

## IV. *Structural Changes in the National Banking System*

In 1965, 78 National bank charters were issued for newly organized banks. Five States, California (11), Texas (8), Florida (7), Alabama (6), and Illinois (5), accounted for 37 of the 78, or almost one-half of the primary charters. No charters for new banks were issued in 26 States.

During 1965, the Comptroller of the Currency approved 81 consolidations, mergers, and absorptions, in which the resulting bank was a National bank. This compared with 91 in 1964 and 90 in 1963. Completed transactions totaled 76, compared with 91 in 1964. During the year, there were 25 conversions of State-chartered banks to National banks.

At the end of 1965, there were 8,758 branches of National banks in operation, or 799 more than on December 31, 1964. During the year, 841 branches opened for business as National bank branches, in-

cluding 587 *de novo* branches, 162 branches of newly converted banks, and 92 branches acquired through merger, while 42 existing branches were discontinued or consolidated. Six States accounted for 498, or approximately 62 percent, of the 799 net additional bank offices. These were New York (200), California (96), Pennsylvania (59), Virginia (51), Ohio (50), and Michigan (42).

Communities of less than 50,000 in population had 517, or 61.5 percent, of the 841 branch openings in 1965. Those communities with over a million in population had 159 openings, or approximately 19 percent of the branch openings. National banks with total resources of less than \$50 million each had 289 branch openings or 34.4 percent of the total, while National banks with over a billion dollars each in total resources had 265 branch openings, or 32 percent of the total.

### III. *Structural Changes in the National Banking System*

There were 4,758 National banks in operation at the end of 1967. While this figure was slightly less than the number of National banks in operation at the end of 1964, the number of National banking offices spurted from 12,733 to 14,747 during the same 3 years, a rise of almost 16 percent. As of December 31, 1967, the 9,989 branches of National banks were operated by 1,477 banks, while the remaining 3,281 National banks were unit banks.

During 1967, charters were issued for 18 newly organized National banks. These were distributed among nine States, with Wisconsin receiving four, New York and Florida three each, and Georgia and Kansas two each. Nine charters were issued allowing the conversion of State banks to National banks. These cases were scattered among nine different states.

The year saw 650 branches initially opened for busi-

ness as National bank branches. This total included 502 *de novo* branches and 148 branches of newly converted banks and banks acquired via merger. The net increase in National bank branches was 583 during the year, as 67 branches were closed or consolidated. Of the 502 *de novo* branches, 295, or about 59 percent, were located in communities with a population of less than 25,000, and 139, or 28 percent were in communities with less than 5,000 population. The 502 *de novo* branches included 185, or 37 percent, opened by banks with less than \$25 million in total resources. Banks with \$1 billion or more in assets accounted for 103 branches, or 20 percent, of the total.

During 1967, there were 84 bank mergers, consolidations, and purchases in which a National bank was the resulting bank. This figure may be compared with 75 in 1966 and 76 in 1965.

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The National banking system included 4,716 banks at the end of 1968, a net decline of 42 during the year. The total was composed of 3,166 unit banks and 1,550 banks operating 10,801 branches. Total National bank branches increased by a net figure of 814, or 8.1 percent, in 1968. All told, there were 15,517 National banking offices in operation at year end.

As steps toward corporate reorganization, primarily the formation of one-bank holding companies, 16 National bank charters were issued and 15 mergers were consummated during the year. These mergers involved only one operating bank. During 1968, a total of 41 charter applications received preliminary approval for the same purpose, and 11 were pending at the end of the year.

Fifteen charters were issued for newly organized National banks, exclusive of the 16 noted above. These 15 were scattered among 12 States. Thirteen charters

were issued pursuant to the conversion of State banks to the National system.

A total of 897 banking offices opened for the first time as National bank branches during the year. Of these, 492 were *de novo* branches and 405 entered the National banking system through mergers or conversions. The closing of 83 branches led to the net figure of 814 additions.

Of the 492 *de novo* branches, 280, or 57 percent, were located in communities with less than 25,000 population. Only 16 were located in cities with over one million people. Banks with total assets of less than \$100 million accounted for 264, or almost 54 percent, of the *de novo* branches.

Apart from the mergers pursuant to the formation of one-bank holding companies, 67 mergers, consolidations, and purchases in which the resulting bank was a National bank occurred during the year. This compares with 84 in 1967 and 75 in 1966.

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There were 4,669 National banks in operation at the end of 1969, compared to 4,716 a year earlier. Of these, 1,590 banks operated 11,552 branches. The remaining 3,079 banks were unit banks, leading to a total of 16,221 offices of National banks. Total branches of National banks increased by 752, or 7.0 percent, during 1969.

The 752 net new branches in the National Banking System represented the sum of 579 *de novo* branches opened during the year plus 299 branches entering the system via merger or conversion, less 126 branches closed during the year. Of the 579 *de novo* branches, only 174, or 30.0 percent, were in cities with populations of 50,000 or more. Three hundred twenty-eight, or 56.6 percent, were located in communities having fewer than 25,000 people.

Thirty-three applications for charters to form new operating National banks were given preliminary approval, and 16 charters were issued for newly-organized banks. In addition, 61 charters were issued as steps toward corporate reorganization, primarily the formation of one-bank holding companies. In 15 cases, charters were issued pursuant to the conversion of State banks to National banks.

In mergers, consolidations, or purchases involving two or more operating banks, 80 transactions were consummated in which the resulting bank was a National bank. This compares with 67 in 1968, and 84 in 1967. In addition, during 1969, there were 59 mergers carried out pursuant to corporate reorganization and involving only one operating bank.