ANNUAL REPORT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION 1972

A preliminary report, highlighting the Corporation's operations during 1972, was published and submitted to the Congress on March 30, 1973.

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C., July 20, 1973

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 1972.

Respectfully yours,

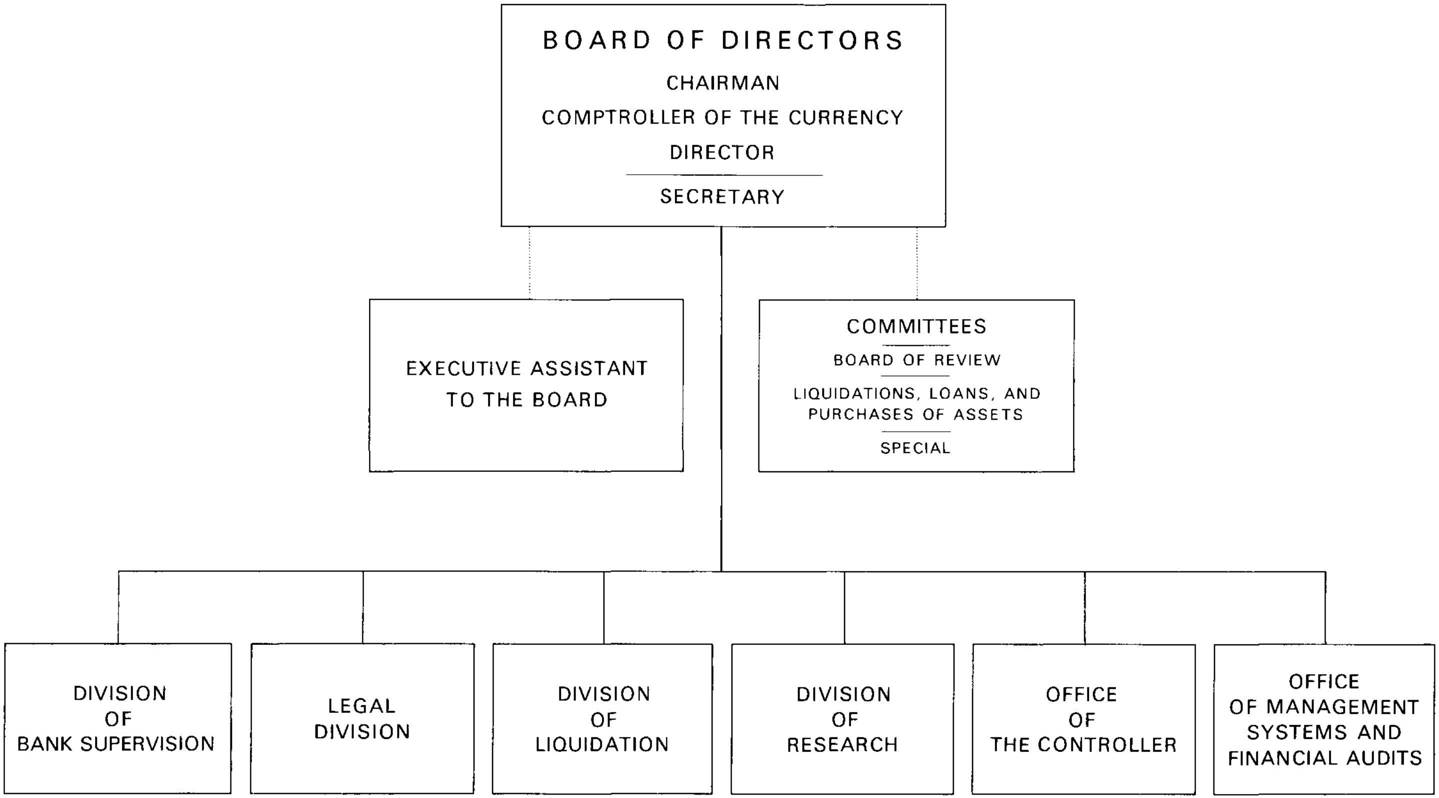
Frank Wille

FRANK WILLE
Chairman

THE PRESIDENT OF THE SENATE

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

BOARD OF DIRECTORS

Chairman . . . . .Frank Wille

Director . . . . Irvine H. Sprague*

Comptroller of the Currency . . . . .William B. Camp*

OFFICIALS

Assistant to the Chairman . . . . .Robert E. Barnett

Assistant to the Director . . . . .Alan R. Miller

Assistant to the Director (Comptroller of the Currency) . . . . Albert J. Faulstich

General Counsel (Acting) . . . . Reford J. Wedel

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

Chief, Division of Liquidation . . . . .John J. Slocum

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

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

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

Secretary . . . . .E. F. Downey

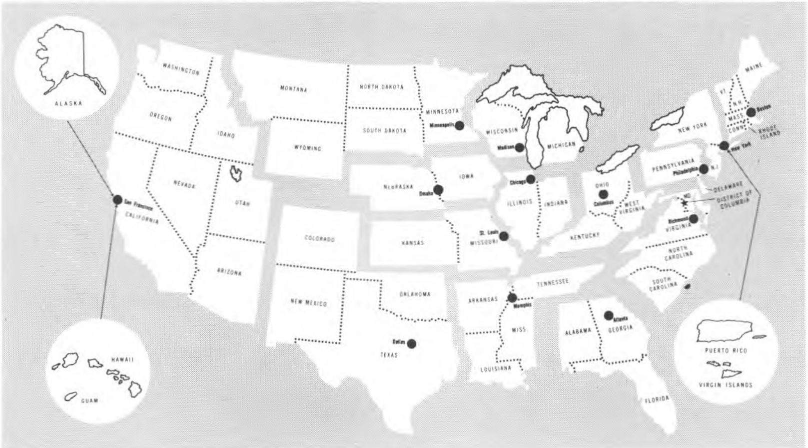
Special Assistant to the Chairman . . . . Paul M. Rooney

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

December 31, 1972

*Mr. Sprague resigned from the Board of Directors, effective February 15, 1973; Mr. Camp resigned as Comptroller of the Currency, effective March 23, 1973.

FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS



REGIONAL DIRECTORS

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

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

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

Columbus
John R. Curtis
37 West Broad Street, Suite 600
Columbus, Ohio 43215

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

Madison
Bernard J. McKeon
110 E. Main Street, Room 715
Madison, Wisconsin 53703

Memphis
Roy E. Jackson
165 Madison Avenue, Suite 1010
Memphis, Tennessee 38103

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

New York
Claude C. Phillippe
345 Park Avenue, 21st Floor
New York, New York 10022

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

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

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

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

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

FEDERAL DEPOSIT INSURANCE CORPORATION

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

CONTENTS

TABLES

DEPOSIT INSURANCE DISBURSEMENTS:

SUPERVISORY ACTIVITIES:

ADMINISTRATION OF THE CORPORATION:

FINANCES OF THE CORPORATION:

NUMBER OF BANKS AND BRANCHES:

ASSETS AND LIABILITIES OF BANKS:

INCOME OF INSURED BANKS:

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES;
DEPOSIT INSURANCE DISBURSEMENTS:

BANKING OFFICES—BANK PERFORMANCE—1972

On December 31, 1972, there were 13,950 commercial banks and 486 mutual savings banks in operation in the United States. During the year, the number of commercial banks increased by 118, the largest annual net gain since 1964. Commercial bank branches established during 1972 totaled approximately 1,500, about the same number as in 1971.

Commercial banks insured by the Federal Deposit Insurance Corporation increased by 121 during 1972, to a total of 13,733. The number of national banks rose by 14, while State member banks of the Federal Reserve System declined by 36, and insured nonmember commercial banks increased by 143. Of 245 commercial banks that were established during the year, 167 were organized as insured nonmember banks, while 68 nonmember banks were eliminated through mergers. An additional net gain of 40 insured nonmember banks resulted from insured banks changing their supervisory classification, mainly by conversion from State member to insured nonmember status. Banks insured by the Corporation on December 31, 1972, included 326 mutual savings banks.

Additional details of changes in numbers of banks and branches during 1972 are contained in tables 101-103 of this report.

Insured commercial banks experienced record deposit increases in 1972. The deposit increase of almost $78 billion (14.4 percent) was well distributed among all major deposit categories. Although market interest rates rose throughout most of 1972, levels attained did not inhibit growth of time and savings deposits, and as a result, insured commercial banks experienced substantial gains in savings deposits, consumer certificates of deposit (CDs), and large-denomination negotiable CDs. At the same time, monetary authorities made sufficient reserves available to enable such banks to post substantial gains in demand deposits. The large deposit increases enabled insured commercial banks to finance sizeable loan increases while still adding significantly (by 8.6 percent) to total investments. While the loan increases were large in all major categories, percentage gains were considerably greater in real estate and consumer loans than in commercial and industrial loans.

Because average rates earned on loans and investments were somewhat lower in 1972, compared to 1971, the gain in operating revenue by insured commercial banks was considerably less than the percentage gain in total assets. (The figures are also somewhat affected by the fact that the December-to-December asset change of $97 billion overstates the increase in average assets outstanding between 1971 and 1972.) Total operating revenue of insured commercial banks increased by 10.7 percent in 1972, and net current operating earnings after taxes increased by 10.3 percent. Because security gains were somewhat less in 1972 than in 1971, the year-to-year gain in net income was somewhat lower (8.0 percent). Thus, while insured commercial banks experienced a sizeable gain in earnings in 1972, the ratio of earnings to average outstanding assets was down slightly from the relatively high levels of the past few years. The ratio of net income to equity capital (12.25 percent in 1972) declined by 14 basis points from the 1971 level.

Deposits of all mutual savings banks increased by $10.2 billion (12.5 percent) in 1972, compared to a $9.9 billion (13.7 percent) increase in 1971. The 1972 increase was the largest dollar gain experienced by savings banks in a single calendar year, and it occurred despite the fact that financial market conditions tightened and short-term interest rates increased. Toward the end of the year these conditions were contributing to a slower increase in savings inflows into mutual savings banks. A large share of the increased funds available to savings banks went into securities which increased by 21.1 percent. State, county, and municipal obligations more than doubled as increased tax rates on mutual savings banks heightened the attractiveness of such tax-free investments. At the same time, real estate loans increased by 9 percent, somewhat slower than the percentage rise in deposits. The fact that yields on high-quality money market instruments rose faster than mortgage rates undoubtedly contributed to the heavy emphasis on securities by savings banks.

During 1972, savings banks were able to invest their new funds in assets with a gross yield substantially higher than the average rates of interest paid on deposits. The ratio of current operating income to average total assets for insured mutual savings banks increased by 21 basis points, to 5.57 percent, in 1972. Average interest payments on time and savings deposits increased to 5.22 percent in 1972, from 5.12 percent in 1971, as more banks began offering time deposits as well as regular savings accounts. Even after deduction for the larger tax liability, net income to total assets was 0.58 percent in 1972, about 11 basis points above the comparable figure in 1971 and 33 basis points above that in 1970.

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. On December 31, 1972, 98.4 percent of all commercial banks in the United States, and over two-thirds of all mutual savings banks, participated in Federal deposit insurance. Of 217 noninsured commercial banks (including nondeposit trust companies) in operation, one or more operated in each of 39 States, and 10 or more were in each of five States. All except one of the noninsured mutual savings banks were located in Massachusetts and were covered by that State's deposit insurance program.

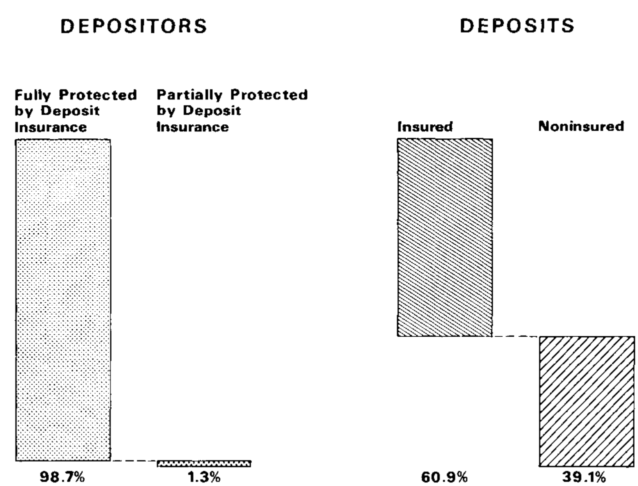
Effective December 23, 1969, by amendment to the Federal Deposit Insurance Act, the maximum amount of insurance available to each depositor on accounts held in the same right and capacity in each insured bank was raised from $15,000 to $20,000. A survey of deposits conducted by the Corporation on June 30, 1972 (see also p. 30) showed that, in all insured banks, deposits totaling $633.2 billion were held in 244.5 million deposit accounts. Of these accounts, 98.7 percent contained balances of $20,000 or less, and thus were fully protected by Federal deposit insurance (see Chart A). In all insured banks, insured deposits amounted to 60.9 percent of total deposits, for insured commercial banks the comparable figure was 56.3 percent, and for FDIC-insured mutual savings banks it was 94.4 percent.

Chart A

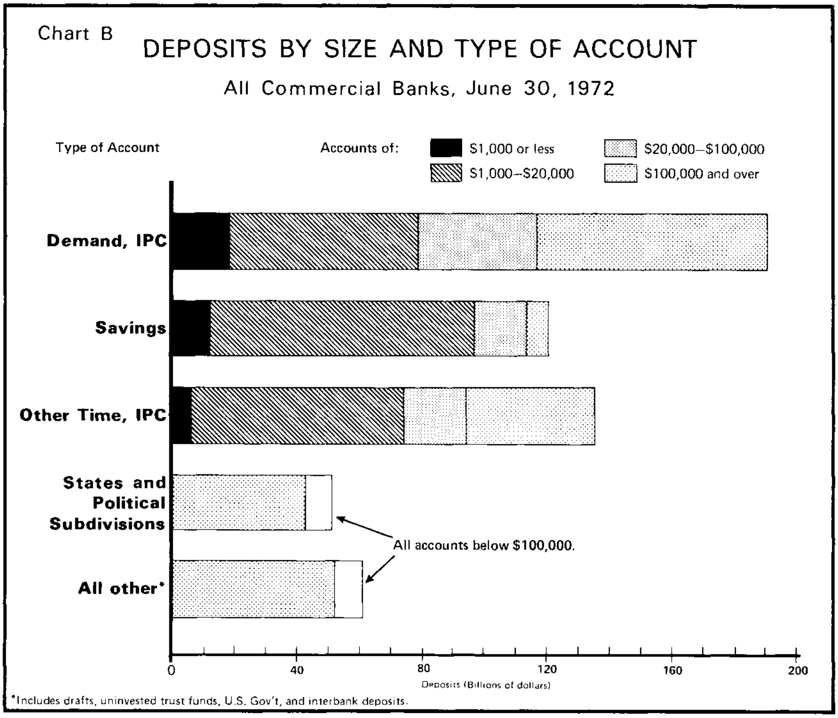
DEPOSIT AND DEPOSITOR INSURANCE

All Insured Banks

June 30, 1972



The size structure of the various types of deposit accounts in commercial banks is shown in Chart B. Nearly 81 percent of savings deposits, but only 43 percent of the demand deposits of individuals, partnerships, and corporations, were held in accounts of $20,000 or

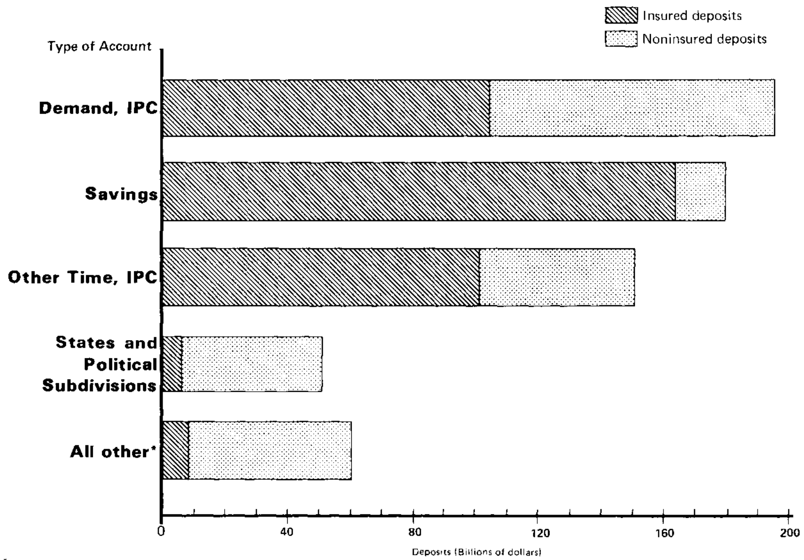


less. In contrast, approximately 38 percent of the deposits in IPC demand accounts were held in accounts of $100,000 or more, as compared to about 30 percent of other IPC time accounts. Nearly 84 percent of the deposits in accounts of States and political subdivisions, and an almost equal percentage in "all other" accounts, were in accounts of $100,000 or more. Higher proportions of deposits in large accounts to total deposits in some categories compared to mid-1970 appear to reflect importantly the substantial increases that occurred during the 2-year interval in large negotiable certificates of deposit outstanding.

Differences in the size structure of accounts are reflected in substantial differences in the proportions of deposits protected by Federal deposit insurance, shown in Chart C. The highest proportion of insured to total deposits was the 91.6 percentage applicable to savings deposits. This high degree of protection was reflected also in the fact that insured savings deposits accounted for nearly 43 percent of total insured deposits. In the case of IPC demand deposit accounts, 54.7 percent of the deposits were covered. Only 12 percent of the deposits of States and local governments were insured; however, these deposits are frequently protected by the posting of collateral, in addition to the coverage of Federal deposit insurance.

Chart C
INSURANCE OF DEPOSITS BY TYPE OF ACCOUNT

All Insured Banks, June 30, 1972



*Includes drafts, uninvested trust funds, U.S. Gov't, and interbank deposits.

OPERATIONS OF THE CORPORATION
PART ONE

DEPOSIT INSURANCE DISBURSEMENTS

Protection of depositors in failing banks. The principal methods that have been used by the Corporation to protect depositors in failing insured banks are directly paying off insured deposits, and assisting in the absorption of failing institutions by other banks. In the latter case, all deposits are made available in full immediately upon transfer of the accounts to the absorbing bank, subject to any time requirements applicable to the original deposit contract.

In deposit payoff cases, upon notification by the chartering authority that an insured bank has been closed, the Corporation sends its claim agents at the bank to begin preparations for the payment of insured deposits. On the basis of claims presented by depositors and the records of the bank, the total amount of deposits held in the same right and capacity by each depositor is determined. From this total, any matured debt owed by the depositor to the bank may be deducted, and the net amount is paid by the Corporation, subject to the maximum insurance per depositor established by law. In recent years, payment of insured deposits has usually begun within 5 to 7 days following the closure of the bank.

Section 13(e) of the Federal Deposit Insurance Act authorizes the Corporation to assist financially in the absorption of an insured bank in financial difficulty by another insured bank whenever, in the judgement of the Corporation's Board of Directors, it will reduce the risk or avert a threatened loss to the Corporation. This assistance may take the form of the purchase of assets or the granting of a loan secured by the assets of the distressed bank. In addition, the Corporation is authorized to guarantee an insured bank against loss by reason of its assuming the liabilities and taking over the assets of another insured bank.

Bank failing in 1972 – liquidation activities. The Corporation disbursed funds to protect depositors in one bank—Surety Bank and Trust Company, Wakefield, Massachusetts—which failed in 1972. The single case was the lowest number of failures in any calendar year since 1962. Involved in the bank's financial difficulties were severe loan losses and a large embezzlement. Surety Bank closed on May 19, 1972 (see table 122), and payment of insured deposits began on May 27. The bank had 23,650 depositors or accounts (adjusted to December 31, 1972), and 23,566 of these had received payment of their deposits, or had them made available, in full. Total deposits were $20.5 million, and by the end of the year $17.4 million had been recovered by depositors. The Corporation disbursed $16.1 million (including estimates of any disbursements after December 31, 1972) in settling depositors' claims and, as liquidating agent, is liquidating the assets of the bank.

Section 11 of the Federal Deposit Insurance Act provides that the Corporation shall be appointed receiver for all national banks that are placed in receivership, and shall 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 is responsible to the Board of Directors for the liquidation of the assets of closed insured banks as well as for the liquidation of assets acquired when Corporation funds are provided to facilitate the assumption of deposits in a failing bank. At the end of 1972, the Division of Liquidation was handling 56 liquidation cases. During the year it was able to effect collection of $98 million on assets of closed banks held by the Corporation either directly or as receiver.

Since 1934, there have been 496 failures of insured banks requiring the Corporation's disbursements (table 1). In 294 cases, the banks were closed and their assets liquidated; in 202 cases, the failing banks were absorbed by, or merged into, other insured banks with the Corporation's financial assistance. As of December 31,

Table 1. PROTECTION OF DEPOSITORS OF INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1972

Item	All cases (496 banks)		Deposit payoff cases (294 banks)		Deposit assumption cases (202 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total[1]	**1,799,571**	**100.0**	**584,162**	**100.0**	**1,215,409**	**100.0**
Full recovery received or available	**1,792,366**	**99.6**	**576,957**	**98.8**	**1,215,409**	**100.0**
From FDIC[2]	1,745,723	97.0	530,314[3]	90.8	1,215,409	100.0
From offset[4]	40,703	2.2	40,703	7.0	....	......
From security or preference[5]	3,047	.2	3,047	.5	....	......
From asset liquidation[6]	2,893	.2	2,893	.5	....	......
Full recovery not received as of December 31, 1972	**7,205**	**.4**	**7,205**	**1.2**	....	......
Terminated cases	3,412	.2	3,412	.6	....	......
Active cases	3,793	.2	3,793	.6	....	......
Amount of deposits (in thousands)—total	**$1,083,843[12]**	**100.0**	**$381,069**	**100.0**	**$702,774**	**100.0**
Paid or made available	**1,059,116**	**97.7**	**356,342**	**93.5**	**702,774**	**100.0**
By FDIC[2]	971,040	89.6	268,266[7]	70.4	702,774	100.0
By offset[8]	18,532	1.7	18,532	4.9	....	......
By security or preference[9]	34,109	3.1	34,109	8.9	....	......
By asset liquidation[10]	35,435	3.3	35,435	9.3	....	......
Not paid as of December 31, 1972	**24,727[12]**	**2.3**	**24,727**	**6.5**	....	......
Terminated cases	2,355	.2	2,355	.6	....	......
Active cases[11]	22,372	2.1	22,372	5.9	....	......

[1]Number of depositors in deposit payoff cases; number of accounts in deposit assumption cases.
[2]Through direct payment to depositors in deposit payoff cases; through assumption of deposits by other insured banks, facilitated by FDIC disbursements of $374,644 thousand, in deposit assumption cases.
[3]Includes 59,776 depositors in terminated cases who failed to claim their insured deposits (see note 7).
[4]Includes only depositors with claims offset in full; most of these would have been fully protected by insurance in the absence of offsets.
[5]Excludes depositors paid in part by FDIC whose deposit balances were less than the insurance maximum.
[6]The insured portions of these depositor claims were paid by the Corporation.
[7]Includes $231 thousand unclaimed insured deposits in terminated cases (see note 3).
[8]Includes all amounts paid by offset.
[9]Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by the Corporation.
[10]Includes unclaimed deposits paid to authorized public custodians.
[11]Includes $13,779 thousand representing deposits available, expected through offset or expected from proceeds of liquidations.
[12]Does not include an estimated $2.7 million of letters of credit in litigation.

1972, the Corporation had disbursed $715.7 million in these cases (table 2). From these disbursements and other sources, about 97.7 percent of all deposits in the failed banks had been paid or made available. Losses to the Corporation resulting from these disbursements, including estimated amounts in active cases, were $74.5 million.

Aid to operating insured bank. On January 18, 1972, the Corporation announced that a financial assistance program designed to rehabilitate the Bank of the Commonwealth, Detroit, Michigan, had been developed jointly by the Corporation, the Board of Governors of the Federal Reserve System and the Michigan State Bank Commissioner, and concurred in by the board of directors of the bank. The authority for the Corporation's action was section 13(c) of the Federal Deposit Insurance Act, which provides for assistance to operating banks upon 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. This authority, which was enacted as an amendment to the Act in 1950, was used by the Corporation for the first time in 1971.

Bank of the Commonwealth was organized in 1916, and at the close of business on December 31, 1971, had 57 offices in Metropolitan Detroit and total resources of about $1.3 billion. The finding of Bank of the Commonwealth's essentiality to the community considered the bank's service to the black community in Detroit, its contribution to commercial bank competition in Detroit and the upper Great Lakes region, and the effect its closing might have had

Table 2. ANALYSIS OF DISBURSEMENTS, RECOVERIES, AND LOSSES IN DEPOSIT INSURANCE TRANSACTIONS, JANUARY 1, 1934—DECEMBER 31, 1972
(In thousands)

Type of disbursement	Disbursements	Recoveries[1]	Losses
All disbursements—total	**$715,729**	**$641,246**	**$74,483**
Principal disbursements in deposit assumption and payoff cases—total	**642,810**	**579,071**	**63,739**
Loans and assets purchased (202 deposit assumption cases):			
Total December 31, 1972	374,644	332,820	15,003
Estimated additional	....	26,821	....
Deposits paid (294 deposit payoff cases):			
To December 31, 1972	267,221	175,473	48,736
Estimated additional	945	43,957	....
Advances and expenses in deposit assumption and payoff cases—total	**64,282**	**57,473**	**6,809**
Expenses in liquidating assets:			
Advances to protect assets	38,182	38,182	....
Liquidation expenses	19,291	19,291	....
Insurance expenses	1,904	(2)	1,904
Field payoff and other insurance expenses in 294 deposit payoff cases	4,905	(2)	4,905
Other disbursements—total	**8,637**	**4,702**	**3,935**
Assets purchased to facilitate termination of liquidations:			
To December 31, 1972	8,125	3,593	3,423
Estimated additional	....	1,109	....
Unallocated insurance expenses	512	(2)	512

[1] Excludes amounts returned to closed bank equity holders and $11.8 million of interest and allowable return received by FDIC.
[2] Not recoverable.

on public confidence in the nation's banking system.

The Corporation agreed to lend up to $60 million in senior capital maturing April 1, 1977, to Bank of the Commonwealth to replenish the bank's capital as potential losses in its existing assets structure were taken. Actual draws on the commitment, however, were expected to be substantially less than the full amount authorized; as of December 31, 1972, a total of $35.5 million had been advanced by the Corporation under the agreement.

SUPERVISORY ACTIVITIES

The Federal Deposit Insurance Corporation exercises general supervisory responsibilities over insured State-chartered commercial banks that are not members of the Federal Reserve System, and over insured State-chartered mutual savings banks. State-chartered member banks, all of which are insured by the Federal Deposit Insurance Corporation, are supervised by the Federal Reserve. All State banks are also supervised by the banking authorities of their respective States; national banks are chartered and supervised by the Office of the Comptroller of the Currency.

Holding companies that control one or more banks are required, under the Bank Holding Company Act of 1956 (as amended), to be registered with the Board of Governors of the Federal Reserve System. To form a holding company as defined under the Act, or to expand a company through the acquisition of banks or bank-related businesses as permitted under the Act, the prior approval of the Board of Governors is required.

Chart D shows the structure of supervision of commercial banks in the United States as of December 31, 1972 (see table 104). Banks over which the Corporation exercises general supervision together with the State authorities represented over 57 percent of commercial banks in the United States, but also represented a much smaller percentage of the total assets of all of these banks. In recent years, the number of insured nonmember banks has increased relative to other supervisory classes of banks. During the period 1960-1972, shown in Chart E, the number of new insured nonmember banks considerably exceeded the number of these banks ceasing operations because of mergers; also, a large net gain of banks in this class resulted from conversions from member to nonmember insured status.

While all States in 1960 through 1972 experienced an increase in the number of banking offices, some States that permit branching had declines in the numbers of banks, as shown in Chart F.

Examinations. Examinations provide the Corporation with essential information for carrying out its supervisory responsibilities and for evaluating its risks as insurer of depositors. The Corporation

Chart D

SUPERVISION OF COMMERCIAL BANKS IN THE UNITED STATES
December 31, 1972

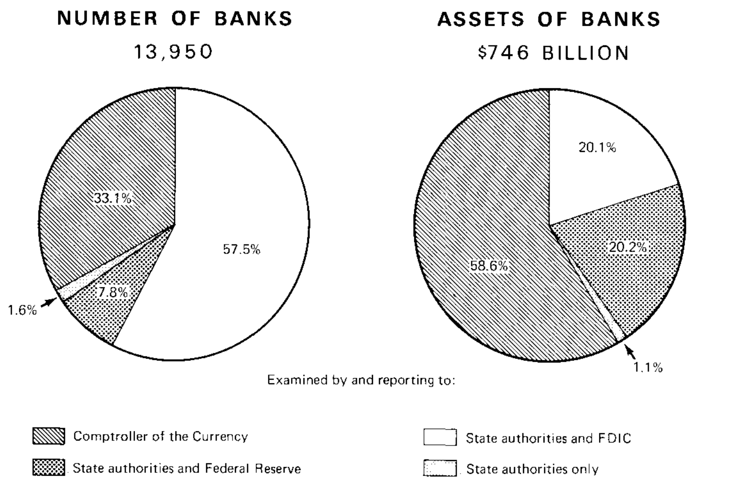
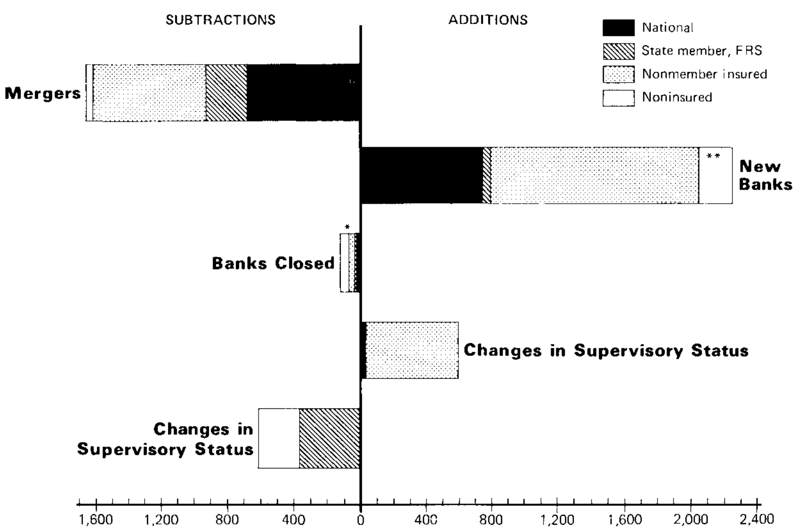


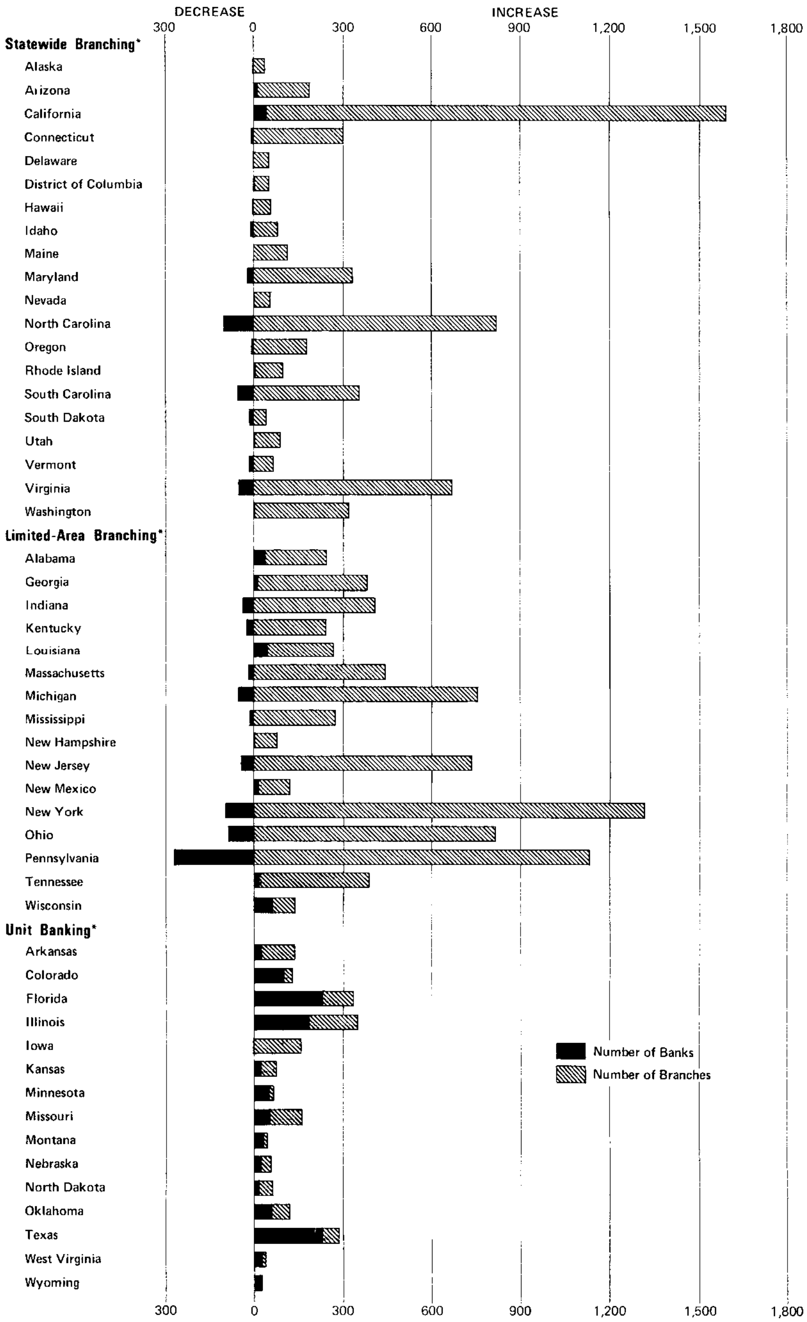
Chart E

CHANGES IN NUMBER OF COMMERCIAL BANKS IN THE UNITED STATES
December 31, 1960 – December 31, 1972



*Banks closed: N-18; SM-3; NM-33; NI-67.
**Includes additions to count of banks.

Chart F CHANGES IN COMMERCIAL BANKS AND BRANCHES, BY STATE, December 31, 1960—December 31, 1972



*Source of classification: Federal Reserve Bulletin, March 1970.

regularly conducts examinations of all insured nonmember banks to determine their current condition, to evaluate bank management, and to discover and obtain correction of unsafe or unsound practices or violations of laws and regulations. Although the Corporation is empowered under section 10(b) of the Federal Deposit Insurance Act to examine any insured bank for insurance purposes, it receives the reports of examinations conducted by other Federal supervisory agencies and thus rarely makes its own examinations of any Federal Reserve member bank.

At the present time, in 10 States the Corporation and State authorities conduct joint examinations, that is, examinations in which State and FDIC examiners work as a single team and make one report of examination. In three other States most of the examinations are on a joint basis. The Corporation has continued to encourage the use of joint examinations where State law lends itself to, and the State authorities are in agreement with, this procedure.

In addition to regular examinations, the Corporation conducts special examinations and investigations in connection with applications from insured nonmember banks for proposed new branches, proposed mergers, and various other actions requiring the Corporation's approval (table 3). In recent years, the numbers of these special examinations and investigations conducted each year have increased considerably faster than regular examinations.

A summary of a Policy Statement, issued on August 11, 1972, detailing a change in examination policies regarding certain investments of insured nonmember banks, may be found on pages 213-214 of this report.

Cease-and-desist and termination-of-deposit-insurance proceedings. The Corporation usually attempts to gain correction of a viola-

Table 3. BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1971 AND 1972

Activity	Number	
	1972	1971
Field examinations and investigations—total	**19,626**	**19,173**
Examinations of main offices—total	**8,177**	**8,217**
Regular examinations of insured banks not members of Federal Reserve System	8,009	7,971
Reexaminations or other than regular examinations	148	226
Extrance examinations of operating noninsured banks	16	14
Special examinations	4	6
Examinations of departments and branches	**7,738**	**7,513**
Examinations of trust departments	1,748	1,506
Examinations of branches	5,990	6,007
Investigations	**3,711**	**3,443**
New bank investigations	280	241
State banks members of Federal Reserve System	15	8
Banks not members of Federal Reserve System	265	233
New branch investigations	976	816
Mergers and consolidations	220	174
Miscellaneous investigations	2,235	2,212

tion of law or regulation, or of an unsafe or unsound banking practice on the part of an insured nonmember bank, by consultation with the bank's management and other appropriate supervisory authorities. The bank's failure to take the required corrective action may result in the initiation of cease-and-desist or termination-of-deposit-insurance proceedings. In certain instances, the Corporation and a bank may agree, in writing, on a specific corrective program to which the bank must adhere. Violation of a written agreement can itself be the basis for instituting cease-and-desist or termination-of-deposit-insurance proceedings.

Cease-and-desist proceedings under section 8(b) of the Federal Deposit Insurance Act are initiated by the issuance of a Notice of Charges, and may culminate in an administrative hearing. After the administrative hearing, or upon the bank's formal consent to the issuance of a corrective order, the Corporation may order the bank not only to stop the violation or practice but also to take affirmative action to correct the conditions that had resulted. In 1972 the Corporation issued section 8(b) orders against 10 banks. The Corporation also entered into a formal written agreement with one bank (see table 4).

Table 4. CEASE-AND-DESIST ORDERS AND ACTIONS TO CORRECT SPECIFIC UNSAFE OR UNSOUND PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1972

Total actions taken: 1971-1972	**20**
Cease-and-desist orders issued in 1972[1]	**10**
Cease-and-desist orders outstanding December 31, 1972	13
Cease-and-desist orders discontinued	2
Formal written agreements outstanding December 31, 1972	**3**

[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 commenced in 1971.

Termination-of-deposit-insurance proceedings under section 8(a) of the Act may be initiated by the Corporation upon formal notification to the insured bank, as well as the appropriate Federal and State agencies, with a time period designated for the bank to correct the specified unsafe or unsound practices, conditions, or violations. Failure to correct the situation within the specified time period may result, following an administrative hearing, in a Board of Directors' order to terminate the bank's deposit insurance. In the event of termination of insurance, insured funds on deposit at the time of termination, less any subsequent withdrawals, continue to be insured for a period of 2 years.

In the three termination-of-deposit-insurance cases open at the end of 1971, two banks voluntarily complied with the Corporation's corrective orders, and deposit insurance was therefore not terminated (see table 5). The corrective period against one bank was extended.

Table 5. ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936–1972

Disposition or status	1936–1972[1]	Started during 1972
Total banks against which action was taken	**220**	**5**
Cases closed	**215**	1
Corrections made	90	1
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, 1972	**5**	4
Action deferred pending analysis of examination	1	1

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

During 1972, the Corporation initiated five new termination-of-deposit-insurance proceedings. Section 8(a) action was discontinued against one bank when it took the necessary corrective action. At the end of the year, termination action against the remaining four banks awaited either the completion of the corrective period and reexamination or the analysis of the examination report.

Removal proceedings. Removal proceedings under section 8(e) of the Federal Deposit Insurance Act may be initiated against an officer, director, or other person participating in the conduct of the affairs 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 and that involves personal dishonesty. The Corporation may take this action if it determines that the conduct will cause substantial financial loss or other damage to the bank or will seriously prejudice the interests of the bank's depositors.

The Corporation may initiate removal proceedings by serving a Notice of Removal on the officer, director, or other person. The notice specifies the alleged violation or unsafe or unsound practice, and states that the violation or practice is in contravention of the individual's fiduciary duty and involves acts of personal dishonesty. The notice also specifies a time for an administrative hearing, following which, or upon the individual's formal consent to the issuance of an order, the Corporation may issue an Order of Removal. In 1972 the Corporation, with the formal consent of an officer of two banks, issued Orders of Removal against the officer.

Suspension proceedings. The Corporation may also suspend or prohibit bank personnel from participating in the affairs of a bank by invoking section 8(g) of the Federal Deposit Insurance Act. Action pursuant to that section may be taken when an officer, director, or other person participating in the conduct of the affairs of an insured State 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.

Suspension proceedings are initiated by the issuance of a Notice of Suspension that is served on the person involved. The Notice of Suspension specifies what charges have been brought against the individual and further orders the individual to be suspended from office or prohibits him from further participation in the conduct of the affairs of the bank. Suspension is not subject to judicial review and may be lifted. The Corporation may issue a formal Order of Removal on the person if he has been 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). In 1972 the Corporation issued one Notice of Suspension under section 8(g).

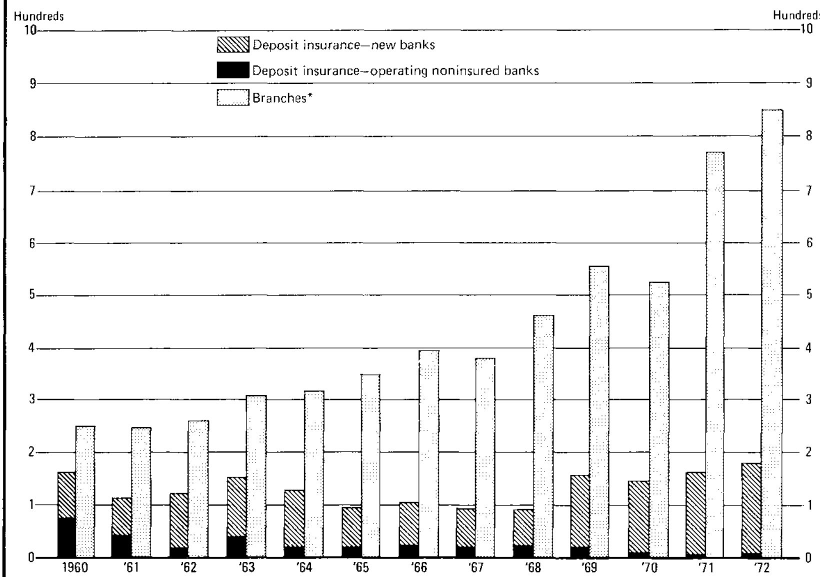
Applications for deposit insurance. Nationally chartered banks, and State banks admitted to membership in the Federal Reserve System, become insured upon certification by the deciding Federal supervisory agency that the requirements for admission set forth by the Federal Deposit Insurance Act have been met. State-chartered nonmember banks apply directly to the Corporation for deposit insurance.

In 1972, the Corporation approved a total of 185 applications for deposit insurance, including six operating banks and 179 proposed new banks. Three applications were denied, two of which were subsequently approved after being amended. The number of approvals was 26 more than in 1971 (see Chart G). Thirty-five banks whose applications for deposit insurance were approved are located in Florida, 14 are located in Texas, and 12 in Illinois—all unit-banking States. In States where branching is permitted, a total of 21 approved applications originated in California, and Virginia.

On August 25, 1972, the Corporation adopted a Statement of Policy in regard to legal fees and other expenses incident to applications for insurance and consent to establish branches. A summary of this statement is contained on pages 212-213 of this report.

Applications for branches. Before establishing or moving a branch office, an insured nonmember bank must have the approval of the Federal Deposit Insurance Corporation. In section 3(o) of the Federal Deposit Insurance Act, a branch is defined as ". . . any branch place of business. . . at which deposits are received, checks

Chart G APPLICATIONS FOR DEPOSIT INSURANCE AND BRANCHES APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1960–1972



*Includes facilities and other limited-service offices

paid, or money lent." This definition includes tellers' windows and other limited-service facilities that may not be "branches" under the laws of some States. Excluding tellers' windows and other such limited-service facilities, Statewide or limited-area branching is prevalent in 35 States and the District of Columbia, while 15 States may be classified as unit-banking States (see chart F).

Branch applications approved by the Board of Directors of the Corporation totaled 716 during 1972 (see Chart G). Fourteen applications were denied. Nine of these denials were based primarily on management or financial condition, one was denied because of the applicant's very limited earnings prospects, and four were denied because they appeared substantially anticompetitive under the facts presented. An additional 132 applications for limited branch facilities were approved under delegated authority by the Director of the Division of Bank Supervision and the Corporation's 14 Regional Directors.

Relative concentration of branching is reflected in the fact that 10 States accounted for over half of all branch approvals by the Corporation during 1972. In Missouri, a change, effective in August 1972, in State law permitting each bank to have one additional limited service facility resulted in a substantial increase in applications.

Mergers. Section 18(c) of the Federal Deposit Insurance Act requires approval of the Corporation before any merger may be consummated in which the resulting bank is an insured bank that is not a member of the Federal Reserve System. This approval is also required in any merger of a noninsured institution into an insured bank.

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, future prospects of the existing and proposed institutions, and convenience and needs of the community to be served. A merger 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 deciding agency finds that these anticompetitive effects are clearly outweighed in the public interest by the probable effects on the needs and convenience of the community to be served. Following approval of a bank merger by a Federal supervisory agency, the Justice Department may, within a 30-day period (or in emergency cases, within 5 days), bring action under the antitrust laws to prevent the merger.

During 1972, the Corporation approved a total of 85 mergers, including 40 that involved internal reorganizations that did not decrease the number of operating banks. The number of merged operating banks in approved cases (virtually all became branches of the resulting banks) totaled 45, and deposits of these banks totaled $1.2 billion. Among the 39 absorbing banks, 28 banks individually had deposits of more than $25 million. These included one bank with deposits of more than $500 million, 10 with deposits of $100-500 million, and 17 banks with $25-100 million.

Four applications for mergers were denied by the Corporation in 1972. Two of these denials involved banks competing in the same local banking market, presenting a clear or probable violation of Section 7 of the Clayton Act. In one of these cases, the elimination of significant potential competition between the two banks through *de novo* branching in the same market was also cited, thereby providing a subsidiary reason for the Corporation's action.

In two other denials, the Corporation's decision was based on the conclusion that significant potential competition between the two banks would be eliminated, or that the proposed merger would have significant adverse consequences to the future competitive structure of a given State or a given banking market, without overriding public benefits based either on banking factors or considerations of public needs and convenience. This reasoning was cited as the basis in four denials during 1970-1971, including one case in which the

Corporation's decisions were under court challenge at the end of 1972.

At issue in this litigation is whether Section 7 of the Clayton Act will be interpreted by the U.S. Supreme Court to extend to the factual situations present in cases of this nature, and ultimately, if Section 7 is not so extended, whether the banking agencies nevertheless have the discretionary authority to deny proposed merger transactions under similar circumstances. These questions have grown in importance, particularly as proposals of mergers between banks not currently operating in the same banking market have increased, reflecting, no doubt, relatively clear restraints on proposed mergers of significant competitors in the same local market. However, in only a minority of proposed "market-extension" mergers in the past 2 years has the Corporation found a significant loss of potential competition between the two banks involved sufficient to cause a denial of the applications.

Mergers approved by the Federal supervisory agencies under Section 18(c) of the Federal Deposit Insurance Act during 1972 are shown in tables 6 and 7, and in Chart H for 1960-1972. (The merger statistics used in this section do not include corporate reorganizations of individual banking institutions, such as banks in process of forming one-bank holding companies, which do not have the effect of lessening the number of existing operating banks—see table 6, note 1). The text of the Corporation's decision in each case which it approved or denied in 1972 may be found on pages 33-206 this report.

Regulation of bank securities. The Securities Exchange Act of 1934, as amended in 1964, requires the registration and the filing of certain reports by all banks having 500 or more stockholders and more than $1 million in assets. Nonmember insured banks submit the required reports to the Federal Deposit Insurance Corporation.

During 1972, the Corporation received securities registration statements from 29 banks, bringing the year-end total of registered nonmember banks to 243, compared to 229 a year earlier. Additions included one registered bank that withdrew from the Federal Reserve System and three banks that converted from national to State charters. Termination of the registration of 19 banks resulted primarily from these banks' merging into other operating banks or becoming subsidiaries of bank holding companies.

In addition to registration statements, banks submit annual reports, and other financial reports, and copies of documents used in soliciting shareholder proxies. In the case of any insured bank, the directors, officers, and large stockholders report their transactions in the bank's stock. Also, other persons who have acquired, or who are attempting by tender offer to acquire, a sizeable part of a registered bank's outstanding shares file required information. Copies

Table 6. MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1972

Banks	Number of banks	Resources (in thousands)	Offices operated	
			Prior to transaction	After transaction
ALL CASES[1]				
Banks involved	212	$32,914,917	2596	2607
Absorbing banks	100[2]	29,871,682[3]	2251[3]	2607[3]
Absorbed banks	112	3,043,235	345	
National	36	1,014,875	99	
State member FRS	11	217,373	15	
Not member FRS	62	1,797,410	228	
Noninsured institutions	3[4]	13,577	3	
CASES WITH RESULTING BANK A NATIONAL BANK				
Banks involved	114	26,953,872	2037	2048
Absorbing banks	54	25,195,150	1840	2048
Absorbed banks	60	1,758,722	197	
National	24	678,100	57	
State member FRS	9	208,111	13	
Not member FRS	27	872,511	127	
CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	14	1,188,384	96	96
Absorbing banks	7	1,054,141	80	96
Absorbed banks	7	134,243	16	
National	4	116,113	13	
State member FRS	1	5,612	1	
Not member FRS	2	12,518	2	
CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	84	4,772,661	463	463
Absorbing banks	39	3,622,391	331	463
Absorbed banks	45	1,150,270	132	
National	8	220,662	29	
State member FRS	1	3,650	1	
Not member FRS	33	912,381	99	
Noninsured institutions	3[4]	13,577	3	

[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] Includes two savings and loan associations.

of these public filings of State-chartered insured banks are made available, at a nominal charge, by the Corporation.

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 any insured bank to report to the appropriate Federal regulatory agency any change in the bank's outstanding voting stock resulting in a change in control of the bank. When 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), the lending bank is required to file a report with the Federal agency having primary supervisory responsibility for the bank whose stock secures the loan. Each insured bank is required to report promptly

Table 7. APPROVALS UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1972, BANKS GROUPED BY SIZE AND IN STATES ACCORDING TO STATUS OF BRANCH BANKING

Absorbing banks		Absorbed banks							
					Number of banks by size (resources in $mil)				
Number of banks by size (resources in $mil)[1]		Number of banks	Number of branches	Resources (in thousands)	–5	5–10	10–25	25–100	Over 100
Total–U.S.	**100**	**112**	**233**	**$3,043,235**	**25**	**30**	**32**	**17**	**8**
–5	4	6	21	124,236	3	2	0	0	1
5–10	3	3	5	35,959	1	1	0	1	0
10–25	10	10	20	162,915	4	4	1	0	1
25–100	39	42	47	644,674	9	14	12	6	1
100–500	32	37	109	1,487,399	7	6	12	9	3
Over 500	12	14	31	588,052	1	3	7	1	2
(A) Statewide branching[2]	**30**	**40**	**140**	**1,035,845**	**6**	**12**	**16**	**2**	**4**
–5	2	3	21	114,440	1	1	0	0	1
10–25	1	1	19	109,960	0	0	0	0	1
25–100	8	11	17	147,138	1	5	4	1	0
100–500	10	14	63	402,721	4	3	6	0	1
Over 500	9	11	20	261,586	0	3	6	1	1
(B) Limited-area branching[2]	**69**	**71**	**93**	**2,004,870**	**18**	**18**	**16**	**15**	**4**
–5	2	3	0	9,796	2	1	0	0	0
5–10	3	3	5	35,959	1	1	0	1	0
10–25	8	8	1	50,435	3	4	1	0	0
25–100	31	31	30	497,536	8	9	8	5	1
100–500	22	23	46	1,084,678	3	3	6	9	2
Over 500	3	3	11	326,466	1	0	1	0	1
(C) Unit banking[2]	**1**	**1**	**0**	**2,520**	**1**	**0**	**0**	**0**	**0**
10–25	1	1	0	2,520	1	0	0	0	0

[1]See table 6, note 1.
[2]For the purpose of describing branching patterns, 19 States and the District of Columbia were included in group A, 16 in group B, and 15 in group C. It should be noted that for other purposes the classification of some States might differ from that used here.

to the appropriate Federal regulatory agency any changes or replacements in the chief executive officer or directors occurring in the 12-month period following a change in control. The report must include a statement of the past and current business and professional affiliations of the new chief executive officer or officers. The Corporation received 460 notices of change in control involving insured nonmember banks during 1972.

Truth-in-lending. The Truth-in-Lending Act (Title I of the Consumer Credit Protection Act) requires the disclosure of the terms of consumer credit used for personal, family, household, and agricultural purposes, and it regulates consumer credit advertising. The Corporation has the responsibility for administrative enforcement of the Act for insured banks that are not members of the Federal Reserve System.

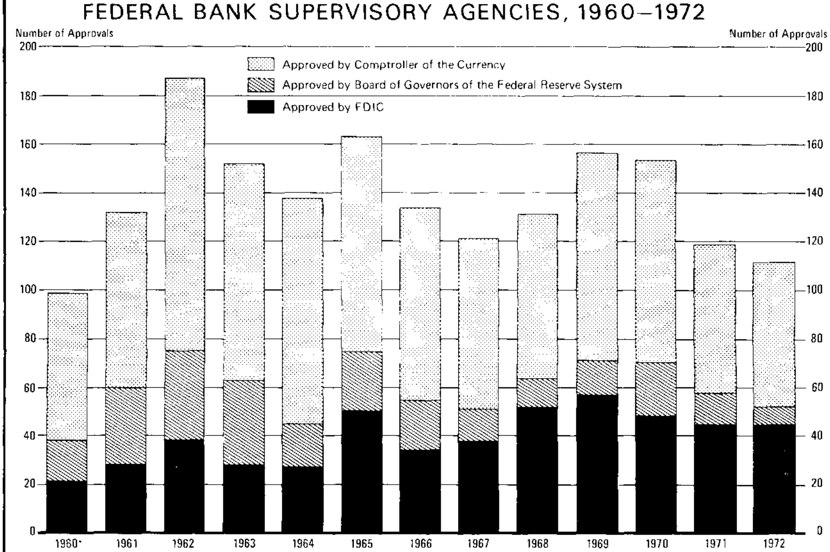
Checking for compliance with the requirements of the Truth-in-Lending Act is a part of all regular examinations of State nonmember banks. When a violation is found, the Corporation ordinarily will seek voluntary corrective action. If it becomes apparent that voluntary compliance is not forthcoming, the Corporation has the authority to initiate administrative proceedings to issue a cease-and-desist order against further violations, and ultimately, to terminate the deposit insurance of the bank. In addition, situations involving possible criminal violations of Federal laws are routinely referred to the Department of Justice. The Corporation refers Truth-in-Lending complaints and violations to other Federal and State enforcement agencies in accordance with established procedures.

The Act authorizes the Board of Governors of the Federal Reserve System to exempt from the requirements of disclosure any class of credit transactions within any State upon the Board's determination that applicable State laws are substantially similar to the Federal law, and that adequate provision for enforcement exists. In any State exempted from the Federal law under these provisions, while the Corporation continues its concern with the enforcement of Truth-in-Lending as a part of its regular examination procedures, primary enforcement rests with the State authorities.

Bank security. As provided by the Bank Protection Act of 1968, nonmember insured banks are subject to Corporation rules that establish minimum standards for installation, maintenance, and operation of security devices and procedures to discourage certain external bank crimes and to assist in apprehending persons who commit these crimes. In early 1969, the Corporation adopted Part 326 of its rules and regulations, which in part (a) requires the designation of a security officer for each insured State nonmember bank; (b) requires each bank to submit reports on security devices proposed for each banking office; (c) requires the development of a

Chart H

MERGERS APPROVED BY FEDERAL BANK SUPERVISORY AGENCIES, 1960–1972



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

security program for each bank; and (d) requires each bank to develop a plan for installing, maintaining, and operating appropriate security devices in each banking office. The regulation also requires each bank to submit compliance reports as of the last business day of June of each calendar year, and to submit crime reports following the perpetration of a robbery, burglary, or nonbank employee larceny. During 1972, the Corporation received 627 crime reports filed pursuant to Part 326.5(d) of its regulations.

Nondiscrimination in lending for housing. Section 805 of Title VIII of the Civil Rights Act of 1968 makes it unlawful for consumer lenders in granting real estate loans to discriminate on the basis of the loan applicant's race, color, religion, or national origin. In order to implement the fair housing provisions of Section 805 for banks under its supervision, the Board of Directors of the Corporation issued a Policy Statement on December 20, 1971. This statement, to become effective March 1, 1972, adopted certain minimum procedures that, in part, would require insured nonmember banks to publicize, by a prescribed logotype on loan service advertisements, and by lobby notices, that they are equal housing lenders. Following its analysis and evaluation of public comments received in the designated period ending March 1, 1972, the Corporation on April 25, 1972, issued an amended statement of policy. This amendment deferred the effective date of the nondiscrimination requirement from March 1 to May 1, 1972, and prescribed a redesigned logotype and lobby poster. Additional information on these actions by the Corporation are contained on pages 209-210 of this report.

On September 15, 1972, the Corporation issued, for public comment, proposed new regulations that would incorporate the provisions of its earlier Policy Statement, and among other things would also require banks to request racial and ethnic data from loan applicants, to state the reasons a loan was denied, and to appoint a fair housing officer to be responsible for the bank's civil rights compliance program under Title VIII. Interested parties were invited to comment on the proposed regulations by November 1. In accordance with a subsequent announcement, a public hearing on these proposals was held in Washington, D.C., on December 19 and 20, 1972.

Corporation training activities. The Corporation's formal training programs for bank examiners, which are conducted at its modern training center, include three divisions of the Bank Examination School. These divisions consist of a basic course dealing with the fundamentals of banking and bank accounting, for new trainees; a second course emphasizing accrual accounting, audit techniques, and bank operations, with a portion devoted to examinations of computerized banks, for assistant examiners; and a program center-ing on credit analysis, asset appraisal, bank management simulation, and corporation policies and objectives, for senior assistant examiners. In addition, specialized training offered includes an advanced course in examining computerized banks and two courses (basic and advanced) in examining trust departments. Approximately 800 examiners from the Corporation, State banking departments, and foreign central banks participated in these programs during 1972. The participation by the State banking departments involved approximately 100 examiners under a joint program sponsored with the Conference of State Bank Supervisors.

Enrollment of employees in training courses outside the Corporation during 1972 included 94 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.

Publications and statistical reports from banks. A report of assets and liabilities is submitted each quarter, and a report of income and expenses each year, by every insured bank to the appropriate Federal supervisory agency. The Corporation, which obtains this information from insured banks that are not members of the Federal Reserve System, has additional responsibilities for assembling and publishing the statistics for all banks. The Corporation obtains semiannual information on assets and liabilities, but not income, of noninsured banks. A supplement to the midyear Report of Condition in 1972 gathered information on the maturity distribution of obligations of States and political subdivisions held by banks.

Data reported at midyear and at the end of the year are aggregated for the nation and each State and are published in *Assets and Liabilities—Commercial and Mutual Savings Banks.* Income data for insured banks are published in the issue of the booklet that contains the year-end Report of Condition.

Beginning with the December 1972 Report of Condition and the 1972 Report of Income, the Corporation makes available on request, at a nominal charge, the full reports of condition and income of insured nonmember commercial banks and FDIC-insured mutual savings banks. Previously, only the front of the Report of Condition—a simplified balance sheet—had been available for individual insured banks. The Corporation's revised policy, involving an amendment to Part 309 of its rules and regulations, is discussed on pages 213-214 of this report.

During 1972, the Corporation continued its program of supplying a selected group of operating and report of condition statistics to each reporting bank. Comparative statistics are assembled for the year-end data in *Bank Operating Statistics.* Included are figures for the nation, States, different size groups of banks within each State, and smaller areas within States where branching is limited. Comparable summary data for mutual savings banks are available upon request to the Division of Research.

In conjunction with the Board of Governors of the Federal Reserve System and the Comptroller of the Currency, the fourth survey of trust assets held by commercial banks was conducted in 1972. The results of the survey were published in *Trust Assets of Insured Commercial Banks-1972.*

During the year, the Corporation continued its monthly surveys of mortgage rates and mortgage lending activity. The report form of the survey of interest rates on conventional 1-family nonfarm mortgages was revised in 1972, and the sample of banks updated. Another survey collects detailed data on acquisitions and dispositions, as well as outstanding balances, of construction and long-term mortgage loans of a selected panel of insured commercial banks and mutual savings banks.

Interest rates paid on savings and other time deposits held by individuals and businesses at insured nonmember commercial banks and FDIC-insured mutual savings banks were surveyed during 1972, as previously, on a quarterly basis. Information based on each of the surveys was sent to every reporting bank. The data were included in statistics that were published in summary form by the Board of Governors of the Federal Reserve System.

The Corporation sponsored independent research that resulted in publication of *Time-Sharing in Commercial Banks* in 1972. This 69-page book considers the current use of time-shared computers in both large and small banks.

During the past year, the Corporation encouraged research in banking and related fields by awarding four fellowships in banking and related fields to doctoral candidates. The successful applicants were selected on the basis of the importance of their proposed research, the relevancy of their research to the interests of the Corporation, and the expected ability of the applicants to complete their projects successfully.

ADMINISTRATION OF THE CORPORATION

Structure and employees. There was no change in the membership of the Corporation's Board of Directors during 1972. The terms of office of Chairman Frank Wille and Director Irvine H. Sprague, both for 6 years, began on April 1, 1970, and September 27, 1968, respectively. Comptroller of the Currency William B. Camp, an *ex officio* member of the Board, began a second 5-year term of office on February 1, 1972.

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

The Corporation's employment at the end of 1972 totaled 2,619 (see table 8). This number was 12 more than a year earlier; how-

Table 8. NUMBER OF OFFICERS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1971 AND 1972

Unit	Total		Washington office		Regional and other field offices	
	1972	1971	1972	1971	1972	1971
Total	**2,619**[1]	**2,607**[1]	**670**	**644**	**1,949**	**1,963**
Directors	3	3	3	3	0	0
Executive Offices	27	45	27	45	0	0
Legal Division	79	63	72	59	7	4
Division of Bank Supervision	1,923	1,908	120	102	1,803	1,806
Division of Liquidation	211	230	84	88	127	142
Division of Research	84	182	84	182	0	0
Office of the Controller	185	176	173	165	12	11
Office of Management Systems and Financial Audits	107	–	107	–	0	–

[1] Includes 150 nonpermanent employees on a short-term appointment or when actually employed basis in 1972, and 133 in 1971. 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.

ever, the total excluding persons temporarily employed (primarily in liquidations) was slightly below 1972.

Almost three-quarters of the Corporation's employees are assigned to the Division of Bank Supervision, where over 90 percent of personnel are employed in field offices. Field bank examiners resigning from the Corporation during 1972 totaled 138, including 38 who left to join banks. For the first time in many years, no examiners left because of entry into the armed forces, though 37 examiners were on active duty at the close of the year. The turnover rate for field examiners was 8.7 percent, compared to 7.0 percent in 1971.

New office. During 1972, the Office of Management Systems and and Financial Audits was established. The office was staffed almost completely by transfer of Office of the Auditor personnel formerly assigned to the Executive Offices, and the Information Services Branch, previously located in the Division of Research. At present, the office consists of (1) an information services branch, which provides the Corporation with systems analyses, system design, and programming support for computer based information systems; (2) a computer center branch, which operates the FDIC computer system; and (3) a financial audits branch, which performs the Corporation's internal financial audit functions and audits banks being liquidated by the Corporation.

The new office was created to organize the Corporation's information-processing activities independent of other divisions or offices, and it has been expanded to provide analyses of present and proposed systems to Corporation management regarding the cost and effectiveness of these systems. Further planning includes studying the potential of this office in providing staff support to the Board of Directors and other divisions and offices in other management systems activities, including, for example, organization studies, manpower and work load analyses, and manual systems analyses.

FINANCES OF THE CORPORATION

Assets and liabilities. As of December 31, 1972, the assets of the Corporation totaled $5,456 million (see table 9). Cash and U.S.

Table 9. STATEMENT OF FINANCIAL CONDITION, FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1972
(In thousands)

ASSETS		
Cash		$ 5,405
U.S. Government obligations:		
Securities at amortized cost (face value $5,254,103; cost $5,237,675)	$5,253,340	
Accrued interest receivable	79,640	5,332,980
Assets acquired in receivership and deposit assumption transactions:[1]		
Subrogated claims of depositors against closed insured banks	$ 75,167	
Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability	945	
Equity in assets acquired under agreements with insured banks	30,944	
Assets purchased outright	5,109	
	$ 112,165	
Less reserves for losses	40,279	71,886
Assistance to operating insured banks		37,000
Miscellaneous assets		1,287
Land and office building, less depreciation on building		7,094
Total assets		$5,455,652
LIABILITIES AND DEPOSIT INSURANCE FUND[2]		
Accounts payable and accrued liabilities		$ 3,250
Earnest money, escrow funds, and collections held for others		1,579
Accrued annual leave of employees		2,618
Due insured banks:		
Net assessment income credits available July 1, 1973 (see table 11)	$ 280,272	
Other assessment credits available immediately	8,273	288,545
Net insured balances of depositors in closed insured banks—see related asset		945
Total liabilities		$ 296,937
Deposit insurance fund, net income accumulated since inception (see table 10)		5,158,715
Total liabilities and deposit insurance fund		$5,455,652

[1]Reported hereunder is the book value of assets in process of liquidation. An analysis of all assets acquired in receivership and deposit assumption transactions, including the assets that have been liquidated, is furnished in table 2.
[2]Capital stock was retired by payments to the U.S. Treasury in 1947 and 1948.

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

Government securities valued at amortized cost amounted to $5,338 million, including $80 million in interest receivable. Net assets acquired in receivership and deposit assumption transactions, consisting mainly of the subrogated claims of depositors against closed insured banks, together with assistance to operating insured banks, totaled approximately $109 million. The Corporation's land and office building at the headquarters location, less depreciation on the building, were valued at $7.1 million.

On December 31, the Corporation's liabilities, amounting to $297 million, consisted very largely of net assessment credits due insured banks. About 97 percent of the assessment credits were to become available on July 1, 1973, with the remainder available immediately.

The deposit insurance fund, which is the difference between the Corporation's total assets and its liabilities, amounted to $5,159 million on December 31. The fund comprises the financial resources that are initially available to the Corporation for deposit insurance operations. Section 14 of the Federal Deposit Insurance Act provides that the Corporation may borrow from the U.S. Treasury, and the Secretary of the Treasury is authorized and directed to lend, up to $3 billion if in the judgment of the Corporation's Board of Directors the funds are required for insurance purposes. Thus far, the Corporation has not had occasion to use this borrowing authority.

Table 10. STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1972
(In thousands)

Income:		
Deposit insurance assessments:		
Assessments earned in 1972	$468,758	
Less net assessment income credits to insured banks	280,206	$ 188,552
Adjustments of assessments earned in prior years		260
		$ 188,812
Net income from U.S. Government securities		277,003
Other income		1,484
Total income		**$ 467,299**
Expenses and losses:		
Administrative and operating expenses:		
Salaries	$ 36,494	
Travel expenses	7,542	
Office rentals, communications and other expenses	5,574	$ 49,610
Provisions for insurance losses:		
Applicable to banks assisted in 1972	$ 11,000	
Adjustments applicable to banks assisted in prior years	−13,046	−2,046
Nonrecoverable insurance expenses incurred to protect depositors—net		879
Total expenses and losses		**$ 48,443**
Net addition to the deposit insurance fund—1972		**$ 418,856**
Deposit insurance fund, January 1, 1972		**4,739,859**
Deposit insurance fund, December 31, 1972, net income accumulated since inception		**$5,158,715**

Income and expenses. The Corporation's income in calendar year 1972 was $467 million (see table 10), of which nearly three-fifths was interest received on holdings of U.S. Government securities. The remainder was derived almost entirely from assessments paid by insured banks. Expenses and losses were slightly over $48 million, thus the addition to the deposit insurance fund was $419 million in the year.

Insured banks pay assessments to the Corporation in January and July of each year, for deposit insurance during the ensuing 6 months. The deposit base for assessments becoming due is the average of total assessable deposits for the immediately preceding semiannual period. Assessable deposits are the deposits—with several adjustments—stated in the two immediately preceding Reports of Condition submitted by each insured bank at quarterly intervals to one of the Federal supervisory agencies. The deposits are decreased by 1 percent of adjusted time and savings deposits and 16 2/3 percent of adjusted demand deposits; deposits are adjusted downward for cash items in possession drawn on the bank that are not charged against deposit liabilities and for funds included in reported deposits that are accumulated and assigned for payment of personal loans. Deposits are adjusted upward to include uninvested trust funds required to be stated separately in the bank's Report of Condition, and for other deposits received but not reported or offset against cash items in possession drawn against the bank.

The basic assessment rate that has existed since 1935 is 1/12 of 1 percent annually of assessable deposits. Each insured bank derives its semiannual payment for deposit insurance by multiplying one-half the annual basic rate times its deposit assessment base, and deducting from the resulting amount the assessment credit available on that date. Thus, the assessment paid in cash is the total assessment due less the available credit.

The credit available to each insured bank represents its pro-rata share of the total credits available to insured banks on any assessment date. These credits represent a portion of the Corporation's net assessment income—total assessments earned less expenses and provisions for insurance losses—for the calendar year ending the preceding December 31. The portion of the Corporation's net assessment income credited to insured banks to be applied against future assessments—established at 60 percent in 1950 when provision for the credit was enacted into law—was increased to 66 2/3 percent effective December 31, 1961.

The net assessment rate in 1972 (based on gross assessments earned by the Corporation in 1972 less the assessment credit granted during that year) was 1/30 of 1 percent of total assessable deposits in insured banks. Because the credits to insured banks which

Table 11. DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1972
(In thousands)

Determination of net assessment income:		
Total assessments that became due during the calendar year		$468,758
Less:		
Administrative and operating expenses		$ 49,610
Net additions to reserve to provide for insurance losses:		
Provisions applicable to banks assisted in 1972	$ 11,000	
Adjustments to provisions for banks assisted in prior years	−13,040	−2,040
Nonrecoverable insurance expenses incurred to protect depositors—net		879
Total deductions		$48,449
Net assessment income for 1972		**$420,309**
Distribution of net assessment income, December 31, 1972:		
Net assessment income for 1972:		
33 1/3% transferred to the deposit insurance fund		$140,103
66 2/3% credited to insured banks		280,206
Total		**$420,309**
Allocation of net assessment income credit among insured banks, December 31, 1972:		Percentage of total assessment becoming due in 1972
Credit for 1972	$280,206	59.7762
Adjustments of credits for prior years	66	.0141
Total	**$280,272**	**59.7903**

are charged to the Corporation's liabilities on December 31 become available initially the following July 1 (carryover or unused credits are available on the ensuing December 31), cash flow to the Corporation from assessments comes largely at the beginning of each year.

Table 12. SOURCES AND APPLICATION OF FUNDS, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1972
(In thousands)

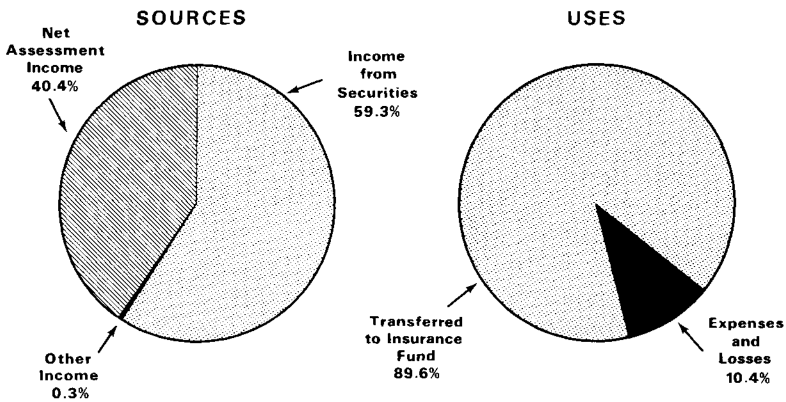
		Percent
Funds provided by:		
Net deposit insurance assessments	$ 188,812	14.6
Income from U.S. Government securities, less amortized net discounts	274,453	21.1
Maturities and sales of U.S. Government securities	697,604	53.7
Collections on assets acquired in receivership and deposit assumption transactions	93,450	7.2
Increase in assessment credits due insured banks	43,793	3.4
Total funds provided	**$1,298,112**	**100.0**
Funds applied to:		
Administrative, operating and insurance expenses, less miscellaneous credits	$ 48,870	3.8
Acquisition of assets in receivership and deposit assumption transactions	57,127	4.4
Purchase of U.S. Government securities	1,177,582	90.7
Net changes in other assets and liabilities	14,533	1.1
Total funds applied	**$1,298,112**	**100.0**

The determination and allocation of net assessment income in 1972 are shown in table 11. Sources and uses of income in 1972 are shown in table 12 and Chart I.

Chart I

SOURCES AND USES OF INCOME
FEDERAL DEPOSIT INSURANCE CORPORATION

1972



Income and the deposit insurance fund, 1933-1972. Net assessments have provided more than 55 percent of the total income received by the Coporation since 1934 (see table 13); since 1961, however, interest from U.S. Government securities has provided most of the Corporation's income. Total expenditures, including interest of $81 million on the initial capital of the Corporation, have amounted to about 11 percent of the Corporation's total income. The accumulated net income represents the deposit insurance fund.

At the end of 1972, the estimated amount of insured deposits was $419.8 billion (see table 14), or 60.2 percent of total deposits in banks insured by the Corporation (Chart J). Ratios of the deposit insurance fund, both to insured deposits and to total deposits in insured banks, declined slightly in the year.

Audit. Each year, an audit of the financial transactions of the Corporation is conducted by the General Accounting Office. A continuous internal audit is provided by the Financial Audits Branch, Office of Management Systems and Financial Audits.

Table 13. INCOME AND EXPENSES, FEDERAL DEPOSIT INSURANCE CORPORATION, BY YEAR, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, TO DECEMBER 31, 1972 ADJUSTED TO DECEMBER 31, 1972
(In millions)

Year	Income			Expenses and losses				Net income added to deposit insurance fund[4]
	Total	Deposit insurance assessments[1]	Investments and other sources[2]	Total	Deposit insurance losses and expenses	Interest on capital stock[3]	Administrative and operating expenses	
1933–72..	**$5,793.0**	**$3,212.6**	**$2,580.4**	**$634.3**	**$74.4**	**$80.6**	**$479.3**	**$5,158.7**
1972	467.1	188.6	278.5	61.5	11.9	.....	49.6	405.6
1971	415.3	175.8	239.5	61.6	14.7	.....	46.9	353.7
1970	382.7	159.3	223.4	46.6	4.4	.....	42.2	336.1
1969	335.8	144.0	191.8	34.7	1.2	.....	33.5	301.1
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 1972, 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 $3,125 million.

[2]Includes $10.0 million of interest and allowable return received on funds advanced to receivership and deposit assumption cases by the Corporation.

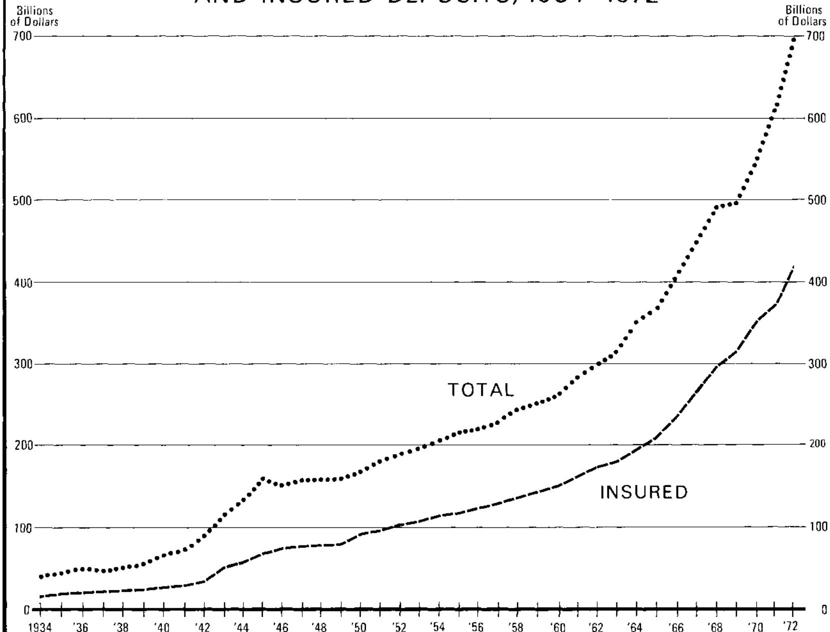
[3]Paid in 1950 and 1951, but allocated among years to which it applies. Initial capital of $289 million was retired by payments to the U.S. Treasury in 1947 and 1948.

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

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

Chart J

TOTAL DEPOSITS IN INSURED BANKS
AND INSURED DEPOSITS, 1934–1972



RATIO OF INSURED DEPOSITS
TO TOTAL DEPOSITS IN INSURED BANKS

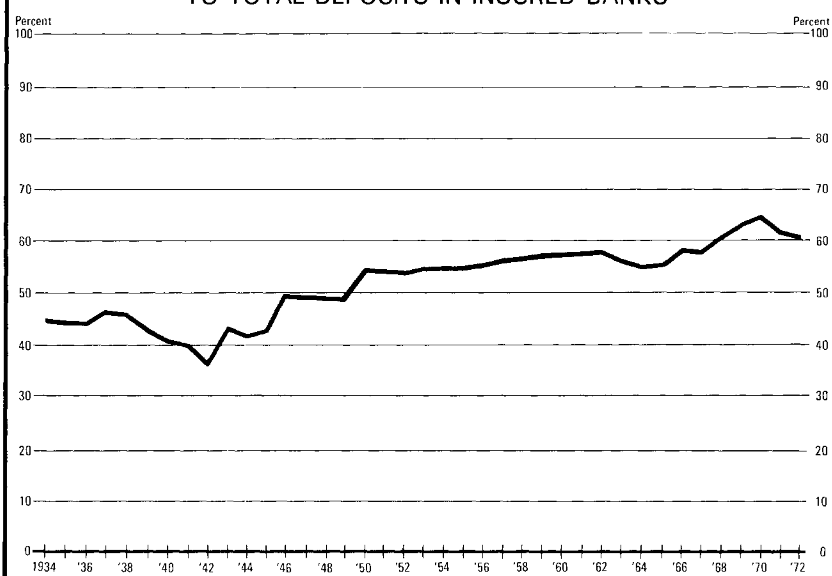


Table 14. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934–1972

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
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	333.0	.83	1.84

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

MERGER DECISIONS OF THE CORPORATION
PART TWO

BANKS INVOLVED IN ABSORPTIONS APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1972

State	Town or City	Bank	Page
Alabama	Mobile	Alabama Bank of Mobile (change title to Commercial Guaranty Bank of Mobile)	150
		Commercial Guaranty Bank of Mobile	150
California	Bakersfield	California Republic Bank	169
	Los Angeles	American City Bank	39
		Union Bank	39
	Quartz Hill	Ranchers Bank	169
	San Rafael	Bank of Marin	146
		Eucalyptus Bank	77
		New Bank of Marin (change title to Bank of Marin)	146
		The Redwood Bank	77
	Sebastopol	Bank of Sonoma County	147
		New Bank of Sonoma County (change title to Bank of Sonoma County)	147
Connecticut	Bloomfield	Bloomfield State Bank	107
	New Britain	New Britain Bank and Trust Company	107
	New Haven	Union Trust Company	93
	New London	The Winthrop Bank and Trust Company	93
Georgia	Atlanta	First Georgia Bank	109
		First Georgia Bank (formerly Peoples American Bank of Atlanta)	109
	Columbus	Columbus Bank and Trust Company	148
		Muscogee Banking Company	148
	Savannah	First Bank of Savannah	54
		Industrial Bank of Savannah	54
Indiana	Columbus	Bartholomew County Bank (change title to Irwin Union Bank and Trust Company)	165
		Irwin Union Bank and Trust Company	165
Kansas	Hiawatha	Citizens State Bank and Trust Company	85
	Leona	The Farmers Bank of Leona	85
Kentucky	Cave City	The H. Y. Davis State Bank	115
	Glasgow	Citizens Bank and Trust Company	115
	Madisonville	Peoples Bank and Trust Company	141
		The Kentucky Bank & Trust Company	80
	Mortons Gap	Planters Bank	80
	Nortonville	The Nortonville Bank	141

State	Town or City	Bank	Page
Louisiana	Belcher	Caddo Trust and Savings Bank	118
	Oil City	The Oil City Bank	118
Maryland	Hyattsville	Hampshire Trust Company (change title to Suburban Trust Company)	67
		Suburban Trust Company	67
Massachusetts	Athol	Colonial Bank and Trust Company	65
	Natick	First National Bank of Natick	151
	Waltham	Guaranty Trust Company (change title to Guaranty–First Trust Company)	151
	Worcester	Guaranty Bank & Trust Company	65
Michigan	Gladwin	The First State Savings Bank of Gladwin (change title to Mid-Michigan Bank)	50
	Harrison	The State Savings Bank of Harrison	50
	Hemlock	Hemlock State Bank	171
	Saginaw	First State Bank of Saginaw	171
Mississippi	Batesville	Bank of Batesville	56
	Clarksdale	Bank of Clarksdale	56
	Durant	Peoples Bank of Durant	96
	Kosciusko	Merchants and Farmers Bank	96
	Maben	Maben Home Bank	153
	Starkville	Peoples Bank	153
Missouri	Butler	Butler State Bank	120
		New State Bank in Butler (change title to Butler State Bank)	120
	Kansas City	Plaza Bank & Trust Company	40
		Plaza Bank of Commerce	40
New Jersey	Cliffside Park	The United National Bank of Bergen County	71
	Linden	Community State Bank and Trust Company	135
	Middletown Township	Middletown Banking Company	135
	Union City	Hudson Trust Company (change title to Hudson United Bank)	71
New York	New York (Manhattan)	Broadway Savings Bank (change title to Prudential Savings Bank)	128
		Prudential Savings Bank	128
	Ogdensburg	The St. Lawrence County Savings Bank (change title to The North Country Savings Bank)	98
	Potsdam	The Potsdam Savings and Loan Association	98
	Rochester	Monroe Savings Bank	59
	Wayland	Wayland Dime Savings and Loan Association	59
North Carolina	Elizabeth City	Industrial–Commercial Bank	88
	Fuquay-Varina	The Fuquay Corporation	78

State	Town or City	Bank	Page
	Jackson	The Bank of Northampton	174
	Mount Olive	Southern Bank and Trust Company	78
	Rocky Mount	Peoples Bank & Trust Company	88, 174
Ohio	Marietta	The Dime Bank	46
		The Dime Savings Society of Marietta	46
Oregon	Coos Bay	Western Bank	110
	Florence	Land County Bank	110
	Klamath Falls	Bank of Klamath Country	110
	Redmond	Bank of Central Oregon	110
	St. Helens	Bank of St. Helens	110
Pennsylvania	Athens	The Athens National Bank	83
	Bethlehem	First Valley Bank	48
	Bradford	The Bradford National Bank	44
	Freeland	Citizens' Bank of Freeland	121
	Harrisburg	Dauphin Deposit Trust Company	74
	Johnstown	Johnstown Bank and Trust Company	103
	Johnstown (Benscreek)	Community National Bank of Pennsylvania	103
	Kingston	State Bank of Eastern Pennsylvania	48
	Lansford	First Valley Bank	121
	Lebanon	The First National Bank of Lebanon	74
	Meshoppen	The First National Bank of Meshoppen	162
	Scranton	Green Ridge Bank	176
		Penn Security Bank and Trust Company	176
	St. Marys	Elk County Bank and Trust Company (change title to First Laurel Bank)	44
	Wilkes-Barre	United Penn Bank	162
	Williamsport	Northern Central Bank and Trust Company	83
South Carolina	Columbia	First-Citizens Bank and Trust Company of South Carolina	61
	Hollywood	Exchange Bank (change title to American Bank & Trust)	156
	Orangeburg	American Bank & Trust	156, 158
	Pageland	Peoples Bank & Trust Co.	61
	Ridgeland	Bank of Ridgeland	158
Tennessee	Dyersburg	First Bank and Trust Co.	138
		State Bank of Dyersburg (change title to First Bank and Trust Co.)	138
	Morristown	Bank of Morristown	90
		Morristown State Bank (change title to Bank of Morristown)	90
	Whites Creek	Whites Creek Bank and Trust Company	42

State	Town or City	Bank	Page
		Whites Creek State Bank (change title to Whites Creek Bank and Trust Company)	42
Texas	Alamo	First State Bank of Alamo	167
		Second State Bank of Alamo (change title to First State Bank of Alamo)	167
	Clear Lake City	First State Bank of Clear Lake City	79
		Second State Bank of Clear Lake City (change title to First State Bank of Clear Lake City)	79
	Conroe	Conroe Bank	124
		New Conroe Bank (change title to Conroe Bank)	124
	Fort Worth	Bank of Commerce	168
		Second Bank of Commerce (change title to Bank of Commerce)	168
	Houston	Airline Bank	139
		Airline Commerce Bank (change title to Airline Bank)	139
		Continental Bank	125
		Gulfgate State Bank of Houston	68
		Heights State Bank	114
		Highland Village State Bank	102
		New Continental Bank (change title to Continental Bank)	125
		North Freeway Bank	91
		North Freeway Commerce Bank (change title to North Freeway Bank)	91
		Reagan Commerce Bank (change title to Reagan Bank)	140
		Reagan State Bank of Houston	140
		Second Heights State Bank (change title to Heights State Bank)	114
		Second Highland Village State Bank (change title to Highland Village State Bank)	102
		South Main Bank	101
		3001 Main Street Bank (change title to South Main Bank)	101
		Woodridge State Bank (change title to Gulfgate State Bank of Houston)	68
	La Porte	La Porte State Bank	106
		Second La Porte State Bank (change title to La Porte State Bank)	106
	Odessa	American Bank (change title to American Bank of Commerce)	166
		American Bank of Commerce	166

State	Town or City	Bank	Page
	Port Arthur	New Merchants Bank (change title to Merchants Bank)	126
		Merchants Bank	126
	Wallis	Second Wallis State Bank (change title to Wallis State Bank)	127
		Wallis State Bank	127
	Willis	First State Bank of Willis	178
		Second State Bank of Willis (change title to First State Bank of Willis)	178
Utah	Murray	Murray State Bank	132
	Ogden	Commercial Security Bank	102, 132
		CSB, Inc.	102
	Salt Lake City	American National Bank	69
		Tracy-Collins Bank and Trust Company	69
Virginia	Falls Church	Bank of Virginia—Fairfax (change title to Bank of Virginia—Potomac)	149
	Goochland	Bank of Goochland	53
		Goochland Community Bank (change title to Bank of Goochland)	53
	Norfolk	Bank of Virginia—Norfolk (change title to Bank of Virginia—Tidewater)	160, 161
		United Virginia Bank International	92
	Onancock	Bank of Virginia—Eastern Shore	87
		The First National Bank in Onancock	87
	Richmond	Bank of Virginia—Central	160
		The Bank of Virginia	41
		United Virginia Bank	92
	Salem	The Bank of Virginia of the Southwest	43
	Vinton	The Bank of Virginia of Roanoke Valley	41, 43
	Virginia Beach	Bank of Virginia—Tidewater	161
	Winchester	The Commercial and Savings Bank	64
		The Commercial Bank (change title to The Commercial and Savings Bank)	64
	Woodbridge	Bank of Virginia—Potomac	149
Washington	Bellevue	Bank of the West	143
	Ellensburg	Ellensburg State Bank	130
	Longview	Bank of Cowlitz County	143
	Yakima	Bank of Yakima	130

BANKS INVOLVED IN ABSORPTIONS DENIED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1972

State	Town or City	Bank	Page
Pennsylvania	Erie	Union Bank & Trust Co., Erie	192
	Lebanon	Lebanon County Trust Company	184
	Reading	American Bank and Trust Co. of Pa.	184
	Titusville	The Pennsylvania Bank and Trust Company	192
South Carolina	Chesterfield	Bank of Chesterfield	180
	Columbia	First-Citizens Bank and Trust Company of South Carolina	180
Vermont	Burlington	Chittenden Trust Company	188
	Hyde Park	Lamoille County Bank	188

STATEMENT UPON RECONSIDERATION

Pennsylvania	Norristown	Continental Bank	199
	Reading	Bank of Pennsylvania	199

BANK ABSORPTIONS APPROVED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American City Bank Los Angeles, California	41,623	2	3
to acquire a portion of the assets and assume a portion of the deposit liabilities of			
Union Bank Los Angeles	3,650*	1*	

Summary report by Attorney General, September 24, 1971

The closest office of American City Bank to the Long Beach branch of Union Bank is at least 20 miles away, with numerous other banking offices in the intervening area. Thus, there will be little or no effect on existing competition as a result of this transaction.

California law permits de novo branching throughout the state. Thus, American City Bank could enter Long Beach independently. American City Bank is one of the smaller banks in Los Angeles County, however, with about 0.2 per cent of county deposits. In addition, the Long Beach branch of Union Bank has only about 2.4 per cent of the total deposits of the eight banks which operate 13 banking offices within a two mile radius of the Long Beach branch. Its share of deposits in Long Beach as a whole would be much less. Thus, this transaction will not have a significantly adverse effect on competition.

Basis for Corporation approval, January 21, 1972

American City Bank, Los Angeles, California ("American"), a State nonmember insured bank with total resources of $41,623,000 and total deposits of $37,413,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase a portion of the assets of, and assume liability to pay a portion of the deposits made in, Union Bank, Los Angeles, California ("Union"), and for consent to establish the latter's Park Estates Branch, Long Beach, California ("Park"), with total resources of $3,650,000 and total deposits of $3,483,000, as a branch, increasing the number of its offices to three.

Competition. American, organized in 1964, is 52nd among the 139 banking organizations in California and operates its main office in the city of Los Angeles and its existent branch in Beverly Hills, both in Los Angeles County. The subject proposal would have no discernible effect on these communities.

Union, the sixth largest bank in California, operates 30 offices in 10 of the State's 58 counties, including the most populous and those containing the major financial centers. Its position in the State banking structure or economic situation would not be measurably affected by the subject proposal, which is consistent with Union's policy of operating as a wholesale, businessman's bank, maintaining only large regional fully staffed offices and spinning off any small branch offices which may be acquired in mergers of institutions which fulfill its

*Resources and branch office of Union Bank to be acquired by American Bank.

requirements as regional offices. Park was acquired by merger of Bank of Long Beach, National Association, Long Beach, California ("BLB"), in July 1971, and its main office is being retained by Union as a "Regional Head Office."

Park was established in September 1968 as a *de novo* branch of BLB in Long Beach (population 358,633), the fifth largest city in the State and second in Los Angeles County (Population 7,032,075), the economy of which is dependent largely on shipping, petroleum, and related industries. The office's immediate trade area is in East Long Beach, the city's primary residential area, which has a population estimated at 100,000. Entry of American into Long Beach, where Union continues to operate the former main office and one other branch of BLB, would increase the number of commercial banks doing business in the city from 13 to 14, improving the competitive structure slightly. The proposed transaction would not impede either Union or American from branching *de novo* into one another's territory in the future, as statewide *de novo* branching is legally permissible.

The closest office of American to Park is at least 20 miles away, and there are numerous offices of other commercial banks in the intervening area. There is no significant amount of existing or potential competition which would be eliminated by this proposed transaction, and it would result in the deconcentration, however small, of commercial banking resources in the State of California.

For the reasons stated, 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. Union has satisfactory financial and managerial resources and favorable future prospects, with or without the subject branch. With $500,000 in new capital to be added in connection with this proposal, American would be considered as having adequate financial and managerial resources. Its future prospects are considered satisfactory.

Convenience and Needs of the Community to be Served. The community of East Long Beach is served by nine offices of six banks in addition to Park. All are at least three-fourths of a mile distant from Park, and the office serves the convenience and needs of local residents. This proposal will assure continuance of banking service at this location.

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
Plaza Bank & Trust Company Kansas City, Missouri (in organization)	420	–	1
to merge with			
Plaza Bank of Commerce Kansas City	59,328	1	

Summary report by Attorney General, November 18, 1971

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

Basis for Corporation approval, February 18, 1972

Pursuant to Sections 5 and 18 (c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Plaza Bank & Trust Company, Kansas City, Missouri ("First Bank"), a proposed new bank in organization, and for consent to its merger with Plaza Bank of Commerce, Kansas City, Missouri ("Second Bank"), a State nonmember insured bank with total resources of $59,328,000, under the charter and title of First Bank. The resulting bank will operate from the one existing office of Second Bank.

The new bank formation and merger are designed solely as a means by which Plaza Bancshares, Inc., Kansas City, Missouri, a proposed registered bank holding company, can acquire 100 percent of the voting shares (less directors' qualifying shares) of the bank resulting from the proposed merger. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on September 21, 1971. First Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing location of Second Bank, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Second Bank or affect the banking services which Second Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Bank of Virginia of Roanoke Valley Vinton, Virginia	724	1	2
to acquire a portion of the assets and assume a portion of the deposit liabilities of			
The Bank of Virginia Richmond	27,430*	1*	

Summary report by Attorney General, December 20, 1971

Both of these banks are subsidiaries of Virginia Commonwealth Bancshares, Inc. ("VCB"). The proposed purchase of assets and assumption of liabilities is

*Resources and branch office of Bank of Virginia to be acquired by BVRV.

part of a plan through which the Roanoke office of The Bank of Virginia will be transferred to another subsidiary of VCB. As such, it is basically part of a corporate reorganization and will have no effect on competition.

Basis for Corporation approval, February 25, 1972

The Bank of Virginia of Roanoke Valley, Vinton, Virginia ("BVRV"), a State nonmember insured bank with total resources of $724,000 and deposits of $222,000 as of September 20, 1971, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of, and assume liability to pay deposits in, Roanoke Branch of The Bank of Virginia, Richmond, Virginia ("Roanoke Branch"), and to establish one branch in connection therewith at the present location of Roanoke Branch. As of August 31, 1971, Roanoke Branch indicated total assets of $27,430,000 and deposits of $25,311,000. BVRV will continue to operate under its present title and charter and will increase the number of its offices to two.

The proposed purchase and assumption is designed solely as a means by which Virginia Commonwealth Bankshares, Inc., Richmond, Virginia ("VCB"), a registered bank holding company, can consolidate its operations in Roanoke County and the independent cities of Roanoke and Salem, Virginia. Both banks are owned by VCB, and the proposal will not in itself change the structure of competition in the area nor should it affect the banking services which are provided. For the reasons stated, 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.

All other factors considered relevant to the subject application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Whites Creek State Bank Whites Creek, Tennessee (in organization; change title to Whites Creek Bank and Trust Company)	50	—	1
to merge with			
Whites Creek Bank and Trust Company Whites Creek	7,011	1	

Summary report by Attorney General, February 7, 1972

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

Basis for Corporation approval, March 2, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Whites Creek State Bank, Whites Creek, Tennessee ("First Bank"), a proposed new bank in organization, and for consent to its merger with Whites Creek Bank and Trust Company, Whites Creek, Tennessee ("Second Bank"), a State nonmember insured bank with total resources of $7,011,000, under the charter of First Bank and with the title of Second Bank. The resulting bank will operate from the one existing office of Second Bank.

The new bank formation and merger are designed solely as a means by which First Tennessee National Corporation, Memphis, Tennessee, a registered bank holding company, can acquire 100 percent of the voting shares of the bank resulting from the proposed merger. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on November 18, 1971. First Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing location of Second Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Second Bank or affect the banking services which Second Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Bank of Virginia of Roanoke Valley Vinton, Virginia	724	1	7
to merge with			
The Bank of Virginia of the Southwest Salem	34,032	6	

Summary report by Attorney General, February 8, 1972

Both of these banks are subsidiaries of Virginia Commonwealth Bancshares, Inc. ("VCB"). The proposed merger is part of a plan through which VCB intends to consolidate the eight offices of three of its subsidiaries located in the Roanoke area. As such, it is basically part of a corporate reorganization and will have no effect on competition.

Basis for Corporation approval, March 2, 1972

The Bank of Virginia of Roanoke Valley, Vinton, Virginia ("Roanoke Bank"), a State nonmember insured bank with total resources of $724,000 and deposits of $222,000 as of September 20, 1971, 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 Virginia of the Southwest, Salem, Virginia ("Southwest Bank"), a State nonmember insured bank with total resources of $34,032,000 and total deposits of $29,732,000 as of September 30, 1971, under the charter and title of Roanoke Bank. The six offices of Southwest Bank would be operated as branches of the resulting bank.

This proposed transaction is designed solely as a means by which Virginia Commonwealth Bankshares, Inc., Richmond, Virginia ("VCB"), a registered bank holding company, can consolidate its operations in Roanoke County, the town of Vinton, and the independent cities of Roanoke and Salem, Virginia. Both Roanoke Bank and Southwest Bank are owned by VCB, and this proposed transaction would not in itself change the structure of competition in the area nor should it affect the banking services which are provided.

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.

All other factors requiring consideration are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Elk County Bank and Trust Company St. Marys, Pennsylvania (change title to First Laurel Bank)	45,398	4	7
to merge with **The Bradford National Bank** Bradford	48,387	3	

Summary report by Attorney General, November 30, 1971

The distance between Bradford and St. Marys is 47 miles. Because the intervening area is characterized by large state and national forest preserves and various natural barriers such as hills, valleys and streams with no connecting high-speed highways, each service area is described as separate and distinct. It would appear that no substantial direct competition exists between the parties to the proposed merger.

Elk Bank is the larger of two banks in the town of St. Marys, and the largest of five banks in Elk County with 56.2 per cent of total county deposits. Bradford Bank is the larger of two banks in Bradford, and the largest of six banks in McKean County with 36.7 per cent of total county deposits.

Under Pennsylvania law, branching is permitted in the county in which an applicant bank's main office is located and in any county contiguous thereto. Thus, either of the merging banks could be permitted to open *de novo* branches in the area served by the other. Each is among the largest banks so eligible.

However, population trends and the general economy of this area do not appear conducive to significant *de novo* branching opportunities.

While *de novo* branching does not appear attractive, each bank could enter the service area of the other through merger with a smaller bank. If the proposed merger is approved, the resulting $80 million institution will become by far the largest bank serving this region, even more of a dominant factor than each bank presently is in its own market area.

Basis for Corporation approval, March 7, 1972

Elk County Bank and Trust Company, St. Marys, Pennsylvania ("Elk County Bank"), a State nonmember bank with total resources of $45,398,000, 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 Bradford National Bank, Bradford, Pennsylvania ("Bradford National"), with total resources of $48,387,000. The banks would merge under the charter of Elk County Bank with the title "First Laurel Bank" and, as an incident to the merger, the three offices of Bradford National would become branches of the resulting bank, which then would have a total of seven offices.

Competition. Elk County Bank operates four offices in Elk County, two of which are in St. Marys (population 7,470), one of which is in Ridgway (population 6,022), and one of which is in Weedville (population 600). Elk County (population 37,770) lies in north-central Pennsylvania, and its economy depends heavily upon the carbon-producing factories and other industrial employment in and near St. Marys. Many workers at these factories commute daily into the St. Marys area from a radius of as far as 60 miles. There are plans for expansion of these factories, which are currently operating at capacity. Elk County Bank has 56.2 percent, the largest share of total Elk County commercial bank deposits.

Bradford National operates three offices in Bradford, in McKean County. McKean County (population 51,915) lies between Elk County on the south and the New York State border on the north. Oil and gas production, long the mainstay of the area's economy, has declined in importance and the Bradford area has been characterized by the U.S. Department of Labor as one of "substantial unemployment." Many residents are forced to commute to employment centers such as Olean, New York, or St. Marys, Pennsylvania, and the economic outlook for this rural area is not promising. Household income levels are below average in McKean County. Bradford National has 36.7 percent of total McKean County commercial bank deposits, being the largest bank in the county in terms of such deposits.

The nearest offices of the two banks are 47 road miles apart. The banks have separate and distinct trade areas, there are six intervening offices of competing banks, and neither of the participants draws any significant amount of business from the service area of the other. The proposed transaction, accordingly, would not eliminate any significant amount of existing competition.

There is some possibility that competition could develop between these participating banks at some future date, as Pennsylvania law permits *de novo* branching into contiguous counties. The depressed economy of McKean County affords little incentive for *de novo* branching by Elk County Bank, however, while locations within Elk County that might appear attractive for *de novo* branching by Bradford National are already served by competing banks.

Elk County, moreover, has a population per commercial bank office of only 3,777 persons, and income levels, while somewhat better than in McKean County, also are below the statewide average. The Corporation concludes, accordingly, that such potential competition is unlikely to become actual competition through *de novo* branching in the foreseeable future.

If the proposed merger is consummated, the resulting bank would be headquartered in Elk County and would be legally able, under Pennsylvania law, to branch or merge into the six adjacent counties of McKean, Warren, Forest, Jefferson, Clearfield, and Cameron, as well as in Elk County. While the proposed merger would join the two banks having the largest share of their respective county's total commercial bank deposits, the resulting bank would hold only 13.6 percent of the total deposits held at commercial bank offices in this seven-county area—ranking second in this regard to The Warren National Bank, which holds 18.9 percent of such deposits. Other large banks would also have offices in various parts of the seven-county area, and the influence of additional banks of moderate size in Wellsville and Olean, New York, would also provide competition to some parts of this seven-county area.

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 to support the level of business they presently have, and so would the resulting bank. Both institutions are viable and progressive, although the prospects for Bradford National are less bright than those of Elk County Bank because of local economic conditions. The future prospects of the combined bank are likely to be much brighter than for either bank alone.

Convenience and Needs of the Community to be Served. The most immediate effects of the proposed transaction would be felt in the St. Marys area, where an increase in the rate of interest paid on savings accounts and longer term certificates of deposit would accompany a reduction of service charges on checking accounts. The lending limit of the resulting bank ($700,000) would be more than twice that of either bank separately, thereby facilitating loans to finance the expanding requirements of local industry. Moreover, lendable funds unused at Bradford National because of slack demand could be utilized more effectively in the expanding St. Marys area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Dime Bank Marietta, Ohio (in organization)	600	—	1
to acquire the assets and assume the deposit liabilities of			
The Dime Savings Society of Marietta Marietta	5,950	1	

Summary report by Attorney General, September 17, 1971

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

Basis for Corporation approval, March 17, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal Deposit Insurance on behalf of The Dime Bank, Marietta, Ohio ("Bank"), a proposed new bank in organization, and for consent to its acquisition of assets and assumption of deposit liabilities of The Dime Savings Society of Marietta, Marietta, Ohio ("Society"), total resources $5,950,000, under Bank's charter and title. Bank would operate from the main (and only) office of Society.

Competition. Bank is being organized to implement transfer of ownership of Society to American Bancorporation, Columbus, Ohio, a registered bank holding company, which would hold a majority of Bank's outstanding shares. No subsidiary of American Bancorporation is located within competitive distance of Society, nor is there competition between Bank and Society. Bank is to commence business at the time Society ceases operations. Society, a mutual savings bank, attracts savings and other time deposits from the area of Marietta and its environs and in major part confines its lending to mortgage loans on local dwelling properties. Third largest among the four area savings institutions, it holds 19.6 percent and 18.8 percent, respectively, of the $24 million deposits and $23 million loans held by all four institutions. Bank would serve the southern portion of Washington County, Ohio, and the northern portion of adjacent Wood County, West Virginia. Within this area, at June 30, 1971, 14 commercial banks competed; their 20 offices held IPC deposits of $249 million. Bank would rank third smallest, holding 1.9 percent of total area deposits.

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

Financial and Managerial Resources; Future Prospects. Society has recently lacked effective management, a situation that has been temporarily corrected by American Bancorporation in contemplation of the proposed transaction. The capital position of Society is inadequate. Both management and capital of Bank appear to be adequate, and Bank's future prospects would be favorable.

Convenience and Needs of the Community to be Served. Consummation of the proposal would remove a savings institution from the Marietta market, but three alternatives would remain, two of which overshadow Society by substantial margins. Bank, entering the Marietta-Parkersburg market, would offer an additional commercial banking alternative and serve to stimulate competition.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Valley Bank Bethlehem, Pennsylvania	213,603	14	15
to merge with **State Bank of Eastern Pennsylvania** Kingston	41,949	1	

Summary report by Attorney General, January 28, 1972

The closest offices of Valley Bank to State Bank are located in Carbon County to the south, at a distance of more than 30 miles. In view of this distance and the presence of other intervening banks, it would appear that the proposed merger would not eliminate any existing direct competition between the merging banks.

Should Valley Bank move its home office to one of its branches in Carbon County (thus being able to retain its existing offices), it could be permitted to branch *de novo* into Luzerne County generally, and particularly into the area served by State Bank. Valley Bank has the resources to establish *de novo* branches in attractive new markets. However, in view of the declining population of the Wilkes-Barre area, the existence of other possible potential entrants, and particularly the fact that State Bank is among the smallest banks serving the Wilkes-Barre market, we conclude that the proposed merger would not have a significantly adverse effect on potential competition.

Basis for Corporation approval, March 17, 1972

First Valley Bank, Bethlehem, Pennsylvania ("Valley Bank"), a State nonmember insured bank having, as of December 31, 1971, total resources of $213,603,000 and total IPC deposits of $182,417,000, 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 Eastern Pennsylvania, Kingston, Pennsylvania ("State Bank"), with total resources of $41,949,000 and total IPC deposits of $36,726,000. The banks would merge under the charter and title of First Valley Bank; and, as an incident to the merger, the one office of State Bank would become a branch of the resulting bank, increasing the number of its authorized offices to 18.

Competition. Valley Bank operates 10 offices in or near Bethlehem, in Northampton County, two offices in Allentown, Lehigh County, and two offices recently acquired by merger in Carbon County. Additionally, Valley Bank has the approvals necessary to establish three *de novo* branches in Bethlehem. Valley Bank's present service area is confined to Northampton, Lehigh, and Carbon Counties in Eastern Pennsylvania.

State Bank operates its sole office in the borough of Kingston (population 18,325), in northeastern Luzerne County (population 242,301), 3 miles northwest of Wilkes-Barre. Once primarily dependent on anthracite mining, the area is experiencing depressed economic conditions, and its population is declining, although the entrance of diversified industries should serve to level out the downward trend. State Bank derives the major portion of its business from the

Kingston-Wilkes-Barre area. Of the sixteen commercial banks competing within a 10-mile radius of Kingston, State Bank ranks fourth in terms of local deposits, holding 6.1 percent of the area's IPC deposits. The two largest banks in the area, both with total resources in excess of $200 million, hold 28.6 percent and 19.1 percent, respectively, of the area's IPC deposits. State Bank's office is only one of the 44 commercial bank offices in the same market.

Kingston is some 72 miles northwest of Bethlehem and 41 miles north of Nesquehoning, the location of Valley Bank's nearest office. The two banks serve distinct areas separated by topographical barriers, numerous banking offices are located in the intervening area, and they do not compete in any way. The proposed merger, accordingly, would eliminate no present competition between the two banks nor would it reduce the number of banking alternatives available to the public in the Kingston-Wilkes-Barre area.

Valley Bank, under Pennsylvania law, cannot now branch *de novo* or merge into Luzerne County, since that county is not contiguous to its headquarters county. Valley Bank, simultaneously with the proposed merger, proposes to designate one of its Carbon County branches as its main office, the result of which would be to allow Valley Bank to expand *de novo* or by merger into Luzerne County and Schuylkill County while depriving it of the right to expand into Bucks County—an area open to the largest Philadelphia-based banks. Once the redesignation takes place, increased competition between Valley Bank and State Bank could come about by Valley Bank's entry into Luzerne County either *de novo* or by means of some alternative merger.

State Bank, in like manner, could enter Carbon County (population 50,573) today. The probability that this potential for increased competition between the two banks would be realized, however, appears remote. State Bank's service area presently has a large number of entrenched competitors, a low population per commercial bank office, and a stagnant economy. While Valley Bank could seek to enter this market by acquiring a bank smaller than State Bank, such a requirement appears unnecessary in light of the limited share of local IPC deposits and commercial bank offices which State Bank controls. As to Carbon County, State Bank's entry also appears unlikely, in view of its history as a one-office bank, the limited population of Carbon County, its stagnant economy, and the distances that would be involved.

For these reasons, the Corporation has concluded that the proposed merger would eliminate no significant potential for increased competition between Valley Bank and State Bank.

The proposed merger would have no significant effect on banking concentration in any relevant area. Subsequent to the redesignation of its main office, Valley Bank could branch or merge, under Pennsylvania law, in Northampton, Lehigh, Carbon, Luzerne, Monroe, and Schuylkill Counties. Within this six-county region, State Bank and Valley Bank (together with the two institutions Valley Bank merged during 1971) held 7.5 percent of total IPC deposits as of June 30, 1970, while two Allentown-based banks held 9.7 percent and 7.2 percent, respectively. Seventy-three other commercial banks are headquartered within this region, while an additional seven banks, headquartered elsewhere, operate one or more offices under Pennsylvania law in the same area. Furthermore, within State Bank's present service area, the proposed merger should have the effect of enhancing competition against more dominant area banks in many lines of bank business. The proposed merger would not change the number of banks competing in the Kingston-Wilkes-Barre area, but it would substitute a bank with more than $200 million in resources for one of $40 million in resources, thus offering local residents and businessmen a choice among four large banks rather than three.

For the reasons stated, the Board of Directors believes 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. Valley Bank has satisfactory financial and managerial resources, as would the resulting bank. Valley Bank, moreover, could easily fill the management void which has existed at State Bank since its president resigned in May 1971. Future prospects for the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. The proposed merger would provide residents and businessmen in State Bank's service area with another option for a full range of commercial bank services, including Master Charge, more extensive trust services, and larger size loans. Increased competition for such services, sparked by Valley Bank's aggressive and capable management, should redound to the benefit of all area residents.

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 First State Savings Bank of Gladwin Gladwin, Michigan (change title to Mid-Michigan Bank)	12,830	1	2
to consolidate with			
The State Savings Bank of Harrison Harrison	9,465	1	

Summary report by Attorney General, December 14, 1971

Gladwin Bank and Harrison Bank are located 21 miles apart. There are no other banks located in the intervening area. Each bank derives most of its business from the town in which it is located and the immediate area. However, each bank draws some business from the service area of the other, and there is an area of competitive overlap located midway between the towns of Gladwin and Harrison. Therefore, some direct competition between the banks would be eliminated by the consolidation.

In addition to the consolidating banks, there are only three other commercial banks in this two-county area. All three other banks are located in the southern portions of Clare and Gladwin Counties, in Clare, Farwell, and Beaverton, and all three of these banks are affiliated through interlocking stockholders and directors. Thus, despite the presence of other banks in these two adjoining counties, the consolidation of Gladwin Bank and Harrison Bank would leave the two-county area, at best, with basically only two banking organizations.

Thus, because of the elimination of some existing competition between the participating banks and the elimination of banking alternatives for a large portion of banking customers in Gladwin and Clare Counties, we conclude that this consolidation would have some adverse effect on competition.

Basis for Corporation approval, March 31, 1972

The First State Savings Bank of Gladwin, Gladwin, Michigan ("Gladwin Bank"), a State nonmember insured bank with total resources of $12,830,000, 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 Savings Bank of Harrison, Harrison, Michigan ("Harrison Bank"), with total resources of $9,465,000. The banks would consolidate under the charter of Gladwin Bank with the title "Mid-Michigan Bank" and, as an incident to the consolidation, the single office of Harrison Bank would become a branch of the resulting bank.

Competition. Gladwin Bank is a unit bank located in Gladwin (population 2,071), the seat of Gladwin County, in north-central Michigan. The area Gladwin Bank serves covers most of Gladwin County and the eastern portion of adjoining Clare County. Its nearest competitor (and the only other bank headquartered in Gladwin County) is 8 miles to the south in Beaverton. This competing bank is affiliated through interlocking directors and ownership with Chemical Bank and Trust Company, Midland, Michigan, a $109 million institution. Gladwin County has a population of 13,471, having grown by about 25 percent during the previous decade. Its income levels are below the Michigan average, and more than 41 percent of its families are estimated to have annual cash incomes of less than $5,000.

The single office of Harrison Bank is 17.5 miles west of Gladwin Bank in Harrison, the seat of Clare County. Harrison Bank serves primarily the north-central portion of Clare County. Another affiliate of Chemical Bank and Trust Company, the much larger Citizens Bank and Trust Company, is headquartered in Clare, 15 miles south of Harrison, while the third bank headquartered in Clare County is located in Farwell about 5 miles west of Clare. This bank was recently sold by persons closely connected with Chemical Bank and Trust Company to local investors and must now be considered a completely independent institution. Clare County has a population of 16,695, an increase of about 43 percent over the 1960 population. Its income levels are comparable to those in Gladwin County.

The sparsely populated Gladwin-Harrison area has long been dependent upon agriculture, with little evidence of any trend toward industrialization. Recent increases in local population and income are based on the resort trade and the construction of vacation and retirement cottages. Lake-front property in the two counties is becoming scarce, however, and this source of economic growth is expected to taper off in the future. The Federal Government has declared this to be a financially depressed area.

Midway between Gladwin and Harrison, there is an overlapping, some 4 miles in width, of the secondary areas served by both banks. Each bank draws some business from this sparsely populated area, and the proposal would eliminate the limited competition between them in this location. Neither bank has any significant loan or deposit business, however, from the primary service area of the other. The possibility for increased competition between the two banks in the future appears remote. *De Novo* branching is unlikely, since State law prohibits such entry into a city or village in which another bank office is located, and the remaining unbanked communities in the two counties have very limited population or deposit potential.

Gladwin Bank and Harrison Bank are reasonably convenient alternatives for residents of the two counties seeking banking services. There are no competing offices intervening between them, although the affiliates of Chemical Bank and Trust Company are, respectively, closer to Gladwin Bank and Harrison Bank than these two banks are to each other. Farwell State Savings Bank represents the only other banking alternative available to most people in the two counties, commercial bank offices in contiguous counties at Marion, Houghton Lake, Prudenville, West Branch, Standish, and Midland being discounted for this purpose since they range from 20 to 48 miles distant from Harrison or Gladwin and would constitute alternatives for only a small portion of the population in Clare or Gladwin Counties. Similarly, while the application discloses that some 1,200 persons in Gladwin Bank's service area and 250 persons in Harrison Bank's service area commute 37 to 48 miles one way to work in Midland, where two larger banks are headquartered, neither of these Midland banks constitutes a readily available alternative for the majority of residents in Gladwin and Clare Counties. This analysis requires the conclusion that the proposed consolidation would reduce from four to three the number of independent alternatives generally available to the 30,000 residents of the two counties. In addition, the proposed consolidation would materially increase the concentration of local deposits held by the two largest banking organizations in the two-county area, that is, the Chemical Bank and Trust Company affiliates and the consolidated bank.

While these are anticompetitive considerations in the proposed consolidation, their significance is somewhat limited by the economic characteristics and future prospects of the two counties. In addition, the proposed consolidation would have some procompetitive results in that the resulting bank should be better able to compete with the nearby affiliates of Chemical Bank and Trust Company, Midland.

Financial and Managerial Resources; Future Prospects. Both banks have financial and managerial resources which are adequate for their continued operation either independently or on a consolidated basis. Future prospects for the two banks are only fair and should be strengthened by more efficient use of their resources resulting from the proposed consolidation.

Convenience and Needs of the Community to be Served. Harrison Bank is today more heavily loaned in relation to its assets than Gladwin Bank. The proposed consolidation would permit some transfer of lendable funds to the Harrison office of the resulting bank to help satisfy loan demands in that area. In addition, the lending limits of both banks would be increased substantially—in the case of the Harrison Bank from $34,500 to almost $100,000 and, if the bank's Board of Directors approves, to almost $200,000.

Based on the foregoing information, the Board of Directors believes that the adverse competitive considerations presented by the application are limited in scope and counterbalanced by certain procompetitive results. Based on the modest benefits in banking service likely to accrue to residents of both counties as a result of the consolidation proposed, 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
Goochland Community Bank Goochland, Virginia (in organization; change title to Bank of Goochland)	125	—	2
to merge with			
Bank of Goochland Goochland	18,062	2	

Summary report by Attorney General, February 15, 1972

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

Basis for Corporation approval, March 31, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal Deposit Insurance for Goochland Community Bank, Goochland, Virginia ("First Bank"), a proposed new bank in organization, and for consent to its merger with Bank of Goochland, Goochland, Virginia ("Second Bank"), total resources $18,062,000, under First Bank's charter and Second Bank's title. The resulting bank is to operate from the present main office and one existing branch of Second Bank.

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

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Bank of Savannah Savannah, Georgia	22,689	2	4
to merge with **Industrial Bank of Savannah** Savannah	6,098	2	

Summary report by Attorney General, February 23, 1972

The main offices of First Bank and Industrial Bank are located in downtown Savannah only two blocks apart. All of their branches and proposed branches are located in the Savannah metropolitan area. Both institutions derive virtually all of their business from the same relevant market, Chatham County. With only 10 banks currently operating in Chatham County, it is clear that substantial existing competition will be eliminated by the proposed merger.

As of June 30, 1970, First Bank was the fourth largest bank operating in Chatham County and held approximately 4.0 per cent of total county deposits. According to the application, since becoming a commercial bank in 1969, First Bank's resources have increased 91 per cent. Thus, First Bank's current Chatham County market share is probably greater than that of June 30, 1970. As of that date, Industrial Bank was the seventh largest Chatham County bank and held approximately 1.1 per cent of total county deposits. Since 1963, Industrial Bank has tripled in size.

The four largest banks operating in Chatham County hold approximately 96 per cent of total county deposits. With the consummation of the proposed merger these banks will hold approximately 97 per cent of such deposits.

Georgia law limits branching to only those counties in which a bank presently has an office. Furthermore, bank holding companies are restricted to acquiring no more than 5 per cent of the voting shares of any other bank. Therefore, any potential deconcentration in the Chatham County banking market must come from existing banks in Chatham County. There are only nine banks (only seven of which are full commercial banks) now operating in Chatham County. There have been at least four mergers or acquisitions involving Chatham County banks since 1967, and the second largest bank in the county, Savannah Bank and Trust Company, has an application pending before the Federal Reserve Board to acquire Chatham Savings Bank. Thus, consummation of the proposed merger will clearly result in the elimination of one of a very few sources of potential competition in Chatham County. Under these circumstances, the elimination of even a small factor in such a highly concentrated market presents significant competitive problems.

The proposed merger would eliminate significant existing competition and increase the already high concentration in banking markets in Savannah. It would also eliminate Industrial Bank as one of the very few sources of potential deconcentration in the Chatham County banking market. Therefore, we conclude that the proposed merger would have an adverse effect on competition.

Basis for Corporation approval, April 17, 1972

First Bank of Savannah, Savannah, Georgia ("First"), a State nonmember insured bank with total resources of $22,689,000 and total IPC deposits of $15,084,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Industrial Bank of Savannah, Savannah, Georgia ("Industrial"), with total resources of $6,098,000 and total IPC deposits of $3,790,000. The banks would merge under the charter and title of First; and, as an incident to the merger, the two offices of Industrial would become branches of the resulting bank.

Competition. First, the fourth largest commercial bank in Chatham County, which comprises the Savannah SMSA, has had a close relationship with First National Bank in Atlanta, Georgia's third largest banking organization, since 1969. In the Savannah SMSA, First has two operating offices and two additional offices authorized but unopened. It holds approximately 4.4 percent of the SMSA's total IPC deposits held at commercial banks and the more limited-service savings banks (which are stock institutions in Georgia). First is considerably smaller in the Savannah SMSA than its three larger competitors: The Citizens and Southern National Bank, which held approximately 44.4 percent of such IPC deposits on June 30, 1970; Savannah Bank & Trust Company of Savannah, which (with Chatham Savings Bank, a bank whose merger with Savannah Bank & Trust Company has been approved by the Federal Reserve Board) held approximately 30.1 percent of such deposits; and The Liberty National Bank & Trust Company of Savannah, with approximately 17.0 percent of such deposits. The largest bank in the area is an affiliate of Georgia's largest banking organization, and the third largest is an affiliate of Trust Company of Georgia, the State's second largest banking organization.

Industrial is the seventh largest bank in the Savannah SMSA, with IPC deposits equal to approximately 1.1 percent of the SMSA's total. Industrial, which converted to full commercial bank status in 1963, has two offices in the Savannah SMSA. Its main office is approximately three blocks away from First's main office in a financial section of Savannah where most of the SMSA's other banking institutions also are headquartered.

Savannah is the county seat of Chatham County (population 187,767) and is an important manufacturing distribution and transportation center. The city's population decreased 20.7 percent between 1960 and 1970, but the county's population remained relatively stable.

Both banks compete in the same market for deposits, real estate loans, and installment loans, and, to a lesser extent, for business loans and single-payment loans to individuals. The amounts involved, however, are insignificant relative to the total of such business originating in the Savannah SMSA. The proposed merger would eliminate this existing competition between First and Industrial, but there are certain mitigating factors. Industrial has been a nonaggressive competitor for banking business in the Savannah area. Its merger into First is unlikely to eliminate a significant existing or a significant potential competitor.

The merger should enable First, however, to compete somewhat more effectively with the area's three largest banking institutions, particularly for the banking business of Savannah's commercial accounts. First's continued growth is likely to be the most effective way, within the reasonably foreseeable future, to deconcentrate the commercial bank resources now held by the three largest banks in the Savannah SMSA.

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, as would the resulting bank, have adequate financial and managerial resources for the business they do as independent institutions. Each of the participating banks has favorable future prospects; however, the future prospects of Industrial should be better as part of the resulting bank than as an independent unit.

Convenience and Needs of the Community to be Served. The resulting bank can be expected to extend to Industrial's customers its slightly higher rate of interest on passbook savings accounts and its special "5x5" time account. To the extent the proposed merger assists First in becoming a more effective competitor for Savannah's three largest banks across the broad spectrum of commercial bank services, including larger size loans and specialized services for business customers, the Savannah public should benefit by having four, rather than three, significant sources 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
Bank of Clarksdale Clarksdale, Mississippi	58,712	9	12
to merge with			
Bank of Batesville Batesville	8,384	3	

Summary report by Attorney General, February 23, 1972

The nearest branch of Clarksdale Bank to that of Batesville Bank is located in the Town of Lambert, approximately 23 miles away. In the intervening area are located offices of two other banks. Clarksdale Bank derives approximately $250,000 in loans and $100,000 in deposits from the area served by Batesville Bank. Thus, it would appear that only a relatively insignificant amount of direct competition would be eliminated by the proposed merger.

Clarksdale Bank, at present, has two branch offices on the western edge of the Batesville Bank's service area as defined in the application; under Mississippi law, it could branch *de novo* into the center of Batesville Bank's service area. However, there are a number of other potential entrants into this area, and the Batesville Bank is not one of the dominant institutions in the area. Thus, the proposed acquisition would have no adverse effect on potential competition.

Basis for Corporation approval, April 17, 1972

Bank of Clarksdale, Clarksdale, Mississippi, a State nonmember insured bank with total resources of $58,712,000 and total IPC deposits of $46,663,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Batesville, Batesville, Mississippi, with total resources of $8,384,000 and total IPC deposits of $6,620,000. The banks would merge under the charter and title of Bank of Clarksdale and, as an incident to the merger, the three offices of Bank of Batesville would become branches of the resulting bank, increasing the number of its offices to 12.

Competition. Bank of Clarksdale operates nine offices in four northwestern Mississippi counties; five offices located in Coahoma County, two offices located in Quitman County, one office in Sunflower County, and one office in Tallahatchie County. Each of these counties had a population decrease in the last decade, ranging from 12.5 percent in Coahoma County to 24.4 percent in Quitman County. The combined four-county area had an overall decline in population from 137,062 in 1960 to 112,720 in 1970, or 17.8 percent. Clarksdale itself had a nominal increase in the like period, from 21,105 to 21,673.

Bank of Batesville operates its main office and a drive-in facility in Batesville and a branch at Pope, 8 miles south of Batesville, all in Panola County, which adjoins Quitman County on the east. During the 1960s, Panola County experienced a 6.8 percent decline in population, from 28,791 in 1960 to 26,829 in 1970. Batesville, the county seat, grew modestly, however, from 3,284 to 3,796 in the same period. Pope is a sparsely populated community of only 210 people.

The service areas of the participating banks are predominately agricultural, with the principal crops being cotton and soybeans. There has, however, been increasing industrial activity in and around Clarksdale and Batesville, and further such activity is anticipated.

The closest offices of the two participating banks are about 22 miles apart, and the principal roads between these two locations all run through towns containing offices of other banks. As might be expected, the volume of business each bank generates from areas primarily served by the other is small relative to the total deposit and loan business originating in such areas. The proposed merger would not, therefore, eliminate any significant existing competition between the two banks.

Under Mississippi law, each of the participating banks could branch *de novo* into the other's area, but the likelihood of such activity on the part of either is considered remote. Bank of Batesville has neither the resources nor the managerial depth to pursue that course, while Bank of Clarksdale might not find Panola County attractive for *de novo* branching, in view of the declining population trend, the existence of six fully empowered banking offices already serving the county, and the relatively low average incomes of Panola County residents. Moreover, should economic trends be reversed, there are a number of other potential entrants, into Panola County, which are larger than Bank of Clarksdale.

Bank of Clarksdale is the largest bank in the four-county area in which it maintains offices, with 29.1 percent of their total commercial bank deposits, as of June 30, 1970. Bank of Batesville is the second largest of six commercial banks in Panola County, with approximately 26.9 percent of their total deposits. The resulting bank would be the largest in its combined five-county service area, with approximately 28.8 percent of the total deposits. These figures probably overstate the local strength of Bank of Clarksdale since Memphis, Tennessee, banks are reasonably convenient alternatives for at least the larger customers in Bank of Clarksdale's service area, and they also have a competitive influence on retail business generally through their advertising. Nevertheless, Bank of Clarksdale's relative size and lead position in its present service area constitutes an adverse factor in the consideration of this application, since the proposed merger would add to the concentration of banking resources in this section of Mississippi and since Bank of Batesville undoubtedly has merger alternatives available to it other than Bank of Clarksdale. This adverse factor, however, is counterbalanced by other competitive considerations. Ample banking alternatives would remain in all relevant areas. More importantly, competition in Panola County would be strengthened since the proposed merger would eliminate a nonaggressive competitor whose dominant position in Batesville has been overtaken by a bank organized less than 20 years ago. Finally, Bank of Clarksdale has only 1.4 percent of total commercial bank deposits in the State of Mississippi. The proposed merger would increase that percentage to 1.6 percent.

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. Bank of Clarksdale and the resulting bank have satisfactory financial and managerial resources and satisfactory prospects for the future. Although Bank of Batesville has satisfactory financial resources, it has aging management that has failed to compete aggressively and no plans for management succession. The proposed merger would add depth to Bank of Batesville's management and resolve its succession problem. Bank of Batesville's prospects for the future would accordingly be more favorable as part of the resulting bank than operating independently.

Convenience and Needs of the Community to be Served. The principal effects of the proposed merger would be felt in Batesville and Panola County. The merger would bring to this area the full services of a larger, more aggressive institution. Specific services which would be offered by the resulting bank but which are not now offered by Bank of Batesville include trust services, data processing services, and a variety of loan services. Not only would the resulting bank be able to make larger loans to Bank of Batesville customers, it can also be expected to increase significantly the total amounts of loans outstanding at Bank of Batesville offices. In addition, these offices would be physically improved and modernized. Such changes should benefit the general public and the business community in Panola County and act as a stimulant to local competition.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Monroe Savings Bank Rochester, New York	274,691	6	7
to merge with **Wayland Dime Savings and Loan Association** Wayland	264	1	

Summary report by Attorney General, February 23, 1972

Monroe is one of four thrift institutions in Rochester holding deposits of between $200 and $400 million. While its closest office is about 40 miles from Wayland, the application indicates that Monroe draws about $4.1 million from the area served by Wayland. Accordingly, the proposed merger would eliminate whatever competition this small uninsured institution may presently be affording to other institutions serving the area, including Monroe.

In view of the size of Wayland, and the lack of any apparent promise of its becoming a meaningful competitor in its service area, we conclude that the proposed merger would be unlikely to have any significantly adverse effect on competition.

Basis for Corporation approval, April 17, 1972

Monroe Savings Bank, Rochester, New York ("MSB"), an insured mutual savings bank with total deposits of $257,148,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Wayland Dime Saving and Loan Association, Wayland, New York ("S&L"), a noninsured savings and loan association with total deposits of $228,000. The institutions would merge under the charter and title of MSB and, as an incident to the merger, S&L's only office would become a branch of MSB, after it has been relocated to 131 Main Street, Dansville, New York, a distance of about 6 miles to the west of S&L's present location. The number of offices operated by MSB would be increased to seven.

Competition. All offices of MSB are located in the Rochester metropolitan area, which comprises its primary trade area. The Rochester metropolitan area is a diversified manufacturing center with a growing, relatively prosperous population. Under a recently revised New York law, MSB may open one *de novo* branch per year and merge throughout the State's Eighth Banking District. As of December 31, 1971, MSB was the fifth largest mutual thrift institution in that district, with 12.2 percent of their total deposits and 9.2 percent of all thrift institution offices. S&L was the smallest of 16 thrift institutions in the district, with only 0.01 percent of their total deposits.

The Village of Wayland has a population of about 2,000 and is in a sparsely populated section of Steuben County The village of Dansville, the county seat of Livingston County, had a population of 5,436 in 1970 and is part of the slightly larger town of North Dansville. The town of North Dansville serves as a trade center for an area encompassing 11 towns with an estimated combined population of approximately 22,300. S&L is the smallest of four thrift institution offices within a 21-mile radius of Dansville and has only 1.5 percent of their total deposits.

The trade areas of MSB and S&L, both at its present site and at its proposed location, are separate and distinct. Dansville is located about 45 miles south of the main office of MSB and 39 miles south of its nearest office in Southtown Plaza in Henrietta. While MSB draws some deposit business from the Dansville trade area, the amounts involved are not substantial relative to the total deposit business originating there. S&L draws virtually no business from the Rochester metropolitan area and has not been an effective competitor, in recent years, with any financial institution. The proposed merger would eliminate no significant competition between S&L and MSB.

Management of S&L has decided, in the event of a denial of this application, to sell S&L's loan portfolio and liquidate. Even if this management decision were reversed, there would be little prospect for increased competition between MSB and S&L in the future. S&L has neither the financial nor the managerial resources to expand beyond its present trade area, while MSB has far more attractive locations than Dansville available to it for purposes of utilizing its annual *de novo* branch privilege. While S&L may have other merger alternatives available to it, the relative share of total thrift institution deposits in the Eighth Banking District held by MSB and S&L makes it unnecessary to require S&L to pursue such alternatives.

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

Financial and Managerial Resources; Future Prospects. Each of the participating institutions has adequate financial and managerial resources for the business they presently transact, as would the resulting bank. Absent this proposed transaction, S&L has no future prospects unless its management determines not to liquidate as presently proposed. The future prospects for both the Dansville branch and the resulting institution are favorable.

Convenience and Needs of the Community to be Served. Consummation of this proposed transaction would have no perceptible impact upon the present customers of MSB except those that reside in the Dansville area who might benefit from MSB's on-line depositor service. Present and potential customers of S&L however, should benefit materially. S&L is presently open to the public only 2 hours a week and has recently lost the space from which it had been operating. It offers only passbook savings accounts and mortgage loans of very limited amounts. Excluding dividend credits, the deposits of S&L have decreased by $10,000 on the average over the last 5 calendar years. This negative growth is attributed to the limited number of hours the association is open and the lack of services it offers to the public.

The resulting bank would offer normal banking hours 5 days a week, larger size mortgage loans, and the full range of services which mutual savings banks are permitted by New York law to offer. These additional services would include savings bank life insurance, certificate accounts at maximum rates of interest allowed by Federal regulation, FHA and VA mortgage loans, home improvement loans, student loans, traveler's checks, and a variety of savings plans. To the extent such services are available at other institutions within a 20-mile radius of Dansville, the proposed merger would add a significant new alternative for banking customers in the area.

Based on the foregoing information, 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
First-Citizens Bank and Trust Company of South Carolina Columbia, South Carolina	121,161	28	30
to merge with			
Peoples Bank & Trust Co. Pageland	7,331	2	

Summary report by Attorney General, January 21, 1972

The nearest branch of First-Citizens to Peoples Bank is located in Cheraw, approximately 30 miles east of Pageland. While the application claims that neither bank draws significant amounts of business from the service area of the other, there are only six banks in the county; because the area is essentially rural, each of the offices of these banks must be regarded as serving as an alternative source of banking services to the other.

In addition, First-Citizens has pending before the Corporation an application to acquire The Bank of Chesterfield ("Chesterfield Bank"). Chesterfield Bank is located between Cheraw and Pageland, about 18 miles east of Pageland. There are no banking offices between Pageland and Chesterfield, although there is a small branch of another bank in Chesterfield. If that acquisition were to be approved, approval of this acquisition would eliminate the existing competition between Peoples Bank and Chesterfield Bank.

First-Citizens holds about 16 per cent, the fourth largest share, of total Chesterfield County deposits at its Cheraw branch. Chesterfield Bank holds about 17 per cent, the third largest share. Approval of that pending application would leave First-Citizens with 33 per cent of county deposits, the largest share, and the banks with the two largest shares would then hold 54 per cent of total county deposits. Peoples Bank holds about 23 per cent of total county deposits. Approval of both pending applications would leave First-Citizens with 56 per cent of county deposits; the banks holding the two largest shares would then hold 87 per cent of total county deposits. Obviously, approval of these acquisitions would result in a significant increase in concentration in Chesterfield County.

In our competitive report of July 6, 1971, we concluded that, because a significant alternative source of banking services would be eliminated in a rural area where there are few commercial banks and because concentration would be substantially increased, the acquisition of Chesterfield Bank by First-Citizens would have an adverse effect on competition. This acquisition, of Peoples Bank by First-Citizens, would eliminate another banking alternative, and further increase concentration by the addition of a 23 per cent share, presently the second largest, of Chesterfield County deposits. Because of this, we conclude that the acquisitions of Chesterfield Bank and Peoples Bank by First-Citizens would have a significantly adverse effect on competition.

Basis for Corporation approval, May 1, 1972

First-Citizens Bank and Trust Company of South Carolina, Columbia, South Carolina ("First-Citizens"), a State nonmember insured bank with total resources of $121,161,000 and total IPC deposits of $89,976,000, 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 Peoples Bank & Trust Co., Pageland; South Carolina ("Peoples"), with total resources of $7,331,000 and total IPC deposits of $5,739,000. The banks would merge under the charter and title of First-Citizens, and the two offices of Peoples would become branches of the resulting bank, which would then have a total of 30 offices, not counting three approved but unopened branches.

Competition. First-Citizens, the fifth largest bank in South Carolina, operates 28 offices in 11 of the State's 46 counties. It has completed eight bank acquisitions since June 30, 1968, increasing its deposits by $53 million and the number of its offices by 15 in this way. It has opened 11 *de novo* offices in the same period. Not yet a statewide bank with offices throughout South Carolina, First-Citizens operates in three general sections: Spartanburg County in the northwestern section of the State; Richland and Lexington Counties surrounding the State capital at Columbia; and eight counties forming a crescent in the eastern part of the State running from Lancaster County in the north to Charleston County on the coast. At year-end 1971, First-Citizens held 3.7 percent of statewide commercial bank deposits, ranking well behind the State's four largest banks: The South Carolina National Bank of Charleston (21.7 percent of all commercial bank deposits in the State), The Citizens and Southern National Bank of S.C. (13.3 percent of such deposits), First National Bank of South Carolina (10.1 percent of such deposits) and Bankers Trust of South Carolina (8.4 percent of such deposits). First-Citizens is approximately the same deposit size as Southern Bank and Trust Company and The Peoples National Bank, each of which also holds approximately 3.7 percent of the State's commercial bank deposits.

Peoples operates two offices in the town of Pageland (population 2,122), which is located a few miles south of the North Carolina border in the northwestern section of Chesterfield County. An office of First Peoples National Bank of South Carolina, a $17 million institution, was opened in Pageland at year-end 1971 and constitutes the only other bank in town. Both banks, however, also compete with Bank of Jefferson, a $2 million unit bank, located 8 miles south of Pageland. These three banks are the only ones within 15 road miles of Pageland, with Peoples, three times larger than Bank of Jefferson, having the largest share of local IPC deposits. The merger of Peoples with First-Citizens would substitute the State's fifth largest bank for one of these three banks, but it would not reduce the number of banking options in Pageland or its environs available to local residents.

The First-Citizens office nearest to Pageland is to the west in Lancaster, approximately 24 miles away. While each bank draws some business from the area of Tradesville, a small unbanked community in the northeast corner of Lancaster County that lies between Pageland and Lancaster, the amounts involved are relatively insignificant. Moreover, to the extent persons who live on this edge of the area served by Peoples find it convenient to commute north, west or south rather than to Pageland for banking services, they have the choice of two additional banks in Lancaster, a small independent bank in Heath Springs, a branch of South Carolina's third largest bank in Kershaw and branches in or around Monroe, North Carolina, of three banks headquartered in that State.

The Corporation concludes that the proposed merger of Peoples with First-Citizens would eliminate no significant existing competition between them or reduce in any significant way the banking options which residents of the area served by Peoples now have. In addition, since First-Citizens has no office today in the Pageland area and draws little banking business from the area, the proposed merger would not increase in any significant way the concentration of commercial bank resources in the relevant area of local competition.

In so analyzing the likely effects of the proposed merger on local competition, the Corporation has rejected the view that the appropriate geographic area for this purpose is all of Chesterfield County. The latter is one of South Carolina's largest counties in terms of land area. It is sparsely populated, and large wildlife, forest and park preserves in the southern half of the county limit local traffic between many points. First-Citizens has one existing branch office in Chesterfield County, but this is in Cheraw some 32 miles east of Pageland. Neither section of the county draws much business from the other and there is no reason to believe the two communities are reasonable alternatives for banking services. Given the rural nature of the area, the general reliance of the public on automobile travel for transportation and the existence of well-paved roads, the more realistic area to measure the range of effective competition for Peoples, the bank sought to be merged, is considered to be approximately 15 road miles from Pageland.

South Carolina law permits statewide branching, either *de novo* or by merger. While Peoples, with limited resources and a 48-year history of local operation, is unlikely to branch *de novo* into areas now served by First-Citizens, the latter has the capability of entering the Pageland area *de novo,* but it is unlikely to find this course of action attractive in the foreseeable future.

Pageland and its environs have shown almost no growth during recent years. About 12,600 South Carolina residents are estimated to live within 15 road miles of Pageland, and they are already served by four commercial bank offices. Income levels in this section of South Carolina are below the South Carolina average, while the South Carolina average itself ranks 49th in the nation. Unemployment in this area of the State has been a serious problem in the past and economic prospects for the future are not considered particularly bright, despite the opening of several manufacturing plants within commuting distance. The proposed merger, for these reasons, is considered unlikely to eliminate any significant potential for increased competition between First-Citizens and Peoples through *de novo* branching.

Examining the six-county South Carolina area consisting of Chesterfield County and its five surrounding counties (Marlboro, Darlington, Lee, Kershaw, and Lancaster), it appears that First-Citizens has only four of the total number of 48 commercial bank offices in the area and as of June 30, 1970, controlled only 7.3 percent of the total IPC deposits held at all commercial bank offices then operating in the area, ranking sixth in this regard among 20 commercial banks. The proposed merger of Peoples with First-Citizens would moderately improve First-Citizens' position in the six-county area, but it would not result in any undue concentration of commercial bank resources. In the State as a whole, the acquisition of Peoples would result in only a slight increase in the 3.7 percent share of commercial bank deposits now held by First-Citizens. Since the proposed merger would have no significant effect on the concentration of commercial bank resources or on public choice in any relevant market, there would appear to be no reason to require Peoples to seek an alternative merger partner rather than First-Citizens.

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. The financial and managerial resources of both banks are considered satisfactory and should continue so in the resulting bank. The future prospects of Peoples are not especially bright, but those of First-Citizens and of the resulting bank appear quite favorable.

Convenience and Needs of the Community to be Served. The proposal would bring to the area within 15 road miles of Pageland a comprehensive range of banking services not presently offered by the three small banks with offices in the area. These would include trust services, data processing services, a greater ability to service commercial and industrial borrowers, and a variety of specialized credit services for customers of all types. In addition, the public should benefit generally from the more aggressive competitive stance which First-Citizens is likely to bring to the area. This is likely to be particularly noticeable in the solicitation of time deposits and in a greater willingness to increase the total volume of loans outstanding 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
The Commercial Bank Winchester, Virginia (in organization; change title to The Commercial and Savings Bank)	50	—	5
to merge with **The Commercial and Savings Bank** Winchester	29,586	5	

Summary report by Attorney General, March 31, 1972

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

Basis for Corporation approval, May 1, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application for Federal deposit insurance has been filed on behalf of The Commercial Bank, Winchester, Virginia ("New Bank"), a proposed new bank in organization, and for consent to its merger with The Commercial and Savings Bank, Winchester, Virginia ("Present Bank"), a State nonmember insured bank with total resources of $29,586,000, under the charter of New Bank and with the title of Present Bank. The main office of Present Bank will become the main office of the resulting bank, and the five approved branches of Present Bank (one is not yet open) will be operated as branches by the resulting bank.

The formation of New Bank and its merger with Present Bank effects a corporate reorganization whose sole purpose is to enable Valley of Virginia Bankshares, Inc., Harrisonburg, Virginia, a proposed multibank holding company, to acquire the voting shares of the bank resulting from the proposed merger. Approval of said acquisition was granted by the Board of Governors of the Federal Reserve System on April 19, 1972. New Bank will not operate as a commercial bank prior to the merger. Following the merger's consummation, New Bank will carry on operations of a commercial bank at all locations of the Present Bank, with essentially the same management. The proposal will not, per se, affect the structure of commercial bank competition in the market served by Present Bank or result in changes in banking services heretofore provided by Present Bank. All factors considered pertinent to the two subject applications are resolved favorably.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Guaranty Bank & Trust Company Worcester, Massachusetts	202,748	19	20
to purchase the assets and assume the deposit liabilities of			
Colonial Bank and Trust Company Athol	2,330	1	

Summary report by Attorney General, April 26, 1972

Guaranty's offices are situated in the eastern and southern parts of Worcester County. Its closest operating branch to the community of Athol is 28 road miles away in Leominster. There are five alternative sources of commercial banking services within a 10 mile radius of Athol. Guaranty's present deposit and loan activity in Athol is minimal. Worcester County banking is highly concentrated with the two largest banks accounting for 67 per cent of deposits and the four largest for 85 per cent. As a result of the proposed transaction, Guaranty's share of deposits in Worcester County (which is probably itself too large to constitute a relevant retail market) would be increased by .3 per cent to 22.5 per cent.

In light of Colonial's small size and tenuous condition, any detrimental competitive consequences resulting from Guaranty's proposed acquisition of assets and assumption of liabilities should be very limited.

Basis for Corporation approval, May 12, 1972

Guaranty Bank & Trust Company, Worcester, Massachusetts ("Guaranty"), an insured State nonmember bank with total resources of $202,748,000, 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, Colonial Bank and Trust Company, Athol, Massachusetts ("Colonial"), an operating noninsured commercial bank with total resources of $2,330,000, and, as an incident to the proposed transaction, the one office of Colonial would become a branch of Guaranty, increasing the number of its offices to 20. The Corporation has heretofore advised the Attorney General and the other banking agencies of the existence of an emergency requiring expeditious action pursuant to paragraph 6 of Section 18(c) of the Federal Deposit Insurance Act.

Competition. Both the city of Worcester (1970 population 176,572) and the town of Athol (1970 population 11,185) are in the county of Worcester (1970 population 637,969). Guaranty has 20 authorized offices, all in the eastern half of Worcester County. It is the second largest commercial bank in the county, holding 22.2 percent of the county's total IPC deposits (the largest holding 45.1 percent of such deposits). Colonial, the smallest commercial bank in Worcester County, is a unit bank, holding 0.3 percent of the county's total IPC deposits. It is the smallest of four banks in its present service area.

Colonial's office and Guaranty's nearest branch, which is in Leominster, are 28 miles apart, and their service areas do not overlap. Neither bank draws any substantial business from areas served by the other, and no significant amount of existing competition between the two banks would be eliminated by this proposed transaction. Colonial, moreover, is a failing bank, which is not now, and is extremely unlikely to become, a viable competitor. Thus, even though Guaranty has the capacity and the legal authority under Massachusetts law to branch *de novo* into Athol, there is no potential for increased competition between the two banks in the future. Finally, if Colonial closed, First National Bank of Athol, already the largest of four banks serving Colonial's present service area, would obtain a monopoly of the commercial bank business locally in Athol. The proposed transaction would instead replace Colonial with a branch of an aggressive Worcester bank, and this result should stimulate competition in the area presently served by Colonial.

For the reason stated, 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. Colonial lacks adequate financial and managerial resources and is in a failing condition. Guaranty has adequate financial and managerial resources to absorb Colonial and has favorable future prospects with or without consummation of the proposed transaction.

Convenience and Needs of the Community. Consummation of this proposed transaction would avoid any interruption of banking services for Colonial's customers and any losses to depositors or creditors, since Colonial is a noninsured institution. By substituting a branch of Guaranty for Colonial, the result would be increased competition for First National Bank of Athol, and this should benefit the public at large as well as existing customers of Colonial since Guaranty offers a charge card service, payroll services, a much larger lending limit, and specialized commercial bank services not now offered by First National Bank of Athol.

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
Hampshire Trust Company Hyattsville, Maryland (in organization; change title to Suburban Trust Company)	900	—	44
to merge with			
Suburban Trust Company Hyattsville	681,955	44	

Summary report by Attorney General, March 20, 1972

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

Basis for Corporation approval, May 18, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Hampshire Trust Company, Hyattsville, Maryland ("New Bank"), a proposed new bank in organization, and for prior consent to its merger with Suburban Trust Company, Hyattsville, Maryland ("Operating Bank"), a State nonmember bank, total resources of $681,955,000 as of February 29, 1972, under New Bank's charter and Operating Bank's title. The resulting bank will operate Operating Bank's existing 44 offices and 11 approved but unopened branches when established. The initial capital of New Bank will be retired.

The new bank formation and merger are being utilized as a means to facilitate the acquisition of Operating Bank by Suburban Bancorporation ("Holding Company"). Holding Company's application to become a registered bank holding company and acquire control of Operating Bank was approved on May 1, 1972, by the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business of Operating Bank at its existing locations, and with the same management. The proposal will not, per se, change the banking services which Operating Bank has provided to its trade area. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Woodridge State Bank Houston, Texas (in organization; change title to Gulfgate State Bank of Houston)	200	—	1
to purchase the assets and assume the deposit liabilities of			
Gulfgate State Bank of Houston Houston	35,079	1	

Summary report by Attorney General, February 15, 1972

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

Basis for Corporation approval, May 18, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Woodridge State Bank, Houston, Texas ("First Bank"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liability to pay deposits made in Gulfgate State Bank of Houston, Houston, Texas ("Second Bank"), a State nonmember insured bank with total resources of $35,079,000. The resulting bank will operate from the one existing office of Second Bank and with its title.

The new bank formation and purchase and assumption transaction are designed solely as a means by which First City Bancorporation of Texas, Inc., Houston, Texas, a registered bank holding company, can acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed transaction. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on April 4, 1972. First Bank will not be in operation as a commercial bank prior to the purchase and assumption transaction, but subsequent to consummation it will operate the same banking business at the existing location of Second Bank, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Second Bank or affect the banking services which Second Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Tracy-Collins Bank and Trust Company Salt Lake City, Utah	67,760	6	8
to purchase the assets and assume the deposit liabilities of			
American National Bank Salt Lake City	21,084	2	

Summary report by Attorney General, February 25, 1972

The main offices of Tracy-Collins and American are within a few blocks of each other and American has one branch whose service area overlaps those of three Tracy-Collins branches. Some direct competition will, therefore, be eliminated if the proposed acquisition is approved. It is noted, however, that within the area intervening and immediately adjoining the main offices of both banks there are ten other offices which provide banking alternatives; among them are offices of the three largest banking organizations in Salt Lake County which control two-thirds of total deposits.

As of June 30, 1970, Tracy-Collins, the sixth largest banking organization in Salt Lake County, held approximately 5 per cent of the county's total deposits and American, the ninth largest, held approximately 1.5 per cent. The proposed acquisition would move Tracy-Collins from the sixth to the fifth largest bank in the county, thereby tending to increase concentration to some slight degree.

Valley Bank and Trust Company which owns 29 per cent of the common voting stock of American has, with all other shareholders, agreed to sell its stock for cash to Tracy-Collins and by doing so, would remove itself from any interest in the resulting bank.

Basis for Corporation approval, May 23, 1972

Tracy-Collins Bank and Trust Company, Salt Lake City, Utah ("Tracy-Collins"), a State nonmember insured bank with total resources of $67,760,000 and total IPC deposits of $44,468,000, 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, American National Bank, Salt Lake City, Utah ("American"), which has total resources of $21,084,000 and total IPC deposits of $14,109,000. The two offices of American would be operated as branches of Tracy-Collins, increasing the number of its authorized offices to eight.

Competition. The main office and two branches of Tracy-Collins are in Salt Lake City, and its other three branches are in Salt Lake County. American was organized in 1963, and its main office is located in Salt Lake City. Since May 1969, American has operated one branch in Midvale, a community of 7,840 people 10 miles south of its main office site. Both American offices are also within Salt Lake County.

The population of the Salt Lake City SMSA, consisting of Davis and Salt Lake Counties, increased from 447,795 in 1960 to 557,635 in 1970, an increase of 24.5 percent, while the population of Salt Lake City itself declined 7.2 percent from 189,454 to 175,885 during the same period. The Salt Lake City SMSA is bordered on the north by the Ogden, Utah, SMSA and on the south by the Provo-Orem, Utah, SMSA. The Salt Lake City metropolitan area is the financial, commercial, industrial, and distribution center for a wide area which includes, in addition to Utah, southern Idaho, western Wyoming, and eastern Nevada.

The widest geographic area within which the effects of the proposed transaction on competition would be most direct and immediate is Salt Lake County, the southern half of the Salt Lake City SMSA, and the county in which both banks have all their offices and may branch *de novo* without statutory restrictions. In Salt Lake County, Tracy-Collins was the sixth largest of 13 commercial banks as of June 30, 1970, holding 5.4 percent of the county's total IPC deposits, while American was the 10th largest of such banks, holding 1.5 percent of the county's total IPC deposits. The three largest commercial banks in the county, each with more than 20 percent of the county's total IPC deposits, held, in the aggregate, 67.0 percent of such deposits, while the fourth largest bank held 11.0 percent of such deposits, and the fifth largest bank, 6.9 percent of such deposits.

The closest offices of the two banks are their main offices, which are four-tenths of a mile apart in the central business district of Salt Lake City. Several offices of other commercial banks are also located in this central business district, some of them between the Tracy-Collins main office and the American main office. While there is some existing competition between Tracy-Collins and American, the amount of this direct competition is not considered to be substantial in view of the market shares of the two banks and the presence of numerous other commercial bank alternatives available to the public. Moreover, the proposed transaction may actually improve the vigor of competition within the relevant market. Tracy-Collins in part seeks approval of this application to acquire a drive-in office with parking space conveniently near its main office, which has neither. American is undercapitalized and has been unable to obtain the necessary shareholder approval to increase its capital. This approval has been denied because of the negative vote of 30 percent of American's shares held by two affiliates of Valley Bank and Trust Company, Salt Lake City's fifth largest bank, a veto power which would be eliminated by the proposed transaction. Moreover, American's undercapitalized position limits substantially the likelihood of increased competition in the future between Tracy-Collins and American through *de novo* branching, even though Utah law would permit both banks to branch *de novo* throughout Salt Lake City and Salt Lake County. Accordingly, a bank which may become increasingly ineffective as a competitor (American) would be replaced by a bank (Tracy-Collins) with a greater capacity to compete in its market than either constituent bank.

Under these circumstances, while the proposed transaction would eliminate some existing competition and some potential for increased competition in the future between Tracy-Collins and American, the Corporation cannot conclude that the effect of the transaction would be to lessen competition substantially in Salt Lake County.

Commercial banking in the State of Utah is concentrated in its three largest banks, which as of December 31, 1971, held 59.0 percent of total deposits held by all commercial banks in the State. The largest share is held by First Security Bank of Utah, N.A., Ogden, Utah, with 27.6 percent; the next largest commercial banks are headquartered in Salt Lake City, and they have 16.2 percent and 15.2 percent, respectively. Tracy-Collins is the seventh largest of 50 commercial banks in the State, with 2.8 percent of the State's total commercial bank deposits, while American holds only 0.8 percent of such deposits. The resulting bank would also rank as the seventh largest in the State, with 3.6 percent of total deposits, and would still be much smaller than the five largest banks. Consummation of the proposed transaction would accordingly have no significant effect on the structure of commercial banking statewide in Utah.

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

Financial and Managerial Resources; Future Prospects. Tracy-Collins has satisfactory financial and managerial resources, as would the resulting bank. The proposed transaction would rectify American's presently deficient capital position. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. Tracy-Collins has established trust and mortgage loan services which would be extended to American customers, while American has drive-up window and parking facilities that would become available to Tracy-Collins' customers in the central business section of Salt Lake City. The proposed transaction would also enable the resulting bank to offer a wider range of customer services and to compete more effectively with the five larger commercial banks in Salt Lake County. Numerous commercial bank alternatives would remain for county residents.

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
Hudson Trust Company Union City, New Jersey (change title to Hudson United Bank)	123,745	6	10
to merge with			
The United National Bank of Bergen County Cliffside Park	50,115	4	

Summary report by Attorney General, May 1, 1972

The home offices of the banks are 4.7 miles apart; the Fairview branch of United and one of HTC's Union City branches are 2.5 miles apart. Although several competing banking offices intervene, each bank draws substantial deposits and loans from the service area of the other.

Thus, if the proposed acquisition is approved, existing competition between the banks for both deposits and loans as well as the potential for increasing this competition will be eliminated.

Under New Jersey law, intra-District *de novo* branching is permitted, subject to home and branch office protection. Hence, the banks are potential *de novo* entrants into the home counties of each other, with some limitations as to precise location.

As of June 30, 1970, Bergen County was served by 33 commercial banks with 113 branches, controlling $2 billion. At that time, United had $42 million or 2.1 per cent of Bergen County commercial bank deposits. On that date, Hudson County was served by 12 commercial banks with 56 branches, controlling $1.1 billion of deposits; HTC's deposits of $105 million represented a 9.5 per cent share.

The Application lists 29 commercial bank offices as being located in the eight-township Cliffside Park-Union City area in addition to those offices located therein of United and HTC. Since deposit data for many of the branches of larger New Jersey banks located in this area, according to the Application, is not available in current FDIC materials, no definitive market shares can be calculated for the banks competing therein. HTC and United are the two largest banks headquartered in this area.

We conclude that the proposed acquisition, if approved may have some adverse effect on competition in the Cliffside Park-Union City area.

Basis for Corporation approval, May 31, 1972

Hudson Trust Company, Union City, New Jersey ("Hudson Trust"), a State nonmember insured bank with total resources of $123,745,000 and total IPC deposits of $106,453,000, 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 United National Bank of Bergen County, Cliffside Park, New Jersey ("United"), with total resources of $50,115,000 and total IPC deposits of $43,667,000. The banks would merge under the charter of Hudson with the title "Hudson United Bank" and, as an incident to the merger, the four existing offices and one approved but unopened office of United would become branches of the resulting bank, which would then have a total of 11 offices.

Competition. Hudson Trust operates six offices in central and northern Hudson County, three of which are in Union City (population 58,537), and three of which are in Hoboken (population 45,380). Hudson County (population 609,266), which adjoins the Hudson River and New York City, is one of seven counties in New Jersey's First Banking District. Its diverse economy has declined somewhat during the past decade and its outlook is not considered promising. Hudson Trust is the fifth largest of 12 commercial banks with offices in Hudson County, holding 9.5 percent of the county's total commercial bank deposits.

United operates four offices in south Bergen County, three of which are in Cliffside Park (population 14,387), and one of which is in Fairview (population 10,698). An additional office in Cliffside Park has been approved but has not yet opened. Bergen County (population 898,012) is contiguous to and northeast of Hudson County, and both are separated from Manhattan by the Hudson River. United's service area is predominantly residential with relatively minor acreage devoted to industrial and commercial use. During the last decade, Bergen County experienced a population increase of over 15 percent, and its prospects for continued growth are favorable. United is the seventh largest of 33 commercial banks in Bergen County, holding 2.1 percent of the county's total commercial bank deposits.

The main offices of the two banks are 4.7 miles apart and the nearest offices are 2.5 miles apart, with 11 commercial banking offices in the intervening area. Both banks draw the bulk of their business from separate and distinct trade areas, although they each have some limited deposit and loan business from the primary service area of the other. While Hudson Trust has a substantially higher proportion of its loan portfolio in commercial and industrial loans than does United, both banks have a high proportion of residential mortgage loans.

New Jersey banking statutes provide that a bank may branch, *de novo* or by merger, throughout the banking district in which it is headquartered, subject to main office protection in all communities and branch office protection in communities with a population under 7,500. United has successfully opened several *de novo* branches but the depressed economy of Hudson County affords little incentive for it to seek *de novo* branches there. Hudson Trust cannot enter Cliffside Park because of main office protection, although Fairview, a community of 10,698 persons served by only one commercial bank branch, could be attractive to it as the site of a *de novo* branch. In addition, there are growing, affluent communities in other parts of the First Banking District where both banks might seek to branch *de novo* in the future.

The proposed merger, accordingly, would eliminate some limited existing competition between Hudson Trust and United, as well as some potential for increased competition between them in the future through *de novo* branching. The two banks, however, are relatively small banks in this congested market, and numerous larger banks, several of which are lead banks in large multibank holding companies, are more likely to branch *de novo* in the First Banking District than either Hudson Trust or United.

If the relevant geographic market for assessing the competitive impact of the proposed transaction were considered as confined solely to Bergen and Hudson Counties, the resulting bank would rank eighth in size among 44 commercial banks, holding only 4.8 percent of the total deposits held by commercial bank offices in the two counties. This combined figure undoubtedly overstates the competitive impact of the proposed merger in view of commutation patterns and the influence of commercial banks located nearby in other counties of the First Banking District and in Manhattan, some 15 minutes away by mass transit. Inclusion of the deposit totals for either group of banks outside Bergen and Hudson Counties would reduce the 4.8 percent figure for the two-county area to wholly nominal proportions. Moreover, consummation of the proposed merger would have at least one procompetitive result, since main office protection would be removed from Cliffside Park—an area sufficiently attractive to have prompted two applications already from larger banks for *de novo* branches.

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. Hudson Trust has satisfactory financial and managerial resources, as would the resulting bank. Hudson Trust, moreover, can easily fill the management void which has existed at United since its president died unexpectedly in early 1971. Both banks are viable and profitable institutions, although the prospects for Hudson Trust are less bright than those of United because of local economic conditions in Hudson County. The future prospects of the combined bank are likely to be brighter than for either bank as an independent institution.

Convenience and Needs of the Community to be Served. The proposed merger would bring to Bergen County an additional alternative for a number of specialized banking services. Those services which would be offered by the resulting bank but which are not now offered, or offered only in limited degree, by United include trust services, data processing services, a fully staffed credit and business development department, and an increased lending limit. The resulting bank should be better able to meet the financial requirements of United's rapid growth trade area and also establish itself as a more effective competitor in the First Banking District and with neighboring New York City 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
Dauphin Deposit Trust Company Harrisburg, Pennsylvania	282,883	25	31
to merge with			
The First National Bank of Lebanon Lebanon	49,507	6	

Summary report by Attorney General, January 28, 1972

The closest branch of Dauphin Deposit, in the Harrisburg East Shopping Center, is approximately 23 miles from the City of Lebanon and the offices of First National. The application indicates that the merging banks have few common customers, and draw only a limited amount of loan and deposits business from each other's service area. A substantial number of competing commercial banks lie between Lebanon and Harrisburg. We conclude that the proposed merger would eliminate only a slight amount of existing competition.

Pennsylvania law permits commercial banks to establish and operate branch offices in the county in which they are headquartered and any county contiguous thereto. Thus, each of the merging banks could be permitted to open *de novo* branches in the service area of the other.

The most significant effect on potential competition that would be presented by the proposed merger is the elimination of Dauphin Deposit as a potential *de novo* or "foothold" entrant into the Lebanon area and Lebanon County generally. Dauphin Deposit clearly has the resources to effect *de novo* entry into attractive markets, and in fact is the third largest of five banks over $100 million which are eligible to operate branches in Lebanon County, but have not yet entered the county.

Ten commercial banks operate a total of 26 banking offices in Lebanon County. First National holds the second largest share of deposits in these offices, about 17.4 per cent. The four leading banks in the county hold about 58.8 per cent of such deposits. First National is one of two banks with extensive branching systems in the county; its six offices represent about 23 per cent of total offices. First National and Lebanon Valley National Bank, the county's largest (with seven offices in the county) together operate half of all Lebanon County banking offices.

Situated between Dauphin, Lancaster, Berks and Schuylkill Counties, Lebanon County is a natural area for expansion by the large banks in this region. Substantial consolidation of banking resources has recently taken place in this region, particularly through the recent formations of National Central Bank and Commonwealth National Bank. Should the largest banks in this area acquire by merger leading positions in Lebanon County, this trend toward regional concentration would continue. Therefore, although Dauphin Deposit is somewhat smaller than the two largest potential entrants into Lebanon County, which will remain as potential *de novo* entrants should the proposed merger be approved, we conclude that its acquisition of one of the leading banks in Lebanon County would have an adverse effect on competition.

Basis for Corporation approval, May 31, 1972

Dauphin Deposit Trust Company, Harrisburg, Pennsylvania ("Dauphin"), an insured State nonmember bank with total resources of $282,883,000 and total IPC deposits of $228,113,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The First National Bank of Lebanon, Lebanon, Pennsylvania ("FNB Lebanon"), which has total resources of $49,507,000 and total IPC deposits of $41,428,000. The two banks would merge under the charter and title of Dauphin and, as an incident to the merger, the six offices of FNB Lebanon would become branches of Dauphin, increasing the number of Dauphin's offices to 31.

Competition. Dauphin, the third largest bank in Harrisburg, operates 25 offices which serve communities in Dauphin, Cumberland, Lancaster, and York Counties in southeastern Pennsylvania. The economy of this region is diverse, ranging from agriculture, dairy farming, and lumbering, to industry and manufacturing.

All six offices of FNB Lebanon are located in the city of Lebanon, the centrally located seat and principal city of Lebanon County, or in suburban areas within 5 miles of the bank's main office. The city of Lebanon is about equidistant from Reading (29 miles to the east), Lancaster (24 miles to the south), and Harrisburg (25 miles to the west). Its 1970 population was 28,572, having decreased about 4.9 percent since 1960. During this same period of time, Lebanon County had an increase in population of almost 10.0 percent, to 99,665 persons, indicating substantial growth in areas of the county outside the city of Lebanon. At one time, area residents depended heavily upon the steel industry for employment, but the city of Lebanon now has 103 plants manufacturing a variety of products and employing more than 10,000 people. The county is also a fertile agricultural region.

FNB Lebanon is the second largest of five commercial banks headquartered in the city of Lebanon, and the second largest of 10 commercial banks in Lebanon County, in terms of local IPC deposits, with 17.6 percent of such deposits as of June 30, 1970. The bank with the largest share of local IPC deposits (21.8 percent) is the $68 million-deposit Lebanon Valley National Bank, while the third-ranking bank in terms of such local IPC deposits (12.2 percent) is the $699 million-deposit American Bank and Trust Co. of Pa., Reading, the largest bank in Lebanon County, with two branch offices at Myerstown.

While FNB Lebanon draws most of its business from the city of Lebanon and its immediate environs, the banking market in which FNB Lebanon operates can more appropriately be approximated by all of Lebanon County. This finding is predicated on the fact that the city of Lebanon is the principal population center, employment center, and shopping area between Harrisburg and Reading; that it is centrally located in the county, with good roads connecting it to all of the communities in Lebanon County that have commercial bank offices, none of which is more than 12 miles away; that significant commutation is evident between other communities in the county and the city of Lebanon; and that banks in the city are convenient alternatives for customers of each of the county's outlying banks as well as for customers who reside in the general vicinity of the city.

Dauphin does not operate in the Lebanon County banking market today. The closest offices of Dauphin and FNB Lebanon are some 19 miles apart, and several commercial banks have intervening offices. Neither draws more than $425,000 in IPC deposits from the other's trade area, and the loan volume which originates from the trade area of the other bank is similarly insignificant (about $530,000 of Dauphin's loan volume originates in Lebanon County, while only some $260,000 of FNB Lebanon's loan volume originates in the four counties where Dauphin has offices). The proposed merger, accordingly, will eliminate no significant existing competition between Dauphin and FNB Lebanon.

Under Pennsylvania law, Dauphin has the legal authority to branch *de novo* into Lebanon County while FNB Lebanon has legal authority to branch *de novo* into two counties (Dauphin and Lancaster) where Dauphin competes today. Such branching on FNB Lebanon's part appears to be unlikely in view of its conservative management policies, its lack of experience in opening *de novo* branches at any significant distance from its main office, and the competition it would face from several much larger banks in both Dauphin and Lancaster Counties. For its part, Dauphin is unlikely to find *de novo* branching into the city of Lebanon attractive because of the average income levels that prevail, declining population, and the relatively low population (about 3,600 persons, based on the 1970 census) for each existing commercial bank office. *De novo* branching in the growing parts of Lebanon County outside the city of Lebanon does appear feasible and attractive, however, for Dauphin. While the proposed merger would eliminate this potential for increased competition in the future between Dauphin and FNB Lebanon, there are other large banks not already in the Lebanon County banking market which are also possible entrants by means of *de novo* branching or the acquisition of smaller banks in Lebanon County: for example, the $577 million-deposit National Central Bank, Lancaster, the $377 million-deposit Commonwealth National Bank, Harrisburg, and the $229 million-deposit Bank of Pennsylvania, Reading. Under these circumstances, the significance of eliminating some potential competition between FNB Lebanon and Dauphin through consummation of their proposed merger is substantially reduced.

The proposed merger would substitute a larger, more aggressive branch bank fo FNB Lebanon without reducing the number of alternative sources of banking service available to Lebanon County residents and businessmen. Competition within the Lebanon County market should be enhanced, particularly for customers with large credit requirements or the need for specialized or sophisticated services who today have only one readily available source, the Myerstown offices of American Bank & Trust Co. of Pa.

Within the relatively unconcentrated eight-county area in which Dauphin may branch or merge under Pennsylvania law, the proposed merger would increase its percentage share of all commercial bank deposits from 7.6 percent to 9.0 percent, ranking second in this respect to Commonwealth National Bank, Harrisburg, with 1.3 percent of such deposits. Statewide, the proposed merger would have no discernible effect on competition or banking structure.

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

Financial and Managerial Resources; Future Prospects. Each of the banks has adequate financial resources, as would the resulting bank. FNB Lebanon lacks management depth, but the managerial resources of Dauphin are more than adequate to resolve this deficiency. Future prospects for both banks and for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would make available to FNB Lebanon customers expanded banking services, including more liberal lending policies, particularly with regard to agricultural loans, a lending limit of $3 million rather than $350,000, computer services, and the facilities of a sophisticated trust department, all offered by a qualified, highly competitive management. To the extent such services may be available at the Myerstown offices of American Bank & Trust Co. of Pa. or at Lebanon Valley National Bank, the largest bank headquartered in Lebanon, the proposed merger would give all Lebanon County residents and businessmen an alternative source for such services, thereby invigorating the competitive climate within the 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
Eucalyptus Bank San Rafael, California (in organization; change title to Redwood Bank)	125	—	5
to merge with **The Redwood Bank** San Rafael	48,351	5	

Summary report by Attorney General, April 13, 1972

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

Basis for Corporation approval, June 6, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application for Federal deposit insurance has been filed on behalf of Eucalyptus Bank, San Rafael, California ("New Bank"), a proposed new bank in organization, and for consent to its merger with The Redwood Bank, San Rafael, California ("Present Bank"). The main office of Present Bank will become the main office of the resulting bank, and the four branches of Present Bank will be operated as branches by the resulting bank.

The formation of New Bank and its merger with Present Bank will effect a corporate reorganization whose sole purpose is to enable Redwood Bancorp, San Rafael, California, a registered bank holding company, to acquire 100 percent of the voting shares of the bank resulting from the proposed merger. Application for approval of said acquisition was granted by the Board of Governors of the Federal Reserve System on May 1, 1972. New Bank will not be in operation as a commercial bank prior to the merger. Following the merger's consummation, it will operate the same banking business at the five existing locations of Present Bank with the same management. The proposal will not, per se, affect the structure of commercial bank competition in the market served by Present Bank or result in changes in banking services heretofore provided by Present Bank. All factors considered pertinent to the two subject applications are resolved favorably.

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
Southern Bank and Trust Company Mount Olive, North Carolina	27,673	13	13
to merge with **The Fuquay Corporation** Fuquay-Varina	2,287	-	

Summary report by Attorney General, May 30, 1972

As a result of the proposed merger Fuquay stockholders will become the owners of the Southern stock now held by their corporation. The transaction, therefore, is essentially a form of corporate reorganization as a result of which Fuquay will disappear and Southern will succeed to the ownership of its headquarters property. As such, this proposed merger would not appear to have an effect on either existing or potential competition.

Basis for Corporation approval, June 6, 1972

Southern Bank and Trust Company, Mount Olive, North Carolina ("Southern"), a State nonmember insured bank with total resources of $27,673,000, 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 Fuquay Corporation, Fuquay-Varina, North Carolina ("Fuquay"), a noninsured, nonbanking institution with total resources of $2,287,000, under the charter and title of Southern. This merger involves no additional banking offices, and the resulting bank would operate Southern's 14 banking offices, including one approved but unopened, in the same locations. Application is also made for consent to the temporary retirement of 64,472 common shares and 4,433 preferred shares of stock of Southern.

Fuquay's principal assets consist of 64,472 common shares and 4,433 preferred shares of Southern's stock and the land and building occupied by Southern's main office in Mount Olive. The proposed merger would result in the distribution of Southern stock owned by Fuquay to Fuquay's shareholders, and the transfer of ownership to Southern of its main office land and building, subject to an equal amount of Fuquay's debt. Fuquay would go out of existence as a corporate entity.

Competition. Inasmuch as the proposed merger is merely a technical reordering of the affairs of two entities controlled by the same interests, there can be no effect on existing or potential competition, or on the structure of banking in any area. Further, Fuquay is a nonbanking corporation, and this merger would not change in any way the competitive stance of Southern or of any other bank.

Financial and Managerial Resources; Future Prospects. Each of these factors has been resolved favorably to Southern and the resulting bank and, by extension, to Fuquay, inasmuch as its existence is dependent upon Southern.

Convenience and Needs of the Community to be Served. The proposed merger will have no effect on the convenience and needs of any community. The resulting bank will offer the same services from the same locations and with the same personnel.

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
Second State Bank of Clear Lake City Clear Lake City, Texas (in organization; change title to First State Bank of Clear Lake City)	200	—	1
to purchase the assets and assume the deposit liabilities of			
First State Bank of Clear Lake City Clear Lake City	10,067	1	

Summary report by Attorney General, March 17, 1972

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

Basis for Corporation approval, June 6, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Second State Bank of Clear Lake City, Clear Lake City (P.O. Houston), Texas ("New Bank"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liability to pay deposits made in First State Bank of Clear Lake City, Clear Lake City (P.O. Houston), Texas ("Operating Bank"), a State nonmember insured bank with total resources of $10,067,700 as of April 18, 1972, under the charter of New Bank and with the title of Operating Bank. The resulting bank will operate from the one existing office of Operating Bank, and initial capital of New Bank will be retired.

The new bank formation and purchase and assumption transaction are designed solely as a means whereby First City Bancorporation of Texas, Inc., Houston, Texas, a registered multibank holding company can acquire substantially all of the voting shares of the successor by merger to this proposal. Application for said acquisition is now pending before the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to the transaction, but subsequent to consummation it will operate the same banking business at the existing location of Operating Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the relevant market area served by Operating Bank or affect the banking services which Operating Bank has provided in the past. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Kentucky Bank & Trust Company Madisonville, Kentucky	28,723	3	4
to acquire the assets and assume the deposit liabilities of			
Planters Bank Mortons Gap	2,911	1	

Summary report by Attorney General, February 24, 1972

Both Kentucky Bank, the largest of three banks in Madisonville, and Planters Bank, the only bank in Mortons Gap, are located in Hopkins County. The distance between the two communities is about eight miles. One branch office of another Madisonville bank operates in the intervening area. However, there is occasion for the residents of Mortons Gap to commute to Madisonville, and there is some overlap of customers between the banks. It would appear, therefore, that there is some existing competition which would be eliminated by this acquisition.

Kentucky Bank is the largest bank in Hopkins County and accounts for about 34 per cent of total deposits and 37 per cent of IPC demand deposits. Planters Bank is the county's smallest bank and accounts for three per cent of total deposits and IPC demand deposits.

The four largest banks in the county account for about 91 per cent of total deposits and 93 per cent of IPC demand deposits. After the proposed acquisition there would be only five banks in the county with the four largest accounting for about 94 per cent of total deposits and 96 per cent of IPC demand deposits.

Approval of this application would result in the acquisition by the county's dominant bank of a small bank with which it competes directly. In our view, therefore, this acquisition would have an adverse effect on competition.

Basis for Corporation approval, June 13, 1972

The Kentucky Bank & Trust Company, Madisonville, Kentucky ("Kentucky B & T"), a State nonmember insured bank having total resources of $28,723,000 and total IPC deposits of $22,150,000, 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 to assume liability to pay deposits made in, Planters Bank, Mortons Gap, Kentucky, having total resources of $2,911,000 and total IPC deposits of $2,645,000. As an incident to the transaction, the only office of Planters Bank would become a branch of Kentucky B & T, increasing the number of its offices to four.

Competition. Kentucky B & T operates its main office and two branches in Madisonville (population 15,332), the seat of Hopkins County, in west-central Kentucky some 140 miles southwest of Louisville. Applicant is the largest of the six commercial banks in Hopkins County, holding slightly more than one-third of their aggregate deposits.

Planters Bank, the smallest of the six commercial banks in Hopkins County, operates its sole office in Mortons Gap (population 1,169), 8 miles south of Madisonville. It holds approximately 3.8 percent of the total commercial bank deposits in Hopkins County. Coal mining and agriculture largely support the area, although industrial expansion has occurred in Madisonville within the past 5 years and local plants now employ some 2,700 people. Between 1960 and 1970, the population of Hopkins County declined 0.8 percent, to 38,167 persons. The population in Mortons Gap declined 10.6 percent in the same period, while that of Madisonville increased by 16.9 percent.

Madisonville is centrally located in Hopkins County and is five times larger in population than any other community in the county. Besides being the county seat, Madisonville is the only shopping and employment center of any size between Evansville, Indiana, some 45 miles to the north and Hopkinsville, Kentucky, some 30 miles to the south. The three largest banks in the county are all headquartered in Madisonville and represent reasonably convenient alternatives for customers of the three smaller banks in the county, none of which is more than 15 miles away. Kentucky B & T and Planters Bank may, therefore, be considered competitors in the same general banking market, even though Kentucky B & T draws most of its banking business from Madisonville (with only $250,000 in deposits and $75,000 in loans from the Mortons Gap area) and Planters Bank draws virtually all of its banking business from the immediate vicinity of Mortons Gap. Their proposed merger, accordingly, would eliminate some existing competition between them, but the extent of this existing competition is minimal.

The potential for increased competition between the two banks in the future may also be regarded as minimal. Kentucky law limits *de novo* branching to a bank's headquarters' county, subject further to home office protection. Kentucky B & T cannot branch directly, therefore, into Mortons Gap even if this were economically feasible, nor can Planters Bank branch *de novo* into Madisonville. No community other than Madisonville has a population in excess of 2,900, and all of the larger ones, like Earlington, Dawson Springs, Mortons Gap, and Nortonville, already have a commercial bank office. Hopkins County as a whole presently has one commercial bank office for each 3,180 persons, income levels that are only average, and a relatively stable total population. *De novo* branching by either bank, without regard to size or branching experience, is therefore most unlikely. Without a *de novo* branch closer to Mortons Gap, however, Kentucky B & T is unlikely to draw significantly more business in the future from the Planters Bank service area than it derives today because the branch office of another Madisonville bank lies between the nearest office of Kentucky B & T and Planters Bank.

On the other hand, the proposed merger would increase the already high percentage of total Hopkins County deposits presently controlled by Kentucky B & T, and it would also reduce from six to five the number of banks in Hopkins County available to local residents and businessmen. The increase in concentration has less significance in a county of 38,167 than it might in a more populous market, and there are other ameliorating factors to be considered as well. Planters bank has grown to only $2.7 million in deposits since its organization in 1907. It offers neither passbook savings accounts, 5 percent time deposit open accounts, nor 5¾ percent certificates of deposit for minimum maturities of 2 years or more. What deposits it has come from a community of declining population, and its overall effectiveness as a competitor is open to serious question. The merger of this small, limited-service bank, even with the county's largest bank, would not significantly change the banking structure of Hopkins County. It appears, moreover, that of the four other merger partners that are legally possible for Planters Bank, two would eliminate a greater degree of existing competition than the merger proposed, one of the others has only a slightly smaller percentage of Hopkins County deposits than Kentucky B & T, and the fourth may be too small to enlarge the range of Planters Bank services even if it finds the acquisition otherwise attractive.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable for Kentucky B & T, as they would be for the resulting bank. Planters Bank has a low capital position, but that of the resulting bank would be satisfactory.

Convenience and Needs of the Community to be Served. Although the proposed transaction would have little effect on Kentucky B & T's present customers, banking services in the Mortons Gap area would be significantly improved. Passbook savings accounts, not now offered by Planters Bank, would be introduced. This type of deposit measured 21.7 percent of total IPC time deposits at all Hopkins County commercial banks at June 30, 1970. The maximum rate of interest paid on time deposits would be increased from 5.5 percent to 5.75 percent. A 5 percent "Golden Passbook" account would become available and consumer credit loans would be offered at decreased interest cost to local borrowers. Trust services would be offered for the first time, and a more aggressive management would operate with a lending limit substantially higher than the $27,000 secured lending limit to which Planters Bank is presently subject.

Based upon 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	89,583	4	5
to merge with			
The Athens National Bank Athens	10,069	1	

Summary report by Attorney General, January 28, 1972

Approximately 90 miles separate Athens and Williamsport, and several banks are located in the intervening area. It would appear that the proposed merger would not eliminate any substantial existing competition.

Under Pennsylvania law, a commercial bank may be permitted to open and operate branches in the county in which its home office is located or in any county contiguous thereto. Thus, either of the merging banks could be permitted to establish *de novo* branches in the service area of the other. In view of the size of Athens Bank, it could not be considered a major source of potential competition in those areas served by Northern Central Bank and Trust Company.

Northern Central Bank and Trust Company, as the largest bank in Lycoming County, is a source of potential competition in adjacent Bradford County. However, in view of the size and relative market position of Athens Bank, and the nature of its service area, we do not believe that the elimination of Northern Central Bank and Trust Company as a potential *de novo* entrant would have a significantly adverse effect on potential competition.

Basis for Corporation approval, June 13, 1972

Northern Central Bank and Trust Company, Williamsport, Pennsylvania ("Northern Central"), a State nonmember insured bank with total resources of $89,583,000 and total IPC deposits of $74,403,000, 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 Athens National Bank, Athens, Pennsylvania ("Athens National"), with total resources of $10,069,000 and total IPC deposits of $7,961,000. The banks would merge under the charter and title of Northern Central, and the one office of Athens National would become a branch of Northern Central, increasing the number of its authorized offices to six.

Competition. Northern Central operates a total of four offices and has the necessary approvals to establish one additional *de novo* branch. Its main office and two branches are located in Williamsport (population 37,918), in Lycoming County, Pennsylvania, and one branch is located in the community of Milton (population 7,723), about 25 miles southeast of Williamsport in Northumberland County. The approved but unopened *de novo* branch is to be located in West Chillisquaque Township, Northumberland County, about 3 miles from the Milton branch.

Athens National is located in the Borough of Athens (population 4,200) in Bradford County, Pennsylvania, in the mountainous north-central portion of the State, only a few miles south of the New York State border. The bank's one office serves the sparsely populated Boroughs of Athens and Sayre and a small portion of the several townships located to the north and south along the Susquehanna River, a service area with a total estimated population of 23,000. Dairy farming is the principal business in this region, although there is also some light industry. Over the past 10 years, there has been little economic development or population growth. A substantial number of area residents apparently commute northwest to Elmira, New York, northeast to Oswego, New York, and south to Towanda, Pennsylvania, to work. Including offices in these communities as well as others within a 20-mile radius of Athens, Athens National would be the eighth largest of 15 commercial banks in terms of area deposits, with 3.4 percent of total IPC deposits held at all commercial bank offices within the relevant market area.

The nearest office of Northern Central to Athens National is at least 80 miles away, and there are several offices of other commercial banks in the intervening area. The banking markets in which Northern Central and Athens National compete are separate and distinct, and there is no existing competition between them which would be eliminated by the proposed transaction. The proposed merger should in fact stimulate competition in the Athens-Sayre banking market where Athens National competes with much larger banks having a greater share of area IPC deposits. One such competitor is Commonwealth Bank and Trust Company, a $68 million-deposit bank headquartered in Muncy that recently acquired the First National Bank of Sayre. The proposed merger, moreover, would not reduce the number of alternative sources for banking services available to residents and businessmen in the Athens-Sayre banking market.

Under State law, Northern Central could branch *de novo* into Bradford County and Athens National could branch *de novo* into Lycoming County. Such *de novo* branching on the part of Athens National is most unlikely in view of its limited resources, the distances that would be involved, its lack of branching experience and the number of significant competitors it would face in Lycoming County. Such *de novo* branching on the part of Northern Central also seems unlikely in view of the limited population of the Athens-Sayre banking market, the presence of a large number of competing banks in that market, and the relatively greater attractiveness of other locations for *de novo* branching in the 10-county area in which banks headquartered in Lycoming County can branch or merge under Pennsylvania law. The proposed merger, for these reasons, is not likely to eliminate any significant potential for increased competition between the two banks through *de novo* branching.

While alternative mergers on the part of one or both banks might bring them into increased competition in the future, neither bank has such a large share of the banking resources in its existing banking market or in its respective branching or merging area as to require denial of the proposed merger. Within the relatively unconcentrated 10-county area in which Northern Central can branch or merge, the proposed merger would increase Northern Central's percentage share of total commercial bank IPC deposits held therein from 7.5 percent to 8.5 percent.

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has adequate financial resources, as would the resulting bank. Both Northern Central and Athens National have satisfactory managerial resources at the present time, although Athens National faces a possible management succession problem which the proposed merger would resolve. Future prospects for the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would bring to Athens National customers access to a larger and more specialized management team, as well as computer accounting services, credit card services, student loans, floor plan loans, and a larger lending limit. Many of these services are no doubt available at the Sayre branches of Commonwealth Bank and Trust Company or in Elmira, Oswego, or Tonawanda, but the proposed transaction would provide an additional and convenient alternative 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
Citizens State Bank and Trust Company Hiawatha, Kansas	14,999	2	2
to purchase the assets and assume the deposit liabilities of			
The Farmers Bank of Leona Leona	2,520	1	

Summary report by Attorney General, May 30, 1972

Citizens and Farmers Bank are approximately 15 miles apart, but according to the application, their service areas overlap to a considerable extent. Citizens holds about 11 per cent of IPC demand deposits in the service area of the resulting bank, while Farmers Bank holds about 3 per cent. It would appear that the proposed transaction would eliminate some competition.

Basis for Corporation approval, June 29, 1972

Citizens State Bank and Trust Company, Hiawatha, Kansas ("Citizens"), a State nonmember insured bank with total resources of $14,999,000 and total IPC deposits of $10,789,000, 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 Farmers Bank of Leona, Leona, Kansas ("Farmers"), with total resources of $2,520,000 and total IPC deposits of $2,154,000, under Citizens' charter and title. Because of the requirements of Kansas law, the sole office of Farmers would be discontinued.

Competition. Citizens operates its main office and a detached teller facility in Hiawatha, Brown County, which is located in the northeast corner of Kansas, about 50 miles north of Topeka, the State capital. Hiawatha is the seat of Brown County and is situated in its approximate center. The population of Hiawatha in 1970 was 3,365, which represents a decline of 0.8 percent from 1960. Brown County's 1970 population was 11,685, down 11.7 percent from 1960's 13,229.

Farmers operates its sole office in Leona, just across the county line in Doniphan County, which adjoins Brown County on the east. Leona had a 1970 population of only 72, down from 110 in 1960, while Doniphan County's population declined from 9,574 to 9,107, or 4.9 percent, in the like period.

The service areas of the participating banks are almost entirely dependent upon agriculture. Corn and various small grains are the principal crops, and livestock raising and feeding and dairy farming are important activities. Hiawatha is the economic center of Brown County and much of the surrounding area, but Leona is a declining community which has no industry and is not on a State highway or a main railroad. Its only businesses besides the bank are a grain elevator, a combination grocery store and restaurant, and a post office.

The offices of the participating banks are about 17 miles apart, and each draws some deposit and loan business from the intervening area. The significance of this overlap is minimized by the sparse population of the area and the existence of a competing bank, in Robinson, which lies about midway between Hiawatha and Leona. Farmers, moreover, cannot be regarded as a meaningful competitor. Its basic lending limit is only $15,000, and it has sold loan participations that exceed in volume its entire loan portfolio. Excessive loan losses have reduced net current operating earnings to a deficit figure, and no material improvement is expected in the future. Passbook savings accounts carry an interest rate of only 3.0 percent per annum. The proposed merger, in the Corporation's view, would eliminate no significant competition between the two banks. In view of the financial condition of Farmers as well as the prohibition against branch banking in Kansas law, the potential for increased competition between the two banks in the future is virtually nonexistent.

Citizens presently holds 35.2 percent of the total IPC deposits held by all commercial banks in Brown County and is the largest commercial bank in either Brown or Doniphan County. The share of local banking business held by Citizens is largely attributable to its location in Hiawatha, the largest city in the area. The proposed merger would not have any practical effect on the commercial bank structure of the area. In addition, numerous alternatives would remain available to residents of the two counties. There are seven banks in Brown County, or one bank for each 1,669 persons; and in Doniphan County there are eight banks, or one for each 1,138 people. Five banks, easily accessible by paved roads, would remain within 10 miles of Leona to service the limited population left in that community.

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. Citizens has satisfactory financial and managerial resources and satisfactory prospects for the future. Farmers, however, has an unsatisfactory capital position in view of the volume of its classified assets. It also has no management depth, and its earnings have been poor. Citizens would provide aggressive supervision of Farmers' loan portfolio, and with Citizens' financial and managerial resources predominant, the resulting bank should have adequate capital, satisfactory earnings, good management, and favorable future prospects. The banking factors presented by the application weigh heavily in favor of approval.

Convenience and Needs of the Community to be Served. The proposed transaction would have virtually no effect on convenience and needs of any community. The same services would be offered by the resulting bank as Citizens now offers at its Hiawatha office. The necessity of discontinuing Farmers' banking office in Leona could cause some slight inconvenience to the limited number of residents of that area, but there would be an adequate number of reasonably convenient banking alternatives remaining. This slight inconvenience would be more than offset by the benefits to be derived from the resolution of Farmers' asset and capital problems, from Citizens' 4.5 percent rate on passbook savings accounts, and from its greater ability to meet the credit requirements of the Leona 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
Bank of Virginia—Eastern Shore Onancock, Virginia (in organization)	50	—	1
to merge with **The First National Bank in Onancock** Onancock	11,197	1	

Summary report by Attorney General, May 10, 1972

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

Basis for Corporation approval, June 29, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed on behalf of Bank of Virginia-Eastern Shore, Onancock, Virginia ("New Bank"), a proposed new bank in organization, for Federal deposit insurance and for consent to its merger with The First National Bank in Onancock, Onancock, Virginia ("Present Bank"), total resources $11,197,000. The main, and sole, office of Present Bank will become the main office of the resulting bank.

The formation of New Bank and its merger with Present Bank effect a corporate reorganization whose sole purpose is to enable Virginia Commonwealth Bankshares, Inc., Richmond, Virginia, a registered bank holding company, to acquire 100 percent of the voting shares of the bank resulting from the proposed merger. Approval of said acquisition was granted by the Board of Governors of the Federal Reserve System on June 8, 1972. New Bank will not be in operation as a commercial bank prior to the merger. Following the merger's consummation, it will operate the same banking business with the same management at the existing location of Present Bank. The proposal will not, per se, affect the structure of commercial bank competition in the market served by Present Bank or result in changes in banking services heretofore provided by Present Bank. All factors considered pertinent to the two subject applications are resolved favorably.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Peoples Bank & Trust Company Rocky Mount, North Carolina	134,666	32	33
to merge with			
Industrial-Commercial Bank Elizabeth City	9,326	1	

Summary report by Attorney General, June 19, 1972

The Peoples Bank office nearest to the Industrial-Commercial Bank ("Bank") is in Hertford, Perquimans County, about 13 miles southwest of Elizabeth City. The two communities are linked by the region's major east-west highway (U.S. 17). There do not appear to be any banking offices intervening between Elizabeth City and Hertford. Although the application supplies no figures, it states that neither bank draws a substantial share of its deposits or loans from the service area of the other. It also states that Bank was operated strictly as an industrial bank until October, 1971, at which time it began accepting "commercial deposits", which significantly diminishes the probability of any substantial competition between the banks for demand accounts. However, since Elizabeth City is the population and economic center of Pasquotank and adjoining counties, and residents of Hertford and other surrounding communities commute to work and shop there, it would appear that this proposed merger may eliminate some existing competition between the two banks.

Banking in Elizabeth City and Pasquotank County is very highly concentrated. Four banks currently operate offices in Elizabeth City—the only banking offices in Pasquotank County. As of June 30, 1970, Bank held about 12.5 per cent of total bank deposits, representing the third largest share held by any bank. First Union National Bank, the state's third largest bank, held some 54.8 per cent of deposits, and Wachovia Bank and Trust, the state leader, held 32 per cent. A branch of Farmers Bank of Sunbury accounted for less than 1 per cent of total deposits.

North Carolina banking law permits statewide branching. Peoples Bank, therefore, could enter Elizabeth City *de novo* thus creating an additional banking alternative. However, because the area has experienced below average growth, the prospect for such *de novo* expansion into the area is diminished. Moreover, there are at least six other banks larger than Peoples Bank and which have branched into the northeastern region of the state, which may also be considered prospective potential entrants.

Basis for Corporation approval, July 7, 1972

Peoples Bank & Trust Company, Rocky Mount, North Carolina ("Peoples"), an insured State nonmember bank having total resources of $134,666,000 and total IPC deposits of $105,519,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Industrial—Commercial Bank, Elizabeth City, North Carolina ("Industrial"), having total resources of $9,326,000 and total IPC deposits of $6,487,000, under the charter and title of Peoples. As an incident to the merger, the sole office of Industrial would become a branch of the resulting bank, increasing the number of its offices to 33.

Competition. Peoples operates its main office and 12 branches in the city of Rocky Mount and its Nash County suburbs, and 19 branches in 12 other communities in the northeastern section of North Carolina. Peoples is the 12th largest of the State's 94 commercial banks, holding 1.4 percent of their aggregate deposits.

Industrial, with approximately 12.8 percent of the aggregate deposits held by all five commercial banks operating in Elizabeth City (1970 population 14,069, as compared with 14,062 in 1960) and its environs within a radius of approximately 15 miles, is the fourth largest commercial bank in its market, having converted from industrial bank status in August 1971. Elizabeth City, on Albemarle Sound and about 20 miles south of the Virginia border, is the county seat and only incorporated town of Pasquotank County (population 26,824), an area largely devoted to agriculture, with many of its residents being employed in the nearby Norfolk-Portsmouth industrial complex, in Virginia. Elizabeth City itself has had substantial industrial development, and there are also leisure and resort activities associated with its coastal location.

Industrial has not yet developed competitive strength as a commercial bank in its market, having fewer than 500 checking accounts, for example, as of the end of February 1972. Wachovia Bank and Trust Company, N.A., and First Union National Bank of North Carolina, the largest and third largest banks in deposit size in the State, each maintain two branches within Elizabeth City and dominate this market, holding 27.1 percent and 45.3 percent of area deposits, respectively. A branch of Peoples in Hertford, 13 miles southwest of Elizabeth City on the outskirts of the market, holds 13.2 percent. A fourth bank, with a branch 12 miles northwest of Elizabeth City, holds 1.6 percent.

While the bank resulting from this proposed merger would have 26.0 percent of this sparsely populated banking market, little existing competition between Peoples and Industrial would apparently be eliminated. Industrial's office is 13 miles removed from the nearest office of Peoples. Any existing competition between them would be limited to consumer credit, and in view of the intense competition for all commercial bank services faced by Industrial, emanating from the four Elizabeth City offices of two of the State's major banks, the significance of this existing competition is minimal.

North Carolina law permits a commercial bank to branch *de novo* throughout the State. Such branching on the part of Industrial is not anticipated in view of its limited resources, its difficulties in becoming established as a commercial bank, and its lack of expertise in this field. Peoples, with one branch established and another authorized in Hertford, on the perimeter of Industrial's market, has the capacity and experience to branch *de novo* into Elizabeth City, but this would not appear attractive to it in light of the lack of population growth in that city, the strong competition it would face there, and the already low population for each commercial bank office. Moreover, to the extent Elizabeth City becomes attractive in the future for additional *de novo* offices, numerous banks in the State that are larger than Peoples are potential entrants into the market. It thus appears that the proposed merger is unlikely to eliminate any significant potential for increased competition between the two banks through *de novo* branching. While increased competition in the future between the banks is likely as Industrial extends its commercial bank services in the market, the elimination of that potential for increased competition through consummation of the merger appears equally insignificant because of the possible entry of banks larger than Peoples when future growth warrants.

Within the State of North Carolina, Peoples, post-merger, would become the 11th largest commercial bank, with 1.5 percent of aggregate deposits held by all of the State's commercial banks at year-end 1971.

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. These factors are favorable for both banks, as they would be for the resulting bank. The capital position of the resulting bank would be reasonably satisfactory.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would make available to Industrial's customers the broad range of banking services offered by a moderate-sized commercial bank, including an expanded lending capability. Peoples' trust department also offers highly specialized farm and timber management services. To the extent these services are available at the Elizabeth City offices of the area's major competitors, the proposed merger would provide all residents and businessmen in this market an alternative source for such services, thereby stimulating the market's competitive climate.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Morristown State Bank Morristown, Tennessee (in organization; change title to Bank of Morristown)	150	—	2
to merge with			
Bank of Morristown Morristown	16,588	2	

Summary report by Attorney General, March 31, 1972

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

Basis for Corporation approval, July 7, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Morristown State Bank, Morristown, Tennessee ("New Bank"), a proposed new bank in organization, and for consent to its merger with Bank of Morristown, Morristown, Tennessee ("Old Bank"), a State nonmember insured bank with total resources of $16,588,000, under the charter of New Bank and with the title of Old Bank. The resulting bank will operate from the two existing offices and from an approved but unopened office of Old Bank.

The new bank formation and merger are designed solely as a means by which First Tennessee National Corporation, Memphis, Tennessee, a multibank holding company, can acquire 100 percent of the voting shares of the bank resulting from the proposed merger. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on May 9, 1972. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing and approved locations of Old Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Old Bank or affect the banking services which Old Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
North Freeway Commerce Bank Houston, Texas (in organization; change title to North Freeway Bank)	200	–	1
to merge with			
North Freeway Bank Houston	5,716	1	

Summary report by Attorney General, April 13, 1972

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

Basis for Corporation approval, July 7, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for North Freeway Commerce Bank, Houston, Texas ("New Bank"), a proposed new bank in organization, and for consent to its merger with North Freeway Bank, Houston, Texas ("Operating Bank"), a State nonmember insured bank with total resources of $5,716,000 as of January 24, 1972, under the charter of New Bank and with the title of Operating Bank. The resulting bank will operate from the one existing office of Operating Bank.

The new bank formation and merger are designed solely as a means whereby Texas Commerce Bancshares, Inc., a registered bank holding company, can acquire substantially all of the voting shares of the successor by merger of Operating Bank. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on May 16, 1972. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing location of Operating Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the relevant market area served by Operating Bank or affect the banking services which Operating Bank has provided in the past. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
United Virginia Bank Richmond, Virginia	631,451	30	30
to purchase a portion of the assets and assume a portion of the liabilities of			
United Virginia Bank International Norfolk	8,782*	1	1

Summary report by Attorney General, May 22, 1972

From the date of its organization until late 1971, United Virginia Bank International ("UVBI") was owned by the affiliate banks of United Virginia

*Assets of UVBI to be purchased by United Virginia Bank.

Bankshares Inc., a registered bank holding company and parent of the applicant, United Virginia Bank. In late 1971, the affiliated banks sold their stock interest in UVBI to United Virginia Bank. The acquisition is basically part of a corporate reorganization in which the parent has taken over certain activities which its subsidiary performed, and will have no effect on competition.

Basis for Corporation approval, July 7, 1972

United Virginia Bank, Richmond, Virginia ("UVB"), (total resources $631,451,000), an insured State bank which is a member of the Federal Reserve System, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's retroactive consent to its purchase of a portion of the assets and assumption of a portion of the liabilities of United Virginia Bank International, Norfolk, Virginia ("UVBI"), a noninsured Edge Act corporation which is wholly owned by UVB. Both institutions are affiliates of United Virginia Bankshares, Incorporated, Richmond, Virginia ("UVBS"), a registered bank holding company.

Competition. This transaction was essentially an internal reorganization involving two UVBS affiliates in order to shift the focus of UVB's international activities to a division of that bank from UVBI. As such, it has had no effect on competition.

The Board of Directors is of the opinion that this transaction has not, in any section of the country, substantially lessened competition, tended to create a monopoly, or in any other way been in restraint of trade.

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of UVB, and its future prospects, appear adequate for the purposes of this transaction.

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.

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
Union Trust Company New Haven, Connecticut	605,791	47	48
to merge with **The Winthrop Bank and Trust Company** New London	13,476	1	

Summary report by Attorney General, June 19, 1972

Union Trust operates no offices in the New London SMSA or in New London County. Union Trust's closest office to New London is in Old Saybrook, about 17 miles west. The application indicates that the banks derive little or no business from each other's primary service areas. Thus, the merger would not eliminate a significant amount of existing competition.

As the third largest commercial bank in Connecticut and the largest not now operating in the New London area, Union Trust clearly has the capability to enter the area *de novo* in competition with Winthrop Bank. Winthrop Bank, however, is the smallest of three commercial banks operating in the New London area, the other two being the two largest commercial banks in the state, headquartered in Hartford. Winthrop Bank's share of total New London commercial bank deposits is about 16.9 per cent, and of total New London-Groton-Waterford deposits, about 10.8 per cent. If the proposed merger is consummated, New London would be opened to *de novo* branching. We do not believe that the proposed merger would have a significantly adverse effect on competition.

Basis for Corporation approval, July 14, 1972

Union Trust Company, New Haven, Connecticut ("Union"), a State nonmember insured bank with total resources of $605,791,000 and total IPC deposits of $471,820,000, 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 Winthrop Bank and Trust Company, New London, Connecticut ("Winthrop"), with total resources of $13,476,000 and total IPC deposits of $10,952,000. The banks would merge under the charter and title of Union; and, as an incident to the merger, the one existing office and the one approved but unopened branch of Winthrop would become branches of the resulting bank, increasing the number of its authorized offices to 51.

Competition. Union operates a total of 47 offices in southwestern and south-central Connecticut, 34 of which are in Fairfield County, 11 in New Haven County, and one each in Litchfield and Middlesex Counties. In addition, Union has approval for two branches to be located in Milford and Southbury, both in New Haven County. Each of the counties where Union has offices had significant population growth during the 1960s, ranging from 12.8 percent in New Haven County to 29.2 percent in Middlesex County.

Winthrop operates its only office in the city of New London and has approval for a branch, also to be located in New London. The city serves as a trading hub for southeastern Connecticut and is located at the mouth of the Thames River. Its population declined from 34,182 to 31,630, or 7.5 percent, from 1960 to 1970. However, the neighboring communities of Groton and Waterford had positive rates of growth, and their populations now stand at 38,523 and 17,227, respectively. The overall population of New London County increased from 185,745 to 230,348, or 24.0 percent, in the 1960s.

The service areas of both Union and Winthrop are growing and prosperous and have a broad economic base. Activity includes educational institutions, military installations, manufacturing, numerous commercial and service centers, shipping, and ship building. The outlook appears favorable.

The local banking market in which to assess the probable impact of the proposed merger can best be approximated by the New London-Groton-Norwich SMSA, composed of 13 of New London County's 21 communities. Industries in New London, Groton, and Norwich are the primary factors in the local economy and attract employees from residential areas throughout the SMSA. Despite the decline in New London's population, the entire SMSA showed a population increase of 21.9 percent during the 1960s, slightly above the statewide gain of 19.6 percent, and continued economic growth throughout the area is likely. The market is presently served by 23 offices of six commercial banks. Winthrop is the market's third largest commercial bank but had only 5.9 percent of the IPC deposits held at commercial bank offices in the SMSA as of June 30, 1970. Union is not presently represented in the market, which is dominated by 19 branches of The Hartford National Bank and Trust Company and The Connecticut Bank and Trust Company, Connecticut's two largest commercial banks. As of June 30, 1970, they controlled 60.9 percent and 28.1 percent, respectively, of such IPC deposits.

The closest office of Union to Winthrop's office is in Old Saybrook, about 17 miles west of New London. There are several offices of other banks in the intervening area, and neither bank derives any significant business from areas presently served by the other. Winthrop is a small, conservatively operated bank which has achieved only moderate deposit growth in its 50-year history. Consummation of the proposed merger would not eliminate any existing competition, but would bring the State's third largest commercial bank into direct competition with the State's two largest banks in the relevant geographic market.

Connecticut law allows statewide branching, subject to home office protection. Winthrop lacks both the resources and the managerial depth to expand *de novo* in any meaningful way. Union cannot legally branch *de novo* into New London, but it can branch into areas surrounding that city, since only two of the 13 communities in the SMSA are protected against outside entry. While this should be attractive to Union in a market characterized by substantial growth, high income levels, and more than 9,000 persons for each existing commercial bank office, an office in New London would seem to be a prerequisite for effective penetration. Moreover, the dominance of the State's two largest banks in the local market, Winthrop's small size, and the removal of home office protection from New London (which would follow the proposed merger) reduce substantially the significance of any loss of potential competition between the two banks through *de novo* branching. Instead, the merger should stimulate competition locally by allowing the State's third largest commercial bank to penetrate to the heart of the New London market and increase the challenge which Union can bring to the State's two largest banks in the SMSA. Further, the number of banking alternatives in the market would not be reduced by the proposed merger.

Although Union is the third largest commercial bank in Connecticut, with 9.5 percent of the total deposits held by such banks, it is approximately one-half the size of either of the two largest commercial banks. Those two banks hold, in the aggregate, 37.4 percent of the total deposits in the State. Union's acquisition of Winthrop would increase its percentage of statewide deposits by 0.2 percent, for a total of 9.7 percent.

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. Union and the resulting bank have satisfactory financial and managerial resources and satisfactory prospects for the future. Winthrop has satisfactory financial resources, but it has aging management and has not competed aggressively. The proposed merger would resolve this management succession problem, and it would appear that Winthrop's future prospects would be more favorable as part of the resulting bank than operating independently.

Convenience and Needs of the Community to be Served. The proposed merger would bring to the New London-Groton-Norwich SMSA a third alternative for the full services of a larger commercial bank. Specifically, services to be offered by the resulting bank not now offered by Winthrop include a bank credit card, international services, lockbox services, various specialized loan services, data processing services, and a significantly increased lending limit. In addition, Winthrop's physical facilities would be improved.

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	27,543	6	7
to merge with			
Peoples Bank of Durant Durant	4,838	1	

Summary report by Attorney General, February 11, 1972

Peoples Bank is located in Durant, Holmes County on the Attala County line. The closest office of Merchants Bank is approximately eight road miles away in Sallis, Attala County, with no intervening banks. Therefore, it appears that some existing competition between the two banks would be eliminated by this merger.

As of June 30, 1970, Peoples Bank was the third largest of four banks in Holmes County, with about 16 per cent of the county's total deposits. Merchants Bank was the largest of two banks in Attala County, with about 74 per cent of total deposits.

In the two-county area of Attala and Holmes, Peoples Bank was the fifth largest of six banks with about eight per cent of both total deposits and Merchants Bank was the largest with 39 per cent of the total deposits. The four largest banks accounted for about 86 per cent of such deposits.

Under Mississippi law, Merchants Bank cound not establish a *de novo* branch in Lexington or Durant, the largest towns in Holmes County at this time. Since both banks could branch into other parts of the area, however, the merger may eliminate some potential competition.

This proposed merger involves the dominant bank in the two-county area buying up a bank with which it now directly competes. We conclude, therefore, that the merger would have an adverse effect on competition.

Basis for Corporation approval, July 14, 1972

Merchants and Farmers Bank, Kosciusko, Mississippi ("Merchants"), an insured State nonmember bank with total resources of $27,543,000 and total IPC deposits of $22,153,000, 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 Peoples Bank of Durant, Durant, Mississippi ("Peoples"), with total resources of $4,838,000 and total IPC deposits of $3,962,000. The banks would merge under the charter and title of Merchants and, as an incident to the merger, the sole office of Peoples would become a branch of the resulting bank, increasing the number of its offices to seven, not including two approved but unopened offices.

Competition. Merchants operates six offices in two central Mississippi counties: five are located in Attala County (1970 population 19,570) and a sixth is located in neighboring Choctaw County (1970 population 8,440). Of the communities in which Merchants has offices, that is, Kosciusko, Sallis, Ethel, and Weir, only Kosciusko has more than 2,500 people. Its population in 1970 was 7,266. Merchants also has approval to establish two additional offices, one in Kosciusko and one in Thomastown, some 14 miles to the south in Leake County (1970 population 17,085). Attala County and Leake County each lost more than 8 percent of their population in the 1960s, while Choctaw County remained relatively unchanged.

Peoples operates its sole office in Durant, a community of 2,572 persons about 18 miles west of Merchants' head office in Kosciusko. Durant is in Holmes County (1970 population 23,120), which is directly to the west of Attala County. Although Durant showed a modest increase in population during the 1960s, the declining economy of the area is partially reflected in a population loss of 14.7 percent for Holmes County over this same period.

The proposed merger would have its most immediate impact in the area comprised of eastern Holmes County and western Attala County, lying between Lexington, some 14 miles west of Durant, and Kosciusko, some 18 miles to the east of Durant. This area, half of which is woodlands, is largely agricultural, with cattle and hog raising having replaced cotton as the principal source of income. Although some light industry has been attracted to the Kosciusko area, the economy of the relevant area has been declining in recent years, and income levels are well below the Mississippi averages—the latter being well below the comparable national averages. The 26,424 people estimated to live in this area are currently served by 12 commercial bank offices of five different banks. Of these five banks, Merchants' share of IPC deposits held at commercial bank offices in the above area on June 30, 1970, was 39.8 percent, while Peoples' share was 8.0 percent. The two Holmes County banks headquartered in Lexington and Merchants' recently organized competitor in Kosciusko, Attala Bank of Kosciusko, shared the remaining 52.2 percent of the market's IPC deposits.

The closest offices of the two participating banks are about 9 miles apart, but Merchants' office in Sallis is a minor facility, not on the main route between the principal offices in Durant and Kosciusko, and holds only about $400,000 of the area's IPC deposits. As might be expected, the volume of business each bank generates from areas primarily served by the other is small relative to the total deposit and loan business originating in such areas. The proposed merger would not, therefore, eliminate any significant existing competition between the two banks.

Under Mississippi law, each of the participating banks could branch *de novo* into the other's area, but the likelihood of such activity on the part of either is considered remote. Peoples has neither the financial nor managerial resources to pursue *de novo* activity, while Merchants would not find the eastern portion of Holmes County attractive in view of the declining population trend, low income levels, the existence of six banking offices other than the Peoples office in Durant, and restrictive provisions of law that would effectively bar it from all but one of the small communities in the area.

Merchants is the largest commercial bank in Attala County, but Peoples' merger with it is likely to be less anticompetitive than a merger with either of the Lexington banks in its market, since each of the latter has a full-service branch near Durant and the Lexington offices of both are closer to Durant than Merchants' offices in Kosciusko. While the proposed merger would increase deposit concentrations within the relevant market, the declining economy of the area, its limited population and income levels, the paucity of less anticompetitive merger alternatives and the fact that four commercial bank alternatives would remain for local residents substantially reduce the significance of that effect of the merger. Moreover, local competition with the two Lexington banks in and around Durant should be stimulated.

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 Merchants and Peoples have satisfactory financial resources and future prospects, although the resources available to Peoples would preclude any significant *de novo* activity. There is a lack of management depth at Peoples and, more recently, a serious health problem that has caused concern for top management succession. Managerial resources available to Merchants should satisfactorily resolve both problems.

Convenience and Needs of the Community to be Served. The merger would bring to residents of the immediate Durant area the full services of a larger, more aggressive institution, particularly in the consumer credit area. For those desiring longer banking hours, loans in excess of the Peoples' legal lending limit of $49,000 or trust services, a convenience would be offered to Durant residents who now have to travel to either Lexington or Kosciusko. Additionally, the applicants maintain that the larger size of the resulting bank would allow their participation in various Federal assistance and credit programs. Such changes, while modest, should benefit the general public and the business community in the eastern portion of Holmes 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
The St. Lawrence County Savings Bank Ogdensburg, New York (change title to The North Country Savings Bank)	24,121	2	3
to merge with			
The Potsdam Savings and Loan Association Potsdam	10,983	1	

Summary report by Attorney General, March 17, 1972

County Savings' branch office in Massena is approximately 32 miles northeast of its home office in Ogdensburg. Potsdam Savings is approximately 28 miles east of Ogdensburg and 22 miles south of Massena. Although there are several intervening banking offices, the merger would appear to eliminate some direct competition between County Savings and Potsdam Savings, for both savings deposits and mortgage loans. The application indicates that the merging institutions draw percentages varying from about 2 to 7 per cent of their deposit and loan business from each other's service area. This competition would be eliminated by the proposed merger.

Five savings and loan associations and one mutual savings bank operate offices in St. Lawrence County. County Savings holds the second largest share of IPC savings and time deposits in these thrift institutions, about 25 per cent, while Potsdam Savings holds about 12.5 per cent. If IPC time and savings deposits in the county's 14 commercial banks are included, these percentages decrease to about 11.4 per cent and 5.6 per cent, respectively.

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

Basis for Corporation approval, July 14, 1972

The St. Lawrence County Savings Bank, Ogdensburg, New York ("County Savings"), an insured mutual savings bank with total resources of $24,121,000 and total deposits of $22,622,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Potsdam Savings and Loan Association, Potsdam, New York ("S&L"), a federally insured savings and loan association with total resources of $10,983,000 and total deposits of $9,798,000. The institutions would merge under the charter of County Savings and with the title "The North Country Savings Bank." As an incident to the merger, the sole office of S&L would become a branch of the resulting bank, increasing the number of its offices to three.

Competition. County Savings has its principal office in Ogdensburg, a community of 14,554 persons, and its only branch in Massena, a community of 16,021, some 32 miles to the north. Both locations are along the St. Lawrence River between the United States and Canada in the northern part of St. Lawrence County (population 111,991). S&L has its only office in the village of Potsdam, a community of 9,985 persons, some 28 miles east of Ogdensburg and 22 miles south of Massena. These three communities, plus Gouverneur (population 4,574), 30 miles south of Ogdensburg, and Canton (population 6,398), some 20 miles southeast of Ogdensburg, are the only significant population centers in St. Lawrence County, New York's largest in terms of geographic area. The rest of the county is composed of scattered and sparsely populated hamlets. The county's overall population grew hardly at all during the 1960s, and little future growth is anticipated.

The County Savings office closest to Potsdam is 22 miles away. The primary areas from which the two institutions draw their deposit and loan business do not overlap, but each has a modest amount of business from intervening secondary areas. The amounts involved are not considered significant relative to the total deposit or loan business estimated to originate in such areas. The two savings banks in adjacent Jefferson County, for example, are estimated to have in the aggregate more in total deposits from St. Lawrence County than County Savings and S&L combined. In addition, S&L has lagged, until recently, in the rates paid on regular passbook accounts, and much of County Savings' draw from S&L's area may be attributable to this fact. The proposed merger, accordingly, would not appear to eliminate a significant amount of existing competition between the two institutions.

Little potential for increased competition between the two institutions through *de novo* branching exists. The home office protection provisions of New York law would prevent S&L from entering Massena, Ogdensburg, Canton, or Gouverneur where other savings and loan associations are headquartered, while County Savings could not legally enter Canton, where an independent commercial bank is headquartered. Gouverneur and Potsdam, because of their limited population and low income levels, do not appear attractive at the present time for *de novo* branching by any thrift institution. Moreover, to the extent that any of these five St. Lawrence communities become more attractive for such branching in the future, thrift institutions headquartered elsewhere in New York's Fifth Banking District, including the two larger savings banks in Jefferson County, would also have the right to enter between now and January 1, 1976, when statewide branch banking becomes effective (and other thrift institutions from elsewhere in the State would have the right to enter thereafter).

Within the Fifth Banking District, which, since January 1 of this year, is the widest geographic area within which thrift institutions may branch or merge (subject to the additional right a savings and loan association has of placing a branch office anywhere within 50 miles of its principal office), County Savings is the fourth largest of 11 thrift institutions in terms of total resources, and S&L the eighth largest, with 6.9 percent and 3.1 percent, respectively, of the district-wide totals at year-end. The resulting institution, with $35 million in total resources, would be the third largest of 10 such institutions, with 10.0 percent of all thrift institution assets in the district, far outdistanced by the $129 million Jefferson County Savings Bank and the $85 million Watertown Savings Bank, with 36.8 percent and 24.4 percent of such total assets, respectively.

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. The financial resources of each institution are adequate, as are the managerial resources of S&L. The management of County Savings would be strengthened by the merger, and the future prospects of the resulting bank should be favorable.

Convenience and Needs of the Community to be Served. Customers of both County Savings and S&L should benefit from the proposed merger, along with the residents of their service areas who have hitherto been exposed only to limited thrift institution services in their communities. Newly available to the customers of County Savings would be property improvement loans, on-line data processing services and 90 percent loan-to-value mortgages. Customers of S&L would be offered FHA and VA mortgage loans, safe deposit boxes, increased rates on their regular savings accounts, and lower minimums than the $10,000 now required for higher yielding certificate accounts. Customers of both institutions would benefit from the increased mortgage lending capability of the resulting institution.

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
3001 Main Street Bank Houston, Texas (in organization; change title to South Main Bank)	200	—	1
to purchase the assets and assume the deposit liabilities of			
South Main Bank Houston	78,682	1	

Summary report by Attorney General, May 30, 1972

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

Basis for Corporation approval, July 24, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for 3001 Main Street Bank, Houston, Texas ("New Bank"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liabilities of South Main Bank, Houston, Texas ("Operating Bank"), a State nonmember insured bank with total resources of $78,682,000 as of December 31, 1971, under the charter of New Bank and with the title of Operating Bank. The resulting bank will operate from the one existing office of Operating Bank.

The new bank formation and purchase of assets and assumption of liabilities transactions are designed solely to enable First City Bancorporation of Texas, Inc., a registered bank holding company, to acquire substantially all of the voting shares of the successor. Application for the acquisition is now pending before the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to the transaction, but subsequent to consummation it will operate the same banking business at the existing location of Operating Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the relevant market area served by Operating Bank or affect the banking services which Operating Bank has provided in the past. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Commercial Security Bank Ogden, Utah	159,097	9	9
to merge with			
CSB, Inc. Ogden (in organization)	126	..	

Summary report by Attorney General, March 17, 1972

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

Basis for Corporation approval, July 24, 1972

Commercial Security Bank, Ogden, Utah ("Commercial"), an insured State nonmember bank with total resources of $159,097,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to merge under its charter and title with CSB, Inc., Ogden, Utah, a nonoperating State noninsured bank.

CSB, Inc., is being organized and its merger with Commercial proposed solely as a means by which Commercial Security Bancorporation (Bancorp), a bank holding company in organization, can acquire 100 percent of the voting stock of the bank resulting from the proposed merger. Bancorp's application to become a registered bank holding company has been approved by the Board of Governors of the Federal Reserve System. CSB, Inc., will not be in operation as a commercial bank prior to the merger. The merger accomplished, CSB, Inc., would cease to exist as a corporate entity. The resulting bank would operate as Commercial now operates, employing its present nine offices. The proposal will not, per se, affect the competitive structure of commercial banking in the State of Utah or change the banking services which Commercial has provided in the past. All factors considered pertinent to the subject application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Second Highland Village State Bank Houston, Texas (in organization; change title to Highland Village State Bank)	200	—	1
to purchase the assets and assume the deposit liabilities of			
Highland Village State Bank Houston	31,222	1	

Summary report by Attorney General, April 26, 1972

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

Basis for Corporation approval, July 31, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Second Highland Village State Bank, Houston, Texas ("New Bank"), a proposed new bank in organization, and for consent to its purchase of the assets of and assumption of the liability to pay deposits made in Highland Village State Bank, Houston, Texas ("Operating Bank"), a State nonmember insured bank with total resources of $31,222,000 as of May 6, 1972, under the charter of New Bank and with the title of Operating Bank. The resulting bank will operate from the one existing office of Operating Bank, and initial capital of New Bank will be retired.

The new bank formation and purchase-assumption transaction are designed solely as a means whereby First City Bancorporation of Texas, Inc., Houston, Texas, a registered multibank holding company can acquire substantially all of the voting shares of the successor to Operating Bank. Application for said acquisition is now pending before the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to consummation of this transaction, but subsequent to consummation it will operate the same banking business at the existing location of Operating Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the relevant market area served by Operating Bank or affect the banking services which Operating Bank has provided in the past. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Johnstown Bank and Trust Company Johnstown, Pennsylvania	67,635	9	14
to merge with			
Community National Bank of Pennsylvania Johnstown (Benscreek)	9,757	5	

Summary report by Attorney General, October 12, 1971

The proposed merger would eliminate direct competition between Johnstown Bank and Community Bank in two areas of the Johnstown SMSA. One area is the City of Johnstown, Cambria County, where Johnstown Bank operates five offices and Community Bank operates one office. Johnstown is presently served by 6 commercial banks with 17 offices. After the merger the number of competing commercial banks will be reduced to five with Johnstown Bank operating six of the 17 offices. The other area is south of Johnstown in Somerset County where Johnstown Bank operates one office and Community Bank operates three offices. The closest offices of the two banks are about three miles apart in Davidsville and Hollsopple. After the merger the resulting bank would be the only one serving a triangular area from Davidsville southwest to Boswell and southeast to Hooversville.

As of June 30, 1970 there were 14 banks serving Somerset County. Johnstown Bank was the smallest with 1.7 percent of the total county deposits and Community Bank was next to the smallest with 2.3 percent of the total county deposits. The four largest banks held about 52.2 percent of the total.

Fifteen commercial banks serve Cambria County. Johnstown Bank is the second largest with 17.7 percent of the total county commercial bank deposits and about 17.4 percent of IPC demand deposits. Community Bank held 1.4 percent of total commercial bank deposits and 3.3 percent of IPC demand deposits. The four largest commercial banks accounted for 74.6 percent of total commercial bank deposits and 74.0 percent of IPC demand deposits.

A total of 25 commercial banks operate in the Johnstown SMSA. Johnstown Bank was the second largest with 12.4 percent of total deposits and 12.9 percent of IPC demand deposits. (The largest bank accounted for about 30 percent of both total deposits and IPC demand deposits). Community Bank held 1.7 percent of total deposits and 2.3 percent of IPC demand deposits. The four largest accounted for 56.5 percent of total deposits and 57.8 percent of IPC demand deposits.

The proposed acquisition would eliminate direct competition in Cambria County, particularly in the Johnstown area, and in Somerset County in the area south of Johnstown. We conclude that the proposed merger would have an adverse effect on competition.

Basis for Corporation approval, August 4, 1972

Johnstown Bank and Trust Company, Johnstown, Pennsylvania ("Johnstown B&T"), a State nonmember insured bank with total resources of $67,635,000 and total IPC deposits of $57,241,000, 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 Community National Bank of Pennsylvania, Johnstown (Benscreek), Pennsylvania ("Community"), with total resources of $9,757,000 and total IPC deposits of $7,384,000, under the charter and title of Johnstown B&T. The five offices of Community would become branches of the resulting bank, increasing the number of its offices to 14.

Competition. Johnstown B&T operates a total of nine offices in three of the seven counties in which it may legally branch or merge under Pennsylvania law. Seven of these offices, including the bank's main office in the city of Johnstown, are in Cambria County, one is in Somerset County to the south of Cambria County, and one is in Westmoreland County to the west. Four of Community's five offices, by contrast, are located in Somerset County, while its main office, located in Benscreek on the outskirts of Johnstown, is in Cambria County.

The area in which the competitive impact of the proposed merger would be most direct and immediate may be approximated by the Johnstown, Pennsylvania, SMSA, consisting of Cambria and Somerset Counties. The two counties had a combined 1970 population of 262,822 and economies that revolve around the city of Johnstown (1970 population 42,476) in the southwestern part of Cambria County. The city of Johnstown is predominantly a steel-producing center, while the surrounding area is devoted to general farming, coal mining, and a limited amount of diversified industry and manufacturing. Both the city of Johnstown and the bicounty area as a whole lost population during the 1960s, and both counties have income levels 20 to 30 percent below the statewide average.

Twenty-five commercial banks, with 64 offices, serve this two-county area. The largest bank in the SMSA is United States National Bank in Johnstown, Pennsylvania, a $154 million-deposit institution with approximately 29.4 percent of the area's commercial bank IPC deposits. Johnstown B&T is the second largest area bank, holding approximately 12.3 percent of such IPC deposits, while Community ranks 15th among the SMSA's 25 commercial banks, with approximately 1.7 percent of such IPC deposits.*

Community's main office in Benscreek is about 4 miles from the nearest Johnstown B&T office in Johnstown, while the latter's only office in Somerset County, located at Davidsville (estimated population 500), is about 1 mile from Community's office in Hollsopple (estimated population also 500). Because both banks operate in the same market and because these offices are located in some proximity, the proposed merger would eliminate a degree of existing competition between Johnstown B&T and Community. The extent of that competition, however, is not considered substantial in view of Community's relatively small share of the market, the volume of deposit and loan business held at the closest offices of the two banks, and the fact that Community does not offer fully competitive rates on time deposits, whereas Johnstown B&T does. Moreover, where their offices are in close proximity, customers dissatisfied with the resulting bank would continue to have three conveniently available alternatives in Johnstown and two in Windber, some 6 miles northeast of Hollsopple.

Increased competition between the two banks in the future through additional *de novo* branching appears remote. Community's limited financial and managerial resources make *de novo* branching on its part unlikely, while Johnstown B&T is not apt to find Somerset County attractive for *de novo* branching—income levels being 30 percent below the Pennsylvania average, and the population for each existing commercial bank office being only 3,041.

The proposed merger would thus have no significant effect on the commercial bank structure of the Johnstown SMSA. Moreover, if future growth in population or deposit potential makes either Cambria or Somerset County attractive to outside banks for *de novo* entry, there are five banks, each over $50 million in deposits, eligible to enter Cambria County and three such banks eligible to enter Somerset County that could bring the resulting bank additional competition in both counties of the SMSA.

*Percentage shares as of June 30, 1970.

In the seven-county area open to Cambria County banks for branching and merging under Pennsylvania law, the resulting bank would account for only 4.0 percent of total commercial bank IPC deposits held at offices within the seven counties.

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. Johnstown B&T has satisfactory financial and managerial resources and satisfactory prospects for the future, as would the resulting bank. Community's prospects as an independent institution are dimmed by its lack of management depth, its noncompetitive posture with regard to savings deposits and certificates, and its position as the smallest of the banks operating in the city of Johnstown, the hub of the local banking market.

Convenience and Needs of the Community to be Served. Customers of Community would benefit from the higher rate of interest which Johnstown B&T pays on regular savings accounts, its special 5 percent time open account, and the fact that it pays the maximum rates of interest allowed by Federal rate ceilings on 1- and 2-year certificates of deposit. They would also have trust services, more sophisticated lending services, and a much higher lending limit available to them. The proposed merger would also provide an alternative source for these services to many Somerset County residents, thereby enhancing competition with existing banks and promoting the public convenience.

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
Second La Porte State Bank La Porte, Texas (in organization; change title to La Porte State Bank)	200	—	1
to purchase the assets and assume the deposit liabilities of			
La Porte State Bank La Porte	9,023	1	

Summary report by Attorney General, May 8, 1972

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

Basis for Corporation approval, August 4, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal Deposit Insurance for Second La Porte State Bank, La Porte, Texas ("Second Bank"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liabilities of La Porte State Bank, La Porte, Texas ("First Bank"), a State nonmember insured bank with total resources of $9,023,000. The resulting bank will operate from the one existing office and with the title of First Bank, and initial capital of Second Bank will be retired.

The new bank formation and purchase and assumption transaction are designed solely as a means by which First City Bancorporation of Texas, Inc., Houston, Texas, a registered bank holding company, can acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed transaction. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on May 22, 1972. Second Bank will not be in operation as a commercial bank prior to the purchase and assumption transaction, but subsequent to consummation it will operate the same banking business at the existing location of First Bank, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by First Bank or affect the banking services which First Bank has provided in the past. All factors considered pertinent specifically 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
Bloomfield State Bank Bloomfield, Connecticut (in organization)	1,465	—	1
to purchase a portion of the assets and assume a portion of the deposit liabilities of			
New Britain Bank and Trust Company New Britain	1,760*	1*	

Summary report by Attorney General, May 30, 1972

Bloomfield Bank, which has received approval to begin operations in Bloomfield, proposes to purchase the Bloomfield office of New Britain Bank and operate it as its head office. As a result of the transaction New Britain Bank would no longer operate in or near Bloomfield.

The transaction would eliminate the competition between Bloomfield Bank and the Bloomfield office of New Britain Bank which would result from the *de novo* opening of Bloomfield Bank. The Bloomfield office of New Britain Bank, however, controls only $1.5 million in deposits, which comprises 9.2 per cent of the total deposits held by the three banking offices presently operating in Bloomfield. Thus, the small size of that office renders the potential competition between the two banks less significant.

*Resources and branch office of New Britain Bank and Trust Company to be purchased by Bloomfield State Bank.

The opening of Bloomfield Bank, however, will close that town to further *de novo* branching by outside banks, by operation of Connecticut's home office protection law. Thus, it becomes more important to preserve all competitive alternatives which now exist there. Should New Britain Bank still desire to sell its Bloomfield office it could do so to an outside bank, thus preserving four competitors in the town. Such a sale could provide the means for entry into the highly concentrated Hartford area market by one of the large Bridgeport or New Haven banks.

We conclude, therefore, that despite the small size of the Bloomfield office of New Britain Bank, the proposed transaction would have an adverse effect on potential competition.

Basis for Corporation approval, August 11, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Bloomfield State Bank, Bloomfield, Connecticut ("New Bank"), a proposed new bank in organization, and for consent to its purchase of the assets of, and assumption of the liability to pay deposits made in, the Bloomfield Branch of New Britain Bank and Trust Company, New Britain, Connecticut ("Selling Bank"), under the charter and title of New Bank. The branch has total deposits of $1,993,000, and it would be operated as the sole office of New Bank.

Competition. New Bank is a proposed new bank in organization and would not be in operation as a commercial bank prior to consummation of the purchase and assumption transaction, but upon consummation would succeed to the business of the Bloomfield Branch of Selling Bank. The stock of New Bank is to be widely held by local citizens, and it appears to have significant local support. Selling Bank is headquartered in New Britain and operates a total of eight offices, all in Hartford County. The effect of a sale of its Bloomfield Branch would be confined entirely to the town of Bloomfield, where Selling Bank presently competes with the State's two largest banks, the $1.24 billion Hartford National Bank and Trust Company and the $1.18 billion Connecticut Bank and Trust Co. Selling Bank holds approximately 11.3 percent of Bloomfield's total commercial bank deposits, while its two larger competitors hold approximately 88.7 percent between them.

Bloomfield is north of Hartford, the State capital, which is in the approximate center of Connecticut. Bloomfield's population increased during the 1960s from 13,613 to 18,301, or 34.4 percent, and a further increase is projected. Bloomfield has an active manufacturing and commercial economy which includes a significant residential orientation. The outlook for growth is favorable. Inasmuch as New Bank is not an operating bank and will not be in operation until consummation of the proposed transaction; no competition presently exists between it and Selling Bank.

New Bank was being organized to operate in Bloomfield as an independent commercial bank. Thus, in the absence of the proposed transaction, New Bank would probably be in competition with the Bloomfield Branch of Selling Bank in the near future. The Bloomfield Branch of Selling Bank, however, has been open since March 1967 and has generated less than $2 million in total deposits and is still operating at a loss, due primarily to its inability to establish its identity locally. A more recent branch of Hartford National Bank and Trust Company has performed significantly better in a shorter period of time. The replacement of Selling Bank by a new, locally owned bank with a local headquarters should enable the resulting bank to compete more successfully with the local branches of the State's two largest commercial banks. Because of this and because other local banks can also be organized in Bloomfield in the future, any loss of potential competition between New Bank and Selling Bank through consummation of the proposed transaction is not considered significant.

Connecticut law permits statewide *de novo* branching, subject to home office protection. The chartering of New Bank would therefore close the town of Bloomfield to further *de novo* branching by outside banks, but this potentially adverse effect becomes less significant when it is noted that Bloomfield has been open to *de novo* branching for some years and still has only three commercial bank offices, one of which has not fared well. Additional *de novo* branching by New Bank and the chartering of additional local banks will remain possible in the future, thereby assisting in the deconcentration of local deposits presently held by the State's two largest banks.

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. New Bank and Selling Bank have satisfactory financial and managerial resources and satisfactory prospects for the future. In view of the limited success of Selling Bank's Bloomfield Branch in the local market, however, its future prospects would appear to be more favorable as part of the resulting bank than as an unsuccessful branch operation of a more distant bank.

Convenience and Needs of the Community to be Served. The convenience and needs of residents of the town of Bloomfield shouid not be adversely affected by the proposed sale. To the extent local competition is stimulated by a successful locally owned and operated bank, the people of Bloomfield should benefit in the future.

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 Georgia Bank Atlanta, Georgia (in organization)	3,600	—	6
to purchase the assets and assume the deposit liabilities of			
First Georgia Bank (formerly Peoples American Bank of Atlanta) Atlanta	44,018	6	

Summary report by Attorney General, May 8, 1972

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

Basis for Corporation approval, August 11, 1972*

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for First Georgia Bank, Atlanta, Georgia ("First-Organization"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liabilities of First Georgia Bank, Atlanta, Georgia (formerly Peoples American Bank of Atlanta), ("First Peoples"), a State nonmember insured bank with total resources of $44,018,000, and for permission to establish five branches. The resulting bank will operate from the six existing offices of First-Peoples and with its title.

The new bank formation and purchase and assumption transaction are designed solely as a means by which First Georgia Bankshares, Inc., Atlanta, Georgia, a bank holding company in organization, can acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed transaction. Application to become a holding company and for said acquisition is pending approval by the Board of Governors of the Federal Reserve System. First-Organization will not be in operation as a commercial bank prior to the purchase and assumption transaction, and subsequent to consummation it will operate the same banking business at the existing locations of First-Peoples, and with the same management. The proposal will have no effect on the competitive structure of commercial banking in the trade area served by First-Peoples or alter the banking services which First-Peoples has offered in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Western Bank Coos Bay, Oregon	70,910	12	19
to merge with **Bank of St. Helens** St. Helens	15,472	2	
and **Bank of Klamath Country** Klamath Falls	7,819	2	
and **Bank of Central Oregon** Redmond	12,161	2	
and **Lane County Bank** Florence	7,343	1	

*This application was withdrawn after approval, and the Board of Directors rescinded the approval on November 6, 1972.

Summary report by Attorney General, May 30, 1972

There appears to be little or no existing competition between any of the five banks except possibly in Columbia County, where Western Bank operates one office and St. Helens Bank operates its two offices. The offices of the two banks, however, are at least 30 miles apart, and one other banking office intervenes. In view of the considerable commerce and commuting which apparently exists between the various communities in the county, the merger may eliminate some existing competition.

Commercial banking in Oregon is dominated by two large Portland banks, which together control about 77 per cent of total state deposits. Western Bank, though much smaller than either of these, is sixth largest of 46 Oregon banks, controlling about 1.3 per cent of state deposits.

Klamath Bank and Central Bank are the only independents and smallest of three banks operating in their respective local markets. In both cases, Western Bank is the fourth largest bank which could enter these markets, though of these four Western Bank has been particularly aggressive in expanding geographically. Lane Bank is the largest of two small banks operating in its local market. The two large Portland banks are also potential entrants into this market.

To the extent that Western Bank and St. Helens Bank are not in direct competition in Columbia County, there is potential for increased competition between them. St. Helens Bank holds the second largest share (42.5 per cent) of the total deposits held by the three banks operating in southeastern Columbia County. Western Bank is the fourth largest bank which could enter this part of the county. Western Bank already operates in Columbia County, as does one other of the four potential entrants.

Thus, the merger of Western Bank and St. Helens Bank would eliminate some existing competition and potential competition. The effect of this merger on competition in Columbia County would be adverse. The merger of Western Bank with Klamath Bank and Central Bank would eliminate some potential competition in the local markets involved. The merger of Western Bank and Lane Bank would not have an adverse effect in western Lane County.

These four mergers, taken together, would reduce the number of banks in Oregon by about 9 per cent, but because of the small size of the banks involved, would increase Western Bank's share of total state deposits by only about .6 per cent, from 1.3 to 1.9 per cent. Three of the four mergers, however, eliminate the only remaining independent bank in the local market involved. In the context of the high concentration in Oregon banking, this could make it more difficult for any of the several local banks with deposits of $25 to $50 million to expand into statewide or regional competitors in competition with the few existing statewide banks.

Basis for Corporation approval, August 11, 1972

Western Bank, Coos Bay, Oregon (total resources $70,910,000; IPC deposits $49,602,000), 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 prior consent to merge with the following four banks under the charter and title of Western Bank:

1. Bank of St. Helens, St. Helens, Oregon (total resources $15,472,000; IPC deposits $10,402,000)

2. Bank of Klamath Country, Klamath Falls, Oregon (total resources $7,819,000; IPC deposits $5,119,000)
3. Bank of Central Oregon, Redmond, Oregon (total resources $12,161,000; IPC deposits $10,160,000)
4. Lane County Bank, Florence, Oregon (total resources $7,343,000; IPC deposits $5,497,000)

As an incident to the proposed mergers, the seven offices of the four banks would become branches of Western Bank, increasing its total number of offices to 19.

Competition. Western Bank is the sixth largest of 45 insured commercial banks operating in the State of Oregon, but it holds only 1.4 percent of total commercial bank deposits in the State. The four banks it proposes to acquire, which are located a minimum of 35 and a maximum of 225 miles away from the nearest Western Bank office, would increase Western Bank's share of the total commercial bank deposits in the State to 2.1 percent and establish the resulting bank as one of only four commercial banks operating on a statewide basis. The three other statewide banks are the State's two largest banks—First National Bank of Oregon, a $2.15 billion institution with 40.7 percent of the State's total commercial bank deposits and United States National Bank, a $1.97 billion institution with 35.4 percent of the State's total commercial bank deposits—and The Oregon Bank, the fourth largest bank operating in the State, which has 3.6 percent of the State's total commercial bank deposits.

Since acquisition of the four banks would not affect the present dominance of Oregon's two largest banks, and might tend to stimulate competition among the State's medium-sized banks, especially The Oregon Bank, no adverse competitive results for the State as a whole are foreseen from the consummation of any of the four proposed mergers.

With regard to the likely effects of the proposed mergers on competition in local banking markets, the following observations are relevant:

1. Bank of St. Helens has two offices, both located in Columbia County in northwestern Oregon. Its main office is in St. Helens (population 6,212) on the western bank of the Columbia River, while its branch office is located in Scappoose (population 1,859) 9 miles south of St. Helens. Although Western Bank has an office in Clatskanie in Columbia County, this office is 35 miles northwest of St. Helens, the county is sparsely populated (1970 population 28,790), and the two banks appear to serve separate and distinct banking markets. The State's two largest banks each have offices in St. Helens, while The Oregon Bank has a branch in Rainier, some 17 miles north of St. Helens and 15 miles east of Clatskanie. Bank of St. Helens holds about 42 percent of the total deposits held at Oregon commercial bank offices in St. Helens and within a 15 miles radius of St. Helens.
2. Bank of Klamath Country has two offices, both located in Klamath Falls (population 15,775), the seat of Klamath County (population 50,021), in south-central Oregon adjacent to the California border. Western Bank has no office in Klamath County, its nearest office being 135 miles west of Klamath Falls in Cave Junction. Bank of Klamath Country accounts for 10.8 percent of all deposits at commercial bank offices within 15 miles of Klamath Falls, the balance being held by the State's two largest

banks, each of which operates three offices in Klamath County.

3. Bank of Central Oregon has an office in Redmond (population 3,721) and an office in Bend (population 13,710), both of which are located in Deschutes County (population 30,442), some 225 miles southeast of Western Bank's nearest branch in Clatskanie. Bank of Central Oregon competes only with the State's two largest banks, which hold 86.4 percent of the county's total commercial bank deposits between them. Western Bank has applied for a *de novo* branch in Prineville, 19 miles east of Redmond in Crook County, where each of the State's two largest banks also have offices.

4. Lane County Bank is a unit bank located in Florence (population 2,246) on the west-central coast of Oregon in Lane County (population 213,358), a county dominated by Eugene and neighboring Springfield, some 50 miles to the east of Florence. Lane County Bank is one of two approximately equal-sized commercial banks in its banking market. Western's nearest office is 46 miles south of Florence in North Bend.

Because of the location of all four of these banks relative to each other and to the nearest Western Bank office, none of them competes today with Western Bank and none draws more than nominal business from areas served by the others. Accordingly, none of the four proposed mergers would eliminate any significant existing competition between the participating banks. In the case of the first three acquisitions, local competition with the State's two largest commercial banks should be stimulated.

Western Bank cannot legally enter St. Helens, Klamath Falls, Redmond, or Florence except by merger, as Oregon law provides home office protection against *de novo* branching by outside banks to incorporated areas having a population of less than 50,000. While Western Bank could branch *de novo* into adjacent unincorporated areas and into Scappoose and Bend, where Bank of St. Helens and Bank of Central Oregon, respectively, maintain branches, most of these locations are not attractive for *de novo* branching and even if future growth should make them so, the State's two largest banks are more likely *de novo* entrants into the unincorporated areas around Florence, and The Oregon Bank may be considered just as likely a *de novo* entrant as Western Bank into each of the four market areas. None of the four banks has established *de novo* branches except in close proximity to their main offices, and their limited resources make it unlikely that any of them would establish *de novo* offices in areas now served by Western Bank. While Western Bank's proposed office in Prineville may result in increased competition with Bank of Central Oregon, the distance between these two locations suggests that any potential competition that might be eliminated by their merger would be minimal. The proposed mergers, accordingly, would appear to eliminate no significant potential for increased competition between the participating banks through *de novo* branching. Moreover, the proposed mergers would have the collateral effect of opening St. Helens, Klamath Falls, and Redmond to *de novo* branching by other banks.

For the reasons stated, the Board of Directors is of the opinion that the proposed transactions 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. Western Bank, Bank of St. Helens, Bank of Klamath Country, and Lane County Bank all have adequate financial and managerial resources, as would the resulting bank. Mainly due to adverse agricultural conditions, the quality of financial resources at Bank of Central Oregon has been declining in recent years, but this weakness would be overcome by its proposed merger into Western Bank. The future prospects of all the participating banks are favorable, as they should be for the resulting bank as well.

Convenience and Needs of the Communities to be Served. The proposed mergers would give to the banking public in each of the relevant local areas an alternative source for certain banking services, such as credit card services, trust services, additional types of loans, like government-insured and government-guaranteed mortgages, and larger lending limits. In the case of residents of Florence, a number of these services would be conveniently available only at the branch office of the resulting bank.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Second Heights State Bank Houston, Texas (in organization; change title to Heights State Bank)	200	—	1
to purchase the assets and assume the deposit liabilities of			
Heights State Bank Houston	53,347	1	

Summary report by Attorney General, May 8, 1972

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

Basis for Corporation approval, August 11, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Second Heights State Bank, Houston, Texas ("New Bank"), a proposed new bank in organization, and for consent to its purchase of the assets of and assumption of the liability to pay deposits made in Heights State Bank, Houston, Texas ("Operating Bank"), a State nonmember insured bank with total resources of $53,347,000, under the charter of New Bank and with the title of Operating Bank. The resulting bank will operate from the one existing office of Operating Bank, and initial capital of New Bank will be retired.

The new bank formation and purchase-assumption transaction are designed solely as a means whereby First City Bancorporation of Texas, Inc., Houston, Texas, a registered multibank holding company, can acquire substantially all of the voting shares of the successor to Operating Bank. Application for said acquisition is now pending before the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to consummation of this transaction, but subsequent to consummation it will operate the same banking business at the existing location of Operating Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the relevant market area served by Operating Bank or affect the banking services which Operating Bank has provided in the past. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Citizens Bank and Trust Company Glasgow, Kentucky	25,500	4	5
to merge with			
The H. Y. Davis State Bank Cave City	4,000	1	

Summary report by Attorney General, April 26, 1972

Davis Bank is located about 10 miles northwest of Citizens. Another bank approximately equal in size to Davis Bank is located in Cave City, but there are no other banks directly intervening in the area between Davis Bank and Citizens. The Application states that Citizens draws only between 1 and 2 per cent of its demand deposits and less than 1 per cent of its commercial, housing and agricultural loans from the service area of Davis Bank, but that between 8 and 10 per cent of its savings accounts and 4 per cent of its installment loans originate there. Correspondingly, 8 to 10 per cent of Davis Bank's demand deposits and 5 to 6 per cent of its Certificates of Deposit originate outside its service area, much of it within that of Citizens. It would appear, therefore, that the consummation of this merger would eliminate some existing competition between the banks. Home office protection prevents Citizens from branching *de novo* into Cave City.

Six banks operate nine banking offices in Barren County. The county's two largest banks account for five of those offices. Citizens, the county's second largest bank, operates three offices and holds approximately 38.6 per cent of the county's total deposits and 37.3 per cent of total IPC demand deposits.

Davis Bank is the fourth largest bank in the county and accounts for about 6.7 per cent of total deposits and 6.4 per cent of IPC demand deposits.

Commercial banking in Barren County is highly concentrated. Based on June 30, 1971 deposit figures, Citizens and the county's largest bank, The New Farmers National Bank, Glasgow, held 78.8 per cent of the county's total deposits and 78.9 per cent of total IPC demand deposits. The four largest banks in the county hold about 92.3 per cent of total deposits and 91.7 per cent of IPC demand deposits. Should this merger be consummated, Citizens would not only increase its share of deposits by 6.7 per cent to 45.3 per cent, but would also increase its number of offices to four, making it the county's dominant bank. In addition only five banks would remain in the county with the two largest accounting for 85.5 per cent of total deposits and the four largest about 95.3 per cent.

Approval of this merger application would result in the consolidation of the county's second largest bank with a smaller bank with which it competes to some extent. The resulting bank would become the county's largest bank and concentration of deposits among the county's largest banks would be increased. In our view, therefore, this proposed merger would have an adverse effect on competition.

Basis for Corporation approval, August 31, 1972

Citizens Bank and Trust Company, Glasgow, Kentucky ("Citizens Bank"), a State nonmember insured bank with total resources of $25,500,000 and total IPC deposits of $19,900,000, 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 H. Y. Davis State Bank, Cave City, Kentucky ("Davis Bank"), having total resources of $4,000,000 and total IPC deposits of $3,400,000. As an incident to the merger, the only office of Davis Bank would become a branch of Citizens Bank, increasing the number of its offices to five.

Competition. Citizens Bank operates its main office and two branches in Glasgow and one branch in Temple Hill, a community of 100 persons located 9 miles southeast of Glasgow. Glasgow is the county seat and population center of Barren County, Kentucky, and is situated in the south-central portion of the State about midway between Louisville, Kentucky, and Nashville, Tennessee. The rural character of Barren County has undergone substantial change in the past decade, with industrial, recreational, and tourist activities expanding. Glasgow is the center of industrial activity as well as the largest trading center in a six-county region composed of Barren County and five contiguous counties. The population of Barren County has remained relatively constant, rising only 1.3 percent, from 28,303 in 1960 to 28,677 in 1970, but the population of Glasgow has increased 12.2 percent, from 10,069 to 11,301, during the same period.

Davis Bank operates its sole office in Cave City, 10 miles northwest of Glasgow. Cave City, located in the northern part of Barren County, grew from 1,418 in 1960 to 1,818 in 1970, due largely to a developing tourist complex around nearby Mammoth Cave National Park and Interstate Highway 65.

Citizens Bank derives most of its business from throughout Barren County and the western portion of contiguous Metcalfe County, while Davis Bank derives most of its business from within a 6-mile radius of Cave City. There are no intervening banks between Citizens Bank and Davis Bank, but there is a competing bank located in Glasgow and other competing banks located in Cave City, Park City, and Hiseville, in Barren County, and Horse Cave, in Hart County. The two banks headquartered in Glasgow, which approximate each other in size, are the two largest banks in this local banking market as well as in Barren County as a whole. Davis Bank is the third largest of the five competing banks closest to Cave City, a group which does not include the two banks in Glasgow. Citizens Bank derives about 8 percent of its savings deposits and 4 percent of its installment loans from Davis Bank's immediate trade area, but most of these accounts are attributable to the fact that Davis Bank offered neither service prior to 1969. In addition, there are a number of common depositors and borrowers at both banks. The proposed merger, accordingly, would eliminate some existing competition between Citizens Bank and Davis Bank, but the extent of this existing competition presently is limited. Within the immediate Cave City area, moreover, the proposed merger should enhance competition by replacing a small nonaggressive bank which has had limited growth since it was organized in 1888, with a larger, full-service bank.

The potential for increased competition between the two banks in the future through *de novo* branching is also limited. Kentucky law permits only countywide branching, subject to home office protection. Citizens Bank may not branch *de novo,* therefore, into Cave City even if this were economically feasible, nor may Davis Bank branch *de novo* into Glasgow. No Barren County community other than Glasgow has a population in excess of 1,900, and all of the larger communities, like Cave City, Park City, and Hiseville, already have an independent commercial bank. Barren County presently has one commercial bank office for each 2,607 persons, a relatively stable population, and income levels somewhat below the statewide average. *De novo* branching by either bank, without regard to size or branching experience, is therefore most unlikely. While future growth may make the northern section of the county increasingly attractive to *de novo* branching in the unincorporated areas outside Cave City and Park City, the other bank in Glasgow is just as capable of *de novo* branching as Citizens Bank. Consummation of the proposed merger should not, for all these reasons, eliminate a significant potential for increased competition between the two banks in the future through *de novo* branching, or adversely affect the future structure of commercial bank competition in Barren County.

The proposed merger would moderately increase the concentration of commercial bank resources in Barren County by adding to the competitive strength of one of the county's two largest banks. Five commercial bank alternatives would continue to be available, however, for residents of the sparsely populated area around Cave City, and the second largest bank in Glasgow would be a sixth alternative only 10-miles from Cave City. Furthermore, no less-anticompetitive merger alternative within Barren County appears to be available to Davis Bank. Of the four other merger partners that are legally possible for Davis Bank, two would elminate a greater degree of existing competition than the merger proposed, the other Glasgow bank is slightly larger than Citizens Bank and would cause a slightly higher degree of concentration of banking resources, and the fourth is smaller than Davis Bank and would be unable to enlarge the range of Davis Bank services.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable for Citizens Bank, as they would be for the resulting bank.

Convenience and Needs of the Community to be Served. Although the proposed transaction would have little effect on Citizens Bank's present customers, banking services in the Cave City area should be improved. Trust services would be offered for the first time in this area, extended banking hours are planned, a bank credit card would be made available as well as a number of more specialized banking services. Davis Bank's lending limit of $60,000 would be replaced by the resulting bank's limit of $348,400.

Based upon 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
Caddo Trust and Savings Bank Belcher, Louisiana	6,447	2	3
to acquire the assets and assume the deposit liabilities of			
The Oil City Bank Oil City	1,157	1	

Summary report by Attorney General, July 28, 1972

Caddo's principal office is about 10 miles east of Bank, with no banking offices in the intervening area. The only alternative sources of banking services available in northern Caddo Parish are located in Vivian (population 4,046), approximately 10 miles north of Oil City, where two banks (one a branch of The First National Bank of Shreveport) operate. The application indicates that Caddo's home office draws approximately 20 per cent of its deposits and 30 per cent of its loans from Bank's service area and that immediately prior to making this application (which followed the purchase of 92 per cent of Bank's stock by Caddo's directors), Caddo had pending an application to establish a *de novo* branch in Oil City to serve its customers there. It would appear, therefore, that Caddo is a significant competitor of Bank, and that this proposed acquisition would permanently eliminate existing competition between the two banks.

Four banks currently serve northern Caddo Parish. Caddo is the second largest bank serving the area and accounts for about 29 per cent of the area's total IPC deposits. Bank is the smallest banking organization serving the area and accounts for about 4.8 per cent of total IPC deposits. Concentration of deposits in the area is very high, with the two largest banks holding about 70.4 per cent of total IPC deposits. If this proposed acquisition is consummated the number of banking alternatives in the area will be reduced to three, and the share of deposits held by the two largest banks would exceed 75 per cent.

Bank's small size tends to mitigate the anticompetitive effects of this proposed transaction. However, the application states that when Bank's controlling stock became available, Caddo acquired control (as "necessary to protect [its] business interests") because other interests were also attempting to make the purchase. It would appear, therefore that, except for this proposed transaction, Bank might be preserved as a vehicle for entry by a new competitor into northern Caddo Parish.

Basis for Corporation approval, August 31, 1972

Caddo Trust and Savings Bank, Belcher, Louisiana ("Caddo Trust"), a State nonmember insured bank having total resources of $6,447,000 and total IPC deposits of $5,348,000, 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 to assume liability to pay deposits made in, The Oil City Bank, Oil City, Louisiana ("City Bank"), having total resources of $1,157,000 and total IPC deposits of $888,000. As an incident to the transaction the sole office of City Bank would become a branch of Caddo Trust, increasing the number of its offices to three.*

Competition. Caddo Trust operates its main office in Belcher (population 482) and a branch in Gilliam (population 211), in northern Caddo Parish, located in extreme northwestern Louisiana and bordering on both Texas and Arkansas. Caddo Parish had a 1970 population of 230,184, but 182,064 of this number are concentrated in the city of Shreveport, the commercial and industrial focal point of this section of the tristate area. Caddo Trust is the seventh largest of 10 commercial banks in Caddo Parish, holding 1.0 percent of their aggregate IPC deposits.

City Bank, the smallest commercial bank operating at year-end 1971 in Caddo Parish, held 0.2 percent of the aggregate IPC deposits held by all commercial banks of the parish, and has its sole office in Oil City (1970 population 907—down 36.6 percent since 1960). It has attracted less than $1 million in total deposits since its establishment in 1924 and had net income in 1971 of less than $10,000.

The economy of Caddo Parish is based on agriculture, oil production, and a scattering of light industry. Seven of the parish's 10 commercial banks are headquartered in the city of Shreveport, and many residents of the Belcher-Gilliam-Oil City area commute for employment to Shreveport, some 18 miles south of Belcher. The commercial bank offices nearest to Oil City are located in Vivian, a community of 4,046 persons 8 miles north of Oil City, where The First National Bank of Shreveport, a $237 million bank, has a branch office and Citizens Bank & Trust Company of Vivian, a $5 million local bank, has its only office.

City Bank's office is 13 miles west of Caddo Trust's main office, and about 18 miles southwest of its branch. There are no other banks with offices in the sparsely populated intervening area, although the two commercial bank offices

---

*Directors of Caddo Trust acquired all of the stock of City Bank early in 1972 and have been operating City Bank like a branch of Caddo Trust since April, having replaced all of its former directors and managing officials with Caddo Trust personnel. This application represents the first supervisory opportunity to review that change of control, and the Corporation will, in accordance with past agency practice, disregard Caddo Trust's present control of City Bank and consider the application in the light of the circumstances existing prior to April 1972.

in Vivian provide alternatives for banking service to local residents. Prior to April 1972, City Bank drew virtually all of its limited banking business from the immediate vicinity of Oil City, but each of the three competing banks closest to Oil City, including Caddo Trust, probably derived more deposit business from the Oil City vicinity than City Bank. The proposed acquisition would eliminate this direct competition between Caddo Trust and City Bank, but the significance of that result is limited by City Bank's poor record as a competitor and by the very small share—approximately 1.2 percent—which both banks in the aggregate hold of all commercial bank deposits in the relevant banking market (that is, all of Caddo Parish).

Louisiana law limits *de novo* branching to a bank's headquarters parish. City Bank's limited resources, lack of branching experience, and former non-aggressive management made it an unlikely candidate for any such *de novo* expansion. Caddo Trust has both the capacity and motivation to enter other parts of Caddo Parish, including Oil City, by *de novo* branching, but each of the established branch banks in Shreveport is a larger, more likely potential entrant than Caddo Trust into areas of the parish outside of Shreveport that are or may become attractive for *de novo* branching.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable for Caddo Trust, as they would be for the resulting bank.

Convenience and Needs of the Community to be Served. The proposed transaction should have little effect on present customers of Caddo Trust, but banking services available to City Bank customers should be improved—as indeed they have been since April 1972. The former management of City Bank did not offer certificates of deposit, savings bond services, or maximum rates of interest on savings deposits. Caddo Trust offers all of these services, as well as a higher lending limit and more aggressive management.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
New State Bank in Butler Butler, Missouri (in organization; change title to Butler State Bank)	400	—	1
to merge with			
Butler State Bank Butler	16,185	1	

Summary report by Attorney General, July 11, 1972

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

Basis for Corporation approval, August 31, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, an application has been filed for Federal deposit insurance for New State Bank in Butler, Butler, Missouri ("New Bank"), a proposed new bank in organization, and for consent to merge with Butler State Bank, Butler, Missouri ("Operating Bank"), a State nonmember bank with total resources of $16,185,000. The resulting bank will operate from the one existing office of Operating Bank and with its title.

The new bank formation and merger transaction are designed solely as a means by which First National Charter Corporation, Kansas City, Missouri, a registered bank holding company, can acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed transaction. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on July 27, 1972. New Bank will not be in operation as a commercial bank prior to the merger transaction, but subsequent to consummation it will operate the same banking business at the existing location of Operating Bank. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Operating Bank or affect the banking services which Operating Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Valley Bank Lansford, Pennsylvania	213,603	16	19
to merge with			
Citizens' Bank of Freeland Freeland	32,488	3	

Summary report by Attorney General, August 1, 1972

The nearest of First Valley's offices to those of Citizens are located in Lansford (population 5,168) and Nesquehoning (population 3,338) in Carbon County, about 25 road miles southeast of Citizens' two branches in Hazleton. According to the application. these offices are separated from the Freeland-Hazleton area by a mountain chain. It appears that the proposed merger would not eliminate any substantial existing competition.

Under Pennsylvania law, First Valley could be permitted to establish *de* *novo* branches in the Freeland-Hazleton area. It is one of the largest eligible banks not already operating in this area, and has the capability of expanding *de novo* where market conditions would be conducive to such entry. Hazleton is one of the largest communities in northeastern Pennsylvania; however, its gradual decline in population over the past decades and mixed prospects for future growth detract from the probability of extensive *de novo* branches in the near future.

The application identifies eight banks operating 18 banking offices in the service area of Citizens, which is asserted to include the southern part of Luzerne County and neighboring portions of Schuylkill County. This area may somewhat overstate the relevant market in which to assess the competitive effects of the proposed merger, as it includes banking offices at some distance from Hazleton.

Citizens is the third largest of four locally headquartered banks serving the area, and holds about 11 per cent of its total deposits. The two leading banks in the area are headquartered in Hazleton, and are each approximately twice as large as Citizens.

While the proposed merger may eliminate First Valley as a potential *de novo* entrant into the Freeland-Hazleton area, it will be entering by acquisition of a bank which is less than half the size of its leading local competitors. Given the relative size of Citizens together with the existence of several other potential entrants of equal capability and the presently static nature of the area, we conclude that the proposed merger would not have a substantially adverse effect on potential competition.

Basis for Corporation approval, August 31, 1972

First Valley Bank, Lansford, Pennsylvania, a State nonmember insured bank having total resources of $213,603,000 and IPC deposits of $182,417,000, 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 Citizens' Bank of Freeland, Freeland, Pennsylvania ("Citizens Bank"), with total resources of $32,488,000 and IPC deposits of $27,566,000. The banks would merge under the charter and title of First Valley Bank and, as an incident to the merger, the three offices of Citizens Bank would become branches of the resulting bank, increasing the number of its authorized offices to 21.

Competition. First Valley Bank now operates a total of 16 offices; 10 in Northampton County, two in Carbon County, three in Lehigh County, and one in Luzerne County. Two other offices have been approved but are not yet open, both in Northampton County. First Valley Bank is presently serving three separate trade areas. The first and most important is the Allentown-Bethlehem area in Northampton and Lehigh Counties. The second consists of the southwestern part of Carbon County and a portion of northeastern Schuylkill County around the communities of Lansford and Nesquehoning, where recently acquired offices of First Valley Bank are located. The third consists of Kingston and the surrounding area in northern Luzerne County.

Citizens Bank operates a total of three offices in southern Luzerne County. In addition to the main office in Freeland, two branches are operated in Hazleton at the extreme southern end of the county. The trade area served by Citizens Bank consists of the southern part of Luzerne County and small portions of Carbon and Schuylkill Counties. The economy of Luzerne County was primarily dependent for many years on anthracite coal production and railroad transportation to market. The area has experienced depressed economic conditions for years, and its population has been declining. The trade area of Citizens Bank is estimated to have a present population of about 41,000 persons. There has been some moderate recent success in attracting new and diversified industries to the area, and a modest uptrend is discernible.

The office of First Valley Bank in Lansford is approximately 17 road miles from one of the offices of Citizens Bank in Hazleton, and this represents the shortest distance between offices of the two banks. The intervening area, however, is mountainous, and travel between the two locations is restricted by the poor highway systems in the area. An analysis of the application indicates that there is little existing competition between Valley Bank and Citizens Bank which would be eliminated by their proposed merger.

Within a 10-mile radius of Freeland, seven commercial banks operate a total of 19 offices. The largest share of this local market, 29.0 percent, was held as of June 30, 1970, by the five offices of a Hazelton-based bank with total resources of $75 million. The second largest share, 21.8 percent, was held by two offices of a Scranton-based bank with total resources of $387 million. Another Hazelton-based bank had the third largest share, 21.4 percent, and Citizens Bank had the fourth largest share, with 12.0 percent. Three offices of a Wilkes-Barre-based bank (total resources $260 million) had 6.5 percent, two offices at a small West Hazleton-based bank had 5.2 percent, and one office of a Reading-based bank (total resources $716 million) had 4.1 percent, the smallest share. Since First Valley Bank is not presently represented in this local banking market, its acquisition of Citizens Bank would not increase the concentration of banking resources within that market. Rather, its acquisition of the fourth-ranking area bank could tend to deconcentrate such resources in the future.

Under Pennsylvania law, First Valley Bank can branch *de novo* or merge in Luzerne, Carbon, Northampton, Lehigh, Monroe, and Schuylkill Counties while Citizens Bank can branch *de novo* or merge within four of these same counties—Luzerne, Carbon, Monroe, and Schuylkill—as well as counties to the north of Luzerne. Carbon, Monroe, and Schuylkill Counties do not appear attractive at the present time for *de novo* branching. All have relatively low populations for each existing commercial bank office, all have income levels below the statewide average, and Schuylkill and Carbon Counties in addition have had stagnant or depressed economies for some time. The local banking market which Citizens Bank presently serves already has numerous large banks competing, a population for each commercial bank office approximating 2,100 persons, and a declining overall population. While both banks might branch *de novo* in northern Luzerne County, including the area around Wilkes-Barre, thus bringing them into greater competition in the future, a depressed economy and the recent flood disaster in this part of Luzerne County make *de novo* branching unlikely for the immediate future. Longer range, there are a number of large banks besides First Valley Bank which could find northern Luzerne County attractive for *de novo* expansion should future growth in the economy warrant such expansion.

Within the six-county area where the resulting bank could legally establish branches, it would control approximately 8 percent of all commercial bank IPC deposits held at offices in the six counties, ranking second in this regard among 74 commercial banks.

The Corporation concludes that the proposed merger would eliminate no significant potential for increased competition in the future between the two banks and should not adversely affect future commercial bank competition in any relevant area.

For the reasons stated, the Board of Directors believes 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. First Valley Bank and Citizens Bank both have satisfactory 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 proposed merger would have little, if any, impact in the present trade areas served by First Valley Bank, but in the trade area served by Citizens Bank the proposed merger would provide residents and businessmen with an additional option for a full range of commercial bank services, including trust services, computer programming services, and larger size loans. Increased competition for such services, sparked by First Valley Bank's aggressive and capable management, should redound to the benefit of all area residents.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
New Conroe Bank Conroe, Texas (in organization; change title to Conroe Bank)	75	—	1
to purchase the assets and assume the deposit liabilities of			
Conroe Bank Conroe	29,282	1	

Summary report by Attorney General, July 18, 1972

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

Basis for Corporation approval, September 25, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for New Conroe Bank, Conroe, Texas ("New Bank"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liabilities of Conroe Bank, Conroe, Texas, a State nonmember insured bank with total resources of $29,282,000 as of June 30, 1972, under the charter of New Bank and with the title of Conroe Bank. The resulting bank will operate from the one existing office of Conroe Bank.

The new bank formation and purchase and assumption transaction are designed solely to enable Allied Bancshares, Inc., Houston, Texas, a registered bank holding company, to acquire substantially all of the voting shares of the bank resulting from the proposed transaction. Application to the Board of Governors of the Federal Reserve System for approval of the acquisition is pending. New Bank will not be in operation as a commercial bank prior to the transaction, but subsequent to consummation it will operate the same banking business at the existing location of Conroe Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the relevant market area served by Conroe Bank or affect the banking services which Conroe Bank has provided in the past. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
New Continental Bank Houston, Texas (in organization; change title to Continental Bank)	200	–	1
to purchase the assets and assume the deposit liabilities of			
Continental Bank Houston	150,919	1	

Summary report by Attorney General, July 14, 1972

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

Basis for Corporation approval, September 25, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for New Continental Bank, Houston, Texas ("New Bank"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liabilities of Continental Bank, Houston, Texas, a State nonmember insured bank with total resources of $150,919,000 as of June 30, 1972, under the charter of New Bank and with the title of Continental Bank. The resulting bank will operate from the one existing office of Continental Bank.

The new bank formation and purchase and assumption transaction are designed solely to enable Allied Bancshares, Inc., Houston, Texas, a registered bank holding company, to acquire substantially all of the voting shares of the bank resulting from the proposed transaction. Application for the acquisition to the Board of Governors of the Federal Reserve System is pending. New Bank will not be in operation as a commercial bank prior to the transaction, but subsequent to consummation it will operate the same banking business at the existing location of Continental Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the relevant market area served by Continental Bank or affect the banking services which Continental Bank has provided in the past. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
New Merchants Bank Port Arthur, Texas (in organization; change title to Merchants Bank)	200	—	1
to purchase the assets and assume the deposit liabilities of			
Merchants Bank Port Arthur	71,784	1	

Summary report by Attorney General, July 18, 1972

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

Basis for Corporation approval, September 25, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for New Merchants Bank, Port Arthur, Texas ("New Bank"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liabilities of Merchants Bank, Port Arthur, Texas, a State nonmember insured bank with total resources of $71,784,000 as of June 30, 1972, under the charter of New Bank and with the title of Merchants Bank. The resulting bank will operate from the one existing office of Merchants Bank.

The new bank formation and purchase and assumption transactions are designed solely to enable Allied Bancshares, Inc., Houston, Texas, a holding company, to acquire substantially all of the voting shares of the bank resulting from the proposed transaction. Application for approval of the acquisition to the Board of Governors of the Federal Reserve System is pending. New Bank will not be in operation as a commercial bank prior to the transaction, but subsequent to consummation it will operate the same banking business at the existing location of Merchants Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the relevant market area served by Merchants Bank or affect the banking services which Merchants Bank has provided in the past. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Second Wallis State Bank Wallis, Texas (in organization; change title to Wallis State Bank)	50	—	1
to purchase the assets and assume the deposit liabilities of			
Wallis State Bank Wallis	3,777	1	

Summary report by Attorney General, June 19, 1972

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

Basis for Corporation approval, September 25, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Second Wallis State Bank, Wallis, Texas ("New Bank"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liabilities of Wallis State Bank, Wallis, Texas ("Operating Bank"), a State nonmember insured bank with total resources of $3,777,000 as of June 30, 1972, under the charter of New Bank and with the title of Operating Bank. The resulting bank will operate from the one existing office of Operating Bank.

The new bank formation and purchase and assumption transaction are designed solely to enable First City Bancorporation of Texas, Inc., Houston, Texas, a registered bank holding company, to acquire substantially all of the voting shares of the bank resulting from the proposed transaction. Application for approval of the acquisition to the Board of Governors of the Federal Reserve System is pending. New Bank will not be in operation as a commercial bank prior to the transaction, but subsequent to consummation it will operate the same banking business at the existing location of Operating Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the relevant market area served by Operating Bank or affect the banking services which Operating Bank has provided in the past. All factors required to be considered pertinent to each application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Broadway Savings Bank New York (Manhattan), New York (change title to Prudential Savings Bank)	177,518	2	10
to merge with			
Prudential Savings Bank New York (Manhattan)	361,842	8	

Summary report by Attorney General, July 31, 1972

The nearest offices of the two institutions are about one mile apart. Both institutions derive the preponderance of their business from the New York City-Nassau County area. Thus, the proposed merger will foreclose existing competition between them for savings deposits. Such competition could be increased through additional branching, of which both banks are capable. Both banks also make mortgage loans throughout a somewhat larger area than the New York City-Nassau County area; however, the large number of substantial lenders in this area lessens any adverse effect the merger may have on competition for mortgage loans.

Each institution holds less than one per cent of the total deposits of the thrift institutions in the New York City-Nassau County area. The proposed merger will not significantly increase concentration among thrift institutions or mutual savings banks in these areas, and its overall effect on competition would not be significantly adverse.

Basis for Corporation approval, October 2, 1972

Broadway Savings Bank, New York (Manhattan), New York ("Broadway"), (total resources $177,518,000; total deposits $164,561,000), 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 approval of its merger with Prudential Savings Bank, New York (Manhattan), New York ("Prudential"), (total resources $361,842,000; total deposits $338,880,000), also an insured mutual savings bank, under Broadway's charter but with the title "Prudential Savings Bank." As an incident to the merger, Prudential's eight offices would be established as branches of the resulting bank, and Prudential's present main office would serve in that same capacity for the resulting bank.

Competition. Broadway is headquartered on the lower west side of Manhattan (1970 population 1,524,541; down 10.2 percent from 1960). Its only existing branch is located in New York City's downtown financial district near City Hall. A third office has received the necessary supervisory approvals and will open soon in Yorktown (1970 population 28,064; up 70.6 percent from 1960), Westchester County, a residential community approximately 60 miles north of Broadway's other locations.

Prudential is also headquartered on the lower west side of Manhattan and operates two additional offices in Greenwich Village. Three other branches are located in Brooklyn (1970 population 2,601,852; down 1.0 percent from 1960), and two additional offices are located in Nassau County (1970 population 1,422,905; up 9.4 percent from 1960). Prudential has the necessary supervisory approvals for a ninth branch office to be established in Sea Cliff in the vicinity of its other Nassau County offices.

Neither Prudential nor Broadway holds a significant share of the deposits or loans held by mutual savings banks in either New York County or the New York SMSA, consisting of New York City and Nassau, Suffolk, Westchester, and Rockland Counties. Of 25 mutual savings banks which operate offices in New York County, neither bank as of June 30, 1970, had more than 1.0 percent of the savings deposits held at all mutual savings bank offices in Manhattan. Prudential currently ranks 33rd largest of 61 mutual savings banks in the New York SMSA, with 0.9 percent of the total mutual savings bank deposits for that area. Broadway, the smallest mutual savings bank headquartered in Manhattan, has only 0.4 percent of such deposits and ranks 45th in asset size. The resulting institution would rank 28th in asset size among 60 mutual savings banks in the SMSA. Inclusion of the deposit totals held by savings and loan associations in the SMSA would further reduce the competitive significance of either bank and of the resulting bank in their present markets.

For this reason, the proposed merger is unlikely to have any discernible effect on the competitive structure of thrift institutions in Manhattan or in the larger SMSA, even though some existing competition between Broadway and Prudential and some potential for increased competition in the future between them through *de novo* branching would be eliminated by their proposed merger. Broadway's main office is on the northern periphery of Prudential's Manhattan service area about 1 mile from Prudential's nearest office, while Broadway's City Hall office is on the southern periphery of that area. Numerous other thrift institutions are within convenient distance of each of these offices, however, and the public's choice of alternative facilities would not be materially affected. Similarly, although both institutions have the legal authority to branch *de novo* throughout Manhattan and much of the SMSA, the presence of numerous much larger institutions also able to branch *de novo* in the same areas makes this loss of potential competition between the two banks insignificant.

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. The financial resources of both institutions are adequate, as are the management resources of Prudential. Recent retirements and resignations in middle management ranks at Broadway have caused some lack of management depth at that bank, but the managerial resources and prospects of the resulting bank would be favorable.

Convenience and Needs of the Community to be Served. In view of the number of significantly larger thrift institutions in Manhattan and the New York SMSA, few benefits to the general public are likely to result from the proposed merger, but existing customers of Prudential and Broadway should benefit from larger lending resources, more adequate staff and a greater number of offices at which to bank. Broadway customers would also be offered property improvement loans for the first time.

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 Yakima Yakima, Washington	44,341	10	11
to merge with **Ellensburg State Bank** Ellensburg	5,210	1	

Summary report by Attorney General, July 14, 1972

The closest office of the Yakima Bank to Ellensburg Bank's office is 25 miles distant, and the area between the offices is sparsely inhabited. The proposed merger would not appear to eliminate significant existing competition.

Ellensburg Bank is the smallest of the three banks with offices in Ellensburg, and the only bank headquartered in the city. The three other banking offices in Ellensburg are operated by two of the state's largest banking organizations. Because of Ellensburg Bank's comparatively small size and the small size of Yakima Bank relative to other potential entrants, the proposed merger will not have a significantly adverse effect on potential competition.

Basis for Corporation approval, October 2, 1972

Bank of Yakima, Yakima, Washington ("Yakima Bank"), an insured State nonmember bank having total resources of $44,341,000 and IPC deposits of $34,402,000, 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 Ellensburg State Bank, Ellensburg, Washington ("Ellensburg Bank"), having total resources of $5,210,000 and IPC deposits of $3,339,000. These two banks would merge under the charter and title of Yakima Bank and, as an incident to the merger, the sole office of Ellensburg Bank would become a branch of Yakima Bank, increasing to 11 the number of Yakima Bank's offices.

Competition. Yakima Bank, the fourth largest of six commercial banks in its market, operates a total of 10 offices serving Yakima County and the adjoining southwestern portion of Benton County. The economy of this region in south-central Washington is largely agricultural, while food processing and packing is an important industry. Lumbering and forest-related products also contribute substantially to the economy of the area.

The city of Ellensburg, county seat of Kittitas County, has a population (13,568) that accounts for more than 50 percent of the total inhabitants of the county (25,039). Ellensburg is situated 34 miles north of Yakima (population 45,588—up 5.3 percent in 10 years). No community of a size approaching that of Ellensburg lies to the westward within some 95 miles or to the eastward within some 60 miles. Kittitas County experienced substantial growth during the 1960s, the population of the county increasing by 22.3 percent and that of Ellensburg increasing by 57.3 percent. In this section of Washington State, the raising of grain, feeding of livestock, and processing of food are major economic activities. Central Washington State College is the largest individual employer in Ellensburg.

Ellensburg Bank is the smallest of five commercial banks operating in Kittitas County in terms of local IPC deposits held on June 30, 1970, with 5.9 percent of all such deposits. The bank with the largest share of the county's IPC deposits is the $643 million-deposit Pacific National Bank of Washington, with two branch offices in Ellensburg, while the State's first, second, and seventh largest commercial banks hold the balance of the county's IPC deposits.

Ellensburg Bank draws the bulk of its business from the city of Ellensburg and its environs, but its banking market may be considered countywide. The city of Ellensburg is centrally located within the county. It is the principal population center and the principal source of employment and shopping between Yakima and Wenatchee, some 72 miles to the north.

Good roads connect the city with the several other Kittitas County communities that have commercial bank offices, all within 25 miles of Ellensburg. Yakima Bank and Ellensburg Bank, with their closest offices being some 37 miles apart, operate in separate, although adjacent, service areas, and existing competition between them appears to be virtually nonexistent.

Under Washington law, Yakima Bank and Ellensburg Bank both have the legal authority to branch *de novo* into unbanked incorporated areas outside their headquarters county. Only two areas are available within Kittitas County for *de novo* entry by Yakima Bank. Neither the town of Kittitas (population 637) nor South Cle Elum (population 374), however, is large enough to encourage *de novo* entry by Yakima Bank, while Ellensburg Bank, for its part, has neither the managerial nor financial resources nor the experience to sustain successful *de novo* branching outside its present market. Accordingly, no substantial potential exists for increased competition between the two banks in the future through *de novo* expansion and its elimination by the proposed merger would be of no competitive significance.

In the State of Washington as a whole, the proposed merger would have no effect on competition or banking structure, the resulting bank controlling only

0.7 percent of statewide commercial bank IPC deposits.

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

Financial and Managerial Resources; Future Prospects. Each of the banks has 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. Although services now offered by Ellensburg Bank would not be significantly broadened by the resulting bank, the merger would produce a local commercial bank facility with a competitive capability strengthened by a more aggressive management and a lending limit increased from $75,000 to $437,000. Certain types of prime borrowers should also benefit from somewhat lower rates of interest. To the extent services offerd by the resulting bank may be available within Kittitas County, at offices of Pacific National Bank of Washington, Seattle-First National Bank, The National Bank of Commerce of Seattle, or Seattle Trust & Savings Bank, consummation of the proposed merger would provide an alternative source for such services, and competition for certain types of banking services within the market should be enhanced.

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	166,468	9	11
to purchase the assets and assume the deposit liabilities of			
Murray State Bank Murray	19,161	2	

Summary report by Attorney General, August 10, 1972

Commercial Security and Murray State operate offices within five miles of each other. They are direct competitors for banking customers, particularly in south and central Salt Lake County. Moreover, Commercial Security can and intends to expand in the county by opening additional branches. It can enter those parts of the county closed to it by virtue of Utah's home office protection statute by chartering new banks. Thus, it can expand directly into those areas where Murray State has its offices. The rapid growth of those areas, even within the context of Salt Lake County, would seem to create a strong incentive for increased competitive efforts by Commercial Security, which is both the largest bank in the state and the county with no office or subsidiary in these areas. This transaction would, therefore, eliminate existing competition and the potential for increasing that competition. It would also eliminate Murray State as a vehicle for entry into Salt Lake County by another bank not already located in the county, and perhaps less able to effect *de novo* expansion than Commercial Security.

Murray State itself has experienced rapid and sustained growth since its organization in 1955. It now ranks as the fifteenth largest banking organization in the state. It has the potential to be a significant competitor in southern and central Salt Lake County in its own right. In combination with one or more other banks in the state smaller than Commercial Security it can be a substantial component in a new statewide banking organization.

Concentration analysis is complicated in this case by the recent date of Commercial Security's entry into Salt Lake County. On December 31, 1968, it acquired Beehive State Bank which had a single office in the county. In the three years since that acquisition, deposits in that office have grown over 50 per cent. On December 31, 1971, Commercial Security merged with Granite National Bank which operated two offices in Salt Lake County. However, the most recent data available on deposits, by office, June 30, 1970, does not reflect the effects of Commercial Security's ownership of these offices. As of that time, the offices now owned by Commercial Security held 3.1 per cent of all deposits in Salt Lake County, and Murray State held 1.6 per cent of such deposits. Inclusion of all offices in the county probably overstates the relevant market and thus increases the unrepresentative character of these statistics.

In the state, as a whole, as of December 31, 1971, Murray State held slightly less than 1 per cent of deposits in the state while Commercial Security held almost 6.5 per cent.

This transaction would eliminate existing competition and the potential for increasing that competition. Moreover, the fourth largest bank in the state, which is already serving Salt Lake County, would eliminate one of the few banks in the county which could be an entry vehicle into the county for some other bank. Thus, while the parties to the proposed transaction presently control small shares of the banking business in Salt Lake County, it may have some adverse competitive effects.

Basis for Corporation approval, October 10, 1972

Commercial Security Bank, Ogden, Utah ("Commercial"), a State nonmember insured bank with total resources of $166,468,000 and total deposits of $139,161,000, 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, Murray State Bank, Murray, Utah, which has total resources of $19,161,000 and total deposits of $16,918,000. The two offices of Other Bank would be operated as branches of Commercial, increasing the number of its offices to 11.

Competition. Commercial operates a total of nine offices; three are in Ogden and one is in South Ogden (Weber County); three are in Salt Lake City (Salt Lake County); and two are in Tooele County, some 40 miles southwest of Salt Lake City. Murray State Bank was organized in 1956, and its only branch was established *de novo* in 1963 in the unincorporated area of Midvale approximately 4 miles southeast of the main office in Murray, Salt Lake County. In its immediate area, Murray State Bank ranks second to Walker Bank & Trust Company, the State's third largest bank, in terms of area deposits held. The four other banks which also operate offices in that area include the State's first, fifth, sixth, and seventh largest banks.

The population of the Salt Lake City SMSA, which consists of Davis and Salt Lake Counties, increased from 447,795 in 1960 to 557,635 in 1970, an increase of 24.5 percent. Salt Lake County alone increased from 383,035 in 1960 to 458,607 in 1970, but the population of Salt Lake City declined 7.2 percent from 189,454 to 175,885. The Salt Lake City metropolitan area is the financial, commercial, industrial, and distribution center for a large area which includes, in addition to Utah, southern Idaho, western Wyoming, and eastern Nevada.

The city of Murray, located about 10 miles south of downtown Salt Lake City, is an increasingly important and prominent commercial center serving the population and businesses of southern Salt Lake County. The population of the city of Murray increased 26.2 percent between 1960 and 1970, from 16,806 to 21,206. Salt Lake City has developed to such an extent in the northern areas of the Salt Lake Valley that, in recent years, population growth and commercial development in Salt Lake County have been greatest in the southern part of the county. As part of this development, a new shopping center has been under construction in the southern part of the city of Murray, to be known as Fashion Place Mall. When completed, it may well be the largest suburban retail shopping center in Salt Lake County. The economic outlook for the city of Murray and southern Salt Lake County is favorable.

The main office of Murray State Bank is approximately 5 miles from the closest branch of Commercial in Salt Lake City, and these two offices represent the nearest offices of the participating banks. There are offices of other commercial banks, however, in the intervening area, and neither Commercial nor Murray State Bank draws a substantial amount of business from the trade area of the other. Within Salt Lake County as a whole, Commercial held 3.5 percent of all commercial bank deposits as of June 30, 1970, and Murray State Bank held only 1.8 percent. The Corporation concludes that the proposed acquisition would eliminate no substantial amount of existing competition between the two banks.

Under Utah law, Murray State Bank could legally branch *de novo* into Salt Lake City, but this does not seem likely in view of the bank's relatively small size and the number of banking offices already established in Salt Lake City. The city of Murray itself is closed to *de novo* branching because of the home office protection provisions of Utah law, so that Commercial cannot legally enter its incorporated limits by that means. Both banks, however, are capable of additional *de novo* branching in the growing unincorporated areas of southern Salt Lake County. The proposed acquisition would eliminate that potential for increased competition in the future between the two banks, but there appear to be at least four large banks, including one more than twice Commercial's size, which are also potential *de novo* entrants into these sections of Salt Lake County.

Commercial banking in the State of Utah is concentrated in its three largest banks, which, as of December 31, 1971, held 59.0 percent of the total deposits held by the 50 insured commercial banks in the State. The largest share of such deposits (27.6 percent) was held by the $730 million First Security Bank of Utah, N.A., Ogden, Utah, while Walker Bank & Trust Company and Zions First National Bank, both approximating $370 million in size, held 16.2 and 15.2 percent, respectively, of such deposits. Commercial is the fourth largest commercial bank in the State, with 6.5 percent of such deposits, while Murray

State Bank is the 15th largest, with 0.8 percent. The resulting bank would still be much smaller than the three largest banks, and consummation of the proposed transaction would not substantially change the commercial bank structure of Utah.

Should the proposed acquisition be approved, home office protection would be removed from the city of Murray, and several pending applications for *de novo* branches in that community could be granted, including one filed by Zions First National Bank, the State's second largest bank. Thus, consummation of the proposed transaction should tend to stimulate competition in and around Murray by increasing the public's choice of alternative facilities for banking services.

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

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

Convenience and Needs of the Community to be Served. This proposed transaction would not have any great effect on present customers of Commercial, but customers of Murray State Bank should benefit from the wider range of commercial bank services that would be offered by the resulting bank, including a "Golden Passbook" account and trust, credit card, and computer services. In addition, the present lending limit of Murray State Bank ($183,500) would be increased to over $1 million. While similar services are now offered by other commercial bank offices in the Murray area, consummation of the proposed transaction would provide a convenient alternative source for each of them.

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 State Bank and Trust Company Linden, New Jersey	80,665	6	8
to merge with **Middletown Banking Company** Middletown Township	21,167	2	

Summary report by Attorney General, August 1, 1972

Community State serves the southeastern section of Union County. Its closest office to Middletown Bank is approximately 35 miles distant, with numerous competing banks in the intervening area. It does not appear that the proposed merger would eliminate any significant existing competition.

Community State and Middletown Bank are both located within the same banking district, and thus under New Jersey law could be permitted to establish branches in closer proximity to one another. Community State has the resources to expand further in this manner; however, in view of Middletown Bank's small size relative to other banking institutions in its market area, and the existence of several other larger potential entrants, we conclude that the proposed merger would have no significant adverse competitive effects.

Basis for Corporation approval, October 20, 1972

Community State Bank and Trust Company, Linden, New Jersey ("Community"), a State nonmember insured bank with total resources of $80,665,000 and total IPC deposits of $63,270,000, 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 Middletown Banking Company, Middletown Township, New Jersey ("Middletown Bank"), which has total resources of $21,167,000 and total IPC deposits of $16,718,000, under the charter and title of Community. Permission is also requested to establish the two existing and two approved but unopened offices of Middletown Bank as branches of the resulting bank, increasing the number of its offices to 10.

Competition. Community operates a total of six offices, all of which are located in Union County, New Jersey. Three are in Linden, two in Rahway, and one in Roselle. The two existing offices of Middletown Bank are in Middletown Township, Monmouth County, and the approved but unopened offices are also to be in Middletown Township.

All offices of Community are in Union County, which, together with Essex and Morris Counties, comprises the Newark SMSA. Between 1960 and 1970, the population of the Newark SMSA increased from 1,689,420 to 1,856,556, or 9.9 percent. During this same period of time, the population of Union County increased 7.7 percent, from 504,255 to 543,116. Community had the eighth largest deposit share of 14 commercial banks operating within Union County as of June 30, 1970, with 4.8 percent of the total commercial bank deposits held at offices in the county. The four largest banks in terms of local deposits held 65.2 percent of total Union County commercial bank deposits on the same date.

The primary trade area of Community consists of the contiguous communities of Linden (1970 population 41,409, up 3.7 percent from 1960), Rahway (1970 population 29,114, up 5.1 percent from 1960), and Roselle (1970 population 22,585, up 7.4 percent from 1960). The economic outlook for this portion of Union County is favorable.

Monmouth County has experienced rapid growth in the past decade. Its 1970 population was reported as 459,379, an increase of 37.4 percent over the 1960 total of 334,401. The rate of growth of Middletown Township was similar to the county's rate of growth, increasing from 39,675 to 54,623, or 37.7 percent. Including the adjoining communities, the population in Middletown Bank's primary trade area approximates 113,265, an increase of 25.6 percent over 1960. While the county is experiencing some industrial and commercial expansion, most of its growth has been residential, with people commuting as far as New York and Philadelphia. Middletown Bank was the smallest of 11 commercial banks in Monmouth County on June 30, 1970, with 1.3 percent of all deposits held at commercial bank offices in the county.

Community's branches are all situated within 3 miles of its main office in Union County, while all of Middletown Bank's branch sites are within 5 miles of its main office. Union County and Monmouth County are separated by Middlesex County, and the shortest distance between offices of Community and Middletown Bank is approximately 25 road miles, with numerous banking offices in the intervening area. The trade areas served by the two banks are separate and distinct, there appear to be no depositors or borrowers in common, and the volume of business which each bank derives from the service area of the other is negligible. The Corporation concludes that there is no significant amount of existing competition between Community and Middletown Bank which would be eliminated by their proposed merger.

Under New Jersey law, either bank could branch *de novo* throughout the State's Second Banking District, subject to home office protection and subject to branch office protection in communities of under 7,500 people. Since there are attractive locations in growing areas of Middlesex County, Monmouth County, and other parts of the Second Banking District where the two banks might find themselves in increasing competition in the future through *de novo* branching, some potential competition is likely to be eliminated by their proposed merger. The Corporation has concluded, however, that the elimination of this potential for increased competition between Community and Middletown Bank would not have significant adverse consequences within the Second Banking District. Numerous banks larger than the two banks combined operate throughout the District, and additional banks are affiliates of multibank holding companies. Moreover, the merger would have the effect of opening Middletown Township, Monmouth County's largest community, to *de novo* branching by outside banks.

As of December 31, 1971, the 64 insured commercial banks operating in New Jersey's Second Banking District had total deposits of $4.8 billion. Community ranked 23rd, with 1.4 percent of such total deposits, and Middletown Bank ranked 52nd, with 0.3 percent. The proposed transaction would have no discernible effect on the commercial bank structure of the Second Banking District and should improve the competitive capabilities of the resulting bank in local markets where it competes with much larger banking organizations.

Accordingly, 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. Both Community and Middletown Bank have 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. Customers served by Community would benefit from a higher lending limit and trust services. Customers of Middletown Bank would be offered a broader and more sophisticated range of banking services, including computerized account reconciliation, payroll servicing, and trust services. The lending limit of the resulting bank ($911,000) would also be significantly higher than the present lending limit of Middletown Bank ($160,000), and longer banking hours would be in force. While most such services are presently available at the offices of larger competitors in Monmouth County, the resulting bank would provide an alternative source for many customers. The proposed merger would, as previously noted, open Middletown Township to *de novo* entry by other banks—some of which have already applied for entry—a development which would provide local residents with additional convenient facilities for commercial bank 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
State Bank of Dyersburg Dyersburg, Tennessee (in organization; change title to First Bank and Trust Co.)	113	—	2
to merge with **First Bank and Trust Co.** Dyersburg	19,321	2	

Summary report by Attorney General, August 18, 1972

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

Basis for Corporation approval, October 20, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for State Bank of Dyersburg, Dyersburg, Tennessee ("State Bank"), a proposed new bank in organization, and for consent to its merger with First Bank and Trust Co., Dyersburg, Tennessee ("First Bank"), a State nonmember insured bank with total resources of $19,152,000, under the charter of State Bank and with the title of First Bank. The resulting bank will operate from the two existing offices of First Bank.

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

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Airline Commerce Bank Houston, Texas (in organization; change title to Airline Bank)	200	—	1
to merge with			
Airline Bank Houston	29,360	1	

Summary report by Attorney General, April 13, 1972

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

Basis for Corporation approval, October 20, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Airline Commerce Bank, Houston, Texas ("New Bank"), a proposed new bank in organization, and for consent to its merger with Airline Bank, Houston, Texas ("Existing Bank"), a State nonmember insured bank with total resources of $29,360,000, under the charter of New Bank and with the title of Existing Bank. The resulting bank will operate from the one office of Existing Bank.

The new bank formation and merger transaction are designed solely as a means by which Texas Commerce Bancshares, Inc., Houston, Texas, a registered bank holding company, can acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed transaction. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on September 1, 1972. New bank will not be in operation as a commercial bank prior to the merger transaction, but subsequent to consummation it will operate the same banking business at the existing location of Existing Bank, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Existing Bank or affect the banking services which Existing Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Reagan Commerce Bank Houston, Texas (in organization; change title to Reagan Bank)	200	—	1
to merge with			
Reagan State Bank of Houston Houston	74,624	1	

Summary report by Attorney General, May 8, 1972

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

Basis for Corporation approval, October 20, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Reagan Commerce Bank, Houston, Texas ("Commerce"), a proposed new bank in organization, and for consent to its merger with Reagan State Bank of Houston, Houston, Texas ("Reagan"), a State nonmember insured bank with total resources of $74,624,000. The resulting bank will operate from the one existing office of Reagan and with the title "Reagan Bank."

The new bank formation and merger transaction are designed solely as a means by which Texas Commerce Bancshares, Inc., Houston, Texas, a registered bank holding company, can acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed transaction. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on September 1, 1972. Commerce will not be in operation as a commercial bank prior to the merger transaction, but subsequent to consummation it will operate the same banking business at the existing location of Reagan, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Reagan or affect the banking services which Reagan has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Peoples Bank and Trust Company Madisonville, Kentucky	18,620	4	5
to merge with			
The Nortonville Bank Nortonville	4,593	1	

Summary report by Attorney General, August 1, 1972

The Peoples office closest to Bank is its branch in Earlington, seven miles northwest of Nortonville. A branch of the county's largest bank (operated in Mortons Gap) intervenes between them. The application indicates that Peoples draws about $175,000 in loans from Bank's service area – an amount equal to about 11 per cent of Bank's total loans. The application also notes, however, that many of these loans are consumer loans, a service not presently offered by Bank. In any event, considering that both Earlington and Madisonville are easily accessible from Nortonville by a direct highway link, and that Madisonville is the county seat, employment center and nearest community of any size, it would appear that some existing competition between the banks would be eliminated by their merging.

Commercial banking in Hopkins County is highly concentrated. Five banks currently operate in the county. The largest three banks, all headquartered in Madisonville, hold about 84.5 per cent of total deposits. Peoples, with about 20.8 per cent of total county deposits, ranks third in the county, while Bank, with about 5.1 per cent, is the county's smallest. Should this merger be consummated Peoples would become the second largest bank in the county, increasing its deposit share to about 26 per cent, and the three large Madisonville banks would control almost 90 per cent of the county's deposits. In addition, the number of banking alternatives in Hopkins County would be further reduced from five to four.

On the basis of the foregoing, therefore, we conclude that the proposed merger of Bank into Peoples would have some adverse effect on competition.

Basis for Corporation approval, October 30, 1972

Peoples Bank and Trust Company, Madisonville, Kentucky ("Peoples Bank"), a State nonmember insured bank having total resources of $18,620,000 and total IPC deposits of $14,866,000, 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 Nortonville Bank, Nortonville, Kentucky, total resources $4,593,000 and total IPC deposits $3,909,000. The banks would merge under the charter and title of Peoples Bank and, as an incident to the transaction, the sole office of The Nortonville Bank would become a branch of the resulting bank, increasing the number of its offices to five.*

*On May 5, 1972, the president of Peoples Bank, as trustee, purchased 80.2 percent of The Nortonville Bank's outstanding stock, and since that time The Nortonville Bank has been operated essentially as a branch of Peoples Bank. This application represents the first supervisory opportunity to review that change of control, and the Corporation will, in accordance with past agency practice, disregard the present control of The Nortonville Bank by Peoples Bank and consider the application in light of the circumstances existing prior to May 1972.

Competition. Peoples Bank operates its main office and one branch in Madisonville, Kentucky (population 15,332), the seat of Hopkins County, in west-central Kentucky about 140 miles southwest of Louisville. It has branches in Earlington, 5 miles south, and Slaughters, 12 miles north, for a total of four offices. Peoples Bank is the third largest of five commercial banks located in Hopkins County, holding 20.3 percent of total IPC deposits.

The Nortonville Bank's only office is located in Nortonville, Kentucky (population 699), about 13 miles south of Madisonville. It is the smallest commercial bank in the county, with only 5.6 percent of total IPC deposits.

Coal mining and agriculture are the principal economic activities of Hopkins County, although Madisonville has been the site, in recent years, of some industrial expansion, with plants there now employing over 2,700 people. Between 1960 and 1970, the population of Hopkins County declined 0.8 percent, to 38,167 persons. Madisonville's population grew 16.9 percent during the same period, while Nortonville lost population. Median household income in Hopkins County in 1971 was $7,534, reflecting the increased economic activity in Madisonville. This was somewhat higher than the median household income figure for Kentucky as a whole ($6,682), but lower than the comparable nationwide figure ($8,463).

Madisonville is centrally located in Hopkins County and is five times larger in population than any other community in the county. Besides being the county seat, Madisonville is the only shopping and employment center of any size between Evansville, Indiana, some 45 miles to the north, and Hopkinsville, Kentucky, some 30 miles to the south. The three largest banks in the county, of which Peoples Bank ranks third in deposit size, are all headquartered in Madisonville and represent reasonably convenient alternatives for customers of the two remaining smaller banks in the county, that is, The Nortonville Bank, located 13 miles south of Madisonville and 8 miles southeast of People's nearest branch in Earlington, and Commercial Bank of Dawson in Dawson Springs. Peoples Bank and The Nortonville Bank may, therefore, be considered competitors in the same general banking market, even though Peoples Bank draws most of its business from those parts of Hopkins County north of the Western Kentucky Parkway, about 3 miles north of Nortonville, and The Nortonville Bank draws almost all of its business from the general area surrounding its main office. The banks have few customers in common, but Peoples Bank draws about $175,000 of its consumer loans from the Nortonville area, possibly because these loans are not sought by The Nortonville Bank. The merger of the two banks, accordingly, would eliminate only a limited amount of existing competition between them.

The potential for increased competition between the two banks in the future is also limited. Kentucky law permits merging and *de novo* branching activity only within a bank's headquarters county, and prohibits branching into the home office community of another bank. Peoples Bank cannot branch directly, therefore, into Nortonville, nor can The Nortonville Bank branch *de novo* into Madisonville. No community other than Madisonville has more than 2,900 people, the largest such communities all have a commercial bank office today, and Hopkins County as a whole has both a stable population and one banking office already for each 3,180 persons. *De novo* branching by either bank, and increased competition between them in the future through such branching, thus appears remote.

Consummation of the merger proposed, however, would reduce from five to four the banking alternatives in Hopkins County and would increase the concentration of the county's banking resources held by the county's three largest banks in Madisonville. These consequences have less significance in a county of 38,167 persons than they might in a more populous market, and there are other ameliorating factors as well. Peoples Bank is the smallest of the three banks in Madisonville, and the merger of the smallest bank in the county with Peoples Bank would not significantly alter the banking structure of Hopkins County. Furthermore, a merger with any of the other three banks that are potential merger partners for The Nortonville Bank would present varying anticompetitive problems that make it impossible to conclude that any alternative merger would be less anticompetitive than the merger proposed.

For the reasons stated, 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 monopolv, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. Each of these factors is satisfactory for Peoples Bank, as they would be for the resulting bank. The Nortonville Bank is in need of top management, and without it the bank's future prospects cannot be considered favorable.

Convenience and Needs of the Community to be Served. People in and around Nortonville would benefit from the proposed merger since the resulting bank would provide trust services, credit cards, student loans, more comprehensive instalment loan services, a wider range of deposit services (including a 5 percent time open account and 2-year 5¾ percent certificates of deposit), and a higher lending limit. Competition with the Mortons Gap branch of Kentucky Bank and Trust Company and with the second largest Madisonville bank should be enhanced as a result.

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 the West Bellevue, Washington	47,730	9	15
to merge with			
Bank of Cowlitz County Longview	38,596	6	

Summary report by Attorney General, August 4, 1972

Since the nearest offices of the two banks are about 115 miles apart, the proposed merger will not eliminate any existing competition.

Washington law limits *de novo* branching to the city in which a bank is headquartered, the unincorporated areas of the county in which it is headquartered, and incorporated areas which have no banking offices. It would appear that the parties to the proposed transaction could not significantly increase their competitive efforts in each other's service area through *de novo* branching. However, banks in Washington may also establish a branch office in other communities by sponsoring the creation of a new bank and subsequently merging with the sponsored bank. This means has been used by the larger banks in Washington to expand into areas closed to *de novo* branching. West Bank and Cowlitz Bank are the thirteenth and fifteenth largest banks in the state, respectively. Given the size of West Bank and Cowlitz Bank, their ability to use this indirect means of expansion is limited. Therefore, the proposed merger is not likely to significantly lessen potential competition.

Washington banking is presently highly concentrated with the five largest banking organizations controlling over 75 per cent of all commercial bank deposits in the state. The merged bank, with $65 million in deposits and a lending limit of over $700,000 on any one loan, will rank about tenth in the state. This merger of two middle sized banks will thus create a new bank more able to compete with the large banks of the state for major accounts without eliminating any significant amount of actual or potential competition for smaller accounts. In sum, there may be pro-competitive effects to this merger and no significant anticompetitive effects.

Basis for Corporation approval, October 30, 1972

Bank of the West, Bellevue, Washington, an insured State nonmember bank having total resources of $47,730,000 and IPC deposits of $33,863,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Cowlitz County, Longview, Washington ("Cowlitz Bank"), which has total resources of $38,596,000 and IPC deposits of $30,429,000. The two banks would merge under the charter and title of Bank of the West and, as an incident to the merger, the 7 approved offices of Cowlitz Bank would become branches of Bank of the West, increasing to 16 the number of its offices.

Competition. Bank of the West, the ninth largest commercial bank in the Seattle-Everett SMSA, operates nine offices serving, in addition to the city of Bellevue, a number of communities in west-central King County, including Kirkland, Redmond, Issaquah, Mercer Island, Tukwila, Renton, and Kent. The city of Bellevue is largely a residential area whose inhabitants are employed throughout the Seattle area. This region has been in major part dependent on the aerospace industry for a number of years. Substantial cutbacks in that industry have resulted in depressed economic conditions for more than 2 years, but efforts to broaden the economic base are meeting with gradual success, and future prospects are reasonably favorable. Bank of the West holds about 10 percent of the total commercial bank deposits in its immediate trade area but less than 2 percent of the total commercial bank deposits in the Seattle-Everett SMSA.

Four of the six operating offices of Cowlitz Bank are located either in the city of Longview, the principal city of Cowlitz County, or in the neighboring city of Kelso. Its two other offices are located in Castle Rock, about 12 miles north of Longview, and Woodland, about 22 miles southeast. Longview, in southwestern Washington, is a deepwater port on the Columbia River, situated some 50 miles north of Portland, Oregon, and 130 miles south of Seattle. Its 1970 population was 28,373, having increased 21.5 percent since 1960. During the same 10-year period, Cowlitz County had a population increase of 18.7 percent, to 68,616 inhabitants. The economy of the county is based upon lumbering, forest products, shipping, and dairying. Cowlitz Bank is the third largest of four commercial banks operating in the county in terms of local IPC deposits controlled, with 24.6 percent of such deposits as of June 30, 1970. The National Bank of Commerce of Seattle held the largest share of such deposits, while Seattle-First National Bank held the second largest share, and Pacific National Bank of Washington held the balance.

The closest offices of Bank of the West and Cowlitz Bank are about 100 miles apart. The two banks operate in separate markets, neither draws more than nominal business from areas served by the other, and there appear to be no common customers. The proposed merger, accordingly, would eliminate no significant existing competition between the two banks.

Under Washington law, Bank of the West and Cowlitz Bank may branch de *novo* into unbanked incorporated areas throughout the State. There is, however, no such area in Cowlitz County available to Bank of the West. While Cowlitz Bank could find a number of such areas available to it in King County, *de novo* branching is not likely to be attractive to it because of the distances involved from the rest of the bank's operations, the limited populations of these communities, and the competition from much larger banks nearby that would be encountered. The proposed merger would, accordingly, eliminate no significant potential for increased competition in the future between the two banks through *de novo* branching.

Commercial banking in the State of Washington is highly concentrated, with the five largest banks controlling, as of December 31, 1971, more than 76 percent of the aggregate deposits held by the State's 90 commercial banks. The proposed merger would unite the 14th largest with the 16th largest commercial bank in the State, creating a bank that would rank 10th largest, but holding in the aggregate about 1 percent of the State's total commercial bank deposits. Such a merger should enable the resulting bank to compete more effectively with the State's largest banks, both in the Seattle area and in Cowlitz County, and may thus be viewed as having procompetitive effects.

The Board of Directors, for the reasons stated, 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. Future prospects for the resulting bank are considered favorable.

Convenience and Needs of the Communities to be Served. Competition in the Cowlitz County area would be stimulated by the offering of specialized real estate financing by a subsidiary of Bank of the West and by the introduction of credit cards at the present offices of Cowlitz Bank. In both of the separate markets served by the two banks, a lending limit of $730,000 should enhance the competitive capabilities of the resulting bank, while in the Seattle banking market, trust services, and a higher rate of interest on passbook savings accounts should benefit present customers of Bank of the West.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
New Bank of Marin San Rafael, California (in organization; change title to Bank of Marin)	125	—	7
to merge with			
Bank of Marin San Rafael	89,188	7	

Summary report by Attorney General, September 20, 1972

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

Basis for Corporation approval, November 6, 1972

Pursuant to Sections 5 and 18(c) and the other provisions of the Federal Deposit Insurance Act, application for Federal deposit insurance has been filed on behalf of New Bank of Marin, San Rafael, California ("New Bank"), a proposed new bank in organization, and for consent to its merger with the Bank of Marin, San Rafael, California ("Present Bank"), a State nonmember insured bank with total resources of $89,188,000. The main office of Present Bank will become the main office of the resulting bank, and the six authorized branches of Present Bank will be operated as branches by the resulting bank. The formation of New Bank and its merger with Present Bank will effect a corporate reorganization whose sole purpose is to enable Independent Bankshares Corporation, San Rafael, California, a registered bank holding company, to acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed merger. Application to become a holding company and for said acquisition was approved by the Board of Governors of the Federal Reserve System on September 21, 1972. New Bank will not be in operation as a commercial bank prior to the merger, and subsequent to consummation it will operate the same banking business at the existing locations of Present Bank, and with the same management. The proposal will not, per se, have any effect on the competitive structure of commercial banking in the market area served by Present Bank or alter the banking services which Present Bank has offered in the past. All factors considered pertinent to the two subject applications are resolved favorably.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
New Bank of Sonoma County Sebastopol, California (in organization; change title to Bank of Sonoma County)	63	—	3
to merge with **Bank of Sonoma County** Sebastopol	33,917	3	

Summary report by Attorney General, September 20, 1972

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

Basis for Corporation approval, November 6, 1972

Pursuant to Sections 5 and 18(c) and the other provisions of the Federal Deposit Insurance Act, application for Federal deposit insurance has been filed on behalf of New Bank of Sonoma County, Sebastopol, California ("New Bank"), a proposed new bank in organization, and for consent to its merger with the Bank of Sonoma County, Sebastopol, California ("Present Bank"), a State nonmember insured bank with total resources of $33,917,000. The main office of Present Bank will become the main office of the resulting bank, and the four authorized branches of Present Bank will be operated as branches by the resulting bank. The formation of New Bank and its merger with Present Bank will effect a corporate reorganization whose sole purpose is to enable Independent Bankshares Corporation, San Rafael, California, a registered bank holding company, to acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed merger. Application to become a holding company and for said acquisition was approved by the Board of Governors of the Federal Reserve System on September 21, 1972. New Bank will not be in operation as a commercial bank prior to the merger, and subsequent to consummation it will operate the same banking business at the existing locations of Present Bank, and with the same management. The proposal will not, per se, have any effect on the competitive structure of commercial banking in the market area served by Present Bank or alter the banking services which Present Bank has offered in the past. All factors considered pertinent to the two subject applications are resolved favorably.

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
Columbus Bank and Trust Company Columbus, Georgia	132,995	12	12
to merge with			
Muscogee Banking Company Columbus (in organization)	600		

Summary report by Attorney General, September 20, 1972

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

Basis for Corporation approval, November 6, 1972

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed by Columbus Bank and Trust Company, Columbus, Georgia ("First Bank"), a State nonmember insured bank with total resources of $132,995,000, for consent to merge with the Muscogee Banking Company, Columbus, Georgia ("Second Bank"), a proposed new bank in organization, under the charter and title of First Bank. The resulting bank will operate from the 12 existing offices of First Bank.

The new bank formation and merger are designed solely as a means by which CB&T Bancshares, Inc., Columbus, Georgia, may acquire 100 percent of the voting stock (less directors' qualifying shares) of First Bank pursuant to registering as a one-bank holding company. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on September 15, 1972. Second Bank will never actually operate and upon consummation of the merger will surrender its charter to the State. Upon consummation, First Bank will operate the same banking business at the same locations with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by First Bank or affect the banking services which First Bank has provided in the past. All factors considered pertinent specifically to the subject application are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Virginia-Fairfax Falls Church, Virginia (change title to Bank of Virginia-Potomac)	18,087	5	25
to merge with			
Bank of Virginia-Potomac Woodbridge	109,960	20	

Summary report by Attorney General, March 31, 1972

Both of these banks are subsidiaries of Virginia Commonwealth Bankshares, Inc. ("VCB"). The proposed merger is simply a combination of two subsidiary banks which operate in essentially the same geographic area. As such, it is basically part of a corporate reorganization and will have no effect on competition.

Basis for Corporation approval, November 6, 1972

Bank of Virginia-Fairfax, Fairfax County (P.O. Falls Church), Virginia ("Fairfax Bank"), a State nonmember insured bank with total resources of $18,087,000 and total deposits of $15,036,000 as of June 30, 1972, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Virginia-Potomac, Woodbridge, Virginia ("Potomac Bank"), a State nonmember insured bank with total resources of $109,960,000 and total deposits of $94,014,000 as of June 30, 1972, under the charter of Fairfax Bank and with the title of Potomac Bank. The 22 authorized offices of Potomac Bank would be operated as branches of the resulting bank.

This proposed transaction is designed solely as a means by which Bank of Virginia Company, Richmond, Virginia, a registered bank holding company, can consolidate its operations in Northern Virginia. Both Fairfax Bank and Potomac Bank are owned by Bank of Virginia Company, and this proposed transaction would not in itself change the structure of competition in the area nor should it affect the banking services which are provided.

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. All other factors requiring consideration are favorably resolved.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Alabama Bank of Mobile Mobile, Alabama (in organization; change title to Commercial Guaranty Bank of Mobile)	200	–	4
to merge with **Commercial Guaranty Bank of Mobile** Mobile	31,881	4	

Summary report by Attorney General, September 20, 1972

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

Basis for Corporation approval, November 29, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Alabama Bank of Mobile, Mobile, Alabama ("First Bank"), a proposed new bank in organization, and for consent to its merger with Commercial Guaranty Bank of Mobile, Mobile, Alabama ("Second Bank"), a State nonmember insured bank with total resources of $31,881,000, under the charter of First Bank and with the title of Second Bank. The resulting bank will operate from the four existing offices of Second Bank.

The new bank formation and merger are designed solely as a means by which The Alabama Financial Group, Inc., Birmingham, Alabama, a registered bank holding company, can acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed merger. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on August 18, 1972. First Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Second Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Second Bank or affect the banking services which Second Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Guaranty Trust Company Waltham, Massachusetts (change title to Guaranty-First Trust Company)	41,116	7	13
to merge with **First National Bank of Natick** Natick	25,943	6	

Summary report by Attorney General, September 8, 1972

The head offices of the merging banks are located approximately 10 miles apart. One of Guaranty's branches is located in Natick, only about 1,000 feet from First National Bank of Natick. Consequently, the service areas of the participating banks overlap to some extent. For example, 34 per cent of First National Bank of Natick's deposits, totaling $6.6 million, are derived from the area described in the application as Guaranty's primary service area. Similarly, Guaranty derives 6.2 percent of its deposits, totaling $2.0 million, and 6.6 per cent of its loans, totaling $1.4 million, from the area described in the application as First National Bank of Natick's primary service area. Continuing growth in the service areas of the merging banks and the legal ability of each bank to branch throughout Middlesex County indicates that this competition could increase. Thus, substantial existing and potentially increasing competition between First National Bank of Natick and Guaranty would be eliminated by the proposed merger.

A total of 14 banks operate approximately 87 offices within the combined service areas of Guaranty and First National Bank of Natick, an area which may overstate the particular local banking markets which would be affected by the proposed merger. Guaranty accounts for 4.9 per cent of the total deposits held in these banking offices and First National Bank of Natick accounts for 3.8 per cent of such deposits. The four largest banking organizations with offices there account for 61 per cent of total deposits. If the proposed merger is consummated, the resulting bank will be the fifth largest in the area, with 8.7 per cent of area deposits.

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

Basis for Corporation approval, November 29, 1972

Guaranty Trust Company, Waltham, Massachusetts ("Guaranty"), a State nonmember insured bank with total resources of $41,116,000 and total IPC deposits of $26,881,000, 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 National Bank of Natick, Natick, Massachusetts ("FNB Natick"), with total resources of $25,943,000 and total IPC deposits of $20,623,000. The banks would merge under the charter of Guaranty and with the title "Guaranty-First Trust Company," and as an incident to the merger, the main office and five branches of FNB Natick would become branches of the resulting bank, increasing the number of its offices to 13.

Competition. Guaranty operates its main office and four branches in Waltham, Massachusetts, and has one branch each in Natick and Belmont, all communities in southern Middlesex County. FNB Natick operates its main office and two branches in Natick and has one branch each in Holliston, Framingham, and Sudbury, all of which are also in southern Middlesex County.

Middlesex County, in eastern Massachusetts, is the most populous county in the Commonwealth, and its southern half, where all offices of both participating banks are located, is an integral part of the Boston SMSA. The southern half of Middlesex County had a 1970 population of 1,052,027, up 7.9 percent from 1960's 975,287, compared to increases of 10.5 percent for the State as a whole and 6.1 percent for the entire SMSA. In 1970, 38.2 percent of the SMSA's population was accounted for by its Middlesex County portion. The economy of Middlesex County is well diversified and is second only to that of Boston in its importance to Massachusetts.

Although the main offices of the participating banks are about 8 miles apart in a densely populated area, Guaranty's Natick branch, established in 1959, is only a few blocks from FNB Natick's main office, and there is some overlapping of service areas. This branch, however, is located on the periphery of the general business area of Natick, access is difficult, and it has never become a significant competitive factor in the Natick community. Each bank also derives a limited amount of business from areas primarily served by the other. The proposed merger would eliminate a limited amount of existing competition between Guaranty and FNB Natick, but in view of the small size of each bank, their small share of total commercial bank deposits and loans in both Middlesex County and the Boston SMSA, and the dominance of much larger banking systems in each such area, this consequence of the proposed merger is not considered a matter of significance.

Massachusetts law permits countywide branching and merging and statewide holding companies. Thus, each of the participating banks could branch *de novo* into areas served by the other or into areas of Middlesex County which neither presently serves, thereby increasing competition between them in the future. The significance of eliminating this potential for increased competition between the two banks is substantially reduced, however, by the presence of numerous alternatives for commercial banking service within southern Middlesex County and in the Boston SMSA and by the likelihood of future *de novo* branching in Middlesex County by much larger banks and bank holding company systems.

There are 35 commercial banks operating 210 offices in Middlesex County. Of these, Guaranty is 15th largest, with 1.9 percent of the total deposits, and FNB Natick ranks 17th, with 1.4 percent. The bank resulting from the proposed merger would be 10th largest, with 3.3 percent of the total commercial bank deposits in the county. On a statewide basis, the resulting bank would control less than 0.5 percent of the State's total commercial bank deposits.

Commercial banking in Middlesex County is dominated by two large Boston-based holding companies which, between them, control 10 banks (including the three largest) operating 109, or 51.9 percent, of the commercial banking offices and having an aggregate of 55.3 percent of the county's total commercial bank 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. FNB Natick and the resulting bank have satisfactory financial and managerial resources and satisfactory prospects for the future. The proposed merger would resolve a number of management problems at Guaranty, and its 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. In view of the numerous commercial banking alternatives in southern Middlesex County and the reasonably convenient availability of large Boston banks and of affiliates of Boston-based holding companies, the proposed merger would have only limited effect on the convenience and needs of the communities where the participating banks have offices. It would, however, allow the resulting bank to offer customers of both banks more sophisticated trust services and more specialized services. More effective competition with larger banks in southern Middlesex County should in time produce continuing benefits to customers of the resulting bank and the public at large.

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
Peoples Bank Starkville, Mississippi	25,130	3	4
to merge with			
Maben Home Bank Maben	6,101	1	

Summary report by Attorney General, November 3, 1972

Starkville and Maben are approximately 19 miles apart, and no banking offices directly intervene in the sparsely populated area between them. Security State Bank (the largest bank headquartered in the county with deposits totalling about $26.5 million), however, operates its main office and two branches in Starkville, a branch bank in Sturgis, also in Oktibbeha County, about 15 miles south of Maben and a branch bank in Mathiston (population 570), Webster County, located only two miles southwest of Maben. The Application states that neither of the merging banks draws more than an insignificant share of its deposits or loans from the service area of the other. Consummation of the proposed merger would appear to eliminate only some small amount of direct competition presently existing between the two banks for customers located in parts of western Oktibbeha County.

This proposed merger would reduce the number of banking alternatives available in the county, which appears to overstate the relevant market, from three to two. As a result of the merger, Peoples Bank's share of deposits would be increased to about 49 per cent of all deposits attributable to banks headquartered in Oktibbeha County.

Mississippi law permits banks to establish branch offices in both their home and adjacent counties and establish branch banks within a radius of 100 miles of the parent bank. Home office protection, however, is afforded banks or branch banks operating in communities of less than 3,500 population against the establishment of branch offices. Banks operating in communities of less than 3,100 population are afforded protection against the establishment of branch banks. Maben, and it would appear Mathiston as well, are closed to the establishment of branch offices by any bank. However, it appears that Peoples Bank could establish a branch office outside the corporate limits of either community or even a branch bank in Mathiston. The size of the two and nearby communities and the present level of economic development in the area does not appear to make such expansion attractive or feasible, though realization of the substantial growth predicted for the area could enhance its attractiveness in the foreseeable future. There are, however, quite a number of banks larger than Peoples Bank which could also branch, under virtually the same limitations, into Oktibbeha County and the Maben-Mathiston area.

Basis for Corporation approval, November 29, 1972

Peoples Bank, Starkville, Mississippi, an insured State nonmember bank with total resources of $25,130,000 and total deposits of $22,688,000, 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 Maben Home Bank, Maben, Mississippi ("Home Bank"), with total resources of $6,101,000 and total deposits of $5,232,000. The banks would merge under the charter and title of Peoples Bank and, as an incident to the merger, the sole office of Home Bank would become a branch of the resulting bank, increasing the number of its offices to four.

Competition. Peoples Bank operates its three offices in the city of Starkville (population 11,369), the county seat of Oktibbeha County in northeast Mississippi. In addition to the resident population of Starkville, more than 5,000 persons reside outside the city in the State College area and are considered part of the immediate community. Starkville's economy is geared to a large degree to the activities of Mississippi State University, a facility with approximately 10,000 students. Numerous small industries employing over 1,400 people also serve the city.

Home Bank operates its sole office in Maben, a community of 862 persons 19 miles northwest of Starkville on the Oktibbeha-Webster County line. The economy of the town is oriented toward agricultural activities, although several small industries and some industrial construction in process indicate that industry is becoming a factor there.

Oktibbeha County had a modest population increase in the 1960s (9.8 percent), from 26,175 in 1960 to 28,752 in 1970. Except for the small industries noted above and the impact of the University, the economy of the county is predominantly agricultural.

Peoples Bank and Home Bank, as previously noted, are located 19 miles apart within Oktibbeha County. While there are no intervening offices of other banks along the principal road between the two locations, there is little direct competition between the two institutions, and the volume of business each bank generates from areas served by the other is nominal. Home Bank, moreover, because of various internal problems, has been an ineffective competitor within the relevant local market. It is concluded, accordingly, that the proposed merger would not eliminate any significant existing competition between the two banks.

Under Mississippi law, Peoples Bank is foreclosed from branching *de novo* into Maben although it could legally branch into the surrounding area. The sparse population of Home Bank's market, however, as well as the existence of commercial bank offices in nearby Mathiston, Euphora, and Mantee, indicates that the likelihood of such activity on the part of Peoples Bank is remote. Home Bank, for its part, does not have the resources, management, capital, or experience to branch *de novo* into the Starkville area. The Corporation concludes that the proposed merger would eliminate no significant potential for increased competition between the two banks in the future through *de novo* branching. Further, there are a number of other banks, some larger than Peoples Bank, which would be equally capable of *de novo* branching in Oktibbeha County in the future should economic developments warrant such branching.

Peoples Bank is the fifth largest bank in the seven-county area in which it could establish a "branch office" (as distinct from a "branch bank"), with 9.5 percent of the total commercial bank deposits, as of June 30, 1972, while Home Bank held 2.2 percent of such deposits on the same date. The resulting bank's share would be 11.7 percent, with three banks in the area continuing to hold a larger share (First-Columbus National Bank, Granada Bank, and Security State Bank—Peoples Bank's principal competitor in Starkville). The transaction, accordingly, should have no adverse effect on the structure of commercial banking in this northeastern area of Mississippi.

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. Peoples Bank has satisfactory financial and managerial resources and satisfactory prospects for the future. Home Bank, by contrast, has both financial and managerial problems as well as unsatisfactory prospects for the future, all of which would be resolved by the proposed merger.

Convenience and Needs of the Community to be Served. The proposed merger would serve the convenience of at least some customers of the two banks. Peoples Bank is a more aggressive institution with a history of satisfactory service to the community in which it operates. It can offer the populace of Maben the benefits of increased lending power as well as make available such services as construction loans, government agency participation loans, and more sophisticated trust services not available through Home Bank. Although these services are available at other commercial bank offices in the Maben area, approval of the proposed merger would provide the public in and around Maben with the benefits of an additional alternative.

In light of all the circumstances, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Exchange Bank Hollywood, South Carolina (change title to American Bank & Trust)	4,212	2	25*
to merge with **American Bank & Trust** Orangeburg	104,320	23*	

Summary report by Attorney General, November 10, 1972

The distance between the nearest offices of American and Exchange is 90 miles, with a large number of other banking offices intervening between them. Furthermore, the application indicates that neither bank draws deposits or loans from the service areas of the other. It would appear, therefore, that the proposed merger would not eliminate actual competition existing between the two banks.

Exchange is the smallest of the six banks operating in Charleston and Charleston County. It holds somewhat less than 1 per cent of deposits in Charleston where it competes with branches of the state's five largest banks — the two largest of which are headquartered there. Though South Carolina law permits statewide branching and American, the closest major banking organization which has not yet entered the market, could branch *de novo* into Charleston, its merger with the smallest bank in the Charleston area, with less than 1 per cent of total deposits, constitutes a foothold entry into that area by American and therefore would not appear to have an adverse effect on potential competition.

Basis for Corporation approval, November 29, 1972

Exchange Bank, Hollywood, South Carolina, a State nonmember insured bank with total resources of $4,212,000 and total IPC deposits of $3,041,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with American Bank & Trust, Orangeburg, South Carolina ("American"), also a State nonmember insured bank, with total resources of $104,320,000 and total IPC deposits of $71,837,000. The banks would merge under the charter of Exchange Bank, but with the title of American. Application is also made, under Section 18(d) of the Federal Deposit Insurance Act, to establish American's 25 authorized offices (including two to be acquired in the proposed merger of American and Bank of Ridgeland, which the Corporation is also approving today) as branches of the resulting bank and to relocate the main office of the resulting bank from Hollywood, South Carolina, to American's present main office in Orangeburg, South Carolina. The result of this procedure will be to permit American to become the subsidiary of a one-bank holding company, utilizing an existing corporation which presently controls Exchange Bank.

Competition. American has 25 authorized offices (including the two to be acquired as a result of American's proposed merger with Bank of Ridgeland) in 10 of South Carolina's 46 counties. Most of these are located in the central and

*Includes two branch offices to be acquired under application to merge Bank of Ridgeland.

south-central sections of the State, and none is located in Charleston County. American is the eighth largest commercial bank in South Carolina, with 3.1 percent of statewide commercial bank deposits. The 4 largest banks in the State hold, respectively, 21.2 percent, 13.6 percent, 9.7 percent, and 8.5 percent of such deposits.

Exchange Bank operates its main office in Hollywood (population 339), about 20 miles west of Charleston (population 66,945), and its only branch is located on the outskirts of that city. Both branches are in Charleston County (population 247,650) in southeast South Carolina on the Atlantic Coast. Government installations contribute significantly to the economy of Charleston County, but there is wide diversification in its economy, Charleston being the State's most populous county. Exchange Bank is an insignificant factor in the Charleston banking market (an area which may be defined as Charleston County and the southern portion of adjacent Berkeley County). Exchange Bank held 1.3 percent of the IPC deposits of this area as of June 30, 1972, while the State's five largest commercial banks held the balance of such deposits.

The nearest office of American to Exchange Bank is some 65 miles distant, and the two banks serve different markets. Further, the shortest distance between offices of Bank of Ridgeland and Exchange Bank is 59 miles, so that all three banks have separate and distinct service areas. The proposed merger, therefore, would not eliminate any existing competition.

South Carolina law permits statewide branch banking, but any elimination of potential competition between American and Exchange Bank through *de novo* branching must be considered relatively insignificant—the proposed merger being tantamount to *de novo* entry by American in view of the small size of Exchange Bank and its small share of the Charleston banking market. The potential for increased competition between Bank of Ridgeland and Exchange Bank through *de novo* branching in the future is also considered minimal in view of the limited resources of each and the distances involved.

The proposed merger would have no adverse effect on the structure of commercial banking in South Carolina as a whole since American's relatively small share of the statewide banking market would be increased to only 3.5 percent by the proposed mergers with Bank of Ridgeland and Exchange Bank.

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

Financial and Managerial Resources; Future Prospects. American has satisfactory financial and managerial resources and favorable future prospects, as would the resulting bank. The future prospects of Exchange Bank appear to be more favorable as part of the resulting bank than as an independent institution forced to compete with the State's five largest banks.

Convenience and Needs of the Community to be Served. The proposed merger would benefit Charleston County residents and businesses by adding another alternative for the full range of commercial bank services presently being offered there by the State's five largest banks, thereby enhancing competition in a highly concentrated banking market. Exchange Bank customers would find the limited range of services offered by that bank replaced with a broader range of services, including specialized loan services, trust services, and computer 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
American Bank & Trust Orangeburg, South Carolina	104,320	21	23
to merge with **Bank of Ridgeland** Ridgeland	8,360	2	

Summary report by Attorney General, September 20, 1972

The closest branch of American Bank to Bank is located in Barnwell about 56 miles northwest, with several banks intervening. Thus, it does not appear that any significant amount of direct competition will be eliminated by the proposed merger.

The only other banking office in the county is a branch of First National Bank in Orangeburg (total deposits $36.3 million), the state's tenth largest bank. Bank holds the larger share of bank deposits originating in the county. The application notes, however, that the Savannah and adjacent Beaufort County banks also exert a significant influence in Bank's market.

Since statewide branching is permitted in South Carolina, American Bank could open a *de novo* branch in the area presently served by Bank. However, considering that the area has been one of below average growth and the overall economic situation in Jasper County, it would appear that the attractiveness of the area for *de novo* branching is diminished. Moreover, there are at least six banks larger than American Bank which may also be considered prospective potential entrants.

We conclude, therefore, that the proposed merger would not adversely affect existing or potential competition.

Basis for Corporation approval, November 29, 1972

American Bank & Trust, Orangeburg, South Carolina ("American"), a State nonmember insured bank with total resources of $104,320,000 and total IPC deposits of $71,837,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Ridgeland, Ridgeland, South Carolina, with total resources of $8,360,000 and total IPC deposits of $7,044,000. The banks would merge under the charter and title of American and, as an incident to the merger, the two offices of Bank of Ridgeland would become branches of the resulting bank, which would then have a total of 25 authorized offices.

Competition. American has 23 authorized offices in nine of the 46 counties of the State, most of which are located in the central and south-central sections of South Carolina. American has no office in Jasper County or in any county adjacent thereto. It is the eighth largest commercial bank in South Carolina, with 3.1 percent of statewide commercial bank deposits. The four largest banks in the State hold, respectively, 21.2 percent, 13.6 percent, 9.7 percent, and 8.5 percent of such deposits.

Bank of Ridgeland has its main office in Ridgeland (population 1,165) and its only branch in Hardeeville (population 853). Both towns are in Jasper County (population 11,885), which is located at the southernmost corner of South Carolina, adjacent to Savannah, Georgia. Jasper County is sparsely populated and has a relatively low level of economic activity. It suffered a 2.9 percent decline in population between 1960 and 1970 and has a population per square mile of only 18.2 persons, the lowest of any county in the State. The 1971 median household income in Jasper County was $4,195, compared to $7,012 for the State, and about one-third of the working population of the county is employed outside the county. Economic activity in Jasper County includes agriculture and some light industry, with tourism and service industries expected to become more significant in the future. There is only one other banking office in the county, the Ridgeland branch of the $38 million-deposit First National Bank in Orangeburg, the State's 10th largest commercial bank.

The effects of the proposed merger would be almost entirely confined to Jasper County. The closest office of American to either office of Bank of Ridgeland is in Branchville, about 61 miles north of Ridgeland. The two banks serve completely different trade areas, and numerous offices of other banks are located in between. The proposed merger, accordingly, would not eliminate any existing competition.

South Carolina law permits statewide branch banking, but the potential for increased competition between American and Bank of Ridgeland appears insignificant. Bank of Ridgeland does not have the financial or managerial resources to expand in any meaningful way, while American is unlikely to find Jasper County attractive for *de novo* branching because it is sparsely populated and has limited economic activity. There are, moreover, six or seven banks larger than American that must also be considered potential *de novo* entrants into Jasper County in the future if economic growth in the county should warrant any additional *de novo* branching.

The proposed merger would not eliminate any banking alternatives in Jasper County and would not have any appreciable effect on the banking structure in any relevant market. In the local Jasper County banking market, a small, two-office bank would be replaced by offices of a much larger, full-service institution. Statewide, American would increase its limited share of total commercial bank deposits by 0.2 percent—the resulting bank holding only 3.3 percent of such deposits.

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. The financial and managerial resources and future prospects of American and the resulting bank are considered satisfactory. Bank of Ridgeland's financial and managerial resources would be strengthened by the proposed merger, and its future prospects would appear to be more favorable as part of the resulting bank than as an independent institution.

Convenience and Needs of the Community to be Served. The effects of the proposed merger would be almost wholly confined to Jasper County, where a full range of banking services would be offered by the resulting bank, including more specialized commercial loan services and trust and computer services. In addition, the resulting bank's substantially larger lending limit and the increased availability of mortgage credit should prove beneficial to Jasper County residents.

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 Virginia-Norfolk Norfolk, Virginia (in organization)	50	—	9*
to acquire certain assets and assume a portion of the deposit liabilities of			
Bank of Virginia-Central Richmond	67,719**	4**	

Summary report by Attorney General, November 10, 1972

The proposed merger is part of a plan through which Bank of Virginia Company, a bank holding company, seeks to consolidate banking offices currently operated by two different subsidiaries, Bank of Virginia-Central and Bank of Virginia-Tidewater, into a new subsidiary bank which will be known as Bank of Virginia-Tidewater. Since all the banks involved in this plan are wholly-owned subsidiaries of Bank of Virginia Company, their combination is simply an internal reorganization, and as such will have no effect on competition.

Basis for Corporation approval, November 29, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance and consent to exercise trust powers for Bank of Virginia-Norfolk, Norfolk, Virginia ("Norfolk Bank"), with total assets of $50,000, a proposed new bank in organization, and for consent to its acquiring the assets and assuming the liability to pay deposits made in four branches of Bank of Virginia-Central, Richmond, Virginia, a State member bank located in the independent cities of Norfolk and Portsmouth, Virginia ("Central Bank Offices"), with total resources of $67,719,000, under the charter and with the title of Norfolk Bank. The resulting bank will operate from its new main office and the four existing Central Bank Offices.

The new bank formation and acquisition are designed as a means by which

*Includes offices resulting from simultaneous application of Bank of Virginia-Norfolk to merge Bank of Virginia-Tidewater. Excludes two authorized but unopened offices of Bank of Virginia-Tidewater.

**Resources of four branch offices to be acquired by Bank of Virginia-Norfolk.

Bank of Virginia Company, Richmond, Virginia, a registered bank holding company of which Bank of Virginia-Central is a subsidiary, can reorganize and consolidate its operations to more effectively compete with the larger banks in the area. This reorganization will enable Norfolk Bank to legally establish *de novo* branches, which the holding company cannot do under current organization. Application by holding company to acquire 100 percent of the voting shares of the successor bank is pending approval by the Board of Governors of the Federal Reserve System. Norfolk Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Central Bank Offices, in addition to its new main office, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Central Bank Offices, but the end result will be to intensify competition through the resultant bank's ability to branch *de novo*. There will be no effect on the banking services which Central Bank Offices provided in the past. All factors considered pertinent specifically to the subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Virginia-Norfolk Norfolk, Virginia (proposed new bank; change title to Bank of Virginia-Tidewater)	50	—	9*
to merge with			
Bank of Virginia-Tidewater Virginia Beach	10,222	4	

Summary report by Attorney General, November 10, 1972

The proposed merger is part of a plan through which Bank of Virginia Company, a bank holding company, seeks to consolidate banking offices currently operated by two different subsidiaries, Bank of Virginia-Tidewater and Bank of Virginia-Central, into a new subsidiary bank which will be known as Bank of Virginia-Tidewater. Since all the banks involved in this plan are wholly-owned subsidiaries of Bank of Virginia Company, their combination is simply an internal reorganization, and as such will have no effect on competition.

Basis for Corporation approval, November 29, 1972

Bank of Virginia-Norfolk, Norfolk, Virginia ("Norfolk Bank"), a proposed new bank in organization with total resources of $50,000, has applied, pur-

*Includes offices resulting from simultaneous application of Bank of Virginia-Norfolk to acquire four branches of Bank of Virginia-Central, Richmond. Excludes two authorized but unopened offices of Bank of Virginia-Tidewater.

suant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Virginia-Tidewater, Virginia Beach, Virginia ("Tidewater Bank"), a State nonmember insured bank with total resources of $10,222,000 and total deposits of $8,286,000, under the charter of Norfolk Bank and with the title of Tidewater Bank. The six authorized offices of Tidewater Bank would be operated as branches of the resulting bank.

This proposed transaction is designed solely as a means by which Bank of Virginia Company, Richmond, Virginia, a registered bank holding company, can consolidate its operations in southeastern Virginia. Both Norfolk Bank and Tidewater Bank are owned by Bank of Virginia Company, and this proposed transaction would not in itself change the structure of competition in the area. A marginal increase in banking services will occur as the resulting bank will bring trust services to the customers of Tidewater Bank.

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. All other factors requiring consideration are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
United Penn Bank Wilkes-Barre, Pennsylvania	303,945	13	15
to merge with **The First National Bank of Meshoppen** Meshoppen	5,800	2	

Summary report by Attorney General, August 1, 1972

United's Tunkhannock branch is located approximately seven miles from Meshoppen Bank, the only bank in Meshoppen (1970 population 500). The present amounts of deposit and loan overlaps between the banks are limited. However, United's Tunkhannock office, and that of the Wyoming Natinal Bank of Wilkes-Barre, are among the closest available banking alternatives to customers in the Meshoppen-Mehoopany area. If the proposed acquisition is approved, some existing competition would be eliminated.

Under Pennsylvania banking law, each of the banks may be permitted to branch *de novo* into the areas served by the other. While Meshoppen Bank's size indicates that it is not a significant potential entrant into areas served by United, the latter is clearly one of the most capable and significant potential entrants into new markets. However, in view of the size of the communities served by Meshoppen Bank, opportunities for *de novo* branching therein are limited. Nonetheless, in view of the proximity of United's Tunkhannock office, it would appear that this bank could increase its competitive presence in the Meshoppen-Mehoopany area without actually establishing additional branches. Moreover, acquisition of Meshoppen Bank by United would eliminate the former as an entry vehicle for another capable bank not already serving this area of Wyoming County.

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

Basis for Corporation approval, December 1, 1972

United Penn Bank, Wilkes-Barre, Pennsylvania ("United"), a State non-member insured bank with total resources of $303,945,000 and total IPC deposits of $253,502,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The First National Bank of Meshoppen, Meshoppen, Pennsylvania ("First"), with total resources of $5,800,000 and total IPC deposits of $4,934,000. The banks would merge under the charter and title of United and the two offices of First would become branches of the resulting bank, increasing the number of its permanent offices to 14.

Competition. United now operates 12 permanent offices and one temporary office. The main office and nine branches are located in Wilkes-Barre and the Wyoming Valley area of Luzerne County. Additional branch offices are located in Bloomsburg in Columbia County, 35 miles southwest of Wilkes-Barre, and in Tunkhannock, the county seat of Wyoming County, 30 miles northwest of Wilkes-Barre. After the recent flood destroyed one of the two bridges connecting Wilkes-Barre and Kingston, the management of United established a temporary branch in Kingston as a convenience for its customers residing there.

The population of the Wilkes-Barre-Hazleton SMSA, which consists of Luzerne County, declined 1.3 percent from 1960 to 1970 and now stands at 342,301. During this same period of time, the population of the city of Wilkes-Barre declined 7.4 percent, to 58,856. Formerly dependent upon anthracite mining and its transport, the area now has diversified industrial activity of consequence. United's branch in Tunkhannock is centrally located in sparsely populated Wyoming County, where the two offices of First are also located. In 1970, the population of Wyoming County was 19,082, an increase of 13.5 percent over 1960.

The two offices of First are located in the northwestern corner of Wyoming County on the banks of the Susquehanna River. The 1970 population of the Borough of Meshoppen was only 482, while the population of the township of Mehoopany, in which First has its only branch, was 677. Until approximately 7 years ago, farming and timbering were the only significant business activities in this area. Since then, eight manufacturing companies have entered the area and have made a capital investment of over $350 million; these facilities now employ a work force of 2,700. The principal company in the area has 43 acres under roof, 2 miles east of Mehoopany, and employs 1,100 people.

The area in which the competitive impact of this proposed transaction would be most immediate and direct may be approximated by the northwestern and central segment of Wyoming County (including Tunkhannock), the Borough of Wyalusing, located in the southeastern portion of Bradford County and the southwestern portion of Susquehanna County. This market area of approximately 27,000 people extends roughly over a 15- to 20-mile radius around Meshoppen. At present there are nine commercial banks operating 14 offices in this local banking market. The Tunkhannock office of United has the third largest share of the market, with 13.7 percent of total deposits, and First ranks seventh, with 6.3 percent. The largest share, 24.6

percent, is held by the three offices of a Montrose-based bank. United's most immediate competitor is The Wyoming National Bank of Wilkes-Barre, a $96 million institution with a branch in Tunkhannock. This branch has the fourth largest share of the market, 13 percent, and offers a full line of services.

United's closest office to First is at Tunkhannock, 8 miles southeast of Meshoppen. There are no other banking offices in the sparsely populated intervening area. While this proposed transaction would eliminate some degree of choice for residents of the area and some direct existing competition between United's office in Tunkhannock and First, the former is reduced in importance by the large number of banks operating in the market, while the latter is not a significant amount in terms of dollar volume. First, moreover, is not a strong competitor, being hampered by both limited financial resources and limited management resources. The Corporation concludes that the proposed merger would have no substantial effect on existing competition.

First could legally branch *de novo* into other parts of Wyoming County, into Luzerne County, and into a number of other contiguous counties, but this does not seem probable in view of its limited resources, its lack of management depth, and the competition from much larger banks it could expect in places attractive to *de novo* branching. While United has the capacity and resources to open *de novo* branches in those portions of Wyoming County near Meshoppen and Mehoopany, this is unlikely to be attractive for several years, in view of the limited population presently being served by commercial banking offices in the area, averaging about 2,000 people per office.

Within the eight-county area where United may legally establish branches, its greatest potential market, 84 commercial banks were operating 199 offices as of June 30, 1970. A Scranton-based bank held the largest share of this market, with 12.3 percent of the IPC deposits. The second largest share, 8.4 percent, was held by United, and its share after consummation of the proposed merger would be 8.6 percent.

In 1971, United acquired 570 shares, or 7.6 percent, of the outstanding stock of The First National Bank of Factoryville, a unit bank also located in Wyoming County and only about 10-miles east of Tunkhannock, with no offices of other commercial banks intervening. The trade areas served by The First National Bank of Factoryville and United's Tunkhannock branch overlap, and there is some existing competition between them. While United does not control 10 percent or more of the commercial bank deposits in its overall banking and merging area, and so does not fall within the precise language of the Corporation's policy requiring a divestiture of all stocks which such a bank might own in other banks within its branching and merging area, it will control 20 percent of a local banking market in which First National Bank of Factoryville also competes and which is located within that larger area.* The Corporation considers it advisable, therefore, if the proposed merger is approved, to require United to divest itself, within a reasonable period of time, of the stock it now holds in this competing bank, in the interest of a freely competitive local banking market.

---

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

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has adequate financial resources, as would the resulting bank. Consummation of the proposed transaction would solve the problem of successor management at First, and the resulting bank would have satisfactory managerial resources. The future prospects of the resulting bank would also be favorable.

Convenience and Needs of the Community to be Served. The proposed merger would have virtually no effect in the trade areas now served by United. Customers of First would benefit from the full range of specialized lending services (including FHA and VA mortgage loans), trust department services, and additional funds for housing construction, which could be provided by United. Local businesses would also benefit from a legal lending limit over 50 times larger than First's present limit of $50,000 and from the availability of larger denomination certificates of deposit issued at the maximum rates of interest allowed by current regulations. While these services are presently available at other banks in the relevant local market, the proposed merger would make them more conveniently available to residents and businessmen in the Meshoppen and Mehoopany areas.

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
Bartholomew County Bank Columbus, Indiana (in organization; change title to Irwin Union Bank and Trust Company)	200	–	6
to merge with **Irwin Union Bank and Trust Company** Columbus	134,278	6	

Summary report by Attorney General, September 8, 1972

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

Basis for Corporation approval, December 4, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Bartholomew County Bank, Columbus, Indiana ("First Bank"), a proposed new bank in organization, and for consent to its merger with Irwin Union Bank and Trust Company, Columbus, Indiana ("Second Bank"), a State nonmember insured bank with total resources of $134,277,900, under the charter of First Bank and with the title of Second Bank. The resulting bank will operate from the six existing offices of Second Bank.

The new bank formation and merger are designed solely as a means by which Irwin Union Corporation, Columbus, Indiana, a registered bank holding company, can acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed merger. Application for said acquisition was approved by the Board of Governors of the Federal Reserve System on August 10, 1972. First Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing locations of Second Bank, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Second Bank or affect the banking services which Second Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Bank Odessa, Texas (in organization; change title to American Bank of Commerce)	200	—	1
to merge with			
American Bank of Commerce Odessa	46,549	1	

Summary report by Attorney General, October 10, 1972

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

Basis for Corporation approval, December 4, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for American Bank, Odessa, Texas ("New Bank"), a proposed new bank in organization, and for consent to its merger with American Bank of Commerce, Odessa, Texas ("Operating Bank"), a State nonmember insured bank with total resources of $46,549,000 as of June 30, 1972, under the charter of New Bank and with the title of Operating Bank.

The new bank formation and merger are designed solely to enable Texas Commerce Bancshares, Inc., Houston, Texas, a registered bank holding company, to acquire substantially all of the voting shares of the successor. The application by the holding company for permission to acquire 100 percent (less directors' qualifying shares) of the outstanding shares is pending approval by the Board of Governors of the Federal Reserve System. New Bank will not be in operation as a commercial bank prior to the merger, but subsequent to consummation it will operate the same banking business at the existing location of Operating Bank, and with essentially the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by Operating Bank nor affect the banking services which Operating Bank has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Second State Bank of Alamo Alamo, Texas (in organization; change title to First State Bank of Alamo)	50	–	1
to purchase the assets and assume the deposit liabilities of			
First State Bank of Alamo Alamo	7,076	1	

Summary report by Attorney General, November 10, 1972

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

Basis for Corporation approval, December 18, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Second State Bank of Alamo, Alamo, Texas ("Second"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of the liabilities of the First State Bank of Alamo, Alamo, Texas ("First"), a State nonmember insured bank with total resources of $7,076,000. The resulting bank will operate from the one existing office of First and with the title "First State Bank of Alamo."

The new bank formation and the purchase and assumption transaction are designed solely as a means by which the American Capital Corporation, Houston, Texas, a registered bank holding company can acquire 100 percent (less directors' qualifying shares) of the voting shares of the bank resulting from the proposed transaction. Application for said acquisition is pending before the Board of Governors of the Federal Reserve System. Second will not be in operation as a commercial bank prior to the purchase and assumption transaction, but subsequent to consummation it will operate the same banking business at the existing location of First, and with the same management. The proposal will not, per se, change the competitive structure of commercial banking in the trade area served by First or affect the banking services which First has provided in the past. All factors considered pertinent specifically to the two subject applications are favorably resolved.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Second Bank of Commerce Fort Worth, Texas (in organization; change title to Bank of Commerce)	200	—	1
to merge with **Bank of Commerce** Fort Worth	43,949	1	

Summary report by Attorney General, November 17, 1972

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

Basis for Corporation approval, December 18, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for Second Bank of Commerce, Fort Worth, Texas ("Second"), a proposed new bank in organization, and for consent to its merger with Bank of Commerce, Fort Worth, Texas ("Bank"), a State nonmember insured bank with total resources of $43,949,000. The resulting bank will operate from the one existing office of Bank and with the title "Bank of Commerce."

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

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
California Republic Bank Bakersfield, California	30,341	9	13
to merge with			
Ranchers Bank Quartz Hill	7,935	4	

Summary report by Attorney General, December 8, 1972

The Lancaster area is presently served by six banks including four of the largest banks in the state. In the absence of this merger Republic would be the seventh bank in the Lancaster area. Hence, this merger will eliminate the certainty of some competition between Ranchers and Republic which would have commenced as soon as Republic's Lancaster office is opened. Moreover, Republic could have increased that competition by opening additional offices in the area.

In the Lancaster area Ranchers ranks fifth out of six banks. As of June 30, 1970, the three largest banks in the market held 83.3 per cent of total deposits, while Ranchers held 4.4 per cent of total deposits. Republic has no market share in the area at the present time. Thus, while this merger will eliminate prospective actual competition, given the small absolute and relative size of the banks involved, it appears that the merger would not have a significantly adverse effect on competition.

Basis for Corporation approval, December 22, 1972

California Republic Bank, Bakersfield, California ("Republic Bank"), a State nonmember insured bank with total resources of $30,341,000 and total IPC deposits of $21,985,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval of its merger with Ranchers Bank, Quartz Hill, California, which has total resources of $7,935,000 and total IPC deposits of $6,335,000, under the charter and title of Republic Bank. Permission is also requested to establish the existing and approved but unopened offices of both banks, after which the resulting bank would have a total of 15 offices.

Competition. Republic Bank now operates a total of nine offices, all of which are in Kern County. The main office and three branches are in Bakersfield, and the other offices are located in Oildale, California City, Frazier Park, Rosedale, and Tehachapi. Republic Bank has only 4.0 percent of Kern County commercial bank deposits, however, ranking fifth in this regard among 10 commercial banks with offices in the county. The State's five largest banks all compete in Kern County, with Bank of America holding slightly less than half of all the county's commercial bank deposits. Republic Bank also has the necessary supervisory approvals to establish a *de novo* branch in Lancaster, in Los Angeles County.

Ranchers Bank operates a total of three full-time offices and one seasonal office, all in Los Angeles County. The main office and one branch are in Quartz Hill, and the other full-time branch is in Lancaster. Ranchers Bank also operates a seasonal branch over the Labor Day weekend at the Antelope Valley Fair, in Lancaster, and has the necessary approvals to establish a *de novo* branch in Littlerock, in Los Angeles County. Neither Republic Bank nor Ranchers Bank has trust powers.

The existing offices of Ranchers Bank are located approximately 87 road miles southeast of Republic Bank's main office in Bakersfield and about 75 road miles northeast of the city of Los Angeles in Los Angeles County's high desert, known as Antelope Valley. Economic activity in this area revolves around the twin cities of Lancaster and Palmdale. Quartz Hill, which grew from 3,325 to 4,935 persons in the 1960s, is only a few miles from, and serves as a bedroom community for, both cities. The population of Lancaster increased 19 percent between 1960 and 1970, from 26,012 to 30,948, and the population of Palmdale was 8,511 in 1970. Principal employment is that of aircraft production, with Lockheed Aircraft the largest employer. Population growth in the area has been steady but is expected to expand rapidly in the future, in connection with construction and operation of the new Palmdale International Airport, which will be the main airport for Los Angeles. Littlerock is located 11 miles southeast of Palmdale and has a population of less than 1,000.

The proposed merger would have its most direct and immediate effect in the northeastern corner of Los Angeles County presently served by Ranchers Bank. Within this area, six commercial banks operated 15 offices as of June 30, 1972, with total deposits of $100,445,000. The largest share of this market, 47.5 percent, was held by Bank of America, with three others of the State's five largest banks also represented. Ranchers Bank, with 7 percent of the market's total commercial bank deposits, ranked fifth of the six banks, in terms of local market share.

At present the shortest distance between offices of Republic Bank and Ranchers Bank is the approximately 40 miles between California City and Lancaster. The intervening area is sparsely populated, and there is no significant amount of existing competition which would be eliminated by this proposed transaction. The resulting bank, moreover, should be able to compete more effectively, than either Republic Bank or Ranchers Bank, with the much larger banks having offices in both their service areas.

Republic Bank has the necessary approvals to establish a *de novo* branch in Lancaster, but it is to be located in the southeastern portion of the city, while the Lancaster office of Ranchers Bank is located in the northwestern part of the city. Branch offices of the largest banks in the State are located in the intervening area, and Bank of America has the necessary approvals to establish a *de novo* branch in close proximity to the site selected for Republic Bank's Lancaster office. Thus, even after Republic Bank establishes its contemplated branch in Lancaster, there is unlikely to be any substantial amount of competition between it and the Lancaster office of Ranchers Bank.

California State law permits statewide *de novo* branching, so that either of the participating banks could legally branch *de novo* into the trade area of the other. This does not seem likely on the part of Ranchers Bank, however, in view of its limited financial and managerial resources and the formidable competition it would encounter. While Republic Bank plans to establish a *de novo* branch in Lancaster and might have an incentive to expand in Ranchers Bank's market, any loss of potential competition between these two banks in the future by consummation of their proposed merger can be viewed as relatively insignificant competitively because of the presence of banks in California much larger than Republic Bank which would be even more capable of such *de novo* branching.

Commercial banking in the State of California is highly concentrated with the three largest banks holding 59.8 percent of total commercial bank deposits and the five largest, 75.8 percent. Republic Bank is the 76th largest commercial bank in the State, and the resulting bank would have less than 1 percent of statewide total commercial bank deposits. The proposed merger would obviously have no effect on the structure of commercial banking in the State of California.

For the reasons stated, 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. Republic Bank has adequate financial and managerial resources, as would the resulting bank. The future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to be Served. Consummation of the proposed transaction would result in few, if any, benefits to members of the public in areas served by either bank since the resulting bank would not provide any services not presently conveniently available at offices of the largest statewide branch banks also operating in these areas. Customers of Ranchers Bank would benefit from a lending limit more than six times its present $38,600 limit.

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	17,459	4	5
to consolidate with			
Hemlock State Bank Hemlock	7,269	1	

Summary report by Attorney General, November 10, 1972

Hemlock Bank is located approximately 16 miles from First State's home office and 14 miles from the nearest branch of First State. Both the home offices and branches of several other banks lie in the intervening area between the two participating banks. Approximately 79 per cent of Hemlock Bank's total deposits are derived from a four township area surrounding the village itself. First State also draws a small amount of deposits ($147,000 or 1 per cent of its total) from this area, but the proposed consolidation would not eliminate substantial competition.

First State is presently the third largest of the three banks headquartered in the City of Saginaw. It is the sixth largest, and Hemlock Bank the eighth largest, of the nine banks headquartered in Saginaw County. As of June 30, 1970, First State, having been in operation for less than a year, had the smallest market share in the county with less than 1 per cent each of IPC demand deposits and total deposits. Hemlock Bank had about 1-1/2 per cent each of the IPC demand deposits and total deposits in Saginaw County at that time. Since 1970, First State has experienced rapid growth, opening three branches, and now estimates its share of the total deposits in Saginaw County at 2-1/2 per cent.

Michigan law allows banks to branch anywhere within the county in which the home office is located, but there is branch and home office protection which precludes First State or any other bank from branching *de novo* into the village of Hemlock itself. This protection does not extend to the area adjacent to the village, and First State could legally open a branch there, still placing itself near the Hemlock Bank, which is now located about five miles from the nearest office of any other bank. However, the lack of significant population growth in Hemlock makes it unlikely that First State could branch into the area at this time, and the relatively small position of both First State and Hemlock Bank in the Saginaw County market suggests that the removal of First State as a potential entrant into the Hemlock area would be unlikely to have an adverse effect on potential competition.

Basis for Corporation approval, December 22, 1972

First State Bank of Saginaw, Saginaw, Michigan ("First State Bank"), a State nonmember insured bank with total resources of $17,459,000 and total IPC deposits of $11,269,000, 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 Hemlock State Bank, Hemlock, Michigan ("Hemlock Bank"), with total resources of $7,269,000 and total IPC deposits of $5,974,000. The banks would consolidate under the title and charter of First State Bank and, as an incident to the consolidation, the single office of Hemlock Bank would become a branch of the resulting bank, increasing the number of its offices to five.

Competition. First State Bank is located in the city of Saginaw (population 91,849), the seat of Saginaw County, in central Michigan. Saginaw County's 1970 population was 219,743, an increase of 15 percent over its population in 1960, and income levels in this heavily industrialized area are commensurate with statewide averages, In addition to the main office, First State Bank operates three branches in and around Saginaw, and it draws most of its banking business from the city of Saginaw, Saginaw Township, and the northern portion of Spaulding Township.

The single office of Hemlock Bank is located in Hemlock, Michigan, an unincorporated village with an estimated population of 850. It is located 17 road miles west of First State Bank's main office and 16 miles west of its closest office, with nine banking offices of other banks located in the intervening area. Hemlock Bank draws most of its banking business from an 8,000-person area consisting of Richland and Fremont Townships and a small portion of Thomas Township. Hemlock and its environs have long been dependent on agriculture, but this activity is now declining in importance and the area is becoming a bedroom community for residents employed elsewhere, primarily in the city of Saginaw.

The proposed consolidation would have its most direct and immediate effect in Saginaw County, which comprises the Saginaw SMSA. Fourteen offices of Second National Bank of Saginaw dominate this local banking market, holding about 47 percent of the county's total commercial bank IPC deposits. A branch of Michigan National Bank holds the second largest share of countywide IPC deposits, while First State Bank, established only in 1969, ranks sixth of 10 banks, in terms of local market shares, with 2.8 percent of such deposits. Hemlock Bank ranks ninth, with only 1.5 percent of such deposits, down slightly from the 1.7 percent it held as of June 30, 1970. While the proposed consolidation would eliminate some existing competition between First State Bank and Hemlock Bank, particularly for the banking business of Hemlock area residents who commute to Saginaw to work, the respective market shares of the two banks indicate that the amount of this existing competition is not substantial. Hemlock Bank, moreover, has been an unaggressive competitor. Its consolidation with a larger and more aggressive city bank should enhance competition in its immediate service area with the dominant bank in the county.

The possibility of increased competition in the future between First State Bank and Hemlock Bank through *de novo* branching appears remote. State law allows countywide branching but prohibits *de novo* entry into a city or village, like Hemlock or Saginaw, in which another bank office is located, and the remaining unbanked communities in Saginaw County have very limited population or deposit potential.

The resulting bank would rank fifth in local deposits among nine commercial banks, holding only 4.2 percent of their combined IPC deposits. While the proposed consolidation would reduce from 10 to nine the number of independent alternatives available to the 219,743 residents of Saginaw County, numerous banking alternatives would continue to be conveniently available both within the county and in adjacent counties.

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

Financial and Managerial Resources; Future Prospects. Both banks have financial and managerial resources which are adequate for their continued operation, either independently or on a consolidated basis. Future prospects for Hemlock Bank as an independent institution, however, are only fair and should be strengthened by the proposed consolidation.

Convenience and Needs of the Community to be Served. The proposed consolidation would bring to Hemlock a larger, more aggressive institution in place of a bank that has been largely ineffective in meeting increasing competition. Significant benefits accruing to present customers of Hemlock Bank as a result of the consolidation include "free checking" accounts with no minimum balance required, decreased consumer loan rates, and higher interest rates on certain types of time deposits. In addition, expanded EDP services would be offered, and Hemlock Bank's lending limit of $100,000 would be replaced by the resulting bank's limit of $550,000.

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
Peoples Bank & Trust Company Rocky Mount, North Carolina	144,851	33	34
to merge with **The Bank of Northampton** Jackson	4,663	1	

Summary report by Attorney General, November 16, 1972

The closest office of Peoples to Jackson is in Scotland Neck, some 24 road miles to the south in adjacent Halifax County. A branch office of the state's tenth largest bank is situated in the intervening area. It would not appear that existing competition would be eliminated by the proposed transaction.

As of mid-1970, Bank of Northampton had approximately 20 per cent of the deposits, the second largest share, in Northampton County, an area which probably somewhat overstates the relevant market.

North Carolina law permits statewide branching either *de novo* or by merger. Peoples could, therefore, enter Jackson *de novo;* however, the community's small size and the below average growth in Northampton County generally indicate that such entry would be relatively unattractive at this time. Furthermore, there are a number of other North Carolina banks larger than Peoples which appear capable of expanding into Jackson, and which must also be considered potential entrants.

Thus, it appears that the proposed merger would not have a significant impact on potential competition.

Basis for Corporation approval, December 22, 1972

Peoples Bank & Trust Company, Rocky Mount, North Carolina ("Peoples"), an insured State nonmember bank having total resources of $144,841,000 and total IPC deposits of $109,870,000, 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 Northampton, Jackson, North Carolina, having total resources of $4,663,000 and IPC deposits of $3,748,000, under the charter and title of Peoples. As an incident to the merger, the sole office of The Bank of Northampton would become a branch of the resulting bank, increasing the number of its offices to 34.

Competition. Peoples operates its main office and six branches in the city of Rocky Mount and 26 branches in 18 other communities in the northeastern section of North Carolina. Peoples is the 13th largest of the State's 87 commercial banks, holding 1.4 percent of their aggregate deposits.

The Bank of Northampton is a unit bank serving Jackson (population 762) and its environs. Jackson is a small rural community located in the center of Northampton County (population 24,009) and serves as its county seat. Area residents are almost exclusively dependent on agricultural activities, although some industrial development has taken place in recent years.

Seven commercial banks operate offices within a radius of 18 miles of Jackson, including North Carolina National Bank and Branch Banking and Trust Company, which hold the largest and second largest shares of the total commercial bank deposits in this local banking market. The Bank of Northampton is the third-ranking bank, in terms of area commercial bank deposits in this market, while three other large banks and one small independent bank share the balance of the market's commercial bank deposits. Peoples is not presently represented in this local banking market. Its nearest office is 24 miles from The Bank of Northampton, and branch offices of two large banks intervene between them. Little, if any, existing competition between them would be eliminated by the proposed merger.

North Carolina law permits a commercial bank to branch *de novo* throughout the State, but the potential for increased competition between Peoples and The Bank of Northampton through *de novo* branching appears remote. The Bank of Northampton has made no move toward *de novo* branching since its organization in 1904 and lacks the resources as well as the experience to engage in any significant expansion by this means. Peoples has had significant *de novo* branching experience, but it is unlikely that it will seek to establish a *de novo* branch within The Bank of Northampton's market area because of the lack of any significant population growth or economic vigor there. Moreover, even if future growth in and around Jackson should make additional *de novo* branching attractive, numerous banks in North Carolina, which are larger than Peoples and also are unrepresented in the Jackson market, may be considered more likely potential entrants. Thus, any elimination of potential competition between Peoples and The Bank of Northampton resulting from their proposed merger may be considered competitively insignificant.

Within the State of North Carolina, Peoples, post-merger, would become the 11th largest commercial bank, with 1.45 percent of aggregate deposits held by all the State's commercial banks as of June 30, 1972. The proposed merger would obviously have no adverse effect on the commercial bank structure of North Carolina.

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. These factors are favorable for both banks, as they would be for the resulting bank. The capital position of the resulting bank would be reasonably satisfactory.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would make available to Northampton's customers the broad range of banking services offered by a moderate-sized commercial bank, including an increased rate on passbook savings accounts and an expanded lending capability. Peoples' trust department also offers highly specialized farm and timber management services, functions well-tailored to meet the needs of the region. To the extent these services are available at offices of larger competitors in the market, the proposed merger would provide all residents, farmers, and businessmen in this market an alternative source for such services, thereby stimulating the market's competitive climate.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Penn Security Bank and Trust Company Scranton, Pennsylvania	70,748	3	4
to merge with			
Green Ridge Bank Scranton	18,756	1	

Summary report by Attorney General, September 20, 1972

The merging banks are both located in the City of Scranton. Their service areas encompass the city, and it is apparent that the proposed merger will eliminate substantial existing competition.

Fourteen commercial banks operate a total of 21 banking offices in Scranton and nearby communities in Lackawanna County, an area which may slightly overstate the relevant market primarily affected by the proposed merger. As of June 30, 1970, Penn Security Bank and Trust Company was the third largest bank in this area, holding about 10.9 per cent of deposits, while Green Ridge Bank held about 2.8 per cent. The three leading banks in this area held in the aggregate about 60 per cent of total deposits. If the proposed merger is approved, the share of Penn Security Bank and Trust Company would be increased to almost 14 per cent, while the share of the three largest would increase to about 62 per cent.

We conclude that this second acquisition of a direct competitor in Scranton by Penn Security Bank and Trust Company within a short time would have an adverse effect on competition.

Basis for Corporation approval, December 22, 1972

Penn Security Bank and Trust Company, Scranton, Pennsylvania ("Penn Security"), an insured State nonmember bank with total resources of $70,748,000 and total IPC deposits of $62,210,000, 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 Green Ridge Bank, Scranton, Pennsylvania, which has total resources of $18,756,000 and total IPC deposits of $16,682,000. The banks would merge under the charter and title of Penn Security and, as an incident to the merger, the only office of Green Ridge Bank would become a branch of the resulting bank, increasing the number of its offices to four.

Competition. Both Penn Security and Green Ridge Bank have their main offices in the city of Scranton, located in Lackawanna County, in the northeastern part of Pennsylvania. Penn Security also operates a branch in the eastern part of the city (acquired by merger in 1971) and an office in Moscow, Pennsylvania, a small community 9 miles southeast of Scranton. The economy of Lackawanna County has been relatively static in recent years, with a small decrease in population. Subsequent to the decline of Scranton as an important mining and coal transportation center, the industrial aspects of the community changed to the extent that the textile industry now provides the major source of employment.

Penn Security derives most of its banking business from the city of Scranton (1970 population 103,564—down 7.1 percent since 1960) and the contiguous community of Dunmore (1970 population 17,300), to the east of Scranton. It draws business, however, from all parts of Lackawanna County, including the Green Ridge section of the city. Green Ridge Bank derives most of its banking business from the Green Ridge section of Scranton, a residential area in the eastern part of the city, and the valley areas to the north, including the boroughs of Dunmore, Dickson City, Throop, and Olyphant; however, some business is also obtained from other sections of the city. The main office of Penn Security is 3 miles southwest of Green Ridge Bank's main office, and a major portion of the primary service area of Green Ridge Bank is wholly within the area from which Penn Security derives the bulk of its banking business. The proposed merger would eliminate this existing competition between the two banks, but the amount of this existing competition is not considered substantial in view of the total deposit business originating in Lackawanna County and the small share of the county's commercial bank deposits held by Green Ridge Bank.

Seventeen commercial banks operate 34 offices in Lackawanna County. Penn Security ranks third largest among them, with 9.0 percent of the total IPC deposits held at all commercial bank offices in Lackawanna County as of June 30, 1972 (the first and second largest banks held 42.9 percent of such deposits between them). Green Ridge Bank, on the other hand, ranks 13th among these 17 banks, holding 2.4 percent of such IPC deposits.

Under Pennsylvania law, banks headquartered in Scranton may branch or merge throughout Lackawanna County and the five adjacent counties. The declining population and limited economic prospects in Lackawanna County make it unlikely, however, that either bank would find *de novo* branching very attractive in the near future. Should future growth warrant additional *de novo* branching, there are at least five banks, larger than Penn Security and not presently represented in Lackawanna County, that can be considered likely *de novo* entrants. Any elimination of potential competition between Penn Security and Green Ridge Bank which might result from the proposed merger is thus viewed as competitively not significant.

Within the broader area open to branching or merging by both banks, the resulting bank would hold only 4.0 percent of total commercial bank IPC deposits in the six counties.

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

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

Convenience and Needs of the Community to be Served. The proposed merger would replace a conservative, limited-service unit bank with a larger branch bank offering a wider range of banking services, including personal trust services, computer applications for customers, a wider variety of time deposit instruments and rates, more specialized loan services, and a larger lending limit. Customers of Green Ridge Bank should benefit from these changes. Although most of these services are available at other institutions within a short distance of Green Ridge Bank's office, area residents and businessmen would gain an additional and convenient alternative for their banking requirements. While the increment to community needs and convenience within Lackawanna County as a whole is viewed as modest, it tends to outweigh the limited anticompetitive effects of the proposed merger.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Second State Bank of Willis Willis, Texas (in organization; change title to First State Bank of Willis)	50	—	1
to purchase the assets and assume the deposit liabilities of			
First State Bank of Willis Willis	6,736	1	

Summary report by Attorney General, November 10, 1972

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

Basis for Corporation approval, December 22, 1972

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance for Second State Bank of Willis, Willis, Texas ("Second Bank"), a proposed new bank in organization, and for consent to its purchase of the assets and assumption of liability to pay deposits made in First State Bank of Willis, Willis, Texas ("First Bank"), a State nonmember insured bank with total resources of $6,736,000, under the charter of Second Bank and with the title of First Bank. The resulting bank will operate from the existing office of First Bank.

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

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

BANK ABSORPTIONS DENIED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First-Citizens Bank and Trust Company of South Carolina Columbia, South Carolina	121,161	28	
to merge with			
Bank of Chesterfield Chesterfield	5,973	1	

Summary report by Attorney General, July 6, 1971

The nearest branch office of First-Citizens to Chesterfield Bank is located in Cheraw, Chesterfield County, 12 miles away. According to the application, the service areas of First-Citizens and Chesterfield Bank are distinctly separate and neither deposit nor loan business originate in each other's service area. Nevertheless, inasmuch as there are only six banking offices in the county, and only two each in the communities of Chesterfield and Cheraw, in northern Chesterfield County, and because the area is essentially rural, each of the two offices must be regarded as serving as an alternative source of banking services to the other. Thus, to this extent, consummation of the proposed merger will eliminate existing competition between First-Citizens and Chesterfield Bank.

First-Citizens holds approximately 16 per cent of total county deposits at its Cheraw branch office. It is the fourth largest of six banks in Chesterfield County. Chesterfield Bank holds approximately 17 per cent of total county deposits; it is the third largest bank in the county. The two largest banks in Chesterfield County presently hold between them 53 per cent of total county deposits; the four largest hold among them 86 per cent. If the proposed merger is consummated, First-Citizens will hold the largest share of county deposits of any bank operating in Chesterfield County, with 33 per cent.

Because a significant alternative source of banking services will be eliminated in a rural area where there are few commercial banks, and because concentration within Chesterfield County will be substantially increased, we conclude that the merger of First-Citizens and Chesterfield Bank will have an adverse effect on competition.

Basis for Corporation denial, May 1, 1972

First-Citizens Bank and Trust Company of South Carolina, Columbia, South Carolina ("First-Citizens"), a State nonmember insured bank with total resources of $121,161,000 and total IPC deposits of $89,976,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Chesterfield, Chesterfield, South Carolina, with total resources of $5,973,000 and total IPC deposits of $4,851,000. The banks would merge under the charter and title of First-Citizens, and, as an incident to the merger, the sole office of Bank of Chesterfield would become a branch of the resulting bank. Assuming that the proposed merger of Peoples Bank & Trust Co., Pageland, South

Carolina, and First-Citizens is consummated, First-Citizens would then have a total of 31 offices, not counting three approved but unopened *de novo* offices.

Competition. First-Citizens, the fifth largest bank in South Carolina, operates 28 offices in 11 of the State's 46 counties. It has completed eight bank acquisitions since June 30, 1968, adding thereby $53 million in deposits and 15 offices to its aggregate strength, and the Corporation is today approving the proposed acquisition by First-Citizens of Peoples Bank & Trust Co., a two-office bank in Pageland, Chesterfield County, having $6.5 million in total deposits and $5.7 million in IPC deposits.

At year-end 1971, First-Citizens held 3.7 percent of all commercial bank deposits in South Carolina, ranking well behind the State's four largest banks: The South Carolina National Bank of Charleston (21.7 percent of all commercial bank deposits in the State), The Citizens and Southern National Bank of S.C. (13.3 percent of such deposits), First National Bank of South Carolina (10.1 percent of such deposits), and Bankers Trust of South Carolina (8.4 percent of such deposits). First-Citizens is approximately the same deposit size as Southern Bank and Trust Company and The Peoples National Bank, each of which also holds approximately 3.7 percent of the State's commercial bank deposits.

Bank of Chesterfield has its sole office in Chesterfield (population 1,667), the seat of Chesterfield County (population 32,667). The community in which the bank is located is about 19 miles east of Pageland and 12 miles west of Cheraw. The only other bank in town is a branch office of First Peoples National Bank of South Carolina, opened *de novo* in 1969, but there appears to be a significant amount of commutation between Chesterfield and Cheraw by Chesterfield area residents who work or wish to shop in Cheraw, a much larger community. There is also some evidence of commutation to Marven, North Carolina, about 11 miles northeast of Chesterfield.

The residents and businessmen in the area surrounding Chesterfield who will be affected by the proposed merger are those for whom Bank of Chesterfield constitutes a convenient alternative to other commercial bank offices reasonably available to them. Given the semirural nature of the countryside around Chesterfield, the general reliance of the public on automobile travel for transportation, and the existence of well-paved roads connecting the county seat to other parts of Chesterfield County, the Corporation considers it not unreasonable to consider all commercial bank offices within approximately 15 road miles of Bank of Chesterfield as offering competition to that bank.* Despite the unsupported claims made by the applicant, however, the Corporation does not consider it reasonable to include the offices of commercial banks in Wadesboro, North Carolina, some 20 miles away, as within the relevant area of local competition. Such offices would be convenient only for a small number of North Carolina residents who reside in the sparsely populated northern section of Bank of Chesterfield's trade area. Morven, North Carolina, appears to be as far as most South Carolina residents of the trade area would be willing to travel for banking services, and this view is confirmed by officers of the North Carolina banks in question.

---

*The Corporation took the same position in its disposition upon reconsideration of the application of First-Citizens Bank & Trust Company, Smithfield, North Carolina, to merge The Lucama-Kenly Bank, Lucama, North Carolina (Statement upon Reconsideration, 7-12-71).

Five commercial banks serve an estimated 25,600 people within this 15-mile area of local competition around Chesterfield: Bank of Chesterfield, First-Citizens (whose nearest office is in Cheraw, some 12 miles east of Chesterfield), The South Carolina National Bank of Charleston (which has two branch offices in Cheraw), First Peoples National Bank of South Carolina (which has a branch office in Chesterfield), and First National Bank of Anson County (which has a branch office in Morven, North Carolina). South Carolina National Bank, the State's largest bank, had the largest share of local deposits held at these six offices as of June 30, 1970 (42.6 percent), but Bank of Chesterfield and First-Citizens, having 23.2 percent and 23.0 percent of such deposits, respectively, would have an even larger share of such deposits if their proposed merger is consummated. Thus, a merger between Bank of Chesterfield and First-Citizens would increase substantially the concentration of commercial bank resources in this local banking market (the two largest local banks then controlling about 88.8 percent of local commercial bank deposits and four of six local commercial bank offices). Moreover, while Chesterfield County as a whole may not be the approporiate area within which to assess the local impact of this proposed merger, the Corporation notes with concern that the successful consummation of this proposed merger as well as the proposed merger of First-Citizens with Peoples Bank & Trust Co., Pageland, would result in First-Citizens controlling approximately 56 percent of all commercial bank IPC deposits in the county.

In addition, the proposed merger of First-Citizens and Bank of Chesterfield would consolidate the second- and third-ranking banks in the 15-mile area, thereby suggesting that substantial existing competition would be eliminated. The applicant disputes this, however, pointing out that First-Citizens' Cheraw office draws only $315,000 in deposits and $485,000 in loan business from the immediate environs of Chesterfield, while Bank of Chesterfield draws much less business from the vicinity of Cheraw. While this may accurately reflect the present situation, it appears to be the result of noncompetitive policies pursued by the independent Peoples Bank of Cheraw prior to its acquisition by First-Citizens at year-end 1969. Substantiating the Corporation's view of the relevant market area for local competition is the fact that the Cheraw branches of South Carolina National Bank, draw a significant volume of banking business from residents of Chesterfield and its environs. Even without *de novo* branching by First-Citizens into Chesterfield, therefore, First-Citizens should be able to increase substantially the business its Cheraw office draws from the Chesterfield area. While the proposed merger would eliminate no significant volume of existing competition, it would eliminate this potential for increased competition in the future between the two banks and reduce from five to four the number of convenient options for banking services available to some 25,600 South Carolina residents.

South Carolina law permits statewide branching, either *de novo* or by merger. Bank of Chesterfield, however, is unlikely to branch *de novo* because of its limited resources, its lack of branching experience and the stated desire of its control owners to sell the bank. First-Citizens, for its part, is likely to find *de novo* branching into Chesterfield and its environs relatively unattractive for some time because of the low income levels that prevail, the limited economic potential of the area and the fact that two commercial bank offices are already operating in Chesterfield. The proposed merger, accordingly, appears unlikely to eliminate any significant potential for *de novo* branching that might bring the two banks into increased competition in the future.

Given the significant increase in local concentration which would result from a merger of the second- and third-ranking banks in a local market having a limited number of alternatives for banking services, it becomes incumbent upon the Corporation to consider whether Bank of Chesterfield is likely to have available to it less anticompetitive alternatives than the proposed merger with First-Citizens. In this regard, it should be noted that Bank of Chesterfield is a highly profitable, well-capitalized small bank with more than two-thirds of its deposits in demand deposit accounts. Its stock is closely held by one family which has expressed a firm desire to sell the bank to a larger branch bank. Excluding from consideration both First-Citizens and The South Carolina National Bank (since they compete with Bank of Chesterfield in the local market), the following banks among the 20 largest in the State of South Carolina all have offices within 50 miles of Chesterfield: First National Bank of South Carolina (whose Bennettsville branch is 27 miles southeast of Chesterfield in adjacent Marlboro County), American Bank & Trust (whose branch office in McColl is 37 miles east of Chesterfield in adjacent Marlboro County), The Bank of Lancaster (whose Lancaster offices are 42 miles west of Chesterfield and whose recently opened Kershaw office is 34 miles southwest), and The National Bank of South Carolina of Sumter (whose Bishopville office is 45 miles south of Chesterfield). In the absence of any contrary demonstration by Bank of Chesterfield, these branch banks—and possibly others with offices at greater distances—must be considered as alternative merger possibilities which would not have the anticompetitive effects locally of a proposed merger between Bank of Chesterfield and First-Citizens or between Bank of Chesterfield and The South Carolina National Bank.

Summing up the competitive considerations presented by the application, a merger of First-Citizens and Bank of Chesterfield would substantially increase the concentration of commercial bank resources in a local market in South Carolina, eliminate a relatively significant competitor in that market, and reduce by one the limited number of banking options presently available to some 25,600 South Carolina residents.* The proposed merger would not eliminate a significant amount of existing competition, but it would eliminate a potential for increased competition between the two banks in the future which could arise from more aggressive competitive efforts on the part of First-Citizens for the banking business which originates in Chesterfield and its environs or from a less anticompetitive merger on the part of Bank of Chesterfield.

Convenience and Needs of the Community to be Served. While the proposed merger might broaden the range of services available to customers of Bank of Chesterfield, there appears to be no substantial demand for such services in and around Chesterfield, and all of them are conveniently available within the relevant local market at Cheraw offices of First-Citizens and The South Carolina National Bank. Moreover, whatever benefits might result to Bank of Chesterfield customers from the proposed merger can also be obtained by an

---

*An area of lesser population was recently held to constitute an economically significant "section of the country" for purposes of Section 7 of the Clayton Act and for purposes of the Bank Merger Act. See *United States* v. *County National Bank of Bennington,* ____ F Supp. ____ (D. Vermont) (filed January 27, 1972).

alternative merger between Bank of Chesterfield and a number of branch banks which, unlike First-Citizens, are not presently represented in the local market.

Financial and Managerial Resources and Future Prospects. The financial resources of both banks are considered satisfactory, as are the managerial resources of First-Citizens. Bank of Chesterfield has an eventual management succession problem, but there appear to be a number of alternative mergers available to Bank of Chesterfield, less anticompetitive than the one proposed, that would also resolve this particular problem. The future prospects of First-Citizens are favorable, while those of Bank of Chesterfield require resolution of its management succession problem to be satisfactory.

Weighing the anticompetitive effects of the proposed transaction in the relevant local market against the very limited benefits to the public that might flow from the proposed merger, including the resolution of Bank of Chesterfield's management succession problem, the Board of Directors has concluded, in view of the merger alternatives available to Bank of Chesterfield that would produce these same benefits without anticompetitive results, that the application to merge Bank of Chesterfield into First-Citizens should be denied.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Bank and Trust Co. of Pa. Reading, Pennsylvania	725,632	38	
to merge with			
Lebanon County Trust Company Lebanon	31,587	2	

Summary report by Attorney General, April 17, 1972

American Bank operates two offices in Myerstown, Lebanon County, about seven miles east of Lebanon Trust's offices in Lebanon City. No banking offices intervene and Myerstown and Lebanon are connected by good highway. Deposit and customer surveys provided by the banks indicate that while the two banks are not convenient alternatives for many Lebanon County customers, substantial competition between them does exist, and they can be considered to be competing in the same banking market.

American Bank and Lebanon Trust hold about 11.4 percent and 9.5 percent, respectively, of all deposits held by Lebanon County banking offices. In a broader market, which includes nearby offices in Berks and Dauphin Counties, the banks' shares are about 9.4 percent and 7.8 percent. Thus, in either market the merger would cause a substantial increase in concentration.

To the extent the two banks are not now fully in competition with each other, some potential competition exists between them. Lebanon Trust holds the third largest share, about 19 percent, of the deposits held by the ten banking offices in Lebanon City and immediate environs. American Bank's size, its proximity to Lebanon and the fact that it already derives substantial business from the area, indicate that it is a potential entrant into the area, despite a relatively low population per bank ratio in Lebanon.

Thus, in view of the elimination of significant existing competition between the two banks in Lebanon County, and the elimination of the potential for increased competition through efforts by American Bank to become even more of a competitive alternative for Lebanon City customers, we believe that the proposed merger would have a significantly adverse effect on competition.

Basis for Corporation denial, May 31, 1972

American Bank and Trust Co. of Pa., Reading, Pennsylvania, ("American"), a State nonmember insured bank with total resources of $725,632,000 and total IPC deposits of $574,047,000, 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 Lebanon County Trust Company, Lebanon, Pennsylvania ("County Trust"), with total resources of $31,587,000 and total IPC deposits of $25,434,000, under the charter and title of American.* If the merger is consummated, the two offices of County Trust would become branches of American, increasing the number of its offices to 40.

Competition. American operates 38 offices located in all seven counties where it may legally branch or merge under Pennsylvania law, that is, Berks, Chester, Lancaster, Lebanon, Lehigh, Montgomery and Schuykill. It has two offices in Lebanon County at Myerstown, which were acquired by merger in 1967, and these offices as of June 30, 1970, held 12.2 percent of the total IPC deposits held by commercial bank offices in Lebanon County. American, the largest bank with offices in Lebanon County, is an aggressive, full-service bank with a large trust department.

Both offices of County Trust are located in the city of Lebanon, the centrally located seat and principal city of Lebanon County. The city of Lebanon is about equidistant from Reading (29 miles to the east), Lancaster (24 miles to the south), and Harrisburg (25 miles to the west). Its 1970 population was 28,572, having decreased about 4.9 percent since 1960. During this same period of time, Lebanon County had an increase in population of almost 10 percent, to 99,665 persons, indicating substantial growth in areas of the county outside the city of Lebanon. At one time, area residents depended heavily upon the steel industry for employment, but the city of Lebanon now has 103 plants manufacturing a variety of products and employing more than 10,000 people.

County Trust is the fourth largest of five banks with offices in the city of Lebanon. It offers a full range of basic banking services, including trust services, but its capacity to offer more specialized and sophisticated services, especially to larger customers, is limited. County Trust derives about 75 percent of its deposit and loan business from the city of Lebanon and its immediate environs, with most of the balance coming from other parts of Lebanon County. County Trust is a growing, profitable and community-minded bank with alert management and newly constructed main-office facilities. It is considered a strong competitor for business within the city of Lebanon and its environs, a less aggressive competitor for business originating elsewhere in the county.

---

*Unless otherwise indicated, figures are as of December 31, 1971, adjusted for the subsequent merger of American with American Bank, Mahanoy City.

American's branches at Myerstown are only 5 to 7 miles from the city of Lebanon. Because these branches derive a large percentage of their total deposit and loan business from the immediate Myerstown area and from Berks County immediately to the east, the applicants have argued that the two banks, despite their proximity, operate in distinctly separate banking markets and that there is little, if any, existing competition between them. The Corporation has concluded, however, after carefully considering the information at hand, including the supplemental material filed by the applicants, that the offices in question are all located in the same general banking market and that this market can be approximated by all of Lebanon County.

First, the city of Lebanon is the principal population center and main shopping area between Harrisburg and Reading. It is centrally located in Lebanon County, and most of the county, including all of the communities in which there are commercial bank offices, lies within 12 miles of the city's limits. Good roads connect each of these communities with the city of Lebanon, and its banks are reasonably convenient alternatives for customers of each of the five banks that operate outside the city. One important factor in defining the geographic reach of a local banking market is to identify the alternatives for banking services reasonably and conveniently available to bank customers in a given area. On this basis, commercial bank offices in Myerstown must be considered in the same local market as commercial bank offices in the city of Lebanon.

Secondly, the evidence confirms that Myerstown and the city of Lebanon are readily accessible to each other's residents. Between 5,000 and 10,000 cars travel daily between Myerstown and Lebanon, the county's two principal places of employment. Applicant's own survey shows that about 23 percent of the households and 24 percent of the small businesses in Myerstown do some banking business with Lebanon banks, while 2.8 percent of the households and 8.9 percent of the small businesses in the city of Lebanon do some banking business with American in Myerstown. Moreover, in the case of the Myerstown households that do some of their banking in the city of Lebanon, only about one-third have members of the household who commute to the city to work. Irrespective of whether area residents have only one, or more than one, bank with which they do business, these statistics indicate that area residents could change banks readily if they chose to do so and that American and County Trust are mutually convenient alternatives for each other's customers.

Thirdly, American's offices at Myerstown actually do draw a substantial dollar volume of business from the primary area presently served by County Trust. About 7.3 percent of American's deposit customers at Myerstown and some \$3.8 million of its Lebanon County deposits come from the city of Lebanon, as do 16.6 percent of its loan customers and \$6.0 million of its local loans. County Trust derives less from the Myerstown area (approximately \$565,000 in deposits and \$515,000 in loans), but both banks can be said to obtain a relatively substantial amount of business from those remaining portions of Lebanon County that lie outside their primary service areas.

Finally, the two banks advertise for business in the same newspaper and on the same radio and television stations, a fact which supports the conclusion that they compete in the same market and for the same potential customers.

Taking Lebanon County as the relevant local market, a total of 10 commercial banks operated 25 offices there as of June 30, 1970. American's Myerstown offices held 12.2 percent of the county's total IPC deposits on that date, ranking third in this regard among the 10 banks—a figure which may somewhat overstate its competitive position within the county because of the business which its Myerstown offices derive from Berks County. County Trust ranked fifth in Lebanon County IPC deposits held on the same date, with 9.5 percent of such deposits. Their proposed merger would give the resulting bank second place rank in the market, with approximately 21.7 percent of the county's IPC deposits, and would also increase the percentage of such deposits held by the county's three leading banks from 51.6 percent to 61.1 percent.

Virtually all of County Trust's deposits and loans originate in Lebanon County. American has 2,136 loan accounts from Lebanon County, aggregating $18.1 million in dollar volume, and 9,328 deposit accounts aggregating $22.5 million. Both banks have similar portfolios, emphasizing commercial and industrial loans, conventional real estate loans, and consumer credit transactions. Their proposed merger would eliminate significant existing competition between them in Lebanon County and increase substantially the concentration of local banking resources in the county's three lead banks. In addition, some potential for increased competition between the two banks in the future would be eliminated by their proposed merger.

Under Pennsylvania law, American and County Trust can both branch *de novo* throughout Lebanon County. Conceding that further *de novo* branching in the city of Lebanon is remote in the near future because of the average income levels that prevail and the already low population (about 3,600 persons) for each commercial bank office there, the suburban areas of the county outside the city are growing steadily, and both banks could well find locations in such areas attractive to them in the future. While County Trust may not have the incentive to branch into Lancaster, Berks, or Schuylkill County in competition with American and other large banks operating in such counties, more localized branching within Lebanon County cannot be so easily dismissed in view of its past pattern of growth and its economic prospects.

While the proposed merger would have little competitive impact statewide or within the overall seven-county area where American can legally branch or merge, it would eliminate substantial existing competition in Lebanon County, preclude greater competition between the two banks in that county in the future, add significantly to the concentration of commercial banking resources within Lebanon County, and establish an undesirable precedent for future mergers in other local banking markets where American already has a sizeable share of the market. The Corporation finds, accordingly, that the effect of the proposed merger "may be substantially to lessen competition" in commercial banking in Lebanon County. Cf. *United States* v. *Phillipsburg National Bank,* 390 U.S. 171 (1970); also the Corporation's decision denying the proposed merger of *Valley Fidelity Bank & Trust Company* and *Bank of Knoxville,* decided September 4, 1970.

Convenience and Needs of the Community to be Served. If the proposed merger were to be consummated, the resulting bank would offer more specialized and more sophisticated banking services than County Trust can offer today, particularly for larger customers. In addition, a lending limit significantly higher than County Trust's present lending limit of $200,000 would be possible, and some loan rates might be lower than those charged by County Trust.

All of these benefits, however, can be easily and conveniently obtained by dissatisfied customers of County Trust or by residents of the city of Lebanon today, merely by traveling the 5 to 7 miles beyond the city of Lebanon to American's existing offices in Myerstown. Moreover, to the limited extent these changes would benefit the average customer of County Trust or the average resident of the city of Lebanon, the same results could be achieved by independent action or by some other, less anticompetitive merger proposal on the part of County Trust.

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do today, and both banks have satisfactory prospects for the future. The same would be true of the resulting bank if the merger were to be approved, but consideration of these factors adds no significant weight either to approval or denial of the application.

Based on the foregoing, the Board of Directors cannot find that the anti-competitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the banking public in Lebanon County. The application must, accordingly, be denied.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Chittenden Trust Company Burlington, Vermont	175,027	16	
to merge with			
Lamoille County Bank Hyde Park	17,202	3	

Summary report by Attorney General, January 12, 1972

Chittenden's closest office to any of Lamoille Bank's facilities is 22 miles away. Nonetheless, as the leading commercial bank in the state's largest city (only 35 miles away), and with banking offices in every county surrounding Lamoille County, except Caledonia, Chittenden derives a good deal of banking business from Lamoille County. It would appear, therefore, that Chittenden, with its network of offices in northwestern and north central Vermont, exercises an important influence on commercial banking competition in Lamoille County. Further, because of the location of several of Chittenden's offices in the counties surrounding Lamoille County, Lamoille Bank draws an important amount of business from areas within Chittenden's service areas. The merger of these two banks would eliminate a material amount of existing competition for banking business in Lamoille County and the surrounding area.

Commercial banking in Lamoille County is highly concentrated. Lamoille Bank has 35.4 per cent of total deposits attributable to Lamoille County banks. It is by a slight margin the largest bank in the county, and the two largest banks in the county have over 69 per cent of deposits held there. Because of the overwhelming size of Chittenden in relation to the remaining banks in Lamoille County, the resulting bank could not only be expected to continue to be the largest banking organization in the county, but it would have a significant competitive advantage over the smaller, local competitors. This factor would tend to foster an even greater degree of concentration in banking in Lamoille County and would tend to diminish the opportunities for the eventual deconcentration of the existing banking structure there.

Under Vermont law, Chittenden could enter Lamoille County *de novo;* it certainly possesses the resources and skills to do so. In addition to *de novo* entry, Chittenden could enter Lamoille County with a less anticompetitive effect on potential competition by acquiring a smaller bank in the market. If this merger is approved, Chittenden will attain a leading position in the county, and the dominance of the Burlington-based banks throughout northern Vermont will be extended to yet another market. Moreover, the proposed merger would represent a substantial step toward the transfer of the extremely concentrated banking structure of the Burlington area to Lamoille County, a prosperous and growing economic area.

Viewed from a broader perspective, this merger should be considered as yet another step in the trend toward dominance of commercial banking in Vermont, particularly in northern Vermont by Chittenden and its Burlington rival, Howard National Bank ("Howard"). Based on figures as of June 30, 1970, Chittenden and Howard accounted for 14 per cent and 15 per cent, respectively, of total commercial bank deposits in Vermont. In the seven-county area of northwestern Vermont which includes all of Chittenden's branches and service areas, Chittenden and Howard account for 27 per cent and 22 per cent of deposits, respectively, for a total of 49 per cent.

To summarize, with offices in virtually every surrounding county and with its history of aggressive expansion, Chittenden must be considered to be a highly significant potential entrant into this attractive banking market. Chittenden's entry via merger would, therefore, remove one of only two or three serious potential entrants. At the same time, in view of Lamoille Bank's expansive policies (it has three offices, the most recent of which was opened only this year) and leading position in the Lamoille County market, the removal of Lamoille Bank as an existing competitor will seriously affect potential competition in Lamoille County and the surrounding area.

In view of the existing two-bank dominance of commercial banking in northern Vermont, the leading position which the resulting bank would attain in Lamoille County, and the elimination of existing and potentially increasing competition between the merging banks, we conclude that the proposed merger would have a significantly adverse effect upon competition.

Basis for Corporation denial, June 13, 1972

Chittenden Trust Company, Burlington, Vermont ("Chittenden Trust"), a State nonmember insured bank with total resources of $175,027,000 and total IPC deposits of $122,106,000, 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 ("County Bank"), with total resources of $17,202,000 and total IPC deposits of $14,784,000. The banks would merge under the charter and title of Chittenden Trust and, as an incident to the merger, the three offices of County Bank would become branches of the resulting bank, increasing the number of its authorized offices to 23.

Competition. Chittenden Trust operates 16 offices in northern Vermont, eight of which are in Chittenden County (population 99,131, up 33.2 percent since 1960), where the bank maintains its headquarters. Two branches are located in Addison County (population 24,266, up 20.9 percent since 1960), two in Washington County (population 47,659, up 11.2 percent since 1960), two in Orleans County (population 20,153, unchanged since 1960), and one each in Grand Isle County (population 3,574, up 22.1 percent since 1960) and Franklin County (population 31,282, up 6.1 percent since 1960). Chittenden Trust also has regulatory approvals for four additional branches: two in Chittenden County, one in Orleans County, and one in Washington County. Franklin and Grand Isle Counties adjoin Chittenden County to the north along the Canadian border, while Addison County adjoins Chittenden County to the south. Orleans County lies east of Franklin County and is also along the Canadian border. Lamoille and Washington Counties adjoin Chittenden County to the east and are immediately south of Franklin and Orleans Counties. Chittenden Trust has no office in Lamoille County, where all of County Bank's offices are located. Chittenden Trust is the largest commercial bank in Vermont, with 16.0 percent of the total deposits held by such banks.

County Bank operates 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). It is the largest commercial bank in that county, with 43.9 percent of the commercial bank deposits held at all commercial bank offices in the county as of June 30, 1970. County Bank is an aggressive, profitable, and growing bank which derives almost one-third of its total deposits from outside Lamoille County. It is the 16th largest of 41 commercial banks in the State of Vermont, with approximately 1.6 percent of the State's total commercial bank deposits.

The State of Vermont is largely rural, but it is changing. Manufacturing activity is on the rise and tourism and recreation are significant in the State's economy. Lamoille County's economy is dominated by the growing ski and summer tourist industry, particularly around the Stowe area.

The closest offices of the two banks are about 22 miles apart, but good roads in the area contribute to the mobility of the population, and there appears to be some overlapping of service areas. Although Chittenden Trust derives only a relatively small amount of business from Lamoille County (most of it from large commercial borrowers whose needs exceed the lending limits of local banks), County Bank as of June 30, 1971, derived $1.8 million, or 12.8 percent , of its total deposits and approximately $628,429, or 5.5 percent, of its loans from Chittenden, Franklin, Orleans, and Washington Counties, each of which has at least one office of Chittenden Trust. The proposed merger would eliminate this limited existing competition between the two banks.

Vermont law allows statewide branching and merging, but the potential for increased competition between Chittenden Trust and County Bank in the future through *de novo* branching appears limited. County Bank has never attempted to open *de novo* offices outside of Lamoille County, and it lacks the resources and incentive to branch *de novo* into other areas of the State where much larger banks already compete. Although Lamoille County is growing rapidly in percentage terms, only 2,282 new residents were added between 1960 and 1970, and the county currently has a population per commercial bank office of only 1,663. The number of additional year-round residents and the population per commercial bank office, however, do not tell the full story. Because of the growing importance of recreation, tourism, and second homes in the area, total IPC deposits at Lamoille County commercial banks have been increasing rapidly in the past few years, being 18.1 percent greater in June 1970 than they were in June 1968 and 28.7 percent greater in December 1971 than they were 18 months earlier. To the extent this deposit potential, as distinct from any limited increase in year-round population, attracts additional commercial bank offices, Chittenden Trust must be considered the most likely entrant among a number of outside banks because it is the largest bank in the State and has made clear its desire to concentrate on northern Vermont business. Such entry, while not immediately likely, appears to be a distinct possibility in the years ahead.

The fact that Chittenden Trust already controls such a large percentage of the commercial bank resources of northern Vermont presents the most difficult aspect of the merger proposed, since the bank it seeks to acquire is a significant independent bank also located in this same area. Two-thirds of the State's population live in the 10-county area of Vermont north of Rutland and Windsor Counties, and most of the State's industrial activity takes place in the same area. Chittenden Trust, as previously noted, is the largest commercial bank in the State, with 16.0 percent of statewide deposits at year-end 1971—a percentage which has been growing steadily (without benefit of mergers) over the 18 months since June 1970, when its deposits represented 14.1 percent of all commercial bank deposits in Vermont. Since the bank has no offices in the southern half of Vermont and no offices in four of the 10 counties in northern Vermont, these statewide figures substantially understate Chittenden Trust's competitive position in the six counties of northern Vermont where it does have offices. In those six counties, Chittenden Trust held 28.6 percent of all commercial bank deposits as of June 30, 1970, the date of the Corporation's last Survey of Deposits. In the 10-county area which constitutes northern Vermont, an area which includes Lamoille County, Chittenden Trust had 23.3 percent of all commercial bank deposits as of the same date, a figure which would be increased to 25.8 percent if the proposed merger is consummated.

The proposed merger, accordingly, would significantly increase Chittenden Trust's lead over its other competitors in northern Vermont, and add substantially to the concentration of commercial banking resources in a 10-county area of the State where the two largest commercial banks in Burlington already control approximately 42.4 percent of all commercial bank deposits and 36.1 percent of all commercial bank offices. The merger would also have the effect of foreclosing County Bank's possible acquisition by a southern Vermont bank or by some significantly less dominant bank in northern Vermont, thereby providing the lead banks in Burlington with effective new competition in an area they presently dominate. Instead of encouraging a greater degree of public choice through such new competition, approval of the proposed merger might well tend to restrict the banking alternatives available to the public over the course of time by affirmatively encouraging other mergers on the part of the two largest Burlington banks in each of the northern Vermont counties where they have no offices today. In such event, northern Vermont residents and businessmen would be faced with the same alternatives for many commercial bank services in whichever direction they turned.

In view of the above, it appears to the Corporation that the proposed merger would (i) eliminate some existing competition and some potential for increased competition in the future between the two banks, (ii) add significantly to Chittenden Trust's lead over competing institutions in northern

Vermont, (iii) increase substantially the concentration of commercial bank resources in northern Vermont and encourage the further concentration of such resources, and (iv) foreclose the possibility that significant new competition could arise in northern Vermont by the merger of County Bank with a southern Vermont bank or some less dominant bank already operating in northern Vermont.

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do as independent institutions, and both have satisfactory prospects for the future. The same would be true of the resulting bank if the merger were to be approved. Although it is claimed that County Bank faces an impending management succession problem, this claim appears to have little merit in view of the age, competence, and the management experience of its present executive vice president. A different and less anticompetitive merger, moreover, could also resolve the problem if, as, and when it actually arises. The banking factors, accordingly, are considered to weigh neither in favor of nor against the merger proposed.

Convenience and Needs of the Community to be Served. Chittenden Trust customers would be largely unaffected by the proposed merger, although a few large borrowers might derive a marginal benefit from the increase in the resulting bank's normal lending limit from $1,750,270 to $1,922,290. In Lamoille County, businessmen and municipalities and local residents interested in a full-service trust department might normally expect greater convenience in doing business locally rather than in Burlington with the State's largest bank, but it is unclear from the application whether these services would in fact be offered locally since the demand in Lamoille County for such services appears to be limited. If specialized services, post-merger, were only available at Burlington offices of Chittenden Trust, no significant benefits at all would result from the merger. In fact, for some County Bank customers, the merger would have adverse effects since Chittenden Trust tends to have higher service charges than County Bank, while rates paid on deposits under $100,000 are the same at both banks. Furthermore, to the extent there is a local demand for a broader range of banking services, the same range of services could undoubtedly be achieved by some different, and less anticompetitive, merger. Considerations of convenience and needs, therefore, like the banking factors, weigh neither in favor of nor against the merger proposed.

Since the anticompetitive effects of the proposed merger are not, in the opinion of the Board of Directors, clearly outweighed by other factors, the Corporation has concluded that the proposed merger of Chittenden Trust and County Bank should be denied.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Pennsylvania Bank and Trust Company Titusville, Pennsylvania	186,168	16	
to merge with			
Union Bank & Trust Co., Erie Erie	98,650	9	

Summary report by Attorney General, July 20, 1971

The proposed merger would combine the fourth leading bank in Erie County (Union Bank) with the leading bank in adjacent Crawford County.

It would eliminate direct competition between Union Bank and Pennsylvania Bank's two offices in Erie County. Each operates an office in Union City (population 4,000) in the southeastern part of Erie County, about 20 miles from the City of Erie. These offices are across the street from one another and it is clear that the proposed merger would eliminate substantial direct competition between the merging banks in this area. Pennsylvania Bank operates its other Erie County office in Wattsburg, about nine miles from Union City and 15 miles from the City of Erie, where the remainder of Union Bank's offices are located.

No other banking alternatives presently exist in Union City, although the application indicates that Marine National Bank, headquartered in Crawford County, and holding a strong position in Erie County, is seeking to establish a new branch in that town. However, Marine National Bank is already among the closest alternatives for residents of the Union City area although its offices in Corry and Edinboro are about 12 and 20 miles distant. Wattsburg, where Pennsylvania Bank operates the only banking office, is one of the closest communities to Union City.

Concentration is high in Erie County. As of June 30, 1970, its four leading banks held about 92.3 per cent of total commercial bank deposits in the county, and about 93.3 per cent of its total IPC demand deposits. Union Bank held the fourth leading share, with 15.4 per cent of total deposits and 12.6 per cent of IPC demand deposits. Pennsylvania Bank held about 1.6 per cent of total deposits and 1.4 per cent of IPC demand deposits. If the proposed merger is approved, the shares of the four county leaders will increase to about 93.9 per cent of total deposits and 94.6 per cent of IPC demand deposits.

Pennsylvania law permits commercial banks to operate branches only in the county in which they are headquartered and counties contiguous thereto. Erie County is isolated in the far northwest corner of the state, and therefore, only banks headquartered in two counties (Crawford and Warren) can in fact enter the county. Pennsylvania Bank could be permitted to open additional offices in the City of Erie and elsewhere in Erie County, and is by far the largest bank eligible to do so that does not already compete vigorously in the City of Erie and throughout the county. Only one other bank, headquartered in Warren County, appears capable of entering this market in a significant manner. We recognize that the City of Erie has declined in population in recent years; however, the county population has increased by about 5.5 per cent in the past decade. Moreover, the absence of any other meaningful potential entrants renders significant the loss of Pennsylvania Bank as a potential new competitive force in this area either by *de novo* branching or by a smaller "foothold" acquisition.

While not one of the very largest banks in this region, Union Bank is of such a size as to be considered a significant potential competitor beyond the limits of its home Erie County. In fact, it is the third largest bank legally eligible to establish branches in Crawford County which does not already operate banking offices there. Concentration is also high in Crawford County (population 78,000). Pennsylvania Bank holds the leading share of total county deposits (46.5 per cent) and the leading share of total county IPC demand deposits

(45.8 per cent). The four leading banks in the county hold about 94 per cent of each type of deposits.

The proposed merger would eliminate direct competition in Erie County, particularly in the Union City area, and would substantially lessen any possibility of an additional competitive force into the City of Erie or elsewhere in populous Erie County. It would also adversely affect the development of a competitive regional bank structure in northwestern Pennsylvania by combining one of the very few reasonably large and still locally oriented banks in the area into a very large regional bank. We conclude that the overall effect of the proposed merger on competition would be significantly adverse.

Basis for Corporation denial, July 14, 1972

The Pennsylvania Bank and Trust Company, Titusville, Pennsylvania ("Titusville Bank"), an insured State nonmember bank with total resources of $186,168,000 and total IPC deposits of $147,415,000, 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 Union Bank & Trust Co., Erie, Erie, Pennsylvania ("Union Bank"), which has total resources of $98,650,000 and total IPC deposits of $84,739,000, under the charter and title of Titusville Bank. The nine offices of Union Bank would become branches of Titusville Bank, increasing the number of its offices to a total of 25, subject to the possible divestiture of Union Bank's office in Union City, which is discussed below.

Competition. Titusville Bank maintains a total of 16 offices: five in Crawford County (1970 population 81,342, up 4.3 percent since 1960), two in Erie County (1970 population 263,654, up 5.2 percent since 1960), four in Venango County (1970 population 62,353, down 4.5 percent since 1960), and five in Warren County (1970 population 47,682, up 4.6 percent since 1960). These offices are scattered throughout this northwestern Pennsylvania area, but most are in or around Titusville (1970 population 7,331), Warren (1970 population 12,998), Oil City and Franklin (combined 1970 population 23,662), Meadville (1970 population 16,573), and Union City (1970 population 3,631). The economies of these areas range from steel manufacturing, oil production, and strip mining, to dairy farming, light industry, and pure residential. Under Pennsylvania law, Titusville Bank may also establish branches in Mercer County, but it has no office in that county at the present time.

Union Bank operates all of its nine offices within Erie County. Eight of these offices are located in the city of Erie (population 129,231, down 6.7 percent since 1960), and one is located in Union City (population 3,631, down 4.9 percent since 1960), a community which is located about 23 miles southeast of the city of Erie. About 6.9 percent of Union Bank's deposits are held in its Union City office.

The proposed merger would have its most direct and immediate impact in the area approximated by Erie County. However, a broader area, that is, the five-county area within which the resulting bank could establish branches under Pennsylvania law, is also a relevant geographic area for purposes of assessing the impact of the proposed merger on future commercial bank competition in this section of northwestern Pennsylvania. This area includes the four counties in which Titusville Bank presently maintains offices, as well as Mercer County.

Union Bank is a significant competitor in the Erie County market. It is the fifth largest of eight commercial banks, but it held the fourth largest share of commercial bank deposits held at Erie County offices on June 30, 1970, with 16.3 percent of their total IPC deposits.* It, together with the three banks with larger deposit shares, controlled 92.1 percent of Erie County IPC deposits on the same date, a statistic which indicates the highly concentrated nature of commercial banking in this populous county. Titusville Bank also operates two offices in Erie County. One is a small facility in Wattsburg (1970 population 453) about 16 miles southeast of the city of Erie and one is a full-service branch in Union City. Its Union City office is located directly across the street from Union Bank's office, and its Wattsburg office is only 8 miles to the north of Union City. These two offices are the closest commercial bank facilities to Union Bank's branch in Union City, but they account for only 1.7 percent of the total IPC deposits held at commercial bank offices in Erie County. The proposed merger would, accordingly, eliminate some existing competition between the merging banks and would increase the share of IPC deposits held by the four dominant banks in Erie County by 1.7 percent.

In an effort to meet part of the obvious competitive problems posed by the presence of Titusville Bank in the Erie County market and, in particular, by the proximity of the three offices which the two merging banks have in the Union City area, Titusville Bank has indicated a willingness to sell the physical facilities of Union Bank's office in Union City to another bank in order to retain some public choice of alternative banking sources in the area. Such a sale, however, particularly if it occurs without the simultaneous sale of the facility's deposit and loan business, would still eliminate some existing competition between the two banks and give to Titusville Bank—at least initially—all of Union Bank's deposit and loan business in the Union City area as well as in the county at large.**

Under Pennsylvania law, commercial banks may branch within their headquarters county and within any contiguous county. Union Bank, therefore, has legal capacity to establish *de novo* branches in, or merge with banks headquartered in, Crawford and Warren Counties as well as Erie County, even though it has confined its expansion activities to date to the latter county. Similarly, Titusville Bank has legal capacity to expand in Erie, Warren, Venango, and Mercer Counties, as well as Crawford County, and has done so in all except Mercer.

Of the areas open to Titusville Bank for *de novo* expansion, Erie County and specifically the city of Erie appear to be among the most attractive. The obvious effect of such expansion would be to increase Titusville Bank's representation in the market and increase competition with Union Bank. However, Titusville Bank claims that entry by *de novo* branching, particularly into the city of Erie and the immediate environs where Union Bank has eight of its offices and 93.1 percent of its IPC deposits, is not economically feasible and is

---

*All deposit shares in this Basis are as of June 30, 1970, unless otherwise stated.

**A subsequent offer made by Titusville Bank to selected banks in Mercer County would have "sweetened" this proposal by including the transfer of up to $12 million in deposits, one Titusville Bank office in Crawford County, and one or two Union Bank offices in the city of Erie as well as the latter's Union City office. The origin of the deposits to be transferred, however, is not clear from the record.

too remote a possibility to be a significant factor weighing against the proposed merger. The Corporation disagrees with both the applicant's analysis and its conclusions.

The application itself points out, for example, that Erie County has almost 500 industrial plants employing more than 43,556 workers. The value of goods produced exceeds $1 billion, and the county's industrial base is expanding at a faster rate than any of the areas now being served by Titusville Bank. Not only is Erie County three time more populous than Titusville Bank's headquarters county, its population grew at a faster rate during the 1960s than did any of the other four counties available to that bank for future expansion. Year-round recreational activities are growing and so is total employment in services related to the county's industrial base. Even more importantly, starting from a base of $350 million, total deposits in commercial bank offices in Erie County grew more than $130 million between June 30, 1966, and June 30, 1970. This figure far exceeds the deposit growth in any of the other four counties open to Titusville Bank. Income levels per household are significantly higher in Erie County than in every one of the other four counties except Warren.

Looking specifically at the city of Erie, it is the third largest city in Pennsylvania and the only community in Erie County with more than 7,500 persons. It has Pennsylvania's only natural harbor and is the center of the county's commercial and industrial activity. Four banks maintain offices in the city of Erie, of which Union Bank is the smallest. Its larger competitors are: The First National Bank of Pennsylvania, a $306 million institution; Security-Peoples Trust Company, a $171 million institution; and Marine National Bank, a $167 million institution. At the end of June 1972, the four banks together had 21 offices in the city of Erie, resulting in a population for each commercial bank office higher (at 6,154 persons) than the population for each commercial bank office in the rest of the five-county area in which Titusville Bank can legally branch (the figure being 4,073 persons per office in the rest of Erie County, 5,423 persons per office in Crawford County, 4,157 persons per office in Venango County, 3,974 persons per office in Warren County, and 3,854 persons per office in Mercer County).*

In addition, comparison of the average deposits per office indicates that there would be greater potential for a *de novo* office to attract deposits in the city of Erie than in the other four counties in which Titusville Bank could branch or in the rest of Erie County. The deposits per office for the city of Erie as of June 30, 1970, were $17.9 million, as compared with 4.5 million for the other portions of Erie County, $6.8 million for Mercer County, $9.8 million for Crawford County, $7.7 million for Venango County, and $7.8 million for Warren County. Not only does there appear to be an economic base to support additional *de novo* branching in the city of Erie, this judgment has been confirmed by the recent *de novo* branch activity of the two largest banks in the city, which between them have opened four *de novo* offices within the city limits in the last 2 years. Six *de novo* offices have also been opened

*While statewide figures of population per office have limited relevance without additional economic information, it is noted that the population per commercial bank office in the city of Erie is substantially higher than for Pennsylvania as a whole (5,373 persons) and exceeds the corresponding figure in 37 other States as well. The population per commercial bank office for the 50 States ranges from a low of 2,570 persons in South Dakota to a high of 12,810 in Florida.

elsewhere in Erie County in the same period, as contrasted with one each in Mercer and Warren County, none in Crawford County and two in Venango County.

There can be little doubt, moreover, that Titusville Bank has the financial and managerial resources needed for successful *de novo* branching. Titusville Bank is a $186 million institution with strong management and an impressive earnings performance. It is second only in size to The First National Bank of Pennsylvania in the five-county area in which it can branch. It is much larger than numerous smaller banks that have successfully opened *de novo* branches. Only two banks of significant size which are not presently represented in the city of Erie have existing legal capacity to enter that city on a *de novo* basis. Of the two, Titusville Bank is larger than the $121 million Warren National Bank. Three other banks of significant size that are currently headquartered in Venango or Mercer County could acquire this same capacity by moving their main offices to Crawford (or Warren) County: the $175 million Northwest Pennsylvania Bank & Trust Co., Oil City, the $100 million McDowell National Bank, Sharon, and the $76 million First National Bank of Mercer County, Greenville (the first-named bank would, however, be required to divest four existing branches in Clarion County). Again, Titusville Bank is larger than any of these potential *de novo* entrants, and its options for future expansion are extremely limited if it refuses to consider *de novo* branching in Erie County—a compelling incentive to undertake such *de novo* expansion if the merger currently proposed is denied.*

The Corporation has carefully reviewed Titusville Bank's efforts to demonstrate, through its offer to divest up to $12 million in deposits, a Union City branch, one or two branches in the city of Erie, and one of its own branches in Crawford County to a Mercer County institution, that *de novo* branching or a foothold entry into Erie County or the city of Erie is not attractive to banks not presently represented there, including itself. However, the Corporation considers the offer made by Titusville Bank to these two much smaller banks in Mercer County of limited attractiveness since Titusville Bank would have retained the bulk of Union Bank's offices and deposits in Erie County and since each of the banks to whom the offer was made would have faced one or more much larger banks in each location where a branch might have been spun off. Moreover, neither of the banks solicited ruled out the possibility that it might be interested in merging with Union Bank if the proposed merger were to be denied. While expansion within the market, and particularly in the city of Erie, by means of the proposed merger would no doubt be easier and possibly more economical for Titusville Bank, the Corporation is not convinced on the basis of the objective criteria that further *de novo* branching by Titusville Bank is as remote a possibility as the bank claims. The Corporation in fact has concluded that the proposed merger would eliminate a substantial probability of increased and significant competition between the two banks in Erie County in the

---

*The roster of potential entrants, and the Corporation's view of the significance of eliminating the potential for increased competition between Union Bank and Titusville Bank in Erie County through *de novo* branching, might change substantially if Pennsylvania law were amended to permit statewide branching, merging, or holding company expansion, which the applicants suggest is a distinct possibility in the near future. The Corporation, however, must deal with a State's branching laws as it finds them at the time of decision.

future.* Moreover, if the proposed merger is approved, the barriers to entry by smaller banks not presently represented in the market could well be raised. Significant opportunities to deconcentrate the highly concentrated Erie County banking market, through the entry of significant new competitors or through aggressive *de novo* expansion by Titusville Bank, would then be lost.

The Corporation considers such entry and expansion to be desirable for two reasons: first, because of the limited number of banking alternatives available today to the 129,231 residents of the city of Erie and the 92 percent control which the four banks operating in that city have of the total banking resources of a populous county, and secondly, because a contrary decision would encourage a significantly greater degree of concentration in the banking resources of the five-county area within which Titusville Bank and its major competitors can branch or merge.

Within that five-county area, Titusville Bank is presently the second largest commercial bank in terms of local IPC deposits, holding 12.5 percent of all IPC deposits held at commercial bank offices in the five-county area as of June 30, 1970.** Its acquisition of Union Bank, which held 7.1 percent of such deposits on the same date, would represent a significant increase in its own holdings and would bring its percentage share of such deposits to 19.6 percent. This in turn would encourage similar mergers on the part of First National Bank of Pennsylvania, with 17.1 percent of such deposits, Security-Peoples Trust Company, with 10.4 percent of such deposits, Northwest Pennsylvania Bank & Trust Co., with 10.5 percent of such deposits, and Marine National Bank, with 10.2 percent of such deposits, in the same section of Pennsylvania.

The Board of Directors has concluded, accordingly, that approval of the proposed merger would (i) eliminate some existing competition between the banks in the Erie County market, (ii) eliminate a substantial incentive for Titusville Bank to expand *de novo* in the city of Erie and other portions of that market, thereby preventing the development of significant competition between the two banks in the future, increasing barriers to entry by other banks, preventing deconcentration of the market, and eliminating a substantial probability that the public could have more than four significant banks from which to choose their commercial bank services, and (iii) provide significant encouragement to similar mergers among leading banks in Erie, Crawford, Warren, Mercer, and Venango Counties, thereby increasing substantially the concentration of commercial bank resources in this five-county area of western Pennsylvania.

Convenience and Needs of the Community to be Served. Consummation of the proposed merger would have no discernible effect on present or potential customers of Titusville Bank. It would increase the legal lending limit available to Union Bank's customers from $712,600 to $2,264,200 and make available a few specialized services being offered by Titusville Bank but not by Union Bank, such as more sophisticated trust services and a bank credit card service.

---

* Based on a similar analysis, the Corporation considers relatively unlikely the possibility that Union Bank would enter Crawford or Warren County by means of *de novo* branching should the proposed merger be denied. However, Union Bank's entry by merger with an institution having at least one office in either county could bring the resulting bank into more significant competition with Titusville Bank.

** Percentage shares as of June 30, 1970, have been adjusted for subsequent mergers, if any, of all six banks.

Only the largest customers require loans in excess of $712,600, however, and both trust services and credit card services are offered by the three larger banks in Erie. The $99 million Union Bank offers most large bank services, and there is no evidence that essential banking requirements are going unmet today in Erie County. To the extent the proposed merger would stimulate competition by offering a limited number of services available elsewhere but not at Union Bank, the same benefits could be obtained for Erie residents through *de novo* branching on the part of Titusville Bank. Considerations of convenience and need, accordingly, lend little weight to the approval of the merger proposed.

Financial and Managerial Resources; Future Prospects. Each bank has satisfactory financial and managerial resources and, as individual institutions, each has satisfactory prospects for the future, as would the resulting bank. Although Union Bank's two highest executives wish to retire during 1972, the Corporation believes that both are assisted by competent officers and that Union Bank's earnings, its size, and location would all permit the recruitment of executive talent from outside the bank should the board of directors of Union Bank consider this desirable.

Because the anticompetitive effects of the proposed merger are not, in the opinion of the Board of Directors, outweighed by any other factors, the Corporation has concluded that the proposed merger of Titusville Bank and Union Bank should be denied.

BANK ABSORPTION DENIAL AFFIRMED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Continental Bank Norristown, Pennsylvania	755,295	50	
to merge with **Bank of Pennsylvania** Reading	261,442	22	

Statement upon reconsideration, August 18, 1972

Continental Bank, Norristown, Pennsylvania ("Continental"), a State nonmember insured bank with total resources of $755,295,000 and total IPC deposits of $579,076,000, was denied on December 22, 1971, the Corporation's prior approval to merge with Bank of Pennsylvania, Reading, Pennsylvania, with total resources of $261,442,000 and total IPC deposits of $217,366,000.* Continental and Bank of Pennsylvania thereafter petitioned the Corporation to reconsider its original denial, and a hearing on that petition was held on March 24, 1972. The Corporation's Board of Directors, having reconsidered its earlier decision, affirms its original denial with the following additional statement.

* Market share percentages are as of June 30, 1970.

The Board of Directors concluded in its original decision that approval of the proposed merger would eliminate a significant potential for greater competition between Bank of Pennsylvania and Continental in Berks, Lehigh, Chester, and Montgomery Counties and would adversely affect future commercial bank competition in Lancaster and Lebanon Counties. It further concluded that these anticompetitive effects were not outweighed by the banking factors presented or by considerations of public convenience and needs, and that the application should accordingly be denied.

The applicants requested reconsideration on essentially three grounds: (1) that Continental has no intention, and little practical opportunity, of entering Berks or Lehigh Counties, where Bank of Pennsylvania has all of its offices, either *de novo* or by some alternative merger, in the reasonably foreseeable future—a period which it defined as extending through 1974; (2) that Bank of Pennsylvania similarly has no intention, and little practical opportunity of entering Chester or Montgomery Counties, where Continental presently has a total of 21 offices, either *de novo* or by merger, or of entering Lancaster, Lebanon, or Schuylkill Counties, where it would lose the right to expand if the proposed merger is approved, either *de novo* or by merger; and (3) that even if the Corporation were to conclude otherwise, the likely benefits to public convenience and needs of a merger between Continental and Bank of Pennsylvania are such as to warrant approval of the application.

The Potential for Continental's Entry into Berks and Lehigh Counties.

Berks County, which constitutes the Reading SMSA, had a 1970 population of 296,382 persons, representing an increase of 7.6 percent over the 1960 population figure. By contrast, Pennsylvania as a whole had a growth rate of only 4.2 percent between 1960 and 1970. Berks County is the ninth most populous county in Pennsylvania, and the fifth most populous of the seven counties open for expansion to banks headquartered in Montgomery County. Prospects are favorable for continued economic growth. Although income levels per household approximate the statewide average, Berks County had the largest dollar amount of deposits per banking office as of June 30, 1970, of any of the counties in this seven-county area exclusive of Philadelphia. Its population for each commercial bank office approximates 5,200, but the population for each commercial bank office in the city of Reading approximates 5,843.* *De novo* branching into the Reading area appears presently feasible and attractive, and continued growth should make feasible a limited number of additional *de novo* offices elsewhere in the county during the years ahead.

Berks County is a highly concentrated banking market, with three banks—one of which is Bank of Pennsylvania—holding 82.4 percent of all deposits held at Berks County commercial bank offices. Bank of Pennsylvania holds the second largest share of these local deposits and has more offices in the county than any other bank. It is, however, the third largest of the three in terms of total deposits—being substantially smaller than the $631 million-deposit American Bank and Trust Co. of Pa. and the $577 million-deposit National Central Bank. Two other large commercial banks have been authorized *de novo* branches since the Corporation's original decision on this application: First

*Population per commercial bank office is based on 1970 population figures and year-end 1971 number of offices. In counties with continuing population growth, this computation would tend to understate the actual figures.

Pennsylvania Banking and Trust Company, Philadelphia's largest commercial bank, a $3.2 billion institution, and Fidelity Bank, Philadelphia's fourth largest commercial bank, a $1.6 billion institution. Neither is likely to have any substantial percentage of Berks County deposits for some time, but the public's choice among large banks for a number of banking services has been increased by their entry. No other commercial banks have offices in the Reading area, but 10 others operate elsewhere in Berks County. Most of these are one- or two-office banks with less than $25 million in deposits, the only exception being National Bank of Boyertown, a $58 million institution with five offices in Berks County and two in Montgomery County.

Lehigh County, where the remaining Bank of Pennsylvania offices are located has somewhat similar characteristics. It is a populous county with above average growth (a 12.2 percent increase in population occurred during the 1960s), with favorable prospects for continued growth, with income levels somewhat above the statewide averages, and with total deposits per commercial bank office only slightly lower (at $12.8 million per office) than those in Berks and Montgomery Counties ($13.9 and $13.8 million per office, respectively). Its population per commercial bank office approximates 5,210 in the county as a whole and 5,476 in Allentown. With continued growth, the Corporation would anticipate a limited number of additional *de novo* offices, both in Allentown and elsewhere in Lehigh County during the years ahead. The Lehigh County banking market, like the Berks County banking market, is highly concentrated. The three banks having the most offices in the county (The First National Bank of Allentown, a $350 million institution, The Merchants National Bank of Allentown, a $260 million institution, and Industrial Valley Bank and Trust Company, a $646 million institution) held 84.5 percent of all deposits at Lehigh County commercial bank offices as of June 30, 1970. However, four other regional banks of substantial size also have offices in Allentown (American Bank and Trust Co. of Pa., Bank of Pennsylvania, First Valley Bank, a $214 million institution, and Union Bank and Trust Company of Eastern Pennsylvania, a $128 million institution), and the entry of three Philadelphia banks has recently been approved for locations elsewhere in Lehigh County (First Pennsylvania Banking and Trust Company, Girard Trust Company, and Fidelity Bank). Two smaller out-of-county banks each have one branch office in Lehigh County, and there are three small unit banks and one bank with two offices, each with total resources of $15 million or less, which also operate in the county.

The Corporation's original decision noted that Continental was not the largest Philadelphia bank able to enter Berks and Lehigh Counties *de novo,* but that in the Corporation's view it was one of the most likely entrants in view of its aggressive efforts in the past to expand by both *de novo* branching and by merger into counties where it was not represented. Given the highly concentrated banking markets in both Berks and Lehigh Counties, the Corporation made clear its belief that if the deconcentration of banking resources and greater public choice among alternative sources of banking service were to be encouraged, *de novo* entry by significant banks not presently represented in either county, or their entry by merger with much smaller local banks than Bank of Pennsylvania, was clearly preferable to a transaction in which one of the most likely entrants sought to acquire a bank with a market share as large as Bank of Pennsylvania held in Berks County (26.1 percent of total commercial bank IPC deposits).

Continental disclaims any intention of entering Berks or Lehigh County by *de novo* branching, at least prior to the end of 1974, because of existing commitments, presently anticipated expenses, and its conviction that other areas, such as Bucks, Chester, and Delaware Counties, offer it more attractive opportunities for the limited *de novo* branching it may undertake during the intervening period. It has further expressed the view that any entry, to be economically worthwhile, must encompass four or five offices, some of which at least are in Reading, in the case of Berks County, or Allentown, in the case of Lehigh County. Since Continental sees no way, short of the merger proposed, by which it can achieve that degree of penetration between now and year-end 1974, it considers the potential for increased competition between the two banks in either county within the foreseeable future to be nil and concludes that the proposed merger, at least in this respect, cannot be considered anticompetitive. Even if the Corporation continues to disagree on this point, Continental notes that there are other Philadelphia banks, larger in size than Continental, that are more likely potential entrants into these counties than it is, so that any elimination of potential competition between Continental and Bank of Pennsylvania would not be significant in any event.

A bank's management can, of course, establish its own priorities as to the location and means by which the bank will seek to expand, but those priorities can well change as important circumstances change. Unforeseen business developments may improve significantly the desirability of one area as against another for new branch locations. The activities of competitors may force a change in previous plans. A significant improvement in the bank's profit margins may permit a more aggressive expansion program than was originally thought possible. Not least, the regulatory agencies may approve some branch applications or some merger applications but not others. For these reasons, among others,* the Corporation cannot give conclusive weight to Continental's present expressions of intent concerning the bank's expansion plans between now and the end of 1974.

Nor does the Corporation consider itself limited, under the Bank Merger Act, to an analysis of competitive consequences which are reasonably likely to be felt only within two and one-half years of decision. If, as the Corporation believes, the public interest is served by a significantly less concentrated banking structure and a larger number of major competitors in Berks and Lehigh Counties, a considerably longer time period may be necessary to achieve those results. As to Continental's assertion that the only "economic" entry is by means of four of five branches in each county, the Corporation's experience—and indeed the actions of Continental's Philadelphia competitors in Berks and Lehigh Counties—point to a different conclusion. Single *de novo* branches in the right locations can be profitable, the competitive climate can be improved, and the public significantly benefited.

The Corporation has previously concluded that *de novo* branching is presently feasible and attractive in the Reading area, and that with continued growth a limited number of *de novo* branches will be feasible elsewhere in Berks and Lehigh Counties. Continental, in terms of net income to total capital

* See, for example, The Corporation's Brief as Amicus Curiae in *United States* v. *First National Bancorporation, Inc.*, Supreme Court of the United States, Docket No. 71-703 October Term 1971, Part II, pp. 9-10.

and net income to total assets, is one of the most profitable of Philadelphia banks, even though there are larger Philadelphia banks that are also potential entrants into Berks and Lehigh Counties. It has had successful *de novo* branching experience and has in the past been aggressive in its efforts to expand. Some of its Philadelphia competitors have already entered Berks and Lehigh Counties, one *de novo* branch at a time. Continental is clearly capable of similar *de novo* branching, either alone or supplemented by merger with much smaller banks outside of Reading and Allentown than Bank of Pennsylvania. The Corporation continues to believe that Continental is a likely entrant into Berks County and a possible entrant into Lehigh County, if not over the next two years then subsequently, and that the public interest would best be served by preserving this potential for greater public choice among large bank alternatives and for greater competition between Continental and Bank of Pennsylvania.

The Potential for Bank of Pennsylvania's Entry into Montgomery, Chester, Lancaster, Lebanon, and Schuylkill Counties.

Perhaps the most significant competitive aspect of the proposed merger would be the elimination of Bank of Pennsylvania as an independent competitive force in the seven-county area presently open to it for branching and merging under State law—that is, Berks, Lehigh, Montgomery, Chester, Lancaster, Lebanon, and Schuylkill Counties. Bank of Pennsylvania cannot be dismissed as a "small country bank." It is a $261 million institution of significant competitive capabilities, with 19 offices in Berks County and three in Lehigh County, favorable earnings, competent management, and a strong deposit base in its headquarters county. Except for a few specialized banking services of interest to only limited numbers of potential customers, Bank of Pennsylvania offers a complete range of banking services, including trust services, and has an unsecured lending limit of more than $1.7 million. It has opened six *de novo* branches since 1968 and was the first Reading-based bank to enter the neighboring Lehigh County banking market, then as now dominated by three other banks. Its rate of growth in total assets and total deposits since year-end 1970 has surpassed Continental's. At the end of 1971, Pennsylvania had 447 commercial banks, but only 22 were larger than Bank of Pennsylvania.

In its original decision, the Corporation expressed the view that in the absence of this proposed merger, greater competition between Bank of Pennsylvania and Continental in Montgomery and Chester Counties would become increasingly likely as Bank of Pennsylvania sought additional ways to expand outside its headquarters county. It also expressed the view, since Bank of Pennsylvania would lose the legal capacity under Pennsylvania law to expand *de novo* or by merger into Lancaster, Lebanon, and Schuylkill Counties, that future commercial bank competition in two of those counties at least would be adversely affected if the proposed merger were consummated. The Corporation has not been persuaded to the contrary by anything presented during the course of reconsideration.

With the *de novo* entry of three large Philadelphia banks into areas presently served by Bank of Pennsylvania and the possibility that others might follow, it would be quite natural for Bank of Pennsylvania to seek out ways to improve its competitive position for the future. This application is undoubtedly one result of that search. And other moves can be expected if the proposed merger is not consummated. Expansion *de novo* or by merger into counties like Lancaster, Lebanon, and Schuylkill, where the Philadelphia banks cannot follow under present State law, should become increasingly attractive to Bank of Pennsylvania. American Bank and Trust Co. of Pa., like Bank of Pennsylvania, headquartered in Reading, has been expanding in all three of these counties, and National Central Bank, the third of the three dominant Berks County banks, is well represented in Lancaster, its headquarters county, where it has the largest share of the county's commercial bank deposits. In addition, Bank of Pennsylvania might have to reconsider its reluctance to enter the fast growing and relatively affluent counties of Montgomery and Chester, even though both counties are open to *de novo* branching and merging by Philadelphia banks.

The Corporation, in its original decision, did not limit its consideration of Bank of Pennsylvania's expansion possibilities in these five counties to *de novo* branching but explicitly included expansion by merger. The applicants have properly pointed out upon reconsideration that *de novo* branching by Bank of Pennsylvania into Schuylkill and Lebanon Counties appears so unlikely as not to warrant serious consideration. Schuylkill County in fact lost population during the 1960s, its income levels are well below the statewide average, its economic prospects are poor, and the present population per commercial bank office is the lowest (approximately 3,201 persons) of all five counties in question. Lebanon County had a growth rate of 9.7 percent during the 1960s, but it is the smallest of the seven counties in which Bank of Pennsylvania can expand, and the growth amounted to less than 900 persons annually. Income levels approximate the statewide average, but there is already one commercial bank office for every 3,833 people. The dollar amount of deposits for each commercial bank office in both counties is relatively low. Prospects for *de novo* branching are somewhat brighter in Lancaster, Chester, and Montgomery Counties, particularly if the growth trends of the 1960s continue. During that decade, Lancaster's population grew by more than 41,000 persons, Chester's by more than 67,000 persons, and Montgomery's by more than 107,000 persons. Income levels in Lancaster County approximate the statewide average, while those in Chester and Montgomery Counties are substantially above the statewide average. Lancaster County's population per office approximates 4,995 persons, Chester County's 5,566 persons, and Montgomery County's 4,520. The average dollar amount of deposits held by each commercial bank office in Montgomery County ($13.8 million) is especially impressive. In all three counties, there should be room for additional *de novo* branches in the future if population growth and favorable economic trends continue. The Corporation would not consider Bank of Pennsylvania, however, to be one of the banks most likely to branch *de novo* into Chester or Montgomery Counties without some prior entry by merger in view of the number of larger banks already represented in both counties. In Lancaster County, with or without a prior merger, Bank of Pennsylvania is the largest potential entrant and *de novo* branching, at least into the city of Lancaster, appears feasible and reasonably attractive even at the present time.

However limited the possibilities are of Bank of Pennsylvania's entry into these five counties by *de novo* branching, the claim that it has few, if any, merger possibilities by which to enter is untenable. Eliminating (i) present competitors of Bank of Pennsylvania, (ii) all Philadelphia banks and (iii) those banks which would require a divestiture of one or more offices if Bank of Pennsylvania were to merge with them, there would remain: 12 banks headquartered in Schuylkill County, with from one to four offices and up to $20 million in deposits, that are possible merger partners for Bank of Pennsylvania; eight banks headquartered in Lebanon County, with from one to eight offices and up to $68 million in deposits; 14 banks headquartered in Lancaster County, with from one to eight offices and up to $93 million in deposits; seven banks headquartered in Chester County, with from one to four offices and up to $36 million in deposits; and four banks in Montgomery County, with from one to seven offices and up to $40 million in deposits. The applicants have offered no convincing evidence that Bank of Pennsylvania, from among these merger possibilities, cannot maintain and improve its competitive position vis-a-vis the Philadelphia banks now entering or likely in the future to enter Berks and Lehigh Counties.

The Corporation considers Bank of Pennsylvania's entry into Schuylkill, Lebanon, Lancaster, and Chester Counties by merger, if not by *de novo* branching, to be particularly desirable in view of the limited number of large banks presently operating in each county (there are only two banks with more than $100 million in deposits operating in Schuylkill and Lebanon Counties today, five in Lancaster County, and seven in Chester County).

The proposed merger would eliminate the likely emergence of Bank of Pennsylvania as a strong, independent regional bank capable of bringing new competition through a series of alternative mergers if not *de novo* branching to Schuylkill, Lebanon, Lancaster, Chester, and possibly Montgomery Counties. In the last two counties, as well as in Berks and Lehigh Counties, such an independent regional bank would be competing with the large Philadelphia banks that had offices there, including Continental in at least two of those counties.

For the reasons stated, the Corporation continues to believe that the proposed merger would eliminate a significant potential for greater competition between Bank of Pennsylvania and Continental in Berks, Lehigh, Chester, and Montgomery Counties and would adversely affect future commercial bank competition in Lancaster, Lebanon, and Schuylkill Counties. The Corporation concludes, accordingly, that the proposed merger may substantially lessen competition in these seven counties of Pennsylvania and concludes further that it should not be approved under the Bank Merger Act—regardless of its status under Section 7 of the Clayton Act—unless the Corporation finds further that these potential anticompetitive effects are outweighed in the public interest by considerations of convenience and needs or relevant banking factors.

Convenience and Needs of the Community to be Served; Financial and Managerial Resources; and Future Prospects.

The Corporation has again reviewed the convenience and needs factor and the banking factors, adheres to its original conclusions on these points, and finds nothing in the record to warrant a conclusion that the proposed merger would result in the realization of significant public benefits under these factors. Moreover, even if significant benefits for the average bank customer could be identified, there is no basis in the record for concluding that the public cannot obtain such benefits from other sources at the present time or that the same benefits could not be achieved through other, less anticompetitive means.

Based on all of the foregoing and on the record before it, the Corporation's

Board of Directors again concludes that approval of the proposed merger of Bank of Pennsylvania into Continental Bank is not warranted, and should accordingly be denied.

LEGISLATION AND REGULATIONS
PART THREE

FEDERAL LEGISLATION – 1972

Federal Election Campaign Act. The Federal Election Campaign Act of 1971 (Public Law 92-225; 86 Stat. 3), approved by the President on February 7, 1972, prescribes new rules governing the manner in which campaigns for Federal offices may be financed. Included in the Act's provisions is an amendment to section 610 of title 18, United States Code, authorizing both national and State banks to make loans to political candidates and their campaign committees in accordance with the applicable banking laws and regulations and in the ordinary course of business.

Before the amendment, section 610 of title 18 had prohibited national banks and corporations from making "contributions" or "expenditures" (both of which terms were defined in such a manner as to include loans) in connection with elections involving a national office. The term "corporation," as used in the section, had been interpreted to include State member and insured State nonmember banks.

RULES AND REGULATIONS AND STATEMENTS OF GENERAL POLICY

Revised Statement of Policy regarding nondiscrimination requirements in residential lending. Section 805 of the Civil Rights Act of 1968 (42 U.S.C. 3605) stipulates certain nondiscrimination requirements for any bank, building and loan association, insurance company, or other corporation or enterprise whose business consists in whole or in part of making real estate loans. This section makes it unlawful for these institutions to deny a loan or other financial assistance for the purpose of purchasing, constructing, repairing or maintaining a dwelling, or to discriminate in fixing the amount, interest rate, duration, or other terms and conditions of the agreement, because of the loan applicant's race, color, religion, or national origin.

On December 17, 1971, the Board of Directors adopted certain minimum procedures, applicable after March 1, 1972, to be followed by all financial institutions subject to the Corporation's supervisory authority. These procedures recognized the fact that increased public awareness of nondiscrimination requirements and the availability of complaint procedures are necessary for effective implementation of the Civil Rights Act's requirements imposed on financial institutions.

The statement of policy issued on December 17 directed every insured State nonmember bank which directly, or through third parties, engages in any form of advertising of real estate lending services to indicate prominently, in a manner appropriate to the advertising media and format utilized, that the bank makes real estate loans without regard to race, color, religion, or national origin. It also required written advertisements relating to real estate lending services to include a facsimile of a prescribed logotype in order to increase public recognition of the nondiscrimination requirements and guarantees of section 805 of the Civil Rights Act of 1968.

Finally, the statement of policy directed every bank to which it applied to display conspicuously, in the public lobby of each of its offices, a notice that incorporates a facsimile of the prescribed logotype and that attests to the bank's policy of compliance with the nondiscrimination requirements. The notice must include the address of the Department of Housing and Urban Development as the agency to be notified concerning any complaint alleging a violation of the nondiscrimination provisions of section 805.

On April 25, 1972, the Board of Directors issued an amended statement of policy which deferred the effective date of the nondiscrimination requirements from March 1 to May 1, 1972, and which prescribed a redesigned logotype and lobby poster. The amended statement of policy applies to "advertising of loans for the purpose of purchasing, improving, repairing, or maintaining a dwelling" rather than, as did the original statement, to "advertising of real estate lending services." Moreover, the statement requires the redesigned lobby poster to be displayed in the public lobby of each floor where deposits are received and in the public area of each office where the loans are made, in a manner so as to be clearly visible to the general public entering the lobby or area.

Methods of computing and advertising interest on time and savings deposits. Effective May 20, 1972, the Board of Directors adopted amendments to sections 329.3 and 329.8 of the Corporation's rules and regulations (12 CFR 329.3, 329.8). The principal effect of the amendments is to authorize the use of a 360-day basis in computing and advertising interest on time and savings deposits of any maturity.

The amendments require insured State nonmember banks, in computing interest on time and savings deposits, to express the time factor as a fraction in which the actual number of days the funds earn interest is the numerator and the denominator is either 360, 365, or, in a leap year, 366. However, when a deposit matures in one month, or multiples thereof, the bank may use 30 days, or corresponding multiples thereof, in the numerator.

The amendments also require insured State nonmember banks that advertise a percentage yield achieved by compounding interest during 1 year to state the annual rate of simple interest with equal prominence, together with a reference as to the basis of compounding. They prohibit insured nonmember banks from advertising a percentage yield based on the effect of grace periods otherwise permitted by Part 329 of the Corporation's rules and regulations (12 CFR Part 329).

Simultaneously, the Board of Directors issued an interpretation which indicates that an insured nonmember bank may use the 360-day basis in compounding interest, irrespective of the basis of compounding.

Statement of Policy and guidelines for investments in "Leeway Securities" for insured State nonmember banks. On August 11, 1972, the Corporation announced an adjustment in its examination policies regarding investments in "leeway securities" by banks under its supervision. The Corporation's action is designed to encourage the banks to invest in the securities of corporations which are engaged in providing capital to minority business enterprises, securities of foreign governments, or the securities of corporations which are not merely private and entrepreneurial but the objectives and purposes of which are primarily of a civic or community nature, or seem socially desirable to a bank's board of directors or trustees, and whose risk as a bank investment may seem greater than normal.

Under the terms of the statement of policy, an insured State nonmember bank which desires to invest in equity or capital debt securities (excluding direct loans or discounts) of the corporations or foreign governments may now do so without fear of criticism by the Corporation or its examiners if certain conditions are met. These conditions are: (1) applicable State laws permit the investments for State nonmember banks; (2) the investments are not in conflict with the Voluntary Foreign Credit Restraint guidelines promulgated by the Board of Governors of the Federal Reserve System; (3) the aggregate total of all the investments does not exceed the amount authorized by applicable State law or 10 percent of the bank's total capital or surplus accounts, exclusive of capital notes and debentures, whichever is less; and (4) all the investments have been approved by the bank's board of directors or trustees as "leeway securities" and are so identified on the bank's general or subsidiary ledger records.

In issuing the statement of policy, the Board of Directors acknowledged the fact that the Corporation's previous examination policies, which had included examiners' criticism of bank investments in equity securities or other securities not of Group I or "investment grade," may have inhibited insured State nonmember banks from participating effectively in the broad social movements that have occurred in the country during the past decade. The Board made particular reference to the fact that its previous policies may have impeded those banks which feel a strong sense of responsibility from providing limited financial assistance, under the circumstances described, through investments in (1) the capital stock of Minbank Capital Corporation, a closed-end investment company whose primary objective is to make capital funds available to qualifying minority-owned banks; (2) the debt securities associated with community rehabilitation or development corporations which, while lacking qualitative elements of "investment" grade securities, are regarded by knowledgeable bankers as "tolerable" risks to depository financial institutions on a restricted and controlled basis; and (3) the securities of a foreign government, particularly among the new emerging nations, which not only suffer from liquidity imperfections arising from limitations on transfer and exchange-rate fluctuations but also qualitatively because of the absence of a reliable past record of debt performance and financial stability and an uncertain political climate.

Statement of Policy with respect to legal fees and other expenses incident to applications for insurance and consent to establish branches. On August 25, 1972, the Board of Directors adopted a statement of policy announcing that the payment of unreasonable or excessive legal fees incident to the preparation, filing, and processing of applications for Federal deposit insurance or for consent to establish branches may result in the denial of applications acted upon by the Corporation.

Under the policy as stated, the Corporation will not normally question aggregate legal fees of $5,000 or less incident to applications by proposed new banks for State charters and for Federal deposit insurance, nor will it question aggregate legal fees of $500 or less incident to branch applications. Fees in excess of these amounts should be thoroughly documented by supportive material such as itemized timesheets showing the time actually expended by counsel on the applications, the hourly rate charged, and the specific circumstances—including unusual complexities, the necessity for agency or court appearances, and the like—which necessitated the time expended.

The statement of policy further announced that expenses for legal or other services rendered by board members or major shareholders will receive special scrutiny for any evidence of self-dealing to the detriment of the bank and its other shareholders. It then continued with the admonition that in no case will an application addressed to the Corporation be approved where the payment of a fee is contingent upon any act or forebearance by the Corporation, stating that

> . . . such contingent arrangements, while permissible in some States in adversary civil litigation, are totally inappropriate in matters relating to Federal deposit insurance or FDIC branch applications.

This statement of policy was issued because of the Board of Directors' belief that

> . . . since prudent management will not commit either a bank in the process of organization or an existing bank seeking a new branch to excessive expenses, the payment of unreasonable or excessive fees incident to such applications has long been [and will continue to be] considered by the Corporation to reflect adversely upon the management of the applicant bank [a factor which sections 6 and 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1816 and 1828(d)) require the Corporation's Board of Directors to consider in acting upon such applications], irrespective of whether the payments have been ratified or otherwise approved by formal action of the bank's incorporators or stockholders.

Public disclosure of Reports of Condition. Effective December 28, 1972, Part 309 of the Corporation's rules and regulations (12 CFR Part 309), entitled "Published and Unpublished Records and Information," was amended to provide for the public disclosure of Reports of Condition for insured mutual savings banks (FDIC Form 64 (Savings)) and insured State nonmember commercial banks (FDIC Form 64), and of consolidated Reports of Income for insured mutual savings banks (FDIC Form 73 (Savings)) and insured State nonmember commercial banks (FDIC Form 73). Under the provisions of the amendment, these reports will be available upon request to the Secretary of the Corporation at the Corporation's Washington, D.C, office.

The amendment was adopted because of the Board's determination that the public availability of the reports will assist in maintaining public confidence in the Nation's banks. The preamble to the amendment further stated that

> . . . such availability will also serve the salutary purpose of permitting equal access to basic financial information by all shareholders of insured State nonmember banks and all depositors in such banks, whereas presently access to such information may be limited to a select group of insiders. Public access to the information contained in the reports will also provide greater competition in geographic areas of better-than-average profitability or greater-than-average demand for banking services, greater incentives for banks with a consistently poor performance to correct their problems, an improved ability for insured nonmember banks to raise capital, the devel-

opment of more uniform rules of bank accounting and reporting, the availability of more reliable and complete data for bank research efforts and legislative policy determinations, and greater consistency with the spirit of the Administrative Procedure Act.

STATISTICS OF BANKS AND DEPOSIT INSURANCE
PART FOUR

NUMBER OF BANKS AND BRANCHES

Banks: **Commercial banks** include the following categories of banking institutions:

National banks;

Incorporated State banks, trust companies, and bank and trust companies, regularly engaged in the business of receiving deposits, whether demand or time, except mutual savings banks;

Stock savings banks, including guaranty savings banks in New Hampshire;

Industrial and Morris Plan banks which operate under general banking codes, or are specifically authorized by law to accept deposits and in practice do so, or the obligations of which are regarded as deposits for deposit insurance;

Special types of banks of deposit; regulated certificated banks, and a savings and loan company operating under Superior Court charter in Georgia; government-operated banks in North Dakota and Puerto Rico; a cooperative bank, usually classified as a credit union, operating under a special charter in New Hampshire; a savings institution, known as a "trust company," operating under special charter in Texas; the Savings Banks Trust Company in New York; and branches of foreign banks engaged in a general deposit business in New York, Oregon, Washington, Puerto Rico, and Virgin Islands;

Private banks under State supervision, and such other private banks as are reported by reliable unofficial sources to be engaged in deposit banking.

Nondeposit trust companies include institutions operating under trust company charters which are not regularly engaged in deposit banking but are engaged in fiduciary business other than that incidental to real estate title or investment activities.

Mutual savings banks include all banks operating under State banking codes applying to mutual savings banks.

Institutions excluded. Institutions in the following categories are excluded, though such institutions may perform many of the same functions as commercial and savings banks:

Banks which have suspended operations or have ceased to accept new deposits and are proceeding to liquidate their assets and pay off existing deposits;

Building and loan associations, savings and loan associations, credit unions, personal loan companies, and similar institutions, chartered under laws applying to such institutions or under general incorporation laws, regardless of whether such institutions are authorized to accept deposits from the public or from their members and regardless of whether such institutions are called "banks" (a few institutions accepting deposits under powers granted in special charters are included);

Morris Plan companies, industrial banks, loan and investment companies, and similar institutions except those mentioned in the description of institutions included;

Branches of foreign banks and private banks which confine their business to foreign exchange dealings and do not receive "deposits" as that term is commonly understood;

Institutions chartered under banking or trust company laws, but operating as investment or title insurance companies and not engaged in deposit banking or fiduciary activities;

Federal Reserve Banks and other banks, such as the Federal Home Loan Banks and the Savings and Loan Bank of the State of New York, which operate as rediscount banks and do not accept deposits except from financial institutions.

Branches: Branches include all offices of a bank other than its head office, at which deposits are received, checks paid, or money lent. Banking facilities separate from a banking house, banking facilities at government establishments, offices, agencies, paying or receiving stations, drive-in facilities, and other facilities operated for limited purposes are defined as branches under the Federal Deposit Insurance Act, Section 3(o), regardless of the fact that in certain States, including several which prohibit the operation of branches, such limited facilities are not considered branches within the meaning of State law.

Table 101. CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1972

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[1]	State	Not members F.R. System	Banks of deposit	Nondeposit trust companies	Total	Insured	Non-insured
ALL BANKING OFFICES													
Number of offices, December 31, 1972[2]	40,662	39,969	693	38,822	38,513	18,626	5,075	14,830	218	73	1,840	1,438	402
Number of offices, December 31, 1971[2]	38,860	38,229	631	37,174	36,918	17,922	4,949	14,047	203	53	1,686	1,311	375
Net change during year	+1,802	+1,740	+62	+1,648	+1,613	+704	+126	+783	+15	+20	+154	+127	+27
Offices opened	2,080	1,997	83	1,914	1,863	827	257	779	24	27	166	134	32
Banks	274	236	38	273	235	55	13	167	13	25	1	1	0
Branches	1,806	1,761	45	1,641	1,628	772	244	612	11	2	165	133	32
Offices closed	278	263	15	266	256	118	40	98	6	4	12	7	5
Banks	132	121	11	127	119	37	13	69	6	2	5	2	3
Branches	146	142	4	139	137	81	27	29	0	2	7	5	2
Changes in classification	0	+6	−6	0	+6	−5	−91	+102	−3	−3	0	0	0
Among banks	0	+5	−5	0	+5	−4	−36	+45	−2	−3	0	0	0
Among branches	0	+1	−1	0	+1	−1	−55	+57	−1	0	0	0	0
BANKS													
Number of banks, December 31, 1972	14,436	14,059	377	13,950	13,733	4,614	1,092	8,027	152	65	486	326	160
Number of banks, December 31, 1971	14,294	13,939	355	13,804	13,612	4,600	1,128	7,884	147	45	490	327	163
Net change during year	+142	+120	+22	+146	+121	+14	−36	+143	+5	+20	−4	−1	−3
Banks beginning operation	274	236	38	273	235	55	13	167	13	25	1	1	0
New banks	246	236	10	245	235	55	13	167	6	4	1	1	0
Banks added to count[3]	28	0	28	28	0	0	0	0	7	21	0	0	0
Banks ceasing operation	132	121	11	127	119	37	13	69	6	2	5	2	3
Absorptions, consolidations, and mergers	126	120	6	121	118	37	13	68	3	0	5	2	3
Closed because of financial difficulty	2	1	1	2	1	0	0	1	1	0	0	0	0
Other liquidations	1	0	1	1	0	0	0	0	0	1	0	0	0
Discontinued deposit operation	1	0	1	1	0	0	0	0	1	0	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	+5	−5	0	+5	0	0	+5	−4	−1	0	0	0

Other changes in classification	0	0	0	0	0	−4	−36	+40	+2	−2	0	0	0
National succeeding State bank	0	0	0	0	0	+19	−7	−12	0	0	0	0	0
State succeeding national bank	0	0	0	0	0	−23	+1	+22	0	0	0	0	0
Admission of insured bank to F.R. System	0	0	0	0	0	0	+6	−6	0	0	0	0	0
Withdrawal from F.R. System with continued insurance	0	0	0	0	0	0	−36	+36	0	0	0	0	0
Bank of deposit succeeding nondeposit trust company (noninsured)	0	0	0	0	0	0	0	0	+2	−2	0	0	0
Changes not involving number in any class													
Change in title	330	328	2	319	319	105	16	198	0	0	11	9	2
Change in location	24	24	0	23	23	7	2	14	0	0	1	1	0
Change in title and location	11	10	1	11	10	5	0	5	0	1	0	0	0
Change in name of location	15	15	0	15	15	5	2	8	0	0	0	0	0
Change in location within city	315	313	2	304	302	99	12	191	1	1	11	11	0
Changes in corporate powers													
Granted trust powers	70	70	0	69	69	0	0	69	0	0	1	1	0
BRANCHES													
Number of branches, December 31, 1972[2]	26,226	25,910	316	24,872	24,798	14,012	3,983	6,803	66	8	1,354	1,112	242
Number of branches, December 31, 1971[2]	24,566	24,290	276	23,370	23,306	13,322	3,821	6,163	56	8	1,196	984	212
Net change during year	+1,660	+1,620	+40	+1,502	+1,492	+690	+162	+640	+10	0	+158	+128	+30
Branches opened for business	1,806	1,761	45	1,641	1,628	772	244	612	11	2	165	133	32
Facilities designated by Treasury	4	4	0	4	4	4	0	0	0	0	0	0	0
Absorbed bank converted to branch	110	107	3	107	107	60	8	39	0	0	3	0	3
Branch replacing head office relocated	27	27	0	27	27	14	2	11	0	0	0	0	0
New branches	1,632	1,607	25	1,478	1,474	691	230	553	4	0	154	133	21
Branches and/or facilities added to count	33	16	17	25	16	3	4	9	7	2	8	0	8
Branches discontinued	146	142	4	139	137	81	27	29	0	2	7	5	2
Facilities designated by Treasury	6	6	0	6	6	5	1	0	0	0	0	0	0
Branches	122	122	0	117	117	71	19	27	0	0	5	5	0
Branches and/or facilities deleted from count	18	14	4	16	14	5	7	2	0	2	2	0	2
Other changes in classification	0	+1	−1	0	+1	−1	−55	+57	−1	0	0	0	0
Branches changing class as a result of conversion	0	0	0	0	0	−36	+55	−19	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	0	+1	−1	0	+1	+35	−7	−27	−1	0	0	0	0
Branches of insured banks withdrawing from F.R.S.	0	0	0	0	0	0	−103	+103	0	0	0	0	0
Changes not involving number in any class													
Changes in operating powers of branches	7	7	0	7	7	4	0	3	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	143	140	3	140	140	91	2	47	0	0	3	0	3
Changes in title, location, or name of location	561	555	6	527	526	292	61	173	0	1	34	29	5

[1] Includes one national bank in Puerto Rico that is not a member of the Federal Reserve System.
[2] Includes facilities established at the request of the Treasury or commanding officers of government installations, and also a few seasonal branches that were not in operation as of December 31.
[3] Banks in operation prior to 1972 but not included in count as of December 31, 1971.

Table 102. CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1972, BY STATE

State	In operation				Net change during 1972		Beginning operation in 1972				Ceasing operation in 1972			
	Dec. 31, 1972		Dec. 31, 1971				Banks		Branches		Banks		Branches	
	Banks	Branches	Banks	Branches	Banks	Branches	New	Other	New	Other	Absorptions	Other	Branches	Other
Total United States	**13,950**	**24,872**	**13,804**	**23,370**	**+146**	**+1,502**	**245**	**28**	**1,503**	**138**	**121**	**6**	**117**	**22**
50 States and D.C.	**13,927**	**24,611**	**13,783**	**23,120**	**+144**	**+1,491**	**243**	**28**	**1,491**	**138**	**121**	**6**	**116**	**22**
Other Areas	**23**	**261**	**21**	**250**	**+2**	**+11**	**2**	**0**	**12**	**0**	**0**	**0**	**1**	**0**
States														
Alabama	277	334	273	303	+4	+31	4	0	30	2	0	0	0	1
Alaska	10	70	11	65	−1	+5	0	0	4	1	1	0	0	0
Arizona	22	374	13	347	+9	+27	2	7	28	1	0	0	2	0
Arkansas	253	193	253	179	NA	+14	0	0	14	0	0	0	0	0
California	165	3,259	152	3,176	+13	+83	19	0	105	4	5	1	22	4
Colorado	291	35	278	29	+13	+6	9	5	7	1	0	1	2	0
Connecticut	64	498	63	469	+1	+29	2	0	28	2	1	0	1	0
Delaware	19	110	18	99	+1	+11	0	1	11	0	0	0	0	0
District of Columbia	14	112	14	108	NA	+4	0	0	5	0	0	0	1	0
Florida	581	60	540	43	+41	+17	41	0	17	0	0	0	0	0
Georgia	437	483	434	412	+3	+71	5	0	73	2	2	0	3	1
Hawaii	11	146	10	142	+1	+4	0	1	5	1	0	0	0	2
Idaho	24	170	24	165	NA	+5	0	0	6	0	0	0	1	0
Illinois	1,155	148	1,134	123	+21	+25	19	3	24	1	1	0	0	0
Indiana	408	719	408	671	NC	+48	1	0	49	1	1	0	2	0
Iowa	670	345	666	329	+4	+16	3	1	18	2	0	0	4	0
Kansas	607	76	603	73	+4	+3	5	0	3	0	1	0	0	0
Kentucky	341	394	343	361	−2	+33	2	0	27	6	4	0	0	0
Louisiana	238	443	235	414	+3	+29	5	0	28	2	2	0	1	0
Maine	47	248	44	237	+3	+11	4	0	13	1	1	0	3	0
Maryland	112	595	112	567	NC	+28	1	0	30	1	1	0	2	1
Massachusetts	155	814	158	781	−3	+33	1	1	39	6	4	1	11	1
Michigan	332	1,330	331	1,254	+1	+76	2	0	82	1	1	0	6	1
Minnesota	737	20	731	17	+6	+3	6	0	3	0	0	0	0	0
Mississippi	181	406	183	369	−2	+37	3	0	32	7	5	0	2	0
Missouri	677	132	672	100	+5	+32	4	1	31	1	0	0	0	0
Montana	147	12	144	10	+3	+2	3	0	2	0	0	0	0	0
Nebraska	446	48	443	45	+3	+3	2	1	4	0	0	0	1	0
Nevada	8	93	8	89	NA	+4	0	0	4	0	0	0	0	0
New Hampshire	78	79	74	69	+4	+10	4	0	10	0	0	0	0	0

New Jersey	211	1,173	211	1,097	NC	+76	12	0	72	12	11	1	8	0
New Mexico	72	150	68	140	+4	+10	3	1	10	0	0	0	0	0
New York	305	2,699	311	2,556	−6	+143	7	1	146	14	13	1	13	4
North Carolina	87	1,331	95	1,224	−8	+107	3	0	107	11	11	0	11	0
North Dakota	170	73	169	72	+1	+1	1	0	1	0	0	0	0	0
Ohio	505	1,449	514	1,370	−9	+79	2	0	78	11	11	0	8	2
Oklahoma	441	84	437	71	+4	+13	1	3	13	0	0	0	0	0
Oregon	45	381	46	359	−1	+22	3	0	16	6	4	0	0	0
Pennsylvania	437	1,919	454	1,826	−17	+93	0	0	80	17	17	0	4	0
Rhode Island	16	185	13	179	+3	+6	3	0	9	0	0	0	3	0
South Carolina	94	499	99	459	−5	+40	0	0	35	5	5	0	0	0
South Dakota	159	102	159	100	NA	+2	0	0	2	0	0	0	0	0
Tennessee	313	595	310	528	+3	+67	3	0	67	2	0	0	1	1
Texas	1,238	95	1,215	86	+23	+9	30	0	8	1	6	1	0	0
Utah	53	160	50	148	+3	+12	4	1	11	2	2	0	1	0
Vermont	41	98	42	89	−1	+9	0	0	9	1	1	0	1	0
Virginia	256	955	245	887	+11	+68	13	0	65	5	2	0	1	1
Washington	90	611	92	589	−2	+22	3	1	17	6	6	0	1	0
West Virginia	203	8	199	6	+4	+2	4	0	2	0	0	0	0	0
Wisconsin	613	296	611	286	+2	+10	4	0	11	2	2	0	0	3
Wyoming	71	2	71	2	NA	NA	0	0	0	0	0	0	0	0
Other Areas														
Pacific Islands	1	26	0	23	+1	+3	1	0	3	0	0	0	0	0
Panama Canal Zone	0	2	0	2	NA	NA	0	0	0	0	0	0	0	0
Puerto Rico	14	204	13	197	+1	+7	1	0	8	0	0	0	1	0
Virgin Islands	8	29	8	28	NA	+1	0	0	1	0	0	0	0	0

NA—No activity
NC—No change

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972
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[3]	Insured: Members F.R. System: State	Insured: Not members F.R. System	Noninsured: Banks of deposit[2]	Noninsured: Nondeposit trust companies	Mutual savings banks: Total	Mutual savings banks: Insured	Mutual savings banks: Noninsured	Percentage insured[1]: All banks of deposit	Percentage insured[1]: Commercial banks of deposit	Percentage insured[1]: Mutual savings banks
United States—all offices	**40,662**	**39,969**	**693**	**38,822**	**38,531**	**18,626**	**5,075**	**14,830**	**218**	**73**	**1,840**	**1,438**	**402**	**98.5**	**99.4**	**78.2**
Banks	14,436	14,059	377	13,950	13,733	4,614	1,092	8,027	152	65	486	326	160	97.8	98.9	67.1
Unit banks	*9,647*	*9,385*	*262*	*9,491*	*9,297*	*2,816*	*622*	*5,859*	*133*	*61*	*156*	*88*	*68*	*97.9*	*98.6*	*56.4*
Banks operating branches	*4,789*	*4,674*	*115*	*4,459*	*4,436*	*1,798*	*470*	*2,168*	*19*	*4*	*330*	*238*	*92*	*97.7*	*99.6*	*72.1*
Branches	26,226	25,910	316	24,872	24,798	14,012	3,983	6,803	66	8	1,354	1,112	242	98.8	99.7	82.1
50 States & D.C.—all offices	**40,377**	**39,724**	**653**	**38,538**	**38,287**	**18,571**	**5,073**	**14,643**	**178**	**73**	**1,839**	**1,437**	**402**	**98.6**	**99.5**	**78.1**
Banks	14,412	14,046	366	13,927	13,721	4,612	1,092	8,017	141	65	485	325	160	97.9	99.0	67.0
Unit banks	*9,637*	*9,382*	*255*	*9,482*	*9,295*	*2,815*	*622*	*5,858*	*126*	*61*	*155*	*87*	*68*	*98.0*	*98.7*	*56.1*
Banks operating branches	*4,775*	*4,664*	*111*	*4,445*	*4,426*	*1,797*	*470*	*2,159*	*15*	*4*	*330*	*238*	*92*	*97.8*	*99.7*	*72.1*
Branches	25,965	25,678	287	24,611	24,566	13,959	3,981	6,626	37	8	1,354	1,112	242	98.9	99.8	82.1
Other Areas—all offices	**285**	**245**	**40**	**284**	**244**	**55**	**2**	**187**	**40**	**0**	**1**	**1**	**0**	**86.0**	**85.9**	**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	261	232	29	261	232	53	2	177	29	0	0	0	0	88.9	88.9	0.0
State																
Alabama—all offices	**611**	**611**	**0**	**611**	**611**	**318**	**35**	**258**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	277	277	0	277	277	89	20	168	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*174*	*174*	*0*	*174*	*174*	*40*	*15*	*119*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*103*	*103*	*0*	*103*	*103*	*49*	*5*	*49*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	334	334	0	334	334	229	15	90	0	0	0	0	0	100.0	100.0	0.0
Alaska—all offices	**82**	**82**	**0**	**80**	**80**	**67**	**0**	**13**	**0**	**0**	**2**	**2**	**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	*4*	*4*	*0*	*2*	*2*	*0*	*0*	*2*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*8*	*8*	*0*	*8*	*8*	*5*	*0*	*3*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	70	70	0	70	70	62	0	8	0	0	0	0	0	100.0	100.0	0.0
Arizona—all offices	**396**	**389**	**7**	**396**	**389**	**245**	**24**	**120**	**0**	**7**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	22	15	7	22	15	3	1	11	0	7	0	0	0	100.0	100.0	0.0
Unit banks	*12*	*5*	*7*	*12*	*5*	*1*	*0*	*4*	*0*	*7*	*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	374	374	0	374	374	242	23	109	0	0	0	0	0	100.0	100.0	0.0

Arkansas—all offices	**446**	**444**	2	**446**	**444**	171	**24**	**249**	1	**1**	0	**0**	0	**99.8**	**99.8**	**0.0**
Banks	253	251	2	253	251	70	11	170	1	1	0	0	0	99.6	99.6	0.0
Unit banks	*155*	*153*	*2*	*155*	*153*	*29*	*4*	*120*	*1*	*1*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Banks operating branches	*98*	*98*	*0*	*98*	*98*	*41*	*7*	*50*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	193	193	0	193	193	101	13	79	0	0	0	0	0	100.0	100.0	0.0
California—all offices	**3,424**	**3,410**	**14**	**3,424**	**3,410**	**2,613**	**312**	**485**	0	**14**	**0**	**0**	0	**100.0**	**100.0**	0.0
Banks	165	156	9	165	156	55	8	93	0	9	0	0	0	100.0	100.0	0.0
Unit banks	*47*	*40*	*7*	*47*	*40*	*6*	*0*	*34*	*0*	*7*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*118*	*116*	*2*	*118*	*116*	*49*	*8*	*59*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	3,259	3,254	5	3,259	3,254	2,558	304	392	0	5	0	0	0	100.0	100.0	0.0
Colorado—all offices	**326**	**278**	**48**	**326**	**278**	**144**	**18**	**116**	**48**	**0**	**0**	0	**0**	**85.3**	**85.3**	**0.0**
Banks	291	243	48	291	243	124	16	103	48	0	0	0	0	83.5	83.5	0.0
Unit banks	*260*	*212*	*48*	*260*	*212*	*106*	*14*	*92*	*48*	*0*	*0*	*0*	*0*	*81.5*	*81.5*	*0.0*
Banks operating branches	*31*	*31*	*0*	*31*	*31*	*18*	*2*	*11*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	35	35	0	35	35	20	2	13	0	0	0	0	0	100.0	100.0	0.0
Connecticut—all offices	**809**	**808**	**1**	**562**	**561**	**273**	**72**	**216**	**1**	**0**	**247**	**247**	**0**	**99.9**	**99.8**	**100.0**
Banks	132	131	1	64	63	26	1	36	1	0	68	68	0	99.2	98.4	100.0
Unit banks	*36*	*35*	*1*	*17*	*16*	*5*	*0*	*11*	*1*	*0*	*19*	*19*	*0*	*97.2*	*94.1*	*100.0*
Banks operating branches	*96*	*96*	*0*	*47*	*47*	*21*	*1*	*25*	*0*	*0*	*49*	*49*	*0*	*100.0*	*100.0*	*100.0*
Branches	677	677	0	498	498	247	71	180	0	0	179	179	0	100.0	100.0	100.0
Delaware—all offices	**146**	**145**	**1**	**129**	**128**	**9**	**24**	**95**	**0**	**1**	**17**	**17**	**0**	**100.0**	**100.0**	**100.0**
Banks	21	20	1	19	18	5	1	12	0	1	2	2	0	100.0	100.0	100.0
Unit banks	*10*	*9*	*1*	*10*	*9*	*3*	*0*	*6*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*11*	*11*	*0*	*9*	*9*	*2*	*1*	*6*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	125	125	0	110	110	4	23	83	0	0	15	15	0	100.0	100.0	100.0
D.C.—all offices	**126**	**126**	**0**	**126**	**126**	**86**	**30**	**10**	**0**	0	**0**	**0**	0	**100.0**	100.0	**0.0**
Banks	14	14	0	14	14	11	1	2	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*1*	*1*	*0*	*1*	*1*	*1*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*13*	*13*	*0*	*13*	*13*	*10*	*1*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	112	112	0	112	112	75	29	8	0	0	0	0	0	100.0	100.0	0.0
Florida—all offices	**641**	**636**	5	**641**	**636**	**256**	**13**	**367**	**2**	**3**	0	**0**	**0**	**99.7**	**99.7**	**0.0**
Banks	581	576	5	581	576	244	12	320	2	3	0	0	0	99.7	99.7	0.0
Unit banks	*526*	*521*	*5*	*526*	*521*	*233*	*11*	*277*	*2*	*3*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Banks operating branches	*55*	*55*	*0*	*55*	*55*	*11*	*1*	*43*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	60	60	0	60	60	12	1	47	0	0	0	0	0	100.0	100.0	0.0
Georgia—all offices	**920**	**914**	**6**	**920**	**914**	**315**	70	**529**	**6**	**0**	**0**	0	**0**	**99.3**	**99.3**	**0.0**
Banks	437	431	6	437	431	61	10	360	6	0	0	0	0	98.6	98.6	0.0
Unit banks	*277*	*271*	*6*	*277*	*271*	*20*	*2*	*249*	*6*	*0*	*0*	*0*	*0*	*97.8*	*97.8*	*0.0*
Banks operating branches	*160*	*160*	*0*	*160*	*160*	*41*	*8*	*111*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	483	483	0	483	483	254	60	169	0	0	0	0	0	100.0	100.0	0.0
Hawaii—all offices	**157**	**150**	7	**157**	**150**	**11**	**0**	**139**	0	**7**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	11	7	4	11	7	1	0	6	0	4	0	0	0	100.0	100.0	0.0
Unit banks	*2*	*0*	*2*	*2*	*0*	*0*	*0*	*0*	*0*	*2*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*9*	*7*	*2*	*9*	*7*	*1*	*0*	*6*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	146	143	3	146	143	10	0	133	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, 1972—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[3]	State	Not members F.R. System	Banks of deposit[2]	Nondeposit trust companies	Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Idaho—all offices	**194**	**194**	**0**	**194**	**194**	**123**	**38**	**33**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	24	24	0	24	24	7	6	11	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*10*	*10*	*0*	*10*	*10*	*2*	*3*	*5*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*14*	*14*	*0*	*14*	*14*	*5*	*3*	*6*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	170	170	0	170	170	116	32	22	0	0	0	0	0	100.0	100.0	0.0
Illinois—all offices	**1,303**	**1,297**	**6**	**1,303**	**1,297**	**500**	**86**	**711**	**1**	**5**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	1,155	1,149	6	1,155	1,149	415	76	658	1	5	0	0	0	99.9	99.9	0.0
Unit banks	*1,012*	*1,006*	*6*	*1,012*	*1,006*	*334*	*66*	*606*	*1*	*5*	*0*	*0*	*0*	*99.9*	*99.9*	*0.0*
Banks operating branches	*143*	*143*	*0*	*143*	*143*	*81*	*10*	*52*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	148	148	0	148	148	85	10	53	0	0	0	0	0	100.0	100.0	0.0
Indiana—all offices	**1,132**	**1,129**	**3**	**1,127**	**1,124**	**504**	**118**	**502**	**2**	**1**	**5**	**5**	**0**	**99.8**	**99.8**	**100.0**
Banks	412	409	3	408	405	122	58	225	2	1	4	4	0	99.5	99.5	100.0
Unit banks	*201*	*198*	*3*	*198*	*195*	*42*	*36*	*117*	*2*	*1*	*3*	*3*	*0*	*99.0*	*99.0*	*100.0*
Banks operating branches	*211*	*211*	*0*	*210*	*210*	*80*	*22*	*108*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	720	720	0	719	719	382	60	277	0	0	1	1	0	100.0	100.0	100.0
Iowa—all offices	**1,015**	**1,006**	**9**	**1,015**	**1,006**	**163**	**88**	**755**	**7**	**2**	**0**	**0**	**0**	**99.3**	**99.3**	**0.0**
Banks	670	661	9	670	661	100	50	511	7	2	0	0	0	99.0	99.0	0.0
Unit banks	*443*	*434*	*9*	*443*	*434*	*57*	*29*	*348*	*7*	*2*	*0*	*0*	*0*	*98.4*	*98.4*	*0.0*
Banks operating branches	*227*	*227*	*0*	*227*	*227*	*43*	*21*	*163*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	345	345	0	345	345	63	38	244	0	0	0	0	0	100.0	100.0	0.0
Kansas—all offices	**683**	**682**	**1**	**683**	**682**	**205**	**32**	**445**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	607	606	1	607	606	171	26	409	1	0	0	0	0	99.8	99.8	0.0
Unit banks	*533*	*532*	*1*	*533*	*532*	*139*	*20*	*373*	*1*	*0*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*74*	*74*	*0*	*74*	*74*	*32*	*6*	*36*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	76	76	0	76	76	34	6	36	0	0	0	0	0	100.0	100.0	0.0
Kentucky—all offices	**735**	**731**	**4**	**735**	**731**	**245**	**77**	**409**	**4**	**0**	**0**	**0**	**0**	**99.5**	**99.5**	**0.0**
Banks	341	337	4	341	337	80	12	245	4	0	0	0	0	98.8	98.8	0.0
Unit banks	*191*	*187*	*4*	*191*	*187*	*32*	*4*	*151*	*4*	*0*	*0*	*0*	*0*	*97.9*	*97.9*	*0.0*
Banks operating branches	*150*	*150*	*0*	*150*	*150*	*48*	*8*	*94*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	394	394	0	394	394	165	65	164	0	0	0	0	0	100.0	100.0	0.0

Louisiana—all offices	**681**	**680**	**1**	**681**	**680**	**252**	**45**	**383**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	238	237	1	238	237	50	10	177	1	0	0	0	0	99.6	99.6	0.0
Unit banks	*98*	*97*	*1*	*98*	*97*	*11*	*1*	*85*	*1*	*0*	*0*	*0*	*0*	*99.0*	*99.0*	*0.0*
Banks operating branches	*140*	*140*	*0*	*140*	*140*	*39*	*9*	*92*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	443	443	0	443	443	202	35	206	0	0	0	0	0	100.0	100.0	0.0
Maine—all offices	**359**	**354**	**5**	**295**	**291**	**133**	**74**	**84**	**4**	**0**	**64**	**63**	**1**	**98.6**	**98.6**	**98.4**
Banks	79	74	5	47	43	19	6	18	4	0	32	31	1	93.7	91.5	96.9
Unit banks	*27*	*22*	*5*	*14*	*10*	*3*	*1*	*6*	*4*	*0*	*13*	*12*	*1*	*81.5*	*71.4*	*92.3*
Banks operating branches	*52*	*52*	*0*	*33*	*33*	*16*	*5*	*12*	*0*	*0*	*19*	*19*	*0*	*100.0*	*100.0*	*100.0*
Branches	280	280	0	248	248	114	68	66	0	0	32	32	0	100.0	100.0	100.0
Maryland—all offices	**756**	**756**	**0**	**707**	**707**	**328**	**81**	**298**	**0**	**0**	**49**	**49**	**0**	**100.0**	**100.0**	**100.0**
Banks	116	116	0	112	112	39	7	66	0	0	4	4	0	100.0	100.0	100.0
Unit banks	*38*	*38*	*0*	*38*	*38*	*10*	*1*	*27*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*78*	*78*	*0*	*74*	*74*	*29*	*6*	*39*	*0*	*0*	*4*	*4*	*0*	*100.0*	*100.0*	*100.0*
Branches	640	640	0	595	595	289	74	232	0	0	45	45	0	100.0	100.0	100.0
Massachusetts—all offices	**1,420**	**1,011**	**409**	**969**	**961**	**540**	**168**	**253**	**8**	**0**	**451**	**50**	**401**	**71.2**	**99.2**	**11.1**
Banks	322	159	163	155	151	82	13	56	4	0	167	8	159	49.4	97.4	4.8
Unit banks	*97*	*28*	*69*	*30*	*28*	*17*	*0*	*11*	*2*	*0*	*67*	*0*	*67*	*28.9*	*93.3*	*0.0*
Banks operating branches	*225*	*131*	*94*	*125*	*123*	*65*	*13*	*45*	*2*	*0*	*100*	*8*	*92*	*58.2*	*98.4*	*8.0*
Branches[4]	1,098	852	246	814	810	458	155	197	4	0	284	42	242	77.6	99.5	14.8
Michigan—all offices	**1,662**	**1,658**	**4**	**1,662**	**1,658**	**733**	**560**	**365**	**3**	**1**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	332	330	2	332	330	106	98	126	1	1	0	0	0	99.7	99.7	0.0
Unit banks	*111*	*110*	*1*	*111*	*110*	*25*	*32*	*53*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*221*	*220*	*1*	*221*	*220*	*81*	*66*	*73*	*1*	*0*	*0*	*0*	*0*	*99.5*	*99.5*	*0.0*
Branches	1,330	1,328	2	1,330	1,328	627	462	239	2	0	0	0	0	99.8	99.8	0.0
Minnesota—all offices	**758**	**755**	**3**	**757**	**754**	**206**	**28**	**520**	**3**	**0**	**1**	**1**	**0**	**99.6**	**99.6**	**100.0**
Banks	738	735	3	737	734	199	26	509	3	0	1	1	0	99.6	99.6	100.0
Unit banks	*722*	*719*	*3*	*721*	*718*	*196*	*24*	*498*	*3*	*0*	*1*	*1*	*0*	*99.6*	*99.6*	*100.0*
Banks operating branches	*16*	*16*	*0*	*16*	*16*	*3*	*2*	*11*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	20	20	0	20	20	7	2	11	0	0	0	0	0	100.0	100.0	0.0
Mississippi—all offices	**587**	**587**	**0**	**587**	**587**	**198**	**23**	**366**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	181	181	0	181	181	38	7	136	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*59*	*59*	*0*	*59*	*59*	*4*	*1*	*54*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*122*	*122*	*0*	*122*	*122*	*34*	*6*	*82*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	406	406	0	406	406	160	16	230	0	0	0	0	0	100.0	100.0	0.0
Missouri—all offices	**809**	**803**	**6**	**809**	**803**	**139**	**87**	**577**	**2**	**4**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	677	671	6	677	671	102	68	501	2	4	0	0	0	99.7	99.7	0.0
Unit banks	*551*	*545*	*6*	*551*	*545*	*67*	*51*	*427*	*2*	*4*	*0*	*0*	*0*	*99.6*	*99.6*	*0.0*
Banks operating branches	*126*	*126*	*0*	*126*	*126*	*35*	*17*	*74*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	132	132	0	132	132	37	19	76	0	0	0	0	0	100.0	100.0	0.0
Montana—all offices	**159**	**158**	**1**	**159**	**158**	**58**	**47**	**53**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	147	146	1	147	146	54	42	50	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*135*	*134*	*1*	*135*	*134*	*50*	*37*	*47*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*12*	*12*	*0*	*12*	*12*	*4*	*5*	*3*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	12	12	0	12	12	4	5	3	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, 1972—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[3]	State	Not members F.R. System	Banks of deposit[2]	Non-deposit trust companies	Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Nebraska—all offices	**494**	**488**	**6**	**494**	**488**	**150**	**11**	**327**	**1**	**5**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	446	440	6	446	440	123	10	307	1	5	0	0	0	99.8	99.8	0.0
Unit banks	*400*	*394*	*6*	*400*	*394*	*97*	*9*	*288*	*1*	*5*	*0*	*0*	*0*	*99.7*	*99.7*	*0.0*
Banks operating branches	*46*	*46*	*0*	*46*	*46*	*26*	*1*	*19*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	48	48	0	48	48	27	1	20	0	0	0	0	0	100.0	100.0	0.0
Nevada—all offices	**101**	**101**	**0**	**101**	**101**	**70**	**16**	**15**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	8	8	0	8	8	4	1	3	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*6*	*6*	*0*	*6*	*6*	*3*	*1*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	93	93	0	93	93	66	15	12	0	0	0	0	0	100.0	100.0	0.0
New Hampshire—all offices	**204**	**202**	**2**	**157**	**155**	**111**	**3**	**41**	**2**	**0**	**47**	**47**	**0**	**99.0**	**98.7**	**100.0**
Banks	108	106	2	78	76	48	1	27	2	0	30	30	0	98.1	97.4	100.0
Unit banks	*63*	*61*	*2*	*42*	*40*	*22*	*0*	*18*	*2*	*0*	*21*	*21*	*0*	*96.8*	*95.2*	*100.0*
Banks operating branches	*45*	*45*	*0*	*36*	*36*	*26*	*1*	*9*	*0*	*0*	*9*	*9*	*0*	*100.0*	*100.0*	*100.0*
Branches	96	96	0	79	79	63	2	14	0	0	17	17	0	100.0	100.0	100.0
New Jersey—all offices	**1,465**	**1,464**	**1**	**1,384**	**1,383**	**926**	**251**	**206**	**0**	**1**	**81**	**81**	**0**	**100.0**	**100.0**	**100.0**
Banks	231	230	1	211	210	121	31	58	0	1	20	20	0	100.0	100.0	100.0
Unit banks	*48*	*47*	*1*	*42*	*41*	*19*	*3*	*19*	*0*	*1*	*6*	*6*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*183*	*183*	*0*	*169*	*169*	*102*	*28*	*39*	*0*	*0*	*14*	*14*	*0*	*100.0*	*100.0*	*100.0*
Branches	1,234	1,234	0	1,173	1,173	805	220	148	0	0	61	61	0	100.0	100.0	100.0
New Mexico—all offices	**222**	**221**	**1**	**222**	**221**	**119**	**16**	**86**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	72	71	1	72	71	33	7	31	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*18*	*17*	*1*	*18*	*17*	*5*	*2*	*10*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*54*	*54*	*0*	*54*	*54*	*28*	*5*	*21*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	150	150	0	150	150	86	9	55	0	0	0	0	0	100.0	100.0	0.0
New York—all offices	**3,572**	**3,536**	**36**	**3,004**	**2,968**	**1,564**	**1,204**	**200**	**31**	**5**	**568**	**568**	**0**	**99.1**	**99.0**	**100.0**
Banks	426	399	27	305	278	163	70	45	22	5	121	121	0	94.8	92.7	100.0
Unit banks	*129*	*108*	*21*	*115*	*94*	*61*	*15*	*18*	*16*	*5*	*14*	*14*	*0*	*87.1*	*85.5*	*100.0*
Banks operating branches	*297*	*291*	*6*	*190*	*184*	*102*	*55*	*27*	*6*	*0*	*107*	*107*	*0*	*98.0*	*96.8*	*100.0*
Branches[4]	3,146	3,137	9	2,699	2,690	1,401	1,134	155	9	0	447	447	0	99.7	99.7	100.0

North Carolina—all offices	**1,418**	**1,408**	**10**	**1,418**	**1,408**	**700**	**1**	**707**	**10**	**0**	**0**	**0**	**0**	**99.3**	**99.3**	**0.0**
Banks	87	86	1	87	86	23	1	62	1	0	0	0	0	98.9	98.9	0.0
Unit banks	*26*	*26*	*0*	*26*	*26*	*3*	*1*	*22*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*61*	*60*	*1*	*61*	*60*	*20*	*0*	*40*	*1*	*0*	*0*	*0*	*0*	*98.4*	*98.4*	*0.0*
Branches	1,331	1,322	9	1,331	1,322	677	0	645	9	0	0	0	0	99.3	99.3	0.0
North Dakota—all offices	**243**	**238**	**5**	**243**	**238**	**57**	**6**	**175**	**5**	**0**	**0**	**0**	**0**	**97.9**	**97.9**	**0.0**
Banks	170	167	3	170	167	43	4	120	3	0	0	0	0	98.2	98.2	0.0
Unit banks	*117*	*115*	*2*	*117*	*115*	*30*	*3*	*82*	*2*	*0*	*0*	*0*	*0*	*98.3*	*98.3*	*0.0*
Banks operating branches	*53*	*52*	*1*	*53*	*52*	*13*	*1*	*38*	*1*	*0*	*0*	*0*	*0*	*98.1*	*98.1*	*0.0*
Branches	73	71	2	73	71	14	2	55	2	0	0	0	0	97.3	97.3	0.0
Ohio—all offices	**1,954**	**1,952**	**2**	**1,954**	**1,952**	**1,037**	**517**	**398**	**2**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	505	503	2	505	503	218	117	168	2	0	0	0	0	99.6	99.6	0.0
Unit banks	*208*	*206*	*2*	*208*	*206*	*63*	*57*	*86*	*2*	*0*	*0*	*0*	*0*	*99.0*	*99.0*	*0.0*
Banks operating branches	*297*	*297*	*0*	*297*	*297*	*155*	*60*	*82*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	1,449	1,449	0	1,449	1,449	819	400	230	0	0	0	0	0	100.0	100.0	0.0
Oklahoma—all offices	**525**	**520**	**5**	**525**	**520**	**246**	**18**	**256**	**1**	**4**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	441	436	5	441	436	192	15	229	1	4	0	0	0	99.8	99.8	0.0
Unit banks	*360*	*355*	*5*	*360*	*355*	*141*	*12*	*202*	*1*	*4*	*0*	*0*	*0*	*99.7*	*99.7*	*0.0*
Banks operating branches	*81*	*81*	*0*	*81*	*81*	*51*	*3*	*27*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	84	84	0	84	84	54	3	27	0	0	0	0	0	100.0	100.0	0.0
Oregon—all offices	**430**	**428**	**2**	**426**	**424**	**279**	**0**	**145**	**2**	**0**	**4**	**4**	**0**	**99.5**	**99.5**	**100.0**
Banks	46	44	2	45	43	8	0	35	2	0	1	1	0	95.7	95.6	100.0
Unit banks	*15*	*13*	*2*	*15*	*13*	*1*	*0*	*12*	*2*	*0*	*0*	*0*	*0*	*86.7*	*86.7*	*0.0*
Banks operating branches	*31*	*31*	*0*	*30*	*30*	*7*	*0*	*23*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches[4]	384	384	0	381	381	271	0	110	0	0	3	3	0	100.0	100.0	100.0
Pennsylvania—all offices	**2,481**	**2,472**	**9**	**2,356**	**2,347**	**1,407**	**283**	**657**	**7**	**2**	**125**	**125**	**0**	**99.7**	**99.7**	**100.0**
Banks	445	438	7	437	430	276	20	134	5	2	8	8	0	98.9	98.9	100.0
Unit banks	*187*	*181*	*6*	*186*	*180*	*120*	*6*	*54*	*4*	*2*	*1*	*1*	*0*	*97.8*	*97.8*	*100.0*
Banks operating branches	*258*	*257*	*1*	*251*	*250*	*156*	*14*	*80*	*1*	*0*	*7*	*7*	*0*	*99.6*	*99.6*	*100.0*
Branches[4]	2,036	2,034	2	1,919	1,917	1,131	263	523	2	0	117	117	0	99.9	99.9	100.0
Rhode Island—all offices	**288**	**278**	**10**	**201**	**191**	**103**	**0**	**88**	**10**	**0**	**87**	**87**	**0**	**96.5**	**95.0**	**100.0**
Banks	23	21	2	16	14	5	0	9	2	0	7	7	0	91.3	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	*20*	*18*	*2*	*13*	*11*	*5*	*0*	*6*	*2*	*0*	*7*	*7*	*0*	*90.0*	*84.6*	*100.0*
Branches	265	257	8	185	177	98	0	79	8	0	80	80	0	97.0	95.7	100.0
South Carolina—all offices	**593**	**593**	**0**	**593**	**593**	**283**	**14**	**296**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	94	94	0	94	94	19	5	70	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*33*	*33*	*0*	*33*	*33*	*4*	*2*	*27*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*61*	*61*	*0*	*61*	*61*	*15*	*3*	*43*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	499	499	0	499	499	264	9	226	0	0	0	0	0	100.0	100.0	0.0
South Dakota—all offices	**261**	**261**	**0**	**261**	**261**	**94**	**37**	**130**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	159	159	0	159	159	32	27	100	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*118*	*118*	*0*	*118*	*118*	*22*	*20*	*76*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*41*	*41*	*0*	*41*	*41*	*10*	*7*	*24*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	102	102	0	102	102	62	10	30	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, 1972–CONTINUED
GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
					Insured				Noninsured							
						Members F.R. System										
	Total	Insured	Noninsured	Total	Total	National[3]	State	Not members F.R. System	Banks of deposit[2]	Nondeposit trust companies	Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Tennessee–all offices	**908**	**904**	**4**	**908**	**904**	**389**	**55**	**460**	**3**	**1**	**0**	**0**	**0**	**99.7**	**99.7**	**0.0**
Banks	313	310	3	313	310	73	12	225	2	1	0	0	0	99.4	99.4	0.0
Unit banks	*144*	*142*	*2*	*144*	*142*	*14*	*5*	*123*	*1*	*1*	*0*	*0*	*0*	*99.3*	*99.3*	*0.0*
Banks operating branches	*169*	*168*	*1*	*169*	*168*	*59*	*7*	*102*	*1*	*0*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Branches	595	594	1	595	594	316	43	235	1	0	0	0	0	99.8	99.8	0.0
Texas–all offices	**1,333**	**1,326**	**7**	**1,333**	**1,326**	**559**	**51**	**716**	**7**	**0**	**0**	**0**	**0**	**99.5**	**99.5**	**0.0**
Banks	1,238	1,231	7	1,238	1,231	538	43	650	7	0	0	0	0	99.4	99.4	0.0
Unit banks	*1,150*	*1,143*	*7*	*1,150*	*1,143*	*519*	*36*	*588*	*7*	*0*	*0*	*0*	*0*	*99.4*	*99.4*	*0.0*
Banks operating branches	*88*	*88*	*0*	*88*	*88*	*19*	*7*	*62*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	95	95	0	95	95	21	8	66	0	0	0	0	0	100.0	100.0	0.0
Utah–all offices	**213**	**212**	**1**	**213**	**212**	**94**	**36**	**82**	**0**	**1**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	53	52	1	53	52	10	6	36	0	1	0	0	0	100.0	100.0	0.0
Unit banks	*32*	*31*	*1*	*32*	*31*	*6*	*3*	*22*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*21*	*21*	*0*	*21*	*21*	*4*	*3*	*14*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	160	160	0	160	160	84	30	46	0	0	0	0	0	100.0	100.0	0.0
Vermont–all offices	**150**	**149**	**1**	**139**	**138**	**63**	**0**	**75**	**0**	**1**	**11**	**11**	**0**	**100.0**	**100.0**	**100.0**
Banks	47	46	1	41	40	24	0	16	0	1	6	6	0	100.0	100.0	100.0
Unit banks	*18*	*17*	*1*	*15*	*14*	*11*	*0*	*3*	*0*	*1*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*29*	*29*	*0*	*26*	*26*	*13*	*0*	*13*	*0*	*0*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Branches	103	103	0	98	98	39	0	59	0	0	5	5	0	100.0	100.0	100.0
Virginia–all offices	**1,211**	**1,211**	**0**	**1,211**	**1,211**	**651**	**235**	**325**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	256	256	0	256	256	101	49	106	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*89*	*89*	*0*	*89*	*89*	*21*	*23*	*45*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*167*	*167*	*0*	*167*	*167*	*80*	*26*	*61*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	955	955	0	955	955	550	186	219	0	0	0	0	0	100.0	100.0	0.0
Washington–all offices	**778**	**775**	**3**	**701**	**698**	**499**	**44**	**155**	**2**	**1**	**77**	**77**	**0**	**99.7**	**99.7**	**100.0**
Banks	99	96	3	90	87	23	6	58	2	1	9	9	0	98.0	97.8	100.0
Unit banks	*44*	*41*	*3*	*42*	*39*	*6*	*2*	*31*	*2*	*1*	*2*	*2*	*0*	*95.3*	*95.1*	*100.0*
Banks operating branches	*55*	*55*	*0*	*48*	*48*	*17*	*4*	*27*	*0*	*0*	*7*	*7*	*0*	*100.0*	*100.0*	*100.0*
Branches[4]	679	679	0	611	611	476	38	97	0	0	68	68	0	100.0	100.0	100.0

West Virginia—all offices	**211**	**211**	**0**	**211**	**211**	**90**	**32**	**89**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	203	203	0	203	203	88	31	84	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*195*	*195*	*0*	*195*	*195*	*86*	*30*	*79*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*8*	*8*	*0*	*8*	*8*	*2*	*1*	*5*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	8	8	0	8	8	2	1	5	0	0	0	0	0	100.0	100.0	0.0
Wisconsin—all offices	**912**	**907**	**5**	**909**	**904**	**202**	**56**	**646**	**1**	**4**	**3**	**3**	**0**	**99.9**	**99.9**	**100.0**
Banks	616	611	5	613	608	127	37	444	1	4	3	3	0	99.8	99.8	100.0
Unit banks	*437*	*432*	*5*	*434*	*429*	*89*	*28*	*312*	*1*	*4*	*3*	*3*	*0*	*99.8*	*99.8*	*100.0*
Banks operating branches	*179*	*179*	*0*	*179*	*179*	*38*	*9*	*132*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	296	296	0	296	296	75	19	202	0	0	0	0	0	100.0	100.0	0.0
Wyoming—all offices	**73**	**73**	**0**	**73**	**73**	**43**	**13**	**17**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	71	71	0	71	71	42	13	16	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*69*	*69*	*0*	*69*	*69*	*41*	*13*	*15*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	2	2	0	2	2	1	0	1	0	0	0	0	0	100.0	100.0	0.0
Other Areas																
Trust Terr.—all offices[5]	**27**	**15**	**12**	**27**	**15**	**8**	**0**	**7**	**12**	**0**	**0**	**0**	**0**	**55.6**	**55.6**	**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[6]	26	14	12	26	14	8	0	6	12	0	0	0	0	53.8	53.8	0.0
Canal Zone—all offices	**2**	**0**	**2**	**2**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0.0**	**0.0**	**0.0**
Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Unit banks	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Banks operating branches	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0.0*	*0.0*	*0.0*
Branches[7]	2	0	2	2	0	0	0	0	2	0	0	0	0	0.0	0.0	0.0
Puerto Rico—all offices	**219**	**199**	**20**	**218**	**198**	**20**	**0**	**178**	**20**	**0**	**1**	**1**	**0**	**90.9**	**90.8**	**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[8]	204	189	15	204	189	19	0	170	15	0	0	0	0	92.6	92.6	0.0
Virgin Islands—all offices	**37**	**31**	**6**	**37**	**31**	**27**	**2**	**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[9]	29	29	0	29	29	26	2	1	0	0	0	0	0	100.0	100.0	0.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972–CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

[1]Nondeposit trust companies are excluded in computing these percentages.

[2]Includes 14 noninsured branches of insured banks: 12 branches in the Pacific Islands and 2 in the Canal Zone.

[3]Includes one national bank in Puerto Rico that is not a member of the Federal Reserve System.

[4]Massachusetts: 1 branch operated by a noninsured bank in New York.
New York: 16 branches operated by 3 insured banks in Puerto Rico (not members of F.R. System).
Oregon: 1 branch operated by a national bank in California.
Pennsylvania: 2 branches–1 operated by a noninsured bank in New York and 1 operated by a national bank in New Jersey.
Washington: 2 branches operated by a national bank in California.

[5]U.S. possessions: (American Samoa, Guam, Midway Islands, and Wake Island); Trust Territories (Kwajalein, Majuro, Palau Islands, Ponape Island, Saipan, and Truk).

[6]Pacific Islands: 26 branches.
American Samoa (Pago Pago): 1 insured branch–operated by an insured bank in Hawaii (not member of F.R. System).
Guam: 13 insured branches–operated by 2 insured banks in Hawaii (not members of F.R. System), a national bank in California, and a national bank in New York.
Caroline Islands: 4 noninsured branches–1 branch operated by a national bank in California, and 3 branches operated by 2 insured banks in Hawaii (not members of F.R. System).
Saipan Island: 3 noninsured branches–2 branches operated by a national bank in California, and 1 branch operated by an insured bank in Hawaii (not member of F.R. System).
Marshall Islands: 3 noninsured branches–1 branch operated by a national bank in California, and 2 branches operated by an insured bank in Hawaii (not member of F.R. System).
Midway Islands, on Sand Island: 1 noninsured branch operated by an insured bank in Hawaii (not member of F.R. System).
Wake Island: 1 noninsured branch operated by an insured bank in Hawaii (not member of F.R. System).

[7]Canal Zone: 2 noninsured branches operated by 2 national banks in New York.

[8]Puerto Rico: 19 insured branches operated by 2 national banks in New York.

[9]Virgin Islands: 20 insured branches operated by 2 national banks in New York, 1 national bank in California, and 1 State member bank in Pennsylvania.

Table 104. NUMBER AND DEPOSITS OF ALL COMMERCIAL AND MUTUAL SAVINGS BANKS, (STATES AND OTHER AREAS), DECEMBER 31, 1972
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	209	94	12	4	78	115	0	0
1 to 2 million	569	545	65	17	463	24	0	0
2 to 5 million	2,673	2,644	420	134	2,090	27	0	2
5 to 10 million	3,332	3,301	904	238	2,159	11	14	6
10 to 25 million	4,176	4,096	1,603	324	2,169	11	36	33
25 to 50 million	1,732	1,610	781	158	671	4	72	46
50 to 100 million	855	741	404	88	249	8	60	46
100 to 500 million	672	534	315	90	129	17	96	25
500 million to 1 billion	126	96	59	19	18	0	28	2
1 billion or more	92	72	51	20	1	0	20	0
Total	**14,436**	**13,733**	**4,614**	**1,092**	**8,027**	**217**	**326**	**160**
				(In thousands of dollars)				
Amount of deposits								
Less than 1 million	93,689	67,464	9,591	2,308	55,565	26,225	0	0
1 to 2 million	899,110	860,814	106,296	27,330	727,188	38,296	0	0
2 to 5 million	9,352,345	9,252,228	1,558,125	492,531	7,201,572	93,889	0	6,228
5 to 10 million	24,344,751	24,112,623	6,757,711	1,764,737	15,590,175	85,504	101,079	45,545
10 to 25 million	66,077,443	64,653,388	26,023,773	5,114,379	33,515,236	178,542	684,319	561,194
25 to 50 million	60,996,109	56,486,859	27,896,825	5,444,583	23,145,451	170,077	2,603,955	1,735,218
50 to 100 million	59,643,350	51,535,674	28,569,308	5,902,688	17,063,678	523,624	4,247,052	3,337,000
100 to 500 million	138,675,980	109,022,253	67,364,977	19,527,907	22,129,369	3,522,953	21,560,995	4,569,779
500 million to 1 billion	87,553,682	67,208,562	41,133,330	13,662,686	12,412,546	0	18,946,718	1,398,402
1 billion or more	266,135,577	233,707,702	161,359,244	71,246,941	1,101,517	0	32,427,875	0
Total	**713,772,036**	**616,907,567**	**360,779,180**	**123,186,090**	**132,942,297**	**4,639,110**	**80,571,993**	**11,653,366**

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972
BANKS GROUPED BY DEPOSIT SIZE AND STATE
(Amounts in thousands of dollars)

State	All banks	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total United States											
Banks	13,950	209	569	2,671	3,312	4,107	1,614	749	551	96	72
Total deposits	619,732,665	91,317	887,562	9,306,896	24,174,516	64,604,861	56,299,325	51,691,232	111,760,692	67,208,562	233,707,702
State											
Alabama											
Banks	277	1	7	37	89	109	15	9	9	1	0
Deposits	6,791,991	838	10,390	136,541	673,790	1,724,255	533,933	661,390	2,244,731	806,123	0
Alaska											
Banks	10	0	0	0	1	3	1	3	2	0	0
Deposits	741,538	0	0	0	5,064	54,642	29,864	187,143	464,825	0	0
Arizona											
Banks	22	7	1	3	1	1	1	1	4	1	2
Deposits	5,248,277	0	1,128	10,644	6,147	10,528	33,635	85,415	867,203	654,542	3,579,035
Arkansas											
Banks	253	4	11	50	70	79	25	9	5	0	0
Deposits	4,230,750	2,161	15,765	188,812	510,720	1,257,046	826,495	599,847	829,904	0	0
California											
Banks	165	10	1	6	17	49	33	18	19	4	8
Deposits	64,068,070	263	1,522	20,186	135,641	842,166	1,117,873	1,321,735	3,531,181	2,850,749	54,246,754
Colorado											
Banks	291	31	23	47	80	65	25	13	5	2	0
Deposits	6,029,819	13,844	30,507	165,190	577,334	1,031,643	915,705	828,971	1,146,272	1,320,353	0
Connecticut											
Banks	64	0	1	7	9	20	10	6	8	1	2
Deposits	6,449,095	0	1,780	21,429	68,492	308,931	320,809	377,587	2,171,036	584,667	2,594,364
Delaware											
Banks	19	1	0	5	3	4	2	0	3	1	0
Deposits	1,674,400	0	0	18,681	23,763	47,431	70,671	0	962,273	551,581	0

Washington D.C.											
Banks	14	0	0	0	0	1	5	2	4	2	0
Deposits	3,204,862	0	0	0	0	19,187	174,508	158,635	1,090,593	1,761,939	0
Florida											
Banks	581	4	10	42	103	193	128	70	30	1	0
Deposits	19,755,641	1,556	13,449	147,741	785,932	3,171,589	4,567,982	4,749,649	5,322,088	995,655	0
Georgia											
Banks	437	9	23	91	127	128	35	14	6	2	2
Deposits	9,929,051	5,192	36,047	318,327	928,147	1,947,262	1,134,010	896,564	918,152	1,183,658	2,561,692
Hawaii											
Banks	11	1	0	1	1	1	0	1	4	2	0
Deposits	2,131,349	0	0	2,618	6,552	14,532	0	97,857	540,406	1,469,384	0
Idaho											
Banks	24	0	0	3	7	8	2	0	2	2	0
Deposits	1,867,344	0	0	12,385	47,525	133,278	90,524	0	377,117	1,206,515	0
Illinois											
Banks	1,155	10	34	225	286	300	161	91	42	2	4
Deposits	45,644,201	3,078	56,910	775,992	2,090,258	4,831,067	5,639,965	6,127,450	7,452,174	1,417,502	17,249,805
Indiana											
Banks	408	2	4	50	80	158	65	25	21	1	2
Deposits	13,488,063	14	6,838	179,684	590,207	2,505,681	2,339,256	1,694,580	3,349,263	563,498	2,259,042
Iowa											
Banks	670	4	18	216	198	179	34	15	6	0	0
Deposits	8,387,488	1,048	29,922	778,982	1,422,213	2,736,016	1,221,034	995,648	1,202,625	0	0
Kansas											
Banks	607	14	60	208	153	128	32	5	7	0	0
Deposits	6,435,717	10,298	90,984	694,410	1,087,107	2,035,822	1,047,328	323,818	1,145,950	0	0
Kentucky											
Banks	341	4	14	67	92	118	24	14	6	2	0
Deposits	7,052,411	2,133	23,634	233,317	696,404	1,820,087	824,026	860,500	1,349,299	1,243,011	0
Louisiana											
Banks	238	1	7	23	51	94	33	10	17	2	0
Deposits	8,815,554	439	11,224	80,305	381,155	1,460,313	1,107,853	793,227	3,542,475	1,438,563	0
Maine											
Banks	47	2	5	3	6	16	8	2	5	0	0
Deposits	1,580,117	1,220	6,622	10,740	52,980	236,668	280,618	163,980	827,289	0	0
Maryland											
Banks	112	0	2	13	24	40	17	7	4	4	1
Deposits	6,847,964	0	2,839	50,587	173,851	639,400	615,394	414,061	847,326	2,879,088	1,225,418
Massachusetts											
Banks	155	0	2	6	21	56	26	25	15	1	3
Deposits	12,920,138	0	2,880	21,392	153,935	874,212	942,504	1,803,443	2,954,055	966,112	5,201,605

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972—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	332	2	1	19	74	112	56	36	23	5	4
Deposits	25,438,746	917	1,439	75,639	550,008	1,842,752	2,015,748	2,632,711	4,563,487	3,528,332	10,227,703
Minnesota											
Banks	737	3	33	261	201	170	48	11	7	1	2
Deposits	11,457,147	2,089	53,489	892,192	1,432,636	2,577,755	1,725,598	646,454	999,744	891,065	2,236,125
Mississippi											
Banks	181	0	6	21	40	77	27	4	5	1	0
Deposits	4,252,125	0	8,327	75,604	302,342	1,149,314	951,351	245,182	955,515	564,490	0
Missouri											
Banks	677	9	46	153	169	199	59	26	13	2	1
Deposits	13,975,959	4,019	73,353	521,942	1,199,297	3,069,506	2,016,927	1,801,544	2,738,141	1,509,083	1,042,147
Montana											
Banks	147	1	5	38	42	43	10	7	1	0	0
Deposits	2,157,335	0	8,068	132,388	314,357	663,059	405,715	508,433	125,315	0	0
Nebraska											
Banks	446	21	61	156	110	68	22	3	5	0	0
Deposits	4,658,067	12,518	91,731	497,118	794,231	993,102	752,744	186,430	1,330,193	0	0
Nevada											
Banks	8	0	0	0	0	1	1	1	4	1	0
Deposits	1,545,068	0	0	0	0	12,467	32,399	71,852	701,728	726,622	0
New Hampshire											
Banks	78	5	1	11	23	26	7	3	2	0	0
Deposits	1,308,081	2,572	1,238	38,877	166,808	411,113	237,850	206,193	243,430	0	0
New Jersey											
Banks	211	1	4	5	14	63	51	30	35	7	1
Deposits	19,299,144	0	6,488	18,182	98,776	1,068,178	1,847,160	2,077,231	8,288,468	4,860,080	1,034,581
New Mexico											
Banks	72	1	1	1	13	35	15	3	3	0	0
Deposits	2,200,622	0	1,741	2,172	91,754	515,307	526,862	178,298	884,488	0	0

New York											
Banks	305	4	4	24	45	66	47	41	52	8	14
Deposits	108,840,547	1,482	6,504	85,694	343,479	1,075,860	1,745,658	2,895,115	2,280,533	5,860,325	84,545,897
North Carolina											
Banks	87	0	2	8	22	23	11	7	9	2	3
Deposits	10,126,012	0	2,929	25,497	162,662	382,423	385,963	468,210	1,837,626	1,583,749	5,276,953
North Dakota											
Banks	170	2	6	52	63	30	10	6	1	0	0
Deposits	1,966,755	1,928	10,638	186,651	449,765	464,095	334,343	351,179	168,156	0	0
Ohio											
Banks	505	2	8	59	116	154	89	37	27	10	3
Deposits	26,691,070	1,430	12,966	218,720	840,518	2,503,612	3,127,543	2,609,897	5,125,227	6,898,911	5,352,246
Oklahoma											
Banks	441	9	31	125	108	112	42	6	5	3	0
Deposits	7,409,136	4,460	49,326	414,450	779,246	1,684,160	1,425,659	419,667	976,126	1,656,042	0
Oregon											
Banks	45	1	2	5	9	14	6	3	3	0	2
Deposits	5,200,223	706	2,432	19,809	72,465	233,929	206,764	174,009	436,563	0	4,053,546
Pennsylvania											
Banks	437	5	1	33	80	153	80	39	32	6	8
Deposits	35,806,695	269	1,979	121,976	615,344	2,492,064	2,794,843	2,772,608	6,805,340	4,202,181	16,000,091
Rhode Island											
Banks	16	1	1	0	4	3	1	4	0	1	1
Deposits	2,227,433	239	1,252	0	29,762	40,819	33,069	292,918	0	627,197	1,202,177
South Carolina											
Banks	94	0	3	18	29	24	11	1	7	1	0
Deposits	3,208,453	0	5,380	65,037	207,574	366,882	348,952	73,755	1,476,272	664,601	0
South Dakota											
Banks	159	0	12	64	42	24	11	2	4	0	0
Deposits	2,016,819	0	20,331	227,054	291,037	340,070	347,436	107,348	683,543	0	0
Tennessee											
Banks	313	3	14	59	70	101	41	14	6	4	1
Deposits	10,346,223	832	22,109	212,581	506,877	1,573,772	1,376,249	962,751	1,649,371	3,039,979	1,001,702
Texas											
Banks	1,238	17	69	230	290	395	132	59	38	4	4
Deposits	34,697,487	11,862	106,858	814,410	2,097,704	6,160,613	4,479,687	4,110,221	7,509,175	2,660,688	6,746,269
Utah											
Banks	53	1	5	4	15	17	4	1	5	1	0
Deposits	2,460,313	0	7,432	14,033	102,427	268,187	133,086	90,230	1,155,780	689,138	0
Vermont											
Banks	41	1	1	5	7	16	6	2	3	0	0
Deposits	1,128,509	0	1,678	20,323	49,749	252,341	201,381	150,085	452,952	0	0

Table 105. NUMBER AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972—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	256	4	8	26	52	89	41	18	14	3	1
Deposits	10,753,060	1,935	12,920	95,126	392,152	1,424,636	1,372,881	1,307,701	2,930,956	2,047,042	1,167,711
Washington											
Banks	90	4	2	25	17	23	6	5	4	2	2
Deposits	7,050,674	1,955	3,756	83,833	127,509	361,024	219,843	352,335	935,124	1,263,454	3,701,841
West Virginia											
Banks	203	0	2	24	61	74	30	9	3	0	0
Deposits	3,868,734	0	2,757	80,853	439,351	1,103,665	1,101,937	637,730	502,441	0	0
Wisconsin											
Banks	613	4	15	124	160	215	58	27	8	1	1
Deposits	12,103,146	20	24,396	439,207	1,170,884	3,381,882	1,974,547	1,933,777	1,438,769	538,666	1,200,998
Wyoming											
Banks	71	0	2	14	17	28	8	1	1	0	0
Deposits	1,108,675	0	3,604	44,984	128,585	448,935	275,463	97,183	109,921	0	0
Other Areas											
Guam											
Banks	1	0	0	1	0	0	0	0	0	0	0
Deposits	2,318	0	0	2,318	0	0	0	0	0	0	0
Puerto Rico											
Banks	14	0	0	2	0	1	2	3	4	2	0
Deposits	2,624,192	0	0	7,847	0	21,204	67,680	188,685	834,799	1,503,977	0
Virgin Islands											
Banks	8	3	0	1	0	1	0	0	3	0	0
Deposits	510,067	0	0	4,416	0	20,379	0	0	485,272	0	0

[1] Excludes data for branches in U.S. possessions and trust territories of banks headquartered in the United States and for 16 insured branches, in New York, of 3 insured nonmember banks in Puerto Rico. Includes nondeposit trust companies.

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 either 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 amount due to such branches are included in "Other liabilities." Branches of insured banks outside the 50 States are treated as separate entities but are not included in the count of banks. Data for such branches are not included in the figures for the States in which the parent banks are located.

Prior to 1969, securities held by commercial banks were reported net of valuation reserves; total loans were reported both gross (before deductions for reserves) and net, the latter included in "Total assets." Beginning in 1969, loans and securities are shown on a gross basis in "Total assets" of commercial banks. All reserves on loans and securities, including the reserves for bad debts set up pursuant to Internal Revenue Service rulings, are included in "Reserves on loans and securities" on the liability side of the balance sheet.

Individual loan items are reported gross. 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" includes trust funds deposited by a trust department in a commercial or savings department. Other assets held in trust are not included in statements of assets and liabilities.

Demand balances with, and demand deposits due to, banks in the United States, except private banks and American branches of foreign banks, exclude reciprocal interbank deposits. (Reciprocal interbank deposits arise when two banks maintain deposit accounts with each other.)

Asset and liability data for noninsured banks are tabulated from reports pertaining to the individual banks. In a few cases, these reports are not as detailed as those submitted by insured banks.

Additional data on assets and liabilities of all banks as of June 30, 1972 and December 31, 1972, 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 1971-1972 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.

Sources of data

Insured banks: see p. 261; 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, 1972
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State					
Total assets	**673,015,828**	**665,829,990**	**531,784,226**	**393,763,253**	**138,020,973**	**134,045,764**		**7,185,838**	**6,774,624**	**411,214**
Cash, reserves, balances with banks, and collection items—total	**100,094,937**	**98,627,096**	**86,521,061**	**60,272,758**	**26,248,303**	**12,106,035**		**1,467,841**	**1,385,993**	**81,848**
Currency and coin	6,844,769	6,813,417	5,103,552	3,879,659	1,223,893	1,709,865		31,352	28,568	2,784
Reserve with Federal Reserve banks (member banks)	27,123,791	27,123,791	27,123,791	19,975,855	7,147,936	0		0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	23,827,300	22,820,610	14,389,638	10,682,727	3,706,911	8,430,972		1,006,690	939,659	67,031
Other balances with banks in United States	2,198,219	2,052,205	1,446,891	1,116,649	330,242	605,314		146,014	134,013	12,001
Balances with banks in foreign countries	895,090	675,829	559,828	306,207	253,621	116,001		219,261	219,261	0
Cash items in process of collection	39,205,768	39,141,244	37,897,361	24,311,661	13,585,700	1,243,883		64,524	64,492	32
Securities—total	**172,517,847**	**171,227,971**	**127,664,162**	**96,815,920**	**30,848,242**	**43,563,809**		**1,289,876**	**1,090,128**	**199,748**
U.S. Treasury securities	60,626,678	60,259,281	43,718,597	33,268,595	10,450,002	16,540,684		367,397	319,148	48,249
Securities of other U.S. Government agencies and corps	19,678,551	19,460,905	12,366,712	9,621,728	2,744,984	7,094,193		217,646	211,404	6,242
Obligations of States and subdivisions	86,902,145	86,397,723	67,802,098	51,037,993	16,764,105	18,595,625		504,422	416,567	87,855
Other securities	5,310,473	5,110,062	3,776,755	2,887,604	889,151	1,333,307		200,411	143,009	57,402
Investment securities—total	169,167,150	167,903,400	124,386,565	94,553,960	29,832,605	43,516,835		1,263,750	1,086,272	177,478
U.S. Treasury securities	*59,050,223*	*58,708,952*	*42,176,557*	*32,209,440*	*9,967,117*	*16,532,395*		*341,271*	*315,292*	*25,979*
Securities of other U.S. Government agencies and corps	*19,301,865*	*19,084,219*	*11,995,555*	*9,335,343*	*2,660,212*	*7,088,664*		*217,646*	*211,404*	*6,242*
Obligations of States and subdivisions	*85,605,016*	*85,100,594*	*66,536,234*	*50,218,812*	*16,317,422*	*18,564,360*		*504,422*	*416,567*	*87,855*
Other securities	*5,210,046*	*5,009,635*	*3,678,219*	*2,790,365*	*887,854*	*1,331,416*		*200,411*	*143,009*	*57,402*
Trading account securities—total	3,350,697	3,324,571	3,277,597	2,261,960	1,015,637	46,974		26,126	3,856	22,270
U.S. Treasury securities	*1,576,455*	*1,550,329*	*1,542,040*	*1,059,155*	*482,885*	*8,289*		*26,126*	*3,856*	*22,270*
Securities of other U.S. Government agencies and corps	*376,686*	*376,686*	*371,157*	*286,385*	*84,772*	*5,529*		*0*	*0*	*0*
Obligations of States and subdivisions	*1,297,129*	*1,297,129*	*1,265,864*	*819,181*	*446,683*	*31,265*		*0*	*0*	*0*
Other securities	*100,427*	*100,427*	*98,536*	*97,239*	*1,297*	*1,891*		*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	**20,639,789**	**19,610,293**	**15,563,135**	**12,756,732**	**2,806,403**	**4,047,158**		**1,029,496**	**1,025,246**	**4,250**
With domestic commercial banks	19,237,911	18,208,494	14,199,418	11,465,059	2,734,359	4,009,076		1,029,417	1,025,167	4,250
With brokers and dealers in securities	978,462	978,383	968,550	917,816	50,734	9,833		79	79	0
With others	423,416	423,416	395,167	373,857	21,310	28,249		0	0	0

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1972—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State				
Other loans and discounts—total	**353,941,798**	**351,317,112**	**280,737,050**	**208,496,617**	**72,240,433**	**70,580,062**	**2,624,686**	**2,588,424**	**36,262**
Real estate loans—total	90,121,410	89,893,801	66,894,148	51,026,217	15,867,931	22,999,653	227,609	213,440	14,169
Secured by farmland	*4,548,398*	*4,516,484*	*2,129,866*	*1,684,365*	*445,501*	*2,386,618*	*31,914*	*31,354*	*560*
Secured by residential properties:									
Secured by 1- to 4-family residential properties:									
Insured by Federal Housing Administration	*7,454,597*	*7,419,654*	*6,412,048*	*5,300,692*	*1,111,356*	*1,007,606*	*34,943*	*34,135*	*808*
Guaranteed by Veterans Administration	*3,140,607*	*3,121,691*	*2,703,737*	*2,203,291*	*500,446*	*417,954*	*18,916*	*18,675*	*241*
Not insured or guaranteed by FHA or VA	*41,193,463*	*41,096,896*	*30,035,418*	*23,502,230*	*6,533,188*	*11,061,478*	*96,567*	*89,615*	*6,952*
Secured by multifamily (5 or more) residential properties:									
Insured by Federal Housing Administration	*1,022,343*	*1,022,025*	*922,207*	*572,678*	*349,529*	*99,818*	*318*	*318*	*0*
Not insured by FHA	*3,970,340*	*3,953,487*	*3,190,966*	*2,036,252*	*1,154,714*	*762,521*	*16,853*	*16,853*	*0*
Secured by other properties	*28,791,662*	*28,763,564*	*21,499,906*	*15,726,709*	*5,773,197*	*7,263,658*	*28,098*	*22,490*	*5,608*
Loans to domestic commercial and foreign banks	5,056,129	4,762,076	4,520,815	2,922,535	1,598,280	241,261	294,053	294,053	0
Loans to other financial institutions	18,489,745	18,392,755	17,146,568	11,741,642	5,404,926	1,246,187	96,990	96,890	100
Loans to brokers and dealers in securities	8,613,195	8,496,484	8,259,772	4,108,370	4,151,402	236,712	116,711	116,236	475
Other loans for purchasing or carrying securities	4,014,969	4,001,098	3,477,191	2,472,297	1,004,894	523,907	13,871	9,325	4,546
Loans to farmers (excluding loans on real estate)	13,625,908	13,606,655	7,932,533	6,725,846	1,206,687	5,674,122	19,253	18,919	334
Commercial and industrial loans (incl. open market paper)	124,323,880	122,958,570	104,887,774	77,230,328	27,657,446	18,070,796	1,365,310	1,360,354	4,956
Other loans to individuals—total	80,916,934	80,543,649	59,764,976	46,653,358	13,111,618	20,778,673	373,285	370,555	2,730
Passenger automobile instalment loans	*27,217,470*	*27,025,378*	*18,892,990*	*15,331,024*	*3,561,966*	*8,132,388*	*192,092*	*190,821*	*1,271*
Credit cards and related plans:									
Retail (charge account) credit card plans	*4,598,068*	*4,598,031*	*4,149,620*	*3,312,969*	*836,651*	*448,411*	*37*	*37*	*0*
Check credit and revolving credit plans	*1,580,580*	*1,580,580*	*1,385,616*	*858,988*	*526,628*	*194,964*	*0*	*0*	*0*
Other retail consumer instalment loans:									
Mobile homes, not including travel trailers	*5,468,119*	*5,465,029*	*3,974,850*	*3,323,060*	*651,790*	*1,490,179*	*3,090*	*3,090*	*0*
Other retail consumer goods	*4,927,060*	*4,909,785*	*3,311,855*	*2,740,333*	*571,522*	*1,597,930*	*17,275*	*17,044*	*231*
Residential repair and modernization instalment loans	*4,149,463*	*4,141,840*	*3,139,995*	*2,406,730*	*733,265*	*1,001,845*	*7,623*	*7,484*	*139*
Other instalment loans for personal expenditures	*12,243,221*	*12,142,599*	*8,708,470*	*6,756,071*	*1,952,399*	*3,434,129*	*100,622*	*100,314*	*308*
Single-payment loans for personal expenditures	*20,732,953*	*20,680,407*	*16,201,580*	*11,924,183*	*4,277,397*	*4,478,827*	*52,546*	*51,765*	*781*
All other loans (including overdrafts)	8,779,628	8,662,024	7,853,273	5,616,024	2,237,249	808,751	117,604	108,652	8,952
Total loans and securities	**547,099,434**	**542,155,376**	**423,964,347**	**318,069,269**	**105,895,078**	**118,191,029**	**4,944,058**	**4,703,798**	**240,260**
Bank premises, furniture and fixtures, and other assets representing bank premises	10,972,600	10,920,414	8,704,860	6,821,168	1,883,692	2,215,554	52,186	38,080	14,106
Real estate owned other than bank premises	397,071	384,716	256,982	165,845	91,137	127,734	12,355	3,677	8,678
Investments in subsidiaries not consolidated	885,005	879,518	867,685	641,739	225,946	11,833	5,487	5,437	50
Customers' liability on acceptances outstanding	3,798,145	3,693,873	3,512,447	2,081,421	1,431,026	181,426	104,272	104,272	0
Other assets	9,768,636	9,168,997	7,956,844	5,711,053	2,245,791	1,212,153	599,639	533,367	66,272

Total liabilities, reserves, and capital accounts	**673,015,828**	**665,829,990**	**531,784,226**	**393,763,253**	**138,020,973**	**134,045,764**	**7,185,838**	**6,774,624**	**411,214**
Business and personal deposits—total	**457,448,868**	**454,759,519**	**351,958,392**	**265,720,404**	**86,237,988**	**102,801,127**	**2,689,349**	**2,657,009**	**32,340**
Individuals, partnerships, and corporations—demand	190,520,390	189,738,272	149,793,099	111,806,783	37,986,316	39,945,173	782,118	750,634	31,484
Individuals, partnerships, and corporations—time	256,201,862	254,782,565	193,285,831	147,646,295	45,639,536	61,496,734	1,419,297	1,418,533	764
Savings deposits	*119,923,634*	*119,548,839*	*91,224,175*	*70,626,007*	*20,598,168*	*28,324,664*	*374,795*	*374,519*	*276*
Deposits accumulated for payment of personal loans	*609,525*	*592,040*	*418,836*	*339,853*	*78,983*	*173,204*	*17,485*	*17,485*	*0*
Other deposits of individuals, partnerships, and corps	*135,668,703*	*134,641,686*	*101,642,820*	*76,680,435*	*24,962,385*	*32,998,866*	*1,027,017*	*1,026,529*	*488*
Certified and officers' checks, letters of credit, travelers' checks, etc.	10,726,616	10,238,682	8,879,462	6,267,326	2,612,136	1,359,220	487,934	487,842	92
Government deposits—total	**60,847,821**	**60,586,686**	**47,063,579**	**36,622,851**	**10,440,728**	**13,523,107**	**261,135**	**259,856**	**1,279**
United States Government—demand	9,108,072	9,078,736	7,635,833	5,700,476	1,935,357	1,442,903	29,336	28,057	1,279
United States Government—time	493,295	492,258	387,322	329,821	57,501	104,936	1,037	1,037	0
States and subdivisions—demand	17,904,540	17,770,181	13,242,762	10,351,605	2,891,157	4,527,419	134,359	134,359	0
States and subdivisions—time	33,341,914	33,245,511	25,797,662	20,240,949	5,556,713	7,447,849	96,403	96,403	0
Domestic interbank deposits—total	**28,673,541**	**28,350,944**	**27,000,367**	**16,052,381**	**10,947,986**	**1,350,577**	**322,597**	**322,009**	**588**
Commercial banks in the United States—demand	24,350,930	24,273,390	23,370,125	13,736,914	9,633,211	903,265	77,540	77,540	0
Commercial banks in the United States—time	2,656,373	2,543,260	2,179,624	1,499,319	680,305	363,636	113,113	113,113	0
Mutual savings banks in the United States—demand	1,230,264	1,115,843	1,035,602	505,253	530,349	80,241	114,421	113,833	588
Mutual savings banks in the United States—time	435,974	418,451	415,016	310,895	104,121	3,435	17,523	17,523	0
Foreign government and bank deposits—total	**10,234,654**	**9,584,880**	**9,314,278**	**5,236,227**	**4,078,051**	**270,602**	**649,774**	**647,996**	**1,778**
Foreign governments, central banks, etc.—demand	1,086,075	961,098	931,213	456,271	474,942	29,885	124,977	124,685	292
Foreign governments, central banks, etc.—time	5,670,948	5,357,395	5,279,255	3,202,040	2,077,215	78,140	313,553	312,067	1,486
Banks in foreign countries—demand	3,262,667	3,066,115	2,947,594	1,516,092	1,431,502	118,521	196,552	196,552	0
Banks in foreign countries—time	214,964	200,272	156,216	61,824	94,392	44,056	14,692	14,692	0
Total deposits	**557,204,884**	**553,282,029**	**435,336,616**	**323,631,863**	**111,704,753**	**117,945,413**	**3,922,855**	**3,886,870**	**35,985**
Demand	*258,189,554*	*256,242,317*	*207,835,690*	*150,340,720*	*57,494,970*	*48,406,627*	*1,947,237*	*1,913,502*	*33,735*
Time	*299,015,330*	*297,039,712*	*227,500,926*	*173,291,143*	*54,209,783*	*69,538,786*	*1,975,618*	*1,973,368*	*2,250*
Miscellaneous liabilities—total	**58,856,587**	**56,186,809**	**51,629,985**	**37,446,291**	**14,183,694**	**4,556,824**	**2,669,778**	**2,486,769**	**183,009**
Federal funds purchased (borrowed) and securities sold under agreements to repurchase	30,762,850	30,626,507	29,721,192	21,540,109	8,181,083	905,315	136,343	136,343	0
Other liabilities for borrowed money	2,566,375	2,243,517	2,043,256	1,288,158	755,098	200,261	322,858	315,806	7,052
Mortgage indebtedness	748,324	746,210	577,792	443,585	134,207	168,418	2,114	2,029	85
Acceptances outstanding	3,982,290	3,825,197	3,641,597	2,149,536	1,492,061	183,600	157,093	157,093	0
Other liabilities	20,796,748	18,745,378	15,646,148	12,024,903	3,621,245	3,099,230	2,051,370	1,875,498	175,872
Total liabilities	**616,061,471**	**609,468,838**	**486,966,601**	**361,078,154**	**125,888,447**	**122,502,237**	**6,592,633**	**6,373,639**	**218,994**
Minority interest in consolidated subsidiaries	**5,962**	**5,295**	**2,515**	**2,496**	**19**	**2,780**	**667**	**0**	**667**
Reserves on loans and securities—total	**6,566,048**	**6,545,767**	**5,449,522**	**3,961,826**	**1,487,696**	**1,096,245**	**20,281**	**20,153**	**128**
Reserve for bad debt losses on loans	6,262,470	6,252,955	5,260,147	3,831,539	1,428,608	992,808	9,515	9,417	98
Other reserves on loans	122,328	114,011	65,364	47,959	17,405	48,647	8,317	8,317	0
Reserves on securities	181,250	178,801	124,011	82,328	41,683	54,790	2,449	2,419	30

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1972—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State				
Capital accounts—total	**50,382,347**	**49,810,090**	**39,365,588**	**28,720,777**	**10,644,811**	**10,444,502**	**572,257**	**380,832**	**191,425**
Capital notes and debentures	3,702,334	3,590,492	3,104,583	1,902,092	1,202,491	485,909	111,842	111,122	720
Equity capital—total	46,680,013	46,219,598	36,261,005	26,818,685	9,442,320	9,958,593	460,415	269,710	190,705
Preferred stock	*73,946*	*69,198*	*53,071*	*42,691*	*10,380*	*16,127*	*4,748*	*4,598*	*150*
Common stock	*12,507,174*	*12,397,960*	*9,618,736*	*7,152,742*	*2,465,994*	*2,779,224*	*109,214*	*65,246*	*43,968*
Surplus	*20,800,949*	*20,674,871*	*16,514,494*	*12,171,665*	*4,342,829*	*4,160,377*	*126,078*	*95,324*	*30,754*
Undivided profits	*12,407,868*	*12,244,647*	*9,439,397*	*6,989,137*	*2,450,260*	*2,805,250*	*163,221*	*71,226*	*91,995*
Reserve for contingencies and other capital reserves	*890,076*	*832,922*	*635,307*	*462,450*	*172,857*	*197,615*	*57,154*	*33,316*	*23,838*
PERCENTAGES									
Of total assets:									
Cash and balances with other banks	14.9%	14.8%	16.3%	15.3%	19.0%	9.0%	20.4%	20.5%	19.9%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	11.6	11.7	10.2	10.6	9.1	17.6	7.8	7.8	7.8
Other securities	14.0	14.0	13.8	14.0	13.2	14.9	10.2	8.3	40.7
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	55.7	55.7	55.7	56.2	54.4	55.7	50.9	53.3	9.9
Other assets	3.8	3.8	4.0	3.9	4.3	2.8	10.8	10.1	21.7
Total capital accounts[4]	7.5	7.5	7.4	7.3	7.7	7.8	15.9[5]	11.7[5]	46.6
Of total assets other than cash and U.S. Treasury securities:									
Total capital accounts[4]	9.9	9.8	9.8	9.5	10.5	9.9	20.5[5]	15.1[5]	63.1
Number of banks	13,896	13,679	5,715	4,607	1,108	7,964	217	154	63

[1] Excludes 2 national banks, located in the Virgin Islands and Puerto Rico.

[2] Includes asset and liability figures for 15 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to these branches by the parent banks.

[3] Amounts shown as deposits are special accounts and uninvested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations.

[4] 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.

[5] 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. 237-238.

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State				
Total assets	**746,130,988**	**737,699,385**	**587,644,243**	**436,947,540**	**150,696,703**	**150,055,142**	**8,431,603**	**8,003,565**	**428,038**
Cash, reserves, balances with banks, and collection items—total	**113,822,289**	**111,844,113**	**96,652,401**	**67,476,035**	**29,176,366**	**15,191,712**	**1,978,176**	**1,892,187**	**85,989**
Currency and coin	8,737,745	8,703,008	6,598,463	5,040,783	1,557,680	2,104,545	34,737	30,587	4,150
Reserve with Federal Reserve banks (member banks)	26,074,890	26,074,890	26,074,890	19,022,279	7,052,611	0	0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	29,315,260	28,156,064	17,375,433	12,371,283	5,004,150	10,780,631	1,159,196	1,096,419	62,777
Other balances with banks in United States	3,151,906	2,783,379	2,040,639	1,590,022	450,617	742,740	368,527	349,565	18,962
Balances with banks in foreign countries	1,046,272	739,928	602,844	364,776	238,068	137,084	306,344	306,261	83
Cash items in process of collection	45,496,216	45,386,844	43,960,132	29,086,892	14,873,240	1,426,712	109,372	109,355	17
Securities—total	**185,198,163**	**183,760,796**	**136,279,979**	**103,742,075**	**32,537,904**	**47,480,817**	**1,437,367**	**1,238,960**	**198,407**
U.S. Treasury securities	67,741,747	67,299,314	48,730,072	37,200,256	11,529,816	18,569,242	442,433	394,131	48,302
Securities of other U.S. Government agencies and *corps*	21,848,351	21,613,301	13,734,500	10,665,833	3,068,667	7,878,801	235,050	230,938	4,112
Obligations of States and subdivisions	89,801,221	89,294,121	69,664,950	52,721,402	16,943,548	19,629,171	507,100	418,830	88,270
Other securities	5,806,844	5,554,060	4,150,457	3,154,584	995,873	1,403,603	252,784	195,061	57,723
Investment securities—total	180,044,563	178,632,700	131,207,745	100,219,980	30,987,765	47,424,955	1,411,863	1,235,726	176,137
U.S. Treasury securities—total	*65,126,644*	*64,709,715*	*46,155,300*	*35,298,073*	*10,857,227*	*18,554,415*	*416,929*	*390,897*	*26,032*
Securities of other U.S. Government agencies and corps	*21,391,728*	*21,156,678*	*13,285,231*	*10,296,794*	*2,988,437*	*7,871,447*	*235,050*	*230,938*	*4,112*
Obligations of States and subdivisions	*87,925,638*	*87,418,538*	*67,822,988*	*51,675,677*	*16,147,311*	*19,595,550*	*507,100*	*418,830*	*88,270*
Other securities	*5,600,553*	*5,347,769*	*3,944,226*	*2,949,436*	*994,790*	*1,403,543*	*252,784*	*195,061*	*57,723*
Trading account securities—total	5,153,600	5,128,096	5,072,234	3,522,095	1,550,139	55,862	25,504	3,234	22,270
U.S. Treasury securities	*2,615,103*	*2,589,599*	*2,574,772*	*1,902,183*	*672,589*	*14,827*	*25,504*	*3,234*	*22,270*
Securities of other U.S. Government agencies and corps.	*456,623*	*456,623*	*449,269*	*369,039*	*80,230*	*7,354*	*0*	*0*	*0*
Obligations of States and subdivisions	*1,875,583*	*1,875,583*	*1,841,962*	*1,045,725*	*796,237*	*33,621*	*0*	*0*	*0*
Other securities	*206,291*	*206,291*	*206,231*	*205,148*	*1,083*	*60*	*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	**26,713,182**	**25,634,862**	**19,961,197**	**16,671,590**	**3,289,607**	**5,673,665**	**1,078,320**	**1,077,020**	**1,300**
With domestic commercial banks	24,455,049	23,376,729	17,755,202	14,608,413	3,146,789	5,621,527	1,078,320	1,077,020	1,300
With brokers and dealers in securities	1,774,483	1,774,483	1,749,475	1,643,306	106,169	25,008	0	0	0
With others	483,650	483,650	456,520	419,871	36,649	27,130	0	0	0

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972—CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State				
Other loans and discounts—total	**392,107,842**	**388,902,133**	**311,262,106**	**231,663,173**	**79,598,933**	**77,640,027**	**3,205,709**	**3,164,867**	**40,842**
Real estate loans—total	99,313,615	99,086,276	73,530,147	56,455,009	17,075,138	25,556,129	227,339	210,570	16,769
Secured by farmland	*4,780,743*	*4,752,270*	*2,208,002*	*1,760,897*	*447,105*	*2,544,268*	*28,473*	*27,785*	*688*
Secured by residential properties:									
Secured by 1- to 4-family residential properties:									
Insured by Federal Housing Administration	*7,269,175*	*7,236,346*	*6,264,575*	*5,186,950*	*1,077,625*	*971,771*	*32,829*	*31,975*	*854*
Guaranteed by Veterans Administration	*3,203,044*	*3,181,876*	*2,746,444*	*2,242,281*	*504,163*	*435,432*	*21,168*	*20,906*	*262*
Not insured or guaranteed by FHA or VA	*46,531,661*	*46,425,199*	*33,842,196*	*26,546,256*	*7,295,940*	*12,583,003*	*106,462*	*97,285*	*9,177*
Secured by multifamily (5 or more) residential properties:									
Insured by Federal Housing Administration	*1,226,082*	*1,225,769*	*1,087,589*	*671,491*	*416,098*	*138,180*	*313*	*313*	*0*
Not insured by FHA	*4,552,073*	*4,550,113*	*3,725,409*	*2,517,930*	*1,207,479*	*824,704*	*1,960*	*1,960*	*0*
Secured by other properties	*31,750,837*	*31,714,703*	*23,655,932*	*17,529,204*	*6,126,728*	*8,058,771*	*36,134*	*30,346*	*5,788*
Loans to domestic commercial and foreign banks	6,716,200	6,119,843	5,782,755	3,731,379	2,051,376	337,088	596,357	596,345	12
Loans to other financial institutions	23,538,096	23,407,695	22,067,996	15,352,284	6,715,712	1,339,699	130,401	130,301	100
Loans to brokers and dealers in securities	11,316,610	11,165,572	10,862,696	5,603,808	5,258,888	302,876	151,038	150,463	575
Other loans for purchasing or carrying securities	4,506,447	4,467,145	3,869,573	2,822,561	1,047,012	597,572	39,302	35,073	4,229
Loans to farmers (excluding loans on real estate)	14,330,309	14,302,106	8,504,415	7,273,932	1,230,483	5,797,691	28,203	27,847	356
Commercial and industrial loans (incl. open market paper)	134,060,287	132,497,555	112,663,821	83,000,644	29,663,177	19,833,734	1,562,732	1,556,303	6,429
Other loans to individuals—total	88,009,657	87,629,904	64,686,962	50,655,285	14,031,677	22,942,942	379,753	376,894	2,859
Passenger automobile instalment loans	*29,267,361*	*29,084,924*	*20,220,973*	*16,496,821*	*3,724,152*	*8,863,951*	*182,437*	*181,106*	*1,331*
Credit cards and related plans:									
Retail (charge account) credit card plans	*5,444,011*	*5,443,349*	*4,902,887*	*3,936,719*	*966,168*	*540,462*	*662*	*662*	*0*
Check credit and revolving credit plans	*1,780,153*	*1,780,153*	*1,550,073*	*958,077*	*591,996*	*230,080*	*0*	*0*	*0*
Other retail consumer instalment loans:									
Mobile homes, not including travel trailers	*6,438,542*	*6,436,145*	*4,656,615*	*3,919,000*	*737,615*	*1,779,530*	*2,397*	*2,397*	*0*
Other retail consumer goods	*5,186,628*	*5,170,118*	*3,447,984*	*2,871,817*	*576,167*	*1,722,134*	*16,510*	*16,266*	*244*
Residential repair and modernization instalment loans	*4,334,848*	*4,326,916*	*3,257,349*	*2,500,551*	*756,798*	*1,069,567*	*7,932*	*7,784*	*148*
Other instalment loans for personal expenditures	*13,007,398*	*12,903,659*	*9,167,167*	*7,127,303*	*2,039,864*	*3,736,492*	*103,739*	*103,404*	*335*
Single-payment loans for personal expenditures	*22,550,716*	*22,484,640*	*17,483,914*	*12,844,997*	*4,638,917*	*5,000,726*	*66,076*	*65,275*	*801*
All other loans (including overdrafts)	10,316,621	10,226,037	9,293,741	6,768,271	2,525,470	932,296	90,584	81,071	9,513
Total loans and securities	**604,019,187**	**598,297,791**	**467,503,282**	**352,076,838**	**115,426,444**	**130,794,509**	**5,721,396**	**5,480,847**	**240,549**

Bank premises, furniture and fixtures, and other assets representing bank premises	11,588,324	11,524,646	9,110,791	7,184,972	1,925,819	2,413,855	63,678	40,119	23,559
Real estate owned other than bank premises	381,794	369,193	242,237	161,238	80,999	126,956	12,601	3,668	8,933
Investments in subsidiaries not consolidated	1,083,554	1,077,700	1,067,449	816,002	251,447	10,251	5,854	5,804	50
Customers' liability on acceptances outstanding	3,574,918	3,471,203	3,315,724	2,009,009	1,306,715	155,479	103,715	103,715	0
Other assets	11,660,922	11,114,739	9,752,359	7,223,446	2,528,913	1,362,380	546,183	477,225	68,958
Total liabilities, reserves, and capital accounts	**746,130,988**	**737,699,385**	**587,644,243**	**436,947,540**	**150,696,703**	**150,055,142**	**8,431,603**	**8,003,565**	**428,038**
Business and personal deposits—total	**507,362,673**	**504,283,757**	**389,365,583**	**294,470,207**	**94,895,376**	**114,918,174**	**3,078,916**	**3,047,277**	**31,639**
Individuals, partnerships, and corporations—demand	222,090,703	221,204,645	174,313,188	130,257,288	44,055,900	46,891,457	886,058	854,927	31,131
Individuals, partnerships, and corporations—time	273,504,477	271,826,567	205,532,694	158,204,468	47,328,226	66,293,873	1,677,910	1,677,579	331
Savings deposits	*124,549,854*	*124,188,716*	*93,706,975*	*73,060,520*	*20,646,455*	*30,481,741*	*361,138*	*361,138*	*0*
Deposits accumulated for payment of personal loans	*559,443*	*554,001*	*381,828*	*311,029*	*70,799*	*172,173*	*5,442*	*5,429*	*13*
Other deposits of individuals, partnerships, and corps	*148,395,180*	*147,083,850*	*111,443,891*	*84,832,919*	*26,610,972*	*35,639,959*	*1,311,330*	*1,311,012*	*318*
Certified and officers' checks, letters of credit, travelers' checks, etc.	11,767,493	11,252,545	9,519,701	6,008,451	3,511,250	1,732,844	514,948	514,771	177
Government deposits—total	**67,858,690**	**67,554,342**	**51,753,480**	**40,639,411**	**11,114,069**	**15,800,862**	**304,348**	**303,670**	**678**
United States Government—demand	11,003,498	10,939,672	9,029,949	6,651,988	2,377,961	1,909,723	63,826	63,149	677
United States Government—time	615,035	614,035	473,748	420,988	52,760	140,287	1,000	1,000	0
States and subdivisions—demand	18,822,564	18,672,774	13,583,899	10,615,396	2,968,503	5,088,875	149,790	149,790	0
States and subdivisions—time	37,417,593	37,327,861	28,665,884	22,951,039	5,714,845	8,661,977	89,732	89,731	1
Domestic interbank deposits—total	**34,027,063**	**33,677,534**	**31,862,266**	**19,395,594**	**12,466,672**	**1,815,268**	**349,529**	**349,529**	**0**
Commercial banks in the United States—demand	28,652,767	28,569,727	27,421,082	16,828,924	10,592,158	1,148,645	83,040	83,040	0
Commercial banks in the United States—time	3,639,830	3,548,503	2,976,724	1,841,427	1,135,297	571,779	91,327	91,327	0
Mutual savings banks in the United States—demand	1,367,443	1,205,688	1,125,140	527,874	597,266	80,548	161,755	161,755	0
Mutual savings banks in the United States—time	367,023	353,616	339,320	197,369	141,951	14,296	13,407	13,407	0
Foreign government and bank deposits—total	**12,298,251**	**11,391,934**	**10,983,941**	**6,273,968**	**4,709,973**	**407,993**	**906,317**	**904,005**	**2,312**
Foreign governments, central banks, etc.—demand	1,018,730	908,731	883,438	402,358	481,080	25,293	109,999	109,684	315
Foreign governments, central banks, etc.—time	7,060,213	6,517,493	6,414,053	3,987,081	2,426,972	103,440	542,720	540,723	1,997
Banks in foreign countries—demand	3,885,083	3,637,309	3,437,454	1,764,430	1,673,024	199,855	247,774	247,774	0
Banks in foreign countries—time	334,225	328,401	248,996	120,099	128,897	79,405	5,824	5,824	0
Total deposits	**621,546,677**	**616,907,567**	**483,965,270**	**360,779,180**	**123,186,090**	**132,942,297**	**4,639,110**	**4,604,481**	**34,629**
Demand	*298,608,281*	*296,391,091*	*239,313,851*	*173,056,709*	*66,257,142*	*57,077,240*	*2,217,190*	*2,184,890*	*32,300*
Time	*322,938,396*	*320,516,476*	*244,651,419*	*187,722,471*	*56,928,948*	*75,865,057*	*2,421,920*	*2,419,591*	*2,329*
Miscellaneous liabilities—total	**64,710,773**	**61,509,222**	**56,719,445**	**41,634,312**	**15,085,133**	**4,789,777**	**3,201,551**	**3,003,003**	**198,548**
Federal funds purchased (borrowed) and securities sold under agreements to repurchase	33,897,364	33,731,069	32,687,574	24,348,701	8,338,873	1,043,495	166,295	166,295	0
Other liabilities for borrowed money	4,388,888	3,919,796	3,682,386	2,370,204	1,312,182	237,410	469,092	461,449	7,643
Mortgage indebtedness	1,164,179	1,160,675	987,062	448,725	538,337	173,613	3,504	1,898	1,606
Acceptances outstanding	3,689,705	3,570,900	3,414,822	2,064,644	1,350,178	156,078	118,805	118,805	0
Other liabilities	21,570,637	19,126,782	15,947,601	12,402,038	3,545,563	3,179,181	2,443,855	2,254,556	189,299
Total liabilities	**686,257,450**	**678,416,789**	**540,684,715**	**402,413,492**	**138,271,223**	**137,732,074**	**7,840,661**	**7,607,484**	**233,177**
Minority interest in consolidated subsidiaries	**6,261**	**5,594**	**2,738**	**2,711**	**27**	**2,856**	**667**	**0**	**667**

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31,1972—CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit[2]	Nondeposit trust companies[3]
			Total	National[1]	State				
Reserves on loans and securities—total	**6,929,227**	**6,909,306**	**5,718,425**	**4,179,359**	**1,539,066**	**1,190,881**	**19,921**	**19,711**	**210**
Reserve for bad debt losses on loans	6,639,433	6,623,801	5,535,380	4,053,516	1,481,864	1,088,421	15,632	15,472	160
Other reserves on loans	114,068	112,167	61,606	47,405	14,201	50,561	1,901	1,881	20
Reserves on securities	175,726	173,338	121,439	78,438	43,001	51,899	2,388	2,358	30
Capital accounts—total	**52,938,050**	**52,367,696**	**41,238,365**	**30,351,978**	**10,886,387**	**11,129,331**	**570,354**	**376,370**	**193,984**
Capital notes and debentures	4,211,511	4,092,820	3,510,938	2,243,330	1,267,608	581,882	118,691	117,947	744
Equity capital—total	48,726,539	48,274,876	37,727,427	28,108,648	9,618,779	10,547,449	451,663	258,423	193,240
Preferred stock	*73,672*	*68,924*	*52,287*	*41,907*	*10,380*	*16,637*	*4,748*	*4,598*	*150*
Common stock	*12,944,452*	*12,853,653*	*9,926,726*	*7,458,175*	*2,468,551*	*2,926,927*	*90,799*	*46,400*	*44,399*
Surplus	*21,657,135*	*21,528,422*	*17,016,437*	*12,603,104*	*4,413,333*	*4,511,985*	*128,713*	*98,592*	*30,121*
Undivided profits	*13,180,435*	*13,012,232*	*10,118,609*	*7,523,966*	*2,594,643*	*2,893,623*	*168,203*	*73,513*	*94,690*
Reserve for contingencies and other capital reserves	*870,845*	*811,645*	*613,368*	*481,496*	*131,872*	*198,277*	*59,200*	*35,320*	*23,880*
PERCENTAGES									
Of total assets:									
Cash and balances with other banks	15.3%	15.2%	16.4%	15.4%	19.4%	10.1%	23.5%	23.6%	20.1%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	11.6	11.6	10.1	10.4	9.2	17.6	7.7	7.8	7.0
Other securities	13.2	13.3	13.1	13.3	12.4	14.0	9.3	7.7	39.3
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	56.1	56.2	56.4	56.8	55.0	55.5	50.8	53.0	9.8
Other assets	3.8	3.7	4.0	4.0	4.0	2.7	8.7	7.9	23.7
Total capital accounts[4]	7.2	7.1	7.0	7.0	7.2	7.4	17.7[5]	13.1[5]	45.3
Of total assets other than cash and U.S. Treasury securities:									
Total capital accounts[4]	9.4	9.4	9.3	9.1	9.8	9.6	24.4[5]	18.2[5]	61.4
Number of banks	13,950	13,733	5,706	4,614	1,092	8,027	217	152	65

[1,3,4,5]See notes to table 106.
[2]Includes asset and liability figures for 16 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to these branches by the parent banks.
Note: Further information on the reports of assets and liabilities of banks may be found on pp. 237-238.

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1972, AND DECEMBER 31, 1972
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1972			December 31, 1972		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Total assets	**96,066,667**	**83,444,840**	**12,621,827**	**100,599,295**	**87,650,051**	**12,949,244**
Cash, balances with banks, and collection items—total	**1,333,802**	**1,195,783**	**138,019**	**1,644,876**	**1,520,399**	**124,477**
Currency and coin	212,801	172,739	40,062	251,536	215,345	36,191
Demand balances with banks in the United States	502,569	430,828	71,741	628,103	568,211	59,892
Other balances with banks in the United States	488,507	480,485	8,022	637,409	627,530	9,879
Cash items in process of collection	129,925	111,731	18,194	127,828	109,313	18,515
Securities—total	**24,879,584**	**21,192,340**	**3,687,244**	**26,253,558**	**22,636,737**	**3,616,821**
United States Government and agency securities—total	6,873,700	5,677,968	1,195,732	7,587,505	6,386,003	1,201,502
Securities maturing in 1 year or less	*1,009,529*	*771,404*	*238,125*	*1,227,579*	*968,157*	*259,422*
Securities maturing in 1 to 5 years	*2,438,921*	*1,855,898*	*583,023*	*2,460,598*	*1,915,014*	*545,584*
Securities maturing in 5 to 10 years	*1,197,789*	*1,008,565*	*189,224*	*1,290,772*	*1,095,116*	*195,656*
Securities maturing after 10 years	*2,227,461*	*2,042,101*	*185,360*	*2,608,556*	*2,407,716*	*200,840*
State, county, and municipal obligations	625,175	604,584	20,591	881,121	857,353	23,768
Corporate bonds	12,042,559	10,742,269	1,300,290	12,412,116	11,086,004	1,326,112
Other bonds, notes, and debentures	1,988,553	1,410,920	577,633	1,801,652	1,370,862	430,790
Corporate stock—total	3,349,597	2,756,599	592,998	3,571,164	2,936,515	634,649
Bank	*523,154*	*325,488*	*197,666*	*531,284*	*329,426*	*201,858*
Other	*2,826,443*	*2,431,111*	*395,332*	*3,039,880*	*2,607,089*	*432,791*
Federal funds sold and securities purchased under agreements to resell	**1,139,160**	**927,610**	**211,550**	**791,820**	**596,255**	**195,565**
Other loans and discounts—total	**66,760,763**	**58,325,582**	**8,435,181**	**69,801,454**	**60,950,481**	**8,850,973**
Real estate loans—total	64,404,265	56,344,398	8,059,867	67,555,752	59,094,330	8,461,422
Construction loans	*1,056,515*	*810,274*	*246,241*	*1,222,740*	*1,002,712*	*220,028*
Secured by farmland	*59,631*	*51,980*	*7,651*	*62,166*	*51,459*	*10,707*
Secured by residential properties:						
Secured by 1- to 4-family residential properties:						
Insured by Federal Housing Administration	*14,716,679*	*13,547,617*	*1,169,062*	*14,550,377*	*13,388,433*	*1,161,944*
Guaranteed by Veterans Administration	*12,324,865*	*11,149,059*	*1,175,806*	*12,621,692*	*11,413,769*	*1,207,923*
Not insured or guaranteed by FHA or VA	*17,366,692*	*13,686,684*	*3,680,008*	*18,787,285*	*14,804,568*	*3,982,717*
Secured by multifamily (5 or more) residential properties:						
Insured by Federal Housing Administration	*1,539,431*	*1,474,535*	*64,896*	*1,463,307*	*1,399,794*	*63,513*
Not insured by FHA	*8,049,291*	*7,530,377*	*518,914*	*8,828,144*	*8,265,926*	*562,218*
Secured by other properties	*9,291,161*	*8,093,872*	*1,197,289*	*10,020,041*	*8,767,669*	*1,252,372*
Loans to domestic commercial and foreign banks	86,174	85,128	1,046	30,817	29,751	1,066
Loans to other financial institutions	60,230	59,675	555	30,494	29,927	567
Loans to brokers and dealers in securities	21,094	21,094	0	29,134	28,922	212
Other loans for purchasing or carrying securities	6,304	4,386	1,918	4,014	3,446	568
Loans to farmers (excluding loans on real estate)	1,563	1,563	0	1,305	1,305	0
Commercial and industrial loans	496,127	474,926	21,201	273,512	252,438	21,074

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1972, AND DECEMBER 31, 1972—CONTINUED
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1972			December 31, 1972		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Loans to individuals for personal expenditures	1,615,363	1,308,448	306,915	1,774,420	1,451,401	323,019
All other loans (including overdrafts)	69,643	25,964	43,679	102,006	58,961	43,045
Total loans and securities	**92,779,507**	**80,445,532**	**12,333,975**	**96,846,832**	**84,183,473**	**12,663,359**
Bank premises, furniture and fixtures, and other assets representing bank premises	696,961	619,550	77,411	742,436	661,118	81,318
Real estate owned other than bank premises	119,713	110,890	8,823	157,594	147,340	10,254
Investments in subsidiaries not consolidated	42,471	41,500	971	60,802	59,309	1,493
Other assets	1,094,213	1,031,585	62,628	1,146,755	1,078,412	68,343
Total liabilities and surplus accounts	**96,066,667**	**83,444,840**	**12,621,827**	**100,599,295**	**87,650,051**	**12,949,244**
Deposits—total	**87,817,048**	**76,605,687**	**11,211,361**	**92,225,359**	**80,571,993**	**11,653,366**
Savings deposits	67,803,551	59,228,928	8,574,623	69,307,860	60,573,427	8,734,433
Deposits accumulated for payment of personal loans	8,095	167	7,928	3,363	25	3,338
Fixed maturity and other time deposits	19,207,121	16,588,055	2,619,066	22,118,826	19,207,929	2,910,897
Savings and time deposits—total	*87,018,767*	*75,817,150*	*11,201,617*	*91,430,049*	*79,781,381*	*11,648,668*
Demand deposits—total	*798,281*	*788,537*	*9,744*	*795,310*	*790,612*	*4,698*
Miscellaneous liabilities—total	**1,576,728**	**1,132,736**	**443,992**	**1,413,050**	**1,114,469**	**298,581**
Securities sold under agreements to repurchase	162	162	0	22,757	22,757	0
Other borrowings	91,429	90,723	706	99,914	98,980	934
Other liabilities	1,485,137	1,041,851	443,286	1,290,379	992,732	297,647
Total liabilities	**89,393,776**	**77,738,423**	**11,655,353**	**93,638,409**	**81,686,462**	**11,951,947**
Minority interest in consolidated subsidiaries	**1**	**1**	**0**	**0**	**0**	**0**
Surplus accounts—total	**6,672,890**	**5,706,416**	**966,474**	**6,960,886**	**5,963,589**	**997,297**
Capital notes and debentures	31,362	17,247	14,115	68,979	59,372	9,607
Other surplus accounts	6,641,528	5,689,169	952,359	6,891,907	5,904,217	987,690
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	1.4%	1.4%	1.1%	1.6%	1.7%	1.0%
U.S. Government and agency securities	7.2	6.8	9.5	7.5	7.3	9.3
Other securities	18.7	18.6	19.7	18.6	18.5	18.7
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	70.7	71.0	68.5	70.2	70.2	69.9
Other assets	2.0	2.2	1.2	2.1	2.2	1.2
Total surplus accounts	6.9	6.8	7.7	6.9	6.8	7.7
Of total assets other than cash and U.S. Government obligations:						
Total surplus accounts	7.6	7.5	8.6	7.6	7.5	8.6
Number of banks	489	326	163	486	326	160

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS)
DECEMBER CALL DATES, 1962, 1968-1972
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 28, 1962	Dec. 31, 1968	Dec. 31, 1969[1]	Dec. 31, 1970	Dec. 31, 1971	Dec. 31, 1972
Total assets	**298,676,978[2]**	**505,453,732[2]**	**530,714,711**	**576,350,801**	**639,903,322**	**737,699,385**
Cash, reserves, balances with banks, and collection items—total	**53,798,705**	**83,269,951**	**89,335,129**	**93,048,095**	**98,690,700**	**111,844,113**
Currency and coin	4,259,137	7,216,003	7,346,973	7,084,430	7,591,590	8,703,008
Reserve with Federal Reserve banks (member banks)	17,679,794	21,230,246	21,452,826	23,325,123	27,482,817	26,074,890
Demand balances with banks in the U.S. (except American branches of foreign banks)	12,563,869	18,089,886	19,389,950	21,088,737	21,962,456	28,156,064
Other balances with banks in the U.S.	256,823	334,917	230,150	1,401,661	2,427,914	2,783,379
Balances with banks in foreign countries	237,431	264,433	320,921	395,356	567,033	739,928
Cash items in process of collection	18,801,651	36,134,466	40,594,309	39,752,788	38,658,890	45,386,844
Investment securities—total	**94,912,480**	**135,242,315**	**122,203,185**	**141,554,863**	**163,859,514**	**178,632,700**
U.S. Treasury securities	65,966,306	64,171,324	53,262,588	58,880,431	62,696,667	64,709,715
Securities of other U.S. Government agencies and corporations	2,870,165	10,081,641	9,239,140	12,481,059	17,071,836	21,156,678
Obligations of States and subdivisions	24,582,904	58,391,738	57,572,607	67,414,393	80,135,021	87,418,538
Other securities	1,493,105	2,597,612	2,128,850	2,778,980	3,955,990	5,347,769
Trading account securities[3]	....	....	**3,181,756**	**5,664,059**	**5,307,564**	**5,128,096**
Federal funds sold[4]	....	**6,526,458**	**9,712,405**	**15,952,321**	**19,643,272**	**25,634,862**
Other loans and discounts—total	**142,717,591[2]**	**264,671,395[2]**	**286,751,602**	**298,189,504**	**328,225,896**	**388,902,133**
Real estate loans—total	34,309,294	65,332,745	70,325,953	73,053,364	82,314,290	99,086,276
Secured by farmland	*2,002,871*	*3,735,180*	*3,992,931*	*4,319,352*	*4,173,726*	*4,752,270*
Secured by residential properties:						
Secured by 1- to 4-family residential properties:						
Insured by Federal Housing Administration	*6,494,946*	*7,809,567*	*7,262,023*	*7,302,286*	*7,476,243*	*7,236,346*
Guaranteed by Veterans Administration	*2,635,240*	*2,626,560*	*2,596,261*	*2,563,475*	*2,966,378*	*3,181,876*
Not insured or guaranteed by FHA or VA	*14,237,357*	*30,712,679*	*31,210,921*	*32,321,718*	*37,438,104*	*46,425,199*
Secured by multifamily (5 or more) properties:						
Insured by Federal Housing Administration[3]	....	....	*562,501*	*588,760*	*803,880*	*1,225,769*
Not insured by FHA[3]	....	....	*2,647,857*	*2,718,829*	*3,177,970*	*4,550,113*
Secured by other properties	*8,938,880*	*20,448,759*	*22,053,459*	*23,238,944*	*26,277,989*	*31,714,703*
Loans to domestic commercial and foreign banks	2,552,321	2,145,604	2,425,147	2,581,078	4,405,298	6,119,843
Loans to other financial institutions	8,468,121	13,676,953	14,938,963	15,794,299	16,908,213	23,407,695
Loans to brokers and dealers in securities	5,120,629	6,409,302	5,646,962	6,208,570	7,202,440	11,165,572
Other loans for purchasing or carrying securities	2,103,614	4,068,900	3,994,818	3,517,601	3,646,064	4,467,145
Loans to farmers (excluding loans on real estate)	7,072,969	9,712,410	10,323,657	11,153,583	12,506,206	14,302,106
Commercial and industrial loans (including open market paper)	48,668,367	98,161,381	108,393,788	112,214,990	118,401,203	132,497,555
Other loans to individuals—total	30,524,024	58,414,799	63,355,683	66,005,700	74,796,848	87,629,904
Passenger automobile instalment loans	*10,529,184*	*21,200,443*	*22,706,108*	*22,366,443*	*24,850,695*	*29,084,924*
Credit cards and related plans:						
Retail (charge account) credit card plans	(5)	*1,312,020*	*2,639,497*	*3,807,987*	*4,523,889*	*5,443,349*
Check credit and revolving credit plans	(5)	*798,115*	*1,082,791*	*1,343,990*	*1,463,857*	*1,780,153*

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1962, 1968–1972—CONTINUED
(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 28, 1962	Dec. 31, 1968	Dec. 31, 1969[1]	Dec. 31, 1970	Dec. 31, 1971	Dec. 31, 1972
Other retail consumer instalment loans:[3]	*2,857,682*	*5,520,274*	*6,269,924*	*7,306,995*	....	....
Mobile homes, not including travel trailers	....	....	....	....	*4,674,364*	*6,436,145*
Other retail consumer goods	....	....	....	....	*4,655,510*	*5,170,118*
Residential repair and modernization instalment loans	*2,762,423*	*3,494,813*	*3,654,863*	*3,716,802*	*3,865,597*	*4,326,916*
Other instalment loans for personal expenditures	*5,034,282*	*9,390,559*	*9,936,340*	*10,534,538*	*11,409,477*	*12,903,659*
Single-payment loans for personal expenditures	*9,340,453*	*16,698,575*	*17,066,160*	*16,928,945*	*19,353,459*	*22,484,640*
All other loans (including overdrafts)	3,898,252	6,749,301	7,346,631	7,660,319	8,045,334	10,226,037
Total loans and securities	**234,935,796**	**406,440,168**	**421,848,948**	**461,360,747**	**517,036,246**	**598,297,791**
Bank premises, furniture and fixtures, and other assets representing bank premises	3,884,209	6,656,856	8,070,059	9,143,432	10,285,384	11,524,646
Real estate owned other than bank premises	106,984	323,257	360,820	406,832	390,833	369,193
Investments in subsidiaries not consolidated[3]	....	....	651,095	740,897	911,550	1,077,700
Customers' liability on acceptances outstanding	1,618,937	2,472,778	3,308,881	3,753,246	3,914,186	3,471,203
Other assets	1,745,056	6,290,722	7,139,779	7,897,552	8,674,423	11,114,739
Total liabilities, reserves, and capital accounts	**298,676,978**	**505,453,732**	**530,714,711**	**576,350,801**	**639,903,322**	**737,699,385**
Business and personal deposits—total	**216,424,179**	**361,993,247**	**365,934,821**	**395,246,811**	**439,568,884**	**504,283,757**
Individuals, partnerships, and corporations—demand	123,296,625	172,006,973	178,185,683	181,897,284	191,775,515	221,204,645
Individuals, partnerships, and corporations—time	88,678,022	180,506,278	176,240,900	204,962,756	237,930,791	271,826,567
Savings deposits	*71,043,588*	*96,166,256*	*93,796,302*	*98,815,863*	*112,165,951*	*124,188,716*
Deposits accumulated for payment of personal loans	*783,826*	*1,215,522*	*1,129,305*	*802,924*	*677,179*	*554,001*
Other deposits of individuals, partnerships, and corporations	*16,850,608*	*83,124,500*	*81,315,293*	*105,343,969*	*125,087,661*	*147,083,850*
Certified and officers' checks, letters of credit, travelers' checks, etc.	4,449,532	9,479,996	11,508,238	8,386,771	9,862,578	11,252,545
Government deposits—total	**25,581,722**	**41,385,278**	**36,092,200**	**49,455,597**	**58,987,158**	**67,554,342**
United States Government—demand	6,824,658	5,012,445	5,050,538	7,914,962	10,263,251	10,939,672
United States Government—time	266,143	376,629	222,560	465,476	530,769	614,035
States and subdivisions—demand	12,064,372	16,881,042	17,559,438	17,784,768	17,714,586	18,672,774
States and subdivisions—time	6,426,549	19,115,162	13,259,664	23,290,391	30,478,552	37,327,861
Domestic interbank deposits—total	**14,888,976**	**23,221,458**	**24,858,037**	**28,968,652**	**31,906,847**	**33,677,534**
Commercial banks in the United States—demand	13,907,380	21,424,784	23,394,428	26,290,939	28,014,732	28,569,727
Commercial banks in the United States—time	240,989	714,271	415,216	1,424,049	2,441,489	3,548,503
Mutual savings banks in the United States—demand	684,285	933,799	1,017,123	975,413	1,163,740	1,205,688
Mutual savings banks in the United States—time	38,153	148,604	31,270	278,251	286,886	353,616
Foreign government and bank deposits—total	**4,548,654**	**8,051,716**	**10,104,607**	**8,842,795**	**8,721,173**	**11,391,934**
Foreign governments, central banks, etc.—demand	724,335	866,885	940,239	919,683	803,364	908,731
Foreign governments, central banks, etc.—time	2,431,688	4,752,732	6,378,964	4,627,306	5,053,554	6,517,493
Banks in foreign countries—demand	1,265,391	2,118,758	2,475,098	3,000,626	2,681,096	3,637,309
Banks in foreign countries—time	127,240	313,341	310,306	295,180	183,159	328,401
Total deposits	**261,461,700**[6]	**434,651,699**	**436,989,665**	**482,513,855**	**539,184,062**	**616,907,567**
Demand	*163,216,578*	*228,724,682*	*240,130,785*	*247,170,446*	*262,278,862*	*296,391,091*
Time	*98,226,953*	*205,927,017*	*196,858,880*	*235,343,409*	*276,905,200*	*320,516,476*

Miscellaneous liabilities—total	**10,786,803**	**28,958,217**	**47,966,725**	**44,968,169**	**47,367,281**	**61,509,222**
Federal funds purchased (borrowed)[7]	....	7,468,200	14,684,700	16,609,041	24,179,742	33,731,069
Other liabilities for borrowed money	3,583,534	1,214,440	3,367,342	2,572,528	1,463,429	3,919,796
Mortgage indebtedness[3]	....	....	601,562	668,545	668,331	1,160,675
Acceptances outstanding	1,655,648	2,508,707	3,387,309	3,848,666	4,039,643	3,570,900
Other liabilities	5,547,621	17,766,870	25,925,812	21,269,389	17,016,136	19,126,782
Total liabilities	**272,230,334**	**463,609,916**	**484,956,390**	**527,482,024**	**586,551,343**	**678,416,789**
Minority interest in consolidated subsidiaries	....	....	**3,295**	**3,219**	**3,551**	**5,594**
Reserves on loans and securities—total	**2,694,275**	**5,215,817**	**6,178,797**	**6,299,150**	**6,443,382**	**6,909,306**
Reserve for bad debt losses on loans	2,694,275	5,215,817	5,885,873	5,998,689	6,151,274	6,623,801
Other reserves on loans[3]	....	....	108,824	115,601	113,427	112,167
Reserves on securities[3]	....	....	184,100	184,860	178,681	173,338
Capital accounts—total	**23,752,369**	**36,627,999**	**39,576,229**	**42,566,408**	**46,905,046**	**52,367,696**
Capital notes and debentures	20,496	2,110,137	1,998,316	2,091,879	2,956,180	4,092,820
Equity capital—total	23,732,173	34,517,862	37,577,913	40,474,529	43,948,866	48,274,876
Preferred stock	*34,794*	*90,686*	*103,416*	*107,304*	*91,930*	*68,924*
Common stock	*6,882,362*	*9,772,605*	*10,529,322*	*11,137,824*	*11,811,129*	*12,853,653*
Surplus	*11,458,444*	*16,173,907*	*17,460,832*	*18,072,590*	*19,895,816*	*21,528,422*
Undivided profits	*4,789,690*	*7,419,669*	*8,426,787*	*10,145,848*	*11,135,068*	*13,012,232*
Reserve for contingencies and other capital reserves	*566,883*	*1,060,995*	*1,057,556*	*1,010,963*	*1,014,923*	*811,645*
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	18.2%	16.5%	16.8%	16.1%	15.4%	15.2%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	22.3	14.7	11.8	12.4	12.5	11.6
Other securities	9.8	12.1	11.8	13.2	14.0	13.3
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	47.3	53.6	55.9	54.5	54.4	56.2
Other assets	2.4	3.1	3.7	3.8	3.8	3.7
Total capital accounts	8.0	7.2	7.5	7.4	7.3	7.1
Of total assets other than cash and U.S. Treasury securities:						
Total capital accounts	13.5	10.2	10.2	10.0	9.8	9.4
Number of banks	13,126	13,488	13,473	13,511	13,612	13,733

[1]For description of changes in 1969 in the Report of Condition, see pp. 237-238 and notes to tables.
[2]Assets in 1968 and prior years include "Other loans and discounts" at gross (before deduction of valuation reserves) value, as reported in 1969–1972.
[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, $18,169 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, 1962, 1968–1972
(Amounts in thousands of dollars)

Asset, liability, or surplus account item	Dec. 28, 1962	Dec. 31, 1968	Dec. 31, 1969	Dec. 31, 1970	Dec. 31, 1971	Dec. 31, 1972
Total assets	**40,166,822[1]**	**62,321,377[1]**	**64,837,892[1]**	**68,739,524[1]**	**77,891,927**	**87,650,051**
Cash, balances with banks, and collection items—total	**783,711**	**883,058**	**780,079**	**1,115,656**	**1,273,735**	**1,520,399**
Currency and coin	123,167	164,965	179,378	173,646	195,679	215,345
Demand balances with banks in the United States	458,012	497,725	499,506	538,858	551,149	568,211
Other balances with banks in the United States	160,125	157,610	42,964	316,584	445,384	627,530
Cash items in process of collection	42,407	62,758	58,231	86,568	81,523	109,313
Securities—total	**9,819,335[1]**	**11,878,958[1]**	**11,926,825[1]**	**13,550,849[1]**	**18,491,379**	**22,636,737**
United States Government and agency securities—total	5,255,490	4,102,711	3,608,068	3,860,276	5,156,321[5]	6,386,003[5]
Securities maturing in 1 year or less[2]	....	....	....	....	*867,992*	*968,157*
Securities maturing in 1 to 5 years[2]	....	....	....	....	*1,823,997*	*1,915,014*
Securities maturing in 5 to 10 years[2]	....	....	....	....	*832,859*	*1,095,116*
Securities maturing after 10 years[2]	....	....	....	....	*1,631,473*	*2,407,716*
State, county, and municipal obligations	493,149	190,944	190,949	192,606	373,810	857,353
Corporate bonds	} 3,260,251[3]	} 5,937,694[3]	} 6,273,969[3]	} 7,413,742[3]	9,293,507	11,086,004
Other bonds, notes, and debentures					1,194,941	1,370,862
Corporate stock—total	810,449	1,647,609	1,853,839	2,084,225	2,472,800	2,936,515
Bank	....	*246,455*	*251,903*	*251,321*	*288,373*	*329,426*
Other	....	*1,401,154*	*1,601,936*	*1,832,904*	*2,184,427*	*2,607,089*
Federal funds sold and securities purchased under agreements to resell[4]	....	....	....	....	**493,536**	**596,255**
Other loans and discounts—total	**28,993,418[1]**	**48,409,279[1]**	**50,949,496[1]**	**52,753,808[1]**	**56,066,722**	**60,950,481**
Real estate loans—total	28,441,482	47,177,405	49,329,087	50,695,693	54,222,077	59,094,330
Construction loans[2]	....	....	....	....	*736,386*	*1,002,712*
Secured by farmland	*46,072[5]*	*111,935[5]*	*106,943[5]*	*112,723[5]*	*41,656*	*51,459*
Secured by residential properties:						
Secured by 1- to 4-family residential properties:						
Insured by Federal Housing Administration	*8,681,793[6]*	*14,500,512[6]*	*14,742,577[6]*	*13,563,069*	*13,532,344*	*13,388,433*
Guaranteed by Veterans Administration	*8,836,802[6]*	*10,940,229[6]*	*11,030,456[6]*	*10,884,718*	*10,923,517*	*11,413,769*
Not insured or guaranteed by FHA or VA	*8,233,845[6]*	*16,029,770[6]*	*17,193,309[6]*	*12,089,288*	*13,031,229*	*14,804,568*
Secured by multifamily (5 or more) residential properties:[6]						
Insured by Federal Housing Administration	....	....	....	*1,358,590*	*1,396,791*	*1,399,794*
Not insured by FHA	....	....	....	*6,015,291*	*7,136,586*	*8,265,926*
Secured by other properties	*2,642,970*	*5,594,959*	*6,255,802*	*6,672,014*	*7,423,568*	*8,767,669*
Loans to domestic commercial and foreign banks	8,049[4]	23,773[4]	319,279[4]	280,999[4]	49,628	29,751
Loans to other financial institutions	5,234	25,109	25,111	53,867	36,492	29,927
Loans to brokers and dealers in securities	57,296	37,369	30,710	16,342	5,951	28,922
Other loans for purchasing or carrying securities	11,320	5,143	7,433	1,838	3,485	3,446
Loans to farmers (excluding loans on real estate)	2,250	1,409	1,201	1,068	1,110	1,305
Commercial and industrial loans	192,554	237,600	206,348	586,589	463,001	252,438
Loans to individuals for personal expenditures	266,162	869,601	987,198	1,081,513	1,260,144	1,451,401
All other loans (including overdrafts)	9,071	31,870	43,129	35,899	24,834	58,961

Total loans and securities	38,812,753[1]	60,288,237[1]	62,876,321[1]	66,304,657[1]	75,051,637	84,183,473
Bank premises, furniture and fixtures, and other assets representing bank premises	268,612	470,421	497,059	528,680	590,326	661,118
Real estate owned other than bank premises	19,675	36,449	47,607	62,805	90,987	147,340
Investments in subsidiaries not consolidated[2]	....	....	....	....	41,518	59,309
Other assets	282,071	643,212	636,826	727,726	843,724	1,078,412
Total liabilities and surplus accounts	**40,166,822**	**62,321,377**	**64,837,892**	**68,739,524**	**77,891,927**	**87,650,051**
Deposits—total	**36,104,164**	**56,861,324**	**58,867,848**	**62,683,783**	**71,500,831**	**80,571,993**
Savings deposits	35,797,789	56,110,409	57,729,948	57,989,110	57,644,100	60,573,427
Deposits accumulated for payment of personal loans	705	....	1,096	64	80	25
Fixed maturity and other time deposits	....	260,935	602,968	4,100,994	13,173,871	19,207,929
Savings and time deposits—total	*35,828,262*	*56,371,344*	*58,334,012*	*62,090,168*	*70,818,051*	*79,781,381*
Demand deposits—total	*275,902*	*489,980*	*533,836*	*593,615*	*682,780*	*790,612*
Miscellaneous liabilities—total	**503,798**	**781,183**	**1,068,152**	**1,000,127**	**975,996**[1]	**1,114,469**
Securities sold under agreements to repurchase	....	....	....	....	....	22,757
Other borrowings	7,278	70,814	381,690	252,171	100,045	98,980
Other liabilities	496,520	710,369	686,462	747,956	875,951	992,732
Total liabilities	**36,607,962**	**57,642,507**	**59,936,000**	**63,683,910**	**72,476,827**	**81,686,462**
Minority interest in consolidated subsidiaries[2]	....	....	....	....	1	0
Surplus accounts—total	**3,558,860**	**4,678,870**	**4,901,892**	**5,055,614**	**5,415,099**	**5,963,589**
Capital notes and debentures	150	3,657	4,617	6,068	10,456	59,372
Other surplus accounts	3,558,710	4,675,213[1]	4,897,275[1]	5,049,546[1]	5,404,643	5,904,217
PERCENTAGES						
Of total assets:[1]						
Cash and balances with other banks	2.0%	1.4%	1.2%	1.6%	1.7%	1.7%
U.S. Government and agency securities	13.1	6.6	5.6	5.6	6.6	7.3
Other securities	11.4	12.5	12.8	14.1	17.1	18.5
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	72.2	77.7	78.6	76.8	72.6	70.2
Other assets	1.3	1.8	1.8	1.9	2.0	2.2
Total surplus accounts	8.9	7.5	7.6	7.4	7.0	6.8
Of total assets other than cash and U.S. Government and agency securities:						
Total surplus accounts	10.4	8.2	8.1	7.9	7.6	7.5
Number of banks	331	334	331	329	327	326

[1]Figures on loans, and on securities in 1962 and 1968—1970, have been revised to a gross basis to provide comparability with data for 1971 and 1972. See page 238 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 and 1972.
[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 1972 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972
BANKS GROUPED BY AMOUNT OF DEPOSITS

Asset, liability, or capital account item	All banks	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cash and due from banks	15.2	17.2	14.2	11.5	10.9	10.7	10.8	11.4	13.9	14.5	19.2
U.S. Treasury and agency securities[1]	11.7	31.0	29.9	27.5	22.6	19.0	16.3	14.9	12.4	10.0	6.9
Obligations of States and political subdivisions	11.9	2.0	3.6	7.1	11.1	13.5	14.4	14.8	13.8	12.7	9.7
Other securities	.7	1.1	1.1	.7	.7	.9	.9	1.0	.8	.9	.5
Federal funds sold (loaned)[2]	3.5	9.2	6.7	5.7	5.4	4.6	3.7	3.4	3.7	4.1	2.6
Other loans and discounts—total	52.7	38.5	43.1	45.9	47.6	49.1	51.1	51.5	52.0	53.8	54.9
Real estate loans—total	13.4	5.8	8.9	12.1	14.6	16.4	17.1	17.7	15.7	14.9	9.7
Loans to banks and other financial institutions	4.0	(5)	.5	.4	.4	.5	.8	.9	1.9	3.8	7.5
Loans to purchase or carry securities	2.1	.2	.1	.2	.3	.3	.4	.6	1.5	1.2	4.0
Loans to farmers (excluding loans on real estate)	1.9	16.1	15.8	14.3	10.2	5.7	2.6	1.2	.9	.7	.6
Commercial and industrial loans	17.9	5.4	5.2	6.5	8.2	10.2	12.7	14.3	16.2	18.9	23.4
Instalment loans for personal expenditures	8.8	7.7	9.0	9.0	10.3	12.0	13.2	12.4	11.1	9.1	5.2
Single-payment loans for personal expenditures	3.1	2.5	2.7	2.9	3.1	3.4	3.8	3.7	3.5	3.6	2.4
All other loans (including overdrafts)	1.4	.8	.8	.5	.5	.6	.7	.6	1.2	1.5	2.0
Other assets	3.6	.9	1.4	1.5	1.8	2.2	2.8	3.0	3.1	3.5	4.8
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	83.7	86.4	87.2	89.3	89.7	89.7	88.8	88.6	86.2	83.5	78.4
Demand	*40.2*	*61.9*	*49.0*	*41.1*	*38.8*	*37.7*	*37.3*	*37.8*	*40.2*	*42.4*	*41.4*
Time	*43.5*	*24.5*	*38.2*	*48.2*	*50.9*	*52.0*	*51.6*	*50.8*	*46.1*	*41.1*	*37.0*
Individuals, partnerships, and corporations—demand	30.2	53.4	42.5	34.7	32.2	31.2	30.9	31.1	30.6	31.9	28.6
Individuals, partnerships, and corporations—time	36.9	20.9	34.1	44.1	46.5	47.1	46.2	44.3	39.1	34.7	29.7
U.S. Government	1.6	.8	.7	1.1	1.2	1.4	1.4	1.1	1.4	2.3	1.7
States and subdivisions	7.6	10.8	9.0	8.5	8.7	8.7	8.5	9.5	9.5	8.9	5.5
Domestic interbank	4.9	.2	.4	.3	.3	.4	.8	1.5	4.3	4.6	8.4
Foreign government and bank	1.0	.0	.0	(5)	(5)	(5)	(5)	(5)	.1	.2	2.4
Other deposits	1.5	.3	.5	.7	.8	1.0	1.1	1.1	1.3	1.1	2.2
Federal funds purchased (borrowed)[3]	4.6	.0	.1	.1	.1	.3	.6	.9	3.2	5.3	8.2
Other liabilities for borrowed money	1.2	.0	(5)	(5)	.1	.1	.2	.3	.5	.9	2.4
Other liabilities[4]	2.5	.5	.9	1.1	1.4	1.9	2.4	2.4	2.1	2.2	3.1
Reserves on loans and securities	.9	.2	.5	.5	.6	.7	.8	.8	.9	.9	1.1
Capital notes and debentures	.6	.0	(5)	(5)	.1	.2	.3	.3	.5	.7	.8
Other capital accounts	6.5	12.9	11.2	8.8	7.9	7.1	6.9	6.6	6.5	6.4	6.2
Number of banks	13,500	66	471	2,567	3,262	4,088	1,608	738	532	96	72

[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 1972 report of income), December 31, 1972.

Table 112. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS OPERATING THROUGHOUT 1972 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972
BANKS GROUPED BY AMOUNT OF DEPOSITS

Assets, liabilities, 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	1.7	3.7	2.0	1.6	1.7	1.7	2.1	1.6
United States Government and agency securities	7.3	12.4	9.2	7.0	8.8	8.5	6.6	6.6
Corporate bonds	12.7	7.9	8.7	7.8	9.8	10.6	12.4	15.0
State, county and municipal obligations	1.0	.6	.6	.8	.7	.8	1.0	1.1
Other securities	4.9	7.3	6.8	6.8	5.4	5.6	5.3	4.0
Federal funds sold and securities purchased under agreements to resell	.7	2.3	1.2	1.1	1.3	.9	.5	.6
Other loans and discounts	69.5	64.3	69.9	73.2	70.3	69.7	69.9	68.8
Real estate loans—total	67.4	60.1	65.9	68.9	67.4	67.1	68.0	67.1
Construction loans	*1.1*	*1.2*	*1.8*	*1.4*	*1.1*	*1.4*	*1.8*	*.6*
Secured by farmland	*.1*	*.4*	*.4*	*.3*	*.2*	(2)	*.1*	(2)
Secured by residential properties:								
Insured by FHA	*16.9*	*6.8*	*4.1*	*7.4*	*9.4*	*15.4*	*16.4*	*20.2*
Guaranteed by VA	*13.0*	*4.0*	*4.8*	*6.4*	*8.4*	*12.0*	*11.8*	*15.8*
Not insured or guaranteed by FHA or VA	*26.3*	*41.1*	*46.8*	*46.8*	*41.3*	*30.7*	*27.5*	*18.6*
Secured by other properties	*10.0*	*6.7*	*7.9*	*6.6*	*7.0*	*7.7*	*10.5*	*12.0*
Commercial and industrial loans	.3	.4	.2	.5	.3	.1	.2	.4
Loans to individuals for personal expenditures	1.7	3.3	3.3	3.6	2.4	2.3	1.3	1.2
All other loans including overdrafts	.2	.5	.5	.2	.2	.1	.3	.1
Other assets	2.2	1.5	1.5	1.7	2.0	2.2	2.2	2.3
Total liabilities and surplus accounts	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Deposits—total	91.9	91.0	91.3	91.5	91.2	92.0	91.9	92.0
Savings deposits	69.1	70.0	72.7	72.1	71.4	69.3	70.1	67.8
Deposits accumulated for payment of personal loans	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Fixed maturity and other time deposits	21.9	20.6	17.9	18.6	18.9	21.5	21.1	23.4
Demand deposits	.9	.4	.7	.8	.9	1.2	.8	.8
Miscellaneous liabilities	1.3	.8	1.1	1.2	1.2	1.1	1.2	1.5
Surplus accounts	6.8	8.2	7.6	7.4	7.6	6.9	6.9	6.5
Capital notes and debentures	.1	.4	.3	(2)	.1	.1	.1	(2)
Other surplus accounts	6.7	7.9	7.4	7.3	7.6	6.8	6.8	6.5
Number of banks	325	14	36	72	59	96	28	20

[1] Dollar amounts of assets and liabilities of all mutual savings banks are shown in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1972 report of income), December 31, 1972.
[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, 1972

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	970	63	221	357	209	104	14	1	1	0	0
More than 0.0 but less than 1.0	484	9	64	267	81	47	9	5	2	0	0
1.0 to 2.49	602	5	83	291	119	73	18	7	6	0	0
2.5 to 4.99	1,062	6	60	425	292	190	45	24	14	4	2
5.0 to 7.49	1,313	5	41	343	407	329	100	34	37	7	10
7.5 to 9.99	1,729	3	30	305	491	535	180	81	66	18	20
10.0 to 12.49	1,857	0	13	235	466	618	265	116	108	20	16
12.5 to 14.99	1,766	2	11	148	411	629	312	143	80	14	16
15.0 to 17.49	1,405	0	10	104	288	562	208	134	74	19	6
17.5 to 19.99	1,045	1	4	70	223	410	202	63	65	7	0
20.0 to 24.99	1,042	0	4	55	217	423	176	97	64	4	2
25.0 or more	458	0	4	44	97	176	81	36	17	3	0
Ratios of U.S. Treasury securities to total assets of–											
Less than 5	1,756	21	55	253	353	555	238	123	106	26	26
5 to 9.99	3,343	14	71	373	675	1,054	541	281	247	47	40
10 to 14.99	3,082	12	87	460	720	997	455	214	115	16	6
15 to 19.99	2,088	9	80	434	573	679	198	69	42	4	0
20 to 24.99	1,323	7	72	324	402	374	100	29	13	2	0
25 to 29.99	895	7	64	275	262	230	36	16	5	0	0
30 to 34.99	500	6	29	207	143	91	19	3	1	1	0
35 to 39.99	322	6	24	130	87	53	17	3	2	0	0
40 to 44.99	187	5	20	80	44	32	3	2	1	0	0
45 to 49.99	108	3	22	42	23	15	1	1	1	0	0
50 or more	129	4	21	66	19	16	2	0	1	0	0

Ratios of loans to total assets of–											
Less than 20	112	8	23	44	17	13	2	2	3	0	0
20 to 24.99	122	3	16	41	31	21	7	3	0	0	0
25 to 29.99	252	3	27	82	68	57	14	1	0	0	0
30 to 34.99	514	8	33	150	163	112	34	10	4	0	0
35 to 39.99	804	7	43	185	223	241	65	28	12	0	0
40 to 44.99	1,268	10	49	271	337	369	125	63	38	4	2
45 to 49.99	1,853	10	47	374	423	603	223	100	61	6	6
50 to 54.99	2,286	9	78	378	533	726	290	137	107	18	10
55 to 59.99	2,444	8	69	386	513	782	318	167	146	29	26
60 to 64.99	2,038	10	46	310	462	597	303	147	110	32	21
65 to 69.99	1,311	5	59	232	323	401	174	59	47	6	5
70 to 74.99	499	6	31	116	144	133	42	20	5	0	2
75 or more	230	7	24	75	64	41	13	4	1	1	0
Ratios of cash and due from banks to total assets of–											
Less than 5	551	1	18	141	146	165	49	24	7	0	0
5.0 to 7.49	2,491	3	66	498	682	804	286	106	39	7	0
7.5 to 9.99	3,559	10	97	600	877	1,201	476	186	101	8	3
10.0 to 12.49	2,825	15	88	517	651	863	365	179	124	17	6
12.5 to 14.99	1,745	16	83	313	403	465	213	119	96	24	13
15.0 to 17.49	1,013	11	63	195	217	252	116	60	67	17	15
17.5 to 19.99	621	8	36	135	135	147	58	32	40	13	17
20.0 to 24.99	574	14	43	151	114	134	33	23	40	10	12
25.0 to 29.99	198	5	23	55	47	35	12	8	11	0	2
30.0 or more	156	11	28	39	29	30	2	4	9	0	4
Ratios of total demand deposits to total deposits of–											
Less than 25	471	1	11	65	132	179	47	20	15	1	0
25 to 29.99	1,043	0	13	156	274	352	150	67	28	2	1
30 to 34.99	1,764	2	32	295	442	582	234	110	60	5	2
35 to 39.99	2,265	3	45	403	561	736	299	115	84	11	8
40 to 44.99	2,354	8	70	444	551	752	288	145	76	10	10
45 to 49.99	2,048	8	83	427	476	568	254	117	90	16	9
50 to 54.99	1,439	6	60	284	342	415	162	74	66	17	13
55 to 59.99	951	7	47	200	218	266	102	40	50	15	6
60 to 64.99	513	9	49	114	96	122	41	24	39	6	13
65 to 69.99	337	8	29	88	95	66	12	12	13	9	5
70 to 79.99	267	11	27	71	71	41	16	13	8	4	5
80 to 89.99	97	10	20	27	19	12	4	1	4	0	0
90 or more	184	21	59	70	24	5	1	3	1	0	0

Table 113. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1972—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	862	0	2	37	128	314	195	102	62	11	11
7.5 to 9.99	4,516	1	21	390	881	1,694	768	377	289	55	40
10.0 to 12.49	3,727	1	73	574	1,018	1,259	435	190	134	24	19
12.5 to 14.99	1,892	6	63	522	594	490	133	48	29	6	1
15.0 to 17.49	985	3	64	350	313	183	46	15	10	0	1
17.5 to 19.99	588	12	46	247	170	89	15	3	6	0	0
20.0 to 22.49	306	5	49	141	71	27	9	4	0	0	0
22.5 to 24.99	198	3	27	104	47	12	2	2	1	0	0
25.0 to 29.99	251	13	53	114	44	21	4	0	2	0	0
30.0 to 34.99	120	9	32	61	13	2	2	0	1	0	0
35.0 to 39.99	67	5	26	25	9	2	0	0	0	0	0
40.0 or more	221	36	89	79	13	3	1	0	0	0	0
Ratios of total capital accounts to total assets of—											
Less than 5	376	0	4	28	56	147	75	42	21	1	2
5 to 5.99	1,652	1	9	166	347	607	260	132	103	11	16
6 to 6.99	3,417	1	39	453	765	1,207	475	234	177	40	26
7 to 7.99	3,201	1	59	536	793	1,021	438	186	127	25	15
8 to 8.99	2,026	4	67	435	569	595	192	82	58	14	10
9 to 9.99	1,145	6	61	325	327	272	82	38	29	2	3
10 to 10.99	683	10	60	212	190	135	53	12	8	3	0
11 to 11.99	374	11	43	146	97	47	16	8	6	0	0
12 to 12.99	227	1	29	96	63	28	8	2	0	0	0
13 to 14.99	243	12	42	97	57	23	9	2	1	0	0
15 to 16.99	106	11	19	49	15	5	1	2	4	0	0
17 or more	283	36	113	101	22	9	1	1	0	0	0
Number of banks	13,733	94	545	2,644	3,301	4,096	1,610	741	534	96	72

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. 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 237 of this report.

Income data are included for all insured banks operating at the end of the respective years, unless indicated otherwise. In addition, appropriate adjustments have been made for banks in operation during part of the year but not at the end of the year.

In 1969 the Report of Income was revised to include a more detailed breakdown of investment income and separation of income from Federal funds transactions from other loan income. The overall contents of "Operating income" were not changed significantly from prior years, the principal changes being the consolidation of subsidiaries and conversion to accrual accounting.

Under "Operating expenses," expense of Federal funds transactions, which is now itemized separately, was included prior to 1969 under "Interest on borrowed money." "Interest on capital notes and debentures," now included in operating expenses, before 1969 was not treated as a charge against operating earnings or net income. The item "Provision for loan losses" covers actual loan losses (charge-offs less recoveries), or an average percentage of loan losses experienced during the previous five years, applied to average loans outstanding during the year, beginning in 1969. Newly organized banks and others are also permitted to determine their loan loss ratio by averaging forward from 1969 or their first year of operation. Prior to 1969, loan losses for most banks (those on a reserve basis) were not charged against operating income or net income. Instead, transfers to loan loss reserves were included as a charge against net income (but not against operating income). Actual losses charged to loan loss reserves were treated as a memorandum item.

Beginning in 1969, "Applicable income taxes" for income before securities gains or losses is an estimate of the tax liability that a bank would incur if its taxes were based solely on operating income and expenses; that is, if there were no security gains or losses, no extraordinary items, etc.

Income from securities gains and losses, reported both gross and after taxes, prior to 1969 was reported as separate gain or loss items. It is now included, along with a subtraction for minority interest in consolidated subsidiaries, before arriving at net income (after taxes).

The memorandum item "Total provision for income taxes" does not necessarily equal the sum of "Applicable income taxes" and the tax effects of security gains or losses and of extraordinary charges or credits. The principal difference is accounted for by the fact that the transfer to reserve for bad debts generally exceeds provision for loan loss and consequently tends to reduce tax liability.

In comparing the 1969-1972 reports with prior data, certain generalizations are applicable. Because of the inclusion of additional items in "Operating expenses," "Income before taxes or security gains or losses" is understated, compared with the current operating income of prior reports. On the other hand, "Net income" for years prior to 1969 tends to be somewhat understated because it includes transfers to bad debt reserves which would generally exceed the provision for loan losses. Table 115 provides several operating ratios which afford comparisons between years prior to 1969 and more recent earnings experience.

Mutual savings banks

For a discussion of the report of income and dividends for mutual savings banks used in 1970 and previous years, see the 1951 *Annual Report*, pp. 50-52.

Beginning December 31, 1971, income and expenses for mutual savings banks are reported on a consolidated basis in the same manner as required of commercial banks, including all domestic branches, domestic bank premises subsidiaries, and other significant nonbanking domestic subsidiaries (see pg. 238).

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. In 1970 and prior years (table 119), the amounts shown for this expense item are "recoveries credited to valuation adjustment provisions on real estate mortgage loans" *less* "the realized losses charged to valuation adjustment provisions on these loans", which were reported in those years in the "memoranda" section.

The nonoperating sections of the report were condensed in 1971, with realized gains and losses on securities, mortgage loans, and real estate reported "net" rather than in separate sections and captions as before. Detailed data formerly reported on reconcilement of valuation adjustment provisions was almost entirely eliminated, except for a simple reconciliation of surplus.

Sources of data

National banks and State banks in the District of Columbia not members of the Federal Reserve System: Office of the Comptroller of the Currency.

State banks members of the Federal Reserve System: Board of Governors of the Federal Reserve System.

Other insured banks: Federal Deposit Insurance Corporation.

Table 114. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1964–1972

(Amounts in thousands of dollars)

Income item	1964	1965	1966	1967	1968	1969[1]	1970	1971	1972
Operating income—total	**15,024,487**	**16,817,187**	**19,508,414**	**21,781,611**	**25,478,404**	**30,806,805**	**34,716,420**	**36,364,008**	**40,247,555**
Interest and fees on loans[2]	9,785,238	11,204,863	13,286,400	14,646,637	17,121,079	20,726,664	22,967,366	23,069,354	25,630,498
Income on Federal funds sold and securities purchased under agreements to resell[2]	...	...	...	...	...	811,580	1,006,367	871,167	1,026,550
Interest on U.S. Treasury securities	2,240,389	2,224,711	2,317,794	2,601,900	3,004,655	2,845,257	3,078,725	3,395,663	3,396,365
Interest and dividends on securities of other U.S. Government agencies and corporations[3]	...	...	...	...	...	551,068	688,421	916,559	1,144,761
Interest on obligations of States and political subdivisions[3]	...	...	...	...	...	2,215,971	2,620,257	3,127,136	3,493,981
Interest and dividends on other securities[3]	1,085,334	1,285,287	1,531,517	1,904,886	2,376,223	134,548	151,832	238,033	322,239
Trust department income	629,694	689,628	756,130	820,269	906,206	1,021,900	1,132,292	1,257,807	1,366,455
Service charges on deposit accounts	781,405	842,775	915,049	987,187	1,055,964	1,120,196	1,178,192	1,231,470	1,262,022
Other service charges, collection and exchange charges, commissions, and fees	280,289	304,276	354,036	411,021	478,028	693,578	842,480	989,432	1,083,104
Other operating income	222,138	265,647	347,488	409,711	536,249	686,043	1,050,488	1,267,387	1,521,580
Operating expense—total[4]	**10,897,460**	**12,486,120**	**14,561,852**	**16,553,642**	**19,354,237**	**24,076,791**	**27,588,602**	**29,650,981**	**32,996,608**
Salaries and wages of officers and employees	3,519,062	3,762,024	4,095,742	4,537,896	5,101,803	5,878,812	6,656,884	7,202,972	7,754,773
Pensions and other employee benefits	490,732	525,692	598,768	667,345	755,744	903,469	1,060,167	1,192,011	1,330,440
Interest on deposits	4,088,061	5,070,781	6,259,472	7,379,863	8,681,705	9,789,893	10,483,795	12,217,994	13,844,020
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
Interest on other borrowed money[5]	127,277	189,519	301,768	266,476	528,986	433,120	464,568	139,388	115,240
Interest on capital notes and debentures[4]	...	...	...	...	...	100,742	104,730	142,381	213,532
Occupancy expense of bank premises, net	670,243	731,573	802,060	873,541	970,034	1,073,339	1,254,520	1,410,190	1,583,538
Gross occupancy expense	831,158	898,440	980,444	1,059,785	1,173,423	1,331,926	1,555,734	1,730,402	1,926,695
Less rental income	160,915	166,867	178,387	186,244	203,389	258,587	301,214	320,212	343,157
Furniture and equipment, depreciation, rental costs, servicing, etc.	362,301	411,889	458,695	533,846	631,564	773,072	909,090	1,018,128	1,087,844
Provision for loan losses[4]	...	...	...	...	...	521,064	703,150	867,260	973,238
Other operating expenses	1,639,784	1,794,642	2,045,347	2,294,675	2,684,401	3,397,493	4,550,860	4,365,009	4,664,812
Income before income taxes and securities gains or losses[6]	...	...	...	...	...	**6,730,014**	**7,127,818**	**6,713,027**	**7,250,947**
Net current operating earnings (old basis)	**4,127,027**	**4,331,067**	**4,946,562**	**5,227,969**	**6,124,167**	...	...	...	...
Applicable income taxes[6]	...	...	...	...	...	**2,164,419**	**2,173,775**	**1,689,146**	**1,707,495**
Income before securities gains or losses[6]	...	...	...	...	...	**4,565,595**	**4,954,043**	**5,023,881**	**5,543,452**
Securities gains or losses, net[6]	...	...	...	...	...	**−237,707**	**−103,695**	**213,245**	**92,456**
Gross	−13,674	−426	−392,447	−4,312	−438,520	−512,242	−224,028	359,279	166,730
Taxes	...	...	...	...	...	−274,535	−120,333	146,034	74,274
Net income before extraordinary items[6]	...	...	...	...	...	**4,327,888**	**4,850,348**	**5,237,126**	**5,635,908**
Extraordinary charges or credits, net[6]	...	...	...	...	...	**6,914**	**−12,810**	**−639**	**19,153**
Gross	...	...	...	...	...	3,994	−35,865	−12,552	23,953
Taxes	...	...	...	...	...	−2,920	−23,055	−11,913	4,800
Less minority interest in consolidated subsidiaries[6]	...	...	...	...	...	**235**	**245**	**282**	**663**
Net income	...	...	...	...	...	**4,334,567**	**4,837,293**	**5,236,205**	**5,654,398**
Recoveries, charge-offs, transfers from reserves, net	**−681,521**	**−786,746**	**−839,869**	**−904,645**	**−992,665**	...	...	...	...

Net income before taxes (old basis)	**3,431,832**	**3,543,895**	**3,714,246**	**4,319,012**	**4,692,982**	....	....	....	....
Total provision for income taxes	**1,148,203**	**1,029,162**	**1,029,906**	**1,177,154**	**1,267,044**	**1,505,336**	**1,863,787**	**1,651,807**	**1,598,369**
Federal income taxes	1,050,624	927,423	911,585	1,020,988	1,086,889	1,287,514	1,619,790	1,367,492	1,288,725
State and local income taxes	97,579	101,739	118,321	156,166	180,155	217,822	243,997	284,315	310,144
Net income after taxes (old basis)	**2,283,629**	**2,514,733**	**2,684,340**	**3,141,858**	**3,425,938**	....	....	....	....
Dividends on capital—total[7]	**1,088,310**	**1,202,349**	**1,307,387**	**1,426,202**	**1,589,114**	**1,769,314**	**2,040,027**	**2,230,556**	**2,196,868**
Cash dividends declared on common stock	1,062,561	1,146,186	1,240,048	1,342,538	1,488,670	1,762,279	2,033,288	2,225,125	2,193,052
Cash dividends declared on preferred stock[7]	25,749	56,163	67,339	83,664	100,444	7,035	6,739	5,431	3,816
Memoranda									
Recoveries credited to reserves (not included above):									
On loans	157,791	124,062	143,859	168,680	219,115	209,124	255,350	317,320	363,663
On securities	4,515	4,158	3,300	5,638	1,913	1,986	1,260	2,253	6,243
Losses charged to reserves (not included above):									
On loans	394,181	429,490	545,647	601,194	629,707	697,874	1,236,988	1,404,520	1,250,989
On securities	43,683	25,761	60,282	29,072	32,262	12,448	2,881	3,714	4,333
Average assets and liabilities[8]									
Assets—total	**328,756,207**	**360,944,351**	**391,255,121**	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**	**679,113,973**
Cash and due from banks	54,449,343	59,013,596	62,867,398	70,248,679	78,504,024	86,663,384	89,089,607	95,673,527	102,969,933
U.S. Treasury securities	61,439,390	59,419,551	56,088,649	57,357,584	61,545,807	56,724,083[10]	54,198,407[10]	59,923,562[10]	61,978,490[10]
Obligations of States and political subdivisions[9]	....	....	....	....	....	58,011,200[10]	62,012,771[10]	74,606,153[10]	84,210,396[10]
Other securities[9]	36,360,062	41,540,772	47,054,812	55,213,293	65,318,374	11,839,130[10]	12,821,687[10]	18,216,064[10]	23,863,051[10]
Loans and discounts	168,082,284	191,391,533	214,381,628	230,636,149	253,678,319	283,479,251	301,667,242	327,633,687	376,543,347
All other assets	8,425,128	9,578,899	10,862,634	12,163,632	14,091,481	19,608,435[10]	24,090,694[10]	27,369,727[10]	29,548,756[10]
Liabilities and capital—total	**328,756,207**	**360,944,351**	**391,255,121**	**425,619,337**	**473,138,013**	**516,325,483**	**543,880,408**	**603,422,720**	**679,113,973**
Total deposits	287,988,560	315,643,533	340,336,714	368,906,501	407,508,260	431,468,339	449,522,141	507,101,968	568,240,268
Demand deposits	*168,382,122*	*178,089,360*	*185,336,407*	*194,982,924*	*213,628,389*	*230,490,525*	*237,588,875*	*251,447,347*	*271,122,732*
Time and savings deposits	*119,606,438*	*137,554,173*	*155,000,307*	*173,923,577*	*193,879,871*	*200,977,814*	*211,933,266*	*255,654,621*	*297,117,536*
Borrowings and other liabilities	14,376,273	16,479,957	20,067,721	23,836,162	30,297,605	46,642,486	53,212,878	51,507,005	61,179,885
Total capital accounts	26,391,374	28,820,861	30,850,686	32,876,674	35,332,148	38,214,658	41,145,389	44,813,747	49,693,820
Capital notes and debentures	*487,132*	*1,327,781*	*1,710,785*	*1,884,844*	*2,096,175*	*2,027,427*	*2,047,429*	*2,548,014*	*3,546,497*
Equity capital	*25,904,242*	*27,493,080*	*29,139,901*	*30,991,830*	*33,235,973*	*36,187,231*	*39,097,960*	*42,265,733*	*46,147,323*
Number of employees (end of period)	702,658	732,163	777,361	815,037	866,725	904,008	959,867	980,660	1,025,997
Number of banks (end of period)	13,493	13,547	13,541	13,517	13,488	13,473	13,511	13,612	13,733

[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 p. 260 also see notes to tables.
[2] "Income on Federal funds sold" was included in "Interest and discount on loans" in 1968 and prior years (see 1968 report, p. 198).
[3] Income from "Securities of other U.S. Government agencies and corporations" and from "Obligations of States and political subdivisions" were included in income from "Other securities" in 1968 and prior years.
[4] "Interest on capital notes and debentures" and "Provision for loan losses" not included in "Operating expense—total" in 1968 and prior years.
[5] "Expense of Federal funds purchased and securities sold under agreements to repurchase" was included in "Interest on borrowed money" in 1968 and prior years.
[6] Data are not available prior to 1969. See page 260 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] Averages of amounts reported at beginning, middle, and end of year. 1964–1968 averages of securities and loans have been revised to gross basis.
[9] In 1968 and prior years, "Obligations of States and political subdivisions" were included in "Other securities."
[10] Securities held in trading accounts are included in "All other assets."

Table 115. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1964–1972

Income item	1964	1965	1966	1967	1968	1969	1970	1971	1972
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]	65.13	66.63	68.11	67.24	67.20	69.91	69.05	65.84	66.23
Interest on U.S. Treasury securities	14.91	13.23	11.88	11.95	11.79	9.23	8.87	9.34	8.44
Interest on State and local government obligations[2]	....	....	....	....	....	7.19	7.55	8.60	8.65
Interest and dividends on other securities[3]	7.22	7.64	7.85	8.74	9.33	2.23	2.42	3.17	3.64
Trust department income	4.19	4.10	3.88	3.77	3.56	3.32	3.26	3.46	3.40
Service charges on deposit accounts	5.20	5.01	4.69	4.53	4.14	3.64	3.39	3.39	3.14
Other charges commissions, fees, etc.	1.87	1.81	1.81	1.89	1.88	2.25	2.43	2.72	2.67
Other operating income	1.48	1.58	1.78	1.88	2.10	2.23	3.03	3.48	3.78
Operating expense—total[4]	**72.53**	**74.25**	**74.64**	**76.00**	**75.96**	**78.15**	**79.47**	**81.54**	**81.98**
Salaries and wages	23.42	22.37	20.99	20.83	20.02	19.08	19.18	19.81	19.27
Pensions and other benefits	3.27	3.13	3.07	3.07	2.97	2.93	3.05	3.28	3.30
Interest on time and savings deposits	27.21	30.15	32.09	33.88	34.07	31.78	30.20	33.60	34.40
Interest on borrowed money[5]	.85	1.13	1.55	1.22	2.08	5.65	5.67	3.79	4.37
Occupancy expense of bank premises, net	4.46	4.35	4.11	4.01	3.81	3.48	3.61	3.88	3.93
Furniture and equipment, etc.	2.41	2.45	2.35	2.45	2.48	2.51	2.62	2.80	2.70
Provision for loan losses[4]	....	....	....	....	....	1.69	2.03	2.38	2.42
Other operating expenses	10.91	10.67	10.48	10.54	10.53	11.03	13.11	12.00	11.59
Income before income taxes and securities gains or losses	....	....	....	....	....	**21.85**	**20.53**	**18.46**	**18.02**
Net current operating earnings (old basis)	**27.47**	**25.75**	**25.36**	**24.00**	**24.04**	....	....	....	....
Amounts per $100 of total assets									
Operating income—total	4.57	4.66	4.99	5.12	5.38	5.97	6.38	6.03	5.93
Net current operating earnings (old basis)	1.26	1.20	1.26	1.23	1.29	....	....	....	....
Income before income taxes and securities gains or losses	....	....	....	....	....	1.30	1.31	1.11	1.07
Net income[6]	.69	.70	.69	.74	.72	.84	.89	.87	.83
Amounts per $100 of total capital accounts									
Net income[6]	8.65	8.73	8.70	9.56	9.70	11.48[7]	11.89[7]	11.85[7]	11.60[7]
Cash dividends declared on common stock	4.03	3.98	4.02	4.08	4.21	4.61	4.94	4.97	4.41
Net additions to capital from income	4.53	4.56	4.46	5.22	5.20	6.71	6.80	6.71	6.96
Amounts per $100 of equity capital									
Net income[6]	8.82	9.15	9.21	10.14	10.31	11.98	12.37	12.39	12.25
Special ratios									
Income on loans per $100 of loans[1]	5.82	5.85	6.20	6.35	6.75	7.60	7.95	7.31	7.08
Income on U.S. Treasury securities per $100 of U.S. Treasury securities	3.65	3.74	4.13	4.54	4.88	5.02	5.68	5.67	5.48
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
Income on other securities per $100 of other securities[3]	2.98	3.09	3.25	3.45	3.64	5.79	6.55	6.34	6.15
Service charges per $100 of demand deposits	.46	.47	.49	.51	.49	.49	.50	.49	.47
Interest paid per $100 of time and savings deposits	3.42	3.69	4.04	4.24	4.48	4.87	4.95	4.78	4.66
Number of banks (end of period)	13,493	13,547	13,541	13,517	13,488	13,473	13,511	13,612	13,733

[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 1969–1972, and "Provision for loan losses" were 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 1969–1972 are not fully comparable with those in 1968 and prior years; see table 114 and page 260.
[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), 1972
BANKS GROUPED BY CLASS OF BANK
(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Operating income—total	40,247,555	23,542,737	7,800,994	8,903,824	40,198,016	49,539
Interest and fees on loans	25,630,498	15,084,947	4,968,276	5,577,275	25,598,503	31,995
Income on Federal funds sold and securities purchased under agreements to resell	1,026,550	641,771	152,366	232,413	1,022,502	4,048
Interest on U.S. Treasury securities	3,396,365	1,844,474	568,415	983,476	3,391,860	4,505
Interest and dividends on securities of other U.S. Government agencies and corporations	1,144,761	567,168	162,864	414,729	1,142,914	1,847
Interest on obligations of States and political subdivisions	3,493,981	2,039,707	670,320	783,954	3,491,645	2,336
Interest and dividends on other securities	322,239	175,595	58,479	88,165	321,243	996
Trust department income	1,366,455	770,938	498,054	97,463	1,366,420	35
Service charges on deposit accounts	1,262,022	718,310	186,247	357,465	1,260,222	1,800
Other service charges, collection and exchange charges, commissions, and fees	1,083,104	695,876	168,106	219,122	1,082,102	1,002
Other operating income	1,521,580	1,003,951	367,867	149,762	1,520,605	975
Operating expense—total	32,996,608	19,314,704	6,332,710	7,349,194	32,944,380	52,228
Salaries and wages of officers and employees	7,754,773	4,461,024	1,561,592	1,732,157	7,740,766	14,007
Pensions and other employee benefits	1,330,440	778,680	294,884	256,876	1,329,019	1,421
Interest on deposits	13,844,020	8,084,736	2,432,806	3,326,478	13,828,816	15,204
Expense of Federal funds purchased and securities sold under agreements to repurchase	1,429,171	976,133	411,219	41,819	1,429,077	94
Interest on other borrowed money	115,240	77,932	24,570	12,738	115,173	67
Interest on capital notes and debentures	213,532	111,299	72,312	29,921	213,501	31
Occupancy expense of bank premises, net	1,583,538	903,572	356,499	323,467	1,579,909	3,629
Gross occupancy expense	1,926,695	1,131,441	424,771	370,483	1,922,952	3,743
Less rental income	343,157	227,869	68,272	47,016	343,043	114
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,087,844	651,214	196,917	239,713	1,085,957	1,887
Provision for loan losses	973,238	584,310	183,349	205,579	971,811	1,427
Other operating expenses	4,664,812	2,685,804	798,562	1,180,446	4,650,351	14,461
Income before income taxes and securities gains or losses	7,250,947	4,228,033	1,468,284	1,554,630	7,253,636	−2,689
Applicable income taxes	1,707,495	982,206	373,420	351,869	1,706,200	1,295
Income before securities gains or losses	5,543,452	3,245,827	1,094,864	1,202,761	5,547,436	−3,984
Net securities gains or losses	92,456	54,137	−7,540	45,859	92,313	143
Gross	166,730	95,862	3,792	67,076	166,464	266
Taxes	74,274	41,725	11,332	21,217	74,151	123
Net income before extraordinary items	5,635,908	3,299,964	1,087,324	1,248,620	5,639,749	−3,841
Extraordinary charges or credits, net	19,153	8,312	5,444	5,397	19,139	14
Gross	23,953	8,907	8,472	6,574	23,909	44
Taxes	4,800	595	3,028	1,177	4,770	30

Table 116. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1972—CONTINUED
BANKS GROUPED BY CLASS OF BANK

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	663	370	....	293	663	....
Net income	5,654,398	3,307,906	1,092,768	1,253,724	5,658,225	−3,827
Dividends on capital—total	2,196,868	1,310,331	529,190	357,347	2,195,959	909
Cash dividends declared on common stock	2,193,052	1,307,628	529,034	356,390	2,192,143	909
Cash dividends declared on preferred stock	3,816	2,703	156	957	3,816	....
Total provision for income taxes	1,598,869	912,784	346,571	339,514	1,597,797	1,072
Federal income taxes	1,288,725	737,104	261,274	290,347	1,287,655	1,070
State and local income taxes	310,144	175,680	85,297	49,167	310,142	2
Memoranda						
Recoveries credited to reserves (not included above):						
On loans	363,663	239,474	53,786	70,403	363,418	245
On securities	6,243	2,097	221	3,925	6,243	....
Losses charged to reserves (not included above):						
On loans	1,250,989	782,447	225,842	242,700	1,250,325	664
On securities	4,333	3,453	240	640	4,333	....
Number of employees, December 31	1,025,997	591,210	182,277	252,510	1,022,962	3,035
Number of banks, December 31	13,733	4,614	1,092	8,027	13,500	233

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1972 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	**40,198,016**	**3,349**	**48,957**	**580,277**	**1,536,678**	**4,185,878**	**3,712,262**	**3,345,728**	**7,133,370**	**4,506,868**	**15,144,649**
Interest and fees on loans	25,598,503	1,806	28,304	341,871	926,277	2,566,576	2,319,340	2,107,136	4,527,579	2,947,651	9,831,963
Income on Federal funds sold and securities purchased under agreements to resell	1,022,502	198	1,914	20,703	53,947	133,498	97,544	80,440	158,024	104,988	371,246
Interest on U.S. Treasury securities	3,391,860	791	10,268	105,947	229,862	528,251	397,711	326,647	581,072	330,011	881,300
Interest and dividends on securities of other U.S. Government agencies and corporations	1,142,914	239	3,250	39,928	88,133	206,183	173,957	147,052	247,615	69,558	166,999
Interest on obligations of States and political subdivisions	3,491,645	47	1,273	28,415	119,210	387,523	371,446	342,008	672,939	411,052	1,157,732
Interest and dividends on other securities	321,243	18	474	4,897	10,766	34,147	34,246	36,652	68,804	37,997	93,242
Trust department income	1,366,420	0	6	626	1,485	18,100	36,646	58,751	258,293	173,152	819,361
Service charges on deposit accounts	1,260,222	121	1,660	19,947	60,318	184,002	157,572	126,983	232,076	132,321	345,222
Other service charges, collection and exchange charges, commissions, and fees	1,082,102	92	1,177	12,402	31,481	83,098	77,985	78,715	217,936	152,917	426,299
Other operating income	1,520,605	37	631	5,541	15,199	44,500	45,815	41,344	169,032	147,221	1,051,285
Operating expense—total	**32,944,380**	**2,728**	**39,938**	**477,726**	**1,252,226**	**3,411,718**	**3,043,218**	**2,766,792**	**5,913,891**	**3,698,558**	**12,337,585**
Salaries and wages of officers and employees	7,740,766	1,210	13,796	134,178	304,684	767,308	670,426	624,926	1,395,189	869,501	2,959,548
Pensions and other employee benefits	1,329,019	122	1,263	14,329	39,414	109,882	104,438	100,993	237,215	154,697	566,666
Interest on deposits	13,828,816	594	14,189	212,933	595,307	1,647,690	1,447,100	1,289,775	2,512,524	1,436,639	4,672,065
Expense of Federal funds purchased and securities sold under agreements to repurchase	1,429,077	1	26	331	1,370	5,595	12,675	22,490	162,989	173,665	1,049,935
Interest on other borrowed money	115,173	4	12	372	827	3,106	4,000	3,204	14,262	20,996	68,390
Interest on capital notes and debentures	213,501	0	13	175	880	5,847	8,546	10,745	30,921	27,206	129,168
Occupancy expense of bank premises, net	1,579,909	150	1,529	15,934	45,048	134,448	131,937	127,390	293,091	178,807	651,575
Gross occupancy expense	1,922,952	157	1,616	16,950	48,319	145,714	148,809	152,897	369,606	246,203	792,681
Less rental income	343,043	7	87	1,016	3,271	11,266	16,872	25,507	76,515	67,396	141,106
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,085,957	104	1,174	14,083	38,283	107,897	100,506	97,858	236,410	138,806	350,836
Provision for loan losses	971,811	70	1,257	12,484	33,287	91,351	80,612	68,877	152,080	125,821	405,972
Other operating expenses	4,650,351	473	6,679	72,907	193,126	538,594	482,978	420,534	879,210	572,420	1,483,430
Income before income taxes and securities gains or losses	**7,253,636**	**621**	**9,019**	**102,551**	**284,452**	**774,160**	**669,044**	**578,936**	**1,219,479**	**808,310**	**2,807,064**
Applicable income taxes	**1,706,200**	**149**	**2,140**	**25,994**	**69,186**	**178,389**	**144,299**	**120,208**	**257,463**	**186,807**	**721,565**

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1972 IN THE UNITED STATES (STATES AND OTHER AREAS)—CONTINUED
BANKS GROUPED BY AMOUNT OF DEPOSITS
(Amounts in thousands of dollars)

Income item	All banks[1]	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Income before securities gains or losses	5,547,436	472	6,879	76,557	215,266	595,771	524,745	458,728	962,016	621,503	2,085,499
Net securities gains or losses	92,313	−9	191	2,134	8,825	25,729	19,219	16,707	28,178	−10,285	1,624
Gross	166,464	−7	218	2,664	11,693	36,927	30,506	29,042	49,451	794	5,176
Taxes	74,151	2	27	530	2,868	11,198	11,287	12,335	21,273	11,079	3,552
Net income before extraordinary items	5,639,749	463	7,070	78,691	224,091	621,500	543,964	475,435	990,194	611,218	2,087,123
Extraordinary charges or credits, net	19,139	0	3	170	761	2,121	1,781	2,065	−588	2,021	10,805
Gross	23,909	0	26	255	715	2,774	2,490	1,858	−3,471	3,604	15,658
Taxes	4,770	0	23	85	−46	653	709	−207	−2,883	1,583	4,853
Less minority interest in consolidated subsidiaries	663	0	0	0	1	59	65	−1	78	210	251
Net income	5,658,225	463	7,073	78,861	224,851	623,562	545,680	477,501	989,528	613,029	2,097,677
Dividends on capital—total	2,195,959	150	2,345	20,733	53,129	152,018	155,463	148,673	392,466	309,109	961,873
Cash dividends declared on common stock	2,192,143	150	2,345	20,727	53,102	151,760	155,044	148,372	391,488	308,202	960,953
Cash dividends declared on preferred stock	3,816	0	0	6	27	258	419	301	978	907	920
Total provision for income taxes	1,597,797	152	2,161	25,712	68,312	175,888	140,911	117,740	241,583	169,554	655,784
Federal income taxes	1,287,655	138	1,958	23,162	61,369	156,900	123,902	99,415	201,259	142,933	476,619
State and local income taxes	310,142	14	203	2,550	6,943	18,988	17,009	18,325	40,324	26,621	179,165
Memoranda											
Recoveries credited to reserves (not included above):											
On loans	363,418	13	494	5,673	15,991	48,037	38,539	31,456	59,599	41,995	121,621
On securities	6,243	0	0	247	126	202	439	895	4,076	68	190
Losses charged to reserves (not included above):											
On loans	1,250,325	59	1,201	14,092	43,081	120,051	105,477	92,028	200,688	172,273	501,375
On securities	4,333	0	0	22	158	389	981	1,719	20	949	95
Number of employees (end of period)	1,022,962	230	2,314	21,460	43,859	113,268	99,454	91,519	193,716	116,697	340,445
Number of banks (end of period)	13,500	66	471	2,567	3,262	4,088	1,608	738	532	96	72

[1] This group of banks is the same as the group shown in table **116** under the heading "Operating throughout the year."

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1972 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]	59.84	61.72	62.48	63.79	64.50	65.11	65.38	65.69	67.73	67.37
Interest on U.S. Treasury securities[3]	23.62	20.97	18.26	14.96	12.62	10.71	9.76	8.15	7.32	5.82
Interest on State and local government obligations[3]	1.40	2.60	4.90	7.76	9.26	10.01	10.22	9.43	9.12	7.64
Interest and dividends on other securities[4]	7.67	7.61	7.72	6.43	5.74	5.61	5.49	4.44	2.39	1.72
Trust department income	0	.01	.11	.10	.43	.99	1.76	3.62	3.84	5.41
Service charges on deposit accounts	3.61	3.39	3.44	3.92	4.40	4.24	3.80	3.25	2.94	2.28
Other charges, commissions, fees, etc.	2.75	2.41	2.14	2.05	1.98	2.10	2.35	3.05	3.39	2.82
Other operating income[3]	1.11	1.29	.95	.99	1.06	1.23	1.24	2.37	3.27	6.94
Operating expense—total	**81.46**	**81.58**	**82.33**	**81.49**	**81.51**	**81.98**	**82.70**	**82.90**	**82.06**	**81.46**
Salaries and wages	36.13	28.18	23.12	19.83	18.33	18.06	18.68	19.56	19.29	19.54
Pensions and other benefits	3.64	2.58	2.47	2.56	2.63	2.81	3.02	3.33	3.43	3.74
Interest on time and savings deposits	17.74	28.98	36.70	38.74	39.36	38.98	38.55	35.22	31.88	30.85
Interest on borrowed money[5]	.15	.11	.15	.20	.35	.68	1.09	2.92	4.92	8.24
Occupancy expense of bank premises, net	4.48	3.12	2.75	2.93	3.21	3.56	3.81	4.11	3.97	4.30
Furniture and equipment, etc.	3.11	2.40	2.43	2.49	2.58	2.71	2.92	3.31	3.08	2.32
Provision for loan losses	2.09	2.57	2.15	2.17	2.18	2.17	2.06	2.13	2.79	2.68
Other operating expenses	14.12	13.64	12.56	12.57	12.87	13.01	12.57	12.32	12.70	9.79
Income before income taxes and securities gains or losses	**18.54**	**18.42**	**17.67**	**18.51**	**18.49**	**18.02**	**17.30**	**17.10**	**17.94**	**18.54**
Amounts per $100 of total assets[6]										
Operating income—total	5.61	5.71	5.78	5.79	5.84	5.88	5.81	5.69	5.60	5.08
Income before income taxes and securities gains or losses	1.04	1.05	1.02	1.07	1.08	1.06	1.01	.79	1.00	.94
Net income	.78	.83	.79	.85	.87	.86	.83	.79	.76	.70
Memoranda										
Recoveries credited to reserves (not included above):										
On loans	.02	.06	.06	.06	.07	.06	.05	.05	.05	.04
On securities	0	0	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Losses charged to reserves (not included above):										
On loans	.10	.14	.14	.16	.17	.17	.16	.16	.21	.17
On securities	0	0	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1972 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[8]	6.01	7.36	8.91	10.70	11.96	12.16	11.93	11.48	11.00	10.43
Cash dividends declared on common stock	1.95	2.44	2.34	2.52	2.90	3.43	3.66	4.47	5.41	4.63
Net additions to capital from income	4.06	4.92	6.56	8.16	9.00	8.63	8.12	6.82	5.33	5.47
Amounts per $100 of equity capital[6]										
Net income	6.01	7.37	8.94	10.78	12.15	12.52	12.40	12.09	11.90	11.48
Memoranda										
Recoveries credited to reserves (not included above):										
On loans	.17	.51	.64	.76	.92	.85	.78	.68	.74	.59
On securities	0	0	.03	.01	(7)	.01	.02	.05	(7)	(7)
Losses charged to reserves (not included above):										
On loans	.77	1.25	1.59	2.05	2.29	2.33	2.27	2.29	3.02	2.42
On securities	0	0	(7)	.01	.01	.02	.04	(7)	.02	(7)
Special ratios[6]										
Income on loans per $100 of loans[2]	7.03	7.09	6.99	6.96	7.01	6.96	6.88	6.68	6.56	5.95
Income on U.S. Treasury securities per $100 of U.S. Treasury securities[3]	6.07	5.54	5.40	5.46	5.46	5.52	5.43	5.17	4.91	5.11
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions[3]	3.88	4.18	3.98	4.06	4.00	4.10	4.03	3.88	4.01	4.01
Income on other securities per $100 of other securities[4]	4.18	4.59	5.12	5.04	5.27	5.69	5.80	5.93	5.26	5.53
Service charges per $100 of demand deposits	.33	.40	.48	.59	.68	.67	.58	.46	.39	.28
Interest paid per $100 of time and savings deposits	4.06	4.34	4.40	4.41	4.42	4.45	4.41	4.35	4.34	4.24
Number of banks, December 31, 1972	66	471	2,567	3,262	4,088	1,608	738	532	96	72

[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]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), 1968–1972
(Amounts in thousands of dollars)

Income item	1968	1969	1970	1971	1972
Operating income—total	**3,238,735**	**3,581,559**	**3,874,870**	**4,529,014**	**5,295,449**
Interest and fees on real estate mortgage loans, net	2,538,502	2,768,370	2,963,859	3,275,859	3,690,871
Interest and fees on real estate mortgage loans, gross	*2,603,928*	*2,835,708*	*3,031,157*	*3,344,057*	*3,760,908*
Less: Mortgage servicing fees	*65,426*	*67,338*	*67,298*	*68,198*	*70,037*
Interest and fees on other loans	83,807	121,172	154,230	163,675	178,126
Interest on U.S. Government and agency securities[2]	....	....	....	268,370	352,297
Interest on corporate bonds	552,841	633,835	693,986	546,033	726,665
Interest on State, county, and municipal obligations[2]	....	....	....	12,789	30,857
Interest on other bonds, notes, and debentures[2]	....	....	....	75,489	91,856
Dividends on corporate stock[2]	....	....	....	105,592	126,256
Income from service operations	40,964	35,942	35,107	27,669	30,072
Other operating income	22,621	22,240	27,688	53,538	68,449
Operating expenses—total	**390,669[1]**	**443,049[1]**	**520,862[1]**	**581,693**	**671,818**
Salaries	175,307	193,613	217,536	243,446	270,353
Pensions and other employee benefits	37,149	41,860	47,072	55,944	63,882
Interest on borrowed money	4,021	9,864	20,327	7,862	6,713
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals), net	47,184	52,491	60,655	71,113	82,820
Furniture and equipment (including recurring depreciation)	16,414	19,726	22,603	28,365	32,237
Actual net loan losses (charge-offs less recoveries)	889	898	1,363	3,328	4,500
Other operating expenses	109,705	124,597	151,306	171,635	211,313
Net operating income before interest and dividends on deposits	**2,848,066[1]**	**3,138,510[1]**	**3,354,008[1]**	**3,947,321**	**4,623,631**
Interest and dividends on deposits—total	**2,612,638**	**2,808,141**	**2,987,200**	**3,418,845**	**3,943,233**
Savings deposits[2]	....	....	....	3,058,645	3,392,798
Other time deposits[2]	....	....	....	360,200	550,435
Net operating income after interest and dividends on deposits	**235,428**	**330,369**	**366,808**	**528,476**	**680,398**
Net realized gains (or losses) on—total	**7,203[1]**	**–59,457[1]**	**–121,372[1]**	**–58,286**	**–14,896**
Securities	11,237	–37,719	–91,760	–44,290	3,481
Real estate mortgage loans	–3,137	–23,381	–26,334	–12,133	–25,944
Real estate	493	434	–568	–1,690	–509
Other transactions	–1,390	1,209	–2,710	–173	8,076
Less minority interest in consolidated subsidiaries[2]	....	....	....	....	**34**
Net income before taxes	**242,631[1]**	**270,912[1]**	**245,436[1]**	**470,190**	**665,468**
Franchise and income taxes—total	**47,710**	**61,874**	**78,421**	**126,601**	**186,303**
Federal income tax	8,429	14,303	25,310	63,833	108,679
State and local franchise and income taxes	39,281	47,571	53,111	62,768	77,624
Net income	**194,921[1]**	**209,038[1]**	**167,015[1]**	**343,589**	**479,165**

Table 119. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1968–1972–CONTINUED
(Amounts in thousands of dollars)

Income item	1968	1969	1970	1971	1972
Memoranda					
Change in surplus accounts, net	218,501[1]	220,063[1]	188,484[1]	486,234	534,229
Discount on securities, total[2]	....	....	....	16,513	19,630
Average assets and liabilities[3]					
Assets–total[4]	**59,871,912**	**63,518,853**	**65,986,370**	**73,661,663**	**82,995,606**
Cash and due from banks	825,767	715,778	778,430	1,156,181	1,329,972
U.S. Government and agency securities[4]	4,297,630	3,865,250	3,893,429	4,437,666	5,740,097
Other securities[4]	6,964,029	8,254,868	8,471,553	11,932,355	15,033,388
Real estate mortgage loans[4]	45,566,125	48,091,156	49,745,250	52,364,759	56,553,602
Other loans and discounts[4]	1,176,814	1,463,714	1,904,974	2,309,498	2,566,460
Other real estate	36,156	38,345	57,981	75,520	116,406
All other assets	1,005,391	1,089,742	1,134,753	1,385,684	1,655,681
Liabilities and surplus accounts–total[4]	**59,871,912**	**63,518,853**	**65,986,370**	**73,661,663**	**82,995,606**
Total deposits	54,534,572	57,834,645	59,862,839	67,443,302	76,226,170
Savings and time deposits	*54,053,723*	*57,304,999*	*59,296,823*	*66,784,186*	*75,472,194*
Demand deposits	*480,849*	*529,646*	*566,016*	*659,116*	*753,976*
Other liabilities	793,930	888,123	1,162,859	982,655	1,074,401
Total surplus accounts[4]	4,543,410	4,796,085	4,960,672	5,235,706	5,695,035
Number of employees (end of period)	25,063	26,105	27,505	30,134	32,866
Number of banks (end of period)	334	331	329	327	326

[1] Figures have been revised to provide comparability with 1971–1972 data–see page 261 for information of changes in reports in 1971.
[2] Data are not available prior to 1971, see page 261.
[3] For 1970 and prior years, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year; for 1971–1972, averages of amounts reported at beginning, middle, and end of year.
[4] Averages for 1968–1970 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), 1968–1972

Income item	1968	1969	1970	1971	1972
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	78.38	77.30	76.49	72.33	69.70
Interest and fees on other loans	2.59	3.38	3.98	3.61	3.36
Interest on U.S. Government and agency securities[2]	....	....	....	5.93	6.65
Interest on corporate bonds	17.07	17.70	17.91	12.06	13.72
Interest on State, county, and municipal obligations[2]	....	....	....	.28	.58
Interest on other bonds, notes, and debentures[2]	....	....	....	1.67	1.74
Dividends on corporate stock[2]	....	....	....	2.33	2.39
Income from service operations	1.26	1.00	.91	.61	.57
Other operating income	.70	.62	.71	1.18	1.29
Operating expense—total	**12.06[1]**	**12.37[1]**	**13.44[1]**	**12.84**	**12.69**
Salaries	5.41	5.41	5.61	5.37	5.11
Pensions and other employee benefits	1.15	1.17	1.22	1.24	1.21
Interest on borrowed money	.12	.27	.52	.17	.13
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals)—net	1.46	1.47	1.57	1.57	1.56
Furniture and equipment (including recurring depreciation)	.50	.55	.58	.63	.61
Actual net loan losses (charge offs less recoveries)	.03	.02	.04	.07	.08
Other operating expenses	3.39	3.48	3.90	3.79	3.99
Net operating income before interest and dividends on deposits	**87.94[1]**	**87.63[1]**	**86.56[1]**	**87.16**	**87.31**
Interest and dividends on deposits—total	**80.67**	**78.41**	**77.09**	**75.49**	**74.46**
Savings deposits	(2)	(2)	(2)	67.54	64.07
Other time deposits				7.95	10.39
Net operating income after interest and dividends on deposits	**7.27[1]**	**9.22[1]**	**9.47[1]**	**11.67**	**12.85**
Net realized gains (or losses) on—total	**.22[1]**	**–1.66[1]**	**–3.14[1]**	**–1.29**	**–.28**
Securities	.35	–1.05	–2.37	–.98	.07
Real estate mortgage loans	–.10	–.65	–.68	–.27	–.49
Real estate	.01	.01	–.02	–.04	–.01
Other transactions	–.04	.03	–.07	(5)	.15
Less minority interest in consolidated subsidiaries	....	....	....	....	(5)
Net income before taxes	**7.49[1]**	**7.56[1]**	**6.33[1]**	**10.38**	**12.57**
Franchise and income taxes—total	**1.47**	**1.72**	**2.02**	**2.79**	**3.52**
Federal income tax	.26	.40	.65	1.41	2.05
State and local franchise and income taxes	1.21	1.32	1.37	1.38	1.47
Net income	**6.02[1]**	**5.84[1]**	**4.31[1]**	**7.59**	**9.05**

Table 120. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1968–1972–CONTINUED

Income item	1968	1969	1970	1971	1972
Amounts per $100 of total assets[3]					
Operating income–total	5.41	5.64	5.87	6.15	6.38
Operating expense–total	.65	.70	.79	.79	.81
Net operating income before interest and dividends on deposits	4.76	4.94	5.08	5.36	5.57
Interest and dividends on deposits–total	4.37	4.42	4.52	4.64	4.75
Net operating income after interest and dividends on deposits	.39	.52	.56	.72	.82
Net realized gains (or losses)–total	.02	–.09	–.19	–.08	–.02
Net income before taxes	.41	.43	.37	.64	.80
Franchise and income taxes–total	.08	.10	.12	.17	.22
Net income	.33	.33	.25	.47	.58
Special ratios[3]					
Interest on U.S. Government and agency securities per $100 of U.S. Government and agency securities[4]	4.91	5.23	5.61	6.05	6.14
Interest and dividends on other securities per $100 of other securities[4]	....	....	....	6.20	6.49
Interest and fees on real estate mortgage loans per $100 of real estate loans[4]	5.57	5.76	5.96	6.26	6.53
Interest and fees on other loans per $100 of other loans[4]	7.12	8.28	8.10	7.09	6.94
Interest and dividends on deposits per $100 of savings and time deposits	4.83	4.90	5.04	5.12	5.22
Net income per $100 of total surplus accounts[4]	4.29	4.36	3.37	6.56	8.41
Number of banks (end of period)	334	331	329	327	326

[1, 2, 3, 4]See notes to table 119.
[5]Less than 0.005.

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES; DEPOSIT INSURANCE DISBURSEMENTS

Deposit insurance disbursements

Disbursements by the Federal Deposit Insurance Corporation to protect depositors are made when the insured deposits of banks in financial difficulties are paid off, or when the deposits of a failing bank are assumed by another insured bank with the financial aid of the Corporation. In deposit payoff cases, the disbursement is the amount paid by the Corporation on insured deposits. In deposit assumption cases, the principal disbursement is the amount loaned to failing banks, or the price paid for assets purchased from them; additional disbursements are made in those cases as advances for protection of assets in process of liquidation and for liquidation expenses.

Noninsured bank failures

Statistics in this report on failures of noninsured banks are compiled from information obtained from State banking departments, field supervisory officials, and other sources. Based on information received, the following noninsured banks failed during 1972:

Bank	Deposits ($ mil) (12-31-71)	Date of Closing
W.L. Moody and Co. Galveston, Texas	36.2	9-21-72
Brighton Five Cents Savings Bank Boston, Mass.	43.1	10-16-72 (date merged)

For detailed data regarding noninsured banks which suspended in the years 1934-1962, see the *Annual Report* for 1963, pp. 27-41. For 1963-1971, 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, 1972.

Table 121. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934–1972

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	**635**	**134**	**501**	**8**	**493**	**1,254,807**	**141,700**	**1,113,107**	**41,147**	**1,071,960**
1934	61	52	9	.....	9	37,332	35,364	1,968	......	1,968
1935	32	6	26	1	25	13,987	583	13,404	85	13,319
1936	72	3	69	.....	69	28,100	592	27,508	......	27,508
1937	83	7	76	2	74	34,141	528	33,613	328	33,285
1938	80	7	73	.....	73	60,444	1,038	59,406	......	59,406
1939	72	12	60	.....	60	160,211	2,439	157,772	......	157,772
1940	48	5	43	.....	43	142,787	358	142,429	......	142,429
1941	16	2	14	.....	14	18,805	79	18,726	......	18,726
1942	23	3	20	.....	20	19,541	355	19,186	......	19,186
1943	5	.....	5	.....	5	12,525	......	12,525	......	12,525
1944	2	.....	2	.....	2	1,915	......	1,915	......	1,915
1945	1	.....	1	.....	1	5,695	......	5,695	......	5.695
1946	2	1	1	.....	1	494	147	347	......	347
1947	6	1	5	.....	5	7,207	167	7,040	......	7,040
1948	3	.....	3	.....	3	10,674	......	10,674	......	10,674
1949	9	4	5	1	4	9,217	2,552	6,665	1,190	5,475
1950	5	1	4	.....	4	5,555	42	5,513	......	5,513
1951	5	3	2	.....	2	6,464	3,056	3,408	......	3,408
1952	4	1	3	.....	3	3,313	143	3,170	......	3,170
1953	5	1	4	2	2	45,101	390	44,711	26,449	18,262
1954	4	2	2	.....	2	2,948	1,950	998	......	998
1955	5	.....	5	.....	5	11,953	......	11,953	......	11,953
1956	3	1	2	.....	2	11,689	360	11,329	......	11,329
1957	3	1	2	1	1	12,502	1,255	11,247	10,084	1,163
1958	9	5	4	.....	4	10,413	2,173	8,240	......	8,240
1959	3	.....	3	.....	3	2,593	......	2,593	......	2,593
1960	2	1	1	.....	1	7,965	1,035	6,930	......	6,930
1961	9	4	5	.....	5	10,611	1,675	8,936	......	8,936
1962	3	2	1	1	.....	4,231	1,220	3,011	3,011	....
1963	2	.....	2	.....	2	23,444	......	23,444	......	23,444
1964	8	1	7	.....	7	23,867	429	23,438	......	23,438
1965	9	4	5	.....	5	45,256	1,395	43,861	......	43,861
1966	8	1	7	.....	7	106,171	2,648	103,523	......	103,523
1967	4	.....	4	.....	4	10,878	......	10,878	......	10,878
1968	3	.....	3	.....	3	22,524	......	22,524	......	22,524
1969	9	.....	9	.....	9	40,120	......	40,120	......	40,120
1970	8[4]	1[4]	7	.....	7	52,763[4]	423[4]	52,340	......	52,340
1971	6	.....	6	.....	6	131,682	......	131,682	......	131,682
1972	3	2	1	.....	1	99,689	79,304	20,385	......	20,385

[1]For information regarding each of these banks, see table 22 in the *Annual Report* of the Federal Deposit Insurance Corporation for 1963, page 221 of the report for 1964, page 179 of the report for 1965, and page 183 of the 1966 report. One non-insured bank placed in receivership in 1934, with no deposits at time of closing, is omitted (see table 22, note 9). Deposits are unavailable for 7 banks.

[2]For information regarding these cases, see table 23 of the *Annual Report* for 1963.

[3]For information regarding each bank, see the *Annual Report* for 1958, pp. 48–83 and pp. 98–127, and tables regarding deposit insurance disbursements in subsequent annual reports. Deposits are adjusted as of December 31, 1972, and exclude deposits for three cases requiring disbursements by the Corporation: 1 bank in voluntary liquidation in 1937 (payoff case no. 90); 1 noninsured bank in 1938 with insured deposits at date of suspension, its insurance status having been terminated prior to suspension (payoff case no. 162); and 1 foreign-owned bank closed in 1941 by order of the Federal Government (payoff case no. 234).

[4]Revised.

Table 122. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1972

Case number	Name and location	Class of bank	Number of depositors or accounts[1]	Date of closing or deposit assumption	First payment to depositors or disbursement by FDIC	FDIC disbursement[2]	Receiver or liquidating agent or assuming bank
Deposit payoff 299	Surety Bank and and Trust Company Wakefield, Massachusetts	NM	23,363	May 19, 1972	May 27, 1972	$16,105,414	Federal Deposit Insurance Corporation

Case number	Assets[1]							Total	Liabilities and capital accounts[1]			
	Cash and due from banks	U.S. Government obligations	Other securities	Loans, discounts, and overdrafts	Banking house, furniture & fixtures	Other real estate	Other assets		Deposits	Other liabilities	Capital stock	Other capital accounts
Deposit payoff 299	2,222,066	741,416	69,897	16,482,624	911,178	17,691	1,609,272	$22,054,144	20,384,717	63,739	581,188	1,024,500

[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, 1972, plus additional disbursements estimated to be required in these cases.

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1972

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	**496**	**294**	**202**	**1,799,541**	**584,132**	**1,215,409**	**1,083,812**	**381,039**	**702,773**	**649,052**	**268,164**	**380,888**	**4,903**	**59,475**
Class of banks														
National	91	34	57	358,318	98,513	259,805	224,675	103,523	121,152	116,052	57,824	58,228	1,506	8,214
State member F.R.S.	27	10	17	376,257	88,892	287,365	197,673	34,388	163,286	108,187	26,506	81,681	296	19,483
Nonmember F.R.S.	378	250	128	1,064,966	396,727	668,239	661,463	243,128	418,335	424,813	183,834	240,979	3,101	31,778
Year[7]														
1934	9	9	....	15,767	15,767	....	1,968	1,968	....	941	941	....	43	......
1935	25	24	1	44,655	32,331	12,324	13,319	9,091	4,229	8,891	6,026	2,865	108	272
1936	69	42	27	89,018	43,225	45,793	27,508	11,241	16,267	14,781	8,056	6,725	67	934
1937	75	50	25	130,387	74,148	56,239	33,349	14,960	18,389	19,161	12,045	7,116	103	905
1938	74	50	24	203,961	44,288	159,673	59,684	10,296	49,388	30,479	9,092	21,387	93	4,902
1939	60	32	28	392,718	90,169	302,549	157,772	32,738	125,034	67,770	26,196	41,574	162	17,603
1940	43	19	24	256,361	20,667	235,694	142,429	5,657	136,773	74,134	4,895	69,239	89	17,237
1941	15	8	7	73,005	38,594	34,411	29,718	14,730	14,987	23,880	12,278	11,602	50	1,479
1942	20	6	14	60,688	5,717	54,971	19,186	1,816	17,369	10,825	1,612	9,213	38	1,076
1943	5	4	1	27,371	16,917	10,454	12,525	6,637	5,888	7,172	5,500	1,672	53	72
1944	2	1	1	5,487	899	4,588	1,915	456	1,459	1,503	404	1,099	9	37
1945	1	....	1	12,483	....	12,483	5,695	....	5,695	1,768	....	1,768	.....	96
1946	1	....	1	1,383	....	1,383	347	....	347	265	....	265	.....	11
1947	5	....	5	10,637	....	10,637	7,040	....	7,040	1,724	....	1,724	.....	378
1948	3	....	3	18,540	....	18,540	10,674	....	10,674	2,990	....	2,990	.....	200
1949	4	....	4	5,671	....	5,671	5,475	....	5,475	2,552	....	2,552	.....	166
1950	4	....	4	6,366	....	6,366	5,513	....	5,513	3,986	....	3,986	.....	524
1951	2	....	2	5,276	....	5,276	3,408	....	3,408	1,885	....	1,885	.....	127
1952	3	....	3	6,752	....	6,752	3,170	....	3,170	1,369	....	1,369	.....	195
1953	2	....	2	24,469	....	24,469	18,262	....	18,262	5,017	....	5,017	.....	428
1954	2	....	2	1,811	....	1,811	998	....	998	913	....	913	.....	145
1955	5	4	1	17,790	8,080	9,710	11,953	6,503	5,450	6,784	4,438	2,346	106	665
1956	2	1	1	15,197	5,465	9,732	11,329	4,702	6,628	3,458	2,795	663	87	51
1957	1	1	....	2,338	2,338	....	1,163	1,163	....	1.031	1,031	....	20	......
1958	4	3	1	9,587	4,380	5,207	8,240	4,156	4,084	3,026	2,796	230	38	31
1959	3	3	....	3,073	3,073	....	2,593	2,593	....	1,835	1,835	....	51	......
1960	1	1	....	11,171	11,171	....	6,930	6,930	....	4,765	4,765	....	82	......

Table 123. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1972–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	....	6,200	6,200	....	154	......
1963	2	2	....	36,430	36,430	....	23,444	23,444	....	19,232	19,232	....	325	......
1964	7	7	....	19,934	19,934	....	23,438	23,438	....	13,746	13,746	....	590	......
1965	5	3	2	15,817	14,363	1,454	43,861	42,889	972	11,431	10,958	473	601	123
1966	7	1	6	95,424	1,012	94,412	103,523	774	102,749	15,075	735	14,340	25	1,219
1967	4	4	....	4,729	4,729	....	10,878	10,878	....	8,135	8,135	....	238	......
1968	3	....	3	12,850	....	12,850	22,524	....	22,524	5,293	....	5,293	.....	974
1969	9	4	5	27,371	6,541	20,830	40,133	9,011	31,122	37,110	7,628	29,482	267	3,593
1970	7	4	3	31,135	20,105	11,030	52,413	31,081	21,332	46,485	26,719	19,766	576	980
1971	6	5	1	71,938	31,838	40,100	132,023	74,476	57,547	160,908	53,818	107,090	620	4,955
1972	1	1	....	23,650	23,650	....	20,474	20,474	....	22,536	16,292	6,244	308	95
Banks with deposits of														
Less than $100,000	107	83	24	38,347	29,695	8,652	6,418	4,947	1,471	5,000	4,309	691	88	154
$100,000 to $250,000	109	86	23	83,370	65,512	17,858	17,759	13,920	3,839	12,906	11,554	1,352	209	173
$250,000 to $500,000	62	37	25	92,179	57,287	34,892	22,315	12,921	9,394	15,615	10,549	5,066	164	611
$500,000 to $1,000,000	71	35	36	160,000	73,908	86,092	53,869	26,265	27,604	35,522	20,427	15,095	408	2,336
$1,000,000 to $2,000,000	57	21	36	209,808	70,324	139,484	76,335	27,761	48,574	44,227	22,028	22,199	638	3,700
$2,000,000 to $5,000,000	48	20	28	277,476	84,057	193,419	156,721	64,683	92,038	90,375	47,082	43,293	910	6,657
$5,000,000 to $10,000,000	24	5	19	256,796	40,754	216,042	161,285	37,655	123,630	80,147	26,118	54,029	587	7,962
$10,000,000 to $25,000,000	10	5	5	246,209	122,711	123,498	172,107	85,809	86,297	99,647	69,313	30,334	955	6,719
$25,000,000 to $50,000,000	5	1	4	284,809	12,481	272,328	199,594	40,176	159,418	95,193	9,700	85,493	532	25,773
$50,000,000 to $100,000,000	3	1	2	150,547	27,403	123,144	217,409	66,902	150,507	170,416	47,082	123,334	410	5,388
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	4	3	1	21,059	17,890	3,169	47,298	46,220	1,078	25,647	12,946	12,701	627	1,188
Colorado	5	3	2	9,732	2,304	7,428	12,460	3,670	8,790	5,673	2,149	3,524	153	1,065
Connecticut	2	2	....	5,379	5,379	....	1,526	1,526	....	1,242	1,242	....	8	......
Florida	5	2	3	14,082	1,725	12,357	17,665	2,668	14,997	6,163	2,145	4,018	65	644
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	82,294	44,375	37,919	54,656	28,972	25,684	31,908	23,926	7,982	462	791
Indiana	20	15	5	30,006	12,549	17,457	13,594	3,933	9,662	6,197	3,096	3,101	39	384

Iowa	8	5	3	17,725	5,736	11,989	13,376	8,358	5,018	7,515	6,444	1,071	130	113
Kansas	10	6	4	6,715	3,824	2,891	5,052	4,358	694	4,093	3,601	492	56	72
Kentucky	25	19	6	39,925	18,964	20,961	15,522	5,213	10,309	11,943	4,505	7,438	110	425
Louisiana	3	3	....	6.087	6.087	....	1.652	1.652	....	668	668	....	10	......
Maine	1	....	1	9,710	....	9,710	5,450	....	5,450	2,346	....	2,346	.....	665
Maryland	5	2	3	22,567	6,643	15,924	4,566	828	3,738	3,109	735	2,374	9	371
Massachusetts	3	1	2	32,696	23,650	9,046	23,493	20,474	3,019	17,856	16,292	1,564	308	1,030
Michigan	13	5	8	165,811	10,173	155,638	177,381	11,334	166,046	140,527	9,633	130,894	183	6,359
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	49,054	31,477	17,577	21,714	10,729	10,985	16,335	9,069	7,266	134	792
Montana	5	3	2	1,500	849	651	1,095	215	880	639	186	453	6	21
Nebraska	7	7	....	6,482	6,482	....	8,729	8,729	....	5,549	5,549	....	55	......
New Hampshire	1	....	1	1,780	....	1,780	296	....	296	117	....	117	.....	8
New Jersey	40	13	27	532,435	113,669	418,766	210,536	49,034	161,502	95,706	40,049	55,657	447	20,154
New York	26	3	23	269,621	28,440	241,181	145,439	13,286	132,153	67,997	10,836	57,161	32	10,847
North Carolina	7	2	5	10,408	3,677	6,731	3,266	1,421	1,845	2,387	1,156	1,231	23	179
North Dakota	29	18	11	14,103	6,760	7,343	3,830	1,552	2,278	2,656	1,397	1,259	24	203
Ohio	4	2	2	13,751	7,585	6,166	7,223	2,345	4,877	2,098	1,610	488	7	44
Oklahoma	12	8	4	27,650	20,149	7,501	18,920	11,053	7,867	10,284	7,936	2,348	178	466
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	9,839
South Carolina	2	1	1	1,848	403	1,445	849	136	714	274	136	138	.....	10
South Dakota	23	22	1	12,515	11,412	1,103	2,987	2,862	126	2,411	2,388	23	26	9
Tennessee	12	8	4	12,358	9,993	2,365	1,942	1,620	322	1,278	1,164	114	28	25
Texas	39	30	9	86,536	68,320	18,216	119,733	93,300	26,432	80,299	66,420	13,879	1,089	1,767
Utah	1	....	1	3,254	....	3,254	5,992	....	5,992	3,250	....	3,250	.....	256
Vermont	3	2	1	11,057	8,687	2,370	3,725	3,375	350	3,445	3,259	186	21	22
Virginia	9	4	5	35,715	12,638	23,077	17,778	7,652	10,127	8,263	3,867	4,396	299	505
Washington	1	....	1	4,179	....	4,179	1,538	....	1,538	935	....	935	.....	512
West Virginia	3	3	....	8,346	8,346	....	2,006	2,006	....	1,458	1,458	....	11	......
Wisconsin	31	20	11	26,898	18,739	8,159	9,512	5,966	3,545	7,188	5,096	2,092	54	436
Wyoming	1	....	1	3,212	....	3,212	2,033	....	2,033	202	....	202	.....	19

[1]Adjusted to December 31, 1972. In assumption cases, number of depositors refers to number of deposit accounts.
[2]Excludes $512 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 $57,473 thousand, all of which have been fully recovered by the Corporation, and $1,904 thousand of nonrecoverable expenses.
[7]No case in 1962 required disbursements. Disbursement totals for each year relate to cases occurring during that year, including disbursements made in subsequent years.
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, 1934–1972
(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, 1972	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[2]	Recoveries to Dec. 31, 1972	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[3]	Recoveries to Dec. 31, 1972	Estimated additional recoveries	Losses[1]
Total	**496**	**649,050**	**509,354**	**72,176**	**67,520**	**294**	**268,163**	**175,472**	**44,170**	**48,521**	**202**	**380,887**	**333,882**	**28,006**	**18,999**
Status															
Active	53	361,420	249,181	72,176	40,063	29	155,932	79,821	44,170	31,941	24	205,488	169,360	28,006	8,122
Terminated	443	287,630	260,173	......	27,457	265	112,231	95,651	......	16,580	178	175,399	164,522	......	10,877
Year[4]															
1934	9	941	734	......	207	9	941	734	......	207	....	....	....	......	......
1935	25	8,891	6,206	3	2,681	24	6,026	4,274	......	1,751	1	2,865	1,932	3	930
1936	69	14,781	12,325	......	2,455	42	8,056	6,595	......	1,460	27	6,725	5,730	......	995
1937	75	19,161	15,610	......	3,549	50	12,045	9,520	......	2,524	25	7,116	6,090	......	1,025
1938	74	30,479	28,055	......	2,425	50	9,092	7,908	......	1,184	24	21,387	20,147	......	1,241
1939	60	67,770	60,618	......	7,153	32	26,196	20,399	......	5,798	28	41,574	40,219	......	1,355
1940	43	74,134	70,338	......	3,796	19	4,895	4,313	......	582	24	69,239	66,025	......	3,214
1941	15	23,880	23,290	......	591	8	12,278	12,065	......	213	7	11,602	11,225	......	378
1942	20	10,825	10,136	......	688	6	1,612	1,320	......	292	14	9,213	8,816	......	396
1943	5	7,172	7,048	......	123	4	5,500	5,376	......	123	1	1,672	1,672	......	......
1944	2	1,503	1,462	......	40	1	404	363	......	40	1	1,099	1,099	......	......
1945	1	1,768	1,768	......	......	....	....	....	......	......	1	1,768	1,768	......	......
1946	1	265	265	......	......	....	....	....	......	......	1	265	265	......	......
1947	5	1,724	1,653	13	59	....	....	....	......	......	5	1,724	1,653	13	59
1948	3	2,990	2,349	......	641	....	....	....	......	......	3	2,990	2,349	......	641
1949	4	2,552	2,183	......	369	....	....	....	......	......	4	2,552	2,183	......	369
1950	4	3,986	2,601	......	1,385	....	....	....	......	......	4	3,986	2,601	......	1,385
1951	2	1,885	1,885	......	......	....	....	....	......	......	2	1,885	1,885	......	......
1952	3	1,369	577	......	792	....	....	....	......	......	3	1,369	577	......	792
1953	2	5,017	5,017	......	......	....	....	....	......	......	2	5,017	5,017	......	......
1954	2	913	654	......	258	....	....	....	......	......	2	913	654	......	258
1955	5	6,784	6,554	......	230	4	4,438	4,208	......	230	1	2,346	2,346	......	......
1956	2	3,458	3,244	214	......	1	2,795	2,581	214	......	1	663	663	......	......
1957	1	1,031	1,031	......	......	1	1,031	1,031	......	......	....	....	....	......	......
1958	4	3,026	2,998	......	28	3	2,796	2,768	......	28	1	230	230	......	......
1959	3	1,835	1,738	......	97	3	1,835	1,738	......	97	....	....	....	......	......
1960	1	4,765	4,765	......	......	1	4,765	4,765	......	......	....	....	....	......	......
1961	5	6,200	4,698	1	1,501	5	6,200	4,698	1	1,501	....	....	....	......	......
1963	2	19,232	18,246	586	400	2	19,232	18,246	586	400	....	....	....	......	......
1964	7	13,743	11,786	323	1,636	7	13,743	11,786	323	1,636	....	....	....	......	......
1965	5	11,432	6,121	107	5,205	3	10,959	5,795	106	5,060	2	473	326	1	145
1966	7	15,075	13,899	186	991	1	735	611	104	20	6	14,340	13,288	82	971
1967	4	8,135	6,627	157	1,350	4	8,135	6,627	157	1,350	....	....	....	......	......
1968	3	5,293	5,111	138	45	....	....	....	......	......	3	5,293	5,111	138	45
1969	9	37,110	33,499	3,212	400	4	7,628	5,262	1,966	400	5	29,482	28,237	1,246	......
1970	7	46,485	33,946	8,861	3,675	4	26,719	16,770	7,073	2,875	3	19,766	17,176	1,788	800
1971	6	160,907	99,259	47,898	13,750	5	53,817	15,719	24,349	13,750	1	107,090	83,540	23,549	......
1972	1	22,535	1,058	10,477	11,000	1	16,291	....	9,291	7,000	....	6,244[5]	1,058	1,186	4,000

[1]Includes estimated losses in active cases. Not adjusted for interest or allowable return, which was collected in some cases in which the disbursement was fully recovered.
[2]Includes estimated additional disbursements in active cases.
[3]Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
[4]No case in 1962 required disbursements.
[5]During 1972, by court order, Public Bank, Detroit, Michigan, receivership was terminated and the remaining assets became an outright purchase of the Corporation.
Note: Due to rounding differences, components may not add to totals.

INDEX

INDEX