ANNUAL REPORT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION 1974

A preliminary report, highlighting the Corporation's operations during 1974, was published and submitted to the Congress on February 28, 1975.

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C., August 15, 1975

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 annual report for the calendar year 1974.

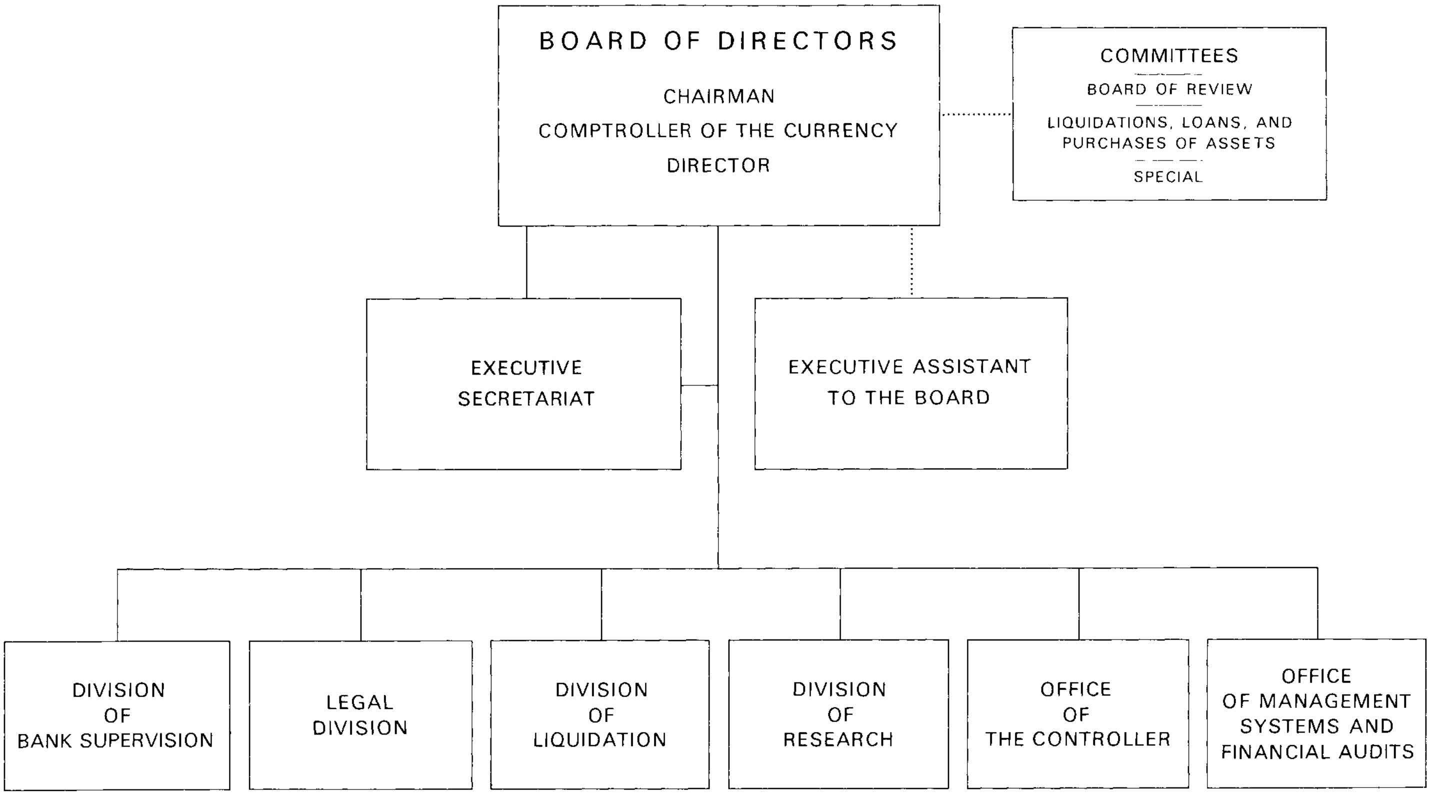
Respectfully yours,

Frank Wille

FRANK WILLE
Chairman

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

FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

BOARD OF DIRECTORS

Chairman . . . . .Frank Wille

Director . . . . .George A. LeMaistre

Comptroller of the Currency . . . . .James E. Smith

OFFICIALS

Deputy to the Chairman . . . . .Robert E. Barnett

Assistant to the Director . . . . .John C.H. Miller, Jr.

Assistant to the Director . . . .(Vacancy)
(Comptroller of the Currency)

Executive Secretary . . . . .Alan R. Miller

General Counsel . . . . Edward Bransilver

Director, Division of Bank Supervision . . . . Edward J. Roddy

Chief, Division of Liquidation . . . . George W. Hill

Director, Division of Research . . . . Paul M. Horvitz

Controller . . . . Edward F. Phelps, Jr.

Director, Office of Management
Systems and Financial Audits . . . . .Robert E. Barnett

Special Assistant to the Chairman . . . . .Stephen C. Hansen

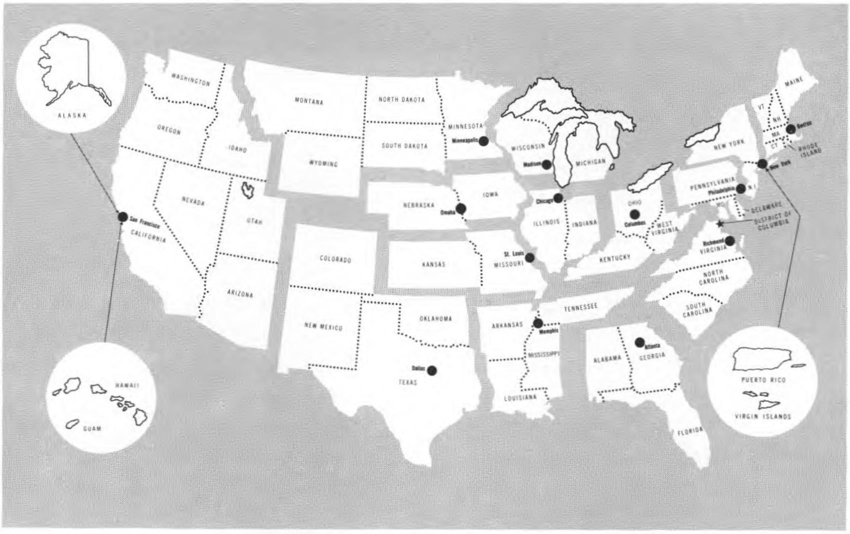
Special Assistant to the Chairman . . . . Edwin B. Burr

Special Assistant to the Director . . . . C.F. Muckenfuss, III

Executive Assistant to the Board . . . . .Timothy J. Reardon, Jr.

December 31, 1974

FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS



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December 31, 1974

FEDERAL DEPOSIT INSURANCE CORPORATION
Main Office: 550 17th Street, N. W., Washington, D. C., 20429

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BANKING OFFICES—BANK PERFORMANCE—1974

The number of commercial banks in operation in the United States rose by 287 in 1974, marking a fifth consecutive annual increase. These increases reversed the declining trend in numbers of banks which, except for 1963 to 1965, had continued for many years until 1970. During 1974, a total of 394 commercial banks began operations—54 more than in 1973—while the 117 banks closed due to mergers were 19 more than in the year before. Mutual savings banks, operating in 17 States and Puerto Rico, declined by two, as one bank began operations and three ceased operations due to mergers during the year.

As in other recent years, the commercial banks beginning operations in 1974 were heavily concentrated in unit banking States, especially in Florida, Texas, and Illinois, which accounted for more than one-third of all banks opened during 1974. In States that permit branching, and that in most cases also permit multibank holding companies, 185 banks began operations in 1974, and after mergers and other changes, the net increase in commercial banks in these States was 75.

The number of FDIC-insured commercial banks rose by 254 during 1974 to a total of 14,230. The number of national banks increased during the year by 49, State bank members of the Federal Reserve System declined by 4, and insured State nonmember banks increased by 209. A net total of 31 member banks—5 national banks and 26 State member banks—shifted to insured nonmember status during the year.

A net addition of one noninsured trust company and 32 other noninsured banks occurred during 1974. Of the 25 noninsured banks of deposit that began operations, 21 were branches of foreign banks (13 in Chicago, 5 in New York City, and 3 in Seattle). Four noninsured banks ceased operations and six noninsured banks became insured.

The number of branches of commercial banks, totaling over 28,700 at the end of 1974, rose by 7.4 percent during the year, matching the percentage growth in 1973. The growth of branching in recent years is indicated by the increase in the number of commercial bank branches by more than 8,200 during the past 5 years, and the corresponding rise from about 3.1 to 4.2 in the average number of branches per bank in States permitting branching.

In 1974, commercial banks in the United States conducted business in a climate of record inflation, tight monetary policy, high interest rates, and toward the end of the year, slackening economic activity. During the year, total assets of insured commercial banks increased 9.6 percent to a total of $912.5 billion, following a 12.9

percent increase in 1973. Bank loans increased by about 10.4 percent from the year-end 1973 level, with most of the increase occurring in the first three quarters of 1974. Residential real estate loans rose by 9.9 percent for the year, but virtually no growth occurred in the last quarter.

Total deposits grew 9.5 percent in 1974, compared to 10.5 percent in the year before. A large share of the rise in 1974—almost 60 percent—was in large certificates of deposit. Demand deposits increased in the last half of the year, reversing the downward trend of the previous 12-month period. Savings deposits showed a rise of 6.6 percent in 1974, more than double the percentage growth in 1973. Banks continued to increase their borrowings of funds, though the increase was substantially less than in 1973.

Income from loans of insured commercial banks grew almost $13 billion, or 34.3 percent, in 1974, reflecting a larger volume than in 1973 and a substantial increase in the average return on loans. However, interest on borrowed money and on deposits were up 54.3 percent and 40.6 percent, respectively, from 1973. Provision for loan losses jumped 80.8 percent in 1974. These increases were largely responsible for a one-third rise in total operating expenses and a resulting 2.85 percentage-point decline in the margin of operating earnings in 1974. Despite the decline in margins, net income after securities transactions and taxes rose by 7.9 percent in 1974.

The rise of money market rates well above the rates paid by mutual savings banks on deposits caused disintermediation of funds from these institutions into higher yielding securities during 1974. There was some improvement in the fourth quarter of the year when short-term interest rates fell somewhat, reversing deposit flows back into mutual savings banks. Despite the nearly $5 billion addition to deposits from interest and dividend payments, total deposits of insured mutual savings banks rose only $2 billion, or 2.3 percent, during the year. In response to the reduction in deposit flows, mutual savings banks were able to increase loans by less than 2 percent during 1974, compared to the prior year's 9 percent growth in loans. Large declines in loan activity occured in 1- to 4-family FHA-insured and VA-guaranteed mortgages, as well as in contruction loans.

As interest rates rose in 1974, so did earnings from loans and investments. For FDIC-insured mutual savings banks, return on real estate loans increased about 19 basis points over the 1973 level. However, average interest and dividend payments on deposits increased even more, about 34 basis points, in part because of a shift of passbook deposits into the higher yielding time deposits and also, the full impact of the 1973 increases in rates permitted on certain deposits was felt in 1974. Overall, net operating income increased $292 million, about 5.6 percent, in 1974. However, large increases in interest paid on deposits and substantial losses on securities sold caused a $161 million decrease in the net earnings of FDIC-insured mutual savings banks from 1973—a drop of more than one-third.

DEPOSIT INSURANCE PARTICIPATION AND COVERAGE

Incorporated banks and trust companies that are engaged in the business of receiving deposits may participate in Federal deposit insurance. Of the 14,481 commercial banks in the United States on December 31, 1974, 14,230, or about 98.3 percent, were insured by the Corporation. The 260 noninsured commercial banks in operation at the close of 1974 included 42 banks of deposit, 72 nondeposit trust companies, 16 private banks, 59 branches of foreign banks, and 71 industrial banks. The noninsured banks of deposit were located in 24 States or other areas—no State having more than four such banks; the nondeposit trust companies were operating in 22 States; and the private banks were divided among 6 States. In contrast, all except five industrial banks were located in Colorado, and more than two-thirds of the foreign bank branches were operating in New York and Illinois.

A total of 320 mutual savings banks were insured by the Corporation at the close of 1974. Of the 160 noninsured mutual savings banks, 159 were located in Massachusetts and insured under that State's deposit insurance program; one noninsured bank was located in the State of Maine.

Effective November 27, 1974, by amendment to the Federal Deposit Insurance Act, the general limit of insurance per depositor was increased from $20,000 in each insured bank to $40,000. At the same time, a higher maximum level of insurance was established for certain deposits of public units. For time and savings deposits of Federal units, and such deposits of State and local governments deposited in the depositor's own State, the limit of deposit insurance was increased to $100,000 per depositor.

The amendments that increased the limit of Federal deposit insurance did not change the rules governing the insurance of deposits. Federal deposit insurance protects depositors in insured banks that are closed. Different types of deposits—for example, a demand account, savings account, or other time deposit account—held by any depositor in the same right and capacity are insured up to $40,000 in the aggregate. On the other hand, different accounts in which the interest of any single depositor in each of such accounts represents a different right and capacity—for example, the account of a single holder, a valid joint account, or the account of an irrevocable trust—are separately insured up to the general limit of insurance.

It is estimated that total insured deposits amounted to about $520.3 billion, or 62.5 percent of all deposits in insured banks, on December 31, 1974. This estimate is based on relationships derived from the results of the Corporation's survey of deposits made on June 30, 1972 and subsequent surveys. Other estimated percentages of insured deposits on that date include 62.8 percent for demand deposits of individuals and businesses, 96.3 percent for savings deposits, and 30.7 percent for time accounts of government units.

Although the general limit of deposit insurance available for each depositor was doubled in 1974, the resulting increase in the percentage of all insured deposits to total deposits in insured banks is estimated to have been less than 2 percentage points. The moderate increase in insured deposits resulted from the fact that only a relatively small number of accounts were affected by the higher insurance ceiling. At the time of the 1972 deposit survey, for example, relative to the total accounts in specific types of deposits in commercial banks, 98.7 percent of demand deposit accounts of individuals, partnerships, and corporations, 99.4 percent of savings deposit accounts, and 71.6 percent of accounts of State and local governments were accounts of $20,000 or less.

OPERATIONS OF THE CORPORATION
PART ONE

DEPOSIT INSURANCE DISBURSEMENTS

Methods of protecting depositors. The principal methods used by the Corporation to protect depositors in failed insured banks are directly paying insured deposits, and assisting in the absorption of failing institutions by other insured banks.

In deposit payoff cases, immediately following closure of the bank by the chartering authority, the Corporation sends its claim agents to the bank to begin preparations for the payment of insured deposits. The claims presented by depositors, together with the records of the bank, are used to determine the total amount of deposits held by each depositor. From this total, any matured debt owed by the depositor to the bank may be deducted, and the net amount that is eligible for deposit insurance is paid by the Corporation. In recent years, payment of insured deposits has usually begun within 5 to 7 days following the closure of the bank.

Whenever, in the judgment of its Board of Directors, the Corporation's risk or losses will thereby be reduced, the Corporation is authorized to assist financially in the absorption of an insured bank in financial difficulty by another insured bank. This assistance may take various forms which can be adapted to individual situations: the Corporation may purchase the assets or grant a loan secured by the assets of the distressed bank, and it may agree to indemnify an insured bank against actual and potential loss by reason of its assuming the liabilities and taking over the assets of another insured bank.

The deposit assumption method has significant advantages in providing full protection to all depositors and otherwise minimizing any disruption of banking services to the community. Aside from the statutory requisites, however, in many situations the use of this method is not a feasible alternative and, in fact, may not even be possible. In cases where fraud or misconduct appears to have been pervasive, the FDIC may decide that the indemnities that would have to be given to the assuming bank as protection against unknown or undetermined liabilities of the failing bank involve too much risk to the Corporation, even allowing for the premium which the assuming bank would pay for the sound assets and the liabilities it assumes. In unit banking States without holding companies, there may be too few banks eligible under State law to be acquiring banks and none of them may be able to get the necessary approvals for the transaction—because of their size relative to the failed bank, because of their own condition, or because of their existing competitive position in the market.

Enactment of the Federal Deposit Insurance Act in 1950 provided the Corporation with additional authority to deal with distressed banks short of actual failure. Section 13(c) of the Act authorizes the Corporation to provide assistance to an operating insured bank under specified limited conditions. Such assistance to enable an insured bank to remain in operation can be granted only after a finding that (a) but for the contemplated assistance, the bank is in danger of closing and (b) the bank is essential in providing adequate banking service to the community. The Corporation has used this authority on only three occasions. The Corporation first used its section 13(c) authority to assist a small bank in the Boston, Massachusetts, area in 1971, and the authority was used in the following year in the case of a large bank in Detroit, Michigan. In 1974 the Corporation provided a short term loan under this authority to American Bank & Trust, Orangeburg, South Carolina, shortly before that bank's liabilities were assumed by Southern Bank and Trust Company with the Corporation's assistance.

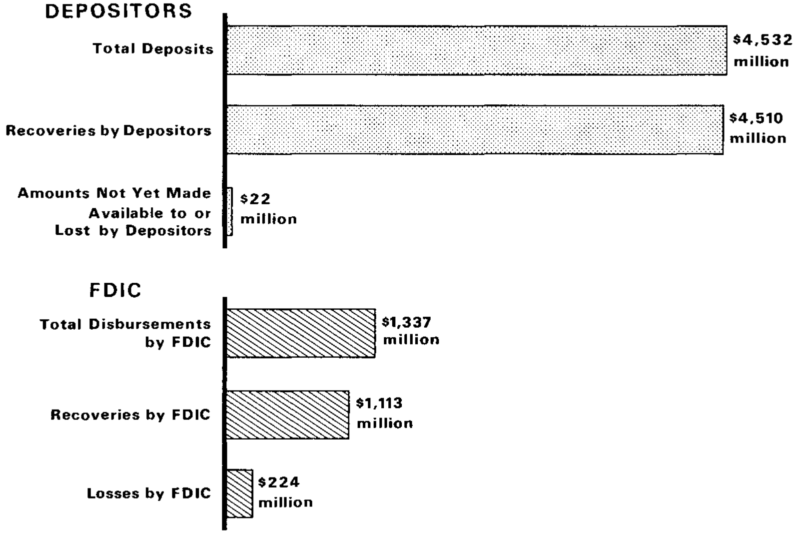
The Federal Deposit Insurance Act requires that the Corporation be appointed receiver for all national banks that are placed in receivership, and that it accept appointment as receiver for closed State banks when such appointment is authorized by State law and is tendered by the State authorities. The Corporation's Division of Liquidation has responsibility for liquidating the assets of closed insured banks, as well as the assets the Corporation acquires when it provides financial assistance in deposit assumption cases. At the end of 1974, the Division was handling 61 liquidation cases.

Protection of depositors, 1934-1974. Deposits held in all insured banks that required the disbursements of the Corporation from 1934 through 1974 amounted to $4.5 billion (chart A), of which about 99.5 percent have been paid or made available. Included in the total are the deposits of banks that continued in operation following assistance by the Corporation under the section 13(c) authority. Over 71 percent of the deposits were held in banks whose deposits were assumed by other insured banks, with the Corporation's assistance. By far the largest proportion of the recovery to depositors in payoff cases has been provided by FDIC payments of insured deposits, with additional payments received from the proceeds of liquidated assets, offsets against matured indebtedness, and pledged assets (table 1).

The Corporation makes disbursements when it pays depositors up to the insurance limit in payoff cases and in return acquires their claims against the failed banks, when it acquires banks' assets held in receiverships, when it assists deposit assumptions through loans or purchases of assets, and when it provides assistance to enable an operating bank to remain open. In all cases since 1934, the Corporation's disbursements have totaled $1.3 billion (table 2). The net loss incurred or likely to be incurred by the FDIC in connection with all such assistance transactions exclusive of United States National

Chart A

DEPOSITS AND LOSSES IN ALL INSURED BANKS REQUIRING DISBURSEMENTS BY FDIC, 1934—1974



Bank, which was merged in 1973 with the Corporation's assistance, and Franklin National Bank is estimated to be about $75 million. As of year-end, the Corporation's Board of Directors established a reserve for loss in the United States National Bank failure of $150 million. It could make no provision for loss in the Franklin National Bank failure because the assets it will have to collect were not then completely identified and very few of these assets had then been appraised. The Corporation estimates that it will have assets carried on Franklin National Bank's books of approximately $2.1 billion with which to discharge Franklin's liability to the Federal Reserve System which the Corporation assumed on the date of the bank's failure.

Banks failing in 1974. Four insured banks failed during 1974 (table 3), including Franklin National Bank, New York City, the largest insured bank to fail in the Corporation's history. In all four failures in 1974, the Corporation provided financial assistance to enable other insured banks to assume substantially all the deposit liabilities of the banks which failed.

The failures of the four insured banks were attributable to various causes. In the case of Franklin National, a decline in earnings, resulting in part from large foreign exchange trading losses, con-

Table 1. PROTECTION OF DEPOSITORS OF FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1974

Item	All cases (506 banks)		Deposit payoff cases (297 banks)		Deposit assumption cases (209 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total[1]	**2,853,847**	**100.0**	**592,838[2]**	**100.0**	**2,261,009**	**100.0**
Full recovery received or available	**2,848,345**	**99.8**	**587,336**	**99.1**	**2,261,009**	**100.0**
From FDIC[3]	2,801,457	98.2	540,448[4]	91.2	2,261,009	100.0
From offset[5]	40,879	1.4	40,879	6.9	....	.....
From security or preference[6]	3,116	0.1	3,116	0.5	....	.....
From asset liquidation[7]	2,893	0.1	2,893	0.5	....	.....
Full recovery not received as of December 31, 1974	**5,502**	**0.2**	**5,502**	**0.9**	....	.....
Terminated cases	3,433	0.1	3,433	0.6	....	.....
Active cases	2,069	0.1	2,069	0.3	....	.....
Amount of deposits (in thousands)—total	**3,634,052**	**100.0**	**409,946**	**100.0**	**3,224,106**	**100.0**
Paid or made available	**3,612,245**	**99.4**	**388,139**	**94.7**	**3,224,106**	**100.0**
By FDIC[3]	3,512,841	96.7	288,735[8]	70.4	3,224,106	100.0
By offset[9]	21,085	0.6	21,085	5.2	....	.....
By security or preference[10]	37,338	1.0	37,338	9.1	....	.....
By asset liquidation[11]	40,981	1.1	40,981	10.0	....	.....
Not paid as of December 31, 1974	**21,807**	**0.6**	**21,807**	**5.3**	....	.....
Terminated cases	2,642	0.1	2,642	0.6	....	.....
Active cases[12]	19,165	0.5	19,165	4.7	....	.....

[1]Number of depositors in deposit payoff cases; number of accounts in deposit assumption cases.
[2]Revised.
[3]Through direct payment to depositors in deposit payoff cases; through assumption of deposits by other insured banks, facilitated by FDIC disbursements of $763,525 thousand, in deposit assumption cases.
[4]Includes 60,010 depositors, in terminated cases, who failed to claim their insured deposits (see note 8).
[5]Includes only depositors with claims offset in full; most of these would have been fully protected by insurance in the absence of offsets.
[6]Excludes depositors, paid in part by FDIC, whose deposit balances were less than the insurance maximum.
[7]The insured portions of these depositor claims were paid by the Corporation.
[8]Includes $181 thousand unclaimed insured deposits in terminated cases (see note 4).
[9]Includes all amounts paid by offset.
[10]Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by the Corporation.
[11]Includes unclaimed deposits paid to authorized public custodians.
[12]Includes $14,287 thousand representing deposits available, expected through offset, or expected from proceeds of liquidations.

tributed to other difficulties which eventually led to subtantial deposit runoffs. Franklin National was declared insolvent and closed by the Comptroller of the Currency on October 8. At the time of its closing, the bank operated 109 offices and had assets of over $3.6 billion and deposits of about $1.4 billion. Immediately upon closing the bank, the Comptroller of the Currency, pursuant to applicable provisions of the Federal Deposit Insurance Act, appointed the Corporation as receiver. Almost simultaneously, in response to competitive bids submitted in accordance with predrafted papers, the Corporation's Board of Directors entered into a purchase and assumption transaction with European-American Bank & Trust Company, a bank chartered by the State of New York. European-American, for a purchase price of $125 million, agreed to assume substantially all the deposit liabilities of the failed bank. In a companion transaction, the trust business of Franklin National was acquired by Bradford Trust Company, a New York chartered

Table 2. ANALYSIS OF DISBURSEMENTS, RECOVERIES, AND LOSSES IN DEPOSIT INSURANCE TRANSACTIONS, JANUARY 1, 1934–DECEMBER 31, 1974
(In thousands)

Type of disbursement	Disbursements	Recoveries[1]	Losses
All disbursements—total[2]	**$1,337,644**	**$1,113,171**	**$224,473**
Principal disbursements in deposit assumption and payoff cases—total	**1,209,262**	**993,926**	**209,336**
Loans and assets purchased (209 deposit assumption cases):			
Total December 31, 1974	763,525	379,736	170,216
Estimated additional	....	213,573	....
Notes purchased to facilitate deposit assumptions	158,000	158,000	–0–
Deposits paid (297 deposit payoff cases):			
To December 31, 1974	286,834	216,566	39,120
Estimated additional	903	32,051	....
Advances and expenses in deposit assumption and payoff cases—total	**$ 72,061**	**$ 62,238**	**$ 9,823**
Expenses in liquidating assets:			
Advances to protect assets	41,061	41,061	–0–
Liquidation expenses	21,177	21,177	....
Insurance expenses	3,636	(3)	3,636
Field payoff and other insurance expenses in 297 deposit payoff cases	6,187	(3)	6,187
Other disbursements—total	**$ 56,321**	**$ 51,007**	**$ 5,314**
Assets purchased to facilitate termination of liquidations:			
To December 31, 1974	9,683	4,965	4,676
Estimated additional	....	42	....
Unallocated insurance expenses	638	(3)	638
Assistance to operating insured banks	46,000	46,000	–0–

[1]Excludes amounts returned to closed bank equity holders and $23.0 million of interest and allowable return received by FDIC.
[2]Includes estimated amounts for pending and unpaid claims in active cases.
[3]Not recoverable.

institution. As a result of these transactions, some 630,000 depositors, including 6,000 whose individual accounts exceeded the $20,000 insurance limit then in effect, were fully protected with no perceptible interruption in banking services.

American Bank & Trust, Orangeburg, South Carolina, at the time of its closing the sixth largest bank in the State, held assets totaling nearly $150 million and operated 29 offices in 20 communities. In

Table 3. INSURED BANKS CLOSED DURING 1974 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION

Name and location	Date of deposit assumption	Number of depositors' accounts	Amount of deposits (in thousands)[1]	FDIC disbursement (in thousands)[2]
Total	....	**704,283**	**$1,575,832**	**$174,211**
American Bank & Trust Orangeburg, South Carolina	September 20, 1974	66,232	112,703	61,289
Tri-City Bank Warren, Michigan	September 27, 1974	6,517	14,876	10,976
Franklin National Bank New York, New York	October 8, 1974	630,000	1,444,982	100,000
Cromwell State Savings Bank Cromwell, Iowa	October 9, 1974	1,534	3,271	1,946

[1]All deposits were made available in full through assuming banks.
[2]Includes disbursements made to December 31, 1974, plus additional disbursements required in these cases; includes notes purchased to facilitate deposit assumptions.

10 communities AB&T was the only bank providing commercial banking services. On September 8, 1974, the Board of Directors of the Corporation, under the authority of section 13(c) of the Federal Deposit Insurance Act, announced that it had arranged to provide whatever cash the bank needed to enable it to deal with a short term liquidity problem. The announcement stated that the difficulties of the bank involved a number of sizable real estate loans which had become illiquid under the prevailing economic conditions. Shortly thereafter, on September 20, the Board of Directors of the FDIC and the South Carolina authorities announced that Southern Bank and Trust Company, Greenville, as part of a purchase and assumption transaction with the Corporation, had agreed to assume all the deposit liabilities of AB&T. The action, which avoided any need for a statutory payoff of AB&T's 65,000 depositors, followed a decision by the State authorities that the bank must be closed because of an inability to meet the demands of its depositors. In this transaction, Southern Bank and Trust assumed approximately $132 million of deposits and other liabilities and, in a competitive bidding procedure, paid a purchase premium of nearly $5.6 million. The Corporation stated that the large quantity of illiquid and adversely classified loans in AB&T resulted in a negative earnings situation with no prospect for reversal in the forseeable future, making impossible any solution that would have kept that bank as an ongoing institution.

Two much smaller institutions, Tri-City Bank, Warren, Michigan, and Cromwell State Savings Bank, Cromwell, Iowa, failed during 1974. Involved in these cases were self-serving loans and other misapplications of funds. The total deposits of these banks, which were assumed by other insured banks with the Corporation's assistance, were about $14.9 million and $3.3 million, respectively.

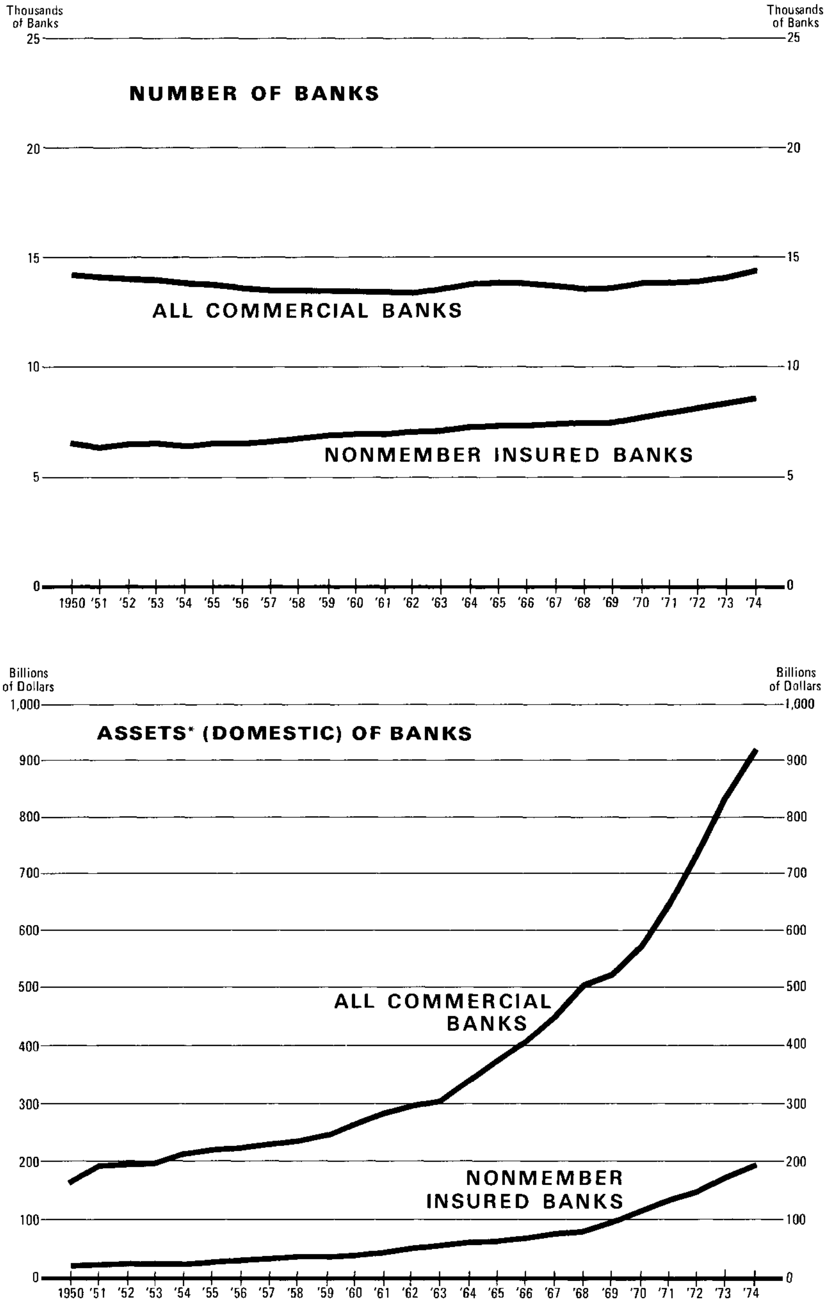
SUPERVISORY ACTIVITIES

The Corporation has some supervisory authority with respect to all insured banks, and has general supervisory responsibilities for insured banks that are not members of the Federal Reserve System. A total of 8,448 nonmember insured commercial banks, holding assets (domestic) of $193.6 billion, were in operation in 1974. Nonmember insured commercial banks represented 58.3 percent of all commercial banks in the U.S. and 20.9 percent of commercial bank assets (domestic), compared to 46.4 percent and 13.0 percent, respectively, in 1950 (chart B).

Examinations. Along with the State banking departments which chartered them, the Corporation regularly conducts examinations

Chart B

NUMBER AND ASSETS OF COMMERCIAL BANKS IN THE UNITED STATES, 1950–1974



*Net assets, excluding loss reserves.

of such nonmember insured banks to determine their current condition, to evaluate bank management, and to discover and obtain correction of unsafe and unsound practices or violations of laws and regulations. Special investigations are also made in connection with applications for Federal deposit insurance, mergers, establishment of branches, and other actions requiring the prior approval of the Corporation.

A 13-month experimental program in the examination of State-chartered nonmember banks was started in three States at the beginning of the year. Under this program, the Corporation withdrew from its usual examination of all insured nonmember State banks in Iowa, Georgia, and Washington and, for a specified number of such banks in each State, agreed to rely heavily upon examinations by the respective State banking departments for determination of their financial condition. At year-end 1974, 527 banks were affected by the Selective Withdrawal Program, 430 of which had been examined by the respective State authority. Banks not under the Selective Withdrawal Program continued to be examined by the Corporation in each of the three States. The FDIC has reserved the right to examine any such bank whether or not it is scheduled for exclusive State examination, and has also reserved the right to terminate or modify the program at any time.

During the test period, which has since been extended through December 31, 1975, the Corporation intends to examine each bank under the program for compliance with certain Federal laws utilizing a Compliance Examination Report developed specifically for this purpose. The same type of independent compliance examination is also being conducted among non-program banks in the 3 States, and 95 such examinations were made in other States as a further experiment. In September, independent compliance examinations were adopted on a limited basis throughout the country, and 2,182 such examinations were completed in 1974.

The Corporation conducted over 7,400 examinations of main offices and approximately the same number of examinations of departments and branches of nonmember insured banks during 1974 (table 4). It also made 304 investigations in connection with applications of proposed new banks or operating noninsured banks for Federal deposit insurance, 1,013 investigations in connection with applications for the Corporation's consent to the establishment of new branches, and 212 investigations in connection with applications for consent to consolidate, merge, purchase assets, or assume liabilities.

Applications for deposit insurance and branches. Before approving an application for deposit insurance, the Corporation is required, under section 6 of the Federal Deposit Insurance Act, to consider the financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community, and finally, the consistency of the bank's corporate powers with the purposes of the Act. National banks receive deposit insurance upon their chartering and State member banks upon joining the Federal Reserve System—in both cases after certification by the responsible Federal agency that the criteria mentioned above were given consideration. State nonmember banks apply directly to the Corporation for deposit insurance.

The Corporation's Board of Directors considered 215 applications for Federal deposit insurance during 1974, approving 207 applications (chart C) and denying 8 (one of which was subsequently approved following amendment to the application). Sixty-two of the approved applications came from the unit-banking States of Florida, Illinois, and Texas.

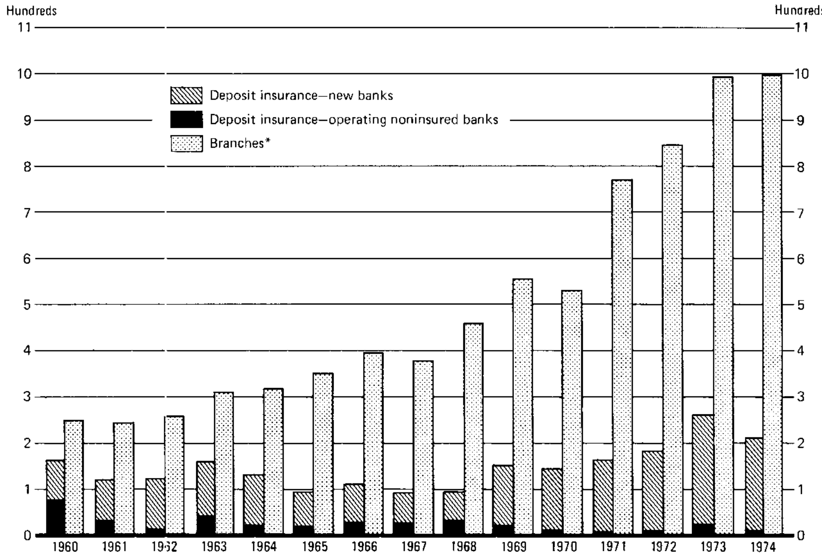
The Federal Deposit Insurance Act requires that the Corporation's approval be obtained before a nonmember insured bank may establish or change the location of a branch office. A "branch" is defined in section 3(o) of the Act as ". . . any branch place of business . . . at which deposits are received, checks paid, or money lent." This definition includes tellers' windows and other limited-service facilities that may not be "branches" under the laws of the respective States.

The Corporation's Board of Directors approved 241 applications for new branches during 1974, and 581 were approved under delegated authority by the Director of the FDIC's Division of Bank

Table 4. BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1973 AND 1974

Activity	Number 1974	Number 1973
Field examinations and investigations—total	**22,699**	**19,959**
Examinations of main offices—total	**7,451**	**7,995**
Regular examinations of insured banks not members of Federal Reserve System	7,331	7,863
Re-examinations; or other than regular examinations	98	111
Entrance examinations of operating noninsured banks	13	14
Special examinations	9	7
Examinations of departments and branches	**7,558**	**7,474**
Examinations of trust departments	1,296	1,452
Examinations of branches	6,262	6,022
Investigations	**4,515**	**4,490**
New bank investigations	304	431
State banks members of Federal Reserve System	6	15
Banks not members of Federal Reserve System	298	416
New branch investigations	1,013	1,118
Mergers and consolidations	212	264
Miscellaneous investigations	2,986	2,677
Compliance examinations	**3,175**	......
Full	993	......
Limited	2,182	......

Chart C APPLICATIONS FOR DEPOSIT INSURANCE AND BRANCHES APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1960–1974



*Includes facilities and other limited service offices

Supervision or by the Regional Directors. Four such applications were denied. Two were denied primarily because they appeared substantially anticompetitive under the facts presented; the other two denials were based on one, or a combination of more than one, of the other factors considered. Of 174 applications considered in 1974 for the Corporation's prior consent to the operation of limited branch facilities, 13 were approved by the Board of Directors and 161 were approved under delegated authority.

Mergers. The Bank Merger Act of 1960, amending section 18(c) of the Federal Deposit Insurance Act, requires the approval of a Federal bank supervisory agency before any insured bank may engage in a merger transaction, as defined in the Act. If the surviving institution is to be an insured nonmember bank, or in any merger of an insured bank with a noninsured institution, the Corporation is the deciding agency.

The Act, as amended in 1966, provides further that, before approving any proposed merger of an insured bank, the deciding Federal agency must consider the effect of the transaction on competition, the financial and managerial resources of the banks, the future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served. A merger that would be in furtherance of an attempt to monopolize or that would result in a monopoly under the Sherman Antitrust Act may not be approved. A merger whose effect may be to substantially lessen competition in any section of the country, or tend to create a monopoly, may be approved, but only if the responsible agency finds that these anticompetitive effects are clearly outweighed in the public interest by the probable effects on the needs and convenience of the community to be served. Following approval of a bank merger by the Federal supervisory agency, the Justice Department may, within a 30-day period (or in emergency cases, within 5 days), bring an action under the antitrust laws to prevent the merger.

The Corporation acted on 56 merger-type applications in 1974, approving 55 and denying one. The Corporation also approved 67 applications for merger transactions involving corporate reorganizations which, as such, had no competitive effect. The Act requires that descriptive material on each merger case that is approved, the basis for approval, and the Attorney General's advisory report be published in the deciding agency's annual report. This information for the year 1974 is contained on pages 33—172 of this report.

The Bank Merger Act requires in addition that before deciding on any application, unless the agency finds that it must act immediately in order to prevent the probable failure of one of the banks involved, the deciding agency shall request, from the other two Federal bank supervisory agencies and from the Attorney General of the United States, a report on the competitive factors involved in the case. In 1974, 52 advisory reports were filed on the competitive factors involved in merger transactions where the resulting institution would be a national or State member bank. In two of those reports, the deciding agency was informed that the Corporation considered the competitive factors presented to be adverse in one or more respects. In one of these cases, the Board of Governors of the Federal Reserve System subsequently approved the application; in the other, the Comptroller of the Currency had taken no action by the end of the year. A total of 79 advisory reports involved corporate reorganizations that, as such, had no competitive effect.

Merger approvals by each of the Federal bank supervisory agencies under section 18(c) of the Federal Deposit Insurance Act in 1974 are detailed in tables 5 and 6. In 1974, a total of 124 institutions were absorbed, compared to 101 in 1973 (chart D). (The merger statistics in chart D do not include corporate reorganizations of individual banking institutions, such as banks in process of forming one-bank holding companies, and other merger transactions which did not have the effect of lessening the number of existing operating banks; see table 5, note 1.)

Table 5. MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1974

Banks	Number of banks	Resources (in thousands)	Offices operated	
			Prior to transaction	After transaction
ALL CASES[1]				
Banks involved	239	$46,869,539	2929	2926
Absorbing banks	115[2]	40,337,520[3]	2471[3]	2926[3]
Absorbed banks	124	6,532,019	458	
National	43	4,893,369	250	
State member FRS	14	204,324	28	
Not member FRS	56	1,340,207	169	
Noninsured institutions	11	94,119	11	
CASES WITH RESULTING BANK A NATIONAL BANK				
Banks involved	120	27,986,807	1747	1745
Absorbing banks	57	26,500,578	1571	1745
Absorbed banks	63	1,486,229	176	
National	29	667,629	78	
State member FRS	9	138,935	21	
Not member FRS	24	679,399	76	
Noninsured institution	1	266	1	
CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	18	2,807,008	187	187
Absorbing banks	9	2,444,558	145	187
Absorbed banks	9	362,450	42	
National	7	345,463	39	
Not member FRS	2	16,987	3	
CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	101	16,075,724	995	994
Absorbing banks	49	11,392,384	755	994
Absorbed banks	52	4,683,340	240	
National	7	3,880,277	133	
State member FRS	5	65,389	7	
Not member FRS	30	643,821	90	
Noninsured institutions	10[4]	93,853	10	

[1]Omitted are corporate reorganizations and other absorptions involving banks that prior to the transaction did not individually operate an office in the United States, and some mergers of banks within the same holding company.
[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]All merged institutions were savings and loan associations.

Cease-and-desist and termination-of-deposit-insurance proceedings. When insured banks are found to be in violation of laws or regulations, or engaging in unsafe or unsound banking practices, the Corporation usually is able to gain corrective action by consultation with the bank's management and other supervisory officials. In the event such efforts to gain voluntary compliance do not succeed, the Corporation may initiate cease-and-desist proceedings against an insured nonmember bank and termination-of-deposit-insurance proceedings against any insured bank involved.

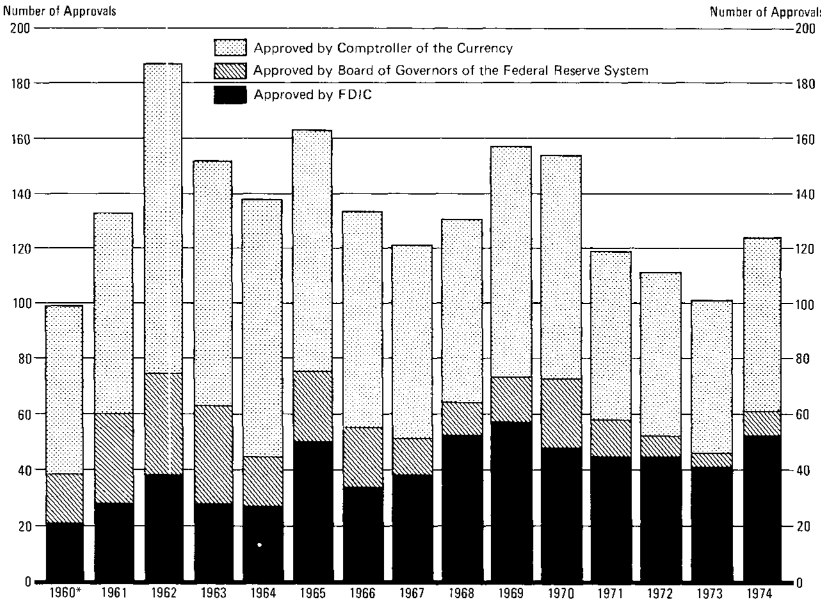
Under section 8(b) of the Federal Deposit Insurance Act, the Corporation initiates cease-and-desist proceedings by the issuance of a Notice of Charges. The Notice specifies the alleged violations or the unsafe or unsound practices engaged in and fixes a time for an administrative hearing at which the bank may respond to the charges. If the evidence presented at the hearing establishes the existence of the violations or practices, or upon consent of the bank to the issuance of such an order, the Corporation may order the bank not only to stop the violations or practices but also to take affirmative action to correct the conditions that have resulted. Of the 18 cease-and-desist orders against insured State nonmember banks that were outstanding at the beginning of 1974, 9 were terminated during the year (table 7). In 1974 the Corporation initiated five section 8(b) proceedings; four culminated in the entry of cease-and-desist orders, and one proceeding was pending at year-end after the completion of an administrative hearing. As a consequence, 13 cease-and-desist orders against insured State nonmember banks were outstanding at the end of 1974.

In termination-of-deposit-insurance proceedings initiated under section 8(a), a failure to correct the specified unsafe or unsound practices or violations with the designated period may result, following an administrative hearing at which the bank may respond to the Corporation's charges, in a Board of Directors' order to terminate the bank's deposit insurance. If the insurance is terminated, insured funds on deposit at the time of the termination, less any subsequent withdrawals, continue to be insured for a period of 2

Table 6. APPROVALS UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1974, BANKS GROUPED BY SIZE AND IN STATES ACCORDING TO STATUS OF BRANCH BANKING

Absorbing banks		Absorbed banks							
Number of banks by size (resources in $millions)		Number of banks	Number of branches	Resources (in thousands)	Number of banks by size (resources in $millions) –5	5–10	10–25	25–100	Over 100
Total—U.S.	**115**	**124**	**334**	**$6,532,019**	**22**	**28**	**46**	**20**	**8**
–5	2	2	7	50,189	0	1	0	1	0
5–10	5	5	0	18,649	4	1	0	0	0
10–25	11	11	8	103,763	5	3	2	1	0
25–100	34	36	69	777,835	9	8	14	4	1
100–500	45	49	112	1,410,530	2	12	20	11	4
Over 500	18	21	138	4,171,053	2	3	10	3	3
(A) Statewide branching	**38**	**44**	**125**	**1,303,547**	**4**	**7**	**18**	**11**	**4**
–5	1	1	6	42,010	0	0	0	1	0
10–25	2	2	1	7,778	1	1	0	0	0
25–100	11	13	37	356,648	1	1	8	3	0
100–500	15	16	53	424,519	2	2	6	4	2
Over 500	9	12	28	472,592	0	3	4	3	2
(B) Limited-area branching	**69**	**72**	**209**	**5,176,989**	**13**	**19**	**27**	**9**	**4**
–5	1	1	1	8,179	0	1	0	0	0
5–10	4	4	0	14,737	3	1	0	0	0
10–25	7	7	7	88,976	2	2	2	1	0
25–100	20	20	32	395,411	6	7	5	1	1
100–500	28	31	59	971,225	0	8	14	7	2
Over 500	9	9	110	3,698,461	2	0	6	0	1
(C) Unit banking	**8**	**8**	**0**	**51,483**	**5**	**2**	**1**	**0**	**0**
5–10	1	1	0	3,912	1	0	0	0	0
10–25	2	2	0	7,009	2	0	0	0	0
25–100	3	3	0	25,776	2	0	1	0	0
100–500	2	2	0	14,786	0	2	0	0	0

Chart D MERGERS APPROVED BY FEDERAL BANK SUPERVISORY AGENCIES, 1960–1974



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

years. In the three termination-of-deposit-insurance cases which remained open at the beginning of 1974 awaiting expiration of the time periods specified in which to make corrections, re-examination of the banks, or analysis of their most recent reports of examination, two proceedings were concluded after corrections were effected. During 1974, the Corporation initiated three new proceedings to terminate deposit insurance (table 8). Consequently, four such proceedings remained open at year-end 1974.

Removal proceedings. Removal proceedings, against an officer or director of an insured State nonmember bank who violates a law, rule, regulation, or final cease-and-desist order or who engages in an unsafe or unsound banking practice that constitutes a breach of his fiduciary duty, may be initiated by the Corporation under section

Table 7. CEASE-AND-DESIST ORDERS AND ACTIONS TO CORRECT SPECIFIC UNSAFE OR UNSOUND PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1974

Total actions taken: 1971-1974	**35**
Cease-and-desist orders issued in 1974[1]	**4**[2]
Cease-and-desist orders discontinued	9
Cease-and-desist orders outstanding as of December 31, 1974	13

[1]The FDIC's authority to issue cease-and-desist orders was added in 1966 (12 U.S.C. 1818 (b)). The first use of this authority occured in 1971.
[2]One proceeding in 1974, included in the total, did not result in entry of a cease-and-desist order.

8(e) of the Federal Deposit Insurance Act. The Corporation is authorized to take such action if it determines that the conduct will cause substantial financial loss or other damages to the bank or will seriously prejudice the interests of the bank's depositors, and that the conduct involves personal dishonesty. During 1974, one director of an insured State nonmember bank was removed pursuant to an order issued under section 8(e).

Suspension proceedings. When an officer, director, or other person who participates in the management of an insured nonmember bank is charged, in an information, indictment, or complaint authorized by a U.S. Attorney, with the commission of, or participation in, a felony involving dishonesty or a breach of trust, the Corporation may suspend or prohibit the person from participating in the affairs of the bank under section 8(g) of the Federal Deposit Insurance Act. Suspension proceedings are initiated by the issuance of a Notice and Order of Suspension and Prohibition, served on the individual involved, that specifies the charges and further orders the individual to be suspended from his position and prohibited from participating in the affairs of the bank. The Corporation may issue a formal Order of Removal on the person found guilty of the offenses charged. A finding of not guilty or other disposition of the charges does not preclude the Corporation from thereafter instituting removal or prohibition proceedings pursuant to section 8(e).

During 1974, the Board of Directors issued orders suspending three persons who were charged with felonies involving dishonesty or breach of trust from their offices in insured State nonmember banks. Ten individuals charged with felonies involving dishonesty or

Table 8. ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936–1974

Disposition or status	1936–1974[1]	Started during 1974
Total banks against which action was taken	**224**	3
Cases closed	**220**	....
Corrections made	95	....
Banks absorbed or succeeded by other banks	73	....
With financial aid of the Corporation	64	....
Without financial aid of the Corporation	9	....
Banks suspended prior to setting date of termination of insured status by Corporation	37	....
Insured status terminated, or date for such termination set by Corporation for failure to make corrections	13	....
Banks suspended prior to or on date of termination of insured status	9	....
Banks continued in operation[2]	4	....
Formal written corrective program imposed and 8(a) action discontinued	1	....
Cease-and-desist order issued and 8(a) action discontinued	1	....
Cases not closed December 31, 1974	4	3
Action deferred pending completion of correction period, reexamination of the bank, or analysis of its most recent report of examination	4	3

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

breach of trust voluntarily resigned or suspended themselves from their positions with insured State nonmember banks following indications that the Corporation might initiate suspension proceedings against them if they continued to hold their offices.

Interest rate ceilings. Public Law 74-305 (the Banking Act of 1935), signed into law on August 23, 1935, granted authority to the FDIC to establish maximum rates of interest payable on time and savings accounts by nonmember insured commercial banks. The Board of Governors of the Federal Reserve System was given this authority with respect to member banks by the Banking Act of 1933, signed on June 16 of that year. Effective September 21, 1966, a bill was enacted by Congress (80 Stat. 824) providing the regulatory agencies with more flexibility in setting rate ceilings, and bringing savings and loan associations under rate regulation. Federally insured mutual savings banks were brought under this authority of the Corporation with the enactment of Public Law 89-597 in October 1966. Pursuant to its authority, the Corporation has established maximum rates applicable to nonmember insured banks in Part 329 of its rules and regulations. Tables 125 and 126 of this report contain a recapitulation of changes in the ceiling rates for insured commercial banks and mutual savings banks in the U.S.

Consumer protection. The FDIC is responsible for administrative enforcement of the Truth in Lending Act and the Fair Credit Reporting Act with respect to insured nonmember banks. The Truth in Lending Act requires creditors to disclose the cost and other terms of consumer credit in a prescribed manner and at specified times so that consumers may shop for the best credit terms and make sound judgments regarding the use of consumer credit. The Fair Credit Reporting Act requires creditors to make certain disclosures when information in a credit report from a consumer reporting agency or obtained from a third party contributes to a denial or an increase in the cost of consumer credit. These disclosures are designed to enable consumers to seek out and correct erroneous information regarding their credit standings. Checks for compliance with these laws were a routine part of the bank examinations conducted by FDIC examiners during 1974.

Under the Securities Exchange Act of 1934, the Corporation exercises all "the powers, functions, and duties" otherwise vested in the Securities and Exchange Commission "to administer and enforce" the registration, company-reporting, and related provisions of that Act with respect to insured nonmember banks. These provisions are applicable to banks with more than $1 million in assets which have 500 or more holders of any class of equity security. Under these provisions and the Corporation's regulations thereunder, the banks are required to file an initial registration statement and periodic reports (annually, semi-annually, and quarterly) as well as a special report covering any material event which occurred in the preceding month. Any matter presented for a vote of security holders must be effectuated through a proxy statement complying with the Corporation's regulations, and where directors are to be elected, the proxy statement must be accompanied or preceded by an annual report disclosing the financial condition of the bank. Officers and directors of a bank whose securities are registered and any person or related group of persons holding more than 5 percent of such securities must report their holdings and any changes which occur to the Corporation.

All required statements and reports filed with the Corporation under the Securities Exchange Act are public documents. All such statements and reports are available for inspection at the Corporation's headquarters and copies of registration statements and company reports, proxy statements, and annual reports to shareholders are also available at the New York, Chicago, and San Francisco Federal Reserve Banks as well as at the Reserve Bank of the district in which the bank filing the report is located.

During 1974, the Corporation received securities registration statements from 61 banks, bringing the year-end total of registered nonmember banks to 290 compared to 262 a year earlier. Additions included two registered banks that withdrew from the Federal Reserve System and six banks that converted from national to State charters. Termination of the registration of 33 banks resulted primarily from their merging into other operating banks or becoming subsidiaries of bank holding companies.

Changes in bank ownership and loans secured by bank stock. Section 7 of the Federal Deposit Insurance Act, as amended in 1964, requires the chief executive officer of an insured bank to report to the appropriate Federal supervisory agency any change in the bank's outstanding voting stock that results in a change of control of the bank. In addition, a report is required whenever any insured bank makes a loan secured by 25 percent or more of the outstanding stock of an insured bank (except stock held for more than 1 year or for newly organized banks). This report is filed by the institution making such a loan with the supervisory agency having primary responsibility for the bank whose stock secures the loan. Banks must also report any change or replacement of the bank's chief executive officer or of any director that occurs during a 12-month period following the change in control. The Corporation received 483 notices of change in control involving insured nonmember banks during 1974.

Bank security. Under the Bank Protection Act of 1968 the Corporation has responsibility, with respect to banks under its general supervision, to establish minimum standards for the installation, maintenance, and operation of security devices and procedures to discourage certain external bank crimes, and to assist in apprehending persons who commit those crimes. Part 326 of the Corporation's rules and regulations was adopted in early 1969 to implement the Bank Protection Act, and on November 1, 1973, several revisions were adopted. Each bank is required, under section 326.5 of the Corporation's rules and regulations to submit compliance reports as of the last business day of June of each calender year, and to submit crime reports following the perpetration of a robbery, burglary, or nonbank employee larceny. During 1974 the Corporation received 833 crime reports filed pursuant to section 326.5(d) of its regulations.

Supervisory training activities. Formal programs for bank examiners include, for new trainees, a course in the fundamentals of banking and bank examinations; for assistant examiners, a second course emphasizing accrual accounting, audit techniques, and bank operations, with a portion devoted to examinations of computerized banks; and for senior assistant examiners, a program centering on credit analysis, asset appraisal, bank management simulation, and Corporation policies and objectives. An advanced course in examination of computerized banks, and basic and advanced courses in examining trust departments are also included for bank examiners. A course designed to provide further advanced training for senior examiners was recently initiated.

During 1974, the number of examiners from the Corporation, State banking departments, and foreign central banks participating in programs of the Bank Examination School totaled approximately 1,100. The participation by the State banking departments involved about 150 examiners under a joint program with the Conference of State Bank Supervisors. The numbers of participants under these various programs were approximately the same as in 1973.

Employees enrolled during 1974 in training courses outside the Corporation included 80 in graduate and specialized banking schools, and others at the American Institute of Banking and in miscellaneous programs sponsored by Government agencies and private organizations.

Research and statistics. The Federal bank supervisory agencies receive a report of condition quarterly and a report of income and expenses annually from banks for which the respective agencies have general supervisory responsibility. The Corporation also receives semiannual reports of condition from noninsured banks. The data for all banks, collected on reporting forms that are identical among the Federal agencies, are processed by the Corporation and are published for the mid-year and year-end call dates.

During 1974, the Corporation's Research Division conducted, or participated in, surveys of the geographic distribution of deposit accounts, trust assets of insured commercial banks, mortgage rates and mortgage lending by banks, and interest rates paid on savings and time deposits. Results of these surveys are released in publications of the FDIC and other Government agencies. Two other surveys were initiated during the year. A monthly survey of insured and noninsured mutual savings banks was instituted to gather income and deposit flow data. Weekly reports on various deposit and cash items from a sample of nonmember commercial banks were initiated on a test basis in July to determine whether these data would be useful in improving the Federal Reserve System's estimates of the nation's money supply.

During 1974 several "Working Papers" were prepared by staff members of the Division of Research. These papers are not to be construed as official Corporation publications. The analytical techniques used and the conclusions reached are the responsibility of the author and in no way represent a policy determination endorsed by the Federal Deposit Insurance Corporation.

Working Paper Number	
74–1	"Recursive Bank Asset Management: Actual Versus Optimal Results" by David A. Walker and John A. Castner, Jr.
74–2	"Demand for Commercial Bank Production Workers and Administrators: Demand Deposit Operations" by William A. Longbrake and H. Douglas Merrill.
74–3	"Problem Banks: Identification and Characteristics" by Joseph F. Sinkey, Jr. and David A. Walker.
74–4	"A Multivariate Statistical Analysis of the Characteristics of Problem Banks" by Joseph F. Sinkey, Jr.
74–5	"Output Mix and Jointness in Production in the Banking Firm" by Zvi Adar, Tamir Agmon, and Yair E. Orgler.
74–6	"The Recent Loan Loss Experience of New Minority-Owned Commercial Banks" by John T. Boorman.
74–7	"Differential Effects of Single-Plant, Multi-Plant, and Multi-Firm Organizational Forms on Cost Efficiency: A Commercial Banking Illustration" by William A. Longbrake.
74–8	"Reserve Requirements, Federal Reserve Membership and Bank Performance" by Gary G. Gilbert and Manferd O. Peterson.
74–9	"The NOW Account Experiment" by William A. Longbrake and Sandra B. Cohan.
74–10	"The Impact of Changes in Federal Reserve Membership on Commercial Bank Performance" by Gary G. Gilbert and Manferd O. Peterson.

Working Paper Number	
74–11	"An Integrated Model for Accounts Receivable Policy" by Zvi Lieber and Yair E. Orgler.
74–12	"A Comparative Analysis of the Portfolio and Performance Operations of Problem Commercial Banks" by Joseph F. Sinkey, Jr.
74–13	"Capital Adequacy and Net Recoveries from Failed Banks" by Yair E. Orgler.
74–14	"Money Illusion and the Neutrality of Money" by Stephen A. Buser.
74–15	"The Failure of the United States National Bank of San Diego: A Portfolio and Performance Analysis" by Joseph F. Sinkey, Jr.
74–16	"Commercial Banking Structure in the United States: Its Development and Future" by William A. Longbrake and John A. Haslem.
74–17	"Adverse Publicity and Bank Deposit Flows: The Cases of Franklin National Bank of New York and United States National Bank of San Diego" by Joseph F. Sinkey, Jr.
74–18	"Financial Policy in Bank Holding Companies" by William A. Longbrake.
74–19	"A Survey of Some Major Issues on Electronic Funds Transfer Systems" by William H. Roelle and David A. Walker.

The Corporation announced during the year the awarding of dissertation fellowships to three Ph.D. candidates. These fellowships are intended to promote research in banking and related fields as part of a program to improve and expand the information available to the bank supervisory agencies and the banking community. They are designed to provide graduate students an opportunity to devote full time to the preparation of their dissertations. Selection was based on the assessment of the importance of their proposed research, the relevance of their research to the interests of the Corporation, and the ability of the applicants to complete their projects successfully and within the time covered by the fellowships.

ADMINISTRATION OF THE CORPORATION

Structure and employees. The Corporation is managed by a three-member Board of Directors. Two are appointed to the Board by the President of the United States, with the advice and consent of the Senate, and the third member is the Comptroller of the

Currency, also a Presidential appointee. Members appointed directly to the Board serve 6 years, while the Comptroller of the Currency serves a 5-year term of office. There was no change in the membership of the Board of Directors during 1974. Mr. Frank Wille, who was elected Chairman of the Board on April 1, 1970, continued in that capacity throughout 1974. Continuing as Directors were Mr. George A. LeMaistre, who took office on August 1, 1973, and Mr. James E. Smith, who was sworn in as Comptroller of the Currency on July 5, 1973.

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

The Corporation's total employment increased by 167 during 1974 to 2,808 at the end of the year (table 9). Of this increase, 118 were temporary employees, including clerical workers employed at banks in process of liquidation. Over 72 percent of the Corporation's employees were field bank examiners and others assigned to the Regional Offices. The turnover rate for field examiners in 1974 was 11.4 percent compared to 11.2 percent for 1973. Among the 182 bank examiners leaving the Corporation's employment during the year were 60 who resigned to accept positions with banks, other financial institutions, or other supervisory agencies.

Table 9. NUMBER OF OFFICERS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1973 AND 1974

Unit	Total		Washington office		Regional and other field offices	
	1974	1973	1974	1973	1974	1973
Total	**2,808***	**2,641***	**775**	**691**	**2,033**	**1,950**
Directors	3	3	3	3	0	0
Executive Offices	39	41	39	41	0	0
Legal Division	78	79	70	70	8	9
Division of Bank Supervision	2,054	1,943	191	121	1,863	1,822
Division of Liquidation	233	190	85	83	148	107
Division of Research	91	89	91	89	0	0
Office of the Controller	193	190	179	178	14	12
Office of Management Systems and Financial Audits	117	106	117	106	0	0

*Includes 261 nonpermanent employees on short term appointment or when actually employed in 1974, and 143 in 1973. 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.

FINANCES OF THE CORPORATION

Assets and liabilities. The Corporation's assets totaled $8,178 million on December 31, 1974 (table 10). Cash and U.S. Government securities, valued at amortized cost plus accrued interest, amounted to $5,985 million. Various assets acquired in receivership and deposit assumption transactions, including the subrogated claims of depositors against closed insured banks and assistance to operating insured banks, totaled $2,185 million after allowance of

Table 10. STATEMENT OF FINANCIAL CONDITION, FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1974[1]
(In thousands)

ASSETS		
Cash		$ 18,857
U.S. Government obligations:		
Securities at amortized cost (face value $5,881,315; cost $5,865,965)	$5,874,374	
Accrued interest receivable	91,868	5,966,242
Assets acquired in receivership and deposit assumption transactions:		
Subrogated claims of depositors against closed insured banks	$ 53,644	
Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability	903	
Equity in assets acquired under agreements with insured banks[2]	2,113,341	
Assets purchased outright	4,609	
	$2,172,497	
Less reserves for losses	185,743	1,986,754
Notes purchased to facilitate deposit assumption: (Crocker National Corp., $50,000; Southern Bancorporation, $8,000; European-American Bank & Trust Company, $100,000)		
Principal	$ 158,000	
Accrued interest receivable	3,445	161,445
Assistance to operating insured banks:		
Notes purchased: (Bank of the Commonwealth, $35,500; Unity Bank & Trust, $1,500)		
Principal	$ 37,000	
Accrued interest receivable	1	37,001
Miscellaneous assets		628
Land and office building, less depreciation on building		6,824
Total assets		**$8,177,751**
LIABILITIES AND DEPOSIT INSURANCE FUND		
Accounts payable and accrued liabilities		$ 4,494
Earnest money, escrow funds and collections held for others		1,630
Accrued annual leave of employees		2,979
Due insured banks:		
Net assessment income credits available July 1, 1975 (see table 12)	$ 285,433	
Other assessment credits available immediately	4,831	290,264
Liabilities incurred in receivership and deposit assumption transactions:		
Federal Reserve Bank indebtedness:		
Note payable	$1,723,000	
Accrued interest payable[3]	30,291	1,753,291
Net insured balances of depositors in closed insured banks—see related asset		903
Total liabilities		**$2,053,561**
Deposit insurance fund, net income accumulated since inception (see table 11)		**6,124,190**
Total liabilities and deposit insurance fund		**$8,177,751**

[1]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.

[2]Equity in assets acquired under agreements with insured banks increased $1.928 billion during calendar year 1974. Approximately $1.723 billion of this increase is related to the closing of Franklin National Bank on October 8, 1974.

[3]Accrued interest payable of $30.3 million represents interest for 84 days at the rate of 7.52 percent simple interest per annum on the unpaid principal amount plus $472 thousand of unpaid interest due on Franklin National Bank's indebtedness to the Federal Reserve Bank of New York. This amount is subject to adjustment for certain out-of-pocket expenses incurred by the Corporation as provided for in the Agreement of Sale.

reserve for losses. Of this total, approximately $1,723 million represents the carrying value to the Corporation of assets acquired upon assumption of Franklin National Bank's debt to the Federal

Reserve Bank of New York, as of the close of business the day Franklin National Bank failed. The FDIC's headquarters building in Washington, D.C. (which was appraised in 1972 for insurance purposes at approximately $12 million exclusive of land), less depreciation, was valued at $6.8 million. On the same date, the Corporation's liabilities totaled $2,054 million, of which $1,723 million was the note payable to the Federal Reserve Bank of New York and $290 million represented net assessment credits due to insured banks.

The excess of the Corporation's assets over its liabilities constitutes the deposit insurance fund and represents its accumulated income or surplus for the period since 1933. This fund, which is the Corporation's basic resource for the protection of depositors, amounted to $6,124 million at the end of 1974. The Corporation also has the authority, which it has never exercised, to borrow up to $3 billion from the U.S. Treasury whenever its Board of Directors determines that the funds are needed for insurance purposes.

Income and expenses. The Corporation's gross revenues available for insurance purposes reached $953 million in 1974 (table 11). Of this amount, $587 million was derived from gross assessments payable by insured banks during the year, $357 million from interest

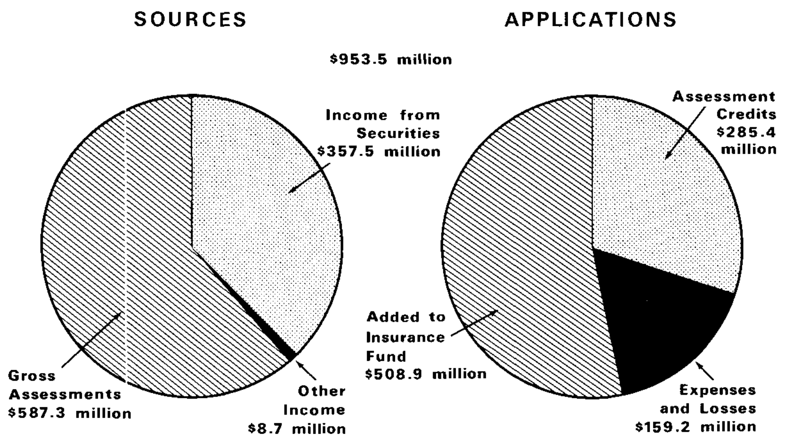
Table 11. STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1974
(In thousands)

Income from operations:		
Deposit insurance assessments:		
Assessments earned during 1974	$587,322	
Less net assessment income credits to insured banks	285,420	$ 301,902
Adjustments to assessments earned in prior periods		44
		$ 301,946
Interest on U.S. Government securities		350,533
Discounts earned on U.S. Government securities		7,115
Less adjustment to securities income—prior years[1]		186
Other income		8,634
Total income from operations		**$ 668,042**
Operating expenses and losses:		
Administrative and operating expenses		$ 59,214
Provision for insurance losses	$ 5,625	
Adjustments to provisions made in prior periods	92,238	97,863
Nonrecoverable insurance expenses incurred in protecting depositors		2,111
Total operating expenses and losses		**$ 159,188**
Net income—addition to the deposit insurance fund		**$ 508,854**
Deposit insurance fund—January 1, 1974		5,615,336
Deposit insurance fund—December 31, 1974, net income accumulated since inception		**$6,124,190**

[1]The $186 thousand adjustment to prior years resulted from restatement of income due to: (1) a change in procedures for the amortization of premiums and discounts from a monthly to a daily rate, and (2) a change from the "average" method in accounting for sales of securities to the FIFO method. These changes were implemented in conjunction with automation of the Corporate Portfolio.

Chart E

SOURCES AND APPLICATIONS OF GROSS INCOME
FEDERAL DEPOSIT INSURANCE CORPORATION, 1974



income on the Corporation's portfolio of U.S. Government securities, and $9 million from other sources. After deducting the Corporation's expenses totaling $61.1 million, additions to reserves for insurance losses of $97.9 million, and $285 million for statutory assessment credit, an amount of $509 million was added to the deposit insurance fund (chart E).

Additions to reserves for insurance losses were substantially higher in 1974 than in 1973, primarily because of the increase of $101.7 million in reserves held against assets acquired in the U.S. National Bank failure. Total expenses and losses were more than 50 percent above 1973. Despite this increase, the coverage of expenses and losses by the Corporation's gross income was 6.0 times, compared to 8.1 times in 1973. The dollar amount added to the deposit insurance fund in 1974, however, was appreciably larger than in 1973.

The basic assessment rate established in 1935 by Federal statute—1/12 of one percent of total assessable deposits—has not been changed; however, legislation enacted in 1950 reduced the effective rate of assessments by providing for a credit to be applied against forthcoming assessments payable in cash. This credit, set initially at 60 percent and raised to 66 2/3 percent in 1961, is derived by applying the percentage to the gross assessments due in the calendar

Table 12. DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1974
(In thousands)

Determination of net assessment income:		
Total assessments that became due during the calendar year		$587,322
Less:		
Administrative and operating expenses		$ 59,214
Net additions to reserve to provide for insurance losses:		
Provisions applicable to banks assisted in 1974	$ 5,625	
Adjustments to provisions for banks assisted in prior years	92,243	97,868
Nonrecoverable insurance expenses incurred to protect depositors—net		2,111
Total deductions		$159,193
Net assessment income for 1974		**$428,129**
Distribution of net assessment income, December 31, 1974:		
Net assessment income for 1974:		
33 1/3% transferred to the deposit insurance fund		$142,710
66 2/3% credited to insured banks		285,419
Total		**$428,129**
Allocation of net assessment income credit among insured banks, December 31, 1974:		Percentage of total assessment becoming due in 1974
Credit for 1974	$285,419	48.596%
Adjustments of credits for prior years	−38	.006
Total	**$285,381**	**48.590%**

year after subtracting the Corporation's administrative and operating expenses and insurance losses and reserves for losses in this calendar year. The net assessments received from banks in 1974 amounted to $302 million, or about 51.4 percent of the gross assessments earned by the Corporation, and represented about 1/23 of one percent of the banks' assessable deposits. The determination and allocation of net assessment income in 1974 and sources and application of funds are shown in tables 12 and 13.

Table 13. SOURCES AND APPLICATION OF FUNDS, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1974
(In thousands)

		Percent
Funds provided by:		
Net deposit insurance assessments	$ 301,946	17.1
Income from U.S. Government securities, less amortized net discounts	350,532	19.8
Maturities and sales of U.S. Government securities	1,035,021	58.5
Collections on assets acquired in receivership and deposit assumption transactions	81,989	4.6
Total funds provided	**$1,769,488**	**100.0**
Funds applied to:		
Administrative, operating, and insurance expenses, less miscellaneous credits	$ 52,555	3.0
Acquisition of assets in receivership and deposit assumption transactions	344,367	19.4
Purchase of U.S. Government securities	1,348,394	76.2
Decrease in assessment credits due banks	8,803	.5
Net changes in other assets and liabilities	15,369	.9
Total funds applied	**$1,769,488**	**100.0**

Income and the deposit insurance fund. Additions to the deposit insurance fund and other tabulated data are shown in table 14. Since the beginning of Federal deposit insurance, 87.2 percent of the Corporation's net income (after deduction of deposit insurance credits in 1950-1974) has been added to the fund (charts F and G).

Total deposits in all insured banks increased about 8.7 percent in 1974, to $833.2 billion at the end of the year. Reflecting the increase in November 1974 in the general limit of deposit insurance

Table 14. INCOME AND EXPENSES, FEDERAL DEPOSIT INSURANCE CORPORATION, BY YEAR, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, TO DECEMBER 31, 1974
(In millions)

Year	Income			Expenses and losses				Net income added to deposit insurance fund[4]
	Total	Deposit insurance assess-ments[1]	Invest-ments and other sources[2]	Total	Deposit insurance losses and expenses	Interest on capital stock[3]	Adminis-trative and operating expenses	
1933–74..	**$7,022.0**	**$3,760.5**	**$3,261.5**	**$897.8**	**$224.3**	**$80.6**	**$592.9**	**$6,124.2**
1974	668.1	302.0	366.1	159.2	100.0	.....	59.2	508.9
1973	561.0	246.0	315.0	108.2	53.8	.....	54.4	452.8
1972	467.0	188.5	278.5	59.7	10.1	.....	49.6	407.3
1971	415.3	175.8	239.5	60.3	13.4	.....	46.9	355.0
1970	382.7	159.3	223.4	46.0	3.8	.....	42.2	336.7
1969	335.8	144.0	191.8	34.5	1.0	.....	33.5	301.3
1968	295.0	132.4	162.6	29.1	.1	.....	29.0	265.9
1967	263.0	120.7	142.3	27.3	2.9	.....	24.4	235.7
1966	241.0	111.7	129.3	19.9	.1	.....	19.8	221.1
1965	214.6	102.2	112.4	22.9	5.2	.....	17.7	191.7
1964	197.1	93.0	104.1	18.4	2.9	.....	15.5	178.7
1963	181.9	84.2	97.7	15.1	0.7	.....	14.4	166.8
1962	161.1	76.5	84.6	13.8	0.1	.....	13.7	147.3
1961	147.3	73.4	73.9	14.8	1.6	.....	13.2	132.5
1960	144.6	79.6	65.0	12.5	0.1	.....	12.4	132.1
1959	136.5	78.6	57.9	12.1	0.2	.....	11.9	124.4
1958	126.8	73.8	53.0	11.6	......	.....	11.6	115.2
1957	117.3	69.1	48.2	9.7	0.1	.....	9.6	107.6
1956	111.9	68.2	43.7	9.4	0.3	.....	9.1	102.5
1955	105.7	66.1	39.6	9.0	0.3	.....	8.7	96.7
1954	99.7	62.4	37.3	7.8	0.1	.....	7.7	91.9
1953	94.2	60.2	34.0	7.3	0.1	.....	7.2	86.9
1952	88.6	57.3	31.3	7.8	0.8	.....	7.0	80.8
1951	83.5	54.3	29.2	6.6	......	.....	6.6	76.9
1950	84.8	54.2	30.6	7.8	1.4	.....	6.4	77.0
1949	151.1	122.7	28.4	6.4	0.3	.....	6.1	144.7
1948	145.6	119.3	26.3	7.0	0.7	0.6	5.7	138.6
1947	157.5	114.4	43.1	9.9	0.1	4.8	5.0	147.6
1946	130.7	107.0	23.7	10.0	0.1	5.8	4.1	120.7
1945	121.0	93.7	27.3	9.4	0.1	5.8	3.5	111.6
1944	99.3	80.9	18.4	9.3	0.1	5.8	3.4	90.0
1943	86.6	70.0	16.6	9.8	0.2	5.8	3.8	76.8
1942	69.1	56.5	12.6	10.1	0.5	5.8	3.8	59.0
1941	62.0	51.4	10.6	10.1	0.6	5.8	3.7	51.9
1940	55.9	46.2	9.7	12.9	3.5	5.8	3.6	43.0
1939	51.2	40.7	10.5	16.4	7.2	5.8	3.4	34.8
1938	47.7	38.3	9.4	11.3	2.5	5.8	3.0	36.4
1937	48.2	38.8	9.4	12.2	3.7	5.8	2.7	36.0
1936	43.8	35.6	8.2	10.9	2.6	5.8	2.5	32.9
1935	20.8	11.5	9.3	11.3	2.8	5.8	2.7	9.5
1933–34..	7.0	(4)	7.0	10.0	0.2	5.6	4.2[5]	–3.0

[1]For the period from 1950 to 1974, 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 $3,693 million.

[2]Includes $11.0 million of interest and allowable return received on funds advanced to receivership and deposit assumption cases and $12 million of interest on capital notes advanced to facilitate deposit assumption transactions and assistance to open banks.

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

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

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

Chart F INCOME, EXPENSES AND LOSSES, AND ADDITIONS TO THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, 1950–1974

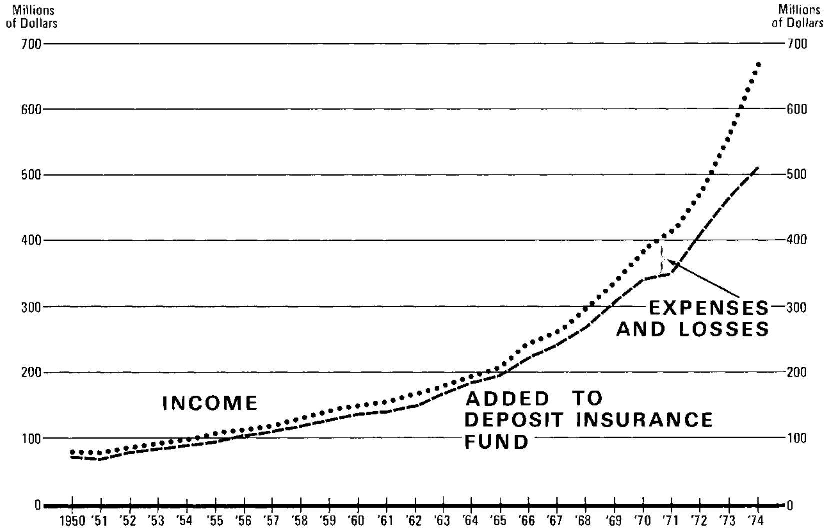
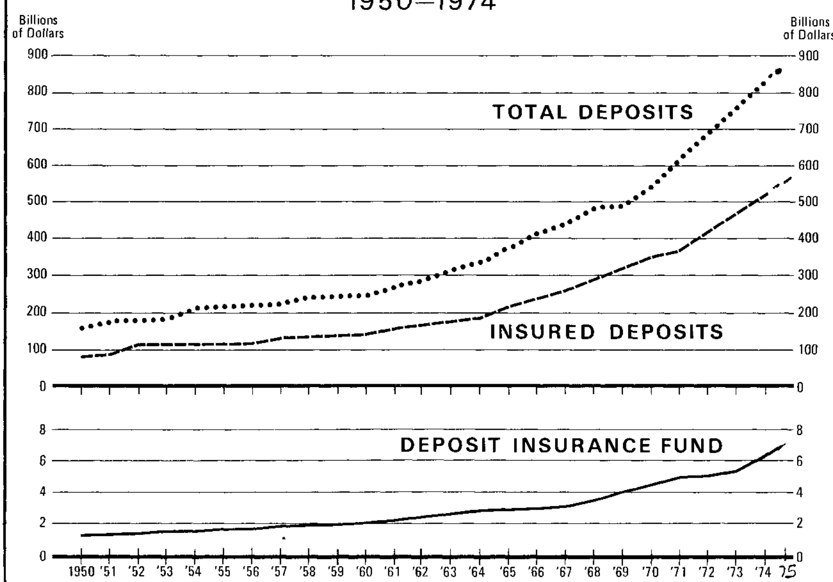


Chart G DEPOSITS IN INSURED BANKS, AND THE DEPOSIT INSURANCE FUND, 1950–1974



from $20,000 to $40,000, and to $100,000 for some State and local government deposits, the amount of insured deposits reached an estimated total of $520.3 billion on December 31, 1974. The latter figure represents an increase of $55 billion from 1973, and in relation to insured deposits, the deposit insurance fund declined from 1.21 percent to 1.18 percent (table 15). The ratio of the fund to total deposits in insured banks, .73 percent, was unchanged from 1973.

Audit. The financial transactions of the Corporation are audited annually by the General Accounting Office. A continuous internal audit is provided by the Financial Audits Branch, Office of Management Systems and Financial Audits.

Table 15. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934–1974

Year (Dec. 31)	Deposits in insured banks (in millions)		Percentage of deposits insured	Deposit insurance fund (in millions)	Ratio of deposit insurance fund to-	
	Total	Insured[1]			Total deposits	Insured deposits
1974	$833,227	$520,309	62.5%	$6,124.2	.73%	1.18%
1973	766,509	465,600	60.7	5,615.3	.73	1.21
1972	697,480	419,756	60.2	5,158.7	.74	1.23
1971	610,685	374,568[4]	61.3[4]	4,739.9	.78	1.27[4]
1970	545,198	349,581	64.1	4,379.6	.80	1.25
1969	495,858	313,085	63.1	4,051.1	.82	1.29
1968	491,513	296,701	60.2	3,749.2	.76	1.26
1967	448,709	261,149	58.2	3,485.5	.78	1.33
1966	401,096	234,150	58.4	3,252.0	.81	1.39
1965	377,400	209,690	55.6	3,036.3	.80	1.45
1964	348,981	191,787	55.0	2,844.7	.82	1.48
1963	313,304[2]	177,381	56.6	2,667.9	.85	1.50
1962	297,548[3]	170,210[4]	57.2[4]	2,502.0	.84	1.47[4]
1961	281,304	160,309[4]	57.0[4]	2,353.8	.84	1.47[4]
1960	260,495	149,684	57.5	2,222.2	.85	1.48
1959	247,589	142,131	57.4	2,089.8	.84	1.47
1958	242,445	137,698	56.8	1,965.4	.81	1.43
1957	225,507	127,055	56.3	1,850.5	.82	1.46
1956	219,393	121,008	55.2	1,742.1	.79	1.44
1955	212,226	116,380	54.8	1,639.6	.77	1.41
1954	203,195	110,973	54.6	1,542.7	.76	1.39
1953	193,466	105,610	54.6	1,450.7	.75	1.37
1952	188,142	101,842	54.1	1,363.5	.72	1.34
1951	178,540	96,713	54.2	1,282.2	.72	1.33
1950	167,818	91,359	54.4	1,243.9	.74	1.36
1949	156,786	76,589	48.8	1,203.9	.77	1.57
1948	153,454	75,320	49.1	1,065.9	.69	1.42
1947	154,096	76,254	49.5	1,006.1	.65	1.32
1946	148,458	73,759	49.7	1,058.5	.71	1.44
1945	157,174	67,021	42.4	929.2	.59	1.39
1944	134,662	56,398	41.9	804.3	.60	1.43
1943	111,650	48,440	43.4	703.1	.63	1.45
1942	89,869	32,837	36.5	616.9	.69	1.88
1941	71,209	28,249	39.7	553.5	.78	1.96
1940	65,288	26,638	40.8	496.0	.76	1.86
1939	57,485	24,650	42.9	452.7	.79	1.84
1938	50,791	23,121	45.5	420.5	.83	1.82
1937	48,228	22,557	46.8	383.1	.79	1.70
1936	50,281	22,330	44.4	343.4	.68	1.54
1935	45,125	20,158	44.7	306.0	.68	1.52
1934	40,060	18,075	45.1	291.7	.73	1.61

[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.

MERGER DECISIONS OF THE CORPORATION
PART TWO

BANKS INVOLVED IN ABSORPTIONS APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1974

State	Town or City	Bank	Page
Alabama	Andalusia	Alabama Bank of Andalusia (in organization; change title to Covington County Bank)	164
		Covington County Bank	164
	Anderson	Alabama Bank of Lauderdale County (in organization; change title to Farmers Bank)	165
		Farmers Bank	165
	Bayou La Batre	Farmers and Marine Bank	165
		Mobile County Bank (in organization)	165
	Fort Payne	Fort Payne Bank	162
		Valley Bank of Fort Payne (in organization; change title to Fort Payne Bank)	162
	Goodwater	Alabama Bank of Goodwater (in organization; change title to City Bank of Goodwater)	164
		City Bank of Goodwater	164
	Guntersville	Bank of Guntersville (in organization; change title to Citizens Bank of Guntersville)	163
		Citizens Bank of Guntersville	163
	Hartselle	American Bank & Trust Company	165
		Bank of Hartselle (in organization; change title to American Bank & Trust Company)	165
	Lineville	Alabama Bank of Lineville (in organization; change title to City Bank of Lineville)	164
		City Bank of Lineville	164
	Roanoke	Alabama Bank of Roanoke (in organization; change title to City Bank of Roanoke)	164
		City Bank of Roanoke	164
	Selma	Alabama Bank of Selma (in organization; change title to Citizens Bank & Trust Company)	165
		Citizens Bank & Trust Company	165
	Tuskegee	Alabama Bank of Tuskegee (in organization; change title to City Bank of Tuskegee)	164
		City Bank of Tuskegee	164
California	Beverly Hills	Ahmanson Bank and Trust Company	144
		California Overseas Bank	144
	Lakeport	Bank of Lake County	166
		New Bank of Lake County (in organization; change title to Bank of Lake County)	166
	San Francisco	Barclays Bank of California	131
		Liberty National Bank	79
		The Chartered Bank of London	79

State	Town or City	Bank	Page
	Santa Barbara	The County Bank, Santa Barbara—Carpinteria	131
Connecticut	Deep River	Deep River Bank and Trust Company	125
	North Branford	Community Banking Company	125
Delaware	Claymont	Claymont Savings and Loan Association	105
	Wilmington	Bank of Delaware	43
		Commercial Trust Company	43
		Wilmington Savings Fund Society	105
Georgia	Chamblee	Peachtree Bank and Trust Company	50
	Dalton	Dalton State Bank (in organization)	163
		Hamilton Bank of Dalton	163
	Dublin	Citizens and Southern Bank of Dublin	81
	Rentz	The Rentz Banking Company	81
	Stone Mountain	The Citizens Bank of Georgia	50
Hawaii	Honolulu	FHB Bank (in organization; change title to First Hawaiian Bank)	164
		First Hawaiian Bank	164
Idaho	Grangeville	Bank of Central Idaho	53
	Pocatello	IBT, Inc. (in organization)	166
		Idaho Bank & Trust Co.	53,166
	Rexburg	Madison State Bank (in organization; change title to Valley Bank)	166
		Valley Bank	166
Illinois	Chicago	MBT Bank (in organization; change title to Madison Bank and Trust Company)	165
		Madison Bank and Trust Company	165
Indiana	Middletown	Farmer's State Bank (change title to Farmers State Bank of Henry County)	97
	Mooreland	Farmers State Bank	97
	West Lebanon	Farmers-Central Bank	145
	Williamsport	Citizens State Bank	145
Iowa	Atlantic	First Whitney Bank and Trust	96
		Whitney Building Company, Inc.	96
	Clear Lake	Community State Bank of Clear Lake	140
	Creston	Iowa State Savings Bank	139
	Cromwell	Cromwell State Savings Bank	139
	Fort Dodge	Union Trust & Savings Bank	159
	Harcourt	Harcourt Savings Bank	159
	Sioux City	Farmers Loan and Trust Company	102
		The Toy National Bank of Sioux City	102
	Ventura	Ventura State Bank	140

State	Town or City	Bank	Page
Kentucky	Louisville	Citizens Fidelity Bank and Trust Company	162
		Citizens Fidelity State Banking and Trust Company (in organization)	162
Maryland	Salisbury	The Shoreman's Bank (in organization; change title to Truckers and Savings Bank)	165
		Truckers and Savings Bank	165
Massachusetts	Lynn	North Shore Bank and Banking Company	165
		North Shore Bank and Trust Company (in organization)	165
Michigan	Ann Arbor	Ann Arbor Bank	162
		Ann Arbor State Bank (in organization)	162
	Clio	The Clio State Bank	55
	Frankenmuth	Frankenmuth Bank & Trust Company	55
	Hastings	The Hastings City Bank	155
	Ionia	FSB Bank (in organization; change title to First Security Bank)	164
		First Security Bank	164
	Middleville	Farmers State Bank of Middleville	155
	Midland	CBT Bank Company (in organization)	164
		Chemical Bank and Trust Company	164
	Mount Clemens	Bank of Mount Clemens (in organization; change title to Mount Clemens Bank)	166
		Mount Clemens Bank	166
	Newaygo	FSN Bank (in organization)	166
		First State Bank of Newaygo	166
	Oscoda	OSS Bank (in organization; change title to The Oscoda State Savings Bank)	166
		The Oscoda State Savings Bank	166
	Owosso	OSB Bank (in organization)	165
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		Jacobus State Bank (in organization; change title to Heritage Bank of Milwaukee)	165

BANK ABSORPTIONS APPROVED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Franklin Bank St. Albans, Vermont (change title to Franklin–Lamoille Bank)	44,741	4	7
to merge with			
Lamoille County Bank Hyde Park	19,430	3	

Summary report by Attorney General, October 31, 1973

The nearest offices of the parties are separated by a distance of about 32 miles; thus, it does not appear that the proposed acquisition would eliminate substantial existing competition. Although Lamoille County Bank ranks first among the four banks with offices in Lamoille County, the effects of this proposed transaction on potential competition are diminished by the existence of other significant potential entrants.

Accordingly, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, January 14, 1974

Franklin Bank, St. Albans, Vermont, a State nonmember insured bank with total resources of $44,741,000 and total IPC deposits of $38,655,000, 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 Lamoille County Bank, Hyde Park, Vermont, having total resources of $19,430,000 and total IPC deposits of $16,282,000. The banks would merge under the charter of Franklin Bank and with the title Franklin-Lamoille Bank. The three offices of Lamoille County Bank, as an incident to the merger, would become branches of the resulting bank, increasing to seven the total number of its offices.

Competition. Franklin Bank operates its four offices in northwestern Vermont. Its primary trade area comprises the counties of Franklin and Grand Isle and includes an adjacent portion of northwestern Chittenden County. The total population of this area is estimated at 39,500, having increased some 14.3 percent during the 1960s in close parallel to the statewide increase of 14 percent during the same decade. Agriculture, although of decreasing economic importance in recent years, continues to lend support to the area, supplemented by tourism and a scattering of light industry. Many residents of southern Franklin County travel southward to the Burlington-Essex Junction area for employment. Unemployment in the St. Albans area over recent years has been reported at rates varying from 7 to 10 percent, and 1972 median household incomes in Franklin County were 3.3 percent below the State average

($7,890). Franklin Bank is one of five commercial banks competing in Franklin County, holding the largest share of their local IPC deposits (47.9 percent). Two of the five banks competing in Franklin County are the State's two largest banks, both headquartered in Burlington. The smaller of these banks is approximately four times the deposit size of Franklin Bank.

Lamoille County Bank has its main office in Hyde Park and two branches in Stowe and Morristown, all in Lamoille County (population 13,309, up 20.7 percent since 1960). Lamoille County is situated immediately eastward of Franklin and Chittenden Counties. Its economy is primarily agricultural and residential, although in the mountainous southwestern portion of the county, skiing and summer tourism are of major economic importance. 1972 income levels of the county were approximately 10 percent below the State household median income. Lamoille County Bank, one of four banks with offices in the county, holds 43 percent of the total commercial bank IPC deposits in Lamoille County. A nearby competitor, Union Savings Bank and Trust Company, headquartered in Morrisville, holds approximately the same percentage share of such deposits.

Franklin Bank and Lamoille County Bank operate in separate, although adjacent, banking markets. Their closest offices, Franklin Bank's office in Milton and Lamoille County Bank's main office, are separated by some 32 road-miles of sparsely populated terrain, as well as the Green Mountain range. Little vehicular travel is evident between St. Albans and Hyde Park, and reasonably convenient banking alternatives exist for residents in St. Albans, the Milton area, and the Hyde Park area. It appears that no significant existing competition between the two banks would be eliminated by their proposed merger.

Although Vermont law permits statewide branching, there is little potential for increased competition in the future between Franklin Bank and Lamoille County Bank through *de novo* branching. Lamoille County Bank has confined its modest office expansion to points within 10 miles of its main office and it lacks the managerial resources and incentive to branch *de novo* beyond the confines of Lamoille County into the area served by Franklin Bank. For its part, Franklin Bank would not likely find Lamoille County attractive for *de novo* entry at the present time, since income levels are 10 percent below the statewide average; each banking office presently serves an average of 1,664 people, as compared with an average of 3,043 people per banking office statewide; and each community of any size in Lamoille County, the largest of which is Morristown (population 4,052), already has commercial bank facilities. Moreover, to the extent future growth might warrant additional *de novo* facilities, there are larger and more likely entrants than Franklin Bank, such as the State's three Burlington-based banks. Accordingly, any elimination of potential competition between Lamoille County Bank and Franklin Bank which might result from their proposed merger is viewed as not significant competitively.

Statewide, Franklin Bank controls only 3.8 percent of the total IPC deposits held by all 146 offices of the 38 commercial banks represented therein—a share that would be increased by the proposed merger to 5.4 percent. It appears unlikely that the transaction would have an adverse competitive impact upon the structure of commercial banking in this relevant potential market.

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

Financial and Managerial Resources; Future Prospects. Both Franklin Bank and Lamoille County Bank have adequate financial and managerial resources for their present operations. The resulting bank would have adequate financial and managerial resources and favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed merger would provide the resulting bank with an unsecured lending limit of $630,000. There are few borrowers in the market, however, whose credit requirements approach this amount. Services of Franklin Bank's more sophisticated trust department would be offered at the present locations of Lamoille County Bank. Demand for such services within Lamoille County, however, appears to be limited. While there is little to suggest that banking needs are not being satisfactorily served by each of the two banks in their respective local markets at the present time, their merger would produce a bank better able to compete with Vermont's five largest commercial banks, three of which are headquartered in northern Vermont and two of which presently compete in Franklin County.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Delaware Wilmington, Delaware	379,125	25	26
to merge with **Commercial Trust Company** Wilmington	3,607	1	

Summary report by Attorney General, December 21, 1973

Commercial banking in Wilmington and in New Castle County is highly concentrated; the four largest of the eight banks in the county hold approximately 96 percent of total county deposits. Applicant, the second largest bank in the county, holds slightly more than 23 percent of county deposits, while Bank's share of the New Castle market is less than 1 percent. Applicant and Bank are direct competitors; their headquarters are located about two blocks apart in downtown Wilmington.

The proposed merger would eliminate direct competition and slightly increase concentration in commercial banking in Wilmington.

Basis for Corporation approval, January 29, 1974

Bank of Delaware, Wilmington, Delaware (total resources $379,125,000; total IPC deposits $304,896,000), a State nonmember insured bank, 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 Commercial Trust Company, Wilmington, Delaware ("Commercial") (total resources $3,607,000; total IPC deposits $2,543,000), under the charter and title of

Bank of Delaware. The sole office of Commercial, as an incident to this merger, would become a branch of Bank of Delaware, increasing to 27 the number of its authorized offices.

Competition. Commercial has its sole office on the fringe of downtown Wilmington immediately adjacent to a largely vacant redevelopment area which was cleared of residents and businesses some years ago. The bank's deposits are trending downward and after 53 years of operation, it presently holds only $2.5 million in IPC deposits (or 0.4 percent of the IPC deposits held by all downtown Wilmington commercial bank offices). Commercial's only active officer is 74 years old and wishes to retire, and efforts to obtain a satisfactory replacement have been unsuccessful. It has a loan-to-deposit ratio of less than 35 percent, and relatively low profitability compared to other Delaware banks. Commercial is obviously an ineffective competitor in its market.

Bank of Delaware is the second largest commercial bank in the State with 21.7 percent of its total commercial bank IPC deposits, and the second largest such bank in the Wilmington market. In both areas, Bank of Delaware substantially lags behird the $456-million-IPC-deposit Wilmington Trust Company. While commercial banking in the relatively small State of Delaware (1970 population 548,104) and in the Wilmington market is presently dominated by Delaware's four largest commercial banks, testamentary restrictions on almost 47 percent of Commercial's stock effectively preclude Commercial's sale except to one of these four banks. Only two of these banks expressed an interest in acquiring Commercial, however, and there appears to be no compelling reason to prefer the other of these banks to Bank of Delaware as a merger partner.

In any event, while some relatively insignificant competition between the two banks in downtown Wilmington would be eliminated by their proposed merger, acquisition of Commercial's limited resources by Bank of Delaware would have no perceptible effect on the structure of commercial bank competition either in the Wilmington market or in the State as a whole. Following the merger, a total of 9 offices of 5 other commercial banks would remain available to the public in downtown Wilmington, and Delaware as a whole would continue to have 111 offices of 17 other commercial banks.

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

Financial and Managerial Resources; Future Prospects. Financial resources of both proponents are adequate, but the age of present management at Commercial presents an immediate succession problem for that institution. Bank of Delaware has capable management and the proposed merger would resolve Commercial's problem. The future prospects of the resulting bank are favorable.

Convenience and Needs of the Community to be Served. Customers of Commercial would be offered broader banking services by one of the State's major commercial banks. Commercial's present banking quarters would be modernized while three alternative offices of the resulting bank would be conveniently available within the local market to all Commercial customers. Their regular savings deposits would earn interest at 5 percent per annum, increased from the present 4.5 percent annual rate, and the greater variety of certificates of deposit to be made available would bear the maximum allowable interest rates.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Berlin City National Bank Berlin, New Hampshire (change title to Berlin City Bank)	6,898	1	1
to purchase the assets and assume the deposit liabilities of			
City Savings Bank of Berlin Berlin	26,656	1	

Summary report by Attorney General, August 15, 1973

The two banks, although located in the same building, do not offer comparable services. Thus, it does not appear that the proposed merger would eliminate any significant existing competition.

In view of the new legislation prohibiting the type of relationship these two banks have enjoyed in the past, it could be expected that absent the proposed merger both would expand their services within permissible limits, resulting in competition between them. If management succession problems prevent City Bank from remaining independent, it could join with other banks elsewhere in the State as part of a bank holding company. Thus, the merger would eliminate potential competition between the banks.

In addition, the merger would entrench the leading position which City Savings enjoys among the financial institutions in the Berlin area (which includes the nearby town of Gorham). It is the largest of three savings banks, three commercial banks, and one cooperative bank in the area. Its share of the total deposits of all the financial institutions in the area would increase from 34.9 percent to 43.8 percent as a result of the merger. Factors which limit these adverse effects are the relatively large number of banks compared to total population in the area and the current difficulties in the economy of the area.

We conclude that the proposed merger would eliminate some potential competition.

Basis for Corporation approval, January 29, 1974

Berlin City National Bank, Berlin, New Hampshire ("City National")(total resources $6,898,000; total IPC deposits $4,247,000), has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of, and assume the liability to pay deposits made in, City Savings Bank of Berlin, Berlin, New

Hampshire ("City Savings")(total resources $26,656,000; total IPC deposits $24,664,000). Both banks share quarters in a single location and the resulting bank would operate from that office. Prior to consummation of the transaction, City National would convert to a State nonmember insured bank under the title "Berlin City Bank."

Competition. City National ranks 53rd among New Hampshire's 73 commercial banks, with 0.4 percent of all commercial bank deposits in the State. Its only office, which it shares with City Savings, is located in the city of Berlin (population 15,256) in the northernmost portion of New Hampshire in Coos County (population 34,291).

City Savings ranks 23rd among the State's 36 mutual savings banks (including 6 guaranty savings banks), with 1.6 percent of their total deposits. City Savings shares a single lobby and various overhead and operating expenses with City National. In addition, the two banks had interlocking directors, trustees, and officers prior to July 1, 1973, when State legislation became effective requiring separate managements for mutual savings banks and commercial banks. On that date, management was allocated to either City National or City Savings, pending the outcome of this reorganization proposal which was initiated by the two banks in December 1971.

The area in which the competitive effects of the proposed merger would be most direct and immediate is determined largely by the local topography in the vicinity of the city of Berlin. The Berlin market is contained wholly within Coos County and extends approximately 10 miles south and west to the White Mountains, 8 miles east to the Maine border, and as far as 20 miles north into more sparsely settled, unbanked areas. The Berlin market appears to be relatively unattractive when compared to others, particularly in the southern portion of New Hampshire. This market had a 1970 population of about 20,000 which represents a 10-year decline of about 11 percent from its 1960 level. The population of Berlin city and Coos County declined 14.4 percent and 7.7 percent, respectively, during this same period. Coos County is the only one of New Hampshire's 10 counties that failed to record at least a 10-percent gain in population during the 1960s. During this time the State as a whole grew by 21.5 percent. Median household income in 1972 for Coos County was $7,339, which was about 15 percent below the statewide median of $8,663, and the second lowest in New Hampshire. The market's economy is based upon various small- and medium-sized industries. The largest employer, a paper manufacturer, has reduced its work force to 2,000, about half of what it was 10 years ago. Unemployment is relatively high, and there appears to be little prospect of reversing current economic trends.

Three commercial banks, two mutual savings banks, and one cooperative bank serve this local banking market. City National holds about 63.8 percent of the market's IPC demand deposits (or $4.2 million out of a total of $6.7 million), and City Savings holds about 48.0 percent of their total time and savings deposits (or $24.6 million out of a total of $51.3 million). In terms of total IPC deposits of $58.0 million in the market, City National and City Savings combined would control about 49.9 percent, far in excess of the 19.5

percent held by the second largest institution. Moreover, there is no bank within the statutory branching limit of 15 miles of the market's boundaries whose overall size would approach that of the resulting bank.

Because of their previous interlocking management, City National and City Savings offered virtually no overlapping services. City National had no time or savings deposits and solicited no real estate loans, while City Savings did not offer consumer or business loans. Prior to July 1, in other words, the two institutions did not compete for comparable services and were considered by the public at large as one institution.

While the same is true today, City National and City Savings have had technically independent managements since July 1, and absent this proposal, the two institutions could be expected to remain independent in the future. Past associations might restrict competition in the immediate future, but over the longer run, the two institutions could become much more significant competitors if each were to offer all the services allowed them by applicable law. This aspect of the proposal receives additional significance in view of the likelihood that NOW accounts will encourage increased deposit competition between thrift institutions and commercial banks in New Hampshire in the future.

There are, however, important factors relating to the characteristics of the Berlin market which mitigate the possible adverse competitive effects which might arise in the future from consummation of this proposal. Specifically, in order for both City Savings and City National, as well as other institutions presently in the market, to remain and develop as viable and effective competitors, there must be a reasonable prospect that the Berlin market would support their continued existence as independent competitors. The Corporation does not feel that such a finding can be made in this case. The Berlin market has experienced declining population, declining economic activity, and below-average income levels at a time when other portions of the State have been growing. It is a relatively small banking market in terms of both population (about 20,000 people) and deposit potential ($58.0 million in total IPC deposits). Moreover, it lacks significant prospects for future expansion and industrial growth. All of this indicates a market in which a desirable level of deposit growth and profitability would be difficult for depository institutions to maintain if City National and City Savings continued to operate separately and were to expand into activities and services they presently do not offer. It is also relevant that if the proposed transaction is consummated, the 20,000 people in the Berlin market would continue to have 5 separate institutions competing for their time and savings deposits, or one for each 4,000 people.

It is the Corporation's view, under these facts, that the elimination of future potential competition between City National and City Savings and the increase in deposit concentration which their consolidation would effect is not as competitively adverse or significant as such factors might be in a different local market within New Hampshire. Under these circumstances, the Board of Directors is of the opinion that the proposed acquisition would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. City National and City Savings have satisfactory financial and managerial resources under their present operational arrangement, as would the resulting bank.

Initially there may be a reduction in the resulting bank's savings and time accounts since by regulation it would not be able to pay the maximum rates of interest allowed mutual savings banks on similar amounts. However, the deposit attrition may be relatively slight in view of the interest which present depositors of City Savings would have, as stockholders, in the success of the resulting bank. The future prospects of the resulting bank are considered satisfactory.

Convenience and Needs of the Community to be Served. The proposed transaction would have little effect on the convenience and needs of the Berlin market. The resulting bank would not offer any services not presently available in the market, but the lending limit of the resulting bank would be approximately $150,000, more than three times City National's present limit and larger than any other commercial bank loan limit in the market. Conceivably this and more vigorous commercial lending efforts could help to stimulate the declining local economy.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted, contingent upon City National's conversion to a State nonmember insured bank.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Mechanics Savings Bank of Elmira Elmira, New York	27,295	4	5
to merge with			
Waverly Savings and Loan Association Waverly	5,900	1	

Summary report by Attorney General, November 30, 1973

Waverly Savings' single office is located about 17 miles east of Mechanics' Elmira headquarters. Elmira and Waverly are linked by Route 17, with both cities expanding along the Route 17 "corridor" that presently separates the two communities. Although there may be some overlap between the service areas of the parties, it does not appear that the proposed merger will eliminate substantial existing competition. And while Mechanics could expand *de novo* into the area served by Waverly Savings, the latter's modest size coupled with the existence of other potential entrants diminish the effect of the merger on potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, January 29, 1974

Mechanics Savings Bank of Elmira, Elmira, New York ("Mechanics"), an insured mutual savings bank with total resources of $27,295,000 and total deposits of $25,728,000, 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 Waverly Savings and Loan Association, Waverly, New York ("Waverly S&L"), a federally insured savings and loan association with total resources of $5,900,000 and total deposits of $5,149,000. The institutions would merge under the charter of Mechanics and with the title Mechanics Savings Bank. As an incident to the merger, the sole office of Waverly S&L would become a branch of the resulting bank, increasing the number of its offices to five.

Competition. Mechanics has its main office and two branches in Elmira (1970 population 39,945, down 14.1 percent since 1960) and one branch in the town of Big Flats (1970 population 6,837, up 86.5 percent since 1960), about 9 miles northwest of the main office. Elmira is centrally located in Chemung County (population 101,537), which is in south central New York State and forms a portion of the border with Pennsylvania. Waverly S&L has its only office in the village of Waverly, a community of 5,261 persons, some 17 miles southeast of Elmira, in the extreme southwest corner of Tioga County. Tioga County is immediately to the east of Chemung County and also borders Pennsylvania. Waverly S&L's only office is only 100 feet from the Pennsylvania line.

The Mechanics offices closest to Waverly are 17 miles away, but the two areas are connected by a good four-lane highway, and there is some commutation to Elmira for employment. The primary service areas of the two institutions appear to overlap slightly, but the volume of business each draws from the area of overlap is modest and the amounts involved are not considered significant relative to the total deposit or loan business in the area. In the relevant banking market, which would include most of Chemung and Tioga Counties plus a number of communities in Bradford County, Pennsylvania, Mechanics holds 10.7 percent of all thrift institution deposits and Waverly S&L only 2.1 percent. Nine other thrift institutions (i.e., two mutual savings banks and seven savings and loan associations) also compete in this market, including the $69-million-deposit Elmira Savings Bank and three savings and loan associations which also exceed $25 million in total deposits. The proposed merger would not appear to eliminate any significant amount of existing competition between Mechanics and Waverly S&L, and would not appear to have any significant effect in the thrift industry structure within the market.

As to the possibility of increased competition in the future between Mechanics and Waverly S&L through *de novo* branching, the latter is a small institution with limited financial and managerial resources which has never attempted to branch *de novo* in its 70 years of existence. Mechanics might find

Tioga County attractive for future *de novo* branching, but there are larger thrift institutions which are also potential entrants, and Waverly S&L is one of the smaller thrift institutions in the immediate Waverly area. Any loss of potential competition between the two institutions thus appears to be competitively insignificant.

Within the Seventh Banking District, which is the widest geographic area within which mutual savings banks may presently branch or merge under New York law, Mechanics is the 10th largest of 15 thrift institutions in terms of total resources and Waverly S&L is the 14th largest, with 3.1 and 0.7 percent, respectively, of the district-wide totals at year-end 1972. The resulting institution would be the ninth largest of 14 such institutions with 3.8 percent of all thrift institution assets in the district, far outdistanced by the 4 largest thrift institutions, ranging from the $301-million Binghamton Savings Bank (36.3 percent of the total assets) to the $70-million Elmira Savings Bank (8.4 percent of the total assets).

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

Financial and Managerial Resources; Future Prospects. Mechanics and the resulting bank have satisfactory prospects for the future. Waverly S&L has satisfactory financial resources, but an impending management succession problem. Mechanics and the resulting bank would have adequate managerial and financial resources.

Convenience and Needs of the Community to be Served. Customers of Waverly S&L and residents of the local Waverly area should benefit from the increased mortgage lending capability of the resulting bank, more liberal terms on mortgage loans, greater emphasis on VA mortgages, a wider range of deposit instruments, and an on-line data processing system. Competition with thrift institutions directly across the border in Pennsylvania should be stimulated.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Peachtree Bank and Trust Company Chamblee, Georgia	42,060	6	9
to merge with			
The Citizens Bank of Georgia Stone Mountain	13,388	3	

Summary report by Attorney General, November 30, 1973

Peachtree Bank's offices are clustered in the northern part of De Kalb County, while Citizens Bank's offices are located in the eastern portion of the county. The head offices of the two banks, however, are only about 13 miles apart, and the closest offices are about 10 miles apart. The approved but unopened offices of both banks, located in the southern portion of De Kalb County, are only about 4 miles apart. Thus, while the banks do not operate in close proximity to each other, it appears that there is some potential for increased competition between them which would be eliminated by the merger.

Twenty-one commercial banks presently operate in De Kalb County. Peachtree Bank and Citizens Bank are not among the largest, holding only 6.7 percent and 2.2 percent, respectively, of total county deposits on June 30, 1972. The resulting bank would be one of the largest banks headquartered in De Kalb County outside Atlanta, but would control only 8.9 percent of total county deposits, the leaders being the much larger Atlanta-based institutions. This consolidation of two small banks which were formerly "affiliated" with large Atlanta banking organizations may well give the resulting organization the capability to compete more vigorously with the large Atlanta institutions which now dominate De Kalb County. In view of these facts, and since only a minimal amount of existing competition would be eliminated, we conclude that this proposed transaction would not have an adverse competitive effect.

Basis for Corporation approval, February 8, 1974

Peachtree Bank and Trust Company, Chamblee, Georgia ("Peachtree"), a State nonmember insured bank with total resources of $42,060,000 and total IPC deposits of $29,815,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Citizens Bank of Georgia, Stone Mountain, Georgia ("Citizens"), which has total resources of $13,388,000 and total IPC deposits of $10,172,000. The banks would merge under the charter and title of Peachtree and, as an incident to the merger, the three approved offices of Citizens would become branches of the resulting bank.

Competition. Peachtree is the seventh largest commercial bank in De Kalb County, with 6.3 percent of the total IPC deposits held by the 21 commercial banks represented therein. It serves northern De Kalb County with five offices and has recently established its sixth office in the county's central-southern area. Originally sponsored in 1960 by Trust Company of Georgia, Peachtree now has no holding company affiliation. Citizens, with 2.2 percent of De Kalb County commercial IPC deposits, is the 14th largest bank in this market and was established in 1957. It operates its main office in the city of Stone Mountain (population 1,899) and one branch in an unincorporated area some 2.8 road-miles west of its main office.* A prior affiliation with the Citizens and Southern holding company system was severed in December 1970. Citizens is very much oriented to retail banking business, drawing most of it from a radius within 5 road-miles of its main office, in central-eastern De Kalb County.

Both banks serve areas which are, in the main, rapidly growing residential suburbs of the city of Atlanta, although De Kalb County is also one of the

*Citizens has the necessary approvals to establish an additional branch in an unincorporated area 5.3 road miles southwest of its main office.

more important industrial areas of the State. The population of De Kalb County grew by 61.8 percent during the decade 1960—1970 to a total of 415,387, with much of the increase having occurred in unincorporated areas of the county. De Kalb County is part of the Atlanta SMSA, a 15-county region of growing affluence, industrialization, and economic activity. Its 1970 population was 1,597,816, up 36.7 percent over 1960, with almost two-thirds of the total living in Fulton and De Kalb Counties. Banking activity throughout the SMSA is dominated by the four largest Atlanta-based banking systems. Peachtree and Citizens together have only 1.0 percent of total commercial bank IPC deposits in the SMSA. De Kalb County alone has 82 offices of 17 different commercial banking systems. The 4 largest banking organizations each hold between 10.6 percent and 37.7 percent (all C & S affiliates) of total De Kalb County commercial bank IPC deposits, controlling in the aggregate 77.3 percent of such deposits and 54 offices.

Peachtree's office closest to Citizens is some 8.5 miles south of the latter's established branch. Offices of five other commercial banks intervene and serve to minimize competition between the participants. The insubstantial volume of business which each draws from areas directly served by the other and the relatively small shares of De Kalb County and Atlanta SMSA bank deposits which each bank holds indicate that the proposed merger would eliminate no significant existing competition between them.

Both banks may legally branch throughout rapidly growing De Kalb County. Citizens has limited resources for this purpose, however, and both banks would face keen competition from the four major banking organizations for the attractive and available *de novo* branch sites in De Kalb County. The elimination of some residual potential for increased competition between Peachtree and Citizens through *de novo* branching in the future appears to have little competitive significance in view of the existing commercial bank structure of De Kalb County and the likelihood that the resulting bank would be a stronger competitor for all purposes, including the establishment of *de novo* branches, than either Peachtree or Citizens separately.

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

Financial and Managerial Resources; Future Prospects. Both banks have adequate financial and managerial resources for the business they presently conduct. These resources for the resulting bank would likewise be adequate. Both banks also have favorable future prospects, as would the resulting bank.

Convenience and Needs of the Community to be Served. The merger would make available to Citizens' customers the services of an institution whose higher lending limits (secured, $600,000 rather than $160,000; unsecured, $380,000 rather than $80,000) and more aggressive management should serve to stimulate competition within the market. Four-year consumer certificates at the maximum rate of interest allowed by current regulations would be offered, as well as more significant commercial lending capabilities. For De Kalb County residents and businessmen generally, the increased stature of the resulting bank should enable it to compete more effectively with the largest banks in the county with attendant benefits to all banking customers.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Idaho Bank & Trust Co. Pocatello, Idaho	166,399	13	16
to acquire the assets and assume the deposit liabilities of			
Bank of Central Idaho Grangeville	15,474	3	

Summary report by Attorney General, January 29, 1974

The nearest offices of Idaho Bank and Central Bank are 70 miles apart. The proposed acquisition would eliminate only a limited amount of existing competition.

Central Bank, with 38 percent of county deposits as of December 31, 1972, is the largest of the three banks operating in Idaho County. Idaho Bank, the fourth largest of the 23 banks in the State of Idaho, is thus one of a small number of significant potential entrants into Idaho County. County population, however, declined by 5 percent from 1960 to 1970 to less than 13,000. Thus, the area may not be particularly attractive for *de novo* entry.

Idaho banking is highly concentrated. At the end of 1971 the State's four largest banks held approximately 85 percent of statewide commercial bank deposits. Additional acquisitions by these largest banks may tend to prevent deconcentration of banking in the State by eliminating potential elements in new regional or statewide organizations.

Basis for Corporation approval, February 14, 1974

Idaho Bank & Trust Co., Pocatello, Idaho ("Idaho Bank"), a State nonmember insured bank with total resources of $166,399,000 and total IPC deposits of $120,829,000, 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 the liability to pay deposits made in, Bank of Central Idaho, Grangeville, Idaho ("Central"), a State nonmember insured bank with total resources of $15,474,000 and total IPC deposits of $12,183,000. The 3 offices of Central would be operated as branches of Idaho Bank, increasing the number of its authorized offices to 17.

Competition. Idaho Bank has 14 authorized offices in 9 of the 44 counties in Idaho, 10 of which have been established *de novo* over the years. Most of these offices are concentrated in the more populous southeast section of the State, although Idaho Bank is represented in all the major population centers. Idaho Bank has no office, however, in Idaho County where all of Central's offices are located. Idaho as a whole is a sparsely populated State (1970 population 713,008, up only 6.9 percent from 1960, compared to a nationwide increase in population of 13.3 percent), with a high degree of concentration in banking resources. The three largest banks in the State hold, respectively, 35.9 percent, 27.9 percent, and 13.9 percent of the total commercial bank deposits in the State. Idaho Bank is the fourth largest commercial bank in Idaho, with 7.5 percent of such deposits.

Central, which is the 12th largest of Idaho's 23 commercial banks, has its main office in Grangeville (population 3,636), 1 branch in Kooskia (population

809), and 1 branch in Riggins (population 533). All three locations are in western Idaho County (population 12,891) which constitutes the upper central part of the State and stretches from Montana's western border to Oregon's eastern boundary. Approximately the eastern two-thirds of Idaho County is rugged wilderness area with only nominal population so that 93 percent of the county's population is concentrated in the western third of the county where Central has its offices. Economic activity in the western part of the county is centered in agriculture, lumbering, and, to a lesser extent, tourism. The 1972 median household income for Idaho County was $6,463, about 12 percent below the State figure of $7,384.

The effects of the proposed transaction would be almost entirely confined to western Idaho County and a small portion of eastern Lewis County, where the community of Kamiah is located. The closest office of Idaho Bank to any office of Central is a branch office in Lewiston, over 70 miles to the northwest. The two banks serve completely different banking markets and neither originates any meaningful volume of business from areas served primarily by the other. The proposed transaction therefore would not eliminate any significant existing competition between the two banks.

Idaho law permits statewide branch banking, but increased competition between Idaho Bank and Central does not appear likely. Central does not have the financial or managerial resources to be a meaningful competitor in local markets presently served by Idaho Bank and the three major statewide banks, even if it could overcome the operational difficulties of opening *de novo* offices at the distances required. Idaho Bank in turn is unlikely to find Idaho County attractive for *de novo* branching because of its sparse population, stable economy, lack of population growth, and the already low population per commercial banking office (about 2,600 persons).

Central's only competitors today are the two largest commercial banks in Idaho, which between them share the bulk of local IPC deposits. The commercial banking structure in this western Idaho County-Lewis County area would be changed only to the extent that the State's two largest commercial banks would be faced with a stronger, more aggressive competitor locally.

Statewide, Idaho Bank would increase its relatively limited share of total commercial bank deposits by only 0.7 percent and the resulting bank would have 8.2 percent of such deposits. Its position relative to Idaho's three largest commercial banks, however, would remain unchanged, while the fifth largest bank in the State would continue to be less than half its size.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources and future prospects of Idaho Bank and Central are satisfactory, and are so projected for the resulting bank.

Convenience and Needs of the Community to be Served. The residents and businessmen in western Idaho and Lewis Counties would realize only modest benefits from the proposed acquisition, deriving principally from the increased competition which the resulting bank could offer to the two largest banks in the State across the full range of commercial bank services. Customers of

Central would find trust services, a greater variety of deposit accounts, sophisticated and specialized banking services, and a lending limit almost 20 times that of Central more conveniently available to them than at present.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Frankenmuth Bank & Trust Company Frankenmuth, Michigan	109,975	12	14
to consolidate with			
The Clio State Bank Clio	19,151	2	

Summary report by Attorney General, August 27, 1973

Frankenmuth Bank and Clio State Bank are headquartered 12 miles apart and their nearest offices are separated by about 8 miles. There are no banking offices in the intervening area. Despite the close proximity of the parties' banking offices, the application indicates that very little direct competition will be eliminated by the proposed acquisition. Frankenmuth Bank's service area and that of Clio State Bank are adjoining, but do not overlap to any significant extent.

Frankenmuth Bank has a strong current financial position and could legally branch *de novo* into the Flint (Genesee County) market. But because of Clio State Bank's modest market position in the Flint-Genesee market (2 percent of county deposits) and the existence of other significant potential entrants, we conclude that the proposed acquisition will not eliminate substantial potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, February 14, 1974

Frankenmuth Bank & Trust, Frankenmuth, Michigan ("Frankenmuth Bank"), a State nonmember insured bank having total resources of $109,975,000 and total IPC deposits of $82,924,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with The Clio State Bank, Clio, Michigan ("Clio Bank"), with total resources of $19,151,000 and total IPC deposits of $14,973,000. The banks would consolidate under the charter and title of Frankenmuth Bank and, as an incident to the transaction, the 2 offices of Clio Bank would become branches of the resulting bank, increasing to 14 the number of its offices.

Competition. Frankenmuth Bank operates eight offices in eastern Saginaw County and four offices in the neighboring counties of Bay and Tuscola, in east-central Michigan. Saginaw County comprises the Saginaw SMSA and had a

1970 population of 219,743, up 15.2 percent during the 1960s. Approximately 91,900 of the inhabitants of eastern Saginaw County live in the heavily industrialized city of Saginaw, and many residents of the outlying agricultural and suburban areas commute to that city for employment, shopping, or entertainment. Frankenmuth Bank has three offices in its headquarters city of Frankenmuth (1970 population 2,834), 10 miles southeast of the city of Saginaw, while its branch nearest to Clio Bank is at Birch Run, about 13 miles to the southeast of that city. Frankenmuth Bank is not affiliated with any bank holding company. It is the 37th largest of Michigan's 329 commercial banks with 0.37 percent of their aggregate deposits.

Clio Bank has its main office in the city of Clio (1970 population 2,357) in Genesee County, and its only branch 4 miles south of Clio in Mount Morris Township (1970 population 29,349, up 42.2 percent from 1960). The Clio area, which adjoins southeastern Saginaw County, is largely agricultural. Mount Morris Township, however, includes the rapidly expanding northwestern suburbs of the city of Flint (1970 population 193,317), the major city of Genesee County, which lies about 10 miles south of Clio. Many residents of both the Clio area and Mount Morris Township commute to Flint for employment. Total population in Genesee County, the fourth most populous county in Michigan, numbers 445,589 residents, up 19 percent from 1960. Median household income for Genesee County is presently about 13 percent above the State level.

The proposed consolidation would have its most immediate and direct effects in an area which may be approximated by Genesee County and the southeastern corner of Saginaw County. The Saginaw County portion of this local market would include the townships of Frankenmuth and Birch Run which are both within 10 miles of Clio. Ten commercial banks currently operate 72 offices in this banking market, 2 more banks than at midyear 1973. Of the eight banks operating in the market as of June 30, 1973, Frankenmuth Bank ranked fourth with 4.7 percent of the market's total IPC deposits, while Clio Bank ranked sixth with 1.6 percent. The 3 most prominent local banks are among or affiliated with the 10 largest banking organizations in Michigan and collectively hold about 89 percent of the market's total IPC deposits. In terms of total deposit size, these three organizations range from $464 million to $1.3 billion. While Frankenmuth Bank and Clio Bank both operate within the local banking market, the information filed with the application indicates that neither derives much business from the immediate areas served primarily by the other. This may be explained by the natural pull towards the city of Saginaw in areas served by Frankenmuth Bank, and to the city of Flint in areas served by Clio Bank. In any event, while their proposed consolidation would eliminate some existing competition between them, the effect would not be competitively significant in view of the present banking structure and deposit concentration of the market. The resulting bank would in fact have only 6.3 percent of the market's total IPC deposits.

Michigan law permits both Frankenmuth Bank and Clio Bank to branch *de novo* in areas served primarily by the other, although neither may branch *de novo* into cities or villages already served by some other banking office. Clio Bank does not appear presently to be a likely candidate for *de novo* expansion. Frankenmuth Bank, on the other hand, if this proposed consolidation is denied, could find areas of the rapidly expanding suburbs of Flint south of Clio attractive to it for *de novo* branching. The elimination of this potential for increased competition between the two banks by virtue of the proposed consolidation is of minor significance, however, in view of the number of larger banks and bank holding companies that could also branch *de novo* in the same area. Both of Clio Bank's large Flint-based competitors, for example, are proposing additional branches near Clio if this proposed transaction is approved.*

The legal branching area of Frankenmuth Bank includes Saginaw County and portions of the adjacent counties of Bay, Genesee, Shiawassee, and Tuscola within a 25-mile radius of the bank's main office. In this region, Frankenmuth Bank holds the sixth largest share (5.4 percent) of total IPC deposits, aggregating in excess of $1.5 billion, held by all area offices of the 22 commercial banks presently represented therein. The 5 largest commercial bank IPC deposit shares range from 8.8 percent to 24.5 percent, and in each instance are held by a bank which is among the 20 largest commercial banks in Michigan. The resulting bank would retain Frankenmuth Bank's sixth position in this market, holding 6.3 percent of the region's commercial bank IPC deposits. It would rank 31st largest of Michigan's commercial banks, holding 0.44 percent of their aggregate IPC deposits.

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

Financial and Managerial Resources; Future Prospects. Each of the consolidating banks has satisfactory financial and managerial resources. Future prospects of the resulting bank are favorable.

Convenience and Needs of the Community to be Served. Customers of the Clio Bank would experience the greatest benefits of the proposed consolidation. The normal lending limit of the resulting bank would be about six times greater than that of Clio Bank, and trust facilities, FHA mortgage loans, and electronic data processing would be made available. In addition, a much larger and more aggressive institution would offer significantly strengthened competition to the two major Flint-based commercial banks throughout the local banking market.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Home Savings Bank of Upstate New York Albany, New York	174,108	6	7
to merge with			
Fort Edward-Hudson Falls Savings and Loan Association Fort Edward	7,116	1	

*Citizens Commercial & Savings Bank would establish a branch 1/2 mile east of Clio Bank's main office; Genessee Merchants Bank & Trust Co., 2 miles south of Clio Bank's branch.

Summary report by Attorney General, November 30, 1973

With the exception of its Greenwich office, Home Savings' offices are situated in the Albany-Schenectady-Troy area, a considerable distance from Fort Edward. However, Home Savings' Greenwich office is located in Washington County about 12-15 miles south of Fort Edward. Home Savings and Fort Edward S&L each hold approximately 8 percent of Washington County's total savings and time deposits. Their combined share of about 16 percent would rank the resulting institution second among the six commercial banks and two savings banks with savings and time deposits in the county. Thus, it appears that the proposed merger may eliminate some existing competition and increase concentration in savings and time deposits in Washington County.

Basis for Corporation approval, March 1, 1974

Home Savings Bank of Upstate New York, Albany, New York ("Home Savings"), an insured mutual savings bank with total resources of $174,108,000 and total deposits of $163,234,000, 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 Fort Edward-Hudson Falls Savings and Loan Association, Fort Edward, New York ("S&L"), a federally insured, State-chartered savings and loan association with total resources of $7,116,000 and total deposits of $6,043,000. The institutions would merge under the charter and title of Home Savings and, as an incident to the merger, the sole office of S&L would become a branch of the resulting bank, increasing to seven the number of its offices.

Competition. Home Savings operates its main office and one branch in the city of Albany, one branch each in the suburban towns of Colonie and Guilderland, and one branch each in the counties of Rensselaer and Washington. The bank acquired the two latter branches during 1971 by merging two State-chartered savings and loan associations. Under present law, Home Savings may acquire any number of branches by merger throughout the Fourth Banking District, a 15-county region in northeastern New York State, but it may open *de novo* branches within the district at a rate of only one each year. Commencing January 1, 1976, mutual savings banks will be able to branch statewide subject to the same limitation of one *de novo* branch per year that exists today.

S&L has its only office in Fort Edward, Washington County, New York and serves the Glens Falls market, a residential and industrial area having an estimated population of 50,000, on the Hudson River in central-eastern New York State. S&L is the smallest of the 14 insured savings and loan associations operating in the Fourth Banking District.

S&L's office is in the Glens Falls banking market, some 50 road-miles north of Albany and about 15 road-miles northwest of Home Savings' nearest branch, in Greenwich, Washington County. Although there is some overlap of trade areas within Washington County, neither Home Savings nor S&L draws a significant amount of its business from areas served by the other. Moreover, the $500-million Albany Savings Bank dominates thrift institution deposits in the areas within Washington County, neither Home Savings nor S&L draws a National Savings Bank of the city of Albany has entered the market area with a *de novo* branch, and other savings banks can be expected to follow in the years to come. Because of this and because of the limited deposits held by S&L, any loss of potential competition between S&L and Home Savings which might be occasioned by their merger appears to have limited competitive significance.

Home Savings is the sixth largest mutual institution in the Fourth Banking District, holding about 6.1 percent of the deposits held by all thrift institutions in the district. S&L holds only 0.2 percent of such deposits.

Effects of the merger should have an early impact on competition in the Glens Falls market. The resulting bank, offering larger size mortgage loans and introducing services not now available at the S&L office, should increase competition with the two nearby offices of the Albany Savings Bank.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of each institution, and of the resulting bank, are considered satisfactory. Future prospects of the resulting bank are favorable.

Convenience and Needs of the Community to be Served. As a result of the proposed merger, day-of-deposit-to-day-of-withdrawal accounts and Savings Bank Life Insurance would be introduced to the S&L location. The resulting bank, operating under a more liberal lending policy and having a greater capacity than S&L to meet the demands for both residential and commercial mortgage funds, should provide more effective competition in the field of real estate lending than S&L to the commercial banks as well as to the other two savings banks in the Glens Falls market.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Northwest Bank Oklahoma City, Oklahoma	17,610	2	2
to merge with			
Northwest Building Corporation Oklahoma City	351	.	

Summary report by Attorney General, December 6, 1973

Northwest Bank operates its single office in Oklahoma City, Oklahoma County, Oklahoma. On September 30, 1973, Northwest Bank held total deposits of $16.6 million (including IPC demand deposits of $5.2 million) and net loans and discounts of $9.9 million. Northwest Building Corporation is located in Oklahoma City, Oklahoma County, Oklahoma; it owns the land and building upon which Northwest Bank is located.

We conclude that the proposed merger of Northwest Bank and Northwest Building Corporation will not have any competitive impact.

Basis for Corporation approval, March 1, 1974

Northwest Bank, Oklahoma City, Oklahoma, a State nonmember insured bank with total resources of $17,610,000, 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 Northwest Building Corporation, Oklahoma City, Oklahoma, ("Building"), a noninsured, nonbanking entity with total resources of $351,000, under the charter and title of Northwest Bank. The resulting bank would operate the two banking offices of Northwest Bank in their present locations.

Building's assets are principally the land and buildings presently occupied by the two offices of Northwest Bank. The proposed merger would result in the transfer of ownership to Northwest Bank of its banking premises subject to an outstanding mortgage and the exchange of newly issued stock of Northwest Bank for stock of Building. With the merger effected, Building would no longer exist as a corporate entity.

Competition. The proposed merger would accomplish the consolidation of a bank with its banking premises affiliate. No effect on existing or potential competition, or on the structure of banking in any relevant area would result. The merger, moreover, would not alter in any manner the competitive stance of Northwest Bank or of any other bank.

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of both participants are acceptable. Future prospects of the resulting bank appear to be favorable.

Convenience and Needs of the Community to be Served. The resulting bank, with its services, personnel, and office locations unchanged from those of Northwest Bank, would have an equal capability to serve the convenience and needs of the community.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Union Bank and Savings Company Bellevue, Ohio	35,591	3	4
to acquire the assets and assume the deposit liabilities of			
The Home Savings Building and Loan Company Clyde	2,451	1	

Summary report by Attorney General, October 15, 1973

Union Bank's Bellevue offices are located about 8 miles southeast of Home Savings' office in Clyde. Union Bank holds approximately 8 percent of Huron County's total time and savings deposits held by commercial banks and savings and loan associations, while Home Savings holds about 1.3 percent of such deposits in adjacent Sandusky County. Although Union Bank apparently derives some business from the area served by Home Savings, it does not appear that the proposed transaction would substantially increase concentration in time deposits or mortgage loans in any relevant geographic market.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, March 11, 1974

The Union Bank and Savings Company, Bellevue, Ohio ("Union Bank"), an insured State member bank with total resources of $35,591,000 and total IPC deposits of $28,256,000, 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 Home Savings Building and Loan Company, Clyde, Ohio ("Home Savings"), a nonfederally insured mutual savings and loan association with total resources of $2,451,000 and total IPC deposits of $2,305,000. The transaction would be effected under the charter and with the title of Union Bank. Union Bank has also applied to the Ohio Division of Banks and the Federal Reserve Bank of Cleveland for permission to establish a branch at the sole location of Home Savings. Consummation of the proposed transaction, including establishment of the Clyde branch, would increase the number of Union Bank's offices to four.

Competition. Union Bank operates its main office and one branch in Bellevue (1970 population 8,604) and one additional branch in Monroeville (1970 population 1,455), about 6 miles southeast of Bellevue. Bellevue is located in both Sandusky and Huron Counties in the central portion of northern Ohio. Home Savings operates its only office in the village of Clyde (1970 population 5,503), about 7 miles northwest of Bellevue.

The most appropriate geographic area in which to assess the effects of the proposed transaction lies within an approximate 10-mile radius of Clyde. This area would include most of Sandusky County (1970 population 60,983, up 8.0 percent since 1960) and portions of Huron, Seneca, and Erie Counties. The economy of the area has a good mix of industry and agriculture, and the Whirlpool Corporation has a large plant in Clyde. Ample rail and highway facilities make the area attractive to new industry.

Home Savings is a limited-service savings and loan association offering only 5-percent passbook savings accounts, residential mortgages, and passbook loans. Since its passbook rate is the same as Union Bank's and other commercial banks in the area, and since it competes with all other deposit institutions in the geographic market area for residential mortgages, it would appear appropriate to include commercial bank IPC time and savings deposits as well as the mortgage loans of all such institutions in determining the likely impact of the proposed acquisition on competition within the local market.

Within a 10-mile radius of Clyde there are seven commercial banks and five savings and loan associations. The Whirlpool Corporation also has a credit union with about $6.5 million in deposits that competes for the savings of Clyde residents. Union Bank ranks sixth among the 12 commercial banks and savings and loan associations in terms of total IPC time and savings deposits, with approximately 9.5 percent of the aggregate, while Home Savings has only about 1.4 percent of such deposits. The resulting bank's relative position among these institutions would not change significantly and the proposed transaction would not have any appreciable effect on this distribution of time and savings deposits in the relevant geographic area. Further, the number of alternatives available to the local Clyde community for time and savings deposit services would not be changed. Union Bank is not currently represented there, and the branch which would replace Home Savings would pay the same interest rate on passbook savings that Home Savings now pays, besides offering demand deposit and time deposit services not presently available at Home Savings. Significant competition would remain for all commercial bank and thrift institution services in both Fremont and Bellevue, each of which is 7 miles from Clyde.

There is very little existing competition between Union Bank and Home Savings, even though their closest offices are only about 7 miles apart in an area with good roads. This is equally true whether passbook deposits or residential mortgage loans are considered. The proposed transaction therefore would not eliminate any significant existing competition between Union Bank and Home Savings.

Increased competition between the two institutions in the future appears unlikely. There are statutory restrictions relative to the powers of savings and loan associations which would effectively prevent Home Savings from becoming a more significant competitor of Union Bank. In addition, Home Savings has little in the way of financial and managerial resources, having accumulated only $2,200,000 in total deposits in over 75 years in operation, and it is currently functioning with only one full-time employee. Accordingly, the proposed transaction would eliminate no significant potential competition between Union Bank and Home Savings.

Inasmuch as the resulting bank would operate as a commercial bank, it is also appropriate to consider what effect the proposed transaction might have on the structure of commercial banking in Union Bank's maximum branching and merging area. *De novo* branching in Ohio is generally restricted to the confines of a single county, but because Bellevue, the location of Union Bank's main office, is located in both Sandusky and Huron Counties, Union Bank may legally branch throughout both of those counties. In this 2-county area there are 13 commercial banks operating 32 offices with an aggregate of $342,581,000 in total deposits. Union Bank is the fifth largest of these banks with 9.0 percent of their total deposits. The addition of Home Savings' $2,200,000 in deposits would raise this share to 9.6 percent and would make Union Bank approximately the same size as the fourth-ranked commercial bank. Two of the commercial banks in this two-country area, however, are affiliated with multibank holding companies, each of which has in excess of $1 billion in total deposits. It is apparent that the proposed transaction would have no significant effect on the structure of commercial banking in Sandusky and Huron Counties.

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

Financial and Managerial Resources; Future Prospects. Both Union Bank and Home Savings have satisfactory financial and managerial resources for the business they presently do, as would the resulting bank. Union Bank and the resulting bank have satisfactory prospects for the future, but it would appear that Home Savings would fare better as part of the resulting bank rather than operating independently.

Convenience and Needs of the Community to be Served. The proposed transaction would benefit individuals and businesses in the Clyde area by introducing an alternative for the full range of commercial banking services (except trust services) now available only from one other small commercial bank there. Residents of the Clyde community would benefit from a second local alternative for checking account services, higher-yield time deposits, a significantly larger lending limit, and increased local availability of commercial and industrial loans.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Erie County Savings Bank Buffalo, New York	1,085,498	8	9
to merge with			
Frontier Savings and Loan Association Cheektowaga	553	1	

Summary report by Attorney General, December 6, 1973

Erie Savings and Frontier are both situated in the immediate Buffalo area in eastern Erie County. The service area of Erie Savings completely encompasses that of Frontier. Thus, it appears that the proposed transaction would eliminate some existing competition. However, in view of the relatively small size of Frontier, it does not appear that the proposed merger would substantially increase concentration in the greater Buffalo area.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, March 20, 1974

Erie County Savings Bank, Buffalo, New York ("Erie SB"), an insured mutual savings bank with total resources of $1,085,498,000 and total deposits of $1,007,438,000, 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 Frontier Savings and Loan Association, Cheektowaga, New York ("Frontier S&L"), a noninsured mutual savings and loan association with total resources of $553,000 and total deposits of $491,000. The institutions would merge under the charter and title of Erie SB and, as an incident to the merger, the sole office of Frontier S&L would become a branch of the resulting bank, increasing the number of its offices to nine.

Competition. Erie SB is headquartered in Buffalo and operates a total of eight offices, all in Erie County at the western end of New York State on Lake Erie. Buffalo, the State's second largest city, is an important rail center and lakeport. Although the area's economy is diversified, flour milling and steel and automobile production are important contributors. Erie SB is the second largest thrift institution in Erie County, with 32.1 percent of the deposits held by the 14 such institutions there. It is also the second largest thrift institution in New York's Ninth Banking District, with 27.9 percent of the total deposits held by all thrift institutions in the district as of December 31, 1972.

Frontier S&L operates its only office in Cheektowaga, a growing suburban town which is adjacent to Buffalo and which is an integral part of the Buffalo metropolitan area. It is not, however, an effective competitor. In more than 80 years since its organization in 1891, Frontier S&L has accumulated only $491,000 in total deposits. Two-thirds of this total originates from only three families. It is open only 14½ hours each week, has no active full-time officers and only two part-time employees, has only seven mortgages with principal amounts in excess of $20,000, and has had operating deficits or only nominal operating income in each of the past 4 years. While some existing competition and some potential for increased competition in the future between the two institutions might be eliminated by their proposed merger, it is apparent that the overall effect of their merger on competition would be *de minimis.* Moreover, should this merger be consummated, 41 offices of 12 competing thrift institutions would remain available to residents of Buffalo and Erie County, including 8 offices of the $1.3-billion-deposit Buffalo Savings Bank, the largest thrift institution in the market.

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

Financial and Managerial Resources; Future Prospects. Erie SB has, and the resulting bank would have, adequate financial and managerial resources and favorable future prospects. Although Frontier S&L's financial and managerial resources appear acceptable for the limited business it does, its future prospects are bleak as an independent institution trying to compete effectively in the heavily populated and urbanized Erie market.

Convenience and Needs of the Community to be Served. Customers of Frontier S&L would benefit from the broad range of services offered by the resulting bank, including higher interest rates on longer term time deposits, FHA and VA mortgage loans, student loans, savings bank life insurance, safe deposit box rentals, and full banking hours. Frontier S&L's customers would find more lendable funds available and would also gain the protection and security of Federal deposit insurance.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Northern Central Bank and Trust Company Williamsport, Pennsylvania	128,468	8	11
to merge with			
Susquehanna Valley Bank and Trust Company Sunbury	14,086	3	

Summary report by Attorney General, February 13, 1974

While Northern Central Bank is headquartered in Lycoming County about 27 miles from Susquehanna Valley Bank's head office, it operates a branch office in Milton, Northumberland County, Pennsylvania. This Milton office is about 10 miles from the Northumberland branch of Susquehanna Valley Bank and about 13 miles from the other two offices of Susquehanna Valley Bank. Northern Central Bank was the fifth largest of the 17 banks operating in Northumberland County as of June 30, 1973 with $12.9 million, or 5 percent, of total county deposits. Susquehanna Valley Bank was the seventh largest bank in the county with $12.6 million, or 4.9 percent, of total county deposits as of that date. Although the application indicates that there is only slight deposit and loan overlap between the two banks, the short distance and easy access between them, combined with the absence of other bank offices between Northumberland and Milton, indicate that this transaction would eliminate some existing competition in western Northumberland County.

Basis for Corporation approval, March 20, 1974

Northern Central Bank and Trust Company, Williamsport, Pennsylvania ("Central"), a State nonmember insured bank with total resources of $128,468,000 and total IPC deposits of $103,959,000, 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 Susquehanna Valley Bank and Trust Company, Sunbury, Pennsylvania ("Valley Bank"), with total resources of $14,086,000 and total IPC deposits of $10,844,000. These banks would merge under the charter and title of Central. The resulting bank would have a total of 11 offices, including the 3 offices presently operated by Valley Bank.

Competition. Central operates a total of eight offices: its main office and two branches in Williamsport and two branches in the Montgomery area, about 11 road-miles southeast of Williamsport, all in Lycoming County; two branches in the Milton area of Northumberland County, some 25 road-miles southeast of Williamsport; and one branch in Athens, Bradford County, about 80 road-miles northeast of Williamsport. Central is the largest commercial bank operating in Lycoming County, although four other commercial banks in the county individually control IPC deposits of more than $60 million.

Valley Bank operates its three offices in Northumberland County: its main office and one branch in the city of Sunbury (1970 population 13,025, representing a decline of 4.8 percent during the 1960s) and one branch in Northumberland borough (1970 population 4,102). The economy of Northumberland County is primarily agricultural and 1972 income levels are about 23 percent below the State level.

The competitive impact of the proposed merger would be most immediate and direct within approximately a 12-mile radius of Sunbury, an area which would include Milton and Lewisburg to the north, Shamokin Dam to the west, and Selinsgrove to the southwest. In this market, 15 commercial banks with 25 offices hold IPC deposits aggregating $229,906,000. Valley Bank has the 11th largest share (4.7 percent) of such deposits, while the two Milton area offices of Central hold the 7th largest share (5.5 percent). The largest share (17.8

percent) is held by First National Trust Bank, a $64.4-million-IPC-deposit institution headquartered in Sunbury, and the second largest share (12.1 percent) is held by Snyder County Trust Company, a $27.7-million-IPC-deposit institution headquartered in Selinsgrove. The resulting bank would hold the fourth largest share (10.2 percent) of IPC deposits held by all such offices. The elimination of existing competition between the two banks which would be occasioned by their merger appears to have only limited competitive significance in view of the number of alternatives for banking services in the relevant market and the small share of area IPC deposits held by Valley Bank.

Pennsylvania law permits a commercial bank to branch *de novo* or to merge throughout its main office county and all counties contiguous thereto. Central, thus, may enter Sunbury city and Northumberland borough. Neither of these communities would appear attractive to Central for *de novo* entry, however, because of a stagnant economy and buying levels 23 percent below the State level. Valley Bank, for its part, has limited financial and managerial resources and is not likely to seek *de novo* expansion at the present time. The potential for increased competition between Central and Valley Bank through *de novo* branching in the future is thus considered remote.

Within the 10-county region in which Central may expand *de novo* or by merger (its maximum potential market since Pennsylvania law does not permit the operation of multibank holding companies), a total of 59 commercial banks operate 142 offices and hold area IPC deposits aggregating $1,212 million. Central has 8.6 percent—the largest share—of such deposits and 5.6 percent of the area's commercial banking offices. The proposed transaction would increase Central's IPC deposit share in this region to 9.5 percent, while the four next ranking banks would hold in the aggregate about 24.2 percent of such deposits. In view of the relatively unconcentrated nature of this 10-county area and the presence in it of other competitors of substantial size, it does not appear that the proposed merger would have any significant adverse effect on the concentration of banking resources or the commercial bank structure in this relevant area.

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

Financial and Managerial Resources; Future Prospects. The resulting bank would have adequate financial and managerial resources. Its future prospects would be satisfactory.

Convenience and Needs of the Community to be Served. The proposed merger would have virtually no effect on Central's present customers. The merger would provide customers of Valley Bank, however, with the specialized lending services of a major area bank with a lending limit of more than $1 million. Interest paid on regular savings accounts would be increased from 4 percent to 4.5 percent per annum. Data processing facilities and broadened trust services would be available.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First State Bank of Saginaw Saginaw, Michigan	35,768	5	6
to consolidate with **The State Bank of Vassar** Vassar	11,746	1	

Summary report by Attorney General, October 31, 1973

The nearest offices of the parties are situated approximately 20 miles apart, with several competitive alternatives in the intervening area. However, because a substantial number of residents in the Vassar area commute to Saginaw, it appears that the proposed consolidation may eliminate some existing competition. It does not appear, however, that the transaction would substantially increase concentration in any relevant market.

Applicant could legally establish *de novo* offices near Vassar, in the area served by Bank. However, in view of the nature of that community and the existence of other significant potential entrants, we conclude that the consolidation will not eliminate substantial potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, April 11, 1974

First State Bank of Saginaw, Saginaw, Michigan ("First State"), a State nonmember insured bank with total resources of $35,768,000 and total IPC deposits of $25,550,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with The State Bank of Vassar, Vassar, Michigan ("Vassar Bank"), which has total resources of $11,746,000 and total IPC deposits of $9,363,000. The banks would consolidate under the charter and title of First State. As an incident to the transaction, the sole office of Vassar Bank would become a branch of the resulting bank, increasing the number of its offices to six.

Competition. First State operates five offices in Saginaw County in east-central Michigan and holds 5.3 percent of total commercial bank IPC deposits in the county. The main office and two branches are in the city of Saginaw, one branch is in Spaulding Township, and one branch is in Hemlock, an unincorporated village approximately 17 miles west of Saginaw. While the population of the city of Saginaw declined from 98,265 in 1960 to 91,849 in 1970, the population of Saginaw County increased 15.2 percent to 219,743 during the same period. The city of Saginaw and its suburbs are highly industrialized, with the manufacture of automotive components being the principal activity. Other portions of the county are dependent upon agriculture.

Vassar Bank operates its only office in the town of Vassar (1970 population 2,802) in Tuscola County (1970 population 48,603) and holds 9.8 percent of total commercial bank IPC deposits in the county. The economy of this area is similar to that of the much larger Saginaw area.

The proposed consolidation would have its most immediate and direct effects within a 15-mile radius of the town of Vassar. This area includes the western half of Tuscola County, a portion of eastern Saginaw County, and the northeastern corner of Genesee County. Eight banks operate 19 offices within this area. Vassar Bank holds 7.1 percent of total commercial bank IPC deposits and is the fifth largest bank in the market. The largest bank in the market holds 50.2 percent of the area's commercial bank IPC deposits and has just consolidated with the second largest bank which holds 11.1 percent of such deposits. The closest office of First State is located approximately 21 miles west of Vassar, and there are numerous offices of larger banks located in the intervening area. Consequently, First State is not considered competitive in this market and approval of the subject proposal would have no significant effect on existing competition between the two banks.

Michigan law permits both banks to enter *de novo* the market areas of the other, although it prohibits *de novo* entry into cities or villages already served by a banking office. Vassar Bank has operated its single office ever since its organization in 1934, and the possibility that it would begin *de novo* branching now is considered remote in view of its small size, its unaggressive and conservative management, and the formidable competition offered by the larger banking institutions operating in its legal branching area. First State, however, has an aggressive and expansion-minded management and would probably expand eventually into Vassar Bank's market area despite the present number of banking offices there and despite the lower-than-average income levels that prevail. The proposed consolidation would foreclose this potential for increased competition between the two banks, but this appears to be of minor competitive significance in view of the number of larger banks in Vassar Bank's market and the relatively small share of commercial bank IPC deposits presently held by Vassar Bank.

The maximum legal branching area of First State includes Saginaw County and portions of the adjacent counties of Bay, Genesee, Gratiot, Midland, Shiawassee, and Tuscola within a 25-mile radius of the bank's main office at Saginaw. In this area there are 16 commercial banks with total IPC deposits of $823,712,000. First State holds the 10th largest share (2.8 percent) of such deposits. The five largest banks are represented, including an affiliate of the $2.5-billion-deposit Michigan National Corporation, and hold 73.3 percent of these deposits; their shares range from 8.9 percent to 24.6 percent. Upon consummation of this proposed consolidation, the resulting bank would hold 4.0 percent of IPC deposits and would have the ninth largest IPC deposit share.

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

Financial and Managerial Resources; Future Prospects. Each of the consolidating banks has satisfactory financial and managerial resources. Future prospects of the resulting bank are favorable.

Convenience and Needs of the Community to be Served. The increased lending limit of the resulting bank would benefit customers in each of the areas presently served by the two banks, particularly those in the service area of Vassar Bank. In addition, in Vassar Bank's market, the resulting bank would provide an alternative to the larger banks presently represented there for free checking accounts, 5-percent 90-day passbook accounts, 7 percent 4-year time deposits, and commercial and industrial loans. The consequent increase in competition should benefit all consumers of banking services in Vassar Bank's market area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Security Bank North Platte, Nebraska	—	—	1
to merge with **Citizens Security Bank** Wallace	499	1	

Summary report by Attorney General, March 4, 1974

Citizens Security Bank ("Citizens") is a unit bank located in Wallace, Lincoln County, Nebraska. The application indicates that as of December 31, 1973, Citizens had total assets of $498,981, held total deposits of $218,372, and had loans amounting to $16,769. American Security Bank ("American") is in organization and has been chartered to operate in North Platte (population 20,000), the county seat of Lincoln County about 35 miles northeast of Wallace (population 241).

In view of the nature of the corporate parties to this transaction, we conclude that it would be unlikely to have any significant adverse competitive effects.

Basis for Corporation approval, April 11, 1974

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed on behalf of American Security Bank, North Platte, Nebraska ("American"), a proposed new bank, for Federal deposit insurance and for the Corporation's prior consent to its merger with Citizens Security Bank, Wallace, Nebraska ("Citizens"), a State nonmember insured bank with total resources of $499,000 and IPC deposits of $186,000, under the charter and title of American. The sole office of the resulting bank would be located at 410 Rodeo Road, North Platte. American would not be in operation prior to the proposed merger. Upon consummation of that transaction, the sole office of Citizens, now being operated in Wallace, would be terminated.

Competition. North Platte (population 19,447) is the seat of Lincoln County (population 29,538). Located in west-central Nebraska some 240 road-miles west of Omaha and a similar distance northeast of Denver, North Platte is the commercial center for an agricultural region which lies within a radius of some 75 miles of the city and has a population estimated at 75,000. The city had its origins as a railroad town and the Union Pacific Railroad, the area's largest employer, maintains extensive facilities here. The railroad's right-of-way runs through the city and, with limited crossings available, rather effectively divides it into a northern and southern section. The city's principal business district lies in the southern section and contains all three commercial banks which serve the city. These three banks control IPC deposits aggregating $62,387,000.

American would be established in the northern section of the city and would offer the services of drive-up tellers and convenient parking facilities. No commercial bank facilities are presently located in this area, and the estimated 4,800 inhabitants and businessmen when seeking commercial bank services must travel a minimum of one mile to obtain such services. A survey of the northern section of the city indicated that the proposed bank would have considerable acceptance. It appears that this market has sufficient population and commercial activity to support a new bank. By virtue of the proposed merger, American would commence business with deposits of some $150,000. It would be affiliated through common stock ownership with two other Lincoln County commercial banks: Farmers State Bank, Wallace, and The Hershey State Bank, Hershey. Combined, the IPC deposits held by these three banks would approximate 7.7 percent of the total IPC deposits held by all eight insured commercial banks in the county.

Citizens operates its sole office 2 hours a week in Wallace (population 241), some 45 road-miles southwest of North Platte. It has not been an effective competitor during recent years and presently holds only 0.3 percent of Lincoln County's total commercial bank IPC deposits. At year-end 1973, it had only 7 loan accounts and 13 active depositors. It has been controlled since October 1972 by the same group which controls Farmers State Bank in Wallace.

Citizens and American will not be in operation concurrently and, thus, competition between them on the date of merger would be nonexistent. By virtue of their common ownership, there is no likelihood that effective competition would develop between the two banks in the future through *de novo* branching.

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

Financial and Managerial Resources; Future Prospects. The resulting bank would have adequate capital funds for the volume of business it is expected to draw during the several early years of its operations, and its financial resources are anticipated to be satisfactory. Its management is also considered acceptable, and its future prospects are favorable.

Convenience and Needs of the Community to be Served. The merger would provide residents and businessmen of the northern section of North Platte a convenient local source of banking services—the first to be established in this area of an estimated 4,800 inhabitants. Drive-up tellers and ample parking facilities would be provided and these should prove attractive in the city, where such facilities are at a minimum. Furthermore, residents and businessmen in Wallace would experience no perceptible change in the banking services available to them in view of Citizens' present activities and the presence in town, under common control, of Farmers State Bank.

The Board of Directors has concluded, following a careful evaluation of all available facts and information relevant to the application for Federal deposit insurance, that approval of the application is warranted. In addition, the Board of Directors has concluded that American's application for consent to merge with Citizens should be approved.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Commercial Bank Spokane, Washington	21,093	5	6
to purchase the assets and assume the deposit liabilities of			
Ione State Bank Ione	2,511	1	

Summary report by Attorney General, December 21, 1973

The nearest offices of American Bank and Ione Bank are approximately 90 miles apart, with several banking offices intervening. Thus, the proposed acquisition will not eliminate substantial existing competition. And in view of the modest size of the parties, coupled with the existence of other potential entrants into their respective service areas, it does not appear that the proposed transaction will eliminate substantial potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, April 11, 1974

American Commercial Bank, Spokane, Washington ("American")(total resources $21,093,000; IPC deposits $14,380,000), a State nonmember insured bank, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of, and assume liability to pay deposits made in, Ione State Bank, Ione, Washington ("Ione State")(total resources $2,511,000; IPC deposits $1,967,000). As an incident to the transaction, the sole office of Ione State would be operated as a branch of American, increasing to six the number of its offices.

Competition. American operates five offices in Spokane County: its main office and three branches within the city of Spokane and one branch in the town of Airway Heights, located some 10 road-miles west of the main office. Spokane city is the county seat and the center of trade and finance for the county and for much of eastern Washington as well. Lumbering, agriculture, manufacturing, mining, and military installations are all significant in the economy of the area.

The city of Spokane and its environs, centrally located in the county, are the primary trade area of American. This area accounts for all but a small fraction of the county's population, and the county may, thus, for convenience be considered American's present market. Ten commercial banks compete in Spokane County, their 57 area offices holding IPC deposits aggregating $553,661,000. The three largest commercial banks in this market, Seattle-First National Bank, Old National Bank of Washington, and Washington Trust Bank, together control a total of 81.7 percent of the IPC deposits held by all commercial banking offices within the county. American, although the sixth largest in terms of area commercial IPC deposits held, has only 2.6 percent of such deposits.

Ione State is located in a small community (population 529) in sparsely populated Pend Oreille County (population 6,025) in the extreme northeast corner of the State of Washington. It is the only Washington-based bank within 40 miles and is one of only two banks operating in Pend Oreille County, the other being a branch of the State's second largest bank located in the southern part of the county. Median household income in the county was 21.7 percent below the State median in 1972.

Approximately 85 road-miles separate the closest office of American from Ione State and neither bank draws more than a nominal amount of business from the service area of the other. The proposed transaction, thus, would eliminate no significant existing competition between the two banks.

American, under Washington law, may branch *de novo* in unbanked, incorporated areas of Pend Oreille County, as may Ione State in Spokane County. Pend Oreille County contains three such areas, but all three lost population during the 1960s and the largest presently has 307 inhabitants. The only such area in Spokane County has a population of 48. None of these areas is likely to be attractive for *de novo* branching purposes in the foreseeable future.

Commercial banking is concentrated to a high degree in the State of Washington, with five banks having more than 76 percent of the deposits held by all 83 of this State's commercial banks as of June 30, 1973. American by the proposed transaction would increase its ranking from 25th largest commercial bank in the State to 23rd largest. It would, however, hold only 0.3 percent of the State's total commercial bank deposits.

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

Financial and Managerial Resources; Future Prospects. Both financial and managerial resources of the resulting bank would be adequate for the business it would conduct. Future prospects of the resulting bank are considered favorable.

Convenience and Needs of the Communities to be Served. The proposed transaction would have no perceptible impact on American's present trade area. In northern Pend Oreille County, however, the only commercial bank office in the area, which recently had only 18 percent of its total assets in loans, would be operated under less restrictive lending policies than those prevailing prior to the sale of the bank in May 1973 to stockholders and directors of American. In general, management of the resulting bank would be more responsive than prior management to the banking requirements of northern Pend Oreille County.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Commercial Security Bank Ogden, Utah	225,401	12	13
to purchase the assets and assume the deposit liabilities of			
Orem State Bank Orem	11,126	1	

Summary report by Attorney General, March 7, 1974

Commercial Security does not presently operate in Utah County. Its office nearest to Bank is located in Midvale, Salt Lake County, about 30 miles northwest of Orem. In view of the distance between the offices with several banking alternatives intervening, the proposed transaction would not appear to eliminate substantial existing competition.

Utah County and the communities of Orem (estimated population 30,000) and Provo (population exceeding 53,000) have recently experienced substantial economic and population growth.

Commercial banking in Utah County is highly concentrated. As of June 30, 1972, the four largest banking organizations accounted for about 77.1 percent of total county deposits. Bank, with the largest share of deposits held by the 3 banks serving Orem, ranked eighth among the 11 banks in the county. Though Commercial Security may not, under Utah law, branch into Orem, its parent holding company, Commercial Security Bancorporation, the State's fourth largest banking organization, could establish a *de novo* bank there. Moreover, as indicated above, prior to the filing of this application both Commercial Security and Bank applied for permission to establish branches in Provo, the county seat of Utah County, about 10 miles south of Orem. Thus, the proposed transaction may eliminate some potential competition. However, it does not appear that the overall competitive effects of the transaction would be significantly adverse.

Basis for Corporation approval, April 26, 1974

Commercial Security Bank, Ogden, Utah ("Commercial"), a State nonmember insured bank with total resources of $225,401,000 and IPC deposits of $139,771,000 has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of, and assume liability to pay deposits made in, Orem State Bank, Orem, Utah ("Orem Bank"), which has total resources of $11,126,000 and IPC deposits of $8,405,000. The sole office of Orem Bank would be operated as a branch of Commercial, increasing the number of its offices to 13.

Competition. Commercial operates a total of 12 offices: 3 in Ogden and 1 in South Ogden, in Weber County; 4 in Salt Lake City, 1 in Midvale, and 1 in Murray, all in Salt Lake County; 1 in the town of Grantsville and 1 in the town of Tooele, both in Tooele County. Orem Bank, which was organized in 1957, operates its only office in the city of Orem in Utah County.

The city of Orem (1970 population 25,729, an increase of 39.9 percent over the 1960 population) is located about 6 miles northwest of Provo (1970 population 53,131) and about 40 miles southeast of Salt Lake City. Orem is an increasingly important commercial center, and a very large regional shopping center which was recently opened there is attracting a substantial portion of the area's residents who formerly drove to Salt Lake City to shop. The largest industrial employer is a steel mill which employs about 5,000 persons. However, the Provo-Orem SMSA, which consists of Utah County (1970 population 137,776, an increase of 28.8 percent since 1960), has a level of household median income approximately 13 percent below the State average.

Orem Bank's market is considered to be all of Utah County. There are 11 commercial banks operating 24 offices in Utah County and Orem Bank is the eighth largest, holding 3.8 percent of the market's total commercial bank IPC deposits. The 4 largest banks represented there hold 74.9 percent of such deposits and operate 17 offices. Commercial is not a competitor in this market since it has no office in Utah County, and its office nearest to Orem is in Murray, 33 miles northwest. Accordingly, no significant existing competition between the two banks would be eliminated by the proposed transaction.

Orem Bank may legally branch *de novo* into Salt Lake City but this possiblity is considered unlikely in view of the distance involved, its relatively small size, and the number of much larger banking organizations which already compete there. Orem Bank may not branch *de novo* into Ogden, where Commercial is headquartered, nor could Commercial branch *de novo* into Orem, where Orem Bank and Wasatch Bank are headquartered. Both Commercial and Orem Bank have pending applications, however, to establish *de novo* branches in Provo, about 6 miles south of Orem. Thus, assuming both branches are approved, the consummation proposal would foreclose a potential for increased competition between the two banks in the local market in the future. However, in view of the larger banks already represented in Utah County and the small share of the market presently held by Orem Bank or likely to be developed in these two new branches, the proposed acquisition should have no substantial or significant effect on the commercial bank structure of the county in the foreseeable future.

Commercial banking in the State of Utah is concentrated in its three largest banking organizations, which held 60.6 percent of the total deposits held by all insured commercial banks in the State. The largest share of such deposits is held by First Security Corporation, Salt Lake City, with 29.4 percent. The next two largest organizations hold 17.0 percent and 14.2 percent. Commercial is the fourth largest commercial bank in the State with 6.9 percent of such deposits and Orem Bank holds only 0.4 percent. After consummation of this proposal, the resulting bank would still be much smaller than the three largest organizations with only 7.3 percent of total deposits. The commercial bank structure of the State would obviously remain virtually unchanged.

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

Financial and Managerial Resources; Future Prospects. Commercial has satisfactory financial and managerial resources, as would the resulting bank. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. This proposed transaction would not have any perceptible effect in areas where Commercial presently does business. Customers of Orem Bank, however, would benefit from the wider range of commercial bank services that would be offered by the resulting bank, including trust services, residential mortgage loans, credit card services, and computer services. In addition, the present lending limit of Orem Bank, $45,000, would be increased to over $2,000,000. While similar services are now offered by other commercial bank offices in the Orem area, consummation of this proposed transaction should stimulate competition in Utah County by providing an alternative source for such services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Old Stone Trust Company Providence, Rhode Island (change title to Old Stone Bank)	103,301	31	31
to acquire the assets and assume the deposit liabilities of			
Old Stone Savings Bank Providence	688,459	31	

Summary report by Attorney General, October 15, 1973

In view of the longstanding control of Trust Company by Savings Bank, it does not appear that the transaction would eliminate any significant competition between them. The effect of the transaction is to convert Savings Bank to a commercial bank. Commercial banking in Rhode Island is dominated by two Providence banks, Industrial National Bank and Rhode Island Hospital Trust National Bank. The resulting bank could offer significant new competition to these leaders.

Basis for Corporation approval, May 15, 1974

Old Stone Trust Company, Providence, Rhode Island ("Trust Company"), a State nonmember insured bank with total resources of $103,301,000 and total IPC deposits of $58,050,000, 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 the liability to pay deposits made in, Old Stone Savings Bank, Providence, Rhode Island ("Savings Bank"), an insured mutual savings bank with total resources of $688,459,000 and total IPC deposits of $621,856,000, under Trust Company's charter and with the title, "Old Stone Bank." Both banks presently operate in shared quarters at 31 locations and the resulting bank would continue to operate from these same locations.

Competition. The State of Rhode Island had a 1970 population of 949,723, an increase of 10.5 percent over 1960's 859,488. Although 1972 household median income for the State was $8,946 (the national figure was $8,605), the State's economy is not dynamic and it faces uncertain prospects for future development due, in large measure, to planned curtailments in the operations of the United States Navy, the State's largest single employer. Efforts are under way to attract new industry and business to the State and the economic outlook depends largely on the success of such efforts.

There is no competition whatever between the two banks. Trust Company and Savings Bank share common quarters at their Providence main office and at each of their 30 branches located throughout Rhode Island. Trust Company is wholly owned by Old Stone Corporation, a one-bank holding compnay which is in turn wholly owned by Savings Bank. Both banks also share the same management. Each bank offers banking services appropriate to its respective charter at all locations, but the combined operation presents a single face to the public without distinction as to which bank will actually supply the services. The proposed transaction is therefore, in essence, an internal reorganization, the principal result of which would be the conversion of Savings Bank into a commercial bank. Furthermore, unlike the situation in other States which have acted to end director and officer interlocks between commercial banks and mutual savings banks, there appears to be little support for such a prohibition in Rhode Island, which has nine other affiliated groups similar to Old Stone. Without such a legislative mandate in Rhode Island to disaffiliate, the two banks are not likely to be competitors in the future. In short, the proposed transaction would not eliminate any existing competition or any significant potential for future competition between Trust Company and Savings Bank.

The resulting bank would hold approximately 16 percent of the total IPC deposits in Rhode Island held by all financial organizations which offer full service banking under one roof, the same aggregate percentage now held by Trust Company and Savings Bank as separate institutions. The difference would be that all of the assets and all of the deposits would be held under a commercial bank charter, thereby providing the resulting bank with the financial resources to compete more effectively than Trust Company alone with the State's two largest commercial banks, the $1.4-billion-deposit Industrial National Bank of Rhode Island and the $658-million-deposit Rhode Island Hospital Trust National Bank, for commercial and industrial loans and for wholesale banking business generally. This should intensify the competition in Rhode Island for the business customer without adversely affecting the present competition for thrift institution services.

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

Financial and Managerial Resources; Future Prospects. Trust Company and Savings Bank have satisfactory financial and managerial resources and satisfactory future prospects, as would the resulting bank.

Convenience and Needs of the Community to be Served. Savings Bank presently pays less on regular passbook deposits and on time deposits than the ceiling rates authorized by Federal regulation for mutual savings banks. Since the rates now being paid fall within the ceiling rates authorized for commercial banks, depositors of Savings Bank will experience no change in rate after the proposed transaction takes place. All services presently offered by either Trust Company or Savings Bank will be continued by the resulting bank at all present locations, while a higher lending limit ($3 million as compared with $1 million) will be available for commercial and industrial loans. Under the circumstances, the proposed consolidation should not change significantly the public convenience and needs now being served by either Savings Bank or Trust Company separately. What changes there are may benefit certain commercial loan customers and this weighs in favor of approval.

The Board of Directors has carefully considered the several submissions of the National Association of Mutual Savings Banks opposing the proposed transaction and urging the Corporation to deny the instant application. Briefly stated, the Association opposes any consolidation in which some or all of the surplus funds accumulated by Savings Bank over the years are distributed to persons who are Savings Bank depositors as of a specified record date, since the distribution results in a "windfall" return, either in cash or Old Stone Corporation stock, which was never anticipated at the time of deposit. The proposed distribution, however, conforms with Rhode Island law, has received all necessary State approvals, and has withstood judicial scrutiny in litigation in the State courts of Rhode Island. It appears, moreover, not to violate any existing FDIC regulation, including specifically Part 329 of the Corporation's regulations which establishes the maximum rates of interest which may be paid on deposits held at mutual savings banks. Furthermore, since both Trust Company and Savings Bank are insured by the Corporation at the present time, the proposed consolidation under Trust Company's charter would have no impact whatever on the Corporation's deposit insurance fund.

In the absence of any explicit authorization or direction from the Congress to consider the "windfall" aspect of the proposed transaction, the Board of Directors believes that fairness to the applicants requires it to follow past precedents in which, after finding that normal Bank Merger Act standards had been met, mutual savings banks have been allowed to consolidate with affiliated commercial banks despite the distribution of accumulated surplus to depositors of the mutual savings bank involved. *See, e.g.,* the Corporation's approval of the acquisition by The Manchester Trust Company of Manchester, New Hampshire, of the assets and the deposit liabilities of Manchester Savings Bank, 1970 FDIC Annual Report, page 88, and the Corporation's approval of the acquisition by Berlin City Bank of the assets and the deposit liabilities of City Savings Bank of Berlin, Berlin, New Hampshire, 1974 FDIC Opinion B-2 (decided January 29, 1974). The Board of Directors notes further that the "conversion" of mutual savings banks to commercial bank status, either directly or by merger, consolidation or sale of assets and liabilities, appears to be authorized in at least 9 of the 17 States where such banks exist, regardless of any resulting distribution of accumulated surplus to depositors of record on a particular date.

Under all the circumstances, the Board of Directors believes it inappropriate for the Corporation to assert an overriding Federal interest in preventing such conversions where Congress itself has been silent on the subject and has not included mutual savings banks in the moratorium on such conversions presently applicable to federally insured savings and loan associations.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Home Savings Bank of Upstate New York Albany, New York	178,749	7	8
to merge with			
Hudson Savings and Loan Association Hudson	10,933	1	

Summary report by Attorney General, February 19, 1974

Hudson Savings' office in Hudson (population 8,900) is located about 20 miles south of Home Savings' nearest office. Thus, it appears that the proposed transaction would not eliminate substantial existing competition. And in view of the small absolute size of Hudson Savings, we conclude that the proposed merger will not eliminate substantial potential competition.

Basis for Corporation approval, May 29, 1974

Home Savings Bank of Upstate New York, Albany, New York ("Home Savings"), an insured mutual savings bank with total resources of $178,749,000 and total deposits of $167,295,000, 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 Hudson Savings and Loan Association, Hudson, New York ("S&L"), a federally insured, State-chartered savings and loan association with total resources of $10,933,000 and total deposits of $9,412,000. The institutions would merge under the charter and title of Home Savings and, as an incident to the merger, the sole office of S&L would become a branch of the resulting bank, increasing to eight the number of its offices.

Competition. Home Savings operates a total of seven offices: its main office and one branch in the city of Albany, one branch each in the suburban towns of Colonie and Guilderland, two branches in Washington County and one branch in Rensselaer County. The bank acquired the three latter branches during 1971 and 1974 by merging three State-chartered savings and loan associations. Under present law, Home Savings may acquire by merger any number of branches throughout the Fourth Banking District, a 15-county region in northeastern New York State, but it may establish *de novo* branches within the district at the rate of only one such branch each year. Commencing January 1, 1976, mutual savings banks will be permitted to branch statewide subject to the continuing limitation of one *de novo* branch each year.

S&L maintains its only office in Hudson, Columbia County, New York. Its primary service area comprises that section of central-western Columbia County lying east of the Hudson River within 15 miles of Hudson. This is a residential and industrial area whose estimated population increased some 5.8 percent during the 1960s to 37,800. The 1972 median household buying level in Columbia County ($8,407) was 10.8 percent below that of the State as a whole. S&L had approximately 8 percent of the deposits held on June 30, 1973, by the thrift institution offices in this market. The Hudson City Savings Institution, the eighth largest mutual thrift institution in the Fourth Banking District, has its main office and two branches in S&L's local market, the only other thrift institution offices in this market.

S&L's office is located some 40 road-miles south of the main office of Home Savings, its closest to S&L. There are reported to be a few depositors and no borrowers common to both institutions and their service areas do not overlap to any appreciable extent. Because of limited financial and managerial resources, S&L would find unfeasible the establishment of *de novo* branches in Home Savings' present market, while the latter, limited by law to one *de novo* branch a year, would find other locations both in the Fourth Banking District and, after 1975, in other parts of the State more attractive for *de novo* expansion than S&L's present market, with its below average buying levels and no substantial population growth during recent years. It is thus indicated that neither competition existing between the two institutions nor a significant potential for increased competition between them in the future through *de novo* branching would be eliminated by their proposed merger.

Home Savings is the sixth largest mutual thrift institution in the Fourth Banking District, with approximately 6.1 percent of the deposits held by all offices of such institutions in the district. S&L holds 0.3 percent of such deposits.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of each institution are satisfactory, as would be those of the resulting bank. Its future prospects appear to be favorable.

Convenience and Needs of the Community to be Served. The proposed merger would introduce day-of-deposit-to-day-of-withdrawal accounts, Savings Bank Life Insurance, Series E bonds, and travelers checks at the S&L location. The resulting bank, operating under a more liberal lending policy and with a greatly expanded lending capability, should provide more effective competition in the area of real estate financing to the other savings bank and commercial banks in S&L's local market.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Chartered Bank of London San Francisco, California	59,385	3	14
to merge with			
Liberty National Bank San Francisco	101,379	11	

Summary report by Attorney General, February 19, 1974

Chartered Bank is headquartered in San Francisco, where Liberty Bank also maintains its main office and five branch offices. Thus, the proposed merger will eliminate some existing competition between the parties in the San Francisco area. However, it does not appear that the proposed transaction will result in any substantial increase in banking concentration in that area.

We conclude that the proposed merger would not have a substantial competitive impact.

Basis for Corporation approval, May 31, 1974

The Chartered Bank of London, San Francisco, California ("Chartered Bank"), a State nonmember insured bank having total resources of $59,385,000 and total IPC deposits of $39,281,000, 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 Liberty National Bank, San Francisco, California ("Liberty National"), which has total resources of $101,379,000 and total IPC deposits of $85,531,000. The banks would merge under the charter and title of Chartered Bank. As an incident to the transaction, the 11 existing offices and 1 approved but unopened office of Liberty National would become branches of the resulting bank, increasing the number of its offices to 15.

Competition. Chartered Bank operates its main office in San Francisco, a branch in Oakland about 10 miles east of the main office, and a branch in Los Angeles about 400 miles south of San Francisco. In the past, Chartered Bank, which is affiliated with a major British bank, has emphasized international trade, and its three offices were established convenient to large and important port facilities. San Francisco (1970 population 715,674) is the economic and administrative center of the San Francisco-Oakland Metropolitan Area and of Northern California. Commercial activity includes finance, insurance, real estate, wholesale and retail sales, and shipping.

Liberty National's main office is also in San Francisco, where it operates a total of five offices and holds 0.4 percent of the area's total IPC deposits. One branch is in Los Altos, about 35 miles south of San Francisco in Santa Clara County, and five branches are operated in San Diego County in the southern part of the State. In addition to its 11 existing offices, Liberty National has an approved but unopened branch in San Bruno, about 12 miles from San Francisco in San Mateo County. Neither of the merging banks has a significant market share in any local banking market it serves.

The proposed merger would have its most immediate and direct effect in San Francisco, which is the only area where the two banks involved compete directly to any degree. Within this area a total of 24 banks operate 189 offices and hold total IPC deposits of $8,941,221,000. Chartered Bank and Liberty National have a very minor share of these deposits, holding only 0.3 percent and 0.4 percent, respectively. Even though their head offices are located less than four blocks apart in the financial district of the city, there are numerous banking offices between them, including head offices of three of the four largest banks in the State. Records of the two banks indicate no common loan customers and only 33 common deposit accounts totaling about $100,000. Liberty National has always emphasized retail lending, and 82 percent of its loan account consists of real estate and consumer loans. Chartered Bank's loan portfolio consists primarily of commercial credits generated by its international department. In view of the foregoing, it appears that the proposed merger would eliminate no significant existing competition between the two banks.

California law permits statewide *de novo* branching, but in view of Chartered Bank's lack of experience in retail banking and its emphasis on international financing, the possibility that present management would consider *de novo* branching into the service areas of Liberty National appears remote. Liberty National could also branch into the service areas of Chartered Bank, but because of the cost involved, its low capital position, and the very competitive banking situation already existing in these market areas, it is considered unlikely that it would consider such central-city expansion in the foreseeable future. While the proposed merger would foreclose some eventual possibility of increased competition between the two banks in the future, no competitive significance can be attached to that result in view of the small market shares involved and the vigorous competition the resulting bank would face even if the proposed merger is consummated.

Commercial banking in the State of California is highly concentrated with the 10 largest banking organizations holding 87.4 percent of all commercial bank IPC deposits. After consummation of this proposed merger, the resulting bank would hold only 0.2 percent of such deposits.

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

Financial and Managerial Resources; Future Prospects. Liberty National's capital is low, but both banks have satisfactory managerial resources for the business they presently conduct. Financial and managerial resources of the resulting bank would be acceptable and its future prospects appear favorable.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would result in a larger commercial bank with higher lending limits and expanded services to offer to present customers of both banks. Liberty National customers would benefit from the export-import financing and diverse commercial lending services which the resulting bank would offer, while customers of Chartered Bank would have more convenient access to the usual retail services and to trust services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Citizens and Southern Bank of Dublin Dublin, Georgia	42,372	2	3
to purchase the assets and assume the deposit liabilities of			
The Rentz Banking Company Rentz	2,982	1	

Summary report by Attorney General, January 11, 1974

Both banks are located in Laurens County, but are separated from each other by about 12 miles. No other banking offices are located in the intervening area. Both banks draw some business from the areas primarily served by the other. Dublin Bank derives a relatively small proportion of its deposits and loans from Rentz Bank's primary service area, but such deposits and loans equal approximately 40 percent of Rentz Bank's total deposits and loans. Thus, there is some competition between the two banks which would be eliminated by the merger.

Seven commercial banks operate in Laurens County. Dublin Bank is the largest of the seven, holding 42 percent of total county deposits. Rentz Bank is the fifth largest, holding 3.7 percent. Thus, Dublin Bank's already large share of county deposits would increase to 45.7 percent as a result of the merger. We conclude that the proposed transaction would have at least some adverse competitive effect.

Basis for Corporation approval, May 31, 1974

Citizens and Southern Bank of Dublin, Dublin, Georgia ("C&S Dublin"), an insured State nonmember bank with total assets of $42,372,000 and IPC deposits of $27,665,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of, and assume the liability to pay deposits made in, The Rentz Banking Company, Rentz, Georgia ("Rentz Bank"), having total assets of $2,982,000 and IPC deposits of $2,382,000. As an incident to the transaction, C&S Dublin would operate the sole office of Rentz Bank as a branch, thereby increasing to three the number of its offices.

Competition. C&S Dublin presently operates its main office in Dublin and one branch in East Dublin, both of which are located in Laurens County, Georgia. Dublin, the county seat, is located in the north-central part of the county and is the center of commercial and industrial activity for the county, which is becoming less dependent upon agriculture. Because of this, the local banking market in which C&S Dublin operates may be viewed as all of Laurens County. Laurens County in 1970 had a population of 32,738, with only slight growth reported over its 1960 population. In 1972, the median household income for Laurens County was $5,399, about 30 percent below the comparable figure ($7,646) for the State as a whole.

Rentz Bank has its sole office in Rentz, a small town of 392 persons, also in Laurens County, about 12 miles southwest of Dublin. There are only a few commercial establishments located in Rentz and the economy of the surrounding area is based primarily on agriculture-related activities. There is no common ownership or management between C&S Dublin and Rentz Bank.

There are 7 banks operating 10 offices in this sparsely populated, low-income county. Total commercial bank IPC deposits totaled slightly over $60 million as of June 30, 1973. C&S Dublin is the largest of these local banks while Rentz Bank is one of the three smallest. Although some existing competition between the two banks would be eliminated by their proposed merger, the dollar amounts are not substantial. Moreover, the addition of Rentz Bank's deposits and loans to C&S Dublin's totals would constitute a *de minimis* addition to existing concentration levels in Laurens County and would not perceptibly affect the commercial bank structure of the market, particularly in view of Rentz Bank's conservative management policies and its less than vigorous stance as a competitor (total loans at Rentz Bank, exclusive of Federal funds sold, are less than 40 percent of assets, and the institution does not offer passbook savings accounts). Five banks in any event would continue to be available as alternative sources of banking services if customers of the resulting bank found themselves dissatisfied for any reason.

Furthermore, the proposed merger should not eliminate any significant potential for increased competition between C&S Dublin and Rentz Bank through *de novo* branching. C&S Dublin clearly has *de novo* branching capabilities, but Laurens County is not an attractive market for this type of expansion in view of its relatively static population, low income levels, and the existing number of commercial bank offices (one for each 3,274 people). Rentz Bank, with limited resources, aging management, and 60 years experience as a unit bank, is most unlikely to undertake any such expansion.

Citizens and Southern Holding Company, Savannah, Georgia, owns 93.6 percent of the outstanding stock of C&S Dublin. The holding company, in turn, is 100 percent owned by The Citizens and Southern National Bank, Savannah, which controls nine banks with deposits totaling $2,132,242,000. This represents 20.3 percent of the total commercial bank deposits for the State, and makes The Citizens and Southern National Bank the largest banking organization in the State. Consummation of the proposed merger would constitute a *de minimis* change in these figures.

Under the circumstances here presented, where realistic merger alternatives are limited by the State of Georgia's countywide branching laws, the Board of Directors is of the opinion that the proposed merger would not, in either Laurens County or the State of Georgia, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. Both of the participating banks have adequate financial and managerial resources, although Rentz Bank has a management succession problem since its two senior officers are of advanced age and have indicated a desire to retire. A merger with C&S Dublin would solve that problem. Future prospects for the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. The proposed merger would have little effect on the Dublin area, but present customers of Rentz Bank would have access to a variety of services of The Citizens and Southern National Bank, which are available to customers of all affiliate banks. Services offered which are not presently available to customers of Rentz Bank include trust services, passbook savings accounts, and safe deposit services. The resulting bank should also be more willing to undertake residential mortgage lending and installment loan services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Mississippi Tupelo, Mississippi	164,336	23	25
to merge with			
Grenada Trust and Banking Company Grenada	14,636	2	

Summary report by Attorney General, May 6, 1974

The nearest offices of the parties are approximately 40 miles apart. Therefore, it does not appear that the proposed merger would eliminate substantial existing competition.

Bank of Mississippi is the largest bank which may branch *de novo* into Grenada. (Mississippi law permits commercial banks to branch *de novo* within a 100-mile radius of the headquarters office.) Grenada Trust, the smaller of two banks presently operating in Grenada County, holds approximately 27 percent of total county deposits. Thus, the proposed merger may eliminate some potential competition between the parties. However, the relatively small absolute size of Grenada Trust and the existence of other potential entrants somewhat diminish the effect on potential competition.

Basis for Corporation approval, May 31, 1974

Bank of Mississippi, Tupelo, Mississippi, an insured State nonmember bank with total resources of $164,336,000 and IPC deposits of $127,762,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Grenada Trust and Banking Company, Grenada, Mississippi ("Grenada Trust"), which has total resources of $14,636,000 and IPC deposits of $12,300,000. As an incident to the merger, Bank of Mississippi would operate the 2 offices of Grenada Trust as branches, thereby increasing the number of its offices to 25.

Competition. Bank of Mississippi operates offices in nine counties of northeastern Mississippi. It derives a significant amount of business from these counties and from Union County as well. These 10 counties comprise the bank's primary trade area. The economy of this region, historically agricultural, has become fairly well balanced between agriculture and light industry during the past decade. The population of these 10 counties increased during the 1960s by 9.3 percent and now totals 239,783—comparing favorably with the 1.8 percent population increase of the State as a whole. Bank of Mississippi presently has no office in Grenada County.

Grenada Trust has its two offices in Grenada (population 9,944), the county seat and trading center of Grenada County (1970 population 19,854—up 7.8 percent from 1960). Grenada County is largely an agricultural section of north-central Mississippi, although Grenada city contains a significant amount of industry. This county adjoins Calhoun County, a portion of Bank of Mississippi's primary trade area.

The area in which the competitive effects of the proposed merger would be most immediate and direct is basically Grenada County. Two commercial banks presently operate offices in the county. The $165.9-million Grenada Bank, third largest bank in the State, maintains two offices in the city of Grenada and holds two-thirds of the market's IPC deposits. Grenada Trust holds the balance of such deposits in its two offices. The respective market shares held by these two banks are likely to change in the near future upon the entry of a third competitor into the market. The $52.2-million Peoples Bank of Mississippi, N.A., Union, recently received the necessary approvals to open a *de novo* branch in the city of Grenada.

Bank of Mississippi's office nearest to Grenada Trust is in Vardaman, Calhoun County, about 37 road-miles to the east. The banks operate in separate trade areas and there is no significant existing competition which the proposed merger would eliminate.

There appears to be no significant potential for increased competition between the two banks in the future through *de novo* branching if this proposed transaction is not consummated. Grenada Trust, in operation for more than 70 years, has its only branch in close proximity to its main office and would be unlikely to enter *de novo* the market of Bank of Mississippi because of its limited financial and managerial resources, the distances involved, and the competition it would encounter. Although Bank of Mississippi may legally establish *de novo* offices in Grenada County and clearly has the capacity to do so, it is unlikely to find such entry particularly attractive in view of the recent approval of a third bank and a fifth office in that market. Further, there are a number of other potential entrants if the market becomes attractive for additional banking offices.

In its maximum potential market under State law—an area within a 100-mile radius of Tupelo—Bank of Mississippi controls 11.1 percent of aggregate IPC deposits held on June 30, 1973, by all offices of the 71 commercial banks presently represented therein. The proposed merger would increase this share to 12.2 percent. Statewide, Bank of Mississippi holds 3.0 percent of aggregate commercial bank IPC deposits. The resulting bank would hold 3.2 percent of such deposits. The proposed merger, in view of this data, appears unlikely to affect adversely the structure of commercial bank competition in any relevant market.

Based on the foregoing, the Board of Directors has concluded that the proposed merger between Bank of Mississippi and Grenada Trust would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. Both parties to the proposed merger have adequate financial and managerial resources, as would the resulting bank. Future prospects appear favorable for the resulting bank.

Convenience and Needs of the Community to be Served. The merger would provide Grenada County with the full services of one of the State's major commercial banks. An aggressive management operating with a lending limit in excess of $1 million should stimulate competition in this market. The resulting bank would offer trust, data processing, and investment services for the first time at the Grenada Trust locations, and would provide a convenient alternative source for such services in the market.

The Board of Directors, accordingly, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
City Bank St. Louis, Missouri	28,959	1	2
to acquire the assets and assume the deposit liabilities of			
Central West End Bank St. Louis	22,488	1	

Summary report by Attorney General, March 7, 1974

City Bank and Central Bank are situated about one-half mile apart in the western area of the city of St. Louis. The proposed transaction, therefore, will eliminate existing competition between the parties. However, it does not appear that the proposed transaction will substantially increase concentration in commercial banking in any relevant geographic market.

Basis for Corporation approval, May 31, 1974

City Bank, St. Louis, Missouri, a State nonmember insured bank with total resources of $28,959,000 and total IPC deposits of $21,543,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to acquire the assets of, and assume the liability to pay deposits made in, Central West End Bank, St. Louis, Missouri ("Central"), a State member bank with total resources of $22,488,000 and total IPC deposits of $15,977,000, under the charter and with the title of City Bank. The only office of Central would be operated as a facility of the resulting bank.

Competition. City Bank is a unit bank located in the Central West End section of St. Louis. It is affiliated through common ownership with the $60.3-million-deposit American National Bank in St. Louis (5.2 miles south of City Bank) and the $36.1-million-deposit The Brentwood Bank, Brentwood, Missouri (5 miles west of City Bank). Central is also a unit bank located in the Central West End section of St. Louis.

St. Louis city had a 1970 population of 622,236, which is a 17.0 percent decline from 750,026 in 1960. St. Louis County outside of the city, however, had a population increase of 35.3 percent during the like period to 951,671. The other counties in the St. Louis, Missouri-Illinois SMSA also experienced significant population gains—ranging from 8.6 percent in St. Clair County, Illinois to 75.5 percent in St. Charles County, Missouri. This out-migration from St. Louis city is largely attributable to spreading urban blight in many of its residential and commercial sections. The downtown section of the city remains the financial center of the metropolitan area, however, and St. Louis retains a diversified manufacturing and industrial economy upon which many residents of St. Louis County depend for employment. The 1972 median household income for St. Louis city was $7,193 compared to $11,108 for St. Louis County and $7,664 for Missouri.

Although both City Bank and Central are in the Central West End section of St. Louis, the immediate area surrounding each is radically different. In City Bank's area, active community associations representing relatively affluent residents and the close proximity of the Washington University Medical Center have served to stabilize the area and stem the spread of blight. Central, however, is located in an area which is in an advanced state of deterioration and prospects for improvement are not favorable.

Central is situated about 0.5 mile north of City Bank and presently there are no other banks located within 1 mile of either of them. (The $39-million-deposit Mound City Trust Company has an approved but unopened facility to be located 0.4 mile south of City Bank.) The areas primarily served by City

Bank and Central appear to overlap, and the proposed transaction would eliminate some existing competition between them. This existing competition is not considered significant, however, in view of the relatively small size of both participating banks and of the resulting bank, the relatively small market shares that Central and City Bank have in the city and county of St. Louis banking market (0.4 percent and 0.5 percent, respectively), and the presence of numerous large banks in the market which are easily accessible by public transportation and good roads.

The potential for increased competition between City Bank and Central as a result of *de novo* branching is minimal. Missouri law permits only two detached facilities, both of which must be located within the limits of the city in which the main banking office is located. Further, the powers of these facilities are limited, principally by a prohibition against extending credit. In view of the unattractiveness of Central's area, it is unlikely that City Bank, or any other bank, would choose to locate a *de novo* facility there. As far as Central is concerned, there are indications that in the absence of acquisition of Central by another bank, the control owners probably would opt for its voluntary liquidation, which would leave the area without a banking office. The proposed transaction would therefore eliminate no significant potential competition between City Bank and Central.

In the city and county of St. Louis there are 79 banks operating 118 offices with aggregate bank deposits of $5,182 million. The resulting bank's share (0.9 percent) in this market, combined with its two affiliates, would total only 2.7 percent. By contrast, the largest banking organization in the market is a holding company controlling two banks with 18.3 percent of the commercial bank deposits while the four largest banking organizations have 45.8 percent of such deposits.

If consideration were given to the position of the resulting bank and its affiliates in the entire St. Louis SMSA, these three banks would have an even less significant 2.1 percent of total commercial bank deposits. It is apparent that the proposed transaction would have no significant effect on the structure of commercial banking in any relevant area.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial structures of City Bank and Central are largely complementary and should serve to produce a stronger resulting bank whose future prospects would be satisfactory.

Convenience and Needs of the Community to be Served. Central's customers would benefit from the proposed transaction by an increase in the rate of interest paid on savings deposits from 3 percent to 4 percent. In addition, a very conservatively operated bank would be replaced by an office of a more aggressively operated institution which has assisted in the past in upgrading the area in which it is located. The proposed transaction would also keep open a banking office which otherwise eventually would probably be closed, to the detriment of the local neighborhood.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The American Bank of Central Ohio Harrisburg, Ohio	17,069	3	4
to acquire the assets and assume the deposit liabilities of			
Citizens Savings and Loan Company Columbus	14,932	1	

Summary report by Attorney General, May 30, 1973

The closest offices of the parties to this transaction are about 7 miles apart. The application indicates that American Bank plans to establish additional offices in downtown Columbus, where Citizens is located. Although the parties may compete to a limited extent in the greater Columbus area for certain types of deposits and loans, their market shares in any appropriate market would be very small, anc no significant increase in concentration would occur as a result of the proposed transaction.

We conclude that the proposed transaction would have no adverse competitive effect.

Basis for Corporation approval, May 31, 1974

The American Bank of Central Ohio, Harrisburg, Ohio ("American"), having total resources of $17,069,000 and IPC deposits of $12,912,000, 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 the liability to pay deposits made in, Citizens Savings and Loan Company, Columbus, Ohio ("Citizens S&L"), a federally insured stock savings and loan association having total resources of $14,932,000 and IPC deposits of $13,594,000, under the charter and title of American, and to establish the sole office of Citizens as a branch of the resulting bank. Pursuant to Section 18(d) of the Federal Deposit Insurance Act, an application has also been filed for consent for American to establish a branch in the IBM Building, Fourth and Town Streets, Columbus, Ohio. If both proposals are approved, the resulting bank would have a total of five authorized offices.

Competition. American operates its main office in Harrisburg, a small community of 556 population about 15 miles southwest of downtown Columbus, the State capital. It has one branch within the Columbus city limits about 8 miles southwest of downtown and one branch in Grove City about 10 miles southwest of the center city. Citizens S&L operates its only office in downtown Columbus. All offices of both institutions are in Franklin County.

Columbus (1970 population 540,025, up 14.6 percent from 1960) is in central Franklin County (1970 population 833,288, up 22.0 percent from 1960), which is located in the approximate center of the State. The area has a diversified economy with heavy and light industry, service business, and State and Federal offices. The Ohio State University also makes an important contribution to the local economy. The 1972 median household income for Columbus was $8,531 while the figure for Franklin County was $9,200, compared to $9,094 for the State.

There is no substantial competition between American and Citizens S&L at the present time. Their closest offices are about 8 miles apart in the populous city of Columbus, and these locations are separated by numerous offices of the city's largest banks. In addition, American offers the usual commercial bank loan services while Citizens S&L has almost all of its loans in residential mortgages. While both institutions offer such real estate loans, neither has more than a nominal share of the total of such loans outstanding in Franklin County. In competing for deposits, Citizens S&L offers the higher ceiling rates permitted to savings and loan associations under Federal rate ceilings. The proposed transaction would not eliminate any significant existing competition between American and Citizens S&L.

It is unlikely that increased competition would develop between American and Citizens S&L in the foreseeable future. Although American has pending an application for a *de novo* branch in downtown Columbus only a few blocks from Citizens S&L, the overlap in loan and deposit services between the two institutions is minimal. Further, any potential competition which may be eliminated by the proposed transaction is competitively insignificant because of the dominant positions of the city's three largest commercial banks, which have numerous offices throughout the Columbus area, and the presence of numerous large savings and loan associations, five of which have more than $100 million each in deposits. Thus, fully adequate banking and thrift institution alternatives would remain.*

The proposed transaction would have no discernible effect on the structure of commercial banking or thrift institution banking because each of the participating institutions is of only nominal significance in its respective line of commerce in Franklin County. As of June 30, 1973, American had only 0.6 percent of the total deposits held by all commercial banks in the county, while the three dominant banks had an aggregate of 92.6 percent of such total deposits. As of March 31, 1973, Citizens S&L apparently held less than one percent of the total thrift institution deposits in Franklin County.

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

Financial and Managerial Resources; Future Prospects. With the contemplated addition of $1,400,000 in new capital funds, American and the resulting bank would have satisfactory financial and managerial resources and satisfactory future prospects.

Convenience and Needs of the Community to be Served. The proposed transaction in the context of the Columbus banking market would have little impact on public convenience and needs, given the relatively insignificant market shares held by each institution. A somewhat larger commercial bank would offer additional competition, however, to the larger banks already represented in the geographic market area.

Based on the foregoing, the Board of Directors has concluded that approval of American's application to acquire the assets of, and to assume the liability

*For purposes of assessing the competitive impact of this proposal under the Bank Merger Act, the Board of Directors has ignored the acquisition of stock control of Citizens S&L by an associate of American's control owners in May 1972.

to pay deposits in, Citizens S&L is warranted. In so acting, the Board of Directors expresses no opinion as to whether the May 1, 1972, acquisition by an associate of American's control owners of stock control of Citizens S&L without the prior approval of the Federal Savings and Loan Insurance Corporation or the Board of Governors of the Federal Reserve System violated any provision of law applicable to such an acquisition.

The Board of Directors has also reviewed separately American's application for the Corporation's consent to the establishment of a branch office in the IBM Building, Fourth and Town Streets, Columbus, has found favorably (with the contemplated addition of $1,400,000 in new capital funds) on each of the statutory factors required to be considered, and hereby grants the requested consent.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Commonwealth Bank and Trust Company Muncy, Pennsylvania	107,651	13	14
to merge with **Citizens Bank of Renovo** Renovo	5,404	1	

Summary report by Attorney General, May 3, 1974

Commonwealth Bank and Citizens Bank are headquartered about 66 miles apart and the nearest offices of the two banks are separated by about 43 miles. There are several banking offices in the intervening area. It appears that the proposed acquisition would not eliminate substantial existing competition. And in view of the modest size of the bank to be acquired and the existence of other potential entrants, we conclude that the proposed transaction will not eliminate substantial potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, May 31, 1974

Commonwealth Bank and Trust Company, Muncy, Pennsylvania ("Commonwealth"), a State nonmember insured bank with total resources of $107,651,000 and total IPC deposits of $84,194,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge with Citizens Bank of Renovo, Renovo, Pennsylvania ("Citizens"), a State nonmember insured bank with total resources of $5,404,000 and total IPC deposits of $4,725,000. The banks would merge under the charter and title of Commonwealth and, as an incident to the merger, the sole office of Citizens would become a branch of the resulting bank, increasing the number of its authorized offices to 15.

Competition. Commonwealth operates 13 offices in 4 of the 10 counties in which it may legally branch or merge under Pennsylvania law. Its main office and three branches are in Lycoming County, two branches are in Bradford

County, two are in Potter County, and five are in Tioga County. Commonwealth also has approval for an additional branch in Lycoming County. All four of these counties are in north-central Pennsylvania and their combined 1970 population was 227,344—an increase of 4.6 percent over the 1960 figure. Pennsylvania as a whole had a 4.2 percent population increase in the like period. The 1972 median household income for these four counties ranged from $7,104 in Potter County to $7,840 in Lycoming County, compared to the State figure of $8,785.

Citizens, a very conservative institution, operates its only office in Renovo (1970 population 2,620—down 21.0 percent since 1960), which is in the north-central part of Clinton County. Clinton County is bounded on the north by Potter County and on the east by Lycoming County. The population of Clinton County remained stable during the 1960s and the 1970 count was 37,721—the bulk of which is concentrated in the southern half of the county. Renovo's economy is dependent on three principal employers with 500 to 600 employees. Some other residents of the area commute for employment to Lock Haven, some 30 miles downriver from Renovo. Clinton County's 1972 median household income was $7,357.

The only local competition faced by Citizens is the Renovo branch of the $90-million-deposit Central Counties Bank, which was established in 1971 and has 32.3 percent of the total IPC deposits held by the two offices. Because of the commutation patterns for employment and shopping, however, the three commercial banking offices in Lock Haven may represent realistic alternatives for commercial banking services for a significant portion of the residents of the Renovo area. These five offices operated by four banks have aggregate IPC deposits of $69.5 million, and Citizens has the smallest share with 7.1 percent. Because Commonwealth is not now represented in this local market, the proposed merger would not affect the commercial banking structure there. Commonwealth would replace a small ineffective competitor, and would be a more aggressive alternative for commercial banking services in the Renovo-Lock Haven market.

Commonwealth's closest offices to Renovo are in Jersey Shore, about 42 miles southeast, and in Galeton, about 40 miles north of Renovo. Five offices of three other banks are in the intervening area between Renovo and Jersey Shore, and the area between Renovo and Galeton is rugged mountain terrain traversed by a poor road system. The participating banks operate in separate and distinct markets, and there is no significant existing competition between them which would be eliminated by their proposed merger.

Commonwealth may legally branch *de novo* into Renovo, but this does not appear to be a realistic probability. The entire northern half of Clinton County is sparsely populated, and there are already two commercial banking offices to serve the limited population of the area. Renovo's declining population and relatively static economy also serve to discourage such a course of action. Although Citizens may legally branch *de novo* into portions of Commonwealth's trade area, it lacks the financial and managerial resources to do so. The proposed merger would therefore eliminate no significant potential for increased competition between Commonwealth and Citizens through *de novo* branching.

Within the 10-county area where Commonwealth may branch or merge, there are 60 commercial banks operating over 140 offices. As of June 30, 1973, the largest of these banks was Northern Central Bank and Trust Company, Williamsport, with 8.6 percent of the IPC deposits held by all commercial banks in that area. Commonwealth ranks third with 6.8 percent of the IPC deposits. The resulting bank would have 7.2 percent of such deposits and would be the second largest commercial bank in this branching and merging area. In view of the relatively unconcentrated nature of the area and the large number of commercial banks represented there, however, the addition of Citizens' 0.4 percent share of IPC deposits to Commonwealth's share would have no significant effect on the structure of commercial banking there.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of Commonwealth and the resulting bank are adequate, and their future prospects are favorable. Citizens has a management succession problem which the proposed merger would resolve, and its future prospects would appear to be improved by the merger.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would bring to customers of Citizens the broad range of services of a larger commercial bank, such as significantly larger lending limits, bank credit card services, trust services, higher interest rates on savings deposits, full installment loan services, and a greater variety of deposit instruments. There is at present only one local source for these services, and the proposed merger would provide Renovo residents with a second option without the necessity of going the 30 miles to Lock Haven.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Southern Bank and Trust Company Greenville, South Carolina	174,172	29	32
to merge with			
The Bank of Commerce Prosperity	9,958	3	

Summary report by Attorney General, May 16, 1974

The nearest offices of the parties are separated by a distance of about 21 miles. Thus, it does not appear that the proposed merger would eliminate substantial existing competition.

Applicant does not presently operate any banking offices in Newberry or Lexington Counties. Since South Carolina permits statewide branching, Applicant could legally establish *de novo* offices in the Newberry and Lexington County areas presently served by Bank. However, in view of the existence of other potential entrants and the relatively modest market position of Bank, we conclude that the proposed transaction will not eliminate substantial potential competition.

Therefore, we conclude that the proposed merger would not have a substantial competitive impact.

Basis for Corporation approval, May 31, 1974

Southern Bank and Trust Company, Greenville, South Carolina ("Southern"), an insured State nonmember bank with total resources of $174,172,000 and IPC deposits of $122,961,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with The Bank of Commerce, Prosperity, South Carolina ("Commerce"), which has total resources of $9,958,000 and IPC deposits of $7,747,000. Southern, as an incident to the merger, would operate the 3 offices of Commerce as branches, thereby increasing the number of its offices to 32.

Competition. Southern operates offices in eight counties of northwestern South Carolina, with its offices concentrated in large part in and near the southern terminus of the rapidly expanding Piedmont Industrial Crescent. The economy of the area, principally concerned with textiles, has been broadened over recent years by diversification of industry and expansion of distribution facilities. The population of these eight counties increased during the 1960s by 10.5 percent to a total of 637,423. Southern has no office in the counties in which Commerce is represented.

Commerce has its main office in Prosperity (population 762), a town in southern Newberry County, and one branch each in Chapin (population 342) and Irmo (population 517) in northern Lexington County, towns respectively 13 and 27 road-miles southeast of Prosperity. The banking market served by Commerce comprises southeastern Newberry County and a small portion of northern Lexington County, extending some 6 miles northwest of Prosperity to include Newberry town and some 8 miles south of Irmo to include Lexington town and West Columbia city. The northern portion of this market is predominantly agricultural; the southern portion is within the fringe of the rapidly expanding residential suburbs of Columbia city. The estimated population of this area increased during the 1960s by some 50 percent to a total of 57,200. In its local market, Commerce holds approximately 8.5 percent—the fifth largest share—of the IPC deposits held by the 8 commercial banks which presently maintain a total of 19 offices therein. The Lexington State Bank, headquartered within the market, holds the largest share—approximately 30 percent—of this market's IPC deposits in four area offices. Each of the five largest banks in the State are also represented in this local market.

Offices of Southern nearest to Commerce are located some 40 road-miles northwest of Prosperity and a like distance to the northeast. The banks operate in separate markets and no significant existing competition would be eliminated by their proposed merger.

Although statewide branching is permitted by South Carolina law, Commerce is not likely to enter *de novo* the areas presently served by Southern because of the distances involved and the competition it would encounter. Southern, on the other hand, may find attractive the rapidly expanding western suburbs of Columbia city for *de novo* entry within the foreseeable future. Elimination by the proposed merger of this potential for increased competition between the two banks has limited significance, however, in view of the minor size of Commerce in its market and the presence therein of a sufficient number of convenient alternatives for banking services.

Statewide, Southern held only 4.1 percent of the aggregate deposits held by all South Carolina commercial banks at year-end 1973. The resulting bank's share would be 4.3 percent. The proposed merger, accordingly, appears unlikely to affect adversely the structure of commercial bank competition in any relevant market.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of both Southern and Commerce are adequate, as would be those of the resulting bank. Future prospects appear favorable for the resulting bank.

Convenience and Needs of the Community to be Served. The increased lending capability of the resulting bank, together with a lending limit of approximately $1.6 million, should benefit the rapidly expanding market in which Southern operates. Trust services would be offered for the first time at the Commerce locations. These offices, operated by a much larger, more aggressive institution, should present significantly strengthened competition in southeastern Newberry County and adjoining northern Lexington County to the five major banks of the State, all of which have representation therein.

The Board of Directors, accordingly, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Home Savings Bank of Upstate New York Albany, New York	185,865	7	8
to merge with			
Troy Co-operative Savings and Loan Association Troy	17,702	1	

Summary report by Attorney General, February 19, 1974

Troy Savings' office in Troy (population 62,900) is located in western Rensselaer County (population 152,500) in the four-county Albany-Schenectady-Troy Standard Metropolitan Statistical Area. Home Savings' offices in Albany and Colonie appear to be within about 10 miles of Troy Savings. The application indicates that much of Troy Savings' deposits are within Home Savings' primary service area, and that Home Savings holds substantial deposits within the Troy area.

The proposed merger will eliminate some existing competition in the Troy area, in Rensselaer County, and in the Rensselaer-Albany two-county area, slightly increasing concentration among savings institutions serving these areas.

Basis for Corporation approval, June 19, 1974

Home Savings Bank of Upstate New York, Albany, New York ("Home Savings"), an insured mutual savings bank with total resources of $185,865,000 and total deposits of $173,338,000, 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 Troy Co-operative Savings and Loan Association, Troy, New York ("S&L"), a federally insured, State-chartered savings and loan association with total resources of $17,702,000 and total deposits of $16,054,000.* The two institutions would merge under the charter and title of Home Savings and, incident to the merger, the sole office of S&L would become a branch of the resulting bank, increasing to nine the number of its offices.

Competition. Home Savings presently operates a total of seven offices: its main office and one branch in the city of Albany, one branch each in the suburban towns of Colonie and Guilderland, two branches in Washington County, and one branch in Rensselaer County. The latter three branches were acquired during 1971 and 1974 by mergers with three State-chartered savings and loan associations. An eighth office will be established in Columbia County incident to the consummation of the proposed merger of Home Savings with Hudson Savings and Loan Association, Hudson, which the Corporation approved May 29, 1974. Under present law, Home Savings may acquire by merger any number of branches throughout New York's Fourth Banking District, a 15-county region in northeastern New York State, but it may establish *de novo* branches within the district at the rate of only one such branch each year. Commencing January 1, 1976, mutual savings banks will be permitted to branch statewide subject to the continuing limitation of one *de novo* branch each year.

S&L has its sole office in Troy, Rensselaer County. Its primary service area comprises the city of Troy (1970 population 62,918, off 6.8 percent since 1960) and its environs, including Watervleit (1970 population 12,404, off 10.9 percent since 1960), a city in Albany County lying immediately west of Troy and connected thereto by a bridge spanning the Hudson River. The 1972 median household buying level in Troy ($6,857) was 27 percent below that of the State as a whole. S&L competes in this primary service area with two Troy-based savings banks, which hold approximately 90.4 percent of the area's thrift institution deposits, and another Troy-based savings and loan association, which shares the remainder of such deposits with S&L.

Home Savings and S&L both compete in the Albany-Schenectady-Troy SMSA, which approximates the local banking market, and their nearest offices are about 7 miles apart. Home Savings holds approximately 6.7 percent of the deposits held by the 18 thrift institutions in that market, while S&L holds less than 1 percent of such deposits. Five larger savings banks also compete in the

*Financial data as of December 31, 1973, adjusted for the subsequent merger of Home Savings with Fort Edward-Hudson Falls Savings and Loan Association.

SMSA, the largest holding approximately 22 percent of such deposits. It appears that the proposed merger would eliminate some relatively insignificant existing competition between the two institutions and that numerous thrift institution alternatives would remain to serve the public.

Furthermore, there appears to exist no significant potential for increased competition in the future between the two institutions resulting from *de novo* branching. Home Savings, limited by law to one *de novo* branch a year, is likely to find other locations in the Fourth Banking District (and, subsequent to the close of 1975, in the State) more attractive for *de novo* expansion than the Troy banking market, an area of declining population where buying levels are below average and two savings banks of substantial size are firmly entrenched. S&L, for its part, has operated from a single office during its 87-year history and is not likely to attempt *de novo* expansion at the present time, because of limited financial and managerial resources.

Home Savings is the sixth largest mutual thrift institution in the Fourth Banking District, with approximately 6.4 percent of the deposits held by all offices of such institutions in the district.** The resulting bank would hold 7.0 percent of such deposits and continue as the sixth largest mutual thrift institution in the district.

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

Financial and Managerial Resources; Future Prospects. Both institutions have satisfactory financial and managerial resources, as would the resulting bank. The future prospects of the resulting bank appear to be favorable.

Convenience and Needs of the Community to be Served. Operating from the location of S&L under a more liberal lending policy and with a greatly expanded lending capability, the resulting bank should provide more effective competition in the area of real estate financing to the other thrift institutions and commercial banks available locally. In addition, Home Savings would offer a number of services not presently offered by S&L to its customers.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Whitney Bank and Trust Atlantic, Iowa	29,149	1	1
to merge with **Whitney Building Company, Inc.** Atlantic		-	

**The indicated deposit share includes both deposits acquired by Home Savings in its April 1, 1974 merger with Fort Edward-Hudson Falls Savings and Loan Association and deposits to be acquired in its merger with Hudson Savings and Loan Association.

Summary report by Attorney General, May 15, 1974

The Whitney Building Corporation is a wholly-owned subsidiary of First Whitney Bank and Trust. The subject merger is simply a corporate reorganization which will have the effect of eliminating Whitney Building as a separate corporate entity. Therefore, it will have no competitive effects.

Basis for Corporation approval, June 26, 1974

First Whitney Bank and Trust, Atlantic, Iowa ("Whitney Bank")(total resources $29,149,000), an insured State nonmember bank, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's retroactive consent to merge with Whitney Building Company, Inc., Atlantic, Iowa ("Whitney Company"), a noninsured corporation which held title to Whitney Bank's banking office and which was wholly owned by Whitney Bank.

Competition. This transaction was essentially a minor internal reorganization whose purpose was to return direct ownership of Whitney Bank's banking premises to the bank from its wholly-owned subsidiary. As such, it has had no effect on competition.

Financial and Managerial Resources; Future Prospects. The financial and managerial resources and future prospects of Whitney Bank are satisfactory.

Convenience and Needs of the Community to be Served. Due to the nature of the transaction as an internal reorganization, there has been no effect on the convenience and needs of any community.

On the basis of the foregoing information, the Director of the Division of Bank Supervision acting on behalf of the Board of Directors under delegated authority has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Farmer's State Bank Middletown, Indiana (change title to Farmers State Bank of Henry County)	8,181	2	3
to merge with			
Farmers State Bank Mooreland	3,371	1	

Summary report by Attorney General, May 15, 1974

Applicant and Bank are both headquartered in northern Henry County in east-central Indiana. The banks' offices are separated by a distance of nearly 20 miles with two other banking offices intervening; and there are banking alternatives nearer to each in both Henry and adjoining counties. It would not appear, therefore, that the proposed merger will eliminate substantial existing competition between the parties or significantly increase concentration in any relevant banking market.

Basis for Corporation approval, July 24, 1974

Farmer's State Bank, Middletown, Indiana ("Middletown Bank"), a State nonmember insured bank with total resources of $8,181,000 and total IPC deposits of $6,243,000, 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 Farmers State Bank, Mooreland, Indiana ("Mooreland Bank"), also a State nonmember insured bank, with total resources of $3,371,000 and total IPC deposits of $2,487,000, under the charter of Middletown Bank and with the title of Farmers State Bank of Henry County. As an incident to the merger, the sole office of Mooreland Bank would become a branch of the resulting bank, increasing the number of its offices to three.

Competition. Middletown Bank operates its main office and only branch in Middletown which is in the northwest corner of Henry County, while Mooreland Bank operates its only office in Mooreland which is in the northeast part of the county. Henry County is located in east-central Indiana, roughly 40 miles northeast of Indianapolis, the State capital. It is south of Muncie and southeast of Anderson.

Henry County is agriculturally oriented, but there is considerable industry in New Castle, the county seat, which is located about 17 miles southeast of Middletown and 10 miles southwest of Mooreland. The population of Henry County in 1970 was 52,603, an increase of 7.6 percent over 1960. Middletown's population increased only slightly in the 1960s, and it had a 1970 population of 2,046. Mooreland's population was 495 in 1970. The 1973 median household buying level for Henry County was $10,086, about 4.4 percent above the State figure of $9,665.

Middletown and Mooreland are located at opposite ends of Henry County and are about 20 miles apart. There are two commercial bank offices in this intervening area, including a branch of the largest bank in the county. Although both Middletown Bank and Mooreland Bank have offices in the same county, neither originates any appreciable volume of business from the local area served by the other. Further, each bank faces competition from other larger commercial banks at closer locations. Given these facts, it appears that there is no significant existing competition between the two banks which would be eliminated by the proposed merger.

The proposed merger would have its most immediate competitive impact in and around Mooreland, the area served by the smaller of these two rural banks. Within a 10-mile radius of Mooreland, there are 7 commercial banks operating from 13 offices. Mooreland Bank holds only 3.6 percent of their combined IPC deposits. The resulting bank should be better able to compete with the larger banks in this market, both in the breadth of services rendered and the size of loans it could handle.

The proposed merger would also permit Middletown Bank, in its present trade area, to compete more effectively with larger banks in Anderson and elsewhere, because of the increase in its lending limit from $42,000 to almost $75,000.

Either of the participating banks could legally establish *de novo* branches anywhere in Henry County, subject to home office protection. This does not appear likely, however, because of the limited financial and managerial resources of both banks and the localized scope of their operations. In addition, there is already one banking office for each 2,768 persons in Henry County, even without considering the easily accessible commercial banking offices in the Anderson area. The proposed merger would therefore eliminate no significant potential competition between the two banks.

In Henry County, the maximum legal branching and merging area of both banks, there are 8 commercial banks operating 19 offices which hold aggregate IPC deposits of $74.2 million. Middletown Bank holds 7.5 percent and Mooreland Bank holds 2.6 percent of these deposits. Commercial banking in the county is dominated by two New Castle banks which between them hold 58.2 percent of the total IPC deposits. It is apparent that the proposed merger would have little effect on commercial bank competition in Henry County.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of each institution, and of the resulting bank, are considered satisfactory. Future prospects of the resulting bank are favorable.

Convenience and Needs of the Community to be Served. The principal benefit of the proposed merger would accrue to the residents and businesses in Middletown and Mooreland, by virtue of the relatively significant increase in the resulting bank's lending limit which would be locally available.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Savings Bank of Tompkins County Ithaca, New York	121,814	4	7
to merge with			
The Elmira Savings Bank Elmira	74,980	3	

Summary report by Attorney General, April 4, 1974

The nearest offices of the parties are separated by a distance of approximately 31 miles. Thus, it does not appear that the proposed merger would eliminate substantial existing competition.

The Savings Bank of Tompkins County and The Elmira Savings Bank, the largest thrift institutions in Tompkins County and Chemung County, respectively, could become more competitive either by branching *de novo* into the area served by the other or by merger with a smaller thrift institution operating in the other's immediate area. Thus, we conclude that the proposed transaction would eliminate some potential competition.

Basis for Corporation approval, July 24, 1974

The Savings Bank of Tompkins County, Ithaca, New York ("Tompkins Savings"), an insured mutual savings bank with total resources of $121,814,000 and total deposits of $112,772,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Elmira Savings Bank, Elmira, New York ("Elmira Savings"), an insured mutual savings bank with total resources of $74,980,000 and total deposits of $69,520,000. These banks would merge under the charter and title of Tompkins Savings and, as an incident to the merger, the three offices of Elmira Savings would be established as branches of the resulting bank, increasing to eight the number of its approved offices.

Competition. Tompkins Savings operates a total of four offices: its main office and one branch in the city of Ithaca and one branch in the suburban town of Lansing, all three offices being located in central Tompkins County, and another branch in the town of Cortlandville, in Cortland County. Tompkins Savings also has the necessary supervisory approvals to establish an additional branch in the village of Johnson City, in Broome County. Much of the population of Tompkins County (77,064 in 1970) is concentrated in the Ithaca area, the city of Ithaca having a population of 26,226 and the surrounding town of Ithaca 15,620. Cortlandville (population 7,469) adjoins the city of Cortland (population 19,621) and is the second largest community in Cortland County (population 45,894). The 1973 median household buying levels in these three counties—Tompkins $9,973, Cortland $8,585, and Broome $9,694—compare with $10,264 for the State as a whole.

Elmira Savings has its main office in the city of Elmira (population 39,945) and one branch each in the suburban towns of Horseheads (population 20,552) and Southport (population 11,976). These are the three major communities in Chemung County (1970 population 101,537—up 2.9 percent since 1960). The 1973 median household buying level in Chemung County ($9,213) is 10.2 percent below that of the State as a whole.

Tompkins Savings derives more than 80 percent of its deposits from Tompkins County. Chemung County, similarly, is the primary trade area of Elmira Savings. Chemung County borders the State of Pennsylvania and is adjacent to, and southwest of, Tompkins County, both counties lying immediately west of the Binghamton, New York-Pennsylvania SMSA. Cornell University is Ithaca's major employer. The Elmira area is one of diversified industry. Much of the remaining area of the two counties is hilly, forested, and sparsely populated.

Two thrift institutions are represented in Tompkins County. Tompkins Savings holds approximately 75 percent of the deposits held on June 30, 1973, by the area offices of these institutions; Ithaca Savings and Loan Association holds the remainder. The Chemung County market is shared by 2 mutual savings banks and 3 savings and loan associations, their 11 area offices holding deposits aggregating $191,900,000. Elmira Savings holds the largest share (36.1 percent) of these deposits.

No office of Tompkins Savings is within 31 road-miles of any office of Elmira Savings. A survey of the accounts of the proponents indicated a minimum of depositors and few borrowers common to both institutions, while the deposits and loans each bank derives from the trade area of the other are not substantial in amount. It appears, therefore, that no significant existing competition between the two banks would be eliminated by their proposed merger.

Under present law, the proponents may establish *de novo* branches throughout the Seventh Banking District, an eight-county region in central-southern New York State, at the rate of one such branch each year, subject to home office protection. Commencing January 1, 1976, New York's mutual savings banks will be permitted to branch statewide, subject to home office protection and a continued limit of one *de novo* branch each year.

Elmira Savings has its two branches in close proximity to its main office and has established no additional offices since its legal branching area was broadened in 1971 to include the eight counties of the Seventh Banking District. Under nonaggressive management, the bank is unlikely to engage in *de novo* expansion in the foreseeable future. Tompkins Savings, on the other hand, is pursuing an office expansion program. It entered Cortland County *de novo* in 1972 and has established a public accommodation branch in Ithaca in 1974. It holds the necessary approvals to enter Broome County *de novo* and, by the subject merger, proposes to enter Chemung County. If the proposed merger is denied, however, it cannot be said that Tompkins Savings would be likely to enter Chemung County *de novo* in view of the county's lack of significant population growth during recent years, the fact that Elmira itself would be closed to such *de novo* branching because of home office protection, the county's prevailing below average buying levels, and the existence of 11 thrift institution offices today. Even if some limited potential for increased competition between the two banks through *de novo* branching in the future or through some alternative merger were to be eliminated by the proposed merger, the advent of statewide branching in 1976 will multiply dramatically the number of thrift institutions legally able to establish offices in both Chemung and Tompkins Counties and reduce the significance of that consequence in the merger proposed.

Tompkins Savings is the second largest mutual thrift institution in the Seventh Banking District, with 13.5 percent of the deposits held by all such institutions in this market. The resulting bank, with 21.8 percent of such deposits, would continue to rank second largest in the district, substantially smaller than the $304-million-deposit Binghamton Savings Bank. On a statewide basis, the resulting bank would rank 80th largest of New York's thrift institutions with 0.3 percent of their aggregate deposits.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of Tompkins Savings are satisfactory, those of Elmira Savings are acceptable. The resulting bank would have satisfactory financial and managerial resources and its future prospects appear to be favorable.

Convenience and Needs of the Community to be Served. The resulting bank, with an increased lending capability in Tompkins, Cortland, and Chemung Counties and with its offices in Chemung County reflecting the policies of a more sophisticated and aggressive management, would offer additional services than the banks do today and should prove attractive to all area residents who seek thrift institution services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Toy National Bank of Sioux City Sioux City, Iowa	90,911	1	1
to merge with **Farmers Loan and Trust Company** Sioux City	866	1	

Summary report by Attorney General, June 12, 1974

According to the application, both institutions share the same quarters, and employees and officers of one have simultaneously done work as employees and officers of the other. The application also states that since a 1952 decision to enlarge the trust department of Bank, the principal use of Farmers Trust has been to administer family trusts.

Under Iowa law, the charter of Farmers Trust, one of two remaining trust companies in Iowa, will expire in 1983, and cannot be renewed.

We do not believe that the proposed transaction would have any significant adverse competitive effects.

Basis for Corporation approval, August 12, 1974

The Toy National Bank of Sioux City ("Toy Bank"), with total resources of $90,911,000 and IPC deposits of $55,458,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Farmers Loan and Trust Company, Sioux City, Iowa ("Farmers Trust"), a noninsured trust company with total resources of $866,000 and IPC deposits of $542,000.

Competition. Toy Bank and Farmers Trust were organized in 1912 and 1883, respectively, by the same individual, and Farmers Trust was originally founded to manage the investments of that individual's family. Both institutions are now substantially owned by their founder's grandchildren and over the years, Toy Bank and Farmers Trust have for the most part shared the same directors, officers, and employees. In addition, since Toy Bank's organization, both institutions have operated from the same Sioux City office. Toy Bank's trust department administers about $22 million in trust assets and Farmers Trust has about $5.3 million in trust assets, largely trust accounts of the founding family.

For over 20 years the common management of the participating institutions has concentrated the development of new fiduciary business in the trust department of Toy Bank rather than Farmers Trust, resulting in a significant decline in the latter's resources during that time. The charter of Farmers Trust will expire in 1983 and under present Iowa law cannot be renewed.

It is apparent that there has never been any significant competition between Toy Bank and Farmers Trust and that there is little likelihood that competition would develop between them in the future. Further, the proposed merger would not have any material effect on the structure of commercial or fiduciary banking in any relevant area.

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

Financial and Managerial Resources; Future Prospects. Both institutions have adequate financial resources for the business they presently do. The managerial resources of both institutions are largely the same individuals, who would continue to operate the resulting bank. Managerial resources are satisfactory. Future prospects of Toy Bank and the resulting bank are satisfactory, but Farmers Trust is essentially a vehicle for managing family trusts and it must cease its existence in about 9 years. Its future would therefore be more favorable as part of the resulting bank.

Convenience and Needs of the Community to be Served. The proposed merger would have limited effects on convenience and needs. The resulting bank would have somewhat higher legal lending limit and the integration of the two separate trust operations into a $27-million trust department of the resulting bank could result in improving the efficiency of the administration of its fiduciary activities.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Peoples Bank and Trust Company Tupelo, Mississippi	84,555	11	13
to merge with			
Clay County Bank and Trust Company West Point	6,211	2	

Summary report by Attorney General, June 19, 1974

Clay County Bank's West Point offices are located about 40 miles south of Peoples Bank's nearest office. There are several intervening banking offices. Thus, it does not appear that the proposed merger would eliminate substantial existing competition. And in view of Clay County Bank's small size and market position, we conclude that the proposed merger would not eliminate substantial potential competition.

Basis for Corporation approval, August 12, 1974

The Peoples Bank and Trust Company, Tupelo, Mississippi ("Peoples Bank"), a State nonmember insured bank with total resources of $84,555,000 and IPC deposits of $65,094,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Clay County Bank and Trust Company, West Point, Mississippi ("Clay County Bank"), which has total resources of $6,211,000 and IPC deposits of $3,361,000. The 2 offices of the latter bank would be established as branches of the resulting bank, increasing to 14 the number of its approved offices.

Competition. Peoples Bank operates eight offices, including its main office, and has one approved, unopened office in Lee County, Mississippi (population 46,148), and three offices in Prentiss County (population 20,133), which adjoins Lee County to the north. Historically agricultural, the economy of these two counties during recent years has become reasonably well diversified with the development of significant light industry in the Tupelo area—the center of trade and employment for the entire northeast Mississippi area. The population of Lee County increased 13.7 percent during the 1960s, while Prentiss County had similar growth, 12.2 percent. Both counties compared favorably with the statewide population increase of only 1.8 percent. Peoples Bank has no office in Clay County.

Clay County Bank has its main office and only branch in West Point (population 8,714), the only incorporated area in Clay County (1970 population 18,840, virtually unchanged during the 1960s). Clay County is an agricultural area located south of Lee County and is separated from Lee County by Chickasaw and Monroe Counties. Clay County Bank has Clay County as its primary service area. Established in late 1972, it holds only 8.1 percent of the IPC deposits controlled by offices in Clay County of the three commercial banks operating there. The First National Bank of West Point and Bank of Mississippi (its representation within the county recently acquired by merger) each have far larger shares of Clay County IPC deposits. Median household income in Clay County in 1973 was $7,939 compared to a statewide median of $6,928. Within a 15-mile radius of West Point, Clay County Bank holds only 1.1 percent of the local IPC deposits held by the area's nine commercial banks.

The closest office of Peoples Bank to Clay County Bank's offices in West Point is located in Shannon, 9 road-miles south of Tupelo and some 38 miles north of West Point. Another commercial bank operates a branch office between the two locations. Residents of the Shannon area seeking convenient alternatives for bank services would, moreover, be likely to turn to bank offices in either Chickasaw or Monroe County rather than traveling a considerably greater distance to West Point. People in the latter area have alternatives within West Point as well as three banks with numerous branches in the city of Columbus, 15 miles southeast of West Point, all more convenient than traveling to Shannon. For all of these reasons, it appears that the two banks operate in separate banking markets and that no significant existing competition would be eliminated by their proposed merger.

State law permits both banks to establish branch banks within the market served by the other. For Peoples Bank, however, neither Clay County nor the area within 15 miles of West Point is attractive for *de novo* entry. In the city of West Point, each banking office presently serves an average of 1,743 inhabitants while there is no other center of significant population in sparsely populated Clay County. Other population centers, (Columbus, Starkville, and Aberdeen) within 15 miles of West Point also have numerous existing offices and low population for each commercial bank office. As for Clay County Bank, it has only recently established its first branch and with limited financial and managerial resources it would not be likely to enter the market of Peoples Bank *de novo* because of the distances involved and the strong competition existing among commercial banks in that market.

In its broadest potential market under State law—all Mississippi points within 100 miles of Tupelo—Peoples Bank controls 5.4 percent of the IPC deposits held by all area offices of the 74 commercial banks presently represented therein. The proposed merger would increase its percentage share of the same area to 5.6 percent. Statewide, Peoples Bank holds 1.5 percent of aggregate commercial bank deposits; its post-merger share would be 1.6 percent. The proposed merger, accordingly, appears unlikely to affect adversely the structure of commercial bank competition in any relevant area.

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

Financial and Managerial Resources; Future Prospects. Both Peoples Bank and Clay County Bank have adequate financial resources, as would the resulting bank. The satisfactory managerial resources of Peoples Bank would overcome deficiencies in the managerial resources of Clay County Bank. Future prospects for the resulting bank appear favorable.

Convenience and Needs of the Community to be Served. The merger would replace a modest-sized commercial bank, recently established in Clay County, with offices of the State's eighth largest commercial bank. A sophisticated and aggressive management, operating with a lending capability in excess of $1 million, should stimulate competition with the other two firmly entrenched commercial banks in the Clay County market to the benefit of its residents, farmers, and businessmen. Customers of Clay County Bank would also benefit from the introduction of trust services.

The Board of Directors, accordingly, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Wilmington Savings Fund Society Wilmington, Delaware	486,414	15	16
to purchase the assets and assume the deposit liabilities of			
Claymont Savings and Loan Association Claymont	1,003	1	

Summary report by Attorney General, May 15, 1974

Wilmington Savings holds the dominant share of savings and time deposits in New Castle County. In mid-1972, it held 66.6 percent of savings and time deposits in county thrift institutions (savings banks and savings and loan associations) and 36.7 percent of such deposits in county offices of thrift institutions and commercial banks. Claymont Savings held about 0.2 percent of savings and time deposits in county offices of thrift institutions, and 0.1 percent of such deposits in county offices of thrift institutions and commercial banks.

Claymont Savings' sole office is located in the far northeastern corner of the State, about 15 miles northeast of Wilmington. Wilmington Savings operates an office about 1-1/2 miles north of Claymont Savings which serves much of the same area as that served by Claymont Savings. The proposed acquisition would thus eliminate existing competition between the two institutions. However, in view of Claymont Savings' small size ($861,000 in deposits; 466 savings accounts) and modest competitive capabilities, we conclude that the proposed acquisition would not have a significantly adverse effect on competition.

Basis for Corporation approval, August 26, 1974

Wilmington Savings Fund Society, Wilmington, Delaware ("Society")(total resources $486,414,000; total deposits $451,504,000), an insured mutual savings bank, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of, and assume liability to pay deposits made in, Claymont Savings and Loan Association, Claymont, Delaware ("S&L") (total resources $1,003,000; total deposits $861,000 at November 23, 1973), an uninsured association. The sole office of S&L would be established as a branch of Society.

Competition. Society is headquartered in Wilmington, Delaware, located within the densely populated, highly developed NewYork-Washington corridor. Extensive manufacturing is carried on in the Wilmington area, the city serving also as the commercial and services center for Delaware and portions of adjacent Maryland, Pennsylvania, and New Jersey. Society operates 15 offices at the present time, of which 11, including its main office, are located in New Castle County, the northernmost of Delaware's 3 counties. One additional office has been approved, but is not yet in operation. Society is the largest of 24 thrift institutions in Delaware, with approximately 65 percent of their aggregate deposits.

S&L holds only 0.1 percent of the deposits held by the 36 offices in New Castle County of the 16 thrift institutions represented therein, and its deposits have been declining in recent years. (S&L's passbook rate is well below the 5.25 percent ceiling rate offered by Society and others in the market.) Its net operating income approximated $3,000 for its last fiscal year. S&L originated only seven loans in one recent calendar year and it has only one active officer. S&L is clearly not an effective competitor in its market. Even though Society operates in the same market as S&L and has deposit relationships with 129 of S&L's 466 savings depositors, no substantial competition between them would be eliminated nor would the structure of thrift institutions in the area change perceptibly. Furthermore, were the proposed transaction to be consummated, a sufficient number of thrift institutions would remain in New Castle County to serve as alternatives for people seeking thrift institution services at locations other than the two offices maintained by Society in the close vicinity of Claymont.

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

Financial and Managerial Resources; Future Prospects. Society has adequate financial and managerial resources. With the proposed transaction effected, its future prospects would be favorable.

Convenience and Needs of the Community to be Served. Customers of S&L would have three offices of Society conveniently located within S&L's market at which to transact business. They would benefit from the broad range of Society's services including its lending expertise and capacity to make significantly larger loans. Checking accounts would be offered for the first time at the S&L location. Regular savings depositors would receive interest at 5.25 percent annually as compared with the 4.8 percent being paid by S&L, rates for certain other time deposits would be increased, and all depositors would gain the protection and security of Federal deposit insurance.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Pennsylvania Bank and Trust Company Titusville, Pennsylvania	232,660	17	24
to merge with			
First Laurel Bank St. Marys	100,831	7	

Summary report by Attorney General, September 17, 1973

The main offices of the parties are located about 52 miles apart while their nearest offices are separated by approximately 25 miles, with several banking alternatives in the intervening area. Thus, it does not appear that the proposed acquisition would eliminate substantial existing competition.

Pennsylvania law prohibits multibank holding companies. Under State law, commercial banks may branch within their headquarters' county and within contiguous counties. Pennsylvania Bank is now headquartered in Crawford County but must shift its home office designation to one of its Warren County offices in order to complete this transaction, since Crawford County is not contiguous to either Elk or McKean Counties, where Laurel Bank presently operates. By designating a Warren County office as its registered headquarters, as it proposed to do in connection with this proposed acquisition, Pennsylvania Bank could legally branch into both McKean and Elk Counties.

McKean and Elk Counties are highly concentrated banking markets. Laurel Bank, with 38 percent of McKean County deposits, is the largest of six commercial banks operating in that county; the three largest McKean County banks hold approximately 74 percent of county deposits. Laurel Bank is also the largest of five banks operating in Elk County, holding 55.7 percent of total county deposits. The three largest Elk County commercial banks hold 86 percent of county deposits.

Should it move its home office into Warren County, Pennsylvania Bank would be the largest commercial bank which could branch into McKean or Elk Counties, although in so doing, it would yield its present ability to branch in Mercer County. And while not one of the largest banks in the region, Laurel Bank nevertheless has the capability to branch into adjacent Warren County, where Pennsylvania Bank, with five banking offices, is one of only two commercial banks serving the county. However, the effects of this transaction on potential competition are diminished somewhat by the limited growth prospects of the area and the fact that several substantial banking institutions in Erie and Crawford Counties could, by establishing a *de novo* branch in Warren County and designating the newly opened office as its headquarters, thereafter enter McKean and Elk Counties.

We conclude that the proposed transaction would eliminate some potential competition.

Basis for Corporation approval, August 26, 1974

The Pennsylvania Bank and Trust Company, Titusville, Pennsylvania ("Titusville Bank"), an insured State nonmember bank with total resources of $232,660,000 and total IPC deposits of $178,579,000, 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 First Laurel Bank, St. Marys, Pennsylvania ("Laurel Bank"), with total resources of $100,831,000 and total IPC deposits of $80,431,000, under the charter and title of Titusville Bank. Application has also been made under Section 18(d) of the said Act to establish Laurel Bank's seven offices as branches of the resulting bank and to relocate Titusville Bank's main office from Titusville, Crawford County, Pennsylvania, to the borough of Warren, Warren County, Pennsylvania, in which latter location it will become the main office of the resulting bank.

Competition. Titusville Bank operates a total of 17 offices: 6 in Crawford County (1970 population 81,342—up 4.3 percent since 1960), 2 in Erie County (1970 population 263,654—up 5.2 percent since 1960), 4 in Venango County (1970 population 62,353—down 4.5 percent since 1960), and 5 in Warren County (1970 population 47,682—up 4.6 percent since 1960). While its offices are thus scattered throughout the northwestern corner of Pennsylvania, it serves primarily the following communities and their environs: Titusville (1970 population 7,331), Meadville (1970 population 16,573), Union City (1970 population 3,631), Oil City and Franklin (combined 1970 populations 23,662), and Warren (1970 population 12,998). Economies of these areas have various bases ranging from steel manufacturing, oil and gas production, and strip mining to light industry, dairy farming, logging, and tourism. Titusville Bank, under Pennsylvania law, may also establish branches in Mercer County (1970 population 127,225—approximately the same as 1960), but it presently has no representation in that county.

Titusville Bank, in connection with the proposed merger and to comply with provisions of State law relating to location of main offices, would relocate its main office from Crawford County to Warren County, thus abandoning Mercer County as a potential market while acquiring the right, with supervisory approvals, to branch or merge in the counties of Elk (population 37,770—up 1.2 percent during the 1960s), Forest (1970 population 4,926—up 9.8 percent during the 1960s), and McKean (population 51,915—down 4.8 percent during the 1960s).

Laurel Bank has a total of seven offices: four in southern Elk County and three in northern McKean County. Approximately one-quarter of this two-county area is included in National or State forests and the economy is largely based upon agriculture, logging, and tourism. Because of the terrain and the fact that 47 road-miles separate the nearest Laurel Bank office in McKean County from its nearest office in Elk county, Laurel Bank must be viewed as serving two separate and distinct local markets. In each of these, Laurel Bank has the largest percentage share of the local IPC deposits, but it faces competition in both areas from the $130.7-million-deposit Warren National Bank and from three much smaller banks in Elk County and four smaller banks in McKean County.

The closest offices of Titusville Bank and Laurel Bank are separated by some 43 miles of a two-lane roadway that traverses sparsely settled mountainous terrain and the Allegheny National Forest. Neither bank draws any substantial business from areas served by the other. It appears that no significant existing competition between the two banks would be eliminated by their proposed merger.

Pennsylvania law permits commercial banks to expand by merger or *de novo* branching within their headquarters' counties and all contiguous counties. Titusville Bank, following relocation of its headquarters into Warren County, may thus enter both Elk and McKean Counties. Neither of these counties would appear significantly attractive for *de novo* entry by Titusville Bank in the foreseeable future, however, in view of economic conditions, buying levels, population trends, and existing ratios of population to banking offices. McKean County has substantial unemployment and a 1973 median household buying level approximately 15 percent below the State level. In addition, it lost 4.8 percent of its population during the 1960s and already has a low population for each commercial bank office (3,461 persons). Elk County, although significantly better off than McKean County as an employment center, grew in population by only 442 people during the decade ending with the 1970 census and had a 1973 median household buying level some 10 percent below the State level. It presently has one commercial bank office for every 4,200 people. In the event future economic developments justify additional *de novo* branching in Elk County, there are two banks with more than $50 million in deposits, headquartered in Clearfield County and as yet unrepresented in Elk County, that must be considered potential *de novo* entrants. For its part, Laurel Bank has both the financial and managerial resources to accomplish *de novo* entry into Warren County, a heavily concentrated banking market where the Warren National Bank has 7 of 12 offices and Titusville Bank the other 5. Warren County buying levels are approximately 4.7 percent below the statewide level, its population grew by only 2,100 persons between 1960 and 1970, and it presently has one commercial bank office for every 4,000 residents. While Warren County would appear to be more attractive for *de novo* expansion than either county in which Laurel Bank presently has offices, it remains of marginal attraction for any outside bank. Moreover, in the case of Warren County, there are five other potential entrants, larger than Laurel Bank and headquartered in contiguous counties, that might be considered more likely potential entrants than Laurel Bank should economic developments warrant additional *de novo* branches in Warren County. Under all of these circumstances, the Corporation considers the possible elimination of increased competition between Titusville Bank and Laurel Bank through *de novo* branching in the future to be a relatively insignificant factor in assessing the competitive impact of their proposed merger.

The change in Titusville Bank's headquarters from Crawford to Warren County, which is necessary to consummate the proposed merger, will result in its losing the authority under Pennsylvania law to expand *de novo* or by merger into Mercer County, which is located south of Crawford County adjacent to the Ohio State line. Similarly, by merging Laurel Bank into the relocated Titusville Bank, the resulting bank would lose Laurel Bank's existing authority to expand *de novo* or by merger into Cameron, Clearfield, and Jefferson Counties. The competitive impact of the proposed merger in each of these four counties, however, is likely to be minimal. Mercer County experienced no growth at all in the 1960s, its median household buying level is slightly below the State average, and its 7 commercial banks presently have 38 offices for its 127,225 residents—an average population for each commercial bank office of only 3,348. Four banks with more than $50 million in deposits headquartered in counties contiguous to Mercer County and presently unrepresented there would remain as potential entrants even if Titusville Bank moves its main office to Warren County. A similar analysis of the banking structure of Cameron, Clearfield, and Jefferson Counties leads to a similar conclusion. Each of these counties lost population in the 1960s; Clearfield and Jefferson have median household buying figures more than 20 percent below the State level (Cameron's is 5.4 percent higher but it has only 7,096 residents); the population for each existing commercial bank office is already low (except in sparsely populated Cameron which has only one commercial bank office); and each county has at least one bank with deposits over $50 million, headquartered in a contiguous county and presently unrepresented there, which must be considered a potential entrant in the future, even if Laurel Bank is merged into Titusville Bank (actually Clearfield County has eight such potential entrants, Cameron County two, and Jefferson County—with only 2,731 residents for each existing office—one). The Corporation has accordingly concluded that the proposed merger would have no adverse competitive consequences in any of these four counties.

The proposed merger would result in a greater concentration of commercial banking resources in the seven-county area of Pennsylvania within which the resulting bank could merge or branch *de novo* (Erie, Crawford, Venango, Warren, Forest, McKean, and Elk Counties). Within that area, Titusville Bank presently holds 13.6 percent of the total IPC deposits held at commercial bank offices in the seven counties, while Laurel Bank holds 5.9 percent of such deposits. The resulting bank, with 19.5 percent of all such deposits, would rank second in this regard, trailing slightly the 21.1 percent share held by The First National Bank of Pennsylvania, headquartered in Meadville. There would remain, in addition to these two lead banks, however, five other commercial banks with more than $75 million each in local IPC deposits. While the resulting bank's share of its largest potential market would be at a level where any significant future acquisitions by merger of banks it may propose might have to be denied, the Corporation does not view that decision as necessary here where neither significant existing nor significant potential competition would be eliminated, where the existing bank structure within the several local markets involved would not be significantly affected, and where some benefits to the convenience and needs of the public can be shown.

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

Financial and Managerial Resources; Future Prospects. Both of the participating banks have adequate financial and managerial resources, as would the resulting bank. Future prospects for the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. The Laurel Bank customers in McKean and Elk counties would benefit from Titusville Bank's "one statement" banking service, from the ceiling rates consistently paid by Titusville Bank on passbook savings and consumer savings certificates, and from the generally lower service charges it imposes on checking accounts. They would also benefit from a significantly higher lending limit ($2.3 million as compared with Laurel Bank's present $800,000), while Titusville Bank's business customers should also find the increase in lending limits (from $1.5 million to $2.3 million) helpful.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Grenada Bank Grenada, Mississippi	165,866	20	22
to merge with **First National Bank of Greenwood** Greenwood	14,453	2	

Summary report by Attorney General, May 22, 1974

The Itta Bena branch of Grenada Bank is located in a small community of 2,500 about 10 miles west of Greenwood. It appears that there is some competition between Grenada Bank and Greenwood Bank in Leflore County. Greenwood is the commercial center of the county, and it would appear that the banks located there derive business from throughout Leflore County.

The following banks operate offices in Leflore County:

Bank	Leflore County Deposits (in millions) 6/30/73	Share
Bank of Greenwood (Branch of First National Bank of Jackson)	$34.8	42.0%
Bank of Commerce	15.6	18.8
Leflore Bank & Trust Co.	15.3	18.5
Greenwood Bank	11.7	14.1
Grenada Bank - Itta Bena Branch	5.4	6.5
Total	$82.8	100.0%

First National Bank of Jackson, second largest bank in the State, acquired Bank of Greenwood in 1969. In addition, Deposit Guaranty National Bank, Jackson, largest bank in the State, has applied for permission to acquire Leflore Bank & Trust Company.

Absent the recent difficulties encountered by Greenwood Bank, therefore, the proposed merger of Grenada Bank and Greenwood Bank could have adverse effects on competition, although the extent to which the parties compete with each other and with other banks for banking business throughout Leflore County is unclear from the application. The merger would combine two of only five banks operating in the county, creating the second leading bank therein, holding approximately 20.6 percent of total county deposits. However, the bank has been weakened by recent events, which mitigate these competitive effects. The application does not disclose to what extent merger with other banks outside Leflore County would have been possible, and whether any such merger could have solved Greenwood Bank's problems.

Basis for Corporation approval, August 30, 1974

Grenada Bank, Grenada, Mississippi, an insured State nonmember bank with total assets of $165,866,000 and IPC deposits of $129,317,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with First National Bank of Greenwood, Greenwood, Mississippi ("Greenwood Bank"), with total assets of $14,453,000 and IPC deposits of $11,480,000. The main office and only branch of Greenwood Bank would become branches of the resulting bank as an incident to the merger, increasing to 22 the total number of its authorized offices.

Competition. Grenada Bank operates offices in 10 counties in northern Mississippi. The areas primarily served include all or parts of the counties of Grenada, Bolivar, Winston, Tallahatchie, Chickasaw, Calhoun, Choctaw, Leflore, Sunflower, and Webster. The economy of this region is predominantly agricultural, but light industry has assumed greater importance in the past decade. The 1970 population of these 10 counties was 236,080, representing a 9.5 percent decrease since 1960. With the exception of Grenada County, median household buying levels throughout the region are substantially below the State level which itself is the second lowest in the nation.

Greenwood Bank has its main office and one branch in Greenwood (1970 population 22,400, up 9.6 percent since 1960) in Leflore County (1970 population 42,111, down 10.7 percent since 1960). Leflore County is in northwestern Mississippi immediately to the east of Sunflower County. Its economy is predominantly agricultural, although some light manufacturing is located in the city of Greenwood. Its median household buying level income ($5,143) is 25.8 percent below the statewide level ($6,928).

The effects of the proposed merger would be confined almost entirely to the area within approximately 15 miles of Greenwood. There are 13 commercial banking offices in the service area, and they held aggregate IPC deposits of $70,195,000 as of June 30, 1973. Greenwood Bank had 13.7 percent of the total IPC deposits in the service area and the two Greenwood offices of the First National Bank of Jackson (the second largest commercial bank in the State) held 38.3 percent of such deposits. Bank of Commerce, Greenwood, and Leflore Bank & Trust Company, Greenwood, held 18.8 percent and 18.6 percent, respectively. Grenada Bank's Itta Bena office, 10 miles west of Greenwood, had 6.3 percent of local IPC deposits, and the resulting bank would have 20.0 percent. In view of the large share of the local market held by the State's second largest bank and the fact that Deposit Guaranty National Bank, the largest bank in the State, will soon succeed to Leflore Bank & Trust Company's 18.6 percent share of the market by merger, the proposed merger of Grenada Bank and Greenwood's smallest local bank would not have a significant effect on the local commercial banking structure. While there is some overlap of areas served between Greenwood Bank and Grenada Bank's Itta Bena office, their locations would indicate that no significant existing competition between them would be eliminated by their proposed merger.

The possibility of increased competition in the future between the merging banks exists, but such increased competition is not regarded as probable. Mississippi law would permit Grenada Bank to branch *de novo* into Greenwood, but this is unlikely to be very attractive to Grenada Bank: the existing population per banking office in Greenwood is only 2,240, the State's two largest banks will both be in an established competitive position, and a low median household buying level prevails. For its part, Greenwood Bank lacks the financial and managerial resources to attempt *de novo* branching into areas served by Grenada Bank. Its competitive position has also been eroded in the past 2 years by well-publicized misappropriations of bank funds by former staff members and disclosure of the bank's involvement in certain bogus transactions.

In its maximum potential market, which under State law is that portion of Mississippi within a 100-mile radius of Grenada, Grenada Bank controlled only 5.2 percent of the total IPC deposits held by all offices of the 114 commercial banks represented there. The proposed merger would increase this share to 5.6 percent. In the State as a whole, Grenada Bank holds only 3.0 percent of all Mississippi commercial bank IPC deposits, and the proposed merger would raise this figure to 3.3 percent. In view of these figures, it appears that the proposed merger would have no significant effect on the structure of commercial banking in any relevant area.

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

Financial and Managerial Resources; Future Prospects. Grenada Bank has adequate financial and managerial resources. Greenwood Bank has had problems with its financial and managerial resources which the proposed merger would resolve. The resulting bank would have satisfactory financial and managerial resources and favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed merger would bring to Greenwood Bank's customers a broader selection of banking services which include a lending limit of nearly $1.5 million, trust and computer services, and the general banking expertise of a competent staff of experienced banking personnel. It should also stimulate competition with the First National Bank of Jackson's branches as well as the State's largest commercial bank which will soon be represented locally. This could have a salutary effect on the quality of banking services offered to Greenwood residents and businessmen.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First-Citizens Bank & Trust Company Raleigh, North Carolina	1,175,033	200	202
to merge with			
The Bank of Commerce Charlotte	9,635	1	
and			
The Bank of Coleridge Ramseur	6,010	1	

Summary report by Attorney General, May 16, 1974

The impact of this proposed transaction will be felt primarily in the city of Charlotte, Mecklenburg County, where Applicant operates 12 offices and Bank maintains its only office. Applicant's nearest branch is located about one block from Bank's (of Commerce) headquarters office. Thus, the proposed merger would eliminate some existing competition.

Applicant ranks fourth among the 14 banks with offices in Charlotte holding approximately 3 percent of total city deposits. Bank (of Commerce) ranks ninth among the 14 banks in the city, accounting for less than 1 percent of total city deposits. Thus, while the proposed merger would eliminate existing competition between Applicant and Bank (of Commerce) in Charlotte and in surrounding Mecklenburg County, it does not appear that the transaction would substantially increase concentration in commercial banking in that area.

Accordingly, we conclude that the proposed transaction would not have a substantial competitive impact.

Summary report by Attorney General, May 15, 1974

Applicant's office nearest Bank (of Coleridge) is located in Thomasville, Davidson County, about 27 miles northwest of Ramseur. Thus, it does not appear that the proposed transaction would eliminate substantial existing competition. And while Applicant could legally establish *de novo* branches in the Randolph County area served by Bank (of Coleridge), the latter's small absolute size and modest market position in Randolph County diminish the effect of this proposed merger on potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, August 30, 1974

First-Citizens Bank & Trust Company, Raleigh, North Carolina ("Citizens"), an insured State nonmember bank with total resources of $1,175,033,000 and

IPC deposits of $803,305,000, has filed applications, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, seeking the Corporation's prior written consent to Citizens' mergers under its charter and title with the following two banks:

(1) The Bank of Commerce, Charlotte, North Carolina ("Bank of Commerce"), a State member bank with total resources of $9,635,000 and IPC deposits of $6,557,000; and
(2) The Bank of Coleridge, Ramseur, North Carolina ("Bank of Coleridge"), an insured State nonmember bank with total resources of $6,010,000 and IPC deposits of $4,809,000.

As an incident to each merger, the sole office of each of the latter two banks would be established as a branch of the resulting bank.

Competition. Citizens is the fourth largest commercial bank in North Carolina. It has some 200 offices widely distributed throughout the State and holds 8.53 percent of the State's total commercial bank deposits. The control shareholders of Citizens have owned a controlling share of Bank of Commerce since 1966 and purchased control of Bank of Coleridge in November 1973.

Bank of Commerce has its sole office in Charlotte (population 241,178), the largest city in North Carolina and the leading center of trade in the Carolina. A total of 22 commercial banks have 191 offices in the Charlotte-Gastonia SMSA, a 3-county metropolitan area of which Charlotte is the core city. Of the IPC deposits held by these offices, Bank of Commerce has the 15th largest share, 0.3 percent, while Citizens has the 6th largest share, 3.3 percent. The major IPC deposit shares of this market, 50.1 percent, 18.0 percnet, and 10.3 percent, are held by the second, third, and first largest of North Carolina's commercial banks, respectively.

In the city of Charlotte, Citizens has a total of 12 branches, including 2 in close proximity to Bank of Commerce's only office. While the three offices obviously draw from an overlapping area, the proposed merger of Citizens and Bank of Commerce would have scant competitive significance in view of the very small share of the market Bank of Commerce holds, the area deposits concentrated in the State's three larger banks, and the presence in the SMSA of many convenient alternatives for banking service. Citizens, following the merger, would hold 3.6 percent of the IPC deposits of all commercial bank offices in the SMSA and in this respect would continue to have the sixth largest share of the market.

Bank of Coleridge operates its sole office in Ramseur (population 1,328), a textile town in central North Carolina some 29 road-miles south of Greensboro and 60 road-miles west of Raleigh. Within a 15-road-mile radius of Ramseur, 8 commercial banks now maintain a total of 19 offices. Bank of Coleridge has the fifth largest share, 4.5 percent, of area IPC deposits held by these banks. The Fidelity Bank, headquartered in Fuquay-Varina and recently affiliated with Bank of Coleridge through common ownership, has a branch in Liberty, some 10 road-miles northeast of Ramseur. This branch holds 1.5 percent of the IPC deposits held by commercial bank offices in the market area served by Coleridge. Combined the market shares of Bank of Coleridge and The Fidelity Bank, 6.0 percent, represent the fifth largest share of the relevant market, substantially smaller than the four larger shares, 30.2 percent, 27.5 percent, 22.4 percent, and 11.9 percent.

There appears to be no significant existing competition between Citizens and Bank of Coleridge. Although Citizens has nine branches in Greensboro, some 29 road-miles north of Ramseur, and one branch in Pittsboro, a similar distance east of the town (no other branch of Citizens is closer to Ramseur), other banks intervene in both directions.

It further appears that neither of the proposed mergers would result in the elimination of any significant potential competition between the three banks involved. Bank of Commerce and Citizens have such small shares of the Charlotte-Gastonia market, and there are so many other banks in the market, that the merger of these two should have almost no effect on the establishment of *de novo* offices in the market in the future, thereby assuring vigorous competition. In the case of Bank of Coleridge, its banking market presently has one commercial banking office for each 2,000 inhabitants, a factor which would be likely to deter any effort by Citizens to enter this market *de novo* in the foreseeable future.

As previously noted, Citizens has 8.53 percent (the fourth largest share) of the aggregate deposits held on June 30, 1974, by all commercial banks in North Carolina. The three largest banks in the State held 21.56 percent, 18.41 percent, and 12.56 percent, respectively, of such deposits. Citizens' share of such deposits would increase 0.07 percent by its merger with Bank of Commerce and 0.05 percent by its merger with Bank of Coleridge. The resulting share, 8.65 percent, would continue to be substantially less than those of its three larger competitors.

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

Financial and Managerial Resources; Future Prospects. The financial resources of Citizens, Bank of Commerce, and Bank of Coleridge are adequate. Managerial resources of Citizens are satisfactory. Future prospects of the resulting bank are favorable.

Convenience and Needs of the Communities to be Served. In the city of Charlotte, the merger of Citizens and Bank of Commerce would appear to have insufficient significance to weigh either in favor of or against approval of the proposed transaction. Citizens' acquisition of Bank of Coleridge has already resulted in a more aggressive management at the Ramseur location. This management, operating with a greatly increased credit capability, a much larger lending limit, and offering the specialized loan and trust services of one of the State's major banks, should serve to stimulate competition in the local market to the benefit of inhabitants and businessmen alike.

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

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*The Corporation, during consideration of the subject applications, has ignored the fact that all three banks are presently under common control, since the acquisition of stock control in Bank of Commerce and Bank of Coleridge has not previously been reviewed under the Bank Merger Act (as amended).

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The State Bank of Avis Avis, Pennsylvania	21,963	2	3
to merge with **The Loganton National Bank** Loganton	4,247	1	

Summary report by Attorney General, May 3, 1974

The parties to this proposed merger are both headquartered in Clinton County. Loganton Bank is situated in the southeastern part of the county about 21 miles southwest of Avis Bank's headquarters and approximately 10 miles southeast of Avis Bank's Woodward Township branch. Thus, the proposed acquisition may eliminate some existing competition in southeastern Clinton County. However, it does not appear that the proposed transaction would substantially increase banking concentration in any relevant market.

Basis for Corporation approval, August 30, 1974

The State Bank of Avis, Avis, Pennsylvania ("Avis Bank"), a State nonmember insured bank with total resources of $21,963,000 and total IPC deposits of $17,044,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Loganton National Bank, Loganton, Pennsylvania ("Loganton Bank"), with total resources of $4,247,000 and total IPC deposits of $3,702,000. These banks would merge under the charter and title of Avis Bank and, as an incident to the merger, the sole office of Loganton Bank would be established as a branch of the resulting bank, thereby raising to three the total number of its offices.

Competition. Avis Bank operates its main office in Avis Borough (1970 population 1,749) and its only branch in Woodward Township (1970 population 2,427), 7 miles southwest of the main office, both in southeastern Clinton County. Population of this central Pennsylvania county totaled 37,721 in 1970, virtually unchanged from 1960. Much of the county's northern portion is mountainous, sparsely populated State forest and game lands. The population is concentrated in the southern half of the county, in residential-industrial communities of the Susquehanna River Valley. Avis Bank serves southern Clinton County and the borough of Jersey Shore and its close environs in adjoining southwestern Lycoming County, all of which are communities north of the Susquehanna River. In these communities and in Lock Haven (1970 population 11,427), Avis Bank competes with three significantly larger banks and one of approximately the same deposit size. The 1973 median buying levels in both Clinton County ($8,492) and Lycoming County ($8,567) were both significantly below those of the State as a whole ($9,588).

Loganton Bank serves communities along the extreme southern border of Clinton County, south of the Susquehanna River and separated from Woodward, Avis, and Jersey Shore by difficult mountain terrain. The bank alternatives closest to Loganton (1970 population 436) are the Mill Hall branch of the $89.9-million-deposit Central Counties Bank, 13 road-miles northwest of

Loganton, and the Rebersburg Branch of the $43.8-million-deposit The Peoples National Bank of Central Pennsylvania, 11 miles southwest of Loganton.

The main office of Avis Bank and its branch are, respectively, 22 road-miles north and 19 road-miles northwest, of Loganton. Although it appears that the area served by Avis Bank overlaps that of Loganton Bank, neither draws any significant volume of business from the service area of the other, and the terrain places them in essentially separate markets. Accordingly, no significant existing competition would be eliminated by their proposed merger.

Although Pennsylvania law permits both banks to branch *de novo* throughout Clinton County and the six adjoining counties, there appears to be minimal potential for increased competition between them in the future by this means of expansion. Loganton Bank would be inhibited from such *de novo* activity by a lack of financial and managerial resources. Avis Bank, for its part, would not find *de novo* entry into the Loganton market attractive because of the sparse population and low income levels prevailing.

Within the 7-county region in which Avis Bank may expand *de novo* or by merger (its maximum market since State law does not permit operation of multi-bank holding companies), a total of 42 commercial banks operate 97 offices and held area IPC deposits on June 30, 1973, aggregating $849.7 million. Avis Bank had 2.1 percent—the 16th largest share—of such deposits. The resulting bank would hold only 2.5 percent—the 13th largest share—of such deposits.

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

Financial and Managerial Resources; Future Prospects. The resulting bank would have adequate financial and managerial resources. Its future prospects would be satisfactory.

Convenience and Needs of the Community to be Served. Effects of the proposed merger would be most apparent in the Loganton market. The merger would make available services of an institution whose lending capability ($215,000 rather than $31,000) and more aggressive management should contribute to the area's development, meanwhile stimulating competition with neighboring banks.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Bank and Trust Co. of Pa. Reading, Pennsylvania	1,017,510	48	50
to merge with			
State Bank of Paradise Paradise	12,279	2	

Summary report by Attorney General, May 17, 1974

American Bank's two Lancaster County offices are located in western and northeastern Lancaster County, respectively, and account for approximately 3 percent of total county deposits. Two offices, to be located in the city of Lancaster in the central part of the county, have been approved but not opened. Paradise Bank's main office is located about 10 miles southeast of Lancaster City, and its Greenfield branch is located just outside the Lancaster city limits. The nearest offices of the parties, American Bank's Columbia branch and the Paradise Bank's Greenfield branch, are separated in the intervening area.

Although American Bank can be expected to continue to increase its competitive efforts in Lancaster County, we do not believe that the proposed transaction would result in any significant elimination of competition or increase in banking concentration therein.

Basis for Corporation approval, August 30, 1974

American Bank and Trust Co. of Pa., Reading, Pennsylvania ("American"), a State nonmember insured bank with total resources of $1,017,510,000 and total IPC deposits of $786,619,000, 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 State Bank of Paradise, Paradise, Pennsylvania ("Paradise Bank"), with total resources of $12,279,000 and total IPC deposits of $10,831,000, under the charter and title of American. As an incident to the merger, the main office and only branch of Paradise Bank would become branches of the resulting bank, increasing the number of its authorized offices to 52.

Competition. American operates 48 offices in the 7 counties where it may legally branch or merge under Pennsylvania law, *i.e.,* Berks, Chester, Lancaster, Lebanon, Lehigh, Montgomery, and Schuylkill Counties. Until recently, American had only two offices in Lancaster County, located at opposite ends of the county. In August, however, it established a *de novo* branch in western Lancaster city. American also has approval to establish one more *de novo* branch in downtown Lancaster and one *de novo* branch in Berks County. American is an aggressive, full-service bank with a large trust department.

Paradise Bank operates its main office in Paradise (1970 population 3,751), about 10 miles east of Lancaster (1970 population 57,690, a decline of 5.5 percent from 1960), and its only branch is located in a residential area in eastern Lancaster.

The city of Lancaster is centrally located in Lancaster County, which is coterminous with the Lancaster SMSA. The county had a 1970 population of 320,079, an increase of 15.0 percent from 1960, far in excess of the 4.2 percent increase for the State as a whole. The 1973 median household buying level for Lancaster County was $9,901, some 3.3 percent higher than the State figure. Lancaster County is economically active and has a wealth of good farmland as well as a significant industrial base. As the home of the Pennsylvania Dutch, the county is also one of the major tourist attractions in the United States.

The effects of the proposed merger would be confined to Lancaster County. Seventeen commercial banks operate 85 offices in the county, and the 4 largest such banks (in terms of the local deposit market) control 64.9 percent of the

$875 million aggregate in commercial bank IPC deposits. American has a modest presence in the market at this time with only 3.1 percent of such aggregate IPC deposits. The addition of Paradise Bank's 1.1 percent share of the market to American's small share would obviously not disturb the local structure of commercial banking.

The closest existing office of American to either office of Paradise Bank is its newly opened branch on the west side of the city of Lancaster, and many of the city's commercial banking offices lie in between. Further, neither of the participating banks generates any significant volume of business from areas presently served by the other. The proposed merger therefore would not eliminate any significant existing competition between the two banks.

The proposed merger would eliminate the potential for increased competition to develop between American and Paradise Bank in the future. Although Paradise Bank has only limited financial and managerial resources for *de novo* expansion into areas served by American, the latter clearly has the capacity for such expansion within the market as demonstrated by the fact that it recently established one *de novo* branch and has another under construction in the city of Lancaster. The latter is expected to be opened this year, and it is only about 4 miles west of Paradise Bank's branch. However, in view of the numerous commercial banking offices which lie between these two locations, the small share of the Lancaster County market the resulting bank would have, and the numerous potential entrants presently unrepresented in Lancaster County, the elimination of this potential competition is not viewed as competitively significant.

Within the 7-county area where American may branch or merge, there are over 500 offices of 81 commercial banks. As of June 30, 1973, these offices held over $5 billion in total IPC deposits, with American having 13.1 percent of the total commercial bank IPC deposits held in these 500-plus offices. While American's percentage of such deposits places it in the first-ranking position, there are six commercial banks with total resources in excess of $1 billion each (including three with total resources over $2.5 billion) which operate, or have the authority to operate, offices in four of the seven counties in which American has offices (Chester, Berks, Lehigh, and Montgomery Counties). In addition, another 22 commercial banks, each with total resources in excess of $100 million may branch into various portions of American's trade area. Thus, American is faced with many significant competitors throughout its service area, and the proposed merger, which would add only 0.2 percent to American's share of commercial bank IPC deposits within the seven-county area, would not significantly affect the structure of commercial banking in this larger area.

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

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do as independent institutions, and the same would be true of the resulting bank.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would bring to customers of Paradise Bank the broad range of services of a large commercial bank, such as significantly larger lending limits, bank credit card services, computer services, trust services, and a more complete line of credit services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Northeastern Bank of Pennsylvania Scranton, Pennsylvania	475,717	13	14
to merge with			
The Plymouth National Bank Plymouth	30,459	1	

Summary report by Attorney General, May 6, 1974

Northeast Bank operates three offices in Luzerne County—one in Wilkes-Barre in the north-central part of the county and two in Hazleton in the far southern part of the county. Plymouth National Bank is located approximately 4 miles west of Northeast Bank's Wilkes-Barre office and 20 miles northeast of Northeast Bank's Hazleton offices. The proposed acquisition would appear to eliminate existing competition between the banks in the northern part of the county, particularly in the Wilkes-Barre area, and would somewhat increase concentration in commercial banking therein.

Basis for Corporation approval, August 30, 1974

Northeastern Bank of Pennsylvania, Scranton, Pennsylvania ("Northeastern"), a State nonmember insured bank with total resources of $475,717,000 and total IPC deposits of $383,043,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with The Plymouth National Bank, Plymouth, Pennsylvania ("Plymouth National"), with total resources of $30,459,000 and total IPC deposits of $25,152,000. Northeastern, as an incident to the merger, would establish the sole office of Plymouth National as a branch. The resulting bank would have a total of 14 offices.

Competition. Northeastern operates a total of 13 offices: its main office and 4 branches in Lackawanna County, 5 branches in Monroe County, and 3 branches in Luzerne County. Northeastern is the largest commercial bank operating in this three-county region of northeastern Pennsylvania, although two other commercial banks, both with extensive representation within the market, individually control IPC deposits in their area offices of more than $235 million.

Plymouth National maintains its sole office in Plymouth Borough (1970 population 9,536—down 8.3 percent from 1960) in Luzerne County. This county is a portion of a region which was dominated for many years by anthracite mining until this industry declined during the 1950s and early 1960s. Presently the textile industry offers employment to many local residents while others find work in Wilkes-Barre (1970 population 58,856), the county seat and center of trade, located some 5 road-miles northeast of Plymouth. Income levels of the county are about 13 percent below the State level. Economic recovery in the area has been further hampered by the lingering effects of 1972's severe flood damage.

The proposed merger would have its most immediate and direct impact within a 10-mile radius of Plymouth along the Susquehanna River Valley toward Pittston on the northeast and Nanticoke to the southwest. This relatively populous banking market includes Wilkes-Barre but not Scranton. Fifteen commercial banks operate a total of 45 offices in this relevant geographic market with IPC deposits aggregating approximately $900 million. Plymouth National has the ninth largest share (2.9 percent) of these deposits; Northeastern, the sixth largest share (4.4 percent). The two largest IPC deposit shares, 31.1 percent and 20.4 percent, are held, respectively, by the $348.6-million-IPC-deposit United Penn Bank and the $259.1-million-IPC-deposit The First National Bank of Eastern Pennsylvania, which between them also have about half of the commercial bank offices in the market. Both of these banks are headquartered in Wilkes-Barre. The banks with the third and fourth largest shares of this local banking market hold, respectively, 9.7 percent and 8.2 percent of such IPC deposits. The resulting bank would hold the fifth largest share (7.3 percent) of such commercial bank IPC deposits.

The merging banks each have one office in this relevant geographic market, and these offices are located about 4 miles apart, although they are separated by the Susquehanna River. Given prevailing commuting patterns, it appears that some existing competition between the two banks would be eliminated by their proposed merger, but this appears to have limited competitive significance in view of the small share of area IPC deposits held by Plymouth National and the number of convenient alternatives for banking services which would remain in the relevant market following consummation of the proposed merger.

A commercial bank in Pennsylvania may legally branch *de novo* or merge throughout the county where its main office is located and all counties contiguous thereto. Thus, Northeastern and Plymouth National may establish *de novo* offices at locations which would result in increased competition between them. Plymouth National, however, has operated as a unit bank for many years and is now under the conservative policies of an aging management; it is not likely to engage in any significant *de novo* expansion. Northeastern, with more promising locations available elsewhere for *de novo* branching, appears unlikely to increase the number of its offices within Plymouth National's market in view of the declining population, substantially below average buying levels, and sluggish economy. Little potential for increased competition between the two banks through *de novo* branching in the future is likely to be eliminated, therefore, by the proposed merger.

Within the 6-county region in which Northeastern may expand *de novo* or by merger (its maximum potential market since Pennsylvania law does not permit the operation of multibank holding companies), a total of 52 commercial banks now operate 164 offices and hold area IPC deposits aggregating $2,343 million. Northeastern has the largest share (15.4 percent) of such deposits and 7.9 percent of the commercial bank offices in the region. The proposed merger would increase Northeastern's IPC deposit share of this market to 16.5 percent, while the four next ranking banks would hold in the aggregate 32.7 percent of such deposits. This six-county region is, thus, not one of substantial concentration, and the proposed merger would not have a significant adverse effect on commercial bank structure in the region.

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

Financial and Managerial Resources; Future Prospects. The resulting bank would have adequate financial and managerial resources. Its future prospects would be satisfactory.

Convenience and Needs of the Community to be Served. The merger would result in no significant change in the services now available to Northeastern's customers. Customers of Plymouth National, however, would benefit from an expansion of commercial bank services, including a greatly increased lending limit and more sophisticated loan services, as well as trust facilities and computer services.

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

	Resources (n thousands of dollars)	Banking Offices	
		In operation	To be operated
United Penn Bank Wilkes-Barre, Pennsylvania	428,050	18	20
to purchase the assets and assume the deposit liabilities of			
The Miners Bank and Trust Company of West Hazleton, Pa. West Hazleton	12,914	2	

Summary report by Attorney General, August 29, 1974

United Penn currently has no offices in Lackawanna County. The main offices of the parties are located approximately 20 miles apart. Their nearest branches are separated by a distance of about 10 miles, with several competitive alternatives in the intervening area. Although the proposed merger may eliminate some existing competition, it does not appear that concentration would be substantially increased in any relevant banking market.

While United Penn, the largest bank in Luzerne County, may legally branch *de novo* into the area served by Westside Bank, the economy of that area has been on the decline since 1930. While there are currently some signs of improvement, the region is not one of the stronger growth centers of Pennsylvania. Lackawanna County is currently served by 16 other banks; Westside Bank is fifth largest with only 4.8 percent of total deposits. In view of its relatively modest market position, we conclude that the proposed transaction would not eliminate significant potential competition.

Basis for Corporation approval, August 30, 1974

United Penn Bank, Wilkes-Barre, Pennsylvania ("United Penn"), a State nonmember insured bank with total resources of $428,050,000 and total IPC deposits of $348,622,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to purchase the assets of, and assume the liability to pay deposits made in, The Miners Bank and Trust Company of West Hazleton, Pa., West Hazleton, Pennsylvania ("Miners Bank"), a State nonmember insured bank with total resources of $12,914,000 and IPC deposits of $11,818,000, under the charter and with the title of United Penn. The main office and only branch of Miners Bank would become branches of the resulting bank, increasing the number of its offices to 20.

Competition. United Penn is now operating 18 banking offices in 3 northeastern Pennsylvania counties. The main office and 10 branches are located in Wilkes-Barre and the Wyoming Valley area in central Luzerne County, 3 branches are in Wyoming County, and there are 4 branches in Columbia County. Miners Bank operates its main office and only branch in West Hazleton, in the extreme southern portion of Luzerne County.

The population of Luzerne County declined 1.3 percent in the decade preceding 1970 from 346,972 to 342,301. During the same period of time the population of the city of Wilkes-Barre declined 7.4 percent from 63,551 to 58,856. Formerly dependent upon anthracite mining and its transport, the county now has diversified industrial activity. Income levels in Luzerne County are about 12.7 percent below the statewide level. West Hazleton's 1970 population was 6,059, down 3.5 percent from 1960. It is adjacent to Hazleton which had a 1970 population of 30,426, off 5.1 percent from 1960.

The local banking market which would be most affected by the proposed transaction may be approximated by the area which includes West Hazleton, Hazleton, Conygham, Drums, and Nuremberg. In this market, there are 18 offices of 6 commercial banks which have an aggregate of $198 million in IPC deposits. Miners Bank, an unaggressive competitor, has 5.6 percent of these deposits, the fifth largest share, and is by far the smallest commercial bank represented there. Four of the banks represented in Miners Bank's market are among the 10 largest in United Penn's legal branching area, and 2 of these are larger than United Penn in terms of total deposits. Inasmuch as United Penn is not now represented in the local market and is succeeding to a relatively small share of local IPC deposits, the proposed transaction should have no adverse effect on the local commercial banking structure and may in fact stimulate competition locally.

The closest offices of United Penn to offices of Miners Bank are at Berwick, about 15 miles west of West Hazleton, and Mountaintop, about 18 miles north of West Hazleton. Rugged terrain separates these locations from West Hazleton, and each is naturally oriented to other areas. Further, each bank derives only a nominal amount of business from areas served by the other. It is apparent that United Penn and Miners Bank operate in different banking markets and that the proposed transaction would not eliminate any significant existing competition between them.

While Pennsylvania law would legally entitle either bank to branch *de novo* into areas presently served by the other, this does not appear to be probable under the circumstances presented. Miners Bank recently demonstrated its inability to pursue this course when it was forced to abandon plans for a *de novo* branch in Slocum Township, Luzerne County, because it was unsuccessful in raising the required capital which was a condition of the approval. United Penn undoubtedly has the resources for *de novo* branching, but it is unlikely to seek to enter the Hazleton area in this manner because of the declining population, the lower-than-average income levels, and the difficulty and expense of penetrating a new market which already has a number of significant competitors. There are undoubtedly other more attractive areas which United Penn would choose to more effectively utilize its resources. The proposed transaction therefore would not eliminate any significant potential for increased competition in the future between United Penn and Miners Bank as a result of *de novo* branching.

Within the 8-county area where United Penn may legally establish branches (its greatest potential market), 71 commercial banks operate 224 offices. A Scranton-based bank holds the largest share of this market, with 12.4 percent of the area's total IPC deposits. The second largest share, 11.4 percent, is held by United Penn, and its share after consummation of the proposed purchase and assumption would be 11.8 percent.

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

Financial and Managerial Resources; Future Prospects. United Penn has, and the resulting bank would have, adequate financial and managerial resources, and each has favorable future prospects. Miners Bank's future prospects would appear to be more favorable as part of the resulting bank than operating independently.

Convenience and Needs of the Community to be Served. Customers of Miners Bank would benefit from a full range of specialized lending services, a considerably larger lending limit, trust services, credit card services, and higher rates of interest paid on savings and time deposits. The general public in the Hazleton area should benefit from a more competitive banking environment.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Community Banking Company North Branford, Connecticut	26,020	5	8
to merge with			
Deep River Bank and Trust Company Deep River	13,438	3	

Summary report by Attorney General, June 19, 1974

Community Banking's offices are located in southern Connecticut in the area east of New Haven. Deep River Bank's offices are about 15 miles east of Community Banking's nearest office in Madison. There appears to be some competition between these banks, especially in the intervening towns of Killingworth, Clinton, and Westbrook. However, it does not appear that the proposed merger would substantially increase concentration in commercial banking in any relevant market. Thus, we conclude that the proposed transaction would not have a significant adverse effect on competition.

Basis for Corporation approval, September 18, 1974

Community Banking Company, North Branford, Connecticut ("Community"), an insured State nonmember bank with total resources of $26,020,000 and IPC deposits of $19,415,000, 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 Deep River Bank and Trust Company, Deep River, Connecticut ("Deep River"), with total resources of $13,438,000 and IPC deposits of $10,043,000. The banks would merge under the charter of Community and the three offices of Deep River would be operated as branches of the resultant bank. Community has also applied for consent to exercise full trust powers.

Competition. Community operates a total of five offices: four are located in New Haven County (population 744,948) and one is in Middlesex County (population 115,018). Community also has regulatory approval for one additional branch to be located in New Haven County. Each of Deep River's three offices is located in Middlesex County. Both counties are located in the south-central area of the State and each experienced healthy population growth in the 1960s. Community and Deep River both serve primarily residential areas in which the importance of agriculture as a source of employment is declining as the population increases, new industry is established, and commercial development takes place.

The main offices of the two banks are 19 miles apart and their closest offices are 14 miles apart. The only competition existing between applicants is in the towns of Killingworth, Clinton, and Westbrook, which constitute the area of overlap of the local service areas. These communities contribute only a moderate amount to the deposit or loan structure of either bank, and the proposed merger would eliminate no significant degree of existing competition.

There are 7 other commercial banking alternatives, operating 21 offices, in the combined area of applicants, the area where the proposed merger would have its greatest competitive impact. Six of the seven are out-of-area banks operating 20 offices as branches. All of the out-of-area banks are among the 10 largest commercial banking organizations in the State or are affiliated with them. The resultant bank with 21.6 percent of total IPC deposits would have the largest share of such deposits in the combined service area, but five of the six out-of-area banks would have market shares ranging from 12.4 to 17.2 percent of such IPC deposits. In view of the nature of its competition, the resultant bank's percentage of the market undoubtedly overstates its competitive influence within the market.

State law allows for statewide *de novo* branching subject to home office protection. Thus, neither of the two banks proposed to be merged may branch *de novo* into the main office community of the other. Although increased competition between the two banks via *de novo* branching is possible in other communities, it appears unlikely in the foreseeable future due to their relatively limited resources, the scarcity of locations not subject to home office protection, and the competitive situation with which each is confronted. The proposed merger would, however, open Deep River to *de novo* branching by other commercial banks.

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

Financial and Managerial Resources; Future Prospects. Both Community and Deep River have adequate financial and managerial resources and favorable future prospects, as would the resultant bank.

Convenience and Needs of the Community to be Served. The proposed merger would expand trust services for Deep River's customers and extend such services to Community's present customers. Significantly larger lending limits and a broader range of commercial bank services than are now offered by either bank would be available to all customers of the resultant bank. The merger would also provide an additional alternative for these services in competition with the large statewide commercial banks with offices in the area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Central Counties Bank State College, Pennsylvania	104,404	9	18
to merge with			
The First National Bank of Altoona Altoona	90,143	9	

Summary report by Attorney General, May 22, 1974

Central Counties Bank is headquartered in State College, about 36 miles northeast of Altoona, where Altoona Bank is headquartered, and about 20 miles northeast of Altoona Bank's branch in Tyrone. There are two competitive alternatives in Tyrone and two in the area intervening between Tyrone and State College. Thus, it does not appear that the proposed merger would eliminate substantial existing competition or significantly increase concentration in any banking market.

Central Counties Bank is one of only a few substantial banks that may legally branch *de novo* into Blair County, where Altoona Bank is the second largest of five banks and holds approximately 26 percent of total county deposits. Similarly, Altoona Bank may legally branch into adjacent Centre County, where Central Counties Bank ranks second among the 12 banks with offices in the county and holds approximately 20 percent of total county deposits. Thus, we conclude that the proposed merger may have some adverse effects on potential competition in central Pennsylvania.

Basis for Corporation approval, September 18, 1974

Central Counties Bank, State College, Pennsylvania, a State nonmember insured bank with total resources of $104,404,000 and IPC deposits of $74,416,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge with The First National Bank of Altoona, Altoona, Pennsylvania ("FNB Altoona"), with total resources of $90,143,000 and IPC deposits of $75,591,000. The banks would merge under the charter and title of Central Counties Bank. The resulting bank, with the 9 offices of FNB Altoona established as branches, would operate a total of 18 offices.

Competition. Central Counties Bank has nine offices in two of the seven counties which are open to it under Pennsylvania law for branching or merging. The main office and three branches are located in State College (population 33,778) and its close environs in southern Centre County, with one office in Milesburg (population 1,196), some 14 road-miles to the north. In Clinton County, which lies immediately north of Centre County, three offices are operated in Lock Haven (population 11,427) and in suburban Mill Hall (population 1,838) and one office is operated in Renovo (population 2,620), 20 road-miles northwest of Lock Haven. These two mid-Pennsylvania counties had a combined 1970 population of 136,988, an increase of some 17.9 percent during the 1960s. The 1973 median household incomes for Centre County ($9,014) and Clinton County ($8,492) lagged the statewide figure of $9,588. The Pennsylvania State University is the major economic influence in the State College area, while agriculture and mixed industry are significant throughout the two counties.

FNB Altoona operates its nine offices in Blair County (1970 population 135,356, off 1.4 percent during the 1960s): six in Altoona (population 63,115) and its suburbs and one office each in Hollidaysburg (population 6,262), 4 miles southeast of Altoona; Roaring Spring (population 2,811), 14 road-miles to the southeast; and Tyrone (population 7,072), 18 miles to the northeast. Blair County is situated immediately southwest of Centre County. Altoona developed as a railroad town and the Penn Central Company continues to be one of the major factors in the county's mixed industrial-agricultural economy. Income levels in Blair County are about 7.5 percent below those of the State as a whole.

Major competitors for Central Counties Bank in its two-county primary trade area include the $172.1-million-deposit Mid-State Bank and Trust Company, Altoona; the $51.3-million-deposit The Peoples National Bank of Central Pennsylvania, State College; and the $94.8-million-deposit Fidelity National Bank of Pa., Williamsport. FNB Altoona is not represented in either Clinton or Centre County.

The competitive effect of the proposed merger would be most immediate and direct in Blair County. This county, which comprises the Altoona SMSA, is the primary trade area of FNB Altoona. Offices of the 5 commercial banks in this market, now totaling 32, hold aggregate IPC deposits of $265.6 million. FNB Altoona is the second largest commercial bank in this market, controlling approximately 28.5 percent of such deposits. Mid-State Bank and Trust Company, also headquartered in Altoona, holds the largest share of such deposits (41.5 percent) and operates 10 offices in the market. Central Counties Bank is not represented in Blair County.

Some 29 road-miles separate FNB Altoona's branch in Tyrone from the closest office of Central Counties Bank. Two other commercial banks have offices in the intervening area. People of the Tyrone area travel south to Altoona for shopping and entertainment and have numerous convenient banking alternatives in the area south of Tyrone. State College, on the other hand, is the established trading center of southern Centre County and inhabitants of the area would have little incentive to shop elsewhere or to seek alternative bank choices beyond those available in the local market. The two banks, thus, operate in separate banking markets and neither draws a significant amount of business from areas served by the other.

Under Pennsylvania law, FNB Altoona may branch *de novo* into Centre County, and Central Counties Bank may branch *de novo* into Blair County. Neither county, however, appears to be attractive for any significant number of additional *de novo* facilities within the foreseeable future. Blair County's population has been declining, its buying levels are below the State average, and the population for each commercial bank office in the county is less than 4,000 people. Centre County also has below average buying levels and, although the population is expanding in this market, there presently is a commercial banking office for each 3,545 people. Furthermore, should future developments warrant additional commercial bank facilities, there are other large banks besides Central Counties Bank capable of entering Blair County *de novo*, and similarly other banks than FNB Altoona capable of entering Centre County *de novo*. Given the economic and structural characteristics of both counties, and their future prospects, the Corporation doubts that significant *de novo* branching will occur in either in the foreseeable future. Thus, even though both banks may be capable of entering areas served by the other *de novo,* it would appear that with few *de novo* facilities in prospect and other potential entrants available in any case, the proposed merger would not significantly reduce opportunities for more intensive competition in either county in the future.

Within the 7-county branching area open to Central Counties Bank (its maximum geographic market since Pennsylvania law does not permit the operation of multibank holding companies), there are 137 offices operated by 45 commercial banks. These banks hold total area IPC deposits of $1,019 million. Central Counties Bank has approximately 7.3 percent of such deposits and FNB Altoona 7.4 percent.* Mid-State Bank and Trust Company would continue to hold the largest share of such deposits, 15.8 percent. The five largest IPC deposit shares in this area would then aggregate 44.4 percent of the total.

Under these circumstances, the Board of Directors has concluded that the proposed merger would not, in any section of the country, substantially lessen

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*Data have been adjusted to reflect the November 12, 1974 merger of The Loganton National Bank into The State Bank of Avis.

competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. The resulting bank would have adequate financial and managerial resources. Its future prospects appear to be favorable.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would provide customers of FNB Altoona a broader range of credit services, a higher rate of interest on savings deposits, and a significantly larger lending limit. The resulting bank should accordingly strengthen competition within Blair County, to the benefit of local businessmen and residents generally.

The Board of Directors, in view of the foregoing, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Southern Bank and Trust Company Greenville, South Carolina	174,172	29	58
to acquire the assets and assume the deposit liabilities of			
American Bank & Trust Orangeburg	146,463	29	

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

Basis for Corporation approval, September 20, 1974

Southern Bank and Trust Company, Greenville, South Carolina ("Southern"), an insured State nonmember bank with total resources of $174,172,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's consent to purchase the assets of, and assume liability to pay deposits made in, American Bank & Trust, Orangeburg, South Carolina ("American"), an insured State nonmember bank with total resources of $146,463,000. As an incident to the proposed transaction, the 29 operating and 3 approved but unopened offices of American would become branches of Southern.

As of September 20, 1974, American had deposits and other liabilities of some $132 million and operated 29 offices. On September 20, 1974, the Federal Deposit Insurance Corporation was appointed as Receiver of American.

The Board of Directors finds that the failure of American requires it to act immediately and thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Barclays Bank of California San Francisco, California	303,791	31	38
to acquire the assets and assume the deposit liabilities of			
The County Bank, Santa Barbara—Carpinteria Santa Barbara	44,624	7	

Summary report by Attorney General, June 19, 1974

The nearest offices of the parties are separated by approximately 17 miles, with a number of competitive alternatives in the intervening area. County Bank's proposed Woodland Hills office, approved but not yet opened, will be within 5 miles of the nearest Barclays California branch. Thus, it appears that the proposed transaction may eliminate some competition between the parties in the Los Angeles-Ventura County area. However, it does not appear that concentration will be substantially increased in any relevant banking market.

Although California law permits statewide branching, the relatively modest position of each of the parties in their respective markets diminishes the effect of this transaction on potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, October 1, 1974

Barclays Bank of California, San Francisco, California ("Barclays"), a State nonmember insured bank having total resources of $303,791,000 and total IPC deposits of $207,906,000, 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 the liability to pay deposits made in, The County Bank, Santa Barbara-Carpinteria, Santa Barbara, California ("County Bank"), with total resources of $44,624,000 and total IPC deposits of $30,462,000. The banks would complete the proposed transaction under the charter and title of Barclays and, incident to the transaction, the 7 existing offices and 2 approved but unopened offices of County Bank would become branches of the resulting bank, increasing the number of its authorized offices to 42.

Competition. Barclays has its main office in San Francisco and eight branches in the San Francisco-Oakland SMSA. Eleven branches are located in the San Jose-Santa Clara area at the southern part of the San Francisco Peninsula; eight are in the Anaheim-Garden Grove-Santa Ana area of Orange County about 25 miles southeast of Los Angeles and three are in the Los Angeles-Long Beach area. Barclays also has approval for two additional branches—one in Los Angeles County and one in Palm Springs, Riverside County. Only in the San Jose-Santa Clara SMSA does Barclays have more than a nominal share of the commercial bank deposits held at offices in these local banking markets.

County Bank's main office is in Santa Barbara with branches in Goleta, Santa Barbara, and Carpinteria, along 22 miles of the Pacific Coast in Santa Barbara County. Other branches include Ventura on the Pacific Coast, about

28 miles southeast of the main office; Malibu, located on the Pacific Coast approximately 70 miles southeast of the main office; and Thousand Oaks, located east-southeast about 55 miles from the main office in the Conejo Valley. County Bank also has approval to establish two additional branches—one in Oxnard, Ventura County, and one in Woodland Hills, Los Angeles County. In each of its local banking markets, County Bank's share of commercial bank deposits is markedly lower than the shares held by two or more of the five largest commercial banks in California.

Barclays and County Bank have no common borrowers, and except in the Los Angeles-Long Beach SMSA, there is negligible overlapping in the geographic areas from which they draw their loans and deposits, their nearest offices being about 15 miles apart. However, the approved but unopened Woodland Hills Branch of County Bank will be located 4 miles from Barclays' Tarzana Office. Thirteen offices representing nine other banks, including the five largest commercial banks in California, are within 1 mile of the Tarzana Office. This service area is on the western edge of the Los Angeles-Long Beach SMSA, in which Barclays controls only 0.07 percent of total commercial bank deposits and County Bank, only 0.01 percent. In view of these nominal market shares, any elimination of either existing or potential competition between the two banks in this SMSA is considered inconsequential competitively.

Unlimited statewide *de novo* branching is permitted in California, and it is highly probable that in the absence of this proposal, Barclays would in time branch *de novo* into all of the local banking markets served by County Bank. County Bank, on the other hand, due to its relatively small size and limited financial resources, is unlikely to become a significant competitor of Barclays anywhere except possibly in the Los Angeles-Long Beach SMSA. Presently Barclays Bank controls only 0.3 percent of total statewide commercial bank deposits and County Bank, 0.1 percent. In view of the minimal shares of State and local market deposits held by the two banks and the intense statewide competition of the largest California banks, any elimination of potential competition caused by consummation of this proposed transaction has no significance for the future. The 10 largest banks hold 88.1 percent of total deposits in this highly concentrated State banking system. Approximately 0.4 percent of total deposits would be held by the resulting bank.

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

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory managerial resources to conduct their present volume of business. Financial and managerial resources of the resulting bank would be acceptable and its future prospects appear favorable.

Convenience and Needs of the Community to be Served. On consummation of the proposed transaction, customers of County Bank should benefit from the significantly higher lending limits afforded the resulting bank. They would also benefit through the addition of international banking services, a lowering of certain service charges, and the adjustment of loan interest rates to a more competitive level.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Merchants and Farmers Bank Kosciusko, Mississippi	44,639	11	12
to merge with **The Bank of Lena** Lena	1,213	1	

Summary report by Attorney General, August 20, 1974

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, October 1, 1974

Merchants and Farmers Bank, Kosciusko, Mississippi ("Merchants"), a State nonmember insured bank with total resources of $44,639,000 and total IPC deposits of $32,700,000, 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 The Bank of Lena, Lena, Mississippi, with total resources of $1,213,000 and total IPC deposits of $1,029,000. These banks would merge under the charter and title of Merchants and, as an incident to the merger, the sole office of The Bank of Lena would be established as a branch of the resulting bank, which would then have 12 offices in operation, plus one approved but unopened office.

Competition. Merchants operates 11 offices in 5 central Mississippi counties: 6, including its main office, in Attala County (1970 population 19,570), 2 in Holmes County (1970 population 23,120), and 1 each in Choctaw County (1970 population 8,440), Leake County (1970 population 17,085), and Oktibbeha County (1970 population 28,752). Merchants has the necessary supervisory approvals to establish one additional office in Kosciusko.

The Bank of Lena operates its sole office in Lena (1970 population 233), a very small incorporated community in southern Leake County, some 35 road-miles south of Kosciusko. Leake County's population loss of 8.4 percent during the 1960s reflects a declining economy.

The proposed merger would have its most direct and immediate effect in southern Leake County within about 17 miles of Lena—an area which includes the county seat of Carthage, located some 14 road-miles north of Lena, and Walnut Grove, another small incorporated community about 17 road-miles east of Lena. There are no significant roads which directly connect Lena with communities to the west, and to the south, Lena is separated from communities in adjacent Scott County by the Bienville National Forest. Southern Leake County is agricultural, with row crops and the production of cattle and hogs having replaced cotton as the principal source of income in recent years. The economy of the relevant market has been declining and the 1973 median household effective buying level of Leake County ($5,156) is significantly lower than that of the State ($6,928)—the latter being well below the comparable national level.

This local market in southern Leake County, which had a population of somewhat more than 9,000 in 1970, is served by a total of five offices of four commercial banks. Of the $29.4 million of IPC deposits held by these offices, The Bank of Lena has the smallest share, 3.5 percent. Two banks in Carthage, the county seat and trading center of Leake County, hold 79.6 percent of the commercial bank IPC deposits in this relevant geographic area, while the bank in Walnut Grove holds the remaining 16.8 percent. Merchants is not represented in this market at all; its closest office to Lens is located in Thomastown, in northern Leake County, about 22 road-miles north of Lena and 11 miles northwest of Carthage. The highway and road configuration of Leake County makes even more remote any direct competition between Merchants and The Bank of Lena than actual distance indicates. Accordingly, the proposed merger may be viewed as eliminating no significant amount of competition between the two banks.

There also appears to be no significant potential for increased competition between the two banks in the future through *de novo* branching. The Bank of Lena has experienced only minimal deposit growth during recent years and has neither the financial nor managerial resources to pursue *de novo* expansion. Merchants, for its part, would find southern Leake County unattractive for *de novo* entry. This is an area of sparse and declining population and significantly below average buying levels. Four commercial banks presently have offices in the area and none of its three incorporated communities is legally open for *de novo* entry by other banks.

In its maximum branching area under Mississippi law, *i.e.,* the area within 100 miles of Kosciusko, the resulting bank would control only 1.2 percent of total commercial bank deposits, ranking 17th in this regard within the area. Statewide, the resulting bank would hold less than 1.0 percent of all commercial bank deposits in Mississippi.

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

Financial and Managerial Resources; Future Prospects. Both Merchants and The Bank of Lena have satisfactory financial resources. There is a lack of management depth at The Bank of Lena which this proposed merger would resolve. Future prospects of the resulting bank appear favorable.

Convenience and Needs of the Community to be Served. The merger would make available in the Lena market the full services of a much larger, more sophisticated and aggressive bank. Consumer installment credit, credit cards, time deposit open accounts, safe deposit facilities, and trust services would become availabe for the first time at The Bank of Lena's location. These conveniences, together with a lending limit increased from $12,000 to $600,000, should stimulate competition in southern Leake County to the benefit of farmers, businessmen, and the general public.

The Board of Directors, in view of the foregoing, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Albany Savings Bank Albany, New York	563,792	7	8
to merge with **First Savings and Loan Association of Troy** Troy	14,455	1	

Summary report by Attorney General, July 13, 1974

The cities of Albany and Troy are only about 8 miles apart, located on opposite sides of the Hudson River. While Albany Savings Bank does not now operate offices in Troy or in Rensselaer County, in which Troy is located, Albany Savings Bank derives a substantial proportion of its business from that area. It appears, therefore, that the merger would eliminate some existing competition between the two institutions.

Albany Savings Bank is the largest thrift institution in the Albany-Troy area, holding about 33 percent of total deposits held by such institutions. First S&L, on the other hand, holds only about 0.9 percent of total thrift institution deposits in the Albany-Troy area. Thus, because of the small size of First S&L, the effect of the merger on competition would not be significantly adverse.

Basis for Corporation approval, October 1, 1974

Albany Savings Bank, Albany, New York ("Albany Savings"), an insured mutual savings bank with total resources of $563,792,000 and total deposits of $519,408,000, 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 First Savings and Loan Association of Troy, Troy, New York ("S&L"), a federally insured, State-chartered savings and loan association with total resources of $14,455,000 and total deposits of $13,579,000. The 2 institutions would merge under the charter and title of Albany Savings and, incident to the merger, the 2 approved offices of S&L would be established as branches of the resulting bank, increasing the number of its approved offices to 10.

Competition. Albany Savings operates a total of seven offices: its main office and one branch in Albany, two branches in Glens Falls, and one branch each in Colonie, Schenectady, and Johnstown. The offices in Glens Falls and Johnstown were acquired during 1970 and 1971 by mergers with two State-chartered savings and loan associations. Albany Savings also holds the necessary supervisory approvals to establish an office in Plattsburgh. Under present New York law, Albany Savings may acquire by merger any number of branches throughout the Fourth Banking District, a 15-county region in northeastern New York State, but its establishment of *de novo* branches is limited to one such branch each year. Beginning January 1, 1976, mutual savings banks may branch throughout the State subject to the continuing limitation of one *de novo* branch each year.

S&L has its sole office in Troy (1970 population 62,918—down 6.8 percent from 1960). It holds the necessary supervisory approvals, however, to establish a branch in East Greenbush (population 10,679), located some 11 miles south of Troy. The area principally served by S&L comprises the city of Troy and its close environs. In 1973, the median household buying level in the city ($8,055) was 21.5 percent below that of the State as a whole. Approximately 90.9 percent of the thrift institution deposits in Troy on June 30, 1973, were controlled by two Troy-based savings banks. An Albany-based savings bank, which recently acquired a toe-hold in this market by merger with another savings and loan association, shares the remainder of such deposits with S&L. Albany Savings has no office in the city of Troy.

The local banking market served by Albany Savings comprises the counties of Albany, Rensselaer, Saratoga, Schenectady, and Warren, a mixed residential and industrial region in northeastern New York State. S&L serves a small portion of this market, but Albany Savings, whose nearest office to Troy is 8 miles away, across the Hudson River, also draws deposit and loan business from the same portion of the market. Accordingly, some direct competition between the two institutions would be eliminated by their merger. This consequence of the proposed merger is of little significance, however, in view of the fact that S&L holds so minor a share of all thrift institution deposits in the whole market, and that numerous thrift institution alternatives are available. This wide choice of alternatives, moreover, is likely to increase further after January 1, 1976, when New York law will permit statewide branching by thrift institutions.

It appears, moreover, that there is no significant potential for increased competition between the two institutions in the future through *de novo* branching. Albany Savings is likely to find other locations in the Fourth Banking District and, after January 1, 1976, in the State that are more attractive than Troy for the limited *de novo* expansion permitted by New York law. For its part, S&L has operated as a unit institution ever since its 1889 organization and would be unlikely in the foreseeable future to undertake additional *de novo* expansion because of its limited financial and managerial resources.

Albany Savings is the second largest thrift institution in the Fourth Banking District, holding approximately 18.0 percent of the deposits held on June 30, 1973, by the 21 thrift institutions operating therein. The resulting bank, with approximately 18.4 percent of such deposits, would continue to be the district's second largest thrift institution. Statewide branching and merging subsequent to January 1, 1976, is likely to bring additional thrift institution competition to the market presently served by Albany Savings and should tend to deconcentrate present holdings of thrift institution deposits.

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

Financial and Managerial Resources; Future Prospects. Financial resources of both institutions are satisfactory. Under the satisfactory management of the resulting bank, the future prospects of S&L are more favorable than if S&L were to continue to operate as an independent institution. The resulting bank has favorable future prospects.

Convenience and Needs of the Community to be Served. The resulting bank would offer a broader spectrum of credit services, including FHA and VA mortgages, and a greatly increased lending capability at the S&L location and should provide more effective competition in the field of real estate financing to the other savings banks and commercial banks in the Troy market. Customers of S&L should also benefit from the availability of savings bank life insurance.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bradford Trust Company New York, New York	21,633	1	1
to acquire the trust business of **Franklin National Bank** New York	3,590,554	104	

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

Basis for Corporation approval, October 8, 1974

Bradford Trust Company, New York (Manhattan), New York, an insured State nonmember trust company, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior approval to acquire the trust business of Franklin National Bank, New York (Brooklyn), New York ("Franklin"). Under this proposal, Bradford Trust Company would become successor trustee on all personal and corporate accounts now administered by Franklin.

As of October 8, 1974, Franklin National Bank had deposits and other liabilities of more than $3.4 billion and operated 104 offices. On October 8, 1974, the Federal Deposit Insurance Corporation was appointed Receiver of Franklin.

The Board of Directors finds that the failure of Franklin requires it to act immediately on the proposed purchase and assumption transaction. The Board thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
European-American Bank & Trust Company New York, New York	504,710	3	107
to acquire the assets and assume the deposit liabilities of			
Franklin National Bank New York	3,590,554	104	

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

Basis for Corporation approval, October 8, 1974

Pursuant to Section 18(c) of the Federal Deposit Insurance Act, European-American Bank & Trust Company, New York (Manhattan), New York ("European-American"), an insured State nonmember bank with total resources of $466,824,000 as of December 31, 1973, has applied for the Corporation's consent to purchase the assets of, and assume liability to pay deposits made in, Franklin National Bank, New York (Brooklyn), New York ("Franklin"). As an incident to the proposed transaction, the 104 offices of Franklin would become branches of European-American.

As of October 8, 1974, Franklin had total deposits and other liabilities of more than $3.4 billion and operated 104 offices. On October 8, 1974, the Federal Deposit Insurance Corporation was appointed as Receiver of Franklin.

The Board of Directors finds that the failure of Franklin requires it to act immediately. The Board thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Marine Midland Bank-Rochester Rochester, New York	719,324	34	35
to merge with			
Groveland State Bank Groveland	2,160	1	

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

Basis for Corporation approval, October 11, 1974

Marine Midland Bank-Rochester, Rochester, New York, an insured State nonmember bank with total resources of $719,324,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Groveland State Bank, Groveland, New York, an insured State nonmember bank with total resources of $2,160,000. As an incident to the proposed merger, the sole office of Groveland State Bank would become a branch of Marine Midland Bank-Rochester.

The Board of Directors has determined that the Corporation must act immediately in order to prevent the probable failure of Groveland State Bank.

Based on this finding the proposed merger is approved. Under Section 18(c)(4) of the Federal Deposit Insurance Act, the transaction may be consummated immediately.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Iowa State Savings Bank Creston, Iowa	20,505	1	2
to acquire the assets and assume the deposit liabilities of			
Cromwell State Savings Bank Cromwell	3,579	1	

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

Basis for Corporation approval, October 12, 1974

Iowa State Savings Bank, Creston, Iowa, an insured State nonmember bank with total resources of $20,505,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's consent to purchase the assets of, and assume liability to pay deposits made in, Cromwell State Savings Bank, Cromwell, Iowa, an insured State nonmember bank with total resources of $3,579,000. As an incident to the proposed transaction, the one office of Cromwell State Savings Bank would become a branch of Iowa State Savings Bank.

As of October 9, 1974, Cromwell State Savings Bank had deposits and other liabilities of some $3.5 million and operated one office. On October 10, 1974, the Federal Deposit Insurance Corporation was appointed as Receiver of Cromwell State Savings Bank.

The Board of Directors finds that the failure of Cromwell State Savings Bank requires it to act immediately and thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Community State Bank of Clear Lake Clear Lake, Iowa	8,834	1	2
to merge with **Ventura State Bank** Ventura	3,912	1	

Summary report by Attorney General, July 5, 1974

Clear Lake is located in west central Cerro Gordo County, about 15 miles west of Mason City. Ventura is located 4 miles west of Clear Lake in western Cerro Gordo County, near the Hancock County line. Thus, the offices of the parties to this proposed merger are separated by a distance of about 4 miles, with no banks in the intervening area. Each party to this proposed merger derives substantial deposits and loans from the service area of the other. Accordingly, the proposed transaction would apparently eliminate competition between the parties and increase concentration in western Cerro Gordo County.

According to the application, there is some indirect common stock ownership of the two banks, as well as some indirect officer-director interlocks. The application does not contain sufficient information to fully evaluate the existence, origin, or relevance of these facts, and we express no opinion on their effect on the foregoing competitive analysis.

Basis for Corporation approval, November 4, 1974

Community State Bank of Clear Lake, Clear Lake, Iowa ("Community Bank"), a State nonmember insured bank with total resources of $8,834,000 and total IPC deposits of $7,252,000, 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 Ventura State Bank, Ventura, Iowa ("Ventura Bank"), which has total resources of $3,912,000 and total IPC deposits of $3,204,000, under the charter and title of Community Bank. The sole office of Ventura Bank would become a branch of the resulting bank, which thereupon would operate two offices.

Competition. Both Community Bank and Ventura Bank are located in Cerro Gordo County, in north-central Iowa. The population of Cerro Gordo County declined during the 1960s from 49,894 to 49,223. Clear Lake city (population 6,430) adjoins the town of Ventura (population 543). Both are resort communities, dependent in large part on business attracted by a 3,640-acre lake located nearby, which is surrounded by homes and cottages, many occupied seasonally. The area's trading center is Mason City (population 30,379), the county seat, located 10 miles east of Clear Lake city and providing employment for many residents of both Clear Lake city and Ventura. Cerro Gordo County's median household effective buying level in 1973 ($9,385) approximates that of the State ($9,499).

Both Community Bank and Ventura Bank are controlled by Earl W. Nelson and several associates who also control, directly or indirectly, five other banks in the State of Iowa. None of these banks, other than Ventura Bank, has an office within 95 miles of Clear Lake city. However, the First State Bank of Thornton, Iowa, located about 18 miles southeast of Ventura and 14 miles south of Clear Lake city, is controlled by Earl W. Nelson and two associates not involved in the control of the seven Iowa banks already mentioned.

The proposed merger would have its most immediate and direct effects in an area within an approximate 15-mile radius of Ventura. A total of 12 commercial banks maintain 21 offices in this area, holding IPC deposits of $197.6 million and serving an estimated 50,200 people. Community Bank holds 3.7 percent, the 10th largest share of these deposits; Ventura Bank, its office located 4 miles west of Community Bank, holds 1.6 percent, the smallest share. The First State Bank of Thornton holds 3.9 percent of these commercial bank IPC deposits. The local market is dominated, however, by two Mason City-headquartered banks, The First National Bank of Mason City and United Home Bank & Trust Co., with 28.1 percent and 21.8 percent of such deposits, respectively. Although some existing competition between Community Bank and Ventura Bank was eliminated when they came under common control and this result would be made permanent by the proposed merger, the Corporation does not view that existing competition as substantial in view of the size of the market and its present structure. The resulting bank, in fact, would have only 5.3 percent of the market's total commercial bank IPC deposits. Including the deposits held by The First State Bank of Thornton, Iowa, only 9.2 percent of such deposits are involved.

Under Iowa law, both Community Bank and Ventura Bank may establish *de novo* offices in Cerro Gordo County and the eight surrounding counties, except in communities which are already banked. The potential for increased competition between the two banks through *de novo* branching is considered remote, however, even assuming their disaffiliation, because of their limited resources, the lack of growth in the area, the already low population for each commercial bank office, and Iowa's restrictive branching law.

A total of 79 offices of 54 commercial banks are located in the 9-county legal branching region of the resultant bank; these offices hold IPC deposits of $570.3 million. The resultant bank, holding 1.8 percent of such deposits, would become the 22nd largest in the region. Statewide, the resultant bank would hold less than 0.125 percent of the IPC deposits held by all commercial banks in Iowa.

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

Financial and Managerial Resources; Future Prospects. Both Community Bank and Ventura Bank have satisfactory financial and managerial resources for the business they do, as would the resultant bank. Future prospects of the resultant bank are considered to be favorable.

Convenience and Needs of the Community to be Served. The resultant bank would operate with an increased lending limit (of $156,000), and its aggregate size may lead in time to the establishment of a trust department which should be a convenience for a portion of the area's population. However, the merger would not initially provide residents of the Clear Lake-Ventura area with services not presently available at the offices of the two banks. The competitive position of the resultant bank, vis-a-vis larger banks already in the market, may be enhanced. However, overall considerations of convenience and needs weigh only slightly in favor of the proposed transaction.

In view of the lack of significant competitive impact, however, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Westchester County Savings Bank Tarrytown, New York	173,283	5	6
to merge with **Tuckahoe Savings and Loan Association** Tuckahoe	18,808	1	

Summary report by Attorney General, March 28, 1974

Applicant presently operates five offices in Westchester County and has been given approval for a sixth. Applicant's main office in Tarrytown and the site of the proposed branch in Greenburgh are within approximately 13 miles of Tuckahoe. Thus, it appears that the proposed transaction may eliminate some existing competition.

However, it does not appear that the proposed transaction would substantially increase concentration in any relevant geographic market. Applicant holds approximately 6 percent of total deposits held by Westchester County thrift institutions, while Tuckahoe accounts for less than 1 percent of such deposits.

Therefore, we conclude that the proposed merger would not have a substantial competitive impact.

Basis for Corporation approval, November 4, 1974

Westchester County Savings Bank, Tarrytown, New York ("WCSB"), an insured mutual savings bank with total resources on June 30, 1974, of $173,283,000 and total deposits of $159,568,000 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 Tuckahoe Savings and Loan Association, Tuckahoe, New York ("S&L"), a federally insured, State-chartered savings and loan association with total resources on February 8, 1974, of $18,808,000 and total deposits of $17,023,000. The two institutions would merge under the charter and title of WCSB and, incident to the merger, the sole office of S&L would become a branch of the resulting bank, increasing to six the number of its offices.

Competition. WCSB's main office is located in Tarrytown with branch offices in Ossining, Briarcliff Manor, Armonk, and Somers Township—all of which are in Westchester County, as is its approved but unopened branch in the town of Greenburgh. Through a 1971 merger with The Bank for Savings of Westchester (Ossining), WCSB acquired the Ossining and Briarcliff Manor offices.

The other branches were established *de novo.* New York State law allows WCSB to establish only one *de novo* branch per year in the Third Banking District, but any number of branches may be established in the Third Banking District by merger. Statewide branching will become effective on January 1, 1976; however, the one branch per year limitation will remain.

Westchester County (1970 population 891,409) covers an area of 457 square miles just north of New York City. This county has some industrial development and the executive offices of a number of large corporations; however, it is primarily a residential area, with a sizable portion of the population commuting to New York City for employment. All of WCSB's offices are located in Westchester County where it is the fifth largest of the 11 mutual savings banks headquartered there as of June 30, 1974. It controlled 7.0 percent of all deposits held by the 52 mutual savings bank offices in the county (11 of which represent 10 mutual savings banks headquartered in New York City). It ranks sixth of the 29 mutual savings banks headquartered in the Third Banking District, holding 4.8 percent of the deposits held at such institutions. The proposed transaction would not change either ranking nor would it affect the *de novo* branching capabilities of the resultant bank.

S&L's only office is located in the village of Tuckahoe in southern Westchester County. This village and the villages of Bronxville and Eastchester make up the town of Eastchester (1970 population 36,660). An area of approximately 5 square miles surrounding Tuckahoe constitutes S&L's primary trade area and includes the village of Tuckahoe, sections of the villages of Eastchester and Bronxville, and the Crestwood section of the city of Yonkers. S&L holds less than 1.0 percent of all deposits held by mutual savings banks and savings and loan associations in Westchester County offices.

The main office of WCSB is located 13 miles from S&L's sole office, and WCSB's unopened branch in the town of Greenburgh will be 10 miles away. The trade areas of the two institutions, however, are considered separate and distinct, and neither draws any substantial business from areas served by the other. As to potential competition in the future, S&L has not established a branch in its 84-year existence and the possibility of its establishing one now is considered remote, given its limited financial and managerial resources. WCSB has the capability of establishing a branch in the Tuckahoe area at some future time, but the elimination of this potential for increased competition in the future is considered insignificant in view of the size of S&L, the small share of the market it holds, and the likelihood of significant additional competition in the future from savings banks headquartered in New York City.

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

Financial and Managerial Resources; Future Prospects. Both institutions have satisfactory financial resources. A management succession problem at S&L would be resolved by the proposed merger. The resultant bank's financial and managerial resources would be satisfactory and its future prospects appear favorable.

Convenience and Needs of the Community to be Served. Increased lending limits, more liberal loan policies, new types of loans, including FHA home mortgage and education loans, and savings bank life insurance are among the services which would be offered to customers of S&L by the resultant bank, thus allowing this office to compete more effectively with the much larger thrift institutions and commercial banks represented in the area it serves.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
California Overseas Bank Beverly Hills, California	—	—	3
to purchase a portion of the assets and assume a portion of the liabilities of			
Ahmanson Bank and Trust Company Beverly Hills	21,780	3	

Summary report by Attorney General, October 7, 1974

California Overseas Bank ("California Bank") is a nonoperating institution organized for the purpose of effectuating the sale of the commercial banking business (except for the trust business) of Ahmanson Bank to a separate new banking organization. After consummation of the proposed plan, the capital stock of California Bank will largely be owned by a group of investors (including foreign investors) not connected with either Ahmanson Bank or its corporate parent.

It does not appear that the proposed transaction will have any adverse competitive effect.

Basis for Corporation approval, November 20, 1974

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed on behalf of California Overseas Bank, Beverly Hills, California, a proposed new bank in organization, for Federal deposit insurance and for consent to its purchase of a portion of the assets and assumption of a portion of the liabilities of Ahmanson Bank and Trust Company, Beverly Hills, California ("Ahmanson Bank"), a State nonmember insured bank (total resources $21,780,000; IPC deposits $16,597,000 as of June 30, 1974). The main office and two existing branches of Ahmanson Bank would be established as the main office and branches of California Overseas Bank.

Organization of California Overseas Bank and the proposed purchase and assumption transaction are being utilized by H.F. Ahmanson & Company, Los Angeles, California, a holding company controlling 100 percent of the voting shares of Ahmanson Bank, to divest the commercial banking business presently conducted by Ahmanson Bank. California Overseas Bank would not be in operation as a commercial bank prior to the proposed transaction. Subsequent to consummation of that transaction, California Overseas Bank would be sold to a group of investors, none of whom presently has an interest in any United

States bank. The sale consummated, California Overseas Bank would be operated as a commercial bank under a new management at the existing locations of Ahmanson Bank. The proposal, of itself, would not affect the competitive structure of commercial banking in the trade area of Ahmanson Bank or result in a change of the commercial banking services which Ahmanson Bank has heretofore made available to the public. All factors considered pertinent to the subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Citizens State Bank Williamsport, Indiana	16,327	1	2
to merge with **Farmers-Central Bank** West Lebanon	6,529	1	

Summary report by Attorney General, August 29, 1974

The banks are located about 6 miles apart, and are the only two banks in Warren County. Their proximity and the absence of intervening banking alternatives indicate that the proposed merger would generally be regarded as likely to eliminate competition between them, although the existence of other competitive alternatives in adjoining Fountain County and the small size of West Lebanon Bank would ameliorate this competitive effect. We note that the application indicates that longstanding common ownership and management has already eliminated any meaningful competition between the banks.

Basis for Corporation approval, November 20, 1974

The Citizens State Bank, Williamsport, Indiana ("Citizens"), an insured State nonmember bank with total assets of $16,327,000 and IPC deposits of $12,592,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Farmers-Central Bank, West Lebanon, Indiana ("Farmers"), which has total assets of $6,529,000 and IPC deposits of $5,291,000. As an incident to the merger, the sole office of Farmers would become a branch of the resulting bank, increasing the total number of its offices to two.

Competition. Citizens and Farmers each have sole offices in Warren County, about 6 miles apart. Warren County (population 8,705) is in northwestern Indiana on the Illinois border, and the area is primarily agricultural.

For over 20 years, nearly 80 percent of the stock of Citizens and over 93 percent of the stock of Farmers have been owned by the same individual and members of his family. He serves as president of both banks and, with other family members, controls both boards of directors. This common control antedates the original Bank Merger Act, thereby distinguishing this application from those involving subsequently acquired control. The proposed merger would not eliminate any existing competition, and it is highly unlikely that control of either bank would change in the foreseeable future. Moreover, the proposed merger would have no effect on the structure of commercial banking in and around Warren County, where the two banks have been operated in much the same way for 20 years, and where both compete with two banks of approximately the same size as Citizens and Farmers combined in Fountain County.

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

Financial and Managerial Resources; Future Prospects. Both institutions have adequate financial resources for the business they presently do. Managerial resources and future prospects are the same for both institutions and the resulting bank, and are satisfactory.

Convenience and Needs of the Community to be Served. The proposed merger would have virtually no effect on the convenience and needs of the Warren County community. It could, however, result in simplified operating procedures which might have the effect of improving the quality of banking services offered to customers of Citizens and Farmers.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Colebrook National Bank Colebrook, New Hampshire (change title to The First Colebrook Bank)	3,110	1	1
to merge with			
Colebrook Guaranty Savings Bank Colebrook	16,720	1	

Summary report by Attorney General, October 7, 1974

Colebrook (1970 population 2,100) is located in extreme northwestern New Hampshire, very near the Vermont border and about 8 miles south of the Canadian border. Guaranty Bank and National Bank are two of three banks operating in Colebrook. The third bank in the community is a full-service commercial bank, holding total deposits of about $10 million.

Guaranty Bank and National Bank are not now in substantial competition with each other. Guaranty Bank accepts only time and savings deposits and makes primarily real estate loans, while National Bank accepts only demand deposits and makes no real estate loans. It could be expected, however, that the two banks would ultimately compete with each other, in view of the recently enacted New Hampshire law which forbids continuation of this type of "tandem" arrangement after July 1, 1975. In view of the small size of National Bank, however, and of the Colebrook community, the effect of the merger on potential competition would not be significantly adverse.

Basis for Corporation approval, November 20, 1974

The Colebrook National Bank, Colebrook, New Hampshire ("Colebrook National") (total resources $3,110,000; total IPC deposits $2,069,000), has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with the Colebrook Guaranty Savings Bank, Colebrook, New Hampshire ("Colebrook Savings") (total resources $16,720,000; total IPC deposits $15,028,000. Colebrook National would convert to State nonmember insured status under the title "The First Colebrook Bank" prior to consummation of the merger.

Competition. Colebrook National ranks 66th among the State's 76 commercial banks, with 0.2 percent of all commercial bank deposits in the State as of December 31, 1973. Its only office, which it shares with Colebrook Savings, is located in Colebrook (1970 population 2,094) in the northernmost portion of New Hampshire in Coos County (1970 population 34,291). Colebrook Savings is a stock institution, one of New Hampshire's six guaranty savings banks. It ranks 28th among all guaranty savings banks and mutual savings banks in New Hampshire, with 0.9 percent of their total deposits.

Colebrook National and Colebrook Savings were organized for business in the same year, share common management, as well as banking quarters, and do not compete for the same services. This application for consent to merge is the result of a change in New Hampshire law prohibiting such interlocking management arrangements after July 1, 1975.

The market served by the two banks is considered to be Colebrook and the adjoining towns of Columbus, Dixville, and Stewartstown, located in the northwest portion of Coos County, New Hampshire, an area with approximately 3,600 people. The described market and Coos County had population declines of 5.2 percent and 7.7 percent, respectively, between 1960 and 1970, compared to the statewide gain of 21.5 percent. The median household buying level for Coos County was $8,000 in 1973, the second lowest in the State, and contrasts with a statewide median of $9,600. The principal economic activities in the area are dairy farming and lumbering, with a few small industrial plants manufacturing furniture, wood products, and plastic goods. Tourism is important, but the remoteness of the area restricts any major growth from resort or vacation activities. Economic activity is stagnant and there appears to be little prospect of improvement.

Colebrook National, Colebrook Savings, and The Farmers and Traders National and Savings Bank, also of Colebrook, are the only banks presently serving this limited and sparsely populated market. Together, Colebrook National and Colebrook Savings control 63.7 percent of the total IPC deposits in the market, with their only competitor controlling 36.3 percent.

Colebrook National and Colebrook Savings presently have virtually no overlapping services. Colebrook Savings offers limited commercial and installment lending and Colebrook National does not accept savings and time deposits and makes no real estate loans. The banks do not compete for comparable services and they give the public the impression that they are but one bank. However, because of the impending requirements of New Hampshire law to separate their operations, there is the prospect that the two banks could become competitors in the future, particularly if Colebrook Savings were to begin offering NOW accounts and Colebrook National were to begin offering time deposits and real estate loans. In order for all three Colebrook banks to continue to operate as viable and effective competitors, there must be a reasonable prospect that the market area would support their independent operations. The Corporation does not feel that such a finding can be made in this case. The future economy of the area is not bright in view of the small population served, its declining trend, the relatively stagnant economic activity of the area, below average income levels, and the lack of any significant prospects for future expansion or industrial development. Even if the proposed merger is approved, the relatively small population of 3,600 persons in the relevant market would still have a choice between two "full-service" institutions. In addition, the merger would avoid the necessity of dividing the scarce managerial resources currently available to both Colebrook National and Colebrook Savings.

It is the Corporation's view, under these facts, that the elimination of future potential competition between Colebrook National and Colebrook Savings and the increase in deposit concentration which their consolidation would effect is not as competitively adverse or significant as such factors might be in a different local market in New Hampshire. The Board of Directors, accordingly, is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. Colebrook National and Colebrook Savings are in satisfactory condition under their present operations and the resulting bank would have acceptable financial and managerial resources as well as future prospects.

Convenience and Needs of the Community to be Served. The proposed merger would have little effect on the bank services presently offered in the Colebrook area. The one negative aspect of the transaction would be the reduction of interest rates paid by Colebrook Savings on time deposits under $100,000 in order to conform with the ceiling rate established for commercial banks. The impact of this reduced rate would be offset to a large degree by the emergence of a commercial bank which would have the legal capacity to make larger loans and offer a broader range of banking services. Conceivably this and more vigorous commercial lending efforts could help stimulate the local economy.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted contingent upon Colebrook National's conversion to the status of a State nonmember insured bank.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Heritage Savings Bank Kingston, New York	132,082	3	6
to merge with			
Beacon Savings Bank Beacon	58,386	3	

Summary report by Attorney General, September 10, 1974

The nearest offices of the parties are separated by a distance of about 20 miles with several competitive alternatives located in the intervening area. Although the application indicates some deposit and loan overlap between the parties, it does not appear that the proposed merger would eliminate substantial existing competition. However, Heritage's proposed office in Fishkill will place that institution in Dutchess County within about 6 miles of Beacon's main office. Thus, it appears that the proposed merger would eliminate the likelihood of increased competition between the parties in the future.

Although Heritage, the largest mutual savings bank in Ulster County, could branch *de novo* into the area served by Beacon (indeed, it will soon do so), the effects of the transaction on potential competition are diminished somewhat by the existence of other significant potential entrants.

Basis for Corporation approval, November 20, 1974

Heritage Savings Bank, Kingston, New York, an insured mutual savings bank with total resources of $132,082,000 and total deposits of $122,527,000, 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 Beacon Savings Bank, Beacon, New York, with total resources of $58,386,000 and total deposits of $54,240,000, under the charter and with the title of Heritage Savings Bank. The three offices of Beacon Savings Bank would become branches of the resulting bank, increasing the number of its offices to seven, including its one approved but unopened branch.

Competition. Heritage Savings Bank has its main office in Kingston, one branch in Ulster, and another branch in Spring Valley in Rockland County, approximately 60 miles south of the main office. All three of these existing offices are west of the Hudson River in New York's Third Banking District. Heritage Savings Bank has one approved but unopened branch, located in Fishkill in the southern portion of Dutchess County. This proposed branch represents its initial entry east of the Hudson River. Beacon Savings Bank has its main office in Beacon and branches in Red Oaks Mill and Pleasant Valley, all three of which are in Dutchess County. The trade areas of the two banks overlap to a small degree in the Poughkeepsie area of Dutchess County.

The market area most affected by this proposed transaction would be those areas of Dutchess and Putnam Counties east of the Hudson River within a 10-15 mile radius of Beacon. The 1970 population of Dutchess County was 222,295, up 26.3 percent during the prior 10-year period, and the population of Putnam County was 56,696, up 78.7 percent for the same period. The economy of the area is dominated by the presence of a large IBM complex located near Poughkeepsie. Approximately 75 percent of the area work force is employed by IBM in management, technical, and highly skilled positions, with above average incomes. The 1973 household median buying levels for Dutchess and Putnam Counties were $11,287 and $10,746, respectively. The comparable figure for the State of New York was $10,264. The described market area is located north of, and in close proximity to, expanding metropolitan New York City which seems to assure continued favorable prospects for growth.

There are 14 offices of 6 thrift institutions—4 mutual savings banks and 2 savings and loan associations—in the relevant market area. The Poughkeepsie Savings Bank is dominant in the area with almost 62 percent of the total deposits in such institutions. Beacon Savings Bank ranks third with about 11.5 percent of such deposits. Both market shares would be lowered if the withdrawable funds of the local credit unions, including the $45-million IBM credit union, were included. The proposed transaction would not eliminate significant existing competition between Heritage Savings Bank and Beacon Savings Bank, since their trade areas overlap only in the Poughkeepsie area which is presently dominated by The Poughkeepsie Savings Bank. The deposits the two banks now hold in this area are insignificant relative to their total deposits, and they have only a small number of common deposit and loan accounts. If this proposed transaction were to be approved, there would remain an adequate number of alternate institutions located in the area to provide for customer convenience and choice.

While Heritage Savings Bank and Beacon Savings Bank do not compete significantly with each other at the present time, there is some potential for increased competition between them in the future through *de novo* branching. Heritage Savings Bank has an approved but unopened branch at Fishkill in Dutchess County, only 6 miles east of Beacon Savings Bank's main office. The proposed transaction would eliminate that potential for future competition, but it is not considered competitively significant in view of the many alternate thrift institutions operating in the relevant market and the large number that can enter this market as it becomes attractive for further *de novo* branching.

As provided by New York State law, mutual savings banks and savings and loan associations may branch *de novo* anywhere within the banking district in which they are headquartered, subject to home office protection restrictions. Only one of the Third Banking District's 10 largest mutual thrift institutions is presently in the growing and affluent market most likely to be affected by the proposed merger. Furthermore, on and after January 1, 1976, New York State law provides that mutual savings institutions may branch *de novo* anywhere within the State of New York, subject to similar restrictions. The number of potential entrants in addition to Heritage Savings Bank is therefore high, both before and after January 1, 1976. In addition, this proposed transaction will convert the home office of Beacon Savings Bank into a branch office of the resulting bank, thus eliminating the home office protection presently provided to Beacon Savings Bank and allowing another thrift institution to branch into Beacon.

If the proposed transaction is approved, the resulting bank would rank sixth in deposit size among all mutual savings banks and savings and loan associations in the Third Banking District, with only 3.4 percent of their total deposits. With the rapid population growth projected for the Third Banking District, and with the provisions for statewide branching effective in 1976, this increase in the concentration of banking resources is not substantial and in any event is not likely to be permanent.

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

Financial and Managerial Resources; Future Prospects. Both Heritage Savings Bank and Beacon Savings Bank have satisfactory financial and managerial resources for their respective businesses and both institutions have favorable prospects for the future.

Convenience and Needs of the Community to be Served. The resulting bank would offer services not now available to Beacon Savings Bank customers, including no-passbook savings accounts for deposit customers and tract acquisition and development lending services. The larger resulting bank would also have an increased lending capability and should provide more effective competition for numerous banking services offered by other institutions in the areas served.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Trust Union Bank Wellsville, New York	103,833	12	13
to merge with			
State Bank of Randolph Randolph	10,622	1	

Summary report by Attorney General, September 4, 1974

Bank is located about 18 miles west of Applicant's nearest office in Cattaraugus County, with no competitive alternatives in the intervening area. Thus, it appears that the proposed merger would eliminate some existing competition between the parties. However, it does not appear that concentration would be substantially increased in any relevant banking market.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, November 20, 1974

First Trust Union Bank, Wellsville, New York ("First Union"), a State nonmember insured bank with total resources of $103,833,000 and total IPC deposits of $77,816,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior written consent to merge with State Bank of Randolph, Randolph, New York ("SB-Randolph"), a State nonmember insured bank with total resources of $10,622,000 and total IPC deposits of $8,364,000. The banks would merge under the charter and title of First Union and, as an incident to the merger, the sole office of SB-Randolph would become a branch of the resulting bank, increasing the number of its authorized offices to 13.

Competition. First Union operates 12 offices (2 are limited service facilities) in Allegany and Cattaraugus Counties of New York's Ninth Banking District. These two contiguous counties in western New York border Pennsylvania. Their combined 1970 population was 128,124, an increase of 3.2 percent over 1960. New York State, as a whole, had an 8.7 percent population increase in the like period. The 1973 median household buying level was $8,263 for Allegany County and $8,534 for Cattaraugus County, considerably below the State level of $10,264. First Union is a subsidiary of Security New York State Corporation, Rochester, New York ("Security NYS Corporation"), a registered multibank holding company whose nine banks have total deposits of $745.5 million.

SB-Randolph operates its only office in Randolph (1970 population 1,498, up 5.9 percent since 1960), Cattaraugus County, which is approximately 70 miles west of Wellsville. The population of Cattaraugus County is 81,666, an increase of only 1.8 percent over 1960. The Randolph area is primarily agricultural (dairy farming), with some industry located in the cities of Jamestown and Salamanca.

SB-Randolph's primary market area, where the impact of the proposed merger would be most immediate and direct, is believed to include those parts of southwest Cattaraugus and southeast Chautauqua Counties within a 15-road-mile radius of Randolph, plus the city of Salamanca (1970 population 7,877, down 7.1 percent from 1960) which lies 20 road-miles to the east of Randolph but is easily reached by area residents. Within this market of approximately 80,000 persons, 8 commercial banks operate 24 offices holding IPC deposits aggregating $277,592,000.

SB-Randolph has the sixth largest share of such deposits, 3.0 percent, while the two market area offices of First Union, both located in Salamanca, have the fifth largest share, 3.6 percent. The resulting bank would have 6.6 percent of total IPC commercial bank deposits, the fourth largest share of the primary market area, but far behind the holders (all subsidiaries of large multibank holding companies) of the three largest shares: Marine Midland Bank-Chautauqua, National Association, Jamestown, 31.1 percent; Bankers Trust Company of Western New York, Jamestown, 28.4 percent; and The First National Bank of Jamestown, a subsidiary of Lincoln First Banks, Inc., 25.8 percent.

In view of the number of alternatives for banking services available within the relevant market, the small share of area deposits held by SB-Randolph, and the possibility that statewide branching, which becomes effective January 1, 1976, will bring new competitors to the Jamestown and Salamanca areas, the elimination of existing competition between the two banks by virtue of the proposed merger appears to have only limited competitive significance.

Both banks may, under present law, branch *de novo* throughout the Ninth Banking District, subject to home office protection. SB-Randolph, due to limited resources and a lack of branching experience, is not likely to expand through *de novo* branching. First Union, although having both the resources and experience for *de novo* branching, is not expected to branch *de novo* in the relevant banking market due to the static population trend of the area, the below average income level, the already low population for each existing commercial bank office, and the lack of attractive branching sites. However, even if First Union were to establish additional *de novo* branches in this area, it would not significantly affect competition due to the small share of the market both applicant banks presently have. Thus, it appears the proposed merger would eliminate no significant potential for increased competition between the two banks in the future through *de novo* branching.

Consummation of the proposed merger would have no significant effect on the concentration of commercial bank resources or the banking structure of the Ninth Banking District. In terms of total deposits held by the 26 banking organizations presently operating in this district, Security NYS Corporation, with 2.7 percent of such deposits, ranks fifth largest. SB-Randolph, with 0.2 percent, ranks 20th. Security NYS Corporation, as a result of the merger, would become the fourth largest commercial banking organization in the district, but would hold only 2.9 percent of total commercial bank deposits. The three largest commercial banking organizations in the Ninth Banking District—Marine Midland Banks, Inc., Buffalo (41.1 percent); First Empire State Corporation, Buffalo (26.5 percent); and United Bank Corporation of New York, Albany (11.2 percent)—have 78.8 percent of the district's total commercial bank deposits.

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

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of First Union and the resulting bank are adequate, and their future prospects are favorable.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would provide customers of SB-Randolph with a wider variety of savings plans (including higher interest rates on passbook savings), convenient trust services, credit card services, and significantly larger lending limits.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Industrial Valley Bank and Trust Company Jenkintown, Pennsylvania	978,172	46	48
to merge with			
The Neshaminy Valley Bank Bensalem Township	14,912	2	

Summary report by Attorney General, August 23, 1974

Industrial Bank and Neshaminy Bank are headquartered about 11 miles apart with several of Industrial Bank's offices situated within 10 to 15 miles of the nearest office of Neshaminy Bank. There are, however, several competitive alternatives in the intervening area. Thus, it appears that the proposed transaction would eliminate some existing competition. However, it does not appear that banking concentration would be substantially increased in any relevant market.

The modest size of Neshaminy Bank in relation to other banks presently operating in lower Bucks County, together with the existence of other significant potential entrants in the Philadelphia area capable of entering Neshaminy Bank's service area, indicates that the proposed merger would not eliminate substantial potential competition.

Therefore, we conclude that the proposed transaction would not have a substantial competitive impact.

Basis for Corporation approval, November 20, 1974

Industrial Valley Bank and Trust Company, Jenkintown, Pennsylvania ("IVB"), a State nonmember insured bank with total resources of $978,172,000 and total IPC deposits of $578,008,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Neshaminy Valley Bank, Bensalem Township, Pennsylvania ("Neshaminy Bank"), with total resources of $14,912,000 and total IPC deposits of $9,531,000. The resulting bank would have a total of 52 approved domestic offices, including the 2 offices presently operated by Neshaminy Bank.

Competition. IVB operates 47 domestic offices (8 in Chester County, 1 in Delaware County, 7 in Lehigh County, 14 in Philadelphia, 14 in Montgomery County, and 3 in Bucks County) and 1 offshore facility at Grand Cayman, Cayman Islands. Three additional branches, two in Chester County and one in Lehigh County, are approved but unopened. IVB is engaged in a wide range of commercial banking and trust activities and operates throughout southeastern Pennsylvania and the adjoining States, primarily in the Pennsylvania section of the Philadelphia, Pennsylvania-Camden, New Jersey Standard Metropolitan Statistical Area ("SMSA"). Many other businesses are conducted by its wholly owned subsidiaries: Industrial Valley Title Insurance Company, Industrial Valley Real Estate Company, and IVB-Philadelphia Golf Classic, Incorporated.

Neshaminy Bank operates its main office in unincorporated Bensalem Township and a single branch 7 miles northeast in unincorporated Falls Township, both in fast growing Bucks County, Pennsylvania, which is contiguous to Philadelphia and included in the SMSA. The 1970 population of Bucks County was 415,056, up 34.5 percent from 1960, compared to the 11.0 percent increase for the SMSA over the same period. The 1973 median household buying level for Bucks County was $12,018, compared to $10,587 for the SMSA and $9,588 for the State of Pennsylvania.

The local market in which the impact of the proposed merger would be most immediate and direct is the Pennsylvania portion of the SMSA. Forty commercial banks operate 661 offices within this market and hold IPC deposits of more than $11.3 billion. Neshaminy Bank is the 31st largest commercial bank in this market, holding 0.1 percent of such deposits, while IVB, the 8th largest commercial bank, holds 4.3 percent of such deposits and the four largest banks hold 63.2 percent. The IVB office nearest to an office of Neshaminy Bank is approximately 10 miles away, and several offices of competing banks lie between the applicant banks. While each bank competes in the Philadelphia market, there is very little duplication of deposit or loan business and the market share of Neshaminy Bank would indicate that no significant existing competition between them would be eliminated by the proposed merger.

Pennsylvania law permits a commercial bank to branch *de novo* in its main office county and in counties contiguous thereto, but does not permit statewide branching or statewide operation of multibank holding companies. Neshaminy Bank, although it has one branch, is not expected to undertake further *de novo* branching activity because of its limited financial and managerial resources. IVB has both the resources and ability to expand by means of *de novo* branching, but even if it were to branch *de novo* into the Bensalem-Falls Township area, the effect on competition between the two banks would be slight in view of the nominal share of the market held by Neshaminy Bank. There are, moreover, numerous other potential entrants into this same area. Thus it appears that any potential competition likely to be eliminated by the proposed merger would have no significant competitive effect.

Within IVB's 7-county legal branching area, a total of 60 commercial banks operate 784 offices and hold area IPC deposits aggregating more than $13.2 billion. IVB has the eighth largest share, 4.3 percent, while Neshaminy Bank, one of the smaller competitors, has only 0.1 percent. The resultant bank would retain IVB's ranking and hold 4.4 percent of the commercial bank IPC deposits in its legal branching area. The four largest banks represented in this contiguous-county area hold market shares varying from 18.6 percent to 9.4 percent of such IPC deposits, with an aggregate of 54.1 percent. In view of the relatively small share of its potential branching area which the resultant bank would control and the number of significant sized competitors, it appears that the proposed merger would have no significant effect on commercial bank structure or concentration of banking resources in this contiguous-county area.

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

Financial and Managerial Resources; Future Prospects. The resulting bank would have satisfactory financial and managerial resources, significantly improving those available to Neshaminy Bank. The future prospects of the resulting bank would be satisfactory.

Convenience and Needs of the Community to be Served. The proposed merger would have no discernible effect on IVB's present customers. The merger would provide customers of Neshaminy Bank with increased lending limits, expanded commercial and installment loan accommodations, a variety of customer services made possible by the resulting bank's computer, and trust facilities.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Hastings City Bank Hastings, Michigan	24,844	1	2
to consolidate with			
Farmers State Bank of Middleville Middleville	8,132	1	

Summary report by Attorney General, May 15, 1974

Hastings and Middleville are located in Barry County, a mixed residential, industrial, and agricultural area located southeast of Grand Rapids. The offices of the parties are separated by about 11 miles and, while there is one competing bank in Hastings, there are no competitive alternatives in the area between Hastings and Middleville. As a result of the close proximity of the parties, there appears to be a substantial overlap in their respective service areas. The application indicates that Hastings Bank derives approximately 10 percent of its deposits and loans from Middleville Bank's service area, and Middleville Bank draws approximately 30 percent of its deposits and loans from the service area of the Hastings Bank. Accordingly, we conclude that the proposed transaction will eliminate existing competition in Barry County.

Five commercial banks maintain offices in Barry County. Hastings Bank, with approximately 39 percent of county deposits, is the leading bank in the county; the two largest banks hold approximately 65 percent of county deposits. Middleville Bank holds approximately 13 percent of county deposits and ranks fourth among the five banks with offices in Barry County. This proposed transaction, if consummated, will increase the share of the two largest banks to approximately 78 percent.

This increase in concentration may overstate the competitive effect of the proposed transaction, due to the proximity of competitive alternatives in the Grand Rapids area, which is about 15-20 miles northwest of Middleville. Nevertheless, we believe that the proposed consolidation would have an adverse effect on competition in Barry County.

Basis for Corporation approval, November 29, 1974

The Hastings City Bank, Hastings, Michigan ("Hastings Bank"), an insured State nonmember bank with total resources of $24,844,000 and total IPC deposits of $19,201,000, 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 Farmers State Bank of Middleville, Middleville, Michigan ("Farmers"), with total resources of $8,132,000 and total IPC deposits of $5,784,000. The banks would consolidate under the charter and with the title of Hastings Bank and, as an incident to the consolidation, the sole office of Farmers would become a branch of the resulting bank, increasing the number of its offices to two.

Competition. Hastings Bank operates its only office in Hastings (population 6,501) and Farmers operates its sole office in Middleville (population 1,865). Both communities are in northern Barry County (1970 population 38,166, up 20.3 percent since 1960) which is located in the southwestern portion of the lower peninsula of Michigan. The economy is a mixture of residential, industrial, and agricultural activities with the latter expected to decrease in relative importance as residential development increases as a result of urban expansion. The 1973 median household buying level for Barry County was $8,953, about 18 percent below the State figure of $10,932.

Barry County is surrounded by four of Michigan's larger cities, each of which is the central city of a different SMSA. These cities are: Lansing, the State capital, 42 miles east of Hastings; Grand Rapids, 35 miles northwest of Hastings; Kalamazoo, 36 miles southwest of Hastings; and Battle Creek, 25 miles south of Hastings. In view of the fact that each of these population centers has an influence on a portion of the participating banks' service areas, and because of extensive commutation for employment and shopping, the effects of the proposed consolidation would appear to be most pronounced in the legal branching area of Hastings Bank. This consists of Barry County and that area outside the county contained within a 25-mile radius of Hastings. In this region there are 23 commercial banks operating 52 offices with aggregate

IPC deposits of $440,348,000, including offices of the State's larger banks. Hastings Bank has 4.4 percent of this total and Farmers has 1.3 percent. The resulting bank's 5.7 percent share would not represent a significant change in the existing commercial banking structure.

Hastings Bank and Farmers are about 11 miles apart, and both Hastings and Middleville are located on the main road between Grand Rapids and Battle Creek. Each bank derives some business from the area served by the other, and there appears to be some overlapping in their service areas. The proposed consolidation would, therefore, eliminate existing competition between Hastings Bank and Farmers, but because of the relatively small size of both banks and the number of much larger competitors within reasonable driving distance, this aspect of the proposed consolidation is not viewed as significant.

Michigan law would permit Hastings Bank and Farmers to branch *de novo* throughout Barry County and within 25 miles of their main offices into areas outside Barry County. *De novo* entry is prohibited, however, in a city or village, like Hastings or Middleville, in which another bank office is located. Neither bank has ever attempted to establish *de novo* branches; the population per office in this relevant geographic area is already low and income levels are below statewide average. It is highly doubtful that significant additional competition between the two banks in the future would be eliminated by their proposed consolidation.

Neither of the participating banks is affiliated with a holding company, but many of the banks they compete with are subsidiaries of some of the largest multibank holding companies in Michigan. The proposed consolidation should improve the competitive stance of the resulting bank vis-a-vis these large commercial banking organizations.

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

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

Convenience and Needs of the Community to be Served. The proposed consolidation would have only a limited effect on existing customers of Hastings Bank. Farmers' customers would be offered trust services and more liberal lending policies with significantly larger lending limits. In addition, Farmers' physical facilities would be modernized.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First State Bank of Oregon Milwaukie, Oregon	137,498	16	21
to merge with			
Great Western National Bank Portland	51,157	5	

Summary report by Attorney General, July 5, 1974

Two of Great Western's offices are located in downtown Portland, as is one office of First State. Both banks also operate offices in close proximity in the suburban communities of Beaverton and Gresham. Great Western's remaining office is located east of the Willamette River opposite downtown Portland; First State's remaining offices are distributed throughout the Portland area. In view of the proximity of their offices, it would appear that the proposed merger would eliminate direct competition between the merging banks.

The effects of the proposed merger on concentration in commercial banking may be approximated by considering the three Oregon counties in the Portland area: Washington, Multnomah, and Clackamas. Banking in this area is highly concentrated, the two largest banks together accounting for about 73 percent of total commercial bank deposits. First State holds about 4.6 percent of tri-county deposits while Great Western holds about 1.7 percent. Thus, concentration would be somewhat increased by the proposed merger.

Basis for Corporation approval, November 29, 1974

First State Bank of Oregon, Milwaukie, Oregon ("First State"), a State nonmember insured bank with total resources of $143,309,000 and IPC deposits of $115,031,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Great Western National Bank, Portland, Oregon ("Great Western")(total resources $49,042,000; IPC deposits $32,850,000). The 5 offices of Great Western, as an incident to the merger, would be established as branches of the resulting bank, which thereupon would have a total of 23 approved offices.

Competition. First State operates 16 offices in the 3 adjoining counties of Clackamas, Multnomah, and Washington which comprise the Oregon portion of the Portland, Oregon-Washington SMSA, and holds the necessary supervisory approvals to establish 2 additional offices, 1 in each of the latter 2 counties. The city of Portland (population 380,620), the hub of this SMSA, is a center of commerce, industry, and finance and is the State's largest city. The aggregate 1970 population of these 3 counties was 878,676, an increase of 20.7 percent during the 1960s, and the area now accounts for 42 percent of Oregon's total population.

Great Western has five offices, two in downtown Portland and one each in the nearby communities of East Portland, Beaverton, and Gresham. It competes with First State in each of these communities except East Portland and faces significant competition in all four communities from First National Bank of Oregon and United States National Bank of Oregon, the State's two dominant banks, who together control local area IPC deposit shares ranging from 61.3 percent in downtown Portland to 90.2 percent in East Portland.

While there is existing competition between First State and Great Western in the immediate area of all Great Western branches except the one in East Portland, the two banks have tended to cater to somewhat different clientele. First State encourages commercial customers, while Great Western is oriented more toward individual and installment borrowers. Moreover, since there are decent roads and municipal transit throughout the three-county area, this area appears to be the most relevant banking market within which to measure the competitive impact of the proposed merger. In that local banking market, 16 commercial banks have 167 offices, with 108 such offices and 72.6 percent of total commercial bank IPC deposits held by the State's two largest banks. First State, the fifth ranking bank in this market, holds 4.9 percent of such IPC deposits and Great Western only 1.4 percent. Three other banks each have IPC deposit shares in excess of 2 percent with the nine remaining banks sharing the balance of the deposits. While some existing competition between First State and Great Western would undoubtedly be eliminated by their proposed merger, the relative volume of such competition does not appear to be substantial.

Oregon law permits a commercial bank to establish *de novo* branches throughout the State except in those incorporated places that have fewer than 50,000 inhabitants and contain the home office of a commercial bank. In the relevant three-county banking market, there is a potential for increased competition between the two banks in the future by virtue of *de novo* branching, particularly on the part of First State. The elimination of this potential competition by the proposed merger is unlikely to have much significance, however, in view of the extensive branch networks that the State's two major commercial banks have throughout the area and the number of other banks that may also be expected to pursue *de novo* branching opportunities as they become feasible.

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

Financial and Managerial Resources; Future Prospects. Both banks have adequate financial resources, as would the resulting bank. Great Western's earnings performance, however, has been relatively poor and the earnings capability of its assets, under improved management in the resulting bank, should be strengthened. Managerial resources and future prospects of the resulting bank are considered satisfactory.

Convenience and Needs of the Community to be Served. Credit cards, personal trust facilities, and computer services would become available at Great Western's offices following the merger. In addition, Great Western customers should benefit from the greater lending capacity of the resulting bank.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Union Trust & Savings Bank Fort Dodge, Iowa	51,357	5	6
to merge with			
Harcourt Savings Bank Harcourt	3,022	1	

Summary report by Attorney General, September 18, 1974

Union Bank's main office is 17 miles north of Harcourt Savings Bank. Union Bank's offices in Burnside and Lehigh are both located about 12 road-miles northeast of Harcourt Savings Bank, with no banking offices in the intervening area. Thus, it appears that the proposed merger would eliminate existing competition between the parties.

Union Bank holds 29 percent of commercial bank deposits in Webster County, the second largest share held by the eight banks with offices in the county. Harcourt Savings Bank holds 1.7 percent of county deposits. Accordingly, we conclude that the proposed merger would have some adverse effects on competition in Webster County.

According to the application, certain directors of Union Bank currently hold 50.4 percent of the stock of Harcourt Savings Bank. Directors or officers of Union Bank also constitute a majority of the board of directors of Harcourt Savings Bank. However, the application does not contain sufficient information to fully evaluate the relevance of these facts, and we express no opinion on their effect on the foregoing competitive report.

Basis for Corporation approval, December 23, 1974

Union Trust & Savings Bank, Fort Dodge, Iowa ("Union Trust"), a State nonmember insured bank with total resources of $51,357,000 and IPC deposits of $41,172,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Harcourt Savings Bank, Harcourt, Iowa ("Harcourt Bank"), with total resources of $3,022,000 and IPC deposits of $2,634,000. As an incident to the merger, Union Trust would establish the sole office of Harcourt Bank as a branch, thereby increasing the number of its offices to six.

Competition. Union Trust operates a total of five offices: its main office and one branch in Fort Dodge and one branch each in Burnside, Duncombe, and Lehigh, small suburban towns within 17 road-miles of Fort Dodge, all in Webster County (population 48,391) in the northwestern quadrant of the State of Iowa. Fort Dodge (population 31,263), which is located 90 road-miles northwest of Des Moines, is the county seat of Webster County and the trading center for a much broader region. Industry in Fort Dodge is diversified with meat packing and the manufacture of pharmaceuticals, electrical equipment, and gypsum products being the major activities. Corn and soybeans are extensively raised in the surrounding area.

The area in which competitive effects of the proposed merger would be most immediate and direct comprises southern Webster County and portions of contiguous Boone and Greene Counties—communities within a radius of some 15 road-miles of Harcourt. Seven commercial banks are represented in this local market, their 8 area offices serving an estimated population of 9,700 and holding IPC deposits aggregating about $23.4 million. Harcourt Bank holds the fifth largest share, about 11.2 percent, of these deposits. Union Trust has two offices in this market, located 12 road-miles and 14 road-miles northeast of Harcourt, with no other commercial bank offices intervening. These two area offices of Union Bank hold the fourth largest share, some 13.6 percent, of such deposits.* Although existing competition between Union Trust and Harcourt Bank would be eliminated by their merger, this anticompetitive effect is mitigated by the small size of the local market and the number of banking alternatives remaining in the market. The First State Bank of Gowrie, 6 miles west of Harcourt, with about 24.4 percent of the market's IPC deposits and Iowa State Bank and Trust Company, located in Dayton 6 miles east of Harcourt, with about 23.4 percent of such deposits both have market shares comparable to the resulting bank's 24.8 percent, while the three other banks in this market would continue to be effective competitors.

A close relationship has existed between Union Trust and Harcourt Bank since 1950 when the majority of Harcourt Bank's stock was acquired by several directors of Union Trust. Were this relationship to terminate, it is doubtful that a significant potential for increased competition between the two banks through *de novo* branching would exist. Harcourt Bank has been operated as a unit bank ever since its establishment in 1905 and does not possess the managerial and financial resources to facilitate its *de novo* expansion. Union Trust, for its part, has two branches (established in 1934 and 1949) in Harcourt Bank's market and would probably find further *de novo* branching in this market uneconomical.

In its maximum potential market under State law—Webster County and the 7 counties contiguous to or cornering upon Webster County—the resultant bank would hold the second largest share (7.5 percent) of the IPC deposits controlled by all area offices of the 52 commercial banks represented therein. The largest share of this potential market, 7.9 percent of such deposits, is held by First National Bank, Fort Dodge. Three other banks in the market, holding 7.2 percent of such deposits, are controlled by Brenton Banks, Inc., Des Moines, the fourth largest banking organization in the State. One other multibank holding company is represented: Hawkeye Bancorporation, Des Moines, the State's third largest banking organization, which controls a bank having 3.7 percent of the area's total commercial bank IPC deposits.

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

Financial and Managerial Resources; Future Prospects. Each of the proponent banks has satisfactory financial resources. Managerial resources of Harcourt Bank, were Union Trust's supervision of the bank's affairs terminated, would be less than adequate. Future prospects of the resultant bank appear to be favorable.

Convenience and Needs of the Community to be Served. Customers of Harcourt Bank would find the resultant bank's lending limit 13 times greater than that of Harcourt Bank. Trust facilities would become available at the Harcourt location and an interest-bearing savings club would be introduced. The rate of interest now being paid on Harcourt Bank's savings deposits would be increased from 4 percent to 5 percent per annum.

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

*Proponents' percentage shares would be reduced were data available concerning deposits held by one area office of a competing bank.

Merger transactions were involved in the acquisitions of banks by holding companies in the following approvals in 1974. In each instance, the Attorney General's report stated that the proposed transaction would have no effect on competition. The Corporation's basis for approval in each case stated that the proposed transaction would not, per se, change the competitive structure of banking, nor affect the banking services that the (operating) bank has provided in the past, and that all other factors required to be considered pertinent to the application were favorably resolved.

Citizens Fidelity Bank and Trust Company, Louisville, Kentucky; offices: 39; resources: 819,850 ($000); to merge with *Citizens Fidelity State Banking and Trust Company,* Louisville, in organization; offices: 0; resources: 600 ($000). Approved: January 14.

Ann Arbor Bank, Ann Arbor, Michigan; offices: 11; resources: 191,387 ($000); to consolidate with *Ann Arbor State Bank,* Ann Arbor, in organization; offices: 0; resources: 120 ($000). Approved: January 14.

Security Bank and Trust Company, Southgate, Michigan; offices: 7; resources: 400,259 ($000); to merge with *SBTC Bank,* Southgate, in organization; offices: 0; resources: 121 ($000). Approved: January 14.

Valley Bank of Fort Payne, Fort Payne, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *Fort Payne Bank,* Fort Payne; offices: 1; resources: 15,600 ($000). Approved: January 29.

Zeeland State Bank, Zeeland, Michigan, in organization; offices: 0; resources: 120 ($000); to consolidate with and change title to *First Michigan Bank and Trust Company,* Zeeland; offices: 10; resources: 107,324 ($000). Approved: January 29.

The Wooster Banking and Trust Company, Wooster, Ohio, in organization; offices: 0; resources: 625 ($000); to merge with and change title to *The Commercial Banking & Trust Company,* Wooster; offices: 4; resources: 28,380 ($000). Approved: January 29.

South Street State Bank, Arlington, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change titie to *Arlington Bank and Trust,* Arlington; offices: 1; resources: 92,993 ($000). Approved: January 29.

New Farmers State Bank & Trust Company, Cuero, Texas, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *Farmers State Bank & Trust Company,* Cuero; offices: 1; resources: 10,214 ($000); Approved: January 29.

Union Commerce Bank, Fort Worth, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Union Bank of Fort Worth,* Fort Worth; offices: 1; resources: 28,591 ($000). Approved: January 29.

New Community State Bank, Runge, Texas, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *Community State Bank,* Runge; offices: 1; resources: 3,474 ($000). Approved: January 29.

New Smiley State Bank, Smiley, Texas, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *Smiley State Bank,* Smiley; offices: 1; resources: 1,849 ($000). Approved: January 29.

New Home State Bank, Westhoff, Texas, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *Home State Bank,* Westhoff; offices: 1; resources: 1,125 ($000). Approved: January 29.

Hamilton Bank of Dalton, Dalton, Georgia; offices: 4; resources: 42,352 ($000); to merge with *Dalton State Bank,* Dalton, in organization; offices: 0; resources: 600 ($000). Approved: February 8.

New Deer Park Bank, Deer Park, Texas, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *Deer Park Bank,* Deer Park; offices: 1; resources: 20,610 ($000). Approved: February 14.

New Fairbanks Bank of Houston, Houston, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Fairbanks Bank of Houston,* Houston; offices: 1; resources: 17,071 ($000). Approved: February 14.

New Memorial Bank, Houston, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Memorial Bank,* Houston; offices: 1; resources: 40,012 ($000). Approved: February 14.

New Citizens Bank, Kilgore, Texas, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *Citizens Bank,* Kilgore; offices: 1; resources: 20,700 ($000). Approved: February 14.

New Clear Creek Bank, Seabrook, Texas, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *Clear Creek Bank,* Seabrook; offices: 1; resources: 11,937 ($000). Approved: February 14.

Bank of Guntersville, Guntersville, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *Citizens Bank of Guntersville,* Guntersville; offices: 3; resources: 15,354 ($000). Approved: March 1.

Everhart Staples State Bank, Corpus Christi, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Parkdale State Bank,* Corpus Christi; offices: 1; resources: 28,952 ($000). Approved: March 20.

Hamilton State Bank of McMinnville, McMinnville, Tennessee, in organization; offices: 0; resources: 112 ($000); to merge with and change title to *Citizens State Bank,* McMinnville; offices: 2; resources: 5,468 ($000). Approved: April 11.

Bank of Virginia – Eastern Shore, Accomack County, Virginia, in organization; offices: 0; resources: 2,000 ($000); to acquire the assets and assume the deposit liabilities of the *Hallwood Branch of Bank of Virginia – Central,* Hallwood; offices: 1; resources: 20,041 ($000). Approved: April 11.

The State Bank of Clarksville, Clarksville, Tennessee, in organization; offices: 0; resources: 150 ($000); to merge with and change title to *First Trust & Savings Bank,* Clarksville; offices: 5; resources: 39,366 ($000). Approved: April 26.

Northline State Bank, Houston, Texas; offices: 1; resources: 14,687 ($000); to merge with *New Northline State Bank,* Houston, in organization; offices: 0; resources: 200 ($000). Approved: April 26.

The Guaranty State Bank of New Braunfels, New Braunfels, Texas; offices: 1; resources: 18,671 ($000); to merge with *First Guaranty State Bank,* New Braunfels, in organization; offices: 0; resources: 200 ($000); Approved: April 26.

Bank of Gore, Inc., Gore, Virginia, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *Western Frederick Bank,* Gore; offices: 1; resources: 4,384 ($000). Approved: April 26.

Alabama Bank of Andalusia, Andalusia, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *Covington County Bank,* Andalusia; offices: 1; resources: 19,777 ($000). Approved: May 2.

Alabama Bank of Goodwater, Goodwater, Alabama, in organization; offices: 0; resources: 225 ($000); to merge with and change title to *City Bank of Goodwater,* Goodwater; offices: 1; resources: 9,341 ($000). Approved: May 2.

Alabama Bank of Lineville, Lineville, Alabama, in organization; offices: 0; resources: 25 ($000); to merge with and change title to *City Bank of Lineville,* Lineville; offices: 1; resources: 7,715 ($000). Approved: May 2.

Alabama Bank of Roanoke, Roanoke, Alabama, in organization; offices: 0; resources: 255 ($000); to merge with and change title to *City Bank of Roanoke,* Roanoke; offices: 2; resources: 11,045 ($000). Approved: May 2.

Alabama Bank of Tuskegee, Tuskegee, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *City Bank of Tuskegee,* Tuskegee; offices: 2; resources: 10,276 ($000). Approved: May 2.

FHB Bank, Honolulu, Hawaii, in organization; offices: 0; resources: 1,500 ($000); to merge with and change title to *First Hawaiian Bank,* Honolulu; offices: 44; resources: 864,650 ($000). Approved: May 2.

FSB Bank, Ionia, Michigan, in organization; offices: 0; resources: 120 ($000); to consolidate with and change title to *First Security Bank,* Ionia; offices: 5; resources: 61,273 ($000). Approved: May 2.

Chemical Bank and Trust Company, Midland, Michigan; offices: 9; resources: 137,555 ($000); to consolidate with *CBT Bank Company,* Midland, in organization; offices: 0; resources: 120 ($000). Approved: May 2.

Manufacturers Bank of Saline, Saline, Michigan, in organization; offices: 0; resources: 120 ($000); to consolidate with and change title to *Saline Savings Bank,* Saline; offices: 2; resources: 14,182 ($000). Approved: May 2.

Highland Commerce Bank, San Antonio, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Highland Park State Bank,* San Antonio; offices: 1; resources: 73,415 ($000). Approved: May 2.

Wilson County Bank and Trust Company, Wilson, North Carolina, in organization; offices: 0; resources: 375 ($000); to merge with and change title to *Branch Banking and Trust Company,* Wilson; offices: 64; resources: 388,765 ($000). Approved: May 29.

Almeda - Genoa Bank, Houston, Texas; offices: 1; resources: 10,203 ($000); to merge with *New Almeda - Genoa Bank,* Houston, in organization; offices: 0; resources: 200 ($000). Approved: May 29.

Meyerland Bank, Houston, Texas; offices: 1; resources: 22,083 ($000); to merge with *New Meyerland Bank,* Houston, in organization; offices: 0; resources: 200 ($000). Approved: June 4.

Bank of Hartselle, Hartselle, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *American Bank & Trust Company,* Hartselle; offices: 1; resources: 14,776 ($000). Approved: July 2.

Chattanooga State Bank, Chattanooga, Tennessee, in organization; offices: 0; resources: 300 ($000); to merge with and change title to *Pioneer Bank,* Chattanooga; offices: 12; resources: 120,354 ($000). Approved: July 8.

MBT Bank, Chicago, Illinois, in organization; offices: 0; resources: 350 ($000); to merge with and change title to *Madison Bank and Trust Company,* Chicago; offices: 1; resources: 86,011 ($000). Approved: July 11.

Mount Juliet State Bank, Mount Juliet, Tennessee, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *Bank of Mount Juliet,* Mount Juliet; offices: 1; resources: 10,348 ($000). Approved: July 26. Rescinded: December 16.

The Shoreman's Bank, Salisbury, Maryland, in organization; offices: 0; resources: 90 ($000); to merge with and change title to *Truckers and Savings Bank,* Salisbury; offices: 3; resources: 15,672 ($000). Approved: September 12.

Alabama Bank of Lauderdale County, Anderson, Alabama, in organization; offices: 0; resources: 77 ($000); to merge with and change title to *Farmers Bank,* Anderson; offices: 1; resources: 6,306 ($000). Approved: September 20.

Alabama Bank of Selma, Selma, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *Citizens Bank & Trust Company,* Selma; offices: 2; resources: 21,528 ($000); Approved: September 20.

First Guaranty State Bank, New Braunfels, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *The Guaranty State Bank of New Braunfels,* New Braunfels; offices: 1; resources: 18,790. Approved: September 20.

Mobile County Bank, Bayou La Batre, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with *Farmers and Marine Bank,* Bayou La Batre; offices: 2; resources: 5,824 ($000). Approved: October 1.

OSB Bank, Owosso, Michigan, in organization; offices: 0; resources: 120 ($000); to consolidate with *The Owosso Savings Bank*, Owosso; offices: 8; resources: 102,184 ($000). Approved: October 1.

Jacobus State Bank, Milwaukee, Wisconsin, in organization; offices: 0; resources: 600 ($000); to acquire the assets and assume the deposit liabilities of (and change title to) *Heritage Bank of Milwaukee,* Milwaukee; offices: 3; resources: 45,588 ($000). Approved: October 1.

North Shore Bank and Trust Company, Lynn, Massachusetts, in organization; offices: 0; resources: 0 ($000); to merge with *North Shore Bank and Banking Company,* Lynn; offices: 2; resources: 5,943 ($000). Approved: October 15.

United Virginia Bank of Gloucester, Gloucester, Virginia, in organization; offices: 0; resources: 50 ($000); to merge with *Bank of Gloucester,* Gloucester; offices: 2; resources: 28,693 ($000). Approved: October 15.

First State Bank of Newaygo, Newaygo, Michigan; offices: 1; resources: 8,326 ($000); to consolidate with *FSN Bank,* Newaygo, in organization; offices: 0; resources: 120 ($000). Approved: October 22.

Madison State Bank, Rexburg, Idaho, in organization; offices: 0; resources: 1,300 ($000); to merge with and change title to *Valley Bank,* Rexburg; offices: 6; resources: 85,011 ($000). Approved: October 29.

Bank of Mount Clemens, Mount Clemens, Michigan, in organization; offices: 0; resources: 122 ($000); to consolidate with and change title to *Mount Clemens Bank,* Mount Clemens; offices: 7; resources: 102,252 ($000). Approved: October 30.

New Bank of Lake County, Lakeport, California, in organization; offices: 0; resources: 67 ($000); to merge with and change title to *Bank of Lake County,* Lakeport; offices: 3; resources: 14,776 ($000). Approved: November 6.

OSS Bank, Oscoda, Michigan, in organization; offices: 0; resources: 130 ($000); to consolidate with and change title to *The Oscoda State Savings Bank,* Oscoda; offices: 2; resources: 12,717 ($000). Approved: November 8.

Idaho Bank and Trust Company, Pocatello, Idaho; offices: 18; resources: 209,258 ($000); to merge with *IBT, Inc.,* Pocatello, in organization; offices: 0; resources: 0 ($000). Approved: November 14.

Pecan Street State Bank, Coleman, Texas, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *Coleman Bank,* Coleman; offices: 2; resources: 19,050 ($000). Approved: November 21.

New Cullen Center Bank & Trust, Houston, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Cullen Center Bank & Trust,* Houston; offices: 4; resources: 241,541 ($000). Approved: November 29.

The State Bank of McEwen, McEwen, Tennessee, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *The Union Bank,* McEwen; offices: 2; resources: 15,110 ($000). Approved: December 31.

New Union State Bank of Beaumont, Beaumont, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Union State Bank of Beaumont,* Beaumont; offices: 1; resources: 9,723 ($000). Approved: December 31.

New American Bank and Trust Company, Houston, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *American Bank and Trust Company,* Houston; offices: 2; resources: 51,174 ($000). Approved: December 31.

New Kirbyville State Bank of Kirbyville, Kirbyville, Texas, in organization; offices: 0; resources: 50 ($000); to merge with and change title to *The Kirbyville State Bank of Kirbyville,* Kirbyville; offices: 1; resources: 8,903 ($000). Approved: December 31.

New Security Bank, Spring, Texas, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *Security Bank,* Spring; offices: 1; resources: 17,758 ($000). Approved: December 31.

BANK ABSORPTION DENIED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Bank of South Texas Alice, Texas	25,447	1	1
to merge with **First National Bank of Alice** Alice	16,260	1	

Summary report by Attorney General, December 10, 1974

There are six banks, each with one office, in Jim Wells County. Three are in Alice; one is in Orange Grove about 15 miles from Alice; one is in Sandia about 20 miles from Alice; and one is in Premont, about 30 miles from Alice. Applicant ranks second in total county deposits with nearly 25 percent, while Bank ranks third with approximately 18 percent. The county's largest bank, located in Alice, controls about 47 percent of total deposits.

The proponents' offices are located about 2 miles apart in the city of Alice. Applicant is the second largest of three Alice banks, accounting for nearly 28 percent of total city deposits, while Bank is the smallest of the three with almost 20 percent.

The application indicates that the banks are presently under common ownership and management. A group of 16 persons (one of these is actually an estate) currently owns 181,871 shares, or about 73 percent, of the 250,000 authorized and outstanding shares of capital stock of Applicant; the same group owns 119,976 shares, or about 80 percent, of the 150,000 authorized and outstanding shares of Bank's capital stock. Even more significant is the fact that one individual, W. Frederick Erck, owns nearly 57 percent (141,628 shares) of Applicant's stock and nearly 59 percent (87,999 shares) of Bank's stock. The application indicates that the existing common ownership was established in early 1970, when Applicant and Bank each held approximately $9 million in deposits.

In addition to common ownership, the proponents have two cases of common management. Mr. Erck serves as Chairman of the Board of both Bank and Applicant and as President of Bank; he is also director of both banks. Mr. N.O. Adams, Jr. serves as President of Applicant and Vice President of Bank; he too is a director of both banks.

In view of their common ownership and management, it appears unlikely that substantial competition presently exists between the parties to the proposed transaction. Their merger would, however, make permanent whatever lessening of competition occurred when the banks became commonly owned.

Basis for Corporation denial, December 31, 1974

The Bank of South Texas, Alice, Texas, a State nonmember insured bank with total resources of $25,447,000 and total IPC deposits of $18,422,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit

Insurance Act, for the Corporation's prior written consent to merge under its charter and title with First National Bank of Alice, Alice, Texas ("First National"), with total resources of $16,260,000 and total IPC deposits of $11,182,000. In order to comply with State law, the only office of First National would be discontinued and the resulting bank would operate at the present office of Bank of South Texas.

In January 1970, Fredrick Erck purchased a majority interest in the outstanding capital stock of Bank of South Texas (57.9 percent) and of First National (58.6 percent). Both banks (or their predecessors) had operated independently for more than 30 years prior to Mr. Erck's acquisitions. For several years, Mr. Erck has served as chairman of each bank and is now also president of First National. While it is argued that no meaningful competition between the two banks now or in the future would be eliminated by the proposed merger because of their present affiliation, and that the merger should be speedily approved, the Corporation believes that any such summary disposition of the application would encourage widespread evasion of the purposes of the Bank Merger Act.

A central purpose of the Bank Merger Act is, of course, to preclude bank mergers that are significantly anticompetitive. If ownership or control of two or more banks by an individual, or group, were treated, *ipso facto,* as immunizing the proposed merger of the banks from scrutiny under the competitive standards of the Bank Merger Act, then the Act would, in substantial respects, be rendered a nullity, since the purchase of stock control gives rise to no such supervisory review. And, presumably, under the reading of the law urged by the applicant, there would be no limit to the number of banks, in a given geographic market, that an individual, or group, could so acquire. Congress could not have intended the Bank Merger Act to be so easily frustrated.

The Corporation has consistently taken the position that, in cases such as this, it is pertinent to inquire whether the banks proposing to merge were meaningful competitors prior to their affiliation, whether such affiliation was effected before or after June 17, 1963 (the "grandfather" date used in connection with the Bank Merger Act Amendments of 1966), and whether the banks have now, or had at the time of affiliation, the potential to become meaningful competitors *but for* the affiliation.* If the acquisition of stock control eliminated substantial existing competition, or foreclosed significant potential competition, between two or more banks sought to be merged, the *merger* would, obviously, give permanence to that anticompetitive effect. In the absence of any overriding banking factors or considerations of the convenience and needs

*See, e.g., Basis for Corporation approval of the merger of The Farmers and Merchants Savings Bank with The Lone Tree Savings Bank, 1970 *FDIC Annual Report* 118, f. 1; Basis for Corporation approval of the consolidation of Citizens State Bank with Embarrass State Bank, 1970 *FDIC Annual Report* 127, f. 1; Basis for Corporation denial of the proposed acquisition of The Citizens and Southern Bank of Tucker by The Citizens and Southern Emory Bank, 1971 *FDIC Annual Report* 152, 154; Basis for Corporation approval of the acquisition of The Oil City Bank by Caddo Trust and Savings Bank, 1972 *FDIC Annual Report* 119, f. 1; Basis for Corporation approval of merger of Peoples Bank and Trust Company with the Nortonville Bank, 1972 *FDIC Annual Report* 141, f. 1; and Basis for Corporation approval of the merger of State Savings Bank with The First National Bank of Klemme, 1973 *FDIC Annual Report* 94, f. 1. *Cf.* Kintner, *An Antitrust Primer,* 89-90.

of the community to be served, the Corporation believes such proposed mergers should be denied whether or not denial leads to disaffiliation.**

The Corporation has, therefore, proceeded to analyze the competitive factors presented by the proposed merger in the light of the situation existing at the time stock control of the two banks was acquired by Mr. Erck in 1970.

Competition. Alice is located in southern Texas some 43 miles west of Corpus Christi. It serves as the seat of Jim Wells County and is the principal commercial center for the county and a somewhat larger area. Alice's population was 20,121 in 1970, having declined by 3.5 percent since 1960. Median household income in Jim Wells County was $6,354 in 1973, which was 27.7 percent below the statewide median. The economy of this area is based on agriculture and various industries in and around Alice, including oil field supply and meat packing.

The local banking market most relevant to an evaluation of the proposed merger can be approximated by the city of Alice and that area within a radius of about 15 miles. This market covers a large area in central Jim Wells County and smaller portions of adjacent Duval, Kleberg, and Nueces Counties, where median household incomes in 1973 were $4,153, $7,492, and $8,556, respectively. The overall population of about 36,000 in the market is heavily concentrated in and around Alice. At the present time, there are five commercial banks in this market, with total deposits of approximately $79 million. Bank of South Texas and First National rank second and third with respect to local market shares, which are 27.4 percent and 17.8 percent, respectively. Alice National Bank, Alice, Texas, ranks first with 43.6 percent; First State Bank of San Diego, San Diego, Texas, ranks fourth with 6.5 percent; and Farmers State Bank, Orange Grove, Texas, ranks fifth with 4.7 percent. (Mr. Erck controls approximately 49.0 percent of the outstanding capital stock of this bank as well as majority control of the two banks sought to be merged.)

As of December 31, 1969, just prior to Mr. Erck's purchase of majority control of the merging banks, the same five banks were the only banks competing in the Alice market. Their market shares in terms of total commercial bank deposits were: Alice National Bank, 46.1 percent; First National, 18.6 percent; Bank of South Texas, 17.9 percent; First State Bank of San Diego, 13.0 percent; and Farmers State Bank, 4.5 percent. Thus, prior to their affiliation, the merging banks were direct and significant competitors in Alice, where they represented two of the three banks in town, and they were also direct and significant competitors within the relevant geographic market where they and the Farmers State Bank, Orange Grove, represented three of only five competing banks.

At the time of affiliation, the Alice market had approximately two-thirds the total deposits that are currently held by commercial banks in the market. The total of such deposits was $50.0 million as of January 1, 1970, as compared to $79.2 million as of June 30, 1974. While the population and aggregate deposits of the relevant geographic market in and around Alice were quite small in 1970 and still are, compared to the markets involved in judicially

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**A stated intention not to disaffiliate even if the proposed merger is denied is, of course, self-serving and subject to change.

decided bank merger cases, the Alice banking market appears to constitute an economically significant "section of the country" whose center is an incorporated city of more than 20,000 persons.***

That being so, it would appear that the merger of the two banks in 1970 would have been a clear violation of Section 7 of the Clayton Act under the criteria established in *United States* v. *Phillipsburg National Bank,* 399 U. S. 350 (1970). In that case, seven commercial banks were found to be competitors in the relevant geographic market. Here, there are five. The banks there seeking to merge ranked third and fifth largest among the seven, the larger having 13.7 percent of the total commercial bank deposits in the market, and the two banks together having 23.4 percent of such deposits. Here, First National alone had 18.6 percent and Bank of South Texas, 17.9 percent of the total commercial bank deposits in the market in 1970, ranking second and third in this respect. There, the largest bank operating in the market held a much larger share of the total commercial bank deposits in the market (41.4 percent) than either bank proposed to be merged and a much larger share of such deposits than the bank resulting from their merger would have held. Here, Alice National Bank held a much larger share in the market (46.1 percent) than either First National or Bank of South Texas although the bank resulting from their proposed merger would have been only slightly smaller than the largest bank. There, the merger increased the share of deposits held by the three largest banks in the market from 70 percent to 80 percent. Here, the comparable percentage in 1970—even counting Farmers State Bank, Orange Grove, as an independent bank—would have increased from 83 percent to 96 percent.

Not only was substantial existing competition between Bank of South Texas and First National eliminated by Mr. Erck's acquisition of common control in 1970, a significant potential for increased competition between them in the future was also eliminated. Such future competition would have developed regardless of whether the bank not acquired by Mr. Erck had remained independent or had been acquired by one of the growing number of multibank holding companies operating in Texas.

The Corporation finds accordingly that the effect of the 1970 acquisition of stock control was "substantially to lessen competition" in the Alice banking market and that the proposed merger would give permanence to that anticompetitive result in frustration of the Bank Merger Act.

Convenience and Needs of the Community to be Served. The proposed merger would adversely affect the convenience and needs of the community being served by First National. Under Texas law, First National's office would have to be closed and discontinued. This office, along with the office of Alice National Bank, is located in Alice's business district, a deteriorating area with an increasing number of vacant buildings. While the continuance of First National's office may not reverse this trend, its closing will surely serve to accelerate it. Arguments have been made that the closing of this office will make Alice more attractive for *de novo* entry. But outside banks today are likely to view the office of Bank of South Texas and First National as being component parts of one banking organization. Since no outside bank has attempted *de novo*

***Cf. *United States* v. *County Nat'l Bank of Bennington,* 330 F. Supp. 155 (D. Vt. 1971), 339 F. Supp. 85 (D. Vt. 1972).

entry since 1970, the Corporation finds no reason to believe that the proposed merger would enhance the prospects for *de novo* entry in the future. In its view, the disaffiliation of one of these banks subsequent to denial of the proposed merger and the acquisition of that bank by a competing organization is at least an equal possibility with a healthier competitive result.

While the resulting bank's increased lending limit might make it more competitive with Alice's largest bank, loan participations with Mr. Erck's out-of-area banks can provide loans of the same size at the present time. The resulting bank, moreover, intends to offer no banking services that are not presently available at Bank of South Texas and First National. Considerations of convenience and need are, therefore, either neutral or negative and add no weight towards approval of the proposed merger.

Financial and Managerial Resources; Future Prospects. These factors are adequate with respect to both of the merging banks, as they were in 1970. They, too, add no decisive weight toward approval of a proposed merger under the competitive considerations here presented.

Conclusion. The application now before the Corporation presents the first opportunity for supervisory review of the anticompetitive effects of the 1970 affiliation of Bank of South Texas and First National through Mr. Erck's purchase of common control. Since it is clear that a merger application submitted in 1970 would have been denied by the Corporation under guidelines similar to those enunciated in the *Phillipsburg* case, there being present no overriding banking factors or considerations of convenience and need, the Corporation has concluded that the present application should also be denied so as to encourage compliance with the standards of the Bank Merger Act as determined in decided court cases.

LEGISLATION AND REGULATIONS
PART THREE

FEDERAL LEGISLATION – 1974

Depository Institutions Amendments of 1974. The Depository Institutions Amendments of 1974, Title I of Public Law 93-495, approved by the President on October 28, 1974, contain provisions significant to deposit insurance and insured banks. Effective November 27, 1974, the deposit insurance limit is increased to $100,000 for funds deposited in time and savings accounts in insured banks, or in federally insured savings and loan associations or credit unions, by any person having official custody of funds of the Federal Government or of the State where the financial institution is located, or of any political subdivision of that State. Federal financial regulatory agencies are given the authority to limit the aggregate amount of public funds deposited in any bank, savings and loan association, or credit union. This higher insurance limit is designed to increase competition among financial institutions for the deposits of public units. Also effective on November 27, 1974, the ceiling on the insurance coverage afforded other depositors in federally insured banks, savings and loan associations, and credit unions is increased from $20,000 to $40,000.

The Depository Institutions Amendments of 1974 also provide that the Federal agencies regulating financial institutions, and under the authority of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78a *et seq.*) also the securities issued by such institutions, must adopt regulations substantially similar to those prescribed by the Securities and Exchange Commission under the statutory provisions in question, unless a financial regulatory agency finds that such regulations would not be necessary or appropriate in the public interest or for protection of investors and publishes such findings in the Federal Register.

In addition, a moratorium is imposed (until June 30, 1976) on the conversion of insured mutual savings banks to the stock form of organization, unless the responsible Federal bank regulatory agency determines that the conversion is required to maintain the safety, soundness, and stability of an insured bank. A similar moratorium applies to conversions of mutual savings and loan associations, except for a limited number of test cases.

The authority of the Federal financial regulatory agencies under section 7 of the Act of September 21, 1966, (Public Law 89-597) to set flexible interest or dividend rate maximums on the time and savings deposits of financial institutions is extended until December 31, 1975. This authority was due to expire on December 31, 1974.

The Depository Institutions Amendments of 1974 also granted the Board of Governors of the Federal Reserve System authority to issue cease-and-desist orders against bank holding companies and nonbank subsidiaries engaging in unsafe or unsound practices.

National Commission on Electronic Fund Transfers. Title II of Public Law 93-495 established the National Commission on Electronic Fund Transfers. The Commission is composed of 26 members, including the heads of 12 Federal agencies having an interest in this subject and 14 members appointed by the President—2 from State financial regulatory agencies, 7 from various segments of the business community, and 5 from the public at large. The Commission is directed to conduct a thorough study and investigation of electronic fund transfer systems and to recommend appropriate administrative action and legislation. The Commission's final report must be made within 2 years.

The Fair Credit Billing Act. The Fair Credit Billing Act, Title III of Public Law 93-495, which becomes effective 1 year after the date of its enactment, amends the Truth in Lending Act (15 U.S.C. §§ 1601-1665) to prohibit certain unfair and inaccurate billing and credit card practices. The Fair Credit Billing Act will prevent banks and other financial institutions which issue credit cards from offsetting an unpaid credit card bill against a customer's checking or savings account unless a court order has been obtained. Issuers of credit cards will also be subject to the same claims that cardholders may assert against the sellers of the merchandise, provided that the transaction exceeded $50 and occurred in the State where the customer lives or within 100 miles of his residence.

Equal Credit Opportunity Act. The Equal Credit Opportunity Act, Title V of Public Law 93-495, amends the Consumer Credit Protection Act (Public Law 90-321) to prohibit any creditor from discriminating against any applicant for credit on the basis of sex or marital status. The Board of Governors of the Federal Reserve System is instructed to prescribe regulations to carry out the purposes of the new legislation, which becomes effective 1 year after the date of its enactment. Compliance by insured banks will be enforced by the Federal bank regulatory agencies under section 8 of the Federal Deposit Insurance Act (12 U.S.C. § 1818). The Equal Credit Opportunity Act provides for civil liability equal to actual damages plus punitive damages up to $10,000 in an individual action. In a class action, punitive damages are limited to $100,000 or 1 percent of the creditor's net worth, whichever is smaller.

Abandoned Traveler's Checks and Money Orders. Title VI of Public Law 93-495 states that the proceeds of unclaimed traveler's checks and money orders may escheat to the State where they were purchased, if that State has the power to escheat such sums under its own laws. If the State of purchase is unknown, or if that State does not have the power to escheat such funds under its own laws, the State where the issuer's principal place of business is located is entitled to escheat the funds if so empowered by its laws, until another State demonstrates that it is the State of purchase or until the State of purchase obtains the power to escheat the unclaimed funds under its laws.

Public Law 93-501. Title I of Public Law 93-501, approved on October 29, 1974, confers on the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board the discretionary authority to regulate interest rates payable on debt obligations issued by affiliates of insured financial institutions, regardless of whether the proceeds of the debt obligations are used for the benefit of the financial institution. The extension of authority is in response to several large issues of variable rate notes by bank holding companies at rates of interest generally higher than the rates which can be legally paid by banks and thrift institutions.

Title II of Public Law 93-501 amends the National Bank Act, the Federal Deposit Insurance Act, and the National Housing Act to permit all federally insured banks and savings and loan institutions, notwithstanding any State law to the contrary, to charge interest on business or agricultural loans in the amount of $25,000 or more at a rate of not more than 5 percent in excess of the discount rate on 90-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the institution is located. This exemption from State usury laws does not apply to loans made after July 1, 1977, or after the enactment of any State law which prohibits the charging of interest at the rates provided in the amendments. Public Law 93-501 also exempts the borrowings and bank deposit obligations of any insured bank or thrift institution, or of affiliates of these institutions, from State usury laws until July 1, 1977, or the date of any overriding State law, whichever is earlier.

Real Estate Settlement Procedures Act of 1974. Approved by the President on December 23, 1974, the Real Estate Settlement Procedures Act of 1974 (Public Law 93-533) revises settlement cost practices connected with federally related mortgages on residential property. The new legislation is intended to provide that consumers receive greater and more timely information on the cost of settlement and to protect them from unnecessarily high settlement charges. It is provided, for example, that no financial institution, including uninsured mutual savings banks and cooperative banks, may make a mortgage loan to an agent or other person acting in a fiduciary capacity without the prior condition that the identity of the person receiving the beneficial interest of the loan be disclosed to the lender. The details of any such transaction must be reported, upon request, to the Federal Deposit Insurance Corporation and the

Federal Home Loan Bank Board. These two agencies are empowered to exempt certain classes or types of transactions from the disclosure requirement.

RULES AND REGULATIONS AND STATEMENTS OF GENERAL POLICY

Loans in Areas Having Special Flood Hazards. The Flood Disaster Protection Act of 1973 (Public Law 93-123) mandated that the Federal agencies supervising or insuring banks, savings and loan associations, and other financial institutions issue regulations, pursuant to sections 102(b) and 202(b) of the Act, to restrict loans in areas having special flood hazards. Accordingly, effective March 2, 1974, the Corporation adopted a new regulation (12 C.F.R. part 339) to implement the Act. The regulation generally requires that on or after March 2, 1974, no insured State nonmember bank shall make any loan secured by improved real estate or a mobile home located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing the loan are covered for the term of the loan by adequate flood insurance. In addition, on and after July 1, 1975, insured State nonmember banks will be prohibited from making loans secured by improved real estate or mobile homes in designated flood hazard areas unless the community in which the area is located is then participating in the National Flood Insurance Program.

On September 22, 1974, the Corporation added a new section to its flood hazard regulations (12 C.F.R. § 339.5), as required by section 816(a) of the Housing and Community Development Act of 1974 (Public Law 93-383). The new section provides that each insured State nonmember bank, before making, increasing, extending, or renewing any loan secured by improved real estate or a mobile home located in an area designated as having special flood hazards, must notify the borrower in writing that the property securing the loan is in an area so designated. In lieu of such notification, the bank may receive written assurances from the seller or lessor that the seller or lessor has notified the buyer that the property is located in a designated flood hazard area.

Delegation of Authority to Washington Staff and Regional Directors. Effective May 8, 1974, the Corporation amended its regulations to further delegate the authority of the Board of Directors to act on certain applications. Section 303.11 of the Corporation's regulations was amended to delegate to the Director of the Division of Bank Supervision or the Regional Directors the additional authority to approve but not to deny:

(1) applications by State member banks to retain their status as insured banks upon withdrawal from membership in the Federal Reserve System;

(2) applications for approval of "phantom" bank mergers; and

(3) applications for deposit insurance filed by new banks which are formed in connection with "phantom" bank mergers.

It is the understanding of the Board of Directors that applications under (1) above will be handled, wherever possible, at the Regional Office level.

Section 303.12 of the Corporation's regulations (12 C.F.R. § 303.12) precludes the delegation of authority to the Director of the Division of Bank Supervision and the Regional Directors, where, in the case of branch applications, certain prerequisites are not met. The Regional Directors are delegated authority under existing regulations to approve branch applications by commercial banks only where, for example, the applicant's adjusted capital and reserves, including written commitments for additional capital funds, constitute at least 7.5 percent of its adjusted gross assets. Section 303.12 was amended to authorize the Director of the Division of Bank Supervision, but not the Regional Directors, to approve applications of commercial banks with adjusted capital-asset ratios below 7.5 percent where he is satisfied that the applicant's capital is adequate when viewed in light of all the circumstances which bear on such a determination. The amendments also eliminate the prerequisite that the branch applicant's aggregate fixed asset investment, including its investment in the proposed branch, meet a minimum percentage of its adjusted capital and reserves. This prerequisite is replaced with a "reasonableness" requirement, which is met if the applicant's aggregate fixed asset investment, including its direct and indirect investment in the proposed branch, is determined to be reasonable relative to the applicant's earnings capacity and other pertinent bases of consideration.

Finally, the Board of Directors amended section 303.13 of the Corporation's regulations, relating to other delegations of authority (12 C.F.R. § 303.13). The amendment delegates authority to the Director of the Division of Bank Supervision and, where confirmed in writing by the Director, to the Regional Directors to furnish reports to other Federal banking agencies on the competitive factors involved in "phantom" bank mergers required to be approved by those agencies.

"Standby" Letters of Credit. On September 15, 1974, new regulations concerning certain letter of credit practices of insured State nonmember banks became effective. Section 332.1 of the Corporation's regulations (12 C.F.R. § 332.1) was amended to allow any insured State nonmember bank to issue letters of credit in the usual course of its banking business without regard to the limitations prescribed by that section. Section 332.1 enumerates certain powers inconsistent with the purposes of the Federal Deposit Insurance Act. In addition, the Corporation adopted a new regulation (12 C.F.R. part 337) dealing with unsafe and unsound banking practices. The immediate purpose of the new regulation is to establish guidelines for handling certain kinds of letters of credit which may have adverse effects on the safety and soundness of the issuing bank and which the Board of Directors has determined may involve practices which would warrant the enforcement procedures set forth in subsection 8(b) of the Federal Deposit Insurance Act (12 U.S.C. § 1818(b)). The regulation requires that all "standby" letters of credit, as defined therein, issued by an insured State nonmember bank be combined with all its loans for the purpose of applying any legal limitation on loans, unless the letter of credit is prepaid, or unless the bank segregates an amount equal to its maximum potential liability on the letter of credit in a deposit account clearly earmarked for that purpose. "Standby" letters of credit are defined to include letters of credit which guarantee the payment of a money obligation by an account party or which condition payment on the default of an account party.

Deposit Insurance Coverage. Public Law 93-495, signed into law by the President on October 28, 1974, increased the maximum deposit insurance from $20,000 to $40,000 and also provided additional insurance coverage of up to $100,000 for certain time and savings deposits of official custodians of public funds. On November 20, 1974, the Corporation amended parts 306, 308, 328, 330, and 331 of its regulations (12 C.F.R. parts 306, 308, 328, 330, and 331) to reflect the increase in the deposit insurance ceiling and to clarify the deposit insurance coverage of public funds. Under the new regulations, each official custodian of funds of the United States is entitled to insurance coverage of up to $100,000 for any such funds deposited in time and savings accounts in an insured bank and additional coverage of up to $40,000 for any such funds deposited in demand accounts in the same insured bank. Official custodians of States or their political subdivisions who deposit public funds in time and savings accounts in an insured bank in the same State are insured up to $100,000 and up to $40,000 for any such funds deposited in demand accounts in the same insured bank. All such funds deposited outside of the State are insured only up to

$40,000 in the aggregate, regardless of whether deposited in demand, time, or savings accounts.

Interest Rate Regulations. On November 27, 1974, the Board of Directors, after consultation with the Board of Governors of the Federal Reserve System and the Federal Home Loan Bank Board as required by law, amended sections 329.1 329.6, and 329.7 of the Corporation's regulations (12 C.F.R. §§ 329.1, 329.6, and 329.7), which restrict the amount of interest insured State nonmember banks can pay on deposits. The amendments are designed to reflect the changes made by Public Law 93-495, approved on October 28, 1974, which, among other things, allowed insurance coverage of up to $100,000 for certain time and savings deposits of public funds. The new amendments allow all depositors of public funds to hold, for the first time, savings deposits in commercial banks, subject to existing interest rate limitations. In addition, a special ceiling rate for interest payable on time deposits of public funds deposited in both commercial and mutual savings banks, regardless of maturity, has been established at the highest rate which any insured nonmember bank (including a mutual savings bank) may pay on any time deposit under $100,000. The Board of Directors, after consultation with the Board of Governors of the Federal Reserve System and the Federal Home Loan Bank Board, further amended its interest rate regulations, effective December 23, 1974, specifying a new ceiling for interest payable on time deposits with a minimum maturity of 6 years and in a minimum amount of $1,000 to be 7 3/4 percent per annum for mutual savings banks and 7 1/2 percent per annum for commercial banks.

Policy Statement on Gold. Public Law 93-373, effective on December 31, 1974, removed the 40-year-old ban on the ownership of monetary gold by individuals, including banks. On December 9, 1974, the Corporation issued a statement of policy on gold addressed to insured nonmember banks. The statement instructs each insured nonmember bank which intends to deal in gold to notify the Corporation and warns banks of the potential risks of dealing in gold with respect to each capacity in which banks are likely to hold gold. Those banks which deal in gold for their own account should be aware of adverse fluctuations in market value and that gold is a non-earning asset. Those banks which sell gold to customers on a consignment basis should be aware of problems relating to the physical security of the gold, liability under repurchase agreements, bogus gold, and the necessity of weighing and assaying any gold which comes into the bank's possession. Banks which engage in the safekeeping of gold owned by their customers should be concerned with the adequacy of their security arrangements. Any receipt or advertisement issued in connection with the bank's safekeeping activities should state that the gold is not a deposit insured by the FDIC.

The policy statement on gold further advises banks that contracts, including deposit contracts, which are payable in gold and where the parties to the contract view the gold as a medium of discharging the debt, rather than as a commodity to be traded, may be unenforceable under the so-called Gold Clause Resolution of 1933 (31 U.S.C. § 463). Those banks which hold gold as collateral for loans should be aware of the valuation and security problems involved and that loans made for the purchase of gold are speculative and nonproductive, unless made for commercial or industrial purposes.

Similar policy statements were issued by the other Federal bank regulatory agencies with respect to the banks under their jurisdiction.

STATISTICS OF BANKS
AND DEPOSIT INSURANCE
PART FOUR

NUMBER OF BANKS AND BRANCHES

Banks: **Commercial banks** include the following categories of banking institutions:

National banks:

Incorporated State banks, trust companies, and bank and trust companies regularly engaged in the business of receiving deposits, whether demand or time, except mutual savings banks;

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

Industrial and Morris Plan banks which operate under general banking codes, or are specifically authorized by law to accept deposits and in practice do so, or the obligations of which are regarded as deposits for deposit insurance;

Special types of banks of deposit; regulated certificated banks, and a savings and loan company operating under Superior Court charter in Georgia; government-operated banks in North Dakota and Puerto Rico; a cooperative bank, usually classified as a credit union, operating under a special charter in New Hampshire; a savings institution, known as a "trust company," operating under special charter in Texas; the Savings Banks Trust Company in New York; the Savings Bank and Trust Company Northwest Washington in the State of Washington; and branches of foreign banks engaged in a general deposit business in Illinois, Massachusetts, New York, Oregon, Washington, Puerto Rico, and Virgin Islands;

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

Nondeposit trust companies include institutions operating under trust company charters which are not regularly engaged in deposit banking but are engaged in fiduciary business other than that incidental to real estate title or investment activities.

Mutual savings banks include all banks operating under State banking codes applying to mutual savings banks.

Institutions excluded. Institutions in the following categories are excluded, though such institutions may perform many of the same functions as commercial and savings banks:

Banks which have suspended operations or have ceased to accept new deposits and are proceeding to liquidate their assets and pay off existing deposits;

Building and loan associations, savings and loan associations, credit unions, personal loan companies, and similar institutions, chartered under laws applying to such institutions or under general incorporation laws, regardless of whether such institutions are authorized to accept deposits from the public or from their members and regardless of whether such institutions are called "banks" (a few institutions accepting deposits under powers granted in special charters are included);

Morris Plan companies, industrial banks, loan and investment companies, and similar institutions except those mentioned in the description of institutions included;

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

Institutions chartered under banking or trust company laws, but operating as investment or title insurance companies and not engaged in deposit banking or fiduciary activities;

Federal Reserve Banks and other banks, such as the Federal Home Loan Banks and the Savings and Loan Bank of the State of New York, which operate as rediscount banks and do not accept deposits except from financial institutions.

Branches: Branches include all offices of a bank other than its head office, at which deposits are received, checks paid, or money lent. Banking facilities separate from a banking house, banking facilities at government establishments, offices, agencies, paying or receiving stations, drive-in facilities, and other facilities operated for limited purposes are defined as branches under the Federal Deposit Insurance Act, Section 3(o), regardless of the fact that in certain States, including several which prohibit the operation of branches, such limited facilities are not considered branches within the meaning of State law.

Table 101. CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1974

Type of change	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks		
					Insured				Noninsured				
						Members F.R. System							
	Total	Insured	Non-insured	Total	Total	National	State	Not members F.R. System	Banks of deposit	Nondeposit trust companies[1]	Total	Insured	Non-insured
ALL BANKING OFFICES													
Number of offices, December 31, 1974[1]	45,308	44,566	742	43,186	42,859	20,498	5,281	17,080	246	81	2,122	1,707	415
Number of offices, December 31, 1973[1]	42,886	42,182	704	40,912	40,619	19,627	5,129	15,863	213	80	1,974	1,563	411
Net change during year	+2,422	+2,384	+38	+2,274	+2,240	+871	+152	+1,217	+33	+1	+148	+144	+4
Offices opened	2,730	2,679	51	2,540	2,494	1,090	281	1,123	40	6	190	185	5
Banks	408	365	43	407	364	97	35	232	37	6	1	1	0
Branches	2,322	2,314	8	2,133	2,130	993	246	891	3	0	189	184	5
Offices closed	308	301	7	272	266	134	44	88	3	3	36	35	1
Banks	123	119	4	120	116	43	14	59	1	3	3	3	0
Branches	185	182	3	152	150	91	30	29	2	0	33	32	1
Changes in classification	0	+6	−6	+6	+12	−85	−85	+182	−4	−2	−6	−6	0
Among banks	0	+6	−6	0	+6	−5	−25	+36	−4	−2	0	0	0
Among branches	0	0	0	+6	+6	−80	−60	+146	0	0	−6	−6	0
BANKS													
Number of banks, December 31, 1974	14,961	14,550	411	14,481	14,230	4,710	1,072	8,448	179	72	480	320	160
Number of banks, December 31, 1973	14,676	14,298	378	14,194	13,976	4,661	1,076	8,239	147	71	482	322	160
Net change during year	+285	+252	+33	+287	+254	+49	−4	+209	+32	+1	−2	−2	0
Banks beginning operation	408	365	43	407	364	97	35	232	37	6	1	1	0
New banks	395	365	30	394	364	97	35	232	25	5	1	1	0
Banks added to count[2]	13	0	13	13	0	0	0	0	12	1	0	0	0
Banks ceasing operation	123	119	4	120	116	43	14	59	1	3	3	3	0
Absorptions, consolidations, and mergers	120	119	1	117	116	43	14	59	0	1	3	3	0
Other liquidations	1	0	1	1	0	0	0	0	0	1	0	0	0
Banks deleted from count	2	0	2	2	0	0	0	0	1	1	0	0	0
Noninsured banks becoming insured	0	+6	−6	0	+6	0	+1	+5	−4	−2	0	0	0

Other changes in classification	0	0	0	0	0	−5	−26	+31	0	0	0	0	0
National succeeding State bank	0	0	0	0	0	+15	−7	−8	0	0	0	0	0
State succeeding national bank	0	0	0	0	0	−20	0	+20	0	0	0	0	0
Admission of insured bank to F.R. System	0	0	0	0	0	0	+9	−9	0	0	0	0	0
Withdrawal from F.R. System with continued insurance	0	0	0	0	0	0	−28	+28	0	0	0	0	0
Changes not involving number in any class													
Change in title	435	432	3	425	423	151	24	248	2	0	10	9	1
Change in location	32	32	0	32	32	14	0	18	0	0	0	0	0
Change in title and location	17	16	1	17	16	8	2	6	0	1	0	0	0
Change in location within city	336	331	5	321	319	94	8	217	2	0	15	12	3
Change in corporate powers													
Granted trust powers	88	88	0	87	87	0	0	87	0	0	1	1	0
BRANCHES													
Number of branches, December 31, 1974[1]	30,347	30,016	331	28,705	28,629	15,788	4,209	8,632	67	9	1,642	1,387	255
Number of branches, December 31, 1973[1]	28,210	27,884	326	26,718	26,643	14,966	4,053	7,624	66	9	1,492	1,241	251
Net change during year	+2,137	+2,132	+5	+1,987	+1,986	+822	+156	+1,008	+1	0	+150	+146	+4
Branches opened for business	2,322	2,314	8	2,133	2,130	993	246	891	3	0	189	184	5
Absorbed bank converted to branch	106	106	0	106	106	57	10	39	0	0	0	0	0
Branch replacing head office relocated	40	40	0	40	40	14	2	24	0	0	0	0	0
New branches	2,134	2,132	2	1,951	1,951	908	226	817	0	0	183	181	2
Branches and/or facilities added to count[2]	42	36	6	36	33	14	8	11	3	0	6	3	3
Branches discontinued	185	182	3	152	150	91	30	29	2	0	33	32	1
Facilities designated by Treasury	4	3	1	4	4	1	0	2	1	0	0	0	0
Branches	159	158	1	127	126	79	24	23	1	0	32	32	0
Branches and/or facilities deleted from count	22	21	1	21	21	11	6	4	0	0	1	0	1
Other changes in classification	0	0	0	+6	+6	−80	−60	+146	0	0	−6	−6	0
Branches changing class as a result of conversion	0	0	0	0	0	−19	0	+19	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	0	0	0	+6	+6	−61	+2	+65	0	0	−6	−6	0
Branches of insured banks withdrawing from F.R. System	0	0	0	0	0	0	−62	+62	0	0	0	0	0
Changes not involving number in any class													
Changes in operating power of branches	2	2	0	2	2	1	0	1	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	123	123	0	123	123	61	1	61	0	0	0	0	0
Changes in title, location, or name of location	652	651	1	652	620	338	77	205	0	1	31	31	0

[1]Includes facilities established at request of the Treasury or commanding officer of government installations, and also a few seasonal branches that were not in operation as of December 31.
[2]Banks or branches opened prior to 1974 but not included in count as of December 31, 1973.

Table 102. CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1974, BY STATE

State	In operation				Net change during 1974		Beginning operation in 1974				Ceasing operation in 1974			
	Dec. 31, 1974		Dec. 31, 1973				Banks		Branches		Banks		Branches	
	Banks	Branches	Banks	Branches	Banks	Branches	New	Other	New	Other	Absorptions	Other	Branches	Other
Total United States	**14,481**	**28,705**	**14,194**	**26,718**	**+287**	**+1,987**	**394**	**13**	**1,987**	**152**	**117**	**3**	**127**	**25**
50 States and D.C.	**14,458**	**28,432**	**14,171**	**26,449**	**+287**	**+1,983**	**394**	**13**	**1,981**	**152**	**117**	**3**	**127**	**23**
Other areas	**23**	**273**	**23**	**269**	**NA**	**+4**	**0**	**0**	**6**	**0**	**0**	**0**	**0**	**2**
States														
Alabama	293	417	287	369	+6	+48	8	0	47	3	2	0	2	0
Alaska	10	81	10	73	NA	+8	0	0	8	0	0	0	0	0
Arizona	25	425	22	405	+3	+20	3	1	22	0	0	1	2	0
Arkansas	262	281	258	227	+4	+54	4	0	52	2	0	0	0	0
California	198	3,490	185	3,391	+13	+99	19	0	117	7	6	0	24	1
Colorado	324	50	302	42	+22	+8	11	12	8	0	0	1	0	0
Connecticut	71	547	68	518	+3	+29	5	0	28	2	2	0	1	0
Delaware	18	130	19	118	−1	+12	0	0	11	1	1	0	0	0
District of Columbia	16	126	15	117	+1	+9	1	0	9	0	0	0	0	0
Florida	716	121	646	67	+70	+54	70	0	55	1	0	0	1	1
Georgia	447	656	436	558	+11	+98	13	0	97	4	2	0	2	1
Hawaii	12	151	12	150	NA	+1	0	0	1	0	0	0	0	0
Idaho	24	191	24	179	0	+12	1	0	11	1	1	0	0	0
Illinois	1,204	194	1,172	175	+32	+19	32	0	18	3	0	0	2	0
Indiana	410	842	410	777	0	+65	3	0	65	3	3	0	2	1
Iowa	665	385	670	369	−5	+16	0	0	11	6	5	0	1	0
Kansas	613	127	612	89	+1	+38	2	0	37	1	1	0	0	0
Kentucky	342	471	342	424	NA	+47	0	0	51	0	0	0	3	1
Louisiana	249	541	245	490	+4	+51	4	0	52	2	0	0	2	1
Maine	49	277	48	260	+1	+17	1	0	16	1	0	0	0	0
Maryland	114	703	112	643	+2	+60	5	0	50	10	3	0	0	0
Massachusetts	152	885	153	853	−1	+32	2	0	38	3	3	0	7	2
Michigan	347	1,480	340	1,400	+7	+80	11	0	86	4	4	0	4	6
Minnesota	745	32	740	24	+5	+8	5	0	8	0	0	0	0	0
Mississippi	181	503	181	449	0	+54	8	0	45	9	8	0	0	0
Missouri	700	261	687	203	+13	+58	14	0	59	4	1	0	5	0
Montana	154	14	151	12	+3	+2	3	0	2	0	0	0	0	0
Nebraska	453	83	449	56	+4	+27	5	0	28	0	1	0	1	0
Nevada	8	105	8	96	NA	+9	0	0	9	0	0	0	0	0
New Hampshire	82	99	82	90	0	+9	1	0	8	1	1	0	0	0

New Jersey	218	1,336	222	1,250	–4	+86	11	0	73	16	14	1	1	2
New Mexico	77	189	74	177	+3	+12	3	0	13	0	0	0	1	0
New York	305	3,090	304	2,879	+1	+211	13	0	214	12	12	0	13	2
North Carolina	92	1,547	90	1,444	+2	+103	6	0	109	5	4	0	9	2
North Dakota	171	80	170	74	+1	+6	1	0	6	1	0	0	1	0
Ohio	498	1,613	498	1,525	0	+88	6	0	90	6	6	0	7	1
Oklahoma	460	96	452	91	+8	+5	8	0	4	1	0	0	0	0
Oregon	49	420	46	401	+3	+19	3	0	19	0	0	0	0	0
Pennsylvania	406	2,193	422	2,061	–16	+132	1	0	130	17	17	0	14	1
Rhode Island	16	214	16	207	NA	+7	0	0	7	0	0	0	0	0
South Carolina	91	581	91	548	0	+33	4	0	34	4	4	0	4	1
South Dakota	158	115	159	108	–1	+7	0	0	5	2	1	0	0	0
Tennessee	337	723	321	658	+16	+65	16	0	66	2	0	0	3	0
Texas	1,313	123	1,266	110	+47	+13	47	0	12	1	0	0	0	0
Utah	55	186	54	171	+1	+15	3	0	13	2	2	0	0	0
Vermont	34	131	39	109	–5	+22	0	0	17	5	5	0	0	0
Virginia	288	1,112	271	1,045	+17	+67	20	0	73	5	3	0	11	0
Washington	93	661	88	640	+5	+21	7	0	20	3	2	0	2	0
West Virginia	214	26	210	15	+4	+11	4	0	11	0	0	0	0	0
Wisconsin	625	326	621	310	+4	+16	7	0	16	2	3	0	2	0
Wyoming	74	2	71	2	+3	NA	3	0	0	0	0	0	0	0
Other areas														
Pacific Islands	1	28	1	27	NA	+1	0	0	2	0	0	0	0	1
Panama Canal Zone	0	2	0	2	0	NA	0	0	0	0	0	0	0	0
Puerto Rico	14	214	14	210	NA	+4	0	0	4	0	0	0	0	0
Virgin Islands	8	29	8	30	NA	–1	0	0	0	0	0	0	0	1

NA–No activity

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
	Total	Insured	Non-insured	Total	Insured				Noninsured		Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
					Total	Members F.R. System		Non-members F.R. System	Banks of deposit[2]	Nondeposit trust companies[9]						
						National	State									
United States—all offices	**45,308**	**44,566**	**742**	**43,186**	**42,859**	**20,498**	**5,281**	**17,080**	**246**	**81**	**2,122**	**1,707**	**415**	**98.5**	**99.4**	**80.4**
Banks	14,961	14,550	411	14,481	14,230	4,710	1,072	8,448	179	72	480	320	160	97.7	98.8	66.7
Unit banks	*9,421*	*9,130*	*291*	*9,295*	*9,068*	*2,720*	*584*	*5,764*	*160*	*67*	*126*	*62*	*64*	*97.6*	*98.3*	*49.2*
Banks operating branches	*5,540*	*5,420*	*120*	*5,186*	*5,162*	*1,990*	*488*	*2,684*	*19*	*5*	*354*	*258*	*96*	*97.9*	*99.6*	*72.9*
Branches	30,347	30,016	331	28,705	28,629	15,788	4,209	8,632	67	9	1,642	1,387	255	98.9	99.8	84.5
50 States & D.C.—all offices	**45,011**	**44,308**	**703**	**42,890**	**42,602**	**20,437**	**5,281**	**16,884**	**207**	**81**	**2,121**	**1,706**	**415**	**98.6**	**99.5**	**80.4**
Banks	14,937	14,537	400	14,458	14,218	4,708	1,072	8,438	168	72	479	319	160	97.8	98.8	66.6
Unit Banks	*9,411*	*9,127*	*284*	*9,286*	*9,066*	*2,719*	*584*	*5,763*	*153*	*67*	*125*	*61*	*64*	*97.7*	*98.3*	*48.8*
Banks operating branches	*5,526*	*5,410*	*116*	*5,172*	*5,152*	*1,989*	*488*	*2,675*	*15*	*5*	*354*	*258*	*96*	*98.0*	*99.7*	*72.9*
Branches	30,074	29,771	303	28,432	28,384	15,729	4,209	8,446	39	9	1,642	1,387	255	99.0	99.9	84.5
Other areas—all offices	**297**	**258**	**39**	**296**	**257**	**61**	**0**	**196**	**39**	**0**	**1**	**1**	**0**	**86.9**	**86.8**	**100.0**
Banks	24	13	11	23	12	2	0	10	11	0	1	1	0	54.2	52.2	100.0
Unit banks	*10*	*3*	*7*	*9*	*2*	*1*	*0*	*1*	*7*	*0*	*1*	*1*	*0*	*30.0*	*22.2*	*100.0*
Banks operating branches	*14*	*10*	*4*	*14*	*10*	*1*	*0*	*9*	*4*	*0*	*0*	*0*	*0*	*71.4*	*71.4*	*0.0*
Branches	273	245	28	273	245	59	0	186	28	0	0	0	0	89.7	89.7	0.0
State																
Alabama—all offices	**710**	**710**	**0**	**710**	**710**	**364**	**39**	**307**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	293	293	0	293	293	93	19	181	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*163*	*163*	*0*	*163*	*163*	*35*	*12*	*116*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*130*	*130*	*0*	*130*	*130*	*58*	*7*	*65*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	417	417	0	417	417	271	20	126	0	0	0	0	0	100.0	100.0	0.0
Alaska—all offices	**94**	**94**	**0**	**91**	**91**	**75**	**0**	**16**	**0**	**0**	**3**	**3**	**0**	**100.0**	**100.0**	**100.0**
Banks	12	12	0	10	10	5	0	5	0	0	2	2	0	100.0	100.0	100.0
Unit banks	*2*	*2*	*0*	*1*	*1*	*0*	*0*	*1*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*10*	*10*	*0*	*9*	*9*	*5*	*0*	*4*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	82	82	0	81	81	70	0	11	0	0	1	1	0	100.0	100.0	100.0
Arizona—all offices	**450**	**442**	**8**	**450**	**442**	**269**	**27**	**146**	**0**	**8**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	25	17	8	25	17	3	1	13	0	8	0	0	0	100.0	100.0	0.0
Unit banks	*15*	*7*	*8*	*15*	*7*	*1*	*0*	*6*	*0*	*8*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*10*	*10*	*0*	*10*	*10*	*2*	*1*	*7*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	425	425	0	425	425	266	26	133	0	0	0	0	0	100.0	100.0	0.0

Arkansas—all offices	**543**	**539**	**4**	**543**	**539**	**219**	**26**	**294**	**1**	**3**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	262	258	4	262	258	74	9	175	1	3	0	0	0	99.6	99.6	0.0
Unit banks	*132*	*128*	*4*	*132*	*128*	*20*	*1*	*107*	*1*	*3*	*0*	*0*	*0*	*99.2*	*99.2*	*0.0*
Banks operating branches	*130*	*130*	*0*	*130*	*130*	*54*	*8*	*68*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	281	281	0	281	281	145	17	119	0	0	0	0	0	100.0	100.0	0.0
California—all offices	**3,688**	**3,670**	**18**	**3,688**	**3,670**	**2,731**	**326**	**613**	**0**	**18**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	198	186	12	198	186	55	8	123	0	12	0	0	0	100.0	100.0	0.0
Unit banks	*67*	*58*	*9*	*67*	*58*	*10*	*0*	*48*	*0*	*9*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*131*	*128*	*3*	*131*	*128*	*45*	*8*	*75*	*0*	*3*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	3,490	3,484	6	3,490	3,484	2,676	318	490	0	6	0	0	0	100.0	100.0	0.0
Colorado—all offices	**374**	**313**	**61**	**374**	**313**	**154**	**20**	**139**	**61**	**0**	**0**	**0**	**0**	**83.7**	**83.7**	**0.0**
Banks	324	263	61	324	263	127	17	119	61	0	0	0	0	81.2	81.2	0.0
Unit banks	*279*	*218*	*61*	*279*	*218*	*102*	*15*	*101*	*61*	*0*	*0*	*0*	*0*	*78.1*	*78.1*	*0.0*
Banks operating branches	*45*	*45*	*0*	*45*	*45*	*25*	*2*	*18*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	50	50	0	50	50	27	3	20	0	0	0	0	0	100.0	100.0	0.0
Connecticut—all offices	**913**	**912**	**1**	**618**	**617**	**275**	**82**	**260**	**1**	**0**	**295**	**295**	**0**	**99.9**	**99.8**	**100.0**
Banks	139	138	1	71	70	24	2	44	1	0	68	68	0	99.3	98.6	100.0
Unit banks	*33*	*32*	*1*	*19*	*18*	*3*	*1*	*14*	*1*	*0*	*14*	*14*	*0*	*97.0*	*94.7*	*100.0*
Banks operating branches	*106*	*106*	*0*	*52*	*52*	*21*	*1*	*30*	*0*	*0*	*54*	*54*	*0*	*100.0*	*100.0*	*100.0*
Branches	774	774	0	547	547	251	80	216	0	0	227	227	0	100.0	100.0	100.0
Delaware—all offices	**172**	**171**	**1**	**148**	**147**	**9**	**0**	**138**	**0**	**1**	**24**	**24**	**0**	**100.0**	**100.0**	**100.0**
Banks	20	19	1	18	17	5	0	12	0	1	2	2	0	100.0	100.0	100.0
Unit banks	*9*	*8*	*1*	*9*	*8*	*3*	*0*	*5*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*11*	*11*	*0*	*9*	*9*	*2*	*0*	*7*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	152	152	0	130	130	4	0	126	0	0	22	22	0	100.0	100.0	100.0
D.C.—all offices	**142**	**142**	**0**	**142**	**142**	**100**	**30**	**12**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	16	16	0	16	16	13	1	2	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*2*	*2*	*0*	*2*	*2*	*2*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*14*	*14*	*0*	*14*	*14*	*11*	*1*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	126	126	0	126	126	87	29	10	0	0	0	0	0	100.0	100.0	0.0
Florida—all offices	**837**	**833**	**4**	**837**	**833**	**318**	**35**	**480**	**1**	**3**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	716	712	4	716	712	282	33	397	1	3	0	0	0	99.9	99.9	0.0
Unit banks	*602*	*598*	*4*	*602*	*598*	*247*	*31*	*320*	*1*	*3*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*114*	*114*	*0*	*114*	*114*	*35*	*2*	*77*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	121	121	0	121	121	36	2	83	0	0	0	0	0	100.0	100.0	0.0
Georgia—all offices	**1,103**	**1,099**	**4**	**1,103**	**1,099**	**382**	**84**	**633**	**4**	**0**	**0**	**0**	**0**	**99.6**	**99.6**	**0.0**
Banks	447	443	4	447	443	64	9	370	4	0	0	0	0	99.1	99.1	0.0
Unit banks	*242*	*238*	*4*	*242*	*238*	*17*	*2*	*219*	*4*	*0*	*0*	*0*	*0*	*98.3*	*98.3*	*0.0*
Banks operating branches	*205*	*205*	*0*	*205*	*205*	*47*	*7*	*151*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	656	656	0	656	656	318	75	263	0	0	0	0	0	100.0	100.0	0.0
Hawaii—all offices	**163**	**156**	**7**	**163**	**156**	**12**	**0**	**144**	**0**	**7**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	12	8	4	12	8	2	0	6	0	4	0	0	0	100.0	100.0	0.0
Unit banks	*3*	*1*	*2*	*3*	*1*	*1*	*0*	*0*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*9*	*7*	*2*	*9*	*7*	*1*	*0*	*6*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	151	148	3	151	148	10	0	138	0	3	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974--CONTINUED
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks: Total	All banks: Insured	All banks: Noninsured	Commercial banks and nondeposit trust companies: Total	Insured: Total	Insured: Members F.R. System: National	Insured: Members F.R. System: State	Insured: Nonmembers F.R. System	Noninsured: Banks of deposit[2]	Noninsured: Nondeposit trust companies[9]	Mutual savings banks: Total	Mutual savings banks: Insured	Mutual savings banks: Noninsured	Percentage insured[1]: All banks of deposit	Percentage insured[1]: Commercial banks of deposit	Percentage insured[1]: Mutual savings banks
Idaho—all offices	**215**	**215**	**0**	**215**	**215**	**161**	**10**	**44**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	24	24	0	24	24	6	4	14	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*11*	*11*	*0*	*11*	*11*	*1*	*2*	*8*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*13*	*13*	*0*	*13*	*13*	*5*	*2*	*6*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	191	191	0	191	191	155	6	30	0	0	0	0	0	100.0	100.0	0.0
Illinois—all offices	**1,398**	**1,377**	**21**	**1,398**	**1,377**	**518**	**83**	**776**	**15**	**6**	**0**	**0**	**0**	**98.9**	**98.9**	**0.0**
Banks	1,204	1,183	21	1,204	1,183	420	71	692	15	6	0	0	0	98.7	98.7	0.0
Unit banks	*1,016*	*995*	*21*	*1,016*	*995*	*326*	*59*	*610*	*15*	*6*	*0*	*0*	*0*	*98.5*	*98.5*	*0.0*
Banks operating branches	*188*	*188*	*0*	*188*	*188*	*94*	*12*	*82*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	194	194	0	194	194	98	12	84	0	0	0	0	0	100.0	100.0	0.0
Indiana—all offices	**1,257**	**1,255**	**2**	**1,252**	**1,250**	**562**	**103**	**585**	**1**	**1**	**5**	**5**	**0**	**99.9**	**99.9**	**100.0**
Banks	414	412	2	410	408	121	51	236	1	1	4	4	0	99.8	99.8	100.0
Unit banks	*186*	*184*	*2*	*183*	*181*	*38*	*26*	*117*	*1*	*1*	*3*	*3*	*0*	*99.5*	*99.5*	*100.0*
Banks operating branches	*228*	*228*	*0*	*227*	*227*	*83*	*25*	*119*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	843	843	0	842	842	441	52	349	0	0	1	1	0	100.0	100.0	100.0
Iowa—all offices	**1,050**	**1,042**	**8**	**1,050**	**1,042**	**175**	**86**	**781**	**7**	**1**	**0**	**0**	**0**	**99.3**	**99.3**	**0.0**
Banks	665	657	8	665	657	99	47	511	7	1	0	0	0	98.9	98.9	0.0
Unit banks	*417*	*409*	*8*	*417*	*409*	*52*	*27*	*330*	*7*	*1*	*0*	*0*	*0*	*98.3*	*98.3*	*0.0*
Banks operating branches	*248*	*248*	*0*	*248*	*248*	*47*	*20*	*181*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	385	385	0	385	385	76	39	270	0	0	0	0	0	100.0	100.0	0.0
Kansas—all offices	**740**	**739**	**1**	**740**	**739**	**224**	**36**	**479**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	613	612	1	613	612	171	27	414	1	0	0	0	0	99.8	99.8	0.0
Unit banks	*512*	*511*	*1*	*512*	*511*	*130*	*20*	*361*	*1*	*0*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*101*	*101*	*0*	*101*	*101*	*41*	*7*	*53*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	127	127	0	127	127	53	9	65	0	0	0	0	0	100.0	100.0	0.0
Kentucky—all offices	**813**	**812**	**1**	**813**	**812**	**274**	**90**	**448**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	342	341	1	342	341	80	11	250	1	0	0	0	0	99.7	99.7	0.0
Unit banks	*177*	*176*	*1*	*177*	*176*	*29*	*4*	*143*	*1*	*0*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Banks operating branches	*165*	*165*	*0*	*165*	*165*	*51*	*7*	*107*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	471	471	0	471	471	194	79	198	0	0	0	0	0	100.0	100.0	0.0

Louisiana—all offices	**790**	**790**	**0**	**790**	**790**	**278**	**51**	**461**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	249	249	0	249	249	52	9	188	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*91*	*91*	*0*	*91*	*91*	*13*	*1*	*77*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*158*	*158*	*0*	*158*	*158*	*39*	*8*	*111*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	541	541	0	541	541	226	42	273	0	0	0	0	0	100.0	100.0	0.0
Maine—all offices	**405**	**400**	**5**	**326**	**322**	**146**	**34**	**142**	**4**	**0**	**79**	**78**	**1**	**98.8**	**98.8**	**98.7**
Banks	81	76	5	49	45	20	3	22	4	0	32	31	1	93.8	91.8	96.9
Unit banks	*23*	*18*	*5*	*13*	*9*	*4*	*0*	*5*	*4*	*0*	*10*	*9*	*1*	*78.3*	*69.2*	*90.0*
Banks operating branches	*58*	*58*	*0*	*36*	*36*	*16*	*3*	*17*	*0*	*0*	*22*	*22*	*0*	*100.0*	*100.0*	*100.0*
Branches	324	324	0	277	277	126	31	120	0	0	47	47	0	100.0	100.0	100.0
Maryland—all offices	**862**	**862**	**0**	**817**	**817**	**381**	**94**	**342**	**0**	**0**	**45**	**45**	**0**	**100.0**	**100.0**	**100.0**
Banks	117	117	0	114	114	40	7	67	0	0	3	3	0	100.0	100.0	100.0
Unit banks	*37*	*37*	*0*	*37*	*37*	*8*	*1*	*28*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*80*	*80*	*0*	*77*	*77*	*32*	*6*	*39*	*0*	*0*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Branches	745	745	0	703	703	341	87	275	0	0	42	42	0	100.0	100.0	100.0
Massachusetts—all offices	**1,505**	**1,083**	**422**	**1,037**	**1,029**	**569**	**180**	**280**	**8**	**0**	**468**	**54**	**414**	**72.0**	**99.2**	**11.5**
Banks	319	155	164	152	147	78	13	56	5	0	167	8	159	48.6	96.7	4.8
Unit banks	*91*	*25*	*66*	*28*	*25*	*13*	*0*	*12*	*3*	*0*	*63*	*0*	*63*	*27.5*	*89.3*	*0.0*
Banks operating branches	*228*	*130*	*98*	*124*	*122*	*65*	*13*	*44*	*2*	*0*	*104*	*8*	*96*	*57.0*	*98.4*	*7.7*
Branches[3]	1,186	928	258	885	882	491	167	224	3	0	301	46	255	78.2	99.7	15.3
Michigan—all offices	**1,827**	**1,824**	**3**	**1,827**	**1,824**	**814**	**577**	**433**	**3**	**0**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	347	346	1	347	346	117	93	136	1	0	0	0	0	99.7	99.7	0.0
Unit banks	*98*	*98*	*0*	*98*	*98*	*25*	*24*	*49*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*249*	*248*	*1*	*249*	*248*	*92*	*69*	*87*	*1*	*0*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Branches	1,480	1,478	2	1,480	1,478	697	484	297	2	0	0	0	0	99.9	99.9	0.0
Minnesota—all offices	**779**	**776**	**3**	**777**	**774**	**218**	**30**	**526**	**3**	**0**	**2**	**2**	**0**	**99.6**	**99.6**	**100.0**
Banks	746	743	3	745	742	202	28	512	3	0	1	1	0	99.6	99.6	100.0
Unit banks	*717*	*714*	*3*	*717*	*714*	*190*	*26*	*498*	*3*	*0*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Banks operating branches	*29*	*29*	*0*	*28*	*28*	*12*	*2*	*14*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	33	33	0	32	32	16	2	14	0	0	1	1	0	100.0	100.0	100.0
Mississippi—all offices	**684**	**684**	**0**	**684**	**684**	**253**	**23**	**408**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	181	181	0	181	181	39	6	136	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*53*	*53*	*0*	*53*	*53*	*6*	*2*	*45*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*128*	*128*	*0*	*128*	*128*	*33*	*4*	*91*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	503	503	0	503	503	214	17	272	0	0	0	0	0	100.0	100.0	0.0
Missouri—all offices	**961**	**955**	**6**	**961**	**955**	**163**	**96**	**696**	**2**	**4**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	700	694	6	700	694	110	65	519	2	4	0	0	0	99.7	99.7	0.0
Unit banks	*477*	*471*	*6*	*477*	*471*	*67*	*40*	*364*	*2*	*4*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Banks operating branches	*223*	*223*	*0*	*223*	*223*	*43*	*25*	*155*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	261	261	0	261	261	53	31	177	0	0	0	0	0	100.0	100.0	0.0
Montana—all offices	**168**	**166**	**2**	**168**	**166**	**59**	**49**	**58**	**0**	**2**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	154	152	2	154	152	55	44	53	0	2	0	0	0	100.0	100.0	0.0
Unit banks	*140*	*138*	*2*	*140*	*138*	*51*	*39*	*48*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*14*	*14*	*0*	*14*	*14*	*4*	*5*	*5*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	14	14	0	14	14	4	5	5	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974—CONTINUED
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
	Total	Insured	Non-insured	Total	Insured				Noninsured		Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
					Total	Members F.R. System		Non-members F.R. System	Banks of deposit[2]	Nondeposit trust companies[9]						
						National	State									
Nebraska—all offices	**536**	**531**	**5**	**536**	**531**	**165**	**9**	**357**	**0**	**5**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	453	448	5	453	448	121	8	319	0	5	0	0	0	100.0	100.0	0.0
Unit banks	*390*	*385*	*5*	*390*	*385*	*88*	*7*	*290*	*0*	*5*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*63*	*63*	*0*	*63*	*63*	*33*	*1*	*29*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	83	83	0	83	83	44	1	38	0	0	0	0	0	100.0	100.0	0.0
Nevada—all offices	**113**	**113**	**0**	**113**	**113**	**78**	**16**	**19**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	8	8	0	8	8	4	1	3	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*1*	*1*	*0*	*1*	*1*	*1*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*7*	*7*	*0*	*7*	*7*	*3*	*1*	*3*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	105	105	0	105	105	74	15	16	0	0	0	0	0	100.0	100.0	0.0
New Hampshire—all offices	**232**	**230**	**2**	**181**	**179**	**125**	**3**	**51**	**1**	**1**	**51**	**51**	**0**	**99.6**	**99.4**	**100.0**
Banks	111	109	2	82	80	47	1	32	1	1	29	29	0	99.1	98.8	100.0
Unit banks	*55*	*53*	*2*	*37*	*35*	*16*	*0*	*19*	*1*	*1*	*18*	*18*	*0*	*98.1*	*97.2*	*100.0*
Banks operating branches	*56*	*56*	*0*	*45*	*45*	*31*	*1*	*13*	*0*	*0*	*11*	*11*	*0*	*100.0*	*100.0*	*100.0*
Branches	121	121	0	99	99	78	2	19	0	0	22	22	0	100.0	100.0	100.0
New Jersey—all offices	**1,667**	**1,667**	**0**	**1,554**	**1,554**	**1,044**	**231**	**279**	**0**	**0**	**113**	**113**	**0**	**100.0**	**100.0**	**100.0**
Banks	238	238	0	218	218	122	23	73	0	0	20	20	0	100.0	100.0	100.0
Unit banks	*53*	*53*	*0*	*48*	*48*	*20*	*2*	*26*	*0*	*0*	*5*	*5*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*185*	*185*	*0*	*170*	*170*	*102*	*21*	*47*	*0*	*0*	*15*	*15*	*0*	*100.0*	*100.0*	*100.0*
Branches	1,429	1,429	0	1,336	1,336	922	208	206	0	0	93	93	0	100.0	100.0	100.0
New Mexico—all offices	**266**	**265**	**1**	**266**	**265**	**135**	**21**	**109**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	77	76	1	77	76	34	7	35	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*17*	*16*	*1*	*17*	*16*	*5*	*2*	*9*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*60*	*60*	*0*	*60*	*60*	*29*	*5*	*26*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	189	189	0	189	189	101	14	74	0	0	0	0	0	100.0	100.0	0.0
New York—all offices	**4,095**	**4,052**	**43**	**3,395**	**3,352**	**1,699**	**1,438**	**215**	**38**	**5**	**700**	**700**	**0**	**99.1**	**98.9**	**100.0**
Banks	424	390	34	305	271	154	70	47	29	5	119	119	0	93.1	90.3	100.0
Unit banks	*106*	*78*	*28*	*101*	*73*	*40*	*14*	*19*	*23*	*5*	*5*	*5*	*0*	*77.2*	*76.0*	*100.0*
Banks operating branches	*318*	*312*	*6*	*204*	*198*	*114*	*56*	*28*	*6*	*0*	*114*	*114*	*0*	*98.1*	*97.1*	*100.0*
Branches[3]	3,671	3,662	9	3,090	3,081	1,545	1,368	168	9	0	581	581	0	99.8	99.7	100.0

North Carolina–all offices	**1,639**	**1,628**	**11**	**1,639**	**1,628**	**786**	**3**	**839**	**11**	**0**	**0**	**0**	**0**	**99.3**	**99.3**	**0.0**
Banks	92	91	1	92	91	26	2	63	1	0	0	0	0	98.9	98.9	0.0
Unit banks	*21*	*21*	*0*	*21*	*21*	*4*	*1*	*16*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*71*	*70*	*1*	*71*	*70*	*22*	*1*	*47*	*1*	*0*	*0*	*0*	*0*	*98.6*	*98.6*	*0.0*
Branches	1,547	1,537	10	1,547	1,537	760	1	776	10	0	0	0	0	99.4	99.4	0.0
North Dakota–all offices	**251**	**246**	**5**	**251**	**246**	**61**	**6**	**179**	**5**	**0**	**0**	**0**	**0**	**98.0**	**98.0**	**0.0**
Banks	171	168	3	171	168	43	4	121	3	0	0	0	0	98.2	98.2	0.0
Unit banks	*114*	*112*	*2*	*114*	*112*	*29*	*3*	*80*	*2*	*0*	*0*	*0*	*0*	*98.2*	*98.2*	*0.0*
Banks operating branches	*57*	*56*	*1*	*57*	*56*	*14*	*1*	*41*	*1*	*0*	*0*	*0*	*0*	*98.2*	*98.2*	*0.0*
Branches	80	78	2	80	78	18	2	58	2	0	0	0	0	97.5	97.5	0.0
Ohio–all offices	**2,111**	**2,109**	**2**	**2,111**	**2,109**	**1,163**	**505**	**441**	**2**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	498	496	2	498	496	219	112	165	2	0	0	0	0	99.6	99.6	0.0
Unit banks	*172*	*170*	*2*	*172*	*170*	*50*	*48*	*72*	*2*	*0*	*0*	*0*	*0*	*98.8*	*98.8*	*0.0*
Banks operating branches	*326*	*326*	*0*	*326*	*326*	*169*	*64*	*93*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	1,613	1,613	0	1,613	1,613	944	393	276	0	0	0	0	0	100.0	100.0	0.0
Oklahoma–all offices	**556**	**551**	**5**	**556**	**551**	**250**	**18**	**283**	**1**	**4**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	460	455	5	460	455	193	15	247	1	4	0	0	0	99.8	99.8	0.0
Unit banks	*368*	*363*	*5*	*368*	*363*	*140*	*12*	*211*	*1*	*4*	*0*	*0*	*0*	*99.7*	*99.7*	*0.0*
Banks operating branches	*92*	*92*	*0*	*92*	*92*	*53*	*3*	*36*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	96	96	0	96	96	57	3	36	0	0	0	0	0	100.0	100.0	0.0
Oregon–all offices	**474**	**472**	**2**	**469**	**467**	**298**	**0**	**169**	**2**	**0**	**5**	**5**	**0**	**99.6**	**99.6**	**100.0**
Banks	50	48	2	49	47	8	0	39	2	0	1	1	0	96.0	95.9	100.0
Unit banks	*19*	*17*	*2*	*19*	*17*	*1*	*0*	*16*	*2*	*0*	*0*	*0*	*0*	*89.5*	*89.5*	*0.0*
Banks operating branches	*31*	*31*	*0*	*30*	*30*	*7*	*0*	*23*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches[3]	424	424	0	420	420	290	0	130	0	0	4	4	0	100.0	100.0	100.0
Pennsylvania–all offices	**2,753**	**2,744**	**9**	**2,599**	**2,590**	**1,578**	**201**	**811**	**7**	**2**	**154**	**154**	**0**	**99.7**	**99.7**	**100.0**
Banks	414	407	7	406	399	250	15	134	5	2	8	8	0	98.8	98.8	100.0
Unit banks	*144*	*138*	*6*	*143*	*137*	*95*	*6*	*36*	*4*	*2*	*1*	*1*	*0*	*97.2*	*97.2*	*100.0*
Banks operating branches	*270*	*269*	*1*	*263*	*262*	*155*	*9*	*98*	*1*	*0*	*7*	*7*	*0*	*99.6*	*99.6*	*100.0*
Branches[3]	2,339	2,337	2	2,193	2,191	1,328	186	677	2	0	146	146	0	99.9	99.9	100.0
Rhode Island–all offices	**297**	**285**	**12**	**230**	**218**	**119**	**0**	**99**	**12**	**0**	**67**	**67**	**0**	**96.0**	**94.8**	**100.0**
Banks	22	20	2	16	14	5	0	9	2	0	6	6	0	90.9	87.5	100.0
Unit banks	*3*	*3*	*0*	*3*	*3*	*0*	*0*	*3*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*19*	*17*	*2*	*13*	*11*	*5*	*0*	*6*	*2*	*0*	*6*	*6*	*0*	*89.5*	*84.6*	*100.0*
Branches	275	265	10	214	204	114	0	90	10	0	61	61	0	96.4	95.3	100.0
South Carolina–all offices	**672**	**672**	**0**	**672**	**672**	**308**	**15**	**349**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	91	91	0	91	91	18	6	67	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*28*	*28*	*0*	*28*	*28*	*2*	*2*	*24*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*63*	*63*	*0*	*63*	*63*	*16*	*4*	*43*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	581	581	0	581	581	290	9	282	0	0	0	0	0	100.0	100.0	0.0
South Dakota–all offices	**273**	**273**	**0**	**273**	**273**	**100**	**40**	**133**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	158	158	0	158	158	31	27	100	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*113*	*113*	*0*	*113*	*113*	*20*	*18*	*75*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*45*	*45*	*0*	*45*	*45*	*11*	*9*	*25*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	115	115	0	115	115	69	13	33	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974—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	Non-members F.R. System	Banks of deposit[2]	Non-deposit trust companies[9]	Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Tennessee—all offices	**1,060**	**1,056**	**4**	**1,060**	**1,056**	**427**	**58**	**571**	**3**	**1**	**0**	**0**	**0**	**99.7**	**99.7**	**0.0**
Banks	337	334	3	337	334	75	15	244	2	1	0	0	0	99.4	99.4	0.0
Unit banks	*138*	*136*	*2*	*138*	*136*	*13*	*8*	*115*	*1*	*1*	*0*	*0*	*0*	*99.3*	*99.3*	*0.0*
Banks operating branches	*199*	*198*	*1*	*199*	*198*	*62*	*7*	*129*	*1*	*0*	*0*	*0*	*0*	*99.5*	*99.5*	*0.0*
Branches	723	722	1	723	722	352	43	327	1	0	0	0	0	99.9	99.9	0.0
Texas—all offices	**1,436**	**1,429**	**7**	**1,436**	**1,429**	**589**	**49**	**791**	**7**	**0**	**0**	**0**	**0**	**99.5**	**99.5**	**0.0**
Banks	1,313	1,306	7	1,313	1,306	569	38	699	7	0	0	0	0	99.5	99.5	0.0
Unit banks	*1,203*	*1,196*	*7*	*1,203*	*1,196*	*551*	*29*	*616*	*7*	*0*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Banks operating branches	*110*	*110*	*0*	*110*	*110*	*18*	*9*	*83*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	123	123	0	123	123	20	11	92	0	0	0	0	0	100.0	100.0	0.0
Utah—all offices	**241**	**240**	**1**	**241**	**240**	**107**	**41**	**92**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	55	54	1	55	54	11	5	38	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*35*	*34*	*1*	*35*	*34*	*6*	*2*	*26*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*20*	*20*	*0*	*20*	*20*	*5*	*3*	*12*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	186	186	0	186	186	96	36	54	0	0	0	0	0	100.0	100.0	0.0
Vermont—all offices	**178**	**177**	**1**	**165**	**164**	**63**	**0**	**101**	**0**	**1**	**13**	**13**	**0**	**100.0**	**100.0**	**100.0**
Banks	40	39	1	34	33	17	0	16	0	1	6	6	0	100.0	100.0	100.0
Unit banks	*10*	*9*	*1*	*8*	*7*	*5*	*0*	*2*	*0*	*1*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*30*	*30*	*0*	*26*	*26*	*12*	*0*	*14*	*0*	*0*	*4*	*4*	*0*	*100.0*	*100.0*	*100.0*
Branches	138	138	0	131	131	46	0	85	0	0	7	7	0	100.0	100.0	100.0
Virginia—all offices	**1,400**	**1,400**	**0**	**1,400**	**1,400**	**742**	**275**	**383**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	288	288	0	288	288	109	65	114	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*94*	*94*	*0*	*94*	*94*	*18*	*33*	*43*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*194*	*194*	*0*	*194*	*194*	*91*	*32*	*71*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	1,112	1,112	0	1,112	1,112	633	210	269	0	0	0	0	0	100.0	100.0	0.0
Washington—all offices	**848**	**842**	**6**	**754**	**748**	**529**	**41**	**178**	**5**	**1**	**94**	**94**	**0**	**99.4**	**99.3**	**100.0**
Banks	101	95	6	93	87	23	5	59	5	1	8	8	0	95.0	94.6	100.0
Unit banks	*41*	*35*	*6*	*41*	*35*	*7*	*2*	*26*	*5*	*1*	*0*	*0*	*0*	*87.5*	*87.5*	*0.0*
Banks operating branches	*60*	*60*	*0*	*52*	*52*	*16*	*3*	*33*	*0*	*0*	*8*	*8*	*0*	*100.0*	*100.0*	*100.0*
Branches[3]	747	747	0	661	661	506	36	119	0	0	86	86	0	100.0	100.0	100.0

West Virginia—all offices	**240**	**240**	**0**	**240**	**240**	**113**	**32**	**95**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	214	214	0	214	214	100	29	85	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*188*	*188*	*0*	*188*	*188*	*87*	*26*	*75*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*26*	*26*	*0*	*26*	*26*	*13*	*3*	*10*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	26	26	0	26	26	13	3	10	0	0	0	0	0	100.0	100.0	0.0
Wisconsin—all offices	**954**	**949**	**5**	**951**	**946**	**210**	**55**	**681**	**0**	**5**	**3**	**3**	**0**	**100.0**	**100.0**	**100.0**
Banks	628	623	5	625	620	128	33	459	0	5	3	3	0	100.0	100.0	100.0
Unit banks	*431*	*426*	*5*	*428*	*423*	*84*	*23*	*316*	*0*	*5*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*197*	*197*	*0*	*197*	*197*	*44*	*10*	*143*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	326	326	0	326	326	82	22	222	0	0	0	0	0	100.0	100.0	0.0
Wyoming—all offices	**76**	**76**	**0**	**76**	**76**	**45**	**13**	**18**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	74	74	0	74	74	44	13	17	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*72*	*72*	*0*	*72*	*72*	*43*	*13*	*16*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	2	2	0	2	2	1	0	1	0	0	0	0	0	100.0	100.0	0.0
Other areas																
Pacific Is.—all offices[4]	**29**	**18**	**11**	**29**	**18**	**9**	**0**	**9**	**11**	**0**	**0**	**0**	**0**	**62.1**	**62.1**	**0.0**
Banks	1	1	0	1	1	0	0	1	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*1*	*1*	*0*	*1*	*1*	*0*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Branches[5]	28	17	11	28	17	9	0	8	11	0	0	0	0	60.7	60.7	0.0
Canal Zone—all offices	**2**	**0**	**2**	**2**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0.0**	**0.0**	**0.0**
Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Unit banks	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Branches[6]	2	0	2	2	0	0	0	0	2	0	0	0	0	0.0	0.0	0.0
Puerto Rico—all offices	**229**	**209**	**20**	**228**	**208**	**23**	**0**	**185**	**20**	**0**	**1**	**1**	**0**	**91.3**	**91.2**	**100.0**
Banks	15	10	5	14	9	1	0	8	5	0	1	1	0	66.7	64.3	100.0
Unit banks	*3*	*2*	*1*	*2*	*1*	*1*	*0*	*0*	*1*	*0*	*1*	*1*	*0*	*66.7*	*50.0*	*100.0*
Banks operating branches	*12*	*8*	*4*	*12*	*8*	*0*	*0*	*8*	*4*	*0*	*0*	*0*	*0*	*66.7*	*66.7*	*0.0*
Branches[7]	214	199	15	214	199	22	0	177	15	0	0	0	0	93.0	93.0	0.0
Virgin Islands—all offices	**37**	**31**	**6**	**37**	**31**	**29**	**0**	**2**	**6**	**0**	**0**	**0**	**0**	**83.8**	**83.8**	**0.0**
Banks	8	2	6	8	2	1	0	1	6	0	0	0	0	25.0	25.0	0.0
Unit banks	*6*	*0*	*6*	*6*	*0*	*0*	*0*	*0*	*6*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches[8]	29	29	0	29	29	28	0	1	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974—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 13 noninsured branches of insured banks: 11 in the Pacific Islands and 2 in the Canal Zone.

[3] Massachusetts: 1 branch operated by a noninsured bank in New York.
New York: 19 branches operated by a 3 State nonmember banks in Puerto Rico.
Oregon: 1 branch operated by a national bank in California.
Pennsylvania: 2 branches operated by a noninsured bank in New York and a national bank in New Jersey.
Washington: 3 branches operated by a national bank in California.

[4] U.S. Possessions: American Samoa, Guam, Midway Islands, and Wake Island. Trust Territories: Caroline Islands, Mariana Islands, and Marshall Islands.

[5] Pacific Islands: 28 branches:
American Samoa: 2 insured branches operated by a State nonmember bank in Hawaii.
Guam: 15 insured branches operated by 2 State nonmember banks in Hawaii, 1 State nonmember bank in California, a national bank in California, and 2 national banks in New York.
Caroline Islands: 4 noninsured branches operated by a national bank in California and a State nonmember bank in Hawaii.
Mariana Islands: 3 noninsured branches operated by a national bank in California and a State nonmember bank in Hawaii.
Marshall Islands: 3 noninsured branches operated by a national bank in California and a State nonmember bank in Hawaii.
Midway Islands: 1 noninsured branch operated by a State nonmember bank in Hawaii.

[6] Canal Zone: 2 noninsured branches operated by 2 national banks in New York.

[7] Puerto Rico: 22 insured branches operated by 2 national banks in New York.

[8] Virgin Islands: 21 insured branches operated by 2 national banks in New York, 1 national bank in California, and 1 national bank in Pennsylvania.

[9] Includes a noninsured nondeposit trust company that is a member of Federal Reserve System.

Table 104. NUMBER AND DEPOSITS OF ALL COMMERCIAL AND MUTUAL SAVINGS BANKS (STATES AND OTHER AREAS), DECEMBER 31, 1974
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	219	85	20	9	56	134	0	0
1 to 2 million	379	356	54	15	287	23	0	0
2 to 5 million	2,287	2,252	360	108	1,784	33	0	2
5 to 10 million	3,233	3,201	743	200	2,258	16	11	5
10 to 25 million	4,705	4,638	1,666	349	2,623	16	22	29
25 to 50 million	2,066	1,951	888	162	901	6	71	38
50 to 100 million	1,055	933	490	107	336	10	62	50
100 to 500 million	793	635	369	85	181	21	103	34
500 million to 1 billion	124	93	61	15	17	0	29	2
1 billion or more	107	84	57	24	3	1	22	0
Total	**14,968**	**14,228**	**4,708**	**1,074**	**8,446**	**260**	**320**	**160**
				(In thousands of dollars)				
Amount of deposits								
Less than 1 million	90,291	60,423	15,127	6,294	39,002	29,868	0	0
1 to 2 million	602,345	564,358	88,489	22,739	453,130	37,987	0	0
2 to 5 million	8,222,350	8,100,779	1,361,549	390,333	6,348,897	114,485	0	7,086
5 to 10 million	23,876,059	23,635,770	5,663,694	1,476,739	16,495,337	113,643	86,809	39,837
10 to 25 million	75,868,550	74,667,687	27,644,777	5,709,299	41,313,611	281,316	400,440	519,107
25 to 50 million	72,374,651	68,090,248	31,450,645	5,666,883	30,972,720	284,335	2,614,853	1,385,215
50 to 100 million	72,927,764	64,524,317	33,975,967	7,404,585	23,143,765	702,773	4,235,851	3,464,823
100 to 500 million	163,706,257	130,276,022	77,417,153	19,500,005	33,358,864	4,497,069	23,149,920	5,783,246
500 million to 1 billion	89,558,276	68,184,384	44,274,555	10,751,636	13,158,193	0	20,008,209	1,365,683
1 billion or more	345,783,010	308,308,934	211,269,632	93,870,300	3,169,002	1,155,743	36,318,333	0
Total	**853,009,553**	**746,412,922**	**433,161,588**	**144,798,813**	**168,452,521**	**7,217,219**	**86,814,415**	**12,564,997**

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974

BANKS GROUPED BY DEPOSIT SIZE AND STATE

(Amounts in thousands of dollars)

State	All banks	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total United States											
Banks	14,488	219	379	2,285	3,217	4,654	1,957	943	656	93	85
Total deposits	751,229,991	88,003	592,715	8,183,975	23,712,569	74,709,586	67,955,327	64,920,549	133,940,857	67,661,733	309,464,677
State											
Alabama											
Banks	293	0	6	31	76	123	34	11	10	2	0
Deposits	8,367,010	0	10,041	117,808	565,203	1,872,055	1,091,892	793,180	2,380,598	1,536,233	0
Alaska											
Banks	10	0	0	0	1	0	4	2	3	0	0
Deposits	1,003,920	0	0	0	7,284	0	124,808	172,711	699,117	0	0
Arizona											
Banks	25	9	0	3	2	2	1	1	4	1	2
Deposits	5,710,373	957	0	10,921	13,172	25,059	42,517	83,590	884,641	793,587	3,855,929
Arkansas											
Banks	262	6	5	31	70	93	36	16	5	0	0
Deposits	5,428,437	2,242	7,665	110,893	508,776	1,494,556	1,179,127	1,145,997	979,181	0	0
California											
Banks	198	13	1	16	27	51	36	16	26	4	8
Deposits	79,183,770	714	1,530	52,402	204,438	866,253	1,294,716	1,140,185	4,545,950	2,668,343	68,409,239
Colorado											
Banks	329	44	24	46	71	92	26	19	5	2	0
Deposits	7,083,986	19,445	36,922	156,821	513,540	1,449,680	917,258	1,290,959	1,162,699	1,536,662	0
Connecticut											
Banks	71	0	1	7	15	19	12	6	8	1	2
Deposits	6,984,957	0	1,120	21,873	117,792	323,380	390,135	391,455	2,238,003	644,435	2,856,764
Delaware											
Banks	18	1	0	2	4	5	1	1	3	1	0
Deposits	1,840,146	0	0	7,612	30,752	64,922	35,417	52,225	1,056,762	592,456	0

Washington D.C.												
Banks	16	0	0	1	0	2	5	2	4	1	1
Deposits	3,585,604	0	0	3,154	0	24,615	178,282	152,148	1,151,821	843,173	1,232,411
Florida												
Banks	716	15	16	76	110	216	151	97	34	0	1
Deposits	24,114,523	8,707	23,999	263,454	857,382	3,490,122	5,246,109	6,631,182	6,254,048	0	1,339,520
Georgia												
Banks	447	6	21	71	122	161	36	20	6	2	2
Deposits	12,159,668	2,811	34,138	256,136	886,843	2,565,516	1,176,026	1,388,471	1,039,406	1,379,466	3,430,855
Hawaii												
Banks	11	0	0	1	1	2	0	0	5	2	0
Deposits	2,463,620	0	0	2,326	6,987	26,395	0	0	736,705	1,691,207	0
Idaho												
Banks	24	0	2	0	8	6	2	2	2	2	0
Deposits	2,432,981	0	3,116	0	54,508	110,444	60,827	146,993	510,562	1,546,531	0
Illinois												
Banks	1,206	17	17	184	278	352	199	100	52	3	4
Deposits	58,854,661	4,528	26,138	671,347	2,086,694	5,590,487	7,039,378	6,772,266	8,615,398	2,067,697	25,980,728
Indiana												
Banks	410	3	4	26	71	161	74	43	25	1	2
Deposits	16,512,931	972	6,844	101,168	531,695	2,707,754	2,581,650	2,850,027	4,410,803	672,760	2,649,258
Iowa												
Banks	665	3	4	122	218	232	56	22	8	0	0
Deposits	10,612,115	940	6,083	472,276	1,561,089	3,641,680	1,838,209	1,483,154	1,608,684	0	0
Kansas												
Banks	613	4	38	187	160	156	54	6	8	0	0
Deposits	7,965,725	3,141	59,643	646,377	1,161,578	2,456,780	1,787,082	432,942	1,418,182	0	0
Kentucky												
Banks	342	3	4	57	68	136	43	21	8	2	0
Deposits	9,090,860	2,538	6,476	207,018	515,830	2,111,274	1,450,682	1,422,017	1,847,839	1,527,186	0
Louisiana												
Banks	249	0	3	21	41	99	47	13	22	2	1
Deposits	11,017,326	0	5,202	75,425	305,214	1,667,765	1,612,003	817,730	4,172,125	1,343,824	1,018,038
Maine												
Banks	49	3	2	3	5	20	7	4	5	0	0
Deposits	1,828,078	1,918	2,819	12,535	36,456	316,898	245,335	283,807	928,310	0	0
Maryland												
Banks	114	0	3	10	24	36	19	13	4	4	1
Deposits	8,011,894	0	4,549	38,437	167,389	614,567	611,183	803,306	943,736	3,271,250	1,557,477
Massachusetts												
Banks	152	1	0	5	23	50	25	24	20	0	4
Deposits	14,933,859	567	0	16,891	172,390	766,121	917,770	1,677,599	3,934,544	0	7,447,977

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974—CONTINUED
BANKS GROUPED BY DEPOSIT SIZE AND STATE
(Amounts in thousands of dollars)

State	All banks	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Michigan											
Banks	347	0	6	20	59	118	66	40	29	5	4
Deposits	28,106,158	0	8,299	79,275	459,805	1,954,926	2,335,836	2,865,671	5,661,240	3,769,226	10,971,880
Minnesota											
Banks	745	2	17	202	226	209	57	22	7	0	3
Deposits	13,896,104	969	27,513	746,096	1,623,579	3,262,265	1,994,550	1,382,953	1,154,226	0	3,703,953
Mississippi											
Banks	181	0	5	19	39	76	25	10	5	2	0
Deposits	5,144,397	0	8,691	62,663	285,941	1,209,589	891,338	628,151	764,962	1,293,062	0
Missouri											
Banks	700	12	19	153	175	220	74	30	13	2	2
Deposits	16,161,768	5,139	27,969	514,215	1,295,107	3,483,114	2,593,005	2,102,194	2,438,887	1,121,368	2,580,770
Montana											
Banks	154	2	4	34	42	46	15	8	3	0	0
Deposits	2,616,725	0	6,219	127,992	320,000	714,674	526,498	541,271	380,071	0	0
Nebraska											
Banks	453	12	44	142	115	105	24	6	5	0	0
Deposits	5,766,599	5,014	67,882	484,286	831,253	1,555,440	902,409	389,984	1,530,331	0	0
Nevada											
Banks	8	0	0	0	0	1	1	1	4	1	0
Deposits	1,752,424	0	0	0	0	13,969	38,885	79,676	814,598	805,296	0
New Hampshire											
Banks	82	2	1	20	13	31	10	3	2	0	0
Deposits	1,504,075	868	1,290	74,528	96,079	492,585	359,723	232,436	246,566	0	0
New Jersey											
Banks	218	0	4	6	22	57	48	32	41	6	2
Deposits	20,882,387	0	5,848	19,707	164,753	1,034,063	1,638,819	2,069,555	9,602,777	4,162,910	2,183,955
New Mexico											
Banks	77	1	0	5	8	39	14	7	3	0	0
Deposits	2,650,842	0	0	18,073	65,071	625,659	510,277	467,819	963,943	0	0

New York												
Banks	308	7	2	23	31	64	53	47	58	5	18
Deposits	137,847,944	293	3,298	77,276	247,685	1,086,133	1,903,618	3,446,774	13,850,841	3,186,182	114,045,844
North Carolina											
Banks	92	0	1	11	17	26	13	9	10	1	4
Deposits	11,952,870	0	1,702	42,732	126,123	414,515	447,257	589,518	2,119,698	922,544	7,288,781
North Dakota											
Banks	171	2	2	30	63	55	10	8	1	0	0
Deposits	2,499,552	1,440	3,150	113,172	450,906	841,886	342,802	492,571	253,625	0	0
Ohio											
Banks	498	0	6	40	90	174	92	50	33	9	4
Deposits	29,648,649	0	10,414	155,859	671,769	2,822,006	3,251,605	3,446,468	6,168,979	6,325,405	6,796,144
Oklahoma											
Banks	460	5	21	121	108	136	51	9	5	4	0
Deposits	9,216,021	3,139	32,851	420,621	776,488	2,110,726	1,826,002	591,014	785,321	2,669,859	0
Oregon											
Banks	49	1	0	8	8	14	9	4	3	0	2
Deposits	5,650,673	289	0	30,591	62,167	236,987	300,830	263,465	551,315	0	4,205,029
Pennsylvania											
Banks	406	4	2	19	56	141	83	46	41	6	8
Deposits	42,677,467	234	3,010	72,827	416,189	2,359,043	2,918,100	3,215,667	9,057,687	4,861,320	19,773,390
Rhode Island											
Banks	16	1	0	1	3	4	1	2	1	2	1
Deposits	3,190,890	573	0	3,390	24,799	54,951	36,024	178,534	104,978	1,423,236	1,364,405
South Carolina											
Banks	89	0	2	14	27	23	15	1	6	1	0
Deposits	3,867,270	0	3,731	46,115	199,337	335,074	503,003	56,310	1,919,187	804,513	0
South Dakota											
Banks	158	0	2	48	51	37	14	2	4	0	0
Deposits	2,614,052	0	3,494	177,600	338,657	543,124	516,463	150,927	883,787	0	0
Tennessee											
Banks	337	3	12	43	79	116	53	17	9	5	0
Deposits	12,309,590	1,200	20,293	155,015	583,384	1,936,652	1,876,925	1,109,223	2,209,193	4,417,705	0
Texas											
Banks	1,313	14	51	222	287	445	172	64	49	5	4
Deposits	42,530,431	9,598	79,433	779,304	2,086,857	7,185,386	5,978,512	4,643,941	9,980,320	3,650,269	8,136,811
Utah											
Banks	55	4	1	8	14	16	4	1	5	2	0
Deposits	2,958,597	2,447	1,787	26,907	96,118	244,800	137,084	67,510	1,064,340	1,317,604	0
Vermont											
Banks	34	1	1	2	7	13	3	3	4	0	0
Deposits	1,237,236	0	1,762	6,675	56,259	207,237	104,048	183,898	677,357	0	0

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974—CONTINUED

BANKS GROUPED BY DEPOSIT SIZE AND STATE

(Amounts in thousands of dollars)

State	All banks	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Virginia											
Banks	288	6	8	39	45	98	49	19	20	2	2
Deposits	13,083,867	4,014	11,953	131,867	340,345	1,681,642	1,732,521	1,406,321	3,985,422	1,342,956	2,446,826
Washington											
Banks	93	3	5	18	16	28	10	4	5	2	2
Deposits	8,789,744	708	7,394	67,500	123,797	442,750	372,564	315,971	1,272,388	1,416,076	4,770,596
West Virginia											
Banks	214	2	3	19	51	84	33	17	5	0	0
Deposits	4,979,614	1,522	5,045	69,036	395,953	1,381,887	1,138,026	1,210,954	777,191	0	0
Wisconsin											
Banks	625	6	8	104	154	233	73	34	11	1	1
Deposits	13,950,916	658	11,795	386,060	1,148,939	3,793,597	2,389,039	2,357,491	1,842,104	603,136	1,418,097
Wyoming											
Banks	74	1	1	12	14	29	12	3	2	0	0
Deposits	1,421,772	418	1,607	42,141	103,985	467,493	391,929	158,941	255,258	0	0
Other areas											
Guam											
Banks	1	0	0	0	0	0	1	0	0	0	0
Deposits	29,654	0	0	0	0	0	29,654	0	0	0	0
Puerto Rico											
Banks	14	0	0	1	0	0	4	3	4	2	0
Deposits	2,824,175	0	0	3,089	0	0	147,575	223,493	995,762	1,454,256	0
Virgin Islands											
Banks	8	0	0	1	2	2	0	2	1	0	0
Deposits	281,084	0	0	4,489	16,212	31,090	0	119,904	109,389	0	0

[1] Excludes data for branches in U.S. territories and trust territories of banks headquartered in the United States and for 19 insured branches, in New York, of 3 insured nonmember banks in Puerto Rico. Includes nondeposit trust companies.

ASSETS AND LIABILITIES OF BANKS

Commercial banks

Before 1969, statements of assets and liabilities were submitted by insured commercial banks on either a cash or an accrual basis, depending upon the bank's method of bookkeeping. In 1969, insured commercial banks having resources of $50 million or more, and beginning in 1970, $25 million or more, were required to report their assets and liabilities on the basis of accrual accounting. Where the results are not significantly different, particular accounts may be reported on a cash basis. Banks not subject to full accrual accounting are required to report the instalment loan function on an accrual basis, or else to submit a statement of unearned income on instalment loans carried in surplus accounts. All banks are required to report income taxes on an accrual basis.

Since 1969, all majority-owned premises subsidiaries are fully consolidated; other majority-owned domestic subsidiaries (but not commercial bank subsidiaries) are consolidated if they meet any of the following criteria: (a) any subsidiary in which the parent bank's investment represents 5 percent or more of its equity capital accounts; (b) any subsidiary whose gross operating revenues amount to 5 percent or more of the parent bank's gross operating revenues; or (beginning in December 1972) (c) any subsidiary whose "Income (loss) before income taxes and securities gains or losses" amounts to 5 percent or more of the "Income (loss) before income taxes and securities gains or losses" of the parent bank. Beginning in 1972, investments in subsidiaries not consolidated in which the bank directly or indirectly exercises effective control are reported on an equity (rather than cost) basis with the investment and undivided profits adjusted to include the parent's share of the subsidiaries' net worth.

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 are not included in the count of banks. Data for such branches are not included in the count of banks. Data for such branches are not included in the figures for the States in which the parent banks are located.

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. Instalment loans, however, are ordinarily reported net if the instalment payments are applied directly to the reduction of the loan. Such loans are reported gross if, under contract, the payments do not immediately reduce the unpaid balances of the loan but are assigned or pledged to assure repayment at maturity.

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" include trust funds deposited by a trust department in a commercial or savings department. Other assets held in trust are not included in statements of assets and liabilities.

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, 1974 and December 31, 1974, are shown in the Corporation's semiannual publication *Assets and Liabilities—Commercial and Mutual Savings Banks.*

Mutual savings banks

Effective December 31, 1971, the Reports of Condition and Income for mutual savings banks were revised. Among the changes was a requirement for consolidating the accounts of branches and subsidiaries with the parent bank, on a comparable basis with commercial bank reports (see above). A 1972 revision broadened the criteria for consolidated reporting; it also provided for the reporting of investments in unconsolidated subsidiaries on an equity basis, comparable with commercial bank reporting.

One objective of the revisions in 1971 was to provide a simplified reporting form. To this end, the schedules for deposits and securities were condensed and simplified.

Several changes were made in the reporting of specific items. Loans are reported in somewhat more detail than formerly. In real estate loans, construction loans are shown separately, and loans secured by residential properties are detailed as to those secured by 1- to 4-family properties and by multifamily (5 or more) properties.

Another important change shifted various reserve accounts which had been carried as deductions against assets (about $200 million in 1971) into the surplus accounts. Figures for earlier years in table 110 have been revised in order to provide comparability with the 1971-1974 data.

Beginning June 30, 1972, mutual savings banks with total resources of $25 million or more are required to prepare Reports of Condition on the basis of accrual accounting. All banks, irrespective of size, are required to report income taxes on an accrual basis.

Foreign assets of banks

Since June 30, 1974, a consolidated statement of domestic and foreign assets and liabilities of U.S. banks has been published semiannually by the Corporation in "Assets and Liabilities—Commercial and Mutual Savings Banks." On December 31, 1974, the consolidated assets of insured commercial banks totaled $1,046.0 billion, compared to domestic assets of $912.5 billion (see table 107). The 142 insured commercial banks which reported foreign operations held consolidated assets of $578.4 billion.

Sources of data

Insured banks: see p. 229; noninsured banks: State banking authorities; and reports from individual banks.

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1974

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State				
Total assets	**891,956,328**	**877,777,732**	**695,247,286**	**519,351,008**	**175,896,278**	**182,530,446**	**14,178,596**	**13,667,652**	**510,944**
Cash, balances with other banks, and cash items in process of collection—total	**127,217,155**	**124,167,454**	**109,122,518**	**73,854,417**	**35,268,101**	**15,044,936**	**3,049,701**	**2,946,693**	**103,008**
Currency and coin	8,430,237	8,395,754	6,258,589	4,841,494	1,417,095	2,137,165	34,483	33,754	729
Reserve with Federal Reserve banks (member banks)	30,151,574	30,151,574	30,151,574	22,979,089	7,172,485	0	0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	31,962,051	29,902,044	19,737,249	13,108,402	6,628,847	10,164,795	2,060,007	1,974,851	85,156
Other balances with banks in United States	2,752,081	2,302,183	1,299,088	1,049,373	249,715	1,003,095	449,898	432,982	16,916
Balances with banks in foreign countries	1,472,138	1,060,096	900,566	572,301	328,265	159,530	412,042	412,017	25
Cash items in process of collection	52,449,074	52,355,803	50,775,452	31,303,758	19,471,694	1,580,351	93,271	93,089	182
Securities—total	**190,793,820**	**188,998,775**	**135,357,593**	**104,701,721**	**30,655,872**	**53,641,182**	**1,795,045**	**1,582,875**	**212,170**
U.S. Treasury securities	52,534,762	52,188,524	35,937,353	27,634,230	8,303,123	16,251,171	346,238	334,772	11,466
Obligations of other U.S. Government agencies and corps	31,417,708	31,055,790	20,523,494	16,208,406	4,315,088	10,532,296	361,918	358,719	3,199
Obligations of States and political subdivisions	100,405,140	99,566,845	74,484,651	57,421,813	17.062,838	25,082,194	838,295	710,026	128,269
Other securities	6,436,210	6,187,616	4,412,095	3,437,272	974,823	1,775,521	248,594	179,358	69,236
Investment securities—total	184,421,129	182,627,891	129,076,094	99,662,419	29,413,675	53,551,797	1,793,238	1,581,106	212,132
U.S. Treasury securities	*51,827,972*	*51,483,541*	*35,246,226*	*26,789,650*	*8,456,576*	*16,237,315*	*344,431*	*333,003*	*11,428*
Obligations of other U.S. Government agencies and corps	*29,943,010*	*29,581,092*	*19,061,414*	*15,015,804*	*4,045,610*	*10,519,678*	*361,918*	*358,719*	*3,199*
Obligations of States and political subdivisions	*96,483,283*	*95,644,988*	*70,609,091*	*54,608,505*	*16,000,586*	*25,035,897*	*838,295*	*710,026*	*128,269*
Other securities	*6,166,864*	*5,918,270*	*4,159,363*	*3,248,460*	*910,903*	*1,758,907*	*248,594*	*179,358*	*69,236*
Trading account securities—total	6,372,691	6,370,884	6,281,499	5,039,302	1,242,197	89,385	1,807	1,769	38
U.S. Treasury securities	*706,790*	*704,983*	*691,127*	*844,580*	*153,453*	*13,856*	*1,807*	*1,769*	*38*
Obligations of other U.S. Government agencies and corps	*1,474,698*	*1,474,698*	*1,462,080*	*1,192,602*	*269,478*	*12,618*	*0*	*0*	*0*
Obligations of States and political subdivisions	*3,921,857*	*3,921,857*	*3,875,560*	*2,813,308*	*1,062,252*	*46,297*	*0*	*0*	*0*
Other securities	*269,346*	*269,346*	*252,732*	*188,812*	*63,920*	*16,614*	*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	**35,355,397**	**33,274,049**	**25,377,328**	**20,408,067**	**4,969,261**	**7,896,721**	**2,081,348**	**2,057,878**	**23,470**
With domestic commercial banks	31,648,469	29,567,121	21,783,509	17,174,679	4,608,830	7,783,612	2,081,348	2,057,878	23,470
With brokers and dealers in securities	2,657,720	2,657,720	2,628,180	2,485,482	142,698	29,540	0	0	0
With others	1,049,208	1,049,208	965,639	747,906	217,733	83,569	0	0	0

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1974—CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State					
Other loans—total	**498,559,443**	**492,040,464**	**391,933,536**	**295,170,829**	**96,762,707**	**100,106,928**		**6,518,979**	**6,472,845**	**46,134**
Real estate loans—total	127,320,100	126,990,955	92,626,904	72,446,477	20,180,427	34,364,051		329,145	313,560	15,585
Secured by farmland	*5,828,439*	*5,807,663*	*2,598,627*	*2,096,696*	*501,931*	*3,209,036*		*20,776*	*20,274*	*502*
Secured by residential properties:										
Secured by 1- to 4-family residential properties:										
Insured by Federal Housing Administration	*6,563,349*	*6,515,426*	*5,535,192*	*4,619,765*	*915,427*	*980,234*		*47,923*	*47,894*	*29*
Guaranteed by Veterans Administration	*3,394,833*	*3,345,411*	*2,856,394*	*2,373,667*	*482,727*	*489,017*		*49,422*	*49,384*	*38*
Not insured or guaranteed by FHA or VA	*62,295,134*	*62,172,660*	*44,900,666*	*35,937,736*	*8,962,930*	*17,271,994*		*122,474*	*113,674*	*8,800*
Secured by multifamily (5 or more) residential properties:										
Insured by Federal Housing Administration	*1,082,221*	*1,064,700*	*953,558*	*629,731*	*323,827*	*111,142*		*17,521*	*17,521*	*0*
Not insured by FHA	*6,230,231*	*6,228,627*	*5,076,170*	*3,428,308*	*1,647,862*	*1,152,457*		*1,604*	*1,604*	*0*
Secured by other properties	*41,925,893*	*41,856,468*	*30,706,297*	*23,360,574*	*7,345,723*	*11,150,171*		*69,425*	*63,209*	*6,216*
Loans to domestic commercial and foreign banks	13,257,450	11,253,600	10,820,138	6,307,424	4,512,714	433,462		2,003,850	2,003,850	0
Loans to other financial institutions	33,696,380	33,547,042	32,028,003	21,477,956	10,550,047	1,519,039		149,338	149,338	0
Loans to brokers and dealers in securities	5,317,701	5,294,807	5,176,299	2,485,109	2,691,190	118,508		22,894	22,464	430
Other loans for purchasing or carrying securities	4,230,491	4,179,386	3,533,220	2,737,786	795,434	646,166		51,105	47,771	3,334
Loans to farmers (excluding loans on real estate)	18,454,811	18,432,512	10,888,926	9,426,025	1,462,901	7,543,586		22,299	21,705	594
Commercial and industrial loans (incl. open market paper)	179,012,686	175,813,391	150,025,433	111,636,186	38,389,247	25,787,958		3,199,295	3,182,958	16,337
Loans to individuals—total	103,454,759	102,933,424	74,480,601	59,608,887	14,871,714	28,452,823		521,335	517,873	3,462
Passenger automobile instalment loans	*34,108,640*	*33,833,341*	*23,064,498*	*19,172,423*	*3,892,075*	*10,768,843*		*275,299*	*273,897*	*1,402*
Credit cards and related plans:										
Retail (charge account) credit card plans	*7,061,712*	*7,061,570*	*6,334,485*	*5,058,940*	*1,275,545*	*727,085*		*142*	*142*	*0*
Check credit and revolving credit plans	*2,453,063*	*2,452,989*	*2,085,743*	*1,323,766*	*761,977*	*367,246*		*74*	*74*	*0*
Other retail consumer instalment loans:										
Mobile homes, not including travel trailers	*8,849,500*	*8,847,488*	*6,398,859*	*5,388,451*	*1,010,408*	*2,448,629*		*2,012*	*2,012*	*0*
Other retail consumer goods	*6,689,195*	*6,655,768*	*4,495,580*	*3,839,497*	*656,083*	*2,160,188*		*33,427*	*33,185*	*242*
Residential repair and modernization instalment loans	*5,238,166*	*5,228,451*	*3,797,680*	*3,025,243*	*772,437*	*1,430,771*		*9,715*	*9,574*	*141*
Other instalment loans for personal expenditures	*15,297,908*	*15,185,634*	*10,488,258*	*8,229,801*	*2,258,457*	*4,697,376*		*112,274*	*111,564*	*710*
Single-payment loans for personal expenditures	*23,756,575*	*23,668,183*	*17,815,498*	*13,570,766*	*4,244,732*	*5,852,685*		*88,392*	*87,425*	*967*
All other loans (including overdrafts)	13,815,065	13,595,347	12,354,012	9,044,979	3,309,033	1,241,335		219,718	213,326	6,392
Total loans and securities	**724,708,660**	**714,313,288**	**552,668,457**	**420,280,617**	**132,387,840**	**161,644,831**		**10,395,372**	**10,113,598**	**281,774**
Bank premises, furniture and fixtures, and other assets representing bank premises	13,642,596	13,578,645	10,404,191	8,381,181	2,023,010	3,174,454		63,951	46,724	17,227
Real estate owned other than bank premises	606,864	591,451	423,659	248,270	175,389	167,792		15,413	4,017	11,396
Investments in subsidiaries not consolidated	1,594,678	1,586,242	1,568,109	1,224,764	343,345	18,133		8,436	7,719	717
Customers' liabilities on acceptances outstanding	6,659,903	6,504,948	6,250,451	4,053,645	2,196,806	254,497		154,955	154,955	0
Other assets	17,526,472	17,035,704	14,809,901	11,308,114	3,501,787	2,225,803		490,768	393,946	96,822

Total liabilities, reserves, and capital accounts	**891,956,328**	**877,777,732**	**695,247,286**	**519,351,008**	**175,896,278**	**182,530,446**	**14,178,596**	**13,667,652**	**510,944**
Business and personal deposits—total	**576,492,652**	**572,500,107**	**435,381,375**	**334,829,471**	**100,551,904**	**137,118,732**	**3,992,545**	**3,954,527**	**38,018**
Individuals, partnerships, and corporations—demand	217,493,672	216,528,441	166,231,514	128,132,853	38,098,661	50,296,927	965,231	929,540	35,691
Individuals, partnerships, and corporations—time	343,825,574	341,858,405	256,930,393	199,739,054	57,191,339	84,928,012	1,967,169	1,966,906	263
Savings deposits	*134,098,249*	*133,769,748*	*96,671,984*	*76,310,317*	*20,361,667*	*37,097,764*	*328,501*	*328,500*	*1*
Deposits accumulated for payment of personal loans	*460,688*	*456,793*	*329,715*	*265,127*	*64,588*	*127,078*	*3,895*	*3,893*	*2*
Other deposits of individuals, partnerships, and corps	*209,266,637*	*207,631,864*	*159,928,694*	*123,163,610*	*36,765,084*	*47,703,170*	*1,634,773*	*1,634,513*	*260*
Certified and officers' checks, letters of credit, travelers' checks, etc.	15,173,406	14,113,261	12,219,468	6,957,564	5,261,904	1,893,793	1,060,145	1,058,081	2,064
Government deposits—total	**76,471,187**	**76,118,978**	**56,589,425**	**44,361,474**	**12,227,951**	**19,529,553**	**352,209**	**350,240**	**1,969**
United States Government—demand	8,395,306	8,373,819	6,629,021	5,042,838	1,586,183	1,744,798	21,487	19,519	1,968
United States Government—time	448,935	446,772	334,324	256,665	77,659	112,448	2,163	2,163	0
States and political subdivisions—demand	19,657,515	19,504,002	14,313,342	10,896,480	3,416,862	5,190,660	153,513	153,513	0
States and political subdivisions—time	47,969,431	47,794,385	35,312,738	28,165,491	7,147,247	12,481,647	175,046	175,045	1
Domestic interbank deposits—total	**44,094,834**	**42,729,884**	**40,987,095**	**22,001,615**	**18,985,480**	**1,742,789**	**1,364,950**	**1,364,950**	**0**
Commercial banks in the United States—demand	34,624,839	33,596,478	32,594,413	16,692,509	15,901,904	1,002,065	1,028,361	1,028,361	0
Commercial banks in the United States—time	7,683,161	7,479,778	6,833,382	4,395,346	2,438,036	646,396	203,383	203,383	0
Mutual savings banks in the United States—demand	1,298,368	1,185,695	1,102,668	634,063	468,605	83,027	112,673	112,673	0
Mutual savings banks in the United States—time	488,466	467,933	456,632	279,697	176,935	11,301	20,533	20,533	0
Foreign government and bank deposits—total	**18,455,960**	**16,901,543**	**16,366,805**	**8,686,232**	**7,680,573**	**534,738**	**1,554,417**	**1,553,915**	**502**
Foreign governments, central banks—demand	1,698,629	1,534,325	1,514,075	601,052	913,023	20,250	164,304	163,802	502
Foreign governments, central banks—time	9,627,229	8,866,570	8,691,527	4,969,328	3,722,199	175,043	760,659	760,659	0
Banks in foreign countries—demand	6,134,714	5,788,623	5,532,550	2,777,931	2,754,619	256,073	346,091	346,091	0
Banks in foreign countries—time	995,388	712,025	628,653	337,921	290,732	83,372	283,363	283,363	0
Total deposits	**715,514,633**	**708,250,512**	**549,324,700**	**409,878,792**	**139,445,908**	**158,925,812**	**7,264,121**	**7,223,632**	**40,489**
Demand	*304,476,449*	*300,624,644*	*240,137,051*	*171,735,290*	*68,401,761*	*60,487,593*	*3,851,805*	*3,811,580*	*40,225*
Time	*411,038,184*	*407,625,868*	*309,187,649*	*238,143,502*	*71,044,147*	*98,438,219*	*3,412,316*	*3,412,052*	*264*
Miscellaneous liabilities—total	**106,449,830**	**100,273,062**	**92,429,213**	**69,668,538**	**22,760,675**	**7,843,849**	**6,176,768**	**5,913,487**	**263,281**
Federal funds purchased and securities sold under agreements to repurchase	57,168,613	56,087,413	53,652,144	41,808,017	11,844,127	2,435,269	1,081,200	1,081,200	0
Other liabilities for borrowed money	10,620,383	9,590,369	9,183,983	6,315,207	2,868,776	406,386	1,030,014	1,014,410	15,604
Mortgage indebtedness	1,204,774	1,201,273	1,003,040	399,306	603,734	198,233	3,501	1,734	1,767
Acceptances outstanding	6,930,726	6,765,142	6,510,555	4,112,901	2,397,654	254,587	165,584	165,584	0
Other liabilities	30,525,334	26,628,865	22,079,491	17,033,107	5,046,384	4,549,374	3,896,469	3,650,559	245,910
Total liabilities	**821,964,463**	**808,523,574**	**641,753,913**	**479,547,330**	**162,206,583**	**166,769,661**	**13,440,889**	**13,137,119**	**303,770**
Minority interest in consolidated subsidiaries	**4,362**	**3,524**	**1,066**	**1,047**	**19**	**2,458**	**838**	**0**	**838**
Reserves on loans and securities—total	**8,035,205**	**8,003,229**	**6,536,598**	**4,826,659**	**1,709,939**	**1,466,631**	**31,976**	**31,820**	**156**
Reserve for bad debt losses on loans	7,728,352	7,701,057	6,348,135	4,692,382	1,655,753	1,352,922	27,295	27,196	99
Other reserves on loans	136,209	135,754	78,632	64,619	14,013	57,122	455	428	27
Reserves on securities	170,644	166,418	109,831	69,658	40,173	56,587	4,226	4,196	30

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1974—CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Assets, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State					
Capital accounts—total	**61,952,298**	**61,247,405**	**46,955,709**	**34,975,972**	**11,979,737**	**14,291,696**		**704,893**	**498,713**	**206,180**
Capital notes and debentures	4,415,492	4,237,792	3,419,240	2,300,520	1,118,720	818,552		177,700	177,605	95
Equity capital—total	57,536,806	57,009,613	43,536,469	32,675,452	10,861,017	13,473,144		527,193	321,108	206,085
Preferred stock	*63,844*	*58,671*	*40,994*	*30,514*	*10,480*	*17,677*		*5,173*	*4,839*	*334*
Common stock	*14,588,571*	*14,485,734*	*10,886,717*	*8,296,182*	*2,590,535*	*3,599,017*		*102,837*	*55,358*	*47,479*
Surplus	*24,503,503*	*24,354,805*	*18,659,846*	*13,682,733*	*4,977,113*	*5,694,959*		*148,698*	*116,079*	*32,619*
Undivided profits	*17,455,913*	*17,252,505*	*13,333,159*	*10,189,838*	*3,143,321*	*3,919,346*		*203,408*	*89,039*	*114,369*
Reserve for contingencies and other capital reserves	*924,975*	*857,898*	*615,753*	*476,185*	*139,568*	*242,145*		*67,077*	*55,793*	*11,284*
PERCENTAGES										
Of total assets:										
Cash and balances with other banks	14.3%	14.1%	15.7%	14.2%	20.1%	8.2%		21.5%	21.6%	20.2%
U.S. Treasury securities and obligations of other U.S. Government agencies and corporations	9.2	9.2	7.8	8.0	7.1	14.7		5.0	5.1	2.9
Other securities	12.2	12.3	11.7	12.1	10.3	14.7		7.7	6.5	38.7
Loans (including federal funds sold and securities purchased under agreements to resell)	59.9	59.8	60.0	60.8	57.8	59.2		60.7	62.4	13.6
Other assets	4.5	4.5	4.8	4.9	4.7	3.2		5.2	4.4	24.7
Total capital accounts[3]	7.0	7.0	6.8	6.8	6.8	7.8		12.9	9.5	40.4
Of total assets other than cash and U.S. Treasury securities:										
Total capital accounts[3]	8.8	8.8	8.6	8.4	9.1	9.5		15.0[4]	10.8[4]	52.0
Number of banks	14,360	14,120	5,763	4,695	1,068	8,357		240	168	72

[1] Includes asset and liability figures for branches of foreign banks (tabulated as banks) licensed to do a deposit business. Capital is not allocated to these branches by the parent banks.
[2] Amounts shown as deposits are special accounts and uninvested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations.
[3] 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.
[4] Data for branches of foreign banks referred to in footnote 2 have been excluded in computing this ratio for noninsured banks of deposit and in total columns.
Note: Further information on the reports of assets and liabilities of banks may be found on pp. 205-206.

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State					
Total assets	**927,485,605**	**912,529,261**	**718,957,185**	**537,274,573**	**181,682,612**	**193,572,076**		**14,956,344**	**14,481,974**	**474,370**
Cash, balances with other banks, and cash items in process of collection—total	**128,841,854**	**126,081,191**	**107,126,236**	**76,653,262**	**30,472,974**	**18,954,955**		**2,760,663**	**2,676,208**	**84,455**
Currency and coin	11,759,998	11,727,595	8,868,049	6,845,052	2,022,997	2,859,546		32,403	31,066	1,337
Reserve with Federal Reserve banks (member banks)	27,118,296	27,118,296	27,118,296	21,100,169	6,018,127	0		0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	36,201,232	34,414,497	21,714,176	15,256,842	6,457,334	12,700,321		1,786,735	1,725,580	61,155
Other balances with banks in United States	4,405,361	4,090,428	2,607,156	2,177,985	429,171	1,483,272		314,933	296,380	18,553
Balances with banks in foreign countries	1,898,598	1,449,086	1,173,584	709,653	463,931	275,502		449,512	449,490	22
Cash items in process of collection	47,458,369	47,281,289	45,644,975	30,563,561	15,081,414	1,636,314		177,080	173,692	3,388
Securities—total	**195,934,814**	**193,902,967**	**139,062,948**	**107,035,815**	**32,027,133**	**54,840,019**		**2,031,847**	**1,841,363**	**190,484**
U.S. Treasury securities	54,799,687	54,416,710	38,927,368	29,081,381	9,845,987	15,489,342		382,977	372,642	10,335
Obligations of other U.S. Government agencies and corps	32,905,085	32,439,312	20,858,622	16,788,544	4,070,078	11,580,690		465,773	458,586	7,187
Obligations of States and political subdivisions	100,962,097	100,161,606	74,322,181	57,330,416	16,991,765	25,839,425		800,491	698,987	101,504
Other securities	7,267,945	6,885,339	4,954,777	3,835,474	1,119,303	1,930,562		382,606	311,148	71,458
Investment securities—total	187,945,321	185,919,136	131,147,427	101,655,948	29,491,479	54,771,709		2,026,185	1,835,709	190,476
U.S. Treasury securities	*52,251,301*	*51,873,986*	*36,406,282*	*27,440,982*	*8,965,300*	*15,467,704*		*377,315*	*366,988*	*10,327*
Obligations of other U.S. Government agencies and corps.	*31,553,114*	*31,087,341*	*19,511,133*	*15,828,230*	*3,682,903*	*11,576,208*		*465,773*	*458,586*	*7,187*
Obligations of States and political subdivisions	*97,591,851*	*96,791,360*	*70,985,460*	*55,060,602*	*15,924,858*	*25,805,900*		*800,491*	*698,987*	*101,504*
Other securities	*6,549,055*	*6,166,449*	*4,244,552*	*3,326,134*	*918,418*	*1,921,897*		*382,606*	*311,148*	*71,458*
Trading account securities—total	7,989,493	7,983,831	7,915,521	5,379,867	2,535,654	68,310		5,662	5,654	8
U.S. Treasury securities	*2,548,386*	*2,542,724*	*2,521,086*	*1,640,399*	*880,687*	*21,638*		*5,662*	*5,654*	*8*
Obligations of other U.S. Government agencies and corps.	*1,351,971*	*1,351,971*	*1,347,489*	*960,314*	*387,175*	*4,482*		*0*	*0*	*0*
Obligations of States and political subdivisions	*3,370,246*	*3,370,246*	*3,336,721*	*2,269,814*	*1,066,907*	*33,525*		*0*	*0*	*0*
Other securities	*718,890*	*718,890*	*710,225*	*509,340*	*200,885*	*8,665*		*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	**40,098,970**	**38,937,288**	**29,852,763**	**23,751,238**	**6,101,525**	**9,084,525**		**1,161,682**	**1,136,517**	**25,165**
With domestic commercial banks	33,833,646	32,671,964	23,726,986	19,022,833	4,704,153	8,944,978		1,161,682	1,136,517	25,165
With brokers and dealers in securities	4,386,138	4,386,138	4,330,471	3,318,684	1,011,787	55,667		0	0	0
With others	1,879,186	1,879,186	1,795,306	1,409,721	385,585	83,880		0	0	0

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATE AND OTHER AREAS), DECEMBER 31, 1974—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State					
Other loans—total	**514,242,243**	**506,378,800**	**402,175,818**	**299,931,553**	**102,244,265**	**104,202,982**		**7,863,443**	**7,819,105**	**44,338**
Real estate loans—total	132,104,852	131,751,383	95,483,189	74,572,132	20,911,057	36,268,194		353,469	337,618	15,851
Secured by farmland	*6,048,519*	*6,030,620*	*2,771,180*	*2,252,260*	*518,920*	*3,259,440*		*17,899*	*17,592*	*307*
Secured by residential properties:										
Secured by 1- to 4-family residential properties:										
Insured by Federal Housing Administration	*6,200,357*	*6,154,725*	*5,169,777*	*4,298,626*	*871,151*	*984,948*		*45,632*	*45,603*	*29*
Guaranteed by Veterans Administration	*3,237,732*	*3,193,583*	*2,706,831*	*2,243,723*	*463,108*	*486,752*		*44,149*	*44,111*	*38*
Not insured or guaranteed by FHA or VA	*65,319,740*	*65,204,281*	*46,773,867*	*37,277,473*	*9,496,394*	*18,430,414*		*115,459*	*106,884*	*8,575*
Secured by multifamily (5 or more) residential properties:										
Insured by Federal Housing Administration	*955,463*	*939,083*	*823,136*	*562,379*	*260,757*	*115,947*		*16,380*	*16,380*	*0*
Not insured by FHA	*6,663,531*	*6,652,445*	*5,441,570*	*3,624,003*	*1,817,567*	*1,210,875*		*11,086*	*11,027*	*59*
Secured by other properties	*43,679,510*	*43,576,646*	*31,796,828*	*24,313,668*	*7,483,160*	*11,779,818*		*102,864*	*96,021*	*6,843*
Loans to domestic commercial and foreign banks	12,388,357	10,082,525	9,563,647	5,486,741	4,076,906	518,878		2,305,832	2,305,814	18
Loans to other financial institutions	35,344,057	35,119,904	33,660,664	22,115,526	11,545,138	1,459,240		224,153	224,153	0
Loans to brokers and dealers in securities	5,241,378	5,192,896	5,072,503	1,873,344	3,199,159	120,393		48,482	48,482	0
Other loans for purchasing or carrying securities	4,037,388	4,003,015	3,343,905	2,602,140	741,765	659,110		34,373	30,853	3,520
Loans to farmers (excluding loans on real estate)	18,247,645	18,225,296	10,503,917	9,122,346	1,381,571	7,721,379		22,349	21,951	398
Commercial and industrial loans (incl. open market paper)	188,564,423	184,216,999	157,060,771	115,508,631	41,552,140	27,156,228		4,347,424	4,330,691	16,733
Loans to individuals—total	104,045,254	103,714,164	74,659,158	59,630,454	15,028,704	29,055,006		331,090	327,803	3,287
Passenger automobile instalment loans	*33,054,722*	*32,949,382*	*22,245,004*	*18,465,052*	*3,779,952*	*10,704,378*		*105,340*	*103,938*	*1,402*
Credit cards and related plans:										
Retail (charge account) credit card plans	*8,329,376*	*8,327,292*	*7,443,203*	*6,065,401*	*1,377,802*	*884,089*		*2,084*	*2,084*	*0*
Check credit and revolving credit plans	*2,810,885*	*2,810,808*	*2,376,876*	*1,387,261*	*989,615*	*433,932*		*77*	*77*	*0*
Other retail consumer instalment loans:										
Mobile homes, not including travel trailers	*9,000,453*	*8,998,167*	*6,520,470*	*5,498,863*	*1,021,607*	*2,477,697*		*2,286*	*2,286*	*0*
Other retail consumer goods	*6,546,568*	*6,514,415*	*4,313,836*	*3,658,215*	*655,621*	*2,200,579*		*32,153*	*31,911*	*242*
Residential repair and modernization instalment loans	*5,636,834*	*5,625,691*	*4,086,682*	*3,273,324*	*813,358*	*1,539,009*		*11,143*	*11,002*	*141*
Other instalment loans for personal expenditures	*15,599,741*	*15,491,334*	*10,640,363*	*8,251,808*	*2,388,555*	*4,850,971*		*108,407*	*107,697*	*710*
Single-payment loans for personal expenditures	*23,066,675*	*22,997,075*	*17,032,724*	*13,030,530*	*4,002,194*	*5,964,351*		*69,600*	*68,808*	*792*
All other loans (including overdrafts)	14,268,889	14,072,618	12,828,064	9,020,239	3,807,825	1,244,554		196,271	191,740	4,531
Total loans and securities	**750,276,027**	**739,219,055**	**571,091,529**	**430,718,606**	**140,372,923**	**168,127,526**		**11,056,972**	**10,796,985**	**259,987**

Bank premises, furniture and fixtures, and other assets representing bank premises	14,362,581	14,296,959	10,810,608	8,692,884	2,117,724	3,486,351	65,622	49,944	15,678
Real estate owned other than bank premises	828,552	811,080	585,300	376,895	208,405	225,780	17,472	4,105	13,367
Investments in subsidiaries not consolidated	1,763,296	1,739,054	1,722,639	1,317,318	405,321	16,415	24,242	23,332	910
Customers' liabilities on acceptances outstanding	10,872,745	10,653,382	10,365,650	7,038,648	3,327,002	287,732	219,363	219,363	0
Other assets	20,540,550	19,728,540	17,255,223	12,476,960	4,778,263	2,473,317	812,010	712,037	99,973
Total liabilities, reserves, and capital accounts	**927,485,605**	**912,529,261**	**718,957,185**	**537,274,573**	**181,682,612**	**193,572,076**	**14,956,344**	**14,481,974**	**474,370**
Business and personal deposits—total	**608,877,244**	**604,637,647**	**458,977,022**	**352,177,731**	**106,799,291**	**145,660,625**	**4,239,597**	**4,214,369**	**25,228**
Individuals, partnerships, and corporations—demand	237,084,209	235,984,680	181,375,322	137,870,937	43,504,385	54,609,358	1,099,529	1,074,517	25,012
Individuals, partnerships, and corporations—time	360,708,875	358,273,861	269,145,299	208,622,373	60,522,926	89,128,562	2,435,014	2,434,798	216
Savings deposits	*136,578,392*	*136,268,612*	*97,768,353*	*77,142,783*	*20,625,570*	*38,500,259*	*309,780*	*309,780*	*0*
Deposits accumulated for payment of personal loans	*389,918*	*386,635*	*274,692*	*236,138*	*38,554*	*111,943*	*3,283*	*3,283*	*0*
Other deposits of individuals, partnerships, and corps	*223,740,565*	*221,618,614*	*171,102,254*	*131,243,452*	*39,858,802*	*50,516,360*	*2,121,951*	*2,121,735*	*216*
Certified and officers' checks, letters of credit, travelers' checks, etc.	11,084,160	10,379,106	8,456,401	5,684,421	2,771,980	1,922,705	705,054	705,054	0
Government deposits—total	**74,589,506**	**74,219,736**	**53,899,221**	**43,039,157**	**10,860,064**	**20,320,515**	**369,770**	**369,733**	**37**
United States Government—demand	4,841,521	4,821,969	3,187,624	2,441,591	746,033	1,634,345	19,552	19,516	36
United States Government—time	509,907	500,147	351,666	273,020	78,646	148,481	9,760	9,760	0
States and political subdivisions—demand	18,863,770	18,710,659	13,155,788	10,571,668	2,584,120	5,554,871	153,111	153,111	0
States and political subdivisions—time	50,374,308	50,186,961	37,204,143	29,752,878	7,451,265	12,982,818	187,347	187,346	1
Domestic interbank deposits—total	**45,972,530**	**45,328,505**	**43,338,106**	**26,236,287**	**17,101,819**	**1,990,399**	**644,025**	**643,925**	**100**
Commercial banks in the United States—demand	35,368,582	35,101,553	33,849,811	19,969,068	13,880,743	1,251,742	267,029	266,929	100
Commercial banks in the United States—time	8,758,470	8,563,604	7,914,336	5,555,129	2,359,207	649,268	194,866	194,866	0
Mutual savings banks in the United States—demand	1,362,905	1,197,332	1,121,236	497,763	623,473	76,096	165,573	165,573	0
Mutual savings banks in the United States—time	482,573	466,016	452,723	214,327	238,396	13,293	16,557	16,557	0
Foreign government and bank deposits—total	**24,190,861**	**22,227,034**	**21,746,052**	**11,708,413**	**10,037,639**	**480,982**	**1,963,827**	**1,962,881**	**946**
Foreign governments, central banks, etc.—demand	2,123,900	1,882,054	1,854,650	908,451	946,199	27,404	241,846	241,410	436
Foreign governments, central banks, etc.—time	12,735,060	12,078,963	11,920,468	6,593,363	5,327,105	158,495	656,097	655,587	510
Banks in foreign countries—demand	6,809,475	6,339,583	6,116,446	3,055,541	3,060,905	223,137	469,892	469,892	0
Banks in foreign countries—time	2,522,426	1,926,434	1,854,488	1,151,058	703,430	71,946	595,992	595,992	0
Total deposits	753,630,141	746,412,922	577,960,401	433,161,588	144,798,813	168,452,521	7,217,219	7,190,908	26,311
Demand	*317,538,522*	*314,416,936*	*249,117,278*	*180,999,440*	*68,117,838*	*65,299,658*	*3,121,586*	*3,096,002*	*25,584*
Time	*436,091,619*	*431,995,986*	*328,843,123*	*252,162,148*	*76,680,975*	*103,152,863*	*4,095,633*	*4,094,906*	*727*
Miscellaneous liabilities—total	**101,141,270**	**94,147,074**	**85,649,400**	**63,091,043**	**22,558,357**	**8,497,674**	**6,994,196**	**6,739,992**	**254,204**
Federal funds purchased and securities sold under agreements to repurchase	52,409,710	51,224,639	48,350,668	36,322,946	12,027,722	2,873,971	1,185,071	1,185,071	0
Other liabilities for borrowed money	6,141,193	4,867,119	4,505,072	3,285,509	1,219,563	362,047	1,274,074	1,249,371	24,703
Mortgage indebtedness	728,232	724,845	510,159	366,011	144,148	214,686	3,387	1,643	1,744
Acceptances outstanding	11,448,900	11,226,448	10,937,743	7,143,078	3,794,665	288,705	222,452	222,452	0
Other liabilities	30,413,235	26,104,023	21,345,758	15,973,499	5,372,259	4,758,265	4,309,212	4,081,455	227,757
Total liabilities	**854,771,411**	**840,559,996**	**663,609,801**	**496,252,631**	**167,357,170**	**176,950,195**	**14,211,415**	**13,930,900**	**280,515**
Minority interest in consolidated subsidiaries	**5,896**	**5,113**	**2,479**	**2,479**	**0**	**2,634**	**783**	**0**	**783**

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974—CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[1]	Nondeposit trust companies[2]
			Total	National	State					
Reserves on loans and securities—total	**8,724,892**	**8,676,953**	**7,090,069**	**5,189,328**	**1,900,741**	**1,586,884**		**47,939**	**47,806**	**133**
Reserve for bad debt losses on loans	8,421,406	8,376,683	6,910,291	5,065,229	1,845,062	1,466,392		44,723	44,647	76
Other reserves on loans	132,895	131,581	69,677	54,200	15,477	61,904		1,314	1,287	27
Reserves on securities	170,591	168,689	110,101	69,899	40,202	58,588		1,902	1,872	30
Capital accounts—total	**63,983,406**	**63,287,199**	**48,254,836**	**35,830,135**	**12,424,701**	**15,032,363**		**696,207**	**503,268**	**192,939**
Capital notes and debentures	4,393,260	4,259,531	3,422,557	2,257,895	1,164,662	836,974		133,729	133,634	95
Equity capital—total	59,590,146	59,027,668	44,832,279	33,572,240	11,260,039	14,195,389		562,478	369,634	192,844
Preferred stock	*54,006*	*43,460*	*23,550*	*13,070*	*10,480*	*19,910*		*10,546*	*10,212*	*334*
Common stock	*14,886,410*	*14,789,463*	*11,015,947*	*8,336,240*	*2,679,707*	*3,773,516*		*96,947*	*50,579*	*46,368*
Surplus	*25,497,294*	*25,313,257*	*19,231,446*	*14,067,301*	*5,164,145*	*6,081,811*		*184,037*	*152,257*	*31,780*
Undivided profits	*18,175,709*	*17,969,789*	*13,912,001*	*10,652,267*	*3,259,734*	*4,057,788*		*205,920*	*97,957*	*107,963*
Reserve for contingencies and other capital reserves	*976,727*	*911,699*	*649,335*	*503,362*	*145,973*	*262,364*		*65,028*	*58,629*	*6,399*
PERCENTAGES										
Of total assets:										
Cash and balances with other banks	13.9%	13.8%	14.9%	14.3%	16.8%	9.8%		18.5%	18.5%	17.8%
U.S. Treasury securities and obligations of other U.S. Government agencies and corporations	9.0	9.1	7.8	8.1	7.0	14.0		5.6	5.7	3.7
Other securities	12.1	12.2	11.6	11.9	10.7	14.4		7.9	7.0	36.5
Loans (including federal funds sold and securities purchased under agreements to resell)	59.8	59.8	60.1	60.2	59.6	58.5		60.3	61.8	14.7
Other assets	5.2	5.2	5.7	5.6	6.0	3.4		7.6	7.0	27.4
Total capital accounts[3]	7.0	7.0	6.7	6.7	6.8	7.8		11.7	8.6	40.7
Of total assets other than cash and U.S. Treasury securities:										
Total capital accounts[3]	8.7	8.7	8.4	8.3	8.7	9.5		13.5[4]	9.9[4]	50.8
Number of banks	14,488	14,228	5,782	4,708	1,074	8,446		260	188	72

[1, 2, 3, 4] See notes to table 106.

Note: Further information on the reports of assets and liabilities of banks may be found on pp. 205-206.

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1974, AND DECEMBER 31, 1974
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1974			December 31, 1974		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Total assets	**108,575,630**	**94,678,209**	**13,897.421**	**109.544.456**	**95,589,401**	**13,955,055**
Cash, balances with banks, and collection items—total	**1,701,867**	**1,574,068**	**127,799**	**2,192,849**	**2,053,353**	**139,496**
Currency and coin	246,948	206,458	40,490	316,090	268,102	47,988
Demand balances with banks in the United States	565,152	495,211	69,941	750,683	683,943	66,740
Other balances with banks in the United States	783,054	780,207	2,847	1,036,195	1,022,757	13,438
Cash items in process of collection	106,713	92,192	14,521	89,881	78,551	11,330
Securities—total	**25,946,953**	**22,526,904**	**3,420,049**	**25,966,961**	**22,684,614**	**3,282,347**
United States Government and agency securities—total	6,937,039	5,911,208	1,025,831	6,843,925	5,967,835	876,090
Securities maturing in 1 year or less	*924,504*	*695,384*	*229,120*	*876,671*	*712,274*	*164,397*
Securities maturing in 1 to 5 years	*1,940,486*	*1,498,480*	*442,006*	*2,020,126*	*1,604,165*	*415,961*
Securities maturing in 5 to 10 years	*874,382*	*710,734*	*163,648*	*824,357*	*694,251*	*130,106*
Securities maturing after 10 years	*3,197,667*	*3,006,610*	*191,057*	*3,122,771*	*2,957,145*	*165,626*
Corporate bonds	11,833,561	10,605,636	1,227,925	11,757,889	10,560,303	1,197,586
State, county, and municipal obligations	892,987	861,460	31,527	936,853	882,620	54,233
Other bonds, notes, and debentures	2,244,571	1,756,944	487,627	2,283,486	1,856,557	426,929
Corporate stock—total	4,038,795	3,391,656	647,139	4,144,808	3,417,299	727,509
Bank	*399,684*	*348,385*	*51,299*	*534,662*	*348,290*	*186,372*
Other	*3,639,111*	*3,043,271*	*595,840*	*3,610,146*	*3,069,009*	*541.137*
Federal funds sold and securities purchased under agreements to resell	**1,845,898**	**1,566,243**	**279,655**	**1,208,873**	**964,856**	**244,017**
Other loans—total	**76,605,857**	**66,736,164**	**9,869,693**	**77,499,189**	**67,449,217**	**10,049,972**
Real estate loans—total	74,225,163	64,800,806	9,424,357	74,919,688	65,339,748	9,579,940
Construction loans	*1,239,501*	*1,017,660*	*221,841*	*967,161*	*821,250*	*145,911*
Secured by farmland	*51,296*	*39,348*	*11,948*	*61,815*	*49,185*	*12,630*
Secured by residential properties:						
Secured by 1– to 4–family residential properties:						
Insured by Federal Housing Administration	*13,322,583*	*12,360,357*	*962,226*	*13,065,571*	*12,052,069*	*1,013,502*
Guaranteed by Veterans Administration	*12,808,873*	*11,629,653*	*1,179,220*	*12,703,447*	*11,501,239*	*1,202,208*
Not insured or guaranteed by FHA or VA	*22,541,333*	*17,748,978*	*4,792,355*	*23,197,755*	*18,275,751*	*4,922,004*
Secured by multifamily (5 or more) residential properties:						
Insured by Federal Housing Administration	*1,754,756*	*1,608,623*	*146,133*	*1,741,715*	*1,688,126*	*53,589*
Not insured by FHA	*10,289,604*	*9,722,123*	*567,481*	*10,746,970*	*10,076,268*	*670,702*
Secured by other properties	*12,217,217*	*10,674,064*	*1,543,153*	*12,435,254*	*10,875,860*	*1,559,394*
Loans to domestic commercial and foreign banks	35,520	34,128	1,392	19,768	18,339	1,429
Loans to other financial institutions	40,746	40,718	28	26,349	26,324	25
Loans to brokers and dealers in securities	541	541	0	743	743	0
Other loans for purchasing or carrying securities	2,204	1,801	403	2,355	930	1,425
Loans to farmers (excluding loans on real estate)	1,263	1,263	0	1,416	1,416	0
Commercial and industrial loans	122,518	114,441	8,077	186,732	175,360	11,372

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1974, AND DECEMBER 31, 1974—CONTINUED
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1974			December 31, 1974		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Loans to individuals for personal expenditures	2,066,363	1,699,201	367,162	2,214,599	1,812,329	402,270
All other loans (including overdrafts)	111,539	43,265	68,274	127,539	74,028	53,511
Total loans and securities	**104,398,708**	**90,829,311**	**13,569,397**	**104,675,023**	**91,098,687**	**13,576,336**
Bank premises, furniture and fixtures, and other assets representing bank premises	897,682	792,681	105,001	976,556	857,879	118,677
Real estate owned other than bank premises	226,175	206,929	19,246	271,268	233,775	37,493
Investments in subsidiaries not consolidated	82,499	77,431	5,068	86,580	82,292	4,288
Other assets	1,268,699	1,197,789	70,910	1,342,180	1,263,415	78,765
Total liabilities and surplus accounts	**108,575,630**	**94,678,209**	**13,897,421**	**109,544,456**	**95,589,401**	**13,955,055**
Deposits—total	**98,769,053**	**86,278,609**	**12,490,444**	**99,379,412**	**86,814,415**	**12,564,997**
Savings and time deposits—total	97,858,376	85,380,310	12,478,066	98,448,830	85,904,825	12,544,005
Savings deposits	*65,728,511*	*56,959,275*	*8,769,236*	*65,123,561*	*56,497,626*	*8,625,935*
Deposits accumulated for payment of personal loans	*7,655*	*515*	*7,140*	*2,470*	*295*	*2,175*
Fixed maturity and other time deposits	*32,122,210*	*28,420,520*	*3,701,690*	*33,322,799*	*29,406,904*	*3,915,895*
Demand deposits—total	910,677	898,299	12,378	930,582	909,590	20,992
Miscellaneous liabilities—total	**2,032,408**	**1,729,675**	**302,733**	**2,207,995**	**1,952,443**	**255,552**
Securities sold under agreements to repurchase	27,671	27,671	0	217,561	217,561	0
Other borrowings	530,989	503,714	27,275	680,013	667,256	12,757
Other liabilities	1,473,748	1,198,290	275,458	1,310,421	1,067,626	242,795
Total liabilities	**100,801,461**	**88,008,284**	**12,793,177**	**101,587,407**	**88,766,858**	**12,820,549**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**	**0**	**0**
Surplus accounts—total	**7,774,169**	**6,669,925**	**1,104,244**	**7,957,049**	**6,822,543**	**1,134,506**
Capital notes and debentures	136,857	132,675	4,182	175,647	169,460	6,187
Other surplus accounts	7,637,312	6,537,250	1,100,062	7,781,402	6,653,083	1,128,319
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	1.6%	1.7%	.9%	2.0%	2.1%	1.0%
U.S. Government and agency securities	6.4	6.2	7.4	6.2	6.2	6.3
Other securities	17.5	17.5	17.2	17.5	17.5	17.2
Loans (including federal funds sold and securities purchased under agreements to resell)	72.3	72.1	73.0	71.9	71.6	73.8
Other assets	2.3	2.4	1.4	2.4	2.5	1.7
Total surplus accounts	7.2	7.0	7.9	7.3	7.1	8.1
Of total assets other than cash and U.S. Government obligations:						
Total surplus accounts	7.8	7.6	8.7	1567.3	7.8	8.8
Number of banks	480	320	160	480	320	160

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1964, 1970–1974

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 31, 1964	Dec. 31, 1970[1]	Dec. 31, 1971	Dec. 31, 1972	Dec. 31, 1973	Dec. 31, 1974
Total assets	**348,682,881[2]**	**576,350,801**	**639,903,322**	**737,699,385**	**832,658,280**	**912,529,261**
Cash, balances with banks, and collection items–total	**60,032,916**	**93,048,095**	**98,690,700**	**111,844,113**	**116,939,181**	**126,081,191**
Currency and coin	4,551,889	7,084,430	7,591,590	8,703,008	10,768,844	11,727,595
Reserve with Federal Reserve banks (member banks)	17,580,743	23,325,123	27,482,817	26,074,890	27,820,742	27,118,296
Demand balances with banks in the U.S. (except American branches of foreign banks)	14,090,586	21,088,737	21,962,456	28,156,064	30,128,768	34,414,497
Other balances with banks in the U.S.	558,335	1,401,661	2,427,914	2,783,379	2,771,041	4,090,428
Balances with banks in foreign countries	300,841	395,356	567,033	739,928	787,960	1,449,086
Cash items in process of collection	22,950,522	39,752,788	38,658,890	45,386,844	44,661,826	47,281,289
Investment securities–total	**100,959,700**	**141,554,863**	**163,859,514**	**178,632,700**	**179,574,763**	**185,919,136**
U.S. Treasury securities	62,588,052	58,880,431	62,696,667	64,709,715	55,293,300	51,873,986
Securities of other U.S. Government agencies and corporations	3,446,144	12,481,059	17,071,836	21,156,678	27,538,214	31,087,341
Obligations of States and political subdivisions	33,343,807	67,414,393	80,135,021	87,418,538	91,227,882	96,791,360
Other securities	1,581,697	2,778,980	3,955,990	5,347,769	5,515,367	6,166,449
Trading account securities[3]	....	**5,664,059**	**5,307,564**	**5,128,096**	**8,655,329**	**7,983,831**
Federal funds sold[4]	....	**15,952,321**	**19,643,272**	**25,634,862**	**34,379,920**	**38,937,288**
Other loans–total	**178,648,870**	**298,189,504**	**328,225,896**	**388,902,133**	**459,755,788**	**506,378,800**
Real estate loans–total	43,733,086	73,053,364	82,314,290	99,086,276	118,787,181	131,751,383
Secured by farmland	*2,616,604*	*4,319,352*	*4,173,726*	*4,752,270*	*5,420,190*	*6,030,620*
Secured by residential properties:						
Secured by 1– to 4–family residential properties:						
Insured by Federal Housing Administration	*7,243,497*	*7,302,286*	*7,476,243*	*7,236,346*	*6,902,779*	*6,154,725*
Guaranteed by Veterans Administration	*2,684,468*	*2,563,475*	*2,966,378*	*3,181,876*	*3,253,738*	*3,193,583*
Not insured or guaranteed by FHA or VA	*18,810,798*	*32,321,718*	*37,438,104*	*46,425,199*	*57,639,300*	*65,204,281*
Secured by multifamily (5 or more) properties:						
Insured by Federal Housing Administration[3]	....	*588,760*	*803,880*	*1,225,769*	*1,293,191*	*939,083*
Not insured by FHA[3]	....	*2,718,829*	*3,177,970*	*4,550,113*	*5,636,229*	*6,652,445*
Secured by other properties	*12,377,719*	*23,238,944*	*26,277,989*	*31,714,703*	*38,641,754*	*43,576,646*
Loans to domestic commercial and foreign banks	3,420,989	2,581,078	4,405,298	6,119,843	9,155,496	10,082,525
Loans to other financial institutions	10,849,646	15,794,299	16,908,213	23,407,695	30,540,982	35,119,904
Loans to brokers and dealers in securities	5,355,550	6,208,570	7,202,440	11,165,572	7,625,741	5,192,896
Other loans for purchasing or carrying securities	2,794,217	3,517,601	3,646,064	4,467,145	4,300,946	4,003,015
Loans to farmers (excluding loans on real estate)	7,496,223	11,153,583	12,506,206	14,302,106	17,150,320	18,225,296
Commercial and industrial loans (including open market paper)	60,040,383	112,214,990	118,401,203	132,497,555	158,688,202	184,216,999
Other loans to individuals–total	39,814,778	66,005,700	74,796,848	87,629,904	100,382,510	103,714,164
Passenger automobile instalment loans	*14,661,720*	*22,366,443*	*24,850,695*	*29,084,924*	*33,477,132*	*32,949,382*
Credit cards and related plans:						
Retail (charge account) credit card plans[5]	....	*3,807,987*	*4,523,889*	*5,443,349*	*6,878,593*	*8,327,292*
Check credit and revolving credit plans[5]	....	*1,343,990*	*1,463,857*	*1,780,153*	*2,262,700*	*2,810,808*

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1964, 1970–1974—CONTINUED

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 31, 1964	Dec. 31, 1970	Dec. 31, 1971	Dec. 31, 1972	Dec. 31, 1973	Dec. 31, 1974
Other retail consumer instalment loans[1]	*3,748,783*	*7,306,995*	....	....	....	....
Mobile homes, not including travel trailers[3]	....	....	*4,674,364*	*6,436,145*	*8,371,286*	*8,998,167*
Other retail consumer goods[3]	....	....	*4,655,510*	*5,170,118*	*6,206,851*	*6,514,415*
Residential repair and modernization instalment loans	*3,012,861*	*3,716,802*	*3,865,597*	*4,326,916*	*4,906,940*	*5,625,691*
Other instalment loans for personal expenditures	*6,441,204*	*10,534,538*	*11,409,477*	*12,903,659*	*14,538,048*	*15,491,334*
Single-payment loans for personal expenditures	*11,950,210*	*16,928,945*	*19,353,459*	*22,484,640*	*23,740,960*	*22,997,075*
All other loans (including overdrafts)	5,143,998	7,660,319	8,045,334	10,226,037	13,124,410	14,072,618
Total loans and securities	**279,608,570**	**461,360,747**	**517,036,246**	**598,297,791**	**682,365,800**	**739,219,055**
Bank premises, furniture and fixtures, and other assets representing bank premises	} 4,753,588	9,143,432	10,285,384	11,524,646	12,788,763	14,296,959
Real estate owned other than bank premises		406,832	390,833	369,193	433,860	811,080
Investments in subsidiaries not consolidated[3]	....	740,897	911,550	1,077,700	1,403,400	1,739,054
Customers' liability on acceptances outstanding	1,697,120	3,753,246	3,914,186	3,471,203	4,356,527	10,653,382
Other assets	2,590,687	7,897,552	8,674,423	11,114,739	14,370,749	19,728,540
Total liabilities, reserves, and capital accounts	**348,682,881**	**576,350,801**	**639,903,322**	**737,699,385**	**832,658,280**	**912,529,261**
Business and personal deposits—total	**252,983,403**	**395,246,811**	**439,568,884**	**504,283,757**	**555,151,799**	**604,637,647**
Individuals, partnerships, and corporations—demand	134,300,734	181,897,284	191,775,515	221,204,645	231,956,880	235,984,680
Individuals, partnerships, and corporations—time	112,804,696	204,962,756	237,930,791	271,826,567	312,332,827	358,273,861
Savings deposits	*82,966,971*	*98,815,863*	*112,165,951*	*124,188,716*	*127,818,434*	*136,268,612*
Deposits accumulated for payment of personal loans	*956,410*	*802,924*	*677,179*	*554,001*	*503,468*	*386,635*
Other deposits of individuals, partnerships, and corporations	*28,881,315*	*105,343,969*	*125,087,661*	*147,083,850*	*184,010,925*	*221,618,614*
Certified and officers' checks, letters of credit, travelers' checks, etc.	5,877,973	8,386,771	9,862,578	11,252,545	10,862,092	10,379,106
Government deposits—total	**30,068,312**	**49,455,597**	**58,987,158**	**67,554,342**	**73,660,934**	**74,219,736**
United States Government—demand	6,500,876	7,914,962	10,263,251	10,939,672	9,887,668	4,821,969
United States Government—time	270,832	465,476	530,769	614,035	440,641	500,147
States and subdivisions—demand	13,497,662	17,784,768	17,714,586	18,672,774	18,746,900	18,710,659
States and subdivisions—time	9,798,942	23,290,391	30,478,552	37,327,861	44,585,725	50,186,961
Domestic interbank deposits—total	**16,754,488**[6]	**28,968,652**	**31,906,847**	**33,677,534**	**37,444,862**	**45,328,505**
Commercial banks in the United States—demand	15,492,798	26,290,939	28,014,732	28,569,727	29,861,879	35,101,553
Commercial banks in the United States—time	382,943	1,424,049	2,441,489	3,548,503	5,783,907	8,563,604
Mutual savings banks in the United States—demand	740,382	975,413	1,163,740	1,205,688	1,155,682	1,197,332
Mutual savings banks in the United States—time	118,835	278,251	286,886	353,616	643,394	466,016
Foreign government and bank deposits—total	**6,424,074**	**8,842,795**	**8,721,173**	**11,391,934**	**15,361,830**	**22,227,034**
Foreign governments, central banks, etc.—demand	826,137	919,683	803,364	908,731	1,355,645	1,882,054
Foreign governments, central banks, etc.—time	3,893,693	4,627,306	5,053,554	6,517,493	8,506,931	12,078,963
Banks in foreign countries—demand	1,454,685	3,000,626	2,681,096	3,637,309	5,279,635	6,339,583
Banks in foreign countries—time	249,559	295,180	183,159	328,401	219,619	1,926,434
Total deposits	**306,230,277**[6]	**482,513,855**	**539,184,062**	**616,907,567**	**681,619,425**	**746,412,922**
Demand	*178,691,247*	*247,170,446*	*262,278,862*	*296,391,091*	*309,106,381*	*314,416,936*
Time	*127,539,030*	*235,343,409*	*276,905,200*	*320,516,476*	*372,513,044*	*431,995,986*

Miscellaneous liabilities—total	**11,461,821**	**44,968,169**	**47,367,281**	**61,509,222**	**85,386,177**	**94,147,074**
Federal funds purchased (borrowed)[7]	....	16,609,041	24,179,742	33,731,069	50,480,996	51,224,639
Other liabilities for borrowed money	2,591,133	2,572,528	1,463,429	3,919,796	7,179,644	4,867,119
Mortgage indebtedness[3]	....	668,545	668,331	1,160,675	771,519	724,845
Acceptances outstanding	1,737,101	3,848,666	4,039,643	3,570,900	4,486,309	11,226,448
Other liabilities	7,133,587	21,269,389	17,106,136	19,126,782	22,467,709	26,104,023
Total liabilities	**317,692,098**	**527,482,024**	**586,551,343**	**678,416,789**	**767,005,602**	**840,559,996**
Minority interest in consolidated subsidiaries	....	**3,219**	**3,551**	**5,594**	**5,473**	**5,113**
Reserves on loans and securities—total	**3,552,676**	**6,299,150**	**6,443,382**	**6,909,306**	**7,808,584**	**8,676,953**
Reserves for bad debt losses on loans	3,552,676	5,998,689	6,151,274	6,623,801	7,526,744	8,376,683
Other reserves on loans[3]	....	115,601	113,427	112,167	107,994	131,581
Reserves on securities[3]	....	184,860	178,681	173,338	173,846	168,689
Capital accounts—total	**27,438,107**	**42,566,408**	**46,905,046**	**52,367,696**	**57,838,621**	**63,287,199**
Capital notes and debentures	810,657	2,091,879	2,956,180	4,092,820	4,117,351	4,259,531
Equity capital—total	26,627,450	40,474,529	43,948,866	48,274,876	53,721,270	59,027,668
Preferred stock	*41,747*	*107,304*	*91,930*	*68,924*	*65,650*	*43,460*
Common stock	*7,886,432*	*11,137,824*	*11,811,129*	*12,853,653*	*13,846,071*	*14,789,463*
Surplus	*12,893,189*	*18,072,590*	*19,895,816*	*21,528,422*	*23,593,311*	*25,313,257*
Undivided profits	*5,113,007*	*10,145,848*	*11,135,068*	*13,012,232*	*15,361,857*	*17,969,789*
Reserve for contingencies and other capital reserves	*693,075*	*1,010,963*	*1,014,923*	*811,645*	*854,381*	*911,699*
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	17.2%	16.1%	15.4%	15.2%	14.0%	13.8%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	18.9	12.4	12.5	11.6	9.9	9.1
Other securities	10.0	13.2	14.0	13.3	12.7	12.2
Loans (including Federal funds sold and securities purchased under agreements to resell)	51.2	54.5	54.4	56.2	59.3	59.8
Other assets	2.6	3.8	3.8	3.7	4.0	5.2
Total capital accounts	7.9	7.4	7.3	7.1	7.0	7.0
Of total assets other than cash and U.S. Treasury securities:						
Total capital accounts	12.1	10.0	9.8	9.4	8.8	8.7
Number of banks	13,493	13,511	13,612	13,733	13,976	14,228

[1]For description of changes in 1969 in the Report of Condition, see pp. 205-206 and notes to tables.
[2]Assets include "Other loans and discounts" at gross (before deduction of valuation reserves) value, as reported in 1970—1974.
[3]Not available prior to figure shown, see note 1.
[4]Prior to December 31, 1966, "Federal funds sold (loaned)" not reported separately; most were included with loans to banks; since 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 instalment loan items.
[6]Includes postal savings deposits, $19,530 thousand.
[7]Prior to December 31, 1966, Federal funds purchased were included in "Other liabilities for borrowed money"; since 1967, includes securities sold under agreements to repurchase which previously were reported with "Other liabilities for borrowed money."

Table 110. ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1964, 1970–1974
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	Dec. 31, 1964	Dec. 31, 1970	Dec. 31, 1971	Dec. 31, 1972	Dec. 31, 1973	Dec. 31, 1974
Total assets	**47,044,184[1]**	**68,739,524[1]**	**77,891,927**	**87,650,051**	**93,012,515**	**95,589,401**
Cash, balances with banks, and collection items—total	**893,139**	**1,115,656**	**1,273,735**	**1,520,399**	**1,847,776**	**2,053,353**
Currency and coin	138,843	173,646	195,679	215,345	226,905	268,102
Demand balances with banks in the United States	476,644	538,858	551,149	568,211	711,172	683,943
Other balances with banks in the United States	224,274	316,584	445,384	627,530	817,495	1,022,757
Cash items in process of collection	53,378	86,568	81,523	109,313	92,204	78,551
Securities—total	**9,125,108**	**13,550,849[1]**	**18,491,379**	**22,636,737**	**21,871,412**	**22,684,614**
United States Government and agency securities—total	4,859,671	3,860,276	5,156,321[5]	6,386,003[5]	5,971,200[5]	5,967,835[5]
Securities maturing in 1 year or less[2]	....	....	*867,992*	*968,157*	*831,719*	*712,274*
Securities maturing in 1 to 5 years[2]	....	....	*1,823,997*	*1,915,014*	*1,513,476*	*1,604,165*
Securities maturing in 5 to 10 years[2]	....	....	*832,859*	*1,095,116*	*789,936*	*694,251*
Securities maturing after 10 years[2]	....	....	*1,631,473*	*2,407,716*	*2,836,069*	*2,957,145*
State, county, and municipal obligations	367,846	192,606	373,810	857,353	907,013	882,620
Corporate bonds	2,904,732[3]	7,413,742[3]	9,293,507	11,086,004	10,026,920	10,560,303
Other bonds, notes, and debentures			1,194,941	1,370,862	1,713,867	1,856,557
Corporate stock—total	992,859	2,084,225	2,472,800	2,936,515	3,252,412	3,417,299
Bank	....	*251,321*	*288,373*	*329,426*	*364,066*	*348,290*
Other	....	*1,832,904*	*2,184,427*	*2,607,089*	*2,888,346*	*3,069,009*
Federal funds sold and securities purchased under agreements to resell[4]	....	....	**493,536**	**596,255**	**1,252,753**	**964,856**
Other loans—total	**36,442,826[1]**	**52,753,808[1]**	**56,066,722**	**60,950,481**	**65,870,714**	**67,449,217**
Real estate loans—total	35,823,288	50,695,693	54,222,077	59,094,330	63,946,513	65,339,748
Construction loans[2]	....	....	*736,386*	*1,002,712*	*1,090,262*	*821,250*
Secured by farmland	*48,629[5]*	*112,723[5]*	*41,656*	*51,459*	*51,160*	*49,185*
Secured by residential properties:						
Secured by 1– to 4–family residential properties:						
Insured by Federal Housing Administration	*11,527,827[6]*	*13,563,069*	*13,532,344*	*13,388,433*	*12,828,775*	*12,052,069*
Guaranteed by Veterans Administration	*10,129,274[6]*	*10,884,718*	*10,923,517*	*11,413,769*	*11,728,249*	*11,501,239*
Not insured or guaranteed by FHA or VA	*10,739,893[6]*	*12,089,288*	*13,031,229*	*14,804,568*	*17,087,533*	*18,275,751*
Secured by multifamily (5 or more) residential properties:						
Insured by Federal Housing Administration	....	*1,358,590*	*1,396,791*	*1,399,794*	*1,523,751*	*1,688,126*
Not insured by FHA	....	*6,015,291*	*7,136,586*	*8,265,926*	*9,416,887*	*10,076,268*
Secured by other properties	*3,377,665*	*6,672,014*	*7,423,568*	*8,767,669*	*10,219,896*	*10,875,860*
Loans to domestic commercial and foreign banks	16,228[4]	280,999[4]	49,628	29,751	13,679	18,339
Loans to other financial institutions	9,322	53,867	36,492	29,927	29,473	26,324
Loans to brokers and dealers in securities	25,759	16,342	5,951	28,922	4,441	743
Other loans for purchasing or carrying securities	4,807	1,838	3,485	3,446	2,221	930
Loans to farmers (excluding loans on real estate)	2,152	1,068	1,110	1,305	1,323	1,416
Commercial and industrial loans	156,977	586,589	463,001	252,438	173,322	175,360
Loans to individuals for personal expenditures	391,145	1,081,513	1,260,144	1,451,401	1,665,365	1,812,329
All other loans (including overdrafts)	13,148	35,899	24,834	58,961	34,377	74,028

Total loans and securities	**45,358,160[1]**	**66,304,657[1]**	**75,051,637**	**84,183,473**	**88,994,879**	**91,098,687**
Bank premises, furniture and fixtures, and other assets representing bank premises	316,189	528,680	590,326	661,118	760,289	857,879
Real estate owned other than bank premises	26,709	62,805	90,987	147,340	180,671	233,775
Investments in subsidiaries not consolidated[2]	....	....	41,518	59,309	64,883	82,292
Other assets	449,987	727,726	843,724	1,078,412	1,164,017	1,263,415
Total liabilities and surplus accounts	**47,044,184**	**68,739,524**	**77,891,927**	**87,650,051**	**93,012,515**	**95,589,401**
Deposits—total	**42,751,099**	**62,683,783**	**71,500,831**	**80,571,993**	**84,890,128**	**86,814,415**
Savings and time deposits—total	42,418,248	62,090,168	70,818,051	79,781,381	84,008,571	85,904,825
Savings deposits	*42,374,371*	*57,989,110*	*57,644,100*	*60,573,427*	*57,591,849*	*56,497,626*
Deposits accumulated for payment of personal loans	*800*	*64*	*80*	*25*	*476*	*295*
Fixed maturity and other time deposits	....	*4,100,994*	*13,173,871*	*19,207,929*	*26,416,246*	*29,406,904*
Demand deposits—total	332,851	593,615	682,780	790,612	881,557	909,590
Miscellaneous liabilities—total	**562,242**	**1,000,127**	**975,996[1]**	**1,114,469**	**1,609,538**	**1,952,443**
Securities sold under agreements to repurchase	....	....	....	22,757	26,089	217,561
Other borrowings	20,402	252,171	100,045	98,980	445,901	667,256
Other liabilities	541,840	747,956	875,951	992,732	1,137,548	1,067,626
Total liabilities	**43,313,341**	**63,683,910**	**72,476,827**	**81,686,462**	**86,499,666**	**88,766,858**
Minority interest in consolidated subsidiaries[2]	....	....	**1**	**0**	**0**	**0**
Surplus accounts—total	**3,730,843**	**5,055,614**	**5,415,099**	**5,963,589**	**6,512,849**	**6,822,543**
Capital notes and debentures	674	6,068	10,456	59,372	114,953	169,460
Other surplus accounts	3,730,843[1]	5,049,546[1]	5,404,643	5,904,217	6,397,896	6,653,083
PERCENTAGES						
Of total assets:[1]						
Cash and balances with other banks	1.9%	1.6%	1.7%	1.7%	2.0%	2.1%
U.S. Government and agency securities	10.3	5.6	6.6	7.3	6.4	6.2
Other securities	9.1	14.1	17.1	18.5	17.1	17.5
Loans (including Federal funds sold and securities purchased under agreements to resell)	77.5	76.8	72.6	70.2	72.2	71.6
Other assets	1.2	1.9	2.0	2.2	2.3	2.5
Total surplus accounts	7.9	7.4	7.0	6.8	7.0	7.1
Of total assets other than cash and U.S. Government and agency securities:						
Total surplus accounts	9.1	7.9	7.6	7.5	7.6	7.8
Number of banks	327	329	327	326	322	320

[1] Figures on loans and on securities have been revised to a gross basis to provide comparability with data for 1971–1974. See page 206 for information on changes in reports in 1971.
[2] Not reported separately prior to 1971.
[3] Corporate bonds included with other bonds, notes, and debentures prior to 1971.
[4] Federal funds sold included with loans to banks prior to 1971.
[5] Farmers Home Administration insured notes, previously reported as loans secured by farmland, included in U.S. Government and agency securities in 1971–1974.
[6] Prior to 1970, real estate loans secured by multifamily residential properties were combined with those secured by 1– to 4–family residential properties.

Table 111. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1974 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974
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	13.8	14.8	13.8	11.0	10.5	10.3	10.6	11.4	13.4	13.9	16.1
U.S. Treasury and agency securities[1]	9.1	28.3	25.7	23.5	19.3	15.3	12.9	11.6	9.9	7.3	5.7
Obligations of States and political subdivisions	10.7	1.4	3.6	7.4	11.7	14.1	14.8	14.7	13.0	11.8	7.3
Other securities	.7	1.8	.9	.8	.6	.8	.9	1.0	.9	.7	.4
Federal funds sold (loaned)[2]	4.3	19.1	11.9	8.6	6.9	5.6	4.7	4.3	4.4	5.6	3.3
Other loans and discounts—total	55.4	33.8	42.1	46.5	48.7	51.3	52.9	53.6	54.5	55.6	58.2
Real estate loans—total	14.4	4.5	9.3	12.6	14.9	17.6	18.5	19.1	17.9	16.6	10.3
Loans to banks and other financial institutions	5.0	.0	.4	.3	.3	.3	.5	.8	1.7	3.3	9.5
Loans to purchase or carry securities	1.0	.1	.1	.2	.2	.3	.3	.4	1.0	.7	1.6
Loans to farmers (excluding loans on real estate)	2.0	13.5	14.7	13.3	10.9	7.0	3.3	1.5	.9	.8	.6
Commercial and industrial loans	20.2	4.3	5.9	7.2	8.6	10.4	13.0	15.2	16.9	19.5	27.1
Instalment loans for personal expenditures	8.8	8.3	8.6	9.5	10.2	11.8	13.1	12.6	12.1	9.6	5.3
Single-payment loans for personal expenditures	2.5	1.6	2.7	2.9	3.1	3.3	3.6	3.4	2.9	3.4	1.6
All other loans (including overdrafts)	1.5	1.5	.4	.5	.5	.6	.6	.6	1.1	1.7	2.2
Other assets	6.0	.8	2.0	2.2	2.3	2.6	3.2	3.4	3.9	5.1	9.0
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	81.9	82.8	86.2	88.0	88.7	88.7	87.7	86.8	84.3	80.6	77.1
Demand	*34.5*	*61.3*	*49.1*	*38.2*	*35.7*	*34.3*	*33.7*	*33.5*	*35.0*	*35.4*	*34.3*
Time	*47.4*	*21.5*	*37.1*	*49.8*	*53.0*	*54.4*	*54.0*	*53.3*	*49.3*	*45.2*	*42.8*
Individuals, partnerships, and corporations—demand	26.0	54.8	43.1	32.7	30.1	28.7	28.2	27.6	27.5	27.2	23.5
Individuals, partnerships, and corporations—time	39.4	17.1	32.7	44.7	47.9	48.8	47.9	45.6	41.6	37.6	33.4
U.S. Government	.6	.5	.5	.8	1.0	1.2	1.2	.8	.6	.4	.3
States and subdivisions	7.6	9.9	8.9	8.8	8.7	8.9	9.0	10.2	9.8	9.5	5.1
Domestic interbank	5.7	.1	.4	.3	.2	.3	.5	1.6	3.7	5.0	10.0
Foreign government and bank	1.5	.0	.0	(5)	(5)	(5)	(5)	(5)	.1	.1	3.4
Other deposits	1.1	.4	.6	.7	.8	.8	.9	1.0	1.0	.8	1.4
Federal funds purchased (borrowed)[3]	5.6	.0	.0	.1	.3	.4	1.0	2.0	4.6	7.6	8.7
Other liabilities for borrowed money	.5	.0	(5)	.1	.1	.1	.1	.2	.2	.6	.9
Other liabilities[4]	4.1	1.1	1.1	1.5	1.7	2.2	2.8	2.8	2.7	3.3	5.9
Reserves on loans and securities	.9	.2	.5	.5	.6	.8	.8	.8	.9	.9	1.1
Capital notes and debentures	.5	.0	(5)	.1	.1	.2	.3	.4	.5	.6	.6
Other capital accounts	6.5	15.9	12.2	9.7	8.5	7.6	7.3	7.0	6.8	6.4	5.7
Number of banks	13,863	29	260	2,103	3,160	4,627	1,942	931	634	93	84

[1]Securities held in trading accounts are included in "Other assets."
[2]Includes securities purchased under agreements to resell.
[3]Includes securities sold under agreements to repurchase.
[4]Includes minority interest in consolidated subsidiaries.
[5]Less than 0.05 percent.
Note: For income and expense data by size of bank, see tables 117 and 118. Assets and liabilities (in $000) of all commercial banks by size of bank are contained in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1974 report of income), December 31, 1974.

Table 112. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS OPERATING THROUGHOUT 1974 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974
BANKS GROUPED BY AMOUNT OF DEPOSITS

Asset, liability, or surplus account item	All banks[1]	Banks with deposits of— $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%**
Cash and due from banks	2.1	5.5	2.4	1.7	2.2	2.0	2.5	2.0
United States Government and agency securities	6.2	9.4	6.8	5.6	7.4	7.6	6.4	5.2
Corporate bonds	11.0	7.2	9.6	6.8	8.3	8.6	10.3	13.6
State, county and municipal obligations	.9	.9	.8	.8	.7	.8	.8	1.1
Other securities	5.5	6.8	5.3	6.0	5.4	6.0	5.6	5.1
Federal funds sold and securities purchased under agreements to resell	1.0	3.5	2.5	2.1	2.2	1.5	.9	.6
Other loans and discounts	70.6	64.7	71.0	74.9	71.6	71.0	70.9	69.7
Real estate loans—total	68.4	59.6	66.1	70.0	68.1	68.4	68.8	68.1
Construction loans	*.9*	*1.5*	*.6*	*.9*	*1.0*	*1.1*	*1.2*	*.5*
Secured by farmland	*.1*	*.3*	*.6*	*.3*	*.2*	(2)	*.1*	(2)
Secured by residential properties:								
Insured by FHA	*14.4*	*4.1*	*2.7*	*5.1*	*7.4*	*11.9*	*15.2*	*17.1*
Guaranteed by VA	*12.0*	*2.4*	*4.9*	*5.2*	*7.1*	*10.5*	*11.4*	*14.5*
Not insured or guaranteed by FHA or VA	*29.7*	*43.7*	*48.7*	*51.2*	*45.3*	*36.7*	*30.2*	*21.3*
Secured by other properties	*11.4*	*7.7*	*8.7*	*7.3*	*7.1*	*8.1*	*10.6*	*14.7*
Commercial and industrial loans	.2	1.1	.3	.2	.3	.2	.2	.2
Loans to individuals for personal expenditures	1.9	3.9	4.3	4.4	3.0	2.4	1.8	1.3
All other loans including overdrafts	.1	.1	.3	.3	.2	.1	.1	.1
Other assets	2.5	1.9	1.7	2.2	2.2	2.4	2.7	2.6
Total liabilities and surplus accounts	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Deposits—total	90.8	90.4	91.3	91.1	90.7	91.2	90.4	90.8
Savings deposits	59.1	60.3	65.7	62.9	61.7	61.5	59.2	56.9
Deposits accumulated for payment of personal loans	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Fixed maturity and other time deposits	30.8	29.6	24.9	27.5	28.3	28.6	30.3	33.0
Demand deposits	1.0	.4	.7	.6	.8	1.1	.9	.9
Miscellaneous liabilities	2.0	1.1	.6	1.1	1.6	1.5	2.4	2.4
Surplus accounts	7.1	8.5	8.0	7.8	7.7	7.3	7.3	6.9
Capital notes and debentures	.2	.4	.4	.3	.2	.2	.2	.2
Other surplus accounts	7.0	8.1	7.6	7.5	7.5	7.1	7.1	6.7
Number of banks	320	11	22	71	62	103	29	22

[1]Dollar amounts of assets and liabilities of all mutual savings banks are shown in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1974 report of income), December 31, 1974.
[2]Zero or less than 0.05 percent.

Table 113. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974
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	1,045	48	169	455	247	104	19	3	0	0	0
More than 0.0 but less than 1.0	396	3	45	197	80	50	12	4	5	0	0
1.0 to 2.49	460	1	43	207	113	62	25	4	5	0	0
2.5 to 4.99	825	5	29	279	225	188	47	22	20	3	7
5.0 to 7.49	1,156	0	15	244	312	354	105	51	39	14	22
7.5 to 9.99	1,645	1	10	238	405	560	195	103	91	22	20
10.0 to 12.49	1,970	1	12	201	493	675	297	136	122	15	18
12.5 to 14.99	1,918	1	9	127	415	697	339	175	125	17	13
15.0 to 17.49	1,638	0	7	103	315	622	311	169	98	10	3
17.5 to 19.99	1,209	0	4	86	191	509	234	109	69	7	0
20.0 to 24.99	1,285	1	4	65	255	552	246	113	45	3	1
25.0 or more	643	0	4	49	149	263	118	43	15	2	0
Ratios of U.S. Treasury securities to total assets of—											
Less than 5	4,199	25	76	459	807	1,373	669	369	302	54	65
5 to 9.99	4,616	10	81	537	909	1,616	774	388	252	33	16
10 to 14.99	2,641	6	65	469	681	906	329	118	59	6	2
15 to 19.99	1,240	6	41	293	358	387	107	34	13	0	1
20 to 24.99	635	0	25	191	206	161	39	9	4	0	0
25 to 29.99	371	4	21	113	118	95	11	9	0	0	0
30 to 34.99	213	6	12	72	63	43	13	2	2	0	0
35 to 39.99	110	0	11	41	27	26	2	2	1	0	0
40 to 44.99	64	1	7	27	11	14	2	1	1	0	0
45 to 49.99	49	0	7	20	11	10	1	0	0	0	0
50 or more	52	3	5	29	9	5	1	0	0	0	0

Ratios of loans to total assets of—												
Less than 20	68	7	9	28	12	6	2	1	3	0	0
20 to 24.99	84	3	11	20	21	22	4	3	0	0	0
25 to 29.99	180	2	8	50	61	45	10	2	2	0	0
30 to 34.99	341	3	15	91	104	83	34	9	2	0	0
35 to 39.99	562	0	25	127	187	163	35	16	8	1	0
40 to 44.99	980	3	33	196	263	314	93	51	25	1	1
45 to 49.99	1,546	4	30	256	399	517	198	93	44	4	1
50 to 54.99	1,991	5	26	282	406	717	321	122	94	9	9
55 to 59.99	2,511	8	39	331	508	826	412	205	141	18	23
60 to 64.99	2,671	7	53	326	478	887	437	240	177	37	29
65 to 69.99	1,866	7	39	254	378	634	284	127	112	15	16
70 to 74.99	899	5	31	148	241	306	88	50	19	6	5
75 or more	491	7	32	142	142	116	30	13	7	2	0
Ratios of cash and due from banks to total assets of—											
Less than 5	837	6	12	167	220	270	87	55	19	1	0
5.0 to 7.49	3,155	6	58	514	820	1,146	410	144	49	8	0
7.5 to 9.99	3,649	8	67	521	827	1,280	550	234	145	13	4
10.0 to 12.49	2,601	9	57	386	530	839	412	205	129	15	19
12.5 to 14.99	1,555	6	39	216	314	503	211	115	106	23	22
15.0 to 17.49	911	6	30	140	171	251	128	85	71	9	20
17.5 to 19.99	567	5	18	93	113	143	72	48	53	12	10
20.0 to 24.99	518	5	31	101	113	130	49	31	42	10	6
25.0 to 29.99	201	5	17	51	44	38	22	6	14	2	2
30.0 or more	196	5	22	62	48	36	7	9	6	0	1
Ratios of total demand deposits to total deposits of—											
Less than 25	1,000	3	6	122	231	372	146	78	39	3	0
25 to 29.99	1,649	0	13	193	374	611	261	127	62	5	3
30 to 34.99	2,387	1	32	306	553	845	372	165	96	11	6
35 to 39.99	2,566	4	31	373	583	876	386	180	111	11	11
40 to 44.99	2,286	5	50	353	531	714	317	162	117	17	20
45 to 49.99	1,715	8	44	286	360	548	228	103	99	22	17
50 to 54.99	1,051	5	30	204	228	337	119	54	53	11	10
55 to 59.99	636	8	34	137	142	165	71	30	29	8	12
60 to 64.99	332	7	30	82	74	78	26	13	15	3	4
65 to 69.99	197	2	14	58	44	48	13	11	5	1	1
70 to 79.99	162	3	19	55	37	32	6	6	3	1	0
80 to 89.99	62	3	12	19	15	8	1	1	3	0	0
90 or more	147	12	36	63	28	2	2	2	2	0	0

Table 113. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1974—CONTINUED

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS

Ratios (In percent)	All banks	Number of banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Ratios of total capital accounts to total assets other than cash and due from banks, and U.S. Treasury securities, and U.S. Government agency securities of—											
Less than 7.5	915	0	2	28	98	353	179	132	76	21	26
7.5 to 9.99	5,021	1	7	311	881	1,915	963	482	359	53	49
10.0 to 12.49	3,997	1	36	533	973	1,472	568	239	153	14	8
12.5 to 14.99	1,776	2	47	390	555	535	158	54	29	5	1
15.0 to 17.49	877	1	34	274	293	206	42	16	11	0	0
17.5 to 19.99	455	3	19	174	155	79	19	3	3	0	0
20.0 to 22.49	294	3	26	130	90	38	3	4	0	0	0
22.5 to 24.99	173	2	22	76	47	14	10	1	1	0	0
25.0 to 29.99	230	3	30	122	59	13	2	1	0	0	0
30.0 to 34.99	135	4	23	70	28	7	3	0	0	0	0
35.0 to 39.99	82	5	22	44	8	2	1	0	0	0	0
40.0 or more	235	36	83	99	13	2	0	0	2	0	0
Ratios of total capital accounts to total assets of—											
Less than 5	239	0	1	8	26	92	57	31	16	1	7
5 to 5.99	1,261	0	3	95	236	475	179	140	91	21	21
6 to 6.99	2,973	0	9	300	597	1,083	489	237	201	27	30
7 to 7.99	3,537	1	25	414	758	1,259	565	292	179	27	17
8 to 8.99	2,474	2	37	332	595	902	367	134	87	11	7
9 to 9.99	1,327	3	35	276	353	410	159	48	39	3	1
10 to 10.99	742	1	26	184	220	207	66	25	11	2	0
11 to 11.99	456	1	30	128	145	100	38	9	3	1	1
12 to 12.99	271	2	25	103	79	42	5	9	6	0	0
13 to 14.99	290	4	26	120	83	37	17	3	0	0	0
15 to 16.99	137	7	15	58	39	14	0	3	1	0	0
17 or more	483	40	119	233	69	15	6	1	0	0	0
Number of banks	14,190	61	351	2,251	3,200	4,636	1,948	932	634	93	84

INCOME OF INSURED BANKS

The income data received and published by the Corporation relate to commercial and mutual savings banks insured by the Corporation.

Commercial banks

Prior to 1969, reports of income and dividends were submitted to the Federal supervisory agencies on either a cash or an accrual basis. In 1969, banks with assets of $50 million or more, and beginning in 1970, $25 million or more, were required to report consolidated income accounts on an accrual basis. Smaller banks continue to have the option of submitting their reports on a cash or an accrual basis, except that unearned discount on instalment loans, and income taxes, must be reported on an accrual basis. Then, there was the requirement for consolidation of majority-owned subsidiaries and other non-bank subsidiaries meeting certain tests. 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 205 of this report.

Income data are included for all insured banks operating at the end of the respective years, unless indicated otherwise. In addition, when appropriate, adjustments have been made for banks in operation during part of the year but not at the end of the year.

In 1969 the Report of Income was revised to include a more detailed breakdown of investment income and separation of income from Federal funds transactions from other loan income. The accretion of bond discount was encouraged.

Under "Operating expenses," expense of Federal Funds transactions, which is now itemized separately, was included prior to 1969 under "Interest on borrowed money." "Interest on capital notes and debentures," now included in operating expenses, before 1969 was not treated as a charge against operating earnings or net income. Fixed assets were required to be carried on a cost less depreciation basis with periodic depreciation charged to expenses. Beginning in 1969, the item "Provision for loan losses" was included under operating expenses. Prior to 1969, 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 (see discussion below).

Beginning in 1969, "Applicable income taxes" on income before securities gains or losses is an estimate of the tax liability that a bank would incur if its taxes were based solely on operating income and expenses; that is, if there were no security gains or losses, no extraordinary items, etc.

Income from securities gains and losses, reported both gross and after taxes, prior to 1969 was reported as separate gain or loss items. It is now included, along with a subtraction for minority interest in consolidated subsidiaries, before arriving at net income (after taxes).

The memorandum item total provision for income taxes includes applicable taxes on operating income, applicable taxes on securities gains and losses and extraordinary items, and tax effects on differences between the provision for loan losses charged to operating expense and transfers to the reserve for bad debt losses on loans. For banks generally the transfers to reserve for bad debts have exceeded the provision for loan losses and consequently have tended to reduce tax liability. (Since enactment of the Tax Reform Act of 1969, additions to loan loss reserves for Federal tax purposes have been subject to a schedule of limitations that will eventually put these reserves on a current experience basis.)

In comparing the 1969-1974 reports with prior data, certain generalizations are applicable. Because of the inclusion of additional items in "Operating expenses," "Income before taxes or security gains or losses" is understated, compared with the current operating income of prior reports. On the other hand, "Net income" for years prior to 1969 tends to be somewhat understated because it includes transfers to bad debt reserves which would generally exceed the provision for loan losses. Table 115 provides several operating ratios which afford comparisons between years prior to 1969 and more recent earnings experience.

Mutual savings banks

For a discussion of the report of income and expenses for mutual savings banks in 1970 and previous years, see the 1951 Annual Report, pp. 50-52.

Beginning December 31, 1971, income and expenses for mutual savings banks are reported on a consolidated basis in the same manner as required of commercial banks, including all domestic branches, domestic bank premises subsidiaries, and other significant nonbanking domestic subsidiaries (see page 206).

Beginning in 1972, banks with total resources of $25 million or more are required to prepare their reports on the basis of accrual accounting. All banks are required to report income taxes on an accrual basis.

Under operating income, certain income from securities formerly in the "other" category are shown separately beginning in 1971. Income from U.S. Treasury securities is combined with income from U.S. Government agency and corporation securities. Somewhat fewer items are detailed under operating expense. Beginning in 1971, actual net loan losses (charge-offs less recoveries) are included as an expense item in the operating section of the report (see discussion below). In 1970 and prior years (table 119), the amounts shown for this expense item are "Recoveries credited to valuation adjustment provisions on real estate mortgage loans" less "The realized losses charged to valuation adjustment provisions on these loans," which were reported in those years in the memoranda section.

The nonoperating sections of the report were condensed in 1971, with realized gains and losses on securities, mortgage loans, and real estate reported "net" rather than in separate sections and captions as before. Detailed data formerly reported on reconcilement of valuation adjustment provisions was almost entirely eliminated, except for a simple reconciliation of surplus.

Sources of data

National banks and State banks in the District of Columbia not members of the Federal Reserve System: Office of the Comptroller of the Currency.

State bank members of the Federal Reserve System: Board of Governors of the Federal Reserve System.

Other insured banks: Federal Deposit Insurance Corporation.

REPORTING OF LOSSES AND RESERVES FOR LOSSES ON LOANS, 1948 - 1974

Commercial banks

Use of the reserve method of loan accounting was greatly encouraged when, in 1947, the Internal Revenue Service set formal standards for loan loss transfers to be permitted for Federal tax purposes. In their reports to the Federal bank supervisory agencies prior to 1948, insured commercial banks included in non-operating income the amounts of recoveries on loans (applicable to prior charge-offs for losses) which included, for banks using the reserve method, transfers from loan loss reserves. Direct charge-offs and losses on loans, and transfers to reserves were included together in non-operating expenses. Banks using the reserve method were not required to report separately their actual losses, that is, charges against loan loss reserves. (In statements of condition prior to 1948, insured banks reported loans on a net basis only, after allowance for loan loss reserves. Beginning with the June 30, 1948 report, banks were required to report gross loans, with total valuation reserves these set up pursuant to Internal Revenue Service regulations, and other reserves shown separately. However, instalment loans ordinarily continued to be reported net if the instalment payments were applied directly to the reduction of the loan.)

Beginning with the year 1948, the income reports were revised to show separately, in a memoranda section, the losses charged to reserves. These items continued to be combined in the non-operating expense section until 1961. Recoveries credited to reserves were also itemized in the memoranda section, beginning in 1948, as were the amounts transferred to and from reserves during the year. Each of these debits and credits were segregated as to reserves set up pursuant to IRS regulations, and other reserves. Losses and recoveries, and transfers to and from reserves, but not the specific tax-related transfers, were separately reported in the Corporation's published statistics.

Several important revisions were made in the format of the income reports of commercial banks in 1969 (see above). A new entry entitled "Provision for loan losses" was included under operating expenses. This item includes actual loan losses (charge-offs less recoveries) during the year *or,* at the option of the bank, an amount derived by applying the average loan loss percentage for the five most recent years to the average amount of loans during the current year. Since 1969, banks continue to report transfers to and from reserves in memoranda section of the income statement, but this detailed information is not regularly published by the Corporation. (Beginning June 30, 1969, all loan loss reserves are shown on the right side of the condition statement; gross loans only are reported on the assets side.)

Mutual savings banks

While mutual savings banks reported loan losses and transfers to loss reserves prior to 1951, the Corporation's published statistics did not show these data separately, as was the case also for recoveries and transfers from reserves. When the reporting form was revised extensively in 1951, these various nonoperating expenses were itemized, and a memoranda section was added to show also the losses and recoveries in reserve accounts. "Realized" losses (and recoveries) for which no provision had been made, and transfers were included in the nonoperating expense (income) section, while direct write-downs and other loan losses for which provision had been made, were reported separately in memoranda account.

Following 1951, the loan loss section of the reports of condition and income and expense remained unchanged until 1971. Beginning in 1971, the income report was revised in a manner similar to changes in 1969 applicable to commercial banks, to show actual net loan losses as operating expenses (mutual savings banks do not have the option available to commercial banks of reporting losses based on recent years average experience.) At the same time, all valuation reserves were merged into surplus accounts on statements of condition submitted to the Federal supervisory agencies.

Table 114. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1966–1974
(Amounts in thousands of dollars)

Income item	1966	1967	1968	1969[1]	1970	1971	1972	1973	1974
Operating income—total	**19,508,414**	**21,781,611**	**25,478,404**	**30,806,805**	**34,716,420**	**36,364,008**	**40,247,555**	**53,036,327**	**68,160,779**
Interest and fees on loans[2]	13,286,400	14,646,637	17,121,079	20,726,664	22,967,366	23,069,354	25,630,498	35,375,638	47,138,740
Income on Federal funds sold and securities purchased under agreements to resell[2]	....	....	....	811,580	1,006,367	871,167	1,026,550	2,486,695	3,712,304
Interest on U.S. Treasury securities	2,317,794	2,601,900	3,004,655	2,845,257	3,078,725	3,395,663	3,396,365	3,465,192	3,441,273
Interest and dividends on securities of other U.S. Government agencies and corporations[3]	....	....	....	551,068	688,421	916,559	1,144,761	1,472,467	2,018,561
Interest on obligations of States and political subdivisions[3]	....	....	....	2,215,971	2,620,257	3,127,136	3,493,981	3,864,785	4,453,876
Interest and dividends on other securities[3]	1,531,517	1,904,886	2,376,223	134,548	151,832	238,033	322,239	371,987	467,873
Trust department income	756,130	820,269	906,206	1,021,900	1,132,292	1,257,807	1,366,455	1,459,879	1,506,206
Service charges on deposit accounts	915,049	987,187	1,055,964	1,120,196	1,178,192	1,231,470	1,262,022	1,326,992	1,459,858
Other service charges, collection and exchange charges, commissions, and fees	354,036	411,021	478,028	693,578	842,480	989,432	1,083,104	1,251,651	1,408,525
Other operating income	347,488	409,711	536,249	686,043	1,050,488	1,267,387	1,521,580	1,961,041	2,553,563
Operating expense—total[4]	**14,561,852**	**16,553,642**	**19,354,237**	**24,076,791**	**27,588,602**	**29,650,981**	**32,996,608**	**44,329,800**	**58,909,998**
Salaries and wages of officers and employees	4,095,742	4,537,896	5,101,803	5,878,812	6,656,884	7,202,972	7,754,773	8,574,731	9,797,706
Pensions and other employee benefits	598,768	667,345	755,744	903,469	1,060,167	1,192,011	1,330,440	1,553,077	1,788,727
Interest on deposits	6,259,472	7,379,863	8,681,705	9,789,893	10,483,795	12,217,994	13,844,020	19,834,817	27,888,772
Expense of Federal funds purchased and securities sold under agreements to repurchase[5]	....	....	....	1,205,787	1,400,838	1,095,648	1,429,171	3,899,016	5,985,504
Interest on other borrowed money[5]	301,768	266,476	528,986	433,120	464,568	139,388	115,240	503,941	917,638
Interest on capital notes and debentures[4]	....	....	....	100,742	104,730	142,381	213,532	254,458	283,203
Occupancy expense of bank premises, net	802,060	873,541	970,034	1,073,339	1,254,520	1,410,190	1,583,538	1,782,956	2,052,345
Gross occupancy expense	*980,444*	*1,059,785*	*1,173,423*	*1,331,926*	*1,555,734*	*1,730,402*	*1,926,695*	*2,152,621*	*2,438,528*
Less rental income	*178,387*	*186,244*	*203,389*	*258,587*	*301,214*	*320,212*	*343,157*	*369,665*	*386,183*
Furniture and equipment, depreciation, rental costs, servicing, etc.	458,695	533,846	631,564	773,072	909,090	1,018,128	1,087,844	1,201,241	1,360,721
Provision for loan losses[4]	....	....	....	521,064	703,150	867,260	973,238	1,264,695	2,286,132
Other operating expenses	2,045,347	2,294,675	2,684,401	3,397,493	4,550,860	4,365,009	4,664,812	5,460,868	6,549,250
Income before income taxes and securities gains or losses[6]	....	....	....	**6,730,014**	**7,127,818**	**6,713,027**	**7,250,947**	**8,706,527**	**9,250,781**
Net current operating earnings (old basis)	**4,946,562**	**5,227,969**	**6,124,167**	....	....	....	....	....	....
Applicable income taxes[6]	....	....	....	**2,164,419**	**2,173,775**	**1,689,146**	**1,707,495**	**2,121,100**	**2,084,028**
Income before securities gains or losses[6]	....	....	....	**4,565,595**	**4,954,043**	**5,023,881**	**5,543,452**	**6,585,427**	**7,166,753**
Securities gains or losses, net[6]	....	....	....	**−237,707**	**−103,695**	**213,245**	**92,456**	**−27,135**	**−87,052**
Gross	−392,447	−4,312	−438,520	−512,242	−224,028	359,279	166,730	−73,458	−161,247
Taxes	....	....	....	−274,535	−120,333	146,034	74,274	−46,323	−74,195
Net income before extraordinary items[6]	....	....	....	**4,327,888**	**4,850,348**	**5,237,126**	**5,635,908**	**6,558,292**	**7,079,701**
Extraordinary charges or credits, net[6]	....	....	....	**6,914**	**−12,810**	**−639**	**19,153**	**21,561**	**11,920**
Gross	....	....	....	3,994	−35,865	−12,552	23,953	30,817	17,877
Taxes	....	....	....	−2,920	−23,055	−11,913	4,800	9,256	5,957
Less minority interest in consolidated subsidiaries[6]	....	....	....	**235**	**245**	**282**	**663**	**659**	**357**
Net income	....	....	....	**4,334,567**	**4,837,293**	**5,236,205**	**5,654,398**	**6,579,194**	**7,091,264**
Recoveries, charge-offs, transfers from reserves, net	**−839,869**	**−904,645**	**−992,665**	....	....	....	....	....	....

Net income before taxes (old basis)	**3,714,246**	**4,319,012**	**4,692,982**	....	....	....	....	....	....
Total provision for income taxes	**1,029,906**	**1,177,154**	**1,267,044**	**1,505,336**	**1,863,787**	**1,651,807**	**1,598,869**	**1,715,439**	**1,759,739**
Federal income taxes	911,585	1,020,988	1,086,889	1,287,514	1,619,790	1,367,492	1,288,725	1,336,317	1,357,394
State and local income taxes	118,321	156,166	180,155	217,822	243,997	284,315	310,144	379,122	402,345
Net income after taxes (old basis)	**2,684,340**	**3,141,858**	**3,425,938**	....	....	....	....	....	....
Dividends on capital—total[7]	**1,307,387**	**1,426,202**	**1,589,114**	**1,769,314**	**2,040,027**	**2,230,556**	**2,196,868**	**2,429,330**	**2,768,104**
Cash dividends declared on common stock	1,240,048	1,342,538	1,488,670	1,762,279	2,033,288	2,225,125	2,193,052	2,425,633	2,765,674
Cash dividends declared on preferred stock[7]	67,339	83,664	100,444	7,035	6,739	5,431	3,816	3,697	2,430
Memoranda[8]									
Recoveries credited to reserves:									
On loans	143,859	168,680	219,115	209,124	255,350	317,320	363,663	388,846	461,350
On securities	3,300	5,638	1,913	1,986	1,260	2,253	6,243	2,061	1,651
Losses charged to reserves:									
On loans	545,647	601,194	629,707	697,874	1,236,988	1,404,520	1,250,989	1,548,033	2,418,281
On securities	60,282	29,072	32,262	12,448	2,881	3,714	4,333	5,440	3,120
Average assets and liabilities[9]									
Assets—total	**391,255,121**	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**	**679,113,973**	**776,702,572**	**871,394,495**
Cash and due from banks	62,867,398	70,248,679	78,504,024	86,663,384	89,089,607	95,673,527	102,969,933	110,168,143	122,224,773
U.S. Treasury securities	56,088,649	57,357,584	61,545,807	56,724,083[11]	54,198,407[11]	59,923,562[11]	61,978,490[11]	58,603,925[11]	52,822,043[11]
Obligations of States and political subdivisions[10]	....	....	....	58,011,200[11]	62,012,771[11]	74,606,153[11]	84,210,396[11]	89,241,780[11]	94,524,535[11]
Other securities[10]	47,054,812	55,213,293	65,318,374	11,839,130[11]	12,821,687[11]	18,216,064[11]	23,863,051[11]	29,355,715[11]	35,256,603[11]
Loans and discounts	214,381,628	230,636,149	253,678,319	283,479,251	301,667,242	327,633,687	376,543,347	453,238,907	519,572,131
All other assets	10,862,634	12,163,632	14,091,481	19,608,435[11]	24,090,694[11]	27,369,727[11]	29,548,756[11]	36,094,102[11]	46,994,410[11]
Liabilities and capital—total	**391,255,121**	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**	**679,113,973**	**776,702,572**	**871,394,495**
Total deposits	340,336,714	368,906,501	407,508,260	431,468,339	449,522,141	507,101,968	568,240,268	640,806,208	710,029,868
Demand deposits	*185,336,407*	*194,982,924*	*213,628,389*	*230,490,525*	*237,588,875*	*251,447,347*	*271,122,732*	*293,708,282*	*307,363,186*
Time and savings deposits	*155,000,307*	*173,923,577*	*193,879,871*	*200,977,814*	*211,933,266*	*255,654,621*	*297,117,536*	*347,097,926*	*402,666,682*
Borrowings and other liabilities	20,067,721	23,836,162	30,297,605	46,642,486	53,212,878	51,507,005	61,179,885	80,677,846	100,573,737
Total capital accounts	30,850,686	32,876,674	35,332,148	38,214,658	41,145,389	44,813,747	49,693,820	55,218,518	60,790,890
Capital notes and debentures	*1,710,785*	*1,884,844*	*2,096,175*	*2,027,427*	*2,047,429*	*2,548,014*	*3,546,497*	*4,044,715*	*4,204,891*
Equity capital	*29,139,901*	*30,991,830*	*33,235,973*	*36,187,231*	*39,097,960*	*42,265,733*	*46,147,323*	*51,173,803*	*56,585,999*
Number of employees (end of period)	777,361	815,037	866,725	904,008	959,867	980,660	1,025,997	1,093,616	1,160,585
Number of banks (end of period)	13,541	13,517	13,488	13,473	13,511	13,612	13,733	13,976	14,228

[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. 227-229; 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" was 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" was included in "Interest on borrowed money" in 1968 and prior years.
[6] Data are not available prior to 1969. See page 228 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] Includes only recoveries credited to, and losses charged to, reserves. All other recoveries and losses on loans and securities are credited to, and charged to, undivided profits and are included above.
[9] Averages of amounts reported at beginning, middle, and end of year. 1966—1968 averages of securities and loans have been revised to gross basis.
[10] In 1968 and prior years, "Obligations of States and political subdivisions" were included in "Other securities."
[11] Securities held in trading accounts are included in "All other assets."

Table 115. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1966–1974

Income item	1966	1967	1968	1969	1970	1971	1972	1973	1974
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]	68.11	67.24	67.20	69.91	69.05	65.84	66.23	71.39	74.60
Interest on U.S. Treasury securities	11.88	11.95	11.79	9.23	8.87	9.34	8.44	6.53	5.05
Interest on State and local government obligations[2]	....	....	....	7.19	7.55	8.60	8.65	7.29	6.53
Interest and dividends on other securities[3]	7.85	8.74	9.33	2.23	2.42	3.17	3.64	3.48	3.65
Trust department income	3.88	3.77	3.56	3.32	3.26	3.46	3.40	2.75	2.21
Service charges on deposit accounts	4.69	4.53	4.14	3.64	3.39	3.39	3.14	2.50	2.14
Other charges, commissions, fees, etc.	1.81	1.89	1.88	2.25	2.43	2.72	2.67	2.36	2.07
Other operating income	1.78	1.88	2.10	2.23	3.03	3.48	3.78	3.70	3.75
Operating expense—total[4]	**74.64**	**76.00**	**75.96**	**78.15**	**79.47**	**81.54**	**81.98**	**83.58**	**86.43**
Salaries and wages	20.99	20.83	20.02	19.08	19.18	19.81	19.27	16.17	14.38
Pensions and other benefits	3.07	3.07	2.97	2.93	3.05	3.28	3.30	2.93	2.62
Interest on time and savings deposits	32.09	33.88	34.07	31.78	30.20	33.60	34.40	37.40	40.92
Interest on borrowed money[5]	1.55	1.22	2.08	5.65	5.67	3.79	4.37	8.78	10.54
Occupancy expense of bank premises, net	4.11	4.01	3.81	3.48	3.61	3.88	3.93	3.36	3.01
Furniture and equipment, etc.	2.35	2.45	2.48	2.51	2.62	2.80	2.70	2.26	2.00
Provision for loan losses[4]	....	....	....	1.69	2.03	2.38	2.42	2.38	3.35
Other operating expenses	10.48	10.54	10.53	11.03	13.11	12.00	11.59	10.30	9.61
Income before income taxes and securities gains or losses	....	....	....	**21.85**	**20.53**	**18.46**	**18.02**	**16.42**	**13.57**
Net current operating earnings (old basis)	**25.36**	**24.00**	**24.04**	....	....	....	....	....	....
Amounts per $100 of total assets									
Operating income—total	4.99	5.12	5.38	5.97	6.38	6.03	5.93	6.83	7.82
Net current operating earnings (old basis)	1.26	1.23	1.29	....	....	....	....	....	....
Income before income taxes and securities gains or losses	....	....	....	1.30	1.31	1.11	1.07	1.12	1.06
Net income[6]	.69	.74	.72	.84	.89	.87	.33	.85	.81
Amounts per $100 of total capital accounts									
Net income[6]	8.70	9.56	9.70	11.48[7]	11.89[7]	11.85[7]	11.60[7]	12.14[7]	11.89[7]
Cash dividends declared on common stock	4.02	4.08	4.21	4.61	4.94	4.97	4.41	4.39	4.55
Net additions to capital from income	4.46	5.22	5.20	6.71	6.80	6.71	6.96	7.51	7.11
Amounts per $100 of equity capital									
Net income[6]	9.21	10.14	10.31	11.98	12.37	12.39	12.25	12.86	12.53
Special ratios									
Income on loans per $100 of loans[1]	6.20	6.35	6.75	7.60	7.95	7.31	7.08	8.35	9.79
Income on U.S. Treasury securities per $100 of U.S. Treasury securities	4.13	4.54	4.88	5.02	5.68	5.67	5.48	5.91	6.51
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions[2]	....	....	....	3.82	4.23	4.19	4.15	4.33	4.71
Income on other securities per $100 of other securities[3]	3.25	3.45	3.64	5.79	6.55	6.34	6.15	6.28	7.05
Service charges per $100 of demand deposits	.49	.51	.49	.49	.50	.49	.47	.45	.47
Interest paid per $100 of time and savings deposits	4.04	4.24	4.48	4.87	4.95	4.78	4.66	5.71	6.93
Number of banks (end of period)	13,541	13,517	13,488	13,473	13,511	13,612	13,733	13,976	14,228

[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] Includes interest and dividends on securities of other U.S. Government agencies and corporations; includes interest on State and local government obligations before 1969.
[4] "Interest on capital notes and debentures", which is included in "Interest on borrowed money" in 1969–1974, and "Provision for loan losses" was not included in "Operating expense—total" in 1968 and prior years.
[5] Includes interest on capital notes and debentures (see note 4) and Federal funds purchased.
[6] Because of changes in the form of reporting by banks, figures in 1969–1974 are not fully comparable with those in 1968 and prior years; see table 114 and pp. 227-229.
[7] In computing this ratio, interest on capital notes and debentures has been added to net income, with tax adjustment at the regular corporate tax rate.

Table 116. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1974
BANKS GROUPED BY CLASS OF BANK
(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Nonmembers F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Operating income—total	**68,160,779**	**40,448,342**	**13,392,280**	**14,320,157**	**68,067,597**	**93,182**
Interest and fees on loans	47,138,740	28,418,563	9,647,114	9,073,063	47,099,147	39,593
Income on federal funds sold and securities purchased under agreements to resell	3,712,304	2,173,089	549,879	989,336	3,683,192	29,112
Interest on U.S. Treasury securities	3,441,273	1,752,716	590,079	1,098,478	3,434,155	7,118
Interest and dividends on securities of other U.S. Government agencies and corporations	2,018,561	1,018,360	250,081	750,120	2,014,296	4,265
Interest on obligations of States and political subdivisions	4,453,876	2,531,299	769,482	1,153,095	4,451,979	1,897
Interest and dividends on other securities	467,873	258,901	66,800	142,172	465,925	1,948
Trust department income	1,506,206	853,728	525,317	127,161	1,503,646	2,560
Service charges on deposit accounts	1,459,858	827,191	195,502	437,165	1,457,839	2,019
Other service charges, collection and exchange charges, commissions, and fees	1,408,525	938,515	213,203	256,807	1,407,094	1,431
Other operating income	2,553,563	1,675,980	584,823	292,760	2,550,324	3,239
Operating expense—total	**58,909,998**	**35,241,442**	**11,577,100**	**12,091,456**	**58,813,939**	**96,059**
Salaries and wages of officers and employees	9,797,706	5,593,025	1,835,066	2,369,615	9,773,503	24,203
Pensions and other employee benefits	1,788,727	1,033,991	372,452	382,284	1,786,159	2,568
Interest on deposits	27,888,772	16,584,980	5,228,054	6,075,738	27,860,894	27,878
Expense of federal funds purchased and securities sold under agreements to repurchase	5,985,504	4,277,220	1,436,533	271,751	5,984,753	751
Interest on other borrowed money	917,638	519,256	352,446	45,936	917,314	324
Interest on capital notes and debentures	283,203	147,782	69,508	65,913	283,161	42
Occupancy expense of bank premises, net	2,052,345	1,146,564	456,814	448,967	2,045,727	6,618
Gross occupancy expense	*2,438,528*	*1,398,737*	*530,176*	*509,615*	*2,431,759*	*6,769*
Less rental income	*386,183*	*252,173*	*73,362*	*60,648*	*386,032*	*151*
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,360,721	811,897	224,743	324,081	1,357,229	3,492
Provision for loan losses	2,286,132	1,391,805	466,173	428,154	2,282,090	4,042
Other operating expense	6,549,250	3,734,922	1,135,311	1,679,017	6,523,109	26,141
Income before income taxes and securities gains or losses	**9,250,781**	**5,206,900**	**1,815,180**	**2,228,701**	**9,253,658**	**−2,877**
Applicable income taxes	**2,084,028**	**1,122,623**	**468,344**	**493,061**	**2,083,755**	**273**
Income before securities gains or losses	**7,166,753**	**4,084,277**	**1,346,836**	**1,735,640**	**7,169,903**	**−3,150**
Net securities gains or losses	**−87,052**	**−42,420**	**−26,835**	**−17,797**	**−87,356**	**304**
Gross	−161,247	−80,695	−52,987	−27,565	−161,767	520
Taxes	−74,195	−38,275	−26,152	−9,768	−74,411	216
Net income before extraordinary items	**7,079,701**	**4,041,857**	**1,320,001**	**1,717,843**	**7,082,547**	**−2,846**
Extraordinary charges or credits, net	**11,920**	**2,758**	**480**	**8,682**	**11,844**	**76**
Gross	17,877	7,991	−552	10,438	17,785	92
Taxes	5,957	5,233	−1,032	1,756	5,941	16

Table 116. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1974—CONTINUED
BANKS GROUPED BY CLASS OF BANK
(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Less minority interest in consolidated subsidiaries	**357**	**141**	**0**	**216**	**357**	**0**
Net income	**7,091,264**	**4,044,474**	**1,320,481**	**1,726,309**	**7,094,034**	**–2,770**
Dividends on capital—total	**2,768,104**	**1,671,209**	**600,228**	**496,667**	**2,767,452**	**652**
Cash dividends declared on common stock	2,765,674	1,670,232	600,060	495,382	2,765,022	652
Cash dividends declared on preferred stock	2,430	977	168	1,285	2,430	0
Total provision for income taxes	**1,759,739**	**968,418**	**348,996**	**442,325**	**1,759,507**	**232**
Federal income taxes	1,357,394	751,177	227,436	378,781	1,357,275	119
State and local income taxes	402,345	217,241	121,560	63,544	402,232	113
Memoranda[1]						
Recoveries credited to reserves:						
On loans	461,350	303,018	60,510	97,822	461,227	123
On securities	1,651	1,066	38	547	1,651	0
Losses charged to reserves:						
On loans	2,418,281	1,493,948	458,488	465,845	2,417,544	737
On securities	3,120	2,115	140	865	3,120	0
Number of employees (end of period)	1,160,585	664,416	190,909	305,260	1,156,111	4,474
Number of banks (end of period)	14,228	4,708	1,074	8,446	13,863	365

[1] Includes only recoveries credited, and losses charged, to reserves. All other recoveries and losses on loans and securities are credited and charged to undivided profits and are included above.

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1974 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	**68,067,597**	**2,063**	**34,605**	**614,795**	**1,850,723**	**5,894,016**	**5,490,383**	**5,310,631**	**11,521,803**	**6,519,197**	**30,829,381**
Interest and fees on loans	47,099,147	786	16,357	325,046	1,042,353	3,562,633	3,493,326	3,461,429	7,710,276	4,557,174	22,929,767
Income on federal funds sold and securities purchased under agreements to resell	3,683,192	551	6,283	85,731	203,701	494,354	363,071	316,685	684,625	366,747	1,161,444
Interest on U.S. Treasury securities	3,434,155	339	6,134	86,567	210,301	547,461	412,901	343,351	613,670	294,059	919,372
Interest and dividends on securities of other U.S. Government agencies and corporations	2,014,296	251	2,605	51,585	136,948	337,051	265,004	237,460	403,965	120,922	458,505
Interest on obligations of States and political subdivisions	4,451,979	18	686	24,571	127,139	515,275	516,538	495,909	913,858	454,382	1,403,603
Interest and dividends on other securities	465,925	16	284	4,766	13,392	46,015	48,552	51,812	97,406	49,184	154,498
Trust department income	1,503,646	0	1	459	4,586	17,452	36,607	73,444	297,340	172,939	900,818
Service charges on deposit accounts	1,457,839	43	979	17,697	57,754	200,621	183,876	153,860	284,246	143,302	415,461
Other service charges, collection and exchange charges, commissions, and fees	1,407,094	48	590	10,626	31,450	97,901	92,461	95,775	279,063	182,300	616,880
Other operating income	2,550,324	11	686	7,747	23,099	75,253	78,047	80,906	237,354	178,188	1,869,033
Operating expense—total	**58,813,939**	**1,359**	**26,560**	**492,360**	**1,490,997**	**4,805,589**	**4,611,218**	**4,561,633**	**10,077,751**	**5,742,662**	**27,003,810**
Salaries and wages of officers and employees	9,773,503	655	9,197	128,370	330,746	956,732	871,124	839,046	1,848,117	977,862	3,811,654
Pensions and other employee benefits	1,786,159	72	858	15,035	45,647	149,479	143,653	143,286	330,453	183,413	774,263
Interest on deposits	27,860,894	280	8,961	220,737	735,021	2,487,445	2,388,450	2,361,338	4,756,828	2,491,870	12,409,964
Expense of federal funds purchased and securities sold under agreements to repurchase	5,984,753	4	17	891	5,531	26,650	59,812	122,249	728,764	681,174	4,359,661
Interest on other borrowed money	917,314	3	8	641	2,230	11,410	12,534	18,101	68,990	81,986	721,411
Interest on capital notes and debentures	283,161	0	7	298	1,883	11,098	15,534	21,095	56,635	37,214	139,397
Occupancy expense of bank premises, net	2,045,727	59	966	17,083	49,474	164,356	169,006	173,298	405,066	200,818	865,601
Gross occupancy expense	*2,431,759*	*60*	*1,002*	*17,977*	*52,599*	*176,447*	*186,281*	*203,290*	*494,461*	*270,845*	*1,028,797*
Less rental income	*386,032*	*1*	*36*	*894*	*3,125*	*12,091*	*17,275*	*29,992*	*89,395*	*70,027*	*163,196*
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,357,229	34	755	14,919	42,670	133,312	126,576	125,211	308,996	158,971	445,785
Provision for loan losses	2,282,090	26	909	14,808	50,120	158,563	164,531	156,197	318,821	236,491	1,181,624
Other operating expenses	6,523,109	226	4,882	79,578	227,675	706,544	659,998	601,812	1,255,081	692,863	2,294,450
Income before income taxes and securities gains or losses	**9,253,658**	**704**	**8,045**	**122,435**	**359,726**	**1,088,427**	**879,165**	**748,998**	**1,444,052**	**776,535**	**3,825,571**
Applicable income taxes	**2,083,755**	**167**	**2,049**	**35,419**	**95,120**	**263,790**	**185,839**	**134,477**	**262,364**	**147,136**	**957,394**

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1974 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	**7,169,903**	**537**	**5,996**	**87,016**	**264,606**	**824,637**	**693,326**	**614,521**	**1,181,688**	**629,399**	**2,868,177**
Net securities gains or losses	**–87,356**	**1**	**–66**	**–1,275**	**–3,233**	**–7,305**	**–5,755**	**–5,766**	**–9,947**	**–9,593**	**–44,417**
Gross	–161,767	–2	–68	–1,492	–4,556	–10,964	–10,135	–10,594	–17,901	–17,435	–88,620
Taxes	–74,411	–3	–2	–217	–1,323	–3,659	–4,380	–4,828	–7,954	–7,842	–44,203
Net income before extraordinary items	**7,082,547**	**538**	**5,930**	**85,741**	**261,373**	**817,332**	**687,571**	**608,755**	**1,171,741**	**619,806**	**2,823,760**
Extraordinary charges or credits, net	**11,844**	**0**	**–30**	**397**	**1,185**	**3,007**	**3,412**	**5,766**	**3,938**	**5,076**	**–10,907**
Gross	17,785	0	–33	479	1,486	2,847	3,980	7,142	3,722	7,981	–9,819
Taxes	5,941	0	–3	82	301	–160	568	1,376	–216	2,905	1,088
Less minority interest in consolidated subsidiaries	**357**	**0**	**0**	**0**	**0**	**99**	**31**	**44**	**34**	**42**	**107**
Net income	**7,094,034**	**538**	**5,900**	**86,138**	**262,558**	**820,240**	**690,952**	**614,477**	**1,175,645**	**624,840**	**2,812,746**
Dividends on capital—total	**2,767,452**	**77**	**1,136**	**17,704**	**55,284**	**196,104**	**206,979**	**214,384**	**498,456**	**305,790**	**1,271,538**
Cash dividends declared on common stock	2,765,022	77	1,136	17,694	55,247	195,808	206,741	214,042	497,353	305,789	1,271,135
Cash dividends declared on preferred stock	2,430	0	0	10	37	296	238	342	1,103	1	403
Total provision for income taxes	**1,759,507**	**163**	**2,016**	**34,061**	**89,676**	**239,615**	**161,609**	**111,801**	**218,313**	**127,362**	**774,891**
Federal income taxes	1,357,275	152	1,823	30,870	80,824	214,756	140,768	91,803	176,132	106,416	513,731
State and local income taxes	402,232	11	193	3,191	8,852	24,859	20,841	19,998	42,181	20,946	261,160
Memoranda[2]											
Recoveries credited to reserves (not included above)											
On loans	461,227	2	185	4,886	16,433	57,832	50,376	40,756	77,330	52,040	161,387
On securities	1,651	0	0	10	64	248	96	245	309	200	479
Losses charged to reserves (not included above):											
On loans	2,417,544	20	903	14,752	57,058	199,362	205,687	185,093	374,464	253,100	1,127,105
On securities	3,120	0	0	38	397	428	313	447	1,372	125	0
Number of employees, December 31	1,156,111	92	1,302	16,391	41,760	124,925	114,480	108,299	233,703	117,643	397,516
Number of banks, December 31	13,863	29	260	2,103	3,160	4,627	1,942	931	634	93	84

[1]This group of banks is the same as the group shown in table 116 under the heading "Operating throughout the year".

[2]Includes only recoveries credited, and losses charged, to reserves. All other recoveries and losses on loans and securities are credited, and charged, to undivided profits and are included above.

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1974 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]	64.81	65.42	66.81	67.33	68.83	70.24	71.14	72.86	75.53	78.15
Interest on U.S. Treasury securities[3]	16.43	17.73	14.08	11.36	9.29	7.52	6.47	5.33	4.51	2.98
Interest on State and local government obligations[3]	.87	1.98	4.00	6.87	8.74	9.41	9.34	7.93	6.97	4.55
Interest and dividends on other securities[4]	12.94	8.35	9.17	8.12	6.50	5.71	5.45	4.35	2.61	1.99
Trust department income	0	0	.07	.25	.30	.67	1.38	2.58	2.65	2.92
Service charges on deposit accounts	2.09	2.83	2.88	3.12	3.40	3.35	2.90	2.47	2.20	1.35
Other charges, commissions, fees, etc.	2.33	1.71	1.73	1.70	1.66	1.68	1.80	2.42	2.80	2.00
Other operating income[3]	.53	1.98	1.26	1.25	1.28	1.42	1.52	2.06	2.73	6.06
Operating expense—total	**65.87**	**76.75**	**80.09**	**80.56**	**81.53**	**83.99**	**85.90**	**87.47**	**88.09**	**87.59**
Salaries and wages	31.75	26.58	20.88	17.87	16.23	15.87	15.80	16.04	15.00	12.37
Pensions and other benefits	3.49	2.48	2.45	2.47	2.54	2.62	2.70	2.87	2.81	2.51
Interest on time and savings deposits	13.57	25.89	35.90	39.71	42.20	43.50	44.47	41.28	38.22	40.25
Interest on borrowed money[5]	.34	.09	.30	.52	.83	1.60	3.04	7.42	12.28	16.93
Occupancy expense of bank premises, net	2.86	2.79	2.78	2.67	2.79	3.08	3.26	3.52	3.08	2.81
Furniture and equipment, etc.	1.65	2.18	2.43	2.31	2.26	2.30	2.36	2.68	2.44	1.45
Provision for loan losses	1.26	2.63	2.41	2.71	2.69	3.00	2.94	2.77	3.63	3.83
Other operating expenses	10.95	14.11	12.94	12.30	11.99	12.02	11.33	10.89	10.63	7.44
Income before income taxes and securities gains or losses	**34.13**	**23.25**	**19.91**	**19.44**	**18.47**	**16.01**	**14.10**	**12.53**	**11.91**	**12.41**
Amounts per $100 of total assets[6]										
Operating income—total	7.29	7.16	7.10	7.04	7.05	7.14	7.20	7.52	7.76	7.71
Income before income taxes and securities gains or losses	2.49	1.66	1.41	1.37	1.30	1.14	1.02	.94	.92	.96
Net income	1.90	1.22	1.00	1.00	.98	.90	.83	.77	.74	.70
Memoranda[8]										
Recoveries credited to reserves:										
On loans	.01	.04	.06	.06	.07	.07	.06	.05	.06	.04
On securities	0	0	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Losses charged to reserves:										
On loans	.07	.19	.17	.22	.24	.27	.25	.24	.30	.28
On securities	0	0	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1974 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[6]										
Net income[9]	11.97	10.00	10.26	11.72	12.74	11.96	11.54	10.94	10.93	11.51
Cash dividends declared on common stock	1.71	1.93	2.10	2.46	3.02	3.54	3.96	4.52	5.20	5.08
Net additions to capital from income	10.26	8.07	8.14	9.22	9.63	8.29	7.39	6.16	5.42	6.16
Memoranda[8]										
Recoveries credited to reserves:										
On loans	.04	.31	.58	.73	.89	.86	.75	.70	.88	.64
On securities	0	0	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Losses charged to reserves:										
On loans	.45	1.53	1.75	2.54	3.08	3.52	3.42	3.41	4.30	4.50
On securities	0	0	(7)	.02	.01	.01	.01	.01	(7)	0
Amounts per $100 of equity capital[6]										
Net income	11.97	10.04	10.30	11.83	12.97	12.27	11.96	11.46	11.65	12.39
Special ratios[6]										
Income on loans per $100 of loans[2]	8.93	8.69	8.62	8.53	8.52	8.71	8.85	9.29	9.60	9.80
Income on U.S. Treasury securities per $100 of U.S. Treasury securities[3]	7.89	7.58	7.23	7.26	7.18	7.00	6.81	6.79	6.72	5.94
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions[3]	4.46	3.90	3.82	4.14	4.36	4.54	4.57	4.59	4.58	4.84
Income on other securities per $100 of other securities[4]	6.31	6.03	6.20	6.40	6.55	6.69	6.73	6.73	7.06	6.74
Service charges per $100 of demand deposits	.25	.41	.54	.62	.70	.71	.62	.53	.48	.30
Interest paid per $100 of time and savings deposits	4.60	4.99	5.11	5.27	5.46	5.75	6.00	6.29	6.57	7.25
Number of banks, December 31, 1974	29	260	2,103	3,160	4,627	1,942	931	634	93	84

[1] This group of banks is the same as the group shown in table 116 under heading "Operating throughout the year."
[2] Includes Federal funds.
[3] Income from securities held in trading accounts is included in "Other operating income."
[4] Includes interest and dividends on securities of other U.S. Government agencies and corporations.
[5] Includes interest on capital notes and debentures and Federal funds purchased.
[6] Ratios are based on assets and liabilities reported at end of year.
[7] Less than 0.005.
[8] Includes only recoveries credited, and losses charged, to reserves (see table 117, note 2).
[9] Reported data are adjusted (see table 115, note 7).

Table 119. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1970–1974
(Amounts in thousands of dollars)

Income item	1970	1971	1972	1973	1974
Operating income—total	**3,874,870**	**4,529,014**	**5,295,449**	**6,064,895**	**6,483,654**
Interest and fees on real estate mortgage loans, net	2,963,859	3,275,859	3,690,871	4,171,520	4,503,214
Interest and fees on real estate mortgage loans, gross	*3,031,157*	*3,344,057*	*3,760,908*	*4,240,926*	*4,570,902*
Less: Mortgage servicing fees	*67,298*	*68,198*	*70,037*	*69,406*	*67,688*
Interest and fees on other loans	154,230	163,675	178,126	283,506	337,844
Interest on U.S. Government and agency securities[2]	....	268,370	352,297	414,359	403,940
Interest on corporate bonds	693,986	546,033	726,665	730,132	743,944
Interest on State, county, and municipal obligations[2]	....	12,789	30,857	52,982	47,028
Interest on other bonds, notes, and debentures[2]	....	75,489	91,856	116,901	125,718
Dividends on corporate stock[2]	....	105,592	126,256	148,781	170,273
Income from service operations	35,107	27,669	30,072	35,771	27,875
Other operating income	27,688	53,538	68,449	110,943	123,818
Operating expenses—total	**520,862[1]**	**581,693**	**671,818**	**811,689**	**938,705**
Salaries	217,536	243,446	270,353	307,030	344,304
Pensions and other employee benefits	47,072	55,944	63,882	72,567	83,338
Interest on borrowed money	20,327	7,862	6,713	28,907	66,110
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals), net	60,655	71,113	82,820	96,128	114,206
Furniture and equipment (including recurring depreciation)	22,603	28,365	32,237	37,104	43,815
Actual net loan losses (charge-offs less recoveries)	1,363	3,328	4,500	8,994	10,034
Other operating expenses	151,306	171,635	211,313	260,959	276,898
Net operating income before interest and dividends on deposits	**3,354,008[1]**	**3,947,321**	**4,623,631**	**5,253,206**	**5,544,949**
Interest and dividends on deposits—total	**2,987,200**	**3,418,845**	**3,943,233**	**4,480,901**	**4,916,724**
Savings deposits[2]	....	3,058,645	3,392,798	3,567,595	3,607,170
Other time deposits[2]	....	360,200	550,435	913,306	1,309,554
Net operating income after interest and dividends on deposits	**366,808**	**528,476**	**680,398**	**772,305**	**628,225**
Net realized gains (or losses) on—total	**–121,372[1]**	**–58,286**	**–14,896**	**–92,357**	**–148,844**
Securities	–91,760	–44,290	3,481	–65,973	–111,501
Real estate mortgage loans	–26,334	–12,133	–25,944	–20,187	– 38,556
Real estate	–568	–1,690	–509	–673	588
Other transactions	–2,710	–173	8,076	–5,524	625
Less minority interest in consolidated subsidiaries[2]	....	**0**	**34**	**0**	**0**
Net income before taxes	**245,436[1]**	**470,190**	**665,468**	**679,948**	**479,381**
Franchise and income taxes—total	**78,421**	**126,601**	**186,303**	**201,792**	**161,870**
Federal income tax	25,310	63,833	108,679	114,500	81,089
State and local franchise and income taxes	53,111	62,768	77,624	87,292	80,781
Net income	**167,015[1]**	**343,589**	**479,165**	**478,156**	**317,511**

Table 119. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1970–1974–CONTINUED
(Amounts in thousands of dollars)

Income item	1970	1971	1972	1973	1974
Memoranda					
Change in surplus accounts, net	188,484[1]	486,234	534,229	561,695	369,166
Discount on securities, total[2]	....	16,513	19,630	27,805	32,406
Average assets and liabilities[3]					
Assets–total[4]	**65,986,370**	**73,661,663**	**82,995,606**	**90,850,840**	**94,426,708**
Cash and due from banks	778,430	1,156,181	1,329,972	1,676,216	1,825,066
U.S. Government and agency securities[4]	3,893,429	4,437,666	5,740,097	6,299,082	5,950,081
Other securities[4]	8,471,553	11,932,355	15,033,388	16,238,983	16,410,896
Real estate mortgage loans[4]	49,745,250	52,364,759	56,553,602	61,600,178	64,695,689
Other loans and discounts[4]	1,904,974	2,309,498	2,566,460	2,967,740	3,250,960
Other real estate	57,981	75,520	116,406	170,868	207,125
All other assets	1,134,753	1,385,684	1,655,681	1,897,773	2,086,891
Liabilities and surplus accounts–total[4]	**65,986,370**	**73,661,663**	**82,995,606**	**90,850,840**	**94,426,708**
Total deposits	59,862,839	67,443,302	76,226,170	83,212,442	85,994,384
Savings and time deposits	*59,296,823*	*66,784,186*	*75,472,194*	*82,350,237*	*85,097,902*
Demand deposits	*566,016*	*659,116*	*753,976*	*862,205*	*896,482*
Other liabilities	1,162,859	982,655	1,074,401	1,381,121	1,763,885
Total surplus accounts[4]	4,960,672	5,235,706	5,695,035	6,257,277	6,668,439
Number of employees (end of period)	27,505	30,134	32,866	35,668	37,494
Number of banks (end of period)	329	327	326	322	320

[1] Figures have been revised to provide comparability with 1971–1974 data–see page 228 for information on changes in reports in 1971.
[2] Data are not available prior to 1971. See page 228.
[3] For 1970, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year; for 1971–1974, averages of amounts reported at beginning, middle, and end of year.
[4] Averages for 1970 have been revised to a gross basis; see notes to table 110.

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1970–1974

Income item	1970	1971	1972	1973	1974
Amounts per $100 of operating income					
Operating income—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Interest and fees on real estate mortgage loans—net	76.49	72.33	69.70	68.78	69.45
Interest and fees on other loans	3.98	3.61	3.36	4.68	5.21
Interest on U.S. Government and agency securities[2]	....	5.93	6.65	6.83	6.23
Interest on corporate bonds	17.91	12.06	13.72	12.04	11.47
Interest on State, county, and municipal obligations[2]	....	.28	.58	.87	.73
Interest on other bonds, notes, and debentures[2]	....	1.67	1.74	1.93	1.94
Dividends on corporate stock[2]	....	2.33	2.39	2.45	2.63
Income from service operations	.91	.61	.57	.59	.43
Other operating income	.71	1.18	1.29	1.83	1.91
Operating expense—total	**13.44[1]**	**12.84**	**12.69**	**13.38**	**14.48**
Salaries	5.61	5.37	5.11	5.06	5.31
Pensions and other employee benefits	1.22	1.24	1.21	1.20	1.29
Interest on borrowed money	.52	.17	.13	.48	1.02
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals)—net	1.57	1.57	1.56	1.58	1.76
Furniture and equipment (including recurring depreciation)	.58	.63	.61	.61	.68
Actual net loan losses (charge-offs less recoveries)	.04	.07	.08	.15	.15
Other operating expenses	3.90	3.79	3.99	4.30	4.27
Net operating income before interest and dividends on deposits	**86.56[1]**	**87.16**	**87.31**	**86.62**	**85.52**
Interest and dividends on deposits—total	**77.09**	**75.49**	**74.46**	**73.88**	**75.83**
Savings deposits[2]	....	67.54	64.07	58.82	55.63
Other time deposits[2]	....	7.95	10.39	15.06	20.20
Net operating income after interest and dividends on deposits	**9.47[1]**	**11.67**	**12.85**	**12.74**	**9.69**
Net realized gains (or losses) on—total	**–3.14[1]**	**–1.29**	**–.28**	**–1.53**	**–2.30**
Securities	–2.37	–.98	.07	–1.09	–1.72
Real estate mortgage loans	–.68	–.27	–.49	–.34	–.60
Real estate	–.02	–.04	–.01	–.01	–.01
Other transactions	–.07	(5)	.15	–.09	.01
Less minority interest in consolidated subsidiaries	....	**.00**	(5)	**.00**	**.00**
Net income before taxes	**6.33[1]**	**10.38**	**12.57**	**11.21**	**7.39**
Franchise and income taxes—total	**2.02**	**2.79**	**3.52**	**3.33**	**2.49**
Federal income tax	.65	1.41	2.05	1.89	1.25
State and local franchise and income taxes	1.37	1.38	1.47	1.44	1.24
Net income	**4.31[1]**	**7.59**	**9.05**	**7.88**	**4.90**

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1970–1974–CONTINUED

Income item	1970	1971	1972	1973	1974
Amounts per $100 of total assets[3]					
Operating income—total	5.87	6.15	6.38	6.68	6.87
Operating expense—total	.79	.79	.81	.90	.99
Net operating income before interest and dividends on deposits	5.08	5.36	5.57	5.78	5.88
Interest and dividends on deposits—total	4.52	4.64	4.75	4.93	5.21
Net operating income after interest and dividends on deposits	.56	.72	.82	.85	.67
Net realized gains (or losses)—total	–.19	–.08	–.02	–.10	–.16
Net income before taxes	.37	.64	.80	.75	.51
Franchise and income taxes—total	.12	.17	.22	.22	.17
Net income	.25	.47	.58	.53	.34
Special ratios[3]					
Interest on U.S. Government and agency securities per $100 of U.S. Government and agency securities[4]	5.61	6.05	6.14	6.58	6.79
Interest and dividends on other securities per $100 of other securities[4]	....	6.20	6.49	6.46	6.62
Interest and fees on real estate mortgage loans per $100 of real estate loans[4]	5.96	6.26	6.53	6.77	6.96
Interest and fees on other loans per $100 of other loans[4]	8.10	7.09	6.94	9.55	10.39
Interest and dividends on deposits per $100 of savings and time deposits	5.04	5.12	5.22	5.44	5.78
Net income per $100 of total surplus accounts[4]	3.37	6.56	8.41	7.64	4.76
Number of banks (end of period)	329	327	326	322	320

[1, 2, 3, 4] See notes to table 119.
[5] Less than 0.005.

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES; DEPOSIT INSURANCE DISBURSEMENTS

Deposit insurance disbursements

Disbursements by the Federal Deposit Insurance Corporation to protect depositors are made when the insured deposits of banks in financial difficulties are paid off, or when the deposits of a failing bank are assumed by another insured bank with the financial aid of the Corporation. In deposit payoff cases, the disbursement is the amount paid by the Corporation on insured deposits. In deposit assumption cases, the principal disbursement is the amount loaned to failing banks, or the price paid for assets purchased from them; additional disbursements are made in those cases as advances for protection of assets in process of liquidation and for liquidation expenses.

Under its section 18(c) authority, the Corporation has made disbursements to three operating banks. The amounts of these disbursements are included in table 2 (page 7), but are not included in tables 123 and 124.

Noninsured bank failures

Statistics in this report on failures of noninsured banks are compiled from information obtained from State banking departments, field supervisory officials, and other sources. The Corporation received no reports of failures of noninsured banks in 1974.

For detailed data regarding noninsured banks which suspended in the years 1934-1962, see the *Annual Report* for 1963, pp. 27-41. For 1963-1974, see table 121 of this report, and previous reports for respective years.

Sources of data

Insured banks: books of bank at date of closing; and books of FDIC, December 31, 1974.

Table 121. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934–1974

Year	Number					Deposits (in thousands of dollars)				
			Insured					Insured		
	Total	Non-insured[1]	Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]	Total	Non-insured[1]	Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]
Total	**648**	**134**	**514**	**8**	**506**	**3,816,899**	**141,700**	**3,675,199**	**41,147**	**3,634,052**
1934	61	52	9	....	9	37,332	35,364	1,968	......	1,968
1935	32	6	26	1	25	13,988	583	13,405	85	13,320
1936	72	3	69	....	69	28,100	592	27,508	......	27,508
1937	84	7	77	2	75	34,205	528	33,677	328	33,349
1938	81	7	74	....	74	60,722	1,038	59,684	......	59,684
1939	72	12	60	....	60	160,211	2,439	157,772	......	157,772
1940	48	5	43	....	43	142,788	358	142,430	......	142,430
1941	17	2	15	....	15	29,796	79	29,717	......	29,717
1942	23	3	20	....	20	19,540	355	19,185	......	19,185
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	11,690	360	11,330	......	11,330
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	40,133	....	40,133	......	40,133
1970	8[4]	1[4]	7	....	7	55,795	423[4]	55,372	......	55,372
1971	6	....	6	....	6	132,152	....	132,152	......	132,152
1972	3	2	1	....	1	99,786	79,304	20,482	......	20,482
1973	6	....	6	....	6	971,312	....	971,312	......	971,312
1974	4	....	4	....	4	1,575,832	....	1,575,832	......	1,575,832

[1] For information regarding each of these banks, see table 22 in the 1963 *Annual Report* (1963 and prior years), and explanatory notes to tables regarding banks closed because of financial difficulties in subsequent annual reports. 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, 1974.
[4] Revised.

Table 122. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1974

Case number	Name and location	Class of bank	Number of depositors or accounts[1]	Date of deposit assumption	FDIC disbursements[2]	Assuming bank
Deposit assumption						
206	American Bank & Trust, Orangeburg, South Carolina	NM	66,232	September 20, 1974	$ 61,288,736	Southern Bank and Trust Company, Greenville, South Carolina
207	Tri-City Bank, Warren, Michigan	SM	6,517	September 27, 1974	10,976,277	Michigan National Bank of Macomb, Warren, Michigan
208	Franklin National Bank, New York, N.Y.	N	630,000	October 8, 1974	100,000,000	European-American Bank & Trust Company, New York, N.Y.
209	Cromwell State Savings Bank, Cromwell, Iowa	NM	1,534	October 9, 1974	1,946,301	Iowa State Savings Bank, Creston, Iowa

Case number	Assets[1]							Total	Liabilities and capital accounts[1]			
	Cash and due from banks	U.S. Government obligations	Other securities	Loans, discounts, and overdrafts	Banking house, furniture and fixtures	Other real estate	Other assets		Deposits	Other liabilities	Capital stock	Other capital accounts
Deposit assumption												
206	$ 10,585,370	$ 9,104,952	$ 18,824,058	$ 97,594,112	$ 3,212,078	$ 931,979	$ 6,884,337	$ 147,136,888	$ 112,702,997	$ 24,421,830	$ 2,723,330	$ 7,288,731
207	1,100,802	1,881,905	39,450	11,790,553	170,464	1,150,766	160,964	16,294,904	14,876,284	6,909	810,000	601,711
208	345,340,326	312,348,082	487,889,386	2,387,125,788	37,968,720	2,359,488	82,630,682	3,655,662,473	1,444,981,606	2,034,895,511	57,035,220	118,750,136
209	428,251	192,618	539,835	2,322,510	18,708	–0–	–0–	3,501,922	3,270,537	33,207	30,000	168,178

[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, 1974, plus additional disbursements required in these cases.

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1974

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	**506**	**297**	**209**	**2,853,845**	**592,836**	**2,261,009**	**3,634,052**	**409,946**	**3,224,106**	**1,209,262**	**287,737**	**921,525**	**6,187**	**65,875**
Class of bank														
National	95	34	61	1,329,667	98,545	1,231,122	2,615,373	103,738	2,511,635	595,804	57,849	537,955	2,224	10,030
State member F.R.S.	28	10	18	382,776	88,894	293,882	212,550	34,388	178,162	118,870	26,506	92,364	300	19,921
Nonmember F.R.S.	383	253	130	1,141,402	405,397	736,005	806,129	271,820	534,309	494,588	203,382	291,206	3,663	35,924
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	13,320	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	14,460	7,735	6,725	67	934
1937	75	50	25	130,387	74,148	56,239	33,349	14,960	18,389	19,481	12,365	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	142,430	5,657	136,773	74,134	4,895	69,239	89	17,237
1941	15	8	7	73,005	38,594	34,411	29,717	14,730	14,987	23,880	12,278	11,602	50	1,479
1942	20	6	14	60,688	5,717	54,971	19,185	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	.....	381
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	11,330	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	......

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1974—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]
1961	5	5	....	8,301	8,301	....	8,936	8,936	....	6,201	6,201	....	154	......
1962	....	....	....	....	....	....	....	....	....	....	....	....	.....	......
1963	2	2	....	36,433	36,433	....	23,444	23,444	....	19,230	19,230	....	346	......
1964	7	7	....	19,934	19,934	....	23,438	23,438	....	13,744	13,744	....	595	......
1965	5	3	2	15,817	14,363	1,454	43,861	42,889	972	11,431	10,958	473	630	123
1966	7	1	6	95,424	1,012	94,412	103,523	774	102,749	8,732	735	7,997	35	1,258
1967	4	4	....	4,729	4,729	....	10,878	10,878	....	8,126	8,126	....	241	......
1968	3	....	3	12,850	....	12,850	22,524	....	22,524	5,572	....	5,572	.....	1,094
1969	9	4	5	27,374	6,544	20,830	40,133	9,011	31,122	37,443	7,612	29,831	292	4,277
1970	7	4	3	31,437	20,407	11,030	55,372	34,040	21,332	49,174	29,408	19,766	666	1,455
1971	6	5	1	71,950	31,850	40,100	132,152	74,605	57,547	160,913	53,821	107,092	734	7,240
1972	1	1	....	23,655	23,655	....	20,482	20,482	....	16,275	16,275	....	364	......
1973	6	3	3	349,696	8,379	341,317	971,312	25,811	945,501	396,317	16,924	379,393	931	544
1974	4	....	4	704,283	....	704,283	1,575,832	....	1,575,832	173,201	....	173,201	.....	2,345
Banks with deposits of														
Less than $100,000	107	83	24	38,347	29,695	8,652	6,418	4,947	1,471	5,000	4,309	691	88	154
$100,000 to $250,000	109	86	23	83,370	65,512	17,858	17,759	13,920	3,839	12,906	11,554	1,352	209	173
$250,000 to $500,000	62	37	25	92,179	57,287	34,892	22,315	12,921	9,394	15,615	10,549	5,066	164	611
$500,000 to $1,000,000	71	35	36	160,000	73,908	86,092	53,869	26,265	27,604	35,521	20,426	15,095	408	2,339
$1,000,000 to $2,000,000	57	21	36	209,818	70,334	139,484	76,462	27,888	48,574	44,267	22,068	22,199	691	3,709
$2,000,000 to $5,000,000	50	21	29	280,306	85,353	194,953	163,086	67,777	95,309	94,875	49,653	45,222	1,053	6,891
$5,000,000 to $10,000,000	27	6	21	266,306	43,947	222,359	185,619	48,443	137,176	95,236	33,180	62,056	745	9,203
$10,000,000 to $25,000,000	12	6	6	256,931	126,916	130,015	201,880	100,707	101,173	120,306	79,246	41,060	1,223	7,210
$25,000,000 to $50,000,000	5	1	4	284,809	12,481	272,328	199,594	40,176	159,418	95,414	9,700	85,714	571	26,075
$50,000,000 to $100,000,000	3	1	2	150,547	27,403	123,144	217,409	66,902	150,507	157,801	47,052	110,749	469	7,578
$100,000,000 to $500,000,000	1	....	1	66,232	....	66,232	112,703	....	112,703	60,589	....	60,589	566	1,041
$500,000,000 to $1,000,000,000	1	....	1	335,000	....	335,000	931,955	....	931,955	371,730	....	371,730	.....	......
$1,000,000,000 or more	1	....	1	630,000	....	630,000	1,444,982	....	1,444,982	100,000	....	100,000	.....	889
State														
Alabama	4	2	2	9,170	2,059	7,111	6,170	3,985	2,185	3,567	2,572	995	94	91
Arkansas	7	6	1	5,446	4,541	905	2,538	1,942	596	1,720	1,576	144	43	48
California	5	3	2	356,059	17,890	338,169	979,253	46,220	933,033	397,598	12,946	384,652	1,232	1,490
Colorado	6	3	3	11,492	2,312	9,180	18,593	3,797	14,796	8,417	2,190	6,227	187	1,623
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	6,171	2,139	4,032	65	697
Georgia	10	8	2	9,410	8,797	613	1,959	1,870	89	1,620	1,551	69	33	33
Idaho	2	2	....	2,451	2,451	....	1,894	1,894	....	1,493	1,493	....	29	......
Illinois	22	10	12	82,298	44,379	37,919	54,656	28,972	25,684	31,906	23,924	7,982	502	791
Indiana	20	15	5	30,006	12,549	17,457	13,595	3,933	9,662	6,197	3,096	3,101	39	384
Iowa	10	5	5	23,824	5,736	18,088	24,364	8,535	15,829	14,431	6,471	7,960	139	341
Kansas	10	6	4	6,715	3,824	2,891	5,052	4,358	694	4,093	3,601	492	59	72
Kentucky	25	19	6	39,925	18,964	20,961	15,522	5,213	10,309	11,943	4,505	7,438	119	538
Louisiana	4	4	....	8,998	8,998	....	9,746	9,746	....	5,069	5,069	....	141	......
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	3	1	2	32,701	23,655	9,046	23,501	20,482	3,019	17,839	16,275	1,564	363	1,030
Michigan	14	5	9	172,607	10,452	162,155	194,950	14,028	180,922	141,285	12,293	128,992	203	8,987
Minnesota	5	5	....	2,650	2,650	....	818	818	....	640	640	....	17	......
Mississippi	3	3	....	1,651	1,651	....	334	334	....	257	257	....	5	......
Missouri	51	37	14	49,057	31,480	17,577	21,716	10,731	10,985	16,328	9,062	7,266	140	1,025
Montana	5	3	2	1,500	849	651	1,095	215	880	639	186	453	6	21
Nebraska	8	8	....	7,773	7,773	....	11,644	11,644	....	8,116	8,116	....	146	......
New Hampshire	1	....	1	1,780	....	1,780	296	....	296	117	....	117	.....	8
New Jersey	40	13	27	532,458	113,692	418,766	210,624	49,122	161,502	95,706	40,049	55,657	500	20,154
New York	27	3	24	899,621	28,440	871,181	1,590,421	13,286	1,577,135	167,997	10,836	157,161	32	11,736
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	7,222	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	10,284	7,936	2,348	178	547
Oregon	2	1	1	3,439	1,230	2,209	2,670	1,368	1,302	1,948	986	962	11	81
Pennsylvania	30	8	22	168,834	43,828	125,006	84,595	14,340	70,255	60,149	10,133	50,016	75	9,975
South Carolina	3	1	2	68,080	403	67,677	113,553	136	113,417	60,863	136	60,727	.....	1,051
South Dakota	23	22	1	12,515	11,412	1,103	2,988	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	40	31	9	90,716	72,500	18,216	134,534	108,102	26,432	90,500	76,327	14,173	1,317	1,874
Utah	1	....	1	3,254	....	3,254	5,992	....	5,992	3,349	....	3,349	.....	284
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	17,779	7,652	10,127	8,263	3,867	4,396	301	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	9,511	5,966	3,545	7,188	5,096	2,092	54	439
Wyoming	1	....	1	3,212	....	3,212	2,033	....	2,033	202	....	202	.....	19

[1]Adjusted to December 31, 1974. In assumption cases, number of depositors refers to number of deposit accounts.
[2]Excludes $638 thousand of nonrecoverable insurance expenses in cases that 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 $62,050 thousand, all of which have been fully recovered by the Corporation, and $3,636 thousand of nonrecoverable expenses.
[7]No cases in 1962 required disbursements. Disbursements totals for each year relate to cases occurring during that year, including disbursements made in subsequent years.
NOTE: Due to rounding differences, components may not add to totals.

Table 124. RECOVERIES AND LOSSES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON PRINCIPAL DISBURSEMENTS FOR PROTECTION OF DEPOSITORS, 1934–1974
(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, 1974	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[2]	Recoveries to Dec. 31, 1974	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[3]	Recoveries to Dec. 31, 1974	Estimated additional recoveries	Losses[1]
Total	**506**	**1,209,262**	**596,302**	**403,624**	**209,336**	**297**	**287,737**	**216,566**	**32,051**	**39,120**	**209**	**921,525**	**379,736**	**371,573**	**170,216**
Status															
Active.........	51	886,245	301,719	403,624	180,902	25	165,352	110,806	32,051	22,495	26	720,893	190,913	371,573	158,407
Terminated.....	455	323,017	294,583	....	28,434	272	122,385	105,760	......	16,625	183	200,632	188,823	....	11,809
Year[4]															
1934	9	941	734	....	207	9	941	734	......	207	....	....	....	....	....
1935	25	8,891	6,206	3	2,682	24	6,026	4,274	......	1,752	1	2,865	1,932	3	930
1936	69	14,460	12,127	....	2,333	42	7,735	6,397	......	1,338	27	6,725	5,730	....	995
1937	75	19,481	15,808	....	3,672	50	12,365	9,718	......	2,647	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	....	7,152	32	26,196	20,399	......	5,797	28	41,574	40,219	....	1,355
1940	43	74,134	70,338	....	3,796	19	4,895	4,313	......	582	24	69,239	66,025	....	3,214
1941	15	23,880	23,290	....	591	8	12,278	12,065	......	213	7	11,602	11,225	....	378
1942	20	10,825	10,136	....	688	6	1,612	1,320	......	292	14	9,213	8,816	....	396
1943	5	7,172	7,048	....	123	4	5,500	5,376	......	123	1	1,672	1,672	....	....
1944	2	1,503	1,462	....	40	1	404	363	......	40	1	1,099	1,099	....	....
1945	1	1,768	1,768	....	....	....	....	....	......	......	1	1,768	1,768	....	....
1946	1	265	265	....	....	....	....	....	......	......	1	265	265	....	....
1947	5	1,724	1,665	6	54	....	....	....	......	......	5	1,724	1,665	6	54
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	3,245	....	213	1	2,795	2,582	......	213	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	6,201	4,699	....	1,502	5	6,201	4,699	......	1,502	....	....	....	....	....
1963	2	19,230	18,792	108	330	2	19,230	18,792	108	330	....	....	....	....	....
1964	7	13,744	11,786	322	1,636	7	13,744	11,786	322	1,636	....	....	....	....	....
1965	5	11,431	5,996	709	4,725	3	10,958	5,670	708	4,580	2	473	326	1	145
1966	7	8,732	8,138	88	508	1	735	735	......	......	6	7,997	7,403	88	508
1967	4	8,126	6,779	103	1,244	4	8,126	6,779	103	1,244	....	....	....	....	....
1968	3	5,572	5,503	15	55	....	....	....	......	......	3	5,572	5,503	15	55
1969	9	37,443	36,455	834	155	4	7,612	6,929	528	155	5	29,831	29,526	306	....
1970	7	49,174	41,182	6,835	1,155	4	29,408	22,316	6,237	855	3	19,766	18,866	598	300
1971	6	160,913	122,435	30,002	8,475	5	53,821	29,526	15,820	8,475	1	107,092	92,909	14,182	....
1972	1	16,275	8,241	4,034	4,000	1	16,275	8,241	4,034	4,000	....	....	....	....	....
1973	6	396,317	37,664	206,503	152,150	3	16,924	11,133	4,191	1,600	3	379,393	26,531	202,312	150,550
1974	4	173,201	13,514	154,062	5,625	....	....	....	......	......	4	173,201	13,514	154,062	5,625

[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.

MAXIMUM INTEREST RATES ON TIME AND SAVINGS DEPOSITS

Table 125. Maximum interest rates payable on time and savings deposits in federally insured nonmember mutual savings banks

Table 126. Maximum interest rates payable on time and savings deposits for commercial banks

Table 125. MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS IN FEDERALLY INSURED NONMEMBER MUTUAL SAVINGS BANKS[1]
(Percent per annum)

Type of deposit	Effective date: Oct. 1, 1966[2]	Jan. 21, 1970	June 24, 1970	May 17, 1973
Savings deposits	5	5	5	5
Time deposits				
Multiple maturity:				
90 days to 1 year		5¼	5¼	5¼
1 to 2 years	5	5¾	5¾	5¾
2 years or more		6	6	6
Single maturity:				
Less than $100,000:				
90 days to 1 year		5¼	5¼	5¼
1 to 2 years	5	5¾	5¾	5¾
2 years or more		6	6	6
$100,000 or more:				
30 to 59 days		6¼	*	*
60 to 89 days		6½	*	*
90 to 179 days	5	6¾	6¾	*
180 days to 1 year		7	7	*
1 year or more		7½	7½	*

Type of deposit	Effective date: July 1, 1973	Nov. 1, 1973	Jan. 1, 1974	Nov. 27, 1974	Dec. 23, 1974
Savings deposits	5¼	5¼	5¼	5¼	5¼
Time deposits (multiple- and single-maturity)[3]:					
Less than $100,000:					
90 days to 1 year	5¾	5¾	5¾	5¾	5¾
1 year to 2½ years	6½	6½	6½	6½	6½
2½ years or more	6¾	6¾	6¾	6¾	6¾
Min. denomination of $1,000:					
4 to 6 years[4]	*	7½	7½	7½	7½
6 years or more	...	...	...	...	7¾
Government units	...	...	...	7½	7¾
$100,000 or more	*	*	*	*	*
NOW accounts[5]	...	...	5	5	5

*Maximum rate ceilings suspended.

[1] Excludes federally insured nonmember mutual savings banks in Massachusetts; these rates are available from the FDIC. The FDIC regulated Massachusetts nonfederally insured mutual savings banks from January 21, 1970 to July 31, 1970. The Massachusetts Commissioner of Banks began regulating interest rates on deposits of nonfederally insured mutual savings banks on July 31, 1970. The FDIC reassumed this regulatory power on September 20, 1973. Rate ceilings for nonfederally and federally insured banks have been identical since then.

[2] Mutual savings banks in Alaska were granted a 5¾ percent rate ceiling from October 1, 1966, to June 30, 1967. Also, a "grandfather clause" permitted them to continue paying a higher rate on certificates issued before September 22, 1966. This was extended on June 30, 1967.

[3] The distinction between single- and multiple-maturity deposits was eliminated effective July 1, 1973.

[4] Between July 1 and October 31, 1973, there was no ceiling for 4-year certificates with minimum denominations of $1,000. The amount of such certificates that a bank could issue was limited to 5 percent of its total time and savings deposits. Sales in excess of that amount were subject to a 6¾ percent ceiling that applied to time deposits maturing in 2½ years or more. Effective with the November 1, 1973 ceiling rate, there is no limitation on the amount of these certificates that banks may issue.

[5] Negotiable Order of Withdrawal (NOW) accounts were introduced in June 1972 in Massachusetts and in September 1972 in New Hampshire. Before Federal regulations were imposed on January 1, 1974, the interest rate ceilings on NOW accounts were the same as the rates on savings deposits in each State.

Table 126. MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS FOR COMMERCIAL BANKS[1]

(Percent per annum)

Type of deposit	Effective date							
	Nov. 1, 1933	Feb. 1, 1935	Jan. 1, 1936	Jan. 1, 1957	Jan. 1, 1962	July 17, 1963	Nov. 24, 1964	Dec. 6, 1965
Savings deposits:								
12 months or more	3	2½	2½	3	4	4	4	4
Less than 12 months	3	2½	2½	3	3½	3½	4	4
Other time deposits[2]:								
12 months or more	3	2½	2½	3	4	4	4½	5½
6 months to 12 months	3	2½	2½	3	3½	4	4½	5½
90 days to 6 months	3	2½	2	2½	2½	4	4½	5½
Less than 90 days (30 to 89 days)	3	2½	1	1	1	1	4	5½

Type of deposit	Effective date			
	July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970
Savings deposits	4	4	4	4½
Other time deposits[2]:				
Multiple maturity[3]:				
30 to 89 days	4	4	4	4½
90 days to 1 year				5
1 to 2 years	5	5	5	5½
2 years or more				5¾
Single maturity:				
Less than $100,000:				
30 days to 1 year				5
1 to 2 years	5½	5	5	5½
2 years or more				5¾
$100,000 or more:				
30 to 59 days			5½	(4)
60 to 89 days			5¾	(4)
90 to 179 days	5½	5½	6	(4)
180 days to 1 year			6¼	(5)
1 year or more				(5)

Type of deposit	Effective date			
	July 1, 1973	Nov. 1, 1973	Nov. 27, 1974	Dec. 23, 1974
Savings deposits	5	5	5	5
Other time deposits (multiple- and single-maturity):				
Less than $100,000:				
30 to 89 days	5	5	5	5
90 days to 1 year	5½	5½	5½	5½
1 to 2½ years	6	6	6	6
2½ years or more	6½	6½	6½	6½
Minimum denomination of $1,000:				
4 to 6 years	(6)	7¼	7¼	7¼
6 years or more	...	...	...	7½
Government units	...	...	7½	7¾
$100,000 or more	*	*	*	*

*Maximum rate ceilings suspended.

[1]Maximum rates that may be paid by member banks as established by the Board of Governors under provisions of Regulation Q. Under this regulation, the rate payable by a member bank may not in any event exceed the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Effective February 1, 1936, maximum rates that may be paid by insured nonmember commercial banks, as established by the FDIC, have been the same as those in effect for member banks. For rates on postal savings deposits, see Board's *Annual Reports.*

[2]For exceptions with respect to certain foreign time deposits, see *Federal Reserve Bulletin,* October 1962, p. 1279; August 1965, p. 1094; and February 1968, p. 167.

[3]Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

[4]Maximum rates suspended on June 24, 1970.

[5]Maximum rates suspended on May 16, 1973.

[6]Between July 1 and October 31, 1973, there was no ceiling for 4-year certificates with minimum denominations of $1,000. The amount of such certificates that a bank could issue was limited to 5 percent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ percent ceiling that applies to time deposits maturing in 2½ years or more. Effective with the November 1, 1973 ceiling rate, there is no longer a limitation on the amount of these certificates that banks may issue.

SOURCE: *Federal Reserve Bulletin,* December 1966 and January 1975.

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