of total deposits, and this proposal would not change that position. Other Bank is the smallest in its trade territory, is not an aggressive institution, and has not shown an inclination to broaden its operations by de novo branching.

Consummation of this proposal would have no effect on the competitive position of Applicant against the other banks which operate in its present service areas and would not eliminate any appreciable competition between the participating banks. The slight concentration resulting from the merger would not significantly affect competition in the respective trade areas of the participating banks. The merger would kindle the competitive spirit of banking in Other Bank's immediate area, but the emergence of possible monopolistic tendencies is improbable because of the presence nearby of other banks.

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.

*Financial and Managerial Resources and Future Prospects.* These factors are regarded as favorable with respect to Applicant and are so projected for the resulting bank. The merger would provide assurance of continuity of management for the banking facility at Harrellsville.

*Convenience and Needs of the Community to be Served.* The proposal would not materially benefit the trade area served by Applicant, but it would enable the resulting bank, with a much larger lending limit, to fill the need for credit in amounts larger than now available from Other Bank. Also, more complete banking services, including those provided by a trust department, would be offered in the Harrellsville area.

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

| No. 21 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **First-Citizens Bank & Trust Company**<br>Smithfield, North Carolina | 650,435 | 124 | 125 |
| *to merge with*<br>**The Bank of Gibsonville**<br>Gibsonville | 1,395 | 1 | |

### Summary report by Attorney General, March 3, 1969

First-Citizens, the fourth largest bank in North Carolina, proposes to merge with The Bank of Gibsonville, which operates the only bank office in Gibsonville, North Carolina.

The closest offices of First-Citizens are thirteen miles from Gibsonville, but there are no other banking offices in the intervening area. Therefore, it would appear that some competition between the two banks will be eliminated by the merger. In addition, this merger may reduce the possibility of entry (perhaps through acquisition of The Bank of Gibsonville itself) by a bank not presently competing in the general area.

Nine banks operate some 50 offices in Guilford County (an area which probably overstates the relevant market here). First-Citizens' share of the IPC deposits in Guilford County, now 5 percent, will increase only slightly as a result of this merger. Competition is also furnished from banks located in nearby Burlington in Alamance County, where First-Citizens has no office.

It should be noted, however, that the proposed merger is part of a continuing trend of acquisitions and mergers by North Carolina's largest commercial banks, which has the effect of retarding the development of a more competitive banking structure in North Carolina (a State in which the five largest banks already control about two-thirds of total deposits).

### Basis for Corporation approval, May 15, 1969

First-Citizens Bank & Trust Company, Smithfield, North Carolina (Applicant), an insured nonmember bank with total deposits of $580,169,000, 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 Gibsonville, Gibsonville, North Carolina (Other Bank), which has total deposits of $1,236,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the lone office of Other Bank would become a branch of Applicant, giving it a total of 125 offices.

*Competition.* Applicant is fourth among the largest banks in North Carolina, and this proposal would not change that position. Because of its widely scattered system, the service area of Applicant is virtually the entire State. Its main office is at Smithfield and 123 branches are located in 55 communities, including Smithfield. Many of its offices, including those at Greensboro which are nearest to Other bank, are in competition with offices of the other large banks in the State, and the proposed merger would have no significant effect on competition in the areas presently served by Applicant.

The service area of Other Bank is relatively small and is confined to Gibsonville (population 1,800) and surrounding territory within a 10-mile radius. Other Bank is the smallest bank in its relevant trade area, and its growth has been modest in recent years. It is in the shadow of offices at Burlington, 7 miles away, of four of the State's five largest banks; and it has not been an influential competitor. The entrance of Applicant, with its much larger resources and proposed broader banking services, would tend to increase competition in the area now served by Other Bank.

The participating banks presently are not considered as being in competition with each other, and there seems to be little likelihood that they would become competitive in the future. Other Bank has not shown an inclination to expand beyond its present operation; and, because of its size, Gibsonville would not appear to be a desirable location for a de novo branch. The elimination of actual or potential competition is not considered a logical result of the proposed merger.

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

*Financial and Managerial Resources and Future Prospects.* Both financial and managerial resources are considered adequate with respect to the merging banks and are so projected for the resulting bank. Net earnings record of neither of the banks has been outstanding in recent years; but an ability to earn has been demonstrated by Applicant, and this proposal would not have any detrimental effects on this. Future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* Other Bank is a rather small institution and offers limited services. A lending limit low in comparison to those of competitive banks, coupled with a conservative credit policy, has rendered it an ineffective force as regards competition in the relevant trade area. As a result of this proposal, the Gibsonville area would benefit from a bank with much larger lending facilities and more aggressive credit views. A wider range of services, including those offered by a trust department, are other advantages that would be gained by the community through the proposed merger.

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

| No. 22 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Industrial Valley Bank and Trust Company**<br>Jenkintown, Pennsylvania | 447,330 | 40 | 41 |
| *to merge with* | | | |
| **Doylestown Trust Company**<br>Doylestown | 29,290 | 1 | |

Summary report by Attorney General, April 15, 1969

IVB operates one branch office in Bucks County. This office is located in Warminster (adjacent to central Bucks County), approximately nine miles south of Doylestown. There is, apparently, some direct competition between IVB and Doylestown Trust which will be eliminated by the merger; for example, five common depositors maintain balances of $34,700 at IVB and $48,000 at Doylestown Trust.

Under Pennsylvania law, IVB could be permitted to open *de novo* branches in central Bucks County.

Six commercial banks presently operate offices in central Bucks County. As of June 30, 1966, Doylestown Trust held approximately 26 percent of the total IPC demand deposits held by all commercial banking offices located in central Bucks County; and on that date Doylestown Trust and The Doylestown National Bank and Trust Company held 60 percent of such deposits.

The large Philadelphia banks are entering this market. The Philadelphia National Bank entered central Bucks County *de novo* in 1968, and has secured approval to open a second office in the area. The First Pennsylvania Bank and Trust Company will open a de novo branch this April. In addition, Girard Trust Bank and Fidelity Bank sought unsuccessfully to enter central Bucks County by merger in 1968.

IVB has the capability and incentive to branch *de novo* into the growing central Bucks County market, which is located only 15 miles north of its headquarters in Montgomery County. However, there are five larger banks which would also appear to be potential entrants into central Bucks County; Girard Trust Bank, Fidelity Bank, Provident National Bank, Continental Bank and Trust, and Central Penn National Bank.

## Basis for Corporation approval, May 21, 1969

Industrial Valley Bank and Trust Company, Jenkintown, Pennsylvania (Applicant), an insured nonmember bank with total deposits of $373,166,000, 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 Doylestown Trust Company, Doylestown, Pennsylvania (Merging Bank), which has total deposits of $26,453,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the sole office of Merging Bank would become a branch of Applicant, increasing the number of its offices to 41.

*Competition.* The service area of Applicant, of which the population is estimated at 2,750,000, is essentially southeastern Pennsylvania, including the counties of Chester, Delaware, Montgomery, Philadelphia, Lehigh, and a small portion of Bucks County. Its branch offices in Allentown are close to the Northampton County line and gain a small percentage of business from that county. Philadelphia and surrounding counties are heavily industrialized with diversified activity, extensive commercial services, port facilities, and an expanding residential population. The economy of the entire service area of Applicant is, to a great extent, geared to the economy of the greater Metropolitan Philadelphia area, with agriculture playing but minor roles.

The service area of Merging Bank is confined primarily to the community of Doylestown, Pennsylvania, and to that small portion of Bucks County surrounding the immediate community. Population of the service area is estimated to be 21,000. Doylestown is the county seat and is located approximately in the center of Bucks County. The area has been essentially rural and residential, with but few, mostly small, industries until recent years. It is now reported that the rapidly expanding industrial complex of Metropolitan Philadelphia has begun to change the appearance of Merging Bank's service area, and population growth for Bucks County has been projected at 65 percent by 1975.

The main offices of the participating banks are 15 miles apart, and the shortest distance between offices is the 10 miles separating Applicant's office at Warminster, just inside the Bucks County line, and Merging Bank's sole office at Doylestown. The two banks operate in separate market areas with little overlap and very little existing competition between them. Moreover, there seems to be little potential for competition. The size of Merging Bank precludes an aggressive approach to Applicant's market area, while the numerous existing or approved offices of competing banks in or near the market area of Merging Bank appear to preclude the possibility of de novo branch approval for Applicant. For these and other reasons, elimination of potential competition is not considered a reason for objection to this proposal.

Applicant ranks 13th in size among 68 banks in its primary service area (ninth among commercial banks), as measured in terms of IPC deposits. Several of its Philadelphia competitors hold IPC deposits in excess of $1 billion each. With respect to this market area, the merger would have no significant effect on competition. Any competitive effects would occur in the servicing area of Merging Bank, where it ranks fifth of five commercial banks doing business in the central Bucks County area. The resulting bank would rank third in size in terms of IPC deposits of the five commercial banks in the central Bucks County area; however, this proposal would not diminish competition in the area or reduce the number of banking alternatives. Rather, it will substitute an active and aggressive bank for a smaller bank now unable to cope with the increasingly strong competitive situation. The primary trade area of the resulting bank would be the six counties where its offices will be located, plus small portions of some adjacent counties. Within this trade area the resulting bank would have only 3.3 percent of the IPC deposits and 12 other banks would have a much greater share of the market. The merger should tend to increase competition in the area now served by Merging Bank.

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.

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank. With respect to managerial resources, the merger will solve an administrative problem for Merging Bank and will substitute aggressive management for one which has been incapable of providing experienced personnel needed to cope with a highly intensified competitive banking market. Earnings records have been good for both banks, and future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* As a result of the merger, the Doylestown area would gain the advantage of a bank with a larger lending limit than now provided by Merging Bank. Additional conveniences such as computerized banking services, more comprehensive lending programs, better-trained officer personnel, and expanded full-service commercial banking facilities would be provided for present and potential customers of Merging Bank, as well as for the general public. A more aggressive management would further stimulate competition in the area.

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

| No. 23 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **American Bank & Trust Company**<br>Monroe, North Carolina | 40,210 | 10 | 13 |
| *to merge with* | | | |
| **Anson Bank and Trust Company**<br>Wadesboro | 12,563 | 3 | |

## Summary report by Attorney General, April 28, 1969

The closest offices of the merging banks are approximately 15 miles apart, and there are two banks in the intervening area. Their respective head offices are 25 miles apart, and are located in separate counties of a predominantly rural section of the state. It is unlikely that any significant amount of direct competition would be eliminated by this merger.

Since North Carolina law permits state-wide *de novo* branching, the merger would eliminate the potential competition that would be effected by either bank branching *de novo* into the service area of the other. American Bank has demonstrated an aggressive growth pattern by opening several *de novo* offices in recent years.

Should this merger be consummated, American Bank will be eliminated as a likely potential entrant into the highly concentrated banking market of Anson County. However, as none of the largest North Carolina banks have yet entered Anson County, and as they will remain potential entrants in view of their presence in nearby Charlotte, it would appear that this merger will not have a significantly adverse effect on potential competition.

## Basis for Corporation approval, May 29, 1969

American Bank & Trust Company, Monroe, North Carolina (Applicant), an insured State nonmember bank with total deposits of $35,460,000, 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 Anson Bank and Trust Company, Wadesboro, North Carolina (Anson Bank), which has total deposits of $10,946,000, under the charter and with the title of Applicant and, incident thereto, to establish the three offices of Anson Bank as branches.

*Competition.* Applicant, operating 10 offices, with two others approved but unopened, offers a complete range of banking services to the area between Monroe, in Union County, and southeastern Mecklenburg County, including the eastern section of the city of Charlotte, all within the Charlotte SMSA. This is a rapidly growing area; transportation, service, government, and trade provide the bulk of employment in and around Charlotte, which is a major distribution center for the entire Southeast. Union County's economy is well diversified with agriculture continuing to be an important segment of the economy. Wadesboro is about 25 miles east of Monroe, and the closest offices of the merging banks are 16 miles apart. Anson Bank is one of two banks in Wadesboro, the county seat for Anson County; there is some industry in the area, but agriculture still is of major economic importance.

There is a limited overlapping of the service areas of Applicant and Anson Bank, and the merger would not result in a substantial lessening of competition, actual or potential. Officials of banks competing with Anson Bank offered no objection to the proposal. Applicant, one of the smaller branch systems in North Carolina, competes with offices of the five largest banks, among others, in its service area. Major competition for Anson Bank emanates from one other bank in Wadesboro, also operating two branches in Anson County, and one branch of a larger branch system headquartered in Salisbury, North Carolina. The substitution of branches of Applicant for Anson Bank's offices should tend to increase competition with these banks.

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.

*Financial and Managerial Resources and Future Prospects.* These factors are satisfactory with respect to both participating banks and are so projected for the resulting bank.

*Convenience and Needs of the Community to be Served.* Anson Bank, because of its comparatively limited resources, offers limited services. As a result of the merger, the Wadesboro area would gain the advantage of a larger bank which provides all types of banking facilities on a larger and broader scale with a larger lending limit and, thus, could better serve the convenience and needs of the community.

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

| No. 24 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Security Bank and Trust Company**<br>Salisbury, North Carolina | 45,917 | 13 | 16 |
| *to merge with*<br>**Mutual Bank & Trust Company**<br>Marshville | 6,673 | 3 | |

Summary report by Attorney General, April 25, 1969

The primary effects of this merger will be felt in the vicinity of Marshville, North Carolina, a rural area with increasing industrial growth.

Branches of Security Bank lie both east and west of Mutual Bank. While there are intervening banks, the service areas of the merging banks would appear to overlap in the Marshville area. This merger will eliminate substantial direct competition between the two banks.

Approval of this merger, along with that of American Bank and Trust Company, Monroe, and Anson Bank and Trust Company, Wadesboro, would reduce the number of competitors in the general vicinity of Marshville from 5 to 3.

We conclude that this merger would have an adverse effect on competition.

Basis for Corporation approval, May 29, 1969

Security Bank and Trust Company, Salisbury, North Carolina (Applicant), an insured State nonmember bank with total deposits of $40 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Mutual Bank & Trust Company, Marshville, North Carolina (Mutual), an insured State nonmember bank with total deposits of $6 million. The merger would be effected under Applicant's charter and with its title; and, as an incident thereto, Mutual's three offices would be operated as branches, increasing the number of Applicant's offices to 17, including its approved but unopened branch.

*Competition.* Applicant directly serves nine communities in seven counties in the south-central sector of the State where its 13 offices are located. Its headquarters city of Salisbury has a population of 21,300, and its entire service area population is estimated at 107,000. Mutual's three offices serve a small area around Marshville (population 1,400) and about 60 miles south of Salisbury. Applicant's competitors include the State's largest and third largest banks, which have deposits in excess of $1.3 billion and $827 million. The small increase in Applicant's deposit size will have no material competitive effect in its service area.

Mutual is located near the eastern border of Union County. Applicant has two offices in central Union County at Monroe and a branch in adjacent Anson County at Polkton. These are Applicant's closest offices to Mutual and are 10 miles east and west from Marshville. In each direction a competing bank office intervenes the merging banks' offices. Applicant's Monroe offices have a moderate amount of deposit business from the Marshville area, and the merging banks appear to be competitive with each other to a limited degree.

Among the six banks in the general area where both merging banks have offices, Applicant's branches hold about 10 percent of the aggregate deposits. The resulting bank's offices in the area would have about 20 percent. There should be no significant adverse effects on competition in this area.

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

*Financial and Managerial Resources, Future Prospects, and Convenience and Needs of the Community to be Served.* These factors are satisfactory with respect to Applicant and are so projected for the resulting bank. A significantly larger lending limit will permit the accommodation of larger credit lines needed by Mutual's present customers. The larger financial resources of the resulting bank will make possible broader and more specialized services and should be of value in attracting new business and contributing to the expansion of the Marshville area's economy.

For the reasons stated above, 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 |
| **Citizens Bank of South Carolina**<br>Dillon, South Carolina | 21,144 | 4 | 5 |
| *to merge with* | | | |
| **The Bank of Nichols**<br>Nichols | 2,508 | 1 | |

Summary report by Attorney General, March 10, 1969

The community primarily affected by this merger will be the general vicinity of the town of Nichols (population 617) in Marion County (population 32,014). Marion County is served by five banks having ten offices.

The closest office of Citizens Bank is approximately 26 miles from Nichols Bank. Because of this distance, the presence of an intervening bank in Lake View, and the small size of Nichols Bank, it would appear that the proposed merger would not eliminate any significant direct competition between these banks.

South Carolina law permits statewide branching; but, because of the nature of the community and the fact that it appears adequately serviced by the existing banks, opportunity for *de novo* entry seems poor. Therefore, it is unlikely that the proposed merger would eliminate any significant potential competition.

## Basis for Corporation approval, May 29, 1969

Citizens Bank of South Carolina, Dillon, South Carolina (Applicant), an insured nonmember bank with total deposits of $19,205,000, 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 Nichols, Nichols, South Carolina (Other Bank), which has total deposits of $2,286,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the only office of Other Bank would become a branch of Applicant, increasing the number of its offices to five. Approval is also requested for the retirement, at the option of the holders thereof, of the 5 percent preferred stock to be issued in connection with the merger.

*Competition.* Applicant is headquartered in Dillon and operates one branch at Clio and two in Lancaster. It is the fifth largest bank in terms of total deposit volume among the banks with offices in its overall trade area. The merger would move Applicant to fourth position in its entire service area, and it would become the largest bank with offices in the Lancaster area. The resulting bank would control the largest volume of banking business in its trade areas, but it would be in competition with the resources of much larger banks in the Dillon and Nichols areas. The only competitive advantage to be derived from the proposal would be a larger lending limit. The participating banks are 22 miles apart, and they operate in service areas that are entirely separate. They are not considered as likely entrants into the other's area through de novo branches. Thus, there is no significant existing or potential competition which would be eliminated by the merger. It is expected that competition would increase to some degree in the Nichols service area. The public would still have numerous banking alternatives available, both large and small.

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.

*Financial and Managerial Resources and Future Prospects.* These factors are satisfactory with respect to the participating banks and are so projected for the resulting bank.

*Convenience and Needs of the Community to be Served.* The merger would not benefit to any appreciable extent the trade areas presently served by Applicant; but it would enable the resulting bank, because of a much larger lending limit, to meet the need for credit in amounts considerably in excess of the maximum now available from Other Bank. Additionally, the resulting bank would provide a much broader range of banking services in the Nichols market area.

Based on the foregoing, 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 |
| **Piedmont Bank**<br>Greenville, South Carolina<br>(in organization; change title to First Piedmont Bank and Trust Company) | 200 | — | 2 |
| *to merge with*<br>**First Piedmont Bank and Trust Co.**<br>Greenville | 7,924 | 2 | |

Summary report by Attorney General, April 16, 1969

The proposed merger is part of a transaction which will result in First Piedmont Bank and Trust Company becoming a wholly owned subsidiary of a one-bank holding company and as such will have no effect on competition.

Basis for Corporation approval, May 29, 1969

Pursuant to Sections 5, 18(c), and 18(i) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Piedmont Bank, Greenville, South Carolina (Applicant), a proposed new bank, for consent to its merger with First Piedmont Bank and Trust Co., with total resources of $7.9 million, under Applicant's charter and with the title "First Piedmont Bank and Trust Company," and to retire the $200,000 common capital of Applicant. The resulting bank will operate from the main office and existing branch of First Piedmont.

The proposal involves the formation of a one-bank holding company which will acquire ownership of First Piedmont through the new bank formation and merger. Applicant will not be in operation as a commercial bank prior to the merger; and following consummation of the transaction, it will operate the same banking business at the same locations as First Piedmont and with the same management and personnel. There will be no change in the banking services which First Piedmont is providing to the city of Greenville. Involving only a change in charter and form of organization, the merger will have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 27 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Boone County State Bank**<br>Lebanon, Indiana | 18,204 | 3 | 4 |
| *to acquire the assets and assume the deposit liabilities of*<br>**Citizens State Bank**<br>Jamestown | 2,217 | 1 | |

### Summary report by Attorney General, March 11, 1969

The nearest offices of the applicant banks are about five miles apart with no banks in the intervening area. The application estimates that the total amount of common deposits and loans to be approximately $50,000, and that deposit and loan accounts derived from the other bank's community amount 'to a minimum of $50,000.' Thus it seems likely that the proposed acquisition will eliminate some direct competition between the two banks.

The proposed acquisition will increase concentration in Boone County. Boone Bank now holds 52.6 percent of Boone County's IPC demand deposits; and the acquisition would give it 59.2 percent of such deposits. However, it would seem that these market shares may overstate the situation somewhat since they do not reflect the extent to which Citizens Bank derives deposits from neighboring counties because of its location on the county line.

### Basis for Corporation approval May 29, 1969

The Boone County State Bank, Lebanon, Indiana (Applicant), an insured State nonmember bank with total deposits of $16 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume liability to pay deposits made in Citizens State Bank, Jamestown, Indiana (Jamestown Bank), an insured State member bank with total deposits of $2 million. The transaction would be effected under Applicant's charter and with its title; and, as an incident thereto, the main office of Jamestown Bank will become a branch of the resulting bank.

*Competition.* Applicant operates its main office and a drive-in facility in Lebanon, as well as a branch in Advance, 11 miles from Lebanon. Applicant also has received permission to establish another branch in Lebanon. Jamestown Bank operates from a single office which is located 16 miles from Applicant's main office and 5 miles from its Advance Branch. Lebanon has a population of 9,523, while that of Jamestown is 827. There is only limited competition between Applicant's Advance Branch and Jamestown Bank. Management of Jamestown Bank has been quite conservative in the past, and it has not been an aggressive competitor. Moreover, it is experiencing a serious management succession problem due to the incapacitation of its executive officer.

Applicant is the largest bank in Boone County, but the second largest bank competing in Jamestown Bank's trade area, while Jamestown Bank is the second smallest bank. The proposal would introduce a more aggressive institution with much larger lending limits, a farm representative, and a fully staffed trust department into Jamestown, which is primarily an agricultural community. The transaction should have no adverse competitive effects in the area.

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

*Financial and Managerial Resources, Future Prospects, and Convenience and Needs of the Community to be Served.* These factors are favorable with respect to Applicant and are so projected for the resulting bank. The proposal will eliminate a small commercial bank with serious management succession problems. The convenience and needs of the Jamestown area will be better served by the replacement of a small independent bank with a branch of a larger, more progressive institution.

On the basis of the information presented, the Board of Directors has concluded that approval of the bank's application is warranted.

| No. 28 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Fairfield County Trust Company**<br>Stamford, Connecticut<br>(change title to Union Trust Company) | 329,664 | 31 | 42 |
| *to merge with*<br>**The Union and New Haven Trust Company**<br>New Haven | 130,603 | 11 | |

Summary report by Attorney General, December 2, 1968

The head offices of the merging banks are about forty miles apart; their nearest branch offices are no closer than fifteen miles, and there appear to be a number of banks operating in the intervening areas. Furthermore, it seems that neither bank obtains more than 1 percent of its deposits or loans from areas directly served by the other. Thus, it does not seem that significant existing competition would be eliminated by this merger.

Connecticut banking law permits statewide *de novo* branching into any incorporated city or town in which there is not located the head office of another bank. Of Connecticut's 169 towns, 128 with about half the state's population, or over 1,400,000 inhabitants, are open to de novo branching by either County Trust or Union Trust, and about 115, with a total of over 1 million inhabitants, appear to be open to *de novo* branching by both banks.

Both banks are leading competitors in the markets in which they operate, and these markets tend to be highly concentrated. In terms of total deposits, County Trust is the largest bank headquartered in Stamford and is the second largest headquartered in Fairfield County. Ten banks operate in County Trust's self-designated service area, located in the western portion of Fairfield County, and having a total population of over 400,000. As of June 30, 1966, County Trust held approximately 32 percent of IPC demand deposits in this area, and the four largest banks held more than 90 percent of those deposits.

In terms of total deposits, Union Trust is the third largest bank headquartered in New Haven and the fourth largest headquartered in New Haven County. Ten of Union Trust's eleven offices are located in New Haven County with the eleventh situated in Old Saybrook in Middlesex County. Seventeen commercial banks operate offices in Union Trust's self-designated primary service area, located in the southeastern half of New Haven County, and having a total population of over 300,000. As of June 30, 1966, Union Trust held approximately 21 percent of total IPC demand deposits in this area, and the four largest banks held more than 90 percent of those deposits.

At least eight towns in which County Trust operates offices, with populations ranging from 5,800 to 48,000, and at least five towns in which Union Trust operates offices, with populations ranging from 9,000 to 20,000 appear to be open to *de novo* branching. Even in towns where *de novo* branching is prohibited, entry may generally be effected through merger with a small bank or through establishing an office just outside the protected area. It would appear that many of these communities are attractive banking markets, and that each of the applicants is among the most likely entrants into the markets served by the other, as well as markets in which neither bank now operates. Consummation of the proposed merger will eliminate this potential competition. The effect of this merger will be significantly adverse.

### Basis for Corporation approval, June 12, 1969

The Fairfield County Trust Company, Stamford, Connecticut (Applicant), an insured State nonmember bank with total deposits of about $298,414,000, 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 Union and New Haven Trust Company, New Haven, Connecticut (Union Bank), which has total deposits of about $113,493,000. The banks would merge under the charter of Applicant and with the title "Union Trust Company." As an incident to the merger, Applicant's main office would be moved from 300 Main Street, Stamford, Connecticut, to Union Bank's main office location at 205 Church Street, New Haven, Connecticut; and Applicant's present main office and Union Bank's 10 branches would become branches of Applicant, increasing the number of its offices to 42.

*Competition.* Applicant operates its main office and six branches in Stamford, Connecticut (estimated 1967 population 108,400), and 24 other branches throughout western Fairfield County. Union Bank operates its main office and one branch in New Haven, Connecticut (estimated 1967 population 141,700), eight branches in southern New Haven County outside the city of New Haven, and one branch in Old Saybrook in Middlesex County. There appears to be very little competition between the participating banks. Their closest offices are about 13 miles apart; and the service areas, as they relate to banking office location, are separate and distinct with no overlapping. Furthermore, these offices are intervened by other banking office locations. Thus, competition between the participating banks for retail banking business is minimal. Competition between the participating banks for regional and national business, when placed in its proper context, is not substantial, and is overshadowed by competition in that market from the larger money market banks in New York and Boston.

The potential for significantly greater competition between the participating banks does not appear as a realistic probability. Under Connecticut's home office protection law, it is not possible for Applicant or Union Bank to enter by de novo branching into the towns which comprise the principal banking markets in Connecticut; and analysis indicates that the towns which are open to de novo branching provide few opportunities for profitable branch operation.

The concentration of banking resources in the service areas of the participating banks would not be substantially altered. The resulting bank would have about 28 percent of the IPC deposits held in offices of the commercial banks located in the two service areas; and if consideration is given to deposits held by offices of mutual savings banks in the two areas, this figure drops to about 15 percent. Moreover, the effects of this merger cannot realistically be appraised on the basis of the restricted "primary service areas" alone. The geography of Connecticut, and particularly the proximity of the southwestern portion of the State to New York City, dictates that banks in this portion of the State must in fact compete vigorously with the giant commercial and mutual savings banks in New York both for retail and wholesale banking business. Considering the overall competition the participating banks face, the competitive effects of this merger are not significant.

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 satisfactory with respect to the participating banks individually, as they would be with respect to the resulting bank.

*Convenience and Needs of the Community to be Served.* The merger would have a favorable effect on banking services at all levels. It would particularly benefit medium-sized and larger customers in the service areas in that they would be provided with an additional local source for loans and specialized services such as international banking, municipal financing, and electronic data processing services.

On the basis of the above information, 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 |
| **Industrial Trust & Savings Bank**<br>Muncie, Indiana | 38,948 | 4 | 5 |
| *to merge with* | | | |
| **Albany State Bank and Trust Company**<br>Albany | 3,623 | 1 | |

## Summary report by Attorney General, April 16, 1969

The closest offices of the merging banks are twelve miles apart with at least one branch of a competing Muncie bank intervening, but that branch is in Muncie. The applicant states that 0.2 percent of Industrial Trust's depositors also have accounts at the Albany Bank. In addition, loan accounts in common represent 0.3 percent of Industrial Trust's total loans and 4.3 percent of those at Albany. Thus, it appears that Industrial Trust is not a significant competitive alternative bank for residents of Albany although some existing competition would be eliminated as a result of the merger, particularly in the area between Muncie and Albany.

Since Indiana law does not permit either bank to branch *de novo* into the other's community, this merger eliminates only the potential that Albany Bank might branch into other communities in the county not already served by a bank.

There are presently four banks operating 18 offices in Delaware County, of which Industrial Trust, with 22 percent of the county's commercial bank deposits ranks third. Albany Bank, the smallest bank in the county has 2 percent of such deposits. If this merger is consummated Industrial Trust will become the second largest bank in the county with 24 percent of total deposits and the number of banks in the county will decrease from four to three.

## Basis for Corporation approval, July 1, 1969

Industrial Trust & Savings Bank, Muncie, Indiana (Applicant), an insured State nonmember bank with deposits of $36,219,000, 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 Albany State Bank and Trust

Company, Albany, Indiana (State), which has deposits of $3,263,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the sole office of State would become a branch of Applicant, increasing the number of its offices to five.

*Competition.* The service area of Applicant, population estimated to be 86,200, is confined primarily to the city of Muncie and the immediate surrounding area, plus a small satellite service area around the community of Yorktown, where its only branch outside the city of Muncie is located. The area is rich in agricultural activities, and the city of Muncie contains diversified industrial complexes to complement its economic life.

The service area of State is confined to the community of Albany and its immediate surrounding area. The population of the service area is estimated to be 10,000, while there are approximately 2,100 residents of the community itself. Located within a diversified farming area, there has been little industrial development, and employment from the latter activity amounts to only about 500 persons. Other residents are reported to commute to Muncie or Dunkirk, Indiana, for employment.

The main offices of the participating banks are 13 miles apart, with a branch office of a competing bank, located in the city of Muncie, intervening. The two banks operate in separate market areas, with very little competition between them. Little potential exists for competition in the future because of a State law which prohibits de novo branch offices being established in communities wherein an existing bank is already located. Elimination of competition does not appear to be a significant factor to this proposal.

Applicant is the third largest bank in its trade area as measured in terms of IPC deposits and the second largest based on total loans. As a result of this proposal, it would acquire approximately 1.8 percent of area deposits, moving it into second position in this respect. However, both of Applicant's closest competitors are also headquartered in Muncie, and it would appear that competition within the city will continue to be keen. The amount of change which would occur as a result of the proposed transaction is not significant, and there are six remaining competing banks that provide numerous banking alternatives within the trade area of the resulting bank. The injection of an aggressive larger bank in the Albany, Indiana, market area is expected to increase competition at that location.

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

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank. The earnings record of State has not been as favorable as Applicant's; and the future prospects of State, as a part of the resulting bank, would be enhanced. Future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* As a result of the merger, the Albany, Indiana, area would gain the advantage of a bank with a larger lending limit, more than $300,000 higher, than now available to State. While the proposal would not significantly benefit the trade area served by Applicant, it would permit the resulting bank to provide additional banking services for the Albany area.

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

| No. 30 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Central Carolina Bank & Trust Company** Durham, North Carolina | 135,170 | 28 | 29 |
| *to merge with* | | | |
| **Bank of Yadkin** Yadkinville | 7,474 | 1 | |

Summary report by Attorney General, May 22, 1969

The closest offices of the merging banks are eighteen miles apart; branches of two additional banks lie within the intervening area. It is unlikely that any significant amount of direct competition would be eliminated by this merger.

Since North Carolina law permits state-wide branching, the merger would eliminate potential competition in that either bank could be permitted to branch *de novo* into the service area of the other. Bank of Yadkin, however, has never opened a *de novo* branch, and has confined its operational activities to Yadkin County. Central Bank has demonstrated an aggressive, expansion-minded policy in the past, and could become a competitor of Bank of Yadkin through *de novo* branching in the Yadkinville vicinity.

Basis for Corporation approval, July 1, 1969

Central Carolina Bank & Trust Company, Durham, North Carolina (Central), an insured nonmember bank with total resources of $135 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Yadkin, Yadkinville, North Carolina (Yadkin), which has total resources of $7.5 million, under the charter and with the title of Central and, incident thereto, to establish the sole office of Yadkin as a branch.

*Competition.* Central, operating 27 branches, is a regional bank offering a complete range of banking services. All but three of its offices are located within a 55-mile radius of Durham which, together with Chapel Hill (12 miles southwest) and Research Triangle Park (8 miles south), comprises the principal market area. The Durham area is heavily industrialized; and, through the Research Triangle Park, research development has become an important economic activity, spearheaded by the State's three major universities which are located in the area. Agriculture continues to be an important segment of the economy. Yadkinville is located about 95 miles west of Durham, and the closest office of Central is at Mocksville, 19 miles southeast. Yadkin, the only bank in Yadkinville, serves a limited local area in which there is some industry but where agriculture is of major economic importance.

There is no overlapping of the service areas of Central and Yadkin because neither bank derives business from the service area of the other, and there are no known instances of deposit and loan customers using the facilities of both banks. Central, ranking eighth in size among all North Carolina banks, competes with offices of the 10 largest banks. It is much smaller than most of its major competitors, holding 2.3 percent of total deposits held by all banks competing in the combined service areas, as compared to 25.8 percent for the largest bank, 21.6 percent for the second largest, and 3.9 percent and 2.6 percent, respectively, for the sixth and seventh largest. The merger with Yadkin will increase Central's share by only 0.1 percent, and its ranking as eighth largest bank will not be changed. The addition of the sole office and resources of Yadkin will not alter its competitive stature to any significant degree. Major competition for Yadkin is provided by five branches of the State's fifth largest bank; and, in this respect, the substitution of a branch of Central for the sole office of Yadkin should tend to increase competition.

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.

*Financial and Managerial Resources and Future Prospects.* These factors are satisfactory with respect to both participating banks and are so projected for the resulting bank.

*Convenience and Needs of the Community to be Served.* Yadkin, because of its comparatively limited resources and unit structure, is unable to provide a full range of banking services. As a result of the merger, the Yadkinville area would gain the advantage of a large regional bank which provides all types of banking facilities on a larger and broader scale and, thus, could better serve the convenience and needs of the community.

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

| No. 31 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Bank of Pennsylvania**<br>Reading, Pennsylvania | 213,757 | 17 | 17 |
| *to merge with* | | | |
| **Washington Street Bank and Trust Company**<br>Reading<br>(in organization) | 465 | — | |

## Summary report by Attorney General, April 22, 1969

This merger is merely part of a corporate reorganization which will make Bank of Pennsylvania a wholly owned subsidiary of a one-bank holding company and as such will have no effect on competition.

## Basis for Corporation approval, July 1, 1969

Pursuant to Section 18(c) of the Federal Deposit Insurance Act, application has been filed by Bank of Pennsylvania, Reading, Pennsylvania, (Applicant), with total resources of $213.8 million for consent to merge with Washington Street Bank and Trust Company, Reading, Pennsylvania, (In organization), under the charter and with the title of the former. The resulting bank will operate from the present main office and 16 existing and three approved branch offices of Applicant.

The proposal involves the formation of a one-bank holding company to hold stock ownership of Bank of Pennsylvania through the simultaneous merger and reorganization with Washington Street Bank and Trust Company, an interim bank. The latter bank will not be in operation as a commercial bank prior to the merger. The same banking business will be performed by Bank of Pennsylvania at all locations as was performed by it previous to the merger. The same management and personnel will be continued. The proposal will not, of itself, change the banking services which Applicant has provided usefully to its service area on a convenient and successful basis for many years. The proposal involves only a change in the form of organization of Bank of Pennsylvania and will not have any adverse effect upon competition. All factors required to be considered relative to the application have been favorably resolved.

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

| No. 32 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Bushwick Savings Bank**<br>New York (Brooklyn), New York<br>(change title to<br>Anchor Savings Bank) | 201,588 | 4 | 8 |
| *to merge with*<br>**Anchor Savings Bank**<br>New York (Brooklyn) | 388,155 | 4 | |

### Summary report by Attorney General, March 10, 1969

The proposed merger would combine the eleventh and the twentieth largest savings bank in Brooklyn, making the resulting bank, with nine offices, the sixth-largest institution of its kind headquartered in Brooklyn.

Deposits of the combined banks would total $538.8 million, representing 5.3 percent of the more than $10 billion in deposits held by all savings banks headquartered in Brooklyn.

The resulting bank would have $433.9 million or 1.67 percent of the $25.9 billion total real estate mortgage loans held by savings banks in the New York City area.

### Basis for Corporation approval, July 9, 1969

Bushwick Savings Bank, New York (Brooklyn), New York (Bushwick), an insured mutual savings bank with total deposits of about $187,093,000, 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 Anchor Savings Bank, New York (Brooklyn), New York (Anchor), also an insured mutual savings bank, which has total deposits of about $356,744,000. The banks would merge under the charter of Bushwick and with the title "Anchor Savings Bank"; and, incident to the merger, the main office and three existing and one approved but unopened branch offices of Anchor would become the main office and branch offices, respectively, of the resulting bank. The resulting bank would have a total of nine banking offices.

*Competition.* Bushwick operates three offices in the Borough of Brooklyn and one in Nassau County, a suburban area east of Brooklyn. Anchor operates two offices in the Borough of Brooklyn, one in the Borough of Richmond (Staten Island), one in Nassau County, and has approval for a branch office, as yet unopened, in Manhattan. Despite the concentration of banking offices in the Borough of Brooklyn, competition between the subject banks is practically nonexistent. Their closest offices are some 4 miles apart, and there are numerous offices of other savings banks, savings and loan associations, and commercial banks situated between them.

Competition in New York City is intense among banks in particular and financial institutions in general. This merger would have virtually no effect on the present concentration of deposits or loans or on existing competition. Each of the participating banks has less than 2 percent of the total deposits and of the total loans held by savings banks in New York City, and the resulting bank would continue to have less than 2 percent of each. Furthermore, there are 46 other mutual savings banks operating 219 offices in New York City. Many of these institutions are far larger than the resulting bank would be. In addition, substantial competition in New York City is provided by commercial banks and savings and loan associations. In the city there are 823 commercial bank offices holding an estimated $4.6 billion savings and 143 offices of savings and loan associations holding savings estimated to be in excess of $4 billion. Total savings in New York City in the commercial banks, savings and loan associations, and savings banks combined is estimated to be some $38 billion; and the resulting bank's share would be less than 1.5 percent.

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 considered acceptable with respect to the individual participating banks, but they are even more favorable with respect to the resulting bank.

*Convenience and Needs of the Community to be Served.* Thrift services and mortgage loans have been provided by each of the participating institutions in its own area for over fifty years. The proposed merger would produce a better-balanced bank with respect to surplus, earnings, and management, and thereby permit improved service to the communities.

On the basis of the above information, 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 |
| **Roachdale Bank and Trust Company**<br>Roachdale, Indiana | 7,544 | 2 | 3[2] |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **Russellville Bank**<br>Russellville | 1,987 | 1 | |

## Summary report by Attorney General, June 17, 1969

Russellville Bank is situated ten miles west of Roachdale. There are no banks in the intervening area. According to the application in Roachdale Bank's service area, Russellville Bank has 1.5 percent of total IPC deposits while in its own area it has 2.3 percent and Roachdale Bank has 11 percent.

Thus, it would appear that there is some competition between the two banks which would be eliminated by the acquisition.

Concurrently with its proposal to acquire Russellville Bank, Roachdale Bank has applied to the Federal Reserve Board for approval to merge The State Bank of Russellville ($1.5 million total deposits), the only other bank in the town. Approval of both applications would eliminate the independent existence of the only two banks in Russellville and would eliminate direct competition existing between them. it is contemplated that Russellville Bank would be closed and the State Bank of Russellville would be operated as a branch of Roachdale Bank.

Acquisition of both Russellville banks is Roachdale Bank's only means of entry in Russellville since Indiana law prohibits branching in a town where another bank maintains its home office.

While Putnam County overstates the area in which this merger will have its effect, the increase in concentration in the county as a whole will be substantial. Each of the two acquired banks has three percent of county deposits, and the combined result will be to increase Roachdale Bank's share from 14 to 20 percent of county deposits.

Since the proposed merger of State Bank of Russellville would eliminate some direct competition between that bank and Roachdale Bank, and since, it is a step in a larger program of acquisitions which would increase concentration of control over deposits, this merger will have an adverse competitive effect.

## Basis for Corporation approval, July 16, 1969

Roachdale Bank and Trust Company, Roachdale, Indiana (Applicant), a State member bank with total deposits of $6,947,000, has applied, pursuant to the provisions of Section 18(c)(1)(B) of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume liability to pay deposits of $1,711,000 made in Russellville Bank, Russellville, Indiana (Noninsured Bank), a noninsured State bank.

Pursuant to other provisions of Section 18(c), Applicant has filed a concurrent application with the Board of Governors of the Federal Reserve System for consent to merge with The State Bank of Russellville, Russellville, Indiana (Insured Bank), an insured nonmember bank which has deposits of $1,580,000, under Applicant's charter and with the title "Tri-County Bank & Trust Company." The sole office of Noninsured Bank will be discontinued and its operations combined with those of the sole office of Insured Bank which will be established as a branch of Applicant.

*Competition*. Roachdale and Russellville, both in Putnam County, are 10 miles apart (east-west), with no banking offices intervening. The service areas are contiguous; however, U.S. Highway 231, running north-south about midway between them, has an important effect on traffic patterns and serves as an effective barrier between the two service areas. There is no significant amount of competition which would be eliminated between Applicant and the two Russellville banks.

Among nine banks competing in the combined service area, Applicant ranks fifth, holding 6.3 percent of the aggregate deposits. Insured Bank and Noninsured Bank are the smallest, holding 1.4 percent and 1.6 percent, respectively. The modest increase in the size of Applicant as a result of the two transactions would not change its ranking as fifth among the seven remaining banks. Its competitive stature in the Roachdale service area would not be changed significantly, except for a larger loan limit.

Russellville is a rural farming community which is gradually losing its importance in the local economy as most residents find employment in larger population centers. It is the smallest town in Indiana (population 372) with two banks for which it no longer can provide adequate support. Neither bank generates sufficient business to attract management personnel capable of providing modern banking services, and loan limits are insufficient to serve the credit needs of the larger farms in the surrounding area. Past efforts to merge these two banks have failed. Under Indiana banking law, branching is restricted to the head office county and prohibited in a town where there is a unit bank. Consequently, Applicant cannot legally acquire only one of the Russellville banks and establish a branch unless the other is liquidated. The two Russellville banks do not now compete effectively with each other because Noninsured Bank does not accept savings accounts or offer safe deposit facilities. Also, divided factions in the community tend to restrict competition for demand deposits. The conversion of the two banks into a branch of Applicant will enable the latter to compete for business in that locality, along with the other area banks, and at the same time provide the public in the Russellville area with a wider range of improved banking services.

The Board of Directors is of the opinion that the proposals 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.* Financial resources and future prospects are favorable for this proposal, and the merger and purchase and assumption transaction will solve a management succession problem in both Insured Bank and Noninsured Bank.

*Convenience and Needs of the Community to be Served.* The merger and purchase and assumption transaction will enable Applicant to better serve the financial needs of the Russellville farming community through greater resources and a larger lending limit. It will provide more aggressive management, including better-trained personnel, and can offer stronger community leadership. Applicant plans to enlarge and modernize the banking quarters and to provide locally improved trust services, customer investment services, safe deposit facilities, night depository, savings department, and increased activity in consumer loans and residential mortgages to better serve the convenience and needs of the Russellville community.

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

| No. 34 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Casey State Bank**<br>Casey, Iowa<br>(change title to<br>Security State Bank) | 2,708 | 1 | 2 |
| *to merge with* | | | |
| **Menlo Savings Bank**<br>Menlo | 2,399 | 1 | |

Summary report by Attorney General, July 8, 1969

Menlo (population 500) and Casey (population 600) are located in Beaver and Thompson Townships, respectively, of Guthrie County, Iowa. This is a predominantly agricultural area.

Since the two banks involved are commonly owned and managed, and have been so since their inception, no adverse competitive effect is likely to occur from this merger.

Basis for Corporation approval, July 25, 1969

Casey State Bank, Casey, Iowa (Casey Bank), an insured nonmember bank with total resources of $2,700,000, 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 Menlo Savings Bank, Menlo, Iowa (Menlo Savings), an insured nonmember bank which has total resources of $2,400,000, under the charter of Casey Bank and with the title "Security State Bank." Consent is also requested to establish the sole office of Menlo Savings as a branch (bank office under Iowa law) of the resulting bank.

*Competition.* Casey and Menlo, with 1960 populations of 589 and 421, respectively, are rural agricultural communities located 6 miles apart in western Iowa, some 50 miles west of Des Moines. The economy of the area is dependent almost entirely upon agriculture in which livestock and corn are the major sources of income. The service areas of Casey Bank and Menlo Savings are contiguous but do not overlap to any significant degree. In any event, there is no meaningful competition between the two banks because of common ownership and active management—a situation which has been present since Casey Bank was established as a unit bank in 1955 through the spin-off of the Casey Branch of Menlo Savings, which had been established in 1931. In practice, the two unit banks have operated almost as one. The merger will restore the pre-1955 main office-branch relationship, except that the main office will be in Casey instead of Menlo, and will formalize the existing relationship in one corporate organization.

Casey Bank and Menlo Savings presently are the two smallest banks among six competing in their combined service area, holding 9.4 percent and 7.6 percent, respectively, of the total bank deposits. The resulting bank will rank third, in terms of total deposits (17 percent); however, it will not be significantly larger than the two banks which then will rank as the two smallest—15.8 percent and 14.3 percent, respectively, of the total deposits. It will be substantially smaller than the two largest banks which are located in the county seat towns of Greenfield and Guthrie Center, each holding one-fourth or more of the total deposits.

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.

*Financial and Managerial Resources and Future Prospects.* These factors are satisfactory with respect to both participating banks and are so projected for the resulting bank.

*Convenience and Needs of the Community to be Served.* Restoration of the main office-branch relationship in lieu of the two-unit bank operation will not alter the convenience and needs factor. The resulting bank will provide the same services as are now being provided at the same locations.

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

| No. 35 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **West Side Savings Bank**<br>New York, New York<br>(change title to<br>Prudential Savings Bank) | 142,346 | 3 | 7 |
| *to merge with*<br>**The Prudential Savings Bank**<br>New York (Brooklyn) | 169,772 | 4 | |

Summary report by Attorney General, April 25, 1969

The closest offices of the two banks are 3.5 miles apart, and there are numerous alternatives (other savings banks, commercial banks, and savings and loan associations) in the intervening areas. Some direct competition exists for both loans and for thrift accounts of residents of and commuters to New York City which will be eliminated by the merger.

In 1968, the boroughs of Manhattan and Brooklyn were served by 37 savings banks with 119 branches controlling about $27.3 billion in deposits.

The resulting bank would hold about 1.1 percent of savings deposits in Manhattan and Brooklyn savings banks. The addition of savings deposits held by commercial banks and by savings and loan associations located in these boroughs would reduce this percentage.

This merger would appear to be part of a trend toward concentration of deposits in a steadily decreasing number of savings banks in New York City.

Basis for Corporation approval, July 25, 1969

West Side Savings Bank, New York (Manhattan), New York (West Side), an insured mutual savings bank with total deposits of about $133,678,000, 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 Prudential Savings Bank, New York (Brooklyn), New York (Prudential), also an insured mutual savings bank, which has total deposits of about $157,592,000. The banks would merge under the charter of West Side and with the title "Prudential Savings Bank"; and, as an incident to the merger, the four offices of Prudential would become branches of West Side, increasing the number of its offices to seven.

*Competition.* West Side operates its main office and two branches in the Greenwich Village area on the west side of lower Manhattan. Prudential operates a main office and two branches in Brooklyn and a third branch in Elmont, Nassau County, a suburban area east of the city. The 1960 population of New York City was about 7,782,000.

Competition between the participating banks is practically nonexistent. Their closest offices are some 3.5 miles apart, and the East River effectively separates the primary service areas of these two offices. In addition, there are numerous offices of other savings banks, savings and loan associations, and commercial banks situated between them.

Competition in New York City and suburban Nassau County is intense among banks in particular and financial institutions in general. This merger would have virtually no effect on the present concentration of deposits or loans or on existing competition. West Side is the smallest savings bank headquartered in Manhattan, and Prudential is the smallest headquartered in Brooklyn. Each has approximately 0.5 percent of the total deposits and total loans of savings banks in New York City, and the resulting bank would have approximately 1 percent of each. Furthermore, there are 46 other New York City mutual savings banks operating 235 offices. Many of these institutions are far larger than the resulting bank would be. In addition, substantial competition is provided by commercial banks and savings and loan associations. Located in New York City and Nassau County are 179 offices of savings and loan associations which hold an estimated $5 billion of savings and 1,037 offices of commercial banks holding an estimated $6 billion of savings. Total savings in New York City and Nassau County commercial banks, savings and loan associations, and savings banks is estimated to be over $39 billion; and the resulting bank's share would be approximately 0.8 percent.

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 considered acceptable with respect to the individual participating banks, but are even more favorable with respect to the resulting bank.

*Convenience and Needs of the Community to be Served.* Thrift services and mortgage loans have been provided by each of the participating institutions in its own area for over fifty years. The proposed merger would produce a better-balanced bank with respect to surplus, earnings, and management, and thereby permit improved service to the communities.

On the basis of the above information, 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 |
| **First Virginia Bank**<br>Annandale, Virginia | 99,128 | 17 | 39 |
| *to merge with*<br>**Old Dominion Bank**<br>Arlington | 125,707 | 16 | |
| *and*<br>**Falls Church Bank**<br>Falls Church | 51,310 | 6 | |

### Summary report by Attorney General, April 25, 1969

The three banks involved in the proposed merger have all been subsidiaries of the Virginia Bankshares Corporation, a registered bank holding company, for several years. Therefore, we conclude that the proposed merger will not eliminate any effective competition.

### Basis for Corporation approval, July 31, 1969

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, an application has been filed with the Corporation for its prior consent to merge Old Dominion Bank, Arlington, Virginia (Old Dominion), an insured state nonmember bank with total deposits of $110,922,000, and Falls Church Bank, Falls Church, Virginia (Church Bank), an insured State nonmember bank with total deposits of $51,310,000, with Mount Vernon National Bank and Trust Company of Fairfax County, Annandale, Virginia (Continuing Bank), with total deposits of $88,020,000, which converted from a national association to an insured State nonmember bank on June 6, 1969, with the title "First Virginia Bank." The 22 present offices and the five approved but unopened branches of Old Dominion and Church Bank would become branches of Continuing Bank, increasing the number of offices of Continuing Bank to 46.

*Competition.* All offices of Continuing Bank will operate in one general service area consisting of a northern Virginia section which is part of the greater Washington, D.C., metropolitan area. This service area consists of Arlington County, Fairfax County, and the independent cities of Alexandria and Falls Church. The main offices of the participating banks are within 3 to 4 miles of each other, but there are numerous branches of competing banks intervening. Additionally, each of the participating banks is owned by the same registered bank holding company, and this proposal would not increase the holding company's share of the market in northern Virginia. There is no significant amount of actual or potential competition, between the participating banks, which would be eliminated by this proposal, and its consummation would have no discernible anticompetitive effects.

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 manner be in restraint of trade.

*Financial and Managerial Resources and Future Prospects.* These factors are satisfactory with respect to the three participating banks and are so projected for Continuing Bank.

*Convenience and Needs of the Community to be Served.* As a result of the merger, the trade area would gain the advantage of a larger bank which has an increased lending limit providing all types of banking operations on a larger and broader scale and which could, as a result, better serve the convenience and needs of the community.

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

| No. 37 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Bev Bank**<br>Chicago, Illinois<br>(in organization; change title to Beverly Bank) | — | — | 1 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **Beverly Bank**<br>Chicago | 126,802 | 1 | |

Summary report by Attorney General, June 2, 1969

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

Basis for Corporation approval, August 7, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Bev Bank, Chicago, Illinois (Bev), a proposed new bank in organization, and for consent to acquire the assets and assume the liability for deposits made in Beverly Bank, Chicago, Illinois (Beverly), which has only one office and total resources of $126,802,400. The resulting bank would operate under the charter of Bev, and with Beverly's title, at the present location of Beverly.

The proposal involves the formation of a one-bank holding company to hold stock ownership of the resulting bank. Bev will not be in operation as a commercial bank prior to consummation of the transaction and will begin business at the present location of Beverly with the latter's assets, liabilities, capital, and management.

Beverly has provided needed and useful banking services to its trade area on a convenient and successful basis for many years. The subject proposal will not alter these services or the service area and, involving only a change in form of corporate organization, will, of itself, have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 38 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Bankers Trust Company of Windsor Heights**<br>Windsor Heights, Iowa<br>(proposed new bank) | — | — | 1 |
| *to acquire a portion of the assets and assume a portion of the deposit liabilities of* | | | |
| **Bankers Trust Company**<br>Des Moines | 6,900[3] | 1 | |

Summary report by Attorney General, April 25, 1969

Since no other bank presently maintains a limited facility banking office in Windsor Heights which would be required to close, and since new banks could be established in that community, and since there are presently alternative banks a few miles from Windsor Heights, the proposed transaction would not appear to have any significantly adverse effect on competition.

Basis for Corporation approval, August 7, 1969

The proposals would establish a new bank in Windsor Heights, Iowa, through the acquisition and assumption of a portion of the assets, liabilities, and capital accounts of Bankers, a $137.7 million bank headquartered in Des Moines, 5.3 miles east of Applicant. The proposed new bank would replace Bankers' limited-service Windsor Heights office. Applicant would acquire those portions of deposits and loans which represent the amounts estimated to originate in the Windsor Heights area. Following consummation of the proposals, Bankers and the proposed new bank would be commonly owned, controlled, and managed. There are no other banks in Windsor Heights, although the Supervisory Authority has confirmed that proponents of a bank yet to be organized have requested a charter for an undisclosed site in that community. It is apparent from the nature of the proposed transactions that the participating banks are not now in competition, and the resulting common ownership and control precludes competition between them in the future.

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

All factors required to be considered relative to the applications have been favorably resolved.

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

| No. 39 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Esperson State Bank**<br>Houston, Texas<br>(in organization; change title to Bank of Texas) | 200 | — | 1 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **Bank of Texas**<br>Houston | 79,197 | 1 | |

Summary report by Attorney General, June 2, 1969

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

Basis for Corporation approval, August 7, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Esperson State Bank, Houston, Texas (Esperson Bank), a proposed new bank in organization, and for consent to acquire the assets and assume the liability for deposits made in Bank of Texas, Houston, Texas (Texas Bank), which has only one office and total resources of $79,197,000. The resulting bank would operate under the charter of Esperson Bank, and with Texas Bank's title, at the present location of Texas Bank.

The proposal involves the formation of a one-bank holding company to hold stock ownership of the resulting bank. Esperson Bank will not be in operation as a commercial bank prior to consummation of the transaction and will begin business at the present location of Texas Bank with the latter's assets, liabilities, capital, and management.

Texas Bank has provided needed and useful banking services to its trade area on a convenient and successful basis since 1957. The subject proposal will not alter these services or the service area and, involving only a change in form of corporate organization, will, of itself, have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 40 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Johnstown Bank and Trust Company**<br>Johnstown, Pennsylvania | 53,984 | 8 | 9 |
| *to merge with* | | | |
| **The First National Bank of Bakerton**<br>Bakerton | 1,523 | 1 | |

Summary report by Attorney General, March 12, 1969

Bakerton Bank (total deposits $1.5 million) operates its sole office in Bakerton, Pennsylvania. Bakerton (population 1,057) is a small mining community some 30 miles north of Johnstown in rural Cambria County.

The closest offices of the merging banks are 14 miles apart and there are intervening banking alternatives. Thus, it does not appear that this merger will eliminate any significant existing competition. Pennsylvania law would permit Johnstown Bank to branch *de novo* into Bakerton, but the size of the Bakerton community and the existence of other likely potential entrants reduce the significance of the elimination of potential competition by this merger.

We conclude that this merger is not likely to have a significantly adverse effect on competition in Cambria County.

Basis for Corporation approval, August 14, 1969

Johnstown Bank and Trust Company, Johnstown, Pennsylvania (Applicant), an insured State nonmember bank with total deposits of $48,977,400, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The First National Bank of Bakerton, Bakerton, Pennsylvania (National), which has total deposits of $1,353,300. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the one office of National would become a branch of Applicant, increasing the number of its offices to nine.

*Competition.* Johnstown (population 53,900) is located in southern Cambria County, approximately 70 miles east of Pittsburgh. In 1960 the population of the Johnstown, Pennsylvania, SMSA, which consists of Cambria and Somerset Counties, was 280,733. The economy of Johnstown and the surrounding area is dominated by steel production and related products. All of Applicant's offices are in or near Johnstown. The most distant office is at New Florence, 16 miles northwest of Johnstown.

Bakerton is an unincorporated village situated in northern Cambria County approximately 30 miles northeast of Johnstown. It has a population of 1,100, and the local economy is primarily dependent upon coal mining. National's primary trade area is delineated as being the area within an 8-mile radius of Bakerton.

The main offices of the participating banks are 30 miles apart, and the shortest distance between offices is the 24 miles between Vinco and Bakerton. The trade areas served by Applicant and National do not overlap, and there are other banking offices in the intervening area. There is very little, if any, direct competition which would be eliminated by this proposed transaction.

Applicant's principal competitor is United States National Bank in Johnstown, which is more than twice as large as Applicant. United States National Bank in Johnstown has a branch at Carrolltown, 3 miles east of Bakerton, and a branch at Ebensburg, 12 miles south of Bakerton. Therefore, it is also National's primary competitor. This proposed transaction would increase Applicant's share of the relevant market by less than 1 percent.

Legally each of the participating banks could branch de novo into the trade area served by the other bank, but this does not seem likely. In the past, National has not expanded by de novo branching, and in view of the much larger banks operating in Applicant's trade area it does not seem probable that National would branch de novo into that area in the future. Applicant has not entered National's trade area by de novo branching, and in view of the existing banking offices in that area it does not appear to be a desirable area for Applicant to branch de novo.

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.

*Financial Resources.* The financial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank.

*Managerial Resources.* Following the death of National's former executive officer in September of last year, the bank was faced with a serious management problem. At the request of National, Applicant has been providing National with an executive officer since October 1968. This proposed transaction would solve National's management problem; but absent the merger, National would again have a serious management problem. The resulting bank would have adequate managerial resources.

*Future Prospects.* Applicant has been a much more aggressive competitor than National and has grown much faster. The future prospects of National, as a part of the resulting bank, would be enhanced; and the future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* This proposed merger would have no significant effect in the Johnstown area, but it would improve the quantity and quality of banking services in the Bakerton area.

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

| No. 41 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Commonwealth Bank and Trust Company**<br>Muncy, Pennsylvania | 30,087 | 6 | 7 |
| *to merge with* | | | |
| **The First National Bank of Hughesville**<br>Hughesville | 5,841 | 1 | |

Summary report by Attorney General, June 18, 1969

The closest offices of First National Bank of Hughesville (FNB) and Commonwealth Bank and Trust Company (CBT) are located in Hughesville and Muncy, respectively, approximately four miles apart. No banking alternatives intervene. Approval of the merger would leave only one independent commercial banking alternative in both Hughesville and Muncy. The merger would eliminate direct competition between the banks for both deposits and loans.

The Muncy-Hughesville area is served by nine unit banks. CBT controls approximately 8 percent of total deposits and 7 percent of IPC demand deposits in the area; merger with FNB would nearly double those shares. The resulting bank would hold the second largest share of area deposits. These statistics may understate the competitive position of the resulting bank for CBT's total deposits make CBT more than twice the size of its nearest Muncy-Hughesville competitor.

We conclude that this merger would have an adverse effect on competition.

Basis for Corporation approval, August 14, 1969

Commonwealth Bank and Trust Company, Muncy, Pennsylvania (Applicant), an insured nonmember bank with total deposits of $26,817,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The First National Bank of Hughesville, Hughesville, Pennsylvania (Other Bank), which has total deposits of $5,351,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the sole office of Other Bank would become a branch of Applicant, increasing the number of its offices to seven.

*Competition.* Applicant's main office in Muncy and Other Bank's main office in Hughesville are located approximately 4 miles apart and within 15 miles of the city of Williamsport, Lycoming County. Both main offices are also located in Lycoming County and are considerably removed from Applicant's five branches located in Tioga and Potter Counties to the north. The proposed merger would have little or no effect on competition in the areas served by the branches of Applicant and would have only a minimal effect on competition in the areas served by the respective main offices of the participating banks. The combined service areas of the two main offices (Muncy-Hughesville service area) include the city of Williamsport and have a population in excess of 100,000. Competing in this service area are several banks, headquartered in Williamsport, which are substantially larger than the resulting bank would be, as well as various other smaller banks located within Muncy and Hughesville and in nearby communities. The resulting bank would hold a relatively small share of IPC deposits and loans in the Muncy-Hughesville service area, about 5 percent of each, and would rank fourth in size among competing banks. In each of the communities most immediately affected, Muncy and Hughesville, an independent unit bank will continue in competition with the resulting bank and will provide a convenient alternative for banking services. Some minimal loss of direct competition would result from the merger, particularly in the area between Muncy and Hughesville. There would be little, if any, loss of potential competition in the foreseeable future since although both participating banks could branch de novo into the communities served by the other, the prospects for such happening appear remote in view of the small size of these communities and the presence of existing banking offices serving their needs. Nonbank competition for savings and mortgage loans in the Muncy-Hughesville service area is provided by two sizeable savings and loan associations located in Williamsport. Various sales finance and personal loan companies operate throughout Lycoming County and offer substantial competition for floor plan and installment types of loans. An office of the Farmers Home Administration in Williamsport, as well as several sizeable credit unions, also offers noteworthy competition for various types of loans.

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.* Financial resources are satisfactory with respect to both participating banks. Managerial resources of Applicant are satisfactory. Other Bank's chief executive officer is nearing retirement, and management succession has become a problem which would be solved by the proposed merger. Management of the resulting bank would be able to operate the larger institution in a satisfactory manner. The earnings record of Other Bank has not been as good as Applicant's; and the future prospects of Other Bank, as part of the resulting bank, would be enhanced. Future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* Merger would permit the resulting bank to better satisfy the growing need for larger amounts of credit in the areas served by offices of both participating banks. Merger would also bring to the Hughesville community a full line of trust services presently offered by Applicant. Neither of the banks presently operating in Hughesville offer any trust services. Applicant has computerized many of its banking services and the resulting benefits would become available to customers of Other Bank, which has no computerized applications. Overall, the convenience and needs of the communities involved could be better served by the resulting bank than by either of the participants separately.

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

| No. 42 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Reagan State Bank**<br>Big Lake, Texas<br>(proposed new bank) | 400 | — | 1 |
| *to acquire a portion of the assets and assume the deposit liabilities of* | | | |
| **The Big Lake State Bank**<br>Big Lake | 5,047 | 1 | |

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

## Basis for Corporation approval, August 28, 1969

Pursuant to Sections 5 and 18(c) of the Federal Deposit Insurance Act, applications have been filed by Reagan State Bank, Big Lake, Texas, for Federal deposit insurance and for consent to purchase certain assets and assume the deposit liabilities of The Big Lake State Bank, Big Lake, Texas, an insured nonmember bank which has been closed and is in the hands of the Banking Commissioner of the State of Texas.

Estimated losses in the assets of The Big Lake State Bank exceed its capital funds. The Board of Directors has found that it must act immediately in approving the applications to prevent the probable failure of The Big Lake State Bank.

Big Lake, Texas, the county seat of Reagan County, has a population of about 2,700, with an estimated trade area of 6,700 residents. The Big Lake

State Bank, the only bank in the community and Reagan County, has operated for many years and had developed a sizable volume of business before being closed. It is expected that Reagan State Bank will successfully replace the former institution.

On the basis of the above information and other information available to the Corporation, the Board of Directors has concluded that approval of the applications for Federal deposit insurance and consent to the assumption transaction is warranted.

| No. 43 | Resources (in thousands of dollars) | Banking Offices: In operation | Banking Offices: To be operated |
|---|---|---|---|
| **Allen Bank and Trust Company**<br>Fort Wayne, Indiana<br>(in organization; change title to Indiana Bank and Trust Company of Fort Wayne) | 400 | — | 7 |
| *to merge with*<br>**Indiana Bank and Trust Company of Fort Wayne**<br>Fort Wayne | 118,620 | 7 | |

Summary report by Attorney General, July 2, 1969

The proposed merger is part of a transaction which will result in Allen Bank & Trust Company becoming a wholly owned subsidiary of a one-bank holding company. Thus, the merger is merely part of a corporate reorganization and as such will have no effect on competition.

Basis for Corporation approval, September 4, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Allen Bank and Trust Company, Fort Wayne, Indiana (New Bank), a proposed new bank in organization; and for consent to merge with Indiana Bank and Trust Company of Fort Wayne, Fort Wayne, Indiana (Old Bank), an operating nonmember insured bank; and for permission to establish six branches. Old Bank presently operates seven offices and has total resources of $118 million. The resulting bank would operate under the charter of New Bank, and with Old Bank's title, at the seven locations where Old Bank is now operating.

The proposal involves the formation of a one-bank holding company to hold stock ownership of the resulting bank. New Bank will not be in operation as a commercial bank prior to consummation of the transaction and will begin business at the present locations of Old Bank with the latter's assets, liabilities, capital, and management.

Old Bank has provided needed and useful banking services to its trade area on a convenient and successful basis for many years. The subject proposal will not alter these services or the service area and, involving only a change in form of corporate organization, will, of itself, have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 44 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **State Bank and Trust Company**<br>Greenwood, South Carolina | 178,125 | 42 | 45 |
| *to merge with*<br>**The Carolina Bank and Trust Company of Charleston**<br>Charleston | 16,616 | 3 | |

## Summary report by Attorney General, July 30, 1969

State Bank is the fourth largest bank in South Carolina; it is the fourth largest of four commercial banks in South Carolina which maintain statewide operations. On December 31, 1968, State Bank had total assets of $142.3 million and total deposits of $130 million (including IPC demand deposits of $62.2 million). State Bank maintains its head office and three branch offices in Greenwood and twenty-nine additional branches most of which are located in the western part of South Carolina.

Carolina Bank operates its head office and two branch offices in Charleston, South Carolina. On December 31, 1968, Carolina Bank had total assets of $16.3 million and total deposits of $14.2 million (including IPC demand deposits of $6.1 million).

There is, apparently, no substantial existing competition between the merging banks.

South Carolina law permits statewide branching. State Bank has the capability and incentive to branch *de novo* into Charleston County; absent the proposed merger, it could be expected to do so. State Bank has already expanded its network of branches east and south from Greenwood to Columbia, and presently has application pending to merge with a bank in Orangeburg, 75 miles from Charleston.

State Bank is the fourth largest bank in South Carolina. Each of the three other major South Carolina banks already maintains an office in Charleston. The proposed merger will eliminate potential competition between State Bank and Carolina Bank, presently the largest independent bank in Charleston County with about 7.6 percent of total county commercial bank deposits.

For these reasons, we conclude that the proposed merger would have an adverse effect on potential competition in the Charleston area.

## Basis for Corporation approval, September 4, 1969

State Bank and Trust Company, Greenwood, South Carolina (Applicant), an insured State nonmember bank with total deposits of $161,732,000, 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 Carolina Bank and Trust Company of Charleston, Charleston, South Carolina (Other Bank), which has total deposits of $14,264,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the three offices of Other Bank would become branches of Applicant, increasing the number of its offices to 45.

*Competition.* The service area of Applicant consists of portions of 13 counties in the northwestern, central, and western parts of South Carolina. Applicant is the fourth largest bank in the State, and this proposal would not change that position. Consummation of this transaction would increase Applicant's control of area deposits and loans by 1.1 percent and 1.2 percent, respectively, with the resulting bank holding 13.8 percent of deposits and 12.9 percent of loans. As a result of this proposal, it is believed that competition among the larger banks in the area would tend to be increased.

Other Bank operates three offices, all in the city of Charleston or its immediate suburbs, with a service area population estimated to be 75,000. The local economy is widely diversified with all types of industry, various large military installations, foreign trade, wholesale and retail distribution firms, and tourism all playing important roles in area employment and prosperity. Prospects for continued vigorous growth are favorable.

The main offices of the participating banks are about 175 miles distant from each other, with the closest branch office of Applicant located approximately 75 miles northwest of Charleston. The two banks operate in separate and distinct trade markets, separated by intervening competing banks and branches thereof. There is no direct competition between the banks now, and little if any possibility of future competition via de novo branch entry into each other's service areas.

This proposal would not intensify the concentration in the service area of Other Bank nor would it reduce the number of banking alternatives in the area. The merger would not tend to lessen competition, tend to create a monopoly, or in any manner be in restraint of trade.

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources of the participating banks appear adequate for the resulting bank. Future prospects for the resulting bank are more favorable than they are for the participating banks operating as independent units.

*Convenience and Needs of the Community to be Served.* The proposed transaction would have no significant effect in Applicant's present trade area, with the exception of a slightly increased lending limit; but the resulting bank should be better able to serve the convenience and needs of the service area of Other Bank. Additional benefits available to the customers of Other Bank would be a full-service trust department, computer services, travel agency services, and larger lending limit.

The Board of Directors has concluded from the foregoing information that approval of the merger application is warranted.

| No. 45 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **First State Bank**<br>Aransas Pass, Texas<br>(proposed new bank) | 800 | — | 1 |
| *to acquire a portion of the assets and assume the deposit liabilities of* | | | |
| **The First State Bank, Aransas Pass, Texas**<br>Aransas Pass | 11,583 | 1 | |

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

Basis for Corporation approval, September 5, 1969

Pursuant to Sections 5 and 18(c) of the Federal Deposit Insurance Act, applications have been filed by First State Bank for Federal deposit insurance and for consent to purchase certain assets and assume the deposit liabilities of The First State Bank, Aransas Pass, Texas, an insured nonmember bank which has been closed and is in the hands of the Banking Commissioner of the State of Texas.

Estimated losses in the assets of The First State Bank, Aransas Pass, Texas, exceed its capital funds. The Board of Directors has found that it must act immediately in approving the applications to prevent the probable failure of The First State Bank, Aransas Pass, Texas.

Aransas Pass has a population of about 7,000, with an estimated trade area of 15,000 residents. The First State Bank, Aransas Pass, Texas, the only bank in the community, has operated for many years and had developed a sizable volume of business before being closed. The closest banking facilities outside Aransas Pass are 8 miles distant. It is expected that First State Bank will successfully replace the former institution.

Based on the above information, the Board of Directors has concluded that approval of the applications for Federal deposit insurance and consent to the assumption transaction is warranted.

| No. 46 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Eastern Bank and Trust Company**<br>Whiteville, North Carolina<br>(in organization; change title to Waccamaw Bank and Trust Company) | 225 | — | 28 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **Waccamaw Bank and Trust Company**<br>Whiteville | 92,415 | 28 | |

Summary report by Attorney General, June 2, 1969

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

Basis for Corporation approval, September 12, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Eastern Bank and Trust Company, Whiteville, North Carolina (Eastern), a proposed new bank in organization, and for consent for it to purchase the assets of and to assume the liabilities of Waccamaw Bank and Trust Company, Whiteville, North Carolina (Waccamaw), with total resources of $92.6 million, under the charter of the former but with the title "Waccamaw Bank and Trust Company." The resulting bank will operate from the main office and 28 operating or approved branches of Waccamaw.

The proposal involves the formation of a one-bank holding company to hold stock ownership of Waccamaw through the simultaneous new bank formation and the purchase of assets and assumption of liabilities transaction. Eastern will not be in operation as a commercial bank prior to the consummation of this transaction, and subsequently it will operate the same banking business at the same locations as Waccamaw with the same management and personnel. The proposal, of itself, will not change the banking services which Waccamaw has provided for its service area on a convenient and successful basis for many years, nor will it have any effect on competition, since it involves only a change in charter and form of organization. All factors required to be considered relative to each application are favorably resolved.

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

| No. 47 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Fremont Bank**<br>Fremont, California<br>(in organization) | — | — | 1 |
| *to merge with*<br>**Bank of Fremont**<br>Fremont | 15,270 | 1 | |

Summary report by Attorney General, July 24, 1969

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

Basis for Corporation approval, September 24, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Fremont Bank, Fremont, California (New Bank), a proposed new bank in organization, and for consent to merge with Bank of Fremont, Fremont, California (Old Bank), an operating insured nonmember bank. Old Bank presently operates but one office and has total resources of $15,270,000. The resulting bank will operate under the charter and title of New Bank. This proposal involves the formation of a one-bank holding company which is to hold stock ownership, except for directors' qualifying shares, of the resulting bank. New Bank will not be in operation as a commercial bank prior to consummation of the transaction and will begin business at the present sole location of Old Bank with the latter's assets, liabilities, capital, and management.

Old Bank has provided needed and useful banking service to its trade area on a convenient and successful basis since 1964. The subject proposal will not alter these services or the service area and, involving only a change in form of corporate organization, will, of itself, have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 48 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Citizens and Southern DeKalb Bank**<br>Avondale Estates, Georgia | 19,169 | 1 | 2 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **The Citizens and Southern Belvedere Bank**<br>Decatur | 8,293 | 1 | |

## Summary report by Attorney General, September 22, 1969

The merging banks are unit banks both located in the unincorporated area of DeKalb County, 1.8 miles apart. Although branches of the first and third largest banks in the state as well as several smaller banks have offices in the same general area, there are no banks in the intervening area. Therefore, it would appear that this merger will eliminate considerable direct competition between the merging banks.

The immediate anticompetitive effects of this merger may well be lessened by the fact that The Citizens and Southern Holding Company has had full management control of Belvedere Bank since its inception. Under Georgia law existing banks may not expand beyond their headquarters city, and bank holding companies may not acquire more than 5 percent of the stock of any bank other than those in which they had substantial existing holdings. Hence, so long as Dekalb Bank was in Avondale Estates, further expansion by Citizens and Southern could be achieved only through management control of another bank. Now that Avondale Estates' city limits are altered, DeKalb Bank can expand in the area around its present location, but even that expansion is limited.

Since Citizens and Southern acquired its interest and management control at the time Belvedere Bank was established, the situation is not unlike *de novo* branch banking in those states where such activity is lawful. However, the fact that Citizens and Southern can only have a 5 percent interest means that absent this merger there is a real potential that Belvedere Bank might at some time become independent and develop its competitive potential.

An appropriate market in which to measure the competitive effects of the merger is DeKalb County, wherein 16 commercial banks operate a total of 25 banking offices. Four additional offices have been approved, and applications are pending for the addition of three others. In addition to the participating banks, six of these banks, including one authorized but not yet open, are affiliated with The Citizens and Southern Holding Company through its relationship with The Citizens and Southern National Bank. As of December 31, 1968, these eight banks controlled some 43 percent of total DeKalb County commercial bank deposits. Three different banking organizations held around 75 percent of DeKalb County deposits, and four separate banking organizations held over 80 percent. Hence, the banking market in DeKalb County is highly concentrated. DeKalb Bank itself held about 6.8 percent of total county deposits while Belvedere Bank held approximately 2.8 percent of such deposits. Their combined share of these deposits would have been about 9.6 percent, resulting in the fourth largest bank operating in DeKalb County.

Because of the existing relationship between the merging banks the increase in concentration of banking resources in DeKalb County as a result of this merger would be more apparent than real. However, these figures do demonstrate the dominant position occupied by The Citizens and Southern Holding Company in the DeKalb banking market.

### Basis for Corporation approval, October 10, 1969

The Citizens and Southern DeKalb Bank, Avondale Estates, Georgia (DeKalb), an insured State nonmember bank with total deposits of $16,887,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume liability to pay deposits made in The Citizens and Southern Belvedere Bank, Decatur, Georgia (Belvedere), which has total deposits of $7,442,000. The transaction would be effected under the charter and with the title of DeKalb; and, as an incident thereto, the sole office of Belvedere would become a branch of the resulting bank, increasing the number of its offices to two.

*Competition.* The sole offices of the participating banks are 1.8 miles apart. A geographic distribution of deposits indicates, however, that business is drawn by both banks from virtually all of DeKalb County (population 353,500).

DeKalb County is a key sector in the thriving Metropolitan Atlanta area. Its economy is diversified and soundly based with a fairly balanced mix between manufacturing and nonmanufacturing activities. Prospects for future growth are favorable.

There appears to be little or no effective competition between the participating banks. A close relationship is maintained because of their association with The Citizens and Southern Holding Company, which owns 93.83 percent of the outstanding stock of DeKalb and 5 percent of the outstanding stock of Belvedere. Policies in both banks are largely determined by the holding company. It appears, therefore, that this proposal would not eliminate substantial competition, intensify the concentration, or reduce the number of banking alternatives in the area.

There are 26 offices of 17 banks in the area, and the participating banks rank fifth and 11th in terms of IPC deposits. The resulting bank would be the fourth largest bank in its trade area, with 9.2 percent of IPC deposits. It is expected that the remaining competing banks in the trade area will continue to provide aggressive competition for the resulting bank.

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

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank. Future prospects for the resulting bank are more favorable than they are for the participating banks operating as independent units.

*Convenience and Needs of the Community to be Served.* Present and potential customers would benefit through the increased financial resources and the generally expanded services that could be offered in the immediate area by the resulting bank.

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. 49 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Clifton Trust Bank**<br>Baltimore, Maryland<br>(proposed new bank) | 1,275 | — | 2 |
| *to merge with*<br>**Clifton Savings Bank**<br>Baltimore | 3,103 | 2 | |

Summary report by Attorney General, September 25, 1968

The directors of Clifton Savings have determined that Clifton Savings must become a commercial banking institution in order to increase the range of its services, to maintain and promote better customer relations, and to meet competition. To this end they have organized Clifton Trust and propose to merge it with Clifton Savings. Thus, this merger is merely the means chosen to convert Clifton Savings into a full-service commercial bank and will have no effect on competition.

Basis for Corporation approval, October 10, 1969

These proposals would have the effect of replacing $3.1 million Clifton Savings Bank, a mutual savings bank, with a newly organized commercial bank, Clifton Trust Bank. The latter would be managed by the former directors and officers of Clifton Savings Bank at the two locations from which Clifton Savings operates. It is apparent from the nature of the transaction that the applicant, which has never been operative, and Clifton Savings are not competitive.

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

All factors required to be considered relative to the applications have been favorably resolved.

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

| No. 50 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Valley Bank and Trust Company**<br>Chambersburg, Pennsylvania<br>(in organization) | — | — | 13 |
| *to merge with*<br>**National Valley Bank and Trust Company**<br>Chambersburg | 63,550 | 13 | |

Summary report by Attorney General, September 3, 1969

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

Basis for Corporation approval, October 10, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Valley Bank and Trust Company, Chambersburg, Pennsylvania (Valley), a proposed new bank in organization, and for consent to the merger of Valley, under its charter and with its title, with National Valley Bank and Trust Company, Chambersburg, Pennsylvania (National), which has 13 offices and total resources of $63,550,000. The resulting bank will operate from the existing locations of National.

The proposal involves the formation of a one-bank holding company to hold stock ownership of National, which will convert to an insured State nonmember bank through the simultaneous new bank formation and merger. Valley will not be in operation as a commercial bank prior to the merger and will begin business, at the present locations of National, with the latter's assets, liabilities, capital, and management. The proposal, of itself, will not change the banking services which National has provided usefully to the Chambersburg community on a convenient and successful basis for many years; nor will it, involving only changes in charter and form of corporate organization, have any effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 51 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Barclays Bank of California**<br>San Francisco, California | 65,575 | 5 | 13 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **First Valley Bank**<br>San Jose | 48,136 | 8 | |

Summary report by Attorney General, October 1, 1969

Head offices of the participating banks are located some 50 miles apart; branches of the respective institutions do not appear to be any nearer. Moreover, a substantial number of banks operate in the intervening area, and it appears that neither participating bank draws significant amounts of business from the immediate areas served by the other. Consequently, it does not appear that consummation of the proposed transaction will have any effect on existing competition.

Currently 16 banks operate in Santa Clara County with total deposits as of June 30, 1968 of $1.7 billion. Valley Bank stands sixth among these 16 with about 2.3 percent of these deposits.

California law would permit Barclays Bank to establish *de novo* branches within the area served by Valley Bank. However, in view of the market position of Valley Bank in Santa Clara County, elimination of this possibility is not likely to have any significantly adverse effect on potential competition.

## Basis for Corporation approval, October 17, 1969

Barclays Bank of California, San Francisco, California (Barcal), an insured nonmember bank with total deposits of $56,614,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to acquire the assets and assume liability to pay the deposits made in First Valley Bank, San Jose, California (Valley), which has total deposits of $43,146,000. The resulting bank would operate under the charter and with the title of Barcal; and, as an incident to the proposed transaction, the eight offices of Valley would become branches of Barcal, increasing the number of its offices to 13.

*Competition.* Barcal presently serves three separate and distinct trade areas where it has offices. The main office of Barcal is in downtown San Francisco, and it has a branch in the downtown section of Los Angeles. The third trade area served by Barcal is in Orange County, where it has two offices in Anaheim (1963 estimated population 100,000) and one in Fullerton (1962 estimated population 64,000). Orange County is contiguous to Los Angeles County, which is approximately 425 miles southeast of San Francisco.

The trade area of Valley is delineated as the northwest portion of Santa Clara County and that portion of San Mateo County served by the Portolo Valley Branch of Valley. The only office of Valley that is not located in the northwestern part of Santa Clara County is the Portolo Valley Branch in San Mateo County, 20 miles northwest of San Jose (estimated population 408,500) and about 5 miles from the Santa Clara County border.

The main offices of the participating banks are about 50 miles apart, and the shortest distance between offices is the 33 miles separating Barcal's main office in San Francisco and the Portolo Valley Branch of Valley. This intervening area is densely populated, and there are numerous offices of other banks located there. Each of the participating banks derives all of its business from the communities where its offices are located and from the immediate surrounding areas. The trade areas served do not overlap nor are they contiguous. There is no direct competition, between the participating banks, which would be eliminated by this proposed transaction.

In view of the relatively small size of the participating banks and the number of existing banking offices in the relevant trade areas, it does not seem likely that they would become competitive in the reasonably near future.

Commercial banking in the State of California is dominated by the eight largest banks, which had over 85 percent of the IPC deposits held by commercial banks as of June 30, 1968. This proposed transaction would increase the resulting bank's share of the statewide market to an insignificant 0.2 percent. Consummation of this proposal would have no appreciable effect on the structure of banking in the State of California.

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.* Financial and managerial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank. Future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* Other than an increase in the legal lending limit, this proposed transaction would have no significant effect in the trade areas served by Barcal. In the trade area served by Valley, this proposal would result in lower costs to the general public for certain services offered by commercial banks. It would also enable the resulting bank to meet the demand for larger loans which Valley has experienced but has not been able to supply. Additionally, this proposal would provide the San Jose area with another commercial bank equipped to satisfy the needs of exporters.

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

| No. 52 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Commonwealth Bank and Trust Company**<br>Muncy, Pennsylvania | 35,767 | 7 | 8 |
| *to merge with* | | | |
| **The Union National Bank of Jersey Shore**<br>Jersey Shore | 9,218 | 1 | |

## Summary report by Attorney General, September 19, 1969

The Muncy branch of CBT is 30 miles east of Union's sole office. Except for The First National Bank of Ralston, a $1.6 million unit bank operating the only banking office in the northern half of Lycoming County, all other Lycoming County banking alternatives intervene. Therefore, the merger would not appear to eliminate any significant amount of existing direct competition between the two banks.

Under applicable Pennsylvania law, either bank could be permitted to branch *de novo* into the service area of the other. CBT has demonstrated a desire to extend its service area significantly in recent years. Involvement in three mergers with six commercial banks since 1965 has given CBT a substantial position in the two Northern Pennsylvania counties contiguous to Lycoming County as well as in southeastern Lycoming County itself. Moreover, CBT has recently moved its head office into Muncy, Lycoming County, which, under Pennsylvania law will enable it to operate offices in a much broader geographic area. While there are three banks in Williamsport of comparable or larger size, CBT's apparent efforts to serve new areas in north central Pennsylvania render it one of the more likely future entrants into developing areas of Lycoming County, including areas presently served by Union. The proposed merger would eliminate the possibility of future competition between the merging banks.

## Basis for Corporation approval, October 28, 1969

Commonwealth Bank and Trust Company, Muncy, Pennsylvania (Commonwealth), an insured nonmember bank with total deposits of $31,860,000, 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 Union National Bank of Jersey Shore, Jersey Shore, Pennsylvania (Union), which has total deposits of $8,358,000. The banks would merge under the charter and with the title of Commonwealth; and, as an incident to the merger, the sole office of Union would become a branch of Commonwealth, increasing the number of its offices to eight.

*Competition.* The service area of Commonwealth consists of portions of three counties in north-central Pennsylvania. The combined population is 150,000. Union's service area consists of the Borough of Jersey Shore and the immediate surrounding area (population 6,000). Both service areas enjoy a healthy and diversified economy.

Commonwealth's main office in Muncy and Union's main office in Jersey Shore are approximately 30 miles apart within Lycoming County. There are a number of banks in the intervening area, including the three largest banks in the county, located in Williamsport. There is no overlap in the service areas of the participating banks, no existing competition, and little potential for competition. Commonwealth's nearest branch, Hughesville, is 4 miles northeast of Muncy and 34 miles east of Jersey Shore. Its remaining five branches, located in Tioga and Potter Counties to the north, are considerably removed from all of the above mentioned offices. Although each of the participating banks could branch de novo into the communities served by the other, such action appears remote in view of the small size of the communities and the presence of existing banking offices serving their needs.

The resulting bank would be the fourth largest in the combined trade area, with 13.3 percent of IPC deposits and 12.7 percent of loans. No effect on competition is anticipated in the service area of Commonwealth. It is expected that competition in Union's service area will be stimulated.

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.* Financial and managerial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank. Future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* The proposed transaction would have no significant effect in Commonwealth's present trade area, with the exception of a slightly increased lending limit. The resulting bank should, however, be better able to serve the convenience and needs of the service area of Union. Increased services available would include a full range of fiduciary services, computer services, and a substantially larger lending limit.

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

| No. 53 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Farmers State Bank of Spring Green**<br>Spring Green, Wisconsin<br>(change title to Bank of Spring Green) | 8,585 | 2 | 2 |
| *to consolidate with* | | | |
| **State Bank of Spring Green**<br>Spring Green | 2309 | 1 | |

Summary report by Attorney General, September 19, 1969

The head offices of the merging banks are both located on the same block in Spring Green. A comparison of individual accounts shows that a substantial number of customers maintain accounts in both banks and a number of customers borrow from both banks. Therefore, it would appear that this merger will eliminate substantial direct competition between the merging banks.

All offices of the merging banks are located in Sauk County. As of June 30, 1968, Farmers Bank held the fourth largest share, approximately 9.4 percent, of total deposits in this county, while State Bank held about 2.2 percent of such deposits. The resulting bank, with 11.6 percent of total county commercial bank deposits, will remain the county's fourth largest.

These concentration statistics, however, understate the competitive effects of this merger, for competition between the merging banks would appear to be most direct in Spring Green itself, where there are no commercial banking alternatives. The only other bank within a radius of 15 miles of Spring Green is smaller than either of the participating banks. The proposed merger would combine the only competitive alternatives in Spring Green, and would tend to deter the development of a more competitive commercial banking structure in that community.

Since this merger would combine two direct competitors with a resulting substantial share of the relevant local market, we believe that it would have a serious effect on competition therein.

### Basis for Corporation approval, October 28, 1969

The Farmers State Bank of Spring Green, Spring Green, Wisconsin (Farmers), an insured nonmember bank with total resources of $8,585,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with State Bank of Spring Green, Spring Green, Wisconsin (State), a State member bank with total resources of $2,300,000, under the charter of Farmers and with the title "Bank of Spring Green." The sole office of State is to be discontinued.

*Competition.* Spring Green, location of the main offices of both banks, is located in Sauk County, Wisconsin, about 35 miles west of Madison. Spring Green has an estimated population of 1,150, and the population of the trade area is estimated at 4,500. Farmers has a branch office at Plain, 7 miles north of Spring Green, which has an estimated population of 675. Spring Green is primarily a trading center for the immediate surrounding area, which is completely agricultural, with dairying the principal source of farm income. In recent years, recreational facilities have become of some economic importance.

Among 14 banks presently competing in the area, Farmers ranks sixth and State ranks 13th, the latter not significantly larger than the smallest bank. The consolidation will increase Farmers' rank to fifth, although it will be only slightly smaller than the fourth-ranked bank. It will hold 10.3 percent of the total IPC deposits among 13 remaining banks, as compared to 12.9 percent for the largest bank and 10.4 percent for the fourth largest. The main offices of Farmers and State are located in the same block, separated by two other business establishments. A number of customers do business with both banks, which serve essentially the same service area. State, however, has not been a viable and effective competitor; historically, it has maintained an extremely low loan-asset ratio—currently less than 22 percent—and has largely confined its credit service to making real estate loans. A unit bank will be eliminated from the scene in Spring Green and its office will be discontinued; however, the town of Spring Green, standing alone, is hardly large enough to economically support two banks. Within the surrounding area, there are numerous banks of comparable size offering convenient alternative banking services.

The Board of Directors is of the opinion that the 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 Future Prospects.* Financial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank. Farmers is faced with a management problem because its chief executive officer now is 83 years of age and no provision has been made for a successor. However, one of the expected benefits of the consolidation will be resolution of this problem. Earnings of State over the past several years have been well below average; and, as a result of operating economies which can be effected through the combined operation and elimination of one location, future prospects appear more favorable.

*Convenience and Needs of the Community to be Served.* The discontinuance of one office should cause no inconvenience to the public. The consolidation will result in a bank more capable of providing additional banking programs and services through enlarged and more modern facilities—all to the betterment of the community. The resulting bank will have a larger lending limit and sufficient personnel to provide specialized services, more particularly in the area of agricultural financing and consumer credit.

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

| No. 54 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Ocean Bank**<br>Virginia Beach, Virginia<br>(in organization; change title to People's Bank of Virginia Beach) | 100 | — | 1 |
| *to merge with* | | | |
| **People's Bank of Virginia Beach**<br>Virginia Beach | 6,995 | 1 | |

Summary report by Attorney General, September 3, 1969

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

Basis for Corporation approval, November 5, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Ocean Bank, Virginia Beach, Virginia, a proposed new bank in organization, and for consent to merge with People's Bank of Virginia Beach, Virginia Beach, Virginia (People's), an insured nonmember operating bank. People's operates one office and has total assets of $7.0 million. The resulting bank will operate under Ocean Bank's charter and with People's title.

The proposal involves the formation of a one-bank holding company which will hold all the stock, except directors' qualifying shares, of the resulting bank. Ocean Bank will not operate as a commercial bank prior to consummation of the merger. It will begin business at the present location of People's with the latter's management, liabilities, assets, and capital essentially unchanged. People's has been in operation since January 1969, and its growth during its brief history evidences a need for the bank. The proposal involves only one operating bank and will not affect banking services or the service area. It is simply a corporate reorganization and will have no effect on competition. All factors requiring consideration relative to each application are found to be favorable.

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

| No. 55 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Bank of Hawaii**<br>Honolulu, Hawaii | 678,000 | 60 [1] | 61 |
| *to acquire a portion of the assets and assume the deposit liabilities of* | | | |
| **Bank of American Samoa**<br>Pago Pago, Tutuila, American Samoa | 7,249 | 1 | |

## Summary report by Attorney General, September 25, 1969

The office of Bank of American Samoa is 2,600 miles from Bank of Hawaii's head office and branches in the Hawaiian Islands, and 2,200 miles from Bank of Hawaii's nearest office in Kwajalein in the Marshall Islands. Since direct competition between the two banks is virtually nonexistent, none will be eliminated as a result of the merger. Since the acquired bank is the only banking institution on American Samoa, the proposed acquisition will also have no effect on banking concentration on the island. Finally, in view of the limited prospects for economic growth, there will be no significant elimination of potential competition.

Under the circumstances it is our view that the proposed acquisition will have no significant adverse competitive effect.

## Basis for Corporation approval, November 13, 1969

Bank of Hawaii, Honolulu, Hawaii (Buyer), an insured State nonmember bank with total deposits of $602.9 million, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire a portion of the assets of and assume liability to pay deposits made in Bank of American Samoa, Pago Pago, American Samoa (Seller), a noninsured bank with total deposits of $4.9 million. The transaction would be effected under the charter and with the title of Buyer; and, as an incident thereto, the sole office of Seller would become a branch of the resulting bank.

Seller, the only bank in American Samoa, is 2,600 miles from the main office of Buyer in Honolulu and 2,200 miles from the nearest branch. There is virtually no competition between the participating banks, and there would be no adverse competitive effects, in either area, resulting from consummation of the proposed transaction.

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

The factors of financial and managerial resources, future prospects, and convenience and needs of the community to be served are favorable with respect to Buyer and the resulting bank. The future prospects of Seller, which has experienced transitory management, and which has limited banking services, would be improved.

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

| No. 56 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Citizens Bank of South Carolina**<br>Dillon, South Carolina | 23,520 | 5 | 8 |
| *to merge with* | | | |
| **Peoples Bank of Cheraw**<br>Cheraw | 4,957 | 1 | |
| *and* | | | |
| **Lake Banking Company**<br>Lake View | 2,226 | 1 | |
| *and* | | | |
| **Bank of Great Falls**<br>Great Falls | 3,919 | 1 | |

Summary report by Attorney General, September 19, 1969

*Falls Bank:*

The closest offices of Citizens Bank are in Lancaster, fifteen miles north of Great Falls. Although there are no banks in the intervening area, there are two other commercial banks in Lancaster with total deposits of $18 million. As there are few banking alternatives in a broad area surrounding Great Falls, and no intervening banking alternatives between the closest offices of the merging banks, there may be a limited amount of direct competition which would be eliminated by the proposed merger.

South Carolina law permits statewide branch banking. Citizens Bank has been engaged in a program of expansion in the northeastern region of South Carolina since mid-1968. Great Falls has enjoyed a population increase of approximately 30 percent in this decade and is located in an area that anticipates continued industrial growth. These factors indicate that the proposed merger may foreclose potential competition to some extent.

September 24, 1969

*Lake Bank:*

Lake's nearest competitor is currently Citizens Bank's branch in Nichols, located eight miles south of Lake View. The head office of Citizens Bank is in the town of Dillon, 18 miles to the northwest. There are no banks in the intervening areas. Upon consummation of this merger, the only banking alternatives to Citizens Bank within twenty miles of Lake View will be the Dillon branch of South Carolina National Bank; and Davis National Bank and Anderson Brothers Bankers, both in Mullins, twelve miles to the southwest. It seems clear that merging the only bank between Citizens Bank's head office and its Nichols branch into Citizens Bank's chain will eliminate existing competition in southeastern Dillon County and northeastern Marion County.

Lake's service area includes primarily the southeast portion of Dillon County and the northeast part of Marion County. This area is served by four banks:

Lake, the applicant bank's branch in Nichols, and two banks in Mullins, Marion County, twelve miles southwest of Lake View. Citizens Bank and Lake each hold about 11 percent of commercial bank deposits in this area. The proposed merger would reduce banking alternatives in this area from 4 to 3.

We note that the proposed merger, along with Citizens Bank's two other pending applications for merger with the Bank of Great Falls (Chester County) and Peoples Bank of Cheraw (Chesterfield County) will, if approved, extend the range of Citizens Bank's operation to six contiguous counties along South Carolina's northern border, and raise its total deposits to over $30 million, substantially greater than any other locally headquartered bank in the area. Its size and broad geographic coverage may enable Citizens Bank to compete with the large statewide banks operating offices in the area for the business of present and future large industrial customers. However, we consider it important that regional competitors such as Citizens Bank develop in a manner that will not unduly increase concentration in any given local market, thus preserving both competition at the local level and opportunity for entry by other developing regional competitors. Applicant's acquisition of Lake may adversely affect the development of a more competitive banking structure in southeastern Dillon County and northeastern Marion County to match the area's expected industrial growth.

We conclude that the proposed merger would have an adverse effect on competition.

*Peoples-Cheraw:*

The closest offices of the merging banks are 22 miles apart. Two banks in the town of Bennettsville intervene between Peoples Bank in Cheraw and the Clio branch of Citizens Bank. It appears that no substantial direct competition will be eliminated by the proposed merger.

South Carolina law permits state-wide branch banking, but because of the small and stable level of population and the existence of two established banking offices in Cheraw, it is unlikely that Citizens Bank would branch *de novo* into the area in the near future. There are presently six banks within a twelve mile radius of Cheraw and the market would not appear to be economically attractive for *de novo* entry by another bank at the present time. Therefore, this merger will not eliminate substantial potential competition.

The banks seeking to merge do not presently compete nor can the applicant bank be regarded as a probable entrant into the Cheraw market. Therefore, the merger is unlikely to have a significantly adverse effect upon competition.

## Basis for Corporation approval, November 13, 1969

Citizens Bank of South Carolina, Dillon, South Carolina (Applicant), an insured State nonmember bank with total deposits of $21,138,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and with its title, with Peoples Bank of Cheraw, Cheraw, Chesterfield County, South Carolina (Peoples-Cheraw), an insured State nonmember bank with total deposits of $4,171,000; Lake Banking Company, Lake View, Dillon County, South Carolina (Lake Bank), an insured State nonmember bank with total deposits of $2,033,000; and Bank of Great Falls, Great Falls, Chester County, South Carolina (Falls Bank), an insured State nonmember bank with total deposits of $3,426,000; and for consent to the establishment of the sole offices of the latter three banks as branches of the resulting bank. The three mergers would increase the number of Applicant's offices to eight. Approval is also requested for the retirement, at the option of the holders thereof, of the 5 percent convertible preferred stock to be issued in connection with the merger with Falls Bank.

*Competition.* Applicant, headquartered in Dillon, operates two branches in Lancaster and one each at Clio and Nichols. It is the fourth largest South Carolina bank in overall size among the banks with offices in its several trade areas. The mergers would not change that position. As a result of these mergers, it is believed that Applicant would become more competitive with its major competitors, one of which is the largest bank in the State, operating a statewide system of branches.

Peoples-Cheraw presently competes with two offices of the State's largest bank and one branch of the State's third largest. In overall size, it is the smallest among six banks competing in its service area, and the merger should increase its competitive ability with these other five banks. There is some common ownership and management between Applicant and Peoples-Cheraw, which was created in May 1968. Their nearest offices are 24 miles apart, and there is no significant amount of actual or potential competition which would be eliminated.

Lake Bank presently competes with one office of the State's largest bank, one office of North Carolina's third largest bank, two offices of Applicant, and two much larger independent banks located in Mullins. It is by far the smallest bank in its service area; and, as a branch of Applicant, its competitive stature with the other four banks would be significantly increased. Lake View is located between Dillon and Nichols (locations of the main office and one branch of Applicant); however, the competition which will be eliminated does not loom large because there has been common ownership between Applicant and Lake Bank since 1960.

The closest competing banks to Falls Bank are those in Lancaster, including the two branches of Applicant. Falls Bank is much smaller than Applicant and one other Lancaster-based bank. Applicant's Lancaster branches hold only about one-fourth the volume held by the other Lancaster bank and, combined with Falls Bank, the relationship is less than one-half. Lancaster and Great Falls are 15 miles apart, and the amount of competition which would be eliminated is not significant. The public still would have several banking alternatives available.

Because of the distances involved, there is no competition among and between Peoples-Cheraw, Lake Bank, and Falls Bank which would be eliminated. Although South Carolina statutes permit statewide branching, none of the merging banks have evidenced a desire to broaden their operations by de novo branching; and, because of the small size of the banks and the communities they serve, it is unlikely that either of the banks would establish de novo branches in the area of the other. Thus, the potential for competition is not significant.

The Board of Directors is of the opinion that the proposed mergers 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 resolved in favor of the proposals.

*Convenience and Needs of the Community to be Served.* The proposed transactions would have no appreciable effect in Applicant's present trade areas, but they would enable the resulting bank to better serve the convenience and needs in the trade areas of the other three banks. The number and location of banking offices would not be changed. The mergers would result in an increased lending limit at the various locations and a wider range of enlarged banking services in general.

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

| No. 57 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The First National Bank of Anchorage**<br>Anchorage, Alaska | 117,081 | 13 | 14 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **The First Bank of Valdez**<br>Valdez | 1,201 | 1 | |

### Summary report by Attorney General, November 17, 1969

The merging banks' main offices are 305 road miles apart, and their closest offices are approximately 290 miles apart; there are two intervening banking offices. However, 44 Valdez customers carry $276,000 in deposits with First National, equal to about 25 percent of First Bank of Valdez' total deposits. Therefore, the merger would eliminate some existing competition between the merging banks.

Commercial banking in Alaska is highly concentrated. Eleven banks operate 66 banking offices; the proposed merger would reduce the number of Alaskan banks to ten. As of June 30, 1968, Alaska's two largest banks held 58.1 percent of total state deposits; National Bank of Alaska, headquartered in Anchorage, held 30.7 percent, and First National held 27.4 percent. These two banks also operate about half of the banking offices in the state.

Alaska law permits statewide *de novo* branching, and, thus, First National could legally branch *de novo* into the area served by First Bank of Valdez. Since January 1, 1952, First National has acquired three other banks and established six *de novo* offices. It was twice denied permission to enter the oil-rich Kenai Peninsula, and once denied permission to branch into Fairbanks, another oil oriented community. According to the Application, First National must actively service the oil industry if First National is to continue to prosper, and entry into Valdez will give it that opportunity.

Hence, First National, which has a demonstrated inclination to expand into new areas of Alaska, and a special interest in servicing the oil industry, appears to be one of the two most likely *de novo* entrants into the Valdez area.

This merger will, therefore, eliminate existing competition between these banks in Valdez, remove one of the most likely *de novo* potential entrants into the market, and tend to entrench the existing dominant banks in Alaska by eliminating a small bank which could have served as a foothold entry in this market for smaller banks elsewhere in the state. For these reasons, we believe that this merger will have an adverse effect on competition.

### Basis for Corporation approval, November 21, 1969

The First National Bank of Anchorage, Anchorage, Alaska (Applicant), with total deposits of $105.8 million, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume liability to pay deposits made in The First Bank of Valdez, Valdez, Alaska (Other Bank), a noninsured bank with total deposits of $1.1 million.

*Competition.* The nearest offices of the participating banks are some 300 road miles distant, and their trade areas are separate and distinct. Competition between Other Bank and any other financial institution in Alaska is virtually nonexistent. Nearest banking offices are 120 road miles north and 90 air miles southeast, the latter being accessible only by air and by ferry.

Applicant, the second largest bank in Alaska, would increase its share of deposits and loans by approximately 0.2 percent. The proposal would have no competitive effect in Applicant's trade area, and whereas there is virtually no competition in the trade area of Other Bank, none would be eliminated.

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

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources and future prospects are favorable with respect to Applicant and the resulting bank. The future prospects of Other Bank, which is experiencing unfavorable operating results, would be improved as a branch of Applicant.

*Convenience and Needs of the Community to be Served.* Present and potential customers in the area of Other Bank would benefit through the increased financial resources, generally expanded services, and more sophisticated management that would be supplied by the resulting bank.

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

| No. 58 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Millikin National Bank of Decatur**<br>Decatur, Illinois | 84,238 | 1[5] | 1 |
| *to merge with* | | | |
| **The Millikin Trust Company**<br>Decatur | 1,222 | 1[5] | |

Summary report by Attorney General, November 4, 1969

Because Millikin Bank's operations are restricted to commercial banking without exercise of trust powers and Trust Company handles only fiduciary accounts, the proposed merger would not affect existing competition.

No adverse effects on potential competition are likely either. When Trust Company was organized, national banks were not permitted to engage in trust business. Since revision of the law, most banks in Illinois have merged with the corporations they originally established to handle fiduciary accounts. Trust Company is one of the last state banks exercising only trust powers in Illinois. Because operations at Trust Company are so closely tied-in with those of Millikin Bank (both occupy the same building and utilize the same computer), the possibilities of either expanding into the other's field of activity are remote. Moreover, 55 percent of the shares of each institution are owned and controlled by the trustees of a charitable trust established by the founder.

In view of the long-standing common control of application banks and the interrelationships of their distinct operations, we conclude that the proposed merger would not be likely to have any significant adverse effects on competition.

### Basis for Corporation approval, November 21, 1969

The Millikin National Bank of Decatur, Decatur, Illinois (Applicant), with total deposits of $74,609,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Millikin Trust Company, Decatur, Illinois (Trust Company), an operating noninsured institution with deposits totaling $741,000, under the charter and with the title of Applicant.

Trust Company was formed in 1915, by the owners of Applicant, to afford trust services, which at the time national banks were not permitted to offer. Ownership of 55 percent of the outstanding stock in each institution is held by the same estate, and five of Trust Company's nine directors are also directors of Applicant. Both Applicant and Trust Company occupy the same building, and their merger would not have adverse effects upon competition nor upon the convenience and needs of the community. The merger should permit more efficient and economical provision of complete banking service and end confusion caused by two separate institutions with similar names.

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

The factors of financial and managerial resources, future prospects, and convenience and needs of the community to be served are favorable with respect to Applicant and Trust Company and are so projected for the resulting bank.

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

| No. 59 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Bank of Somerset**<br>Princess Anne, Maryland | 12,777 | 1 | 2 |
| *to merge with*<br>**Marine Bank of Crisfield**<br>Crisfield | 4,155 | 1 | |

### Summary report by Attorney General, October 21, 1969

The applicant banks compete with one another in part of the sparsely populated rural area between the towns of Crisfield and Princess Anne, which are 20 miles apart. The Bank of Somerset has also received approval to open in late 1969 a branch in Crisfield to be known as the Wards Crossing office; it would serve much of the same area that the Marine Bank of Crisfield presently serves. The merger would, therefore, appear to eliminate some existing competition between the applicants and the future competition that would have otherwise developed between the Marine Bank of Crisfield and the Wards Crossing branch of the Bank of Somerset.

The proposed merger would combine two of the three banks operating in Somerset County. The resulting bank would be larger than its remaining competitor.

Since the merger will eliminate actual and potential competition between the merging banks and will increase banking concentration in Somerset County, it will have an adverse effect on competition.

## Basis for Corporation approval, November 21, 1969

Bank of Somerset, Princess Anne, Maryland (Somerset), an insured nonmember bank with total resources of $12,777,000, 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 Marine Bank of Crisfield, Crisfield, Maryland (Marine), an insured nonmember bank with total resources of $4,155,000, under Somerset's charter and with its title and, incident thereto, to establish a branch at the sole location of Marine.

*Competition.* Princess Anne and Crisfield are the principal towns in Somerset County, which is located on the Chesapeake Bay side of the southernmost part of the Maryland section of the Delmarva Peninsula. Princess Anne, with a population of 1,350, is the county seat, and the surrounding area is agricultural. Crisfield, with a population of 3,500, is a fishing port on the Chesapeake Bay, 18 miles southwest of Princess Anne.

Somerset is the only bank in Princess Anne; and its principal competition emanates from eight branches, in Salisbury and Pocomoke City, of the State's two largest banks, which operate branch systems throughout most of the State, and two Salisbury offices of the State's fifth largest bank—all headquartered in the city of Baltimore. Marine faces its major competition from Bank of Crisfield, which traditionally has dominated the banking scene there and which is a subsidiary of Financial General Corporation, a registered bank holding company. Somerset and Bank of Crisfield are about equal in size and Marine is only about one-third the size of each. The main offices of Marine and Bank of Crisfield are two doors apart; and the latter operates an "uptown branch" and a branch in Marion which intervenes Crisfield and Princess Anne. Somerset has approval for an unopened branch in Crisfield, which it plans to establish as a drive-in facility simultaneously with the merger. Crisfield does not now have such facilities, and the merger and simultaneous establishment of the branch should tend to substantially increase competition locally in Crisfield and the surrounding area. Among all banks competing in the area (eight, following the merger), the resulting bank will hold 12.5 percent of total deposits, as compared to 9.7 percent for Bank of Crisfield and 62.8 percent for the Baltimore-based banks.

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.

*Financial and Managerial Resources and Future Prospects.* Financial resources and future prospects are favorable for this proposal. The merger appears to be the most logical solution to an impending management problem in Marine.

*Convenience and Needs of the Community to be Served.* Over the past decade or so, management of Marine has been unaggressive, permitting the local competing bank to overshadow Marine in almost every respect. The competing bank has established two branches to better serve the community; Marine has established none and has not modernized its operations or emphasized consumer loans. Somerset plans to market its consumer lending services aggressively in Crisfield and will introduce drive-in facilities in the community through the simultaneous establishment of a branch. Moreover, Marine's loan limit of $25,000 has been restrictive.

The availability of improved and expanded loan services and drive-in facilities should prove beneficial to the public.

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

| No. 60 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Franklin State Bank**<br>Somerset, New Jersey | 47,779 | 5 | 7 |
| *to merge with*<br>**First National Bank of Scotch Plains**<br>Scotch Plains | 17,934 | 2 | |

Summary report by Attorney General, October 6, 1969

Various branches of the two banks are located at distances of about 10 to 12 miles from each other. Numerous offices of other commercial banks are located in the intervening areas. It would appear that the proposed merger would not eliminate a substantial amount of direct competition.

Under New Jersey law, Franklin Bank and Scotch Plains Bank may be permitted to open branch offices anywhere in the Second Banking District of New Jersey, except in communities subject to home or branch office protection. Since the respective service areas of the merging banks in Somerset and Union Counties are relatively highly developed, many of the communities there are already protected; therefore, the possibility of future competition between the merging banks through de novo branching into areas served by each other is accordingly limited. Moreover, Scotch Plains Bank is the smallest bank in its service area. Accordingly, we conclude that the proposed merger would be unlikely to have any significant adverse effect on potential competition.

Basis for Corporation approval, November 21, 1969

Franklin State Bank, Franklin Township (P.O. Somerset), New Jersey (Applicant), an insured State nonmember bank with total deposits of $38,749,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's approval to merge with First National Bank of Scotch Plains, Scotch Plains, New Jersey (National), which has total deposits of $14,453,000. The resulting bank will operate under the charter and with the title of Applicant; and, as an incident to the proposed merger, the two existing offices of National would become branches of Applicant, increasing the number of its existing offices to seven and its approved but unopened branches to four.

*Competition.* Applicant's present offices are all located in Somerset County (1968 estimated population 199,000), which is situated in north-central New Jersey. Both of National's offices are located in Union County (estimated 1968 population 575,000), which is in the northern portion of New Jersey and well within the Newark-New York City metropolitan area.

There is virtually no competition to be eliminated between the participating banks. Their service areas are separate and distinct and do not overlap. Their main offices are about 12 miles apart and are intervened by other municipalities containing numerous competing bank offices. Applicant's approved but unopened branch in Middlesex is about 7 miles from National's offices and is similarly intervened by competing bank offices. Each of the participating banks is faced with substantial competition from other much larger banks. In addition, the proximity of the service areas to Newark and New York City makes the area attractive to very large banks located in those cities.

In view of the relatively small size of the participating banks, the extent of their present branching activity, and the home office protection feature of the New Jersey banking law, it does not seem likely that they would become competitive in the reasonably near future.

Consummation of this proposal would have no appreciable effect on banking competition. The resulting bank would have 11 of the 41 commercial banking offices in its area and would have 11.9 percent of the IPC deposits. There are 19 other commercial banks operating offices in this service area, and 11 of these are larger than the resulting bank. Four are more than twice its size.

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.* These factors are acceptable with respect to both participating banks and for the resulting bank.

*Convenience and Needs of the Community to be Served.* The higher lending limit of the resulting bank will allow it to serve more corporate customers in the community, and the extended banking hours would allow everyone in the service area to bank in his own community without disrupting his regular schedule. In addition, the service area would have another larger bank providing a convenient alternative to other competitors.

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

| No. 61 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Central Carolina Bank & Trust Company**<br>Durham, North Carolina | 145,296 | 29 | 31 |
| *to merge with*<br>**Bank of Pittsboro**<br>Pittsboro | 6,435 | 2 | |

## Summary report by Attorney General, September 24, 1969

Pittsboro Bank's head office is 15 miles southwest of Central Bank's three branches in Chapel Hill, Orange County; the only intervening banking office is also situated in Orange County, some 13 miles from Pittsboro. Pittsboro Bank's Moncure branch is 15 miles west of Central Bank's branch in Apex, Wake County; no banking alternatives intervene. The only banking alternatives available in Chatham County are in Siler City (population 4,455), 16 miles west of Pittsboro and 24 miles northwest of Moncure, where three branches of

First Union National Bank of North Carolina (total deposits $827.2 million), and a single branch of the Planters National Bank and Trust Company (total deposits $101.9 million) are situated. In view of the lack of significant intervening banking alternatives between offices of the merging banks, the proposed merger may eliminate some amount of direct competition.

Since North Carolina law permits statewide branching, the merger would eliminate potential competition for both loans and deposits by eliminating Central Bank as one of the most likely *de novo* entrants into the Pittsboro-Moncure area or into the eastern half of Chatham County.

Central Bank has demonstrated an aggressive policy of expansion by opening *de novo* offices as well as merging with banks in areas not previously served. The great majority of its new offices have been located in its home Durham County and in counties contiguous or very near thereto. While present population and economic activity in the areas served by Pittsboro bank are relatively small, planned industrial activity and resulting demographic growth should make these areas most attractive to *de novo* entry in the near future. Pittsboro Bank's essential monopoly of commercial banking in eastern Chatham County would be particularly conducive to *de novo* entry by Central Bank.

In view of Central Bank's substantial position in counties adjoining Chatham County and the likelihood of its *de novo* entry into the Pittsboro-Moncure service areas of Pittsboro Bank, as well as its present position on the outskirts of this service area, we conclude that the proposed merger would have an adverse effect on potential competition.

### Basis for Corporation approval, November 21, 1969

Central Carolina Bank & Trust Company, Durham, North Carolina (Central), an insured nonmember bank with total resources of $145 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Pittsboro, Pittsboro, North Carolina (Pittsboro Bank), an insured nonmember bank with total resources of $6.4 million, under the charter and with the title of Central and, incident thereto, to establish branches at the two existing locations of Pittsboro Bank in Pittsboro and the village of Moncure, North Carolina.

*Competition.* Central, operating 28 branches, is a regional bank offering a complete range of banking services. All but four of its offices are located within a 55-mile radius of Durham which, together with Chapel Hill and Research Triangle Park, comprises the principal market area. The Durham area is heavily industrialized; and, through the Research Triangle Park, research development has become an important economic activity, spearheaded by the State's three major universities which are located in the area. Agriculture continues to be an important segment of the economy, based primarily on tobacco and tobacco products. Pittsboro is located about 31 miles southwest of Durham, and the nearest branch locations of Central to an office of Pittsboro Bank are in Chapel Hill, about 16 miles northeast of Pittsboro. Pittsboro Bank is the only bank in Pittsboro and Moncure, and it serves a limited local area where agriculture is of major economic importance, although industry is gradually being introduced into the area.

There is no overlapping of the service areas of Central and Pittsboro Bank because neither bank derives business from the service area of the other, and there are no known instances of deposit and loan customers using the facilities of both banks. Central, ranking eighth in size among all North Carolina banks, competes with offices of the 10 largest banks. It is much smaller than most of its major competitors, holding 2.7 percent of total deposits held by all banks competing in the service areas relevant to this proposal, as compared to 28.2 percent held by the largest bank and 23.6 percent held by the second largest. The merger will increase Central's share by only 0.1 percent, and its ranking as eighth largest bank will not be changed. In view of the recent approval of a branch in Pittsboro for the State's fourth largest bank, the entry there of Central by way of this merger should result in substantially increased competition.

The Board of Directors is of the opinion that the merger will 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 satisfactory with respect to both participating banks and are so projected for the resulting bank.

*Convenience and Needs of the Community to be Served.* Pittsboro Bank, because of its limited resources, is unable to provide a full range of banking services. As a result of the merger, the Pittsboro area would gain the advantage of a regional bank which provides all types of banking facilities on a much larger and broader scale. These improved services include trust department facilities, full-range instalment loan services, credit cards, automation through a bank-owned computer system, and the services of an agricultural specialist. Through these improved services, the convenience and needs of the community would be better served.

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

| No. 62 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Southern Bank and Trust Company**<br>Mount Olive, North Carolina | 13,967 | 8 | 9 |
| *to merge with* | | | |
| **Roanoke Chowan Bank**<br>Roxobel | 3,020 | 1 | |

## Summary report by Attorney General, September 22, 1969

The merging banks' main offices are 121 miles apart, and their closest offices are approximately 60 miles apart, there are several intervening banking offices. At present, no competition exists between the merging banks.

Southern Bank has, however, secured approval to open a *de novo* branch office in Windsor, seat of Bertie County, some 23 miles southeast of Roxobel. While this office will be substantially closer to Roanoke Chowan Bank than any of Southern Bank's other offices, the size of the banks, the distance involved in this rural area, and the presence of an intervening banking office in Lewiston indicate that the proposed merger is unlikely to have a significantly adverse effect on potential competition.

## Basis for Corporation approval, November 21, 1969

Southern Bank and Trust Company, Mount Olive, North Carolina (Southern), an insured State nonmember bank with total deposits of $12,686,000, 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 Roanoke Chowan Bank, Roxobel, North Carolina (Roanoke), which has total deposits of $2,566,000. The banks would merge under the charter and with the title of Southern; and, as an incident to the merger, the one office of Roanoke would become a branch of Southern, increasing the number of its offices to nine. Approval is also requested for the conversion, at the option of the holders thereof, of the cumulative convertible preferred stock to be issued in connection with this proposed transaction, into common stock of the resulting bank.

*Competition.* Southern operates two offices in Mount Olive (population 4,700) and six other offices in nearby communities. The trade area served by Southern is predominately agricultural. The trade area served by Roanoke, which is the town of Roxobel (population 500) and the area within a 10-mile radius of Roxobel, is also primarily agricultural.

Mount Olive is 120 miles southwest of Roxobel, and the shortest distance between offices of the participating banks is the 80 miles between Roxobel and Southern's office in Ayden. The trade areas served by Southern and Roanoke do not overlap and there are numerous other banking offices in the intervening area. There is no direct competition which would be eliminated by this proposed merger.

Southern has the necessary approvals to establish a de novo branch in Windsor, North Carolina, which is 23 miles southeast of Roxobel. Windsor is beyond the trade area served by Roanoke, and there is a commercial banking office of a Gatesville-based bank at Lewiston, which is located between Roxobel and Windsor. Legally, either of the participating banks could establish de novo branches in the other bank's trade area, but in view of its relatively small size it is not likely that Roanoke would branch de novo into Southern's trade area. The town of Roxobel is quite small, and it is also unlikely that Southern would seek to establish a de novo branch at that location.

All of the other banks operating in the trade area served by Southern are much larger than the resulting bank would be, and in the trade area served by Roanoke there is an office of the largest bank in the State of North Carolina. Consummation of this proposal would enable the resulting bank to compete more effectively with the much larger banks operating in the relevant trade area.

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.

*Financial and Managerial Resources.* Financial and managerial resources are adequate with respect to both participating banks and are so projected for the resulting bank.

*Future Prospects.* Southern has been a much more aggressive competitor than Roanoke and has grown much faster. The future prospects of Roanoke, as a part of the resulting bank, would be enhanced; and the future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* This proposed merger would have no significant effect in the trade area served by Southern, but it would improve the quantity and quality of banking services in the Roxobel area.

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

| No. 63 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Northwestern Bank**<br>North Wilkesboro, North Carolina | 460,365 | 96 | 97 |
| *to merge with*<br>**Lenoir Industrial Bank, Inc.**<br>Lenoir | 343 | 1 | |

## Summary report by Attorney General, October 6, 1969

The proposal would merge Northwestern Bank, North Carolina's fifth largest commercial banking institution, and Lenoir Industrial Bank, Inc., operating in Lenoir, North Carolina.

Northwestern has no Caldwell County office, but it operates branches in the communities of Drexel, Morganton, Hickory, and Valdese, all of which are about 18 miles south of Lenoir. Only one bank operates in the intervening area, and the application indicates that Northwestern draws a substantial amount of business from the Lenoir area. It appears, therefore, that some competition exists between Lenoir Bank and Northwestern Bank. Since its founding, Lenoir Bank apparently has not been a vigorous institution and has never utilized many of the powers of a commercial bank. However, it is clear that it is in competition with Northwestern bank; this competition, of course, will be permanently eliminated by the proposed merger.

Three banks, with total deposits of about $35.1 million, operate offices in Caldwell County. Lenoir Bank, by far the smallest, has about 0.4 percent of this total, all in time and savings deposits. Northwestern's share of deposit and loan accounts originating in Caldwell county will not be substantially increased by the proposed merger. In view of Lenoir Bank's small size, we are of the opinion that its acquisition by Northwestern will not seriously affect competition.

## Basis for Corporation approval, November 21, 1969

The Northwestern Bank, North Wilkesboro, North Carolina (Northwestern), an insured State nonmember bank with total deposits of $405,089,000, 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 Lenoir Industrial Bank, Inc., Lenoir, North Carolina (Industrial), with total deposits of $166,000. The transaction would be effected under the charter and with the title of Northwestern; and, as an incident thereto, the sole office of Industrial would become a branch of Northwestern.

*Competition.* Northwestern operates 96 offices throughout central and western North Carolina, and its trade area encompasses approximately one-half of the State. Industrial's sole office is located in Lenoir, and its trade area is confined to that city and the immediate surrounding area in Caldwell County, with a population of approximately 30,000. Both trade areas enjoy a healthy and diversified economy.

The nearest offices of the participating banks are approximately 18 miles apart. Northwestern reportedly does a substantial amount of business in Caldwell County. It appears, therefore, that some competition would be eliminated upon consummation of the merger. This, however, is not considered significant in view of the size of Industrial, its unaggressiveness, and its limited range of services.

The position of Northwestern as fifth largest bank in the State would remain unchanged. No effect on competition is anticipated in the service area of Northwestern. Competition in the service area of Industrial would be increased.

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 manner be in restraint of trade.

*Financial and Managerial Resources and Future Prospects.* Financial and managerial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank. Future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* The proposed transaction would have no effect in Northwestern's present trade area. Present and potential customers in Industrial's area would benefit through the increased financial resources and expanded services available through the resulting bank.

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

| No. 64 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Reedsburg Bank**<br>Reedsburg, Wisconsin | 15,414 | 1 | 1 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **Bank of North Freedom**<br>North Freedom | 2,050 | 1 | |
| *and* | | | |
| **The State Bank of Lime Ridge**<br>Lime Ridge | 1,112 | 1 | |

### Summary report by Attorney General, September 22, 1969

The parties to the proposed transaction operate banking offices 12 miles apart. One bank operates an office in the intervening community of Rock Springs. The application indicates that banks located in Reedsburg, Baraboo, Rock Springs and Wisconsin Dells all compete for deposits and loan accounts in the vicinity of North Freedom. Thus, the proposed merger would apparently eliminate existing competition between Reedsburg Bank and North Freedom Bank.

Reedsburg Bank presently holds about 16 percent of total deposits in commercial banks in Sauk County. The proposed transaction would increase this share by about 2 percent. Reedsburg Bank would retain its position as the second largest bank in the county.

### October 6, 1969 (The State Bank of Lime Ridge)

The parties to the proposed transaction operate banking offices 12 miles apart. There are no intervening banking alternatives. However, the long established common ownership and management (which has existed since 1961) indicate that the proposed transaction is unlikely to have a significantly adverse effect on competition.

### Basis for Corporation approval, November 21, 1969

The Reedsburg Bank, Reedsburg, Wisconsin (Applicant), an insured State nonmember bank with total deposits of $14,283,400, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior approval to acquire the assets of and assume the liability for deposits made in Bank of North Freedom, North Freedom, Wisconsin (First Bank), an insured State nonmember bank with total deposits of $1,901,500, and The State Bank of Lime Ridge, Lime Ridge, Wisconsin (Second Bank), an insured State nonmember bank with total deposits of $991,200. Upon consummation of these proposed transactions First Bank and Second Bank would cease to operate. The State Attorney General has ruled that a bank may not file an application for permission to establish a branch unless the community in which the branch is to be located is "bankless." As soon as these proposed transactions are consummated, Applicant intends to immediately file the necessary applications for permission to establish branches in North Freedom and Lime Ridge.

*Competition.* Applicant operates only one office in Reedsburg (population 5,000), and First Bank operates only one office in North Freedom (population 600), which is 12 miles southeast of Reedsburg. Located in the intervening area is a unit bank at Rock Springs; and there is very little, if any, direct competition between Applicant and First Bank.

Second Bank operates one office at Lime Ridge (population 150), which is 12 miles southwest of Reedsburg. Since 1961, two officers of Applicant have owned and managed Second Bank. It has been operated more like a branch of Applicant than as an independent unit, and there is no significant amount of direct competition between Applicant and Second Bank.

Due to the nature of the trade areas served by the participating banks, and the restrictive State laws governing the establishment of de novo branches, there is no potential competition which would be eliminated by these proposed transactions.

Applicant is the second largest bank in the relevant trade area, and these proposed transactions would not change that position. In addition to the participating banks, there are six other banks operating nine offices in the relevant trade area. Applicant's primary competitor is Farmers and Merchants Bank, Reedsburg, Wisconsin, which has IPC deposits of over $11 million and operates one branch at Loganville, which is south of Reedsburg, between Lime Ridge and North Freedom.

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

*Financial Resources.* First Bank and Second Bank have not grown as fast as Applicant, but the resulting bank would have adequate financial resources.

*Managerial Resources.* First Bank has only two active employees who also own control of the bank. These two individuals, who hold the titles of president and cashier, have served the bank for over 40 years and would like to retire, but they have not been able to acquire successor management. The acquisition of First Bank by Applicant would solve the problem of management succession at First Bank.

Since 1961, Second Bank has been operated by two employees, and management has been provided by the two officers of Applicant who own control of Second Bank. Second Bank is so small that its earnings are not sufficient to pay the salary of a qualified chief executive officer. The acquisition of Second Bank by Applicant would merely formalize a situation which has existed since 1961.

*Future Prospects.* In view of the nature of the trade areas served by First Bank and Second Bank, the management problems, and the earnings, the future prospects of these two banks as independent units are not favorable. Future prospects are better for the resulting bank than they are for the participating banks operating as independent units.

*Convenience and Needs of the Community to be Served.* These proposed transactions would have no appreciable effect in the Reedsburg area. Temporarily at least, consummation of these proposed transactions would inconvenience the customers of First Bank and Second Bank since the two communities would be without banking facilities for a short period of time. Absent these proposed transactions, the controlling shareholders of both First Bank and Second Bank state that they will liquidate the two banks, which would leave the communities without banking facilities. In the short run, these proposed transactions would inconvenience the customers of First Bank and Second Bank, but in the long run, it would benefit the communities of North Freedom and Lime Ridge by providing them with banking facilities offering a wider range of services and a progressive management responsive to the needs of the communities it serves.

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

| No. 65 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Pioneer Bank of Arizona**<br>Phoenix, Arizona<br>(change title to Great Western Bank & Trust Company) | 59,084 | 10 | 18 |
| *to merge with* | | | |
| **Great Western Bank & Trust Company**<br>Tucson | 62,389 | 8 | |

## Summary report by Attorney General, December 1, 1969

Since Phoenix and Tucson are over 115 miles apart, only slight competition exists between the two banks. A small portion of the commercial loans of Great Western (4.5 percent of its dollar total) originates in Pioneer Bank's area and a smaller percentage of Pioneer Bank's loans and deposits originate in Great Western's service area.

As of June 30, 1969, seven banking organizations operated eight banks in the Phoenix SMSA. Pioneer Bank, the fifth largest bank and fifth largest banking organization had about 2.5 percent of IPC deposits, while the four largest banking organizations controlling five banks, had about 95 percent of such deposits.

Great Western's deposits in its Tucson SMSA branches account for about 5.7 percent of IPC deposits. There are six banks representing five banking organizations operating in the Tucson SMSA and the three largest banking organizations controlling the four largest banks (which do not include Great Western) have about 89 percent of IPC deposits.

Arizona law permits statewide branch banking. Great Western can be regarded as one of the most likely potential entrants by *de novo* branching into the Phoenix SMSA area. Since Great Western's branches are divided between the northern counties and Tucson in the south, Phoenix, being in the central part of the state with its tremendous rate of growth, would represent an attractive potential area of entry. Great Western is also the largest bank in the state which is not already in the Phoenix SMSA, a highly concentrated banking area.

Pioneer Bank would also be a likely potential entrant into the Tucson SMSA area. It is the second largest bank in the state which is not already in the Tucson SMSA.

As of June 30, 1969, there were thirteen banks operating in Arizona. However, two banking organizations controlling three banks held nearly 80 percent of state IPC deposits. The merging banks rank approximately sixth and seventh in the state with less than 2 percent each of such deposits and as a result of the merger would rank approximately fifth.

The merged bank would constitute the fourth statewide banking organization. The overall effect of this merger is not likely to be significantly adverse.

### Basis for Corporation approval, December 1, 1969

Pioneer Bank of Arizona, Phoenix, Arizona (Pioneer), an insured nonmember bank with total resources of $59 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Great Western Bank & Trust Company, Tucson, Arizona (Western), an insured nonmember bank with total resources of $62 million, under the charter of Pioneer and with Western's title and, incident thereto, to establish the eight existing and two approved but unopened offices of Western as branches of the resulting bank.

*Competition.* The main office and eight of Pioneer's nine branches are located in and serve the Phoenix metropolitan area, which includes all of Maricopa County. The other branch is located in Prescott, some 100 miles north, in Yavapai County. The main office and two of Western's seven branches are located in and serve the Tucson metropolitan area, which includes all of Pima County. Tucson is 125 miles southeast of Phoenix. Three of the branches are located singly in Winslow, Holbrook, and Snowflake, in Navajo County, more than 200 miles northeast of Phoenix. One branch is in Kingman, county seat of Mohave County, 250 miles west of Holbrook. The remaining branch is located in Window Rock, 130 miles northeast of Holbrook in Apache County. These six areas are separate and distinct and none of them overlap. There is no competition between Pioneer and Western to be eliminated by their merger. Preemptive branching by the larger banks reduces the ability of others to expand through de novo branching when they lack an adequate financial base.

There are only 13 banks and 302 operating banking offices in the entire State of Arizona. More than 90 percent of the aggregate of bank deposits and loans is concentrated in the four largest banks which operate 87 percent of the offices. The two largest banks together hold more than 70 percent of the deposits and loans and operate 200 (two-thirds) of the offices, covering the entire State. The second and fourth largest banks are subsidiaries of the $10 billion Western Bancorporation, a California-based registered bank holding company. Western and Pioneer, ranking sixth and seventh, respectively, are about equal in size and together hold about 3 percent of the total bank deposits and loans and operate 18 of the 302 banking offices. The resulting bank would rank sixth among the 12 remaining banks. The principal competitive effects of the merger would occur in the Phoenix and Tucson areas where, as a result of integrated management capabilities and greater resources and capital base, the resulting bank could provide stronger competition to these much larger and aggressive competitors.

The Board of Directors is of the opinion that the merger will 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 resolved as favorable for the proposal.

*Convenience and Needs of the Community to be Served.* The resulting bank will provide trust and credit card services, which Pioneer now provides, at the offices of Western. It will be financially able to install its own computer system rather than rely, as both banks now do, on servicing by correspondents. Another benefit is a larger lending limit, double that of each bank now operating separately, which would enable the resulting bank to compete more effectively for increasingly important industrial business in the State. The greater resources and capital would generate stronger rivalry with the larger banks which dominate the scene in Arizona—in all, an ultimate benefit to the public.

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

| No. 66 | Resources (in thousands of dollars) | Banking Offices: In operation | Banking Offices: To be operated |
|---|---|---|---|
| **Financial Bank, Inc.**<br>Fort Wayne, Indiana<br>(in organization; change title to The Peoples Trust and Savings Company) | — | — | 6 |
| *to merge with*<br>**The Peoples Trust and Savings Company**<br>Fort Wayne | 117,071 | 6 | |

## Summary report by Attorney General, November 26, 1969

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

## Basis for Corporation approval, December 1, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Financial Bank, Inc., Fort Wayne, Indiana (New Bank), a proposed new bank in organization; and for consent to merge with The Peoples Trust and Savings Company, Fort Wayne, Indiana (Old Bank), an operating insured nonmember bank; and for permission to establish six branches. Old Bank presently operates its main office and five branches and has approval to establish a seventh office; it has total resources of $117 million. The resulting bank would operate under the charter of New Bank, and with Old Bank's title, at the seven locations where Old Bank is now or will be operating.

The proposal involves a formation of a one-bank holding company to hold the stock ownership of the resulting bank. New Bank will not be in operation as a commercial bank prior to consummation of the transaction and will begin business at the present locations of Old Bank with the latter's assets, liabilities, capital, and management.

Old Bank has provided needed and useful banking services to its trade area on a convenient and successful basis for many years. The subject proposal will not alter these services or the service area and, involving only a change in form of corporate organization, will, of itself, have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

| No. 67 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **The Central Jersey Bank and Trust Company**<br>Freehold, New Jersey | 209,476 | 18 | 20 |
| *to merge with* | | | |
| **The National Bank of Westfield**<br>Westfield | 34,292 | 2 | |

Summary report by Attorney General, December 1, 1969

The closest office of Central Bank is about 27 miles from Westfield, with several other banks in the intervening area. Thus, the proposed merger would not appear to eliminate any significant amount of direct competition between the two banks.

Recent legislation in New Jersey broadens geographic areas for bank expansion beyond the former limits of county lines by dividing the state into three banking districts. Under this law, banks may branch within an entire district. However, the law retains community-wide home protection against *de novo* branching and provides branch office protection in communities of less than 7500 persons. Thus, while Central Bank is presently precluded from branching *de novo* into either community now served by Westfield Bank, it could establish branches elsewhere in Union County, possibly coming into competition with Westfield Bank. The proposed merger would eliminate this possibility.

The recent broadening of the sphere of permissible branch operation for commercial banks in New Jersey has induced substantial market extension activities, both by *de novo* branch application and by merger. Major merger activity by the largest banks in a district could result in undue concentration of commercial banking among a few very large institutions. Therefore we consider it important that the largest banks in a district enter new areas *de novo*, or, in the alternative, through merger with smaller banks in the new areas they wish to serve. Entry in this manner would tend to inject new competitive vigor into the area as the entering bank can be expected to attempt to increase its market share. At the same time, leading local banks, most able to compete with the large entering banks, would be preserved. Preservation of leading local banks may also result in their affiliation with one another in new banking institutions, capable of competing with the largest banks in the district on a broad geographic scale.

Central Bank is one of the largest banks in the Second Banking District. Westfield Bank, however, is the smallest of three commercial banks which operate offices in the town of Westfield. Its two major competitors in Westfield are both substantially larger; one is the second largest bank in the District. Westfield Bank's service area includes most of central Union County, generally the area between the two of the county's largest communities, Plainfield and Elizabeth. Several of the county's largest banks operate offices in this area, controlling greater percentages of deposits in the area than Westfield Bank. Westfield Bank is one of the smaller banks in Union County as a whole, controlling about 3 percent of commercial bank deposits therein.

In view of the size and relative position of Westfield Bank in its service area, Union County and the Second Banking District, we conclude that the proposed merger would be unlikely to have a significantly adverse effect on potential competition.

## Basis for Corporation approval, December 1, 1969

The Central Jersey Bank and Trust Company, Freehold Township (P.O. Freehold), New Jersey (Central), an insured State nonmember bank with total deposits of $188,604,000, 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 National Bank of Westfield, Westfield, New Jersey (National), which has total deposits of $30,170,000. The resulting bank would operate under the charter and with the title of Central; and, as an incident to the proposed merger, the two offices of National would become branches of Central, increasing the number of its offices to 20.

*Competition.* Central serves Monmouth County, New Jersey (estimated 1968 population 450,000), and has its main office in Freehold Township. It also operates 17 branches throughout the county. National operates two offices in Union County (estimated 1968 population 575,000). Its main office is in Westfield (estimated 1968 population 34,000) and it operates its only branch in Mountainside (estimated 1968 population 8,000). National's service area consists of Westfield and Mountainside and all or part of the surrounding communities of Springfield, Cranford, Garwood, Clark, Scotch Plains, and Fanwood.

There appears to be no competition between the participating banks. Their service areas are entirely separate, with Middlesex County lying between them. The banks' closest offices are 27 road miles apart and are intervened by over 40 banking offices of 14 different banks. Further, neither bank has any loans or deposits which originate in the service area of the other bank.

The principal effect of this merger will be in the area served by National, where a comparatively small bank will be replaced by a larger bank from out of the area. National's share of the market in its service area (19.7 percent of IPC deposits) would not change for the resulting bank, inasmuch as Central does not presently serve the area. In addition, there would be 18 offices of seven other banks remaining in that service area. Only one of the seven other banks is smaller than National. Furthermore, in the service area, there is competition from the very large New York City banks and from other financial institutions.

In view of the small size of National, the number of existing banking offices in the relevant trade area, and the main office protection feature of New Jersey statutes, it does not seem likely that the participating banks would become competitive in the reasonably near future.

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.* Financial and managerial resources and future prospects are satisfactory with respect to each of the participating banks, and they are so projected for the resulting bank.

*Convenience and Needs of the Community to be Served.* The principal effect of this merger would be felt in the service area of National, where a relatively small bank would be replaced by a larger bank from out of the area, which would be capable of offering a full range of banking services not now offered by National, thus providing another convenient alternative to the present banking outlets.

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

| No. 68 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Peoples Bank of South Jersey**<br>Penns Grove, New Jersey | 5,247 | 3 | 6 |
| *to merge with* | | | |
| **The Clayton National Bank**<br>Clayton | 10,785 | 3 | |

Summary report by Attorney General, October 21, 1969

Peoples' head office is located approximately 14.5 miles west of Clayton's head office, and the shortest distance between offices of Peoples and Clayton is approximately 12.5 miles. There are two banks operating offices in the area between Peoples' and Clayton's closest offices.

It would, therefore, appear that the two banks are engaged in only limited direct competition.

Recent banking legislation in New Jersey divides the state into three banking districts; cross-county merger and branching is now permitted within an entire district. However, such branches may not be located in communities where a bank has its head office or where a branch office exists if the population is less than 7,500.

The small size of Peoples and the presence of large banks in other sections of the District able to enter Clayton's service area tends to reduce any anticompetitive effects from the loss of Peoples' potential competition.

Similar considerations apply to the possibility of Clayton expanding by *de novo* branching into Salem County. While Clayton has opened two new branches in the past four years, its small size, the large number of banks already operating in Salem near Peoples' offices, and the presence of very large banks in other sections of the District tends to make unlikely any significant reduction in potential competition as a result of the merger.

In view of the above factors, we conclude that the proposed merger is not likely to have any significantly adverse effect on potential competition in either Salem or Gloucester Counties.

Basis for Corporation approval, December 1, 1969

Peoples Bank of South Jersey, Pilesgrove Township (P.O. Penns Grove), New Jersey (Peoples), an insured State nonmember bank with total deposits of $3,782,000, 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 Clayton National Bank, Clayton, New Jersey (National), which has total deposits of $8,999,000. The banks would merge under the charter and with the title of Peoples; and, as an incident to the merger, the three offices of National would become branches of Peoples, increasing the number of its offices to six. Approval is also requested for a reduction in the par value of common stock, but there would be no diminution of total capital funds.

*Competition.* Peoples' main office is in the unincorporated community of Sharptown, in Pilesgrove Township (population 3,100), in Salem County. Peoples also operates two branches in Penns Grove, which is west of Sharptown, in Salem County, on the Delaware River. Peoples' trade area is the northwestern portion of Salem County. National operates three offices in the central section of Gloucester County. The main office of National is in Clayton (population 5,200) and its two branches are in the small nearby communities of Aura and Iona.

The shortest distance between offices of the participating banks is the 12 miles between Sharptown and the branch of National at Aura. The trade areas served by Peoples and National do not overlap, and there are other commercial banking offices in the intervening area at Woodstown. There is no perceptible amount of direct competition which would be eliminated by this proposed merger.

Peoples also has the necessary approvals to establish two de novo branches at Deepwater, in Salem County, and Hurffville, in Gloucester County. Deepwater is farther from the trade area served by National than are any of Peoples' existing offices, and Hurffville is also beyond National's trade area. There are commercial banking offices of competing banks in Glassboro, which is located between Hurffville and the trade area served by National.

State law provides complete home office protection, and de novo branches are prohibited in communities of less than 7,500 population, if a competing bank already has a branch office in that community. The trade areas served by the participating banks are sparsely populated, and it does not seem likely that either would branch de novo into the other's trade area. Thus, potential competition between the participating banks would seem unlikely under present conditions.

Peoples is the smallest bank operating in its trade area, with 10.1 percent of the IPC deposits, while its principal competitor, with two offices in Penns Grove, has 41.8 percent of the IPC deposits. This proposed transaction would not reduce the number of banking offices in the relevant trade area; and, in addition to the three offices of Peoples, there are six offices of competing banks serving the residents of the area.

National has the second largest share of the IPC deposits in its trade area, but the market is fairly evenly divided, with the smallest of the four banks operating in the area having 20.7 percent and the largest having 31.5 percent.

Two of the banks operating in the area are larger than National, and the other is not substantially smaller than National. This proposal would not reduce the number of commercial banking offices in the area, and there would still be seven commercial banking offices to serve the residents of the area.

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.

*Financial and Managerial Resources.* Financial and managerial resources are adequate with respect to both participating banks and are so projected for the resulting bank.

*Future Prospects.* Certain economies are anticipated as a result of this proposal, and the future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* This proposed transaction should result in more economical services in the relevant trade areas and should produce a bank with management responsive to the needs of the communities it serves.

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

| No. 69 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Southern Bank and Trust Company**<br>Greenville, South Carolina | 67,673 | 15 | 16 |
| *to merge with* | | | |
| **Blacksburg State Bank**<br>Blacksburg | 2,323 | 1 | |

## Summary report by Attorney General, October 1, 1969

Southern's new Gaffney branch office is located approximately 8 miles southwest of Blacksburg; there are no intervening banking alternatives. Although there are other banking offices in Gaffney, including offices of one of South Carolina's largest commercial banks, it would appear that the proposed merger may eliminate some existing competition, particularly in view of the small number of banking offices in Cherokee County. The proposed merger would reduce the number of banking alternatives in Cherokee County from four to three.

## Basis for Corporation approval, December 1, 1969

Southern Bank and Trust Company, Greenville, South Carolina (Applicant), an insured State nonmember bank with total deposits of $57,161,000, 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 Blacksburg State Bank, Blacksburg, South Carolina (Blacksburg), which has total deposits of $2,096,000. The banks would merge under the charter and with the title of Applicant; and, as an incident to the merger, the one office of Blacksburg would become a branch of Applicant, increasing the number of its authorized offices to 17, two of which are approved but unopened.

*Competition.* Applicant serves a trade area consisting of six counties in the western piedmont and northwestern sections of South Carolina. This area, known as the Piedmont Industrial Crescent, has an estimated population of between 300,000 and 400,000. The economy of this area is largely dominated by the textile and related industries.

Blacksburg is located approximately 60 miles northeast of Applicant's main office in Greenville. Its 1960 population was 2,174, and that of its trade area, which includes nearby Gaffney, is estimated at 25,000. The textile industry is important in this trade area, but agriculture is also of importance, with the principal products being peaches, cotton, and livestock.

Blacksburg is the only bank in its community, and its primary competition is from three banks operating in Gaffney, 8 miles to the southwest. These competitors consist of one local bank, a branch of the second largest bank in the State, and a branch of Applicant which opened in March 1969. The proposed merger would reduce the number of banking alternates from four to three and increase Applicant's share of the relevant market by a small amount, but Applicant would have the smallest share of the three remaining banks. This proposal would eliminate the smallest of the four banks operating in the Blacksburg-Gaffney trade area and replace it with a branch of an aggressive medium-sized bank which has the resources to compete effectively with the other banks in the area.

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.

*Financial Resources.* The financial resources are satisfactory with regard to both participating banks and are so projected for the resulting bank.

*Managerial Resources.* The managerial resources of both institutions are regarded as satisfactory, but to Blacksburg's management the proposed transaction would add considerable depth, which is now lacking because of the bank's relatively small size.

*Future Prospects.* Applicant has been an aggressive competitor and has experienced substantial growth, while Blacksburg's growth has been considerably slower. The future prospects of Blacksburg, as a part of the resulting bank, would be enhanced; and the future prospects of the resulting bank are favorable.

*Convenience and Needs of the Community to be Served.* The proposed merger would have no significant effect on the overall trade area of Applicant, but it would improve the quantity of banking services in the Blacksburg area.

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

| No. 70 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **First County Bank**<br>Driver, Virginia<br>(in organization; change title to The Bank of Nansemond) | — | — | 1 |
| *to merge with* | | | |
| **The Bank of Nansemond**<br>Nansemond | 2,757 | 1 | |

### Summary report by Attorney General, September 24, 1969

The proposed merger is part of a plan under which First Virginia Bankshares Corporation, a registered bank holding company, proposes to acquire all of the voting shares of First County Bank, a non operating institution, which is to be the resulting bank of its proposed merger with The Bank of Nansemond. The proposed merger, therefore, will combine an operating bank with a non operating institution. As such, and without regard to the planned subsequent acquisition of First County Bank by First Virginia Bankshares Corporation, the proposed merger will have no effect on competition.

### Basis for Corporation approval, December 1, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for First County Bank, Driver, Virginia (First), a proposed new bank in organization, and for consent to its merger with The Bank of Nansemond, Driver, Virginia (Nansemond), with total resources of $2,757,000, under First's charter and with Nansemond's title. The resulting bank will operate from the sole office of Nansemond.

The new bank formation and merger are designed solely as a vehicle for First Virginia Bankshares Corporation, Arlington, Virginia, a registered bank holding company, to acquire controlling ownership of Nansemond. The holding company has filed the appropriate application with the Board of Governors of the Federal Reserve System for consent to the acquisition of 90 percent or more of the voting shares of the successor bank to the merger. First will not be in operation as a commercial bank prior to the merger, following which it will operate the same banking business at the same location as Nansemond and with the same executive management. The proposal, of itself, will not change the banking services which Nansemond has provided usefully and conveniently to the Driver community for several years. Nansemond is by far the smallest bank in its service area, and its primary competition is provided by much larger banks in nearby Chesapeake and Portsmouth, Virginia, including branches of the State's two largest banks which operate multiple branch systems. All factors required to be considered relative to each application are favorably resolved.

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

| No. 71 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Union State Bank**<br>Amery, Wisconsin | 8,428 | 1 | 1 |
| *to merge with* | | | |
| **State Bank of Deer Park**<br>Deer Park | 1,390 | 1 | |

### Summary report by Attorney General, December 1, 1969

Sixty-two percent of Union Bank's common stock and seventy-four percent of Deer Park Bank's common stock is owned by the Otto Bremer Foundation and the Otto Bremer Company, a wholly-owned subsidiary of the Foundation.

The Deer Park Bank stock was acquired in April 1966, at which time two directors of Union Bank were elected to the board of Deer Park Bank. The Otto Bremer Foundation and the Otto Bremer Company, directly or in combination, own a majority of the stock of 30 banks located in Wisconsin, Minnesota and North Dakota. As of year-end 1968, these 30 subsidiary banks had aggregate deposits of $303.5 million; the largest subsidiary, First American National Bank, St. Cloud, Minnesota, had total deposits of $27.3 million.

The merging banks are located approximately ten miles apart with no banks in the intervening area. The closest bank to the merging banks is Bank of Clear Lake (total deposits, $3.9 million), which is seven miles southeast of Union Bank and nine miles northeast of Deer Park Bank. Thus, it appears that, but for the common ownership, the banks would be in competition. This merger will eliminate the potential for the resumption of this competition should such common ownership be terminated.

### Basis for Corporation approval, December 1, 1969

Union State Bank, Amery, Wisconsin (Applicant), an insured State nonmember bank with total deposits of $7.7 million, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with State Bank of Deer Park, Deer Park, Wisconsin (Deer Park Bank), an insured State nonmember bank with total deposits of $1.3 million. The merger would be effected under Applicant's charter and with its title. Upon consummation of this proposed transaction Deer Park Bank would cease to operate. The State Attorney General has ruled that a bank may not file an application for permission to establish a branch unless the community in which the branch is to be located is "bankless." As soon as this proposed transaction is consummated, Applicant intends to immediately file the necessary applications for permission to establish a branch in Deer Park.

*Competition.* Applicant's one office in Amery (population 2,200) is 10 miles from the one office of Deer Park Bank in Deer Park (population 250), and there are no commercial banking offices in the intervening area. There is a commercial bank at Clear Lake, which is only 7 miles from Amery and 9 miles from Deer Park. The merging banks are subsidiaries of the Otto Bremer Foundation, St. Paul, Minnesota, a registered bank holding company. Because of this affiliation, there is no competition between Applicant and Deer Park Bank; and the evidence indicates that prior to the advent of their common ownership in 1966 there was little, if any, competition between them.

There are no other affiliates of the Otto Bremer Foundation among the eight banks considered to be competitors of the merging banks. Deer Park Bank is the smallest, and three of the banks are each larger than Applicant. The resulting bank would be the third largest in the area, with IPC deposits of $8.4 million. The other banks have IPC deposits ranging from $1.6 million to $9.3 million. The merger would not change the share of banking business controlled by the holding company in this area and would have no material effect on the existing competitive banking structure.

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 manner be in restraint of trade.

*Financial and Managerial Resources and Future Prospects.* These are favorable with respect to the merging banks and are so projected for the resulting bank.

*Convenience and Needs of the Community to be Served.* This proposed transaction would have no appreciable effect in the Amery area. Temporarily at least, consummation of this proposal would inconvenience the customers of Deer Park Bank since the community would be without a banking facility for a short period of time. However, after the branch is established at Deer Park, the credit needs of that area would be more adequately and conveniently served by the significantly increased legal lending limit. Neither of the participating banks has an agricultural representative, but one will be provided by the resulting bank.

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

| No. 72 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Citizens State Bank**<br>Big Rapids, Michigan<br>(change title to Central Michigan Bank) | 13,083 | 3 | 5 |
| *to merge with* | | | |
| **Central Michigan Bank**<br>Barryton | 6,423 | 2 | |

## Summary report by Attorney General, November 18, 1969

The proposal would merge the $11.8 million Citizens Bank with the $5.3 million Central Bank.

Head offices of the merging banks are located about 20 miles apart. However, Citizens Bank has a branch office in the city of Mecosta, about eight miles west of Central Bank's home office. And Central Bank has a branch office in Remus, some six miles southeast of Mecosta. There are no banks operating in the intervening areas. Thus, it would appear that substantial direct competition exists between the merging banks. This competition will, of course, be permanently eliminated by consummation of the proposed merger.

Commercial banking in Mecosta County is highly concentrated. Four banks operate in the county with total deposits, as of June 30, 1968, of about $31 million. The top three banks, including the Applicants, control some 97.3 percent of these deposits. Citizens Bank is the second largest with about 39.5 percent, and Central Bank ranks third with some 16.3 percent. Should this merger be consummated, only three banks would remain in the county, and the resulting bank would be the largest with more than 56 percent of total county-wide deposits. The merger would result in a significant increase in the level of concentration.

The proposal would merge the second and third largest commercial banks in Mecosta County. It would reduce the number of banks in the county to three, eliminate apparent substantial existing competition, and significantly increase the level of concentration. The overall effect of this merger on competition will be adverse.

## Basis for Corporation approval, December 4, 1969

Citizens State Bank, Big Rapids, Michigan (Applicant), an insured State nonmember bank with total deposits of $11,488,000, 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 Michigan Bank, Barryton, Michigan (Central), which has total deposits of $5,581,000, under the charter of Applicant and with the title of Central and, incident thereto, to establish the two offices of Central as branches.

*Competition.* All offices of the merged bank will operate in Mecosta County, located in north-central Michigan. Big Rapids, the county seat, is located in the west-central portion of the county, while Barryton is in the northeastern portion of the county, some 22 miles distant. There is a limited overlapping of the service areas of Applicant and Central, principally in the areas of their branches in Remus and Mecosta, which are about 6 miles apart. The merged bank will be the largest of the three banks operating in the county, but six banking offices located in contiguous counties also provide competition. The substitution of branches of Applicant for Central's offices would have no discernible anticompetitive effects.

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 manner be in restraint of trade.

*Financial and Managerial Resources and Future Prospects.* These factors are satisfactory with respect to the participating banks and are so projected for the resulting bank.

*Convenience and Needs of the Community to be Served.* Central, because of its smaller resources, offers limited services. As a result of the merger, the areas served by Central would gain the advantage of a larger bank with a larger lending limit. Also, the increased likelihood of offering trust services after the merger is consummated indicates that the resulting bank could better serve the convenience and needs of the community.

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

| No. 73 | Resources (in thousands of dollars) | Banking Offices | |
|---|---|---|---|
| | | In operation | To be operated |
| **Great American Bank & Trust Company**<br>Baton Rouge, Louisiana<br>(in organization; change title to American Bank & Trust Company) | 100 | — | 7 |
| *to merge with*<br>**American Bank & Trust Company**<br>Baton Rouge | 257,400 | 7 | |

## Summary report by Attorney General, December 2, 1969

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

## Basis for Corporation approval, December 18, 1969

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Great American Bank & Trust Company, Baton Rouge, Louisiana (New

Bank), a proposed new bank in organization; and for consent to merge with American Bank & Trust Company, Baton Rouge, Louisiana (Old Bank), an operating insured nonmember bank; and for permisssion to establish seven branches. Old Bank presently operates seven offices and has the necessary approvals to establish another de novo branch. As of September 30, 1969, Old Bank had total resources of $257 million. The resulting bank would operate under the charter of New Bank and with the title of Old Bank.

The proposal involves the formation of a one-bank holding company to hold stock ownership of the resulting bank. New Bank will not be in operation as a commercial bank prior to consummation of the transaction and will begin business at the present locations of Old Bank with the latter's assets, liabilities, capital, and management.

Old Bank has provided needed and useful banking services to its trade area on a convenient and successful basis for many years. The subject proposal will not alter these services or the service area and, involving only a change in form of corporate organization, will, of itself, have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

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

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[1] Bank of America operated 962 branches in California as of April 1, 1968. FDIC statistics do not include branches in foreign countries.

[2] In a concurrent application, Roachdale Bank and Trust Company sought the approval of the Board of Governors of the Federal Reserve System to merge The State Bank of Russellville under the title "Tri-County Bank & Trust Company"; the sole office of Russellville Bank would be discontinued, and its operations combined with the sole office of the State Bank of Russellville would be operated as a branch of the Applicant.

[3] Represents pro forma amount of assets of Windsor Heights office of Bankers Trust Company to be transferred to the proposed new bank.

[4] Bank of Hawaii operates 53 offices in the State of Hawaii and seven offices on various Pacific Islands.

[5] Millikin Trust Company and Applicant at present occupy offices in the same building.

# LEGISLATION AND REGULATIONS
## PART THREE

# FEDERAL BANKING LEGISLATION—1969

Public Law 91-71
91st Congress, S.J. Res. 149
September 22, 1969

## An Act

**To extend for three months the authority to limit the rates of interest or dividends payable on time and savings deposits and accounts.**

*Resolved 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, as amended (Public Law 89-597), is amended by striking out "September" and inserting in lieu thereof "December".

Approved September 22, 1969.

Public Law 91-151
91st Congress, S. 2577
December 23, 1969

## An Act

**To lower interest rates and fight inflation; to help housing, small business, and employment; to increase the availability of mortgage credit; and for other purposes.**

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

### TITLE I—AMENDMENTS TO EXISTING ACTS

Section 1. Section 7 of the Act of September 21, 1966 (Public Law 89-587; 80 Stat. 823) is amended to read:

"Sec. 7. Effective March 22, 1971:

"(1) So much of section 19(j) of the Federal Reserve Act (12 U.S.C. 371(b)) as precedes the third sentence thereof is amended to read as it would without the amendment made by section 2(c) of this Act.

"(2) The second and third sentences of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) are amended to read as they would without the amendment made by section 3 of this Act.

"(3) The last three sentences of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) are repealed.

"(4) Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is repealed."

Sec. 2. (a) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by adding at the end thereof the following new sentences: "The authority conferred by this subsection shall also apply to noninsured banks in any State if (1) the total amount of time and savings deposits held in all such banks in the State, plus the total amount of deposits, shares, and withdrawable accounts held in all building and loan, savings and loan, and homestead associations (including cooperative banks) in the State which are not members of a Federal home loan bank, is more than 20 per centum of the total amount of such deposits, shares, and withdrawable accounts held in all banks, and building and loan, savings and loan, and homestead associations (including cooperative banks) in the State, and (2) there does not exist under the laws of such State a bank supervisory agency with authority comparable to that conferred by this subsection, including specifically the authority to regulate the rates of interest and dividends paid by such noninsured banks on time and savings deposits, or if such agency exists it has not issued regulations in the exercise of that authority. Such authority shall only be exercised by the Board of Directors with respect to such noninsured banks prior to July 31, 1970, to limit the rates of interest or dividends which such banks may pay on time and savings deposits to maximum rates not lower than 5½ per centum per annum. Whenever it shall appear to the Board of Directors that any noninsured bank or any affiliate thereof is engaged or has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this subsection or of any regulations thereunder, the Board of Directors may, in its discretion, bring an action in the United States district court for the judicial district in which the principal office of the noninsured bank or affiliate thereof is located to enjoin such acts or practices, to enforce compliance with this subsection or any regulations thereunder, or for a combination of the foregoing, and such courts shall have jurisdiction of such actions, and, upon a proper showing, an injunction, restraining order, or other appropriate order may be granted without bond."

(b) Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is amended to read as follows:

"Sec. 5B. (a) The Board may from time to time, after consulting with the Board of Governors of the Federal Reserve System and the Board of Directors of the Federal Deposit Insurance Corporation, prescribe rules governing the payment and advertisement of interest or dividends on deposits, shares, or withdrawable accounts, including limitations on the rates of interest or dividends on deposits, shares, or withdrawable accounts that may be paid by members, other than those the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act, by institutions which are insured institutions as defined in section 401(a) of the National Housing Act, and by nonmember building and loan, savings and loan, and homestead associations, and cooperative banks. The Board may prescribe different rate limitations for different classes of deposits, shares, or withdrawable accounts, for deposits, shares, or withdrawable accounts of different amounts or with different maturities or subject to different conditions regarding withdrawal or repayment, according to the nature or location of such members, institutions, or nonmembers or their depositors, shareholders or withdrawable account holders, or according to such other reasonable bases as the Board may deem desirable in the public interest. The authority conferred by this subsection shall apply to nonmember building and loan, savings and loan, and homestead associations, and cooperative banks in any State if (1) the total amount of deposits, shares, and withdrawable accounts held in all such nonmember associations and banks in the State, plus the total amount of time and savings deposits held in all banks in the State which are not insured by the Federal Deposit Insurance Corporation, is more than 20 per centum of the total amount of such deposits, shares, and withdrawable accounts held in all banks, and building and loan, savings and loan, and homestead associations (including cooperative banks) in the State, and (2) there does not exist under the laws of such State a bank supervisory agency with authority comparable to that conferred by the first two sentences of this subsection, including specifically the authority to regulate the rates of interest and dividends paid by any such association or bank on deposits, shares, or withdrawable accounts, or if such agency exists it has not issued regulations in the exercise of that authority. Such authority shall only be exercised by the Board with respect to such nonmember associations and banks prior to July 31, 1970, to limit the rates of interest or dividends which such associations or banks may pay on deposits, shares, or withdrawable accounts to maximum rates not lower than 5½ per centum per annum.

"(b) In addition to any other penalty provided by this or any other law, any institution subject to this section which violates a rule promulgated pursuant to this section shall be subject to such civil penalties, which shall not exceed $100 for each violation, as may be prescribed by said Board by rule and such rule may provide with respect to any or all such violations that each day on which the violation continues shall constitute a separate violation. The Board may recover any such civil penalty for it own use, through action or otherwise, including recovery thereof in any other action or proceeding under this section. The Board may, at any time before collection of any such penalty, whether before or after the bringing of an action or other legal proceeding, the obtaining of any judgment or other recovery, or the issuance or levy of any execution or other legal process therefor, and with or without consideration, compromise, remit, or mitigate in whole or in part any such penalty or any such recovery.

"(c) Whenever it shall appear to the Board that any nonmember institution is engaged or has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this section or of any regulations thereunder, the Board may, in its discretion, bring an action in the United States district court for the judicial district in which the principal office of the institution is located to enjoin such acts or practices, to enforce compliance with this section or any regulations thereunder, or for a combination of the foregoing, and such courts shall have jurisdiction of such actions, and, upon a proper showing, an injunction, restraining order, or other appropriate order may be granted without bond.

"(d) All expenses of the Board under this section shall be considered as nonadministrative expenses."

Sec. 3. Section 11(i) of the Federal Home Loan Bank Act (12 U.S.C. 1431(i)) is amended—

(1) by striking out "$1,000,000,000" and inserting in lieu thereof "$4,000,000,000";

(2) by striking out the last sentence thereof and inserting in lieu thereof the following: "Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon terms and conditions as shall be determined by the Secretary of the Treasury and shall bear such rate of interest as may be determined by the Secretary of the Treasury taking into consideration the current average market yield for the month

preceding the month of such purchase on outstanding marketable obligations of the United States."; and

(3) by adding at the end thereof a new paragraph as follows:

"The authority provided in this subsection shall be used by the Secretary of the Treasury, when alternative means cannot effectively be employed, to permit members of the Home Loan Bank System to continue to supply reasonable amounts of funds to the mortgage market whenever the ability to supply such funds is substantially impaired during periods of monetary stringency and rapidly rising interest rates and any funds so borrowed shall be repaid by the Home Loan Bank Board at the earliest practicable date."

Sec. 4. (a) Section 19(a) of the Federal Reserve Act (12 U.S.C. 461) is amended by inserting after the word "interest," the following: "to determine what types of obligations, whether issued directly by a member bank or indirectly by an affiliate of a member bank or by other means, shall be deemed a deposit,".

(b)(1) The fourth sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows: "The Board of Directors is authorized for the purposes of this subsection to define the terms 'time deposits' and 'savings deposits', to determine what shall be deemed a payment of interest, and to prescribe such regulations as it may deem necessary to effectuate the purposes of this subsection and to prevent evasions thereof."

(2) Section 18(g) of such Act is further amended by inserting after the fifth sentence the following: "The provisions of this subsection and of regulations issued thereunder shall also apply, in the discretion of the Board of Directors, to obligations other than deposits that are undertaken by insured nonmember banks or their affiliates for the purpose of obtaining funds to be used in the banking business. As used in this subsection, the term 'affiliate' has the same meaning as when used in section 2(b) of the Banking Act of 1933, as amended (12 U.S.C. 221a(b)), except that the term 'member bank', as used in such section 2(b), shall be deemed to refer to an insured nonmember bank."

(c) The first sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting "or dividends" after "interest'

Sec. 5. Section 19(b) of the Federal Reserve Act (12 U.S.C. 461) is amended by adding at the end thereof a new sentence as follows: "The Board may, however, prescribe any reserve ratio, not more than 22 per centum, with respect to any indebtedness of a member bank that arises out of a transaction in the ordinary course of its banking business with respect to either funds received or credit extended by such bank to a bank organized under the law of a foreign country or a dependency or insular possession of the United States."

Sec. 6. (a) Effective as of the close of December 31, 1969, section 404 of the National Housing Act is amended

(1) by striking out "plus any creditor obligations of such institution" in subsection (b)(1), and the amendment made by this subdivision (1) shall be applicable also to any then unexpired portion of any then current premium year under subsection (b)(1).

(2) by striking out "and creditor obligations" in subsection (b)(2).

(3) by striking out "and its creditor obligations" in subsection (c).

(4) by striking out "and creditor obligations" each place it appears in subsection (g). The condition in the first sentence of that subsection shall

be deemed to be met as of the close of December 31, 1969. The words "such year" in that sentence shall be deemed to include also the year beginning January 1, 1970.

(b) The Federal Savings and Loan Insurance Corporation is authorized by regulation or otherwise

(1) to make such provisions as it may deem advisable with respect to the order in which and the extent to which the components of a pro rata share of its secondary reserve shall be applied or be deemed to have been applied in the case of a reduction of such share through a use under the second sentence of section 404(e) of the National Housing Act or the first sentence of section 404(g), a transfer of part of such share under the third sentence of section 404(e), or otherwise.

(2) to take such action, including without limitation such adjustments and refunds and such deferrals of premium payments and other payments, as it may determine to be necessary or appropriate for or in connection with the implementation of this section or other legislation amending or supplementing said section 404.

Sec. 7. (a) The following provisions of the Federal Deposit Insurance Act are amended by changing "$15,000", each place it appears therein, to read "$20,000":

(1) The first sentence of section 3(m) (12 U.S.C. 1813(m)).

(2) The first sentence of section 7(i) (12 U.S.C. 1817(i)).

(3) The last sentence of section 11(a) (12 U.S.C. 1821(a)).

(4) The fifth sentence of section 11(i) (12 U.S.C. 1821(i)).

(b) The amendments made by this section are not applicable to any claim arising out of the closing of a bank prior to the date of enactment of this Act.

Sec. 8. (a) The following provisions of title IV of the National Housing Act are amended by changing "$15,000", each place it appears therein, to read "$20,000":

(1) Section 401(b)(12 U.S.C. 1724(b)).

(2) Section 405(a) (12 U.S.C. 1728(a)).

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

Sec. 9. (a) Section 708(b) of the Defense Production Act of 1950 (50 U.S.C. 2158(b)) is amended by striking out everything after "United States", the first time it appears, and inserting a period in lieu thereof.

(b) Section 708(f) of that Act (50 U.S.C. 2158(f)) is repealed.

## TITLE II—AUTHORITY FOR CREDIT CONTROL

Sec. 201. Short title

This title may be cited as the Credit Control Act.

Sec. 202. Definitions and rules of construction

(a) The definitions and rules of construction set forth in this section apply to the provisions of this title.

(b) The term "Board" refers to the Board of Governors of the Federal Reserve System.

(c) The term "organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

(d) The term "person" means a natural person or an organization.

(e) The term "credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(f) The term "creditor" refers to any person who extends, or arranges for the extension of, credit, whether in connection with a loan, a sale of property or services, or otherwise.

(g) The term "credit sale" refers to any sale with respect to which credit is extended or arranged by the seller. The term includes any rental-purchase contract and any contract or arrangement for the bailing or leasing of property when used as a financing device.

(h) The terms "extension of credit" and "credit transaction" include loans, credit sales, the supplying of funds through the underwriting, distribution, or acquisition of securities, the making or assisting in the making of a direct placement, or otherwise participating in the offering, distribution, or acquisition of securities.

(i) The term "borrower" includes any person to whom credit is extended.

(j) The term "loan" includes any type of credit, including credit extended in connection with a credit sale.

(k) The term "State" refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(l) Any reference to any requirement imposed under this title of any provision thereof includes reference to the regulations of the Board under this title or the provision thereof in question.

Sec. 203. Regulations

The Board shall prescribe regulations to carry out the purposes of this title. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

Sec. 204. Determination of interest charge

Except as otherwise provided by the Board, the amount of the interest charge in connection with any credit transaction shall be determined under the regulations of the Board as the sum of all charges payable directly or indirectly to the person by whom the credit is extended in consideration of the extension of credit.

Sec. 205. Authority for institution of credit controls

(a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

(b) The Board may, in administering this Act, utilize the services of the Federal Reserve banks and any other agencies, Federal or State, which are available and appropriate.

Sec. 206. Extent of control

The Board, upon being authorized by the President under section 205 and for such period of time as he may determine, may by regulation

(1) require transactions or persons or classes of either to be registered or licensed.

(2) prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens, or any relevant documents.

(5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.

(7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.

(8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.

(10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types

(A) to deposits of one or more types or of all types.

(B) to assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

Sec. 207. Reports

Reports concerning the kinds, amounts, and characteristics of any extensions of credit subject to this title, or concerning circumstances related to such extensions of credit, shall be filed on such forms, under oath or otherwise, at such times and from time to time, and by such persons, as the Board may prescribe by regulation or order as necessary or appropriate for enabling the Board to perform its functions under this title. The Board may require any person to furnish, under oath or otherwise, complete information relative to any transaction within the scope of this title including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person.

Sec. 208. Injunctions

Whenever it appears to the Board that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation under this title, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Board, any such court may also issue mandatory injunctions commanding any person to comply with any regulation of the Board under this title.

Sec. 209. Civil penalties

(a) For each willful violation of any regulation under this title, the Board may assess upon any person to which the regulation applies, and upon any partner, director, officer, or employee thereof who willfully participates in the violation, a civil penalty not exceeding $1,000.

(b) In the event of the failure of any person to pay any penalty assessed under this section, a civil action for the recovery thereof may, in the discretion of the Board, be brought in the name of the United States.

Sec. 210. Criminal penalty

Whoever willfully violates any regulation under this title shall be fined not more than $1,000 or imprisoned not more than one year, or both.

## TITLE III—SMALL BUSINESS ADMINISTRATION ACTIVITY

Sec. 301. The Small Business Administration shall promptly increase the level of its financing functions utilizing the business loan and investment fund established under section 4(c)(1)(B) of the Small Business Act (15 U.S.C. 633(c)(1)(B)) by $70,000,000 above the level prevailing at the time of enactment of this Act. The Small Business Administration shall submit to Congress a monthly report of its implementation of this section.

Approved December 23, 1969.

Public Law 91-156
91st Congress, H.R. 7491
December 24, 1969

# An Act

**To clarify the liability of national banks for certain taxes.**

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

§ 1. Temporary amendment of section 5219, Revised Statutes

(a) Section 5219 of the Revised Statutes (12 U.S.C. 548) is amended by adding at the end thereof the following:

"5. (a) In addition to the other methods of taxation authorized by the foregoing provisions of this section and subject to the limitations and restrictions specifically set forth in such provisions, a State or political subdivision thereof may impose any tax which is imposed generally on a nondiscriminatory basis throughout the jurisdiction of such State or political subdivision (other than a tax on intangible personal property) on a national bank having its principal office within such State in the same manner and to the same extent as such tax is imposed on a bank organized and existing under the laws of such State.

"(b) Except as otherwise herein provided, the legislature of each State may impose, and may authorize any political subdivision thereof to impose, the following taxes on a national bank not having its principal office located within the jurisdiction of such State, if such taxes are imposed generally throughout such jurisdiction on a nondiscriminatory basis:

"(1) Sales taxes and use taxes complementary thereto upon purchases, sales, and use within such jurisdiction.

"(2) Taxes on real property or on the occupancy of real property located within such jurisdiction.

"(3) Taxes (including documentary stamp taxes) on the execution, delivery, or recordation of documents within such jurisdiction.

"(4) Taxes on tangible personal property (not including cash or currency) located within such jurisdiction.

"(5) License, registration, transfer, excise, or other fees or taxes imposed on the ownership, use, or transfer of tangible personal property located within such jurisdiction.

"(c) No sales tax or use tax complementary thereto shall be imposed pursuant to this paragraph 5 upon purchases, sales, and use within the taxing jurisdiction of tangible personal property which is the subject matter of a written contract of purchase entered into by a national bank prior to September 1, 1969.

"(d) As used in this paragraph 5, the term 'State' means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam."

(b) The amendment made by subsection (a) of this section shall be effective from the date of enactment of this Act until the effective date of the amendment made by section 2(a) of this Act.

§ 2. Permanent amendment of section 5219, Revised Statutes

(a) Section 5219 of the Revised Statutes (12 U.S.C. 548) is amended to read:

"Sec. 5219. For the purposes of any tax law enacted under authority of the United States or any State, a national bank shall be treated as a bank organized and existing under the laws of the State or other jurisdiction within which its principal office is located."

(b) The amendment made by subsection (a) becomes effective on January 1, 1972.

§ 3. Saving provision

(a) Except as provided in subsection (b) of this section, prior to January 1, 1972, no tax may be imposed on any class of banks by or under authority of any State legislation in effect prior to the enactment of this Act unless

(1) the tax was imposed on that class of banks prior to the enactment of this Act, or

(2) the imposition of the tax is authorized by affirmative action of the State legislature after the enactment of this Act.

(b) The prohibiton of subsection (a) of this section does not apply to

(1) any sales tax or use tax complementary thereto,

(2) any tax (including a documentary stamp tax) on the execution, delivery, or recordation of documents, or

(3) any tax on tangible personal property (not including cash or currency), or for any license, registration, transfer, excise or other fee or tax imposed on the ownership, use or transfer of tangible personal property,

imposed by a State which does not impose a tax, or an increased rate of tax, in lieu thereof.

§ 4. Study by Board of Governors of the Federal Reserve System

(a) The Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") shall make a study to determine the probable impact on the banking systems and other economic effects of the changes in existing law to be made by section 2 of this Act governing income taxes, intangible property taxes, so-called doing business taxes, and any other similar taxes which are or may be imposed on banks. In conducting the study the Board shall consult with the Secretary of the Treasury and appropriate State banking and taxing authorities.

(b) The Board shall make a report of the results of its study to the Congress not later than December 31, 1970. The report shall include the Board's recommendations as to what additional Federal legislation, if any, may be needed to reconcile the promotion of the economic efficiency of the banking systems of the Nation with the achievement of effectiveness and local autonomy in meeting the fiscal needs of the States and their political subdivisions.

Approved December 24, 1969.

Public Law 91-172
91st Congress, H.R. 13270
December 30, 1969

# An Act

**To reform the income tax laws.**

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

SECTION 1. SHORT TITLE, ETC.

(a) Short Title.—This Act may be cited as the "Tax Reform Act of 1969".

* * *

## TITLE III—MINIMUM TAX; ADJUSTMENTS PRIMARILY AFFECTING INDIVIDUALS

### SUBTITLE A—MINIMUM TAX

SEC. 301. MINIMUM TAX FOR TAX PREFERENCES.

(a) In General.—Subchapter A of chapter 1 (relating to determination of tax liability) is amended by adding at the end thereof the following new part:

"PART VI—MINIMUM TAX FOR TAX PREFERENCES

"Sec. 56. Imposition of tax.
"Sec. 57. Items of tax preference.
"Sec. 58. Rules for application of this part.

"SEC. 56. IMPOSITION OF TAX.

"(a) In General.—In addition to the other taxes imposed by this chapter, there is hereby imposed for each taxable year, with respect to the income of every person, a tax equal to 10 percent of the amount (if any) by which—

"(1) the sum of the items of tax preference in excess of $30,000, is greater than

"(2) the taxes imposed by this chapter for the taxable year (computed without regard to this part and without regard to the taxes imposed by sections 531 and 541) reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income), and

"(C) section 38 (relating to investment credit).

"(b) Deferral of Tax Liability in Case of Certain Net Operating Losses.—

"(1) In General.—If for any taxable year a person—

"(A) has a net operating loss any portion of which (under section 172) remains as a net operating loss carryover to a succeeding taxable year, and

"(B) has items of tax preference in excess of $30,000,

then an amount equal to the lesser of the tax imposed by subsection (a) or 10 percent of the amount of the net operating loss carryover described in subparagraph (A) shall be treated as tax liability not imposed for the taxable year, but as imposed for the succeeding taxable year or years pursuant to paragraph (2).

"(2) Year of liability.—In any taxable year in which any portion of the net operating loss carryover attributable to the excess described in paragraph (1)(B) reduces taxable income, the amount of tax liability described in paragraph (1) shall be treated as tax liability imposed in such taxable year in an amount equal to 10 percent of such reduction.

"(3) Priority of application.—For purposes of paragraph (2), if any portion of the net operating loss carryover described in paragraph (1)(A) is not attributable to the excess described in paragraph (1)(B), such portion shall be considered as being applied in reducing taxable income before such other portion.

"SEC. 57. ITEMS OF TAX PREFERENCE.

"(a) In General.—For purposes of this part, the items of tax preference are—

"(1) Excess investment interest.—The amount of the excess investment interest for the taxable year (as determined under subsection (b)).

"(2) Accelerated depreciation on real property.—With respect to each section 1250 property (as defined in section 1250 (c)), the amount by which the deduction allowable for the taxable year for exhaustion, wear and tear, obsolescence, or amortization exceeds the depreciation deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life (determined without regard to section 167(k)) for which the taxpayer has held the property.

"(3) Accelerated depreciation on personal property subject to a net lease.—With respect to each item of section 1245 property (as defined in section 1245(a)(3)) which is the subject of a net lease, the amount by which the deduction allowable for the taxable year for exhaustion, wear and tear, obsolescence, or amortization exceeds the depreciation deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property.

"(4) Amortization of certified pollution control facilities.—With respect to each certified pollution control facility for which an election is in effect under section 169, the amount by which the deduction allowable for the taxable year under such section exceeds the depreciation deduction which would otherwise be allowable under section 167.

"(5) Amortization of railroad rolling stock.—With respect to each unit of railroad rolling stock for which an election is in effect under section 184, the amount by which the deduction allowable for the taxable year under such section exceeds the depreciation deduction which would otherwise be allowable under section 167.

"(6) Stock options.—With respect to the transfer of a share of stock pursuant to the exercise of a qualified stock option (as defined in section 422(b)) or a restricted stock option (as defined in section 424(b)), the amount by which the fair market value of the share at the time of exercise exceeds the option price.

"(7) Reserves for losses on bad debts of financial institutions.—In the case of a financial institution to which section 585 or 593 applies, the amount by which the deduction allowable for the taxable year for a reasonable addition to a reserve for bad debts exceeds the amount that would have been allowable had the institution maintained its bad debt reserve for all taxable years on the basis of actual experience.

"(8) Depletion.—With respect to each property (as defined in section 614), the excess of the deduction for depletion allowable under section 611 for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year).

"(9) Capital gains.—

"(A) Individuals.—In the case of a taxpayer other than a corporation, an amount equal to one-half of the amount by which the net long-term capital gain exceeds the net short-term capital loss for the taxable year.

"(B) Corporations.—In the case of a corporation, if the net long-term capital gain exceeds the net short-term capital loss for the taxable year, an amount equal to the product obtained by multiplying such excess by a fraction the numerator of which is the sum of the normal tax rate and the surtax rate under section 11, minus the alternative tax rate under section 1201(a), for the taxable year, and the denominator of which is the sum of the normal tax rate and the surtax rate under section 11 for the taxable year. In the case of a corporation to which section 1201(a) does not apply, the amount under this subparagraph shall be determined under regulations prescribed by the Secretary or his delegate in a manner consistent with the preceding sentence.

Paragraph (1) shall apply only to taxable years beginning before January 1, 1972. Paragraphs (1) and (3) shall not apply to a corporation other than an electing small business corporation (as defined in section 1371(b)) and a personal holding company (as defined in section 542).

"(b) Excess Investment Interest.—

"(1) In general.—For purposes of paragraph (1) of subsection (a), the excess investment interest for any taxable year is the amount by which the investment interest expense for the taxable year exceeds the net investment income for the taxable year.

"(2) Definitions.—For purposes of this subsection—

"(A) Net investment income.—The term 'net investment income' means the excess of investment income over investment expenses.

"(B) Investment income.—The term 'investment income' means—

"(i) the gross income from interest, dividends, rents, and royalties,

"(ii) the net short-term capital gain attributable to the disposition of property held for investment, and

"(iii) amounts treated under sections 1245 and 1250 as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231,

but only to the extent such income, gain, and amounts are not derived from the conduct of a trade or business.

"(C) Investment expenses.—The term 'investment expenses' means the deductions allowable under sections 164(a) (1) or (2), 166, 167, 171, 212, 243, 244, 245, or 611 directly connected with the production of investment income. For purposes of this subparagraph, the deduction allowable under section 167 with respect to any property may be treated as the amount which would have been allowable had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property, and the deduction allowable under section 611 with respect to any property may be treated as the amount which would have been allowable had the taxpayer determined the deduction under section 611 without regard to section 613 for each taxable year for which the taxpayer has held the property.

"(D) Investment interest expense.—The term 'investment interest expense' means interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment. For purposes of the preceding sentence, interest paid or accrued on indebtedness incurred or continued in the construction of property to be used in a trade or business shall not be treated as an investment interest expense.

"(3) Property subject to net lease.—For purposes of this subsection, property which is subject to a net lease entered into after October 9, 1969, shall be treated as property held for investment, and not as property used in a trade or business.

"(c) Net Leases.—For purposes of this section, property shall be considered to be subject to a net lease for a taxable year if—

"(1) for such taxable year the sum of the deductions with respect to such property which are allowable solely by reason of section 162 is less than 15 percent of the rental income produced by such property, or

"(2) the lessor is either guaranteed a specified return or is guaranteed in whole or in part against loss of income.

"SEC. 58. RULES FOR APPLICATION OF THIS PART.

"(a) Husband and Wife.—In the case of a husband or wife who files a separate return for the taxable year, the $30,000 amount specified in section 56 shall be $15,000.

"(b) Members of Controlled Groups.—In the case of a controlled group of corporations (as defined in section 1563(a)), the $30,000 amount specified in section 56 shall be divided equally among the component members of such group unless all component members consent (at such time and in such manner as the Secretary or his delegate prescribes by regulations) to an apportionment plan providing for an unequal allocation of such amount.

"(c) Estates and Trusts.—In the case of an estate or trust—

"(1) the sum of the items of tax preference for any taxable year of the estate or trust shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each, and

"(2) the $30,000 amount specified in section 56 applicable to such estate or trust shall be reduced to an amount which bears the same ratio to $30,000 as the portion of the sum of the items of tax preference allocated to the estate or trust under paragraph (1) bears to such sum.

"(d) Electing Small Business Corporations and Their Shareholders.—

"(1) In general.—Except as provided in paragraph (2), the items of tax preference of an electing small business corporation (as defined in section 1371(b)) for each taxable year of the corporation shall be treated as items of tax preference of the shareholders of such corporation, and, except as provided in paragraph (2), shall not be treated as items of tax preference of such corporation. The sum of the items so treated shall be apportioned pro rata among such shareholders in a manner consistent with section 1374(c)(1). For purposes of this paragraph, this part shall be treated as applying to such corporation.

"(2) Certain capital gains.—If for a taxable year of an electing small business corporation a tax is imposed on the income of such corporation under section 1378, such corporation shall, notwithstanding the provisions of section 1371(b)(1), be subject to the tax imposed by section 56, but computed only with reference to the item of tax preference set forth in section 57(a)(9)(B) to the extent attributable to gains subject to the tax imposed by section 1378.

"(e) Participants in a Common Trust Fund.—The items of tax preference of a common trust fund (as defined in section 584(a)) for each taxable year of the fund shall be treated as items of tax preference of the participants of such fund and shall be apportioned pro rata among such participants. For purposes of this subsection, this part shall be treated as applying to such fund.

"(f) Regulated Investment Companies, Etc.—In the case of a regulated investment company to which part I of subchapter M applies or a real estate investment trust to which part II of subchapter M applies—

"(1) the item of tax preference set forth in section 57(a)(9) shall not be treated as an item of tax preference of such company or such trust for each taxable year to the extent that such item is attributable to amounts taken into account as income by the shareholders of such company under section 852(b)(3), or by the shareholders or holders of beneficial interests of such trust under section 857(b)(3), and

"(2) the items of tax preference of such company or such trust for each taxable year (other than the item of tax preference set forth in section 57(a)(9) and, in the case of a real estate investment trust, the item of tax preference set forth in section 57(a)(2)) shall be treated as items of tax preference of the shareholders of such company, or the shareholders or holders of beneficial interests of such trust (and not as items of tax preference of such company or such trust), in the same proportion that the dividends (other than capital gain dividends) paid to each such shareholder, or holder of beneficial interest, bears to the taxable income of such company or such trust determined without regard to the deduction for dividends paid.

"(g) Tax Preferences Attributable to Foreign Sources.—

"(1) In general.—For purposes of section 56, the items of tax preference set forth in section 57(a) (other than in paragraphs (6) and (9) of such section) which are attributable to sources within any foreign country or posession of the United States shall be taken into account only to the extent that such items reduce the tax imposed by this chapter (other than the tax imposed by section 56) on income derived from sources within the United States. For purposes of the preceding sentence, items of tax preference shall be treated as reducing the tax imposed by this chapter before items which are not items of tax preference.

"(2) Capital gains and stock options.—For purposes of section 56, the items of tax preference set forth in paragraphs (6) and (9) of section 57(a) which are attributable to sources within any foreign country or possession of the United States shall not be taken into account if, under the tax laws of such country or possession—

"(A) in the case of the item set forth in paragraph (6) of section 57(a), preferential treatment is not accorded transfers of shares of stock pursuant to stock options described in such paragraph, and

"(B) in the case of the item set forth in paragraph (9) of section 57(a), preferential treatment is not accorded gain from the sale or exchange of capital assets (or property treated as capital assets)."

(b) Technical and Conforming Amendments.—

(1) The table of parts for subchapter A of chapter 1 is amended by adding at the end thereof the following new item:

"Part VI. Minimum tax for tax preferences."

(2) Section 5(a) (relating to cross references to other rates of tax on individuals, etc.) is amended by adding at the end thereof the following new paragraph:

"(5) For minimum tax for tax preferences, see section 56."

(3) Section 12 (relating to cross references relating to tax on corporations) is amended by adding at the end thereof the following new paragraph:

"(8) For minimum tax for tax preferences, see section 56."

(4) Section 46(a)(3) (relating to liability for tax for determining amount of investment credit) is amended by inserting "section 56 (relating to minimum tax for tax preferences)," before "section 531".

(5) Section 51(b)(1) (relating to adjusted tax for purposes of tax surcharge) is amended by inserting "section 56," after "this section,".

(6) Section 443 (relating to returns for a period of less than 12 months) is amended by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following new subsection:

"(d) Adjustment in Exclusion for Computing Minimum Tax for Tax Preferences.—If a return is made for a short period by reason of subsection (a), then the $30,000 amount specified in section 56 (relating to minimum tax for tax preferences), modified as provided by section 58, shall be reduced to the amount which bears the same ratio to such specified amount as the number of days in the short period bears to 365."

(7) Section 453(c)(3) (relating to rule for change from accrual to installment basis) is amended by inserting, "other than by section 56," after "prior revenue laws)".

(8) Section 511 (relating to tax on unrelated business income of charitable, etc., organizations) is amended by adding after subsection (c) (as added by section 121(a)(3) of this Act) the following new subsection:

"(d) Tax Preferences.—The tax imposed by section 56 shall apply to an organization subject to tax under this section with respect to items of tax preference which enter into the computation of unrelated business taxable income."

(9) The last sentence of section 901(a) (relating to allowance of credit for taxes of foreign countries and of possessions of the United States) is amended by inserting "against the tax imposed by section 56 (relating to minimum tax for tax preferences)," after "not be allowed".

(10) Section 1373(c) (relating to definition of undistributed taxable income) is amended by striking out "tax imposed by section 1378(a)" and inserting in lieu thereof "taxes imposed by sections 56 and 1378(a)".

(11) Section 1375(a)(3) (relating to reduction for taxes imposed) is amended—

(A) by striking out "tax imposed by section 1378" in the heading of such section and inserting in lieu thereof "taxes imposed"; and

(B) by striking out "tax imposed by section 1378(a) on the income of" in the text of such section and inserting in lieu thereof "taxes imposed by sections 56 and 1378(a) on".

(12) Section 6015(c) (relating to definition of estimated tax) is amended by inserting after "taxable year" in paragraph (1) "(other than the tax imposed by section 56)".

(13) Section 6654(f) (relating to definition of tax) is amended by inserting after "chapter 1" in paragraph (1) "(other than by section 56)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1969. In the case of a taxable year beginning in 1969 and ending in 1970, the tax imposed by section 56 of the Internal Revenue Code of 1954 (as added by subsection (a)) shall be an amount equal to the tax imposed by such section (determined without regard to this sentence) multiplied by a fraction—

(1) the numerator of which is the number of days in the taxable year occurring after December 31, 1969, and

(2) the denominator of which is the number of days in the entire taxable year.

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## SUBTITLE D—ACCUMULATION TRUSTS, MULTIPLE TRUSTS, ETC.

### SEC. 331. TREATMENT OF EXCESS DISTRIBUTIONS BY TRUSTS.

(a) In General.—Subpart D of part I of subchapter J of chapter 1 is amended to read as follows:

### "SUBPART D—TREATMENT OF EXCESS DISTRIBUTIONS BY TRUSTS

"Sec. 665. Definitions applicable to subpart D.
"Sec. 666. Accumulation distribution allocated to preceding years.
"Sec. 667. Denial of refund to trusts; authorization of credit to beneficiaries.
"Sec. 668. Treatment of amounts deemed distributed in preceding years.
"Sec. 669. Treatment of capital gain deemed distributed in preceding years.

"SEC. 665. DEFINITIONS APPLICABLE TO SUBPART D.

"(a) Undistributed Net Income.—For purposes of this subpart, the term 'undistributed net income' for any taxable year means the amount by which the distributable net income of the trust for such taxable year exceeds the sum of—

"(1) the amounts for such taxable year specified in paragraphs (1) and (2) of section 661(a), and

"(2) the amount of taxes imposed on the trust attributable to such distributable net income.

"(b) Accumulation Distribution.—For purposes of this subpart, the term 'accumulation distribution' means, for any taxable year of the trust, the amount by which—

"(1) the amounts specified in paragraph (2) of section 661(a) for such taxable year, exceed

"(2) distributable net income for such year reduced (but not below zero) by the amounts specified in paragraph (1) of section 661(a).

"(c) Special Rule Applicable to Distributions by Certain Foreign Trusts.—For purposes of this subpart, any amount paid to a United States person which is from a payor who is not a United States person and which is derived directly or indirectly from a foreign trust created by a United States person shall be deemed in the year of payment to have been directly paid by the foreign trust.

"(d) Taxes Imposed on the Trust.—For purposes of this subpart, the term 'taxes imposed on the trust' means the amount of the taxes which are imposed for any taxable year of the trust under this chapter (without regard to this subpart) and which, under regulations prescribed by the Secretary or his delegate, are properly allocable to the undistributed portions of distributable net income and gains in excess of losses from sales or exchanges of capital assets. The amount determined in the preceding sentence shall be reduced by any amount of such taxes deemed distributed under section 666 (b) and (c) or 669 (d) and (e) to any beneficiary.

"(e) Preceding Taxable Year.—For purposes of this subpart—

"(1) in the case of a trust (other than a foreign trust created by a United States person), the term 'preceding taxable year' does not include any taxable year of the trust—

"(A) which precedes by more than 5 years the taxable year of the trust in which an accumulation distribution is made, if it is made in a taxable year beginning before January 1, 1974,

"(B) which begins before January 1, 1969, in the case of an accumulation distribution made during a taxable year beginning after December 31, 1973, or

"(C) which begins before January 1, 1969, in the case of a capital gain distribution made during a taxable year beginning after December 31, 1968; and

"(2) in the case of a foreign trust created by a United States person, such term does not include any taxable year of the trust to which this part does not apply.

In the case of a preceding taxable year with respect to which a trust qualifies (without regard to this subpart) under the provisions of subpart B, for purposes of the application of this subpart to such trust for such taxable year, such trust shall, in accordance with regulations prescribed by the Secretary or his delegate, be treated as a trust to which subpart C applies.

"(f) Undistributed Capital Gain.—For purposes of this subpart, the term 'undistributed capital gain' means, for any taxable year of the trust beginning after December 31, 1968, the amount by which—

"(1) gains in excess of losses from the sale or exchange of capital assets, to the extent that such gains are allocated to corpus and are not (A) paid, credited, or required to be distributed to any beneficiary during such taxable year, or (B) paid, permanently set aside, or used for the purposes specified in section 642(c), exceed

"(2) the amount of taxes imposed on the trust attributable to such gains.

For purposes of paragraph (1), the deduction under section 1202 (relating to deduction for excess of capital gains over capital losses) shall not be taken into account.

"(g) Capital Gain Distribution.—For purposes of this subpart, the term 'capital gain distribution' for any taxable year of the trust means, to the extent of undistributed capital gain for such taxable year, that portion of—

"(1) the excess of the amounts specified in paragraph (2) of section 661(a) for such taxable year over distributable net income for such year reduced (but not below zero) by the amounts specified in paragraph (1) of section 661(a), over

"(2) the undistributed net income of the trust for all preceding taxable years.

"SEC. 666. ACCUMULATION DISTRIBUTION ALLOCATED TO PRECEDING YEARS.

"(a) Amount Allocated.—In the case of a trust which is subject to subpart C, the amount of the accumulation distribution of such trust for a taxable year shall be deemed to be an amount within the meaning of paragraph (2) of section 661(a) distributed on the last day of each of the preceding taxable years, commencing with the earliest of such years, to the extent that such amount exceeds the total of any undistributed net income for all earlier preceding taxable years. The amount deemed to be distributed in any such preceding taxable year under the preceding sentence shall not exceed the undistributed net income for such preceding taxable year. For purposes of this subsection, undistributed net income for each of such preceding taxable years shall be computed without regard to such accumulation distribution and without regard to any accumulation distribution determined for any succeeding taxable year.

"(b) Total Taxes Deemed Distributed.—If any portion of an accumulation distribution for any taxable year is deemed under subsection (a) to be an amount within the meaning of paragraph (2) of section 661(a) distributed on the last day of any preceding taxable year, and such portion of such distribution is not less than the undistributed net income for such preceding taxable year, the trust shall be deemed to have distributed on the last day of such preceding taxable year an additional amount within the meaning of paragraph (2) of section 661(a). Such additional amount shall be equal to the taxes imposed on the trust for such preceding taxable year attributable to the undistributed net income. For purposes of this subsection, the undistributed net income and the taxes imposed on the trust for such preceding taxable year attributable to such undistributed net income shall be computed without regard to such accumulation distribution and without regard to any accumulation distribution determined for any succeeding taxable year.

"(c) Pro Rata Portion of Taxes Deemed Distributed.—If any portion of an accumulation distribution for any taxable year is deemed under subsection (a) to be an amount within the meaning of paragraph (2) of section 661(a) distributed on the last day of any preceding taxable year and such portion of the accumulation distribution is less than the undistributed net income for such preceding taxable year, the trust shall be deemed to have distributed on the last day of such preceding taxable year an additional amount within the meaning of paragraph (2) of section 661(a). Such additional amount shall be equal to the taxes imposed on the trust for such taxable year attributable to the undistributed net income multiplied by the ratio of the portion of the accumulation distribution to the undistributed net income of the trust for such year. For purposes of this subsection, the undistributed net income and the taxes imposed on the trust for such preceding taxable year attributable to such undistributed net income shall be computed without regard to the accumulation distribution and without regard to any accumulation distribution determined for any succeeding taxable year.

"(d) Rule When Information Is Not Available.—If adequate records are not available to determine the proper application of this subpart to an amount distributed by a trust, such amount shall be deemed to be an accumulation distribution consisting of undistributed net income earned during the earliest preceding taxable year of the trust in which it can be established that the trust was in existence.

"SEC. 667. DENIAL OF REFUND TO TRUSTS; AUTHORIZATION OF CREDIT TO BENEFICIARIES.

"(a) Denial of Refund to Trusts.—No refund or credit shall be allowed to a trust for any preceding taxable year by reason of a distribution deemed to have been made by such trust in such year under section 666 or 669.

"(b) Authorization of Credit to Beneficiary.—There shall be allowed as a credit (without interest) against the tax imposed by this subtitle on the beneficiary an amount equal to the amount of the taxes deemed distributed to such beneficiary by the trust under sections 666 (b) and (c) and 669 (d) and (e) during preceding taxable years of the trust on the last day of which the beneficiary was in being, reduced by the amount of the taxes deemed distributed to such beneficiary for such preceding taxable years to the extent that such taxes are taken into account under sections 668(b)(1) and 669(b) in determining the amount of the tax imposed by section 668.

"SEC. 668. TREATMENT OF AMOUNTS DEEMED DISTRIBUTED IN PRECEDING YEARS.

"(a) General Rule.—The total of the amounts which are treated under sections 666 and 669 as having been distributed by the trust in a preceding taxable year shall be included in the income of a beneficiary of the trust when paid, credited, or required to be distributed to the extent that such total would have been included in the income of such beneficiary under section 662(a) (2) and (b) if such total had been paid to such beneficiary on the last day of such preceding taxable year. The tax imposed by this subtitle on a beneficiary for a taxable year in which any such amount is included in his income shall be determined only as provided in this section and shall consist of the sum of—

"(1) a partial tax computed on the taxable income reduced by an amount equal to the total of such amounts, at the rate and in the manner as if this section had not been enacted,

"(2) a partial tax determined as provided in subsection (b) of this section, and

"(3) in the case of a beneficiary of a trust which is not required to distribute all of its income currently, a partial tax determined as provided in section 669.

For purposes of this subpart, a trust shall not be considered to be a trust which is not required to distribute all of its income currently for any taxable year prior to the first taxable year in which income is accumulated.

"(b) Tax on Distribution.—

"(1) Alternative Methods.—Except as provided in paragraph (2), the partial tax imposed by subsection (a)(2) shall be the lesser of—

"(A) the aggregate of the taxes attributable to the amounts deemed distributed under section 666 had they been included in the gross income of the beneficiary on the last day of each respective preceding taxable year, or

"(B) the tax determined by multiplying, by the number of preceding taxable years of the trust, on the last day of which an amount is deemed under section 666(a) to have been distributed, the average of the increase in tax attributable to recomputing the beneficiary's gross income for each of the beneficiary's 3 taxable years immediately preceding the year of the accumulation distribution by adding to the income of each of such years an amount determined by dividing the amount deemed distributed under section 666 and required to be included in income under subsection (a) by such number of preceding taxable years of the trust,

less an amount equal to the amount of taxes deemed distributed to the beneficiary under sections 666 (b) and (c).

"(2) Special Rules.—

"(A) If a beneficiary was not in existence on the last day of a preceding taxable year of the trust with respect to which a distribution is deemed made under section 666(a), the partial tax under either paragraph (1)(A) or (1)(B) shall be computed as if the beneficiary were in existence on the last day of such year on the basis that the beneficiary had no gross income (other than amounts deemed distributed to him under sections 666 and 669 by the same or other trusts) and no deductions for such year.

"(B) The partial tax shall not be computed under the provisions of subparagraph (B) of paragraph (1) if, in the same prior taxable year of the beneficiary in which any part of the accumulation distribution is deemed under section 666(a) to have been distributed to such beneficiary, some part of prior accumulation distributions by each of two or more other trusts is deemed under section 666(a) to have been distributed to such beneficiary.

"(C) If the partial tax is computed under paragraph (1)(B), and the amount of the undistributed net income deemed distributed in any preceding taxable year of the trust is less than 25 percent of the amount of the accumulation distribution divided by the number of preceding taxable years to which the accumulation distribution is allocated under section 666(a), the number of preceding taxable years of the trust with respect to which an amount is deemed distributed to a beneficiary under section 666(a) shall be determined without regard to such year.

"(3) Effect of other accumulation distributions and capital gain distributions.—In computing the partial tax under paragraph (1) for any beneficiary, the income of such beneficiary for each of his prior taxable years—

"(A) shall include amounts previously deemed distributed to such beneficiary in such year under section 666 or 669 as a result of prior accumulation distributions or capital gain distributions (whether from the same or another trust), and

"(B) shall not include amounts deemed distributed to such beneficiary in such year under section 669 as a result of a capital gain distribution from the same trust in the current year.

"(4) Multiple distributions in the same taxable year.—In the case of accumulation distributions made from more than one trust which are includible in the income of a beneficiary in the same taxable year, the distributions shall be deemed to have been made consecutively in whichever order the beneficiary shall determine.

"(5) Information requirements with respect to beneficiary.—

"(A) Except as provided in subparagraph (B), the partial tax shall not be computed under the provisions of paragraph (1)(A) unless the beneficiary supplies such information with respect to his income, for each taxable year with which or in which ends a taxable year of the trust on the last day of which an amount is deemed distributed under section 666(a), as the Secretary or his delegate prescribes by regulations.

"(B) If by reason of paragraph (2)(B) the provisions of paragraph (1)(B) do not apply, the determination of the amount of the beneficiary's income for a taxable year for which the beneficiary has not supplied the information required under subparagraph (A) shall be made by the Secretary or his delegate on the basis of information available to him.

"SEC. 669. TREATMENT OF CAPITAL GAIN DEEMED DISTRIBUTED IN PRECEDING YEARS.

"(a) Amount Allocated.—In the case of a trust which is not required to distribute all of its income currently, the amount of a capital gain distribution of such trust for a taxable year shall be deemed to be an amount properly paid, credited, or required to be distributed on the last day of each of the preceding taxable years, commencing with the earliest of such years, to the extent that such amount exceeds the total of any undistributed capital gain for all earlier preceding taxable years. The amount deemed to be distributed in any such preceding taxable year under the preceding sentence shall not exceed the undistributed capital gain for such preceding taxable year. For purposes of this subsection, undistributed capital gain for each of such preceding taxable years shall be computed without regard to such capital gain distribution and without regard to any capital gain distribution determined for any succeeding taxable year.

"(b) Tax on Distribution.—The partial tax imposed by section 668(a)(3) shall be the lesser of—

"(1) the aggregate of the taxes attributable to the amounts deemed distributed under this section, had such amounts been included in the gross income of the beneficiary on the last day of each respective preceding taxable year, or

"(2) the tax determined by multiplying by the number of preceding taxable years of the trust, on the last day of which net gains from the sale or exchange of capital assets are deemed under subsection (a) to have been distributed, the average of the increase in tax attributable to

> recomputing the beneficiary's gross income for each of the beneficiary's 3 taxable years immediately preceding the year of the capital gain distribution by adding to the income of each of such years an amount determined by dividing the total of the amounts deemed distributed under this section and required to be included in income under section 668(a) by such number of preceding taxable years of the trust,

less an amount equal to the amount of taxes deemed distributed to the beneficiary under subsections (d) and (e) which are attributable to the capital gain distribution.

"(c) Effect of Other Distributions; Special Rules, Etc.—In computing the partial tax under subsection (b) for any beneficiary, the income of such beneficiary for each of his prior taxable years—

> "(1) shall include amounts previously deemed distributed to such beneficiary in such year under section 666 or 669 as a result of prior accumulation distributions or capital gain distributions (whether from the same or another trust), and
>
> "(2) shall include amounts deemed distributed to such beneficiary in such year under section 666 as a result of an accumulation distribution from the same trust in the current year.

Under regulations prescribed by the Secretary or his delegate, rules similar to the rules provided by paragraphs (2), (4), and (5) of section 668(b) shall be applied for purposes of this section.

"(d) Total Taxes Deemed Distributed.—If any portion of a capital gain distribution for any taxable year is deemed under subsection (a) to be an amount properly paid, credited or required to be distributed on the last day of any preceding taxable year, and such portion of such capital gain distribution is not less than the undistributed capital gain for such preceding taxable year, the trust shall be deemed to have properly distributed on the last day of such preceding taxable year an additional amount. Such additional amount shall be equal to the taxes imposed on the trust for such preceding taxable year attributable to such undistributed capital gain. For purposes of this subsection, the undistributed capital gain and the taxes imposed on the trust for such preceding taxable year attributable to such gain shall be computed without regard to such capital gain distribution and without regard to any capital gain distribution determined for any succeeding taxable year.

"(e) Pro Rata Portion of Taxes Deemed Distributed.—If any portion of a capital gain distribution for any taxable year is deemed under subsection (a) to be an amount properly paid, credited, or required to be distributed on the last day of any preceding taxable year and such portion of the capital gain distribution is less than the undistributed capital gain for such preceding taxable year, the trust shall be deemed to have properly distributed on the last day of such preceding taxable year an additional amount. Such additional amount shall be equal to the taxes imposed on the trust for such taxable year attributable to such undistributed capital gain multiplied by the ratio of the portion of the capital gain distribution to the undistributed capital gain of the trust for such year. For purposes of this subsection, the undistributed capital gain and the taxes imposed on the trust for such preceding taxable year attributable to such gain shall be computed without regard to the capital gain distribution and without regard to any capital gain distribution determined for any succeeding taxable year.

"(f) Character of Capital Gain.—For purposes of this section, the character of the capital gain of a trust for any taxable year with respect to a beneficiary shall be the same as it was with respect to the trust."

(b) Distributions in First Sixty-Five Days of Taxable Year.—Section 663(b) (2) (relating to limitation on sixty-five day rule) is amended to read as follows:

"(2) Limitation.—Paragraph (1) shall apply with respect to any taxable year of a trust only if the fiduciary of such trust elects, in such manner and at such time as the Secretary or his delegate prescribes by regulations, to have paragraph (1) apply for such taxable year."

(c) Excessive Credits.—Section 6401(b) (relating to excessive credits) is amended—

(1) by striking out "Under Sections 31 and 39" in the heading of such section;

(2) by striking out "and 39 (relating" in the text of such section and inserting in lieu thereof ", 39 (relating"; and

(3) by inserting after "lubricating oil)" in the text of such section "and 667(b) (relating to taxes paid by certain trusts)".

(d) Effective Date.—

(1) General Rule.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1968.

(2) Exceptions.—

(A) Amounts paid, credited, or required to be distributed by a trust (other than a foreign trust created by a United States person) on or before the last day of a taxable year of the trust beginning before January 1, 1974, shall not be deemed to be accumulation distributions to the extent that such amounts were accumulated by a trust in taxable years of such trust beginning before January 1, 1969, and would have been excepted from the definition of an accumulation distribution by reason of paragraphs (1), (2), (3), or (4) of section 665(b) of the Internal Revenue Code of 1954, as in effect on December 31, 1968, if they had been distributed on the last day of the last taxable year of the trust beginning before January 1, 1969.

(B) For taxable years of a trust beginning before January 1, 1970, the first sentence of section 666(a) of the Internal Revenue Code of 1954 (as amended by this section) shall not apply, and the amount of the accumulation distribution of the trust for such taxable years shall be deemed to be an amount within the meaning of paragraph (2) of section 661(a) distributed on the last day of each of the preceding taxable years to the extent that such amount exceeds the total of any undistributed net income for any taxable years intervening between the taxable year with respect of which the accumulation distribution is determined and such preceding taxable year.

(C) In the case of a trust which was in existence on December 31, 1969, section 669 of the Internal Revenue Code of 1954, as amended by this section, shall not apply to capital gain distributions made to a beneficiary before January 1, 1972. If the beneficiary receives capital gain distributions from more than one such trust before January 1, 1972, the preceding sentence shall apply to capital gain distributions from only one of such trusts, such one to be designated by the taxpayer in accordance with regulations prescribed by the Secretary or his delegate. For purposes of the preceding sentence, capital gain distributions received from a trust qualifying under section 2056(b)(5) of the Internal Revenue Code of 1954 by a surviving spouse (who is the beneficiary of only one such trust) shall be disregarded.

SEC. 332. TRUST INCOME FOR BENEFIT OF A SPOUSE.

(a) Income for Benefit of Grantor's Spouse.—

(1) Paragraphs (1), (2), and (3) of section 677(a) (relating to income for benefit of grantor) are amended by striking out "the grantor" each place it appears and inserting in lieu thereof "the grantor or the grantor's spouse".

(2) Section 677(b) is amended by striking out "beneficiary" and inserting in lieu thereof "beneficiary (other than the grantor's spouse)".

(b) Effective Date.—The amendments made by subsection (a) shall apply in respect of property transferred in trust after October 9, 1969.

## TITLE IV—ADJUSTMENTS PRIMARILY AFFECTING CORPORATIONS

* * *

### SUBTITLE D—FINANCIAL INSTITUTIONS

SEC. 431. RESERVE FOR LOSSES ON LOANS; NET OPERATING LOSS CARRYBACKS.

(a) Bad Debt Deductions of Financial Institutions.—Part I of subchapter H of chapter 1 (relating to rules of general application to banking institutions) is amended by adding at the end thereof the following new sections:

"SEC. 585. RESERVES FOR LOSSES ON LOANS OF BANKS.

"(a) Institutions to Which Section Applies.—This section shall apply to the following financial institutions:

"(1) any bank (as defined in section 581) other than an organization to which section 593 applies, and

"(2) any corporation to which paragraph (1) would apply except for the fact that it is a foreign corporation, and in the case of any such foreign corporation this section shall apply only with respect to loans outstanding the interest on which is effectively connected with the conduct of a banking business within the United States.

"(b) Addition to Reserves for Bad Debts.—

"(1) General Rule.—For purposes of section 166(c), the reasonable addition to the reserve for bad debts of any financial institution to which this section applies shall be an amount determined by the taxpayer which shall not exceed the greater of—

"(A) for taxable years beginning before 1988 the addition to the reserve for losses on loans determined under the percentage method as provided in paragraph (2), or

"(B) the addition to the reserve for losses on loans determined under the experience method as provided in paragraph (3).

"(2) Percentage Method.—The amount determined under this paragraph for a taxable year shall be the amount necessary to increase the balance of the reserve for losses on loans (at the close of the taxable year) to the allowable percentage of eligible loans outstanding at such time, except that—

"(A) If the reserve for losses on loans at the close of the base year is less than the allowable percentage of eligible loans outstanding at such time, the amount determined under this paragraph with respect to the difference shall not exceed one-fifth of such difference.

"(B) If the reserve for losses on loans at the close of the base year is not less than the allowable percentage of eligible loans outstanding at such time, the amount determined under this paragraph shall be the amount necessary to increase the balance of the reserve at the close of the taxable year to (i) the allowable percentage of eligible loans outstanding at such time, or (ii) the balance of the reserve at the close of the base year, whichever is greater, but if the amount of eligible loans outstanding at the close of the taxable year is less than the amount of such loans outstanding at the close of the base year, the amount determined under clause (ii) shall be the amount necessary to increase the balance of the reserve at the close of the taxable year to the amount which bears the same ratio to eligible loans outstanding at the close of the taxable year as the balance of the reserve at the close of the base year bears to the amount of eligible loans outstanding at the close of the base year.

For purposes of this paragraph, the term 'allowable percentage' means 1.8 percent for taxable years beginning before 1976; 1.2 percent for taxable years beginning after 1975 but before 1982; and 0.6 percent for taxable years beginning after 1981. The amount determined under this paragraph shall not exceed 0.6 percent of eligible loans outstanding at the close of the taxable year or an amount sufficient to increase the reserve for losses on loans to 0.6 percent of eligible loans outstanding at the close of the taxable year, whichever is greater. For purposes of this paragraph, the term 'base year' means: for taxable years beginning before 1976, the last taxable year beginning on or before July 11, 1969, for taxable years beginning after 1975 but before 1982, the last taxable year beginning before 1976, and for taxable years beginning after 1981, the last taxable year beginning before 1982; except that for purposes of subparagraph (A) such term means the last taxable year before the most recent adoption of the percentage method, if later.

"(3) Experience method.—The amount determined under this paragraph for a taxable year shall be the amount necessary to increase the balance of the reserve for losses on loans (at the close of the taxable year) to the greater of—

"(A) the amount which bears the same ratio to loans outstanding at the close of the taxable year as (i) the total bad debts sustained during the taxable year and the 5 preceding taxable years (or, with the approval of the Secretary or his delegate, a shorter period), adjusted for recoveries of bad debts during such period, bears to (ii) the sum of the loans outstanding at the close of such 6 or fewer taxable years, or

"(B) the lower of—

"(i) the balance of the reserve at the close of the base year, or

"(ii) if the amount of loans outstanding at the close of the taxable year is less than the amount of loans outstanding at the close of the base year, the amount which bears the same ratio to loans outstanding at the close of the taxable year as the balance of the reserve at the close of the base year bears to the amount of loans outstanding at the close of the base year.

For purposes of this paragraph, the base year shall be the last taxable year before the most recent adoption of the experience method, except that for taxable years beginning after 1987 the base year shall be the last taxable year beginning before 1988.

"(4) Regulations; definition of eligible loan, etc.—The Secretary or his delegate shall define the terms 'loan' and 'eligible loan' and prescribe such regulations as may be necessary to carry out the purposes of this section; except that the term 'eligible loan' shall not include—

"(A) a loan to a bank (as defined in section 581),

"(B) a loan to a domestic branch of a foreign corporation to which subsection (a)(2) applies,

"(C) a loan secured by a deposit (i) in the lending bank, or (ii) in an institution described in subparagraph (A) or (B) if the lending bank has control over withdrawal of such deposit,

"(D) a loan to or guaranteed by the United States, a possession or instrumentality thereof, or a State or a political subdivision thereof,

"(E) a loan evidenced by a security as defined in section 165(g)(2)(C),

"(F) a loan of Federal funds, and

"(G) commercial paper, including short-term promissory notes which may be purchased on the open market.

* * *

SEC. 432. MUTUAL SAVINGS BANKS, ETC.

(a) Reserve for Losses on Loans.—Section 593(b) (relating to addition to reserves for bad debts) is amended—

(1) by striking out subparagraph (A) of paragraph (1) and inserting in lieu thereof the following:

"(A) the amount determined to be a reasonable addition to the reserve for losses on nonqualifying loans, computed in the same manner as is provided with respect to additions to the reserves for losses on loans of banks under section 585(b)(3), plus".

(2) by striking out paragraphs (2), (3), (4), and (5) and inserting in lieu thereof the following:

"(2) Percentage of taxable income method.—

"(A) In general.—Subject to subparagraphs (B), (C), and (D), the amount determined under this paragraph for the taxable year shall be an amount equal to the applicable percentage of the taxable income for such year (determined under the following table):

| "For a taxable year beginning in— | The applicable percentage under this paragraph shall be— |
|---|---|
| 1969 | 60 percent. |
| 1970 | 57 percent. |
| 1971 | 54 percent. |
| 1972 | 51 percent. |
| 1973 | 49 percent. |
| 1974 | 47 percent. |
| 1975 | 45 percent. |
| 1976 | 43 percent. |
| 1977 | 42 percent. |
| 1978 | 41 percent. |
| 1979 or thereafter | 40 percent. |

"(B) Reduction of applicable percentage in certain cases.—If, for the taxable year, the percentage of the assets of a taxpayer described in subsection (a), which are assets described in section 7701(a)(19)(C), is less than—

"(i) 82 percent of the total assets in the case of a taxpayer other than a mutual savings bank, the applicable percentage for such year provided by subparagraph (A) shall be reduced by 3/4 of 1 percentage point for each 1 percentage point of such difference, or

"(ii) 72 percent of the total assets in the case of a mutual savings bank, the applicable percentage for such year provided by subparagraph (A) shall be reduced by 1½ percentage points for each 1 percentage point of such difference.

If, for the taxable year, the percentage of the assets of such taxpayer which are assets described in section 7701(a)(19)(C) is less than 60 percent (50 percent for a taxable year beginning before 1973 in the case of a mutual savings bank), this paragraph shall not apply.

"(C) Reduction for amounts referred to in paragraph (1)(A).—The amount determined under subparagraph (A) shall be reduced by that portion of the amount referred to in paragraph (1)(A) for the taxable year (not in excess of 100 percent) which bears the same ratio to such amount as (i) 18 percent (28 percent in the case of mutual savings banks) bears to (ii) the percentage of the assets of the taxpayer for such year which are not assets described in section 7701(a)(19)(C).

"(D) Overall limitation on paragraph.—The amount determined under this paragraph shall not exceed the amount necessary to increase the balance at the close of the taxable year of the reserve for losses on qualifying real property loans to 6 percent of such loans outstanding at such time.

"(E) Computation of taxable income.—For purposes of this paragraph, taxable income shall be computed—

"(i) by excluding from gross income any amount included therein by reason of subsection (f),

"(ii) without regard to any deduction allowable for any addition to the reserve for bad debts, "(iii) by excluding from gross income an amount equal to the net gain for the taxable year arising from the sale or exchange of stock of a corporation or of obligations the interest on which is excludable from gross income under section 103,

"(iv) by excluding from gross income an amount equal to the lesser of ⅜ of the net long-term capital gain for the taxable year or ⅜ of the net long-term capital gain for the taxable year from the sale or exchange of property other than property described in clause (iii), and

"(v) by excluding from gross income dividends with respect to which a deduction is allowable by part VIII of subchapter B, reduced by an amount equal to the applicable percentage (determined under subparagraphs (A) and (B)) of the dividends received deduction (determined without regard to section 596) for the taxable year.

"(3) Percentage method.—The amount determined under this paragraph to be a reasonable addition to the reserve for losses on qualifying real property loans shall be computed in the same manner as is provided with respect to additions to the reserves for losses on loans of banks under section 585(b)(2), reduced by the amount referred to in paragraph (1)(A) for the taxable year.

"(4) Experience method.—The amount determined under this paragraph for the taxable year shall be computed in the same manner as is provided with respect to additions to the reserves for losses on loans of banks under section 585(b)(3).

"(5) Determination of reserve for percentage method.—For purposes of paragraph (3), the amount deemed to be the balance of the reserve for losses on loans at the beginning of the taxable year shall be the total of the balances at such time of the reserve for losses on nonqualifying loans, the reserve for losses on qualifying real property loans, and the supplemental reserve for losses on loans."

(b) Certain Corporate Acquisitions.—Section 593(f)(1) (relating to distributions to shareholders) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to any transaction to which section 381 (relating to carryovers in certain corporate acquisitions) applies."

(c) Investment Standards.—Section 7701(a)(19) (defining domestic building and loan association) is amended to read as follows:

"(19) Domestic building and loan association.—The term 'domestic building and loan association' means a domestic building and loan association, a domestic savings and loan association, and a Federal savings and loan association—

"(A) which either (i) is an insured institution within the meaning of section 401(a) of the National Housing Act (12 U.S.C., sec. 1724(a)), or (ii) is subject by law to supervision and examination by State or Federal authority having supervision over such associations;

"(B) the business of which consists principally of acquiring the savings of the public and investing in loans; and

"(C) at least 60 percent of the amount of the total assets of which (at the close of the taxable year) consists of—

"(i) cash,

"(ii) obligations of the United States or of a State or political subdivision thereof, and stock or obligations of a corporation which is an instrumentality of the United States or of a State or political subdivision thereof, but not including obligations the interest on which is excludable from gross income under section 103,

"(iii) certificates of deposit in, or obligations of, a corporation organized under a State law which specifically authorizes such corporation to insure the deposits or share accounts of member associations,

"(iv) loans secured by a deposit or share of a member,

"(v) loans (including redeemable ground rents, as defined in section 1055) secured by an interest in real property which is (or, from the proceeds of the loan, will become) residential real property or real property used primarily for church purposes, loans made for the improvement of residential real property or real property used primarily for church purposes, provided that for purposes of this clause, residential real property shall include single or multifamily dwellings, facilities in residential developments dedicated to public use or property used on a nonprofit basis for residents, and mobile homes not used on a transient basis,

"(vi) loans secured by an interest in real property located within an urban renewal area to be developed for predominantly residential use under an urban renewal plan approved by the Secretary of Housing and Urban Development under part A or part B of title I of the Housing Act of 1949, as amended, or located within any area covered by a program eligible for assistance under section 103 of the Demonstration Cities and Metropolitan Development Act of 1966, as amended, and loans made for the improvement of any such real property,

"(vii) loans secured by an interest in educational, health, or welfare institutions or facilities, including structures designed or used primarily for residential purposes for students, residents, and persons under care, employees, or members of the staff of such institutions or facilities,

"(viii) property acquired through the liquidation of defaulted loans described in clause (v), (vi), or (vii),

"(ix) loans made for the payment of expenses of college or university education or vocational training, in accordance with such regulations as may be prescribed by the Secretary or his delegate, and

"(x) property used by the association in the conduct of the business described in subparagraph (B).

At the election of the taxpayer, the percentage specified in this subparagraph shall be applied on the basis of the average assets outstanding during the taxable year, in lieu of the close of the taxable year, computed under regulations prescribed by the Secretary or his delegate. For purposes of clause (v), if a multifamily structure securing a loan is used in part for nonresidential purposes, the entire loan is deemed a residential real property loan if the planned residential use exceeds 80 percent of the property's planned use (determined as of the time the loan is made). For purposes of clause (v), loans made to finance the acquisition or development of land shall be deemed to be loans secured by an interest in residential real property if, under regulations prescribed by the Secretary or his delegate, there is reasonable assurance that the property will become residential real property within a period of 3 years from the date of acquisition of such land; but this sentence shall not apply for any taxable year unless, within such 3-year period, such land becomes residential real property."

(d) Conforming Amendments.—Section 7701(a)(32) (defining cooperative bank) is amended—

(1) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) meets the requirements of subparagraphs (B) and (C) of paragraph (19) of this subsection (relating to definition of domestic building and loan association).", and

(2) by striking out the third sentence thereof.

(e) Effective Date.—The amendments made by this section shall be effective for taxable years beginning after July 11, 1969.

SEC. 433. TREATMENT OF BONDS, ETC., HELD BY FINANCIAL INSTITUTIONS.

(a) Gain on Securities Held by Financial Institutions.—Subsection (c) of section 582 (relating to bad debt and loss deduction with respect to securities held by banks) is amended by striking out such subsection and inserting the following in lieu thereof:

"(c) Bond, Etc., Losses and Gains of Financial Institutions.—

"(1) General rule.—For purposes of this subtitle, in the case of a financial institution to which section 585, 586, or 593 applies, the sale or exchange of a bond, debenture, note, or certificate or other evidence of indebtedness shall not be considered a sale or exchange of a capital asset.

"(2) Transitional rule for banks.—In the case of a bank, if the net long-term capital gains of the taxable year from sales or exchanges of qualifying securities exceed the net short-term capital losses of the taxable year from such sales or exchanges, such excess shall be considered as gain from the sale of a capital asset held for more than 6 months to the extent it does not exceed the net gain on sales and exchanges described in paragraph (1).

"(3) Special rules.—For purposes of this subsection—

"(A) The term 'qualifying security' means a bond, debenture, note, or certificate or other evidence of indebtedness held by a bank on July 11, 1969.

"(B) The amount treated as capital gain or loss from the sale or exchange of a qualifying security shall be determined by multiplying the amount of capital gain or loss from the sale or exchange of such security (determined without regard to this subsection) by a fraction, the numerator of which is the number of days before July 12, 1969, that such security was held by the bank, and the denominator of which is the number of days the security was held by the bank."

(b) Conforming Amendment.—Paragraph (1) of section 1243 (relating to loss of a small business investment company) is amended to read as follows:

"(1) a loss is on stock received pursuant to the conversion privilege of convertible debentures acquired pursuant to section 304 of the Small Business Investment Act of 1958, and".

(c) Clerical Amendment.—The heading for section 582 is amended to read as follows:

"SEC. 582. BAD DEBTS, LOSSES, AND GAINS WITH RESPECT TO SECURITIES HELD BY FINANCIAL INSTITUTIONS."

(d) Effective Date.—

(1) In general.—The amendments made by this section shall apply to taxable years beginning after July 11, 1969.

(2) Election for small business investment companies and business development corporations.—Notwithstanding paragraph (1), in the case of a financial institution described in section 586(a) of the Internal Revenue Code of 1954, the amendments made by this section shall not apply for its taxable years beginning after July 11, 1969, and before July 11, 1974, unless the taxpayer so elects at such time and in such manner as shall be prescribed by the Secretary of the Treasury or his delegate. Such election shall be irrevocable and shall apply to all such taxable years.

SEC. 434. LIMITATION ON DEDUCTION FOR DIVIDENDS RECEIVED BY MUTUAL SAVINGS BANKS, ETC.

(a) Special Limitation.—Part II of subchapter H of chapter 1 is amended by adding at the end thereof the following new section:

"SEC. 596. LIMITATION ON DIVIDENDS RECEIVED DEDUCTION.

"In the case of an organization to which section 593 applies and which computes additions to the reserve for losses on loans for the taxable year under section 593(b)(2), the total amount allowed under sections 243, 244, and 245 (determined without regard to this section) for the taxable year as a deduction with respect to dividends received shall be reduced by an amount equal to the applicable percentage for such year (determined under subparagraphs (A) and (B) of section 593(b)(2)) of such total amount."

(b) Technical and Clerical Amendments.—

(1) Section 246 (relating to rules applying to deductions for dividends received) is amended by adding at the end thereof the following new subsection:

"(d) Cross Reference.—

"For special rule relating to mutual savings banks, etc., to which section 593 applies, see section 596."

(2) The table of sections for part II of subchapter H of chapter 1 is amended by adding at the end thereof:

"Sec. 596. Limitation on dividends received deduction."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after July 11, 1969.

SEC. 435. FOREIGN DEPOSITS IN UNITED STATES BANKS.

(a) Income From Sources Within the United States.—

(1) Effective with respect to amounts paid or credited after December 31, 1969, subparagraphs (C) and (D) of section 861(a)(1) (relating to interest) are each amended by striking out "after December 31, 1972,".

(2) Section 861(c) (relating to interest on deposits, etc.) is amended by striking out "1972" and inserting in lieu thereof "1975".

(b) Property Within the United States.—The second sentence of section 2104(c) (relating to debt obligations) is amended by striking out "December 31, 1972" and inserting in lieu thereof "December 31, 1969".

* * *

Approved December 30, 1969, 9:30 a.m.

# RULES AND REGULATIONS OF THE CORPORATION—1969

## 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

Public Unit Accounts; Political Subdivision

Effective January 8, 1969, § 330.8 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR Part 330) is amended to add a new paragraph (c) to read as follows:

§ *330.8 Public unit accounts.*

*    *    *    *    *

(c) *Political subdivision.* The term "political subdivision" includes any subdivision of a public unit, as defined in section 3(m) of the Federal Deposit Insurance Act, or any principal department of such public unit, (1) the creation of which subdivision or department has been expressly authorized by State statute, (2) to which some functions of government have been delegated by State statute, and (3) to which funds have been allocated by statute or ordinance for its exclusive use and control. It also includes drainage, irrigation, navigation, improvement, levee, sanitary, school or power districts, and bridge or port authorities and other special districts created by State statute or compacts between the States. Excluded from the term are subordinate or nonautonomous divisions, agencies, or boards within principal departments.

*    *    *    *    *

[F.R. Doc. 69–198; Filed, Jan. 7, 1969; 8:47 a.m.]

## CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

### SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

### PART 326—MINIMUM SECURITY DEVICES AND PROCEDURES FOR INSURED NONMEMBER BANKS

Effective January 16, 1969, a new Part 326 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR Part 326) is added to read as follows:

### PART 326—MINIMUM SECURITY DEVICES AND PROCEDURES FOR INSURED NONMEMBER BANKS

Sec.

326.0 Scope of part.
326.1 Definitions.
326.2 Designation of security officer.
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326.4 Security procedures.
326.5 Filing by insured State nonmember banks of reports with the Corporation.
326.6 Corrective action.
326.7 Penalty provision.

Appendix A Minimum Standards for Security Devices.

Appendix B Proper Employee Conduct During and After a Robbery.

AUTHORITY: The provisions of this Part 326 issued under sec. 3, 82 Stat. 295. Interpret or apply sec. 1, 2, 3, 4, 5, 82 Stat. 294, 295.

§ 326.0 *Scope of part.*

Pursuant to the authority conferred upon the Federal Deposit Insurance Corporation by section 3 of the Bank Protection Act of 1968 (82 Stat. 295), the regulations contained in this part—

(a) establish minimum standards with which each insured State nonmember bank must comply with respect to the installation, maintenance, and operation of security devices and procedures to discourage robberies, burglaries, and larcenies and to assist in the identification and apprehension of persons who commit such acts;

(b) establish time limits within which each such bank shall comply with such standards; and

(c) require the submission of reports with respect to the installation, maintenance, and operation of security devices and procedures.

§ 326.1 *Definitions.*

For the purposes of this part—

(a) The term "insured State nonmember bank" means any bank (including any mutual savings bank), incorporated under the laws of any State of the United States, any Territory of the United States, Puerto Rico, Guam, or the Virgin Islands, that is not a member of the Federal Reserve System but the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1811–1832), but the term does not include any bank located in the District of Columbia.

(b) The term "banking hours" means the time during which a banking office is open for the normal transaction of business with the banking public.

(c) The term "banking office" includes the main office of any insured State nonmember bank and any branch thereof.

(d) 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.

(e) The term "Board of Directors" means the Board of Directors of the Federal Deposit Insurance Corporation.

(f) The term "teller's station or window" means a location in a banking office at which bank customers routinely conduct transactions with the bank which involve the exchange of funds, including a walk-up or drive-in teller's station or window.

§ 326.2 *Designation of security officer.*

On or before February 15, 1969, or within 30 days after the bank becomes a member of the Federal Deposit Insurance Corporation, the board of directors of each insured State nonmember bank shall designate an officer or other employee of the bank who shall be charged, subject to supervision by the bank's board of directors, with responsibility for the installation, maintenance, and operation of security devices and for the development and administration of a security program which equal or exceed the standards prescribed by this part.

§ *326.3 Security devices.*

(a) *Installation, maintenance, and operation of appropriate security devices.* Before January 1, 1970, or within 30 days after the bank becomes a member of the Federal Deposit Insurance Corporation, the security officer of each insured State nonmember bank, under such directions as shall be given him by the bank's board of directors, shall survey the need for security devices in each of the bank's banking offices and shall provide for the installation, maintenance, and operation, in each such office, of—

(1) a lighting system for illuminating, during the hours of darkness, the area around the vault, if the vault is visible from outside the banking office;

(2) tamper-resistant locks on exterior doors and exterior windows designed to be opened;

(3) an alarm system or other appropriate device for promptly notifying the nearest responsible law enforcement officers of an attempted or perpetrated robbery or burglary; and

(4) such other devices as the security officer, after seeking the advice of law enforcement officers, shall determine to be appropriate for discouraging robberies, burglaries, and larcenies and for assisting in the identification and apprehension of persons who commit such acts.

(b) *Considerations relevant to determining appropriateness.* For the purposes of subparagraph (4) of paragraph (a) of this section, considerations relevant to determining appropriateness include, but are not limited to—

(1) the incidence of crimes against the particular banking office and/or against financial institutions in the area in which the banking office is or will be located;

(2) the amount of currency or other valuables exposed to robbery, burglary, or larceny;

(3) the distance of the banking office from the nearest responsible law enforcement officers and the time required for such law enforcement officers ordinarily to arrive at the banking office;

(4) the cost of the security devices;

(5) other security measures in effect at the banking office; and

(6) the physical characteristics of the banking office structure and its surroundings.

(c) *Implementation.* It is appropriate for banking offices in areas with a high incidence of crime to install many devices which would not be practicable because of costs for small banking offices in areas substantially free of crimes against financial institutions. Each insured State nonmember bank shall consider the appropriateness of installing, maintaining, and operating security devices which are expected to give a general level of bank protection at least equivalent to the standards described in Appendix A of this part. In any case in which (on the basis of the factors listed in paragraph (b) of this section or similar ones, the use of other measures, or the decision that technological change allows the use of other measures judged to give equivalent protection) it is decided not to install, maintain, and operate devices at least equivalent to these standards, the bank shall preserve in its records a statement of the reasons for such decision.

§ *326.4 Security procedures.*

(a) *Development and administration.* On or before July 15, 1969, or within 30 days after the bank becomes a member of the Federal Deposit Insurance Corporation, each insured State nonmember bank shall develop and provide for the administration of a security program to protect each of its banking offices from robberies, burglaries, and larcenies and to assist in the identification and apprehension of persons who commit such acts. The security program shall be reduced to writing, approved by the bank's board of directors, and retained by the bank in such form as will readily permit determination of its adequacy and effectiveness.

(b) *Contents of security programs.* Such security programs shall—

(1) provide for establishing a schedule for the inspection, testing, and servicing of all security devices installed in each banking office; provide for designating the officer or other employee who shall be responsible for seeing that such devices are inspected, tested, serviced, and kept in good working order; and require such officer or other employee to keep a record of such inspections, testings, and servicings;

(2) require that each banking office's currency be kept at a reasonable minimum and provide procedures for safely removing excess currency;

(3) require that the currency at each teller's station or window be kept at a reasonable minimum and provide procedures for safely removing excess currency and other valuables to a locked safe, vault, or other protected place;

(4) require that the currency at each teller's station or window include "bait" money, i.e., used Federal Reserve notes the denominations, banks of issue, serial numbers, and series years of which are recorded, verified by a second officer or employee, and kept in a safe place;

(5) require that all currency, negotiable securities, and similar valuables be kept in a locked vault or safe during nonbusiness hours, that the vault or safe be opened at the latest time practicable before banking hours, and that the vault or safe be locked at the earliest time practicable after banking hours;

(6) provide, where practicable, for designation of a person or persons to open each banking office and require him or them to inspect the premises, to ascertain that no unauthorized persons are present, and to signal other employees that the premises are safe before permitting them to enter;

(7) provide for designation of a person or persons who will assure that all security devices are turned on and are operating during the periods in which such devices are intended to be used;

(8) provide for designation of a person or persons to inspect, after the closing hour, all areas of each banking office where currency, negotiable securities, or similar valuables are normally handled or stored in order to assure that such currency, securities, and valuables have been put away, that no unauthorized persons are present in such areas, and that the vault or safe and all doors and windows are securely locked; and

(9) provide for training, and periodic retraining, of employees in their responsibilities under the security program, including the proper use of security devices and proper employee conduct during and after a robbery, in accordance with the procedures listed in Appendix B of this part.

§ *326.5 Filing by insured State nonmember banks of reports with the Corporation.*

(a) *Compliance reports.* As of the last business day in June of 1970, and as of the last business day in June of each calendar year thereafter, each insured

State nonmember bank shall file with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which its main office is located a statement certifying to its compliance with the requirements of this part. The statement shall be dated and signed by the president, or cashier, or other managing officer of the bank and may be in a form substantially as follows:

> "I hereby certify, to the best of my knowledge and belief, that this bank has developed and administers a security program that equals or exceeds the standards prescribed by § 326.4 of the rules and regulations of the Federal Deposit Insurance Corporation; that such security program has been reduced to writing, approved by the bank's board of directors, and retained by the bank in such form as will readily permit determination of its adequacy and effectiveness; and that the bank security officer, after seeking the advice of law enforcement officers, has provided for the installation, maintenance, and operation of appropriate security devices, as prescribed by § 326.3 of the rules and regulations of the Federal Deposit Insurance Corporation, in each of the bank's banking offices."

(b) *Records of consultation.* The bank's files shall contain a readily available record showing the name(s) and title(s) of the law enforcement officer(s) whose advice the security officer sought prior to the installation, maintenance, and operation of appropriate security devices.

(c) *Reports on security devices.* On or before March 15, 1969, and upon such other occasions as the Board of Directors may specify, each insured State nonmember bank shall file with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which it is located a report on Form P–1 (in duplicate) for each of its offices that is subject to this part.

(d) *External crime reports.* Each time a robbery, burglary, or nonbank employee larceny is perpetrated or attempted at a banking office operated by an insured State nonmember bank, the bank shall, within a reasonable time, file a report in conformity with the requirements of Form P–2. One copy of such report shall be filed with the appropriate State supervisory authority and three copies of such report shall be filed with the Supervising Examiner of the Federal Deposit Insurance Corporation District in which the main office of the reporting bank is located.

(e) *Special reports.* Each insured State nonmember bank shall file such other reports as the Board of Directors or its designee may require.

### *§ 326.6 Corrective action.*

Whenever the Board of Directors or its designee determines that the security devices or procedures used by an insured State nonmember bank are deficient in meeting the requirements of this part, or that the requirements of this part should be varied in the circumstances of a particular banking office, it may take or require the bank to take necessary corrective action. If the Board of Directors or its designee determines that such corrective action is appropriate or necessary, the bank will be so notified and will be furnished a statement of what the bank must do to comply with the requirements of this part.

### *§ 326.7 Penalty provision.*

Pursuant to section 5 of the Bank Protection Act of 1968 (82 Stat. 295), an insured State nonmember bank that violates any provision of this part shall be subject to a civil penalty not to exceed $100 for each day of the violation.

## APPENDIX A

### Minimum Standards for Security Devices

(1) *Surveillance systems*—(i) *General.* Surveillance systems should be:

(A) equipped with one or more photographic, recording, monitoring, or like devices capable of reproducing images of persons in the banking office with sufficient clarity to facilitate (through photographs capable of being enlarged to produce a one-inch vertical head-size of persons whose images have been reproduced) the identification and apprehension of robbers or other suspicious persons;

(B) reasonably silent in operation; and

(C) so designed and constructed that necessary services, repairs, or inspections can readily be made.

Any camera used in such a system should be capable of taking at least one picture every two seconds and, if it uses film, should contain enough unexposed film at all times to be capable of operating for not less than three minutes, and the film should be at least 16mm.

(ii) *Installation, maintenance, and operation of surveillance systems providing surveillance of other than walk-up or drive-in teller's stations or windows.* Surveillance devices for other than walk-up or drive-in teller's stations or windows should be:

(A) located so as to reproduce identifiable images of persons either leaving the banking office or in a position to transact business at each such station or window; and

(B) capable of activation by initiating devices located at each teller's station or window.

(iii) *Installation, maintenance, and operation of surveillance systems providing surveillance of walk-up or drive-in teller's stations or windows.* Surveillance devices for walk-up and drive-in teller's stations or windows should be located in such a manner as to reproduce identifiable images of persons in a position to transact business at each such station or window and areas of such station or window that are vulnerable to robbery or larceny. Such devices should be capable of activation by one or more initiating devices located within or in close proximity to such station or window. Such devices could be omitted in the case of a walk-up or drive-in teller's station or window in which the teller is effectively protected by a bullet-resistant barrier from persons outside the station or window, but if the teller is vulnerable to larceny or robbery by members of the public who enter the banking office, the teller should have access to a device to activate a surveillance system that covers the area of vulnerability or the exits to the banking office.

(2) *Robbery alarm systems.* A robbery alarm should be provided for each banking office at which the police ordinarily can arrive within five minutes after an alarm is activated. Robbery alarm systems should be:

(i) designed to transmit to the police, either directly or through an intermediary, a signal (not detectable by unauthorized persons) indicating that a crime against the banking office has occurred or is in progress;

(ii) capable of activation by initiating devices located at each teller's station or window (except walk-up or drive-in teller's stations or windows in which the teller is effectively protected by a bullet-resistant barrier and effectively isolated from persons, other than fellow employees, inside a banking office of which such station or window may be a part);

(iii) safeguarded against accidental transmission of an alarm;

(iv) equipped with a visual and audible signal capable of indicating improper functioning of or tampering with the system; and

(v) equipped with an independent source of power (such as a battery) sufficient to assure continuously reliable operation of the system for at least twenty-four hours in the event of failure of the usual source of power.

(3) *Burglar alarm systems.* Burglar alarm systems should be:

(i) capable of detecting promptly an attack on the outer door, walls, floor, or ceiling of each vault, and each safe not stored in a vault, in which currency, negotiable securities, or similar valuables are stored when the office is closed, and any attempt to move any such safe;

(ii) designed to transmit to the police, either directly or through an intermediary, a signal (not detectable by unauthorized persons) indicating that any such attempt is in progress; and in the case of a banking office at which the police ordinarily cannot arrive within five minutes after an alarm is activated, designed to activate a loud sounding bell or other device that is audible inside the banking office and for a distance of approximately 500 feet outside the banking office;

(iii) safeguarded against accidental transmission of an alarm;

(iv) equipped with a visual and audible signal capable of indicating improper functioning of or tampering with the system; and

(v) equipped with an independent source of power (such as a battery) sufficient to assure continuously reliable operation of the system for at least eighty hours in the event of failure of the usual source of power.

(4) *Walk-up and drive-in teller's stations or windows.* Walk-up and drive-in teller's stations or windows contracted for after February 15, 1969, should be constructed in such a manner that tellers are effectively protected by bullet-resistant barriers from robbery or larceny by persons outside such stations or windows. Such barriers should be of glass at least one and three-sixteenths inches thick,[1] or of material of at least equivalent bullet-resistance. Pass-through devices should be designed and constructed so as not to afford a person outside the station or window a direct line of fire at a person inside the station or window.

(5) *Vaults, safes, and night depositories.* Vaults and safes (if not to be stored in a vault) in which currency, negotiable securities, or similar valuables are to be stored when the office is closed, and night depositories, contracted for after February 15, 1969, should meet or exceed the following standards:

(A) *Vaults.*—Vault walls, roof, and floor contracted for after February 15, 1969, should be made of steel-reinforced concrete, at least 18 inches thick; vault doors should be made of steel or other drill- and torch-resistant material, at least three and one-half inches thick, and be equipped with a dial combination lock and a time lock and a substantial, lockable day-gate; or vaults and vault doors should be constructed of materials that afford at least equivalent burglary-resistance.

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[1] It should be emphasized that this thickness is merely bullet-resistant and not bullet-proof.

(B) *Safes.*—Safes contracted for after February 15, 1969, should weigh at least 750 pounds empty or be securely anchored to the premises where located. The door should be equipped with a combination lock and with a relocking device that will effectively lock the door if the combination lock is punched. The body should consist of steel, at least one inch in thickness, with an ultimate tensile strength of 50,000 pounds per square inch, either cast or fabricated, and be fastened in a manner equal to a continuous one-fourth inch penetration weld having an ultimate tensile strength of 50,000 pounds per square inch. One hole not exceeding $\frac{3}{16}$-inch diameter may be provided in the body to permit insertion of electrical conductors but should be located so as not to permit a direct view of the door or locking mechanism. The door should be made of steel that is at least one and one-half inches thick and at least equivalent in strength to that specified for the body; or safes should be constructed of materials that afford at least equivalent burglary-resistance.

(C) *Night depositories.*—Night depositories (excluding envelope drops not used to receive substantial amounts of currency) contracted for after February 15, 1969, should consist of a receptacle chest having cast, or welded, steel walls, top and bottom, at least one inch thick; a combination locked steel door at least one and one-half inches thick; and a chute, made of steel that is at least one inch thick, securely bolted or welded to the receptacle and to a depository entrance of strength similar to the chute; or night depositories should be constructed of materials that afford at least equivalent burglary-resistance. The depository entrance should be equipped with a lock. Night depositories should be equipped with a burglar alarm and be designed to protect against the "fishing" of a deposit from the deposit receptacle and to protect against the "trapping" of a deposit for extraction.

Each device mentioned in this Appendix should be installed and regularly inspected, tested, and serviced by competent persons so as to assure realization of its maximum performance capabilities. Activating devices for surveillance systems and robbery alarms should be operable with the least risk of detection by unauthorized persons that can be practicably achieved.

## APPENDIX B

### Proper Employee Conduct During and After a Robbery

With respect to proper employee conduct during and after a robbery, employees should be instructed—

(1) to avoid actions that might increase danger to themselves or others;

(2) to activate the robbery alarm system and the surveillance system during the robbery, if it appears that such activation can be accomplished safely;

(3) to observe the robber's physical features, voice, accent, mannerisms, dress, the kind of weapon he has, and any other characteristics that would be useful for identification purposes;

(4) that if the robber leaves evidence (such as a note), to try to put it aside and out of sight, if it appears that this can be done safely; retain the evidence, do not handle it unnecessarily, and give it to the police when they arrive; and refrain from touching, and assist in preventing others from touching, articles or places the robber may have touched or evidence he may have left, in order that fingerprints of the robber may be obtained;

(5) to give the robber no more money than the amount he demands and include "bait" money in the amount given;

(6) that if it can be done safely, to observe the direction of the robber's escape and the description and license plate number of the vehicle used, if any;

(7) to telephone the local police, if they have not arrived, and the nearest office of the Federal Bureau of Investigation, or inform a designated officer or other employee who has this responsibility that a robbery has been committed;

(8) that if the robber leaves before the police arrive, to assure that a designated officer or other employee waits outside the office, if it is safe to do so, to inform the police when they arrive that the robber has left;

(9) to attempt to determine the names and addresses of other persons who witnessed the robbery or the escape and request them to record their observations or to assist a designated officer or other employee in recording their observations; and

(10) to refrain from discussing the details of the robbery with others before recording the observations respecting the robber's physical features and other characteristics as hereinabove described and the direction of escape and description of vehicle used, if any.

* * * * *

[F.R. Doc. 69–566; Filed, Jan. 15, 1969; 8:50 a.m.]

## TITLE 12—BANKS AND BANKING

## CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

### SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

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

Mutual Savings Banks in Massachusetts

Effective April 14, 1969, § 329.7 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 329.7) is amended by adding a new paragraph (f) as follows:

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

* * * * *

(f) *Special notice account deposits in Massachusetts.* Notwithstanding paragraph (b) of this section, any insured nonmember mutual savings bank located in the Commonwealth of Massachusetts may pay a higher rate of interest or dividends on any deposit which is subject to a written agreement with the depositor that such deposit may not be withdrawn in whole or in part other than pursuant to the terms of a withdrawal notice signed by the depositor and to be received by the bank not less than 90 days in advance of a 9-day withdrawal period.

* * * * *

[F.R. Doc. 69–4520; Filed, Apr. 16, 1969; 8:48 a.m.]

# CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

## SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

### PART 329—INTEREST ON DEPOSITS

Advertising of Interest on Deposits

Effective August 1, 1969, Part 329 of Title 12 of the Code of Federal Regulations is amended as follows:

1. The heading of the part is amended to read as set forth above.

2. In the table of sections, § 329.3 entitled "Maximum rate of interest on time and savings deposits" is amended to read "Interest on time and savings deposits"; a new § 329.8 entitled "Advertising of interest on deposits" is added; and § 329.101 entitled "Payment of interest on basis that 360 days equals one year" is deleted.

*§ 329.0 [Amended]*

3. In § 329.0, "§ § 329.7 and 329.8" is substituted for "§ 329.7".

4. In § 329.3 the heading, paragraph (a) and paragraph (e) are amended to read as follows:

*§ 329.3 Interest on time and savings deposits.*

(a) *Maximum rate.* Except as provided in this section, no insured nonmember bank shall, directly or indirectly, by any device whatsoever, pay interest on any time deposit or savings deposit at a rate in excess of such applicable maximum rate as the Board of Directors of the Federal Deposit Insurance Corporation shall prescribe from time to time in § 329.6 of this part. In determining the maximum amount of interest permitted to be paid, the effects of compounding may be disregarded.

* * * * *

(e) *Technical grace periods in computing interest on certain time deposits.* Where a time deposit matures in 30 days, 90 days, 180 days, 360 days, or even multiples of these periods, or where a time deposit matures in 1 month, 3 months, 6 months, 12 months, or even multiples of these periods, insured nonmember banks may pay interest for such periods at one twelfth of the maximum rate, one quarter of the maximum rate, one half of the maximum rate, or at the maximum rate, or even multiples thereof, respectively. In the case of any other time deposit no insured nonmember bank shall pay interest at the maximum rate based on more days than the number of days the funds are actually on deposit.

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*§ 329.6 [Amended]*

5. The last two sentences in § 329.6 are revoked.

*§ 329.7 [Amended]*

6. The last sentence of § 329.7(c) is revoked, and the first sentence is amended to read: "In determining the maximum amount of interest or dividends permitted to be paid, the effects of compounding may be disregarded."

7. A new § 329.8 is added, as follows:

*§ 329.8 Advertising of interest on deposits.*

Every advertisement, announcement, or solicitation relating to the interest or dividends paid on deposits in insured nonmember banks (including insured nonmember mutual savings banks) shall be governed by the following rules:

(a) *Annual rate of simple interest.* Interest or dividend rates shall be stated in terms of annual rates of simple interest or dividends. In no case shall a rate be advertised which is in excess of the applicable maximum rate for the particular deposit.

(b) *Percentage yields based on 1 year.* Where a percentage yield achieved by compounding interest during 1 year is advertised, the annual rate of simple interest shall be stated with equal prominence, together with a reference to the basis of compounding. No insured nonmember bank shall advertise a percentage yield based on the effect of grace periods permitted such banks in this part.

(c) *Percentage yields based on periods in excess of 1 year.* No advertisement shall include any indication of a total percentage yield, compounded or simple, based on a period in excess of a year, or an average annual percentage yield achieved by compounding during a period in excess of a year.

(d) *Time or amount requirements.* If an advertised rate is payable only on deposits that meet time or amount requirements, such requirements shall be clearly and conspicuously stated. Where the time requirement for an advertised rate is in excess of a year, the required number of years for the rate shall be stated with equal prominence, together with an indication of any lower rate or rates that will apply if the deposit is withdrawn at an earlier maturity.

(e) *Profit.* The term "profit" shall not be used in referring to interest or dividends paid on deposits.

(f) *Accuracy of advertising.* No insured nonmember bank shall make any advertisement, announcement or solicitation relating to the interest or dividends paid on deposits which is inaccurate or misleading or which misrepresents its deposit contracts.

(g) *Solicitation of deposits for banks.* Any person or organization which solicits deposits for an insured nonmember bank shall be bound by the rules contained in this section with respect to any advertisement, announcement or solicitation relating to such deposits. No such person or organization shall advertise a percentage yield on any deposit it solicits for an insured nonmember bank which is not authorized to be paid and advertised by such bank.

§ *329.101* [*Revoked*]

8. Section 329.101 is revoked.

* * * *

[F.R. Doc. 69–7302; Filed, June 20, 1969; 8:45 a.m.]

# TITLE 12—BANKS AND BANKING

## CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

### SUBCHAPTER B—REGULATIONS AND STATEMENT OF GENERAL POLICY

### PART 329—INTEREST ON DEPOSITS

1. Effective November 5, 1969, § 329.3(g) is amended to read as follows:

(g) *Time deposits of foreign governmental entities and international organizations.* Section 329.6 does not apply to the rate of interest that may be paid by an insured nonmember bank on a time deposit having a maturity of two years or less and representing funds deposited and owned by (1) a foreign government, or an agency or instrumentality thereof engaged principally in activities which are ordinarily performed in the United States by governmental entities, (2) an international entity of which the United States is a member, or (3) any other foreign, international or supranational entity specifically designated by the Board of Directors as exempt from § 329.6. All certificates of deposit issued by insured nonmember banks to such entities on which the contract rate of interest exceeds the maximum prescribed under § 329.6 shall provide that (i) in the event of transfer, the date of transfer, attested to in writing by the transferor, shall appear on the certificate, and (ii) the maximum rate limitations of § 329.6 in effect on the date of issuance of the certificate shall apply to the certificate for any period during which it is held by a person other than an entity exempt from § 329.6 under the foregoing sentence.[11] Upon the presentment of such a certificate for payment, the bank may pay the holder the contract rate of interest on the deposit for the time that the certificate was actually owned by an entity so exempt.

2. The present footnote 11 at the end of § 329.3(f) is redesignated as footnote 10.

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[F.R. Doc. 69–13353; Filed, Nov. 7, 1969; 8:48 a.m.]

## TITLE 12—BANKS AND BANKING

## CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

### INCREASE IN INSURANCE COVERAGE

Effective December 23, 1969, Parts 306, 308, 328, 330, and 331 of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR Parts 306, 308, 328, 330, and 331) are amended as follows:

### PART 306—RECEIVERSHIPS AND LIQUIDATIONS

1. The fifth sentence of § 306.2 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

2. The sixth sentence of § 306.2 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

3. Footnote 1 to § 306.2 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

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### PART 308—RULES OF PRACTICE AND PROCEDURES

4. The third paragraph of the notice of termination of insured status prescribed by § 308.26 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

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### PART 328—ADVERTISEMENT OF MEMBERSHIP

5. The design of the official sign prescribed by § 328.1 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

6. Subparagraph (11) of paragraph (c) of § 328.2 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

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[1] A new certificate not maturing prior to the maturity date of the original certificate may be issued by the insured nonmember bank to the transferee, in which event the original must be retained by the bank. The new certificate may not provide for interest after the date of transfer at a rate in excess of the applicable maximum rate authorized by § 329.6 as of the date of issuance of the original certificate.

## PART 330—CLARIFICATION AND DEFINITION OF DEPOSIT INSURANCE COVERAGE

7. Subparagraph (2) of paragraph (c) of § 330.1 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

8. The first sentence of § 330.2 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

9. Paragraph (a) of § 330.2 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

10. Paragraph (b) of § 330.2 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

11. Paragraph (c) of § 330.2 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

12. Paragraph (a) of § 330.3 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

13. Paragraph (b) of § 330.3 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

14. Section 330.4 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

15. The first sentence of § 330.5 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

16. The second sentence of § 330.5 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

17. The first sentence of § 330.6 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

18. The second sentence of § 330.6 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

19. The first sentence of paragraph (a) of § 330.8 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

20. The second sentence of paragraph (a) of § 330.8 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

21. The third sentence of paragraph (a) of § 330.8 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

22. Paragraph (b) of § 330.8 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

23. Paragraph (c) of § 330.9 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

24. Paragraph (d) of § 330.9 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

25. Paragraph (e) of § 330.9 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

26. Section 330.10 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

## PART 331—INSURANCE OF TRUST FUNDS

27. Paragraph (d) of § 331.1 is amended by deleting the figure "$15,000" and by inserting the figure "$20,000" in lieu thereof.

(Sec. 9, 65 Stat. 881; 12 U.S.C. 1819)

[F.R. Doc. 70–480; Filed, Jan. 13, 1970; 8:47 a.m.]

# CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

## SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

## PART 335—SECURITIES OF INSURED NONMEMBER STATE BANKS

Effective December 31, 1969, Part 335 of the Code of Federal Regulations is amended as follows:

1. Section 335.2 is amended to revise paragraph (z)(1), as set forth below:

*§ 335.2 Definitions.*

* * * * *

(z) The term "significant subsidiary" means a subsidiary meeting either of the following conditions:

(1) The investments in the subsidiary by its parent plus the parent's proportion of the investments in such subsidiary by the parent's other subsidiaries, if any, exceed 5 percent of the equity capital accounts of the bank. "Investments" refers to the amount carried on the books of the parent and other subsidiaries or the amount equivalent to the parent's proportionate share in the equity capital accounts of the subsidiary, whichever is greater.

* * * * *

2. Section 335.3 is amended to revise paragraph (b), as set forth below:

*§ 335.3 Inspection and publication of information filed under the Act.*

* * * * *

(b) *Inspection.* Except as provided in paragraph (c) of this section, all information filed regarding a security registered with the Corporation will be available for inspection at the Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, D.C. In addition, copies of the registration statement and reports required by § 335.4 (exclusive of exhibits), the statements required by § 335.5(a), and the annual reports to security holders required by § 335.5(c) will be available for inspection at the New York, Chicago, and San Francisco Federal Reserve Banks and at the Reserve bank of the district in which the bank filing the statements or reports is located.

* * * * *

3. Section 335.4 is amended to revise paragraphs (a), (e), (h), and (q)(1), as set forth below:

*§ 335.4 Registration statements and reports.*

(a) *Requirement of registration statement.* Securities of a bank shall be registered under the provisions of either section 12(b) or section 12(g) of the Act by filing a statement in conformity with the requirements of Form F–1 (or Form F–10, in the case of registration of an additional class of securities). No registration shall be required under the provisions of section 12(b) or section 12(g) of the Act of any warrant or certificate evidencing a right to subscribe to or otherwise acquire a security of a bank if such warrant or certificate by its terms expires within 90 days after the issuance thereof.

* * * * *

(e) *Requirement of annual reports.* Every registrant bank shall file an annual report for each fiscal year after the last full fiscal year for which financial statements were filed with the registration statement. The report, which shall conform to the requirements of Form F–2, shall be filed within 90 days after the close of the fiscal year or within 30 days of the mailing of the bank's annual report to stockholders, whichever occurs first.

* * * * *

(h) *Quarterly reports.* Every registrant bank shall file a quarterly report in conformity with the requirements of Form F–4 for each fiscal quarter ending after the close of the latest fiscal year for which financial statements were filed in a registration statement except that no report need be filed for the fiscal quarter which coincides with the end of the fiscal year of the bank. Such reports shall be filed not later than 30 days after the end of such quarterly period, except that the report for any period ending prior to the date on which a class of securities of the bank first becomes effectively registered may be filed not later than 30 days after the effective date of such registration.

* * * * *

(q) *Number of copies; signatures; binding.* (1) Except where otherwise provided in a particular form, six copies of each registration statement and report (including financial statements) and four copies of each exhibit and each other document filed as a part thereof, shall be filed with the Corporation. At least one complete copy of each statement shall be filed with each exchange, if any, on which the securities covered thereby are being registered. At least one copy of each report shall be filed with each exchange, if any, on which the bank has securities registered.

* * * * *

4. Section 335.5 is amended to revise paragraphs (a), (c), (d) (2), (3), and (4), and (f) (1) through (4); add paragraph (f) (9) and (10); revise paragraph (h); and to add paragraph (o), as set forth below:

§ *335.5 Proxy statements and other solicitations under section 14 of the Act.*

(a) *Requirement of statement.* No solicitation of a proxy with respect to a security of a bank registered pursuant to section 12 of the Act shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information required by Form F–5. If the management of any bank having such a security outstanding fails to solicit proxies from the holders of any such security in such a manner as to require the furnishing of such a proxy statement, such bank shall transmit to all holders of record of such security a statement containing the information required by Form F–5. The "information statement" required by the preceding sentence shall be transmitted (1) at least 20 calendar days prior to any annual or other meeting of the holders of such security at which such holders are entitled to vote or (2) in the case of corporate action taken with the written authorization or consent of security holders, at least 20 days prior to the earliest date on which the corporate action may be taken. A proxy statement or a statement where management does not solicit proxies required by this paragraph is hereinafter sometimes referred to as a "Statement".

* * * * *

(c) *Annual report to security holders to accompany statements.* (1) Any statement furnished on behalf of the management of the bank that relates to an annual meeting of security holders at which directors are to be elected shall be accompanied or preceded by an annual report to such security holders containing such financial statements for the last 2 fiscal years as will, in the opinion of the management, adequately reflect the financial position of the bank at the end of each such year and the results of its operations for each such year. The financial statements included in the annual report may omit details or summarize information if such statements, considered as a whole in the light of other information contained in the report and in the light of the financial statements of the bank filed or to be filed with the Corporation, will not by such procedure omit any material information necessary to a fair presentation or to make the financial statements not misleading under the circumstances. Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management. This paragraph (c) shall not apply, however, to solicitations made on behalf of management before the financial statements are available if solicitation is being made at the time in opposition to the management and if the management's statement includes an undertaking in boldfaced type to furnish such annual report to all persons being solicited at least 20 days before the date of the meeting.

Notes: 1. To reflect adequately the financial position and results of operations of a bank in its annual report to security holders, the financial presentation shall include, but not necessarily be limited to, the following:

(a) Comparative statements of condition at the end of each of the last 2 fiscal years.

(b) Comparative statements of income in a form providing for the determination of "net income" for each fiscal year and per share earnings data.

(c) Comparative statements of changes in capital accounts for each fiscal year, similar in form to Form F–9C.

(d) Comparative reconciliations of the "Allowance for Possible Loan Losses" account and of the "Reserve on Securities" account similar in form to Schedule VII and Schedule VIII, Form F–9D.

(e) Supplemental notes to financial statements to the extent necessary to furnish a fair financial presentation.

2. The financial statements should be prepared on a consolidated basis to the extent required by § 335.7(d). Any difference from the principles of consolidation or other accounting principles or practices, or methods of applying accounting principles or practices, applicable to the financial statements of the bank filed or to be filed with the Corporation, which have a material effect on the financial position or results of operations of the bank, shall be noted and the effect thereof reconciled or explained in the annual report to security holders.

3. When financial statements included in the annual report (Form F–2) filed, or proposed to be filed, with the Corporation are accompanied by an opinion of an independent public accountant, the financial statements in the annual report to security holders should also be accompanied by an opinion of such independent public accountant.

4. The requirement for sending an annual report to each person being solicited will be satisfied with respect to persons having the same address by sending at least one report to a holder of record at that address provided (i) that management has reasonable cause to believe that the record holder to whom the report is sent is the "beneficial owner" (see definition in § 335.2(ff)) of securities registered in the name of such person in other capacities or in the name of other persons at such address or (ii) the security holders at such address consent thereto in writing. Nothing herein shall be deemed to relieve any person so consenting of any obligation to obtain or send such annual report to any other person.

(2) Six copies of each annual report sent to security holders pursuant to this paragraph (c) shall be sent to the Corporation not later than (i) the date on which such report is first sent or given to security holders or (ii) the date on which preliminary copies of the management statement are filed with the Corporation pursuant to paragraph (f) of this section, whichever date is later.

Such annual report is not deemed to be "soliciting material" or to be "filed" with the Corporation or otherwise subject to this § 335.5 or the liabilities of section 18 of the Act, except to the extent that the bank specifically requests that it be treated as a part of the proxy soliciting material or incorporates it in the proxy statement by reference.

(d) *Requirements as to proxy.* * * *

(2) (i) Means shall be provided in the form of proxy whereby the person solicited is afforded an opportunity to specify by ballot a choice between approval or disapproval of each matter or group of related matters referred to therein as intended to be acted upon, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not so specified if the form of proxy states in bold-faced type how the shares represented by the proxy are intended to be voted in each such case.

(ii) A form of proxy which provides both for the election of directors and for action on other specified matters shall be prepared so as clearly to provide, by a box or otherwise, means by which the security holder may withhold authority to vote for the election of directors. Any such form of proxy which is executed by the security holder in such manner as not to withhold authority to vote for the election of directors shall be deemed to grant such authority, provided the form of proxy so states in bold-faced type.

*Instruction.* Subparagraph (2) (ii) of this paragraph does not apply (a) in the case of a merger, consolidation or other plan if the election of directors is an integral part of the plan and is not to be separately voted upon or (b) if the only matters to be acted upon are the election of directors and the election, selection or approval of other persons such as clerks or auditors.

(3) A proxy may confer discretionary authority to vote with respect to any of the following matters:

(i) Matters which the persons making the solicitation do not know, a reasonable time before the solicitation, are to be presented at the meeting, if a specific statement to that effect is made in the proxy statement or form of proxy;

(ii) Approval of the minutes of the prior meeting if such approval does not amount to ratification of the action taken at that meeting;

(iii) The election of any person to any office for which a bona fide nominee is named in the proxy statement and such nominee is subsequently unable to serve or for good cause refuses to serve;

(iv) Any proposal omitted from the proxy statement and form of proxy pursuant to paragraph (k) of this section;

(v) Matters incident to the conduct of the meeting.

(4) No proxy shall confer authority (i) to vote for the election of any person to any office for which a bona fide nominee is not named in the proxy statement, or (ii) to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders. A person shall not be deemed to be a bona fide nominee and he shall not be named as such unless he has consented to being named in the proxy statement and to serve if elected.

* * * * *

(f) *Material required to be filed.* (1) Three preliminary copies of each Statement, form of proxy, and other item of soliciting material to be furnished to security holders concurrently therewith, shall be filed with the Corporation by management or any other person making a solicitation subject to this § 335.5 at least 10 calendar days (or 15 calendar days in the case of other than routine meetings, as defined below) prior to the date such item is first sent or given to any security holders, or such shorter period prior to that date as may be authorized. For the purposes of this subparagraph (1), a routine meeting means a meeting with respect to which no one is soliciting proxies subject to this § 335.5 other than on behalf of management and at which management intends to present no matters other than the election of directors, election of inspectors of election, and other recurring matters. In the absence of actual knowledge to the contrary, management may assume that no other such solicitation of the bank's security holders is being made. In cases of annual meetings, one additional preliminary copy of the statement, the form of proxy, and any other soliciting material, marked to show changes from the material sent or given to security holders with respect to the preceding annual meeting, shall be filed with the Corporation.

(2) Three preliminary copies of any additional soliciting material relating to the same meeting or subject matter, furnished to security holders subsequent to the proxy statement shall be filed with the Corporation at least 2 days (exclusive of Saturdays, Sundays, and holidays) prior to the date copies of such material are first sent or given to security holders, or such shorter period prior to such date as may be authorized upon a showing of good cause therefor.

(3) Six copies of each Statement, form of proxy, and other item of soliciting material, in the form in which such material is furnished to security holders, shall be filed with, or mailed for filing to, the Corporation not later than the date such material is first sent or given to any security holders. Three copies of such material shall at the same time be filed with, or mailed for filing to, each exchange upon which any security of the bank is listed.

(4) If the solicitation is to be made in whole or in part by personal solicitation, three copies of all written instructions or other material that discusses or reviews, or comments upon the merits of, any matter to be acted upon and is furnished to the individuals making the actual solicitation for their use directly or indirectly in connection with the solicitation shall be filed with the Corporation by the person on whose behalf the solicitation is made at least 5 days prior to the date copies of such material are first sent or given to such individuals, or such shorter period prior to that date as may be authorized upon a showing of good cause therefor.

* * * * *

(9) The date that proxy material is "filed" with the Corporation for purposes of subparagraphs (1), (2), and (4) of this paragraph is the date of receipt by the Corporation, not the date of mailing to the Corporation. In computing the advance filing period for preliminary copies of proxy soliciting material referred to in such subparagraphs, the filing date of the preliminary material is to be counted as the first day of the period and definitive material should not be planned to be mailed or distributed to security holders until after the expiration of such period. Where additional time is required for final printing after receipt of comments, the preliminary proxy material should be filed as early as possible prior to the intended mailing date.

(10) Where preliminary copies of material are filed with the Corporation pursuant to this paragraph, the printing of definitive copies for distribution to

security holders should be deferred until the comments of the Corporation's staff have been received and considered.

* * * * *

(h) *False or misleading statements.* (1) No solicitation or communication subject to this section shall be made by means of any statement, form of proxy, notice of meeting, or other communication, written or oral, containing any statement that, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or that omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter that has become false or misleading. Depending upon particular circumstances, the following may be misleading within the meaning of this paragraph: Predictions as to specific future market values, earnings, or dividends; material that directly or indirectly impugns character, integrity, or personal reputation, or directly or indirectly makes charges concerning improper, illegal, or immoral conduct or associations, without factual foundation; failure so to identify a statement, form of proxy, and other soliciting material as clearly to distinguish it from the soliciting material of any other person or persons soliciting for the same meeting or subject matter; claims made prior to a meeting regarding the results of a solicitation.

(2) The fact that a proxy statement, form of proxy, or other soliciting material has been filed with or reviewed by the Corporation or its staff shall not be deemed a finding by the Corporation that such material is accurate or complete or not false or misleading, or that the Corporation has passed upon the merits of or approved any statement therein or any matter to be acted upon by security holders. No representation contrary to the foregoing shall be made.

* * * * *

(o) *Solicitation prior to furnishing required proxy statement.* (1) Notwithstanding the provisions of paragraph (a) of this section, a solicitation (other than one subject to paragraph (i) of this section) may be made prior to furnishing security holders a written proxy statement containing the information specified in Form F–5 with respect to such solicitation if—

(i) The solicitation is made in opposition to a prior solicitation or an invitation for tenders or other publicized activity, which if successful, could reasonably have the effect of defeating the action proposed to be taken at the meeting;

(ii) No form of proxy is furnished to security holders prior to the time the written proxy statement required by paragraph (a) of this section is furnished to security holders: *Provided, however,* That this subdivision (ii) shall not apply where a proxy statement then meeting the requirements of Form F–5 has been furnished to security holders by or on behalf of the person making the solicitation;

(iii) The identity of the person or persons by or on whose behalf the solicitation is made and a description of their interests direct or indirect, by security holdings or otherwise, are set forth in each communication sent or given to security holders in connection with the solicitation; and

(iv) A written proxy statement meeting the requirements of this section is sent or given to security holders at the earliest practicable date.

(2) Three copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the written proxy statement required

by paragraph (a) of this section shall be filed with the Corporation in preliminary form at least 5 business days prior to the date definitive copies of such material are first sent or given to security holders, or such shorter period as the Corporation may authorize upon a showing of good cause therefor.

5. Section 335.7 is amended to revise the introductory texts of subparagraphs (9) and (10) of paragraph (c) and subparagraph (2) of paragraph (f), as set forth below:

§ *335.7 Form and content of financial statements.*

* * * * *

(c) * * *

(9) *General notes to balance sheets.* If present with respect to the person for which the statement is filed, the following shall be set forth in the balance sheet or in referenced notes thereto:

* * * * *

(10) *General notes to statements of income.* If present with respect to the person for which the statement is filed, the following shall be set forth in the statement of income or in referenced notes thereto:

* * * * *

(f) *Schedules to be filed.* (1) The following schedules shall be filed with each balance sheet filed pursuant to this part: Schedule I—U.S. Treasury Securities, Securities of Other U.S. Government Agencies and Corporations, and Obligations of States and Political Subdivisions; Schedule II—Other Securities; Schedule III—Other Loans; Schedule IV—Bank Premises and Equipment; Schedule V—Investments in, Income from Dividends, and Equity in Earnings and Loss of Unconsolidated Subsidiaries; and Schedule VI—Other Liabilities for Borrowed Money.

(2) The following schedules shall be filed with each statement of income filed pursuant to this part: Schedule VII—Allowance for Possible Loan Losses and Schedule VIII—Reserves on Securities.

* * * * *

6. Section 335.42 is amended to revise paragraphs (1) and (2) of the Instructions As To Financial Statements, as set forth below:

§ *335.42 Form for annual report of bank (Form F–2).*

* * * * *

Instructions As To Financial Statements

* * * * *

1. *Financial statements of the bank.*

(*a*) There shall be filed for the bank, in comparative columnar form, verified balance sheets as of the close of the last 2 fiscal years and verified statements of income for such fiscal years.

* * * * *

2. *Consolidated statements.*

There shall be filed for the bank and its majority-owned (i) bank premises subsidiaries, (ii) subsidiaries doing a foreign banking business, and (iii) significant subsidiaries, in comparative columnar form, verified consolidated balance sheets as of the close of the last 2 fiscal years of the bank and verified consolidated statements of income for such fiscal years.

* * * * *

7. Section 335.44 is amended to revise Form F–4, as set forth below:

§ *335.44 Form for quarterly report of bank (Form F-4).*

Federal Deposit Insurance Corporation

Form F–4

Quarterly Report of—

. . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
(Name of Bank)

. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
(City and State)

| Item | 3 months ending . . . | | Fiscal year to date (. . . .months ending . . . . . . . .) | |
|---|---|---|---|---|
| | 19. . (current year) | 19. . (prior year) | 19. . (current year) | 19. . (prior year) |
| 1. Operating income: | | | | |
| (a) Interest and fees on loans . . . . . . | | | | |
| (b) Interest and dividends on securities | | | | |
| (c) Other operating income . . . . . . . . . | | | | |
| (d) Total operating income . . . . . . . . . . | | | | |
| 2. Operating expenses: | | | | |
| (a) Salaries and other compensation . . | | | | |
| (b) Interest expense . . . . . . . . . . . . . . | | | | |
| (c) Other operating expenses . . . . . . . | | | | |
| (d) Total operating expenses . . . . . . . . | | | | |
| 3. Income before income taxes and securities gains (losses) . . . . . . . . . . | | | | |
| 4. Applicable income taxes . . . . . . . . . . . | | | | |
| 5. Income before securities gains (losses) | | | | |
| 6. Net security gains (losses), less related tax effect . . . . . . . . . . . . . . . . . . . . . | | | | |
| 7. Net income . . . . . . . . . . . . . . . . . . . . . | | | | |

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this quarterly report to be signed on its behalf by the undersigned, thereunto duly authorized.

. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
(Name of Bank)

By . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
(Name and title of signing officer)

Date . . . . . . . . . . . . . . . . . . . . . . . . . .

A. *Use of Form F–4.*

Form F–4 is a guide for use in preparation of the quarterly report to be filed with the Corporation.

B. *Persons for Whom the Information Is To Be Given.*

The required information is to be given as to the registrant bank or, if the bank files consolidated financial statements with the annual reports filed with the Corporation it shall cover the bank and its consolidated subsidiaries. If the information is given as to the bank and its consolidated subsidiaries, it need not be given separately for the bank.

C. *Presentation of Information.*

The form calls only for the items of information specified. It is not necessary to furnish a formal statement of income. The information is not required to be verified (see § 335.7(b)). The report may carry a notation to that effect and any other qualification considered necessary or appropriate. Amounts may be stated in thousands of dollars if a notation to that effect is made.

D. *Incorporation by Reference to Published Statements.*

If the bank makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a financial statement containing the information required by this form, such information may be incorporated by reference to such published statement if copies thereof are filed as an exhibit to this report.

E. *Extraordinary Items.*

If present with respect to any interim period reported herein, extraordinary items less applicable income tax effect shall be appropriately segregated and included in the determination of net income. (See Form F–9B, Statement of Income.)

8. A new § 335.46 is added, as set forth below:

§ *335.46 Form for registration of additional class of securities of a bank pursuant to section 12(b) or section 12(g) of the Securities Exchange Act of 1934 (Form F–10).*

Form F–10—Registration Statement for Additional Classes of Securities of a Bank

Pursuant to section 12(b) or section 12(g) of the Securities Exchange Act of 1934

. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .

(Exact name of bank as specified in charter)

. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .

(Address of principal office)

Securities being registered pursuant to section 12(b) of the Act:

| *Title of class* | *Name of each exchange on which class is being registered* |
|---|---|
| . . . . . . . . . . . . . . . . . . . . . . . . . . . . | . . . . . . . . . . . . . . . . . . . . . . . . . . . . |
| . . . . . . . . . . . . . . . . . . . . . . . . . . . . | . . . . . . . . . . . . . . . . . . . . . . . . . . . . |
| . . . . . . . . . . . . . . . . . . . . . . . . . . . . | . . . . . . . . . . . . . . . . . . . . . . . . . . . . |

Title of each class of equity securities being registered pursuant to section 12(g) of the Act:

General Instructions

1. *Applicability of This Form.*

This form may be used for registration of the following securities pursuant to the Securities Exchange Act of 1934:

(a) For registration pursuant to section 12(g) of the Act of any class of equity securities of a bank which has one or more other classes of securities registered pursuant to either section 12(b) or (g) of the Act.

(b) For registration on a national securities exchange pursuant to section 12(b) of the Act of any class of securities of a bank which has one or more other classes of securities so registered on the same securities exchange.

2. *Preparation of Registration Statement.*

This form is not to be used as a blank form to be filled in but only as a guide in the preparation of a registration statement. Particular attention should be given to the general requirements in § 335.4 of Part 335. The statement shall contain the numbers and captions of all items, but the text of the items may be omitted if the answers with respect thereto are prepared in the manner specified in § 335.4(s).

Information Required in Registration Statement

*Item 1—Stock To Be Registered.*

If stock is being registered, state the title of the class and furnish the following information (see Instruction 1):

(a) Outline briefly (1) dividend rights; (2) voting rights; (3) liquidation rights; (4) preemptive rights; (5) conversion rights; (6) redemption provisions; (7) sinking fund provisions; and (8) liability to further calls or to assessment.

(b) If the rights of holders of such stock may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class, so state and explain briefly.

(c) Outline briefly any restriction on the repurchase or redemption of shares by the bank while there is any arrearage in the payment of dividends or sinking fund installments. If there is no such restriction, so state.

*Instructions.* 1. If a description of the securities comparable to that required here is contained in any other document filed with the corporation, such description may be incorporated by reference to such other filing in answer to this item. If the securities are to be registered on a national securities exchange and the description has not previously been filed with such exchange, copies of the description shall be filed with copies of the registration statement filed with the exchange.

2. This item requires only a brief summary of the provisions which are pertinent from an investment standpoint. A complete legal description of the provisions referred to is not required and should not be given. Do not set forth the provisions of the governing instruments verbatim; only a succinct resume is required.

3. If the rights evidenced by the securities to be registered are materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other document, include such information regarding such limitation or qualification as will enable investors to understand the rights evidenced by the securities to be registered.

*Item 2—Debt Securities To Be Registered.*

If the securities to be registered hereunder are bonds, debentures or other evidences of indebtedness, outline briefly such of the following as are relevant (see Instruction 2 below):

(a) Provisions with respect to interest, conversion, maturity, redemption, amortization, sinking fund, or retirement.

(b) Provisions with respect to the kind and priority of any lien, securing the issue, together with a brief identification of the principal properties subject to such lien.

(c) Provisions restricting the declaration of dividends or requiring the maintenance of any ratio of assets, the creation or maintenance of reserves or the maintenance of properties.

(d) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, the release or substitution of assets securing the issue, the modification of the terms of the security, and similar provisions.

*Instruction 1.* Provisions permitting the release of assets upon the deposit of equivalent funds or the pledge of equivalent property, the release of property no longer required in the business, obsolete property or property taken by eminent domain, the application of insurance moneys, and similar provisions, need not be described.

(e) The name of the trustee and the nature of any material relationship with the bank or any of its affiliates; the percentage of securities of the class necessary to require the trustee to take action; and what indemnification the trustee may require before proceeding to enforce the lien.

(f) The general type of event which constitutes a default and whether or not any periodic evidence is required to be furnished as to the absence of default or as to compliance with the terms of the indenture.

*Instruction 2.* In most cases, debt securities issued by banks need not be registered pursuant to section 12(g) of the Securities Exchange Act; the registration requirements of that section apply only to an "equity security". The term "equity security" is defined by section 3(a)(11) of the Act to mean "any stock or similar security; or any security convertible, with or without consideration, into such a security; or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the Corporation shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as it may prescribe in the public interest or for the protection of investors, to treat as an equity security."

*Instruction 3.* The instructions to Item 1 also apply to this item.

*Item 3—Other Securities To Be Registered.*

If securities other than those referred to in Items 1 and 2 are to be registered hereunder, outline briefly the rights evidenced thereby. If subscription warrants or rights are to be registered, state the title and amount of securities called for, and the period during which and the price at which the warrants or rights are exercisable.

*Instruction.* The instructions to Item 1 also apply to this item.

*Item 4—Exhibits.*

List all exhibits filed as a part of the registration statement.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Date . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .

. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
(Name of Bank)

By . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
(Name and title of signing officer)

Instructions As To Exhibits

Subject to § 335.4(o) of Part 335 regarding the incorporation of exhibits by reference, the exhibits enumerated hereinafter shall be filed as a part of the registration statement. Exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may bear the designation given in the previous filing. Where exhibits are incorporated by reference, the reference shall be made in the list of exhibits in Item 4.

1. Specimens or copies of each security to be registered hereunder.

2. Copies of all constituent instruments defining the rights of the holders of each class of such securities, including any contracts or other documents which limit or qualify the rights of such holders.

*§ 335.51 [Amended]*

9. Section 335.51 is amended as follows:

*Item 2—Dissenters' Rights of Appraisal.*

Outline briefly the rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon and indicate any statutory procedure required to be followed by dissenting security holders in order to perfect such rights. Where such rights may be exercised only within a limited time after the date of the adoption of a proposal, the filing of a charter amendment or other similar act, state whether the person solicited will be notified of such date.

*Instruction.* Indicate whether a security holder's failure to vote against a proposal will constitute a waiver of his appraisal or similar rights and whether a vote against a proposal will be deemed to satisfy any notice requirements under State law with respect to appraisal rights. If the State law is unclear, state what position will be taken in regard to those matters.

*Item 5—Voting Securities and Principal Holders Thereof.*

* * * * *

(d) If to the knowledge of the persons on whose behalf the solicitation is made, any person and his associates owns of record or beneficially more than 10 percent of the outstanding voting securities of the bank, name such person or persons, state the approximate amount of such securities owned of record but not owned beneficially, and the approximate amount owned beneficially, and the percentage of outstanding voting securities represented by the amount of securities so owned in each such manner.

* * * * *

*Item 6—Nominees and Directors.*

* * * * *

(4) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the bank, or any of its parents or subsidiaries, "beneficially owned" (as defined in § 335.2(ff)) directly or indirectly by him. If he disclaims beneficial ownership of any such securities, make a statement to that effect.

(5) [*Deleted*]

* * * * *

(c) If fewer nominees are named than the number fixed by or pursuant to the governing instruments, state the reasons for this procedure and that the proxies cannot be voted for a greater number of persons than the number of nominees named.

*Item 7—Remuneration and Other Transactions With Management and Others.*

* * * * *

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the bank and its subsidiaries during the bank's latest fiscal year to the following persons for services in all capacities:

(1) Each director of the bank whose aggregate direct remuneration exceeded $30,000, and each of the two highest paid officers of the bank

whose aggregate direct remuneration exceeded that amount, naming each such director and officer.

* * * * *

(b) * * *

*Instructions.* * * *

3. In the case of any plan (other than those specified in Instruction 1) where the amount set aside each year depends upon the amount of earnings or profits of the bank or its subsidiaries for such year or a prior year (or where otherwise impracticable to state the estimated annual benefits upon retirement) there shall be set forth, in lieu of the information called by Column (C), the aggregate amount set aside or accrued to date, unless impracticable to do so, in which case the method of computing such benefits shall be stated. In addition, furnish a brief description of the material terms of the plan, including the method used in computing the bank's contribution, and the amount set aside or accrued during the bank's last fiscal year for all officers and directors as a group, indicating the number of persons in such group without naming them.

* * * * *

(d) Furnish the following information as to all options to purchase securities, from the bank or any of its subsidiaries, which were granted to or exercised by the following persons since the beginning of the bank's last fiscal year and as to all options held by such persons as of the latest practicable date: (i) Each director or officer named in answer to paragraph (a)(1), naming each such person; and (ii) all directors and officers of the bank as a group, without naming them:

(1) As to options granted, state (i) the title and amount of securities called for; (ii) the prices, expiration dates, and other material provisions; and (iii) the market value of the securities called for on the granting date.

(2) As to options exercised, state (i) the title and amount of securities purchased; (ii) the aggregate purchase price; and (iii) the aggregate market value of the securities purchased on the date of purchase.

(3) As to all unexercised options held as of the latest practicable date, regardless of when such options were granted, state (i) the title and aggregate amount of securities called for; (ii) the average option price per share; and (iii) the per share market price of the securities subject to the option, as of the latest practicable date.

*Instructions.* 1. The extension, regranting, or material amendment of options shall be deemed the granting of options within the meaning of this paragraph.

2. This item need not be answered with respect to options granted, exercised, or outstanding, as may be specified therein, where the total market value (i) on the granting date of the securities called for by all options granted during the period specified; (ii) on the dates of purchase of all securities purchased through the exercise of options during the period specified; or (iii) as of the latest practicable date of the securities called for by all options held at such time, does not exceed $10,000 for any officer or director named in answer to paragraph (a)(1), or $30,000 for all officers and directors as a group.

* * * * *

(e) If to the knowledge of management any indebtedness to the bank has arisen since the beginning of the bank's last fiscal year under section 16(b) of the Securities Exchange Act of 1934, as a result of transactions in the bank's stock (or other equity securities) by any director, officer, or security holder named in answer to Item 5(d), which indebtedness has not been discharged by payment, state the amount of any profit realized and whether suit will be brought or other steps taken to recover such profit. If, in the opinion of counsel, a question reasonably exists as to the recoverability of such profit, only facts necessary to describe the transactions, including the prices and number of shares involved, need be stated.

(f) * * *

*Instructions.* * * *

(5) * * *

(iii) The specified person is subject to this Item 7(f) solely as a director of the bank (or associate of a director) and his interest in the transaction is solely that of a director, officer of, and/or owner of less than 10 percent interest in, another person that is a party to the transaction.

(iv) The transaction consists of extensions of credit by the bank in the ordinary course of its business that (A) are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other than specified persons, (B) at no time exceed 10 percent of the equity capital accounts of the bank, or $10 million, whichever is less, and (C) do not involve more than the normal risk of collectibility or present other unfavorable features. Notwithstanding the foregoing, if aggregate extensions of credit to the specified persons, as a group, exceeded 20 percent of the equity capital accounts of the bank at any time during the preceding year, (1) the aggregate amount of such extensions of credit shall be disclosed, and (2) a statement shall be included, to the extent applicable, that the bank has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal stockholders, and their associates, on the same terms, including interest rates and collateral on loans, as those prevailing at the same time for comparable transactions with others. For the purpose of determining "aggregate extensions of credit" in this instruction, transactions which are exempted from disclosure pursuant to other instructions to this item may be excluded.

*Item 9—Bonus, Profit Sharing, and Other Remuneration Plans.* If action is to be taken with respect to any bonus, profit sharing, or other remuneration plan, furnish the following information:

* * * * *

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 2 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan; and (iii) all employees, if employees may participate in the plan.

* * * * *

(f) If action is to be taken with respect to the amendment or modification of an existing plan, the item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

*Instruction.* * * *

*Item 10—Pension and Retirement Plans.*

If action is to be taken with respect to any pension or retirement plan, furnish the following information:

*　　　*　　　*　　　*　　　*

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past two years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan; and (iii) all employees, if employees may participate in the plan.

*　　　*　　　*　　　*　　　*

(f) If action is to be taken with respect to the amendment or modification of an existing plan, the item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

*Instructions.* * * *

*Item 11—Options, Warrants, or Rights.*

If action is to be taken with respect to the granting or extension of any options, warrants, or rights to purchase securities of the bank or any subsidiary, furnish the following information:

(a) State (i) the title and amount of securities called for or to be called for by such options, warrants or rights; (ii) the prices, expiration dates and other material conditions upon which the options, warrants or rights may be exercised; and (iii) in the case of options, the Federal income tax consequences of the issuance and exercise of such options to the recipient and to the bank.

*　　　*　　　*　　　*　　　*

(c) Furnish such information, in addition to that required by this item and Item 7 as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan; and (iii) all employees, if employees may participate in the plan.

*Instructions.* 1. Paragraphs (b) and (c) do not apply to warrants or rights to be issued to security holders as such on a pro rata basis.

2. The instruction to Item 9 shall apply to paragraph (c) of this item.

3. Include in the answer to paragraph (c) as to each director or officer named in answer to Item 7(a) and as to all directors and officers as a group (i) the amount of securities acquired during the past 2 years through the exercise of options granted during the period or prior thereto; (ii) the amount of securities sold during such period of the same class as those acquired through the exercise of such options; and (iii) the amount of securities subject to all unexercised options held as of the latest practicable date.

*Item 12—Authorization or Issuance of Securities Otherwise than for Exchange.*

If action is to be taken with respect to the authorization or issuance of any securities otherwise than in exchange for outstanding securities of the bank furnish the following information:

* * * * *

(b) Furnish a description of the material provisions of the securities such as would be required in a registration statement filed pursuant to this part. If the terms of the securities cannot be stated or estimated with respect to any or all of the securities to be authorized, because no offering thereof is contemplated in the proximate future, and if no further authorization by security holders for the issuance thereof is to be obtained, it should be stated that the terms of the securities to be authorized, including dividend or interest rates, conversion prices, voting rights, redemption prices, maturity dates, and similar matters will be determined by the Board of Directors. If the securities are additional shares of common stock of a class outstanding, the description may be omitted.

(c) Describe briefly the transaction in which the securities are to be issued, including a statement as to (1) the nature and approximate amount of consideration received or to be received by the bank, and (2) the approximate amount devoted to each purpose so far as determinable, for which the net proceeds have been or are to be used. If it is impracticable to describe the transaction in which the securities are to be issued, indicate the purpose of the authorization of the securities, and state whether further authorization for the issuance of the securities by a vote of security holders will be solicited prior to such issuance and whether present security holders will have preemptive rights to purchase such securities.

(d) [Deleted]

*Item 13—Modification or Exchange of Securities.*

* * * * *

(c) State the reasons for the proposed modification or exchange, and the general effect thereof upon the rights of existing security holders.

* * * * *

*Item 14—Mergers, Consolidations, Acquisitions, and Similar Matters.*

If action is to be taken with respect to any plan for (i) the merger or consolidation of the bank into or with any other person or of any other person into or with the bank; (ii) the acquisition by the bank or any of its subsidiaries of securities of another bank; (iii) the acquisition by the bank of any other going business or of the assets thereof; (iv) the sale or other transfer of all or any substantial part of the assets of the bank; or (v) the voluntary liquidation or dissolution of the bank:

(a) Outline briefly the material features of the plan. State the reasons therefor and the general effect thereof upon the interests of existing security holders. If the plan is set forth in a written document, file three copies thereof with the Corporation when preliminary copies of the Statement are filed pursuant to § 335.5(f).

(b) Furnish the following information as to the bank and each person (other than subsidiaries substantially all of the stock of which are owned by the bank) which is to be merged into the bank or into or with which the bank is to be merged or consolidated or the business or assets of which are to be acquired or which is the issuer of securities to be acquired by the bank or any of its subsidiaries in exchange for all or a substantial part of its assets:

(1) A brief description of the business and property of each such person in substantially the manner described in Items 3 and 4 of Form F–1.

(2) A brief statement as to defaults in principal or interest in respect of any securities of the bank or of such person, and as to the effect of the plan thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(3) Such information with respect to the proposed management of the surviving bank as would be required by Items 6 and 7 of this Form F–5. Information concerning remuneration of management may be projected for the current year based on remuneration actually paid or accrued by each of the constituent persons during the last calendar year. If significantly different, proposed compensation arrangements should also be described.

(4) A tabular presentation of the existing and pro forma capitalization.

(5) In columnar form, for each of the last 3 fiscal years, a historical summary of earnings. Such summary to be concluded by indicating per share amounts of income before securities gains (losses), net income, and dividends declared for each period reported. (Extraordinary items, if any, should be appropriately reported and per share amounts of securities gains (losses) may be included.)

(6) In columnar form, for each of the last 3 fiscal years, a combined pro forma summary of earnings, as appropriate in the circumstances, similar in structure to the historical summary of earnings. If the transaction establishes a new basis of accounting for assets of any of the persons included therein, the pro forma summary of earnings shall be furnished only for the most recent fiscal year and interim period and shall reflect appropriate pro forma adjustments resulting from such new basis of accounting.

(7) A tabular presentation of comparative per share data of the constituent banks or other persons pertaining to:

(A) (i) Income before securities gains (losses); (ii) net income; and (iii) dividends declared, for each of the last 3 fiscal years; and

(B) Book value per share, at the date of the balance sheets included in the statement.

The comparative per share data shall be presented on a historical and pro forma basis (except dividends which are to be furnished on historical basis only) and equated to a common basis in exchange transactions.

(8) To the extent material for the exercise of prudent judgment, the historical and pro forma earnings data specified in (5), (6), and (7) above for the latest available interim period of the current and prior fiscal years.

*Instructions.* 1. Historical statements of income in their entirety, as required by Item 15, may be furnished in lieu of the summary of earnings specified in paragraph 5. If summary earnings information is presented, show, as a minimum, operating revenues, operating expenses, income before income taxes and security gains (losses), applicable income taxes, income before securities gains (losses), securities gains (losses), and net income. The summary shall reflect retroactive adjustments of any material items affecting the comparability of the results.

2. In connection with any interim period or periods between the end of the last fiscal year and the balance sheet date, and any comparable prior period, a statement shall be made that all adjustments necessary to a fair statement of the results for such interim period or periods have been included, and results of the interim period for the current year are not necessarily indicative of

results for the entire year. In addition, there shall be furnished in such cases, as supplemental information but not as a part of the proxy statement, a letter describing in detail the nature and amount of any adjustments, other than normal recurring accruals, entering into the determination of the results shown.

3. The information required by this Item 14(b) is required in a Statement of the "acquiring" or "surviving" bank only where a "significant" merger or acquisition is to be voted upon. For purposes of this item, the term "significant" merger or acquisition shall mean a transaction where either (1) the net book value of assets to be acquired or the amount to be paid therefor exceeds 5 percent of the equity capital accounts of the acquiring bank, or (2) in an exchange transaction, the number of shares to be issued exceeds 5 percent of the outstanding shares of the acquiring bank, or (3) gross operating revenues for the last fiscal year of the person to be acquired exceeded 5 percent of the gross operating revenues for the last fiscal year of the acquiring bank. If less than a "significant" merger or acquisition is to be voted upon, such information need only be included to the extent necessary for the exercise of prudent judgment with respect thereto.

* * * * *

*Item 15—Financial Statements.*

(a) If action is to be taken with respect to any matter specified in Items 12, 13, or 14 above, furnish verified financial statements of the bank and its subsidiaries such as would be required in a registration statement filed pursuant to this part. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. All schedules, except Schedule VII—"Allowance for Possible Loan Losses" and Schedule VIII—"Reserve on Securities", may be omitted.

(b) If action is to be taken with respect to any matter specified in Item 14(b), furnish for each person specified therein, other than the bank, financial statements such as would be required in a registration statement filed pursuant to this part. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. However, the following may be omitted: (1) All schedules, except Schedule VII—"Allowance for Possible Loan Losses"; and (2) statements for a subsidiary, all of the stock of which is owned by the bank, that is included in the consolidated statement of the bank and its subsidiaries. Such statements shall be verified, if practicable.

(c) Notwithstanding paragraphs (a) and (b) above, any or all of such financial statements which are not material for the exercise of prudent judgment in regard to the matter to be acted upon may be omitted. Such financial statements are deemed material to the exercise of prudent judgment in the usual case involving the authorization or issuance of any material amount of senior securities, but are not deemed material in cases involving the authorization or issuance of common stock, otherwise than in an exchange, merger, consolidation, acquisition, or similar transaction.

* * * * *

*Item 18—Amendment of Charter, Bylaws, or Other Documents.*

If action is to be taken with respect to any amendment of the bank's charter, bylaws, or other documents as to which information is not required above, state briefly the reasons for and general effect of such amendment.

*Item 20—Vote Required for Approval.*

As to each matter which is to be submitted to a vote of security holders, other than elections to office or the selection or approval of auditors, state the vote required for its approval.

10. Section 335.71 is amended as set forth below:

§ *335.71 Forms for financial statements (Forms F–9 A, B, C, and D).*

Forms F–9—Financial Statements

A. Balance Sheet (Form F–9A).
B. Statement of Income (Form F–9B).
C. Statement of Changes in Capital Accounts (Form F–9C).
D. Schedules (Form F–9D).

General Instructions

1. *Preparation of Forms.*

The forms for financial statements are not to be used as blank forms to be filled in but only as guides in the preparation of financial statements. The requirements with respect to the filing of balance sheets and statements of income are contained in the instructions as to certain other forms required by this part. Particular attention should be given to the general requirements as to financial statements in § 335.7, including paragraphs (e) and (f) thereof, which prescribe when statements of changes in capital accounts and schedules will be filed. Although inapplicable items specified in the forms for financial statements should be omitted, the detailed instructions that relate to applicable items shall be followed.

2. *Accrual Accounting.*

Financial statements shall generally be prepared on the basis of accrual accounting whereby all revenues and all expenses shall be recognized during the period earned or incurred regardless of the time received or paid, with certain exceptions: (a) Where the results would be only insignificantly different on a cash basis, or (b) where accrual is not feasible. Statements with respect to the first fiscal year that a bank reports on the accrual basis shall indicate clearly, by footnote or otherwise, the beginning-of-year adjustments that were necessary and their effect on prior financial statements filed under this part.

...... ..................... ...

(Name of Bank)

A. Balance Sheet

Assets

1. Cash and due from banks . ..........
2. Investment securities:
   (a) U.S. Treasury securities ..............................
   (b) Securities of other U.S. Government agencies and corporations .
   (c) Obligations of States and political subdivisions ..............
   (d) Other securities ..........................................
3. Trading account securities ..................................
4. Federal funds sold and securities purchased under agreements to resell ...............................................
5. Other loans ..............................................
6. Bank premises and equipment ..........................
7. Other real estate owned ................................
8. Investments in subsidiaries not consolidated ................

9. Customers' acceptance liability . . . . . . . . . . . . . . . . . . . . . . . .
10. Other assets . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
11. Total assets . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .

Liabilities

12. Deposits:
 (a) Demand deposits in domestic offices . . . . . . . . . . . . . . . . . . .
 (b) Savings deposits in domestic offices . . . . . . . . . . . . . . . . . . . . .
 (c) Time deposits in domestic offices . . . . . . . . . . . . . . . . . . . . . . .
 (d) Deposits in foreign offices . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
13. Federal funds purchased and securities sold under agreements to repurchase . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
14. Other liabilities for borrowed money . . . . . . . . . . . . . . . . . . . . . . . .
15. Bank's acceptances outstanding . . . . . . . . . . . . . . . . . . . . .
16. Mortgages payable . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
17. Other liabilities . . . . . . . . . . . . . . . . . . . . . . . . . . .
18. Total liabilities . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
19. Minority interests in consolidated subsidiaries . . . . . . . . . . . . . . . .

Reserves on Loans and Securities

20. Allowance for possible loan losses . . . . . . . . . . . . . . . . .
21. Reserves on securities . . . . . . . . . . . . . . . . . . . .

Capital Accounts

22. Capital notes and debentures .
23. Equity capital:
 (a) Capital stock:
  Preferred stock . . . . . . . . . . . . . . . . . . . . . . . . . . . .
  Common stock . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
 (b) Surplus . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
 (c) Undivided profits . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
 (d) Reserve for contingencies and other capital reserves . . . . . . . .
24. Total capital accounts . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
25. Total liabilities, reserves, and capital . . . . . . . . . . . . . . . . . . . . . .

Assets

1. *Cash and due from banks.* (a) State the total of (1) currency and coin (A) owned and held in the bank's vaults and (B) in transit to or from a Federal Reserve Bank; (2) the bank's total reserve balance with the Federal Reserve Bank as shown by the bank's books; (3) demand and time balances with other banks; and (4) cash items in process of collection.

(b) Reciprocal demand balances with banks in the United States, except those of private banks and American branches of foreign banks, shall be reported net.

(c) Do not include unavailable balances with closed or liquidating banks. Such balances should be reported in "other assets".

(d) Cash items in process of collection include: (1) checks in process of collection drawn on another bank, private bank, or any other banking institution that are payable immediately upon presentation (including checks with a Federal Reserve Bank in process of collection and checks on hand that will be presented for payment or forwarded for collection on the following business day); (2) Government checks and warrants drawn on the Treasurer of the

United States that are in process of collection; and (3) such other items in process of collection, including redeemed U.S. savings bonds, payable immediately upon presentation in the United States, as are customarily cleared or collected by banks as cash items.

(e) Checks drawn on a bank other than the reporting bank that have been deposited in the reporting bank (or offices or branches of such bank) and have been forwarded for collection to other offices or branches of the reporting bank are cash items in the process of collection.

(f) Do not include commodity or bill-of-lading drafts payable upon arrival of goods against which drawn, whether or not deposit credit therefor has been given to a customer. If deposit credit has been given, such drafts should be reported as "loans"; but if the drafts were received by the reporting bank on a collection basis they should not be included in the reporting bank's statement until such time as the funds have been actually collected.

(g) Unposted debits should preferably be deducted from the appropriate deposit liability caption. If such items are included hereunder, the amount shall be stated parenthetically.

2. *Investment securities*. (a) State separately bdok value of (1) U.S. Treasury securities; (2) securities of other U.S. Government agencies and corporations; (3) obligations of States and political subdivisions; and (4) other securities owned by the bank; include securities pledged, loaned or sold under repurchase agreements and similar arrangements.

(b) Book value with respect to investment quality securities reported in paragraph (a) shall be cost adjusted for amortization of premium and, at the option of the bank, for accretion of discount. There shall be set forth in a note to financial statements (1) the basis of accounting for book value, and (2) if bond discount is systematically accrued and amounts to 5 percent or more of interest and dividends on investments, the total of accretion income and deferred income taxes applied thereto.

(c) Include in category (3) of paragraph (a) obligations, including warrants and tax anticipation notes, of the States of the United States and their political subdivisions, agencies, and instrumentalities; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign states.

(d) Do not include borrowed securities, or securities purchased under resale agreements or similar arrangements.

3. *Trading account securities*. State the aggregate value at the balance sheet date, of securities of all types carried by the bank in a dealer trading account (or accounts) that are held principally for resale to customers. Indicate parenthetically, or otherwise in a note to financial statements, whether the inventory is valued at (1) cost, (2) lower of cost or market, or (3) market. If cost basis of valuation is used, furnish aggregate market value of the trading account inventory at the current fiscal year balance sheet date.

4. *Federal funds sold and securities purchased under agreements to resell.* (a) State the aggregate value of Federal funds sold and securities purchased under resale agreement or similar arrangements. All securities purchased under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buybacks, turnarounds, overnight transactions, delayed deliveries, etc., and (2) whether the transactions are with the same or different institutions if the purpose of the transactions is to resell identical or similar securities.

(b) Federal funds sold and purchases of securities under resale agreements should be reported gross and not netted against purchases of Federal funds and sales of securities under repurchase agreements.

5. *Other loans.* (a) State the aggregate gross value of all loans including (1) acceptances of other banks and commercial paper purchased in the open market; (2) acceptances executed by or for the account of the reporting bank and subsequently acquired by it through purchase or discount; (3) customers' liability to the reporting bank on drafts paid under letters of credit for which the bank has not been reimbursed; and (4) "cotton overdrafts" or "advances," and commodity or bill-of-lading drafts payable upon arrival of goods against which drawn, for which the reporting bank has given deposit credit to customers.

(b) Include (1) paper rediscounted with the Federal Reserve or other banks; and (2) paper pledged as collateral to secure bills payable, as marginal collateral to secure bills rediscounted, or for any other purpose.

(c) Do not include contracts of sale or other loans indirectly representing bank premises or other real estate; these should be included in "bank premises" or "other real estate".

(d) Do not deduct bona fide deposits accumulated by borrowers for the payment of loans.

6. *Bank premises and equipment.* (a) State the aggregate cost of (1) bank premises owned, (2) leasehold improvements, and (3) equipment less any accumulated depreciation or amortization with respect to such assets.

(b) All fixed assets acquired subsequent to December 31, 1959, shall be stated at cost less accumulated depreciation or amortization.

(c) All fixed assets acquired prior to January 1, 1960, that are not presently accounted for by the bank on the basis of cost less accumulated depreciation or amortization, may be stated at book value. Any such assets that are still in use and would not have been fully depreciated on an acceptable method of accounting for depreciation if the bank had recorded depreciation on such basis shall be described briefly in a footnote, together with an explanation of the accounting that was used with respect to such assets.

(d) The term "leasehold improvements" comprehends two types of situations: (1) Where the bank erects a building on leased property; and (2) where a bank occupies leased quarters or uses leased parking lots and appropriately capitalizes disbursements for vaults, fixed machinery and equipment directly related to such leased quarters, or resurfacing or other improvements directly related to such parking lots that will become an integral part of the property and will revert to the lessor on expiration of the lease.

(e) Bank premises includes vaults, fixed machinery and equipment, parking lots owned adjoining or not adjoining the bank premises that are used by customers or employees, and potential building sites.

(f) Equipment includes all movable furniture and fixtures of the bank.

7. *Other real estate owned.* (a) State the aggregate cost of all real estate owned by the bank that is not a part of bank premises.

(b) With respect to real estate acquired through default of a loan, aggregate cost shall include the unpaid balance on the defaulted loan plus the bank's out-of-pocket costs in acquiring clear title to the property. Any adjustments from aggregate cost shall be explained in a footnote.

(c) The aggregate market value of all real estate owned by the bank that is not a part of bank premises shall be set forth in a footnote, together with an explanation of the method of determining such market value.

8. *Investments in subsidiaries not consolidated.* State the aggregate investment, including advances, in subsidiaries not consolidated.

9. *Customers' acceptance liability.* (a) State the liability to the reporting bank of its customers on drafts and bills of exchange that have been accepted by the reporting bank or by other banks for its account and that are outstanding—that is, not held by the bank, on the reporting date. (If held by the reporting bank, they should be reported as "loans".)

(b) In case a customer anticipates his liability to the bank on outstanding acceptances by paying the bank either the full amount of his liability of any part thereof in advance of the actual maturity of the acceptance, the bank should decrease the amount of the customer's liability on outstanding acceptances. If such funds are not received for immediate application to the reduction of the indebtedness to the bank or the receipt thereof does not immediately reduce or extinguish the indebtedness, then such funds held to meet acceptances must be reported in "demand deposits".

(c) Do not include customer's liability on unused commercial and travelers' letters of credit issued under guaranty or against the deposit of security—that is, not issued for money or its equivalent.

10. *Other assets.* State separately, if material, (1) income earned but not collected; (2) prepaid expenses; (3) property acquired for the purpose of direct lease financing; and (4) any other asset not included in the preceding items.

11. *Total assets.* State the sum of all asset items.

Liabilities

12. *Deposits.* (a) State separately (1) demand deposits in domestic offices of the bank, (2) savings deposits in domestic offices of the bank, (3) time deposits in domestic offices of the bank, and (4) deposits in foreign offices. Related unposted debits, if any, should preferably be deducted from domestic deposits.

(b) The domestic deposit liability categories shall be segregated in accordance with the Rules and Regulations of the Federal Deposit Insurance Corporation, Part 327.2 Classification of Deposits.

(c) The term "unposted debit" means a cash item in the bank's possession drawn on itself that has been paid or credited and is chargeable against, but has not been charged against, deposit liabilities at the close of the reporting period. This term does not include items that have been reflected in deposit accounts on the general ledger, although they have not been debited to individual deposit accounts.

(d) Reciprocal demand deposit balances with banks in the United States, except those of private banks and American branches of foreign banks, shall be reported net.

(e) Include outstanding drafts (including advices or authorizations to charge the bank's balance in another bank) drawn in the regular course of business by the reporting bank on other banks pursuant to customer order.

(f) Do not include trust funds held in the bank's own trust department that the bank keeps segregated and apart from its general assets and does not use in the conduct of its business.

13. *Federal funds purchased and securities sold under agreements to repurchase.* (a) State the aggregate value of Federal funds purchased and securities sold under repurchase agreements or similar arrangements. All securities sold under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buybacks, turnarounds, overnight transactions, delayed deliveries, etc., and (2) whether the transactions are with the same or different institutions if the purpose of the transactions is to repurchase identical or similar securities.

(b) Federal funds purchased and sales of securities under repurchase agreements should be reported gross and not netted against sales of Federal funds and purchases of securities under resale agreements.

14. *Other liabilities for borrowed money.* State the aggregate amount borrowed by the reporting bank on its own promissory notes, on notes and bills rediscounted (including commodity drafts rediscounted), or on any other instruments given for the purpose of borrowing money.

15. *Bank's acceptances outstanding.* (a) State the aggregate of unmatured drafts and bills of exchange accepted by the reporting bank, or by some other bank as agent for the reporting bank (other than those reported in "demand deposits"), less the amount of such acceptances acquired by the reporting bank through discount or purchase and held on the reporting date.

(b) Include bills of exchange accepted by the reporting bank that were drawn by banks or bankers in foreign countries, or in dependencies or insular possessions of the United States, for the purpose of creating dollar exchange as required by usage of trade in the respective countries, dependencies, or insular possessions.

16. *Mortgages payable.* (a) State separately here, or in a note referred to herein, such information as will indicate (1) the general character of the debt including the rate of interest; (2) the date of maturity; (3) if the payment of principal or interest is contingent, an appropriate indication of such contingency; and (4) a brief indication of priority.

(b) If there are any liens on bank premises or other real estate owned by the bank or its consolidated subsidiaries which have not been assumed by the bank or its consolidated subsidiaries, report in a footnote the amount thereof together with an appropriate explanation.

17. *Other liabilities.* State separately, if material, (a) accrued payrolls; (b) accrued income tax liability (Federal and State combined); (c) accrued interest; (d) cash dividends declared but not paid; (e) income collected but not earned; and (f) any other liability not included in Items 12 through 16.

18. *Total liabilities.* State the sum of Items 12 through 17.

19. *Minority interests in consolidated subsidiaries.* State the aggregate amount of minority stockholders' interests in capital stock, surplus, and undivided profits of consolidated subsidiaries.

## Reserves

20. *Allowance for possible loan losses.* (a) State the balance of the loan loss allowance account at the end of the fiscal year. Include in this allowance only (1) any provision that the bank makes for possible loan losses pursuant to the Treasury tax formula and (2) any amount in excess of the provision taken under such formula that (A) represents management's judgment as to possible loss or value depreciation and (B) has been established through a charge against income.

(b) Any provision for possible loan losses that the bank establishes as a precautionary measure that is in excess of the amount reported in paragraph (a) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

21. *Reserves on securities.* State the balance of the reserves on securities at the end of the fiscal year of any allowance that (1) represents management's judgment as to possible loss or value depreciation in investment securities and (2) has been established through an appropriate charge against income shall be separately stated. Any provision for possible security losses that the bank establishes as a precautionary measure only (such as to reflect normal fluctuations in market value of readily marketable securities) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

## Capital Accounts

22. *Capital notes and debentures.* State separately here, or in a note referred to herein, each issue or type of obligation and such information as will indicate (a) the general character of each type of debt including the rate of interest; (b) the date of maturity (or dates if maturing serially) and call provisions; (c) the aggregate amount of maturities, and sinking fund requirements, each year for the 5 years following the date of the balance sheet; (d) if the payment of principal or interest is contingent, an appropriate indication of the nature of the contingency; (e) a brief indication of priority; and (f) if convertible, the basis.

23. *Equity capital.* (a) *Capital stock.* State for each class of shares the title of issue, the number of shares authorized, the number of shares outstanding and the capital share liability thereof, and, if convertible, the basis of conversion. Show also the dollar amount, if any, of capital shares subscribed but unissued, and of subscriptions receivable thereon.

(b) *Surplus.* State the net amount formally transferred to the surplus account on or before the reporting date, subject to the conditions set forth in the instruction relating to "undivided profits".

(c) *Undivided profits.* State the amount of undivided profits shown by the bank's books.

(d) *Reserve for contingencies and other capital reserves.*

(1) State separately each such reserve and its purpose.

(2) These reserves constitute amounts set aside for possible decrease in the book value of assets, or for other unforeseen indeterminable liabilities not otherwise reflected on the bank's books and not covered by insurance.

(3) As these reserves represent a segregation of undivided profits, do not include any element of known losses, or losses the amount of which can be estimated with reasonable accuracy.

(4) Reserves for possible security losses, reserves for possible loan losses, and other contingency reserves that are established as precautionary measures only shall be included in these reserves, as they represent segregations of "undivided profits".

24. *Total capital accounts.* State the total of Items 22 and 23.

25. *Total liabilities, minority interests, reserves and capital.* State the total of Items 18, 19, 20, 21, and 24.

....................
(Name of Bank)

B. Statement of Income

1. Operating Income:
   (a) Interest and fees on loans ........................................
   (b) Income on Federal funds sold and securities purchased under agreements to resell ........................................
   (c) Interest and dividends on investments:
      1. U.S. Treasury securities ........................................
      2. Securities of other U.S. Government agencies and corporations ...........
      3. Obligations of States and political subdivisions ......................
      4. Other securities ........................................
   (d) Trust department income ........................................
   (e) Service charges on deposit accounts ..................................
   (f) Other service charges, collection and exchange charges, commissions, and fees ........................................
   (g) Other operating income ........................................
   (h) Total operating income ........................................
2. Operating Expenses:
   (a) Salaries and wages ........................................
   (b) Pensions and other employee benefits ..................................
   (c) Interest on deposits ........................................
   (d) Expense of Federal funds purchased and securities sold under agreements to repurchase ........................................
   (e) Interest on other borrowed money ....................................
   (f) Interest on capital notes and debentures ..............................
   (g) Occupancy expense of bank premises, net:
      Gross occupancy expense——........................................
      Less: Rental income——........................................
   (h) Furniture and equipment expense (Including depreciation of $——) ........
   (i) Provision for loan losses ........................................
   (j) Other operating expenses ........................................
   (k) Total operating expenses ........................................
3. Income Before Income Taxes and Securities Gains (Losses) .................
4. Applicable Income Taxes ........................................
5. Income Before Securities Gains (Losses) ..................................
6. Net Security Gains (Losses), less related tax effect, $——....................
7. Income (before extraordinary items, if any) ..............................
8. Extraordinary Items, less related tax effect, $——.........................
9. Less Minority Interest in Consolidated Subsidiaries ........................
10. Net Income ........................................
    Earnings per common share:*
    Income before securities gains (losses) ................................
    Net Income ........................................

*The per share amount of securities gains (losses) may be stated separately. If extraordinary items are reported, per share amount of income before extraordinary items and per share amount of extraordinary items shall be stated separately.

1. *Operating income.* State separately:

(a) *Interest and fees on loans.*

(1) Include interest, fees and other charges on all assets that are reported on the balance sheet as other loans.

(2) Include interest on acceptances, commercial paper purchased in the open market, drafts for which the bank has given deposit credit to customers, etc. Also include interest on loan paper that has been rediscounted with Federal Reserve or other banks or pledged as collateral to secure bills payable or for any other purpose.

(3) Include service charges and other fees on loans.

(4) Include profits (or losses) resulting from the sale of acceptances and commercial paper at discount rates other than those at which such paper was purchased.

(5) Current amortization or premiums on mortgages or other loans shall be deducted from interest on loans and current accumulation of discount on such items shall be added to interest on loans.

(b) *Income on Federal funds sold and securities purchased under agreements to resell.* Include the total gross revenue from Federal funds sold and securities purchased under agreements to resell.

(c) *Interest and dividends on investments.*

(1) State separately interest and dividends from (A) U.S. Treasury securities, (B) securities of other U.S. Government agencies and corporations, (C) obligations of States and political subdivisions, and (D) other securities owned by the bank, including securities pledged, loaned, or sold under repurchase agreements and similar arrangements.

(2) Include accretion of discount on securities, if any; deduct amortization of premiums on securities. If the reporting bank accrues bond discount and such income amounts to 5 percent or more of the total of interest and dividends on investments, state in a note to financial statements, the amount of accretion income and deferred income taxes applicable thereto.

(3) When securities are purchased, any payment for accrued interest shall not be charged to expenses, nor when collected be credited to earnings. Such interest shall be charged to a separate account that will be credited upon collection of the next interest payment. The balance in the account shall be shown as "other assets" in the balance sheet.

(d) *Trust department income.* (1) Include income from commissions and fees for services performed by the bank in any authorized fiduciary capacity.

(2) This item may be reported on the cash basis in those instances where the presentation of the item on the financial statements would not be materially affected thereby. The cash basis may also be used with respect to an individual trust or estate if accrual of income therefrom is not feasible. If any portion of trust department income is not reported on the accrual basis, there shall be a footnote explaining the method of reporting and the reason for departing from reporting on the accrual basis.

(e) *Service charges on deposit accounts.* Include amounts charged depositors that fail to maintain specified minimum deposit balances; charges based on the number of checks drawn on and deposits made in deposit accounts; charges for account maintenance and for checks drawn on "no minimum balance" deposit accounts; return check charges; etc.

(f) *Other service charges, collection and exchange charges, commissions, and fees.* State the aggregate of other service charges, collection and exchange charges, commissions, and fees. Exclude charges on loans and deposits and those related to the Trust Department. Do not include reimbursements for out-of-pocket expenditures made by the bank for the account of customers. If expense accounts were charged with the amount of such expenditures, the reimbursements should be credited to the same expense accounts.

(g) *Other operating income.*

(1) Include all operating income not reported in Items 1(a) through 1(f).

(2) Include (A) net trading account income consisting of profits and losses, interest, and other income and expense related to securities carried in a dealer trading account or accounts that are held principally for resale to customers, but exclude salaries, commissions, and other indirect expenses; (B) income from lease financing; (C) gross rentals from "other real estate" and safe deposit boxes; (D) net remittable profits (or losses) of foreign branches and consolidated subsidiaries less any minority interests (unless the reporting bank preferably combines or consolidates each item of income and expense); (E) interest on time balances with other banks; and (F) all other recurring credits (such as miscellaneous recoveries) and immaterial nonrecurring credit items.

(3) Do not include rentals from bank premises. Such rental income shall be reported in the inset to Item 2(g). In the event there is a net occupancy income, the amount shall be shown in parenthesis in Item 2(g).

(4) Itemize (A) net trading account income, (B) net remittable profits (or losses) of foreign branches and consolidated subsidiaries (if included in this subitem), and (C) all other amounts that represent 25 percent or more of the total of this subitem, unless "other operating income" is less than 5 percent of "total operating income."

(h) *Total operating income*. State the sum of Items 1(a) through 1(g).

2. *Operating expenses.* State separately:

(a) *Salaries.* (1) Include compensation for personal services of all officers and employees, including dining room and cafeteria employees but not building department employees.

(2) Include amounts withheld from salaries for Social Security taxes and contributions to the bank's pension fund. Do not include Social Security taxes paid by the bank for its own account and the bank's contribution to pension funds. Such amounts shall be included in Item 2(b).

(3) Include bonus and profit sharing whether paid directly or through a trustee. Such compensation that is deferred and not distributed to employees shall be reported in Item 2(b).

(4) Do not include compensation of officers and employees who spent the major portion of their working time on bank building and related functions. Such compensation shall be included in Item 2(g).

(5) Do not include amounts paid to legal, management, and investment counsel for professional services if such counsel are not salaried officers or employees of the bank. Such amounts shall be included in Item 2(j).

(b) *Pensions and other employee benefits.*

(1) Include all supplementary benefits, other than direct compensation included in Item 2(a) accrued during the report period on behalf of all officers and employees except building department personnel (see Item 2(g)).

(2) Include the bank's own contribution to its pension fund; unemployment and Social Security taxes for the bank's own account; life insurance premiums (net of dividends received) and hospitalization insurance payable by the bank; and other employee benefits.

(3) Do not include expenses related to testing, training, or education of officers and employees; the cost of bank newspapers and magazines; premiums on insurance policies where the bank is beneficiary; and athletic activities where the principal purpose is for publicity or public relations and employee benefits are only incidental. Such amounts shall be included in Item 2(j).

(c) *Interest on deposits.* Include interest on all deposits.

(d) *Expense of Federal funds purchased and securities sold under agreements to repurchase.* Include the total gross expenses of Federal funds purchased and securities sold under agreements to repurchase.

(e) *Interest on other borrowed money.*

(1) Include all interest on bills payable, rediscounts, unsecured notes payable, and other instruments issued for the purpose of borrowing money other than Federal funds purchased and securities sold under agreements to repurchase.

(2) Do not include interest on mortgages on bank premises. Such interest shall be included in Item 2(g).

(f) *Interest on capital notes and debentures.* (1) Include all interest on capital notes and debentures.

(2) Amortization of premium or discount shall be deducted from or included in the amount reported.

(3) Do not include premium or discount paid or realized on retirement of such securities. Such amount shall be reported in Item 1(g) or 2(i).

(g) *Occupancy expense of bank premises, net.*

(1) Include in "gross occupancy expense" inset, the aggregate amount of (A) salaries, wages, and supplementary compensation of bank personnel who devote the major portion of their time to the operation of bank premises or its consolidated premises subsidiaries; (B) depreciation of bank premises and amortization of leasehold improvements; (C) rent expense of bank premises; (D) real estate taxes; (E) interest on mortgages on bank premises owned; and (F) other bank premises operating and maintenance expenses.

(2) Include in "rental income" inset, the aggregate amount of rentals from bank premises leased by the bank or its consolidated premises subsidiaries.

(3) Report the net occupancy expense (or net income) of bank premises. If net income is reported, the amount shall be shown in parenthesis.

(h) *Furniture and equipment expense.* (1) Include normal and recurring depreciation charges; rental costs of office machines and tabulating and data processing equipment; and ordinary repairs to furniture and office machines, including servicing costs. The amount applicable to depreciation charges shall be shown in parenthesis.

(2) Include taxes on equipment.

(i) *Provision for loan losses.*

(1) Banks which provide for loan losses on a reserve basis shall include an estimated amount for credit losses. Such amount shall be determined by management in light of past loan loss experience and evaluation of potential loss in the current loan portfolio. The estimated loan loss factor allocable to operating expense shall not be less than the amount computed under one of the elective methods set forth in subitem (2).

(2) The bank may elect in 1969, and thereafter consistently use for financial reporting purposes, one of the following methods for allocating loan losses to operating expense:

(A) Average ratio of loss over the past five years applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total net chargeoffs (losses less recoveries) and total average loans for the 5 most recent years, including the current year.

(B) Average ratio of loss on a forward moving average beginning with the year 1969 applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total net chargeoffs and total average loans for the number of years beginning with 1969 and ending with the year of report. In 1973, banks which elect the forward moving average method will compute the minimum allocable credit loss expense on the same basis as banks which elect method (1).

Note: For purposes of Item 2(A) and Item 2(B), average annual loans outstanding shall include Federal funds sold and securities purchased under agreements to resell, and (2) may be computed on any reasonable schedule of frequency. In the absence of other procedures "Other loans", and "Federal funds sold and securities purchased under agreements to resell", as reported in Statements of Condition called by supervisory authorities, shall be averaged.

(C) Actual net chargeoffs as experienced in the current year.

(3) An estimated amount for loan losses allocable to operating expense in excess of the minimum amount computed as instructed in subitem (2) should be provided when judged appropriate in the opinion of management.

(4) Furnish in a note to financial statements an explanation of the basis for allocating loan losses to operating expense including (A) the method followed, and (B) amount added at the discretion of management, if any.

(5) The amount may be expressed in even dollars or thousands of dollars.

Note: The amount reported for loan losses in operating expense shall be adjusted, if necessary, to the amount transferred to the allowance for loan losses recorded on the books of the bank by an entry to the undivided profits account in the statement of changes in capital accounts. For example, if the estimated loan loss expense reported in the statement of income is less than the amount transferred to the allowance for loan losses, the amount of difference, less related tax effect, should be charged against the undivided profits account. If the estimated loan loss expense reported in the statement of income (1) is more than the amount transferred to the allowance for loan losses, and (2) represents the minimum amount the bank is required to allocate under its elected method, the amount of difference, less related tax effect, should be credited to the undivided profits account.

(6) Banks which do not provide for loan losses on a reserve basis shall include the amount of actual net chargeoffs (losses less recoveries) for the current year.

(j) *Other operating expenses.*

(1) Include all operating expenses, not reported in Items 2(a) through 2(i).

(2) Include advertising, business promotion, contributions, cost of examinations by supervisory authorities, deposit insurance assessments, fees paid to directors and members of committees, memberships, net cash shortages or overages, operating expenses (except salaries) of "Other real estate owned," postage, premium on fidelity insurance, publicity, retainer fees, stationery and office supplies, subscriptions, taxes not reported against other items, telegrams and cables, telephone, temporary agency help, travel, unreimbursed losses on counterfeits, forgeries, payments over stops and all other recurring expenses and immaterial nonrecurring charges.

(3) Deposit insurance assessment expense shall be reported as a net figure —that is, all assessment credits during the period shall be applied against the assessment expense.

(4) Itemize all amounts that represent 25 percent of this item.

(k) *Total operating expenses.* State the sum of Items 2(a) through 2(j).

3. *Income before income taxes and security gains (losses).* State the difference of Item 1(h) minus Item 2(k).

4. *Applicable income taxes.* (a) State the aggregate of Federal and State taxes applicable to the amount reported in Item (3).

(b) Do not include taxes applicable to net security gains (losses) and extraordinary items. Such taxes (or tax reductions) shall be reported in Items 6 and 8.

5. *Income before securities gains (losses).* State the difference of Item 3 minus Item 4.

6. *Net security gains (losses).* State the net result of security gains and losses realized. Related income taxes (or tax reductions) shall be shown parenthetically.

7. *Income (before extraordinary items, if any).* State the sum of difference of Items 5 and 6.

Note: If extraordinary items are reported (See Item 8) the caption to this Item shall read, "Net income before extraordinary items".

8. *Extraordinary items.* State the material results of nonrecurring transactions that have occurred during the current reporting period. Only the results of major events outside of the ordinary operating activity of the bank are to be reported herein. Such events would include, but not be limited to, material gain or loss from sale of bank premises, expropriation of properties, and major devaluation of foreign currency. Related income taxes (or tax reductions) shall be shown parenthetically. (Less than material results of nonrecurring transactions are to be included in Items 1(g) or 2(j), as appropriate.)

9. *Less minority interest in consolidated subsidiaries.* State the aggregate amount of profit or loss accruing to minority interests.

10. *Net income.* State the sum or difference of Items 7, 8, and 9.

Earnings per common share. State the per share amounts applicable to common stock (including common stock equivalents) and per share amounts on a fully diluted basis, if applicable. The basis of computation, including the number of shares used, shall be furnished in a note to the financial statements.

------------------------------------------------------------
(Name of Bank)

C. STATEMENT OF CHANGES IN CAPITAL ACCOUNTS

| Increase (Decrease) | Capital notes and debentures | Preferred stock $------ Par | Common stock $------ Par | Surplus | Undivided profits | Reserve for contingencies and other capital reserves |
|---|---|---|---|---|---|---|
| 1. Net income transferred to undivided profits------------------------------ | | | | | | |
| 2. Capital notes and debentures, preferred stock and common stock sold (par or face value)------------------------- | | | | | | |
| 3. Stock issued incident to mergers and acquisitions------------------------- | | | | | | |
| 4. Premium on capital stock sold----------- | | | | | | |
| 5. Additions to, or reductions in, surplus, undivided profits, and reserves incident to mergers------------------- | | | | | | |
| 6. Transfers to allowance for loan loss, exclusive of portion charged against income, less related income tax effect $-------------------------------- | | | | | | |
| 7. Cash dividends declared on preferred stock----------------------------- | | | | | | |
| 8. Cash dividends declared on common stock----------------------------- | | | | | | |
| 9. Stock issued in payment of stock dividend, ------shares at par value------ | | | | | | |
| 10. All other increases (decreases)[1]-------- | | | | | | |
| 11. Net increase (decrease) for the year----- | | | | | | |
| 12. Balance at beginning of year[2]---------- | | | | | | |
| 13. Balance at end of year---------------- | | | | | | |

[1] State separately any material amounts, indicating clearly the nature of the transaction out of which the item arose.

[2] If the statement is filed as part of an annual or other periodic report and the balances at the beginning of the period differ from the closing balances as filed for the previous fiscal period, state in a footnote the difference and explain.

## D. SCHEDULES

### SCHEDULE I—U.S. TREASURY SECURITIES, SECURITIES OF OTHER U.S. GOVERNMENT AGENCIES AND CORPORATIONS, AND OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS

| Type and maturity grouping | Principal amount | Book value[1] |
|---|---|---|
| U.S. Treasury Securities | | |
| Within 1 year | | |
| After 1 but within 5 years | | |
| After 5 but within 10 years | | |
| After 10 years | | |
| Total U.S. Treasury Securities | | |
| Securities of other U.S. Government Agencies and Corporations | | |
| Within 1 year | | |
| After 1 but within 5 years | | |
| After 5 but within 10 years | | |
| After 10 years | | |
| Total securities of Other U.S. Government Agencies and Corporations | | |
| Obligations of States and political subdivisions[2,3] | | |
| Within 1 year | | |
| After 1 but within 5 years | | |
| After 5 but within 10 years | | |
| After 10 years | | |
| Total obligations of States and political subdivisions | | |

[1] State briefly in a footnote the basis for determining the amounts in this column.

[2] Include obligations of the States of the United States and their political subdivisions, agencies, and instrumentalities; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign States.

[3] State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of securities that are less than "investment grade". If market value is determined on any basis other than market quotations at balance sheet date, explain.

### SCHEDULE II—OTHER SECURITIES

| Type | Amount | Book value[1] |
|---|---|---|
| Bonds, notes, and debentures[2,3] | | |
| Stocks[2,4] | | |
| Totals | | |

[1] State briefly in a footnote the basis for determining the amounts shown in this column.

[2] State in a footnote the aggregate amount and book value of foreign securities included.

[3] State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of bonds, notes, and debentures that are less than "investment grade". If market value is determined on any basis other than market quotations at balance sheet date, explain.

[4] State in a footnote the aggregate market value.

### SCHEDULE III—OTHER LOANS[1]

| Type | Book value |
|---|---|
| Real estate loans: | |
| Insured or guaranteed by the U.S. Government or its agencies | |
| Other | |
| Loans to financial institutions | |
| Loans for purchasing or carrying securities (secured or unsecured) | |
| Commercial and industrial loans | |
| Loans to individuals for household, family, and other consumer expenditures | |
| All other loans (including overdrafts) | |
| Total other loans reported in balance sheet | |

[1] If impractical to classify foreign branch and foreign subsidiary loans in accordance with this schedule, a separate caption stating the total amount of such loans may be inserted. Such action should be explained in a footnote.

SCHEDULE IV—BANK PREMISES AND EQUIPMENT

| Classification [1] | Column A<br>Gross book value [2] | Column B<br>Accumulated depreciation and amortization [3,4] | Column C<br>Amount at which carried on balance sheet |
|---|---|---|---|
| Bank premises (including land $______) | | | |
| Equipment | | | |
| Leasehold improvements | | | |
| Totals [5] | | | |

[1] If impractical to consolidate foreign branch and foreign subsidiary bank premises and equipment in accordance with the breakdown required by this schedule, a separate caption stating the total amount of all such property may be inserted. Such caption should be explained appropriately in a footnote.

[2] State the basis of determining the amounts in column A.

[3] If provision for depreciation and amortization is credited in the books directly to the asset accounts, the amounts for the last fiscal year shall be stated in an explanatory footnote.

[4] The nature and amount of significant additions (other than provisions for depreciation and amortization) and deductions from depreciation accounts shall be stated in an explanatory footnote.

[5] Show totals (corresponding to columns A and B) representing amounts reported for Federal income tax purposes.

SCHEDULE V—INVESTMENTS IN, INCOME FROM DIVIDENDS, AND EQUITY IN EARNINGS AND LOSS OF UNCONSOLIDATED SUBSIDIARIES

| Name of subsidiary | Column A<br>Percent of voting stock owned | Column B<br>Total investment, including advances | Column C<br>Equity in underlying net assets at balance sheet date [1] | Column D<br>Amount of dividends [2] | Column E<br>Bank's proportionate part of earnings or loss for the period |
|---|---|---|---|---|---|
| Totals | | | | | |

[1] Equity shall include advances reported in column B to the extent recoverable.

[2] State as to any dividends other than cash the basis on which they have been reported as income. If any such dividend received has been credited to income in an amount differing from that charged to surplus and/or undivided profits by the disbursing subsidiary, state the amount of such difference and explain.

SCHEDULE VI—"OTHER" LIABILITIES FOR BORROWED MONEY

| Item | Amount |
|---|---|
| Borrowings from Federal Reserve Bank | |
| Unsecured notes payable within 1 year | |
| Unsecured notes payable after 1 year | |
| Other obligations | |
| Total | |

SCHEDULE VII—ALLOWANCE FOR POSSIBLE LOAN LOSSES

| Item | Amount set up pursuant to Treasury tax formula | Other amount [1] |
| --- | --- | --- |
| Balances at beginning of period | | |
| Recoveries credited to Allowance | | |
| Additions due to mergers and absorptions [2] | | |
| Transfers to Allowance: | | |
| From income | | |
| From undivided profits [3] | | |
| Totals | | |
| Losses charged to Allowance | | |
| Balances at end of period [4] | | |

[1] Do not include any provision for possible loan losses that the bank establishes as a precautionary measure. Include only any provision that (1) has been established through a charge against income, (2) represents management's judgment as to possible loss or value depreciation, and (3) is in excess of the provision taken under the Treasury tax formula.

[2] Describe briefly in a footnote any such addition.

[3] Indicate by parenthesis the gross amount of any credit adjustment to undivided profits.

[4] Describe briefly in a footnote the basis used in computing the amount accumulated in the allowance at the end of the period. State the amount that could have been deducted for Federal income tax purposes if such amount is in excess of the amount provided by the bank pursuant to the Treasury tax formula.

Note: The sum of the balances should equal the amount of allowance for loan losses reported in the balance sheet.

SCHEDULE VIII—RESERVES ON SECURITIES

| Item | Amount [1] |
| --- | --- |
| Balance at beginning of period | |
| Additions due to mergers and absorptions [2] | |
| Transfers to reserve: | |
| From income | |
| From undivided profits | |
| Totals | |
| Losses charged to reserve | |
| Transfers from reserve | |
| Balance at end of period [3] | |

[1] Do not include any provision the bank establishes as a precautionary measure.

[2] Describe briefly in a footnote any such addition.

[3] Balance should equal the amount of Reserves on securities reported in the balance sheet.

[F.R. Doc. 69-15249; Filed, Dec. 29, 1969; 8:45 a.m.]

## SUBCHAPTER A—PROCEDURE AND RULES OF PRACTICE

## PART 309—PUBLISHED AND UNPUBLISHED RECORDS AND INFORMATION

### Information Made Available to the Public

Effective December 31, 1969, Part 309 of the Code of Federal Regulations is amended as follows:

§ 309.1 *Published and unpublished information.*

(a) * * *

(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, interpretation, 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, at the New York, Chicago, and San Francisco Federal Reserve Banks, and at the Reserve bank of the district in which the bank filing a report is located, 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.

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[F.R. Doc. 69—15250; Filed, Dec. 29, 1969; 8:45 a.m.]

# STATE BANKING LEGISLATION—1969

The legislatures of forty-eight States held either regular or special sessions during 1969 and all of them enacted statutes affecting the banking industry. Some of the State banking statutes enacted in 1969 are listed below on a State-by-State basis.

## ALABAMA

| | | |
|---|---|---|
| Interest rates on loans of corporations | SB | 53 |
| Bank investments in debts incurred under the National Housing Act | SB | 51 |
| Branch banking | SB | 9-X |
| | SB | 191 |
| | SB | 814 |
| | SB | 900 |
| | HB | 555 |
| Municipal and revenue bond issues as legal investments for banks | SB | 768 |
| | SB | 867 |
| | HB | 23 |
| | HB | 993 |
| | HB | 1530 |
| Banks filing fees to be paid with merger applications | SB | 278 |
| Recordation of instruments | HB | 1051 |
| Frauds relating to negotiable instruments | HB | 632 |
| State bank holidays | HB | 1427 |
| Fraudulent use of credit cards | SB | 205 |

## ALASKA

| | | |
|---|---|---|
| Mutual savings bank investments | SB | 305 |
| Bank loans and investments | SB | 173 |

## ARIZONA

| | | |
|---|---|---|
| Savings and loan association loans and investments | HB | 60 |
| Overdrafts and checks on insufficient funds | HB | 28 |
| Banks and financial institutions – holding payments made under funeral plan arrangements | HB | 53 |
| Interest rates on installment loans | HB | 57 |
| Fraudulent use of credit cards | HB | 173 |
| Licensing and regulation of escrow agents | HB | 174 |
| Eligibility of banks as depositories of public funds | HB | 213 |

## ARKANSAS

| | | |
|---|---|---|
| Fraudulent use of credit cards | HB | 109 |
| Additional procedures for organization of State banks | SB | 127 |
| Charges for collection of accounts | HB | 98 |
| Credit statements required to be furnished to borrowers | HB | 338 |
| Taxation of national and State banks | HB | 82 |
| Banks – investment of funds | HB | 239 |

## CALIFORNIA

| | | |
|---|---|---|
| Savings bank investments | AB | 571 |
| Savings and loan associations – shares and investment certificates as "savings deposits" | AB | 727 |
| Financial statements and reports of credit unions | AB | 765 |
| Regulation of check sellers and cashers | AB | 766 |
| Bank examinations on calendar year basis | AB | 1654 |
| Fraudulent use of credit cards | AB | 1070 |
| | AB | 1763 |
| | AB | 1764 |
| Bank and savings and loan association investments | AB | 1681 |
| | AB | 1970 |
| Bank loans to officers | AB | 1695 |
| Examination of savings and loan associations | AB | 1518 |
| Savings and loan association issuance of more than one class of stock | AB | 763 |
| Bank tax returns – authority of State Attorney General to inspect | SB | 506 |
| Authorized loans for savings and loan associations | AB | 1447 |
| State banks – prohibition against offering and selling securities without a permit | AB | 1429 |
| Banks – assessments levied by superintendent | AB | 1437 |
| Branch banking | AB | 1011 |
| Banks – issuance of capital notes and debentures | AB | 2346 |
| Foreign banking corporations – authorization to do business within State | AB | 1752 |
| Establishment of places of business by banks | AB | 1749 |
| Real estate investments of savings and loan associations | AB | 717 |
| Taxation of financial corporations | AB | 2315 |
| | SB | 1127 |
| Acquisition and holding by banks of stock of corporations that perform functions a bank may perform | AB | 1703 |
| Creditors – liability to third parties | SB | 1301 |
| Bank holidays | AB | 66 |
| Banks as depositories of public funds | SB | 966 |
| Secured transactions | AB | 1377 |

## COLORADO

| | | |
|---|---|---|
| Savings and Loan Inspection Fund | SB | 152 |
| Saturday closing of banks | SB | 151 |
| Powers of savings and loan associations defined | HB | 1255 |
| Public trustees and deeds of trust | HB | 1495 |

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|---|---|---|
| Powers of trust companies | SB | 102 |
| Branch banking | HB | 1365 |
| Per diem expenses of Banking Board | HB | 1459 |
| Bond required of State depositories | HB | 1519 |
| Eligible security for depository bonds | HB | 1520 |

## CONNECTICUT

| | | |
|---|---|---|
| Mortgage loans – mutual savings banks and savings and loan association participations | HB | 6402 |
| Bank investments in GNMA obligations | HB | 6403 |
| Reserve requirements of building and savings and loan associations | HB | 6404 |
| State banks and trust companies – interest on preferred shares, capital notes, and debentures | SB | 841 |
| Investments of savings banks | SB | 859 |
| Powers of State banks and trust companies | SB | 860 |
| Savings and loan associations – amendments implementing the National Housing Act | HB | 6401 |
| Mobile home financing by savings and loan associations | HB | 6410 |
| Study of demand deposits in savings banks | SB | 861 |
| Savings and loan association ownership of service corporations | HB | 6406 |
| Restrictions on credit unions | SB | 842 |
| Savings bank mortgage loans | SB | 862 |
| Savings bank acquisition of real estate | SB | 864 |
| Savings bank charters | SB | 928 |
| Limitations on savings deposits in State banks and trust companies | SB | 483 |
| Savings bank construction loans on housing projects | SB | 482 |
| Savings bank issuance of securities guaranteed under the National Housing Act | SB | 484 |
| Dividends and surplus accounts of savings banks | SB | 485 |
| Savings and loan association FHA- and VA-insured mortgage loan investment limits | HB | 6405 |
| Savings and loan associations – interest charges | HB | 6408 |
| Savings and loan associations investment in urban renewal areas | HB | 6409 |
| Savings and loan association loan limits on personal, home improvement, and educational loans | HB | 6411 |
| Loans by savings and loan associations to ecclesiastical societies | HB | 6414 |
| Savings and loan association investments in loans approved and guaranteed by the Agency for International Development | HB | 6415 |
| | HB | 8698 |
| Compensation of officers and employees of savings and loan associations | HB | 6417 |
| Sale of assets by savings and loan associations | HB | 6418 |
| Authority of savings and loan associations to offer "savings deposits" | HB | 7753 |

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|---|---|---|
| Authority of credit unions to make unsecured loans and to borrow money | SB | 844 |
| Retirement of officers and employees of credit unions | SB | 845 |
| Organization of credit unions | SB | 847 |
| Credit unions – annual meetings | SB | 848 |
| Withdrawal or expulsion of credit union members | SB | 850 |
| Supervisory committees of credit unions | SB | 851 |
| Membership of credit unions | SB | 853 |
| Central credit unions | SB | 854 |
| Credit union dividends to members | SB | 855 |
| Derogatory statements affecting financial institutions | SB | 852 |
| Small loan regulation | SB | 604 |
| Branch banking | SB | 996 |
| Bank holding companies and acquisition of banks | SB | 1119 |
| Solicitation of insurance contracts from credit card holders | HB | 6662 |
| Distribution of unsolicited credit cards | HB | 6630 |
| Connecticut Mortgage Authority Act | SB | 813 |
| Uniform Consumer Credit Code study | HJR | 284 |

## DELAWARE

| | | |
|---|---|---|
| Interest rates on loans | HB | 190 |
| Revision of State business taxes | HB | 296 |

## FLORIDA

| | | |
|---|---|---|
| Credit unions – loans to officers and directors, investments, and organization | HB | 282 |
| Home Improvement Sales and Finance Act | HB | 92 |
| Municipal bonds as bank investments | SB | 628 |
| Legal holidays | SB | 1067 |
| Names of bank holding companies | HB | 2078 |
| State bonds as legal investments for banks | SB | 991 |
| Banks – loan limitation regulation | HB | 1716 |
| Banks – credit card financing arrangements | SB | 909 |
| Investments of industrial savings banks | SB | 642 |
| Community redevelopment corporation bond issues as legal investments for banks | SB | 513 |
| Organization and operation of building and savings and loan associations | SB | 618 |
| Municipal bond issuance | HB | 1777 |
| | HB | 2981 |

## GEORGIA

| | | |
|---|---|---|
| Purchase of stocks and investment securities by banks | SB | 194 |
| Conversion of regulated certificated banks into State-chartered banks | SB | 190 |
| Investments by trustees | SB | 184 |
| Banks – increase in common stock categorized as authorized but unissued stock | SB | 157 |
| Limitations on bank loans to one borrower | SB | 155 |

| | | |
|---|---|---|
| Banks – right of charge-back or refund | SB | 156 |
| Unpaid deposits of banks and credit unions | SB | 198 |
| Interest rates | SB | 121 |
| Lender Credit Card Act | HB | 413 |
| Interest rates on investment capital | HB | 289 |
| Bank reserves | SB | 50 |
| Illegal use of credit cards | SB | 115 |
| Bank Holding Company Study Committee | HR | 358 |
| State depositories | HB | 144 |
| Investment of public funds | SB | 182 |

HAWAII

| | | |
|---|---|---|
| Revenue bonds as legal investments for banks | HB | 493 |
| Business development corporation securities as legal investments for banks | SB | 29 |
| Privileges and immunities of building and loan associations | HB | 896 |
| Industrial loan licenses | HB | 1006 |
| Powers of State banks | SB | 1073 |
| Branch banks – fees | SB | 1105 |
| | HB | 303 |
| Security for deposits of public funds | HB | 1046 |
| Investments authorized for institutional and fiduciary investors | SB | 701 |
| Regulation of credit life and disability insurance | SB | 280 |

IDAHO

| | | |
|---|---|---|
| Eligibility of banks and trust companies as depositories of public funds | SB | 1028 |
| Savings and loan associations – savings accounts as legal investments for fiduciaries | HB | 93 |
| Possession of forged checks | SB | 1201 |
| Loans to bank officers | SB | 1206 |
| State bank activities | SB | 1024 |
| Organization of savings and loan associations | HB | 265 |
| Interest rates | HB | 383 |
| Eligibility of banks and trust companies as depositories of State funds | SB | 1025 |
| | SB | 1029 |

ILLINOIS

| | | |
|---|---|---|
| Interest rates | HB | 1913 |
| | HB | 1980 |
| Currency exchanges – licenses and fees | HB | 2149 |
| Probate Act – investments by guardians | HB | 1101 |
| Sales finance agencies | HB | 1593 |
| Organization of credit unions | HB | 779 |
| County treasurers – reporting of interest on public funds | HB | 2872 |
| Consumer installment loans | HB | 1916 |
| Use of credit cards | SB | 765 |
| Billing of customers under revolving charge accounts | HB | 1914 |
| Consumer financing | HB | 1915 |

| | | |
|---|---|---|
| Consumer fraud | HB | 1917 |
| Retail installment sales | HB | 1918 |
| Banks – general corporate powers | HB | 2420 |
| Criminal usury | HB | 1802 |

## INDIANA

| | | |
|---|---|---|
| Organization of savings banks | SB | 126 |
| Powers and duties of building and loan associations | HB | 1239 |
| Interest rates and usury | HB | 1386 |
| Credit unions – powers | HB | 1221 |
| Investments of executors and fiduciaries | SB | 209 |
| Authority of savings and loan associations to raise capital in the form of savings deposits | HB | 1156 |
| Powers of industrial loan and investment companies | HB | 1177 |
| Financial institutions – approval of organization | HB | 1416 |
| Authority of savings and loan associations to make unsecured property improvement loans | HB | 1155 |
| Uniform Gifts to Minors Act amendments | SB | 172 |
| Uniform Consumer Credit Code study | SCR | 58 |

## IOWA

| | | |
|---|---|---|
| Iowa Banking Act of 1969 | SB | 18 |
| False uttering or drawing of checks | SB | 139 |
| Operation of savings and loan associations | SB | 140 |
| Credit unions – dividends | SB | 412 |

## KANSAS

| | | |
|---|---|---|
| Insurance companies—reserves and legal investments | SB | 314 |
| Activities and dividends of credit unions | SB | 65 |
| | SB | 66 |
| Deposit of State funds | SB | 123 |
| Savings and loan associations—shares, earnings, and general powers | SB | 215 |
| Par value of bank stock | HB | 1470 |
| Fees for bank examinations | HB | 1471 |
| Truth-in-Lending Act | SB | 125 |
| | SB | 388 |
| Powers and investments of banks | HB | 1018 |
| Examination fees for savings and loan associations | HB | 1580 |

## LOUISIANA

| | | |
|---|---|---|
| Usurious interest – exemption of certain transactions | SB | 53 |
| Banks as judicial depositories | HB | 240 |
| Guaranteed student loans | SB | 45 |
| Bank capital stock and surplus | SB | 95 |
| Fidelity and surety insurance | SB | 121 |
| Industrial development corporations – securities as legal investments for banks | SB | 83 |
| Rates of interest paid by corporations | SB | 7 |

## MAINE

| | | |
|---|---|---|
| Clarification of banking laws | HB | 159 |
| Approval and disapproval of savings bank mergers | HB | 1121 |

| | | |
|---|---|---|
| Revision of savings and loan association laws | HB | 314 |
| Bank reporting, reserves, and loan limits | HB | 542 |
| General revision of credit union laws | SB | 200 |
| | SB | 402 |
| General revision of savings bank laws | HB | 1021 |

## MARYLAND

| | | |
|---|---|---|
| Interest and usury | SB | 3-XX |
| | HB | 21 |
| Counterfeiting and forgery | HB | 25 |
| Credit cards – unsolicited issuance | HB | 72 |
| Savings and loan association investments | HB | 741 |
| | HB | 742 |
| | HB | 743 |
| State banks and trust companies authorized to engage in banking activities permitted to national banks | HB | 4 |
| Savings and loan associations – raising capital | HB | 1133 |
| Fees for examination of banks and trust companies | SB | 751 |
| Industrial finance companies – license and examination fees | SB | 754 |
| | SB | 755 |
| | SB | 756 |
| Retail Credit Accounts Law amendments | HB | 110 |
| Credit unions – supervisory committees | SB | 387 |
| | SB | 410 |
| Increase in annual registration fees for mortgage brokers and bankers | SB | 752 |
| Credit union examination fees | SB | 749 |
| Articles of incorporation filing fees and new branch application fees for banks and trust companies | SB | 750 |
| Service fees for student loans | SB | 325 |
| Savings and loan association mortgages | HB | 930 |
| | HB | 931 |
| Mortgages – future advances | HB | 932 |
| Affiliates of banks and trust companies | HB | 5 |

## MASSACHUSETTS

| | | |
|---|---|---|
| Savings banks – guaranties incidental to the transfer of investment securities | HB | 638 |
| | HB | 783 |
| Credit union disclosures relative to interest on certain group club accounts | HB | 20 |
| Savings banks – limits on personal loans | HB | 3617 |
| Qualifications of directors of co-operative banks | SB | 4 |
| Retirement benefits for savings bank employees | HB | 4919 |
| Limiting certain collateral loans by credit unions | HB | 4920 |
| Forged credit cards | SB | 6 |
| Increasing limits on deposits in savings banks and trust companies | SB | 1361 |
| Reserve funds of credit unions | SB | 1323 |
| Savings bank improvement loans | HB | 2645 |
| Uniform Common Trust Fund Act | SB | 650 |
| Collateral loans of co-operative banks | HB | 973 |

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|---|---|---|
| Savings bank investments | HB | 638 |
| | HB | 780 |
| Savings bank collateral loans | HB | 782 |
| Supervision and licensing of premium finance agencies | HB | 16 |
| Misuse of credit cards | SB | 1551 |
| Liquidity reserves of co-operative banks | SB | 1515 |
| Salary deductions for credit union payments | SB | 1529 |
| Reimbursement for costs of examining and auditing banks | HB | 14 |
| Savings bank investment in bank holding companies | HB | 5704-Appx. A |
| Licensing of small loan companies | HB | 13 |

## MICHIGAN

| | | |
|---|---|---|
| Uniform Commercial Code – commercial transactions | HB | 3154 |
| Organization and powers of credit unions | HB | 2605 |
| Organization and powers of savings and loan associations | SB | 785 |
| Urban redevelopment corporations – general obligation bonds as legal investments for banks | SB | 1049 |
| Banking Code of 1969 | SB | 215 |
| Consumer financing study | SR | 114 |

## MINNESOTA

| | | |
|---|---|---|
| Banks as depositories of State and municipal funds | SB | 110 |
| | SB | 602 |
| | SB | 1140 |
| Mutual savings bank investments | SB | 405 |
| Inactive accounts of credit unions | SB | 914 |
| Savings Association Act | SB | 1355 |
| Banks – total liabilities of any one borrower | HB | 1831 |
| Unsecured loans of savings banks to college students | HB | 1866 |
| Mortgages by financial institutions | HB | 1636 |
| Application fees of building and loan associations | HB | 1162 |
| Banks and banking – applications, examinations, and investment powers | HB | 1163 |
| Credit cards – limitation of liability for unauthorized use | HB | 826 |

## MISSISSIPPI

| | | |
|---|---|---|
| Bank loans and advances of credit | SB | 1598-X |
| State bond authorization | SB | 1515-X |

## MISSOURI

| | | |
|---|---|---|
| Organization of credit unions | HB | 117 |
| Regulation of savings and loan associations | SB | 33 |
| Savings and loan association savings deposits | HB | 293 |
| Par clearance of checks | SB | 201 |
| Banks – safe deposit business | SB | 279 |

## MONTANA

| | | |
|---|---|---|
| State banks – limitations on loans to any one person | SB | 42 |
| Withdrawal of funds from financial institutions by surviving spouse | SB | 65 |

## NEBRASKA

| | | |
|---|---|---|
| Banking fees | LB | 105 |
| Building and loan associations – charges and loans | LB | 192 |
| Authority of building and loan associations to purchase stock in service corporations | LB | 199 |
| Maximum interest rates on certain bank loans | LB | 202 |
| Banks loans and investments | LB | 461 |
| Department of Banking – interest complaints | LB | 122 |
| Bank loans to officers and employees | LB | 304 |
| Rights and powers of building and loan associations | LB | 329 |
| Mergers and consolidations of building and loan associations | LB | 327 |
| Building and loan association real estate investment | LB | 557 |
| Additional powers for credit unions | LB | 923 |
| Industrial loan and investment companies – issuance of capital notes and debentures | LB | 611 |
| Life membership in credit unions | LB | 955 |
| Audit, in lieu of examination, of industrial loan and investment companies | LB | 613 |
| Merger and consolidation of credit unions | LB | 954 |
| Bank reserve requirements | LB | 1024 |
| Certain stock investments of banks | LB | 246 |
| Maximum unsecured loans of credit unions | LB | 924 |
| Bank deposits of the Tax Commissioner | LB | 1362 |
| Taxation of credit unions | LB | 1068 |
| Banks – statements of amounts of loans and rates of interest | LB | 1383 |
| Investments of State money in building and loan or Federal savings and loan associations | LB | 838 |
| Building and loan association investments | LB | 328 |

## NEVADA

| | | |
|---|---|---|
| Fraudulent use of credit cards | AB | 24 |
| Trustees and fiduciaries – trust powers | AB | 581 |
| Savings and loan association investments | SB | 196 |
| | SB | 406 |
| Regulation of savings and loan associations | SB | 179 |
| Capital stock requirements of banks and trust companies | AB | 409 |
| State banks – capital stock | AB | 538 |
| Licensing and regulation of trust companies | AB | 410 |
| Banking corporations as executors, administrators, and guardians | SB | 167 |
| State Board of Finance | AB | 94 |

## NEW HAMPSHIRE

| | | |
|---|---|---|
| Small Business Administration – participation loans by cooperative banks and building and loan associations | SB | 72 |
| Unsecured loans of cooperative banks and building and loan associations | SB | 77 |
| Real estate loans of building and loan associations and cooperative banks | HB | 304 |
| Appeals in proceedings relating to banks | HB | 619 |

| | | |
|---|---|---|
| Loans to members of credit and supervisory committees of credit unions | HB | 511 |
| Investment of State funds in savings bank deposits | HB | 330 |
| Qualifications of bank officials | HB | 248 |
| Bank Advisory Board | HB | 790 |
| Legal investments for building and loan associations | SB | 73 |
| Merger or consolidation of cooperative banks, savings and loan associations, building and loan associations, Federal savings and loan associations, and mutual savings banks | HB | 766 |
| Powers of attorney regarding bank accounts | HB | 305 |
| Savings bank loans | HB | 696 |
| Investments of town trustees | HB | 749 |
| Second mortgage loans | HB | 755 |
| Savings bank deposits | HB | 697 |
| Savings bank investments | HB | 693 |
| Conversion between cooperative banks, savings and loan associations, and mutual savings banks | SB | 196 |
| Use of nominees by savings banks | HB | 679 |
| Amendments to charters of Strafford Savings Bank and Cheshire County Savings Bank | HB | 470 |
| Investment by banks of savings deposits | HB | 386 |

## NEW JERSEY

| | | |
|---|---|---|
| Operation of savings and loan associations | SB | 560 |
| Regulation of bank holding companies | SB | 517 |
| Savings and loan association investments and participations in mortgage loans | AB | 600 |
| Taxation of stock of banks and trust companies | AB | 840 |
| Amendments to Higher Education Assistance Authority Law | AB | 598 |
| Capital loans to businessmen | SB | 287 |
| Savings and Loan Act amendments | SB | 520 |
| | AB | 988 |
| Bank stock ownership | SB | 942 |
| | AB | 679 |
| General revision of laws regarding banking and banking institutions | SB | 240 |
| | AB | 432 |
| | AB | 677 |
| Consumer credit transactions | AB | 850 |
| Legal holidays | SB | 77 |
| Interest limitations applicable to borrowings by public authorities and agencies | AB | 1058 |
| Uniform Consumer Credit Code Study Commission | AB | 692 |
| Bank loan limitations | AB | 993 |

## NEW MEXICO

| | | |
|---|---|---|
| Accounts of deceased depositors in savings and loan associations | SB | 264 |
| Credit cards | SB | 112 |
| Designation of agents for service of process on foreign banks | HB | 279 |

| | | |
|---|---|---|
| Liability for unauthorized use of credit cards | HB | 224 |
| Banking and Financial Corporations Tax Act | HB | 26 |
| Securing deposits of public money | HB | 118 |
| General revision of laws relating to credit unions | HB | 196 |
| Fees for examination of credit unions | HB | 254 |
| Bank investment in banking premises | HB | 286 |
| Uniform Consumer Credit Code study | SM | 32 |

## NEW YORK

| | | |
|---|---|---|
| Special duties of credit union directors | SB | 1174 |
| Payment of dividends or interest by savings banks | SB | 1638 |
| | AB | 2396 |
| | AB | 5644 |
| Real property holdings of banks | SB | 1640 |
| Investments of savings and loan associations, savings banks, and credit unions | SB | 1613 |
| Secured loans by commercial banks | SB | 1635 |
| Duties of credit committees of credit unions | AB | 2052 |
| General powers of credit unions | SB | 1172 |
| | AB | 2053 |
| | AB | 2070 |
| | AB | 2134 |
| | AB | 2267 |
| Dividends to shareholders of credit unions | AB | 2054 |
| | AB | 2068 |
| Personal loan departments of banks and trust companies | SB | 1643 |
| Changes of bank shares | AB | 2389 |
| Maintenance of assets in New York by agencies of foreign banking corporations | SB | 2483 |
| Investment of New York trusts in foreign common trust funds | SB | 2434 |
| Purchase of life insurance and annuity policies from savings banks | SB | 2043 |
| Extension of credit to bank officers and directors | AB | 2395 |
| Issuance of money by banks | AB | 2992 |
| Mortgage loans of savings banks and savings and loan associations | SB | 1614 |
| Reports and statements required of licensed transmitters of money | AB | 2398 |
| Savings and loan association investments in securities | SB | 2507 |
| Issuance of certain obligations by savings and loan associations | AB | 2375 |
| Expenses for examination of affiliates of bank holding companies | AB | 5232 |
| Federal funds transactions by banks, trust companies, savings banks, and savings and loan associations | AB | 5250 |
| Investments of officers in capital notes or debentures of banks and trust companies | SB | 1639 |
| "Leeway" investments of savings banks and savings and loan associations | SB | 2517 |
| Purchases of securities by credit unions | AB | 2136 |
| Disclosure of credit charges | SB | 4778 |
| | SB | 5281 |

| | | |
|---|---|---|
| Prohibition against trust companies voting their own stock held in trust | AB | 2391 |
| Loans by banks, trust companies, and industrial banks | AB | 3148 |
| Investment powers of mutual trust investment companies | AB | 2332 |
| Membership of credit unions | AB | 2135 |
| Powers of banks, trust companies, and industrial banks | AB | 1032 |
| Loans and investments of savings and loan associations | AB | 2138 |
| Minimum charges on premium financing | AB | 5810 |
| Real property investments of savings banks and savings and loan associations | AB | 3663 |
| Liability of officers, directors, and stockholders of banking organizations owning a multiple dwelling declared a public nuisance | AB | 4773 |
| Financing of cooperative apartments | SB | 2421 |
| Retirement benefits for savings bank officers and employees | SB | 3981 |
| Term loans by banks and private bankers | SB | 3752 |
| Nondiscriminatory treatment of foreign savings banks and savings and loan associations | SB | 4001 |
| Unimproved real property loans of savings banks and savings and loan associations | AB | 3181 |
| Property improvement and equipment loans of savings banks and savings and loan associations | SB | 2495 |
| Merger of savings banks and savings and loan associations | SB | 1075 |
| Participation by savings banks in certain mortgages | SB | 3696 |
| Conversion of savings banks and savings and loan associations | AB | 5740 |
| Small loans | SB | 3694 |
| Time deposits of savings banks and savings and loan associations | SB | 5579 |
| General powers of savings banks and savings and loan associations | AB | 6180 |
| Regulation of bank holding companies | AB | 6431 |
| Taxation of banking corporations | SB | 5572 |

## NORTH CAROLINA

| | | |
|---|---|---|
| Investment of public funds in privately insured savings and loan associations | HB | 960 |
| | HB | 962 |
| Loans to bank officers | HB | 82 |
| Powers, officers, and supervision of credit unions | SB | 156 |
| State Banking Commission fees | HB | 356 |
| Real property and mobile home financing by savings and loan associations | SB | 404 |
| Right of survivorship with respect to bank deposits | HB | 967 |
| Worthless check penalties | HB | 1260 |
| Procedure of savings and loan associations for accepting savings deposits | SB | 403 |
| Bank Taxation Study Commission | SJR | 878 |
| Excise tax payments of banks | SB | 658 |

## NORTH DAKOTA

| | | |
|---|---|---|
| Par clearance of checks | SB | 128 |
| Lending and investment powers of the Bank of North Dakota | SB | 320 |
| Bank installment loan charges | SB | 256 |
| Bank reserve requirements | SB | 147 |
| Investment in loans and obligations secured by Federal and State Governments | SB | 207 |
| | SB | 209 |
| Conversions into national banks – removals to new locations | HB | 113 |
| Bank reports of income | SB | 299 |
| Penalties and liabilities of bank employees for overdrafts | HB | 278 |
| Liability for unauthorized use of credit cards | SB | 345 |
| Usury and maximum contract rates of interest | HB | 133 |
| State examiner and appointment of deputies | HB | 122 |
| Restrictions on loans to and purchases from directors, officers, and employees of State banks | HB | 445 |
| General revision of laws relating to credit unions | HB | 191 |
| State Banking Board – State Credit Union Board | SB | 446 |
| Capital notes of banking associations | HB | 108 |
| Bad checks | HB | 413 |
| Bank reports to State examiner | HB | 400 |
| Management and control of State Department of Banking and Financial Institutions | SB | 181 |

## OHIO

| | | |
|---|---|---|
| Loans and investments of building and loan associations | SB | 44 |
| Accounts of fiduciaries | HB | 176 |
| Building and loan association drive-in and pedestrian facilities | SB | 45 |
| Administration and supervision of credit unions | SB | 230 |
| Exclusion of certain loans from usury laws | SB | 233 |
| Investment of public funds | SB | 171 |
| Investments in bank premises – loans to directors – license fees for trust companies | HB | 739 |
| Conversion of building and loan associations | SB | 340 |
| Investment of public employees retirement funds | SB | 176 |
| | SB | 408 |
| Theft of credit cards | SB | 346 |
| Legal holidays | HB | 5 |
| Consumer protection study | HR | 74 |

## OKLAHOMA

| | | |
|---|---|---|
| Interest on time deposits on surplus public funds | HB | 1129 |
| Oklahoma Savings and Loan Act of 1969 | SB | 208 |
| Preventing certain corporations from acting in certain fiduciary capacities | HB | 1337 |

## OREGON

| | | |
|---|---|---|
| Powers of banks and trust companies | SB | 133 |
| | HB | 1603 |
| Banking Division records | SB | 130 |
| Fees for examination of banks and trust companies | SB | 131 |
| Insurers' deposits | SB | 203 |
| Death of depositors in financial institutions | SB | 228 |
| Conflicts of interest involving directors and officers of mutual savings banks | HB | 1353 |
| Branch banking | SB | 134 |
| Foreign banks, trust companies, and savings and loan associations authorized to transact certain business | HB | 1394 |
| Investments of fiduciaries in stocks | HB | 1329 |

## PENNSYLVANIA

| | | |
|---|---|---|
| Regulation of corporate fiduciary powers | SB | 603 |
| Merger, consolidation, and conversion of banks and savings banks | SB | 761 |
| Powers of savings and loan associations | SB | 755 |
| Fiduciary powers of banks and trust companies | SB | 854 |

## RHODE ISLAND

| | | |
|---|---|---|
| Loan and investment companies – mortgage loans | HB | 1763 |
| Unauthorized banking business | HB | 1979 |
| Investments of credit unions | SB | 685 |
| Allowing successor banks to succeed to fiduciary appointments | SB | 758 |
| Conversion of building and loan associations into savings banks | HB | 2036 |
| Commercial bank investment in political subdivisions | SB | 757 |
| Investment of savings deposits in bank holding companies | HB | 1978 |
| Rhode Island Share and Deposit Insurance Corporation | HB | 2037 |
| Tax on bank deposits – advance tax payment by corporations | HB | 1825 |

## SOUTH CAROLINA

| | | |
|---|---|---|
| Merger, consolidation, and transfer of assets of banks and trust companies | SB | 133 |
| Investments by fiduciaries | HB | 1480 |
| Memorializing a Congressional investigation of the prime interest-rate increase | HB | 1838 |

## SOUTH DAKOTA

| | | |
|---|---|---|
| Corporations – claims of usury | SB | 90 |
| Installment loan interest rates | HB | 605 |
| Powers of State-chartered savings and loan associations | HB | 756 |
| Codification and revision of banking laws | HB | 606 |

## TENNESSEE

| | | |
|---|---|---|
| Governor's Advisory Commission on Consumer Protection | HB | 17 |
| Legal rates of interest | HB | 201 |
| Banking institutions – powers of attorney | SB | 407 |

| | | |
|---|---|---|
| State Credit Card Crime Act | SB | 271 |
| Veterans' estates – savings and loan accounts | SB | 496 |
| Bad checks | HB | 456 |
| Deposit of public funds in savings and loan associations | SB | 422 |
| Depositories for State funds | SB | 621 |

## TEXAS

| | | |
|---|---|---|
| Consumer Credit Study Committee | SCR | 9-XX |
| Organization and regulation of credit unions | SB | 317 |
| Fees charged and received by the banking commissioner | HB | 685 |
| Organization of Savings and Loan Section of the Finance Commission | HB | 739 |
| Qualifications of directors of State banks | SB | 88 |
| Qualifications of managing officers of savings and loan associations | HB | 965 |
| Acquisition of interest in investment trust and mutual funds by trustees | SB | 466 |
| Transfer of security – requirement of signature guarantee | SB | 469 |
| Payment of wages – bad checks | SB | 13 |
| Credit card fraud | HB | 1006 |
| General revision of laws relating to savings and loan associations | HB | 397 |
| State banks – examinations, stock option plans, authority to make loans, and liabilities | HB | 684 |
| Refunding bonds | SB | 675 |
| | SB | 676 |

## UTAH

| | | |
|---|---|---|
| Consumer credit transactions | HB | 9-X |
| Fraudulent credit devices | HB | 12 |
| Drafts or orders against insufficient funds | HB | 10 |
| | HB | 11 |
| Creation and regulation of public transit districts | SB | 4-X |
| Loans to bank officers | SB | 99 |
| Saturday closing for banks | SB | 100 |

## VERMONT

| | | |
|---|---|---|
| Regulation of credit unions | HB | 31 |
| Regulation of financial institutions | HB | 173 |
| Savings and Loan Law | HB | 198 |

## WASHINGTON

| | | |
|---|---|---|
| Dishonored checks | HB | 196 |
| Interest on judgments | SB | 121 |
| Regulation of credit unions | HB | 301 |
| Incorporation of savings and loan associations | HB | 282 |
| Mutual savings bank powers, payment of deposits and interest thereon | HB | 131 |
| State regulation of financial institutions | HB | 333 |
| State fiscal agencies | SB | 205 |
| Insurance Premium Finance Company Act | SB | 648 |

| | | |
|---|---|---|
| Financial interest reports required of public officers and employees | SB | 629 |
| Investment of retirement funds | HB | 425 |
| Business and occupation taxes payable by banks | SB | 196 |

## WEST VIRGINIA

| | | |
|---|---|---|
| Powers, privileges, authorities, and duties of building and loan associations | HB | 716 |
| State Banking Code of West Virginia | SB | 176 |
| Interest charges on installment loans | SB | 221 |
| Fraudulent use of credit cards | SB | 244 |
| Investments of fiduciaries | SB | 248 |

## WISCONSIN

| | | |
|---|---|---|
| Loan limitations applicable to savings and loan associations | AB | 99 |
| Deficiency appropriations for school aid and veteran's housing loans | AB | 747 |
| State finances and appropriations | SB | 95 |
| Loans and investments of savings and loan associations | SB | 252 |
| Limitation of actions for payment of cashier's checks | AB | 695 |
| Payment of dividends by savings and loan associations | AB | 558 |
| Judicial review of actions of credit union review boards | SB | 255 |
| Powers of savings and loan associations | SB | 253 |
| Dividends of central credit unions | SB | 380 |
| State Bond Board | SB | 655 |
| Savings and loan accounts | SB | 254 |

## WYOMING

| | | |
|---|---|---|
| Removal of officers of and issuance of cease-and-desist orders against banks | HB | 129 |
| Payment of bank deposits | HB | 20 |
| Interest rates on installment loans | SB | 9 |
| Bank and trust company records as evidence | HB | 50 |
| Deposit of collateral security by State depositories | HB | 246 |
| Temporary emergency rules of State examiner regarding banking activities | SB | 14 |
| Amount of permanent land funds invested in farm loans | SB | 38 |
| Interest charges of the Farm Loan Board | SB | 138 |
| Authority of State examiner to examine bank holding companies | SB | 49 |
| Study of capitalization and ad valorem tax structure of banks | HB | 343 |

# 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 1969

Table 102. Changes in number of commercial banks and branches in the United States (States and other areas) during 1969, by State

Table 103. Number of banking offices in the United States (States and other areas), December 31, 1969

*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 31, 1969

*Grouped by class and 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; a cash depository in South Carolina; regulated certificated banks, and a savings and loan company operating under Superior Court charter, in Georgia; government-operated banks in North Dakota and Puerto Rico; a cooperative bank, usually classified as a credit union, operating under a special charter in New Hampshire; a savings institution, known as a "trust company," operating under special charter in Texas; 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 1969

| Type of change | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Insured | | | | Noninsured | | | | |
| | | | | | | Members F.R. System | | | | | | | |
| | Total | Insured | Noninsured | Total | Total | National | State | Not members F.R. System | Banks of deposit | Nondeposit trust companies[1] | Total | Insured | Noninsured |
| **ALL BANKING OFFICES** | | | | | | | | | | | | | |
| **Number of offices, December 31, 1969**[2] | 35,582 | 34,959 | 623 | 34,099 | 33,821 | 16,428 | 4,683 | 12,710 | 221 | 57 | 1,483 | 1,138 | 345 |
| **Number of offices, December 31, 1968**[2] | 34,330 | 33,716 | 614 | 32,920 | 32,643 | 15,741 | 4,827 | 12,075 | 219 | 58 | 1,410 | 1,073 | 337 |
| **Net change during year** | +1,252 | +1,243 | +9 | +1,179 | +1,178 | +687 | −144 | +635 | +2 | −1 | +73 | +65 | +8 |
| **Offices opened** | 1,499 | 1,467 | 32 | 1,416 | 1,393 | 656 | 189 | 548 | 22 | 1 | 83 | 74 | 9 |
| Banks | 137 | 117 | 20 | 135 | 115 | 16 | 7 | 92 | 19 | 1 | 2 | 2 | ...... |
| Branches | 1,362 | 1,350 | 12 | 1,281 | 1,278 | 640 | 182 | 456 | 3 | ...... | 81 | 72 | 9 |
| **Offices closed** | 247 | 241 | 6 | 238 | 233 | 94 | 44 | 95 | 4 | 1 | 9 | 8 | 1 |
| Banks | 158 | 152 | 6 | 152 | 147 | 49 | 23 | 75 | 4 | 1 | 6 | 5 | 1 |
| Branches | 89 | 89 | ...... | 86 | 86 | 45 | 21 | 20 | ...... | ...... | 3 | 3 | ...... |
| **Change in classification** | ...... | +17 | −17 | +1 | +18 | +125 | −289 | +182 | −16 | −1 | −1 | −1 | ...... |
| Among banks | ...... | +17 | −17 | ...... | +17 | −14 | −44 | +75 | −16 | −1 | ...... | ...... | ...... |
| Among branches | ...... | ...... | ...... | +1 | +1 | +139 | −245 | +107 | ...... | ...... | −1 | −1 | ...... |
| **BANKS** | | | | | | | | | | | | | |
| **Number of banks, December 31, 1969** | 14,178 | 13,804 | 374 | 13,681 | 13,473 | 4,669 | 1,201 | 7,603 | 159 | 49 | 497 | 331 | 166 |
| **Number of banks, December 31, 1968** | 14,199 | 13,822 | 377 | 13,698 | 13,488 | 4,716 | 1,261 | 7,511 | 160 | 50 | 501 | 334 | 167 |
| **Net change during year** | −21 | −18 | −3 | −17 | −15 | −47 | −60 | +92 | −1 | −1 | −4 | −3 | −1 |
| **Banks beginning operation** | 137 | 117 | 20 | 135 | 115 | 16 | 7 | 92 | 19 | 1 | 2 | 2 | ...... |
| New banks | 132 | 117 | 15 | 130 | 115 | 16 | 7 | 92 | 15 | ...... | 2 | 2 | ...... |
| Banks added to count[3] | 5 | ...... | 5 | 5 | ...... | ...... | ...... | ...... | 4 | 1 | ...... | ...... | ...... |
| **Banks ceasing operation** | 158 | 152 | 6 | 152 | 147 | 49 | 23 | 75 | 4 | 1 | 6 | 5 | 1 |
| Absorptions, consolidations, and mergers (without FDIC aid) | 153 | 148 | 5 | 147 | 143 | 47 | 22 | 74 | 3 | 1 | 6 | 5 | 1 |
| Closed-financial difficulties | 4 | 4 | ...... | 4 | 4 | 2 | 1 | 1 | ...... | ...... | ...... | ...... | ...... |
| Other liquidations | 1 | ...... | 1 | 1 | ...... | ...... | ...... | ...... | 1 | ...... | ...... | ...... | ...... |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Noninsured banks becoming insured** | ... | +18 | −18 | ... | +18 | ... | +2 | +16 | −17 | −1 | ... | ... | ... |
| **Other changes in classification** | ... | −1 | +1 | ... | −1 | −14 | −46 | +59 | +1 | ... | ... | ... | ... |
| National succeeding State bank | ... | ... | ... | ... | ... | +16 | −8 | −8 | ... | ... | ... | ... | ... |
| State succeeding national bank | ... | ... | ... | ... | ... | −30 | +3 | +27 | ... | ... | ... | ... | ... |
| Admission of insured bank to FRS | ... | ... | ... | ... | ... | ... | +1 | −1 | ... | ... | ... | ... | ... |
| Withdrawal from FRS with continued insurance | ... | ... | ... | ... | ... | ... | −41 | +41 | ... | ... | ... | ... | ... |
| Insured bank becoming noninsured bank | ... | −1 | +1 | ... | −1 | ... | −1 | ... | +1 | ... | ... | ... | ... |
| **Changes not involving number in any class** | | | | | | | | | | | | | |
| Change in title | 247 | 245 | 2 | 237 | 237 | 92 | 23 | 122 | ... | ... | 10 | 8 | 2 |
| Change in location | 17 | 17 | ... | 17 | 17 | 3 | 9 | 5 | ... | ... | ... | ... | ... |
| Change in title and location | 18 | 18 | ... | 18 | 18 | 9 | ... | 9 | ... | ... | ... | ... | ... |
| Change in name of location | 10 | 8 | 2 | 10 | 8 | 2 | 1 | 5 | 2 | ... | ... | ... | ... |
| Change in location within city | 279 | 278 | 1 | 274 | 273 | 87 | 1 | 185 | 1 | ... | 5 | 5 | ... |
| **Changes in corporate powers** | | | | | | | | | | | | | |
| Converted to commercial banking | 1 | 1 | ... | 1 | 1 | ... | ... | 1 | ... | ... | ... | ... | ... |
| Granted trust powers (State nonmember banks only) | 68 | 68 | ... | 67 | 67 | ... | ... | 67 | ... | ... | 1 | 1 | ... |
| BRANCHES | | | | | | | | | | | | | |
| **Number of branches, December 31, 1969**[2] | 21,404 | 21,155 | 249 | 20,418 | 20,348 | 11,759 | 3,482 | 5,107 | 62 | 8 | 986 | 807 | 179 |
| **Number of branches, December 31, 1968**[2] | 20,131 | 19,894 | 237 | 19,222 | 19,155 | 11,025 | 3,566 | 4,564 | 59 | 8 | 909 | 739 | 170 |
| **Net change during year** | +1,273 | +1,261 | +12 | +1,196 | +1,193 | +734 | −84 | +543 | +3 | ... | +77 | +68 | +9 |
| **Branches opened for business** | 1,362 | 1,350 | 12 | 1,281 | 1,278 | 640 | 182 | 456 | 3 | ... | 81 | 72 | 9 |
| Facilities designated by Treasury | 4 | 4 | ... | 4 | 4 | 3 | ... | 1 | ... | ... | ... | ... | ... |
| Absorbed banks converted to branches | 132 | 130 | 2 | 128 | 127 | 68 | 12 | 47 | 1 | ... | 4 | 3 | 1 |
| Branches replacing head offices relocated | 20 | 20 | ... | 19 | 19 | 8 | 2 | 9 | ... | ... | 1 | 1 | ... |
| New branches | 1,194 | 1,185 | 9 | 1,119 | 1,117 | 556 | 168 | 393 | 2 | ... | 75 | 68 | 7 |
| Branches and/or facilities added to count[3] | 12 | 11 | 1 | 11 | 11 | 5 | ... | 6 | ... | ... | 1 | ... | 1 |
| **Branches discontinued** | 89 | 89 | ... | 86 | 86 | 45 | 21 | 20 | ... | ... | 3 | 3 | ... |
| Facilities designated by Treasury | 6 | 6 | ... | 6 | 6 | 6 | ... | ... | ... | ... | ... | ... | ... |
| Branches | 77 | 77 | ... | 74 | 74 | 38 | 21 | 15 | ... | ... | 3 | 3 | ... |
| Branches and/or facilities deleted from count | 6 | 6 | ... | 6 | 6 | 1 | ... | 5 | ... | ... | ... | ... | ... |
| **Other changes in classification** | ... | ... | ... | +1 | +1 | +139 | −245 | +107 | ... | ... | −1 | −1 | ... |
| Branches changing class as a result of conversion | ... | ... | ... | ... | ... | +110 | −187 | +77 | ... | ... | ... | ... | ... |
| Branches transferred through absorption, consolidation, or merger | ... | ... | ... | +1 | +1 | +29 | −11 | −17 | ... | ... | −1 | −1 | ... |
| Branches of insured banks, withdrawing from FRS | ... | ... | ... | ... | ... | ... | −47 | +47 | ... | ... | ... | ... | ... |
| **Changes not involving number in any class** | | | | | | | | | | | | | |
| Changes in operating powers of branches | 8 | 8 | ... | 8 | 8 | 6 | ... | 2 | ... | ... | ... | ... | ... |
| Branches transferred through absorption, consolidation, or merger | 191 | 190 | 1 | 180 | 180 | 117 | 9 | 54 | ... | ... | 11 | 10 | 1 |
| Changes in title, location, or name of location | 460 | 459 | 1 | 439 | 439 | 241 | 58 | 140 | ... | ... | 21 | 20 | 1 |

[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] Offices opened prior to 1969 but not included in count as of December 31, 1968.

**Table 102.** CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1969, BY STATE

| State | In operation | | | | Net change during 1969 | | Beginning operation in 1969 | | | | Ceasing operation in 1969 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 1969 | | Dec. 31, 1968 | | | | Banks | | Branches | | Banks | | Branches | |
| | Banks | Branches | Banks | Branches | Banks | Branches | New | Other | New | Other | Absorptions | Other | Branches | Other |
| **Total United States** | **13,681** | **20,418** | **13,698** | **19,222** | −17 | +1,196 | **130** | **5** | **1,130** | **152** | **147** | **5** | **74** | **12** |
| **50 States and D.C.** | **13,661** | **20,197** | **13,678** | **19,013** | −17 | +1,184 | **129** | **5** | **1,119** | **151** | **146** | **5** | **74** | **12** |
| **Other Areas** | **20** | **221** | **20** | **209** | N.A. | +12 | **1** | ... | **11** | **1** | **1** | ... | ... | ... |
| **State** | | | | | | | | | | | | | | |
| Alabama | 268 | 247 | 268 | 236 | N.C. | +11 | 1 | ... | 10 | 1 | 1 | ... | ... | ... |
| Alaska | 10 | 59 | 12 | 55 | −2 | +4 | ... | ... | 3 | 2 | 2 | ... | 1 | ... |
| Arizona | 12 | 299 | 13 | 278 | −1 | +21 | 1 | ... | 21 | 2 | 2 | ... | 1 | 1 |
| Arkansas | 249 | 155 | 248 | 141 | +1 | +14 | 1 | ... | 15 | ... | ... | ... | 1 | ... |
| California | 155 | 2,900 | 162 | 2,793 | −7 | +107 | 2 | 1 | 99 | 11 | 10 | ... | 3 | ... |
| Colorado | 267 | 12 | 257 | 10 | +10 | +2 | 7 | 4 | 2 | ... | 1 | ... | ... | ... |
| Connecticut | 62 | 405 | 66 | 375 | −4 | +30 | ... | ... | 27 | 4 | 4 | ... | 1 | ... |
| Delaware | 19 | 79 | 19 | 78 | N.A. | +1 | ... | ... | 2 | ... | ... | ... | 1 | ... |
| District of Columbia | 14 | 100 | 14 | 100 | N.A. | N.C. | ... | ... | 1 | ... | ... | ... | 1 | ... |
| Florida | 475 | 29 | 461 | 25 | +14 | +4 | 14 | ... | 3 | 1 | ... | ... | ... | ... |
| Georgia | 433 | 270 | 428 | 248 | +5 | +22 | 7 | ... | 23 | 2 | 2 | ... | 2 | 1 |
| Hawaii | 11 | 129 | 11 | 123 | N.A. | +6 | ... | ... | 8 | ... | ... | ... | 1 | 1 |
| Idaho | 26 | 149 | 26 | 142 | N.A. | +7 | ... | ... | 8 | ... | ... | ... | 1 | ... |
| Illinois | 1,088 | 74 | 1,074 | 45 | +14 | +29 | 18 | ... | 29 | ... | 3 | 1 | ... | ... |
| Indiana | 410 | 601 | 415 | 576 | −5 | +25 | 1 | ... | 21 | 5 | 6 | ... | 1 | ... |
| Iowa | 668 | 298 | 673 | 282 | −5 | +16 | ... | ... | 17 | 4 | 4 | 1 | 5 | ... |
| Kansas | 603 | 61 | 601 | 61 | +2 | N.C. | 3 | ... | 1 | ... | 1 | ... | 1 | ... |
| Kentucky | 345 | 306 | 346 | 286 | −1 | +20 | ... | ... | 20 | 2 | 1 | ... | 2 | ... |
| Louisiana | 231 | 359 | 229 | 329 | +2 | +30 | 2 | ... | 30 | 1 | ... | ... | 1 | ... |
| Maine | 44 | 209 | 43 | 200 | +1 | +9 | 1 | ... | 10 | ... | ... | ... | 1 | ... |
| Maryland | 122 | 491 | 122 | 469 | N.C. | +22 | 2 | ... | 19 | 3 | 2 | ... | ... | ... |
| Massachusetts | 161 | 713 | 158 | 683 | +3 | +30 | 4 | ... | 32 | 1 | 1 | ... | 3 | ... |
| Michigan | 332 | 1,153 | 338 | 1,101 | −6 | +52 | 2 | ... | 48 | 10 | 8 | ... | 5 | 1 |
| Minnesota | 724 | 10 | 723 | 10 | +1 | N.A. | 1 | ... | ... | ... | ... | ... | ... | ... |
| Mississippi | 181 | 321 | 185 | 296 | −4 | +25 | ... | ... | 24 | 4 | 4 | ... | 3 | ... |
| Missouri | 668 | 85 | 667 | 85 | +1 | N.C. | 2 | ... | 3 | ... | 1 | ... | 2 | 1 |
| Montana | 136 | 5 | 135 | 5 | +1 | N.C. | 1 | ... | 1 | ... | ... | ... | ... | 1 |
| Nebraska | 442 | 39 | 441 | 37 | +1 | +2 | 1 | ... | 3 | ... | ... | ... | 1 | ... |
| Nevada | 8 | 81 | 9 | 78 | −1 | +3 | ... | ... | 2 | 1 | 1 | ... | ... | ... |
| New Hampshire | 76 | 52 | 77 | 41 | −1 | +11 | 3 | ... | 7 | 4 | 4 | ... | ... | ... |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New Jersey | 228 | 891 | 229 | 797 | −1 | +94 | 12 | ... | 84 | 14 | 13 | ... | 3 | 1 |
| New Mexico | 64 | 121 | 63 | 114 | +1 | +7 | 1 | ... | 7 | ... | ... | ... | ... | ... |
| New York | 320 | 2,298 | 319 | 2,214 | +1 | +84 | 4 | ... | 92 | 3 | 3 | ... | 10 | 1 |
| North Carolina | 109 | 1,016 | 121 | 930 | −12 | +86 | 1 | ... | 75 | 13 | 13 | ... | 2 | ... |
| North Dakota | 169 | 68 | 169 | 69 | N.A. | −1 | ... | ... | ... | ... | ... | ... | 1 | ... |
| Ohio | 521 | 1,217 | 525 | 1,130 | −4 | +87 | 1 | ... | 82 | 9 | 5 | ... | 4 | ... |
| Oklahoma | 426 | 58 | 424 | 55 | +2 | +3 | 2 | ... | 3 | ... | ... | ... | ... | ... |
| Oregon | 51 | 319 | 50 | 307 | +1 | +12 | 2 | ... | 10 | 2 | 1 | ... | ... | ... |
| Pennsylvania | 492 | 1,616 | 509 | 1,519 | −17 | +97 | 1 | ... | 85 | 18 | 18 | ... | 6 | ... |
| Rhode Island | 13 | 161 | 13 | 158 | N.A. | +3 | ... | ... | 6 | ... | ... | ... | 3 | ... |
| South Carolina | 105 | 380 | 118 | 351 | −13 | +29 | ... | ... | 20 | 13 | 13 | ... | 4 | ... |
| South Dakota | 163 | 94 | 165 | 91 | −2 | +3 | ... | ... | 1 | 2 | 2 | ... | ... | ... |
| Tennessee | 305 | 449 | 303 | 417 | +2 | +32 | 2 | ... | 33 | ... | ... | ... | ... | 1 |
| Texas | 1,166 | 67 | 1,151 | 63 | +15 | +4 | 20 | ... | 6 | ... | 2 | 3 | 1 | 1 |
| Utah | 51 | 126 | 54 | 115 | −3 | +11 | ... | ... | 7 | 4 | 3 | ... | ... | ... |
| Vermont | 44 | 78 | 45 | 71 | −1 | +7 | ... | ... | 6 | 1 | 1 | ... | ... | ... |
| Virginia | 233 | 765 | 237 | 709 | −4 | +56 | 4 | ... | 49 | 8 | 8 | ... | 1 | ... |
| Washington | 92 | 523 | 94 | 487 | −2 | +36 | 2 | ... | 33 | 5 | 4 | ... | 1 | 1 |
| West Virginia | 195 | 5 | 195 | 4 | N.A. | +1 | ... | ... | 1 | ... | ... | ... | ... | ... |
| Wisconsin | 604 | 252 | 603 | 223 | +1 | +29 | 3 | ... | 29 | 1 | 2 | ... | ... | 1 |
| Wyoming | 70 | 2 | 70 | 1 | N.A. | +1 | ... | ... | 1 | ... | ... | ... | ... | ... |
| **Other Areas** | | | | | | | | | | | | | | |
| Pacific Islands | ... | 16 | 1 | 13 | −1 | +3 | ... | ... | 2 | 1 | 1 | ... | ... | ... |
| Panama Canal Zone | ... | 2 | ... | 2 | N.A. | N.A. | ... | ... | ... | ... | ... | ... | ... | ... |
| Puerto Rico | 13 | 183 | 12 | 175 | +1 | +8 | 1 | ... | 8 | ... | ... | ... | ... | ... |
| Virgin Islands | 7 | 20 | 7 | 19 | N.A. | +1 | ... | ... | 1 | ... | ... | ... | ... | ... |

N.A. = No Activity
N.C. = No Change

**Table 103.** NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

| State and type of bank or office | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | | Percentage insured [1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Insured | | | | Noninsured | | | | | | | |
| | | | | | | Members F. R. System | | | | | | | | | | |
| | Total | Insured | Non-insured | Total | Total | National | State | Not members F. R. System | Banks of deposit [2] | Non-deposit trust companies [3] | Total | Insured | Non-insured | All banks of deposit | Commercial banks of deposit | Mutual savings banks |
| **United States—all offices** | 35,582 | 34,959 | 623 | 34,099 | 33,821 | 16,428 | 4,683 | 12,710 | 221 | 57 | 1,483 | 1,138 | 345 | 98.4 | 99.4 | 76.7 |
| Banks | 14,178 | 13,804 | 374 | 13,681 | 13,473 | 4,669 | 1,201 | 7,603 | 159 | 49 | 497 | 331 | 166 | 97.7 | 98.8 | 66.6 |
| *Unit banks* | *10,017* | *9,752* | *265* | *9,811* | *9,627* | *3,032* | *752* | *5,843* | *140* | *44* | *206* | *125* | *81* | *97.8* | *98.6* | *60.7* |
| *Banks operating branches* | *4,161* | *4,052* | *109* | *3,870* | *3,846* | *1,637* | *449* | *1,760* | *19* | *5* | *291* | *206* | *85* | *97.5* | *99.5* | *70.8* |
| Branches | 21,404 | 21,155 | 249 | 20,418 | 20,348 | 11,759 | 3,482 | 5,107 | 62 | 8 | 986 | 807 | 179 | 98.9 | 99.7 | 81.8 |
| **50 States and D.C.—all offices** | 35,340 | 34,750 | 590 | 33,858 | 33,613 | 16,384 | 4,683 | 12,546 | 189 | 56 | 1,482 | 1,137 | 345 | 98.5 | 99.4 | 76.7 |
| Banks | 14,157 | 13,794 | 363 | 13,661 | 13,464 | 4,668 | 1,201 | 7,595 | 149 | 48 | 496 | 330 | 166 | 97.8 | 98.9 | 66.5 |
| *Unit banks* | *10,007* | *9,750* | *257* | *9,802* | *9,626* | *3,032* | *752* | *5,842* | *133* | *43* | *205* | *124* | *81* | *97.9* | *98.6* | *60.5* |
| *Banks operating branches* | *4,150* | *4,044* | *106* | *3,859* | *3,838* | *1,636* | *449* | *1,753* | *16* | *5* | *291* | *206* | *85* | *97.6* | *99.6* | *70.8* |
| Branches | 21,183 | 20,956 | 227 | 20,197 | 20,149 | 11,716 | 3,482 | 4,951 | 40 | 8 | 986 | 807 | 179 | 99.0 | 99.8 | 81.8 |
| **Other Areas—all offices** | 242 | 209 | 33 | 241 | 208 | 44 | ....... | 164 | 32 | 1 | 1 | 1 | ....... | 86.7 | 86.7 | 100.0 |
| Banks | 21 | 10 | 11 | 20 | 9 | 1 | ....... | 8 | 10 | 1 | 1 | 1 | ....... | 50.0 | 47.4 | 100.0 |
| *Unit banks* | *10* | *2* | *8* | *9* | *1* | ....... | ....... | *1* | *7* | *1* | *1* | *1* | ....... | *22.2* | *12.5* | *100.0* |
| *Banks operating branches* | *11* | *8* | *3* | *11* | *8* | *1* | ....... | *7* | *3* | ....... | ....... | ....... | ....... | *72.7* | *72.7* | ....... |
| Branches | 221 | 199 | 22 | 221 | 199 | 43 | ....... | 156 | 22 | ....... | ....... | ....... | ....... | 90.0 | 90.0 | ....... |
| **State** | | | | | | | | | | | | | | | | |
| **Alabama—all offices** | 515 | 515 | ....... | 515 | 515 | 265 | 34 | 216 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| Banks | 268 | 268 | ....... | 268 | 268 | 88 | 21 | 159 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| *Unit banks* | *188* | *188* | ....... | *188* | *188* | *47* | *15* | *126* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| *Banks operating branches* | *80* | *80* | ....... | *80* | *80* | *41* | *6* | *33* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 247 | 247 | ....... | 247 | 247 | 177 | 13 | 57 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Alaska—all offices** | 71 | 70 | 1 | 69 | 68 | 58 | ....... | 10 | 1 | ....... | 2 | 2 | ....... | 98.6 | 98.6 | 100.0 |
| Banks | 12 | 11 | 1 | 10 | 9 | 5 | ....... | 4 | 1 | ....... | 2 | 2 | ....... | 91.7 | 90.0 | 100.0 |
| *Unit banks* | *5* | *4* | *1* | *3* | *2* | ....... | ....... | *2* | *1* | ....... | *2* | *2* | ....... | *80.0* | *66.7* | *100.0* |
| *Banks operating branches* | *7* | *7* | ....... | *7* | *7* | *5* | ....... | *2* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 59 | 59 | ....... | 59 | 59 | 53 | ....... | 6 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Arizona—all offices** | 311 | 311 | ....... | 311 | 311 | 207 | 19 | 85 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| Banks | 12 | 12 | ....... | 12 | 12 | 4 | 1 | 7 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| *Unit banks* | *5* | *5* | ....... | *5* | *5* | *2* | ....... | *3* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| *Banks operating branches* | *7* | *7* | ....... | *7* | *7* | *2* | *1* | *4* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 299 | 299 | ....... | 299 | 299 | 203 | 18 | 78 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Arkansas—all offices** | 404 | 401 | 3 | 404 | 401 | 147 | 32 | 222 | 2 | 1 | ....... | ....... | ....... | 99.5 | 99.5 | ....... |
| Banks | 249 | 246 | 3 | 249 | 246 | 68 | 12 | 166 | 2 | 1 | ....... | ....... | ....... | 99.2 | 99.2 | ....... |
| *Unit banks* | *169* | *166* | *3* | *169* | *166* | *35* | *5* | *126* | *2* | *1* | ....... | ....... | ....... | *98.8* | *98.8* | ....... |
| *Banks operating branches* | *80* | *80* | ....... | *80* | *80* | *33* | *7* | *40* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 155 | 155 | ....... | 155 | 155 | 79 | 20 | 56 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **California—all offices** | 3,055 | 3,043 | 12 | 3,055 | 3,043 | 2,399 | 279 | 365 | ... | 12 | ... | ... | ... | 100.0 | 100.0 | ... |
| Banks | 155 | 148 | 7 | 155 | 148 | 68 | 9 | 71 | ... | 7 | ... | ... | ... | 100.0 | 100.0 | ... |
| *Unit banks* | 31 | 26 | 5 | 31 | 26 | 12 | ... | 14 | ... | 5 | ... | ... | ... | 100.0 | 100.0 | ... |
| *Banks operating branches* | 124 | 122 | 2 | 124 | 122 | 56 | 9 | 57 | ... | 2 | ... | ... | ... | 100.0 | 100.0 | ... |
| Branches | 2,900 | 2,895 | 5 | 2,900 | 2,895 | 2,331 | 270 | 294 | ... | 5 | ... | ... | ... | 100.0 | 100.0 | ... |
| **Colorado—all offices** | 279 | 235 | 44 | 279 | 235 | 127 | 18 | 90 | 44 | ... | ... | ... | ... | 84.2 | 84.2 | ... |
| Banks | 267 | 223 | 44 | 267 | 223 | 120 | 17 | 86 | 44 | ... | ... | ... | ... | 83.5 | 83.5 | ... |
| *Unit banks* | 256 | 212 | 44 | 256 | 212 | 114 | 16 | 82 | 44 | ... | ... | ... | ... | 82.8 | 82.8 | ... |
| *Banks operating branches* | 11 | 11 | ... | 11 | 11 | 6 | 1 | 4 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| Branches | 12 | 12 | ... | 12 | 12 | 7 | 1 | 4 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| **Connecticut—all offices** | 672 | 669 | 3 | 467 | 464 | 229 | 116 | 119 | 2 | 1 | 205 | 205 | ... | 99.7 | 99.6 | 100.0 |
| Banks | 131 | 128 | 3 | 62 | 59 | 27 | 4 | 28 | 2 | 1 | 69 | 69 | ... | 98.5 | 96.7 | 100.0 |
| *Unit banks* | 47 | 44 | 3 | 20 | 17 | 7 | ... | 10 | 2 | 1 | 27 | 27 | ... | 95.7 | 89.5 | 100.0 |
| *Banks operating branches* | 84 | 84 | ... | 42 | 42 | 20 | 4 | 18 | ... | ... | 42 | 42 | ... | 100.0 | 100.0 | 100.0 |
| Branches | 541 | 541 | ... | 405 | 405 | 202 | 112 | 91 | ... | ... | 136 | 136 | ... | 100.0 | 100.0 | 100.0 |
| **Delaware—all offices** | 110 | 110 | ... | 98 | 98 | 8 | 36 | 54 | ... | ... | 12 | 12 | ... | 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 | 89 | 89 | ... | 79 | 79 | 3 | 34 | 42 | ... | ... | 10 | 10 | ... | 100.0 | 100.0 | 100.0 |
| **D.C.—all offices** | 114 | 114 | ... | 114 | 114 | 77 | 28 | 9 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| Banks | 14 | 14 | ... | 14 | 14 | 11 | 1 | 2 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| *Unit banks* | 1 | 1 | ... | 1 | 1 | 1 | ... | ... | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| *Banks operating branches* | 13 | 13 | ... | 13 | 13 | 10 | 1 | 2 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| Branches | 100 | 100 | ... | 100 | 100 | 66 | 27 | 7 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| **Florida—all offices** | 504 | 499 | 5 | 504 | 499 | 221 | 10 | 268 | 2 | 3 | ... | ... | ... | 99.6 | 99.6 | ... |
| Banks | 475 | 470 | 5 | 475 | 470 | 209 | 9 | 252 | 2 | 3 | ... | ... | ... | 99.6 | 99.6 | ... |
| *Unit banks* | 450 | 445 | 5 | 450 | 445 | 198 | 8 | 239 | 2 | 3 | ... | ... | ... | 99.6 | 99.6 | ... |
| *Banks operating branches* | 25 | 25 | ... | 25 | 25 | 11 | 1 | 13 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| Branches | 29 | 29 | ... | 29 | 29 | 12 | 1 | 16 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| **Georgia—all offices** | 703 | 693 | 10 | 703 | 693 | 221 | 51 | 421 | 10 | ... | ... | ... | ... | 98.6 | 98.6 | ... |
| Banks | 433 | 423 | 10 | 433 | 423 | 60 | 12 | 351 | 10 | ... | ... | ... | ... | 97.7 | 97.7 | ... |
| *Unit banks* | 336 | 326 | 10 | 336 | 326 | 30 | 5 | 291 | 10 | ... | ... | ... | ... | 97.0 | 97.0 | ... |
| *Banks operating branches* | 97 | 97 | ... | 97 | 97 | 30 | 7 | 60 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| Branches | 270 | 270 | ... | 270 | 270 | 161 | 39 | 70 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| **Hawaii—all offices** | 140 | 135 | 5 | 140 | 135 | 8 | ... | 127 | ... | 5 | ... | ... | ... | 100.0 | 100.0 | ... |
| Banks | 11 | 7 | 4 | 11 | 7 | 1 | ... | 6 | ... | 4 | ... | ... | ... | 100.0 | 100.0 | ... |
| *Unit banks* | 3 | ... | 3 | 3 | ... | ... | ... | ... | ... | 3 | ... | ... | ... | ... | ... | ... |
| *Banks operating branches* | 8 | 7 | 1 | 8 | 7 | 1 | ... | 6 | ... | 1 | ... | ... | ... | 100.0 | 100.0 | ... |
| Branches | 129 | 128 | 1 | 129 | 128 | 7 | ... | 121 | ... | 1 | ... | ... | ... | 100.0 | 100.0 | ... |
| **Idaho—all offices** | 175 | 175 | ... | 175 | 175 | 115 | 33 | 27 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| Banks | 26 | 26 | ... | 26 | 26 | 8 | 7 | 11 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| *Unit banks* | 12 | 12 | ... | 12 | 12 | 3 | 4 | 5 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| *Banks operating branches* | 14 | 14 | ... | 14 | 14 | 5 | 3 | 6 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| Branches | 149 | 149 | ... | 149 | 149 | 107 | 26 | 16 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |

**Table 103.** NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

| State and type of bank or office | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | | Percentage insured [1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Insured | Noninsured | Total | Insured | | | | Noninsured | | Total | Insured | Noninsured | All banks of deposit | Commercial banks of deposit | Mutual savings banks |
| | | | | | Total | Members F. R. System | | Not members F. R. System | Banks of deposit [2] | Nondeposit trust companies [3] | | | | | | |
| | | | | | | National | State | | | | | | | | | |
| **Illinois—all offices** | 1,162 | 1,159 | 3 | 1,162 | 1,159 | 467 | 89 | 603 | 1 | 2 | ....... | ....... | ....... | 99.9 | 99.9 | ....... |
| Banks | 1,088 | 1,085 | 3 | 1,088 | 1,085 | 418 | 83 | 584 | 1 | 2 | ....... | ....... | ....... | 99.9 | 99.9 | ....... |
| *Unit banks* | *1,017* | *1,014* | *3* | *1,017* | *1,014* | *372* | *77* | *565* | *1* | *2* | ....... | ....... | ....... | *99.9* | *99.9* | ....... |
| *Banks operating branches* | *71* | *71* | ....... | *71* | *71* | *46* | *6* | *19* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 74 | 74 | ....... | 74 | 74 | 49 | 6 | 19 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Indiana—all offices** | 1,015 | 1,012 | 3 | 1,011 | 1,008 | 441 | 133 | 434 | 2 | 1 | 4 | 4 | ....... | 99.8 | 99.8 | 100.0 |
| Banks | 414 | 411 | 3 | 410 | 407 | 122 | 69 | 216 | 2 | 1 | 4 | 4 | ....... | 99.5 | 99.5 | 100.0 |
| *Unit banks* | *223* | *220* | *3* | *219* | *216* | *51* | *43* | *122* | *2* | *1* | *4* | *4* | ....... | *99.1* | *99.1* | *100.0* |
| *Banks operating branches* | *191* | *191* | ....... | *191* | *191* | *71* | *26* | *94* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 601 | 601 | ....... | 601 | 601 | 319 | 64 | 218 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Iowa—all offices** | 966 | 956 | 10 | 966 | 956 | 150 | 78 | 728 | 9 | 1 | ....... | ....... | ....... | 99.1 | 99.1 | ....... |
| Banks | 668 | 658 | 10 | 668 | 658 | 100 | 54 | 504 | 9 | 1 | ....... | ....... | ....... | 98.7 | 98.7 | ....... |
| *Unit banks* | *454* | *444* | *10* | *454* | *444* | *61* | *37* | *346* | *9* | *1* | ....... | ....... | ....... | *98.0* | *98.0* | ....... |
| *Banks operating branches* | *214* | *214* | ....... | *214* | *214* | *39* | *17* | *158* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 298 | 298 | ....... | 298 | 298 | 50 | 24 | 224 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Kansas—all offices** | 664 | 663 | 1 | 664 | 663 | 201 | 44 | 418 | 1 | ....... | ....... | ....... | ....... | 99.8 | 99.8 | ....... |
| Banks | 603 | 602 | 1 | 603 | 602 | 172 | 37 | 393 | 1 | ....... | ....... | ....... | ....... | 99.8 | 99.8 | ....... |
| *Unit banks* | *544* | *543* | *1* | *544* | *543* | *145* | *30* | *368* | 1 | ....... | ....... | ....... | ....... | *99.8* | *99.8* | ....... |
| *Banks operating branches* | *59* | *59* | ....... | *59* | *59* | *27* | *7* | *25* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 61 | 61 | ....... | 61 | 61 | 29 | 7 | 25 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Kentucky—all offices** | 651 | 646 | 5 | 651 | 646 | 216 | 61 | 369 | 5 | ....... | ....... | ....... | ....... | 99.2 | 99.2 | ....... |
| Banks | 345 | 340 | 5 | 345 | 340 | 80 | 14 | 246 | 5 | ....... | ....... | ....... | ....... | 98.6 | 98.6 | ....... |
| *Unit banks* | *212* | *207* | *5* | *212* | *207* | *36* | *6* | *165* | *5* | ....... | ....... | ....... | ....... | *97.6* | *97.6* | ....... |
| *Banks operating branches* | *133* | *133* | ....... | *133* | *133* | *44* | *8* | *81* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 306 | 306 | ....... | 306 | 306 | 136 | 47 | 123 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Louisiana—all offices** | 590 | 589 | 1 | 590 | 589 | 215 | 47 | 327 | 1 | ....... | ....... | ....... | ....... | 99.8 | 99.8 | ....... |
| Banks | 231 | 230 | 1 | 231 | 230 | 49 | 10 | 171 | 1 | ....... | ....... | ....... | ....... | 99.6 | 99.6 | ....... |
| *Unit banks* | *108* | *107* | *1* | *108* | *107* | *15* | *1* | *91* | *1* | ....... | ....... | ....... | ....... | *99.1* | *99.1* | ....... |
| *Banks operating branches* | *123* | *123* | ....... | *123* | *123* | *34* | *9* | *80* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 359 | 359 | ....... | 359 | 359 | 166 | 37 | 156 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Maine—all offices** | 308 | 301 | 7 | 253 | 247 | 114 | 65 | 68 | 6 | ....... | 55 | 54 | 1 | 97.7 | 97.6 | 98.2 |
| Banks | 76 | 72 | 4 | 44 | 41 | 21 | 6 | 14 | 3 | ....... | 32 | 31 | 1 | 94.7 | 93.2 | 96.9 |
| *Unit banks* | *27* | *24* | *3* | *10* | *8* | *4* | *2* | *2* | *2* | ....... | *17* | *16* | *1* | *88.9* | *80.0* | *94.1* |
| *Banks operating branches* | *49* | *48* | *1* | *34* | *33* | *17* | *4* | *12* | *1* | ....... | *15* | *15* | ....... | *98.0* | *97.1* | *100.0* |
| Branches | 232 | 229 | 3 | 209 | 206 | 93 | 59 | 54 | 3 | ....... | 23 | 23 | ....... | 98.7 | 98.6 | 100.0 |
| **Maryland—all offices** | 661 | 653 | 8 | 613 | 605 | 291 | 67 | 247 | 8 | ....... | 48 | 48 | ....... | 98.8 | 98.7 | 100.0 |
| Banks | 127 | 126 | 1 | 122 | 121 | 47 | 7 | 67 | 1 | ....... | 5 | 5 | ....... | 99.2 | 99.2 | 100.0 |
| *Unit banks* | *47* | *47* | ....... | *47* | *47* | *13* | *1* | *33* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| *Banks operating branches* | *80* | *79* | *1* | *75* | *74* | *34* | *6* | *34* | *1* | ....... | *5* | *5* | ....... | *98.7* | *98.7* | *100.0* |
| Branches | 534 | 527 | 7 | 491 | 484 | 244 | 60 | 180 | 7 | ....... | 43 | 43 | ....... | 98.7 | 98.6 | 100.0 |
| **Massachusetts—all offices** | 1,261 | 909 | 352 | 874 | 866 | 493 | 174 | 199 | 6 | 2 | 387 | 43 | 344 | 72.2 | 99.3 | 11.1 |
| Banks | 334 | 164 | 170 | 161 | 156 | 86 | 16 | 54 | 4 | 1 | 173 | 8 | 165 | 49.2 | 97.5 | 4.6 |
| *Unit banks* | *122* | *39* | *83* | *40* | *37* | *21* | ....... | *16* | *3* | ....... | *82* | *2* | *80* | *32.0* | *92.5* | *2.4* |
| *Banks operating branches* | *212* | *125* | *87* | *121* | *119* | *65* | *16* | *38* | *1* | *1* | *91* | *6* | *85* | *59.2* | *99.2* | *6.6* |
| Branches [4] | 927 | 745 | 182 | 713 | 710 | 407 | 158 | 145 | 2 | 1 | 214 | 35 | 179 | 80.5 | 99.7 | 16.4 |
| **Michigan—all offices** | 1,485 | 1,481 | 4 | 1,485 | 1,481 | 633 | 519 | 329 | 3 | 1 | ....... | ....... | ....... | 99.8 | 99.8 | ....... |
| Banks | 332 | 330 | 2 | 332 | 330 | 98 | 105 | 127 | 1 | 1 | ....... | ....... | ....... | 99.7 | 99.7 | ....... |
| *Unit banks* | *133* | *132* | *1* | *133* | *132* | *26* | *43* | *63* | ....... | *1* | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| *Banks operating branches* | *199* | *198* | *1* | *199* | *198* | *72* | *62* | *64* | *1* | ....... | ....... | ....... | ....... | *99.5* | *99.5* | ....... |
| Branches | 1,153 | 1,151 | 2 | 1,153 | 1,151 | 535 | 414 | 202 | 2 | ....... | ....... | ....... | ....... | 99.8 | 99.8 | ....... |
| **Minnesota—all offices** | 735 | 732 | 3 | 734 | 731 | 203 | 26 | 502 | 3 | ....... | 1 | 1 | ....... | 99.6 | 99.6 | 100.0 |
| Banks | 725 | 722 | 3 | 724 | 721 | 197 | 26 | 498 | 3 | ....... | 1 | 1 | ....... | 99.6 | 99.6 | 100.0 |
| *Unit banks* | *719* | *716* | *3* | *718* | *715* | *195* | *26* | *494* | *3* | ....... | *1* | *1* | ....... | *99.6* | *99.6* | *100.0* |
| *Banks operating branches* | *6* | *6* | ....... | *6* | *6* | *2* | ....... | *4* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 10 | 10 | ....... | 10 | 10 | 6 | ....... | 4 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Mississippi—all offices** | 502 | 502 | ....... | 502 | 502 | 171 | 19 | 312 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| Banks | 181 | 181 | ....... | 181 | 181 | 38 | 6 | 137 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| *Unit banks* | *73* | *73* | ....... | *73* | *73* | *6* | *1* | *66* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| *Banks operating branches* | *108* | *108* | ....... | *108* | *108* | *32* | *5* | *71* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 321 | 321 | ....... | 321 | 321 | 133 | 13 | 175 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Missouri—all offices** | 753 | 746 | 7 | 753 | 746 | 119 | 89 | 538 | 4 | 3 | ....... | ....... | ....... | 99.5 | 99.5 | ....... |
| Banks | 668 | 661 | 7 | 668 | 661 | 97 | 73 | 491 | 4 | 3 | ....... | ....... | ....... | 99.4 | 99.4 | ....... |
| *Unit banks* | *583* | *576* | *7* | *583* | *576* | *75* | *57* | *444* | *4* | *3* | ....... | ....... | ....... | *99.3* | *99.3* | ....... |
| *Banks operating branches* | *85* | *85* | ....... | *85* | *85* | *22* | *16* | *47* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 85 | 85 | ....... | 85 | 85 | 22 | 16 | 47 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Montana—all offices** | 141 | 140 | 1 | 141 | 140 | 50 | 43 | 47 | ....... | 1 | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| Banks | 136 | 135 | 1 | 136 | 135 | 48 | 41 | 46 | ....... | 1 | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| *Unit banks* | *131* | *130* | *1* | *131* | *130* | *46* | *39* | *45* | ....... | *1* | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| *Banks operating branches* | *5* | *5* | ....... | *5* | *5* | *2* | *2* | *1* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 5 | 5 | ....... | 5 | 5 | 2 | 2 | 1 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| **Nebraska—all offices** | 481 | 476 | 5 | 481 | 476 | 148 | 13 | 315 | ....... | 5 | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| Banks | 442 | 437 | 5 | 442 | 437 | 126 | 12 | 299 | ....... | 5 | ....... | ....... | ....... | 100.0 | 100.0 | ....... |
| *Unit banks* | *405* | *400* | *5* | *405* | *400* | *105* | *11* | *284* | ....... | *5* | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| *Banks operating branches* | *37* | *37* | ....... | *37* | *37* | *21* | *1* | *15* | ....... | ....... | ....... | ....... | ....... | *100.0* | *100.0* | ....... |
| Branches | 39 | 39 | ....... | 39 | 39 | 22 | 1 | 16 | ....... | ....... | ....... | ....... | ....... | 100.0 | 100.0 | ....... |

**Table 103.** NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

| State and type of bank or office | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | | Percentage insured [1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Insured | | | | Noninsured | | | | | | | |
| | | | | | | Members F. R. System | | | | | | | | | | |
| | Total | Insured | Non-insured | Total | Total | National | State | Not members F. R. System | Banks of deposit [2] | Non-deposit trust companies [3] | Total | Insured | Non-insured | All banks of deposit | Commercial banks of deposit | Mutual savings banks |
| **Nevada—all offices** | 89 | 89 | ...... | 89 | 89 | 61 | 15 | 13 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| Banks | 8 | 8 | ...... | 8 | 8 | 4 | 1 | 3 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| *Unit banks* | *2* | *2* | ...... | *2* | *2* | *1* | ...... | *1* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| *Banks operating branches* | *6* | *6* | ...... | *6* | *6* | *3* | *1* | *2* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| Branches | 81 | 81 | ...... | 81 | 81 | 57 | 14 | 10 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| **New Hampshire—all offices** | 173 | 170 | 3 | 128 | 125 | 96 | 2 | 27 | 3 | ...... | 45 | 45 | ...... | 98.3 | 97.7 | 100.0 |
| Banks | 107 | 104 | 3 | 76 | 73 | 50 | 1 | 22 | 3 | ...... | 31 | 31 | ...... | 97.2 | 96.1 | 100.0 |
| *Unit banks* | *70* | *67* | *3* | *48* | *45* | *27* | ...... | *18* | *3* | ...... | *22* | *22* | ...... | *95.7* | *93.8* | *100.0* |
| *Banks operating branches* | *37* | *37* | ...... | *28* | *28* | *23* | *1* | *4* | ...... | ...... | *9* | *9* | ...... | *100.0* | *100.0* | *100.0* |
| Branches | 66 | 66 | ...... | 52 | 52 | 46 | 1 | 5 | ...... | ...... | 14 | 14 | ...... | 100.0 | 100.0 | 100.0 |
| **New Jersey—all offices** | 1,174 | 1,172 | 2 | 1,119 | 1,117 | 741 | 199 | 177 | ...... | 2 | 55 | 55 | ...... | 100.0 | 100.0 | 100.0 |
| Banks | 249 | 247 | 2 | 228 | 226 | 137 | 36 | 53 | ...... | 2 | 21 | 21 | ...... | 100.0 | 100.0 | 100.0 |
| *Unit banks* | *65* | *63* | *2* | *56* | *54* | *30* | *7* | *17* | ...... | *2* | *9* | *9* | ...... | *100.0* | *100.0* | *100.0* |
| *Banks operating branches* | *184* | *184* | ...... | *172* | *172* | *107* | *29* | *36* | ...... | ...... | *12* | *12* | ...... | *100.0* | *100.0* | *100.0* |
| Branches | 925 | 925 | ...... | 891 | 891 | 604 | 163 | 124 | ...... | ...... | 34 | 34 | ...... | 100.0 | 100.0 | 100.0 |
| **New Mexico—all offices** | 185 | 185 | ...... | 185 | 185 | 101 | 11 | 73 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| Banks | 64 | 64 | ...... | 64 | 64 | 33 | 6 | 25 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| *Unit banks* | *17* | *17* | ...... | *17* | *17* | *9* | *3* | *5* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| *Banks operating branches* | *47* | *47* | ...... | *47* | *47* | *24* | *3* | *20* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| Branches | 121 | 121 | ...... | 121 | 121 | 68 | 5 | 48 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| **New York—all offices** | 3,051 | 3,018 | 33 | 2,618 | 2,585 | 1,339 | 1,089 | 157 | 26 | 7 | 433 | 433 | ...... | 99.1 | 99.0 | 100.0 |
| Banks | 442 | 417 | 25 | 320 | 295 | 173 | 80 | 42 | 19 | 6 | 122 | 122 | ...... | 95.6 | 93.9 | 100.0 |
| *Unit banks* | *164* | *146* | *18* | *134* | *116* | *70* | *26* | *20* | *13* | *5* | *30* | *30* | ...... | *91.8* | *89.9* | *100.0* |
| *Banks operating branches* | *278* | *271* | *7* | *186* | *179* | *103* | *54* | *22* | *6* | *1* | *92* | *92* | ...... | *97.8* | *96.8* | *100.0* |
| Branches [4] | 2,609 | 2,601 | 8 | 2,298 | 2,290 | 1,166 | 1,009 | 115 | 7 | 1 | 311 | 311 | ...... | 99.7 | 99.7 | 100.0 |
| **North Carolina—all offices** | 1,125 | 1,118 | 7 | 1,125 | 1,118 | 519 | 4 | 595 | 7 | ...... | ...... | ...... | ...... | 99.4 | 99.4 | ...... |
| Banks | 109 | 108 | 1 | 109 | 108 | 23 | 2 | 83 | 1 | ...... | ...... | ...... | ...... | 99.1 | 99.1 | ...... |
| *Unit banks* | *37* | *37* | ...... | *37* | *37* | *4* | *1* | *32* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| *Banks operating branches* | *72* | *71* | *1* | *72* | *71* | *19* | *1* | *51* | *1* | ...... | ...... | ...... | ...... | *98.6* | *98.6* | ...... |
| Branches | 1,016 | 1,010 | 6 | 1,016 | 1,010 | 496 | 2 | 512 | 6 | ...... | ...... | ...... | ...... | 99.4 | 99.4 | ...... |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **North Dakota—all offices** | 237 | 232 | 5 | 237 | 232 | 53 | 6 | 173 | 5 | | | | | 97.9 | 97.9 | |
| Banks | 169 | 166 | 3 | 169 | 166 | 42 | 4 | 120 | 3 | | | | | 98.2 | 98.2 | |
| *Unit banks* | *120* | *118* | *2* | *120* | *118* | *32* | *3* | *83* | *2* | | | | | *98.3* | *98.3* | |
| *Banks operating branches* | *49* | *48* | *1* | *49* | *48* | *10* | *1* | *37* | *1* | | | | | *98.0* | *98.0* | |
| Branches | 68 | 66 | 2 | 68 | 66 | 11 | 2 | 53 | 2 | | | | | 97.1 | 97.1 | |
| **Ohio—all offices** | 1,739 | 1,737 | 2 | 1,738 | 1,736 | 911 | 451 | 374 | 2 | | 1 | 1 | | 99.9 | 99.9 | 100.0 |
| Banks | 522 | 520 | 2 | 521 | 519 | 217 | 122 | 180 | 2 | | 1 | 1 | | 99.6 | 99.6 | 100.0 |
| *Unit banks* | *254* | *252* | *2* | *253* | *251* | *75* | *68* | *108* | *2* | | *1* | *1* | | *99.2* | *99.2* | *100.0* |
| *Banks operating branches* | *268* | *268* | | *268* | *268* | *142* | *54* | *72* | | | | | | *100.0* | *100.0* | |
| Branches | 1,217 | 1,217 | | 1,217 | 1,217 | 694 | 329 | 194 | | | | | | 100.0 | 100.0 | |
| **Oklahoma—all offices** | 484 | 483 | 1 | 484 | 483 | 261 | 25 | 197 | | 1 | | | | 100.0 | 100.0 | |
| Banks | 426 | 425 | 1 | 426 | 425 | 218 | 22 | 185 | | 1 | | | | 100.0 | 100.0 | |
| *Unit banks* | *371* | *370* | *1* | *371* | *370* | *178* | *19* | *173* | | *1* | | | | *100.0* | *100.0* | |
| *Banks operating branches* | *55* | *55* | | *55* | *55* | *40* | *3* | *12* | | | | | | *100.0* | *100.0* | |
| Branches | 58 | 58 | | 58 | 58 | 43 | 3 | 12 | | | | | | 100.0 | 100.0 | |
| **Oregon—all offices** | 372 | 370 | 2 | 370 | 368 | 252 | | 116 | 2 | | 2 | 2 | | 99.5 | 99.5 | 100.0 |
| Banks | 52 | 50 | 2 | 51 | 49 | 11 | | 38 | 2 | | 1 | 1 | | 96.2 | 96.1 | 100.0 |
| *Unit banks* | *22* | *20* | *2* | *22* | *20* | *4* | | *16* | *2* | | | | | *90.9* | *90.9* | |
| *Banks operating branches* | *30* | *30* | | *29* | *29* | *7* | | *22* | | | *1* | *1* | | *100.0* | *100.0* | *100.0* |
| Branches [4] | 320 | 320 | | 319 | 319 | 241 | | 78 | | | 1 | 1 | | 100.0 | 100.0 | 100.0 |
| **Pennsylvania—all offices** | 2,198 | 2,187 | 11 | 2,108 | 2,097 | 1,299 | 258 | 540 | 8 | 3 | 90 | 90 | | 99.6 | 99.6 | 100.0 |
| Banks | 499 | 490 | 9 | 492 | 483 | 315 | 27 | 141 | 6 | 3 | 7 | 7 | | 98.8 | 98.8 | 100.0 |
| *Unit banks* | *245* | *237* | *8* | *244* | *236* | *157* | *12* | *67* | *5* | *3* | *1* | *1* | | *97.9* | *97.9* | *100.0* |
| *Banks operating branches* | *254* | *253* | *1* | *248* | *247* | *158* | *15* | *74* | *1* | | *6* | *6* | | *99.6* | *99.6* | *100.0* |
| Branches [4] | 1,699 | 1,697 | 2 | 1,616 | 1,614 | 984 | 231 | 399 | 2 | | 83 | 83 | | 99.9 | 99.9 | 100.0 |
| **Rhode Island—all offices** | 246 | 236 | 10 | 174 | 164 | 94 | | 70 | 10 | | 72 | 72 | | 95.9 | 94.3 | 100.0 |
| Banks | 20 | 18 | 2 | 13 | 11 | 5 | | 6 | 2 | | 7 | 7 | | 90.0 | 84.6 | 100.0 |
| *Unit banks* | | | | | | | | | | | | | | | | |
| *Banks operating branches* | *20* | *18* | *2* | *13* | *11* | *5* | | *6* | *2* | | *7* | *7* | | *90.0* | *84.6* | *100.0* |
| Branches | 226 | 218 | 8 | 161 | 153 | 89 | | 64 | 8 | | 65 | 65 | | 96.5 | 95.0 | 100.0 |
| **South Carolina—all offices** | 485 | 484 | 1 | 485 | 484 | 245 | 11 | 228 | 1 | | | | | 99.8 | 99.8 | |
| Banks | 105 | 104 | 1 | 105 | 104 | 20 | 6 | 78 | 1 | | | | | 99.0 | 99.0 | |
| *Unit banks* | *43* | *42* | *1* | *43* | *42* | *4* | *3* | *35* | *1* | | | | | *97.7* | *97.7* | |
| *Banks operating branches* | *62* | *62* | | *62* | *62* | *16* | *3* | *43* | | | | | | *100.0* | *100.0* | |
| Branches | 380 | 380 | | 380 | 380 | 225 | 5 | 150 | | | | | | 100.0 | 100.0 | |
| **South Dakota—all offices** | 257 | 257 | | 257 | 257 | 88 | 29 | 140 | | | | | | 100.0 | 100.0 | |
| Banks | 163 | 163 | | 163 | 163 | 33 | 25 | 105 | | | | | | 100.0 | 100.0 | |
| *Unit banks* | *125* | *125* | | *125* | *125* | *24* | *22* | *79* | | | | | | *100.0* | *100.0* | |
| *Banks operating branches* | *38* | *38* | | *38* | *38* | *9* | *3* | *26* | | | | | | *100.0* | *100.0* | |
| Branches | 94 | 94 | | 94 | 94 | 55 | 4 | 35 | | | | | | 100.0 | 100.0 | |
| **Tennessee—all offices** | 754 | 749 | 5 | 754 | 749 | 338 | 44 | 367 | 4 | 1 | | | | 99.5 | 99.5 | |
| Banks | 305 | 301 | 4 | 305 | 301 | 77 | 11 | 213 | 3 | 1 | | | | 99.0 | 99.0 | |
| *Unit banks* | *166* | *163* | *3* | *166* | *163* | *17* | *6* | *140* | *2* | *1* | | | | *98.8* | *98.8* | |
| *Banks operating branches* | *139* | *138* | *1* | *139* | *138* | *60* | *5* | *73* | *1* | | | | | *99.3* | *99.3* | |
| Branches | 449 | 448 | 1 | 449 | 448 | 261 | 33 | 154 | 1 | | | | | 99.8 | 99.8 | |

**Table 103.** NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

| State and type of bank or office | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | | Percentage insured[1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Insured | Noninsured | Total | Insured | | | | Noninsured | | Total | Insured | Noninsured | All banks of deposit | Commercial banks of deposit | Mutual savings banks |
| | | | | | Total | Members F. R. System | | Not members F. R. System | Banks of deposit[2] | Nondeposit trust companies[3] | | | | | | |
| | | | | | | National | State | | | | | | | | | |
| **Texas—all offices** | 1,233 | 1,224 | 9 | 1,233 | 1,224 | 549 | 63 | 612 | 9 | ...... | ...... | ...... | ...... | 99.3 | 99.3 | ...... |
| Banks | 1,166 | 1,157 | 9 | 1,166 | 1,157 | 529 | 56 | 572 | 9 | ...... | ...... | ...... | ...... | 99.2 | 99.2 | ...... |
| *Unit banks* | *1,102* | *1,093* | *9* | *1,102* | *1,093* | *511* | *49* | *533* | *9* | ...... | ...... | ...... | ...... | *99.2* | *99.2* | ...... |
| *Banks operating branches* | *64* | *64* | ...... | *64* | *64* | *18* | *7* | *39* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| Branches | 67 | 67 | ...... | 67 | 67 | 20 | 7 | 40 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| **Utah—all offices** | 177 | 177 | ...... | 177 | 177 | 75 | 34 | 68 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| Banks | 51 | 51 | ...... | 51 | 51 | 10 | 7 | 34 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| *Unit banks* | *30* | *30* | ...... | *30* | *30* | *6* | *3* | *21* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| *Banks operating branches* | *21* | *21* | ...... | *21* | *21* | *4* | *4* | *13* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| Branches | 126 | 126 | ...... | 126 | 126 | 65 | 27 | 34 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| **Vermont—all offices** | 130 | 129 | 1 | 122 | 121 | 71 | ...... | 50 | ...... | 1 | 8 | 8 | ...... | 100.0 | 100.0 | 100.0 |
| Banks | 50 | 49 | 1 | 44 | 43 | 26 | ...... | 17 | ...... | 1 | 6 | 6 | ...... | 100.0 | 100.0 | 100.0 |
| *Unit banks* | *24* | *23* | *1* | *20* | *19* | *12* | ...... | *7* | ...... | *1* | *4* | *4* | ...... | *100.0* | *100.0* | *100.0* |
| *Banks operating branches* | *26* | *26* | ...... | *24* | *24* | *14* | ...... | *10* | ...... | ...... | *2* | *2* | ...... | *100.0* | *100.0* | *100.0* |
| Branches | 80 | 80 | ...... | 78 | 78 | 45 | ...... | 33 | ...... | ...... | 2 | 2 | ...... | 100.0 | 100.0 | 100.0 |
| **Virginia—all offices** | 998 | 998 | ...... | 998 | 998 | 552 | 161 | 285 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| Banks | 233 | 233 | ...... | 233 | 233 | 103 | 42 | 88 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| *Unit banks* | *85* | *85* | ...... | *85* | *85* | *28* | *20* | *37* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| *Banks operating branches* | *148* | *148* | ...... | *148* | *148* | *75* | *22* | *51* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| Branches | 765 | 765 | ...... | 765 | 765 | 449 | 119 | 197 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| **Washington—all offices** | 674 | 673 | 1 | 615 | 614 | 445 | 45 | 124 | 1 | ...... | 59 | 59 | ...... | 99.9 | 99.8 | 100.0 |
| Banks | 101 | 100 | 1 | 92 | 91 | 27 | 8 | 56 | 1 | ...... | 9 | 9 | ...... | 99.0 | 98.9 | 100.0 |
| *Unit banks* | *45* | *44* | *1* | *43* | *42* | *11* | *3* | *28* | *1* | ...... | *2* | *2* | ...... | *97.8* | *97.7* | *100.0* |
| *Banks operating branches* | *56* | *56* | ...... | *49* | *49* | *16* | *5* | *28* | ...... | ...... | *7* | *7* | ...... | *100.0* | *100.0* | *100.0* |
| Branches[4] | 573 | 573 | ...... | 523 | 523 | 418 | 37 | 68 | ...... | ...... | 50 | 50 | ...... | 100.0 | 100.0 | 100.0 |
| **West Virginia—all offices** | 200 | 200 | ...... | 200 | 200 | 81 | 36 | 83 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| Banks | 195 | 195 | ...... | 195 | 195 | 81 | 34 | 80 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |
| *Unit banks* | *190* | *190* | ...... | *190* | *190* | *81* | *32* | *77* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| *Banks operating branches* | *5* | *5* | ...... | *5* | *5* | ...... | *2* | *3* | ...... | ...... | ...... | ...... | ...... | *100.0* | *100.0* | ...... |
| Branches | 5 | 5 | ...... | 5 | 5 | ...... | 2 | 3 | ...... | ...... | ...... | ...... | ...... | 100.0 | 100.0 | ...... |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Wisconsin—all offices** | 859 | 855 | 4 | 856 | 852 | 178 | 64 | 610 | 1 | 3 | 3 | 3 | ... | 99.9 | 99.9 | 100.0 |
| Banks | 607 | 603 | 4 | 604 | 600 | 121 | 44 | 435 | 1 | 3 | 3 | 3 | ... | 99.8 | 99.8 | 100.0 |
| *Unit banks* | *451* | *447* | *4* | *448* | *444* | *89* | *35* | *320* | *1* | *3* | *3* | *3* | ... | *99.8* | *99.8* | *100.0* |
| *Banks operating branches* | *156* | *156* | ... | *156* | *156* | *32* | *9* | *115* | ... | ... | ... | ... | ... | *100.0* | *100.0* | ... |
| Branches | 252 | 252 | ... | 252 | 252 | 57 | 20 | 175 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| **Wyoming—all offices** | 72 | 72 | ... | 72 | 72 | 41 | 13 | 18 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| Banks | 70 | 70 | ... | 70 | 70 | 40 | 13 | 17 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| *Unit banks* | *68* | *68* | ... | *68* | *68* | *39* | *13* | *16* | ... | ... | ... | ... | ... | *100.0* | *100.0* | ... |
| *Banks operating branches* | *2* | *2* | ... | *2* | *2* | *1* | ... | *1* | ... | ... | ... | ... | ... | *100.0* | *100.0* | ... |
| Branches | 2 | 2 | ... | 2 | 2 | 1 | ... | 1 | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |
| **Other Areas** | | | | | | | | | | | | | | | | |
| **Pacific Islands—all offices** [5] | 16 | 6 | 10 | 16 | 6 | 5 | ... | 1 | 10 | ... | ... | ... | ... | 37.5 | 37.5 | ... |
| Banks | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| *Unit banks* | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| *Banks operating branches* | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Branches [6] | 16 | 6 | 10 | 16 | 6 | 5 | ... | 1 | 10 | ... | ... | ... | ... | 37.5 | 37.5 | ... |
| **Panama Canal Zone—all offices** | 2 | ... | 2 | 2 | ... | ... | ... | ... | 2 | ... | ... | ... | ... | ... | ... | ... |
| Banks | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| *Unit banks* | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| *Banks operating branches* | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Branches [7] | 2 | ... | 2 | 2 | ... | ... | ... | ... | 2 | ... | ... | ... | ... | ... | ... | ... |
| **Puerto Rico—all offices** | 197 | 182 | 15 | 196 | 181 | 18 | ... | 163 | 15 | ... | 1 | 1 | ... | 92.4 | 92.3 | 100.0 |
| Banks | 14 | 9 | 5 | 13 | 8 | ... | ... | 8 | 5 | ... | 1 | 1 | ... | 64.3 | 61.5 | 100.0 |
| *Unit banks* | *4* | *2* | *2* | *3* | *1* | ... | ... | *1* | *2* | ... | *1* | *1* | ... | *50.0* | *33.3* | *100.0* |
| *Banks operating branches* | *10* | *7* | *3* | *10* | *7* | ... | ... | *7* | *3* | ... | ... | ... | ... | *70.0* | *70.0* | ... |
| Branches [8] | 183 | 173 | 10 | 183 | 173 | 18 | ... | 155 | 10 | ... | ... | ... | ... | 94.5 | 94.5 | ... |
| **Virgin Islands—all offices** | 27 | 21 | 6 | 27 | 21 | 21 | ... | ... | 5 | 1 | ... | ... | ... | 80.8 | 80.8 | ... |
| Banks | 7 | 1 | 6 | 7 | 1 | 1 | ... | ... | 5 | 1 | ... | ... | ... | 16.7 | 16.7 | ... |
| *Unit banks* | *6* | ... | *6* | *6* | ... | ... | ... | ... | *5* | *1* | ... | ... | ... | ... | ... | ... |
| *Banks operating branches* | *1* | *1* | ... | *1* | *1* | *1* | ... | ... | ... | ... | ... | ... | ... | *100.0* | *100.0* | ... |
| Branches [9] | 20 | 20 | ... | 20 | 20 | 20 | ... | ... | ... | ... | ... | ... | ... | 100.0 | 100.0 | ... |

**Table 103.** NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

[1] Nondeposit trust companies are excluded in computing these percentages.
[2] Includes 12 noninsured branches of insured banks; 10 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: 8 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, Majuro, Palau Islands, Ponape Island, Saipan and Truk).
[6] Pacific Islands: 16 branches.
American Samoa: (Pago Pago); 1 noninsured branch—operated by an insured bank in Hawaii (not member of F. R. System).
Caroline Islands on Truk; 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: 2 insured branches—operated by an insured bank in Hawaii (not member of F. R. System); and a national bank in New York.
Caroline Islands: 2 noninsured branches (1 on Palau Islands (Koror) and 1 on Ponape Island (Kolonia)—operated by an insured bank ih Hawaii (not member of F. R. System).
Marshall Islands: Kwajalein—2 noninsured branches operated by an insured bank in Hawaii (not member of F. R. System). Majuro—1 noninsured branch operated by a national bank in California.
Midway Islands on Sand Island: 1 noninsured branch operated by an insured bank in Hawaii (not member of F. R. System).
Wake Island: 1 noninsured branch operated by an insured bank in Hawaii (not member of F. R. System).
[7] Panama Canal Zone: 2 noninsured branches operated by 2 national banks in New York.
[8] Puerto Rico: 18 insured branches operated by 2 national banks in New York.
[9] Virgin Islands: 13 insured branches operated by 2 national banks in New York; and 1 national bank in California.

## Table 104. NUMBER AND DEPOSITS OF ALL COMMERCIAL AND MUTUAL SAVINGS BANKS, (STATES AND OTHER AREAS), DECEMBER 31, 1969

### BANKS GROUPED BY CLASS AND DEPOSIT SIZE

| Deposit size (in dollars) | All banks | Insured commercial banks | | | | Non-insured banks and trust companies | Mutual savings banks | |
|---|---|---|---|---|---|---|---|---|
| | | Total | Members F.R. System | | Non-members F.R. System | | Insured | Non-insured |
| | | | National | State | | | | |
| **Number of banks** | | | | | | | | |
| Less than 1 million | 348 | 231 | 21 | 5 | 205 | 117 | ... | ... |
| 1 to 2 million | 1,067 | 1,051 | 120 | 50 | 881 | 15 | ... | 1 |
| 2 to 5 million | 3,527 | 3,494 | 758 | 235 | 2,501 | 22 | 9 | 2 |
| 5 to 10 million | 3,480 | 3,434 | 1,184 | 289 | 1,961 | 14 | 15 | 17 |
| 10 to 25 million | 3,306 | 3,180 | 1,403 | 317 | 1,460 | 14 | 71 | 41 |
| 25 to 50 million | 1,216 | 1,096 | 584 | 131 | 381 | 8 | 63 | 49 |
| 50 to 100 million | 584 | 476 | 272 | 62 | 142 | 8 | 60 | 40 |
| 100 to 500 million | 506 | 403 | 253 | 82 | 68 | 10 | 78 | 15 |
| 500 million to 1 billion | 86 | 59 | 43 | 12 | 4 | ... | 26 | 1 |
| 1 billion or more | 58 | 49 | 31 | 18 | ... | ... | 9 | ... |
| **Total** | **14,178** | **13,473** | **4,669** | **1,201** | **7,603** | **208** | **331** | **166** |
| | | | | (In thousands of dollars) | | | | |
| **Amount of deposits** | | | | | | | | |
| Less than 1 million | 203,986 | 170,693 | 15,847 | 3,455 | 151,391 | 33,293 | ... | ... |
| 1 to 2 million | 1,661,684 | 1,633,715 | 188,479 | 80,059 | 1,365,177 | 26,110 | ... | 1,859 |
| 2 to 5 million | 12,079,774 | 11,963,707 | 2,724,653 | 845,920 | 8,393,134 | 72,475 | 36,511 | 7,081 |
| 5 to 10 million | 25,150,159 | 24,798,466 | 8,764,839 | 2,103,423 | 13,930,204 | 105,429 | 116,969 | 129,295 |
| 10 to 25 million | 51,120,600 | 48,879,720 | 21,959,612 | 5,028,179 | 21,891,929 | 264,243 | 1,257,272 | 719,365 |
| 25 to 50 million | 41,935,828 | 37,670,889 | 20,145,996 | 4,583,392 | 12,941,501 | 311,296 | 2,196,501 | 1,757,142 |
| 50 to 100 million | 40,588,288 | 32,960,204 | 18,732,803 | 4,332,300 | 9,895,101 | 551,066 | 4,275,027 | 2,801,991 |
| 100 to 500 million | 107,829,001 | 85,316,628 | 54,329,140 | 17,305,260 | 13,682,228 | 1,635,781 | 18,212,370 | 2,664,222 |
| 500 million to 1 billion | 60,094,729 | 41,701,511 | 31,183,641 | 8,067,252 | 2,450,618 | ... | 17,801,557 | 591,661 |
| 1 billion or more | 166,865,773 | 151,894,132 | 99,798,781 | 52,095,351 | ... | ... | 14,971,641 | ... |
| **Total** | **507,529,822** | **436,989,665** | **257,843,791** | **94,444,591** | **84,701,283** | **2,999,693** | **58,867,848** | **8,672,616** |

## ASSETS AND LIABILITIES OF BANKS

Table 105. Assets and liabilities of all commercial banks in the United States (States and other areas), June 30, 1969

*Banks grouped by insurance status and class of bank*

Table 106. Assets and liabilities of all commercial banks in the United States (States and other areas), December 31, 1969

*Banks grouped by insurance status and class of bank*

Table 107. Assets and liabilities of all mutual savings banks in the United States (States and other areas), June 30, 1969, and December 31, 1969

*Banks grouped by insurance status*

Table 108. Assets and liabilities of insured commercial banks in the United States (States and other areas), December call dates, 1961, 1965-1969

Table 109. Assets and liabilities of insured mutual savings banks in the United States (States and other areas), December call dates, 1961, 1965-1969

Table 110. Percentages of assets and liabilities of insured commercial banks operating throughout 1969 in the United States (States and other areas), December 31, 1969

*Banks grouped by amount of deposits*

Table 111. Percentages of assets and liabilities of insured mutual savings banks operating throughout 1969 in the United States (States and other areas), December 31, 1969

*Banks grouped by amount of deposits*

Table 112. Distribution of insured commercial banks in the United States (States and other areas), December 31, 1969

*Banks grouped according to amount of deposits and by ratios of selected items to assets or deposits*

Before 1969, statements of assets and liabilities were submitted by insured commercial banks on either a cash or an accrual basis, depending upon the bank's method of bookkeeping. Beginning in 1969, insured commercial banks having total resources of $50 million or more (the cut-off will fall to $25 million after December 31, 1969) report their assets and liabilities on the basis of accrual accounting. Where the results are not significantly different, particular accounts may be reported on a cash basis. Banks not subject to full accrual accounting are required to report the installment loan function on an accrual basis, or else to submit a statement of unearned income on installment loans carried in surplus accounts. All banks are required to report income taxes on an accrual basis.

Beginning in 1969, all majority-owned premises subsidiaries are fully consolidated. Consolidation is required of other majority-owned domestic subsidiaries (but not domestic commercial bank subsidiaries) meeting either of the following criteria: any subsidiary in which the bank's investment represents 5 percent or more of its equity capital accounts, *or* any subsidiary whose gross operating revenues amount to 5 percent of the bank's gross revenues.

In the case of insured banks with branches outside the 50 States, net amounts due from such branches are included in "Other assets," and net amounts due to such branches are included in "Other liabilities." Branches of insured banks outside the 50 States are treated as separate entities but not included in the count of banks. Data for such branches are not included in the figures for the States in which the parent banks are located.

Prior to 1969, securities held by commercial banks were reported net of valuation reserves; total loans were reported both gross (before deductions for reserves) and net, the latter included in "Total assets." Beginning in 1969, loans and securities are shown on a gross basis in "Total assets" of commercial banks. All reserves on loans and securities, including the reserves for bad debts set up pursuant to Internal Revenue Service rulings, are included in "Reserves on loans and securities" on the liability side of the balance sheet.

Individual loan items are reported gross. Installment loans, however, are ordinarily reported net if the installment payments are applied directly to the reduction of the loan. Such loans are reported gross if, under contract, the payments do not immediately reduce the unpaid balances of the loan but are assigned or pledged to assure repayment at maturity.

The category "Trading account securities" was added to the condition report of commercial banks in 1969 to obtain this segregation for banks that regularly deal in securities with other banks or with the public. Banks occasionally holding securities purchased for possible resale report these under "Investment securities."

Assets and liabilities held in or administered by a savings, bond, insurance, real estate, foreign, or any other department of a bank, except a trust department, are consolidated with the respective assets and liabilities of the commercial department. "Deposits of individuals, partnerships, and corporations" includes trust funds deposited by a trust department in a commercial or savings department. Other assets held in trust are not included in statements of assets and liabilities.

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

Asset and liability data for noninsured banks are tabulated from reports pertaining to the individual banks. In a few cases, these reports are not as detailed as those submitted by insured banks.

Additional data on assets and liabilities of all banks as of June 30, 1969, and December 31, 1969, are shown in the Corporation's semiannual publication *Assets and Liabilities, Commercial and Mutual Savings Banks.*

**Sources of data.** Insured banks: see p.275; noninsured banks: State banking authorities; and reports from individual banks.

## Table 105. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1969

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

| Asset, liability, or capital account item | Total | Insured banks | | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | | Total | Banks of deposit[2] | Nondeposit trust companies[4] |
| | | | Total | National | State[1] | | | | | |
| **Total assets** | 521,242,363 | 516,578,849 | 426,377,153 | 307,018,927 | 119,358,226 | 90,201,696 | | 4,663,514 | 4,273,352 | 390,162 |
| **Cash, reserves, balances with banks, and collection items—total** | 88,530,372 | 87,555,701 | 78,688,445 | 52,344,448 | 26,343,997 | 8,867,256 | | 974,671 | 924,251 | 50,420 |
| Currency and coin | 6,301,814 | 6,266,282 | 4,838,296 | 3,638,199 | 1,200,097 | 1,427,986 | | 35,532 | 34,840 | 692 |
| Reserve with F.R. banks (member banks) | 19,804,590 | 19,804,590 | 19,804,590 | 14,653,252 | 5,151,338 | 0 | | 0 | 0 | 0 |
| Demand balances with banks in the U.S. (except American branches of foreign banks) | 17,471,905 | 16,670,366 | 10,276,701 | 8,084,076 | 2,192,625 | 6,393,665 | | 801,539 | 759,780 | 41,759 |
| Other balances with banks in the U.S. | 265,144 | 200,062 | 100,753 | 84,913 | 15,840 | 99,309 | | 65,082 | 57,126 | 7,956 |
| Balances with banks in foreign countries | 303,218 | 274,898 | 248,405 | 143,309 | 105,096 | 26,493 | | 28,320 | 28,320 | 0 |
| Cash items in process of collection | 44,383,701 | 44,339,503 | 43,419,700 | 25,740,699 | 17,679,001 | 919,803 | | 44,198 | 44,165 | 13 |
| **Securities—total** | 126,910,762 | 125,686,352 | 95,780,476 | 71,441,350 | 24,339,126 | 29,905,876 | | 1,224,410 | 969,540 | 254,910 |
| U.S. Treasury securities | 54,242,371 | 53,836,946 | 39,391,221 | 29,489,337 | 9,901,884 | 14,445,725 | | 405,425 | 361,461 | 43,964 |
| Securities of other U.S. Government agencies and corporations | 10,019,473 | 9,777,013 | 5,975,464 | 4,864,778 | 1,110,686 | 3,801,549 | | 242,460 | 220,506 | 21,954 |
| Obligations of States and subdivisions | 60,261,432 | 59,859,454 | 48,624,872 | 35,651,412 | 12,973,460 | 11,234,582 | | 401,978 | 314,938 | 87,040 |
| Other securities | 2,387,486 | 2,212,939 | 1,788,919 | 1,435,823 | 353,096 | 424,020 | | 174,547 | 72,595 | 101,952 |
| Investment securities—total | 123,655,598 | 122,437,623 | 92,578,544 | 69,175,198 | 23,403,346 | 29,859,079 | | 1,217,975 | 963,065 | 254,910 |
| *U.S. Treasury securities* | *53,230,741* | *52,825,316* | *38,399,369* | *28,867,721* | *9,531,648* | *14,425,947* | | *405,425* | *361,461* | *43,964* |
| *Securities of other U.S. Government agencies and corporations* | *9,551,400* | *9,310,940* | *5,517,079* | *4,549,752* | *967,327* | *3,793,861* | | *240,460* | *218,506* | *21,954* |
| *Obligations of States and subdivisions* | *58,505,735* | *58,106,192* | *46,888,326* | *34,336,301* | *12,552,025* | *11,217,866* | | *399,543* | *312,503* | *87,040* |
| *Other securities* | *2,367,722* | *2,195,175* | *1,773,770* | *1,421,424* | *352,346* | *421,405* | | *172,547* | *70,595* | *101,952* |
| Trading account securities—total | 3,255,164 | 3,248,729 | 3,201,932 | 2,266,152 | 935,780 | 46,797 | | 6,435 | 6,435 | 0 |
| *U.S. Treasury securities* | *1,011,630* | *1,011,630* | *991,852* | *621,616* | *370,236* | *19,778* | | *0* | *0* | *0* |
| *Securities of other U.S. Government agencies and corporations* | *468,073* | *466,073* | *458,385* | *315,026* | *143,359* | *7,688* | | *2,000* | *2,000* | *0* |
| *Obligations of States and subdivisions* | *1,755,697* | *1,753,262* | *1,736,546* | *1,315,111* | *421,435* | *16,716* | | *2,435* | *2,435* | *0* |
| *Other securities* | *19,764* | *17,764* | *15,149* | *14,399* | *750* | *2,615* | | *2,000* | *2,000* | *0* |
| **Federal funds sold and securities purchased under agreements to resell—total** | 7,234,356 | 7,075,357 | 5,451,584 | 4,070,217 | 1,381,367 | 1,623,773 | | 158,999 | 158,599 | 400 |
| With domestic commercial banks | 6,396,038 | 6,237,039 | 4,626,003 | 3,302,053 | 1,323,950 | 1,611,036 | | 158,999 | 158,599 | 400 |
| With brokers and dealers in securities | 767,220 | 767,220 | 757,558 | 707,407 | 50,151 | 9,662 | | 0 | 0 | 0 |
| With others | 71,098 | 71,098 | 68,023 | 60,757 | 7,266 | 3,075 | | 0 | 0 | 0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Other loans and discounts—total** | **279,677,006** | **277,729,074** | **230,060,085** | **167,434,419** | **62,625,666** | **47,668,989** | **1,947,932** | **1,899,086** | **48,846** |
| Real estate loans—total | 69,078,770 | 68,728,760 | 52,811,069 | 39,930,182 | 12,880,887 | 15,917,691 | 350,010 | 337,247 | 12,763 |
| *Secured by farmland* | *4,088,120* | *4,061,452* | *2,101,725* | *1,612,492* | *489,233* | *1,959,727* | *26,668* | *25,997* | *671* |
| *Secured by residential properties:* | | | | | | | | | |
| *Secured by 1- to 4-family residential properties:* | | | | | | | | | |
| *Insured by Federal Housing Administration* | *7,462,753* | *7,360,009* | *6,509,330* | *5,289,824* | *1,219,506* | *850,679* | *102,744* | *102,540* | *204* |
| *Guaranteed by Veterans Administration* | *2,743,349* | *2,673,129* | *2,324,352* | *1,788,085* | *536,267* | *348,777* | *70,220* | *70,201* | *19* |
| *Not insured or guaranteed by FHA or VA* | *30,376,548* | *30,286,274* | *22,625,756* | *17,596,617* | *5,029,139* | *7,660,518* | *90,274* | *80,742* | *9,532* |
| *Secured by multifamily (5 or more) residential properties:* | | | | | | | | | |
| *Insured by Federal Housing Administration* | *596,801* | *594,641* | *564,946* | *269,462* | *295,484* | *29,695* | *2,160* | *2,160* | *0* |
| *Not insured by FHA* | *2,352,517* | *2,350,653* | *1,915,977* | *1,182,647* | *733,330* | *434,676* | *1,864* | *1,855* | *9* |
| *Secured by other properties* | *21,458,682* | *21,402,602* | *16,768,983* | *12,191,055* | *4,577,928* | *4,633,619* | *56,080* | *53,752* | *2,328* |
| Loans to domestic commercial and foreign banks | 2,589,654 | 2,543,555 | 2,385,965 | 1,451,574 | 934,391 | 157,590 | 46,099 | 46,098 | 1 |
| Loans to other financial institutions | 13,820,812 | 13,640,251 | 12,841,398 | 8,604,674 | 4,236,724 | 798,853 | 180,561 | 180,327 | 234 |
| Loans to brokers and dealers in securities | 5,305,827 | 5,179,540 | 4,996,105 | 2,224,417 | 2,771,688 | 183,635 | 126,287 | 119,841 | 6,446 |
| Other loans for purchasing or carrying securities | 4,214,566 | 4,170,027 | 3,472,880 | 2,204,850 | 1,268,030 | 697,147 | 44,539 | 33,301 | 11,238 |
| Loans to farmers (excluding loans on real estate) | 10,564,457 | 10,546,149 | 6,351,892 | 5,268,300 | 1,083,592 | 4,194,257 | 18,308 | 18,080 | 228 |
| Commercial and industrial loans (including open market paper) | 105,159,324 | 104,290,921 | 93,202,746 | 66,527,096 | 26,675,650 | 11,088,175 | 868,403 | 859,601 | 8,802 |
| Other loans to individuals—total | 61,905,822 | 61,669,768 | 47,556,675 | 36,641,461 | 10,915,214 | 14,113,093 | 236,054 | 232,616 | 3,438 |
| *Passenger automobile installment loans* | *22,495,867* | *22,436,965* | *16,447,995* | *13,122,037* | *3,325,958* | *5,988,970* | *58,902* | *57,660* | *1,242* |
| *Credit cards and related plans:* | | | | | | | | | |
| *Retail (charge account) credit card plans* | *1,704,982* | *1,704,982* | *1,591,538* | *1,316,655* | *274,883* | *113,444* | *0* | *0* | *0* |
| *Check credit and revolving credit plans* | *993,681* | *993,681* | *899,064* | *643,112* | *255,952* | *94,617* | *0* | *0* | *0* |
| *Other retail consumer installment loans* | *5,897,710* | *5,871,057* | *4,306,916* | *3,474,879* | *832,037* | *1,564,141* | *26,653* | *26,418* | *235* |
| *Residential repair and modernization installment loans* | *3,625,376* | *3,619,121* | *2,861,767* | *2,126,894* | *734,873* | *757,354* | *6,255* | *6,095* | *160* |
| *Other installment loans for personal expenditures* | *9,921,835* | *9,852,935* | *7,311,479* | *5,530,121* | *1,781,358* | *2,541,456* | *68,900* | *67,976* | *924* |
| *Single-payment loans for personal expenditures* | *17,266,371* | *17,191,027* | *14,137,916* | *10,427,763* | *3,710,153* | *3,053,111* | *75,344* | *74,467* | *877* |
| All other loans (including overdrafts) | 7,037,774 | 6,960,103 | 6,441,355 | 4,581,865 | 1,859,490 | 518,748 | 77,671 | 71,975 | 5,696 |
| **Total loans and securities** | **413,822,124** | **410,490,783** | **331,292,145** | **242,945,986** | **88,346,159** | **79,198,638** | **3,331,341** | **3,027,185** | **304,156** |
| Bank premises, furniture and fixtures, and other assets representing bank premises | 7,596,930 | 7,563,940 | 6,195,178 | 4,753,183 | 1,441,995 | 1,368,762 | 32,990 | 21,799 | 11,191 |
| Real estate owned other than bank premises | 349,665 | 344,481 | 263,848 | 207,799 | 56,049 | 80,633 | 5,184 | 4,804 | 380 |
| Investments in subsidiaries not consolidated | 512,869 | 509,227 | 500,327 | 389,582 | 110,745 | 8,900 | 3,642 | 3,617 | 25 |
| Customers' liability on acceptances outstanding | 3,177,904 | 3,100,687 | 2,971,239 | 1,687,715 | 1,283,524 | 129,448 | 77,217 | 77,217 | 0 |
| Other assets | 7,252,499 | 7,014,030 | 6,465,971 | 4,690,214 | 1,775,757 | 548,059 | 238,469 | 214,479 | 23,990 |
| **Total liabilities, reserves, and capital accounts** | **521,242,363** | **516,578,849** | **426,377,153** | **307,018,927** | **119,358,226** | **90,201,696** | **4,663,514** | **4,273,352** | **390,162** |
| **Business and personal deposits—total** | **357,750,263** | **355,582,619** | **285,148,793** | **210,876,125** | **74,272,668** | **70,433,826** | **2,167,644** | **2,002,894** | **164,750** |
| Individuals, partnerships, and corporations—demand | 163,882,836 | 162,900,158 | 133,315,194 | 97,034,530 | 36,280,664 | 29,584,964 | 982,678 | 853,932 | 128,746 |
| Individuals, partnerships, and corporations—time | 181,108,271 | 180,273,337 | 140,312,116 | 107,846,175 | 32,465,941 | 39,961,221 | 834,934 | 798,931 | 36,003 |
| *Savings deposits* | *95,288,474* | *94,977,150* | *74,961,310* | *57,493,755* | *17,467,555* | *20,015,840* | *311,324* | *290,115* | *21,209* |
| *Deposits accumulated for payment of personal loans* | *1,154,439* | *1,149,195* | *880,834* | *693,503* | *187,331* | *268,361* | *5,244* | *5,221* | *23* |
| *Other deposits of individuals, partnerships, and corporations* | *84,665,358* | *84,146,992* | *64,469,972* | *49,658,917* | *14,811,055* | *19,677,020* | *518,366* | *503,595* | *14,771* |
| Certified and officers' checks, letters of credit, travelers' checks, etc. | 12,759,156 | 12,409,124 | 11,521,483 | 5,995,420 | 5,526,063 | 887,641 | 350,032 | 350,031 | 1 |

**Table 105. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1969—CONTINUED**

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

| Asset, liability, or capital account item | Total | Insured banks | | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | | Total | Banks of deposit[2] | Nondeposit Trust companies[4] |
| | | | Total | National | State[1] | | | | | |
| **Government deposits—total** | 39,875,795 | 39,651,012 | 31,267,225 | 24,033,299 | 7,233,926 | 8,383,787 | | 224,783 | 222,100 | 2,683 |
| United States Government—demand | 5,659,164 | 5,636,323 | 4,880,206 | 3,539,562 | 1,340,844 | 756,117 | | 22,841 | 20,158 | 2,683 |
| United States Government—time | 361,960 | 361,839 | 312,191 | 194,812 | 117,379 | 49,648 | | 121 | 121 | 0 |
| States and subdivisions—demand | 17,060,621 | 16,929,297 | 12,938,803 | 9,924,410 | 3,014,343 | 3,990,494 | | 131,324 | 131,324 | 0 |
| States and subdivisions—time | 16,794,050 | 16,723,553 | 13,136,025 | 10,374,515 | 2,761,510 | 3,587,528 | | 70,497 | 70,497 | 0 |
| **Domestic interbank deposits—total** | 23,647,036 | 23,415,718 | 22,599,992 | 13,594,533 | 9,005,459 | 815,726 | | 231,318 | 230,641 | 677 |
| Commercial banks in the United States—demand | 21,812,205 | 21,763,085 | 21,051,303 | 12,857,178 | 8,194,125 | 711,782 | | 49,120 | 48,443 | 677 |
| Commercial banks in the United States—time | 527,728 | 525,653 | 464,465 | 312,135 | 152,330 | 61,188 | | 2,075 | 2,075 | 0 |
| Mutual savings banks in the United States—demand | 1,218,545 | 1,089,803 | 1,048,544 | 399,807 | 648,737 | 41,259 | | 128,742 | 128,742 | 0 |
| Mutual savings banks in the United States—time | 88,558 | 37,177 | 35,680 | 25,413 | 10,287 | 1,497 | | 51,381 | 51,381 | 0 |
| **Foreign government and bank deposits—total** | 8,004,027 | 7,702,356 | 7,522,075 | 4,176,106 | 3,345,969 | 180,281 | | 301,671 | 300,210 | 1,461 |
| Foreign governments, central banks, etc.—demand | 877,934 | 810,839 | 775,371 | 444,207 | 331,164 | 35,468 | | 67,095 | 66,729 | 366 |
| Foreign governments, central banks, etc.—time | 4,585,500 | 4,502,679 | 4,452,988 | 2,491,272 | 1,961,716 | 49,691 | | 82,821 | 81,821 | 1,000 |
| Banks in foreign countries—demand | 2,258,981 | 2,135,052 | 2,071,936 | 1,141,599 | 930,337 | 63,116 | | 123,929 | 123,834 | 95 |
| Banks in foreign countries—time | 281,612 | 253,786 | 221,780 | 99,028 | 122,752 | 32,006 | | 27,826 | 27,826 | 0 |
| **Total deposits** | 429,277,121 | 426,351,705 | 346,538,085 | 252,680,063 | 93,858,022 | 79,813,620 | | 2,925,416 | 2,755,845 | 169,571 |
| *Demand* | *225,529,442* | *223,673,681* | *187,602,840* | *131,336,713* | *56,266,127* | *36,070,841* | | *1,855,761* | *1,723,193* | *132,568* |
| *Time* | *203,747,679* | *202,678,024* | *158,935,245* | *121,343,350* | *37,591 895* | *43,742,779* | | *1,069,655* | *1,032,652* | *37,003* |
| **Miscellaneous liabilities—total** | 47,351,317 | 46,188,391 | 43,758,505 | 28,320,725 | 15,437,780 | 2,429,886 | | 1,162,926 | 1,122,755 | 40,171 |
| Federal funds purchased (borrowed) and securities sold under agreements to repurchase | 11,167,377 | 11,152,703 | 10,836,305 | 7,762,894 | 3,073,411 | 316,398 | | 14,674 | 14,674 | 0 |
| Other liabilities for borrowed money | 3,643,169 | 3,314,109 | 3,162,613 | 2,131,916 | 1,030,697 | 151,496 | | 329,060 | 324,693 | 4,367 |
| Mortgage indebtedness | 520,804 | 518,945 | 411,394 | 295,244 | 116,150 | 107,551 | | 1,859 | 1,859 | 0 |
| Acceptances outstanding | 3,251,474 | 3,156,074 | 3,024,409 | 1,708,438 | 1,315,971 | 131,665 | | 95,400 | 95,400 | 0 |
| Other liabilities | 28,768,493 | 28,046,560 | 26,323,784 | 16,422,233 | 9,901,551 | 1,722,776 | | 721,933 | 686,129 | 35,804 |
| **Total liabilities** | 476,628,438 | 472,540,096 | 390,296,590 | 281,000,788 | 109,295,802 | 82,243,506 | | 4,088,342 | 3,878,600 | 209,742 |
| **Minority interest in consolidated subsidiaries** | 2,244 | 2,244 | 1,571 | 1,557 | 14 | 673 | | 0 | 0 | 0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Reserves on loans and securities—total** | **5,609,896** | **5,596,156** | **4,755,392** | **3,381,986** | **1,373,406** | **840,764** | **13,740** | **12,944** | **796** |
| Reserve for bad debt losses on loans | 5,271,077 | 5,261,227 | 4,524,672 | 3,222,470 | 1,302,202 | 736,555 | 9,850 | 9,301 | 549 |
| Other reserves on loans | 113,801 | 112,601 | 64,150 | 46,180 | 17,970 | 48,451 | 1,200 | 1,200 | 0 |
| Reserves on securities | 225,018 | 222,328 | 166,570 | 113,336 | 53,234 | 55,758 | 2,690 | 2,443 | 247 |
| **Capital accounts—total** | **39,001,785** | **38,440,353** | **31,323,600** | **22,634,596** | **8,689,004** | **7,116,753** | **561,432** | **381,808** | **179,624** |
| Capital notes and debentures | 2,020,312 | 1,970,829 | 1,761,739 | 1,142,068 | 619,671 | 209,090 | 49,483 | 49,333 | 150 |
| Equity capital—total | 36,981,473 | 36,469,524 | 29,561,861 | 21,492,528 | 8,069,333 | 6,907,663 | 511,949 | 332,475 | 179,474 |
| *Preferred stock* | *103,384* | *99,153* | *92,022* | *59,457* | *32,565* | *7,131* | *4,231* | *4,081* | *150* |
| *Common stock* | *10,477,156* | *10,322,223* | *8,276,517* | *6,090,031* | *2,186,486* | *2,045,706* | *154,933* | *100,154* | *54,779* |
| *Surplus* | *17,072,397* | *16,868,516* | *13,994,333* | *10,286,276* | *3,708,057* | *2,874,183* | *203,881* | *121,963* | *81,918* |
| *Undivided profits* | *8,278,943* | *8,164,335* | *6,363,631* | *4,367,697* | *1,995,934* | *1,800,704* | *114,608* | *77,044* | *37,564* |
| *Reserve for contingencies and other capital reserves* | *1,049,593* | *1,015,297* | *835,358* | *689,067* | *146,291* | *179,939* | *34,296* | *29,233* | *5,063* |
| **PERCENTAGES** | | | | | | | | | |
| **Of total assets:** | | | | | | | | | |
| Cash and balances with other banks | 17.0% | 16.9% | 18.5% | 17.0% | 22.1% | 9.8% | 20.9% | 21.6% | 12.9% |
| U.S. Treasury securities and securities of other U.S. Government agencies and corporations | 12.0 | 12.0 | 10.3 | 10.9 | 8.8 | 20.2 | 13.8 | 13.6 | 16.9 |
| Other securities | 12.3 | 12.3 | 12.2 | 12.4 | 11.6 | 13.0 | 12.4 | 9.1 | 48.4 |
| Loans and discounts (including Federal funds sold and securities purchased under agreements to resell) | 55.0 | 55.1 | 55.2 | 55.9 | 53.6 | 54.6 | 45.2 | 48.2 | 12.6 |
| Other assets | 3.6 | 3.6 | 3.8 | 3.8 | 3.9 | 2.4 | 7.7 | 7.5 | 9.1 |
| Total capital accounts[5] | 7.5 | 7.4 | 7.3 | 7.4 | 7.3 | 7.9 | 17.5[3] | 13.3[3] | 46.0 |
| **Of total assets other than cash and U.S. Treasury securities:** | | | | | | | | | |
| Total capital accounts[5] | 10.3 | 10.2 | 10.1 | 10.0 | 10.4 | 10.6 | 23.9[3] | 18.3[3] | 60.7 |
| Number of banks | 13,694 | 13,473 | 5,937 | 4,701 | 1,236 | 7,536 | 221 | 171 | 50 |

[1] Excludes 1 noninsured trust company in Massachusetts not engaged in deposit banking.

[2] Includes asset and liability figures for 14 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to these branches by the parent banks.

[3] Data for branches of foreign banks referred to in the previous footnote have been excluded in computing this ratio for noninsured banks of deposit and in total columns.

[4] Amounts shown as deposits are special accounts and uninvested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations. Includes 1 trust company, a member of the Federal Reserve System.

[5] Only asset and liability data are included for branches located in "other areas" of banks headquartered in one of the 50 States; because no capital is allocated to these branches, they are excluded from the computation of ratios of capital accounts to assets.

Note: Further information on the reports of assets and liabilities of banks may be found on page 253.

**Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969**

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

| Asset, liability, or capital account item | Total | Insured banks | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | Total | Banks of deposit[2] | Nondeposit trust companies[4] |
| | | | Total | National | State[1] | | | | |
| **Total assets** | 535,679,740 | 530,714,711 | 434,720,699 | 315,502,098 | 119,218,601 | 95,994,012 | 4,965,029 | 4,563,522 | 401,507 |
| **Cash, reserves, balances with banks, and collection items—total** | 90,268,201 | 89,335,129 | 79,088,603 | 54,775,953 | 24,312,650 | 10,246,526 | 933,072 | 884,395 | 48,677 |
| Currency and coin | 7,383,124 | 7,346,973 | 5,690,944 | 4,305,068 | 1,385,876 | 1,656,029 | 36,151 | 35,722 | 429 |
| Reserve with F.R. banks (member banks) | 21,452,826 | 21,452,826 | 21,452,826 | 16,224,774 | 5,228,052 | 0 | 0 | 0 | 0 |
| Demand balances with banks in the U.S. (except American branches of foreign banks) | 20,157,862 | 19,389,950 | 11,796,479 | 9,402,859 | 2,393,620 | 7,593,471 | 767,912 | 723,961 | 43,951 |
| Other balances with banks in the U.S. | 273,943 | 230,150 | 140,547 | 119,439 | 21,108 | 89,603 | 43,793 | 39,505 | 4,288 |
| Balances with banks in foreign countries | 381,128 | 320,921 | 287,244 | 167,261 | 119,983 | 33,677 | 60,207 | 60,207 | 0 |
| Cash items in process of collection | 40,619,318 | 40,594,309 | 39,720,563 | 24,556,552 | 15,164,011 | 873,746 | 25,009 | 25,000 | 9 |
| **Securities—total** | 126,556,177 | 125,384,941 | 94,657,934 | 70,130,165 | 24,527,769 | 30,727,007 | 1,171,236 | 938,105 | 233,131 |
| U.S. Treasury securities | 54,957,364 | 54,529,716 | 39,846,069 | 29,588,921 | 10,257,148 | 14,683,647 | 427,648 | 382,406 | 45,242 |
| Securities of other U.S. Government agencies and corporations | 9,961,879 | 9,771,666 | 5,847,255 | 4,640,875 | 1,206,380 | 3,924,411 | 190,213 | 175,919 | 14,294 |
| Obligations of States and subdivisions | 59,367,334 | 58,943,820 | 47,253,889 | 34,536,260 | 12,717,629 | 11,689,931 | 423,514 | 317,230 | 106,284 |
| Other securities | 2,269,600 | 2,139,739 | 1,710,721 | 1,364,109 | 346,612 | 429,018 | 129,861 | 62,550 | 67,311 |
| Investment securities—total | 123,369,814 | 122,203,185 | 91,514,100 | 68,097,886 | 23,416,214 | 30,689,085 | 1,166,629 | 933,498 | 233,131 |
| *U.S. Treasury securities* | *53,689,937* | *53,262,588* | *38,602,065* | *28,818,837* | *9,783,228* | *14,660,523* | *427,349* | *382,107* | *45,242* |
| *Securities of other U.S. Government agencies and corporations* | *9,428,353* | *9,239,140* | *5,324,411* | *4,282,344* | *1,042,067* | *3,914,729* | *189,213* | *174,919* | *14,294* |
| *Obligations of States and subdivisions* | *57,993,813* | *57,572,607* | *45,887,755* | *33,642,283* | *12,245,472* | *11,684,852* | *421,206* | *314,922* | *106,284* |
| *Other securities* | *2,257,711* | *2,128,850* | *1,699,869* | *1,354,422* | *345,447* | *428,981* | *128,861* | *61,550* | *67,311* |
| Trading account securities—total | 3,186,363 | 3,181,756 | 3,143,834 | 2,032,279 | 1,111,555 | 37,922 | 4,607 | 4,607 | 0 |
| *U.S. Treasury securities* | *1,267,427* | *1,267,128* | *1,244,004* | *770,084* | *473,920* | *23,124* | *299* | *299* | *0* |
| *Securities of other U.S. Government agencies and corporations* | *533,526* | *532,526* | *522,844* | *358,531* | *164,313* | *9,682* | *1,000* | *1,000* | *0* |
| *Obligations of States and subdivisions* | *1,373,521* | *1,371,213* | *1,366,134* | *893,977* | *472,157* | *5,079* | *2,308* | *2,308* | *0* |
| *Other securities* | *11,889* | *10,889* | *10,852* | *9,687* | *1,165* | *37* | *1,000* | *1,000* | *0* |
| **Federal funds sold and securities purchased under agreements to resell—total** | 9,947,079 | 9,712,405 | 7,374,768 | 5,809,058 | 1,565,710 | 2,337,637 | 234,674 | 232,675 | 1,999 |
| With domestic commercial banks | 8,624,255 | 8,389,581 | 6,076,872 | 4,676,492 | 1,400,380 | 2,312,709 | 234,674 | 232,675 | 1,999 |
| With brokers and dealers in securities | 929,617 | 929,617 | 913,059 | 823,805 | 89,254 | 16,558 | 0 | 0 | 0 |
| With others | 393,207 | 393,207 | 384,837 | 308,761 | 76,076 | 8,370 | 0 | 0 | 0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Other loans and discounts—total** | **288,895,911** | **286,751,602** | **236,397,819** | **172,403,796** | **63,994,023** | **50,353,783** | **2,144,309** | **2,097,209** | **47,100** |
| Real estate loans—total | 70,705,002 | 70,325,953 | 53,484,342 | 40,822,855 | 12,661,487 | 16,841,611 | 379,049 | 362,110 | 16,939 |
| *Secured by farmland* | *4,018,711* | *3,992,931* | *2,005,820* | *1,590,718* | *416,102* | *1,986,111* | *25,780* | *25,078* | *702* |
| *Secured by residential properties:* | | | | | | | | | |
| *Secured by 1- to 4-family residential properties:* | | | | | | | | | |
| *Insured by Federal Housing Administration* | *7,395,468* | *7,262,023* | *6,388,479* | *5,318,611* | *1,069,868* | *873,544* | *133,445* | *133,366* | *79* |
| *Guaranteed by Veterans Administration* | *2,663,251* | *2,596,261* | *2,245,948* | *1,807,161* | *438,787* | *350,313* | *66,990* | *65,049* | *1,941* |
| *Not insured or guaranteed by FHA or VA* | *31,297,144* | *31,210,921* | *23,133,532* | *18,071,872* | *5,061,660* | *8,077,389* | *86,223* | *77,280* | *8,943* |
| *Secured by multifamily (5 or more) residential properties:* | | | | | | | | | |
| *Insured by Federal Housing Administration* | *564,190* | *562,501* | *524,737* | *261,286* | *263,451* | *37,764* | *1,689* | *1,689* | *0* |
| *Not insured by FHA* | *2,652,699* | *2,647,857* | *2,167,945* | *1,337,081* | *830,864* | *479,912* | *4,842* | *4,842* | *0* |
| *Secured by other properties* | *22,113,539* | *22,053,459* | *17,016,881* | *12,436,126* | *4,580,755* | *5,036,578* | *60,080* | *54,806* | *5,274* |
| Loans to domestic commercial and foreign banks | 2,488,625 | 2,425,147 | 2,257,583 | 1,396,205 | 861,378 | 167,564 | 63,478 | 62,828 | 650 |
| Loans to other financial institutions | 15,145,288 | 14,938,963 | 14,040,627 | 9,211,876 | 4,828,751 | 898,336 | 206,325 | 205,575 | 750 |
| Loans to brokers and dealers in securities | 5,740,082 | 5,646,962 | 5,408,314 | 2,528,286 | 2,880,028 | 238,648 | 93,120 | 88,220 | 4,900 |
| Other loans for purchasing or carrying securities | 4,033,857 | 3,994,818 | 3,285,521 | 2,240,661 | 1,044,860 | 709,297 | 39,039 | 30,751 | 8,288 |
| Loans to farmers (excluding loans on real estate) | 10,338,594 | 10,323,657 | 6,187,398 | 5,143,046 | 1,044,352 | 4,136,259 | 14,937 | 14,717 | 220 |
| Commercial and industrial loans (including open market paper) | 109,364,020 | 108,393,788 | 96,470,162 | 68,580,743 | 27,889,419 | 11,923,626 | 970,232 | 962,621 | 7,611 |
| Other loans to individuals—total | 63,643,625 | 63,355,683 | 48,480,073 | 37,669,202 | 10,810,871 | 14,875,610 | 287,942 | 284,780 | 3,162 |
| *Passenger automobile installment loans* | *22,806,154* | *22,706,108* | *16,459,165* | *13,342,228* | *3,116,937* | *6,246,943* | *100,046* | *98,817* | *1,229* |
| *Credit cards and related plans:* | | | | | | | | | |
| *Retail (charge account) credit card plans* | *2,639,497* | *2,639,497* | *2,429,559* | *1,959,465* | *470,094* | *209,938* | *0* | *0* | *0* |
| *Check credit and revolving credit plans* | *1,082,791* | *1,082,791* | *954,924* | *668,758* | *286,166* | *127,867* | *0* | *0* | *0* |
| *Other retail consumer installment loans* | *6,295,554* | *6,269,924* | *4,530,075* | *3,678,726* | *851,349* | *1,739,849* | *25,630* | *25,398* | *232* |
| *Residential repair and modernization installment loans* | *3,661,071* | *3,654,863* | *2,869,374* | *2,143,874* | *725,500* | *785,489* | *6,208* | *6,064* | *144* |
| *Other installment loans for personal expenditures* | *10,013,977* | *9,936,340* | *7,361,204* | *5,646,761* | *1,714,443* | *2,575,136* | *77,637* | *76,822* | *815* |
| *Single-payment loans for personal expenditures* | *17,144,581* | *17,066,160* | *13,875,772* | *10,229,390* | *3,646,382* | *3,190,388* | *78,421* | *77,679* | *742* |
| All other loans (including overdrafts) | 7,436,818 | 7,346,631 | 6,783,799 | 4,810,922 | 1,972,877 | 562,832 | 90,187 | 85,607 | 4,580 |
| **Total loans and securities** | **425,399,167** | **421,848,948** | **338,430,521** | **248,343,019** | **90,087,502** | **83,418,427** | **3,550,219** | **3,267,989** | **282,230** |
| Bank premises, furniture and fixtures, and other assets representing bank premises | 8,110,427 | 8,070,059 | 6,579,946 | 5,067,455 | 1,512,491 | 1,490,113 | 40,368 | 23,356 | 17,012 |
| Real estate owned other than bank premises | 369,770 | 360,820 | 276,339 | 221,776 | 54,563 | 84,481 | 8,950 | 4,756 | 4,194 |
| Investments in subsidiaries not consolidated | 670,347 | 651,095 | 644,134 | 511,648 | 132,486 | 6,961 | 19,252 | 3,759 | 15,493 |
| Customers' liability on acceptances outstanding | 3,389,859 | 3,308,881 | 3,167,311 | 1,837,940 | 1,329,371 | 141,570 | 80,978 | 80,978 | 0 |
| Other assets | 7,471,969 | 7,139,779 | 6,533,845 | 4,744,307 | 1,789,538 | 605,934 | 332,190 | 298,289 | 33,901 |
| **Total liabilities, reserves, and capital accounts** | **535,679,740** | **530,714,711** | **434,720,699** | **315,502,098** | **119,218,601** | **95,994,012** | **4,965,029** | **4,563,522** | **401,507** |
| **Business and personal deposits—total** | **368,193,312** | **365,934,821** | **290,925,554** | **215,377,163** | **75,548,391** | **75,009,267** | **2,258,491** | **2,106,151** | **152,340** |
| Individuals, partnerships, and corporations—demand | 179,219,467 | 178,185,683 | 145,432,955 | 105,918,310 | 39,514,645 | 32,752,728 | 1,033,784 | 909,482 | 124,302 |
| Individuals, partnerships, and corporations—time | 177,028,567 | 176,240,900 | 135,001,529 | 104,181,501 | 30,820,028 | 41,239,371 | 787,667 | 759,629 | 28,038 |
| *Savings deposits* | *94,098,303* | *93,796,302* | *73,277,659* | *56,350,958* | *16,926,701* | *20,518,643* | *302,001* | *283,614* | *18,387* |
| *Deposits accumulated for payment of personal loans* | *1,136,018* | *1,129,305* | *875,886* | *688,085* | *187,801* | *253,419* | *6,713* | *6,692* | *21* |
| *Other deposits of individuals, partnerships, and corps.* | *81,794,246* | *81,315,293* | *60,847,984* | *47,142,458* | *13,705,526* | *20,467,309* | *478,953* | *469,323* | *9,630* |
| Certified and officers' checks, letters of credit, travelers' checks, etc. | 11,945,278 | 11,508,238 | 10,491,070 | 5,277,352 | 5,213,718 | 1,017,168 | 437,040 | 437,040 | 0 |

**Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969—CONTINUED**

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

| Asset, liability, or capital account item | Total | Insured banks | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | Total | Banks of deposit[2] | Nondeposit trust companies[4] |
| | | | Total | National | State[1] | | | | |
| **Government deposits—total** | **36,333,361** | **36,092,200** | **27,627,714** | **21,744,565** | **5,883,149** | **8,464,486** | **241,161** | **240,522** | **639** |
| United States Government—demand | 5,076,670 | 5,050,538 | 4,121,021 | 3,056,513 | 1,064,508 | 929,517 | 26,132 | 25,494 | 638 |
| United States Government—time | 223,577 | 222,560 | 194,587 | 118,758 | 75,829 | 27,973 | 1,017 | 1,017 | 0 |
| States and subdivisions—demand | 17,704,864 | 17,559,438 | 13,294,402 | 10,445,106 | 2,849,296 | 4,265,036 | 145,426 | 145,425 | 1 |
| States and subdivisions—time | 13,328,250 | 13,259,664 | 10,017,704 | 8,124,188 | 1,893,516 | 3,241,960 | 68,586 | 68,586 | 0 |
| **Domestic interbank deposits—total** | **25,055,649** | **24,858,037** | **23,827,985** | **15,124,690** | **8,703,295** | **1,030,052** | **197,612** | **197,142** | **470** |
| Commercial banks in the United States—demand | 23,453,874 | 23,394,428 | 22,472,139 | 14,539,116 | 7,933,023 | 922,289 | 59,446 | 58,976 | 470 |
| Commercial banks in the United States—time | 416,026 | 415,216 | 348,571 | 191,884 | 156,687 | 66,645 | 810 | 810 | 0 |
| Mutual savings banks in the United States—demand | 1,128,139 | 1,017,123 | 977,075 | 377,846 | 599,229 | 40,048 | 111,016 | 111,016 | 0 |
| Mutual savings banks in the United States—time | 57,610 | 31,270 | 30,200 | 15,844 | 14,356 | 1,070 | 26,340 | 26,340 | 0 |
| **Foreign government and bank deposits—total** | **10,407,036** | **10,104,607** | **9,907,129** | **5,597,373** | **4,309,756** | **197,478** | **302,429** | **300,907** | **1,522** |
| Foreign governments, central banks, etc.—demand | 992,577 | 940,239 | 910,612 | 457,876 | 452,736 | 29,627 | 52,338 | 51,991 | 347 |
| Foreign governments, central banks, etc.—time | 6,465,942 | 6,378,964 | 6,323,127 | 3,552,169 | 2,770,958 | 55,837 | 86,978 | 85,978 | 1,000 |
| Banks in foreign countries—demand | 2,624,537 | 2,475,098 | 2,402,263 | 1,393,440 | 1,008,823 | 72,835 | 149,439 | 149,264 | 175 |
| Banks in foreign countries—time | 323,980 | 310,306 | 271,127 | 193,888 | 77,239 | 39,179 | 13,674 | 13,674 | 0 |
| **Total deposits** | **439,989,358** | **436,989,665** | **352,288,382** | **257,843,791** | **94,444,591** | **84,701,283** | **2,999,693** | **2,844,722** | **154,971** |
| *Demand* | *242,145,406* | *240,130,785* | *200,101,537* | *141,465,559* | *58,635,978* | *40,029,248* | *2,014,621* | *1,888,688* | *125,933* |
| *Time* | *197,843,952* | *196,858,880* | *152,186,845* | *116,378,232* | *35,808,613* | *44,672,035* | *985,072* | *956,034* | *29,038* |
| **Miscellaneous liabilities—total** | **49,326,984** | **47,966,725** | **45,118,418** | **30,618,355** | **14,500,063** | **2,848,307** | **1,360,259** | **1,313,054** | **47,205** |
| Federal funds purchased (borrowed) and securities sold under agreements to repurchase | 14,730,800 | 14,684,700 | 14,275,695 | 9,997,514 | 4,278,181 | 409,005 | 46,100 | 46,100 | 0 |
| Other liabilities for borrowed money | 3,710,922 | 3,367,342 | 3,121,971 | 2,283,717 | 838,254 | 245,371 | 343,580 | 330,054 | 13,526 |
| Mortgage indebtedness | 603,447 | 601,562 | 478,077 | 350,451 | 127,626 | 123,485 | 1,885 | 1,885 | 0 |
| Acceptances outstanding | 3,485,840 | 3,387,309 | 3,245,328 | 1,880,445 | 1,364,883 | 141,981 | 98,531 | 98,531 | 0 |
| Other liabilities | 26,795,975 | 25,925,812 | 23,997,347 | 16,106,228 | 7,891,119 | 1,928,465 | 870,163 | 836,484 | 33,679 |
| **Total liabilities** | **489,316,342** | **484,956,390** | **397,406,800** | **288,462,146** | **108,944,654** | **87,549,590** | **4,359,952** | **4,157,776** | **202,176** |
| **Minority interest in consolidated subsidiaries** | **3,883** | **3,295** | **835** | **827** | **8** | **2,460** | **588** | **0** | **588** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Reserves on loans and securities—total** | **6,194,152** | **6,178,797** | **5,259,153** | **3,784,928** | **1,474,225** | **919,644** | **15,355** | **14,430** | **925** |
| Reserve for bad debt losses on loans | 5,896,865 | 5,885,873 | 5,073,782 | 3,660,232 | 1,413,550 | 812,091 | 10,992 | 10,325 | 667 |
| Other reserves on loans | 109,904 | 108,824 | 55,030 | 37,878 | 17,152 | 53,794 | 1,080 | 1,080 | 0 |
| Reserves on securities | 187,383 | 184,100 | 130,341 | 86,818 | 43,523 | 53,759 | 3,283 | 3,025 | 258 |
| **Capital accounts—total** | **40,165,363** | **39,576,229** | **32,053,911** | **23,254,197** | **8,799,714** | **7,522,318** | **589,134** | **391,316** | **197,818** |
| Capital notes and debentures | 2,049,141 | 1,998,316 | 1,773,399 | 1,119,738 | 653,661 | 224,917 | 50,825 | 50,825 | 0 |
| Equity capital—total | 38,116,222 | 37,577,913 | 30,280,512 | 22,134,459 | 8,146,053 | 7,297,401 | 538,309 | 340,491 | 197,818 |
| *Preferred stock* | *107,673* | *103,416* | *95,040* | *62,453* | *32,587* | *8,376* | *4,257* | *4,257* | *0* |
| *Common stock* | *10,689,247* | *10,529,322* | *8,385,530* | *6,165,757* | *2,219,773* | *2,143,792* | *159,925* | *105,410* | *54,515* |
| *Surplus* | *17,621,043* | *17,460,832* | *14,384,752* | *10,488,372* | *3,896,380* | *3,076,080* | *160,211* | *124,388* | *35,823* |
| *Undivided profits* | *8,584,423* | *8,426,787* | *6,560,073* | *4,706,598* | *1,853,475* | *1,866,714* | *157,636* | *71,103* | *86,533* |
| *Reserve for contingencies and other capital reserves* | *1,113,836* | *1,057,556* | *855,117* | *711,279* | *143,838* | *202,439* | *56,280* | *35,333* | *20,947* |
| **PERCENTAGES** | | | | | | | | | |
| **Of total assets:** | | | | | | | | | |
| Cash and balances with other banks | 16.9% | 16.8% | 18.2% | 17.4% | 20.4% | 10.7% | 18.8% | 19.4% | 12.1% |
| U.S. Treasury securities and securities of other U.S. Government agencies and corporations | 11.8 | 11.8 | 10.1 | 10.5 | 9.1 | 19.4 | 12.4 | 12.2 | 14.8 |
| Other securities | 11.8 | 11.8 | 11.7 | 11.7 | 11.5 | 12.7 | 11.2 | 8.4 | 43.2 |
| Loans and discounts (including Federal funds sold) | 55.8 | 55.9 | 56.1 | 56.5 | 55.0 | 54.9 | 47.9 | 51.1 | 12.2 |
| Other assets | 3.7 | 3.7 | 4.0 | 3.9 | 4.0 | 2.4 | 9.7 | 9.0 | 17.6 |
| Total capital accounts[5] | 7.5 | 7.5 | 7.4 | 7.4 | 7.4 | 7.8 | 17.3[3] | 12.9[3] | 49.3 |
| **Of total assets other than cash and U.S. Treasury securities:** | | | | | | | | | |
| Total capital accounts[5] | 10.3 | 10.2 | 10.1 | 10.0 | 10.3 | 10.6 | 22.7[3] | 16.7[3] | 64.3 |
| Number of banks | 13,681 | 13,473 | 5,870 | 4,669 | 1,201 | 7,603 | 208 | 159 | 49 |

[1] See table 105, note 1.
[2] Includes asset and liability figures for 15 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to these branches by the parent banks.
[3,4,5] See table 105, notes.
Note: Further information on the reports of assets and liabilities of banks may be found on page 253.

## Table 107. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1969, AND DECEMBER 31, 1969

BANKS GROUPED BY INSURANCE STATUS

(Amounts in thousands of dollars)

| Asset, liability, or surplus account item | June 30, 1969 | | | December 31, 1969 | | |
|---|---|---|---|---|---|---|
| | Total | Insured | Noninsured | Total | Insured | Noninsured |
| **Total assets** | 73,300,003 | 63,744,591 | 9,555,412 | 74,349,679 | 64,633,716 | 9,715,963 |
| **Cash, balances with banks, and collection items—total** | 832,152 | 713,004 | 119,148 | 890,947 | 780,079 | 110,868 |
| Currency and coin | 156,199 | 128,286 | 27,913 | 209,719 | 179,378 | 30,341 |
| Demand balances with banks in the United States | 506,976 | 432,727 | 74,249 | 557,371 | 499,506 | 57,865 |
| Other balances with banks in the United States | 77,993 | 73,380 | 4,613 | 55,535 | 42,964 | 12,571 |
| Cash items in process of collection | 90,984 | 78,611 | 12,373 | 68,322 | 58,231 | 10,091 |
| **Securities—total** | 14,698,712 | 12,155,397 | 2,543,315 | 14,226,488 | 11,843,577 | 2,382,911 |
| **Obligations of the U.S. Government, net—total** | 3,610,378 | 2,635,085 | 975,293 | 3,230,410 | 2,445,609 | 784,801 |
| Valuation reserves | 12,774 | 12,774 | 0 | 13,004 | 13,004 | 0 |
| **Obligations of the U.S. Government, gross—total** | 3,623,152 | 2,647,859 | 975,293 | 3,243,414 | 2,458,613 | 784,801 |
| Direct: | | | | | | |
| *Treasury bills* | *266,330* | *176,242* | *90,088* | *145,856* | *122,070* | *23,786* |
| *Treasury certificates of indebtedness* | *3,542* | *500* | *3,042* | *4,222* | *2,043* | *2,179* |
| *Treasury notes maturing in 1 year or less* | *110,009* | *78,237* | *31,772* | *224,100* | *158,515* | *65,585* |
| *Treasury notes maturing after 1 year* | *1,033,538* | *728,138* | *305,400* | *919,440* | *654,983* | *264,457* |
| *United States nonmarketable bonds* | *25,790* | *23,963* | *1,827* | *15,797* | *13,997* | *1,800* |
| *Other bonds maturing in 1 year or less* | *163,311* | *125,056* | *38,255* | *115,493* | *91,152* | *24,341* |
| *Other bonds maturing in 1 to 5 years* | *672,697* | *479,672* | *193,025* | *573,971* | *437,306* | *136,665* |
| *Other bonds maturing in 5 to 10 years* | *66,368* | *32,155* | *34,213* | *26,555* | *11,718* | *14,837* |
| *Other bonds maturing after 10 years* | *916,858* | *786,272* | *130,586* | *885,770* | *762,119* | *123,651* |
| Guaranteed obligations | 364,709 | 217,624 | 147,085 | 332,210 | 204,710 | 127,500 |
| **Obligations of States and subdivisions, net** | 189,893 | 182,450 | 7,443 | 192,496 | 185,388 | 7,108 |
| Valuation reserves | 5,725 | 5,725 | 0 | 5,561 | 5,561 | 0 |
| **Obligations of States and subdivisions, gross** | 195,618 | 188,175 | 7,443 | 198,057 | 190,949 | 7,108 |
| **Other bonds, notes, and debentures, net—total** | 8,795,085 | 7,575,065 | 1,220,020 | 8,628,655 | 7,396,659 | 1,231,996 |
| Valuation reserves | 22,834 | 22,757 | 77 | 26,842 | 26,765 | 77 |
| **Other bonds, notes, and debentures, gross—total** | 8,817,919 | 7,597,822 | 1,220,097 | 8,655,497 | 7,423,424 | 1,232,073 |
| Railroads | 592,386 | 513,152 | 79,234 | 583,508 | 512,297 | 71,211 |
| Utilities | 4,231,003 | 3,629,935 | 601,068 | 4,265,854 | 3,624,115 | 641,739 |
| Industrials | 1,048,402 | 982,347 | 66,055 | 1,019,117 | 953,590 | 65,527 |
| Securities of Federal agencies and corporations not guaranteed by U.S. | 1,668,489 | 1,311,237 | 357,252 | 1,475,696 | 1,149,455 | 326,241 |
| All other | 1,277,639 | 1,161,151 | 116,488 | 1,311,322 | 1,183,967 | 127,355 |
| **Corporate stocks, net—total** | 2,103,356 | 1,762,797 | 340,559 | 2,174,927 | 1,815,921 | 359,006 |
| Valuation reserves | 38,204 | 37,862 | 342 | 38,015 | 37,918 | 97 |
| **Corporate stocks, gross—total** | 2,141,560 | 1,800,659 | 340,901 | 2,212,942 | 1,853,839 | 359,103 |
| Bank | 474,659 | 248,149 | 226,510 | 485,730 | 251,903 | 233,827 |
| Other | 1,666,901 | 1,552,510 | 114,391 | 1,727,212 | 1,601,936 | 125,276 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Loans and discounts, net—total** | 56,495,369 | 49,707,935 | 6,787,434 | 57,948,031 | 50,828,568 | 7,119,463 |
| Valuation reserves | 132,048 | 121,788 | 10,260 | 130,189 | 120,928 | 9,261 |
| **Loans and discounts, gross—total** | 56,627,417 | 49,829,723 | 6,797,694 | 58,078,220 | 50,949,496 | 7,128,724 |
| Real estate loans—total | 54,843,569 | 48,321,900 | 6,521,669 | 56,137,885 | 49,329,087 | 6,808,798 |
| *Secured by farmland* | *116,753* | *110,578* | *6,175* | *113,629* | *106,943* | *6,686* |
| *Secured by residential properties:* | | | | | | |
| *Insured by FHA* | *15,769,230* | *14,674,504* | *1,094,726* | *15,862,120* | *14,742,577* | *1,119,543* |
| *Guaranteed by VA* | *12,150,988* | *11,032,381* | *1,118,607* | *12,165,969* | *11,030,456* | *1,135,513* |
| *Not insured or guaranteed by FHA or VA* | *19,898,221* | *16,555,195* | *3,343,026* | *20,654,641* | *17,193,309* | *3,461,332* |
| *Secured by other properties* | *6,908,377* | *5,949,242* | *959,135* | *7,341,526* | *6,255,802* | *1,085,724* |
| Commercial and industrial loans (including open market paper) | 284,044 | 271,705 | 12,339 | 217,850 | 206,348 | 11,502 |
| Loans to individuals for personal expenditures | 1,168,666 | 931,561 | 237,105 | 1,243,914 | 987,198 | 256,716 |
| All other loans (including overdrafts) | 331,138 | 304,557 | 26,581 | 478,571 | 426,863 | 51,708 |
| **Total loans and securities** | 71,194,081 | 61,863,332 | 9,330,749 | 72,174,519 | 62,672,145 | 9,502,374 |
| Bank premises | 432,546 | 389,840 | 42,706 | 444,671 | 400,375 | 44,296 |
| Furniture and fixtures | 111,977 | 94,269 | 17,708 | 114,939 | 96,684 | 18,255 |
| Real estate owned other than bank premises | 43,020 | 38,273 | 4,747 | 51,310 | 47,607 | 3,703 |
| Miscellaneous assets | 686,227 | 645,873 | 40,354 | 673,293 | 636,826 | 36,467 |
| **Total liabilities and surplus accounts** | 73,300,003 | 63,744,591 | 9,555,412 | 74,349,679 | 64,633,716 | 9,715,963 |
| **Deposits—total** | 66,756,656 | 58,288,940 | 8,467,716 | 67,540,464 | 58,867,848 | 8,672,616 |
| Demand deposits of individuals, partnerships, and corporations | 570,635 | 526,471 | 44,164 | 527,043 | 503,982 | 23,061 |
| Time deposits of individuals, partnerships, and corporations | 66,125,568 | 57,703,374 | 8,422,194 | 66,951,492 | 58,303,307 | 8,648,185 |
| Other deposits (official checks, etc.) | 22,762 | 22,679 | 83 | 18,405 | 18,378 | 27 |
| States and subdivisions | 28,382 | 27,766 | 616 | 33,293 | 32,660 | 633 |
| United States Government | 6,665 | 6,006 | 659 | 7,921 | 7,213 | 708 |
| Interbank | 2,644 | 2,644 | 0 | 2,310 | 2,308 | 2 |
| *Total demand deposits* | *602,019* | *557,106* | *44,913* | *557,635* | *533,836* | *23,799* |
| *Total savings and time deposits* | *66,154,637* | *57,731,834* | *8,422,803* | *66,982,829* | *58,334,012* | *8,648,817* |
| **Miscellaneous liabilities** | 1,137,177 | 848,640 | 288,537 | 1,287,835 | 1,068,152 | 219,683 |
| **Total liabilities (excluding surplus accounts)** | 67,893,833 | 59,137,580 | 8,756,253 | 68,828,299 | 59,936,000 | 8,892,299 |
| **Surplus accounts—total** | 5,406,170 | 4,607,011 | 799,159 | 5,521,380 | 4,697,716 | 823,664 |
| Surplus | 3,771,060 | 3,321,762 | 449,298 | 3,777,347 | 3,317,372 | 459,975 |
| Undivided profits | 1,145,666 | 882,797 | 262,869 | 1,244,572 | 970,376 | 274,196 |
| Other segregations of surplus | 489,444 | 402,452 | 86,992 | 499,461 | 409,968 | 89,493 |
| **PERCENTAGES** | | | | | | |
| **Of total assets:** | | | | | | |
| Cash and balances with other banks | 1.1% | 1.1% | 1.2% | 1.2% | 1.2% | 1.1% |
| U.S. Government obligations, direct and guaranteed | 4.9 | 4.1 | 10.2 | 4.3 | 3.8 | 8.1 |
| Other securities | 15.1 | 14.9 | 16.4 | 14.8 | 14.5 | 16.4 |
| Loans and discounts | 77.1 | 78.0 | 71.0 | 77.9 | 78.6 | 73.3 |
| Other assets | 1.7 | 1.8 | 1.1 | 1.7 | 1.8 | 1.1 |
| Total surplus accounts | 7.4 | 7.2 | 8.4 | 7.4 | 7.3 | 8.5 |
| **Of total assets other than cash and U.S. Government obligations:** | | | | | | |
| Total surplus accounts | 7.9 | 7.6 | 9.4 | 7.9 | 7.7 | 9.3 |
| **Number of banks** | 500 | 333 | 167 | 497 | 331 | 166 |

**Table 108.** ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1961, 1965-1969

(Amounts in thousands of dollars)

| Asset, liability, or capital account item | Dec. 30, 1961 | Dec. 31, 1965 | Dec. 31, 1966 | Dec. 30, 1967 | Dec. 31, 1968 | Dec. 31, 1969 [1] |
|---|---|---|---|---|---|---|
| **Total assets** | **279,980,591** [2] | **379,405,384** [2] | **407,283,269** [2] | **455,445,184** [2] | **505,453,732** [2] | **530,714,711** |
| **Cash, reserves, balances with banks, and collection items—total** | 56,181,467 | 60,436,719 | 68,651,850 | 77,532,592 | 83,269,951 | 89,335,129 |
| Currency and coin | 3,692,593 | 4,865,803 | 5,457,281 | 5,953,155 | 7,216,003 | 7,346,973 |
| Reserve with Federal Reserve banks (member banks) | 16,917,834 | 17,992,395 | 19,068,820 | 20,275,051 | 21,230,246 | 21,452,826 |
| Demand balances with banks in the U.S. (except American branches of foreign banks) | 13,816,911 | 14,354,186 | 15,136,611 | 16,520,060 | 18,089,886 | 19,389,950 |
| Other balances with banks in the U.S. | 80,713 | 484,817 | 257,066 | 544,658 | 334,917 | 230,150 |
| Balances with banks in foreign countries | 249,421 | 255,865 | 250,872 | 280,249 | 264,433 | 320,921 |
| Cash items in process of collection | 21,423,995 | 22,483,653 | 28,481,200 | 33,959,419 | 36,134,466 | 40,594,309 |
| **Investment securities—total** | 89,661,642 | 103,650,708 | 104,285,823 | 123,263,625 | 135,242,315 | 122,203,185 |
| U.S. Treasury securities | 66,090,869 | 59,209,832 | 55,903,996 | 62,229,348 | 64,171,324 | 53,262,588 |
| Securities of other U.S. Government agencies and corporations | 2,112,292 | 4,513,114 | 5,959,194 | 8,901,164 | 10,081,641 | 9,239,140 |
| Obligations of States and subdivisions | 20,103,538 | 38,480,349 | 40,831,664 | 49,820,973 | 58,391,738 | 57,572,007 |
| Other securities | 1,354,943 | 1,447,413 | 1,590,969 | 2,312,140 | 2,597,612 | 2,128,850 |
| **Trading account securities** [3] | .......... | .......... | .......... | .......... | .......... | **3,181,756** |
| **Federal funds sold** [4] | .......... | **2,064,215** | **2,460,941** | **3,924,357** | **6,526,458** | **9,712,405** |
| **Other loans and discounts—total** | **127,413,856** [2] | **203,061,201** [2] | **220,331,690** [2] | **237,518,086** [2] | **264,671,395** [2] | **286,751,602** |
| Real estate loans—total | 30,330,432 | 49,393,933 | 54,099,590 | 58,678,014 | 65,332,745 | 70,325,953 |
| *Secured by farmland* | *1,731,465* | *2,888,012* | *3,112,422* | *3,419,336* | *3,735,180* | *3,992,931* |
| *Secured by residential properties:* | | | | | | |
| *Secured by 1- to 4-family residential properties:* | | | | | | |
| *Insured by Federal Housing Administration* | *5,966,563* | *7,592,405* | *7,441,201* | *7,603,100* | *7,809,567* | *7,262,023* |
| *Guaranteed by Veterans Administration* | *2,613,165* | *2,637,439* | *2,556,527* | *2,613,060* | *2,626,560* | *2,596,261* |
| *Not insured or guaranteed by FHA or VA* | *12,570,273* | *21,929,584* | *24,659,845* | *27,157,632* | *30,712,679* | *31,210,921* |
| *Secured by multifamily (5 or more) properties:* | | | | | | |
| *Insured by Federal Housing Administration* [3] | .......... | .......... | .......... | .......... | .......... | *562,501* |
| *Not insured by FHA* [3] | .......... | .......... | .......... | .......... | .......... | *2,647,857* |
| *Secured by other properties* | *7,448,966* | *14,346,493* | *16,329,595* | *17,884,886* | *20,448,759* | *22,053,459* |
| Loans to domestic commercial and foreign banks | 1,032,864 | 2,095,012 | 2,132,957 | 1,847,683 | 2,145,604 | 2,425,147 |
| Loans to other financial institutions | 7,310,112 | 13,186,038 | 13,186,453 | 12,447,077 | 13,676,953 | 14,938,963 |
| Loans to brokers and dealers in securities | 4,030,000 | 5,087,694 | 5,643,112 | 6,017,418 | 6,409,302 | 5,646,962 |
| Other loans for purchasing or carrying securities | 2,107,360 | 3,175,076 | 3,149,552 | 3,724,055 | 4,068,900 | 3,994,818 |
| Loans to farmers (excluding loans on real estate) | 6,224,041 | 8,203,013 | 8,549,399 | 9,260,220 | 9,712,410 | 10,323,657 |
| Commercial and industrial loans (including open market paper) | 45,156,607 | 71,235,183 | 80,408,482 | 88,257,588 | 98,161,381 | 108,393,788 |
| Other loans to individuals—total | 27,819,669 | 45,497,461 | 47,992,068 | 51,628,083 | 58,414,799 | 63,355,683 |
| *Passenger automobile installment loans* | *9,062,043* | *17,139,214* | *18,290,164* | *18,890,458* | *21,200,443* | *22,706,108* |
| *Credit cards and related plans:* | | | | | | |
| *Retail (charge account) credit card plans* | (5) | (5) | (5) | *828,313* | *1,312,020* | *2,639,497* |
| *Check credit and revolving credit plans* | (5) | (5) | (5) | *521,909* | *798,115* | *1,082,791* |
| *Other retail consumer installment loans* | *2,807,751* | *4,176,950* | *4,692,533* | *4,781,232* | *5,520,274* | *6,269,924* |
| *Residential repair and modernization installment loans* | *2,693,068* | *3,126,804* | *3,216,162* | *3,351,554* | *3,494,813* | *3,654,863* |
| *Other installment loans for personal expenditures* | *4,480,462* | *7,388,640* | *8,091,439* | *8,361,180* | *9,390,559* | *9,936,340* |
| *Single-payment loans for personal expenditures* | *8,776,345* | *13,665,853* | *13,701,770* | *14,893,437* | *16,698,575* | *17,066,160* |
| All other loans (including overdrafts) | 3,402,771 | 5,187,791 | 5,170,077 | 5,657,948 | 6,749,301 | 7,346,631 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total loans and securities** | **217,075,498** | **308,776,124** | **327,078,454** | **364,706,068** | **406,440,168** | **421,848,948** |
| Bank premises, furniture and fixtures, and other assets representing bank premises | 3,450,217 | 5,144,222 [6] | 5,619,987 [6] | 6,007,170 | 6,656,856 | 8,070,059 |
| Real estate owned other than bank premises | 93,778 | ........... | ........... | 282,704 | 323,257 | 360,820 |
| Investments in subsidiaries not consolidated [3] | ........... | ........... | ........... | ........... | ........... | 651,095 |
| Customers' liability on acceptances outstanding | 1,651,595 | 1,862,571 | 2,178,017 | 2,314,772 | 2,472,778 | 3,308,881 |
| Other assets | 1,528,036 | 3,185,748 | 3,754,961 | 4,601,878 | 6,290,722 | 7,139,779 |
| **Total liabilities, reserves, and capital accounts** | **279,980,591** | **379,405,384** | **407,283,269** | **455,445,184** | **505,453,732** | **530,714,711** |
| **Business and personal deposits—total** | **203,088,106** | **275,205,357** | **293,565,757** | **329,860,033** | **361,993,247** | **365,934,821** |
| Individuals, partnerships, and corporations—demand | 123,489,686 | 139,077,920 | 144,323,672 | 158,491,340 | 172,006,973 | 178,185,683 |
| Individuals, partnerships, and corporations—time | 74,561,084 | 130,195,436 | 142,261,089 | 162,727,918 | 180,506,278 | 176,240,900 |
| *Savings deposits* | *63,887,537* | *92,554,897* | *90,076,746* | *94,451,458* | *96,166,256* | *93,796,302* |
| *Deposits accumulated for payment of personal loans* | *771,554* | *1,078,207* | *1,223,553* | *1,283,923* | *1,215,522* | *1,129,305* |
| *Other deposits of individuals, partnerships, and corporations* | *9,901,993* | *36,562,332* | *50,960,790* | *66,992,537* | *83,124,500* | *81,315,293* |
| Certified and officers' checks, letters of credit, travelers' checks, etc. | 5,037,336 | 5,932,001 | 6,980,996 | 8,640,775 | 9,479,996 | 11,508,238 |
| **Government deposits—total** | **23,881,005** | **32,216,843** | **33,768,382** | **36,990,123** | **41,385,278** | **36,092,200** |
| United States Government—demand | 5,943,251 | 5,523,816 | 4,990,164 | 5,238,918 | 5,012,445 | 5,050,538 |
| United States Government—time | 280,030 | 281,330 | 257,599 | 285,533 | 376,629 | 222,560 |
| States and subdivisions—demand | 12,215,686 | 14,241,724 | 15,059,104 | 15,577,942 | 16,881,042 | 17,559,438 |
| States and subdivisions—time | 5,442,038 | 12,169,973 | 13,461,515 | 15,887,730 | 19,115,162 | 13,259,664 |
| **Domestic interbank deposits—total** | **16,680,600** | **17,311,718** | **18,355,321** | **20,660,087** | **23,221,458** | **24,858,037** |
| Commercial banks in the United States—demand | 15,751,918 | 15,779,062 | 16,947,228 | 18,788,406 | 21,424,784 | 23,394,428 |
| Commercial banks in the United States—time | 213,214 | 510,159 | 476,896 | 727,014 | 714,271 | 415,216 |
| Mutual savings banks in the United States—demand | 700,355 | 860,378 | 782,525 | 935,212 | 933,799 | 1,017,123 |
| Mutual savings banks in the United States—time | 15,113 | 162,119 | 148,672 | 209,455 | 148,604 | 31,270 |
| **Foreign government and bank deposits—total** | **4,255,164** | **6,778,763** | **7,150,699** | **8,285,680** | **8,051,716** | **10,104,607** |
| Foreign governments, central banks, etc.—demand | 656,922 | 892,867 | 869,268 | 874,451 | 866,885 | 940,239 |
| Foreign governments, central banks, etc.—time | 2,178,055 | 4,086,126 | 4,212,084 | 5,166,228 | 4,752,732 | 6,378,964 |
| Banks in foreign countries—demand | 1,297,787 | 1,529,097 | 1,784,407 | 1,909,911 | 2,118,758 | 2,475,098 |
| Banks in foreign countries—time | 122,400 | 270,673 | 284,940 | 335,090 | 313,341 | 310,306 |
| **Total deposits** | **247,904,875** | **331,512,681** | **352,840,159** | **395,795,923** | **434,651,699** | **436,989,665** |
| *Demand* | *165,092,941* | *183,836,865* | *191,737,364* | *210,456,955* | *228,724,682* | *240,130,785* |
| *Time* | *82,811,934* | *147,675,816* | *161,102,795* | *185,338,968* | *205,927,017* | *196,858,880* |
| **Miscellaneous liabilities—total** | **7,346,272** | **13,976,496** | **18,413,009** | **20,910,731** | **28,958,217** | **47,966,725** |
| Federal funds purchased (borrowed) [7] | ........... | 2,438,413 | 2,824,088 | 4,980,322 | 7,468,200 | 14,684,700 |
| Other liabilities for borrowed money | 462,309 | 1,898,290 | 1,904,513 | 568,797 | 1,214,440 | 3,367,342 |
| Mortgage indebtedness [3] | ........... | ........... | ........... | ........... | ........... | 601,562 |
| Acceptances outstanding | 1,689,406 | 1,897,569 | 2,234,455 | 2,382,072 | 2,508,707 | 3,387,309 |
| Other liabilities | 5,194,557 | 7,742,224 | 11,449,953 | 12,979,540 | 17,766,870 | 25,925,812 |
| **Total liabilities** | **255,251,147** | **345,489,177** | **371,253,168** | **416,706,654** | **463,609,916** | **484,956,390** |
| **Minority interest in consolidated subsidiaries** | ........... | ........... | ........... | ........... | ........... | **3,295** |
| **Reserves on loans and securities—total** | **2,606,474** | **4,011,273** | **4,336,933** | **4,732,606** | **5,215,817** | **6,178,797** |
| Reserve for bad debt losses on loans | 2,606,474 | 4,011,273 | 4,336,933 | 4,732,606 | 5,215,817 | 5,885,873 |
| Other reserves on loans [3] | ........... | ........... | ........... | ........... | ........... | 108,824 |
| Reserves on securities [3] | ........... | ........... | ........... | ........... | ........... | 184,100 |

**Table 108.** ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS). DECEMBER CALL DATES, 1961, 1965-1969—CONTINUED

(Amounts in thousands of dollars)

| Asset, liability, or capital account item | Dec. 30, 1961 | Dec. 31, 1965 | Dec. 31, 1966 | Dec. 30, 1967 | Dec. 31, 1968 | Dec. 31, 1969[1] |
|---|---|---|---|---|---|---|
| **Capital accounts—total** | 22,122,970 | 29,904,934 | 31,693,168 | 34,005,924 | 36,627,999 | 39,576,229 |
| Capital notes and debentures | 22,107 | 1,652,701 | 1,729,902 | 1,984,390 | 2,110,137 | 1,998,316 |
| Equity capital—total | 22,100,863 | 28,252,233 | 29,963,266 | 32,021,534 | 34,517,862 | 37,577,913 |
| *Preferred stock* | *14,745* | *39,890* | *61,583* | *87,076* | *90,686* | *103,416* |
| *Common stock* | *6,584,701* | *8,507,770* | *8,856,837* | *9,253,642* | *9,772,605* | *10,529,322* |
| *Surplus* | *10,798,364* | *13,464,797* | *13,998,697* | *14,983,375* | *16,173,907* | *17,460,832* |
| *Undivided profits* | *4,156,764* | *5,437,575* | *6,166,477* | *6,610,743* | *7,419,669* | *8,426,787* |
| *Reserve for contingencies and other capital reserves* | *546,289* | *802,201* | *879,672* | *1,086,698* | *1,060,995* | *1,057,556* |
| **PERCENTAGES** | | | | | | |
| **Of total assets:** | | | | | | |
| Cash and balances with other banks | 20.1% | 15.9% | 16.9% | 17.0% | 16.5% | 16.8% |
| U.S. Treasury securities and securities of other U.S. Government agencies and corporations | 24.3 | 16.8 | 15.2 | 15.6 | 14.7 | 11.8 |
| Other securities | 7.7 | 10.5 | 10.4 | 11.5 | 12.1 | 11.8 |
| Loans and discounts (including Federal funds sold and securities purchased under agreements to resell) | 45.5 | 54.1 | 54.7 | 53.0 | 53.6 | 55.9 |
| Other assets | 2.4 | 2.7 | 2.8 | 2.9 | 3.1 | 3.7 |
| Total capital accounts | 7.9 | 7.9 | 7.8 | 7.5 | 7.2 | 7.5 |
| **Of total assets other than cash and U.S. Treasury securities:** | | | | | | |
| Total capital accounts | 14.0 | 11.5 | 11.2 | 10.8 | 10.2 | 10.2 |
| Number of banks | 13,115 | 13,547 | 13,541 | 13,517 | 13,488 | 13,473 |

[1] For description of changes in 1969 in the Report of Condition, see p. 253 and notes to tables.

[2] Assets in 1968 and prior years include "Other loans and discounts" at gross (before deduction of valuation reserves) value, as reported in 1969. "Other loans and discounts" in 1965–1968 exclude Federal funds sold, now reported separately.

[3] Not available prior to figure shown, see note 1.

[4] Prior to December 31, 1965, "Federal funds sold (loaned)" not reported separately; most were included with loans to banks. Beginning in 1967, includes securities purchased under agreements to resell, which previously were reported with "Loans to domestic commercial and foreign banks" and "Other loans for purchasing or carrying securities."

[5] Before 1967, loans extended under credit cards and related plans were distributed among other installment loan items.

[6] Net of mortgages and other liens; previously included with "Other liabilities." Includes real estate owned other than bank premises.

[7] Prior to December 31, 1965, Federal funds purchased were included in "Other liabilities for borrowed money"; beginning in 1967, includes securities sold under agreements to repurchase, which previously were reported with "Other liabilities for borrowed money."

## Table 109. ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1961, 1965–1969

(Amounts in thousands of dollars)

| Asset, liability, or surplus account item | Dec. 30, 1961 | Dec. 31, 1965 | Dec. 31, 1966 | Dec. 30, 1967 | Dec. 31, 1968 | Dec. 31, 1969 |
|---|---|---|---|---|---|---|
| **Total assets** | **37,064,623** | **50,499,716** | **53,049,468** | **57,867,208** | **62,123,491** | **64,633,716** |
| **Cash, balances with banks, and collection items—total** | **828,199** | **904,000** | **847,825** | **881,596** | **883,058** | **780,079** |
| Currency and coin | 126,598 | 142,598 | 145,587 | 153,639 | 164,965 | 179,378 |
| Demand balances with banks in the United States | 490,382 | 493,600 | 474,276 | 461,378 | 497,725 | 499,506 |
| Other balances with banks in the United States | 167,637 | 212,193 | 166,743 | 202,325 | 157,610 | 42,964 |
| Cash items in process of collection | 43,582 | 55,609 | 61,219 | 64,254 | 62,758 | 58,231 |
| **Securities—total** | **9,847,742** | **8,770,371** | **8,675,750** | **10,447,028** | **11,802,948** | **11,843,577** |
| **Obligations of the U.S. Government, net—total** | **4,689,898** | **3,759,961** | **3,323,662** | **3,110,649** | **2,854,896** | **2,445,609** |
| Valuation reserves | 23,841 | 15,787 | 13,504 | 13,610 | 12,559 | 13,004 |
| **Obligations of the U.S. Government, gross—total** | **4,713,739** | **3,775,748** | **3,337,166** | **3,124,259** | **2,867,455** | **2,458,613** |
| Direct: | | | | | | |
| *Treasury bills* | *137,757* | *309,700* | *289,812* | *365,155* | *284,785* | *122,070* |
| *Treasury certificates of indebtedness* | *43,881* | .......... | *16,900* | *50* | *1,800* | *2,043* |
| *Treasury notes maturing in 1 year or less* | *233,269* | *146,292* | *98,058* | *109,244* | *146,108* | *158,515* |
| *Treasury notes maturing after 1 year* | *660,190* | *89,827* | *219,584* | *487,248* | *696,291* | *654,983* |
| *United States nonmarketable bonds* | *165,631* | *67,037* | *61,857* | *36,129* | *25,560* | *13,997* |
| *Other bonds maturing in 1 year or less* | *64,902* | *32,008* | *34,647* | *70,330* | *116,940* | *91,152* |
| *Other bonds maturing in 1 to 5 years* | *393,825* | *856,373* | *797,174* | *604,801* | *453,476* | *437,306* |
| *Other bonds maturing in 5 to 10 years* | *1,328,363* | *980,222* | *684,249* | *386,957* | *152,659* | *11,718* |
| *Other bonds maturing after 10 years* | *1,617,533* | *1,183,254* | *1,003,468* | *902,375* | *808,814* | *762,119* |
| Guaranteed obligations | 68,388 | 111,035 | 131,417 | 161,970 | 181,022 | 204,710 |
| **Obligations of States and subdivisions, net** | **628,978** | **300,273** | **236,697** | **205,323** | **185,211** | **185,388** |
| Valuation reserves | 10,236 | 6,927 | 6,168 | 6,126 | 5,733 | 5,561 |
| **Obligations of States and subdivisions, gross** | **639,214** | **307,200** | **242,865** | **211,449** | **190,944** | **190,949** |
| **Other bonds, notes, and debentures, net—total** | **3,850,055** | **3,574,161** | **3,941,772** | **5,752,972** | **7,150,316** | **7,396,659** |
| Valuation reserves | 23,363 | 21,021 | 22,642 | 24,055 | 22,634 | 26,765 |
| **Other bonds, notes, and debentures, gross—total** | **3,873,418** | **3,595,182** | **3,964,414** | **5,777,027** | **7,172,950** | **7,423,424** |
| Railroads | 516,916 | 357,906 | 368,290 | 480,595 | 500,629 | 512,297 |
| Utilities | 1,824,076 | 1,523,624 | 1,654,151 | 2,714,948 | 3,436,139 | 3,624,115 |
| Industrials | 477,080 | 404,512 | 429,976 | 760,267 | 950,371 | 953,590 |
| Securities of Federal agencies and corporations not guaranteed by U.S. | 505,463 | 842,356 | 1,009,066 | 1,049,964 | 1,235,256 | 1,149,455 |
| All other | 549,883 | 466,784 | 502,931 | 771,253 | 1,050,555 | 1,183,967 |
| **Corporate stocks, net—total** | **678,811** | **1,135,976** | **1,173,619** | **1,378,084** | **1,612,525** | **1,815,921** |
| Valuation reserves | 66,668 | 46,597 | 42,067 | 38,615 | 35,084 | 37,918 |
| **Corporate stocks, gross—total** | **745,479** | **1,182,573** | **1,215,686** | **1,416,699** | **1,647,609** | **1,853,839** |
| Bank | 171,616 | 221,935 | 225,177 | 232,232 | 246,455 | 251,903 |
| Other | 573,863 | 960,638 | 990,509 | 1,184,467 | 1,401,154 | 1,601,936 |
| **Loans and discounts, net—total** | **25,812,078** | **39,964,343** | **42,593,177** | **45,492,445** | **48,287,403** | **50,828,568** |
| Valuation reserves | 219,703 | 209,331 | 140,483 | 126,789 | 121,876 | 120,928 |
| **Loans and discounts, gross—total** | **26,031,781** | **40,173,674** | **42,733,660** | **45,619,234** | **48,409,279** | **50,949,496** |
| Real estate loans—total | 25,639,686 | 39,435,679 | 41,808,403 | 44,595,807 | 47,177,405 | 49,329,087 |
| *Secured by farmland* | *45,346* | *46,819* | *47,719* | *110,695* | *111,935* | *106,943* |

**Table 109.** ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1961, 1965–1969—CONTINUED

(Amounts in thousands of dollars)

| Asset, liability, or surplus account item | Dec. 31, 1961 | Dec. 31, 1965 | Dec. 31, 1966 | Dec. 30, 1967 | Dec. 31, 1968 | Dec. 31, 1969 |
|---|---|---|---|---|---|---|
| *Secured by residential properties:* | | | | | | |
| *Insured by FHA* | *7,565,963* | *12,911,024* | *13,563,472* | *14,057,536* | *14,500,512* | *14,742,577* |
| *Guaranteed by VA* | *8,378,382* | *10,427,383* | *10,473,930* | *10,756,786* | *10,940,229* | *11,030,456* |
| *Not insured or guaranteed by FHA or VA* | *7,288,248* | *12,245,612* | *13,490,913* | *14,824,567* | *16,029,770* | *17,193,309* |
| *Secured by other properties* | *2,361,747* | *3,804,841* | *4,232,369* | *4,846,223* | *5,594,959* | *6,255,802* |
| Commercial and industrial loans (including open market paper) | 112,337 | 144,698 | 191,599 | 158,428 | 237,600 | 206,348 |
| Loans to individuals for personal expenditures | 235,492 | 515,673 | 617,747 | 734,973 | 869,601 | 987,198 |
| All other loans (including overdrafts) | 44,266 | 77,624 | 115,911 | 130,026 | 124,673 | 426,863 |
| **Total loans and securities** | **35,659,820** | **48,734,714** | **51,268,927** | **55,939,473** | **60,090,351** | **62,672,145** |
| Bank premises | 223,326 | 308,289 | 329,951 | 355,946 | 382,353 | 400,375 |
| Furniture and fixtures | 23,489 | 45,641 | 57,444 | 72,833 | 88,068 | 96,684 |
| Real estate owned other than bank premises | 20,211 | 27,295 | 27,798 | 30,617 | 36,449 | 47,607 |
| Miscellaneous assets | 309,578 | 479,777 | 517,523 | 586,743 | 643,212 | 636,826 |
| **Total liabilities and surplus accounts** | **37,064,623** | **50,499,716** | **53,049,468** | **57,867,208** | **62,123,491** | **64,633,716** |
| **Deposits—total** | **33,399,591** | **45,887,291** | **48,255,636** | **52,912,962** | **56,861,324** | **58,867,848** |
| Demand deposits of individuals, partnerships, and corporations | 246,989 | 345,204 | 366,110 | 412,089 | 463,777 | 503,982 |
| Time deposits of individuals, partnerships, and corporations | 33,121,088 | 45,491,617 | 47,834,854 | 52,443,585 | 56,339,968 | 58,303,307 |
| Other deposits (official checks, etc.) | 6,796 | 11,952 | 11,513 | 14,327 | 18,571 | 18,378 |
| States and subdivisions | 17,780 | 29,929 | 35,384 | 35,548 | 30,499 | 32,660 |
| United States Government | 6,140 | 7,202 | 6,445 | 6,151 | 6,231 | 7,213 |
| Interbank | 798 | 1,387 | 1,330 | 1,262 | 2,278 | 2,308 |
| *Total demand deposits* | *261,901* | *366,152* | *387,162* | *435,035* | *489,980* | *533,836* |
| *Total savings and time deposits* | *33,137,690* | *45,521,139* | *47,868,474* | *52,477,927* | *56,371,344* | *58,334,012* |
| **Miscellaneous liabilities** | **474,350** | **655,013** | **653,735** | **716,615** | **781,183** | **1,068,152** |
| **Total liabilities (excluding surplus accounts)** | **33,873,941** | **46,542,304** | **48,909,371** | **53,629,577** | **57,642,507** | **59,936,000** |
| **Surplus accounts—total** | **3,190,682** | **3,957,412** | **4,140,097** | **4,237,631** | **4,480,984** | **4,697,716** |
| Surplus | 2,269,864 | 2,798,625 | 2,923,692 | 3,072,343 | 3,245,950 | 3,317,372 |
| Undivided profits | 624,503 | 822,112 | 821,662 | 774,284 | 842,645 | 970,376 |
| Other segregations of surplus | 296,315 | 336,675 | 394,743 | 391,004 | 392,389 | 409,968 |
| **PERCENTAGES** | | | | | | |
| **Of total assets:** | | | | | | |
| Cash and balances with other banks | 2.2% | 1.8% | 1.6% | 1.5% | 1.4% | 1.2% |
| U.S. Government obligations, direct and guaranteed | 12.7 | 7.5 | 6.3 | 5.4 | 4.6 | 3.8 |
| Other securities | 13.9 | 9.9 | 10.1 | 12.7 | 14.4 | 14.5 |
| Loans and discounts | 69.6 | 79.1 | 80.3 | 78.6 | 77.7 | 78.6 |
| Other assets | 1.6 | 1.7 | 1.7 | 1.8 | 1.9 | 1.8 |
| Total surplus accounts | 8.6 | 7.8 | 7.8 | 7.3 | 7.2 | 7.3 |
| **Of total assets other than cash and U.S. Government obligations:** | | | | | | |
| Total surplus accounts | 10.1 | 8.6 | 8.5 | 7.9 | 7.7 | 7.7 |
| **Number of banks** | 330 | 329 | 332 | 333 | 334 | 331 |

**Table 110.** PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1969 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969

BANKS GROUPED BY AMOUNT OF DEPOSITS

| Asset, liability, or capital account item | All banks | Banks with deposits of— Less than $1 million | $1 million to $2 million | $2 million to $5 million | $5 million to $10 million | $10 million to $25 million | $25 million to $50 million | $50 million to $100 million | $100 million to $500 million | $500 million to $1 billion | $1 billion or more |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total assets** | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cash and due from banks | 16.9 | 17.9 | 13.3 | 12.3 | 11.9 | 11.9 | 12.4 | 13.2 | 16.4 | 19.1 | 20.5 |
| U.S. Treasury securities [1] | 10.1 | 27.6 | 27.2 | 22.4 | 18.1 | 15.5 | 12.9 | 12.0 | 10.0 | 7.6 | 6.2 |
| Obligations of States and political subdivisions [1] | 10.9 | 2.0 | 3.4 | 7.4 | 11.2 | 13.2 | 13.5 | 13.9 | 12.5 | 11.1 | 8.6 |
| Other securities [1] | 2.1 | 9.4 | 8.4 | 6.7 | 5.2 | 4.1 | 3.5 | 3.1 | 1.7 | 1.1 | .8 |
| Federal funds sold (loaned) [2] | 1.8 | 3.5 | 2.5 | 2.9 | 3.2 | 2.9 | 2.2 | 2.0 | 1.6 | 2.1 | 1.2 |
| Other loans and discounts—total | 54.1 | 38.5 | 44.1 | 46.9 | 48.7 | 50.3 | 52.9 | 52.9 | 54.4 | 54.7 | 56.5 |
| Real estate | 13.2 | 7.1 | 10.6 | 14.3 | 15.6 | 16.8 | 17.6 | 17.7 | 15.3 | 12.9 | 9.3 |
| To banks and other financial institutions | 3.3 | 1.3 | .5 | .5 | .6 | .7 | .9 | 1.3 | 2.5 | 4.7 | 5.4 |
| To purchase or carry securities | 1.8 | .4 | .3 | .3 | .6 | .8 | 1.0 | 1.2 | 1.5 | 1.2 | 3.0 |
| To farmers | 2.0 | 14.5 | 16.5 | 12.8 | 8.7 | 4.5 | 1.9 | 1.0 | .8 | .4 | .6 |
| Commercial and industrial | 20.4 | 4.2 | 5.4 | 6.7 | 8.7 | 10.7 | 13.7 | 15.1 | 17.8 | 21.0 | 29.2 |
| Installment loans for personal expenditures | 8.8 | 7.4 | 7.7 | 8.8 | 10.7 | 12.4 | 13.3 | 12.1 | 11.1 | 8.7 | 4.7 |
| Single-payment loans for personal expenditures | 3.2 | 2.7 | 2.5 | 2.9 | 3.2 | 3.7 | 3.9 | 3.7 | 4.0 | 4.0 | 2.3 |
| All other loans | 1.4 | .8 | .6 | .5 | .6 | .7 | .7 | .8 | 1.4 | 1.8 | 1.9 |
| Other assets [1] | 4.2 | 1.2 | 1.1 | 1.4 | 1.8 | 2.1 | 2.6 | 2.9 | 3.4 | 4.2 | 6.2 |
| **Total liabilities, reserves, and capital accounts** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Deposits—total | 82.3 | 84.2 | 88.0 | 89.1 | 89.6 | 89.2 | 88.3 | 87.5 | 85.6 | 81.8 | 75.2 |
| *Demand* | *45.3* | *58.5* | *50.3* | *43.8* | *42.2* | *40.9* | *41.6* | *42.0* | *46.2* | *50.1* | *46.7* |
| *Time* | *37.0* | *25.7* | *37.7* | *45.4* | *47.4* | *48.3* | *46.7* | *45.5* | *39.4* | *31.7* | *28.5* |
| Individuals, partnerships, and corporations—demand | 33.8 | 51.4 | 43.2 | 36.7 | 34.8 | 33.7 | 34.4 | 33.5 | 35.2 | 36.1 | 32.1 |
| Individuals, partnerships, and corporations—time | 33.1 | 22.3 | 34.3 | 42.2 | 44.3 | 45.3 | 43.8 | 41.8 | 36.3 | 29.1 | 23.3 |
| U.S. Government | 1.0 | .4 | .6 | .8 | 1.1 | 1.2 | .9 | .9 | 1.0 | 1.1 | 1.0 |
| States and subdivisions | 5.8 | 9.3 | 9.2 | 8.5 | 8.2 | 7.6 | 6.8 | 7.5 | 6.9 | 7.3 | 3.4 |
| Domestic interbank | 5.0 | .4 | .3 | .3 | .3 | .6 | 1.3 | 2.5 | 5.1 | 6.8 | 8.0 |
| Foreign government and bank | 1.4 | .0 | .0 | .0 | .0 | .0 | .0 | .2 | .1 | .3 | 3.5 |
| Other deposits | 2.2 | .4 | .5 | .6 | .8 | .9 | 1.0 | 1.2 | 1.1 | 1.1 | 4.0 |
| Federal funds purchased (borrowed) [3] | 2.8 | .0 | .0 | .0 | .1 | .2 | .3 | .9 | 2.1 | 4.9 | 4.7 |
| Other liabilities for borrowed money | .6 | .0 | .0 | .1 | .1 | .1 | .2 | .3 | .4 | 1.1 | 1.1 |
| Other liabilities [4] | 5.6 | .4 | .7 | .9 | 1.4 | 2.0 | 2.7 | 2.8 | 3.2 | 3.4 | 10.5 |
| Reserves on loans and securities | 1.1 | .3 | .6 | .7 | .9 | .8 | 1.1 | 1.0 | 1.1 | 1.1 | 1.4 |
| Capital notes and debentures | .4 | .0 | .0 | .0 | .0 | .1 | .2 | .3 | .3 | .7 | .5 |
| Other capital accounts | 7.1 | 15.1 | 10.7 | 9.1 | 8.1 | 7.5 | 7.2 | 7.1 | 7.3 | 6.8 | 6.7 |
| Number of banks | 13,357 | 201 | 1,009 | 3,457 | 3,430 | 3,178 | 1,095 | 476 | 403 | 59 | 49 |

[1] Securities held in trading accounts are included in "Other assets."
[2] Includes securities purchased under agreements to resell.
[3] Includes securities sold under agreements to repurchase.
[4] Includes minority interest in consolidated subsidiaries.

Note: For income and expense data by size of bank, see tables 116 and 117, pp. 281-284. Assets and liabilities (in $000) of all commercial banks by size of bank are contained in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1969 report of income), December 31, 1969.

**Table 111.** PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS OPERATING THROUGHOUT 1969 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969

BANKS GROUPED BY AMOUNT OF DEPOSITS

| Asset, liability, or surplus account item | All banks | Banks with deposits of— Less than $5 million | $5 million to $10 million | $10 million to $25 million | $25 million to $50 million | $50 million to $100 million | $100 million to $500 million | $500 million to $1 billion | $1 billion or more |
|---|---|---|---|---|---|---|---|---|---|
| **Total assets** | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cash and due from banks | 1.2 | 3.7 | 2.5 | 2.1 | 1.8 | 1.7 | 1.3 | .9 | 1.2 |
| Obligations of the U.S. Government, net | 3.8 | 5.6 | 12.5 | 6.8 | 5.7 | 4.3 | 4.0 | 3.6 | 2.9 |
| Valuation reserves | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| Other securities, net | 14.5 | 13.9 | 14.3 | 16.6 | 13.2 | 15.3 | 14.7 | 13.9 | 15.0 |
| Valuation reserves | .1 | .5 | .0 | .1 | .1 | .1 | .1 | .1 | .1 |
| Loans and discounts, net | 78.6 | 75.0 | 69.1 | 73.2 | 78.0 | 77.2 | 78.2 | 79.6 | 79.0 |
| Valuation reserves | .2 | .4 | .1 | .2 | .2 | .2 | .1 | .2 | .2 |
| Real estate loans—total | 76.3 | 68.3 | 64.4 | 68.8 | 73.6 | 74.1 | 75.3 | 77.9 | 77.4 |
| *Secured by farmland* | *.2* | *1.4* | *.8* | *.6* | *.3* | *.1* | *.0* | *.4* | *.0* |
| *Secured by residential properties:* | | | | | | | | | |
| *Insured by FHA* | *22.8* | *10.4* | *6.0* | *8.3* | *11.5* | *15.0* | *21.3* | *25.3* | *26.9* |
| *Guaranteed by VA* | *17.1* | *2.6* | *5.4* | *6.5* | *9.2* | *11.1* | *16.8* | *16.8* | *21.6* |
| *Not insured or guaranteed by FHA or VA* | *26.6* | *49.4* | *43.4* | *46.5* | *44.2* | *39.5* | *28.5* | *24.6* | *18.5* |
| *Secured by other properties* | *9.7* | *4.4* | *8.9* | *7.0* | *8.3* | *8.4* | *8.7* | *10.8* | *10.4* |
| Commercial and industrial loans (including open market paper) | .3 | .2 | .2 | .2 | .4 | .1 | .4 | .2 | .5 |
| Loans to individuals for personal expenditures | 1.5 | 5.0 | 3.5 | 3.3 | 3.0 | 2.4 | 1.8 | 1.1 | 1.0 |
| All other loans (including overdrafts) | .7 | 2.0 | 1.1 | .9 | 1.3 | .8 | .9 | .6 | .4 |
| Other assets | 1.8 | 1.8 | 1.5 | 1.3 | 1.2 | 1.5 | 1.8 | 2.0 | 1.9 |
| **Total liabilities and surplus accounts** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Deposits—total | 91.1 | 91.4 | 90.6 | 90.9 | 91.1 | 90.9 | 91.6 | 91.0 | 90.7 |
| Demand deposits of individuals, partnerships, and corporations | .8 | .4 | .2 | .5 | .8 | .9 | .9 | .7 | .8 |
| Time deposits of individuals, partnerships, and corporations | 90.2 | 90.3 | 89.2 | 90.0 | 89.7 | 89.9 | 90.6 | 90.3 | 89.9 |
| Other deposits | .1 | .7 | 1.2 | .5 | .5 | .2 | .1 | .0 | .0 |
| Miscellaneous liabilities | 1.7 | 1.3 | .7 | .5 | .9 | 1.2 | 1.3 | 1.7 | 2.4 |
| Surplus accounts—total | 7.3 | 7.3 | 8.7 | 8.5 | 8.1 | 7.9 | 7.2 | 7.3 | 7.0 |
| Surplus | 5.1 | 3.6 | 5.2 | 5.0 | 4.7 | 4.7 | 4.9 | 5.3 | 5.4 |
| Undivided profits | 1.5 | 2.4 | 2.6 | 2.7 | 2.4 | 2.5 | 1.7 | 1.4 | .9 |
| Other segregations of surplus | .6 | 1.3 | .8 | .8 | 1.0 | .7 | .6 | .6 | .7 |
| Number of banks | 329 | 9 | 14 | 71 | 62 | 60 | 78 | 26 | 9 |

Note: Dollar amounts of assets and liabilities of all mutual savings banks are shown in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1969 report of income); see table 110 notes.

## Table 112. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969

### BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS

| Ratios (In percent) | All banks | Number of banks with deposits of— | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Less than $1 million | $1 million to $2 million | $2 million to $5 million | $5 million to $10 million | $10 million to $25 million | $25 million to $50 million | $50 million to $100 million | $100 million to $500 million | $500 million to $1 billion | $1 billion or more |
| **Ratios of obligations of States and subdivisions to total assets of—** | | | | | | | | | | | |
| Zero | 988 | 123 | 286 | 375 | 135 | 55 | 13 | 1 | ......... | ......... | ......... |
| More than 0.0 but less than 1.0 | 759 | 37 | 215 | 375 | 87 | 34 | 8 | 2 | 1 | ......... | ......... |
| 1.0 to 2.49 | 805 | 26 | 147 | 426 | 129 | 55 | 14 | 3 | 3 | 1 | 1 |
| 2.5 to 4.99 | 1,220 | 20 | 166 | 530 | 293 | 140 | 40 | 14 | 13 | 2 | 2 |
| 5.0 to 7.49 | 1,364 | 11 | 84 | 451 | 403 | 246 | 90 | 23 | 37 | 10 | 9 |
| 7.5 to 9.99 | 1,777 | 5 | 66 | 404 | 547 | 461 | 134 | 63 | 73 | 11 | 13 |
| 10.0 to 12.49 | 1,763 | 2 | 31 | 301 | 536 | 526 | 176 | 88 | 73 | 16 | 14 |
| 12.5 to 14.99 | 1,606 | 3 | 18 | 220 | 456 | 543 | 189 | 97 | 67 | 8 | 5 |
| 15.0 to 17.49 | 1,251 | 1 | 10 | 153 | 329 | 433 | 163 | 92 | 61 | 5 | 4 |
| 17.5 to 19.99 | 810 | 2 | 10 | 103 | 198 | 295 | 123 | 40 | 36 | 3 | ......... |
| 20.0 to 24.99 | 784 | ......... | 13 | 96 | 215 | 270 | 119 | 36 | 32 | 2 | 1 |
| 25.0 or more | 346 | 1 | 5 | 60 | 106 | 122 | 27 | 17 | 7 | 1 | ......... |
| **Ratios of U.S. Treasury securities to total assets of—** | | | | | | | | | | | |
| Less than 5 | 782 | 14 | 38 | 160 | 182 | 204 | 82 | 38 | 39 | 13 | 12 |
| 5 to 9.99 | 2,220 | 22 | 77 | 328 | 482 | 617 | 296 | 158 | 175 | 33 | 32 |
| 10 to 14.99 | 2,886 | 25 | 122 | 517 | 733 | 813 | 361 | 161 | 138 | 11 | 5 |
| 15 to 19.99 | 2,510 | 22 | 139 | 587 | 735 | 714 | 212 | 67 | 34 | ......... | ......... |
| 20 to 24.99 | 1,854 | 32 | 137 | 549 | 552 | 443 | 92 | 36 | 11 | 2 | ......... |
| 25 to 29.99 | 1,285 | 21 | 142 | 501 | 358 | 213 | 36 | 12 | 2 | ......... | ......... |
| 30 to 34.99 | 762 | 21 | 124 | 331 | 175 | 95 | 11 | 3 | 2 | ......... | ......... |
| 35 to 39.99 | 511 | 32 | 91 | 225 | 113 | 46 | 3 | ......... | 1 | ......... | ......... |
| 40 to 44.99 | 278 | 15 | 61 | 130 | 47 | 23 | 2 | ......... | ......... | ......... | ......... |
| 45 to 49.99 | 166 | 10 | 41 | 70 | 35 | 8 | ......... | 1 | 1 | ......... | ......... |
| 50 or more | 219 | 17 | 79 | 96 | 22 | 4 | 1 | ......... | ......... | ......... | ......... |

## Table 112. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1969 —CONTINUED

### BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS

| Ratios (In percent) | All banks | Number of banks with deposits of— | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Less than $1 million | $1 million to $2 million | $2 million to $5 million | $5 million to $10 million | $10 million to $25 million | $25 million to $50 million | $50 million to $100 million | $100 million to $500 million | $500 million to $1 billion | $1 billion or more |
| **Ratios of loans to total assets of—** | | | | | | | | | | | |
| Less than 20 | 129 | 25 | 31 | 43 | 20 | 7 | 1 | ......... | 2 | ......... | ......... |
| 20 to 24.99 | 137 | 10 | 35 | 50 | 33 | 8 | ......... | 1 | ......... | ......... | ......... |
| 25 to 29.99 | 314 | 23 | 70 | 117 | 66 | 29 | 5 | 4 | ......... | ......... | ......... |
| 30 to 34.99 | 532 | 14 | 66 | 198 | 145 | 89 | 12 | 4 | 4 | ......... | ......... |
| 35 to 39.99 | 941 | 28 | 106 | 328 | 255 | 163 | 34 | 15 | 11 | 1 | ......... |
| 40 to 44.99 | 1,466 | 18 | 151 | 469 | 370 | 324 | 78 | 33 | 22 | ......... | 1 |
| 45 to 49.99 | 2,001 | 31 | 146 | 499 | 523 | 516 | 166 | 70 | 43 | 4 | 3 |
| 50 to 54.99 | 2,447 | 24 | 135 | 561 | 615 | 669 | 210 | 121 | 85 | 19 | 8 |
| 55 to 59.99 | 2,419 | 19 | 139 | 527 | 604 | 627 | 266 | 81 | 115 | 22 | 19 |
| 60 to 64.99 | 1,758 | 18 | 84 | 352 | 446 | 439 | 205 | 100 | 90 | 9 | 15 |
| 65 to 69.99 | 877 | 10 | 48 | 213 | 220 | 227 | 89 | 36 | 28 | 4 | 2 |
| 70 to 74.99 | 321 | 5 | 26 | 86 | 107 | 65 | 19 | 11 | 1 | ......... | 1 |
| 75 or more | 131 | 6 | 14 | 51 | 30 | 17 | 11 | ......... | 2 | ......... | ......... |
| **Ratios of cash and due from banks to total assets of—** | | | | | | | | | | | |
| Less than 5 | 323 | 2 | 31 | 103 | 82 | 66 | 28 | 7 | 4 | ......... | ......... |
| 5.0 to 7.49 | 1,760 | 20 | 124 | 501 | 513 | 412 | 123 | 44 | 23 | ......... | ......... |
| 7.5 to 9.99 | 2,996 | 19 | 189 | 762 | 810 | 830 | 240 | 90 | 54 | 1 | 1 |
| 10.0 to 12.49 | 2,850 | 31 | 206 | 759 | 730 | 719 | 220 | 105 | 68 | 9 | 3 |
| 12.5 to 14.99 | 2,062 | 35 | 141 | 495 | 542 | 483 | 203 | 81 | 61 | 9 | 12 |
| 15.0 to 17.49 | 1,319 | 20 | 121 | 319 | 314 | 284 | 141 | 59 | 48 | 7 | 6 |
| 17.5 to 19.99 | 838 | 27 | 79 | 222 | 190 | 165 | 58 | 38 | 41 | 8 | 10 |
| 20.0 to 24.99 | 840 | 33 | 104 | 195 | 175 | 144 | 65 | 41 | 62 | 12 | 9 |
| 25.0 to 29.99 | 311 | 18 | 33 | 91 | 57 | 50 | 15 | 7 | 24 | 12 | 4 |
| 30.0 or more | 174 | 26 | 23 | 47 | 21 | 27 | 3 | 4 | 18 | 1 | 4 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Ratios of total demand deposits to total deposits of—** | | | | | | | | | | | |
| Less than 25 | 295 | 1 | 11 | 67 | 96 | 87 | 21 | 5 | 7 | ......... | ......... |
| 25 to 29.99 | 641 | 2 | 26 | 179 | 186 | 172 | 48 | 23 | 5 | ......... | ......... |
| 30 to 34.99 | 1,159 | 6 | 54 | 281 | 315 | 320 | 104 | 51 | 23 | 3 | 2 |
| 35 to 39.99 | 1,638 | 5 | 65 | 413 | 455 | 452 | 154 | 56 | 37 | ......... | 1 |
| 40 to 44.99 | 2,051 | 9 | 106 | 525 | 547 | 540 | 174 | 81 | 55 | 6 | 8 |
| 45 to 49.99 | 1,979 | 11 | 136 | 524 | 529 | 496 | 166 | 62 | 50 | 3 | 2 |
| 50 to 54.99 | 1,789 | 23 | 132 | 479 | 455 | 405 | 165 | 67 | 51 | 6 | 6 |
| 55 to 59.99 | 1,385 | 29 | 120 | 353 | 313 | 335 | 117 | 53 | 53 | 5 | 7 |
| 60 to 64.99 | 912 | 21 | 96 | 211 | 234 | 202 | 60 | 36 | 39 | 8 | 5 |
| 65 to 69.99 | 588 | 19 | 66 | 139 | 143 | 91 | 50 | 23 | 34 | 15 | 8 |
| 70 to 79.99 | 541 | 33 | 99 | 161 | 90 | 58 | 29 | 13 | 42 | 10 | 6 |
| 80 to 89.99 | 217 | 25 | 47 | 68 | 39 | 16 | 5 | 5 | 5 | 3 | 4 |
| 90 or more | 278 | 47 | 93 | 94 | 32 | 6 | 3 | 1 | 2 | ......... | ......... |
| **Ratios of total capital accounts to total assets other than cash and due from banks, U.S. Treasury securities, and U.S. Government agency securities of—** | | | | | | | | | | | |
| Less than 7.5 | 432 | ......... | 2 | 18 | 79 | 157 | 97 | 37 | 35 | 1 | 6 |
| 7.5 to 9.99 | 2,941 | 1 | 25 | 262 | 712 | 1,083 | 445 | 199 | 169 | 24 | 21 |
| 10.0 to 12.49 | 3,766 | 3 | 72 | 709 | 1,157 | 1,102 | 379 | 172 | 131 | 23 | 18 |
| 12.5 to 14.99 | 2,371 | 13 | 150 | 765 | 743 | 494 | 111 | 43 | 39 | 9 | 4 |
| 15.0 to 17.49 | 1,364 | 9 | 154 | 599 | 319 | 212 | 39 | 11 | 19 | 2 | ......... |
| 17.5 to 19.99 | 787 | 18 | 113 | 353 | 209 | 66 | 13 | 10 | 5 | ......... | ......... |
| 20.0 to 22.49 | 538 | 21 | 107 | 261 | 102 | 37 | 7 | 1 | 2 | ......... | ......... |
| 22.5 to 24.99 | 327 | 22 | 95 | 157 | 41 | 11 | ......... | ......... | 1 | ......... | ......... |
| 25.0 to 29.99 | 374 | 29 | 107 | 180 | 43 | 8 | 4 | 2 | 1 | ......... | ......... |
| 30.0 to 34.99 | 195 | 24 | 73 | 72 | 19 | 4 | 1 | 1 | 1 | ......... | ......... |
| 35.0 to 39.99 | 113 | 14 | 40 | 54 | 2 | 3 | ......... | ......... | ......... | ......... | ......... |
| 40.0 or more | 265 | 77 | 113 | 64 | 8 | 3 | ......... | ......... | ......... | ......... | ......... |
| **Ratios of total capital accounts to total assets of—** | | | | | | | | | | | |
| Less than 5 | 254 | ......... | 2 | 19 | 52 | 99 | 46 | 21 | 13 | 1 | 1 |
| 5 to 5.99 | 1,064 | 2 | 16 | 132 | 271 | 377 | 145 | 68 | 44 | 2 | 7 |
| 6 to 6.99 | 2,616 | 4 | 60 | 447 | 722 | 810 | 308 | 122 | 110 | 16 | 17 |
| 7 to 7.99 | 3,079 | 7 | 109 | 691 | 859 | 827 | 302 | 141 | 112 | 19 | 12 |
| 8 to 8.99 | 2,301 | 13 | 155 | 626 | 660 | 533 | 160 | 67 | 66 | 14 | 7 |
| 9 to 9.99 | 1,483 | 16 | 147 | 530 | 396 | 263 | 60 | 29 | 33 | 5 | 4 |
| 10 to 10.99 | 984 | 16 | 132 | 391 | 230 | 146 | 41 | 13 | 13 | 1 | 1 |
| 11 to 11.99 | 609 | 30 | 122 | 263 | 109 | 57 | 18 | 6 | 3 | 1 | ......... |
| 12 to 12.99 | 323 | 22 | 65 | 142 | 46 | 31 | 6 | 5 | 6 | ......... | ......... |
| 13 to 14.99 | 354 | 35 | 104 | 127 | 55 | 21 | 6 | 3 | 3 | ......... | ......... |
| 15 to 16.99 | 156 | 25 | 48 | 51 | 20 | 10 | 2 | ......... | ......... | ......... | ......... |
| 17 or more | 250 | 61 | 91 | 75 | 14 | 6 | 2 | 1 | ......... | ......... | ......... |
| Number of banks | 13,473 | 231 | 1,051 | 3,494 | 3,434 | 3,180 | 1,096 | 476 | 403 | 59 | 49 |

# INCOME OF INSURED BANKS



The income data received and published by the Corporation relate to commercial and mutual savings banks insured by the Corporation.

**Commercial banks**

Prior to 1969, reports of income and dividends were submitted to the Federal supervisory agencies on either a cash or an accrual basis. Beginning in 1969, the revised consolidated reports of income are submitted on an accrual basis for banks with assets of $50 million or more (the cutoff figure will be $25 million in 1970). Smaller banks continue to have the option of submitting their reports on a cash or an accrual basis, except that unearned discount on installment loans, and income taxes, must be reported on an accrual basis. For more detail on the method of cash or accrual reporting by banks, and on the inclusion of subsidiaries in consolidated statements of condition and income, refer to page 253 of this report.

Income data are included for all insured banks operating at the end of the respective years, unless indicated otherwise. In addition, appropriate adjustments have been made for banks in operation during part of the year but not at the end of the year.

The Report of Income was revised extensively in 1969. Under "Operating income," more detailed breakdowns of investment income were specified and income from Federal funds transactions was separated from other loan income. However, the overall contents of "Operating income" are not changed significantly from prior years, the principal changes being the consolidation of subsidiaries and conversion to accrual accounting.

Under "Operating expenses," expense of Federal funds transactions is broken out as a separate item; in prior years this item was included under "Interest on borrowed money." "Interest on capital notes and debentures" is included as an operating expense, whereas in prior years it had not been included as a charge against operating earnings or net income. "Provision for loan losses" is included as an operating expense, beginning in 1969. This item covers actual loan losses (charge-offs less recoveries), or an average percentage of loan losses experienced during the previous five years, applied to average loans outstanding in 1969. Newly organized banks and others will also be permitted to determine their loan loss ratio by averaging forward from 1969 or their first year of operation. In prior years, loan losses for most banks (those on a reserve basis) were not charged against operating income or net income. Instead, transfers to loan loss reserves were included as a charge against net income (but not against operating income). Actual losses charged to loan loss reserves were treated as a memorandum item.

The 1969 report includes applicable income taxes for income before securities gains or losses. "Applicable income taxes" is an estimate of the tax liability that a bank would incur if its taxes were based solely on operating income and expenses; that is, if there were no security gains or losses, no extraordinary items, etc.

Beginning in 1969, income from securities gains and losses is reported in total, gross and after taxes, not as separate gain or loss items as in prior years. It is included, along with a subtraction for minority interest in consolidated subsidiaries, before arriving at net income (after taxes).

"Total provision for income taxes" is a memorandum item. It does not necessarily equal the sum of "Applicable income taxes" and the tax effects of security gains or losses and of extraordinary charges or credits. The principal difference is accounted for by the fact that the transfer to reserve for bad debts generally exceeds provision for loan losss and, consequently, tends to reduce tax liability.

In comparing the 1969 report with prior data, certain generalizations are applicable. Because of the inclusion of additional items in "Operating expenses," "Income before taxes or security gains or losses" is understated compared with the current operating income of prior reports. On the other hand, "Net income" for years prior to 1969 tends to be somewhat understated because it includes transfers to bad debt reserves which would generally exceed the provision for loan losses. Table 114 provides several operating ratios which afford comparisons between years prior to 1969 and more recent earnings experience.

Included in the changes in 1969 were the transfer of the tables "Income of insured commercial banks . . . by State" and "Income of insured mutual savings banks . . . by State", which formerly appeared in this report, to the Corporation's publication Assets *and Liabilities, Commercial and Mutual Savings Banks*.

**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 113. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1961-1969**

(Amounts in thousands of dollars)

| Income item | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967[1] | 1968[1] | 1969[1] |
|---|---|---|---|---|---|---|---|---|---|
| **Operating income—total** | **11,069,604** | **12,218,959** | **13,509,713** | **15,024,487** | **16,817,187** | **19,508,414** | **21,781,611** | **25,478,404** | **30,806,805** |
| Interest and fees on loans[2] | 7,008,701 | 7,717,845 | 8,672,315 | 9,785,238 | 11,204,863 | 13,286,400 | 14,646,637 | 17,121,079 | 20,726,664 |
| Income on Federal funds sold and securities purchased under agreements to resell[2] | ... | ... | ... | ... | ... | ... | ... | ... | 811,580 |
| Interest on U.S. Treasury securities | 1,901,732 | 2,093,207 | 2,176,454 | 2,240,389 | 2,224,711 | 2,317,794 | 2,601,900 | 3,004,655 | 2,845,257 |
| Interest and dividends on securities of other U.S. Government agencies and corporations[3] | ... | ... | ... | ... | ... | ... | ... | ... | 551,068 |
| Interest on obligations of States and political subdivisions[3] | ... | ... | ... | ... | ... | ... | ... | ... | 2,215,971 |
| Interest and dividends on other securities[3] | 629,134 | 759,030 | 921,060 | 1,085,334 | 1,285,287 | 1,531,517 | 1,904,886 | 2,376,223 | 134,548 |
| Trust department income | 502,871 | 543,916 | 573,252 | 629,694 | 689,628 | 756,130 | 820,269 | 906,206 | 1,021,900 |
| Service charges on deposit accounts | 630,458 | 681,243 | 728,857 | 781,405 | 842,775 | 915,049 | 987,187 | 1,055,964 | 1,120,196 |
| Other service charges, collection and exchange charges, commissions, and fees | 223,283 | 237,446 | 248,362 | 280,289 | 304,276 | 354,036 | 411,021 | 478,028 | 693,578 |
| Other operating income | 173,425 | 186,272 | 189,413 | 222,138 | 265,647 | 347,488 | 409,711 | 536,249 | 686,043 |
| **Operating expense—total**[4] | **7,440,492** | **8,589,177** | **9,714,980** | **10,897,460** | **12,486,120** | **14,561,852** | **16,553,642** | **19,354,237** | **24,076,791** |
| Salaries and wages of officers and employees | 2,898,830 | 3,073,552 | 3,284,375 | 3,519,062 | 3,762,024 | 4,095,742 | 4,537,896 | 5,101,803 | 5,878,812 |
| Pensions and other employee benefits | 377,494 | 419,098 | 457,033 | 490,732 | 525,692 | 598,768 | 667,345 | 755,744 | 903,469 |
| Interest on deposits | 2,106,645 | 2,845,283 | 3,464,308 | 4,088,061 | 5,070,781 | 6,259,472 | 7,379,863 | 8,681,705 | 9,789,893 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase[5] | ... | ... | ... | ... | ... | ... | ... | ... | 1,205,787 |
| Interest on other borrowed money[5] | 37,997 | 64,325 | 106,517 | 127,277 | 189,519 | 301,768 | 266,476 | 528,986 | 433,120 |
| Interest on capital notes and debentures[4] | ... | ... | ... | ... | ... | ... | ... | ... | 100,742 |
| Occupancy expense of bank premises, net | 510,691 | 555,670 | 608,462 | 670,243 | 731,573 | 802,060 | 873,541 | 970,034 | 1,073,339 |
| Gross occupancy expense | 647,715 | 699,296 | 760,908 | 831,158 | 898,440 | 980,444 | 1,059,785 | 1,173,423 | 1,331,926 |
| Less rental income | 137,024 | 143,626 | 152,446 | 160,915 | 166,867 | 178,384 | 186,244 | 203,389 | 258,587 |
| Furniture and equipment, depreciation, rental costs, servicing, etc. | 224,852 | 267,885 | 311,518 | 362,301 | 411,889 | 458,695 | 533,846 | 631,564 | 773,072 |
| Provision for loan losses[4] | ... | ... | ... | ... | ... | ... | ... | ... | 521,064 |
| Other operating expenses | 1,283,983 | 1,363,364 | 1,482,767 | 1,639,784 | 1,794,642 | 2,045,347 | 2,294,675 | 2,684,401 | 3,397,493 |
| **Income before income taxes and securities gains or losses**[6] | ... | ... | ... | ... | ... | ... | ... | ... | **6,730,014** |
| **Net current operating earnings (old basis)** | **3,629,112** | **3,629,782** | **3,794,733** | **4,127,027** | **4,331,067** | **4,946,562** | **5,227,969** | **6,124,167** | ... |
| **Applicable income taxes**[6] | ... | ... | ... | ... | ... | ... | ... | ... | **2,164,419** |
| **Income before securities gains or losses**[6] | ... | ... | ... | ... | ... | ... | ... | ... | **4,565,595** |
| **Securities gains or losses, net**[6] | ... | ... | ... | ... | ... | ... | ... | ... | **−237,707** |
| Gross | 409,440 | 198,048 | 117,558 | −13,674 | −426 | −392,447 | −4,312 | −438,520 | −512,242 |
| Taxes[6] | ... | ... | ... | ... | ... | ... | ... | ... | −274,535 |
| **Net income before extraordinary items**[6] | ... | ... | ... | ... | ... | ... | ... | ... | **4,327,888** |
| **Extraordinary charges or credits, net**[6] | ... | ... | ... | ... | ... | ... | ... | ... | **6,914** |
| Gross | ... | ... | ... | ... | ... | ... | ... | ... | 3,994 |
| Taxes | ... | ... | ... | ... | ... | ... | ... | ... | −2,920 |
| **Less minority interest in consolidated subsidiaries**[6] | ... | ... | ... | ... | ... | ... | ... | ... | **235** |
| **Net income** | ... | ... | ... | ... | ... | ... | ... | ... | **4,334,567** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Recoveries, charge-offs, transfers from reserves, net** | −636,730 | −567,652 | −532,745 | −681,521 | −786,746 | −839,869 | −904,645 | −992,665 | .......... |
| **Net income before taxes (old basis)** | 3,401,822 | 3,260,178 | 3,379,546 | 3,431,832 | 3,543,895 | 3,714,246 | 4,319,012 | 4,692,982 | .......... |
| **Total provision for income taxes** | 1,406,102 | 1,256,382 | 1,226,783 | 1,148,203 | 1,029,162 | 1,029,906 | 1,177,154 | 1,267,044 | 1,505,336 |
| Federal income taxes | 1,317,292 | 1,159,725 | 1,130,629 | 1,050,624 | 927,423 | 911,585 | 1,020,988 | 1,086,889 | 1,287,514 |
| State and local income taxes | 88,810 | 96,657 | 96,154 | 97,579 | 101,739 | 118,321 | 156,166 | 180,155 | 217,822 |
| **Net income after taxes (old basis)** | 1,995,720 | 2,003,796 | 2,152,763 | 2,283,629 | 2,514,733 | 2,684,340 | 3,141,858 | 3,425,938 | .......... |
| **Dividends on capital—total** [7] | 895,053 | 941,189 | 993,374 | 1,088,310 | 1,202,349 | 1,307,387 | 1,426,202 | 1,589,114 | 1,769,314 |
| Cash dividends declared on common stock | 893,230 | 939,426 | 990,039 | 1,062,561 | 1,146,186 | 1,240,048 | 1,342,538 | 1,488,670 | 1,762,279 |
| Cash dividends declared on preferred stock [7] | 1,823 | 1,763 | 3,335 | 25,749 | 56,163 | 67,339 | 83,664 | 100,444 | 7,035 |
| **Memoranda** | | | | | | | | | |
| Recoveries credited to reserves (not included above): | | | | | | | | | |
| On loans | 73,844 | 84,863 | 96,897 | 157,791 | 124,062 | 143,859 | 168,680 | 219,115 | 209,124 |
| On securities | 9,911 | 4,714 | 6,216 | 4,515 | 4,158 | 3,300 | 5,638 | 1,913 | 1,986 |
| Losses charged to reserves (not included above): | | | | | | | | | |
| On loans | 249,500 | 238,825 | 323,475 | 394,181 | 429,490 | 545,647 | 601,194 | 629,707 | 697,874 |
| On securities | 22,463 | 16,305 | 17,314 | 43,683 | 25,761 | 60,282 | 29,072 | 32,262 | 12,448 |
| **Average assets and liabilities** [8] | | | | | | | | | |
| **Assets—total** | 256,598,531 | 276,869,632 | 301,861,288 | 328,756,207 | 360,944,351 | 391,255,121 | 425,619,337 | 473,138,013 | 516,325,483 |
| Cash and due from banks | 46,613,211 | 49,438,670 | 50,997,566 | 54,449,343 | 59,013,596 | 62,867,398 | 70,248,679 | 78,504,024 | 86,663,384 |
| United States Treasury securities | 61,792,135 | 64,519,914 | 64,058,431 | 61,439,390 | 59,419,551 | 56,088,649 | 57,357,584 | 61,545,807 | 56,724,083[10] |
| Obligations of States and political subdivisions [9] | .......... | .......... | .......... | .......... | .......... | .......... | .......... | .......... | 58,011,200[10] |
| Other securities [9] | 21,660,321 | 25,761,084 | 31,421,875 | 36,360,062 | 41,540,772 | 47,054,812 | 55,213,293 | 65,318,374 | 11,839,130[10] |
| Loans and discounts | 120,370,317 | 130,437,964 | 147,948,743 | 168,082,284 | 191,391,533 | 214,381,628 | 230,636,149 | 253,678,319 | 283,479,251 |
| All other assets | 6,162,547 | 6,712,000 | 7,434,673 | 8,425,128 | 9,578,899 | 10,862,634 | 12,163,632 | 14,091,489 | 19,608,435[10] |
| **Liabilities and capital—total** | 256,598,531 | 276,869,632 | 301,861,288 | 328,756,207 | 360,944,351 | 391,255,121 | 425,619,337 | 473,138,013 | 516,325,483 |
| Total deposits | 225,214,703 | 243,319,550 | 264,069,489 | 287,988,560 | 315,643,533 | 340,336,714 | 368,906,501 | 407,508,260 | 431,468,339 |
| *Demand deposits* | *147,556,175* | *153,849,494* | *159,561,973* | *168,382,122* | *178,089,360* | *185,336,407* | *194,982,924* | *213,628,389* | *230,490,525* |
| *Time and savings deposits* | *77,658,528* | *89,470,056* | *104,507,516* | *119,606,438* | *137,554,173* | *155,000,307* | *173,923,577* | *193,879,871* | *200,977,814* |
| Borrowings and other liabilities | 10,094,841 | 10,846,274 | 13,507,899 | 14,376,273 | 16,479,957 | 20,067,721 | 23,836,162 | 30,297,605 | 46,642,486 |
| Total capital accounts | 21,288,987 | 22,703,808 | 24,283,900 | 26,391,374 | 28,820,861 | 30,850,686 | 32,876,674 | 35,332,148 | 38,214,658 |
| Number of employees (end of period) | 633,380 | 656,153 | 648,967 | 702,658 | 732,163 | 777,361 | 815,037 | 866,725 | 904,008 |
| Number of banks (end of period) | 13,115 | 13,124 | 13,291 | 13,493 | 13,547 | 13,541 | 13,517 | 13,488 | 13,473 |

[1] Figures before 1969 may differ slightly from those published by the Board of Governors of the Federal Reserve System and the Comptroller of the Currency because of differences in rounding techniques. Revisions in Report of Income in 1969 are discussed on pp. 274-275; also see notes to tables.

[2] "Income on Federal funds sold" was included in "Interest and discount on loans" in 1968 and prior years (see 1968 report, p. 198).

[3] Income from "Securities of other U.S. Government agencies and corporations" and from "Obligations of States and political subdivisions" were included in income from "Other securities" in 1968 and prior years.

[4] "Interest on capital notes and debentures" and "Provision for loan losses" not included in "Operating expense—total" in 1968 and prior years.

[5] "Expense of federal funds purchased and securities sold under agreements to repurchase" were included in "Interest on borrowed money" in 1968 and prior years.

[6] Data are not available prior to 1969. See p. 275 of this report.

[7] In 1968 and prior years, "Dividends declared on preferred stock" was reported in combination with "Interest on capital notes and debentures."

[8] For 1964-1969, 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, midyear, and year-end calls. 1961-1968 averages of securities and loans have been revised to a gross basis.

[9] In 1968 and prior years, "Obligations of States and political subdivisions" were included in "Other securities."

[10] Securities held in trading accounts are included in "All other assets."

**Table 114.** RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1961-1969

| Income item | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|---|---|---|---|---|---|---|---|---|---|
| **Amounts per $100 of operating income** | | | | | | | | | |
| **Operating income—total** | $100.00 | $100.00 | $100.00 | $100.00 | $100.00 | $100.00 | $100.00 | $100.00 | $100.00 |
| Income on loans [1] | 63.31 | 63.16 | 64.19 | 65.13 | 66.63 | 68.11 | 67.24 | 67.20 | 69.91 |
| Interest on U.S. Treasury securities [2] | 17.18 | 17.13 | 16.11 | 14.91 | 13.23 | 11.88 | 11.95 | 11.79 | 9.23 |
| Interest on State and local government obligations [2] | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | 7.19 |
| Interest and dividends on other securities [2] | 5.68 | 6.21 | 6.82 | 7.22 | 7.64 | 7.85 | 8.74 | 9.33 | 2.23 |
| Trust department income | 4.54 | 4.45 | 4.24 | 4.19 | 4.10 | 3.88 | 3.77 | 3.56 | 3.32 |
| Service charges on deposit accounts | 5.70 | 5.58 | 5.39 | 5.20 | 5.01 | 4.69 | 4.53 | 4.14 | 3.64 |
| Other charges, commissions, fees, etc. | 2.02 | 1.94 | 1.84 | 1.87 | 1.81 | 1.81 | 1.89 | 1.88 | 2.25 |
| Other operating income | 1.57 | 1.53 | 1.41 | 1.48 | 1.58 | 1.78 | 1.88 | 2.10 | 2.23 |
| **Operating expense—total** [3] | 67.22 | 70.29 | 71.91 | 72.53 | 74.25 | 74.64 | 76.00 | 75.96 | 78.15 |
| Salaries and wages | 26.19 | 25.15 | 24.31 | 23.42 | 22.37 | 20.99 | 20.83 | 20.02 | 19.08 |
| Pensions and other benefits | 3.41 | 3.43 | 3.38 | 3.27 | 3.13 | 3.07 | 3.07 | 2.97 | 2.93 |
| Interest on time and savings deposits | 19.03 | 23.28 | 25.64 | 27.21 | 30.15 | 32.09 | 33.88 | 34.07 | 31.78 |
| Interest on borrowed money [3] | .34 | .53 | .79 | .85 | 1.13 | 1.55 | 1.22 | 2.08 | 5.65 |
| Occupancy expense of bank premises, net | 4.61 | 4.55 | 4.50 | 4.46 | 4.35 | 4.11 | 4.01 | 3.81 | 3.48 |
| Furniture and equipment, etc. | 2.03 | 2.19 | 2.31 | 2.41 | 2.45 | 2.35 | 2.45 | 2.48 | 2.51 |
| Provision for loan losses [3] | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | 1.69 |
| Other operating expenses | 11.61 | 11.16 | 10.98 | 10.91 | 10.67 | 10.48 | 10.54 | 10.53 | 11.03 |
| **Income before income taxes and securities gains or losses** | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | 21.85 |
| **Net current operating earnings (old basis)** | 32.78 | 29.71 | 28.09 | 27.47 | 25.75 | 25.36 | 24.00 | 24.04 | ....... |
| **Amounts per $100 of total assets** | | | | | | | | | |
| Operating income—total | 4.31 | 4.41 | 4.48 | 4.57 | 4.66 | 4.99 | 5.12 | 5.38 | 5.97 |
| Net current operating earnings (old basis) | 1.41 | 1.31 | 1.26 | 1.26 | 1.20 | 1.26 | 1.23 | 1.29 | ....... |
| Income before income taxes and securities gains or losses | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | 1.30 |
| Net income [4] | .78 | .72 | .71 | .69 | .70 | .69 | .74 | .72 | .84 |
| **Amounts per $100 of total capital accounts** | | | | | | | | | |
| Net income [4] | 9.37 | 8.83 | 8.86 | 8.65 | 8.73 | 8.70 | 9.56 | 9.70 | 11.34 |
| Cash dividends declared on common stock | 4.20 | 4.14 | 4.08 | 4.03 | 3.98 | 4.02 | 4.08 | 4.21 | 4.61 |
| Net additions to capital from income | 5.17 | 4.68 | 4.77 | 4.53 | 4.56 | 4.46 | 5.22 | 5.20 | 6.71 |
| **Special ratios** | | | | | | | | | |
| Income on loans per $100 of loans [1] | 5.82 | 5.92 | 5.86 | 5.82 | 5.85 | 6.20 | 6.35 | 6.75 | 7.60 |
| Income on U.S. Treasury securities per $100 of U.S. Treasury securities | 3.08 | 3.24 | 3.40 | 3.65 | 3.74 | 4.13 | 4.54 | 4.88 | 5.02 |
| Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions [2] | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | 3.82 |
| Income on other securities per $100 of other securities [2] | 2.90 | 2.95 | 2.93 | 2.98 | 3.09 | 3.25 | 3.45 | 3.64 | 5.79 |
| Service charges per $100 of demand deposits | .43 | .44 | .46 | .46 | .47 | .49 | .51 | .49 | .49 |
| Interest paid per $100 of time and savings deposits | 2.71 | 3.18 | 3.31 | 3.42 | 3.69 | 4.04 | 4.24 | 4.48 | 4.87 |
| Number of banks, December 31 | 13,115 | 13,124 | 13,291 | 13,493 | 13,547 | 13,541 | 13,517 | 13,488 | 13,473 |

[1] Includes Federal funds sold.

[2] "Interest on State and local government obligations" included in "Interest and dividends on other securities" in 1968 and prior years. Income from securities held in trading accounts is included in "Other operating income.

[3] "Interest on capital notes and debentures," which is included in "Interest on borrowed money" in 1969, and "Provision for loan losses" were not included in "Operating expenses—total" in 1968 and prior years.

[4] Because of changes in the form of reporting by banks, figure in 1969 is not fully comparable with those in 1968 and prior years; see table 113 and p. 275.

**Table 115.** INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1969

BANKS GROUPED BY CLASS OF BANK

(Amounts in thousands of dollars)

| Income item | Total | Members F.R. System | | Non-members F.R. System | Operating throughout the year | Operating less than full year |
|---|---|---|---|---|---|---|
| | | National | State | | | |
| **Operating income—total** | **30,806,805** | **18,221,202** | **6,777,570** | **5,808,033** | **30,794,517** | **12,288** |
| Interest and fees on loans | 20,726,664 | 12,492,556 | 4,615,033 | 3,619,075 | 20,721,529 | 5,135 |
| Income on Federal funds sold and securities purchased under agreements to resell | 811,580 | 473,181 | 176,714 | 161,685 | 808,250 | 3,330 |
| Interest on U.S. Treasury securities | 2,845,257 | 1,524,702 | 516,895 | 803,660 | 2,843,503 | 1,754 |
| Interest and dividends on securities of other U.S. Government agencies and corporations | 551,068 | 264,166 | 58,012 | 228,890 | 550,147 | 921 |
| Interest on obligations of States and political subdivisions | 2,215,971 | 1,302,223 | 492,965 | 420,783 | 2,215,860 | 111 |
| Interest and dividends on other securities | 134,548 | 81,591 | 24,436 | 28,521 | 134,469 | 79 |
| Trust department income | 1,021,900 | 562,368 | 409,803 | 49,729 | 1,021,900 | .......... |
| Service charges on deposit accounts | 1,120,196 | 659,101 | 176,623 | 284,472 | 1,119,676 | 520 |
| Other service charges, collection and exchange charges, commissions, and fees | 693,578 | 426,787 | 130,489 | 136,302 | 693,396 | 182 |
| Other operating income | 686,043 | 434,527 | 176,600 | 74,916 | 685,787 | 256 |
| **Operating expense—total** | **24,076,791** | **14,305,999** | **5,224,946** | **4,545,846** | **24,063,228** | **13,563** |
| Salaries and wages of officers and employees | 5,878,812 | 3,402,598 | 1,288,496 | 1,187,718 | 5,874,615 | 4,197 |
| Pensions and other employee benefits | 903,469 | 529,968 | 219,217 | 154,284 | 903,120 | 349 |
| Interest on deposits | 9,789,893 | 6,036,219 | 1,850,151 | 1,903,523 | 9,787,787 | 2,106 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 1,205,787 | 777,062 | 400,133 | 28,592 | 1,205,749 | 38 |
| Interest on other borrowed money | 433,120 | 255,791 | 162,704 | 14,625 | 432,987 | 133 |
| Interest on capital notes and debentures | 100,742 | 56,282 | 32,769 | 11,691 | 100,742 | .......... |
| Occupancy expense of bank premises, net | 1,073,339 | 618,849 | 248,405 | 206,085 | 1,072,221 | 1,118 |
| Gross occupancy expense | 1,331,926 | 786,911 | 305,852 | 239,163 | 1,330,723 | 1,203 |
| Less rental income | 258,587 | 168,062 | 57,447 | 33,078 | 258,502 | 85 |
| Furniture and equipment, depreciation, rental costs, servicing, etc | 773,072 | 467,453 | 148,056 | 157,563 | 772,462 | 610 |
| Provision for loan losses | 521,064 | 296,201 | 85,054 | 139,809 | 520,720 | 344 |
| Other operating expenses | 3,397,493 | 1,865,576 | 789,961 | 741,956 | 3,392,825 | 4,668 |
| **Income before income taxes and securities gains or losses** | **6,730,014** | **3,915,203** | **1,552,624** | **1,262,187** | **6,731,289** | **−1,275** |
| **Applicable income taxes** | **2,164,419** | **1,259,107** | **554,319** | **350,993** | **2,164,133** | **286** |
| **Income before securities gains or losses** | **4,565,595** | **2,656,096** | **998,305** | **911,194** | **4,567,156** | **−1,561** |
| **Net securities gains or losses** | −237,707 | −125,716 | −83,387 | −28,604 | −237,713 | 6 |
| Gross | −512,242 | −281,775 | −178,516 | −51,951 | −512,248 | 6 |
| Taxes | −274,535 | −156,059 | −95,129 | −23,347 | −274,535 | .......... |

**Table 115.** INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1969

BANKS GROUPED BY CLASS OF BANK—CONTINUED

(Amounts in thousands of dollars)

| Income item | Total | Members F.R. System | | Non-members F.R. System | Operating throughout the year | Operating less than full year |
|---|---|---|---|---|---|---|
| | | National | State | | | |
| **Net income before extraordinary items** | **4,327,888** | **2,530,380** | **914,918** | **882,590** | **4,329,443** | **—1,555** |
| **Extraordinary charges or credits, net** | 6,914 | 3,935 | 1,549 | 1,430 | 6,960 | —46 |
| Gross | 3,994 | 1,192 | 1,192 | 1,610 | 4,061 | —67 |
| Taxes | —2,920 | —2,743 | —357 | 180 | —2,899 | —21 |
| **Less minority interest in consolidated subsidiaries** | 235 | 36 | 12 | 187 | 235 | .......... |
| **Net income** | **4,334,567** | **2,534,279** | **916,455** | **883,833** | **4,336,168** | **—1,601** |
| **Total provision for income taxes** | 1,505,336 | 830,698 | 385,286 | 289,352 | 1,505,112 | 224 |
| Federal income taxes | 1,287,514 | 714,706 | 310,739 | 262,069 | 1,287,293 | 221 |
| State and local income taxes | 217,822 | 115,992 | 74,547 | 27,283 | 217,819 | 3 |
| **Dividends on capital—total** | 1,769,314 | 1,068,095 | 455,307 | 245,912 | 1,769,289 | 25 |
| Cash dividends declared on common stock | 1,762,279 | 1,063,666 | 453,185 | 245,428 | 1,762,254 | 25 |
| Cash dividends declared on preferred stock | 7,035 | 4,429 | 2,122 | 484 | 7,035 | .......... |
| **Memoranda** | | | | | | |
| Recoveries credited to reserves (not included above): | | | | | | |
| On loans | 209,124 | 135,094 | 32,461 | 41,569 | 209,124 | .......... |
| On securities | 1,986 | 733 | 373 | 880 | 1,986 | .......... |
| Losses charged to reserves (not included above): | | | | | | |
| On loans | 697,874 | 436,281 | 108,338 | 153,255 | 697,855 | 19 |
| On securities | 12,448 | 5,173 | 808 | 6,467 | 12,448 | .......... |
| Number of Employees (end of period) | 904,008 | 520,058 | 183,441 | 200,509 | 902,762 | 1,246 |
| Number of banks (end of period) | 13,473 | 4,669 | 1,201 | 7,603 | 13,357 | 116 |

Note: The Report of Income was revised extensively in 1969; the changes are outlined on pp. 274-275, and in notes to tables.

**Table 116.** INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1969 IN THE UNITED STATES (STATES AND OTHER AREAS)

BANKS GROUPED BY AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

| Income item | All banks [1] | Banks with deposits of— | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Less than $1 million | $1 million to $2 million | $2 million to $5 million | $5 million to $10 million | $10 million to $25 million | $25 million to $50 million | $50 million to $100 million | $100 million to $500 million | $500 million to $1 billion | $1 billion or more |
| **Operating income—total** | **30,794,517** | **10,203** | **101,380** | **759,260** | **1,595,039** | **3,199,271** | **2,522,591** | **2,223,385** | **5,851,279** | **2,966,656** | **11,565,453** |
| Interest and fees on loans | 20,721,529 | 5,280 | 56,290 | 439,355 | 949,639 | 1,955,386 | 1,595,668 | 1,430,056 | 3,911,717 | 2,063,099 | 8,315,039 |
| Income on Federal funds sold and securities purchased under agreements to resell | 808,250 | 237 | 1,862 | 20,157 | 54,711 | 112,088 | 84,136 | 60,446 | 139,096 | 58,031 | 277,486 |
| Interest on U.S. Treasury securities | 2,843,503 | 2,641 | 25,418 | 159,679 | 273,656 | 456,548 | 297,415 | 240,061 | 530,687 | 206,062 | 651,336 |
| Interest and dividends on securities of other U.S. Government agencies and corporations | 550,147 | 934 | 7,210 | 46,103 | 73,711 | 120,150 | 82,499 | 64,176 | 83,923 | 23,642 | 47,799 |
| Interest on obligations of States and political subdivisions | 2,215,860 | 119 | 2,076 | 32,142 | 103,866 | 251,739 | 207,472 | 196,023 | 468,329 | 227,717 | 726,377 |
| Interest and dividends on other securities | 134,469 | 116 | 583 | 3,558 | 6,030 | 15,328 | 9,918 | 9,286 | 29,014 | 12,301 | 48,335 |
| Trust department income | 1,021,900 | 1 | 4 | 495 | 2,409 | 16,839 | 33,497 | 43,093 | 217,588 | 147,555 | 560,419 |
| Service charges on deposit accounts | 1,119,676 | 414 | 3,886 | 31,426 | 79,401 | 175,922 | 129,634 | 98,154 | 233,447 | 91,485 | 275,907 |
| Other service charges, collection and exchange charges, commissions, and fees | 693,396 | 331 | 2,837 | 18,925 | 35,959 | 62,873 | 51,696 | 52,244 | 142,233 | 80,330 | 245,968 |
| Other operating income | 685,787 | 130 | 1,214 | 7,420 | 15,657 | 32,398 | 30,656 | 29,846 | 95,245 | 56,434 | 416,787 |
| **Operating expense—total** | **24,063,228** | **7,987** | **77,834** | **591,289** | **1,244,906** | **2,501,874** | **1,967,457** | **1,754,316** | **4,508,250** | **2,276,905** | **9,132,410** |
| Salaries and wages of officers and employees | 5,874,615 | 3,441 | 28,026 | 177,170 | 331,898 | 625,611 | 492,430 | 435,532 | 1,182,862 | 570,099 | 2,027,546 |
| Pensions and other employee benefits | 903,120 | 273 | 2,269 | 16,715 | 38,404 | 79,859 | 68,719 | 63,211 | 190,823 | 92,889 | 349,958 |
| Interest on deposits | 9,787,787 | 1,744 | 26,598 | 243,852 | 536,645 | 1,100,962 | 846,009 | 751,129 | 1,725,148 | 780,149 | 3,775,551 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 1,205,749 | 0 | 11 | 285 | 1,082 | 6,119 | 10,261 | 23,810 | 167,661 | 188,645 | 807,875 |
| Interest on other borrowed money | 432,987 | 21 | 83 | 780 | 1,587 | 5,103 | 5,902 | 10,657 | 35,361 | 53,256 | 320,237 |
| Interest on capital notes and debentures | 100,742 | 0 | 18 | 135 | 471 | 3,199 | 4,367 | 5,288 | 16,953 | 15,361 | 54,950 |
| Occupancy expense of bank premises, net | 1,072,221 | 411 | 2,869 | 22,333 | 51,795 | 111,129 | 92,467 | 83,413 | 219,259 | 104,778 | 383,767 |
| Gross occupancy expense | 1,330,723 | 433 | 3,062 | 24,126 | 55,516 | 122,293 | 108,702 | 105,266 | 290,701 | 143,301 | 477,323 |
| Less rental income | 258,502 | 22 | 193 | 1,793 | 3,721 | 11,164 | 16,235 | 21,853 | 71,442 | 38,523 | 93,556 |
| Furniture and equipment, depreciation, rental costs, servicing, etc. | 772,462 | 204 | 2,168 | 17,914 | 40,613 | 84,247 | 69,710 | 66,797 | 190,912 | 88,009 | 211,888 |
| Provision for loan losses | 520,720 | 270 | 2,756 | 17,540 | 43,483 | 79,218 | 56,667 | 43,721 | 93,364 | 39,696 | 144,005 |
| Other operating expenses | 3,392,825 | 1,623 | 13,036 | 94,565 | 198,928 | 406,427 | 320,925 | 270,758 | 685,907 | 344,023 | 1,056,633 |
| **Income before income taxes and securities gains or losses** | **6,731,289** | **2,216** | **23,546** | **167,971** | **350,133** | **697,397** | **555,134** | **469,069** | **1,343,029** | **689,751** | **2,433,043** |
| **Applicable income taxes** | **2,164,133** | **460** | **4,831** | **38,346** | **88,736** | **190,737** | **169,648** | **138,248** | **441,734** | **237,715** | **853,678** |

**Table 116.** INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1969 IN THE UNITED STATES (STATES AND OTHER AREAS)—CONTINUED

BANKS GROUPED BY AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

| Income item | All banks[1] | Banks with deposits of— Less than $1 million | $1 million to $2 million | $2 million to $5 million | $5 million to $10 million | $10 million to $25 million | $25 million to $50 million | $50 million to $100 million | $100 million to $500 million | $500 million to $1 billion | $1 billion or more |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income before securities gains or losses** | 4,567,156 | 1,756 | 18,715 | 129,625 | 261,397 | 506,660 | 385,486 | 330,821 | 901,295 | 452,036 | 1,579,365 |
| **Securities gains or losses, net** | −237,713 | −21 | −543 | −4,775 | −10,147 | −14,750 | −12,885 | −11,501 | −37,630 | −15,711 | −129,750 |
| Gross | −512,248 | −25 | −642 | −6,175 | −15,078 | −26,759 | −27,328 | −24,878 | −85,142 | −35,152 | −291,069 |
| Taxes | −274,535 | −4 | −99 | −1,400 | −4,931 | −12,009 | −14,443 | −13,377 | −47,512 | −19,441 | −161,319 |
| **Net income before extraordinary items** | 4,329,443 | 1,735 | 18,172 | 124,850 | 251,250 | 491,910 | 372,601 | 319,320 | 863,665 | 436,325 | 1,449,615 |
| **Extraordinary charges or credits, net** | 6,960 | 3 | 31 | 36 | 80 | 509 | 2,826 | 653 | 4,101 | −687 | −592 |
| Gross | 4,061 | 5 | 25 | 86 | 199 | 624 | 2,995 | −260 | 3,625 | −2,071 | −1,167 |
| Taxes | −2,899 | 2 | −6 | 50 | 119 | 115 | 169 | −913 | −476 | −1,384 | −575 |
| **Less minority interest in consolidated subsidiaries** | 235 | 0 | 9 | 9 | 27 | 53 | −7 | 5 | 156 | −17 | 0 |
| **Net income** | 4,336,168 | 1,738 | 18,194 | 124,877 | 251,303 | 492,366 | 375,434 | 319,968 | 867,610 | 435,655 | 1,449,023 |
| **Total provision for income taxes** | 1,505,112 | 328 | 3,872 | 32,975 | 74,560 | 160,001 | 135,406 | 105,347 | 336,795 | 175,303 | 480,525 |
| Federal income taxes | 1,287,293 | 300 | 3,513 | 30,112 | 68,923 | 147,692 | 124,581 | 96,775 | 305,977 | 155,602 | 353,818 |
| State and local income taxes | 217,819 | 28 | 359 | 2,863 | 5,637 | 12,309 | 10,825 | 8,572 | 30,818 | 19,701 | 126,707 |
| **Dividends on capital—total** | 1,769,289 | 401 | 4,920 | 31,215 | 62,072 | 129,556 | 112,460 | 103,649 | 349,889 | 198,251 | 776,876 |
| Cash dividends declared on common stock | 1,762,254 | 396 | 4,920 | 31,200 | 62,013 | 129,287 | 112,282 | 103,526 | 349,292 | 197,400 | 771,938 |
| Cash dividends declared on preferred stock | 7,035 | 5 | 0 | 15 | 59 | 269 | 178 | 123 | 597 | 851 | 4,938 |
| **Memoranda** | | | | | | | | | | | |
| Recoveries credited to reserves (not included above): | | | | | | | | | | | |
| On loans | 209,124 | 40 | 638 | 6,602 | 16,632 | 31,042 | 20,687 | 17,889 | 35,570 | 15,491 | 64,533 |
| On securities | 1,986 | 0 | 10 | 60 | 196 | 199 | 355 | 210 | 678 | 278 | 0 |
| Losses charged to reserves (not included above): | | | | | | | | | | | |
| On loans | 697,855 | 129 | 2,092 | 20,349 | 50,644 | 96,242 | 68,820 | 59,347 | 136,218 | 61,036 | 202,978 |
| On securities | 12,448 | 1 | 42 | 141 | 494 | 1,339 | 1,563 | 197 | 1,214 | 5,466 | 1,991 |
| Number of employees (end of period) | 902,762 | 743 | 5,138 | 29,090 | 54,969 | 105,119 | 83,313 | 72,053 | 190,812 | 82,705 | 278,820 |
| Number of banks (end of period) | 13,357 | 201 | 1,009 | 3,457 | 3,430 | 3,178 | 1,095 | 476 | 403 | 59 | 49 |

[1] This group of banks is the same as the group shown in table 115 under the heading "Operating throughout the year."

**Table 117. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1969 IN THE UNITED STATES (STATES AND OTHER AREAS)**[1]

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

| Income item | Banks with deposits of— | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Less than $1 million | $1 million to $2 million | $2 million to $5 million | $5 million to $10 million | $10 million to $25 million | $25 million to $50 million | $50 million to $100 million | $100 million to $500 million | $500 million to $1 billion | $1 billion or more |
| **Amounts per $100 of operating income** | | | | | | | | | | |
| **Operating income—total** | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Income on loans[2] | 54.07 | 57.36 | 60.52 | 62.97 | 64.62 | 66.59 | 67.04 | 69.23 | 71.50 | 74.29 |
| Interest on U.S. Treasury securities[3] | 25.89 | 25.07 | 21.03 | 17.16 | 14.27 | 11.79 | 10.80 | 9.07 | 6.95 | 5.63 |
| Interest on State and local government obligations[3] | 1.17 | 2.05 | 4.23 | 6.51 | 7.87 | 8.22 | 8.82 | 8.00 | 7.68 | 6.28 |
| Interest and dividends on other securities[3] | 10.29 | 7.69 | 6.54 | 5.00 | 4.23 | 3.66 | 3.30 | 1.93 | 1.21 | .83 |
| Trust department income | .01 | .00 | .07 | .15 | .53 | 1.33 | 1.94 | 3.72 | 4.97 | 4.85 |
| Service charges on deposit accounts | 4.06 | 3.83 | 4.14 | 4.98 | 5.50 | 5.14 | 4.41 | 3.99 | 3.08 | 2.39 |
| Other charges, commissions, fees, etc. | 3.24 | 2.80 | 2.49 | 2.25 | 1.97 | 2.05 | 2.35 | 2.43 | 2.71 | 2.13 |
| Other operating income[3] | 1.27 | 1.20 | .98 | .98 | 1.01 | 1.22 | 1.34 | 1.63 | 1.90 | 3.60 |
| **Operating expense—total** | 78.28 | 76.77 | 77.88 | 78.05 | 78.20 | 77.99 | 78.90 | 77.05 | 76.75 | 78.96 |
| Salaries and wages | 33.72 | 27.64 | 23.33 | 20.81 | 19.56 | 19.52 | 19.59 | 20.22 | 19.22 | 17.53 |
| Pensions and other benefits | 2.67 | 2.24 | 2.20 | 2.41 | 2.50 | 2.72 | 2.84 | 3.26 | 3.13 | 3.03 |
| Interest on time and savings deposits | 17.09 | 26.23 | 32.12 | 33.64 | 34.41 | 33.54 | 33.78 | 29.48 | 26.30 | 32.64 |
| Interest on borrowed money | .21 | .11 | .16 | .20 | .45 | .81 | 1.79 | 3.76 | 8.67 | 10.23 |
| Occupancy expense of bank premises, net | 4.03 | 2.83 | 2.94 | 3.25 | 3.47 | 3.67 | 3.75 | 3.75 | 3.53 | 3.32 |
| Furniture and equipment, etc. | 2.00 | 2.14 | 2.36 | 2.55 | 2.63 | 2.76 | 3.00 | 3.26 | 2.97 | 1.83 |
| Provision for loan losses | 2.65 | 2.72 | 2.31 | 2.72 | 2.48 | 2.25 | 1.97 | 1.60 | 1.34 | 1.24 |
| Other operating expenses | 15.91 | 12.86 | 12.46 | 12.47 | 12.70 | 12.72 | 12.18 | 11.72 | 11.59 | 9.14 |
| **Income before income taxes and securities gains or losses** | 21.72 | 23.23 | 22.12 | 21.95 | 21.80 | 22.01 | 21.10 | 22.95 | 23.25 | 21.04 |
| **Amounts per $100 of total assets** | | | | | | | | | | |
| Operating income—total | 5.62 | 5.69 | 5.72 | 5.77 | 5.85 | 5.94 | 5.91 | 5.97 | 5.82 | 5.73 |
| Income before income taxes and securities gains or losses | 1.22 | 1.32 | 1.26 | 1.27 | 1.27 | 1.31 | 1.25 | 1.37 | 1.35 | 1.20 |
| Net income | .96 | 1.02 | .94 | .91 | .90 | .88 | .85 | .88 | .85 | .72 |
| **Memoranda** | | | | | | | | | | |
| Recoveries credited to reserves (not included above): | | | | | | | | | | |
| On loans | .02 | .04 | .05 | .06 | .06 | .05 | .05 | .04 | .03 | .03 |
| On securities | ...... | [5] | [5] | [5] | [5] | [5] | [5] | [5] | [5] | ...... |
| Losses charged to reserves (not included above): | | | | | | | | | | |
| On loans | .07 | .12 | .15 | .18 | .18 | .16 | .16 | .14 | .12 | .10 |
| On securities | [5] | [5] | [5] | [5] | [5] | [5] | [5] | [5] | .01 | [5] |

**Table 117.** RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1969 IN THE UNITED STATES (STATES AND OTHER AREAS)[1] —CONTINUED

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

| Income item | Banks with deposits of— | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Less than $1 million | $1 million to $2 million | $2 million to $5 million | $5 million to $10 million | $10 million to $25 million | $25 million to $50 million | $50 million to $100 million | $100 million to $500 million | $500 million to $1 billion | $1 billion or more |
| **Amounts per $100 of total capital accounts** | | | | | | | | | | |
| Net income | 6.34 | 9.51 | 10.30 | 11.24 | 11.85 | 11.95 | 11.50 | 11.75 | 11.20 | 10.02 |
| Cash dividends declared on common stock | 1.44 | 2.57 | 2.57 | 2.77 | 3.11 | 3.57 | 3.72 | 4.73 | 5.08 | 5.34 |
| Net additions to capital from income | 4.88 | 6.94 | 7.73 | 8.46 | 8.73 | 8.37 | 7.78 | 7.01 | 6.10 | 4.65 |
| **Memoranda** | | | | | | | | | | |
| Recoveries credited to reserves (not included above): | | | | | | | | | | |
| On loans | .15 | .33 | .54 | .74 | .75 | .66 | .64 | .48 | .40 | .45 |
| On securities | ...... | .01 | (5) | .01 | (5) | .01 | .01 | .01 | .01 | ...... |
| Losses charged to reserves (not included above): | | | | | | | | | | |
| On loans | .47 | 1.09 | 1.68 | 2.27 | 2.32 | 2.19 | 2.13 | 1.84 | 1.57 | 1.40 |
| On securities | (5) | .02 | .01 | .02 | .03 | .05 | .01 | .02 | .14 | .01 |
| **Special ratios**[4] | | | | | | | | | | |
| Income on loans per $100 of loans[2] | 7.24 | 6.99 | 6.94 | 6.99 | 7.11 | 7.17 | 7.22 | 7.37 | 7.32 | 7.38 |
| Income on U.S. Treasury securities per $100 of U.S. Treasury securities[3] | 5.27 | 5.25 | 5.37 | 5.48 | 5.39 | 5.41 | 5.31 | 5.43 | 5.31 | 5.19 |
| Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions[3] | 3.29 | 3.38 | 3.29 | 3.37 | 3.50 | 3.63 | 3.76 | 3.84 | 4.01 | 4.18 |
| Income on other securities per $100 of other securities[3] | 6.15 | 5.23 | 5.59 | 5.59 | 5.96 | 6.27 | 6.36 | 6.59 | 6.08 | 5.88 |
| Service charges per $100 of demand deposits | .39 | .43 | .54 | .68 | .79 | .73 | .62 | .52 | .36 | .29 |
| Interest paid per $100 of time and savings deposits | 3.74 | 3.96 | 4.05 | 4.09 | 4.16 | 4.26 | 4.39 | 4.46 | 4.83 | 6.56 |
| Number of banks, December 31 | 201 | 1,009 | 3,457 | 3,430 | 3,178 | 1,095 | 476 | 403 | 59 | 49 |

[1] This group of banks is the same as the group shown in table 115 under heading "Operating throughout the year."
[2] Includes Federal funds.
[3] Income from securities held in trading accounts is included in "Other operating income."
[4] Ratios are based on average assets and liabilities reported at beginning, middle, and end of year.
[5] Less than 0.005.

**Table 118.** INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1961-1969

(Amounts in thousands of dollars)

| Income item | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|---|---|---|---|---|---|---|---|---|---|
| **Current operating income—total** | **1,595,183** | **1,755,582** | **1,946,776** | **2,164,115** | **2,391,753** | **2,606,012** | **2,884,789** | **3,238,735** | **3,581,559** |
| Interest on U.S. Government obligations | 151,931 | 156,410 | 153,659 | 153,368 | 147,751 | 142,509 | 130,873 | 134,857 | 130,111 |
| Interest and dividends on other securities | 205,751 | 206,367 | 203,720 | 207,164 | 211,278 | 226,023 | 301,218 | 417,984 | 503,724 |
| Interest and discount on real estate mortgage loans—net | 1,194,282 | 1,342,896 | 1,534,446 | 1,738,621 | 1,950,930 | 2,141,099 | 2,326,459 | 2,538,502 | 2,768,370 |
| *Interest and discount on real estate mortgage loans—gross* | *1,231,774* | *1,383,735* | *1,580,276* | *1,790,318* | *2,009,214* | *2,203,133* | *2,391,848* | *2,605,960* | *2,836,248* |
| *Less: Mortgage servicing fees* | *36,045* | *39,283* | *44,174* | *49,756* | *56,165* | *59,998* | *63,405* | *65,426* | *67,338* |
| *Premium amortization* | *1,447* | *1,556* | *1,656* | *1,941* | *2,119* | *2,036* | *1,984* | *2,032* | *541* |
| Interest and discount on other loans and discounts—net | 18,767 | 22,733 | 27,576 | 33,538 | 41,773 | 53,172 | 67,925 | 83,807 | 121,172 |
| Income on real estate other than bank building—net | −38 | −52 | −108 | −122 | −97 | −255 | −209 | −415 | −126 |
| *Income on real estate other than bank building—gross* | *379* | *302* | *296* | *421* | *541* | *513* | *767* | *1,664* | *2,030* |
| *Less: Operating expense* | *417* | *354* | *404* | *543* | *638* | *768* | *976* | *2,079* | *1,904* |
| Income on other assets | 9,081 | 9,777 | 9,984 | 13,121 | 18,713 | 18,095 | 25,248 | 23,036 | 22,114 |
| Income from service operations | 15,409 | 17,451 | 17,499 | 18,425 | 21,405 | 25,369 | 33,275 | 40,964 | 35,942 |
| **Current operating expense—total** | **241,685** | **252,963** | **274,544** | **290,471** | **311,755** | **334,451** | **353,947** | **389,780** | **442,151** |
| Salaries—officers | 38,158 | 40,466 | 42,792 | 45,391 | 48,514 | 52,085 | 55,510 | 60,161 | 66,937 |
| Salaries and wages—other employees | 75,303 | 79,165 | 84,514 | 89,514 | 93,680 | 98,421 | 105,612 | 115,146 | 126,676 |
| Pension, hospitalization and group insurance payments, and other employee benefits | 24,134 | 25,419 | 27,202 | 28,138 | 30,080 | 33,593 | 34,243 | 37,149 | 41,860 |
| Fees paid to trustees and committee members | 3,994 | 4,158 | 4,404 | 4,604 | 4,720 | 4,855 | 4,945 | 5,111 | 5,484 |
| Occupancy, maintenance, etc., of bank premises (including taxes and recurring depreciation)—net | 27,369 | 29,269 | 32,160 | 34,683 | 37,219 | 38,855 | 42,412 | 47,184 | 52,491 |
| *Occupancy, maintenance, etc., of bank premises (including taxes and recurring depreciation)—gross* | *37,298* | *39,297* | *42,583* | *45,871* | *49,093* | *51,387* | *55,631* | *61,405* | *67,376* |
| *Less: Income from bank building* | *9,929* | *10,028* | *10,423* | *11,188* | *11,874* | *12,532* | *13,219* | *14,221* | *14,885* |
| Deposit insurance assessments | 12,824 | 12,172 | 12,709 | 14,035 | 15,887 | 16,810 | 17,712 | 19,571 | 21,145 |
| Furniture and fixtures (including recurring depreciation) | 5,438 | 5,997 | 7,714 | 9,182 | 10,262 | 11,777 | 13,799 | 16,414 | 19,726 |
| All other current operating expenses | 54,465 | 56,317 | 63,049 | 64,924 | 71,393 | 78,055 | 79,714 | 89,044 | 107,831 |
| **Net current operating income** | **1,353,498** | **1,502,619** | **1,672,232** | **1,873,644** | **2,079,998** | **2,271,561** | **2,530,842** | **2,848,955** | **3,139,408** |
| **Franchise and income taxes—total** | **16,011** | **17,966** | **22,587** | **26,022** | **29,487** | **37,480** | **37,708** | **47,710** | **61,874** |
| State franchise and income taxes | 15,277 | 17,502 | 19,168 | 21,657 | 22,048 | 31,426 | 33,737 | 39,281 | 47,571 |
| Federal income taxes | 734 | 464 | 3,419 | 4,365 | 7,439 | 6,054 | 3,971 | 8,429 | 14,303 |
| **Net current operating income after taxes** | **1,337,487** | **1,484,653** | **1,649,645** | **1,847,622** | **2,050,511** | **2,234,081** | **2,493,134** | **2,801,245** | **3,077,535** |
| **Dividends and interest on deposits** | **1,147,767** | **1,334,005** | **1,481,869** | **1,653,768** | **1,809,350** | **2,087,072** | **2,395,762** | **2,612,638** | **2,808,141** |
| **Net current operating income after taxes and dividends** | **189,720** | **150,648** | **167,776** | **193,854** | **241,161** | **147,009** | **97,372** | **188,607** | **269,394** |
| **Nonrecurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total** | **113,763** | **105,907** | **113,085** | **105,454** | **75,130** | **177,612** | **93,536** | **135,049** | **104,501** |
| Nonrecurring income | 17,567 | 20,453 | 28,678 | 18,048 | 15,242 | 20,211 | 20,377 | 29,394 | 23,743 |
| Realized profits and recoveries on: | | | | | | | | | |
| Securities sold or matured | 54,263 | 55,751 | 28,752 | 36,472 | 27,375 | 59,173 | 47,292 | 77,817 | 64,809 |
| Real estate mortgage loans | 629 | 739 | 2,465 | 1,088 | 1,266 | 773 | 705 | 1,351 | 865 |
| Other real estate | 337 | 462 | 807 | 571 | 719 | 1,548 | 2,059 | 2,286 | 2,555 |
| All other assets | 459 | 957 | 871 | 1,096 | 1,532 | 3,429 | 1,114 | 2,066 | 4,238 |
| Transfers from valuation adjustment provisions[1] on: | | | | | | | | | |
| Securities | 10,873 | 5,460 | 26,995 | 22,029 | 11,817 | 13,635 | 7,774 | 11,884 | 4,463 |
| Real estate mortgage loans | 29,068 | 21,465 | 24,342 | 25,786 | 16,365 | 78,458 | 13,435 | 9,583 | 3,167 |
| Other real estate | 36 | 66 | 46 | 92 | 121 | 20 | 64 | 56 | 81 |
| All other assets | 531 | 554 | 129 | 272 | 693 | 365 | 716 | 612 | 573 |

**Table 118. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1961-1969**

(Amounts in thousands of dollars)—CONTINUED

| Income item | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|---|---|---|---|---|---|---|---|---|---|
| **Nonrecurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total** | **116,143** | **109,192** | **101,611** | **88,234** | **93,036** | **147,688** | **94,744** | **100,690** | **160,669** |
| Nonrecurring expenses | 17,692 | 18,941 | 17,331 | 12,991 | 15,306 | 10,499 | 12,458 | 12,693 | 13,434 |
| Realized losses on: | | | | | | | | | |
| Securities sold | 40,851 | 31,379 | 47,629 | 39,884 | 48,124 | 100,585 | 63,624 | 64,136 | 98,959 |
| Real estate mortgage loans | 1,252 | 1,083 | 1,681 | 2,023 | 3,037 | 7,015 | 4,891 | 4,488 | 24,246 |
| Other real estate | 375 | 662 | 656 | 712 | 886 | 1,644 | 1,850 | 1,609 | 2,186 |
| All other assets | 404 | 424 | 655 | 936 | 927 | 2,646 | 1,932 | 3,219 | 2,608 |
| Transfers to valuation adjustment provisions[1] on: | | | | | | | | | |
| Securities | 19,337 | 30,925 | 11,548 | 8,692 | 6,524 | 13,015 | 5,229 | 7,962 | 15,224 |
| Real estate mortgage loans | 35,377 | 25,252 | 21,534 | 22,266 | 17,394 | 11,590 | 3,796 | 5,558 | 3,266 |
| Other real estate | 111 | 76 | 74 | 57 | 122 | 97 | 127 | 189 | 39 |
| All other assets | 744 | 450 | 503 | 673 | 716 | 597 | 837 | 836 | 704 |
| **Net additions to total surplus accounts from operations** | **187,340** | **147,363** | **179,250** | **211,074** | **223,255** | **176,933** | **96,164** | **222,966** | **213,225** |
| **Memoranda** | | | | | | | | | |
| **Recoveries credited to valuation adjustment provisions[1] (not included in recoveries above) on:** | | | | | | | | | |
| Securities | 278 | 1,658 | 3,389 | 756 | 341 | 1,277 | 2,726 | 391 | 1,946 |
| Real estate mortgage loans | 53 | 48 | 201 | 64 | 85 | 212 | 231 | 183 | 154 |
| Other real estate | ........ | ........ | ........ | ........ | ........ | ........ | 1 | 2 | 199 |
| All other assets | 6 | 35 | 14 | 13 | 24 | 46 | 89 | 116 | 141 |
| **Realized losses charged to valuation adjustment provisions[1] (not included in realized losses above) on:** | | | | | | | | | |
| Securities | 7,721 | 5,830 | 12,973 | 6,058 | 6,564 | 6,811 | 2,172 | 2,835 | 5,515 |
| Real estate mortgage loans | 720 | 501 | 5,136 | 765 | 841 | 1,220 | 4,040 | 1,072 | 1,052 |
| Other real estate | 5 | 6 | 190 | ........ | 118 | 257 | 204 | 186 | 134 |
| All other assets | 218 | 448 | 178 | 258 | 308 | 341 | 1,016 | 353 | 562 |
| **Average assets and liabilities[2]** | | | | | | | | | |
| **Assets—total** | 35,916,590 | 38,152,221 | 41,180,616 | 44,609,410 | 48,466,656 | 51,399,898 | 55,173,023 | 59,674,026 | 63,314,677 |
| Cash and due from banks | 757,912 | 794,362 | 786,298 | 768,719 | 891,727 | 838,855 | 953,843 | 825,767 | 715,778 |
| United States Government obligations | 4,791,909 | 4,748,691 | 4,563,328 | 4,351,966 | 4,030,731 | 3,594,830 | 3,156,304 | 3,049,815 | 2,702,791 |
| Other securities | 5,228,022 | 5,151,555 | 5,115,637 | 5,057,794 | 5,069,343 | 5,153,130 | 6,312,183 | 8,135,834 | 9,334,079 |
| Real estate mortgage loans | 24,255,437 | 26,435,337 | 29,538,513 | 33,121,502 | 36,991,670 | 40,095,486 | 42,794,592 | 45,445,434 | 47,971,370 |
| Other loans and discounts | 353,474 | 441,994 | 543,458 | 588,196 | 672,117 | 842,896 | 1,003,436 | 1,175,629 | 1,462,572 |
| Other real estate | 18,955 | 19,640 | 21,114 | 28,389 | 27,228 | 29,263 | 27,987 | 36,156 | 38,345 |
| All other assets | 510,881 | 560,642 | 612,268 | 692,844 | 783,840 | 845,438 | 924,678 | 1,005,391 | 1,089,742 |
| **Liabilities and surplus accounts—total** | 35,916,590 | 38,152,221 | 41,180,616 | 44,609,410 | 48,466,656 | 51,399,898 | 55,173,023 | 59,674,026 | 63,314,677 |
| Total deposits | 32,320,488 | 34,350,820 | 37,175,285 | 40,334,274 | 43,985,749 | 46,590,719 | 50,247,915 | 54,534,572 | 57,834,645 |
| *Savings and time deposits* | *32,113,129* | *34,070,511* | *36,870,906* | *39,997,217* | *43,609,062* | *46,172,242* | *49,805,468* | *54,053,723* | *57,304,999* |
| *Demand deposits* | *207,359* | *280,309* | *304,379* | *337,057* | *376,687* | *418,477* | *442,447* | *480,849* | *529,646* |
| Other liabilities | 506,744 | 537,630 | 588,622 | 660,037 | 653,614 | 764,445 | 730,825 | 793,930 | 888,123 |
| Total surplus accounts | 3,089,358 | 3,263,771 | 3,416,709 | 3,615,099 | 3,827,293 | 4,044,734 | 4,194,283 | 4,345,524 | 4,591,909 |
| **Number of active officers, December 31** | 2,977 | 3,085 | 3,170 | 3,281 | 3,423 | 3,602 | 3,708 | 3,899 | 4,178 |
| **Number of other employees, December 31** | 17,290 | 17,617 | 18,459 | 18,958 | 19,451 | 19,609 | 20,367 | 21,164 | 21,927 |
| **Number of banks, December 31** | 330 | 331 | 330 | 327 | 329 | 332 | 333 | 334 | 331 |

[1] Includes "Valuation reserves" and "Other asset valuation provisions (direct write-downs)."

[2] 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 119. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1961-1969

| Income item | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|---|---|---|---|---|---|---|---|---|---|
| **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 | 9.52 | 8.91 | 7.89 | 7.09 | 6.18 | 5.47 | 4.54 | 4.16 | 3.63 |
| Interest and dividends on other securities | 12.90 | 11.76 | 10.46 | 9.57 | 9.83 | 8.67 | 10.44 | 12.90 | 14.07 |
| Interest and discount on real estate mortgage loans—net | 74.87 | 76.49 | 78.82 | 80.34 | 81.57 | 82.16 | 80.65 | 78.38 | 77.30 |
| Interest and discount on other loans and discounts—net | 1.18 | 1.29 | 1.42 | 1.55 | 1.75 | 2.04 | 2.35 | 2.59 | 3.38 |
| Income on other assets | .57 | .56 | .51 | .60 | .78 | .69 | .87 | .71 | .62 |
| Income from service operations | .96 | .99 | .90 | .85 | .89 | .97 | 1.15 | 1.26 | 1.00 |
| **Current operating expenses—total** | 15.15 | 14.41 | 14.10 | 13.42 | 13.03 | 12.83 | 12.27 | 12.04 | 12.35 |
| Salaries—officers | 2.39 | 2.30 | 2.20 | 2.10 | 2.03 | 2.00 | 1.93 | 1.86 | 1.87 |
| Salaries and wages—other employees | 4.72 | 4.51 | 4.34 | 4.14 | 3.92 | 3.78 | 3.66 | 3.55 | 3.54 |
| Pension, hospitalization and group insurance payments, and other employee benefits | 1.51 | 1.45 | 1.40 | 1.30 | 1.26 | 1.29 | 1.19 | 1.15 | 1.17 |
| Fees paid to trustees and committee members | .25 | .24 | .23 | .21 | .20 | .19 | .17 | .16 | .15 |
| Occupancy, maintenance, etc., of bank premises (including taxes and recurring depreciation)—net | 1.72 | 1.67 | 1.65 | 1.60 | 1.55 | 1.49 | 1.47 | 1.46 | 1.47 |
| Deposit insurance assessments | .80 | .69 | .65 | .65 | .66 | .64 | .61 | .60 | .59 |
| Furniture and fixtures (including recurring depreciation) | .34 | .34 | .39 | .42 | .43 | .45 | .48 | .51 | .55 |
| All other current operating expenses | 3.42 | 3.21 | 3.24 | 3.00 | 2.98 | 2.99 | 2.76 | 2.75 | 3.01 |
| **Net current operating income** | 84.85 | 85.59 | 85.90 | 85.58 | 86.97 | 87.17 | 87.73 | 87.96 | 87.65 |
| **Franchise and income taxes—total** | 1.00 | 1.02 | 1.16 | 1.20 | 1.24 | 1.44 | 1.31 | 1.47 | 1.73 |
| State franchise and income taxes | .96 | 1.00 | .98 | 1.00 | .93 | 1.21 | 1.17 | 1.21 | 1.33 |
| Federal income taxes | .04 | .02 | .18 | .20 | .31 | .23 | .14 | .26 | .40 |
| **Net current operating income after taxes** | 83.85 | 84.57 | 84.74 | 85.38 | 85.73 | 85.73 | 86.42 | 86.49 | 85.92 |
| **Dividends and interest on deposits** | 71.95 | 75.99 | 76.12 | 76.42 | 75.65 | 80.09 | 83.04 | 80.67 | 78.40 |
| **Net current operating income after taxes and dividends** | 11.90 | 8.58 | 8.62 | 8.96 | 10.08 | 5.64 | 3.38 | 5.82 | 7.52 |
| **Amounts per $100 of total assets[2]** | | | | | | | | | |
| Current operating income—total | 4.44 | 4.60 | 4.73 | 4.85 | 4.93 | 5.07 | 5.23 | 5.42 | 5.66 |
| Current operating expenses—total | .67 | .66 | .67 | .65 | .64 | .65 | .64 | .65 | .70 |
| Net current operating income | 3.77 | 3.94 | 4.06 | 4.20 | 4.29 | 4.42 | 4.39 | 4.77 | 4.96 |
| Franchise and income taxes—total | .05 | .05 | .05 | .06 | .06 | .07 | .07 | .08 | .10 |
| Net current operating income after taxes | 3.72 | 3.89 | 4.01 | 4.14 | 4.23 | 4.35 | 4.52 | 4.69 | 4.86 |
| Dividends and interest on deposits | 3.19 | 3.50 | 3.60 | 3.71 | 3.73 | 4.06 | 4.34 | 4.37 | 4.44 |
| Net current operating income after taxes and dividends | .53 | .39 | .41 | .43 | .50 | .29 | .18 | .32 | .42 |
| Nonrecurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total[1] | .31 | .28 | .27 | .24 | .15 | .34 | .16 | .22 | .17 |
| Nonrecurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total[1] | .32 | .28 | .24 | .20 | .19 | .29 | .17 | .17 | .25 |
| Net additions to total surplus accounts from operations | .52 | .39 | .44 | .47 | .46 | .34 | .17 | .37 | .34 |
| **Special ratios[2]** | | | | | | | | | |
| Interest on U.S. Government obligations per $100 of U.S. Government obligations | 3.17 | 3.29 | 3.37 | 3.52 | 3.67 | 3.96 | 4.15 | 4.42 | 4.81 |
| Interest and dividends on other securities per $100 of other securities | 3.94 | 4.01 | 3.98 | 4.10 | 4.17 | 4.39 | 4.77 | 5.14 | 5.40 |
| Interest and discount on real estate mortgage loans per $100 of real estate mortgage loans | 4.92 | 5.08 | 5.19 | 5.25 | 5.27 | 5.34 | 5.44 | 5.59 | 5.77 |
| Interest and discount on other loans and discounts per $100 of other loans and discounts | 5.31 | 5.14 | 5.07 | 5.70 | 6.22 | 6.31 | 6.77 | 7.13 | 8.28 |
| Dividends and interest on deposits per $100 of savings and time deposits | 3.57 | 3.92 | 4.02 | 4.13 | 4.15 | 4.52 | 4.81 | 4.83 | 4.90 |
| Net additions to total surplus accounts from operations per $100 of total surplus accounts | 6.06 | 4.52 | 5.25 | 5.84 | 5.83 | 4.37 | 2.29 | 5.13 | 4.64 |
| Number of banks, December 31 | 330 | 331 | 330 | 327 | 329 | 332 | 333 | 334 | 331 |

Note: For footnotes to this table, see table 118, p. 286.

## BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES; DEPOSIT INSURANCE DISBURSEMENTS

### Deposit insurance disbursements

Disbursements by the Federal Deposit Insurance Corporation to protect depositors are made when the insured deposits of banks in financial difficulties are paid off, or when the deposits of a failing bank are assumed by another insured bank with the financial aid of the Corporation. In deposit payoff cases, the disbursement is the amount paid by the Corporation on insured deposits. In deposit assumption cases, the principal disbursement is the amount loaned to failing banks, or the price paid for assets purchased from them; additional disbursements are made in those cases as advances for protection of assets in process of liquidation and for liquidation expenses.

### Noninsured bank failures

No noninsured bank failed in 1969.

For detailed data regarding noninsured banks which suspended in the years 1934-1962, see the Annual Report for 1963, pp. 27-41. For 1963-1968, see Table 120 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, 1969.

**Table 120.** NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934-1969

| 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** | **618** | **131** | **487** | **8** | **479** | **970,673** | **61,973** | **908,700** | **41,147** | **867,553** |
| 1934 | 61 | 52 | 9 | ...... | 9 | 37,332 | 35,364 | 1,968 | ...... | 1,968 |
| 1935 | 32 | 6 | 26 | 1 | 25 | 13,987 | 583 | 13,404 | 85 | 13,319 |
| 1936 | 72 | 3 | 69 | ...... | 69 | 28,100 | 592 | 27,508 | ...... | 27,508 |
| 1937 | 83 | 7 | 76 | 2 | 74 | 34,141 | 528 | 33,613 | 328 | 33,285 |
| 1938 | 80 | 7 | 73 | ...... | 73 | 60,444 | 1,038 | 59,406 | ...... | 59,406 |
| 1939 | 72 | 12 | 60 | ...... | 60 | 160,211 | 2,439 | 157,772 | ...... | 157,772 |
| 1940 | 48 | 5 | 43 | ...... | 43 | 142,787 | 358 | 142,429 | ...... | 142,429 |
| 1941 | 16 | 2 | 14 | ...... | 14 | 18,805 | 79 | 18,726 | ...... | 18,726 |
| 1942 | 23 | 3 | 20 | ...... | 20 | 19,541 | 355 | 19,186 | ...... | 19,186 |
| 1943 | 5 | ...... | 5 | ...... | 5 | 12,525 | ...... | 12,525 | ...... | 12,525 |
| 1944 | 2 | ...... | 2 | ...... | 2 | 1,915 | ...... | 1,915 | ...... | 1,915 |
| 1945 | 1 | ...... | 1 | ...... | 1 | 5,695 | ...... | 5,695 | ...... | 5,695 |
| 1946 | 2 | 1 | 1 | ...... | 1 | 494 | 147 | 347 | ...... | 347 |
| 1947 | 6 | 1 | 5 | ...... | 5 | 7,207 | 167 | 7,040 | ...... | 7,040 |
| 1948 | 3 | ...... | 3 | ...... | 3 | 10,674 | ...... | 10,674 | ...... | 10,674 |
| 1949 | 9 | 4 | 5 | 1 | 4 | 9,217 | 2,552 | 6,665 | 1,190 | 5,475 |
| 1950 | 5 | 1 | 4 | ...... | 4 | 5,555 | 42 | 5,513 | ...... | 5,513 |
| 1951 | 5 | 3 | 2 | ...... | 2 | 6,464 | 3,056 | 3,408 | ...... | 3,408 |
| 1952 | 4 | 1 | 3 | ...... | 3 | 3,313 | 143 | 3,170 | ...... | 3,170 |
| 1953 | 5 | 1 | 4 | 2 | 2 | 45,101 | 390 | 44,711 | 26,449 | 18,262 |
| 1954 | 4 | 2 | 2 | ...... | 2 | 2,948 | 1,950 | 998 | ...... | 998 |
| 1955 | 5 | ...... | 5 | ...... | 5 | 11,953 | ...... | 11,953 | ...... | 11,953 |
| 1956 | 3 | 1 | 2 | ...... | 2 | 11,689 | 360 | 11,329 | ...... | 11,329 |
| 1957 | 3 | 1 | 2 | 1 | 1 | 12,502 | 1,255 | 11,247 | 10,084 | 1,163 |
| 1958 | 9 | 5 | 4 | ...... | 4 | 10,413 | 2,173 | 8,240 | ...... | 8,240 |
| 1959 | 3 | ...... | 3 | ...... | 3 | 2,593 | ...... | 2,593 | ...... | 2,593 |
| 1960 | 2 | 1 | 1 | ...... | 1 | 7,965 | 1,035 | 6,930 | ...... | 6,930 |
| 1961 | 9 | 4 | 5 | ...... | 5 | 10,611 | 1,675 | 8,936 | ...... | 8,936 |
| 1962 | 3 | 2 | 1 | 1 | ...... | 4,231 | 1,220 | 3,011 | 3,011 | ...... |
| 1963 | 2 | ...... | 2 | ...... | 2 | 23,444 | ...... | 23,444 | ...... | 23,444 |
| 1964 | 8 | 1 | 7 | ...... | 7 | 23,867 | 429 | 23,438 | ...... | 23,438 |
| 1965 | 9 | 4 | 5 | ...... | 5 | 45,256 | 1,395 | 43,861 | ...... | 43,861 |
| 1966 | 8 | 1 | 7 | ...... | 7 | 106,171 | 2,648 | 103,523 | ...... | 103,523 |
| 1967 | 4 | ...... | 4 | ...... | 4 | 10,878 | ...... | 10,878 | ...... | 10,878 |
| 1968 | 3 | ...... | 3 | ...... | 3 | 22,524 | ...... | 22,524 | ...... | 22,524 |
| 1969 | 9 | ...... | 9 | ...... | 9 | 40,120 | ...... | 40,120 | ...... | 40,120 |

[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, 1969, 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 121.** INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1969

| Case number | Name and location | Class of bank | Number of depositors or accounts[1] | Date of closing or deposit assumption | First payment to depositors or disbursement by FDIC | FDIC disbursement[2] | Receiver or liquidating agent or assuming bank |
|---|---|---|---|---|---|---|---|
| Deposit payoff | | | | | | | |
| 284 | Citizens State Bank, Alvarado, Texas | NM | 2,329 | April 12, 1969 | April 18, 1969 | $1,910,910[3] | Federal Deposit Insurance Corporation |
| 285 | The First State Bank, Dodson, Texas | SM | 686 | May 12, 1969 | May 14, 1969 | 1,028,355 | Federal Deposit Insurance Corporation |
| 286 | The State National Bank, Lovelady, Texas | N | 2,030 | May 28, 1969 | June 2, 1969 | 3,182,920 | Federal Deposit Insurance Corporation |
| 287 | First National Bank of Ursa, Ursa, Illinois | N | 1,479 | August 20, 1969 | August 25, 1969 | 1,529,600 | Federal Deposit Insurance Corporation |
| Deposit assumption | | | | | | | |
| 194 | The Rocky Mountain Bank, Lakewood, Colorado | NM | 6,716 | February 6, 1969 | February 6, 1969 | 3,542,649 | Lakewood Colorado National Bank, Lakewood, Colorado |
| 195 | The Morrice State Bank, Morrice, Michigan | SM | 1,759 | May 6, 1969 | May 6, 1969 | 1,444,864 | Owosso Savings Bank, Owosso, Michigan |
| 196 | The Big Lake State Bank, Big Lake, Texas | NM | 2,642 | August 22, 1969 | September 2, 1969 | 2,400,486 | Reagan State Bank, Big Lake, Texas |
| 197 | The First State Bank, Aransas Pass, Texas | NM | 6,459 | September 5, 1969 | September 8, 1969 | 7,926,882 | First State Bank, Aransas Pass, Texas |
| 198 | The First National Bank of Coalville, Coalville, Utah | N | 3,254 | October 10, 1969 | October 10, 1969 | 3,237,084 | First National Bank of Coalville, Coalville, Utah |

**Table 121. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1969 —CONTINUED**

| 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 | | | | | | | | | | | | |
| 284 | 415,096 | 530,000 | 40,000 | 1,234,972 | 27,936 | 3,220 | 305,132 | 2,556,357 | 2,319,609[3] | 0 | 50,000 | 186,748 |
| 285 | 155,397 | 77,000 | 3,000 | 879,339 | 13,846 | 4,291 | 869 | 1,133,742 | 1,085,170 | 0 | 50,000 | −1,427 |
| 286 | 774,699 | 270,972 | 9,500 | 2,886,477 | 119,563 | 30,658 | 43,736 | 4,135,606 | 3,801,632 | 98,122 | 75,000 | 160,851 |
| 287 | 214,280 | 259,830 | 115,936 | 1,434,953 | 24,490 | 1,600 | 2,252 | 2,053,340 | 1,798,254 | 130,000 | 75,000 | 50,087 |
| Deposit assumption | | | | | | | | | | | | |
| 194 | 703,112 | 3,401,168 | 238,621 | 3,755,554 | 199,120 | 275,000 | 44,586 | 8,617,160 | 8,064,894 | 42,216 | 300,000 | 210,051 |
| 195 | 296,984 | 371,184 | 8,134 | 1,560,886 | 26,760 | 9,600 | 9,490 | 2,283,039 | 2,167,450 | 2,302 | 50,000 | 63,287 |
| 196 | 823,390 | 676,047 | 368,650 | 2,794,756 | 39,114 | 25,613 | 22,410 | 4,749,981 | 4,426,539 | 50,370 | 180,000 | 93,071 |
| 197 | 715,199 | 882,888 | 820,574 | 8,735,462 | 162,709 | 12,818 | 87,411 | 11,417,060 | 10,471,897 | 16,664 | 150,000 | 778,498 |
| 198 | 541,791 | 702,685 | 630,952 | 4,640,469 | 18,047 | 3,900 | 87,388 | 6,625,232 | 5,991,999 | 160,000 | 50,000 | 423,234 |

[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, 1969, plus additional disbursements estimated to be required in these cases.
[3] Includes $17,591 representing 15 nonbook shortage accounts which will be added to book figures when paid.

**Table 122.** DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1969

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

| Classification | Number of banks | | | Number of depositors[1] | | | Deposits[1] (in thousands of dollars) | | | Disbursements by FDIC[1] (in thousands of dollars) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Principal disbursements | | | Advances and expenses[2] | |
| | Total | Payoff cases | Assumption cases | Total | Payoff cases | Assumption cases | Total | Payoff cases | Assumption cases | Total | Payoff cases[3] | Assumption cases[4] | Payoff cases[5] | Assumption cases[6] |
| **All banks** | 482 | 284 | 198 | 1,672,810 | 508,531 | 1,164,279 | 878,888 | 254,994 | 623,894 | 418,970 | 171,315 | 247,655 | 3,200 | 50,666 |
| **Class of bank** | | | | | | | | | | | | | | |
| National | 89 | 32 | 57 | 347,522 | 87,717 | 259,805 | 207,362 | 86,210 | 121,152 | 101,196 | 43,006 | 58,190 | 1,031 | 7,098 |
| State member F.R.S. | 27 | 10 | 17 | 376,257 | 88,892 | 287,365 | 197,673 | 34,388 | 163,286 | 108,179 | 26,498 | 81,681 | 245 | 19,326 |
| Nonmember F.R.S. | 366 | 242 | 124 | 949,031 | 331,922 | 617,109 | 473,853 | 134,397 | 339,456 | 209,595 | 101,811 | 107,784 | 1,924 | 24,242 |
| **Year**[7] | | | | | | | | | | | | | | |
| 1934 | 9 | 9 | ....... | 15,767 | 15,767 | ....... | 1,968 | 1,968 | ....... | 941 | 941 | ....... | 43 | ....... |
| 1935 | 25 | 24 | 1 | 44,655 | 32,331 | 12,324 | 13,319 | 9,091 | 4,229 | 8,891 | 6,026 | 2,865 | 108 | 272 |
| 1936 | 69 | 42 | 27 | 89,018 | 43,225 | 45,793 | 27,508 | 11,241 | 16,267 | 14,781 | 8,056 | 6,725 | 67 | 934 |
| 1937 | 75 | 50 | 25 | 130,387 | 74,148 | 56,239 | 33,349 | 14,960 | 18,389 | 19,161 | 12,045 | 7,116 | 103 | 905 |
| 1938 | 74 | 50 | 24 | 203,961 | 44,288 | 159,673 | 59,684 | 10,296 | 49,388 | 30,479 | 9,092 | 21,387 | 93 | 4,902 |
| 1939 | 60 | 32 | 28 | 392,718 | 90,169 | 302,549 | 157,772 | 32,738 | 125,034 | 67,770 | 26,196 | 41,574 | 162 | 17,603 |
| 1940 | 43 | 19 | 24 | 256,361 | 20,667 | 235,694 | 142,429 | 5,657 | 136,773 | 74,134 | 4,895 | 69,239 | 89 | 17,237 |
| 1941 | 15 | 8 | 7 | 73,005 | 38,594 | 34,411 | 29,718 | 14,730 | 14,987 | 23,880 | 12,278 | 11,602 | 50 | 1,479 |
| 1942 | 20 | 6 | 14 | 60,688 | 5,717 | 54,971 | 19,186 | 1,816 | 17,369 | 10,825 | 1,612 | 9,213 | 38 | 1,076 |
| 1943 | 5 | 4 | 1 | 27,371 | 16,917 | 10,454 | 12,525 | 6,637 | 5,888 | 7,172 | 5,500 | 1,672 | 53 | 72 |
| 1944 | 2 | 1 | 1 | 5,487 | 899 | 4,588 | 1,915 | 456 | 1,459 | 1,503 | 404 | 1,099 | 9 | 37 |
| 1945 | 1 | ....... | 1 | 12,483 | ....... | 12,483 | 5,695 | ....... | 5,695 | 1,768 | ....... | 1,768 | ....... | 96 |
| 1946 | 1 | ....... | 1 | 1,383 | ....... | 1,383 | 347 | ....... | 347 | 265 | ....... | 265 | ....... | 11 |
| 1947 | 5 | ....... | 5 | 10,637 | ....... | 10,637 | 7,040 | ....... | 7,040 | 1,724 | ....... | 1,724 | ....... | 370 |
| 1948 | 3 | ....... | 3 | 18,540 | ....... | 18,540 | 10,674 | ....... | 10,674 | 2,990 | ....... | 2,990 | ....... | 200 |
| 1949 | 4 | ....... | 4 | 5,671 | ....... | 5,671 | 5,475 | ....... | 5,475 | 2,552 | ....... | 2,552 | ....... | 166 |
| 1950 | 4 | ....... | 4 | 6,366 | ....... | 6,366 | 5,513 | ....... | 5,513 | 3,986 | ....... | 3,986 | ....... | 524 |
| 1951 | 2 | ....... | 2 | 5,276 | ....... | 5,276 | 3,408 | ....... | 3,408 | 1,885 | ....... | 1,885 | ....... | 127 |
| 1952 | 3 | ....... | 3 | 6,752 | ....... | 6,752 | 3,170 | ....... | 3,170 | 1,369 | ....... | 1,369 | ....... | 195 |
| 1953 | 2 | ....... | 2 | 24,469 | ....... | 24,469 | 18,262 | ....... | 18,262 | 5,017 | ....... | 5,017 | ....... | 428 |
| 1954 | 2 | ....... | 2 | 1,811 | ....... | 1,811 | 998 | ....... | 998 | 913 | ....... | 913 | ....... | 145 |
| 1955 | 5 | 4 | 1 | 17,790 | 8,080 | 9,710 | 11,953 | 6,503 | 5,450 | 6,784 | 4,438 | 2,346 | 106 | 665 |
| 1956 | 2 | 1 | 1 | 15,197 | 5,465 | 9,732 | 11,329 | 4,702 | 6,628 | 3,458 | 2,795 | 663 | 87 | 51 |
| 1957 | 1 | 1 | ....... | 2,338 | 2,338 | ....... | 1,163 | 1,163 | ....... | 1,031 | 1,031 | ....... | 20 | ....... |
| 1958 | 4 | 3 | 1 | 9,587 | 4,380 | 5,207 | 8,240 | 4,156 | 4,084 | 3,026 | 2,796 | 230 | 38 | 31 |
| 1959 | 3 | 3 | ....... | 3,073 | 3,073 | ....... | 2,593 | 2,593 | ....... | 1,835 | 1,835 | ....... | 51 | ....... |
| 1960 | 1 | 1 | ....... | 11,171 | 11,171 | ....... | 6,930 | 6,930 | ....... | 4,765 | 4,765 | ....... | 82 | ....... |
| 1961 | 5 | 5 | ....... | 8,301 | 8,301 | ....... | 8,936 | 8,936 | ....... | 6,200 | 6,200 | ....... | 154 | ....... |
| 1963 | 2 | 2 | ....... | 36,430 | 36,430 | ....... | 23,444 | 23,444 | ....... | 19,232 | 19,232 | ....... | 292 | ....... |
| 1964 | 7 | 7 | ....... | 19,934 | 19,934 | ....... | 23,438 | 23,438 | ....... | 13,768 | 13,768 | ....... | 583 | ....... |
| 1965 | 5 | 3 | 2 | 15,817 | 14,363 | 1,454 | 43,861 | 42,889 | 972 | 11,391 | 10,918 | 473 | 601 | 120 |
| 1966 | 7 | 1 | 6 | 95,424 | 1,012 | 94,412 | 103,523 | 774 | 102,749 | 15,075 | 735 | 14,340 | 25 | 1,041 |
| 1967 | 4 | 4 | ....... | 4,729 | 4,729 | ....... | 10,878 | 10,878 | ....... | 8,125 | 8,125 | ....... | 199 | ....... |
| 1968 | 3 | ....... | 3 | 12,850 | ....... | 12,850 | 22,524 | ....... | 22,524 | 5,284 | ....... | 5,284 | ....... | 468 |
| 1969 | 9 | 4 | 5 | 27,363 | 6,533 | 20,830 | 40,120 | 8,998 | 31,122 | 36,992 | 7,634 | 29,358 | 147 | 1,509 |

**Table 122.** DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1969—CONTINUED

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

| Classification | Number of banks | | | Number of depositors[1] | | | Deposits[1] (in thousands of dollars) | | | Disbursements by FDIC[1] (in thousands of dollars) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Principal disbursements | | | Advances and expenses[2] | |
| | Total | Payoff cases | Assumption cases | Total | Payoff cases | Assumption cases | Total | Payoff cases | Assumption cases | Total | Payoff cases[3] | Assumption cases[4] | Payoff cases[5] | Assumption cases[6] |
| **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[8] | 62 | 37 | 25 | 92,179 | 57,287 | 34,892 | 22,315 | 12,921 | 9,394 | 15,615 | 10,549 | 5,066 | 164 | 611 |
| $500,000 to $1,000,000[8] | 70 | 34 | 36 | 159,587 | 73,495 | 86,092 | 53,285 | 25,681 | 27,604 | 34,981 | 19,886 | 15,095 | 396 | 2,325 |
| $1,000,000 to $2,000,000[8] | 55 | 19 | 36 | 208,412 | 68,928 | 139,484 | 73,668 | 25,094 | 48,574 | 41,840 | 19,641 | 22,199 | 405 | 3,645 |
| $2,000,000 to $5,000,000[8] | 45 | 17 | 28 | 272,698 | 79,279 | 193,419 | 147,150 | 55,112 | 92,038 | 81,732 | 38,454 | 43,278 | 635 | 6,126 |
| $5,000,000 to $10,000,000 | 20 | 4 | 16 | 237,677 | 32,665 | 205,012 | 130,013 | 27,715 | 102,298 | 52,029 | 17,818 | 34,211 | 442 | 6,230 |
| $10,000,000 to $25,000,000 | 8 | 3 | 5 | 212,687 | 89,189 | 123,498 | 135,727 | 49,429 | 86,297 | 69,712 | 39,444 | 30,268 | 327 | 6,080 |
| $25,000,000 to $50,000,000 | 5 | 1 | 4 | 284,809 | 12,481 | 272,328 | 199,594 | 40,176 | 159,418 | 95,153 | 9,660 | 85,493 | 532 | 25,039 |
| $50,000,000 to $100,000,000 | 1 | ....... | 1 | 83,044 | ....... | 83,044 | 92,960 | ....... | 92,960 | 10,000 | ....... | 10,000 | ....... | 279 |
| **State** | | | | | | | | | | | | | | |
| Alabama | 4 | 2 | 2 | 9,170 | 2,059 | 7,111 | 6,170 | 3,985 | 2,185 | 3,557 | 2,562 | 995 | 72 | 91 |
| Arkansas | 7 | 6 | 1 | 5,446 | 4,541 | 905 | 2,538 | 1,942 | 596 | 1,720 | 1,576 | 144 | 43 | 48 |
| California | 4 | 3 | 1 | 21,059 | 17,890 | 3,169 | 47,298 | 46,220 | 1,078 | 25,607 | 12,906 | 12,701 | 627 | 454 |
| Colorado | 4 | 2 | 2 | 8,810 | 1,382 | 7,428 | 11,052 | 2,262 | 8,790 | 4,448 | 938 | 3,510 | 40 | 644 |
| Connecticut | 2 | 2 | ....... | 5,379 | 5,379 | ....... | 1,526 | 1,526 | ....... | 1,242 | 1,242 | ....... | 8 | ....... |
| Florida | 5 | 2 | 3 | 14,082 | 1,725 | 12,357 | 17,665 | 2,668 | 14,997 | 6,163 | 2,145 | 4,018 | 57 | 466 |
| Georgia | 10 | 8 | 2 | 9,410 | 8,797 | 613 | 1,959 | 1,870 | 89 | 1,620 | 1,551 | 69 | 33 | 33 |
| Idaho | 2 | 2 | ....... | 2,451 | 2,451 | ....... | 1,894 | 1,894 | ....... | 1,493 | 1,493 | ....... | 29 | ....... |
| Illinois | 21 | 9 | 12 | 81,193 | 43,274 | 37,919 | 52,564 | 26,880 | 25,684 | 29,986 | 22,004 | 7,982 | 350 | 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 | 50 | 72 |
| Kentucky | 23 | 18 | 5 | 36,139 | 18,490 | 17,649 | 8,888 | 3,953 | 4,934 | 5,455 | 3,329 | 2,126 | 44 | 201 |
| Louisiana | 3 | 3 | ....... | 6,087 | 6,087 | ....... | 1,652 | 1,652 | ....... | 668 | 668 | ....... | 10 | ....... |
| Maine | 1 | ....... | 1 | 9,710 | ....... | 9,710 | 5,450 | ....... | 5,450 | 2,346 | ....... | 2,346 | ....... | 665 |
| Maryland | 5 | 2 | 3 | 22,567 | 6,643 | 15,924 | 4,566 | 828 | 3,738 | 3,109 | 735 | 2,374 | 9 | 371 |
| Massachusetts | 2 | ....... | 2 | 9,046 | ....... | 9,046 | 3,019 | ....... | 3,019 | 1,564 | ....... | 1,564 | ....... | 1,030 |
| Michigan | 11 | 4 | 7 | 117,622 | 2,084 | 115,538 | 109,894 | 1,394 | 108,499 | 18,871 | 1,311 | 17,560 | 43 | 1,093 |
| 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 | 7,676 | 6,009 | 1,667 | 99 | 305 |
| Montana | 5 | 3 | 2 | 1,500 | 849 | 651 | 1,095 | 215 | 880 | 639 | 186 | 453 | 6 | 21 |
| Nebraska | 6 | 6 | ....... | 6,069 | 6,069 | ....... | 8,145 | 8,145 | ....... | 5,008 | 5,008 | ....... | 46 | ....... |
| New Hampshire | 1 | ....... | 1 | 1,780 | ....... | 1,780 | 296 | ....... | 296 | 117 | ....... | 117 | ....... | 8 |
| New Jersey | 39 | 12 | 27 | 522,563 | 103,797 | 418,766 | 194,630 | 33,128 | 161,502 | 82,125 | 26,468 | 55,657 | 161 | 20,154 |
| New York | 26 | 3 | 23 | 269,621 | 28,440 | 241,181 | 145,439 | 13,286 | 132,153 | 67,997 | 10,836 | 57,161 | 32 | 10,847 |
| North Carolina | 7 | 2 | 5 | 10,408 | 3,677 | 6,731 | 3,266 | 1,421 | 1,845 | 2,387 | 1,156 | 1,231 | 23 | 179 |
| North Dakota | 29 | 18 | 11 | 14,103 | 6,760 | 7,343 | 3,830 | 1,552 | 2,278 | 2,656 | 1,397 | 1,259 | 24 | 203 |
| Ohio | 4 | 2 | 2 | 13,751 | 7,585 | 6,166 | 7,223 | 2,345 | 4,877 | 2,098 | 1,610 | 488 | 7 | 44 |
| Oklahoma | 12 | 8 | 4 | 27,650 | 20,149 | 7,501 | 18,920 | 11,053 | 7,867 | 10,275 | 7,936 | 2,339 | 178 | 233 |
| 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 | 38 | 29 | 9 | 59,125 | 40,909 | 18,216 | 52,817 | 26,384 | 26,432 | 33,150 | 19,344 | 13,806 | 580 | 1,028 |
| Utah | 1 | ....... | 1 | 3,254 | ....... | 3,254 | 5,992 | ....... | 5,992 | 3,212 | ....... | 3,212 | ....... | 52 |
| Vermont | 3 | 2 | 1 | 11,057 | 8,687 | 2,370 | 3,725 | 3,375 | 350 | 3,445 | 3,259 | 186 | 21 | 22 |
| Virginia | 9 | 4 | 5 | 35,715 | 12,638 | 23,077 | 17,778 | 7,652 | 10,127 | 8,285 | 3,889 | 4,396 | 294 | 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 | 428 |
| Wyoming | 1 | ....... | 1 | 3,212 | ....... | 3,212 | 2,033 | ....... | 2,033 | 202 | ....... | 202 | ....... | 19 |

[1] Adjusted to December 31, 1969, in assumption cases, number of depositors refers to number of deposit accounts.

[2] Excludes $352 thousand of nonrecoverable insurance expenses in cases which were resolved without payment of claims or a disbursement to facilitate assumption of deposits by another insured bank, and other expenses of field liquidation employees not chargeable to liquidation activities.

[3] Includes estimated additional disbursements in active cases.

[4] Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.

[5] These disbursements are not recoverable by the Corporation; they consist almost wholly of field payoff expenses.

[6] Includes advances to protect assets and liquidation expenses of $47,992 thousand, all of which have been fully recovered by the Corporation, and $611 thousand of nonrecoverable expenses.

[7] No case in 1962 required disbursements. Disbursement totals for each year relate to cases occurring during that year, including disbursements made in subsequent years.

[8] Figures have been revised since publication in 1968 Annual Report.

Note: Due to rounding differences, components may not add to totals.

## Table 123. RECOVERIES AND LOSSES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON PRINCIPAL DISBURSEMENTS FOR PROTECTION OF DEPOSITORS, 1934–1969

(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, 1969 | Estimated additional recoveries | Losses[1] | Number of banks | Principal disbursements[2] | Recoveries to Dec. 31, 1969 | Estimated additional recoveries | Losses[1] | Number of banks | Principal disbursements[3] | Recoveries to Dec. 31, 1969 | Estimated additional recoveries | Losses[1] |
| **Total** | 482 | 418,968 | 345,071 | 22,220 | 51,678 | 284 | 171,314 | 134,571 | 9,137 | 27,609 | 198 | 247,654 | 210,500 | 13,083 | 24,069 |
| **Status** | | | | | | | | | | | | | | | |
| Active | 45 | 159,475 | 111,502 | 22,220 | 25,752 | 24 | 66,254 | 44,559 | 9,137 | 12,560 | 21 | 93,221 | 66,943 | 13,083 | 13,192 |
| Terminated | 437 | 259,494 | 233,569 | ... | 25,926 | 260 | 105,060 | 90,012 | ... | 15,049 | 177 | 154,434 | 143,557 | ... | 10,877 |
| **Year**[4] | | | | | | | | | | | | | | | |
| 1934 | 9 | 941 | 734 | ... | 207 | 9 | 941 | 734 | ... | 207 | ... | ... | ... | ... | ... |
| 1935 | 25 | 8,891 | 6,202 | 5 | 2,683 | 24 | 6,026 | 4,274 | ... | 1,751 | 1 | 2,865 | 1,928 | 5 | 932 |
| 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 | 70,336 | 10 | 3,787 | 19 | 4,895 | 4,313 | ... | 582 | 24 | 69,239 | 66,023 | 10 | 3,205 |
| 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 | 1,644 | 14 | 67 | ... | ... | ... | ... | ... | 5 | 1,724 | 1,644 | 14 | 67 |
| 1948 | 3 | 2,990 | 2,349 | ... | 641 | ... | ... | ... | ... | ... | 3 | 2,990 | 2,349 | ... | 641 |
| 1949 | 4 | 2,552 | 2,183 | ... | 369 | ... | ... | ... | ... | ... | 4 | 2,552 | 2,183 | ... | 369 |
| 1950 | 4 | 3,986 | 2,601 | ... | 1,385 | ... | ... | ... | ... | ... | 4 | 3,986 | 2,601 | ... | 1,385 |
| 1951 | 2 | 1,885 | 1,885 | ... | ... | ... | ... | ... | ... | ... | 2 | 1,885 | 1,885 | ... | ... |
| 1952 | 3 | 1,369 | 577 | ... | 792 | ... | ... | ... | ... | ... | 3 | 1,369 | 577 | ... | 792 |
| 1953 | 2 | 5,017 | 5,017 | ... | ... | ... | ... | ... | ... | ... | 2 | 5,017 | 5,017 | ... | ... |
| 1954 | 2 | 913 | 654 | ... | 258 | ... | ... | ... | ... | ... | 2 | 913 | 654 | ... | 258 |
| 1955 | 5 | 6,784 | 6,554 | ... | 230 | 4 | 4,438 | 4,208 | ... | 230 | 1 | 2,346 | 2,346 | ... | ... |
| 1956 | 2 | 3,458 | 3,163 | 55 | 240 | 1 | 2,795 | 2,500 | 55 | 240 | 1 | 663 | 663 | ... | ... |
| 1957 | 1 | 1,031 | 1,031 | ... | ... | 1 | 1,031 | 1,031 | ... | ... | ... | ... | ... | ... | ... |
| 1958 | 4 | 3,026 | 2,998 | ... | 28 | 3 | 2,796 | 2,768 | ... | 28 | 1 | 230 | 230 | ... | ... |
| 1959 | 3 | 1,835 | 1,738 | ... | 97 | 3 | 1,835 | 1,738 | ... | 97 | ... | ... | ... | ... | ... |
| 1960 | 1 | 4,765 | 4,765 | ... | ... | 1 | 4,765 | 4,765 | ... | ... | ... | ... | ... | ... | ... |
| 1961 | 5 | 6,200 | 4,652 | 26 | 1,523 | 5 | 6,200 | 4,652 | 26 | 1,523 | ... | ... | ... | ... | ... |
| 1963 | 2 | 19,232 | 17,143 | 1,389 | 700 | 2 | 19,232 | 17,143 | 1,389 | 700 | ... | ... | ... | ... | ... |
| 1964 | 7 | 13,765 | 11,161 | 609 | 1,996 | 7 | 13,765 | 11,161 | 609 | 1,996 | ... | ... | ... | ... | ... |
| 1965 | 5 | 11,391 | 5,842 | 321 | 5,229 | 3 | 10,918 | 5,537 | 318 | 5,065 | 2 | 473 | 305 | 3 | 164 |
| 1966 | 7 | 15,075 | 3,759 | 2,829 | 8,486 | 1 | 735 | 611 | 104 | 20 | 6 | 14,340 | 3,148 | 2,725 | 8,466 |
| 1967 | 4 | 8,125 | 5,431 | 1,158 | 1,535 | 4 | 8,125 | 5,431 | 1,158 | 1,535 | ... | ... | ... | ... | ... |
| 1968 | 3 | 5,284 | 3,794 | 941 | 550 | ... | ... | ... | ... | ... | 3 | 5,284 | 3,794 | 941 | 550 |
| 1969 | 9 | 36,992 | 18,277 | 14,864 | 3,850 | 4 | 7,634 | 155 | 5,479 | 2,000 | 5 | 29,358 | 18,122 | 9,385 | 1,850 |

[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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