

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

December 2, 1931.

Mr. Wm. McC. Martin, Governor,
Federal Reserve Bank,
St. Louis, Missouri.

Dear Governor Martin:

During the meeting today with the Governors' Conference of the Federal Reserve Committee on Branch, Group and Chain Banking a request was made that each Governor be furnished with a copy of the confidential data submitted recently to the Sub-committee of the Committee on Banking and Currency of the United States Senate which is engaged in a survey of the operation of the National and Federal Reserve banking systems.

A copy of this data is enclosed herewith and it is requested that you also regard it as confidential.

Very truly yours,



Chester Morrill,
Secretary.

Washington, D. C.
November 28, 1931.

PROGRESS REPORT OF THE COMMITTEE ON BRANCH, GROUP AND CHAIN BANKING
TO THE CONFERENCE OF GOVERNORS AND CHAIRMEN
NOVEMBER 30, 1931

Senator Glass requested the Governor of the Federal Reserve Board on October 15th to submit to the Subcommittee of the Senate Committee on Banking and Currency any available material collected by the Federal Reserve Committee on Branch, Group and Chain Banking. In answer to this request a preliminary statistical report on certain phases of the investigation was prepared by the staff of the Committee and submitted to the Senator by the Governor on November 10th. This preliminary report consists very largely of statistical tables and charts and contains very little interpretative text. The material covers: (1) Bank Changes; (2) Bank Suspensions; (3) Banking Costs and Profits; (4) Branch Banking; and (5) Chain and Group Banking. A limited number of copies of this report has been mimeographed and twelve copies are available for the members of the conference.

Immediately after appointment by the Federal Reserve Board on February 26, 1930, the Committee on Branch, Group and Chain Banking began to outline the scope of its work and to prepare a program for its investigation. The task assigned by the Board was very broad in its terms, but it soon became apparent to the Committee that in view of the importance of the time element some very definite limitations to its field of study should of necessity be made. After surveying the field in a preliminary way, it was decided to concentrate the Committee's efforts on certain major projects which bear directly on the question of the banking structure rather than to extend the investigation too broadly.

The phases of the subject to which it was decided to give most attention are the following:

- (1) Bank Suspensions in the United States
- (2) Earnings and Expenses of National Banks
- (3) The Dual Banking System in the United States
- (4) Banking Concentration in the United States
- (5) Branch Banking in the United States
- (6) Group and Chain Banking in the United States
- (7) Branch Banking in Canada
- (8) Branch Banking in England

These projects will be supplemented by a few brief chapters on such subjects as: economic background for bank changes, competition from non-banking institutions, certain phases of bank supervision, and perhaps the banking systems of one or two other foreign countries if time permits. Among the subjects which the Committee feels that it cannot adequately cover under its present program are: banking supervision in the United States, functional changes in our banking system, and the banking systems of other leading foreign countries. In view of the importance of bank supervision in this country and its apparent shortcomings it is believed that any adequate investigation of that subject would have to be made by a special committee endowed with special powers.

After a survey of the material which was then available on the various projects listed above, the Committee felt that merely assembling and analyzing this material would make little contribution to existing information and would not adequately meet the needs of the situation. Because of the need for a more comprehensive body of data on which a constructive banking program might be based it was decided to collect through

various channels whatever additional factual material would be necessary to give a more comprehensive picture of the causes for banking difficulties and of the forces tending towards changes in the banking structure.

Various schedules, questionnaires, forms and tables were, therefore, prepared designed to secure the desired information regarding: (1) Each of the banks suspending since the beginning of 1921; (2) Earnings and expenses and operating ratios of each national bank for each of five years 1926-1930; (3) The organization, management, operating policies, etc., of the leading group and branch banking systems of the country; (4) The details of consolidations and other bank changes during the ten-year period; (5) The affiliations of banks; (6) the classification of all active banks in the country by size of loans and investments, size of town and size of capital stock; (7) Examination reports of suspended banks; (8) Farm loans and other data showing the nature of agricultural commitments; (9) Quality indices of the investment holdings of banks, and certain other supplementary bits of information.

Much of this information has been compiled by the Federal reserve banks but parts of it have been furnished by the state banking departments and other agencies at the request of the Federal reserve banks. Much of the material was not received until this past spring and summer, but, with minor exceptions, it is now in the hands of the Committee, and the process of analyzing it is well on the way towards completion.

Reports on these major projects have been submitted and are now being revised, after which they will be worked over for final submission.

The following is a brief statement of the scope of the work undertaken under the various projects.

Suspensions. The study on suspensions has been divided into four sections and material has been collected on each of these phases of the subject.

- (1) A statistical analysis which in addition to giving the number and location of suspensions makes comparisons on the basis of the size of banks, size of towns, and geographical divisions. This study also shows the ultimate losses to depositors of banks completely liquidated. These detailed statistical data cover only the period 1921-1931, while for prior years back to 1892 more general statistical information has been compiled.
- (2) Causes of suspensions as revealed in the study of examination reports of a limited number of suspended banks. This touches upon such subjects as management, supervision, loan policies, etc.
- (3) Agricultural conditions and bank suspensions. This is a study of agricultural changes since 1900, including commodity prices and land values and their effects upon banking institutions. It also includes a study of bank commitments to agriculture and the general credit conditions in agricultural districts.
- (4) Florida--a case study of the effects of real estate speculation on banking institutions.

Earnings and Expenses. A detailed study of earnings and expenses of all national banks over a five-year period, 1926-1930, classified according to size of bank, size of community and by geographical divisions. This is supplemented by a presentation of the general movements and factors in bank earnings and expenses over several decades.

The Dual Banking System. An examination of Federal and state banking laws, recommendations, practices, etc., with a view to determining the extent of the competition which has existed between the two systems and the general effects of this competition. It also includes certain

comparisons and salient facts regarding bank supervision.

Banking Concentration. This is largely a statistical study of the changes in the number, nature and size of banking institutions including consolidations, affiliations, etc.

Branch Banking in the United States. The study on branch banking will be covered in two sections.

- (1) A general statistical and historical study of branch banking experience in the United States including a discussion of the sources and causes of opposition and the factors involved in the branch banking controversy.
- (2) Branch banking in California. This is a special study on the growth and present position of branch banking in California including motivating forces, effects of the development, etc.

Group and Chain Banking in the United States. An outline of the development and present position of group and chain banking, including organization, management, policies, methods of operation, etc. It also includes a discussion of the problems involved in group banking and the effects of this development. Much of the material for this report comes from the questionnaires answered by the principal groups in the country.

Branch Banking in Canada. This report has been written and after a limited amount of editing will be ready for submission. It includes a discussion of the following phases of Canadian branch banking: structure and supervision, safety, adequacy of service, cost of service, test of the post-war deflation, and concentration. In addition to making use of the documentary and other published material available

in this country, a member of the research staff spent about four weeks in Canada studying the various phases of branch banking.

Branch Banking in England. The section on branch banking in England, which covers roughly the same ground as the Canadian study, has been prepared and with a limited amount of editing will be ready for submission.

FEDERAL RESERVE COMMITTEE ON
BRANCH, GROUP AND CHAIN BANKING

STATISTICAL DATA

Submitted to the Subcommittee of the
Committee on Banking and Currency of the
United States Senate
November 6, 1931

Confidential and not for Publication

This is preliminary material submitted in advance of the Committee's full report, and is subject to revision.

FEDERAL RESERVE COMMITTEE ON BRANCH, GROUP,

AND CHAIN BANKING

Members of the Committee

E. A. Goldenweiser, Director, Division of Research and
Statistics, Federal Reserve Board, Chairman

Ira Clerk, Deputy Governor, Federal Reserve Bank of San
Francisco

M. J. Fleming, Deputy Governor, Federal Reserve Bank of
Cleveland

L. R. Rounds, Deputy Governor, Federal Reserve Bank of
New York

E. L. Smead, Chief, Division of Bank Operations, Federal
Reserve Board

- - - - -

J. H. Riddle, Executive Secretary

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November 6, 1931

Federal Reserve Committee on
Branch, Group and Chain Banking

BANK CHANGES, 1920-1930

Preliminary material subject to revision

BANK CHANGES, 1920-1930

During the ten-year period following 1920 the number of incorporated commercial banks and trust companies in the United States declined from 29,230 to 21,903--a net reduction of 7,327 banks. This decrease is the first important reversal of the growth in numbers in almost a hundred years. For two decades prior to 1920 the rate of increase was as rapid as the rate of decrease has subsequently been. State banks have contributed most to both the rise and the decline. Charts 1 and 2 and Appendix I show these developments. In these and the following charts and tables figures are given for State and national banks only, including trust companies and stock savings banks. Mutual savings banks and private banks are excluded.

Position in 1920: Tables 1 and 2 and Charts 3 and 4 give the number of banks, the population per bank and the distribution of banks by size in 1920. As a result of the rapid rise in the number of banks prior to 1920, the population per bank for the country as a whole declined from 8,828 per bank in 1900 to 3,617 per bank in 1920. In two of the agricultural states the population per bank was less than 1,000 in 1920 (Table 2). The growth had brought into existence a large number of small institutions. About 22 per cent of the banks in 1920 had loans and investments of less than \$150,000, and 64 per cent had loans and investments of less than \$500,000. The distribution of banks by size and by geographic divisions in 1920 is given in Appendix VI, and in 1930 in Appendix VII.

Analysis of changes 1920-1930: Charts 5 to 8 and Tables 3 to 6 illustrate the changes which occurred from 1920 to 1930 by size of bank, size of town and geographic divisions. It will be noted that the declines occurred chiefly among small banks. Among all size groups of less than \$2,000,000 of loans and investments there was a net decrease in number, and among all larger size groups there was a net increase. The number of banks with loans and investments of from \$150,000 to \$250,000, for example, decreased 30 per cent, while the number of banks with loans and investments of \$50,000,000 and over increased 40 per cent (Chart 5). The resulting contrast between the banking structure of 1920 and 1930 is shown in Charts 6, 7, and 8, in Tables 3, 4, and 5, and in Appendices VI and VII.

The change in number of banks has been attended by a preponderant growth in the business of large institutions (Table 6). The aggregate loans and investments of all banks under \$1,000,000 in size declined nearly 25 per cent from 1920 to 1930, but for banks of \$50,000,000 and over the aggregate more than doubled during the same period.

Chart 9 and Table 7 show that the decrease which has come about in the number of banks during the ten-year period is the net difference between primary organizations on the one hand and discontinuances through consolidation, suspension and liquidation, on the other. There has been an almost uniform decrease year by year in the number of primary organizations, a gradual increase in discontinuances through

consolidation, and a somewhat irregular but substantial increase in suspensions. The latter has been the largest single factor of change.

Primary organizations and conversions from private banks are given separately in Appendix II, and primary organizations are given in still greater detail in Appendices III and IV.

Voluntary liquidations, which have been included with suspensions in Chart 9, and reopenings, which have been subtracted from suspensions in the same chart, are shown separately in Appendix II. Suspensions and reopenings are discussed separately in another section.

Consolidations: Chart 10, Tables 8-10 and Appendix V give the number of consolidations since 1900 and, for the period 1921-1930, their distribution by size. Consolidations have been far more numerous since 1920 than in prior years and have occurred with the greatest relative frequency among large banks. Only 19.4 per cent of the number of banks of less than \$25,000 capital have participated in consolidations during the ten years, while among banks of \$1,000,000 capital or more, the participations in consolidations have been twice as numerous as the number of banks.

Sources

The information in the charts and tables relative to bank changes has been compiled from various sources. The data in Charts 1 and 2 and Appendix I, as explained in notes on the latter, are taken in part from the annual reports of the Comptroller of the Currency, in part from the report of the National Monetary Commission in 1911, and

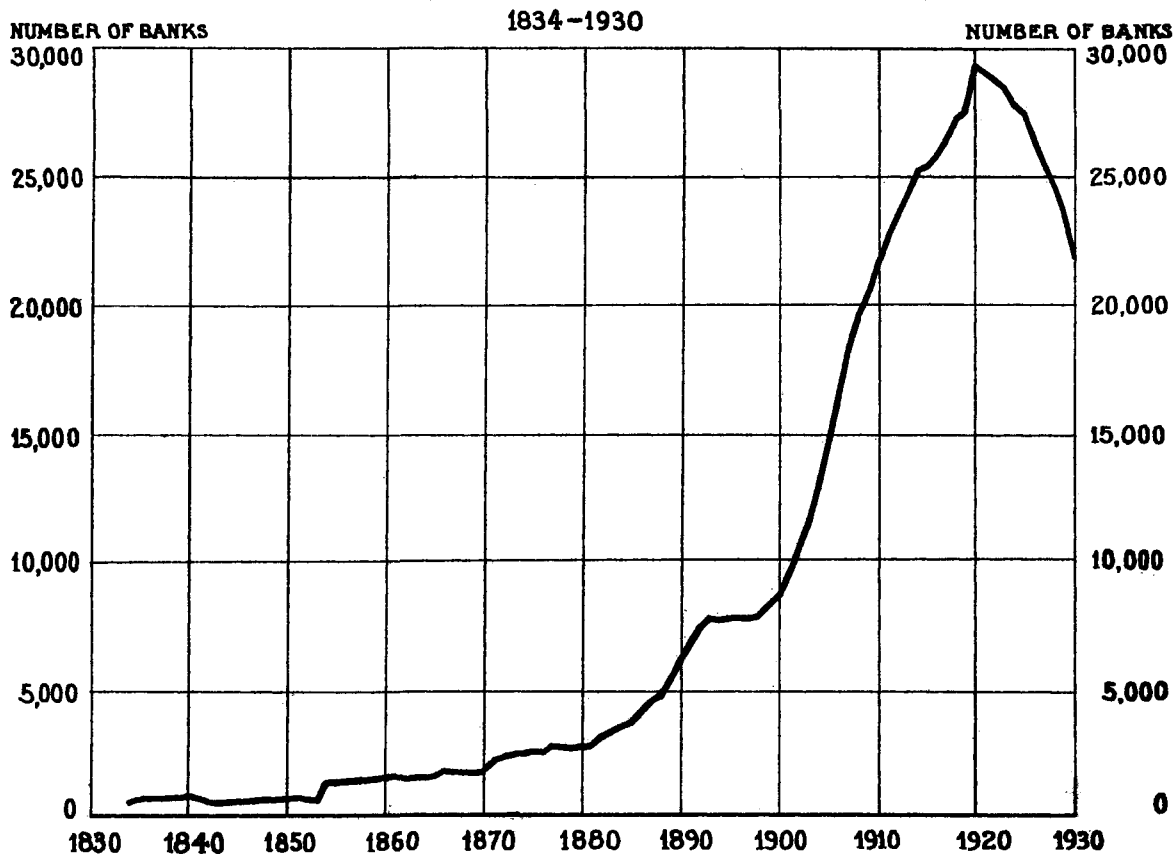
in part from the studies made by the Committee on Branch, Group and Chain Banking.

The distribution of banks in 1920 and 1930 shown in various charts and tables is based on a special study initiated by the Committee in order to classify banks according to amount of capital, amount of loans and investments, and size of town. For national banks these basic classifications were prepared in the office of the Comptroller of the Currency. For State banks they were prepared in some cases in the offices of the superintendents of banks and in some cases by the Federal reserve banks.

The information on changes in the number of banks through primary organizations, consolidations, etc., is also based on a special study initiated by the Committee. For national banks the original data was compiled by the Division of Bank Operations of the Federal Reserve Board. For State banks they were compiled in the offices of the various superintendents of banks with the cooperation of the Federal reserve banks. A copy of the form used in collecting the original data is attached as Appendix VIII. A separate copy of this form was prepared for each bank change during 1921-1930.

CHART 1

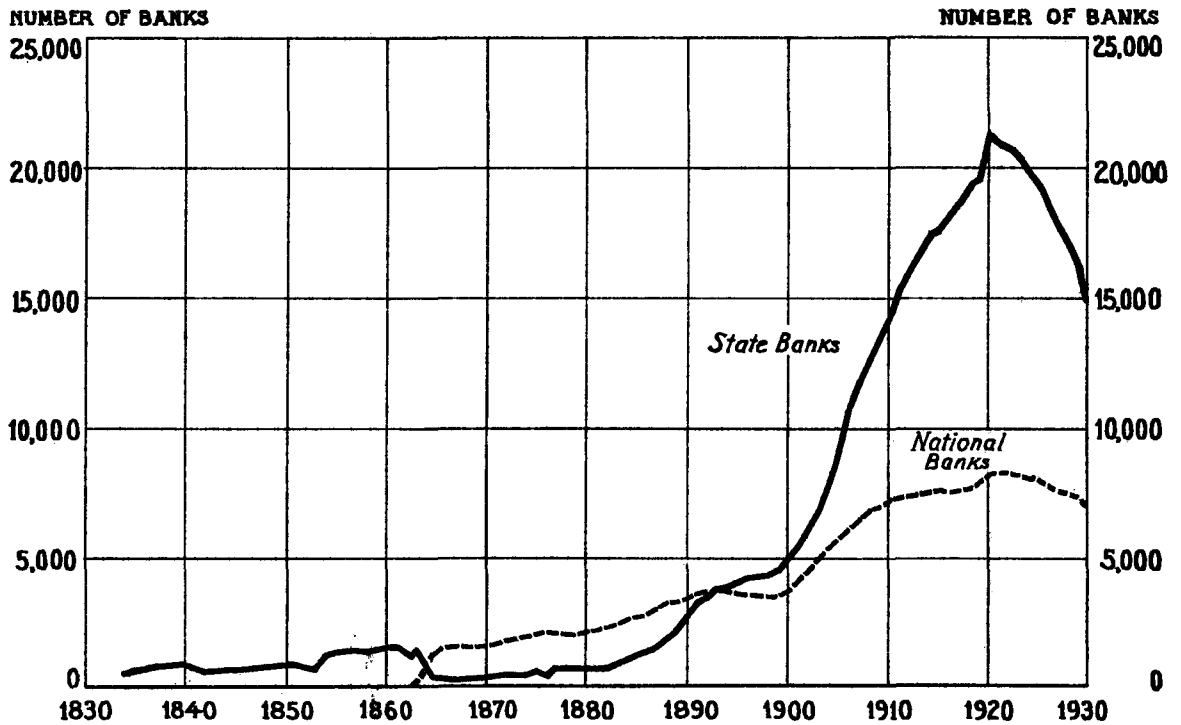
NUMBER OF INCORPORATED COMMERCIAL BANKS AND TRUST COMPANIES IN THE UNITED STATES



Number of State and national banks, including trust companies and stock savings banks, in the United States each year from 1834 to 1930. Private banks and mutual savings banks are not included. Figures are as of June 30 prior to 1920 and as of December 31 for 1920 and subsequent years

CHART 2

NUMBER OF STATE AND NATIONAL BANKS 1834 - 1930

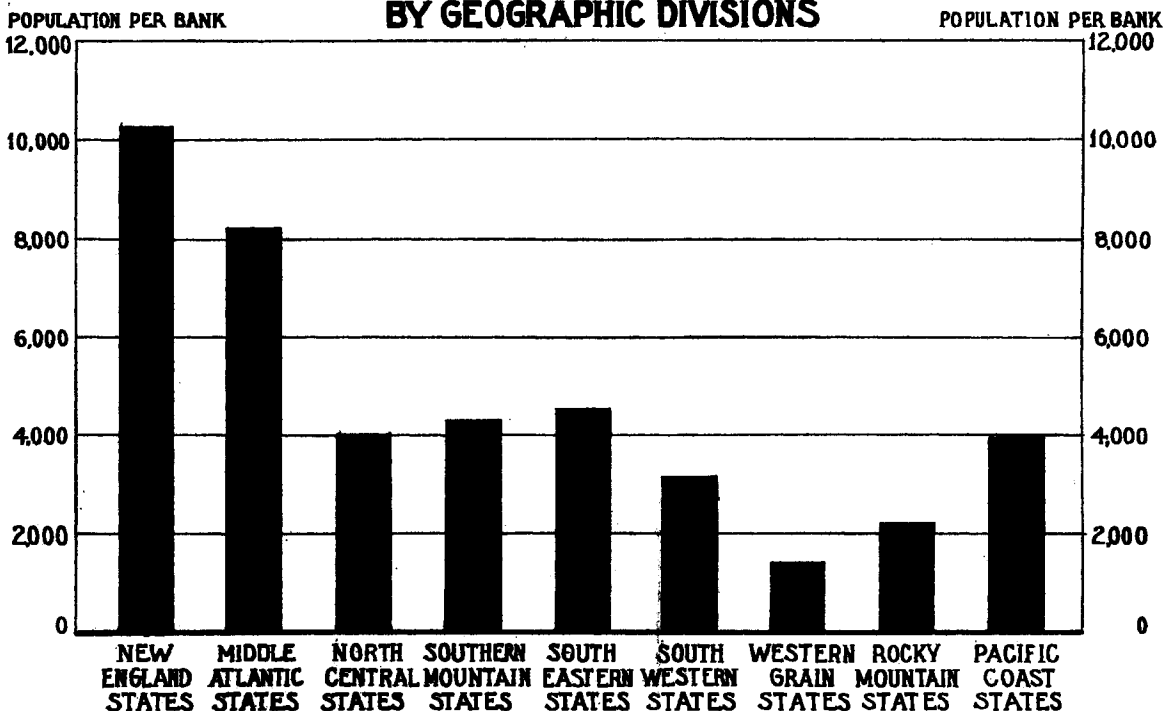


Number of State and national banks, including trust companies and stock savings banks, in the United States each year from 1834 to 1930. Private banks and mutual savings banks are not included. Figures are as of June 30 prior to 1920 and as of December 31 for 1920 and subsequent years

NUMBER OF BANKING INSTITUTIONS IN 1920

CHART 3

**POPULATION PER BANK IN 1920
BY GEOGRAPHIC DIVISIONS**



Population per bank, State and national, in 1920 in the different geographic divisions of the United States

Table 1 - POPULATION PER BANK IN 1900 AND 1920

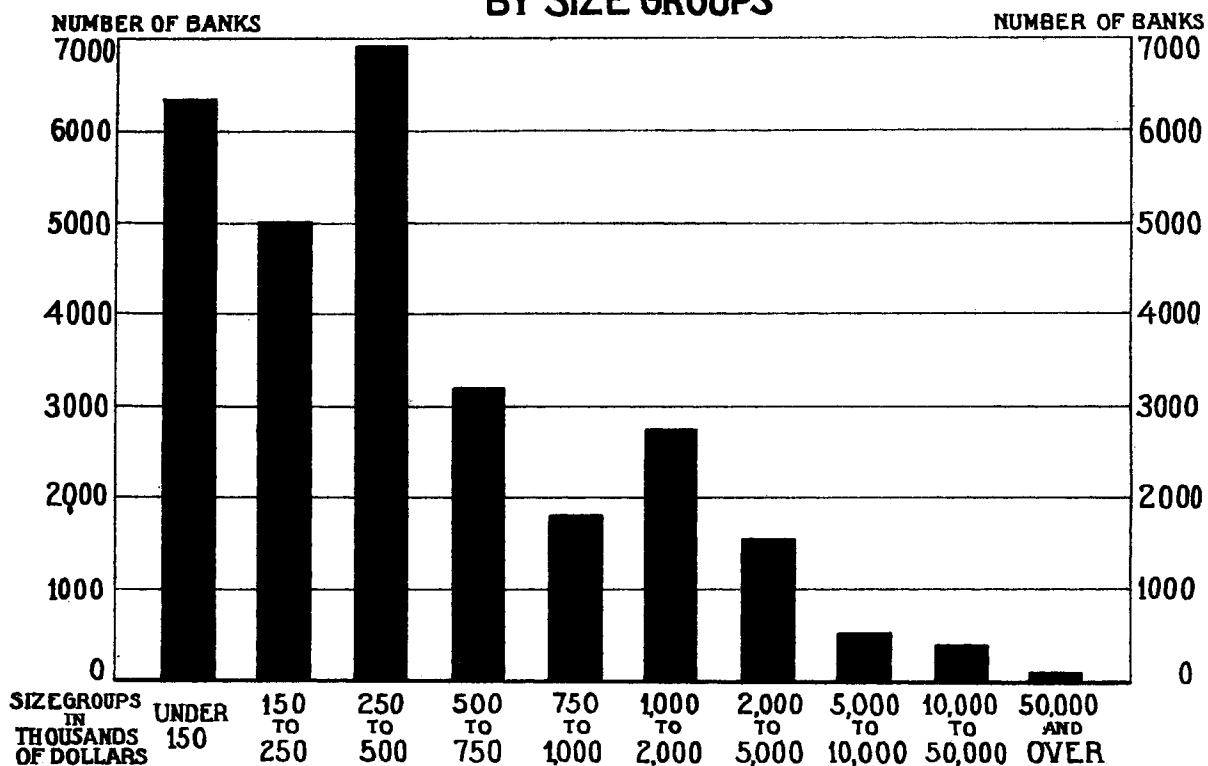
| Geographic divisions | 1900 | 1920 |
|----------------------|--------|--------|
| New England | 8,297 | 10,293 |
| Middle Atlantic | 11,072 | 8,140 |
| North Central | 10,280 | 3,962 |
| Southern Mountain | 9,173 | 4,257 |
| South Eastern | 15,836 | 4,491 |
| South Western | 13,869 | 3,082 |
| Western Grain | 4,259 | 1,386 |
| Rocky Mountain | 7,443 | 2,111 |
| Pacific Coast | 6,769 | 3,948 |
| UNITED STATES | 8,828 | 3,617 |

Table 2 - POPULATION PER BANK IN 1900 AND 1920

WESTERN GRAIN STATES

| States | 1900 | 1920 |
|--------------|-------|-------|
| Minnesota | 6,486 | 1,559 |
| North Dakota | 2,059 | 734 |
| South Dakota | 2,953 | 913 |
| Iowa | 5,708 | 1,404 |
| Nebraska | 2,318 | 1,083 |
| Missouri | 5,329 | 2,043 |
| Kansas | 3,388 | 1,292 |

CHART 4
**DISTRIBUTION OF BANKS IN 1920
 BY SIZE GROUPS**

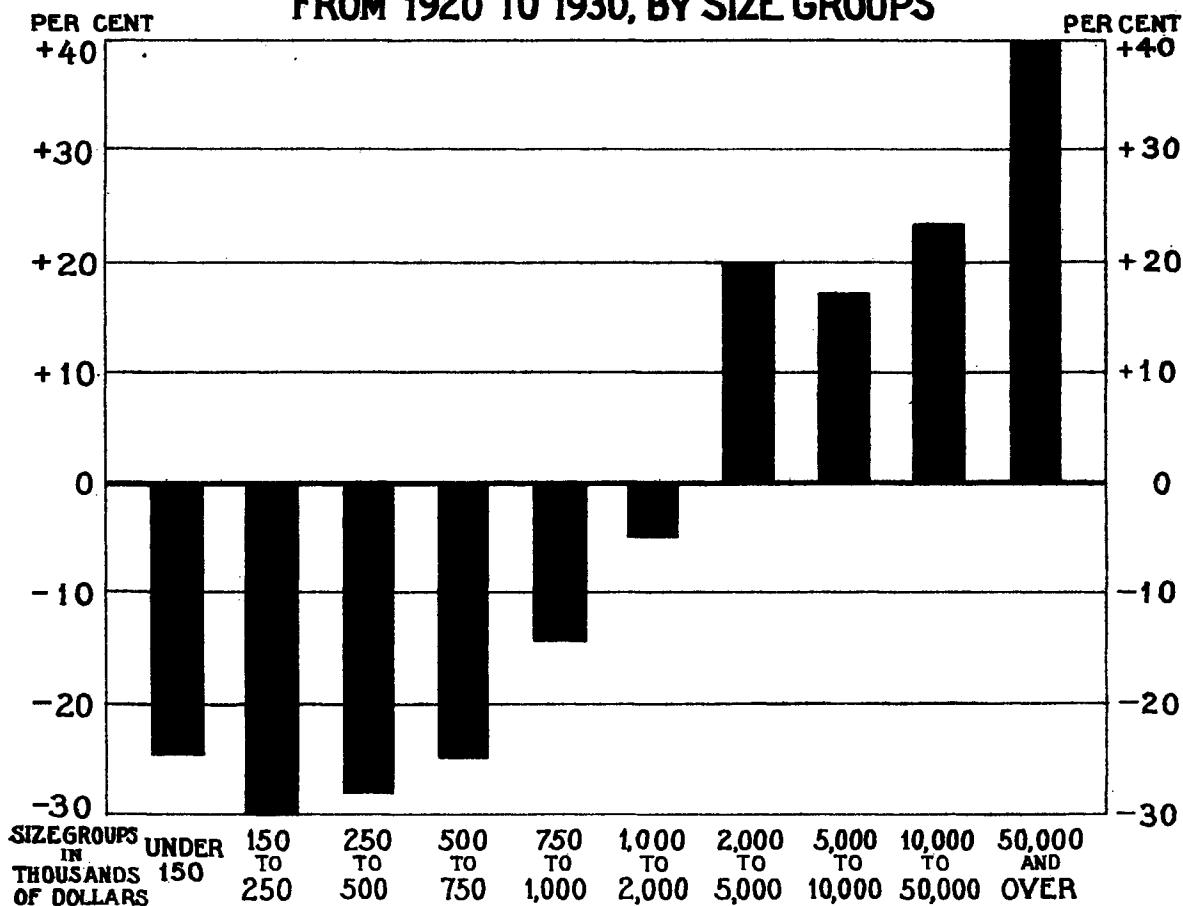


Number of State and national banks on June 30, 1920 grouped according to amount of loans and investments

ANALYSIS OF CHANGES 1920-1930

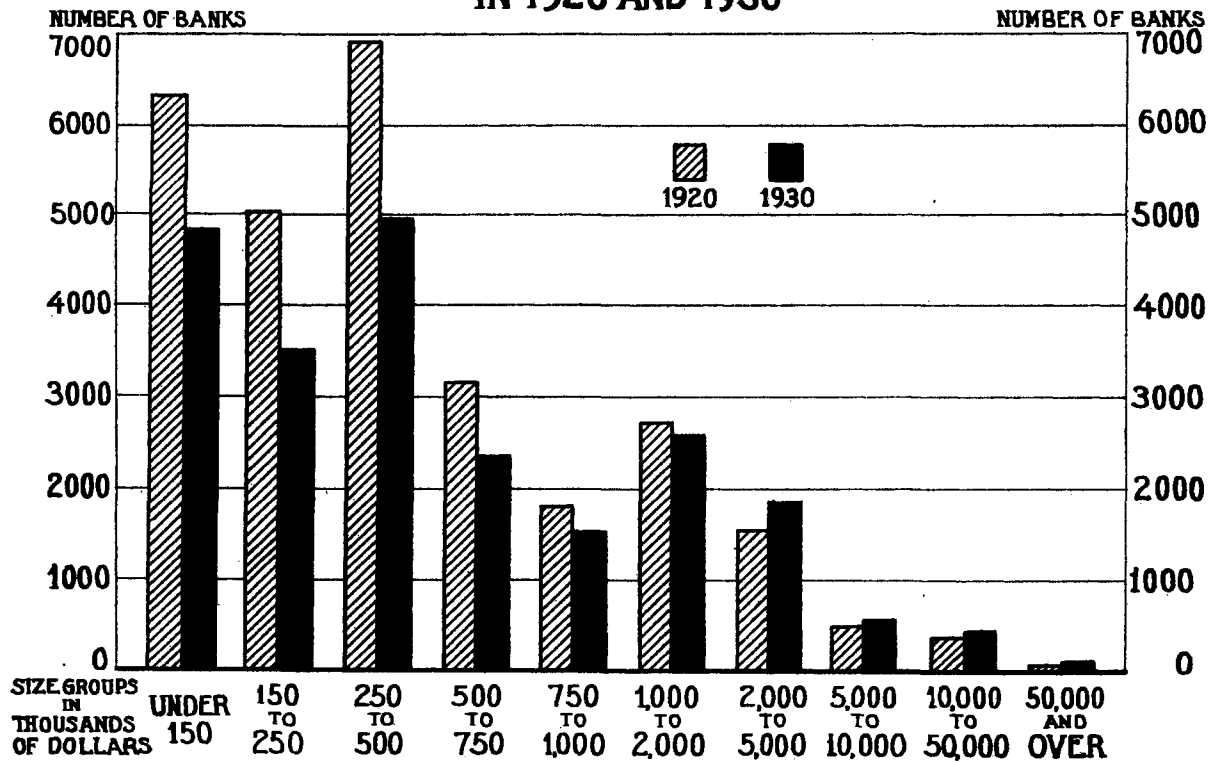
CHART 5

**PERCENTAGE CHANGES IN THE NUMBER OF BANKS
FROM 1920 TO 1930, BY SIZE GROUPS**



Percentage changes in the number of State and national banks from 1920 to 1930 in the different size groups according to amount of loans and investments

CHART 6
DISTRIBUTION OF BANKS BY SIZE GROUPS
IN 1920 AND 1930



Number of State and national banks in 1920 and 1930, grouped according to amount of loans and investments

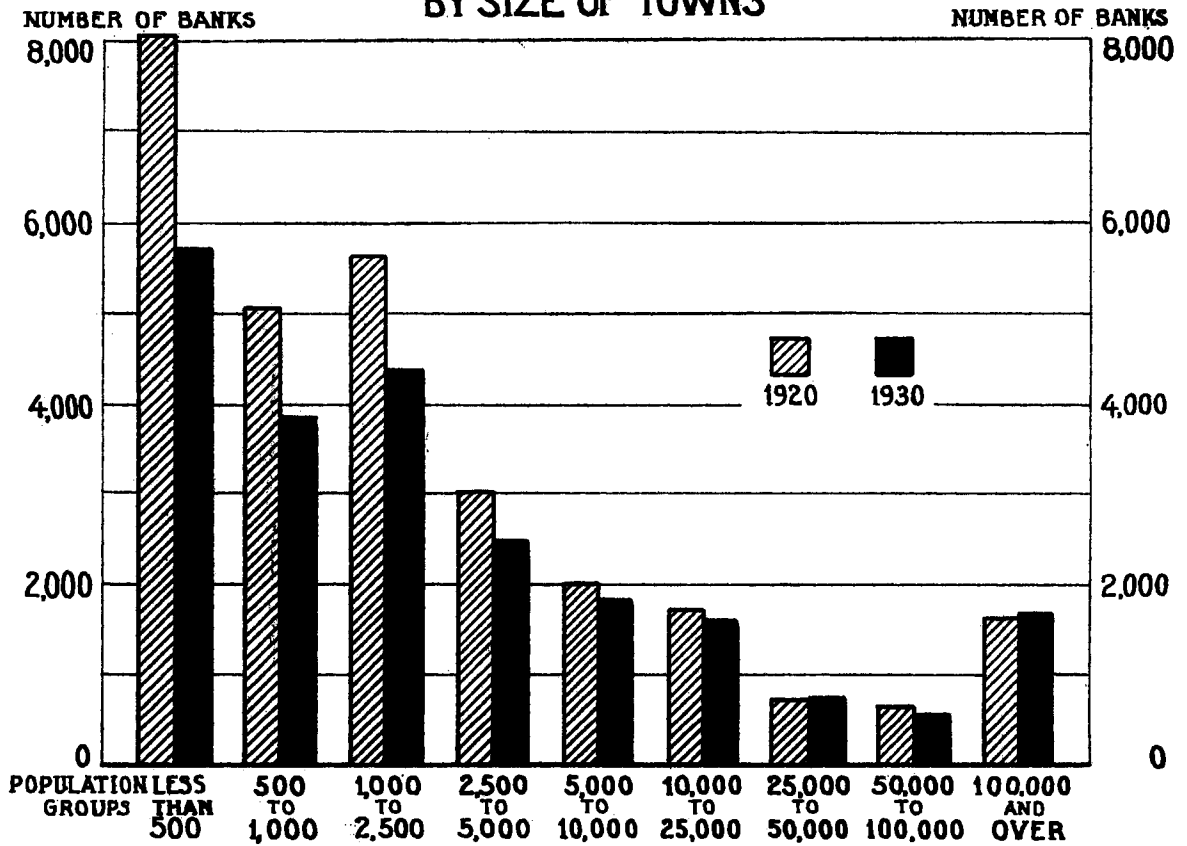
Table 3 - DISTRIBUTION OF BANKS IN 1920 AND 1930
BY SIZE GROUPS

| Size Groups Loans and investments In thousands of dollars | Number of banks | | Percentage change from 1920 to 1930 |
|---|-----------------|--------|---|
| | 1920 | 1930 | |
| Under \$150 | 6,336 | 4,839 | - 24% |
| 150 to 250 | 5,027 | 3,510 | - 30 |
| 250 to 500 | 6,915 | 4,966 | - 28 |
| 500 to 750 | 3,159 | 2,362 | - 25 |
| 750 to 1,000 | 1,811 | 1,552 | - 14 |
| 1,000 to 2,000 | 2,729 | 2,600 | - 5 |
| 2,000 to 5,000 | 1,573 | 1,887 | + 20 |
| 5,000 to 10,000 | 508 | 596 | + 17 |
| 10,000 to 50,000 | 369 | 453 | + 23 |
| 50,000 and over | 72 | 101 | + 40 |
| Total | 28,499 | 22,866 | - 20 |

Table 4 - DISTRIBUTION OF BANKS IN 1920 AND 1930
BY SIZE OF CAPITAL STOCK

| Size Groups Capital stock | 1920 | | 1930 | |
|------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | Number of banks | Per cent of total | Number of banks | Per cent of total |
| Under \$25,000 | 8,087 | 28.4 | 4,769 | 20.9 |
| 25,000 to 49,999 | 8,624 | 30.3 | 6,918 | 30.2 |
| 50,000 to 99,999 | 5,680 | 19.9 | 4,708 | 20.6 |
| 100,000 to 199,999 | 3,684 | 12.9 | 3,587 | 15.7 |
| 200,000 to 999,999 | 1,990 | 7.0 | 2,351 | 10.3 |
| 1,000,000 and over | <u>434</u> | <u>1.5</u> | <u>533</u> | <u>2.3</u> |
| All groups | 28,499 | 100.0 | 22,866 | 100.0 |

CHART 7
DISTRIBUTION OF BANKS IN 1920 AND 1930
BY SIZE OF TOWNS



Number of State and national banks in 1920 and 1930, grouped according to population of towns

Table 5 - DISTRIBUTION OF BANKS IN 1920 AND 1930.

BY SIZE OF TOWNS

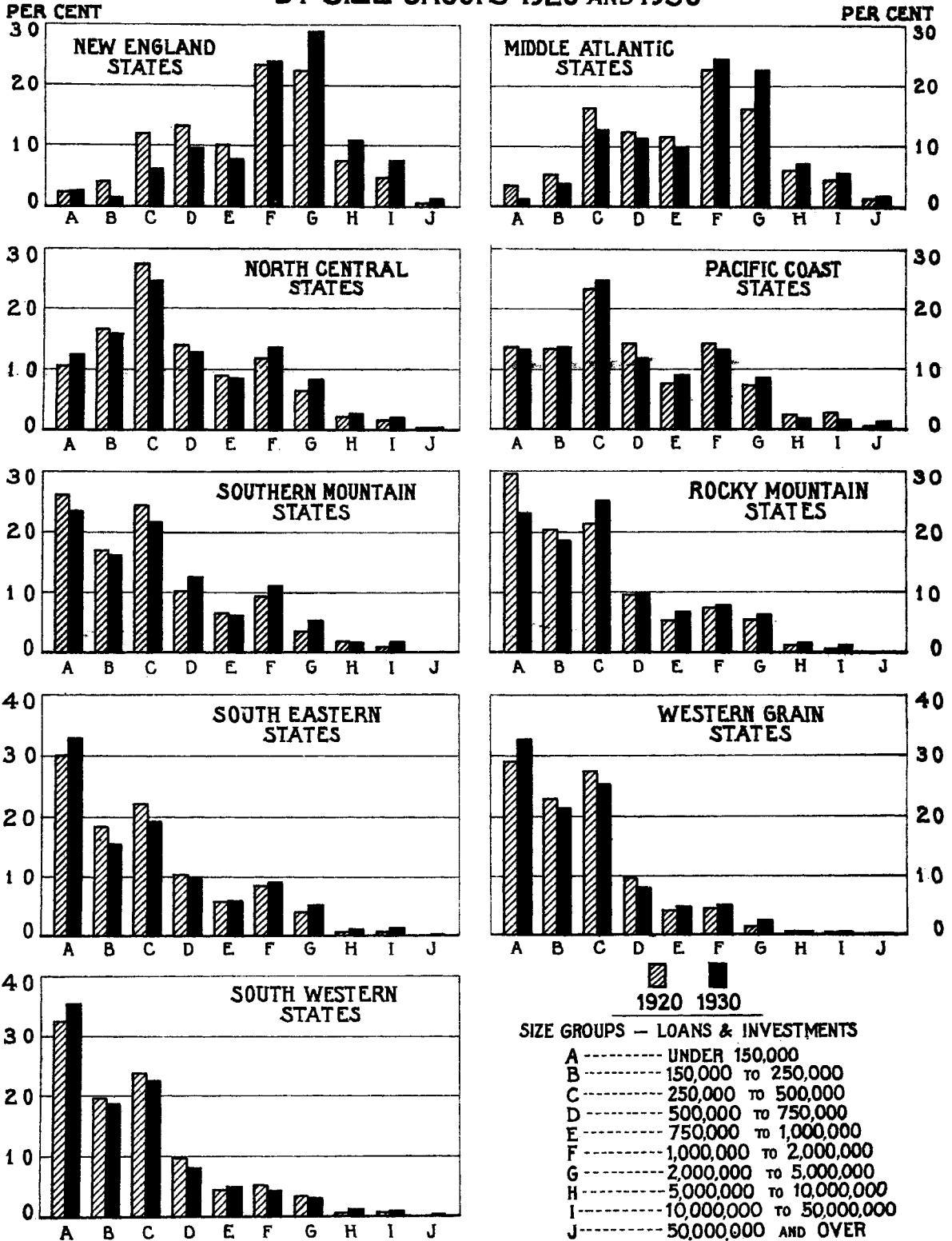
| Population of towns | 1920 | | 1930 | |
|------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | Number of banks | Per cent of total | Number of banks | Per cent of total |
| Less than 500 | 8,061 | 28.3 | 5,713 | 25.0 |
| 500 to 1,000 | 5,055 | 17.7 | 3,860 | 16.9 |
| 1,000 to 2,500 | 5,630 | 19.8 | 4,353 | 19.0 |
| 2,500 to 5,000 | 3,016 | 10.6 | 2,483 | 10.9 |
| 5,000 to 10,000 | 2,005 | 7.0 | 1,831 | 8.0 |
| 10,000 to 25,000 | 1,726 | 6.0 | 1,607 | 7.0 |
| 25,000 to 50,000 | 736 | 2.6 | 746 | 3.3 |
| 50,000 to 100,000 | 644 | 2.3 | 579 | 2.5 |
| 100,000 and over | <u>1,626</u> | <u>5.7</u> | <u>1,694</u> | <u>7.4</u> |
| Total | 28,499 | 100.0 | 22,866 | 100.0 |

Table 6 - LOANS AND INVESTMENTS OF ACTIVE BANKS
BY SIZE GROUPS

| Size Groups Loans and investments | June 30, 1920 | | June 30, 1930 | |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Amount (000 omitted) | Per cent of total | Amount (000 omitted) | Per cent of total |
| Under \$1,000,000 | \$ 7,537,000 | 21 | \$ 5,717,000 | 12 |
| 1,000,000 to 10,000,000 | 12,016,000 | 33 | 13,640,000 | 28 |
| 10,000,000 to 50,000,000 | 7,366,000 | 21 | 8,815,000 | 18 |
| 50,000,000 and over | 9,156,000 | 25 | 19,890,000 | 42 |
| All banks | 36,075,000 | 100 | 48,062,000 | 100 |

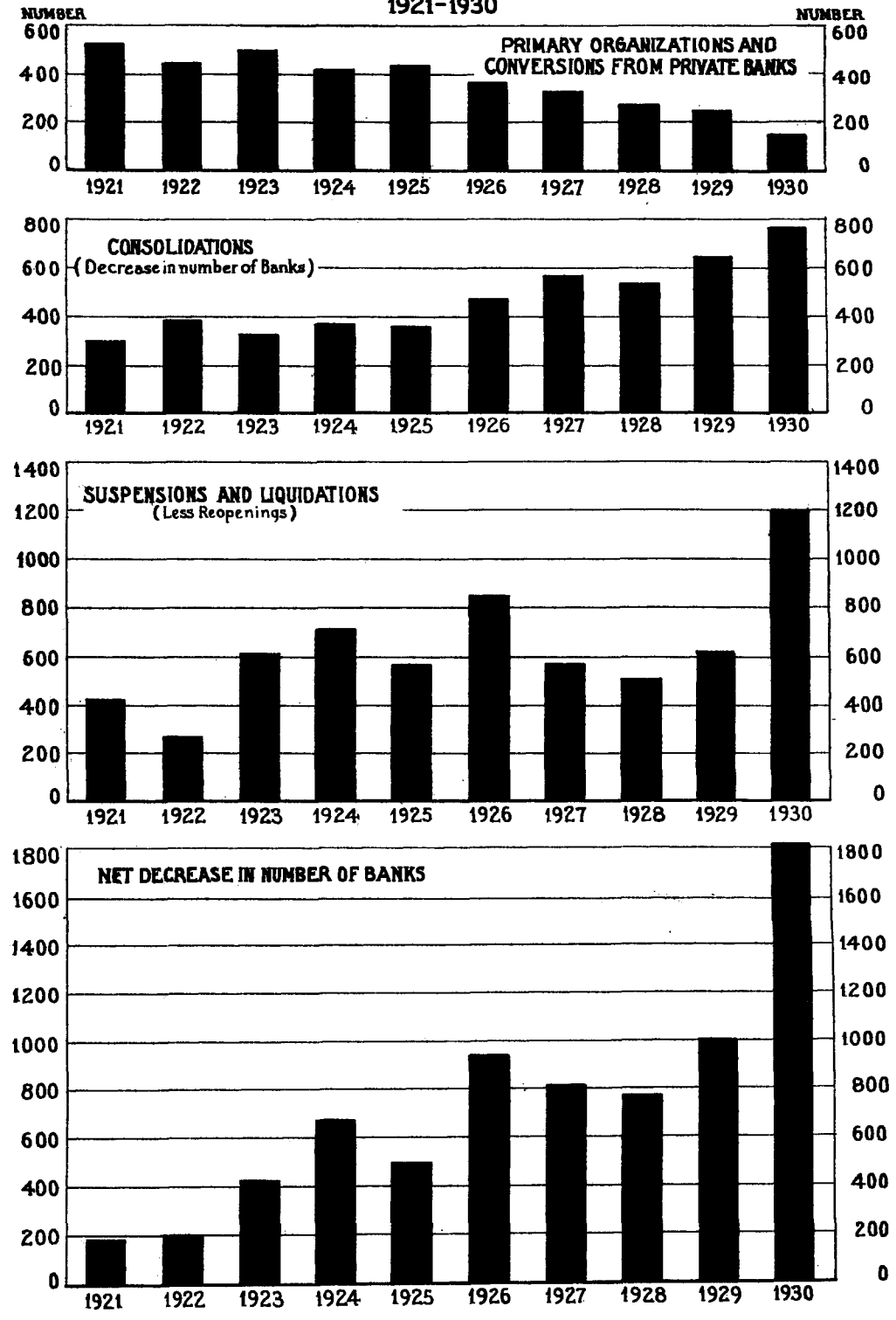
CHART 6

PERCENTAGE DISTRIBUTION OF BANKS
BY SIZE GROUPS 1920 AND 1930



The bars represent the proportion of all banks in each geographic division which falls within each size group. The cross-hatched bars give the distribution in 1920 and the black bars in 1930

CHART 9
CHANGES IN THE NUMBER OF BANKS
1921-1930



Changes in the number of State and national banks each year from 1921 to 1930 due to new organizations, consolidations and suspensions

Table 7 - CHANGES IN THE NUMBER OF BANKS EACH YEAR
FROM 1921 TO 1930*

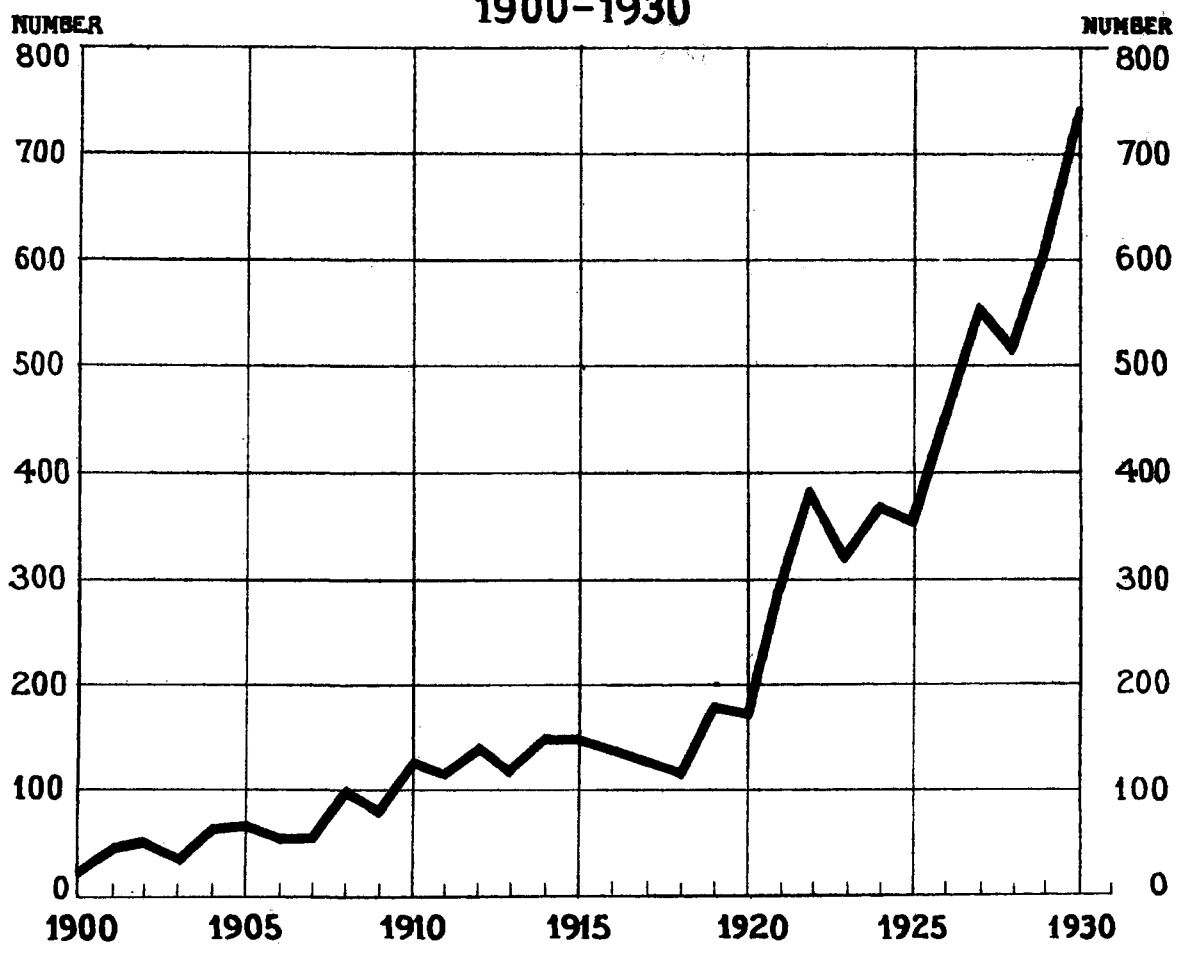
| Year | Number of primary organizations and conversions from private banks** | Decrease in the number of banks through consolidations | Suspensions and liquidations (less reopenings) | Net decrease in the number of banks |
|-----------|--|--|--|-------------------------------------|
| 1921 | 535 | 305 | 423 | 193 |
| 1922 | 457 | 392 | 268 | 203 |
| 1923 | 509 | 327 | 612 | 430 |
| 1924 | 415 | 372 | 710 | 667 |
| 1925 | 428 | 364 | 560 | 496 |
| 1926 | 359 | 461 | 840 | 942 |
| 1927 | 320 | 565 | 567 | 812 |
| 1928 | 267 | 532 | 501 | 766 |
| 1929 | 247 | 635 | 618 | 1,006 |
| 1930 | <u>153</u> | <u>767</u> | <u>1,198</u> | <u>1,812</u> |
| 1921-1930 | 3,690 | 4,720 | 6,297 | 7,327 |

* These changes are shown in greater detail in Appendix II attached hereto.

** Primary organizations are classified according to size of capital stock and according to size of towns in Appendices III and IV attached hereto.

CONSOLIDATIONS

CHART 10
NUMBER OF BANK CONSOLIDATIONS
1900-1930



Number of consolidations involving State and/or national banks, including mergers, absorptions, etc., each year from 1900 to 1930

Table 8 -- BANK CONSOLIDATIONS 1921-1930

| Year | Number of consolidations | Number of banks entering consolidations | Number of banks discontinued by consolidations |
|-------|--------------------------|---|--|
| 1921 | 293 | 580 | 305 |
| 1922 | 383 | 725 | 392 |
| 1923 | 319 | 615 | 327 |
| 1924 | 365 | 713 | 372 |
| 1925 | 359 | 686 | 304 |
| 1926 | 452 | 894 | 461 |
| 1927 | 553 | 1,016 | 565 |
| 1928 | 512 | 991 | 532 |
| 1929 | 601 | 1,216 | 635 |
| 1930 | 735 | 1,493 | 767 |
| Total | 4,572 | 8,929 | 4,720 |

Note: The number of consolidations is determined by counting each transaction in which two or more banks unite, except that in California, where numerous small banks in different places were frequently absorbed at the same time, the absorption of each separate bank is counted as a consolidation.

In the number of banks entering consolidations the same bank is counted as many times as it is involved in consolidation, except that in California the large banks absorbing numerous smaller institutions are counted only once for the year.

If there were always only two banks to a consolidation the number of banks entering consolidations would be exactly twice the number of banks discontinued by consolidation, but it frequently happens that three or more banks are involved.

Table 9 - NUMBER OF BANKS ENTERING CONSOLIDATIONS 1921-1930

Grouped by Size of Capital Stock

| Size of capital stock | Number entering consolidations | Number of active banks June 30, 1920 | Number entering consolidations per hundred active banks |
|-----------------------|--------------------------------|--------------------------------------|---|
| Under \$25,000 | 1,569 | 8,087 | 19.4 |
| 25,000 to 49,999 | 2,096 | 8,624 | 24.3 |
| 50,000 to 99,999 | 1,577 | 5,680 | 27.8 |
| 100,000 to 199,999 | 1,415 | 3,684 | 38.4 |
| 200,000 to 999,999 | 1,402 | 1,990 | 70.5 |
| 1,000,000 and over | <u>870</u> | <u>434</u> | <u>200.5</u> |
| Total | 8,929 | 28,499 | 31.3 |

Table 10 - NUMBER OF BANKS DISCONTINUED BY CONSOLIDATIONS
DURING 1921-1930 PER HUNDRED ACTIVE BANKS JUNE 30, 1920

By Size of Towns

| Population of towns | Number discontinued by consolidations | Number of active banks June 30, 1920 | Number discontinued per hundred active banks |
|------------------------|--|--|---|
| Less than 500 | 1,045 | 8,061 | 13.0 |
| 500 to 1,000 | 582 | 5,055 | 11.5 |
| 1,000 to 2,500 | 719 | 5,630 | 12.8 |
| 2,500 to 5,000 | 458 | 3,016 | 15.2 |
| 5,000 to 10,000 | 344 | 2,005 | 17.2 |
| 10,000 to 100,000 | 726 | 3,106 | 23.4 |
| 100,000 and over | <u>846</u> | <u>1,626</u> | <u>52.0</u> |
| Total | 4,720 | 28,499 | 16.6 |

APPENDICES

APPENDIX I

NUMBER OF INCORPORATED COMMERCIAL BANKS
AND TRUST COMPANIES IN THE UNITED STATES
1834-1930

| Year | Number of State banks | Number of national banks | Total State and national banks |
|------|--------------------------|-----------------------------|--------------------------------------|
| 1834 | 506 | | 506 |
| 1835 | 704 | | 704 |
| 1836 | 713 | | 713 |
| 1837 | 788 | | 788 |
| 1838 | 829 | | 829 |
| 1839 | 840 | | 840 |
| 1840 | 901 | | 901 |
| 1841 | 784 | | 784 |
| 1842 | 692 | | 692 |
| 1843 | 691 | | 691 |
| 1844 | 696 | | 696 |
| 1845 | 707 | | 707 |
| 1846 | 707 | | 707 |
| 1847 | 715 | | 715 |
| 1848 | 751 | | 751 |
| 1849 | 782 | | 782 |
| 1850 | 824 | | 824 |
| 1851 | 879 | | 879 |
| 1852 | 815 | | 815 |
| 1853 | 750 | | 750 |
| 1854 | 1,208 | | 1,208 |
| 1855 | 1,307 | | 1,307 |
| 1856 | 1,398 | | 1,398 |
| 1857 | 1,416 | | 1,416 |
| 1858 | 1,422 | | 1,422 |
| 1859 | 1,476 | | 1,476 |
| 1860 | 1,562 | | 1,562 |
| 1861 | 1,601 | | 1,601 |
| 1862 | 1,492 | | 1,492 |
| 1863 | 1,466 | 66 | 1,532 |
| 1864 | 1,089 | 467 | 1,556 |
| 1865 | 349 | 1,294 | 1,643 |
| 1866 | 297 | 1,634 | 1,931 |
| 1867 | 272 | 1,636 | 1,908 |
| 1868 | 247 | 1,640 | 1,887 |
| 1869 | 259 | 1,619 | 1,878 |
| 1870 | 325 | 1,612 | 1,937 |
| 1871 | 452 | 1,723 | 2,175 |
| 1872 | 566 | 1,853 | 2,419 |
| 1873 | 558 | 1,968 | 2,526 |

| Year | Number of State banks | Number of national banks | Total State and national banks |
|------|--------------------------|-----------------------------|--------------------------------------|
| 1874 | 551 | 1,983 | 2,534 |
| 1875 | 633 | 2,076 | 2,709 |
| 1876 | 592 | 2,091 | 2,683 |
| 1877 | 838 | 2,078 | 2,916 |
| 1878 | 847 | 2,056 | 2,903 |
| 1879 | 850 | 2,048 | 2,898 |
| 1880 | 846 | 2,076 | 2,922 |
| 1881 | 853 | 2,115 | 2,968 |
| 1882 | 870 | 2,239 | 3,109 |
| 1883 | 968 | 2,417 | 3,385 |
| 1884 | 1,061 | 2,625 | 3,686 |
| 1885 | 1,174 | 2,689 | 3,863 |
| 1886 | 1,259 | 2,849 | 4,108 |
| 1887 | 1,583 | 3,014 | 4,597 |
| 1888 | 1,809 | 3,120 | 4,929 |
| 1889 | 2,160 | 3,239 | 5,399 |
| 1890 | 2,636 | 3,484 | 6,120 |
| 1891 | 3,227 | 3,652 | 6,879 |
| 1892 | 3,608 | 3,759 | 7,367 |
| 1893 | 3,914 | 3,807 | 7,721 |
| 1894 | 3,933 | 3,770 | 7,703 |
| 1895 | 4,059 | 3,715 | 7,774 |
| 1896 | 4,174 | 3,689 | 7,863 |
| 1897 | 4,242 | 3,610 | 7,852 |
| 1898 | 4,330 | 3,581 | 7,911 |
| 1899 | 4,529 | 3,582 | 8,111 |
| 1900 | 4,904 | 3,731 | 8,635 |
| 1901 | 5,463 | 4,163 | 9,626 |
| 1902 | 6,066 | 4,532 | 10,598 |
| 1903 | 6,935 | 4,936 | 11,871 |
| 1904 | 7,905 | 5,327 | 13,232 |
| 1905 | 8,958 | 5,664 | 14,622 |
| 1906 | 10,665 | 6,046 | 16,711 |
| 1907 | 11,828 | 6,422 | 18,250 |
| 1908 | 12,778 | 6,817 | 19,595 |
| 1909 | 13,421 | 6,919 | 20,340 |
| 1910 | 14,348 | 7,138 | 21,486 |
| 1911 | 15,322 | 7,270 | 22,592 |
| 1912 | 16,037 | 7,366 | 23,403 |
| 1913 | 16,841 | 7,467 | 24,308 |
| 1914 | 17,498 | 7,518 | 25,016 |
| 1915 | 17,748 | 7,597 | 25,345 |
| 1916 | 18,253 | 7,571 | 25,824 |
| 1917 | 18,710 | 7,599 | 26,309 |

| Year | Number of State banks | Number of national banks | Total State and national banks |
|------|-----------------------|--------------------------|--------------------------------|
| 1918 | 19,404 | 7,699 | 27,103 |
| 1919 | 19,646 | 7,779 | 27,425 |
| 1920 | 21,107 | 8,123 | 29,230 |
| 1921 | 20,872 | 8,165 | 29,037 |
| 1922 | 20,614 | 8,220 | 28,834 |
| 1923 | 20,225 | 8,179 | 28,404 |
| 1924 | 19,694 | 8,043 | 27,737 |
| 1925 | 19,193 | 8,048 | 27,241 |
| 1926 | 18,393 | 7,906 | 26,299 |
| 1927 | 17,728 | 7,759 | 25,487 |
| 1928 | 17,092 | 7,629 | 24,721 |
| 1929 | 16,312 | 7,403 | 23,715 |
| 1930 | 14,870 | 7,033 | 21,903 |

Sources:

State banks, including stock savings banks, and trust companies:

1834-1872 inclusive from the Annual Report of the Comptroller of the Currency for 1909, p. 912, with the exception that the figure for 1852 is interpolated.

1873 interpolated.

1874-1876 inclusive from the Annual Report of the Comptroller of the Currency for 1892, pp. 292 and following.

1877-1908 inclusive from the Report of the National Monetary Commission, vol. 7, pp. 243 and following, with the exception that the figure for trust companies for 1900 given therein as 492 through an error in addition, is corrected to 502, which makes the total state banks 4,904.

1909-1919 inclusive from annual Reports of the Comptroller of the Currency. The figures are as of June 30.

1920-1930 inclusive compiled by Federal Reserve Committee on Branch, Group and Chain Banking, from records of State Superintendents of Banks as to state banks. The figures are as of December 31.

National Banks:

1863-1908 inclusive from the Annual Report of the Comptroller of the Currency 1920, pp. 260 and following.

1909-1919 inclusive from annual Reports of the Comptroller of the Currency. The figures for these years are as of June 30.

1920-1930 inclusive compiled by the Federal Reserve Committee on Branch, Group and Chain Banking from records of the Federal Reserve Board. The figures are as of December 31.

A P P E N D I X I I

CHANGES IN THE NUMBER OF BANKS IN THE UNITED STATES FROM 1920 TO 1930

(National and State banks, including trust companies and stock savings banks)

| | Calendar year | | | | | | | | | | 10- Year Period |
|--------------------------------------|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------|
| | 1921 | 1922 | 1923 | 1924 | 1925 | 1926 | 1927 | 1928 | 1929 | 1930 | |
| Number of banks at beginning of year | 29,230 | 29,037 | 28,834 | 28,404 | 27,737 | 27,241 | 26,299 | 25,487 | 24,721 | 23,715 | 29,230 |
| Increase in number of banks: | | | | | | | | | | | |
| By primary organization | 475 | 411 | 460 | 387 | 406 | 345 | 302 | 252 | 238 | 147 | 3,423 |
| By reopening | 85 | 111 | 65 | 110 | 79 | 165 | 129 | 52 | 70 | 161 | 1,027 |
| By conversion from private banks | 60 | 46 | 49 | 28 | 22 | 14 | 18 | 15 | 9 | 6 | 267 |
| Total increase | 620 | 568 | 574 | 525 | 507 | 524 | 449 | 319 | 317 | 314 | 4,717 |
| Decrease in number of banks: | | | | | | | | | | | |
| By conversion to private banks | | 1 | 1 | 2 | 2 | 4 | 2 | 2 | 1 | 1 | 16 |
| By voluntary liquidation | 47 | 35 | 51 | 80 | 59 | 75 | 59 | 72 | 58 | 68 | 604 |
| By suspension | 461 | 343 | 625 | 738 | 578 | 926 | 635 | 479 | 629 | *1,290 | *6,704 |
| By consolidation | 305 | 392 | 327 | 372 | 364 | 461 | 565 | 532 | 635 | 767 | 4,720 |
| Total decrease | 813 | 771 | 1,004 | 1,192 | 1,003 | 1,466 | 1,261 | 1,085 | 1,323 | 2,126 | 12,044 |
| Net decrease | 193 | 203 | 430 | 667 | 496 | 942 | 812 | 766 | 1,006 | 1,812 | 7,327 |
| Number of banks at end of year | 29,037 | 28,834 | 28,404 | 27,737 | 27,241 | 26,299 | 25,487 | 24,721 | 23,715 | 21,903 | 21,903 |

* A discrepancy of 2 exists between these figures and those in the suspension tables. This will be adjusted in the revised figures.

A P P E N D I X III

NUMBER OF PRIMARY ORGANIZATIONS
ACCORDING TO SIZE OF CAPITAL STOCK

| Year | Amount of capital stock | | | | | | Total |
|-------|-------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|------------|
| | Less than \$25,000 | \$25,000 to 49,999 | \$50,000 to 99,999 | \$100,000 to 499,999 | \$500,000 to 999,999 | \$1,000,000 and over | |
| 1921 | 102 | 158 | 85 | 119 | 6 | 5 | 475 |
| 1922 | 74 | 140 | 82 | 111 | 3 | 1 | 411 |
| 1923 | 69 | 138 | 117 | 120 | 7 | 9 | 460 |
| 1924 | 79 | 131 | 66 | 101 | 5 | 5 | 387 |
| 1925 | 72 | 108 | 94 | 127 | 1 | 4 | 406 |
| 1926 | 37 | 90 | 69 | 130 | 9 | 10 | 345 |
| 1927 | 27 | 84 | 63 | 108 | 14 | 6 | 302 |
| 1928 | 25 | 85 | 41 | 90 | 5 | 6 | 252 |
| 1929 | 28 | 64 | 40 | 74 | 19 | 13 | 238 |
| 1930 | <u>28</u> | <u>44</u> | <u>25</u> | <u>37</u> | <u>4</u> | <u>9</u> | <u>147</u> |
| Total | 541 | 1,042 | 682 | 1,017 | 73 | 68 | 3,423 |

APPENDIX IV

NUMBER OF PRIMARY ORGANIZATIONS
ACCORDING TO SIZE OF TOWN

| Year | Population of town | | | | | Total |
|-------|--------------------|----------------|-----------------|-------------------|------------------|------------|
| | Less than 1,000 | 1,000 to 5,000 | 5,000 to 10,000 | 10,000 to 100,000 | 100,000 and over | |
| 1921 | 178 | 131 | 33 | 55 | 78 | 475 |
| 1922 | 133 | 106 | 33 | 62 | 77 | 411 |
| 1923 | 124 | 151 | 31 | 57 | 97 | 460 |
| 1924 | 118 | 118 | 25 | 46 | 80 | 387 |
| 1925 | 112 | 114 | 40 | 77 | 63 | 406 |
| 1926 | 81 | 96 | 20 | 68 | 80 | 345 |
| 1927 | 74 | 90 | 22 | 43 | 73 | 302 |
| 1928 | 76 | 73 | 19 | 32 | 52 | 252 |
| 1929 | 54 | 71 | 19 | 25 | 69 | 238 |
| 1930 | <u>48</u> | <u>37</u> | <u>16</u> | <u>13</u> | <u>33</u> | <u>147</u> |
| Total | 998 | 987 | 258 | 478 | 702 | 3,423 |

APPENDIX V

NUMBER OF BANK CONSOLIDATIONS

| Year | Number of consolidations | Year | Number of consolidations |
|------|--------------------------|------|--------------------------|
| 1900 | 20 | 1916 | 136 |
| 1901 | 41 | 1917 | 125 |
| 1902 | 50 | 1918 | 113 |
| 1903 | 37 | 1919 | 178 |
| 1904 | 63 | 1920 | 172 |
| 1905 | 69 | 1921 | 293 |
| 1906 | 56 | 1922 | 383 |
| 1907 | 54 | 1923 | 319 |
| 1908 | 97 | 1924 | 365 |
| 1909 | 80 | 1925 | 359 |
| 1910 | 126 | 1926 | 452 |
| 1911 | 115 | 1927 | 553 |
| 1912 | 135 | 1928 | 512 |
| 1913 | 113 | 1929 | 601 |
| 1914 | 145 | 1930 | 735 |
| 1915 | 146 | | |

Sources: Figures for 1900 to 1920 inclusive were taken from the Banking Inquiry 1925, vol. VI, which was prepared under the direction of Dr. H. Parker Willis. Figures for 1921 to 1930 inclusive were compiled by the Federal Reserve Committee on Branch, Group, and Chain Banking.

APPENDIX VI

NUMBER OF BANKS IN 1920 DISTRIBUTED
BY SIZE OF LOANS AND INVESTMENTS AND GEOGRAPHIC DIVISIONS

| Size Groups Loans and investments in thousands of dollars | New Eng- land | Mid- dle At- lan- tic | North Cen- tral | South- ern Moun- tain | South East- ern | South West- ern | West- ern Grain | Rocky Moun- tain | Pa- cific Coast | Total |
|---|---------------------|-----------------------------------|-----------------------|--------------------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|--------|
| Under \$150 | 17 | 98 | 552 | 512 | 817 | 1,063 | 2,623 | 463 | 191 | 6,336 |
| 150 to 250 | 30 | 146 | 833 | 334 | 492 | 631 | 2,053 | 323 | 185 | 5,027 |
| 250 to 500 | 87 | 481 | 1,367 | 483 | 596 | 776 | 2,463 | 340 | 322 | 6,915 |
| 500 to 750 | 94 | 365 | 694 | 203 | 285 | 314 | 857 | 153 | 194 | 3,159 |
| 750 to 1,000 | 74 | 342 | 432 | 133 | 142 | 144 | 357 | 79 | 108 | 1,811 |
| 1,000 to 2,000 | 171 | 661 | 596 | 178 | 227 | 172 | 410 | 113 | 201 | 2,729 |
| 2,000 to 5,000 | 164 | 472 | 323 | 72 | 100 | 108 | 149 | 81 | 104 | 1,573 |
| 5,000 to 10,000 | 53 | 181 | 101 | 37 | 17 | 24 | 43 | 17 | 35 | 508 |
| 10,000 to 50,000 | 33 | 131 | 72 | 17 | 18 | 23 | 32 | 4 | 39 | 369 |
| 50,000 and over | 6 | 36 | 18 | ... | ... | 1 | 5 | ... | 6 | 72 |
| Total | 729 | 2,913 | 4,988 | 1,969 | 2,694 | 3,256 | 8,992 | 1,573 | 1,385 | 28,499 |

APPENDIX VII

NUMBER OF BANKS IN 1930 DISTRIBUTED
BY SIZE OF LOANS AND INVESTMENTS AND BY GEOGRAPHIC DIVISIONS

| Size Groups Loans and investments in thousands of dollars | New Eng- land | Mid- dle At- lan- tic | North Cen- tral | South- ern Moun- tain | South East- ern | South West- ern | West- ern Grain | Rocky Moun- tain | Pa- cific Coast | Total |
|---|---------------------|-----------------------------------|-----------------------|--------------------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|---------------|
| Under \$150 | 16 | 31 | 627 | 407 | 564 | 884 | 1,970 | 210 | 130 | 4,839 |
| 150 to 250 | 11 | 109 | 804 | 282 | 267 | 460 | 1,275 | 166 | 136 | 3,510 |
| 250 to 500 | 44 | 412 | 1,255 | 380 | 327 | 559 | 1,513 | 229 | 247 | 4,966 |
| 500 to 750 | 67 | 360 | 646 | 223 | 169 | 208 | 483 | 90 | 116 | 2,362 |
| 750 to 1,000 | 56 | 319 | 421 | 116 | 101 | 126 | 263 | 61 | 89 | 1,552 |
| 1,000 to 2,000 | 170 | 797 | 683 | 197 | 151 | 119 | 283 | 68 | 132 | 2,600 |
| 2,000 to 5,000 | 204 | 733 | 407 | 90 | 84 | 80 | 146 | 57 | 86 | 1,887 |
| 5,000 to 10,000 | 75 | 236 | 135 | 29 | 17 | 31 | 35 | 16 | 22 | 596 |
| 10,000 to 50,000 | 54 | 186 | 86 | 31 | 18 | 26 | 23 | 11 | 18 | 453 |
| 50,000 and over | 6 | 48 | 20 | ... | 2 | 3 | 7 | ... | 15 | 101 |
| Total | 703 | 3,231 | 5,084 | 1,755 | 1,700 | 2,496 | 5,998 | 908 | 991 | 22,866 |

A P P E N D I X VIII

Federal Reserve Committee on
Branch, Group and Chain Banking

Form A-3

State _____

Date of change _____

BANK CHANGES DURING 1921-1930

Report on a separate copy of this form each consolidation, liquidation, primary organization, etc., and check in the space at the right the kind of change.

| City or town | Popula- tion* | Names of all banks and trust companies, of any kind, involved in this change | Paid- in capital | Loans and in- vestments | Total re- sources | KIND OF CHANGE: |
|-----------------------------|------------------|---|------------------------|-------------------------------|-------------------------|--|
| | | | | | | Consolidation _____ |
| Name or names before change | | | | | | Liquidation _____ |
| | | | | | | Primary organization _____ |
| | | | | | | Conversion of private bank _____ |
| | | | | | | Conversion to private bank _____ |
| Name or names after change | | | | | | NET CHANGE IN NUMBER OF STATE INSTITUTIONS |
| | | | | | | Increase _____ |
| | | | | | | Decrease _____ |
| Newly organized (primary) | | | | | | |
| | | | | | | |
| | | | | | | |

If above classifications are not self-explanatory, please use reverse side for details.

*As given in the bankers directory at the time the change occurred.

November 6, 1931

Federal Reserve Committee on
Branch, Group and Chain Banking

BANK SUSPENSIONS

Preliminary material subject to revision

BANK SUSPENSIONS

During the ten-year period 1921-1930 a total of 7,029 banks suspended in the United States. This was nearly two and one-half times the number suspending during the previous twenty-nine years, prior to which no reliable statistics are available. In the first nine months of 1931 an additional 1,234 banks were closed because of financial difficulties. This extraordinary increase in the mortality rate for banks in the past decade as compared with previous years is illustrated in Charts 1 and 2 and in Table 1.

Analysis of Suspensions 1921-1930

Geographic distribution: Tables 2 to 5 and Charts 3 to 4 illustrate the extent to which suspensions during 1921-1930 were concentrated in agricultural regions. Nearly two-thirds of the total, for example, occurred in the South Eastern states and the Western Grain states, two groups which aggregate thirteen agricultural states. In the South Eastern states the suspensions in the ten years amounted to nearly forty-six for every hundred active banks in 1920 as compared with only $2\frac{1}{2}$ per hundred in the New England and Middle Atlantic states. In the Western Grain states the ratio was thirty-three per hundred. In six states the ratio was fifty or more per hundred. In Florida it was ninety-one per hundred, in South Dakota sixty-five per hundred and in South Carolina fifty-six per hundred.

In 1931, however, and to a lesser extent in 1930, there has been a noteworthy increase in suspensions in industrial and semi-industrial states. Table 5, for example, shows that 30 per cent of all the suspensions during the first nine months of 1931 occurred in the North Central states as compared with only 9 per cent during 1921-1930. The North

Central states include Michigan, Wisconsin, Illinois, Indiana, and Ohio. Likewise about 9 per cent of the 1931 suspensions have been in the Middle Atlantic states as compared with 1 per cent for the previous ten years.

Size of suspending banks: Tables 6 to 9 and Charts 5 to 11 indicate the extent to which suspensions have occurred among institutions of small size. Eighty-four per cent of all banks suspending in 1921-1930 had loans and investments of less than \$500,000. For banks with loans and investments of less than \$150,000 the ratio of suspensions 1921-1930 to active banks in 1920 was forty-five per hundred. This ratio of suspensions to active banks declines rapidly with the increase in the size of banks. For banks with loans and investments ranging from \$2,000,000 to \$5,000,000 the ratio was only seven per hundred and for banks of \$50,000,000 and over it was only one and a half per hundred. (Table 8)

Size of towns: Tables 10 and 11 and Charts 12 and 13 give the distribution of suspensions by size of towns. Thirty-eight per cent of suspensions in the ten-year period were in towns of less than 500 population and 78 per cent were in towns of less than 2,500 people. The ratio of suspensions to active banks in towns of less than 500 was thirty-one per hundred. This ratio declines to thirteen per hundred in cities of 100,000 population and over.

Disposition of suspended banks: Table 12, giving the disposition of suspended banks, shows that out of 6,706 suspensions of state and national banks 1,105 reopened, 225 were taken over by other institutions and the

disposition of 187 was not recorded. The remainder were placed in receivership, of which 1,397 had been completely liquidated at the time the schedules were prepared.

Payments to depositors: Tables 13 to 16 indicate the claims realized by depositors in suspended banks and the losses sustained. In 1,254 completely liquidated banks the general depositors received about 56 per cent of their claims, exclusive of offsets. Reliable figures for secured and preferred claims are not available but in most cases they were presumably paid in full.

Sources

The Committee has compiled these figures on suspensions back to 1892 from various sources, and although an effort has been made to secure them on a comparable basis for each year, there are certain defects in the earlier statistical records which make it impossible to secure uniform accuracy throughout the period. Prior to the second decade of this century many states kept inadequate banking records and in some states it is only within comparatively recent years that reliable statistics are available.

Schedule on suspensions, 1921-1930: For the years 1921-1930 the figures were compiled by the Committee on Branch, Group and Chain Banking from schedules prepared for the purpose of providing basic data for a detailed analysis of suspensions during 1921-1930. It is a four page schedule calling for some forty or fifty items of information regarding each bank suspending in that period. A copy of that schedule is attached hereto

at the end of the statistical tables as Appendix III. For national bank suspensions the schedules were prepared in the office of the Comptroller of the Currency, and for state bank suspensions they were prepared in the State banking departments, either by the staff of the department or by a representative of the Federal reserve bank of the district. On the whole the results were satisfactory although no state was able to supply all the information requested, and due to differences in records and methods of accounting, some of the data were not strictly comparable for the different states. After making the necessary allowances and adjustments, however, the figures regarding state and national banks are sufficient to present a comprehensive picture.

Suspensions, as defined by the Committee, include all banks closed to the public either temporarily or permanently by supervisory authorities or by boards of directors on account of financial difficulties. The statistics include, therefore, not only those banks placed in receivership but also those which closed and later reopened or were taken over by other institutions without the intervention of receivers. The Committee's figures on suspensions differ somewhat from the records of the Comptroller of the Currency on bank failures which embrace only those closed banks for which receivers have been appointed.

They also differ slightly from the figures compiled for the same period by the Federal Reserve Board due to revisions in the preliminary figures reported to the Board. Sometimes a closing may be reported originally as a liquidation or consolidation but upon more complete information may be classed as a suspension, and vice versa.

For the 323 private bank suspensions little information of value was secured by the Committee due to the fact that in many states private banks are not under the supervision of any public authority and no records are available.

Therefore, the analysis of suspensions during 1921-1930 beginning with Table 2 and Chart 4 is based on national and State bank suspensions only, including trust companies and stock savings banks. Private banks are excluded. That accounts for the fact that in these tables the total number of suspensions for the ten years is given as 6,706 instead of 7,029 as shown in Table 1 which includes private banks.

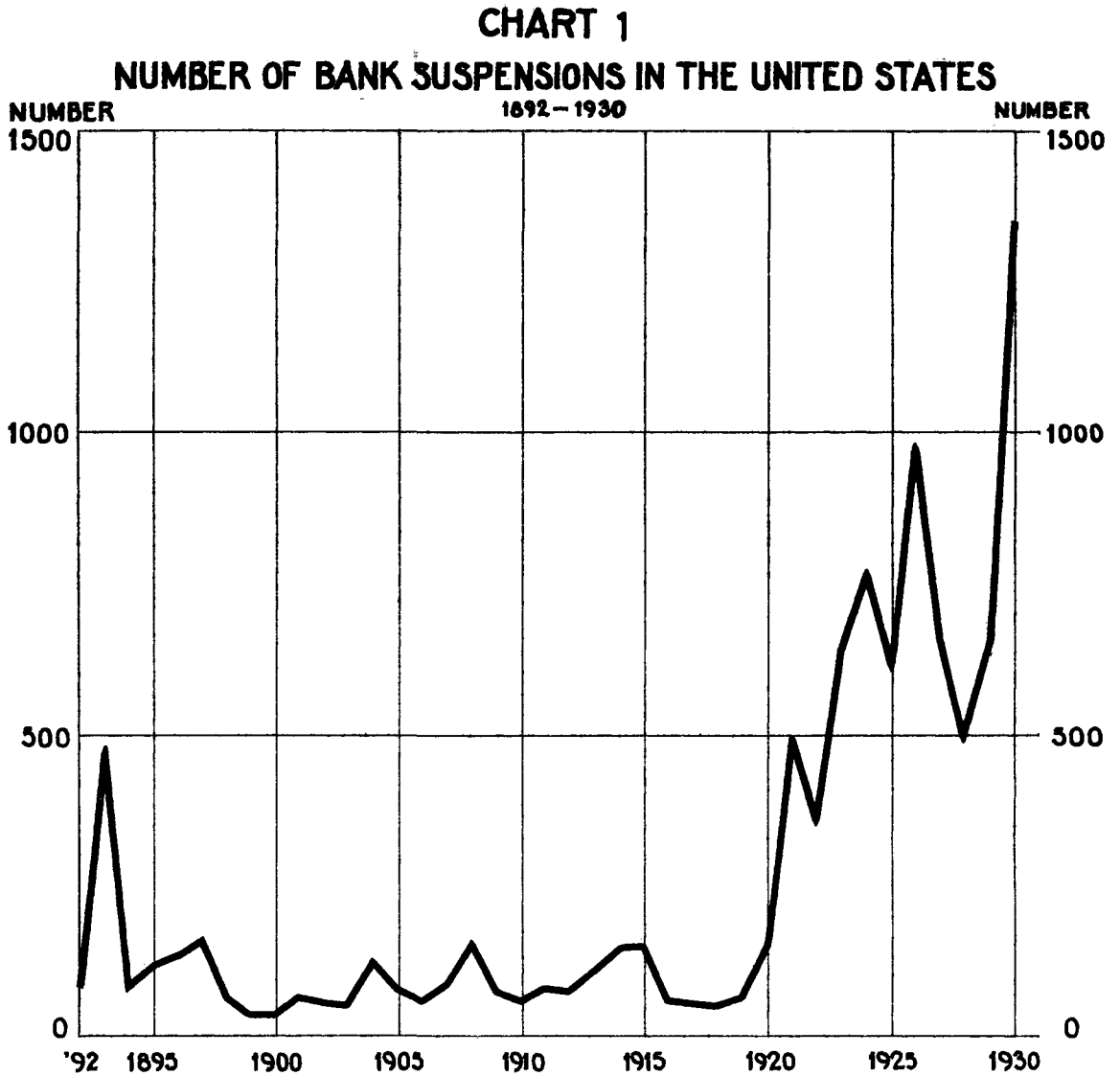
In one table the number of suspensions in the first nine months of 1931 has been given, but the Committee has not asked for schedules to be prepared for this year's suspensions because of the delay which this would entail. With the exception of the one table, therefore, the analysis is limited to the ten years, 1921-1930.

Sources for prior years: For the years 1900 to 1920 the number and resources of suspended state and national banks were taken in part from the Banking Inquiry of 1925 prepared under the direction of Dr. H. Parker Willis, and in part from Bradstreet's Commercial Agency. The definition of a "failure" in the Banking Inquiry approaches very closely what the Committee designates a "suspension," and it is believed the statistics are roughly comparable to those compiled by the Committee for later years. Failure statistics for some states, especially in the early 1900's, were not included in this inquiry, however, because the records were not available in the State banking departments. It was necessary, therefore,

for the Committee to supplement the figures for certain states by unofficial data taken from Bradstreet's Commercial Agency. Statistics on private bank failures for the entire period, 1900-1920, were likewise taken from Bradstreet's.

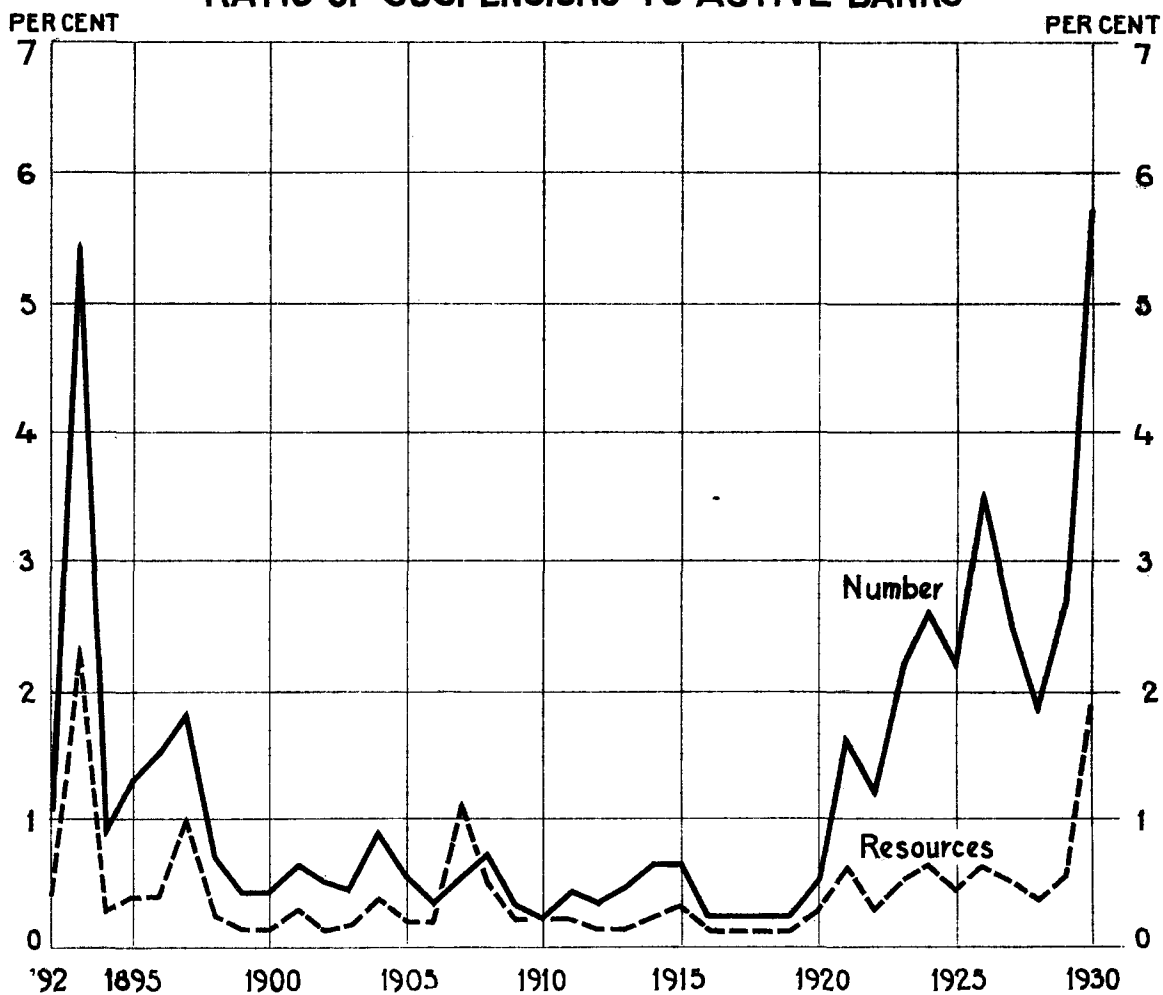
For the years 1892-1899 the figures were taken from the annual reports of the Comptroller of the Currency. Here again the statistics of state and private bank failures were supplied originally by Bradstreet's Commercial Agency. The figures for national banks during that period represent "failures," according to the Comptroller's usage, rather than suspensions and to that extent are not strictly comparable with the data for later years.

In spite of the difficulties of securing strictly comparable data, however, it is believed that the discrepancies in the figures as compiled are not sufficiently great to affect appreciably long term comparisons.



Total number of suspensions
of national, State and private banks,
each year from 1892 to 1930

CHART 2
RATIO OF SUSPENSIONS TO ACTIVE BANKS



Suspensions of national, State and private banks
per hundred active banks
each year from 1892 to 1930

Table 1 - ACTIVE BANKS AND SUSPENSIONS

Each Year from 1892 to 1930

| Year | Active banks | | Suspensions | | Per cent of banks suspending | |
|------|--------------|----------------------------|-------------|----------------------------|------------------------------|-----------|
| | Number | Resources (000 omitted) | Number | Resources (000 omitted) | Number | Resources |
| 1892 | 8,695 | \$ 5,639,984 | 86 | \$ 25,350 | 1.0 | .4 |
| 1893 | 8,843 | 5,489,787 | 477 | 123,886 | 5.4 | 2.3 |
| 1894 | 8,862 | 5,599,177 | 83 | 15,446 | .9 | .3 |
| 1895 | 9,154 | 5,852,759 | 115 | 23,933 | 1.3 | .4 |
| 1896 | 8,792 | 5,703,993 | 133 | 22,194 | 1.5 | .4 |
| 1897 | 8,791 | 5,915,290 | 154 | 59,087 | 1.8 | 1.0 |
| 1898 | 8,825 | 6,602,984 | 61 | 12,238 | .7 | .2 |
| 1899 | 9,076 | 7,754,068 | 35 | 10,209 | .4 | .1 |
| 1900 | 9,727 | 8,445,868 | 35 | 6,993 | .4 | .1 |
| 1901 | 10,731 | 9,857,874 | 66 | 28,039 | .6 | .3 |
| 1902 | 11,742 | 10,733,811 | 53 | 14,664 | .5 | .1 |
| 1903 | 13,000 | 11,538,429 | 52 | 20,091 | .4 | .2 |
| 1904 | 14,151 | 12,335,270 | 123 | 43,255 | .9 | .4 |
| 1905 | 15,710 | 13,907,329 | 80 | 29,036 | .5 | .2 |
| 1906 | 17,195 | 14,973,055 | 52 | 31,724 | .3 | .2 |
| 1907 | 19,032 | 16,324,072 | 89 | 184,131 | .5 | 1.1 |
| 1908 | 20,627 | 16,202,105 | 151 | 86,024 | .7 | .5 |
| 1909 | 21,804 | 17,641,526 | 75 | 34,773 | .3 | .2 |
| 1910 | 22,420 | 18,735,686 | 54 | 33,243 | .2 | .2 |
| 1911 | 23,708 | 19,798,353 | 85 | 31,085 | .4 | .2 |
| 1912 | 24,513 | 20,976,959 | 78 | 19,923 | .3 | .1 |
| 1913 | 25,324 | 21,536,228 | 101 | 27,698 | .4 | .1 |
| 1914 | 26,080 | 22,640,618 | 150 | 47,267 | .6 | .2 |
| 1915 | 26,381 | 23,400,652 | 151 | 60,440 | .6 | .3 |
| 1916 | 26,838 | 27,611,836 | 53 | 16,015 | .2 | .1 |
| 1917 | 27,245 | 32,175,454 | 50 | 20,531 | .2 | .1 |
| 1918 | 28,194 | 35,702,199 | 47 | 18,090 | .2 | .1 |
| 1919 | 28,442 | 42,155,674 | 62 | 24,681 | .2 | .1 |
| 1920 | 29,458 | 45,890,033 | 150 | 93,373 | .5 | .2 |
| 1921 | 30,125 | 43,312,593 | 496 | 252,396 | 1.6 | .6 |
| 1922 | 29,706 | 43,795,865 | 362 | 141,592 | 1.2 | .3 |
| 1923 | 29,494 | 46,859,366 | 647 | 221,511 | 2.2 | .5 |
| 1924 | 28,668 | 49,489,485 | 772 | 307,030 | 2.6 | .6 |
| 1925 | 28,162 | 53,846,716 | 614 | 233,670 | 2.2 | .4 |
| 1926 | 27,461 | 56,165,162 | 976 | 346,276 | 3.5 | .6 |
| 1927 | 26,376 | 58,813,187 | 660 | 270,456 | 2.5 | .5 |
| 1928 | 25,529 | 61,540,994 | 497 | 187,242 | 1.9 | .3 |
| 1929 | 24,649 | 61,799,350 | 657 | 305,168 | 2.7 | .5 |
| 1930 | 23,406 | 63,406,014 | 1,348 | 1,184,248 | 5.7 | 1.9 |

Sources: Active banks 1892-1930 and suspensions 1892-1899 from annual reports of the Comptroller of the Currency; suspensions 1900-1920 from Banking Inquiry of 1925 prepared under the supervision of Dr. H. Parker Willis, supplemented by unofficial data taken from Bradstreet's Commercial Agency; suspensions 1921-1930 compiled by the Federal Reserve Committee on Branch, Group and Chain Banking from schedules prepared by the State Banking Departments and the Comptroller of the Currency, and from the tabulations of the Federal Reserve Board regarding private bank suspensions.

GEOGRAPHIC DISTRIBUTION OF SUSPENSIONS

1921-1930

CHART 3

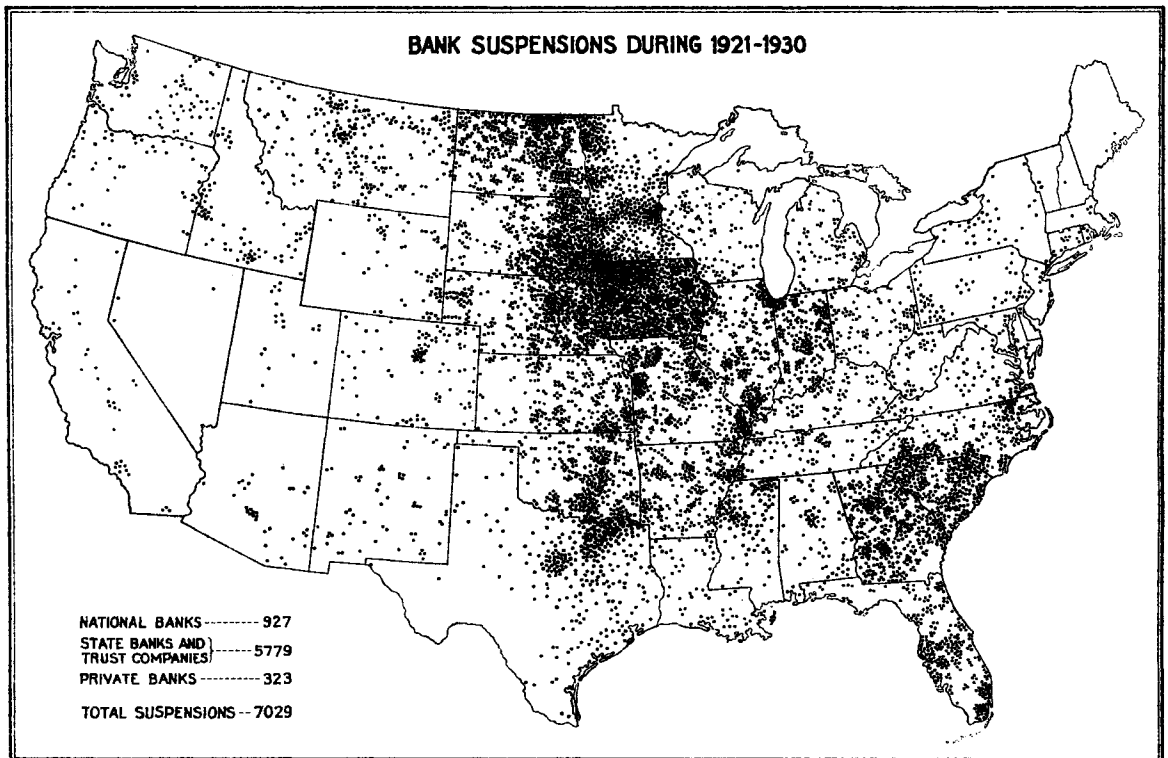


Table 2 - BANK SUSPENSIONS BY GEOGRAPHIC DIVISIONS*

1921 - 1930

| Geographic Divisions** | National banks | | State banks | | Total - National and State banks + | |
|--------------------------|----------------|-------------------------------------|-------------|-------------------------------------|------------------------------------|-------------------------------------|
| | Number | Loans and investments (000 omitted) | Number | Loans and investments (000 omitted) | Number | Loans and investments (000 omitted) |
| New England States | 4 | 4,864 | 14 | 42,112 | 18 | 46,976 |
| Middle Atlantic States | 29 | 25,732 | 43 | 353,678 | 72 | 379,410 |
| North Central States | 78 | 53,046 | 554 | 251,723 | 632 | 304,769 |
| Southern Mountain States | 25 | 65,248 | 250 | 114,055 | 275 | 179,303 |
| South Eastern States | 110 | 103,373 | 1,125 | 433,797 | 1,235 | 537,170 |
| South Western States | 155 | 86,072 | 657 | 167,676 | 812 | 253,748 |
| Western Grain States | 346 | 168,519 | 2,619 | 598,471 | 2,965 | 766,990 |
| Rocky Mountain States | 142 | 81,826 | 413 | 106,476 | 555 | 188,302 |
| Pacific Coast States | 38 | 34,369 | 104 | 61,542 | 142 | 95,911 |
| UNITED STATES | 927 | 623,049 | 5,779 | 2,129,530 | 6,706 | 2,752,579 |

* Exclusive of private bank suspensions.

** The figures for each state in these geographic divisions are given in Appendix I attached hereto.

CHART 4

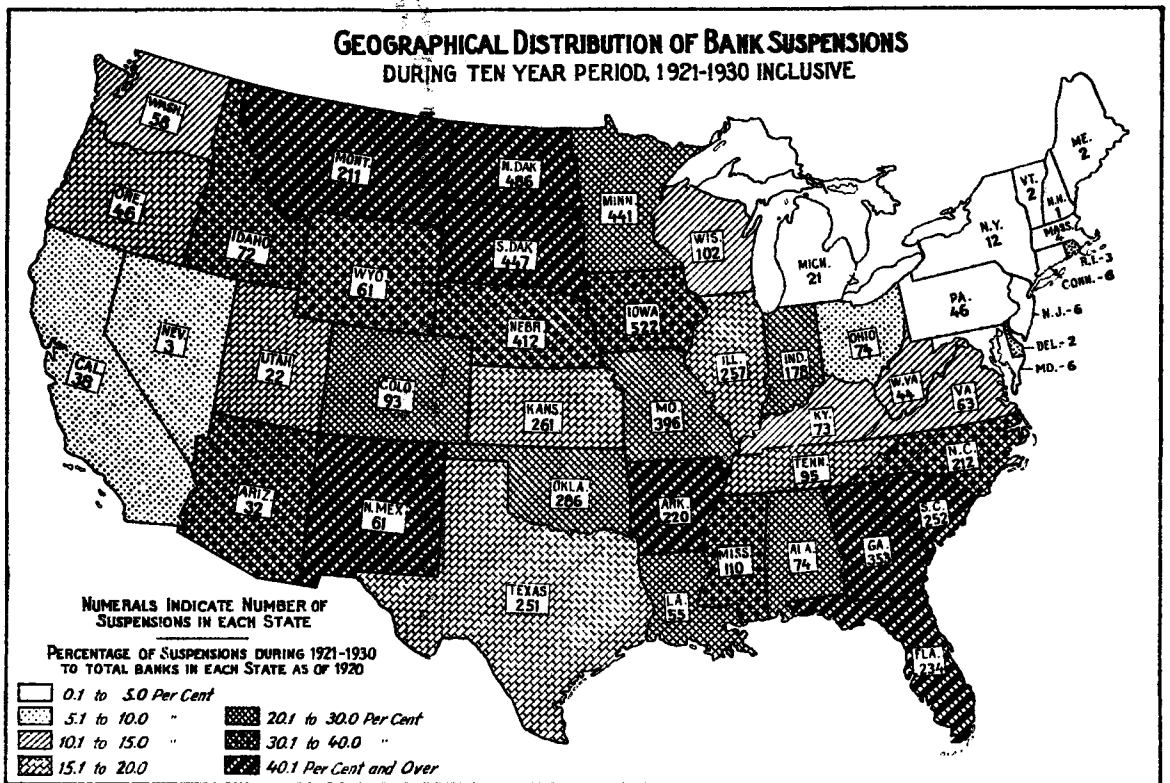


Table 3 - NUMBER OF SUSPENSIONS DURING 1921-1930 PER HUNDRED ACTIVE BANKS
ON JUNE 30, 1920

| Geographic Divisions* | National banks | State banks | Total National and State banks |
|--------------------------|----------------|-------------|--------------------------------|
| New England States | 1.0 | 4.4 | 2.5 |
| Middle Atlantic States | 1.7 | 3.5 | 2.5 |
| North Central States | 5.7 | 15.3 | 12.7 |
| Southern Mountain States | 4.8 | 17.2 | 14.0 |
| South Eastern States | 24.7 | 50.0 | 45.8 |
| South Western States | 15.1 | 29.5 | 24.9 |
| Western Grain States | 21.9 | 35.3 | 33.0 |
| Rocky Mountain States | 27.4 | 39.2 | 35.3 |
| Pacific Coast States | 7.9 | 11.5 | 10.3 |
| UNITED STATES | 11.6 | 28.2 | 23.5 |

*See Appendix I for names of states in these geographic divisions.

Table 5 - NUMBER OF STATE AND NATIONAL BANK SUSPENSIONS
BY GEOGRAPHIC DIVISIONS

| Geographic Divisions* | 1921-1930 | | 1931 (9 months) | |
|--------------------------|--------------|-------------------------------|-----------------|-------------------------------|
| | Number | Per cent of total suspensions | Number | Per cent of total suspensions |
| New England States | 18 | .3 | 2 | .2 |
| Middle Atlantic States | 72 | 1.1 | 105 | 8.9 |
| North Central States | 632 | 9.4 | 357 | 30.3 |
| Southern Mountain States | 275 | 4.1 | 72 | 6.1 |
| South Eastern States | 1,235 | 18.4 | 132 | 11.2 |
| South Western States | 812 | 12.1 | 70 | 5.9 |
| Western Grain States | 2,965 | 44.2 | 385 | 32.6 |
| Rocky Mountain States | 555 | 8.3 | 30 | 2.5 |
| Pacific Coast States | 142 | 2.1 | 27 | 2.3 |
| UNITED STATES | 6,706 | 100.0 | 1,180 | 100.0 |

*See Appendix I for names of states in these divisions.

SIZE OF SUSPENDING BANKS

1921-1930

Table 6 - PERCENTAGE DISTRIBUTION OF SUSPENDED BANKS BY SIZE GROUPS

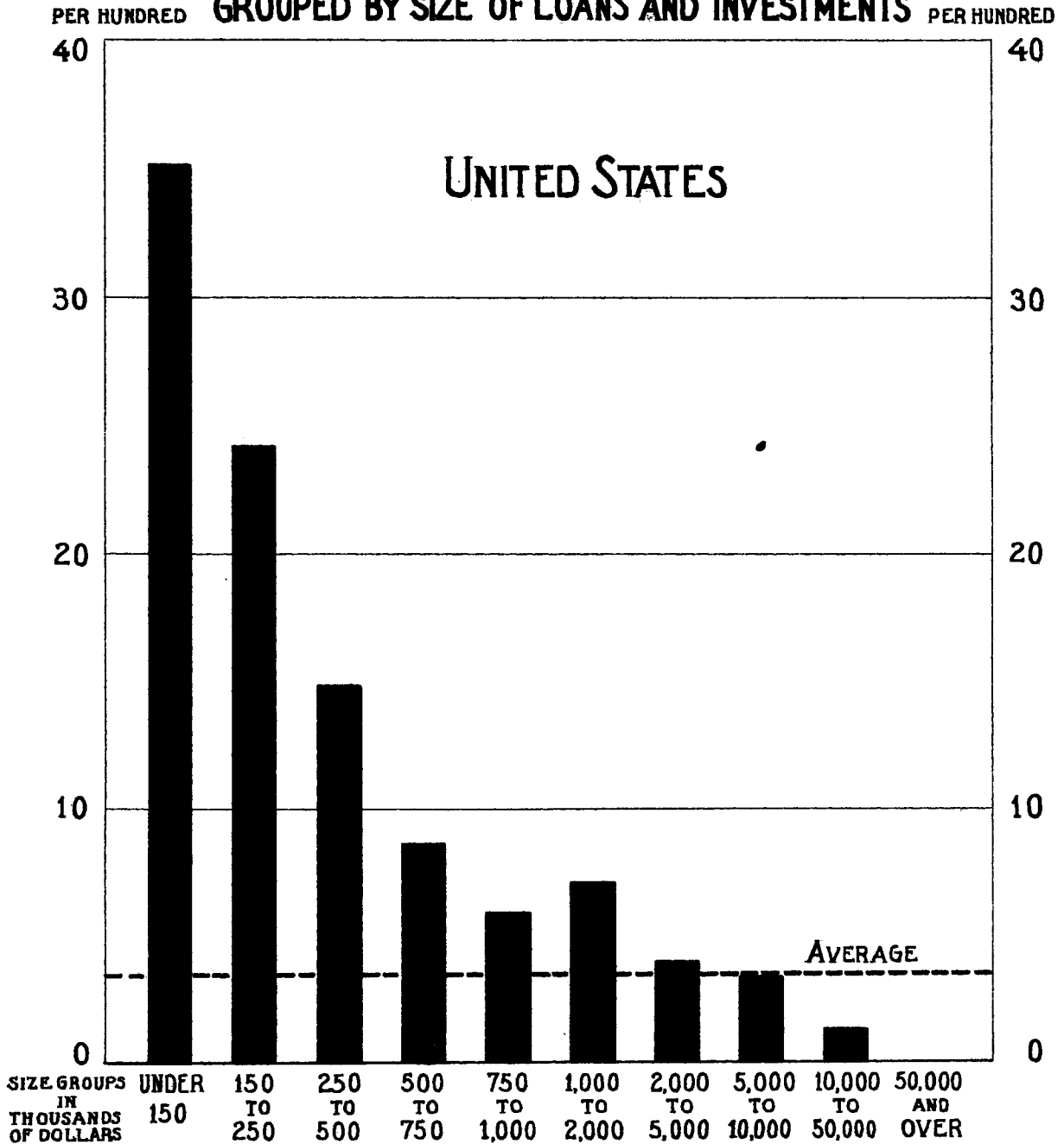
1921 - 1930

| Loans and investments | National bank suspensions | | State bank suspensions | | National and State bank suspensions | |
|-----------------------|---------------------------|-----------------------------------|------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| | Per cent of number | Per cent of loans and investments | Per cent of number | Per cent of loans and investments | Per cent of number | Per cent of loans and investments |
| Under \$500,000 | 66.7 | 26.0 | 86.7 | 39.4 | 83.9 | 36.4 |
| 500,000 - 999,999 | 17.7 | 18.3 | 8.8 | 16.4 | 10.0 | 16.8 |
| 1,000,000 - 4,999,999 | 14.4 | 37.9 | 4.1 | 20.8 | 5.5 | 24.6 |
| 5,000,000 and over | 1.2 | 17.8 | 0.4 | 23.4 | 0.6 | 22.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Table 7 -- PERCENTAGE DISTRIBUTION OF THE NUMBER OF ACTIVE BANKS
IN 1920 AND THE NUMBER OF SUSPENSIONS DURING 1921-1930
BY SIZE GROUPS

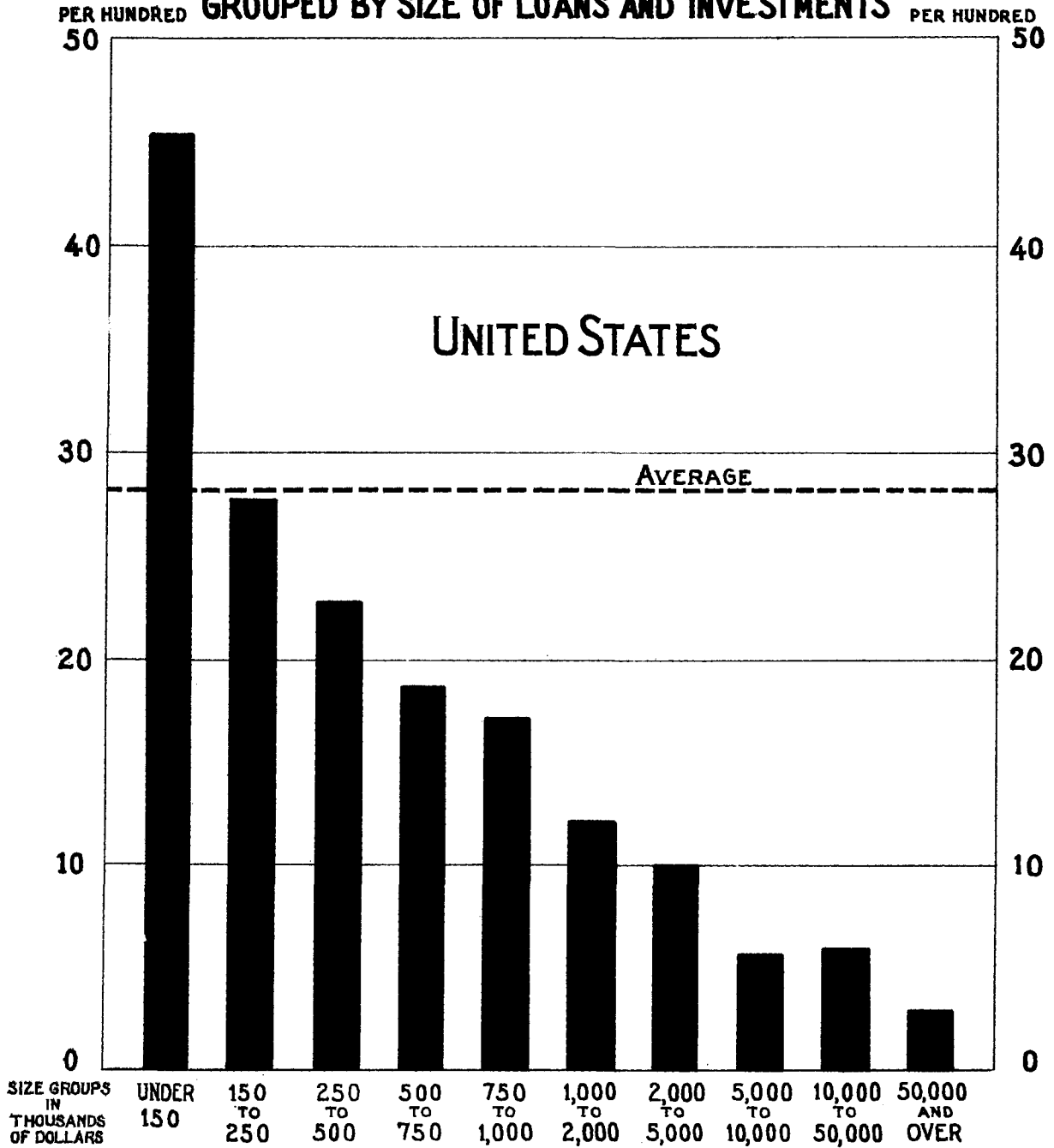
| Loans and investments | National banks | | State banks | | National and State banks | |
|--------------------------|--|--|--|--|--|--|
| | Per cent of total active banks 6-30-1920 | Per cent of total suspensions 1921-1930 | Per cent of total active banks 6-30-1920 | Per cent of total suspensions 1921-1930 | Per cent of total active banks 6-30-1920 | Per cent of total suspensions 1921-1930 |
| Under \$500,000 | 39.0 | 66.7 | 74.0 | 86.7 | 64.2 | 83.9 |
| 500,000 - 999,999 | 27.2 | 17.7 | 13.6 | 8.8 | 17.4 | 10.0 |
| 1,000,000 - 4,999,999 | 27.8 | 14.4 | 10.1 | 4.1 | 15.1 | 5.5 |
| 5,000,000 and over | 6.0 | 1.2 | 2.3 | 0.4 | 3.3 | 0.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

CHART 5
SUSPENSIONS PER HUNDRED ACTIVE NATIONAL BANKS
GROUPED BY SIZE OF LOANS AND INVESTMENTS



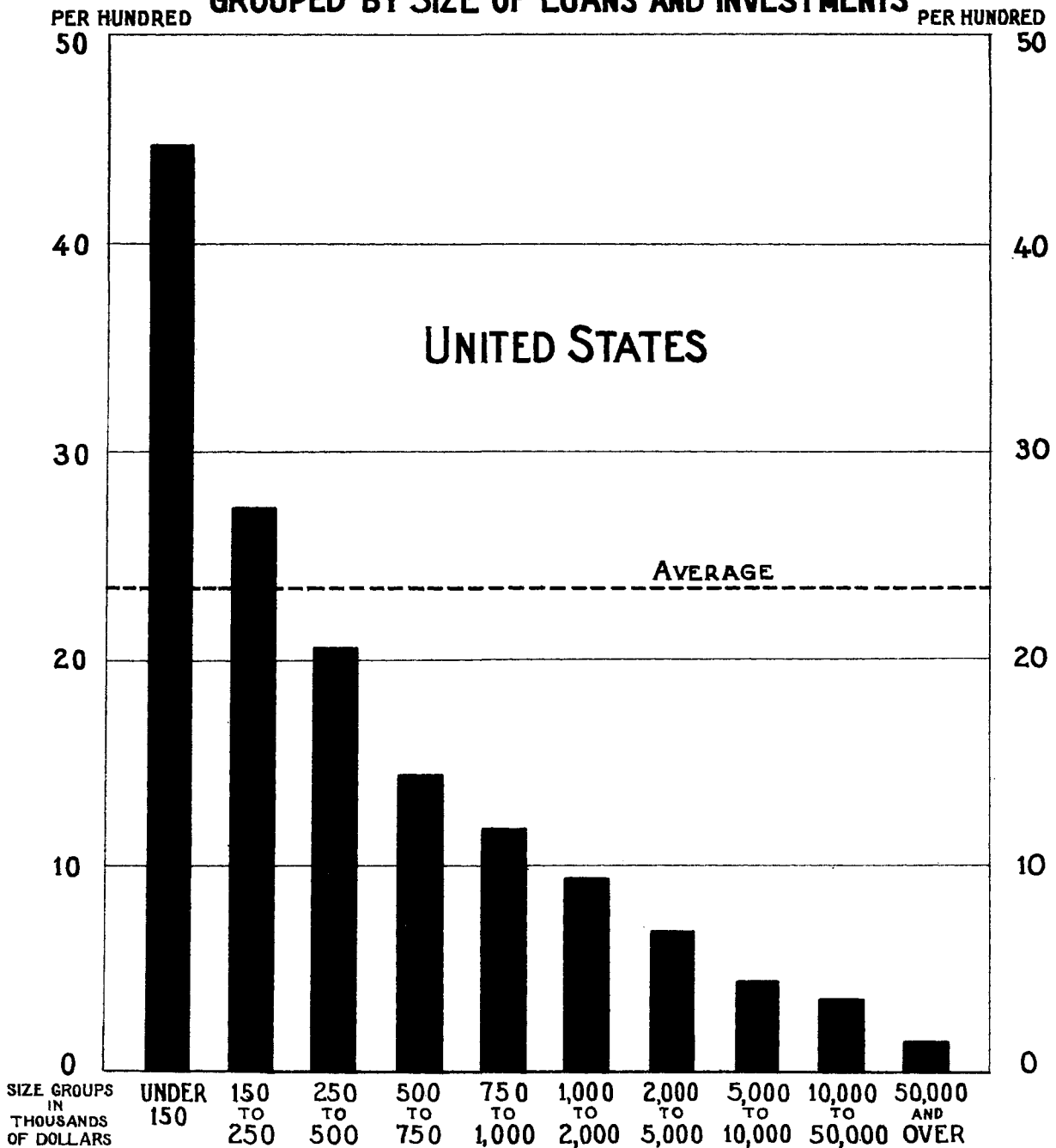
Number of national bank suspensions during
 1921-1930 per hundred active national banks
 on June 30, 1920, grouped by size
 of loans and investments

CHART 6
SUSPENSIONS PER HUNDRED ACTIVE STATE BANKS
GROUPED BY SIZE OF LOANS AND INVESTMENTS



Number of State bank suspensions during 1921-1930 per hundred active State banks on June 30, 1920, grouped by size of loans and investments

CHART 7
SUSPENSIONS PER HUNDRED ACTIVE NATIONAL AND STATE BANKS
GROUPED BY SIZE OF LOANS AND INVESTMENTS

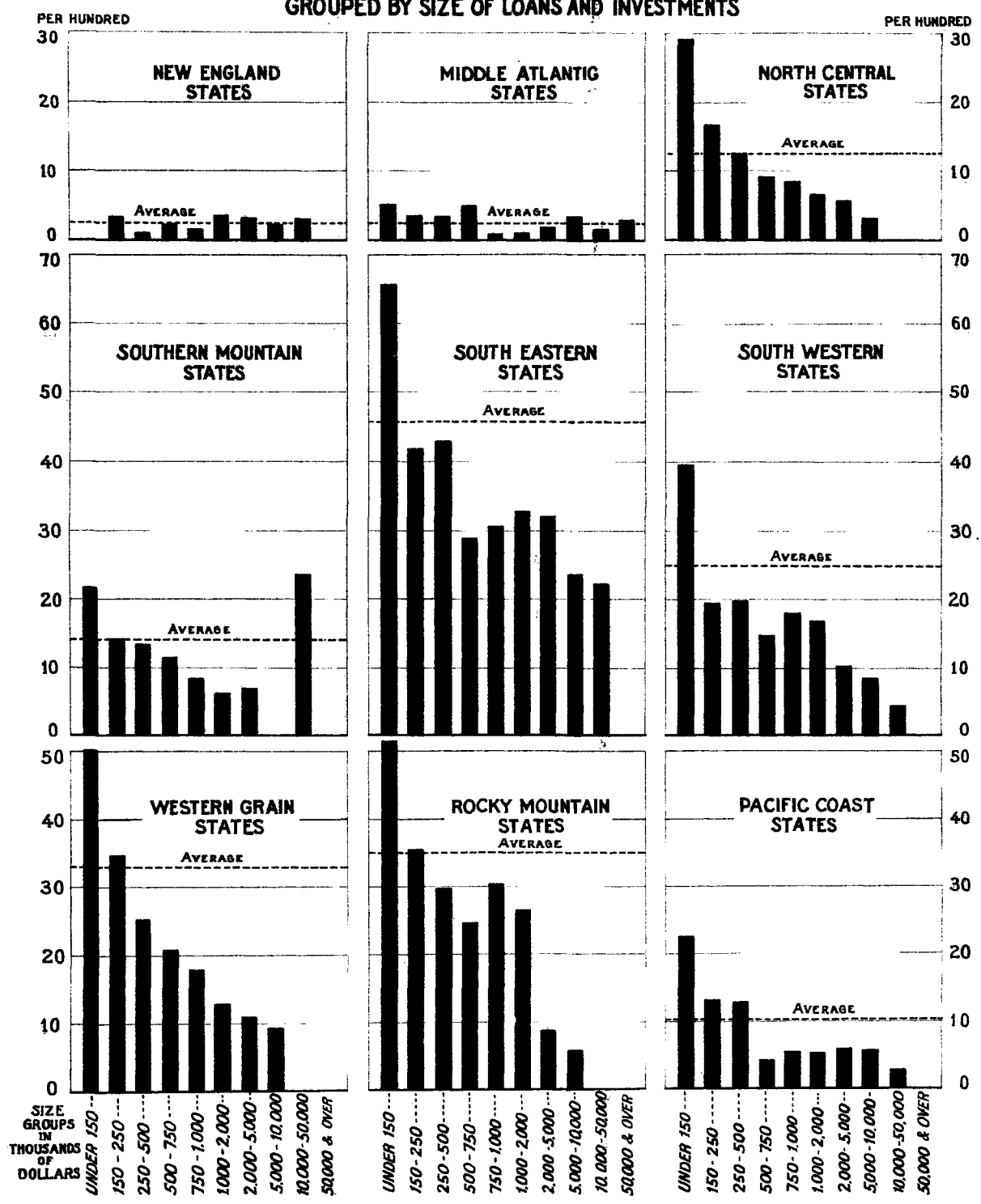


Number of national and State bank suspensions during 1921-1930 per hundred active banks on June 30, 1920, grouped by size of loans and investments

Table 8 - SUSPENSIONS DURING 1921-1930 PER HUNDRED ACTIVE BANKS,
ON JUNE 30, 1920, BY SIZE GROUPS

| Size groups Loans and investments in thousands of dollars | National banks | State banks | National and State banks |
|---|-------------------|----------------|--------------------------------|
| Under \$150 | 33.3 | 45.4 | 44.7 |
| 150 to 250 | 24.9 | 27.7 | 27.3 |
| 250 to 500 | 15.5 | 22.8 | 20.6 |
| 500 to 750 | 8.6 | 18.7 | 14.5 |
| 750 to 1,000 | 5.9 | 17.2 | 11.8 |
| 1,000 to 2,000 | 7.1 | 12.2 | 9.5 |
| 2,000 to 5,000 | 4.1 | 10.0 | 6.9 |
| 5,000 to 10,000 | 3.5 | 5.6 | 4.5 |
| 10,000 to 50,000 | 1.1 | 5.9 | 3.5 |
| 50,000 and over | 0.0 | 2.9 | 1.4 |
| All banks | 11.6 | 28.2 | 23.5 |

CHART 8 SUSPENSIONS PER HUNDRED ACTIVE NATIONAL AND STATE BANKS GROUPED BY SIZE OF LOANS AND INVESTMENTS

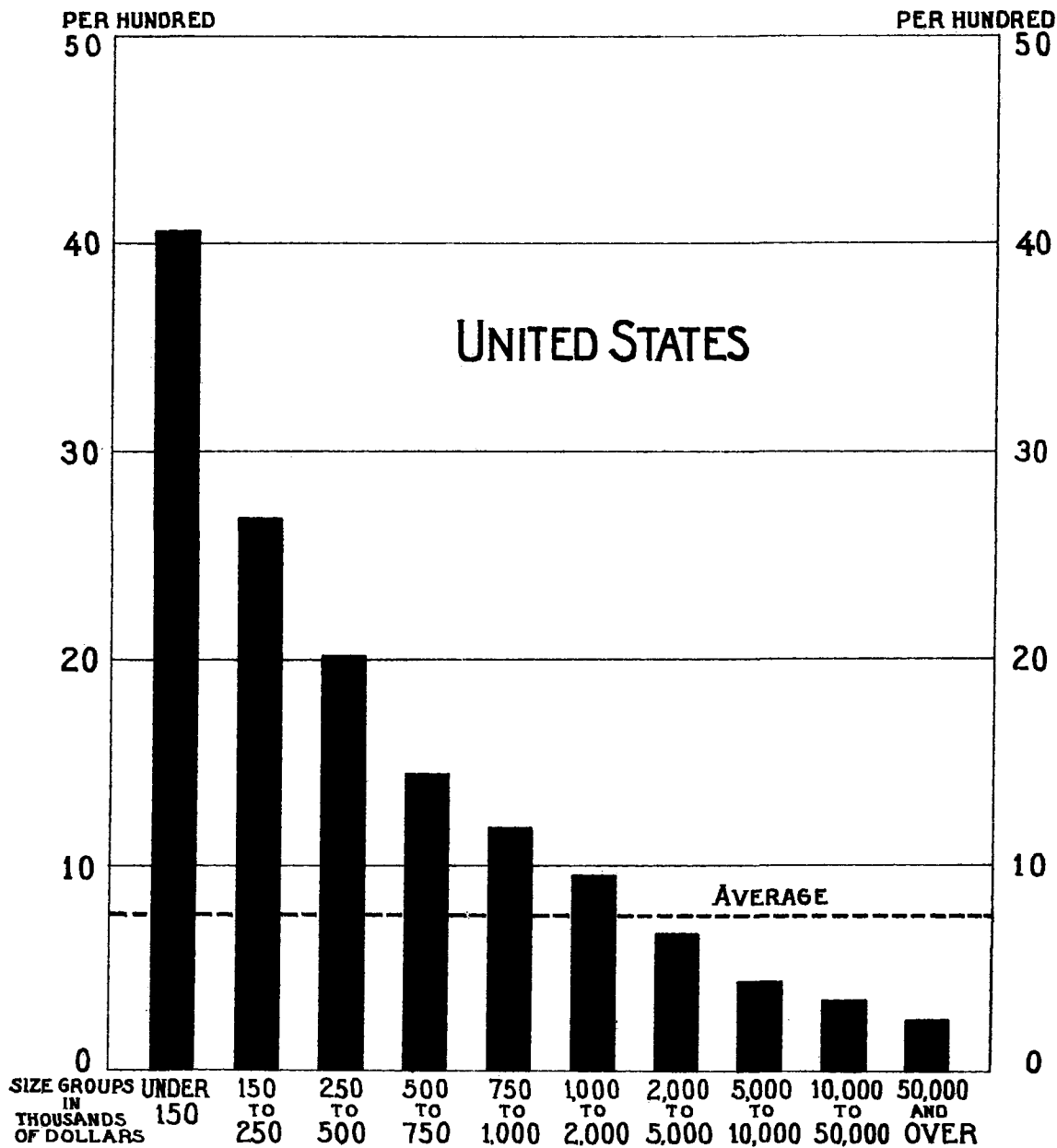


Number of national and State bank suspensions during 1921-1930 per hundred active banks on June 30, 1920, grouped by size of loans and investments

Table 9 - SUSPENSIONS OF NATIONAL AND STATE BANKS DURING 1921-1930
 PER HUNDRED ACTIVE BANKS ON JUNE 30, 1920,
 BY SIZE GROUPS

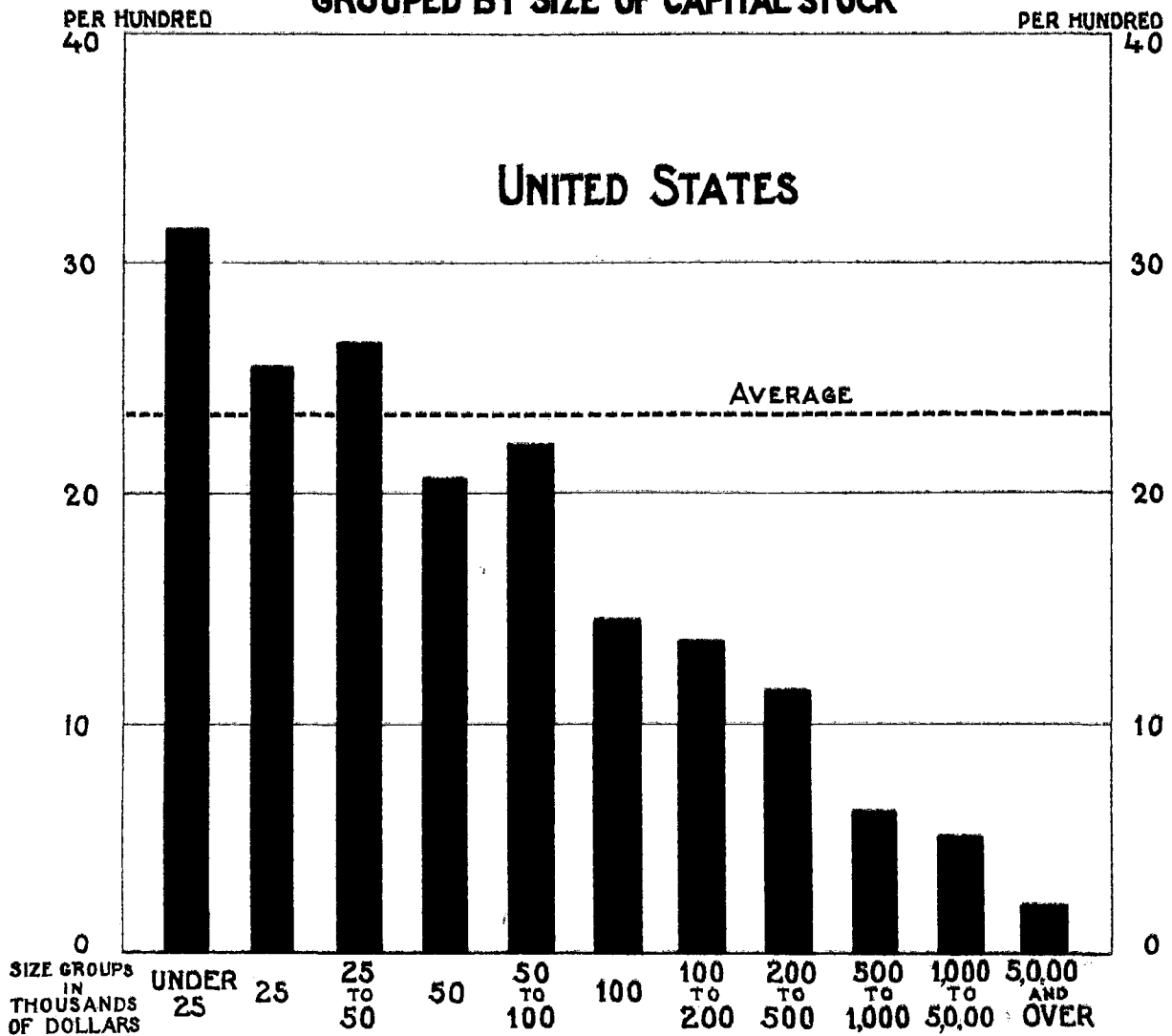
| Size Groups Loans and investments in thousands of dollars | New Eng- land States | Middle At- lantic States | North Cen- tral States | South- ern Moun- tain States | South East- ern States | South West- ern States | West- ern Grain States | Rocky Moun- tain States | Pacific Coast States |
|---|-------------------------------|-----------------------------------|---------------------------------|--|---------------------------------|---------------------------------|---------------------------------|----------------------------------|----------------------------|
| Under \$150 | 0.0 | 5.1 | 29.3 | 21.5 | 65.6 | 39.7 | 50.1 | 51.6 | 22.5 |
| 150 to 250 | 3.3 | 3.4 | 16.7 | 14.1 | 41.7 | 19.3 | 34.7 | 35.6 | 13.0 |
| 250 to 500 | 1.1 | 3.3 | 12.6 | 13.3 | 42.8 | 19.7 | 25.3 | 29.7 | 12.7 |
| 500 to 750 | 2.1 | 4.9 | 9.1 | 11.3 | 28.8 | 14.6 | 20.7 | 24.8 | 4.1 |
| 750 to 1,000 | 1.4 | 0.9 | 8.3 | 8.3 | 30.3 | 18.1 | 17.9 | 30.4 | 5.6 |
| 1,000 to 2,000 | 3.5 | 1.1 | 6.5 | 6.2 | 32.6 | 16.9 | 12.9 | 26.5 | 5.5 |
| 2,000 to 5,000 | 3.0 | 1.9 | 5.6 | 6.9 | 32.0 | 10.2 | 10.7 | 8.6 | 5.8 |
| 5,000 to 10,000 | 1.9 | 3.3 | 3.0 | 0.0 | 23.5 | 8.3 | 9.3 | 5.9 | 5.7 |
| 10,000 to 50,000 | 3.0 | 1.5 | 0.0 | 23.5 | 22.2 | 4.3 | 0.0 | 0.0 | 2.6 |
| 50,000 and over | <u>0.0</u> | <u>2.8</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| All banks | 2.5 | 2.5 | 12.7 | 14.0 | 45.8 | 24.9 | 33.0 | 35.3 | 10.3 |

CHART 9
LOANS AND INVESTMENTS OF SUSPENDED BANKS
PER HUNDRED DOLLARS OF LOANS AND INVESTMENTS OF ACTIVE BANKS



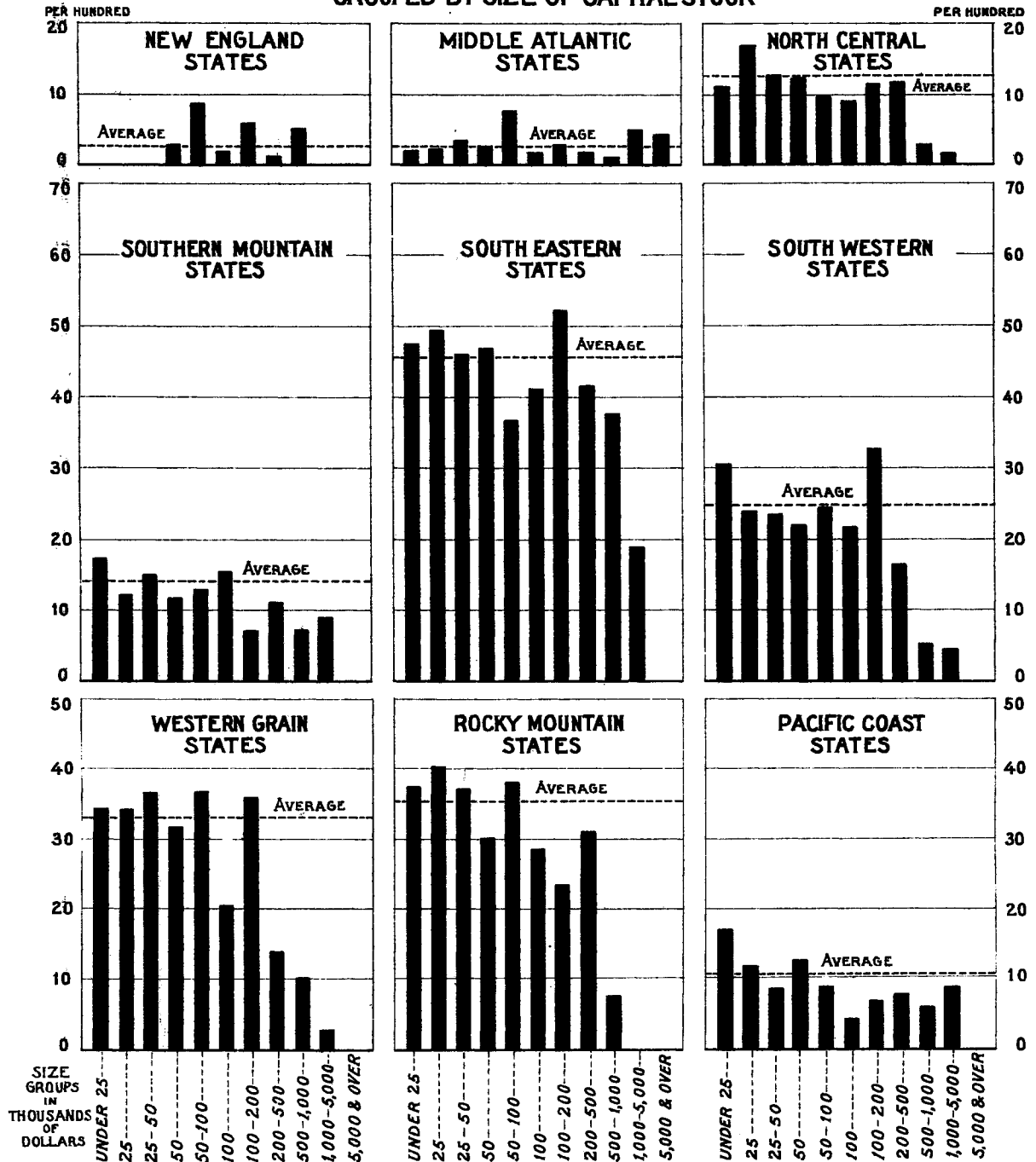
Loans and investments of national and State banks
suspending during 1921-1930 per hundred dollars
of loans and investments of active banks on June 30, 1920.
Banks are grouped by size of loans and investments.

CHART 10
SUSPENSIONS PER HUNDRED ACTIVE NATIONAL AND STATE BANKS
GROUPED BY SIZE OF CAPITAL STOCK



Number of national and State bank suspensions
during 1921-1930 per hundred active banks
on June 30, 1920, grouped by size
of capital stock

CHART 11
 SUSPENSIONS PER HUNDRED ACTIVE NATIONAL AND STATE BANKS
 GROUPED BY SIZE OF CAPITAL STOCK



Number of national and State bank suspensions during 1921-1930 per hundred active banks on June 30, 1920, grouped by size of capital stock

SIZE OF TOWNS WHERE BANKS SUSPENDED

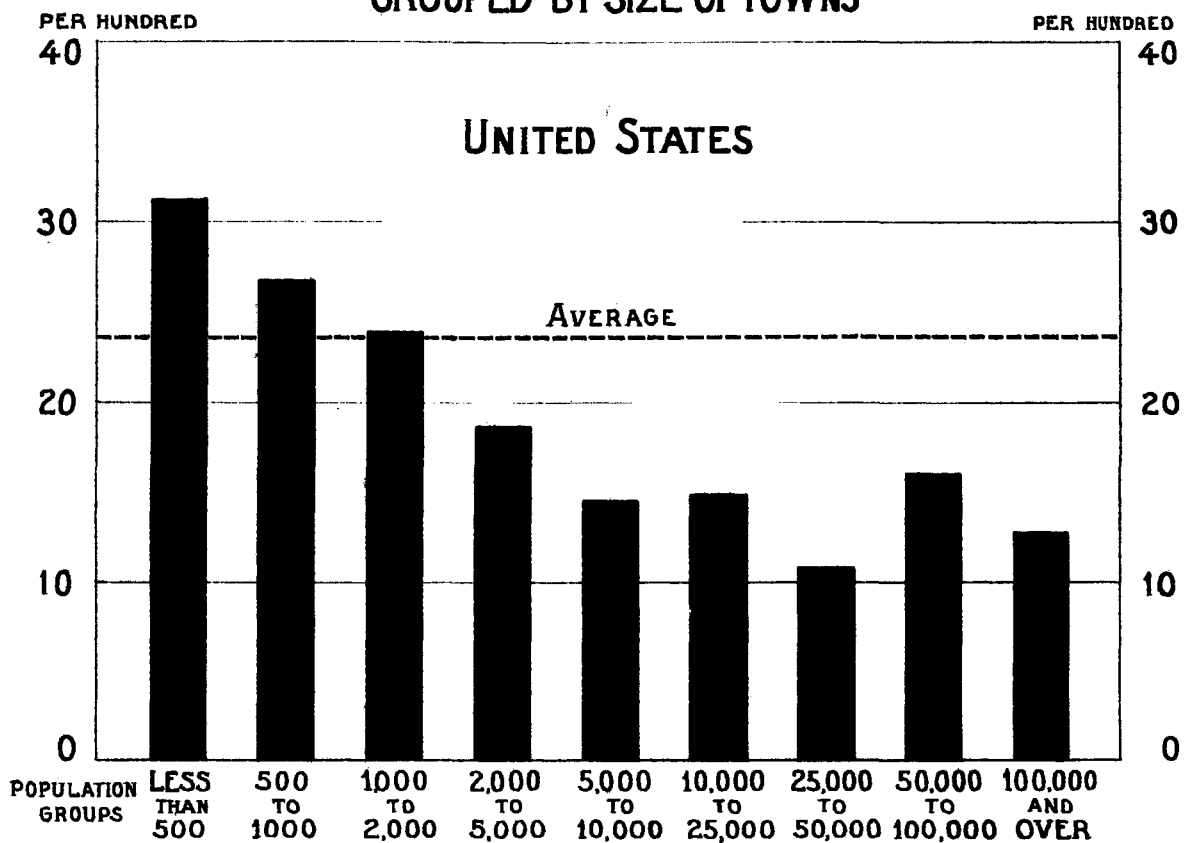
1921-1930

Table 10 - CLASSIFICATION OF BANKS SUSPENDING
DURING 1921-1930, BY SIZE OF TOWNS*

| Population of towns | Number of suspensions | Per cent of total suspensions |
|------------------------|--------------------------|-------------------------------------|
| Less than 500 | 2,516 | 38 |
| 500 to 999 | 1,351 | 20 |
| 1,000 to 2,499 | 1,348 | 20 |
| 2,500 to 4,999 | 559 | 8 |
| 5,000 to 9,999 | 289 | 4 |
| 10,000 to 24,999 | 254 | 4 |
| 25,000 and over | <u>389</u> | <u>6</u> |
| Total | 6,706 | 100 |

* Includes only national and state bank suspensions.

CHART 12
SUSPENSIONS PER HUNDRED ACTIVE NATIONAL AND STATE BANKS
GROUPED BY SIZE OF TOWNS



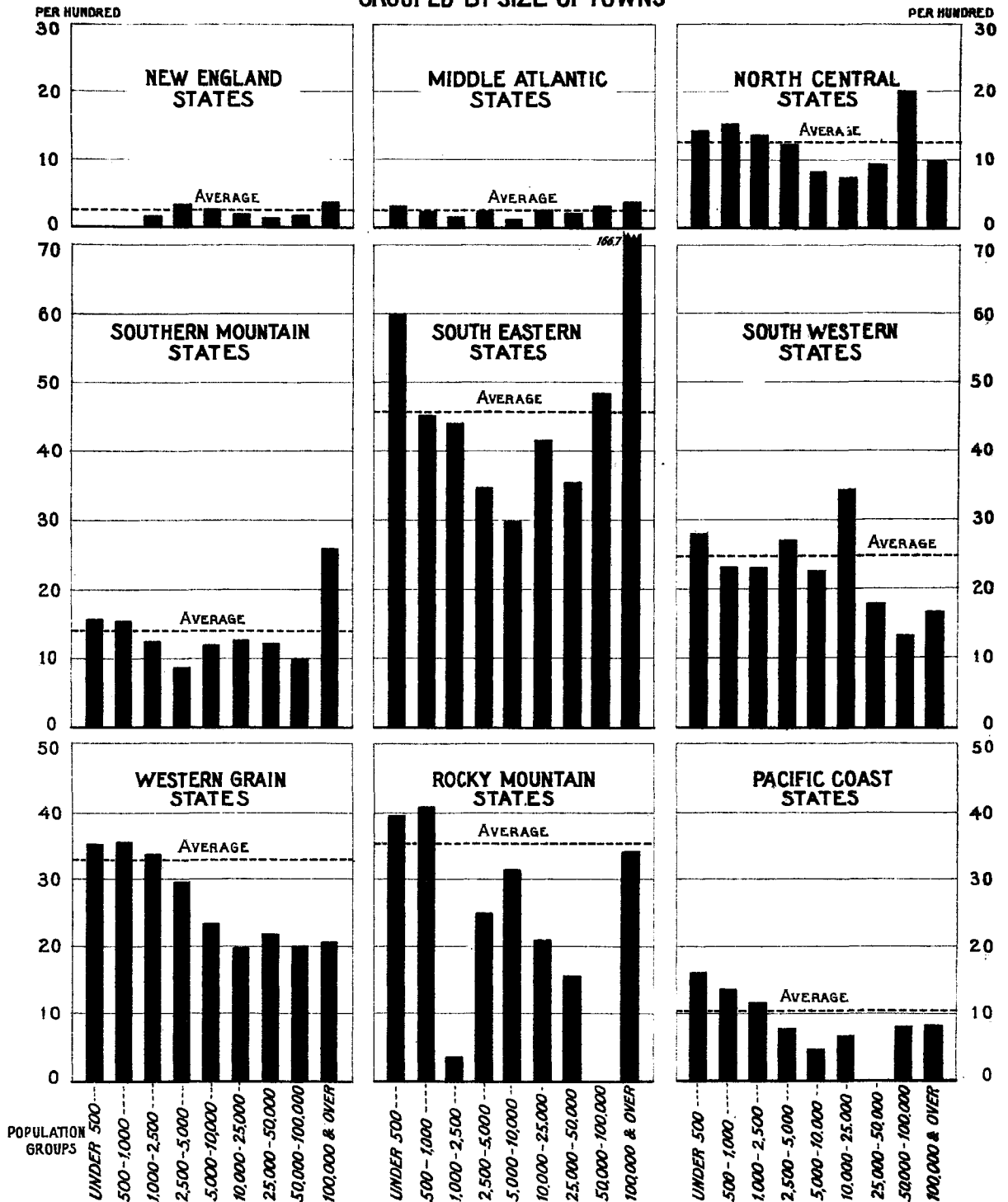
Number of national and State bank suspensions during 1921-1930
per hundred active banks on June 30, 1920,
grouped by size of towns

Table 11 - RATIO OF SUSPENDED BANKS TO ACTIVE BANKS,
GROUPED BY POPULATION OF TOWNS*

| Population of towns | Number of suspensions 1921-1930 per hundred active banks on June 30, 1920 | Loans and investments of suspended banks 1921-1930 per hundred dollars of loans and investments of active banks on June 30, 1920 |
|---------------------|---|--|
| Less than 500 | 31.2 | 22.3 |
| 500 to 999 | 26.7 | 19.2 |
| 1,000 to 2,499 | 23.9 | 16.9 |
| 2,500 to 4,999 | 18.5 | 12.8 |
| 5,000 to 9,999 | 14.4 | 10.7 |
| 10,000 to 24,999 | 14.7 | 9.7 |
| 25,000 to 49,999 | 10.9 | 5.4 |
| 50,000 to 99,999 | 16.0 | 7.5 |
| 100,000 and over | 12.7 | 3.5 |
| Average | 23.5 | 7.6 |

*State and National banks.

CHART 13
 SUSPENSIONS PER HUNDRED ACTIVE NATIONAL AND STATE BANKS
 GROUPED BY SIZE OF TOWNS



Number of national and State bank suspensions during 1921-1930 per hundred active banks on June 30, 1920, grouped by size of towns

DISPOSITION OF SUSPENDED BANKS

1921-1930

Table 12 - DISPOSITION OF SUSPENDED BANKS, STATE AND NATIONAL, 1921-1930

| Geographic Divisions | Number | | | | | | Percentage of total | | | | |
|----------------------|--------------|------------|---------------------------|-----------------------|--------------------------|--------------|---------------------|------------|---------------------------|-----------------------|--------------------------|
| | Reopened | Taken over | In process of liquidation | Completely liquidated | Disposition not recorded | Total | Reopened | Taken over | In process of liquidation | Completely liquidated | Disposition not recorded |
| New England | 2 | 0 | 13 | 3 | 0 | 18 | 11.1 | 0.0 | 72.2 | 16.7 | 0.0 |
| Middle Atlantic | 12 | 5 | 44 | 11 | 0 | 72 | 16.7 | 6.9 | 61.1 | 15.3 | 0.0 |
| North Central | 146 | 49 | 390 | 45 | 2 | 632 | 23.1 | 7.8 | 61.7 | 7.1 | 0.3 |
| Southern Mountain | 28 | 21 | 190 | 36 | 0 | 275 | 10.2 | 7.6 | 69.1 | 13.1 | 0.0 |
| South Eastern | 218 | 33 | 748 | 176 | 60 | 1,235 | 17.7 | 2.6 | 60.6 | 14.3 | 4.8 |
| South Western | 167 | 51 | 401 | 192 | 1 | 812 | 20.6 | 6.4 | 49.4 | 23.4 | 0.2 |
| Western Grain | 464 | 44 | 1,813 | 622 | 22 | 2,965 | 15.6 | 1.5 | 61.2 | 21.0 | 0.7 |
| Rocky Mountain | 50 | 16 | 139 | 248 | 102 | 555 | 9.0 | 2.9 | 25.0 | 44.7 | 18.4 |
| Pacific Coast | 18 | 6 | 54 | 64 | 0 | 142 | 12.7 | 4.2 | 38.0 | 45.1 | 0.0 |
| UNITED STATES | 1,105 | 225 | 3,792 | 1,397 | 187 | 6,706 | 16.5 | 3.4 | 56.5 | 20.8 | 2.8 |

PAYMENTS TO DEPOSITORS
OF SUSPENDED BANKS AND LOSSES SUSTAINED

1921-1930

Table 13 - REOPENED AND TAKEN-OVER BANKS GROUPED
 ACCORDING TO PERCENTAGE OF CLAIMS
 REALIZED BY DEPOSITORS

| Percentage of claims realized | National banks* | State banks* | National and State banks |
|-------------------------------|-----------------|--------------|--------------------------|
| 0 to 19% | 0 | 6 | 6 |
| 20 to 39 | 1 | 30 | 31 |
| 40 to 59 | 7 | 87 | 94 |
| 60 to 79 | 17 | 97 | 114 |
| 80 to 99 | 9 | 39 | 48 |
| 100 | <u>119</u> | <u>787</u> | <u>906</u> |
| Total | 153 | 1,046 | 1,199 |

* Information as to claims realized by depositors in 1 national bank and 130 State banks was unavailable.

Note:- The above are those banks suspending during 1921-1930 which had been reopened or taken over by other institutions at the time the schedules of information were prepared for the Committee, with the exception of the 131 banks for which information is not available.

Table 14 - TOTAL ESTIMATED LOSSES TO DEPOSITORS OF SUSPENDED BANKS
WHICH WERE REOPENED OR TAKEN OVER

| Geographic divisions | National banks (000 omitted) | State banks (000 omitted) | National and State banks (000 omitted) |
|----------------------|---------------------------------|------------------------------|---|
| New England | \$ 0 | \$ 0 | \$ 0 |
| Middle Atlantic | 302 | 0 | 302 |
| North Central | 215 | 6,392 | 6,607 |
| Southern Mountain | 0 | 523 | 523 |
| South Eastern | 240 | 7,300 | 7,540 |
| South Western | 925 | 1,507 | 2,432 |
| Western Grain | 1,046 | 31,063 | 32,109 |
| Rocky Mountain | 1,377 | 1,140 | 2,517 |
| Pacific Coast | <u>1,633</u> | <u>418</u> | <u>2,051</u> |
| Total | 5,738 | 48,343 | 54,081 |

Note:- The above are those banks suspending during 1921-1930 which had been reopened or taken over by other institutions at the time the schedules were prepared for the Committee.

Table 15 - CLAIMS REALIZED BY DEPOSITORS IN COMPLETELY LIQUIDATED
NATIONAL AND STATE BANKS BY GEOGRAPHIC DIVISIONS

(000 omitted from dollar amounts)

| Geographic divisions | National banks | | | | State banks | | | |
|----------------------|-----------------|-----------------|-----------------------------|--------------------------------|-------------------|-----------------|-----------------------------|--------------------------------|
| | Number of banks | General claims* | Payments on general claims* | Per cent of payments to claims | Number of banks** | General claims* | Payments on general claims* | Per cent of payments to claims |
| New England | 1 | 279 | 187 | 67.0 | 1 | 1,822 | 1,822 | 100.0 |
| Middle Atlantic | 3 | 2,381 | 1,885 | 79.2 | 4 | 843 | 791 | 93.8 |
| North Central | 8 | 4,671 | 2,757 | 59.0 | 30 | 5,677 | 3,891 | 68.5 |
| Southern Mountain | 2 | 366 | 332 | 90.7 | 13 | 1,405 | 1,061 | 75.5 |
| South Eastern | 21 | 3,288 | 1,802 | 54.8 | 139 | 14,987 | 6,493 | 43.3 |
| South Western | 50 | 17,167 | 7,787 | 45.3 | 99 | 9,577 | 4,752 | 49.6 |
| Western Grain | 83 | 20,397 | 10,324 | 50.6 | 523 | 81,023 | 45,006 | 55.5 |
| Rocky Mountain | 86 | 17,449 | 7,418 | 42.5 | 128 | 16,914 | 9,832 | 58.1 |
| Pacific Coast | 13 | 2,491 | 1,542 | 61.9 | 50 | 23,674 | 17,451 | 73.7 |
| UNITED STATES | 267 | 68,489 | 34,034 | 49.7 | 987 | 155,922 | 91,099 | 58.4 |

* Exclusive of offsets.

** Information as to claims and payments for 143 completely liquidated State banks is not available.

Note:- The above are those banks suspending during 1921-1930 which had been completely liquidated at the time the schedules of information were prepared for the Committee, with the exception of the 143 banks for which information is not available.

Table 16 - AVERAGE PER CENT OF CLAIMS REALIZED BY DEPOSITORS
IN 1,254 COMPLETELY LIQUIDATED NATIONAL AND
STATE BANKS, GROUPED BY SIZE OF TOWN

| Population of towns | Number of banks completely liquidated* | General claims allowed** (000 omitted) | Payments to general claimants** (000 omitted) | Average per cent of claims realized by depositors |
|---------------------|--|--|---|---|
| Under 1,000 | 784 | \$ 72,557 | \$ 35,607 | 49.1% |
| 1,000 to 4,999 | 342 | 72,004 | 37,450 | 52.0 |
| 5,000 to 9,999 | 40 | 13,210 | 7,083 | 53.6 |
| 10,000 to 24,999 | 37 | 24,242 | 16,480 | 68.0 |
| 25,000 and over | <u>51</u> | <u>42,398</u> | <u>28,513</u> | <u>67.3</u> |
| All groups. | 1,254 | 224,411 | 125,133 | 55.7 |

* Information as to claims and payments for 143 State banks is not available.

** Exclusive of offsets.

Note:- The above are those banks suspending during 1921-1930 which had been completely liquidated at the time the schedules of information were prepared for the Committee, with the exception of the 143 State banks for which information is not available.

Table 17 - EXPENSE OF LIQUIDATING SUSPENDED NATIONAL BANKS*

| Geographic divisions | Number of banks | Total resources at time of suspension (000 omitted) | Expenses of liquidation (000 omitted) | Per cent of expenses to total resources | Total collections (000 omitted) | Per cent of expenses to total collections |
|----------------------|-----------------|---|---------------------------------------|---|---------------------------------|---|
| New England | 1 | \$ 150 | \$... | ... | \$... | ... |
| Middle Atlantic | 3 | 3,115 | 112 | 3.6 | 2,220 | 5.0 |
| North Central | 8 | 5,486 | 206 | 3.8 | 4,038 | 5.1 |
| Southern Mountain | 2 | 501 | 31 | 6.2 | 517 | 6.0 |
| South Eastern | 21 | 7,086 | 364 | 5.1 | 3,756 | 9.7 |
| South Western | 50 | 29,009 | 1,197 | 4.1 | 16,578 | 7.2 |
| Western Grain | 83 | 31,707 | 1,745 | 5.5 | 18,680 | 9.3 |
| Rocky Mountain | 86 | 36,146 | 1,915 | 5.3 | 19,867 | 9.6 |
| Pacific Coast | <u>13</u> | <u>5,878</u> | <u>347</u> | <u>5.8</u> | <u>4,269</u> | <u>8.1</u> |
| UNITED STATES | 267 | 119,078 | 5,947 | 5.0 | 70,144 | 8.5 |

* Compiled from annual reports of the Comptroller of the Currency.

Note:- The above are those national banks suspending during 1921-1930 which had been completely liquidated at the time the schedules of information were prepared for the Committee.

APPENDICES

APPENDIX I

BANK SUSPENSIONS BY STATES AND GEOGRAPHIC DIVISIONS

1921 - 1930

| States by Geographic Divisions | National banks | | State banks | |
|--------------------------------------|----------------|---|-------------|---|
| | Number | Loans and investments (000 omitted) | Number | Loans and investments (000 omitted) |
| New England | | | | |
| Maine | 0 | \$ 0 | 2 | \$ 1,235 |
| New Hampshire | 0 | 0 | 1 | 1,475 |
| Vermont | 1 | 1,138 | 1 | 1,014 |
| Massachusetts | 1 | 294 | 3 | 19,684 |
| Rhode Island | 1 | 1,535 | 2 | 1,063 |
| Connecticut | 1 | 1,897 | 5 | 17,641 |
| Total | 4 | 4,864 | 14 | 42,112 |
| Middle Atlantic | | | | |
| New York | 4 | 1,999 | 8 | 253,148 |
| New Jersey | 3 | 1,527 | 3 | 8,321 |
| Delaware | 1 | 679 | 1 | 257 |
| Pennsylvania | 19 | 20,575 | 27 | 84,667 |
| Maryland | 2 | 952 | 4 | 7,285 |
| Total | 29 | 25,732 | 43 | 353,678 |
| North Central | | | | |
| Michigan | 4 | 2,728 | 17 | 8,810 |
| Wisconsin | 9 | 3,241 | 93 | 25,644 |
| Illinois | 36 | 21,581 | 221 | 108,516 |
| Indiana | 15 | 7,909 | 163 | 68,619 |
| Ohio | 14 | 17,587 | 60 | 40,134 |
| Total | 78 | 53,046 | 554 | 251,723 |
| Southern Mountain | | | | |
| West Virginia | 9 | 7,943 | 35 | 18,146 |
| Virginia | 7 | 3,576 | 56 | 13,409 |
| Kentucky | 4 | 39,054 | 69 | 42,442 |
| Tennessee | 5 | 14,675 | 90 | 40,058 |
| Total | 25 | 65,248 | 250 | 114,055 |

| States by Geographic Divisions | National banks | | State banks | |
|--------------------------------------|----------------|---|--------------|---|
| | Number | Loans and investments (000 omitted) | Number | Loans and investments (000 omitted) |
| South Eastern | | | | |
| North Carolina | 23 | \$ 24,887 | 189 | \$ 79,282 |
| South Carolina | 26 | 14,763 | 226 | 68,066 |
| Georgia | 19 | 20,276 | 334 | 65,418 |
| Florida | 20 | 28,650 | 214 | 166,552 |
| Alabama | 15 | 6,759 | 59 | 18,771 |
| Mississippi | 7 | 8,038 | 103 | 35,708 |
| Total | 110 | 103,373 | 1,125 | 433,797 |
| South Western | | | | |
| Louisiana | 2 | 2,033 | 53 | 15,144 |
| Texas | 62 | 41,996 | 189 | 44,626 |
| Arkansas | 20 | 10,085 | 200 | 63,843 |
| Oklahoma | 71 | 31,958 | 215 | 44,063 |
| Total | 155 | 86,072 | 657 | 167,676 |
| Western Grain | | | | |
| Minnesota | 58 | 29,592 | 383 | 86,109 |
| North Dakota | 70 | 20,280 | 416 | 59,980 |
| South Dakota | 54 | 24,386 | 393 | 100,774 |
| Iowa | 105 | 62,736 | 417 | 151,376 |
| Nebraska | 32 | 17,335 | 380 | 67,996 |
| Missouri | 13 | 3,991 | 383 | 81,057 |
| Kansas | 14 | 10,199 | 247 | 51,179 |
| Total | 346 | 168,519 | 2,619 | 598,471 |
| Rocky Mountain | | | | |
| Montana | 61 | 23,868 | 150 | 34,894 |
| Idaho | 26 | 16,325 | 46 | 13,781 |
| Wyoming | 11 | 9,734 | 50 | 9,328 |
| Colorado | 18 | 12,041 | 75 | 12,727 |
| New Mexico | 20 | 14,385 | 41 | 12,992 |
| Arizona | 3 | 1,828 | 29 | 14,231 |
| Utah | 3 | 3,645 | 19 | 5,103 |
| Nevada | 0 | 0 | 3 | 3,420 |
| Total | 142 | 81,826 | 413 | 106,476 |

-3-

| States by Geographic Divisions | National banks | | State banks | |
|--------------------------------------|----------------|---|-------------|---|
| | Number | Loans and investments (000 omitted) | Number | Loans and investments (000 omitted) |
| Pacific Coast | | | | |
| Washington | 12 | \$ 13,104 | 46 | \$ 31,379 |
| Oregon | 8 | 6,679 | 38 | 14,885 |
| California | 18 | 14,586 | 20 | 15,278 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 38 | 34,369 | 104 | 61,542 |
| | | | | |
| UNITED STATES | 927 | 623,049 | 5,779 | 2,129,530 |

APPENDIX II

SUSPENSIONS OF STATE AND NATIONAL BANKS DURING 1921-1930
PER HUNDRED ACTIVE BANKS JUNE 30, 1920

| State | Number of active banks June 30, 1920 | Number of suspensions 1921-1930 | Suspensions per hundred active banks |
|----------------------|--|---------------------------------------|--|
| Alabama | 347 | 74 | 21.3 |
| Arizona | 87 | 32 | 36.8 |
| Arkansas | 482 | 220 | 45.6 |
| California | 720 | 38 | 5.3 |
| Colorado | 396 | 93 | 23.5 |
| Connecticut | 139 | 6 | 4.3 |
| Delaware | 39 | 2 | 5.1 |
| District of Columbia | 45 | 0 | 0.0 |
| Florida | 258 | 234 | 90.7 |
| Georgia | 722 | 353 | 48.9 |
| Idaho | 222 | 72 | 32.4 |
| Illinois | 1,497 | 257 | 17.2 |
| Indiana | 879 | 178 | 20.3 |
| Iowa | 1,712 | 522 | 30.5 |
| Kansas | 1,343 | 261 | 19.4 |
| Kentucky | 585 | 73 | 12.5 |
| Louisiana | 267 | 55 | 20.6 |
| Maine | 118 | 2 | 1.7 |
| Maryland | 236 | 6 | 2.5 |
| Massachusetts | 271 | 4 | 1.5 |
| Michigan | 653 | 21 | 3.2 |
| Minnesota | 1,508 | 441 | 29.2 |
| Mississippi | 336 | 110 | 32.7 |
| Missouri | 1,647 | 396 | 24.0 |
| Montana | 423 | 211 | 49.9 |
| Nebraska | 1,196 | 412 | 34.4 |
| Nevada | 33 | 3 | 9.1 |
| New Hampshire | 80 | 1 | 1.3 |
| New Jersey | 366 | 6 | 1.6 |
| New Mexico | 122 | 61 | 50.0 |
| New York | 817 | 12 | 1.5 |
| North Carolina | 578 | 212 | 36.7 |
| North Dakota | 898 | 486 | 54.1 |
| Ohio | 991 | 74 | 7.5 |
| Oklahoma | 959 | 286 | 29.8 |
| Oregon | 275 | 46 | 16.7 |
| Pennsylvania | 1,410 | 46 | 3.3 |
| Rhode Island | 33 | 3 | 9.1 |

-2-

| State | Number of active banks June 30, 1920 | Number of suspensions 1921-1930 | Suspensions per hundred active banks |
|----------------|--|---------------------------------------|--|
| South Carolina | 453 | 252 | 55.6 |
| South Dakota | 688 | 447 | 65.0 |
| Tennessee | 546 | 95 | 17.4 |
| Texas | 1,548 | 251 | 16.2 |
| Utah | 132 | 22 | 16.7 |
| Vermont | 88 | 2 | 2.3 |
| Virginia | 500 | 63 | 12.6 |
| Washington | 390 | 58 | 14.9 |
| West Virginia | 338 | 44 | 13.0 |
| Wisconsin | 968 | 102 | 10.5 |
| Wyoming | 158 | 61 | 38.6 |
| | | | |
| Total | 28,499 | 6,706 | 23.5 |

APPENDIX III
is omitted from this copy.
This is the printed schedule
used in collecting information
regarding bank suspensions from
1921 to 1930.

November 6, 1931

Federal Reserve Committee on
Branch, Group and Chain Banking

BANKING COSTS AND PROFITS

Preliminary material subject to revision

BANKING COSTS AND PROFITS

The following series of ten charts and accompanying tables form a part of an intensive analysis of national bank earnings over a five-year period, 1926-1930.

It has often been alleged of recent years that the banks in small towns do not make earnings sufficient to support themselves and that this is one important reason for the greater mortality among these institutions. National bank earnings data have been arranged to bring out some of the facts in this respect. The charts show that the proportion of small banks making satisfactory profit returns on invested capital is much smaller than among large banks, and that the contrast between the size groups is more pronounced in agrarian districts than in industrial ones. Although small banks typically have a higher rate of gross return on loans and investments, they are not as profitable as large banks because their costs of handling a unit of business are higher than those of large banks and their losses are greater.

Analysis by size of bank: Charts 1 and 2 and Tables 1 and 2 are based upon an enumeration of national banks by size and by rates of earnings during the five years 1926-1930. They show that on the average one-third of the banks in the smallest size group (loans and investments of less than \$150,000) reported an annual loss or no net earnings. Half the banks in the same size group earned less than 3 per cent, including those showing losses. In 1920 there were over

6,000 State and national banks of that size in the country, but in 1930 the number had been reduced to something less than 5,000. The proportion of banks showing losses or earnings less than 3 per cent grew progressively smaller as the size of the banks increased. Of those banks with loans and investments of \$50,000,000 or more, less than 3 per cent showed net losses and only 7 per cent earned less than 3 per cent annually on invested capital (capital, surplus, undivided profits and capital reserves).

Geographical differences: Charts 3 and 4 and Tables 3 and 4 bring out the difference in earnings in the industrial northeastern states as contrasted with the agricultural mid-continent states. In the case of the smallest size group and the largest size group the differences between the two areas are not great. It should be noted, however, that there are very few banks in the northeastern states with loans and investments of less than \$150,000, but a comparatively large number in the mid-continent states. In the other size groups the proportion of poor earners is much larger among the mid-continent banks than among the northeastern banks.

Analysis by size of town: Charts 5 and 6 and Tables 5 and 6 are based on an enumeration of banks by size of town in which located and by rates of earnings. These again reflect chiefly the contrast between small and large banks although not as sharply as in the preceding charts since there are many small banks in large towns.

Operating ratios: Charts 7 to 10 and Tables 7 to 10 show certain income and expense items among banks of various sizes. In order to com-

pare size groups, the income and expense items of each national bank were reduced to amounts per hundred dollars of loans and investments. The ratios with respect to any particular size group represent the averages of the annual ratios of each bank in the group over the five-year period. Chart 7 shows that the small banks have a higher rate of gross earnings but a smaller margin of net profits per \$100 of loans and investments than the large banks. The unfavorable results of the smaller banks grow out of higher salaries and wages, higher overhead expenses, and larger losses per unit of business. Payments of interest on deposits, as Chart 8 shows, does not contribute to the condition.

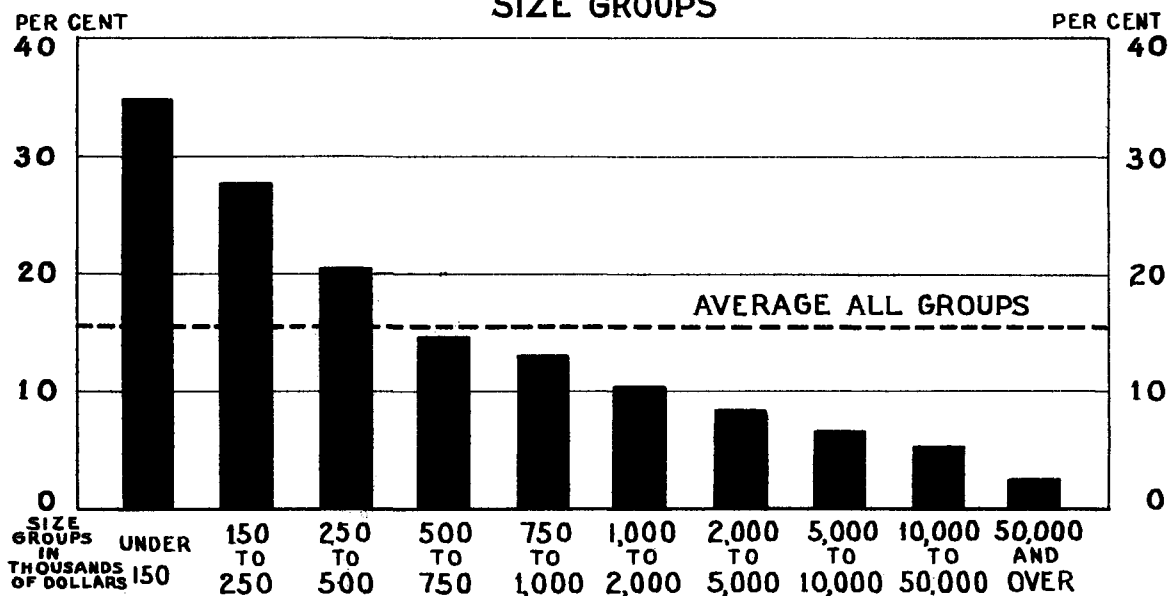
Sources

The material from which these charts were derived was taken from the condition reports and earnings and expense reports of each national bank active in the years 1926 through 1930. The analysis sheet upon which the data were compiled originally by the Federal reserve banks is included as an appendix following the charts and tables. It was necessary to prepare five analyses for each active national bank, one for each of the five years, or approximately 35,000 in all. It will be observed from the analysis sheet that the condition figures used for each year represent the averages of the several reports made during the year, usually four. After the analysis sheets had been completed in the Federal reserve banks, groupings of the data were

transmitted to the Committee in tabulations designed by it. The staff of the Committee made the combinations and experiments necessary to bring out points bearing upon the problem of banking structure.

EARNINGS BY SIZE OF BANK

**CHART 1
PERCENTAGE OF NATIONAL BANKS EARNING NOTHING
SIZE GROUPS**



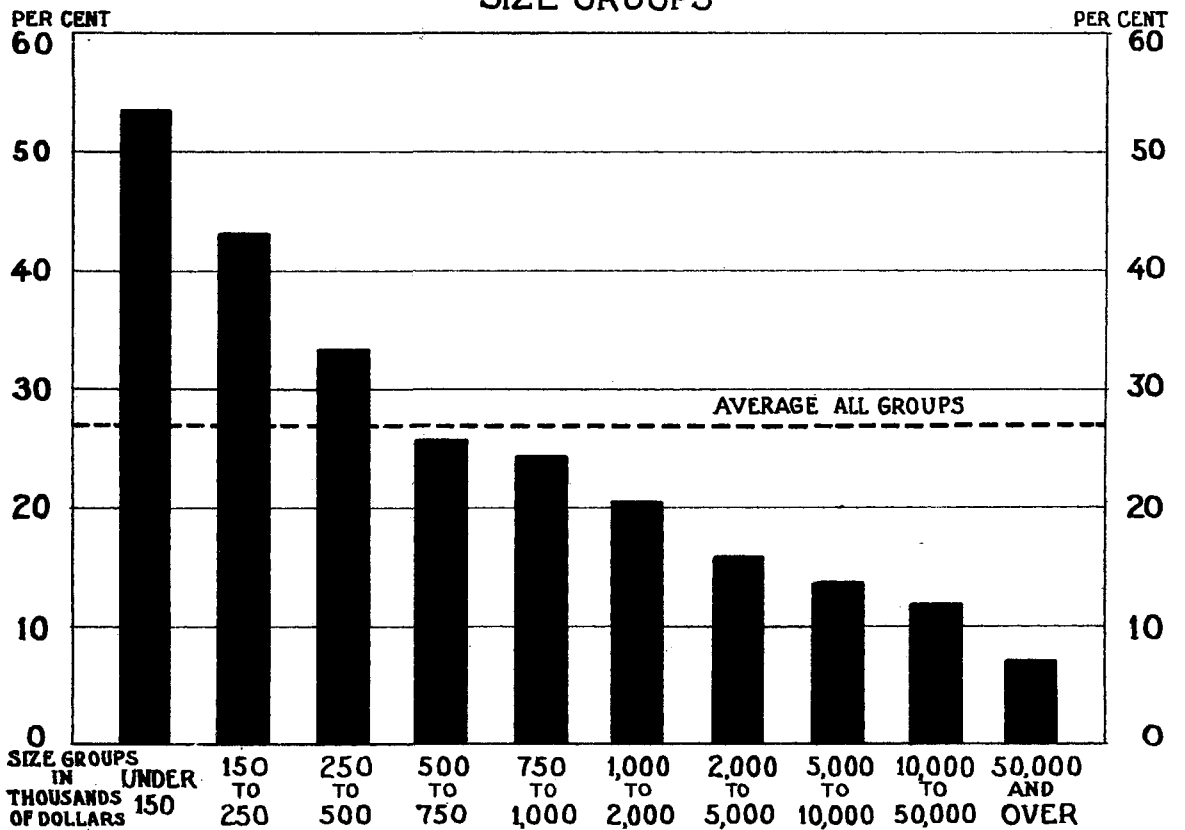
**Percentage of national banks showing annual net losses
or no net earnings during 1926-1930
Banks grouped according to size of loans and investments**

Table 1 - PERCENTAGE OF NATIONAL BANKS SHOWING
ANNUAL NET LOSSES OR NO NET EARNINGS
DURING 1926-1930

Banks Grouped According to Size of Loans and Investments

| Size Groups Loans and investments | Percentage of banks showing losses |
|--------------------------------------|---------------------------------------|
| Under \$150,000 | 35.0 |
| 150,000 to 250,000 | 28.0 |
| 250,000 to 500,000 | 20.6 |
| 500,000 to 750,000 | 14.6 |
| 750,000 to 1,000,000 | 13.2 |
| 1,000,000 to 2,000,000 | 10.5 |
| 2,000,000 to 5,000,000 | 8.4 |
| 5,000,000 to 10,000,000 | 6.8 |
| 10,000,000 to 50,000,000 | 5.3 |
| 50,000,000 and over | 2.5 |
| All groups | 15.8 |

CHART 2
PERCENTAGE OF NATIONAL BANKS EARNING LESS THAN 3%
SIZE GROUPS



Percentage of national banks showing annual net earnings available for dividends of less than 3% on invested capital during 1926-1930
 Banks grouped according to size of loans and investments

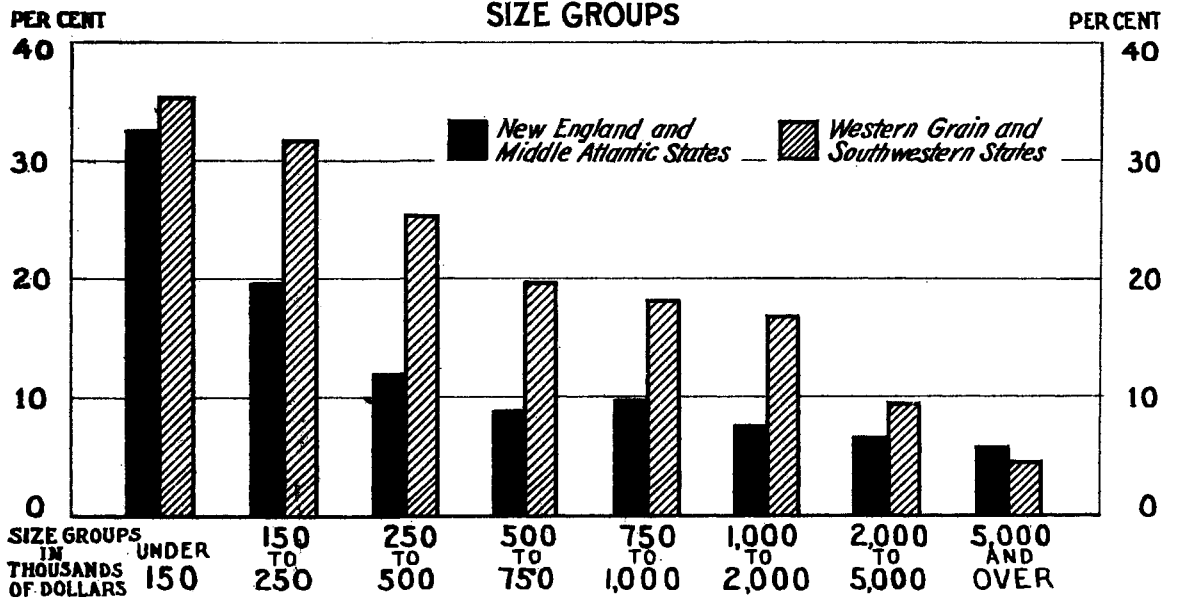
Table 2 - PERCENTAGE OF NATIONAL BANKS SHOWING ANNUAL NET EARNINGS
AVAILABLE FOR DIVIDENDS OF LESS THAN 3% ON INVESTED CAPITAL
DURING 1926-1930

Banks Grouped According to Size of Loans and Investments

| Size Groups Loans and investments | Percentage of banks earning less than 3% |
|--------------------------------------|---|
| Under \$150,000 | 53.7 |
| 150,000 to 250,000 | 43.3 |
| 250,000 to 500,000 | 33.3 |
| 500,000 to 750,000 | 25.9 |
| 750,000 to 1,000,000 | 24.4 |
| 1,000,000 to 2,000,000 | 20.6 |
| 2,000,000 to 5,000,000 | 16.1 |
| 5,000,000 to 10,000,000 | 14.0 |
| 10,000,000 to 50,000,000 | 11.8 |
| 50,000,000 and over | 7.1 |
| All groups | 27.1 |

EARNINGS IN INDUSTRIAL AND AGRICULTURAL AREAS

CHART 3
PERCENTAGE OF NATIONAL BANKS EARNING
NOTHING IN NORTHEASTERN STATES AS CONTRASTED
WITH MID-CONTINENT STATES



Percentage of national banks showing annual losses or no net earnings during 1926-1930

Banks grouped according to size of loans and investments

Table 3 - PERCENTAGE OF NATIONAL BANKS IN NORTHEASTERN STATES
AS CONTRASTED WITH MID-CONTINENT STATES
SHOWING ANNUAL LOSSES OR NO NET EARNINGS
DURING 1926-1930

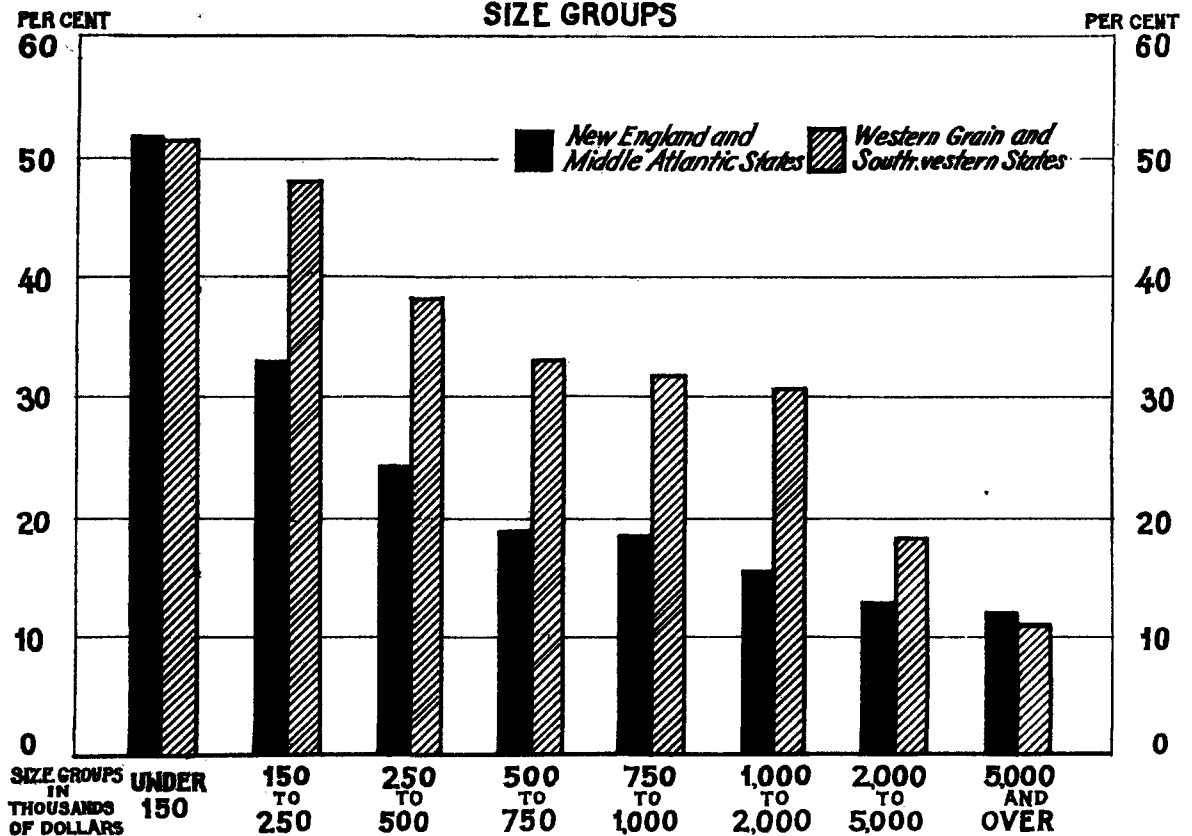
Banks Grouped According to Size of Loans and Investments

| Size Groups Loans and investments | Percentage of banks showing losses | |
|--------------------------------------|------------------------------------|---------------------------|
| | Northeastern states* | Mid-Continent states** |
| Under \$150,000 | 32.8 | 35.6 |
| 150,000 to 250,000 | 19.6 | 31.9 |
| 250,000 to 500,000 | 11.8 | 25.3 |
| 500,000 to 750,000 | 8.9 | 19.8 |
| 750,000 to 1,000,000 | 9.7 | 18.2 |
| 1,000,000 to 2,000,000 | 7.5 | 16.8 |
| 2,000,000 to 5,000,000 | 6.5 | 9.7 |
| 5,000,000 and over | 5.8 | 4.4 |
| All groups | 8.5 | 23.6 |

* Northeastern states:- Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, Maryland, District of Columbia.

** Mid-Continent states:- Louisiana, Texas, Arkansas, Oklahoma, Minnesota, North Dakota, South Dakota, Iowa, Nebraska, Missouri, Kansas.

CHART 4
PERCENTAGE OF NATIONAL BANKS EARNING
LESS THAN 3% IN NORTHEASTERN STATES AS CONTRASTED
WITH MID-CENTRAL STATES



Percentage of national banks showing annual net earnings available for dividends of less than 3% on invested capital during 1926-1930
 Banks grouped according to size of loans and investments

Table 4 - PERCENTAGE OF NATIONAL BANKS IN NORTHEASTERN STATES
AS CONTRASTED WITH MID-CONTINENT STATES
SHOWING ANNUAL NET EARNINGS AVAILABLE FOR DIVIDENDS
OF LESS THAN 3% ON INVESTED CAPITAL
DURING 1926-1930

Banks Grouped According to Size of Loans and Investments

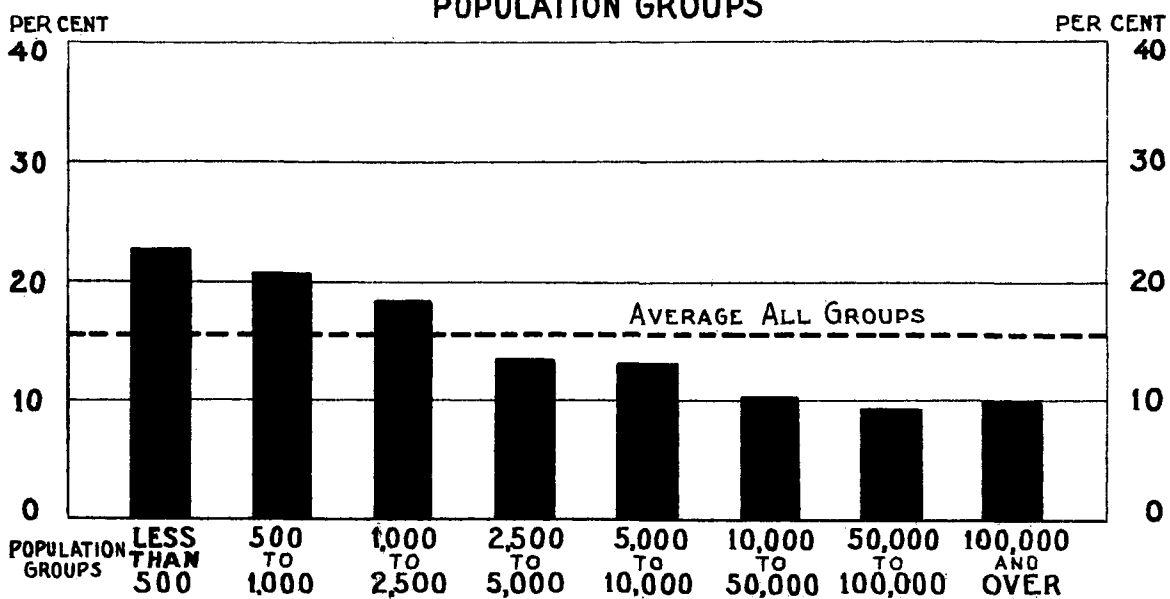
| Size Groups Loans and investments | Percentage of banks earning less than 3% | |
|--------------------------------------|---|---------------------------|
| | Northeastern states* | Mid-Continent states** |
| Under \$150,000 | 51.7 | 51.4 |
| 150,000 to 250,000 | 32.5 | 47.8 |
| 250,000 to 500,000 | 24.2 | 38.4 |
| 500,000 to 750,000 | 19.1 | 32.9 |
| 750,000 to 1,000,000 | 18.7 | 31.5 |
| 1,000,000 to 2,000,000 | 15.2 | 30.6 |
| 2,000,000 to 5,000,000 | 12.8 | 18.2 |
| 5,000,000 and over | 12.2 | 11.2 |
| All groups | 16.9 | 37.0 |

* Northeastern states:- Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, Maryland, District of Columbia.

** Mid-Continent states:- Louisiana, Texas, Arkansas, Oklahoma, North Dakota, Minnesota, South Dakota, Iowa, Nebraska, Missouri, Kansas.

EARNINGS OF BANKS BY SIZE OF TOWN

CHART 5
PERCENTAGE OF NATIONAL BANKS EARNING NOTHING
POPULATION GROUPS



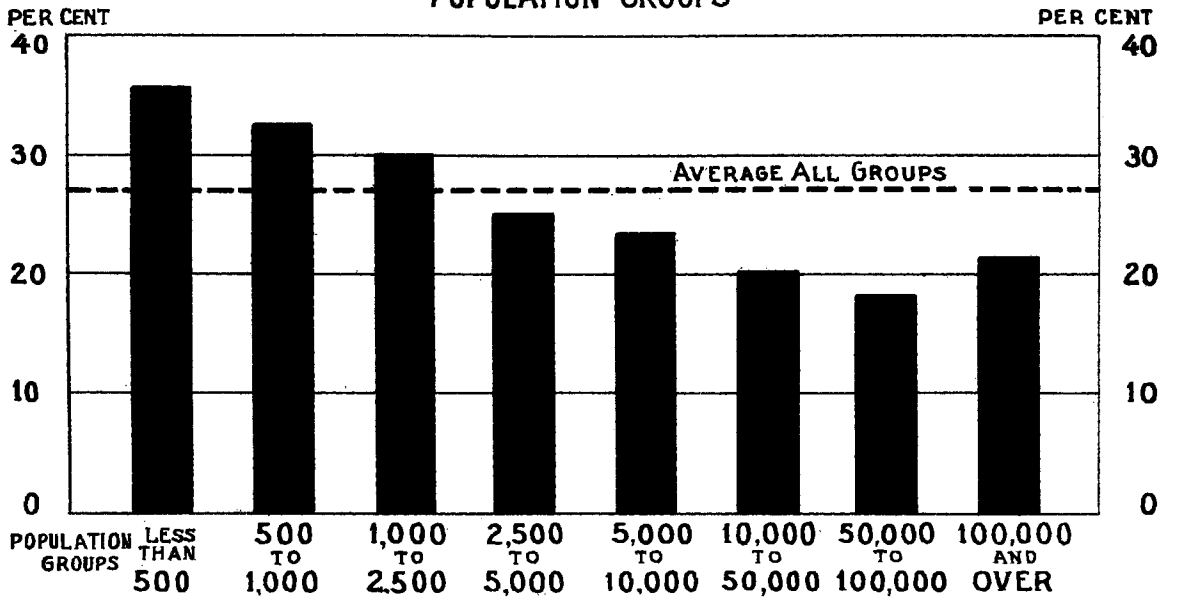
Percentage of national banks showing annual net losses
or no net earnings during 1926-1930
Banks grouped according to size of towns

Table 5 - PERCENTAGE OF NATIONAL BANKS SHOWING
ANNUAL NET LOSSES OR NO NET EARNINGS
DURING 1926-1930

Banks Grouped According to Size of Towns

| Size of towns | Percentage of banks showing losses |
|-------------------|------------------------------------|
| Less than 500 | 22.9 |
| 500 to 1,000 | 20.9 |
| 1,000 to 2,500 | 18.5 |
| 2,500 to 5,000 | 13.8 |
| 5,000 to 10,000 | 13.3 |
| 10,000 to 50,000 | 10.1 |
| 50,000 to 100,000 | 9.4 |
| 100,000 and over | 10.0 |
| All groups | 15.8 |

CHART 6
PERCENTAGE OF NATIONAL BANKS EARNING LESS THAN 3 %
POPULATION GROUPS



Percentage of national banks showing annual net earnings available for dividends of less than 3% on invested capital during 1926-1930
 Banks grouped according to size of towns

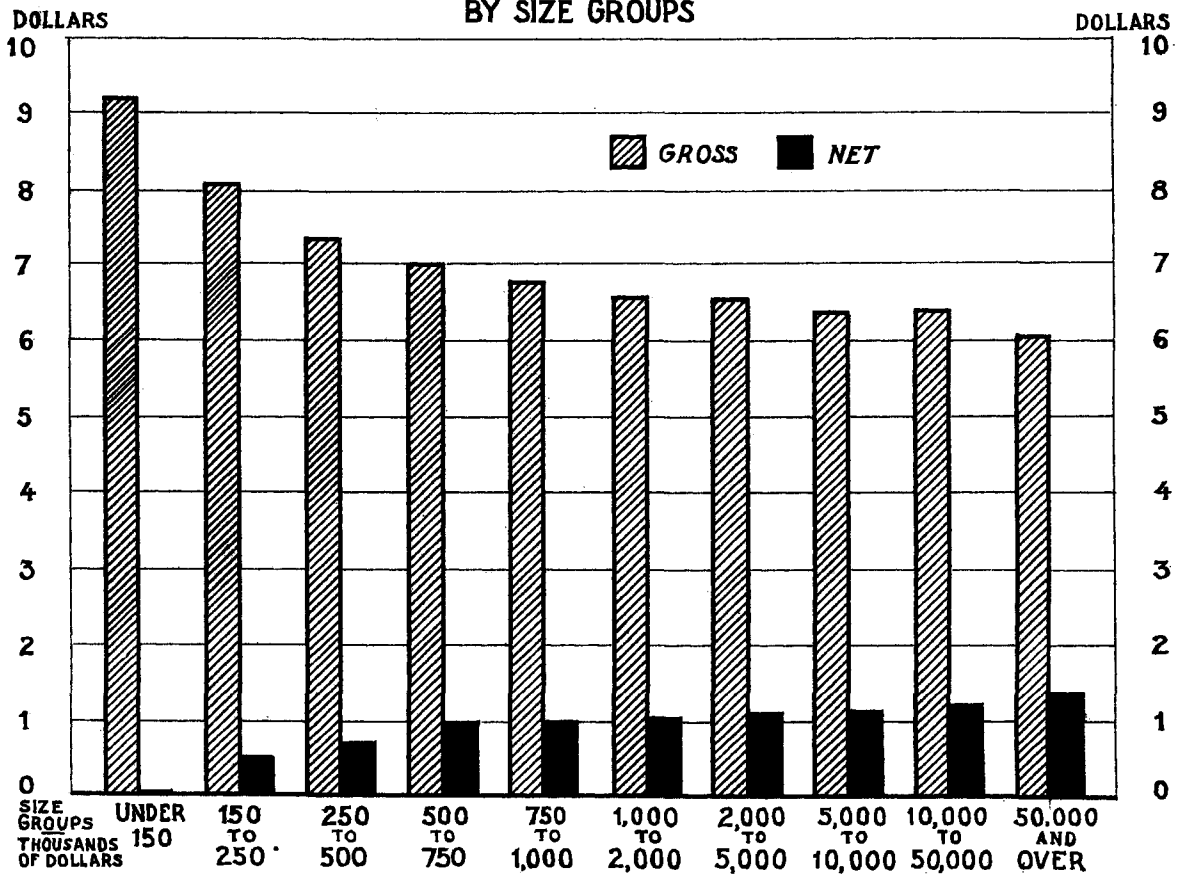
Table 6 - PERCENTAGE OF NATIONAL BANKS SHOWING ANNUAL NET
EARNINGS AVAILABLE FOR DIVIDENDS OF LESS THAN 3%
ON INVESTED CAPITAL DURING 1926-1930

Banks Grouped According to Size of Towns

| Size of towns | Percentage of banks earning less than 3% |
|-------------------|---|
| Less than 500 | 35.9 |
| 500 to 1,000 | 33.0 |
| 1,000 to 2,500 | 30.1 |
| 2,500 to 5,000 | 25.2 |
| 5,000 to 10,000 | 23.5 |
| 10,000 to 50,000 | 20.2 |
| 50,000 to 100,000 | 18.3 |
| 100,000 and over | 21.5 |
| All groups | 27.1 |

TYPICAL OPERATING RATIOS BY SIZE OF BANK

CHART 7
GROSS AND NET EARNINGS OF NATIONAL BANKS
BY SIZE GROUPS



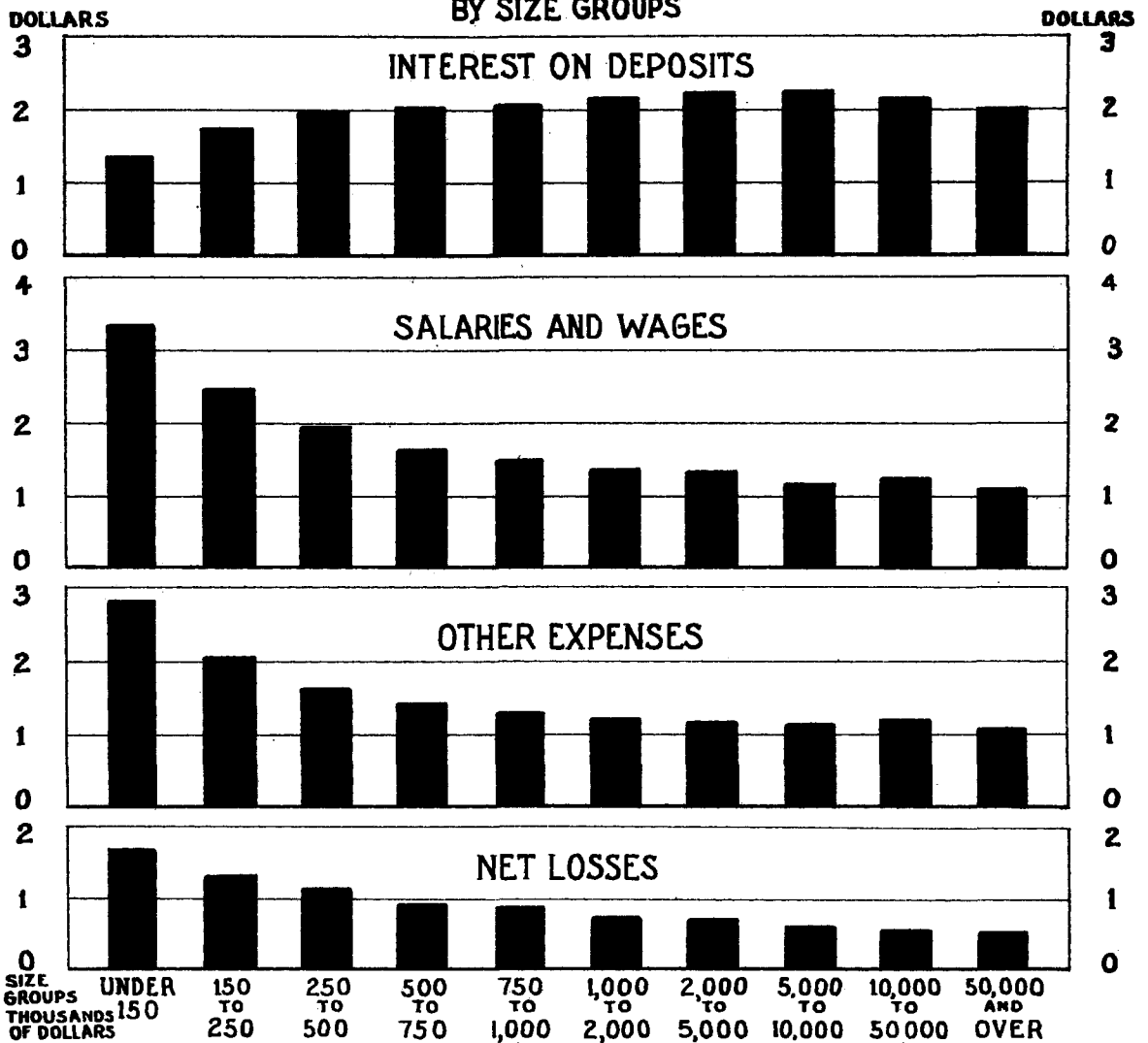
Amounts of annual gross and net earnings per \$100 of loans and investments for all banks in each group averaged for years 1926-1930
 Banks grouped according to size of loans and investments

Table 7 - ANNUAL GROSS AND NET EARNINGS PER \$100
OF LOANS AND INVESTMENTS FOR ALL NATIONAL BANKS
IN EACH GROUP AVERAGED FOR YEARS 1926-1930

Banks Grouped According to Size of Loans and Investments

| Size Groups Loans and investments | Amounts per \$100 of loans and investments | |
|--------------------------------------|---|------------|
| | Gross income | Net income |
| Under \$150,000 | \$ 9.18 | \$.02 |
| 150,000 to 250,000 | 8.06 | .50 |
| 250,000 to 500,000 | 7.35 | .70 |
| 500,000 to 750,000 | 6.99 | .98 |
| 750,000 to 1,000,000 | 6.74 | .99 |
| 1,000,000 to 2,000,000 | 6.58 | 1.05 |
| 2,000,000 to 5,000,000 | 6.55 | 1.13 |
| 5,000,000 to 10,000,000 | 6.37 | 1.14 |
| 10,000,000 to 50,000,000 | 6.39 | 1.21 |
| 50,000,000 and over | 6.09 | 1.37 |

CHART 8
EXPENSES AND LOSSES OF NATIONAL BANKS
BY SIZE GROUPS



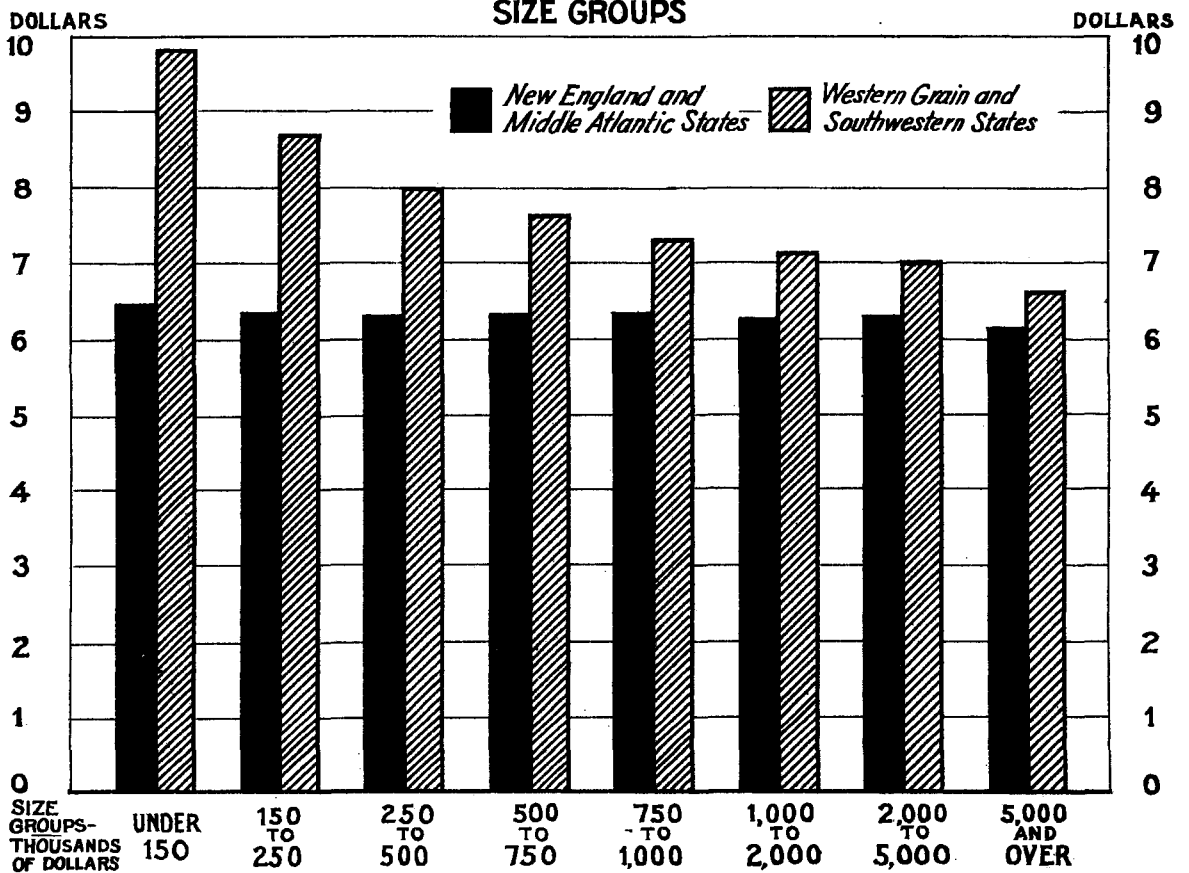
Amounts of annual expenses and losses per \$100 of loans and investments for all banks in each group averaged for years 1926-1930
 Banks grouped according to size of loans and investments

Table 8 - ANNUAL EXPENSES AND LOSSES PER \$100 OF
LOANS AND INVESTMENTS FOR ALL NATIONAL BANKS
IN EACH GROUP AVERAGED FOR YEARS 1926-1930

Banks Grouped According to Size of Loans and Investments

| Size Groups Loans and investments | Amounts per \$100 of loans and investments | | | |
|--------------------------------------|--|--------------------------|-------------------|---------------|
| | Interest on deposits | Salaries and wages | Other expenses | Net losses |
| Under \$150,000 | \$ 1.34 | \$ 3.32 | \$ 2.81 | \$ 1.69 |
| 150,000 to 250,000 | 1.74 | 2.46 | 2.04 | 1.33 |
| 250,000 to 500,000 | 1.97 | 1.95 | 1.61 | 1.13 |
| 500,000 to 750,000 | 2.04 | 1.66 | 1.40 | .91 |
| 750,000 to 1,000,000 | 2.08 | 1.51 | 1.30 | .86 |
| 1,000,000 to 2,000,000 | 2.18 | 1.38 | 1.20 | .75 |
| 2,000,000 to 5,000,000 | 2.24 | 1.31 | 1.18 | .70 |
| 5,000,000 to 10,000,000 | 2.28 | 1.19 | 1.15 | .62 |
| 10,000,000 to 50,000,000 | 2.17 | 1.22 | 1.19 | .59 |
| 50,000,000 and over | 2.00 | 1.10 | 1.08 | .53 |

CHART 9
GROSS EARNINGS OF
NATIONAL BANKS IN NORTHEASTERN STATES AS CONTRASTED
WITH MID-CONTINENT STATES
SIZE GROUPS



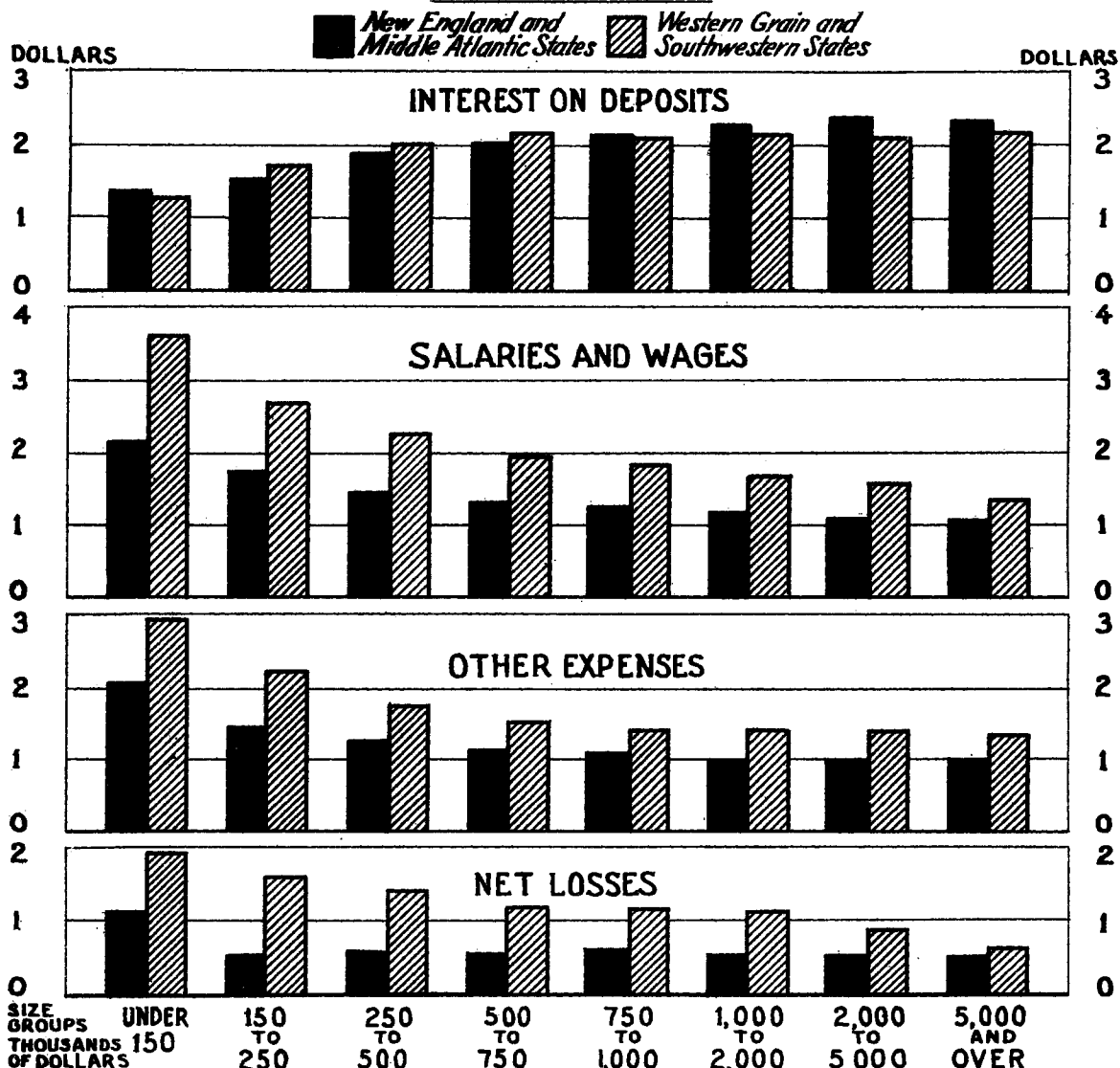
Amounts of annual gross earnings per \$100 of loans and investments
for all banks in each group averaged for years 1926-1930
Banks grouped according to size of loans and investments

Table 9 - ANNUAL GROSS EARNINGS PER \$100 OF
LOANS AND INVESTMENTS FOR ALL NATIONAL
BANKS IN EACH GROUP AVERAGED
FOR YEARS 1926-1930

Banks Grouped According to Size of Loans and Investments

| Size Groups Loans and investments | Amounts of annual gross earnings per \$100 of loans and investments | |
|--------------------------------------|--|-------------------------|
| | Northeastern States | Mid-Continent States |
| Under \$150,000 | \$ 6.40 | \$ 9.83 |
| 150,000 to 250,000 | 6.32 | 8.69 |
| 250,000 to 500,000 | 6.29 | 7.98 |
| 500,000 to 750,000 | 6.32 | 7.64 |
| 750,000 to 1,000,000 | 6.33 | 7.31 |
| 1,000,000 to 2,000,000 | 6.27 | 7.15 |
| 2,000,000 to 5,000,000 | 6.28 | 7.01 |
| 5,000,000 and over | 6.15 | 6.62 |

CHART 10 EXPENSES AND LOSSES OF NATIONAL BANKS IN NORTHEASTERN STATES AS CONTRASTED WITH MID-CONTINENT STATES SIZE GROUPS



Amounts of annual expenses and losses per \$100 of loans and investments for all banks in each group averaged for years 1926-1930
Banks grouped according to size of loans and investments

Table 10 - ANNUAL EXPENSES AND LOSSES PER \$100 OF LOANS AND INVESTMENTS FOR ALL NATIONAL BANKS IN EACH GROUP AVERAGED FOR YEARS 1926-1930

Banks Grouped According to Size of Loans and Investments

| Size Groups Loans and investments | Amount per \$100 of loans and investments | | | | | | | |
|--------------------------------------|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Interest on deposits | | Salaries and wages | | Other expenses | | Net losses | |
| | North- east- ern states | Mid- Con- tinent states | North- east- ern states | Mid- Con- tinent states | North- east- ern states | Mid- Con- tinent states | North- east- ern states | Mid- Con- tinent states |
| Under \$150,000 | \$1.39 | \$1.27 | \$2.12 | \$3.63 | \$2.05 | \$2.95 | \$1.11 | \$1.96 |
| 150,000 to 250,000 | 1.56 | 1.75 | 1.76 | 2.71 | 1.48 | 2.22 | .57 | 1.66 |
| 250,000 to 500,000 | 1.90 | 2.00 | 1.43 | 2.22 | 1.23 | 1.78 | .61 | 1.43 |
| 500,000 to 750,000 | 2.01 | 2.12 | 1.30 | 1.93 | 1.12 | 1.55 | .59 | 1.19 |
| 750,000 to 1,000,000 | 2.12 | 2.09 | 1.21 | 1.83 | 1.09 | 1.44 | .63 | 1.14 |
| 1,000,000 to 2,000,000 | 2.28 | 2.12 | 1.15 | 1.70 | 1.01 | 1.41 | .56 | 1.11 |
| 2,000,000 to 5,000,000 | 2.39 | 2.08 | 1.09 | 1.60 | .99 | 1.42 | .56 | .90 |
| 5,000,000 and over | 2.33 | 2.13 | 1.05 | 1.36 | 1.00 | 1.35 | .55 | .66 |

FEDERAL RESERVE COMMITTEE ON
BRANCH, GROUP AND CHAIN BANKING

ANALYSIS OF BANK EARNINGS

(Use a separate blank for each year for each bank)

State _____

Year _____

Name of bank _____

City _____

Federal Reserve District No. _____

PERCENTAGES OF GROSS EARNINGS

| | | Per cent (two decimals) | |
|--|-----------------|----------------------------|-----------|
| 1. Interest and discount on loans and investments..... | (A ÷ C) | _____ | 1. } 100% |
| 2. Other earnings..... | (B ÷ C) | ===== | 2. } 100% |
| 3. Salaries and wages..... | (D ÷ C) | _____ | 3. } 100% |
| 4. Interest paid on gross deposits..... | (E ÷ C) | _____ | 4. } 100% |
| 5. Other expenses..... | (F ÷ C) | _____ | 5. } 100% |
| 6. Net earnings..... | (G ÷ C) | ===== | 6. } 100% |
| 7. Net losses..... | (H ÷ C) | _____ | 7. } |
| 8. Total expenses and losses..... | (3 + 4 + 5 + 7) | ===== | 8. } 100% |
| 9. Net addition to profits..... | (J ÷ C) | ===== | 9. } |

PERCENTAGES OF LOANS AND INVESTMENTS

| | | | |
|---|---------------------|-------|-----------------|
| 10. Interest and discount on loans and investments..... | (A ÷ K) | _____ | 10. |
| 11. Other earnings..... | (B ÷ K) | _____ | 11. |
| 12. Total earnings..... | (10 + 11) | ===== | 12. |
| 13. Salaries and wages..... | (D ÷ K) | _____ | 13. } = Item 12 |
| 14. Interest paid on gross deposits..... | (E ÷ K) | _____ | 14. } |
| 15. Other expenses..... | (F ÷ K) | _____ | 15. } |
| 16. Net earnings..... | (G ÷ K) | ===== | 16. } |
| 17. Net losses..... | (H ÷ K) | _____ | 17. } |
| 18. Total expenses and losses..... | (13 + 14 + 15 + 17) | ===== | 18. } = Item 12 |
| 19. Net addition to profits..... | (J ÷ K) | ===== | 19. } |
| 20. Capital, surplus, profits and reserves..... | (L ÷ K) | _____ | 20. |
| 21. Gross deposits..... | (N ÷ K) | _____ | 21. |

OTHER PERCENTAGES

| | | | |
|---|---------|-------|-----|
| 22. Net earnings (before losses) to invested capital..... | (G ÷ L) | _____ | 22. |
| 23. Net addition to profits to invested capital..... | (J ÷ L) | _____ | 23. |
| 24. Time deposits to gross deposits..... | (M ÷ N) | _____ | 24. |
| 25. Invested capital to gross deposits..... | (L ÷ N) | _____ | 25. |
| 26. Interest on deposits to gross deposits..... | (E ÷ N) | _____ | 26. |

NOTE.—Check ratios by seeing that: (a) Items 1 + 2 equal 100 per cent; (b) Items 3 to 6 equal 100 per cent; (c) Items 8 + 9 equal 100 per cent; (d) Items 13 to 16 equal item 12; (e) Items 18 + 19 equal item 12; (f) Items 20 to 26 are calculated twice.

November 6, 1931.

Federal Reserve Committee on
Branch, Group and Chain Banking

B R A N C H B A N K I N G

Preliminary material subject to revision

BRANCH BANKING

Since 1900 the number of branches of State and national banks in the United States has increased from 111 to 3,463, and the greater part of this development has occurred since 1920. The extension of branches was confined almost entirely to State banks prior to 1921, but since that time the number operated by national banks has grown almost as rapidly as those of State banks. Most of the increase has occurred among branches situated in the same city with the head office, and at the present time these compose about two-thirds of the total. The total number of branches in the country declined somewhat between the middle of 1930 and the middle of 1931 for the first time since annual figures have been available. These developments are shown in Charts 1-3, Table 1 and Appendix I. The figures in these and the following charts and tables give the branches of State and national banks, including trust companies and stock savings banks, but exclude branches of mutual savings banks and private banks, of which there are comparatively few.

Geographic distribution: Charts 4-8, Tables 2-7, and Appendix II give certain geographical distributions of branches, including groups of States according to the legal status of branch banking. Nine States and the District of Columbia permit State-wide branch banking. In these States there are 1,276 branches or 37 per cent of the total. The principal State in this group is California with 819 branches.

There are fifteen States which permit branches restricted as

to location. These States usually restrict branches to the same city in which the parent bank is located but sometimes to the same county or contiguous counties. Over 60 per cent of all branches in the country are located in those 15 States. The chief States in this group are New York with 707 branches, Michigan with 403 branches, and Ohio with 269 branches.

In the other 24 States which either prohibit the establishment of additional branches or make no provision in law for branches, there are only 46 in operation.

Size of towns in which branches operate: Chart 9 and Tables 8 and 9 classify branches according to size of town. Over 63 per cent of the branches in the country are in towns of 100,000 or more population. The principal branch banking cities are New York City with 557 branches and Detroit with 274 (Table 14).

Size of branch systems: Charts 10 and 11 and Tables 10 and 11 classify branch systems by size. Over 55 per cent of the branches in the United States are operated by banks with loans and investments of \$50,000,000 or more, and another 21 per cent are operated by banks with loans and investments of \$10,000,000 to \$50,000,000. Nearly 70 per cent of all banks with loans and investments of \$50,000,000 or more have branches.

Table 12 classifies the number of branch systems according to the number of branches in each system. Of the 722 banks with branches on June 30, 1931, over half, or 380 had but one branch each. The largest number of branches belonging to one bank was 350. The largest branch

systems, however, are by no means identical with the largest banks, and the majority of the latter appear to owe very little of their size to their branches. This is illustrated in Table 13, which lists the 20 largest banks having branches. Four of these have only two branches each. The loans and investments of these twenty amount to practically 50 per cent of the loans and investments of all banks having branches.

Sources

The historical data relating to branches before 1926 were assembled by the Federal Reserve Committee on Branch, Group and Chain Banking with the cooperation of the Federal reserve banks and the State superintendents of banking. The data comes in part from the records of the State banking departments, in part from the records of the Federal Reserve Board, and in part from the Banking Inquiry of 1925. The data for the years 1926 to 1931 are from current records of the Federal Reserve Board.

Table 1 - NUMBER OF BRANCH SYSTEMS AND NUMBER OF BRANCHES
IN THE UNITED STATES*
1900-1931

| Year** | Number of banks with branches | Number of branches | | |
|--------|-------------------------------------|---------------------------|--------------------------------|-------------------|
| | | In head office city | Outside head office city | Total branches |
| 1900 | 79 | 25 | 86 | 111 |
| 1905 | 188 | 135 | 207 | 342 |
| 1910 | 292 | 271 | 277 | 548 |
| 1915 | 397 | 435 | 350 | 785 |
| 1920 | 530 | 773 | 507 | 1,280 |
| 1921 | 547 | 904 | 550 | 1,454 |
| 1922 | 610 | 1,156 | 644 | 1,800 |
| 1923 | 671 | 1,327 | 727 | 2,054 |
| 1924 | 706 | 1,514 | 785 | 2,299 |
| 1925 | 719 | 1,724 | 801 | 2,525 |
| 1926 | 742 | 1,877 | 824 | 2,701 |
| 1927 | 738 | 1,958 | 954 | 2,912 |
| 1928 | 773 | 2,140 | 995 | 3,135 |
| 1929 | 763 | 2,275 | 1,075 | 3,350 |
| 1930 | 749 | 2,385 | 1,131 | 3,516 |
| 1931 | 722 | 2,299 | 1,164 | 3,463 |

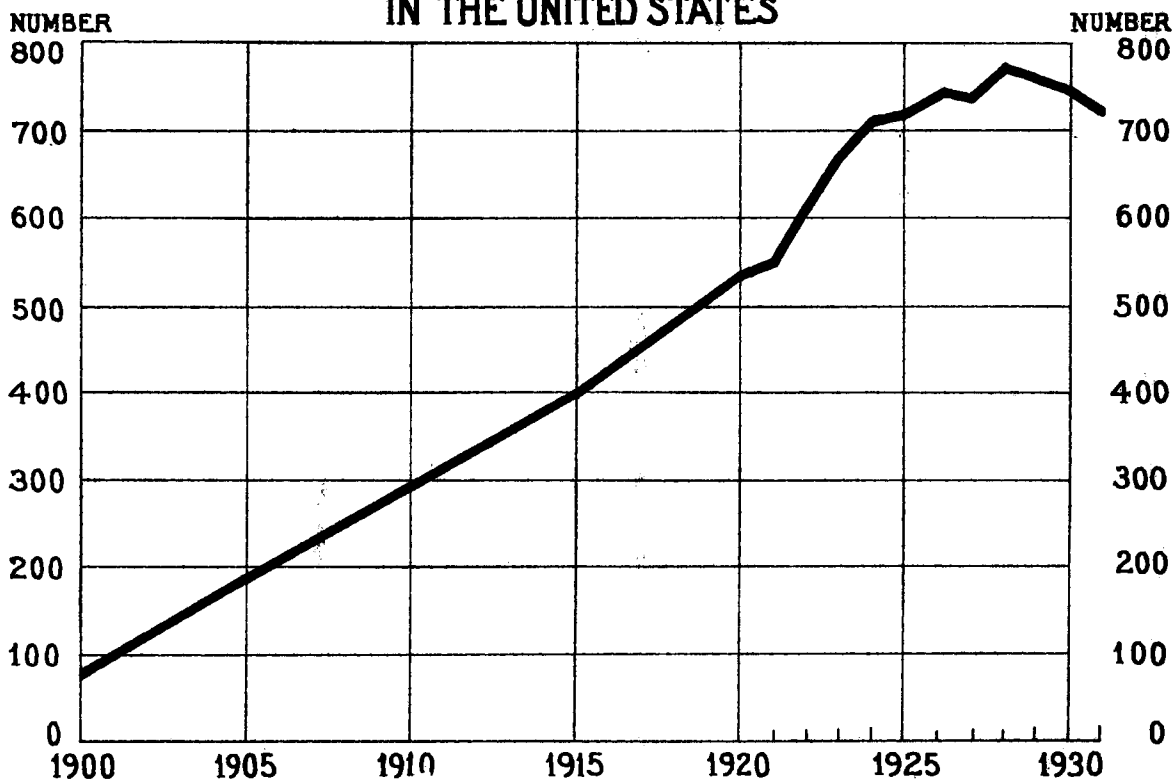
* Figures are given separately for State banks and national banks in Appendix I.

** For the years 1900 to 1923 inclusive the figures are not as of any uniform month. For 1924 they are as of June, for 1925 and 1926 as of December, and for 1926 to 1931 inclusive they are as of June.

Note:- This and following tables give revised figures for 1929 and 1930 on the basis of additional data received since the preparation of previous summaries of branch banking by the Federal Reserve Board. Furthermore, mutual savings banks and private banks reported as operating branches have been omitted. Mutual savings banks thus excluded numbered 71 at the end of June 1931, with 110 branches and loans and investments of \$3,715,000,000. Private banks excluded numbered 3 on the same date, with 4 branches and loans and investments of \$684,000. Where comparisons in these tables are made with all active banks, private and mutual savings banks have likewise been eliminated from the active bank figures.

CHART 2

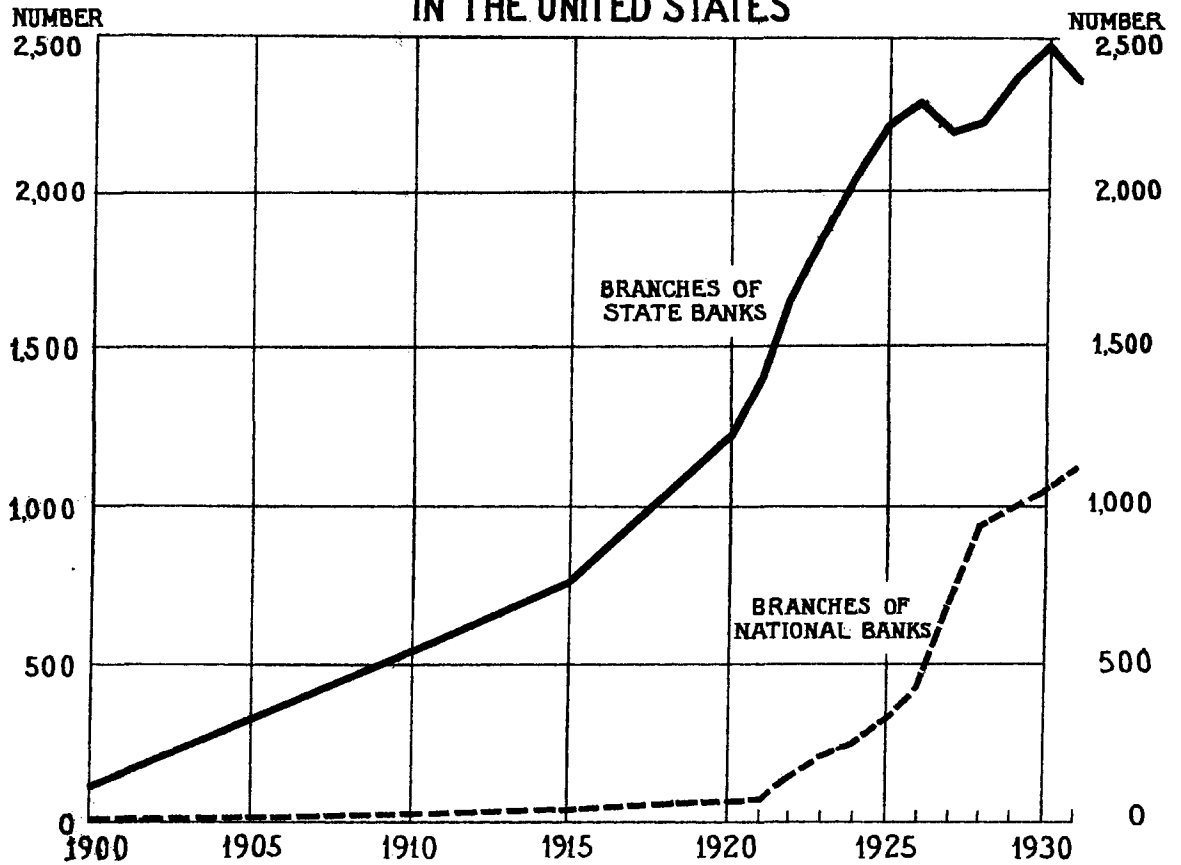
NUMBER OF BANKS OPERATING BRANCHES IN THE UNITED STATES



Number of State and national banks operating branches in the United States, 1900-1931. From 1900 to 1920 figures are for five year periods, but from 1920 to 1931 they are annual

CHART 3

BRANCHES OF NATIONAL AND STATE BANKS IN THE UNITED STATES



Number of branches of State and national banks in the United States, 1900-1931. From 1900 to 1920 the figures are for five year periods, but from 1920 to 1931 they are annual

GEOGRAPHIC DISTRIBUTION OF BRANCHES

CHART 4

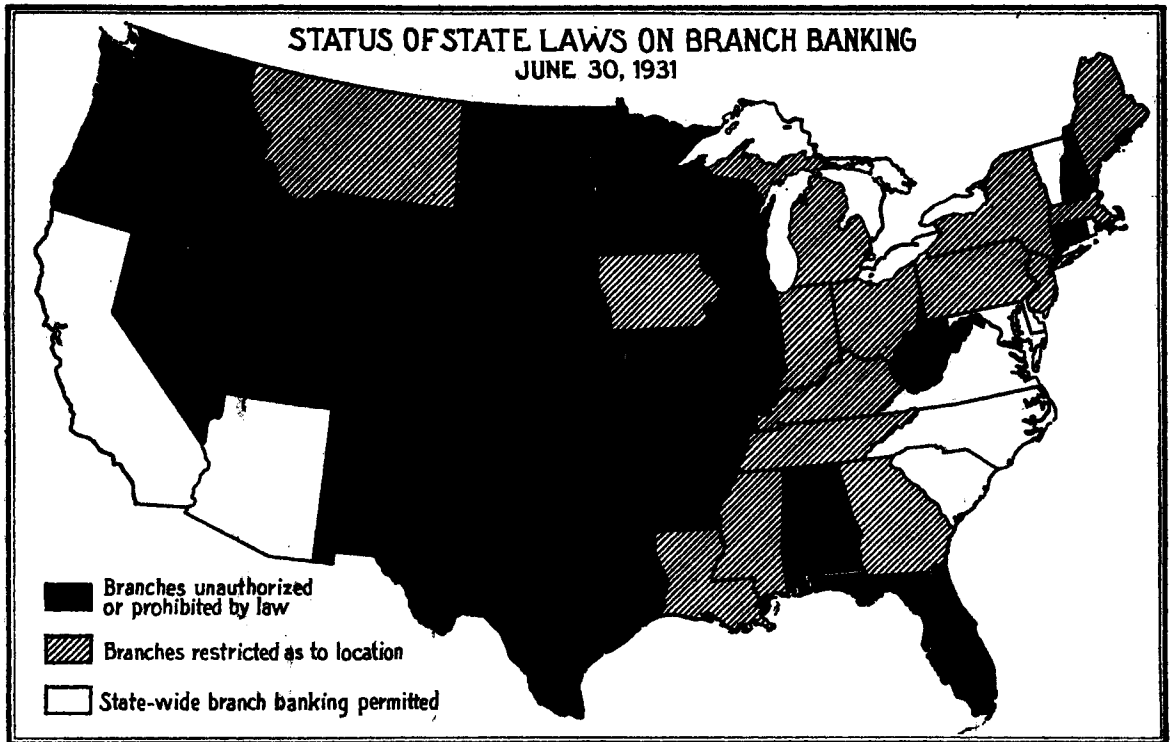
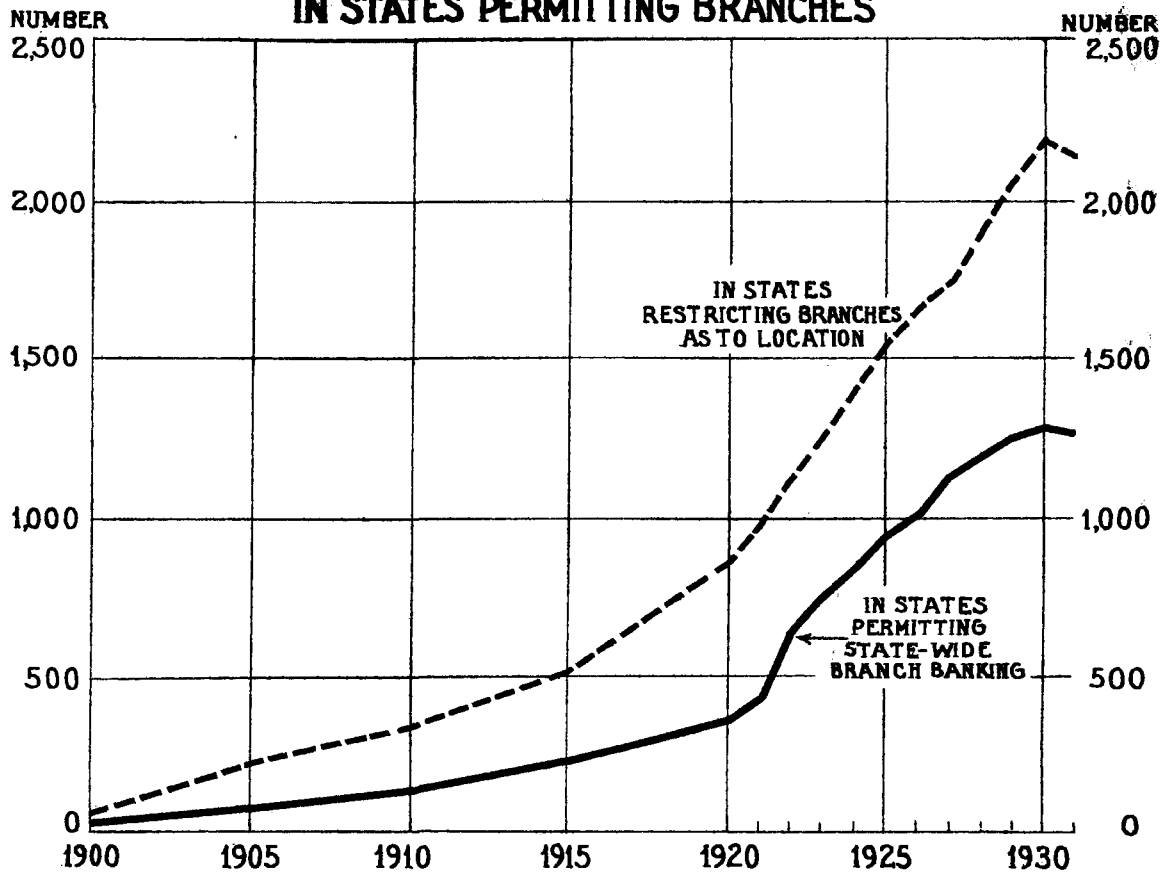


CHART 5
**BRANCHES OF BANKS
 IN STATES PERMITTING BRANCHES**



Number of branches of State and national banks in those states which on June 30, 1931 permitted the establishment of state-wide branches and branches restricted as to location

Table 2 - BRANCH SYSTEMS IN STATES RESTRICTING BRANCHES
AS TO LOCATION*

| Year | Number of banks with branches | Number of branches | | |
|------|-------------------------------------|---------------------------|--------------------------------|-------------------|
| | | In head office city | Outside head office city | Total branches |
| 1900 | 45 | 20 | 45 | 65 |
| 1905 | 119 | 123 | 90 | 213 |
| 1910 | 175 | 230 | 111 | 341 |
| 1915 | 227 | 369 | 135 | 504 |
| 1920 | 319 | 671 | 180 | 851 |
| 1921 | 331 | 781 | 190 | 971 |
| 1922 | 365 | 906 | 198 | 1,104 |
| 1923 | 404 | 1,006 | 230 | 1,236 |
| 1924 | 439 | 1,152 | 245 | 1,397 |
| 1925 | 461 | 1,295 | 245 | 1,540 |
| 1926 | 482 | 1,415 | 232 | 1,647 |
| 1927 | 496 | 1,509 | 234 | 1,743 |
| 1928 | 528 | 1,653 | 243 | 1,896 |
| 1929 | 525 | 1,804 | 247 | 2,051 |
| 1930 | 516 | 1,926 | 257 | 2,183 |
| 1931 | 504 | 1,858 | 283 | 2,141 |

* Legal status as of June 30, 1931. These states are:
Georgia, Indiana, Iowa, Kentucky, Louisiana, Maine, Massa-
chusetts, Michigan, Mississippi, Montana, New Jersey, New
York, Ohio, Pennsylvania, Tennessee.

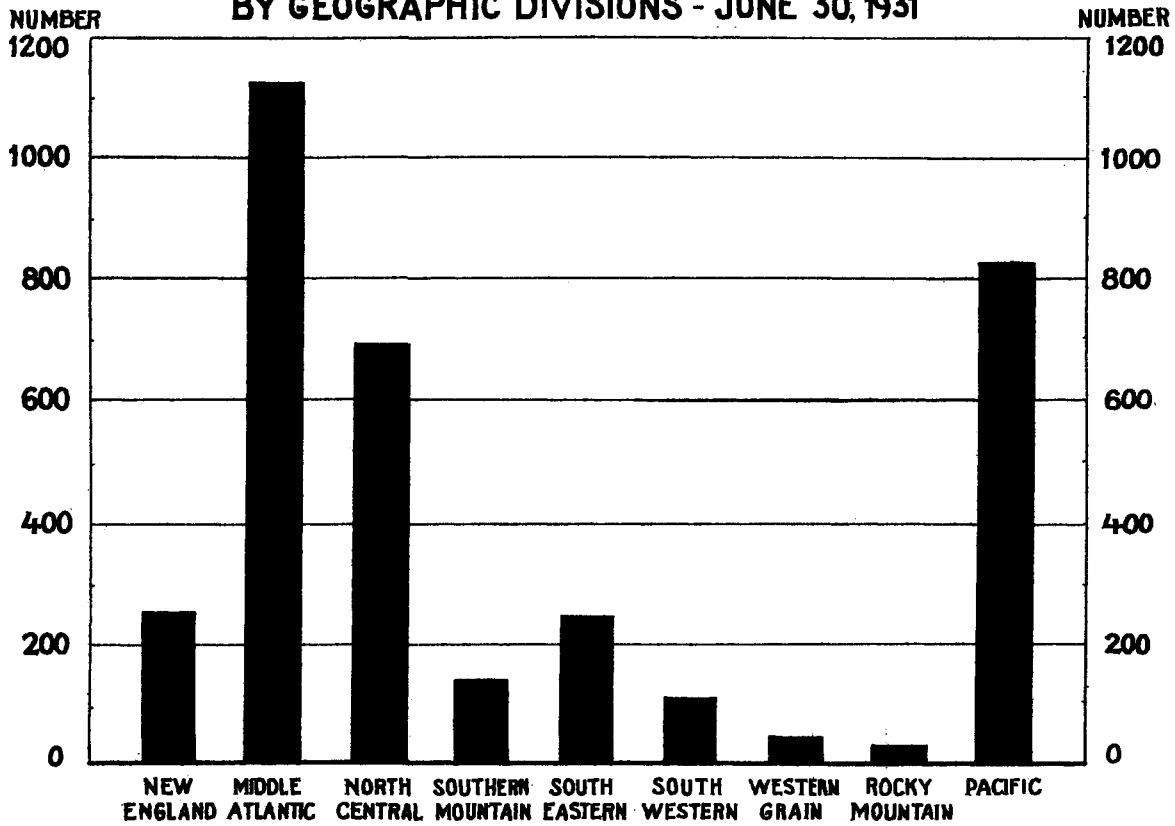
Table 3 - BRANCH SYSTEMS IN STATES PERMITTING
STATE-WIDE BRANCH BANKING*

| Year | Number of banks with branches | Number of branches | | |
|------|-------------------------------------|---------------------------|--------------------------------|-------|
| | | In head office city | Outside head office city | Total |
| 1900 | 24 | 1 | 26 | 27 |
| 1905 | 46 | 6 | 81 | 87 |
| 1910 | 81 | 27 | 120 | 147 |
| 1915 | 137 | 53 | 169 | 222 |
| 1920 | 180 | 91 | 280 | 371 |
| 1921 | 188 | 113 | 314 | 427 |
| 1922 | 215 | 230 | 402 | 632 |
| 1923 | 239 | 300 | 456 | 756 |
| 1924 | 240 | 342 | 499 | 841 |
| 1925 | 232 | 413 | 517 | 930 |
| 1926 | 235 | 443 | 558 | 1,001 |
| 1927 | 217 | 430 | 686 | 1,116 |
| 1928 | 220 | 468 | 718 | 1,186 |
| 1929 | 215 | 452 | 795 | 1,247 |
| 1930 | 212 | 440 | 843 | 1,283 |
| 1931 | 197 | 422 | 854 | 1,276 |

* Legal status as of June 30, 1931. These states are: Arizona, California, Delaware, District of Columbia, Maryland, North Carolina, Rhode Island, South Carolina, Vermont, Virginia.

CHART 6

DISTRIBUTION OF BRANCHES
BY GEOGRAPHIC DIVISIONS - JUNE 30, 1931



Number of branches of State and national banks arranged according to the geographic divisions in which they are situated

Table 4 - BRANCH SYSTEMS BY GEOGRAPHIC DIVISIONS

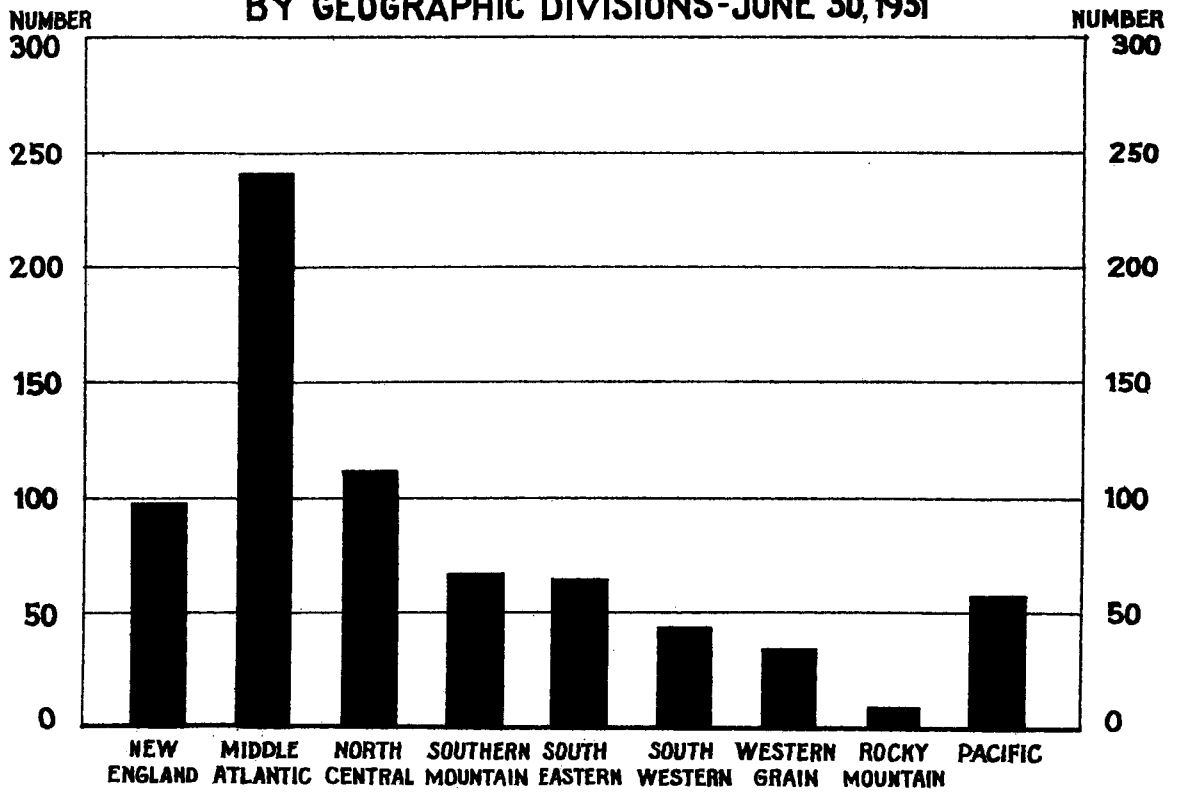
| Geographic divisions | Number of banks with branches | | Number of branches | | Loans and investments (000 omitted) | |
|----------------------|-------------------------------|-----------|--------------------|-----------|-------------------------------------|--------------|
| | June 1920 | June 1931 | June 1920 | June 1931 | June 1920 | June 1931 |
| New England | 63 | 97 | 92 | 252 | \$ 597,531 | \$ 1,789,015 |
| Middle Atlantic | 126 | 240 | 365 | 1,126 | 4,054,644 | 12,331,770 |
| North Central | 93 | 111 | 336 | 696 | 922,960 | 2,768,348 |
| Southern Mountain | 32 | 67 | 52 | 139 | 98,982 | 438,538 |
| South Eastern | 80 | 64 | 132 | 245 | 152,989 | 370,164 |
| South Western | 36 | 44 | 86 | 108 | 204,157 | 210,292 |
| Western Grain | 2 | 33 | 2 | 43 | 10,480 | 186,626 |
| Rocky Mountain | 9 | 9 | 25 | 29 | 15,624 | 18,004 |
| Pacific Coast | 89 | 57 | 190 | 825 | 839,484 | 2,477,967 |
| UNITED STATES | 530 | 722 | 1,280 | 3,463 | \$ 6,896,851 | \$20,590,724 |

Table 5 - BRANCHES INSIDE AND OUTSIDE THE CITY OF HEAD OFFICE
BY GEOGRAPHIC DIVISIONS, JUNE 30, 1931

| Geographic divisions | Number of banks with branches | Number of branches in head office city | Number of branches outside head office city but in same county | Number of branches outside county of head office | Total number of branches |
|----------------------|-------------------------------|--|--|--|--------------------------|
| New England | 97 | 150 | 64 | 38 | 252 |
| Middle Atlantic | 240 | 1,040 | 56 | 30 | 1,126 |
| North Central | 111 | 663 | 28 | 5 | 696 |
| Southern Mountain | 67 | 73 | 33 | 33 | 139 |
| South Eastern | 64 | 40 | 42 | 163 | 245 |
| South Western | 44 | 51 | 52 | 5 | 108 |
| Western Grain | 33 | 8 | 26 | 9 | 43 |
| Rocky Mountain | 9 | ... | 13 | 16 | 29 |
| Pacific Coast | <u>57</u> | <u>274</u> | <u>89</u> | <u>462</u> | <u>825</u> |
| Total | 722 | 2,299 | 403 | 761 | 3,463 |

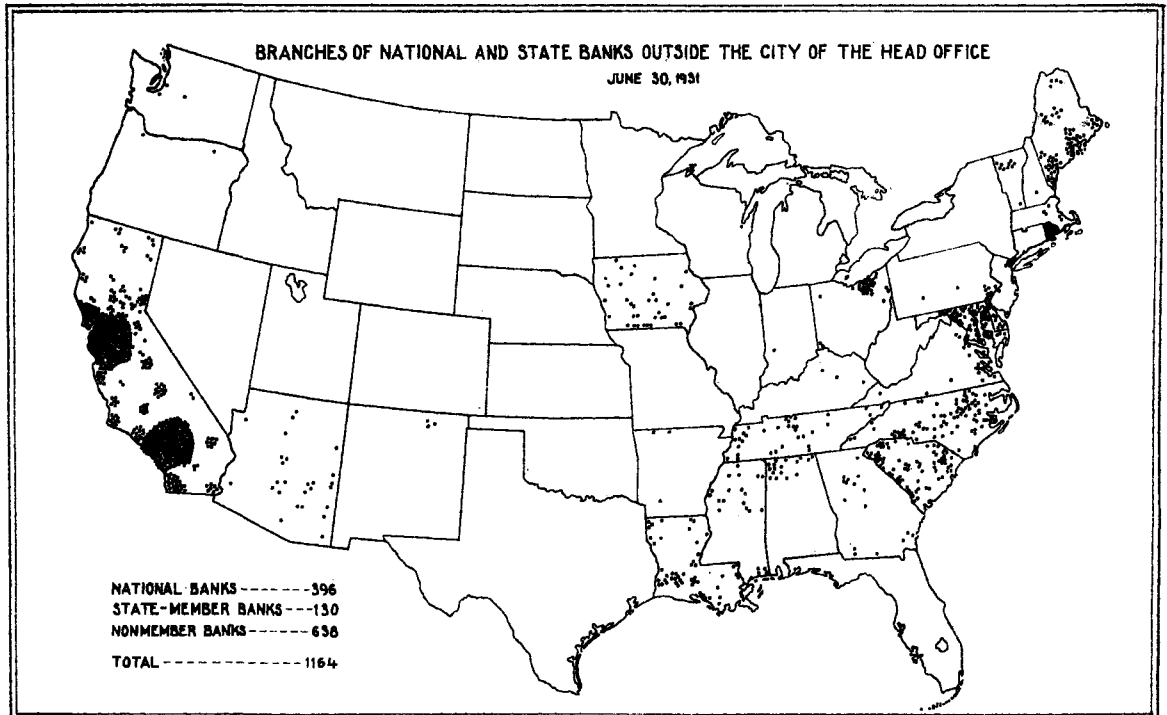
CHART 7

**DISTRIBUTION OF BRANCH SYSTEMS
BY GEOGRAPHIC DIVISIONS-JUNE 30, 1931**



**Number of State and national banks with branches arranged
according to the geographic divisions in which they are located**

CHART 8



In California there are numerous branches in the metropolitan areas centering around San Francisco and Los Angeles, but technically outside their city limits. On the map the dots extend much beyond the territory in which the branches are actually located around these cities.

In the terms of the Iowa law, no "branches" are permitted in that state, but banks are authorized to have "offices" in the same and contiguous counties. Although the functions of these offices are limited, they are included here in the general classification of branches.

Table 6 - LOANS AND INVESTMENTS OF BRANCH SYSTEMS COMPARED
WITH LOANS AND INVESTMENTS OF ALL BANKS
JUNE 30, 1931

| States classified according to law regarding branch banking | Loans and investments of banks operating branches (000 omitted) | Loans and investments of all active banks (000 omitted) | Per cent of total in branch systems |
|---|---|---|-------------------------------------|
| State-wide branch banking permitted | \$ 3,704,327 | \$ 5,624,173 | 65.9 |
| Branches restricted as to location | 16,441,091 | 28,082,617 | 58.5 |
| Establishment of branches prohibited | 444,701 | 10,063,209 | 4.4 |
| No provision in State law | 605 | 654,935 | .1 |
| Total | \$20,590,724 | \$44,424,934 | 46.3 |

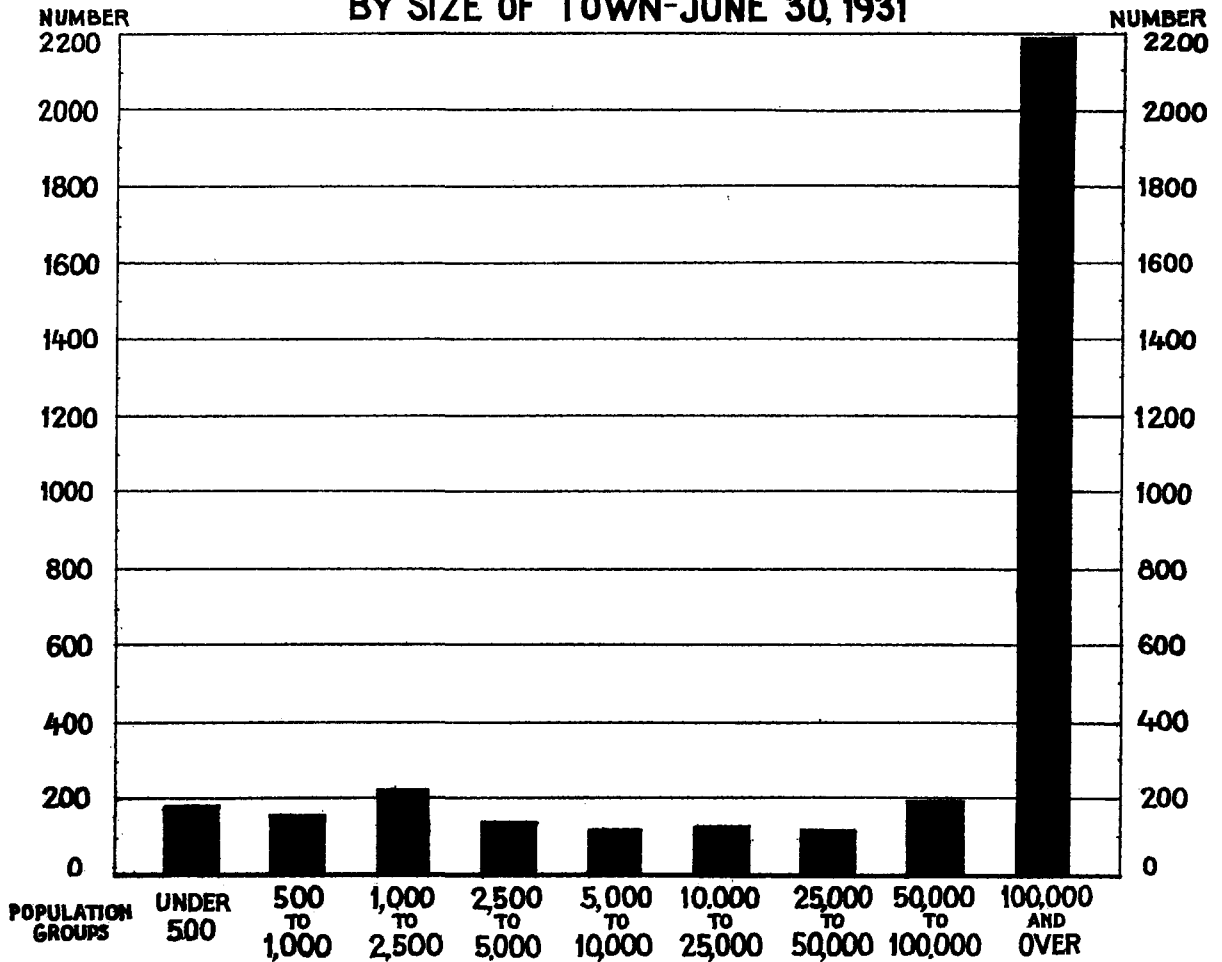
Table 7 - NUMBER OF BANKS AND BANKING OFFICES IN
BRANCH SYSTEMS COMPARED WITH ALL BANKS,
JUNE 30, 1931

| States classified according to law regarding branch banking | Branch systems | | All active banks | | Ratio of branch systems to total number of banks (per cent) | Ratio of banking offices in branch systems to total banking offices (per cent) |
|---|-----------------|--|------------------|--|---|--|
| | Number of banks | Total banking offices (banks and branches) | Number of banks | Total banking offices (banks and branches) | | |
| State-wide branch banking permitted | 197 | 1,473 | 1,754 | 3,030 | 11.2 | 48.6 |
| Branches restricted as to location | 504 | 2,645 | 8,468 | 10,609 | 6.0 | 24.9 |
| Establishment of branches prohibited | 20 | 65 | 9,580 | 9,625 | .2 | .7 |
| No provision in State law | 1 | 2 | 1,321 | 1,322 | .1 | .2 |
| Total | 722 | 4,185 | 21,123 | 24,586 | 3.4 | 17.0 |

SIZE OF TOWNS IN WHICH BRANCHES OPERATE

CHART 9

DISTRIBUTION OF BRANCHES BY SIZE OF TOWN-JUNE 30, 1931



Number of branches of State and national banks arranged according to the size of town in which they are situated

Table 8 - BRANCHES BY SIZE OF TOWN
JUNE 30, 1931

| Population of town | In head office city | | Outside head office city | | Total | |
|-----------------------|------------------------|--------------|-----------------------------|--------------|--------------|--------------|
| | Number | Per cent | Number | Per cent | Number | Per cent |
| Under 500 | 2 | .1 | 185 | 15.9 | 187 | 5.4 |
| 500 to 1,000 | ... | ... | 169 | 14.5 | 169 | 4.9 |
| 1,000 to 2,500 | 7 | .3 | 212 | 18.2 | 219 | 6.3 |
| 2,500 to 5,000 | 6 | .3 | 139 | 12.0 | 145 | 4.2 |
| 5,000 to 10,000 | 11 | .5 | 106 | 9.1 | 117 | 3.4 |
| 10,000 to 25,000 | 29 | 1.2 | 92 | 7.9 | 121 | 3.5 |
| 25,000 to 50,000 | 70 | 3.0 | 47 | 4.0 | 117 | 3.4 |
| 50,000 to 100,000 | 131 | 5.7 | 60 | 5.2 | 191 | 5.5 |
| 100,000 and over | 2,043 | 88.9 | 154 | 13.2 | 2,197 | 63.4 |
| Total | 2,299 | 100.0 | 1,164 | 100.0 | 3,463 | 100.0 |

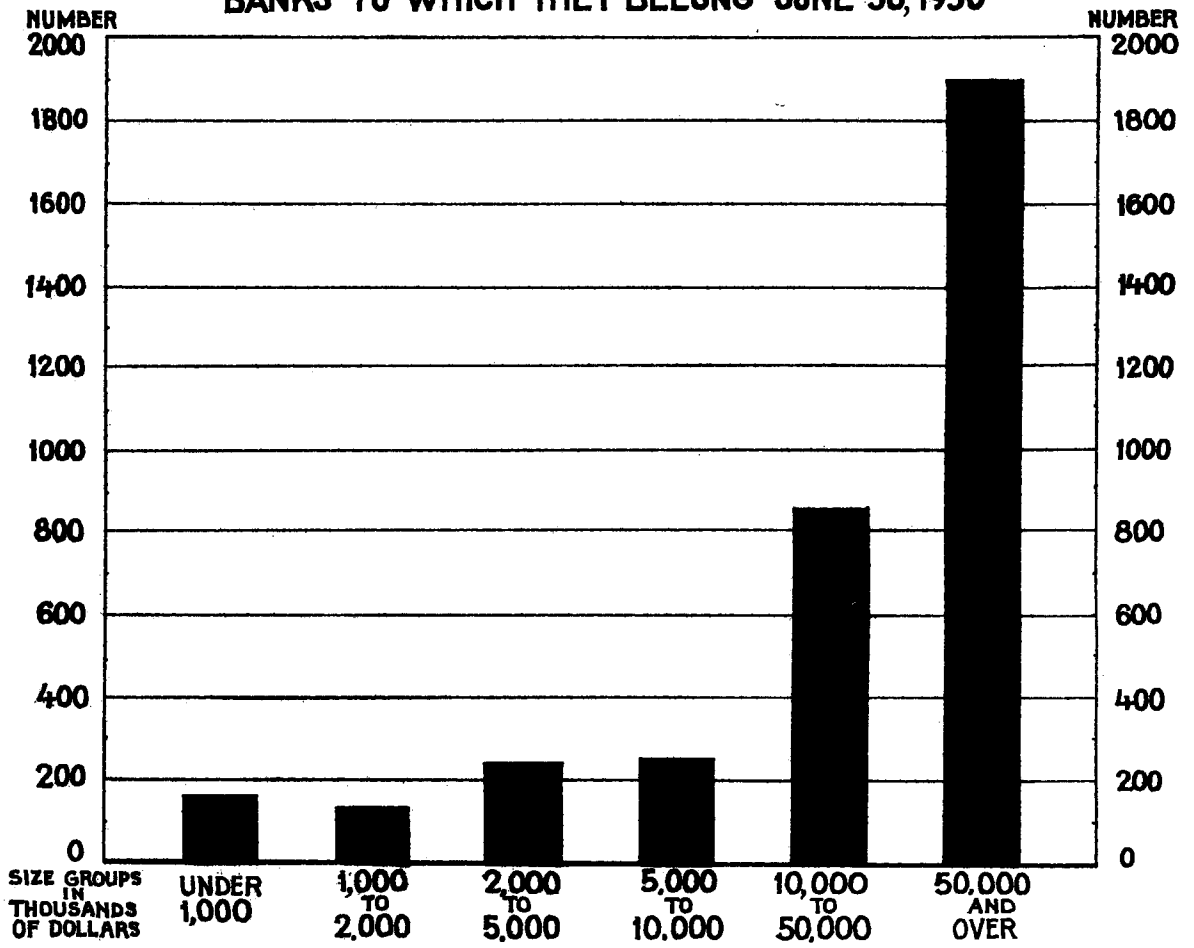
Table 9 -- BRANCH SYSTEMS BY SIZE OF TOWN OF HEAD OFFICE,
JUNE 30, 1931

| Population of town | Number of banks | Per cent of total | Loans and investments (000 omitted) | Per cent of total |
|--------------------------|-----------------------|-------------------------|---|-------------------------|
| Under 500 | 26 | 3.6 | \$15,208 | .1 |
| 500 to 1,000 | 38 | 5.3 | 23,262 | .1 |
| 1,000 to 2,500 | 61 | 8.4 | 68,745 | .3 |
| 2,500 to 5,000 | 54 | 7.5 | 102,594 | .5 |
| 5,000 to 10,000 | 39 | 5.4 | 91,011 | .4 |
| 10,000 to 25,000 | 57 | 7.9 | 224,114 | 1.1 |
| 25,000 to 50,000 | 60 | 8.3 | 388,428 | 1.9 |
| 50,000 to 100,000 | 79 | 10.9 | 881,309 | 4.3 |
| 100,000 and over | 308 | 42.7 | 18,796,053 | 91.3 |
| Total | 722 | 100.0 | \$20,590,724 | 100.0 |

SIZE OF BRANCH SYSTEMS

CHART 10

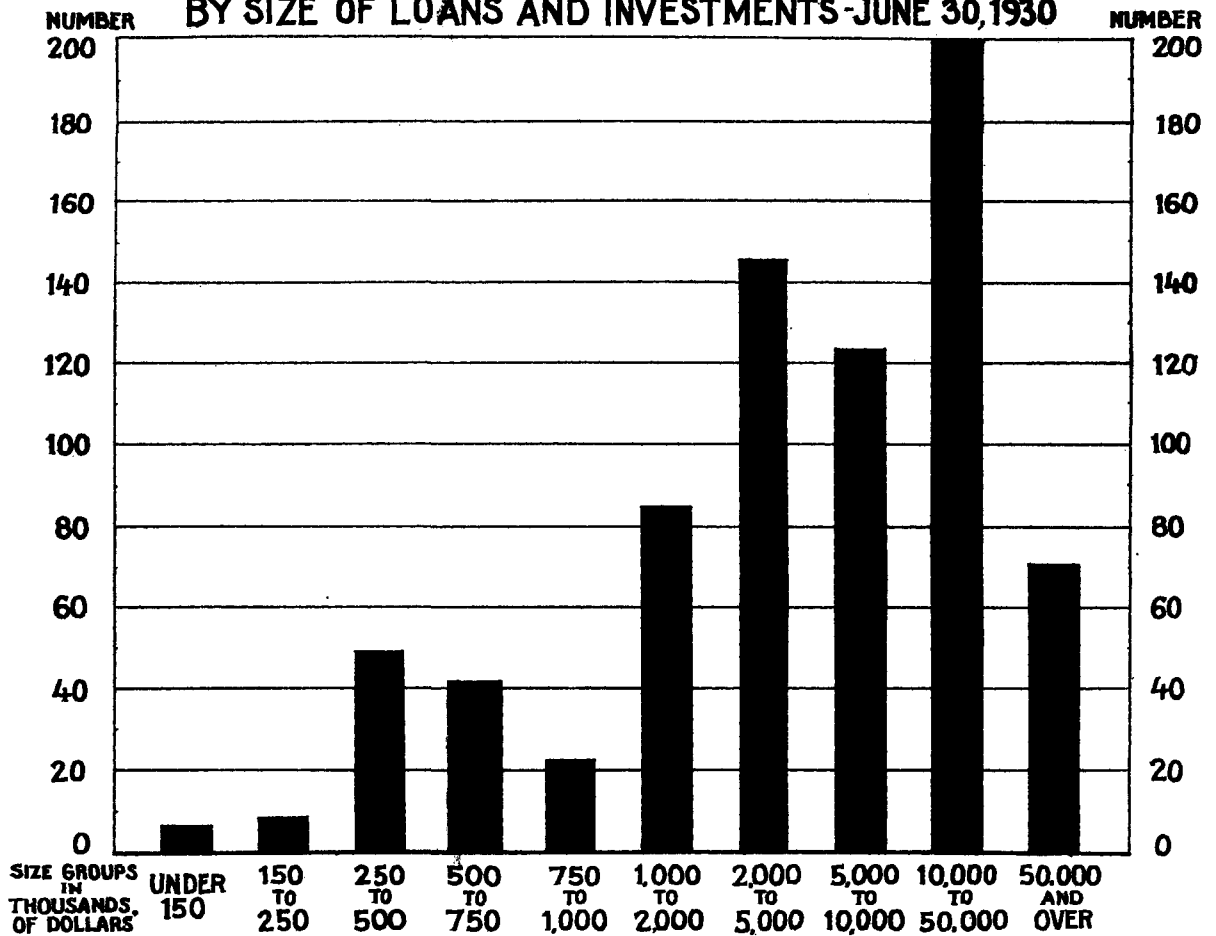
DISTRIBUTION OF BRANCHES BY SIZE OF BANKS TO WHICH THEY BELONG-JUNE 30, 1930



Number of branches of State and national banks arranged according to the amount of loans and investments of the branch systems to which they belong

CHART 11

**DISTRIBUTION OF BRANCH SYSTEMS
BY SIZE OF LOANS AND INVESTMENTS - JUNE 30, 1930**



Number of branch systems, State and national, arranged according to the amount of their loans and investments

Table 10 -- BRANCH SYSTEMS CLASSIFIED BY SIZE OF LOANS AND INVESTMENTS, JUNE 30, 1931

| Size Groups Loans and investments | Number of banks with branches | Number of branches | Per cent of total | Aggregate loans and investments (000, omitted) | Per cent of total |
|--------------------------------------|--|--------------------------|-------------------------|---|-------------------------|
| Under \$150,000 | 11 | 11 | .3 | \$1,064 | - |
| 150,000 to 250,000 | 17 | 20 | .6 | 3,140 | - |
| 250,000 to 500,000 | 47 | 52 | 1.5 | 17,537 | .1 |
| 500,000 to 750,000 | 30 | 37 | 1.1 | 17,895 | .1 |
| 750,000 to 1,000,000 | 32 | 45 | 1.3 | 27,242 | .2 |
| 1,000,000 to 2,000,000 | 87 | 125 | 3.6 | 123,361 | .6 |
| 2,000,000 to 5,000,000 | 136 | 283 | 8.2 | 458,818 | 2.2 |
| 5,000,000 to 10,000,000 | 118 | 254 | 7.3 | 884,909 | 4.3 |
| 10,000,000 to 50,000,000 | 169 | 716 | 20.7 | 3,618,996 | 17.6 |
| 50,000,000 and over | 75 | 1,920 | 55.4 | 15,437,762 | 74.9 |
| Total | 722 | 3,463 | 100.0 | 20,590,724 | 100.0 |

Table 11 -- RATIO OF BRANCH SYSTEMS TO ACTIVE BANKS, BY SIZE
OF LOANS AND INVESTMENTS, JUNE 30, 1930.

| Size Groups Loans and Investments | Number of all banks in the U.S. | Number of banks with branches | Per cent of all banks operating branches |
|--------------------------------------|---------------------------------------|-------------------------------------|--|
| Under \$150,000 | 4,839 | 6 | .12 |
| 150,000 to 250,000 | 3,510 | 8 | .23 |
| 250,000 to 500,000 | 4,966 | 49 | .99 |
| 500,000 to 750,000 | 2,362 | 41 | 1.74 |
| 750,000 to 1,000,000 | 1,552 | 22 | 1.42 |
| 1,000,000 to 2,000,000 | 2,600 | 85 | 3.27 |
| 2,000,000 to 5,000,000 | 1,887 | 146 | 7.74 |
| 5,000,000 to 10,000,000 | 596 | 123 | 20.64 |
| 10,000,000 to 50,000,000 | 453 | 199 | 43.93 |
| 50,000,000 and over | <u>101</u> | <u>70</u> | <u>69.30</u> |
| Total | 22,866 | 749 | 3.28 |

Table 12 -- NUMBER OF BRANCH SYSTEMS CLASSIFIED BY NUMBER OF BRANCHES
IN EACH SYSTEM, JUNE 30, 1931

| Number of branches per bank | Number of banks with branches | Aggregate number of branches | Aggregate loans and investments |
|-----------------------------------|-------------------------------------|------------------------------------|---------------------------------------|
| | | | (000 omitted) |
| 1 | 380 | 380 | \$2,261,293 |
| 2 | 115 | 230 | 3,358,849 |
| 3 | 65 | 195 | 929,146 |
| 4 | 40 | 160 | 1,000,575 |
| 5 | 25 | 125 | 534,418 |
| 6 | 11 | 66 | 457,363 |
| 7 | 6 | 42 | 185,213 |
| 8 | 7 | 56 | 309,829 |
| 9 | 7 | 63 | 265,928 |
| 10 | 4 | 40 | 247,150 |
| 11-15 | 27 | 334 | 2,272,232 |
| 16-20 | 9 | 167 | 633,941 |
| 21-30 | 7 | 169 | 1,448,961 |
| 33 | 1 | 33 | 98,933 |
| 34 | 2 | 68 | 248,091 |
| 36 | 1 | 36 | 219,407 |
| 37 | 1 | 37 | 225,203 |
| 38 | 1 | 38 | 98,832 |
| 43 | 2 | 86 | 1,361,815 |
| 44 | 1 | 44 | 21,954 |
| 54 | 2 | 108 | 1,111,877 |
| 57 | 1 | 57 | 265,815 |
| 63 | 1 | 63 | 50,054 |
| 67 | 1 | 67 | 215,286 |
| 80 | 1 | 80 | 339,011 |
| 93 | 1 | 93 | 209,131 |
| 126 | 1 | 126 | 458,363 |
| 150 | 1 | 150 | 376,200 |
| 350 | 1 | 350 | 865,854 |
| Total | 722 | 3,463 | \$20,590,724 |

Table 13 - TWENTY LARGEST BANKS IN THE UNITED STATES WHICH OPERATE BRANCHES
JUNE 30, 1931.

| Name | Loans and investments (000 omitted) | Number of branches |
|---|---|--------------------------|
| Chase National Bank, New York | \$1,639,840 | 43 |
| Guaranty Trust Co., New York | 1,092,965 | 2 |
| National City Bank, New York | 1,017,698 | 54 |
| Bank of America N.T. & S.A., San Francisco | 865,854 | 350 |
| Central Hanover Bank & Tr.Co., New York | 570,445 | 15 |
| Bankers Trust Company, New York | 500,230 | 2 |
| Irving Trust Company, New York | 490,927 | 27 |
| Security First Nat. Bank, Los Angeles | 458,363 | 126 |
| First National Bank, Boston | 436,198 | 21 |
| Chemical Bank & Trust Co., New York | 399,267 | 14 |
| Peoples Wayne County Bank, Detroit | 376,200 | 150 |
| Bank of Manhattan Trust Co., New York | 339,011 | 80 |
| Philadelphia Nat. Bank, Philadelphia | 299,684 | 2 |
| Cleveland Trust Co., Cleveland | 265,815 | 57 |
| Union Trust Company, Cleveland | 263,825 | 22 |
| New York Trust Co., New York | 247,661 | 2 |
| Manufacturers' Trust Co., New York | 241,975 | 43 |
| Penn Co. for Insurance on Lives, etc., Phila. | 233,624 | 11 |
| Bank of America - N.A., New York | 225,203 | 37 |
| Marine Trust Company, Buffalo | 219,407 | 36 |
| Twenty largest banks with branches | \$10,184,192 49.5% | 1,094 31.6% |
| All other (702) banks with branches | 10,406,532 50.5% | 2,369 68.4% |
| All banks (722) with branches | \$20,590,724 100.0 | 3,463 100.0 |

Table 14 -- NUMBER OF BRANCH SYSTEMS AND BRANCHES IN THE ELEVEN
LARGEST CITIES OF THE UNITED STATES, JUNE 30, 1931

| Cities | Population 1930 census | Number of banks with branches | Loans and investments of banks with branches (000 omitted) | Number of branches within city | Number of branches outside city | Total branches |
|-----------------|------------------------------|---|--|--|---|-------------------|
| New York City | 6,930,446 | 51 | \$8,027,701 | 557 | - | 557 |
| Chicago | 3,376,438 | - | - | - | - | - |
| Philadelphia | 1,950,961 | 30 | 1,332,589 | 104 | . | 104 |
| Detroit | 1,568,662 | 7 | 755,670 | 274 | - | 274 |
| Los Angeles | 1,238,048 | 9 | 723,774 | *157 | 133 | *290 |
| Cleveland | 900,429 | 10 | 805,996 | 93 | 21 | 114 |
| St. Louis | 821,960 | - | - | - | - | - |
| Baltimore | 804,874 | 9 | 279,278 | 56 | 2 | 58 |
| Boston | 781,188 | 13 | 921,721 | 64 | - | 64 |
| Pittsburgh | 669,817 | 3 | 186,985 | 9 | - | 9 |
| San Francisco | 634,394 | 7 | 1,503,286 | 95 | 366 | 461 |
| Total 11 cities | 19,677,217 | 139 | \$14,537,000 | 1,409 | 522 | 1,931 |
| Remainder U. S. | 103,097,825 | 583 | 6,053,724 | 890 | 642 | 1,532 |
| Total U. S. | 122,775,042 | 722 | \$20,590,724 | 2,299 | 1,164 | 3,463 |

*Exclusive of 79 branches belonging to banks outside Los Angeles.

APPENDICES

APPENDIX I

NUMBER OF STATE AND NATIONAL BANKS WITH BRANCHES AND NUMBER OF BRANCHES IN THE UNITED STATES, 1900-1931

| Year | National banks | | | | State banks | | | |
|------|--|--------------------------------------|--------------------------|----------------------------------|-------------------------------------|-----------------------------------|--------------------------|-------------------------------|
| | Number of national banks with branches | Number of branches of national banks | | | Number of state banks with branches | Number of branches of state banks | | |
| | | In head office city | Outside head office city | Total branches of national banks | | In head office city | Outside head office city | Total branches of state banks |
| 1900 | 5 | 1 | 4 | 5 | 74 | 24 | 82 | 106 |
| 1905 | 5 | 1 | 4 | 5 | 183 | 134 | 203 | 337 |
| 1910 | 9 | 1 | 11 | 12 | 283 | 270 | 266 | 536 |
| 1915 | 12 | 15 | 11 | 26 | 385 | 420 | 339 | 759 |
| 1920 | 21 | 41 | 22 | 63 | 509 | 732 | 485 | 1,217 |
| 1921 | 23 | 50 | 22 | 72 | 524 | 854 | 528 | 1,382 |
| 1922 | 55 | 118 | 22 | 140 | 555 | 1,038 | 622 | 1,660 |
| 1923 | 91 | 181 | 23 | 204 | 580 | 1,146 | 704 | 1,850 |
| 1924 | 112 | 233 | 23 | 256 | 594 | 1,281 | 762 | 2,043 |
| 1925 | 130 | 296 | 22 | 318 | 589 | 1,428 | 779 | 2,207 |
| 1926 | 148 | 384 | 37 | 421 | 594 | 1,493 | 787 | 2,280 |
| 1927 | 153 | 433 | 290 | 723 | 585 | 1,525 | 664 | 2,189 |
| 1928 | 171 | 595 | 339 | 934 | 602 | 1,545 | 656 | 2,201 |
| 1929 | 167 | 650 | 345 | 995 | 596 | 1,625 | 730 | 2,355 |
| 1930 | 166 | 703 | 340 | 1,043 | 583 | 1,682 | 791 | 2,473 |
| 1931 | 164 | 714 | 396 | 1,110 | 558 | 1,585 | 768 | 2,353 |

A P P E N D I X II

NUMBER OF BANKS AND BRANCHES BY STATES, JUNE 30, 1931*

| States classified according to law regarding branch banking | Total number of banks | Total number of branches | Banks with branches | | | Number of branches | |
|---|-----------------------|--------------------------|---------------------|---------------|-------|---------------------|--------------------------|
| | | | City systems** | Other systems | Total | In head office city | Outside head office city |

STATE-WIDE BRANCH BANKING PERMITTED

| | | | | | | | |
|-------------------|--------------|--------------|-----------|------------|------------|------------|------------|
| Arizona | 37 | 26 | - | 8 | 8 | - | 26 |
| California | 410 | 819 | 23 | 30 | 53 | 271 | 548 |
| Delaware | 59 | 12 | 2 | 4 | 6 | 2 | 10 |
| Dist. of Columbia | 39 | 26 | 12 | - | 12 | 26 | - |
| Maryland | 205 | 118 | 12 | 14 | 26 | 59 | 59 |
| North Carolina | 324 | 90 | 5 | 22 | 27 | 12 | 78 |
| Rhode Island | 26 | 36 | 8 | 3 | 11 | 16 | 20 |
| South Carolina | 140 | 81 | 3 | 9 | 12 | 8 | 73 |
| Vermont | 84 | 10 | 2 | 5 | 7 | - | 10 |
| Virginia | 430 | 58 | 13 | 22 | 35 | 28 | 30 |
| Total | 1,754 | 1,276 | 80 | 117 | 197 | 422 | 854 |

BRANCHES RESTRICTED AS TO LOCATION

| | | | | | | | |
|---------------|--------------|--------------|------------|------------|------------|--------------|------------|
| Georgia | 344 | 35 | 5 | 8 | 13 | 19 | 16 |
| Indiana | 713 | 15 | 4 | 1 | 5 | 14 | 1 |
| Iowa | 1,107 | 35 | - | 29 | 29 | - | 35 |
| Kentucky | 515 | 24 | 6 | 2 | 8 | 21 | 3 |
| Louisiana | 206 | 106 | 10 | 32 | 42 | 51 | 55 |
| Maine | 90 | 72 | 2 | 20 | 22 | 7 | 65 |
| Massachusetts | 248 | 133 | 53 | 3 | 56 | 127 | 6 |
| Michigan | 672 | 403 | 56 | - | 56 | 403 | - |
| Mississippi | 267 | 22 | 1 | 8 | 9 | 1 | 21 |
| Montana | 165 | - | - | - | - | - | - |
| New Jersey | 515 | 104 | 52 | 2 | 54 | 94 | 10 |
| New York | 904 | 707 | 82 | - | 82 | 707 | - |
| Ohio | 871 | 269 | 38 | 6 | 44 | 238 | 31 |
| Pennsylvania | 1,418 | 159 | 56 | 4 | 60 | 152 | 7 |
| Tennessee | 433 | 57 | 8 | 16 | 24 | 24 | 33 |
| Total | 8,468 | 2,141 | 373 | 131 | 504 | 1,858 | 283 |

APPENDIX II (Cont'd)

NUMBER OF BANKS AND BRANCHES BY STATES, JUNE 30, 1931*

| States classified according to law regarding branch banking | Total number of banks | Total number of branches | Banks with branches | | | Number of branches | |
|---|-----------------------|--------------------------|---------------------|---------------|-------|---------------------|--------------------------|
| | | | City systems** | Other systems | Total | In head office city | Outside head office city |

ESTABLISHMENT OF BRANCHES PROHIBITED BY LAW

| | | | | | | | |
|---------------|-------|----|----|---|----|----|----|
| Alabama | 284 | 17 | - | 3 | 3 | - | 17 |
| Arkansas | 321 | 2 | - | 2 | 2 | - | 2 |
| Colorado | 250 | - | - | - | - | - | - |
| Connecticut | 156 | - | - | - | - | - | - |
| Florida | 193 | - | - | - | - | - | - |
| Idaho | 131 | - | - | - | - | - | - |
| Illinois | 1,463 | - | - | - | - | - | - |
| Kansas | 972 | - | - | - | - | - | - |
| Minnesota | 933 | 6 | 2 | - | 2 | 6 | - |
| Missouri | 1,100 | - | - | - | - | - | - |
| Nebraska | 727 | 2 | 2 | - | 2 | 2 | - |
| Nevada | 33 | - | - | - | - | - | - |
| New Mexico | 51 | 3 | - | 1 | 1 | - | 3 |
| Oregon | 215 | 1 | 1 | - | 1 | - | 1 |
| Texas | 1,176 | - | - | - | - | - | - |
| Utah | 96 | - | - | - | - | - | - |
| Washington | 307 | 5 | 1 | 2 | 3 | 3 | 2 |
| West Virginia | 262 | - | - | - | - | - | - |
| Wisconsin | 910 | 9 | 5 | 1 | 6 | 8 | 1 |
| Total | 9,580 | 45 | 11 | 9 | 20 | 19 | 26 |

NO PROVISION IN STATE LAW REGARDING BRANCH BANKING

| | | | | | | | |
|------------------|--------|-------|-----|-----|-----|-------|-------|
| New Hampshire | 69 | 1 | - | 1 | 1 | - | 1 |
| North Dakota | 302 | - | - | - | - | - | - |
| Oklahoma | 550 | - | - | - | - | - | - |
| South Dakota | 318 | - | - | - | - | - | - |
| Wyoming | 82 | - | - | - | - | - | - |
| Total | 1,321 | 1 | - | 1 | 1 | - | 1 |
| Total all states | 21,123 | 3,463 | 464 | 258 | 722 | 2,299 | 1,164 |
| National | 6,800 | 1,110 | 152 | 12 | 164 | 714 | 396 |
| State members | 982 | 1,287 | 137 | 18 | 155 | 1,157 | 130 |
| State nonmembers | 13,341 | 1,066 | 175 | 228 | 403 | 428 | 638 |

*Mutual savings banks and private banks are excluded.

**Includes banks operating branches in head office city and contiguous territory only.

APPENDIX III

LOANS AND INVESTMENTS OF ALL BANKS AND OF BANKS OPERATING BRANCHES, BY STATES
JUNE 30, 1931*

(In thousands of dollars)

| States classified according to law regarding branch banking | All active banks | Banks operating branches | | |
|---|------------------|--------------------------|---------------|------------|
| | | City Systems** | Other Systems | Total |
| STATE-WIDE BRANCH BANKING PERMITTED | | | | |
| Arizona | 62,701 | - | 17,792 | 17,792 |
| California | 3,149,193 | 562,814 | 1,838,943 | 2,401,757 |
| Delaware | 135,504 | 44,276 | 40,340 | 84,616 |
| Dist. of Columbia | 249,483 | 151,753 | - | 151,753 |
| Maryland | 617,403 | 284,284 | 61,548 | 345,832 |
| North Carolina | 278,577 | 16,135 | 92,244 | 108,379 |
| Rhode Island | 363,054 | 53,214 | 274,756 | 327,970 |
| South Carolina | 136,438 | 10,039 | 61,506 | 71,545 |
| Vermont | 142,736 | 3,268 | 23,747 | 27,015 |
| Virginia | 489,084 | 134,660 | 33,008 | 167,668 |
| Total | 5,624,173 | 1,260,443 | 2,443,884 | 3,704,327 |
| BRANCHES RESTRICTED AS TO LOCATION | | | | |
| Georgia | 291,430 | 102,140 | 61,357 | 163,497 |
| Indiana | 631,320 | 74,504 | 290 | 74,794 |
| Iowa | 682,833 | - | 17,333 | 17,333 |
| Kentucky | 421,243 | 99,212 | 3,115 | 102,327 |
| Louisiana | 376,509 | 163,143 | 45,980 | 209,123 |
| Maine | 301,884 | 4,451 | 138,469 | 142,920 |
| Massachusetts | 1,942,457 | 1,254,838 | 35,667 | 1,290,505 |
| Michigan | 1,722,276 | 1,110,241 | - | 1,110,241 |
| Mississippi | 147,477 | 8,388 | 13,334 | 21,722 |
| Montana | 119,482 | - | - | - |
| New Jersey | 1,963,337 | 889,353 | 70,042 | 959,395 |
| New York | 11,698,632 | 9,084,453 | - | 9,084,453 |
| Ohio | 2,315,657 | 1,092,528 | 297,989 | 1,390,517 |
| Pennsylvania | 5,120,128 | 1,685,386 | 20,335 | 1,705,721 |
| Tennessee | 347,952 | 137,382 | 31,161 | 168,543 |
| Total | 28,082,617 | 15,706,019 | 735,072 | 16,441,091 |

APPENDIX III (Cont'd)

LOANS AND INVESTMENTS OF ALL BANKS AND OF BANKS OPERATING BRANCHES, BY STATES
JUNE 30, 1931*

(In thousands of dollars)

| States classified according to law regarding branch banking | All active banks | Banks operating branches | | |
|---|------------------------|--------------------------|------------------|---------|
| | | City systems** | Other systems | Total |
| ESTABLISHMENT OF BRANCHES PROHIBITED BY LAW | | | | |
| Alabama | 226,082 | - | 5,021 | 5,021 |
| Arkansas | 135,371 | - | 1,169 | 1,169 |
| Colorado | 241,269 | - | - | - |
| Connecticut | 598,514 | - | - | - |
| Florida | 189,561 | - | - | - |
| Idaho | 67,561 | - | - | - |
| Illinois | 3,207,106 | - | - | - |
| Kansas | 325,798 | - | - | - |
| Minnesota | 783,055 | 163,027 | - | 163,027 |
| Missouri | 1,102,347 | - | - | - |
| Nebraska | 303,456 | 6,266 | - | 6,266 |
| Nevada | 33,944 | - | - | - |
| New Mexico | 35,136 | - | 212 | 212 |
| Oregon | 229,450 | 569 | - | 569 |
| Texas | 885,121 | - | - | - |
| Utah | 150,032 | - | - | - |
| Washington | 383,824 | 74,741 | 900 | 75,641 |
| West Virginia | 301,708 | - | - | - |
| Wisconsin | 853,764 | 191,465 | 1,331 | 192,796 |
| Total | 10,053,209 | 436,068 | 8,633 | 444,701 |

NO PROVISION IN STATE LAW REGARDING BRANCH BANKING

| | | | | |
|------------------|------------|------------|-----------|------------|
| New Hampshire | 78,623 | - | 605 | 605 |
| North Dakota | 88,554 | - | - | - |
| Oklahoma | 327,548 | - | - | - |
| South Dakota | 108,015 | - | - | - |
| Wyoming | 52,080 | - | - | - |
| Total | 654,935 | - | 605 | 605 |
| Total all banks | 44,424,934 | 17,402,530 | 3,188,194 | 20,590,724 |
| National | 20,824,530 | 6,984,945 | 1,544,334 | 8,529,279 |
| State members | 13,097,992 | 8,601,057 | 907,213 | 9,508,270 |
| State nonmembers | 10,502,412 | 1,816,528 | 736,647 | 2,553,175 |

*Mutual savings banks and private banks are excluded.

**Includes banks operating branches in head office city and contiguous territory only

November 6, 1931

Federal Reserve Committee on
Branch, Group and Chain Banking

CHAIN AND GROUP BANKING

Preliminary material subject to revision

CHAIN AND GROUP BANKING

There has been little change in the number of banks in chain and group systems since the end of 1929 according to the tabulations of the Federal Reserve Board. During this period the movement has comprehended some 2,000 banks belonging to around 300 different systems.

The tabulations of the Board have included only those chain and group systems which comprise three or more banks, and have excluded those affiliations of two banks only. This Committee has been making an effort through the Federal reserve banks to account for the two-bank relationships as well as other types of affiliations, and although these compilations have not yet been completed, the indications are that over 500 banks are involved in two-bank affiliations.

Mutual savings banks and private banks have been excluded from the figures given in this series of tables and charts. The special nature of the organization and functions of mutual savings banks makes their inclusion in a comparative study of this kind of doubtful value, especially in view of the small number which are affiliated with other institutions in such a way that they might be called members of groups or chains. Private banks belonging to chains and groups are likewise few, and the amount of information available regarding private banks generally is not sufficient to warrant their inclusion in this

comparative study.

Developments since June 30, 1929: Tables 1-4 show the developments of the group and chain movement during the past two years, together with the ratio of banks in chains and groups to all active banks in the country. The figures indicate a substantial growth during the latter half of 1929. A small increase in the first half of 1930 was more than offset by a decline in the next twelve months, due largely to failures. However, the loans and investments of chains and groups rose substantially during the first half of this year in spite of the failure of several systems. This was due to the inclusion of a large New York bank which recently acquired a second bank affiliate, making it a group system within the definition of the Board.

On June 30, 1931, there were 288 chain and group systems controlling 2,047 banks, with aggregate loans and investments of \$13,600,000,000. About 10 per cent of all banks and 31 per cent of the loans and investments of all banks were included in chain and group systems on that date.

Geographic distribution: Tables 5-9 and Chart 1 summarize the geographical distribution of chain and group banking and show that it has had its largest development in states where the establishment of branches is prohibited by law. One-half of all banks in chain and group systems are in these states. (The states are listed in Appendix I according to their laws regarding branch banking.) The Western Grain states, where banking difficulties have been large during the

past decade, account for nearly 700 of the banks represented in chains and groups. Out of a total of 288 chain and group systems, 56 cross State lines and control banks in two or more States. One system operates in 8 States and another in 5 (Table 8).

Size of banks: Tables 10-12 and Charts 2-4 classify the banks in chain and group systems by size, and indicate that a large proportion of all the loans and investments of such systems is accounted for by a few large banks. Some of these which have but a few banks associated with them, for example, the Chase National Bank and the Central Hanover Bank and Trust Company of New York, are in contrast with more typical groups, such as the Northwest Bancorporation and the First Bank Stock Corporation of Minneapolis, each of which includes more than 100 banks.

Banks with loans and investments of \$50,000,000 or more each (45 in number) account for over 68 per cent of the total loans and investments of all chain and group banks (Table 10). As of June 30, 1930, nearly 44 per cent of all active banks in the largest size group (loans and investments of \$50,000,000 and over) were included in chains and groups. In the smallest size group (loans and investments under \$150,000) only 6 per cent of the banks belonged to chains and groups (Table 12).

Table 13 shows that of the 288 chain and group systems, 75 are composed of only 3 banks, 59 of 4 banks and 40 of 5 banks. Thus 60 per cent of the chain and group systems consist of from 3 to 5 banks

each and account for 40 per cent of the loans and investments of all chain and group systems.

Principal chain and group systems: Tables 14-18 and Chart 5 list the principal chain and group systems and classify the banks in the 49 principal groups according to size. The 62 systems listed, including the chains, account for 973 banks with loans and investments of \$11,900,000,000. Among the principal systems have been included those with 10 or more banks and/or \$50,000,000 loans and investments.

Branches operated by banks in chain and group systems: A number of the tables in this section indicate the extent to which banks in chain and group systems operate branches. These banks with their branches are also included in the statistics of the section dealing with branch banking.

DEVELOPMENTS IN CHAIN AND GROUP BANKING SINCE JUNE 30, 1929

Table 1 -- NUMBER OF BANKS IN CHAIN AND GROUP SYSTEMS,
BY CLASS OF BANK

| Date | Number of chain and group systems | Number of banks in chain and group systems | | | |
|---------------|-----------------------------------|--|--------------------|-----------------|-------|
| | | National banks | State bank members | Nonmember banks | Total |
| June 30, 1929 | 301 | 678 | 108 | 1,084 | 1,870 |
| Dec. 31, 1929 | 312 | 831 | 130 | 1,186 | 2,147 |
| June 30, 1930 | 311 | 865 | 131 | 1,223 | 2,219 |
| Dec. 31, 1930 | 302 | 850 | 125 | 1,161 | 2,136 |
| June 30, 1931 | 288 | 838 | 121 | 1,088 | 2,047 |

NOTE: Figures for 1929 and 1930 as shown in this and following tables are as revised in October 1931, on the basis of additional data received since the preparation of previous summaries of chain and group banking. Furthermore, mutual savings and private banks reported as members of chains have been omitted. Mutual savings banks thus excluded numbered 9 at the end of 1931 with loans and investments of \$79,000,000; and private banks, 23 with loans and investments of \$4,000,000. Twelve other banks with loans and investments of \$26,000,000 were also eliminated from the summaries, due to the fact that the omission of affiliated mutual savings banks and private banks reduced the individual affiliations to less than 3 banks.

Where comparisons in these tables are made with all active banks, private and mutual savings banks have likewise been eliminated from the active bank figures.

Table 2 -- NUMBER OF BANKS IN CHAIN AND GROUP SYSTEMS
PER HUNDRED ACTIVE BANKS

| Date | National banks | State bank members | Nonmember banks | Total |
|---------------|----------------|--------------------|-----------------|-------|
| June 30, 1929 | 9.0 | 9.2 | 7.0 | 7.7 |
| June 30, 1930 | 11.9 | 12.3 | 8.4 | 9.7 |
| June 30, 1931 | 12.3 | 12.3 | 8.1 | 9.7 |

Table 3 -- LOANS AND INVESTMENTS OF BANKS IN CHAIN AND GROUP SYSTEMS, BY CLASS OF BANK

(In millions of dollars)

| Date | National banks | State bank members | Non-member banks | Total |
|---------------|----------------|--------------------|------------------|---------|
| June 30, 1929 | \$4,599 | \$3,081 | \$1,723 | \$9,507 |
| Dec. 31, 1929 | 6,445 | 3,963 | 1,983 | 12,392 |
| June 30, 1930 | 6,667 | 3,992 | 2,158 | 12,818 |
| Dec. 31, 1930 | 6,635 | 3,464 | 1,868 | 11,968 |
| June 30, 1931 | 8,062 | 3,731 | 1,790 | 13,583 |

Table 4 -- LOANS AND INVESTMENTS OF BANKS IN CHAIN AND GROUP SYSTEMS PER HUNDRED DOLLARS OF LOANS AND INVESTMENTS OF ALL ACTIVE BANKS

| Date | National banks | State bank members | Non-member banks | Total |
|---------------|----------------|--------------------|------------------|--------|
| June 30, 1929 | \$21.9 | \$21.6 | \$13.1 | \$19.5 |
| June 30, 1930 | 30.7 | 28.7 | 17.4 | 26.7 |
| June 30, 1931 | 38.7 | 28.5 | 17.0 | 30.6 |

GEOGRAPHIC DISTRIBUTION OF CHAIN AND GROUP BANKING

CHART 1

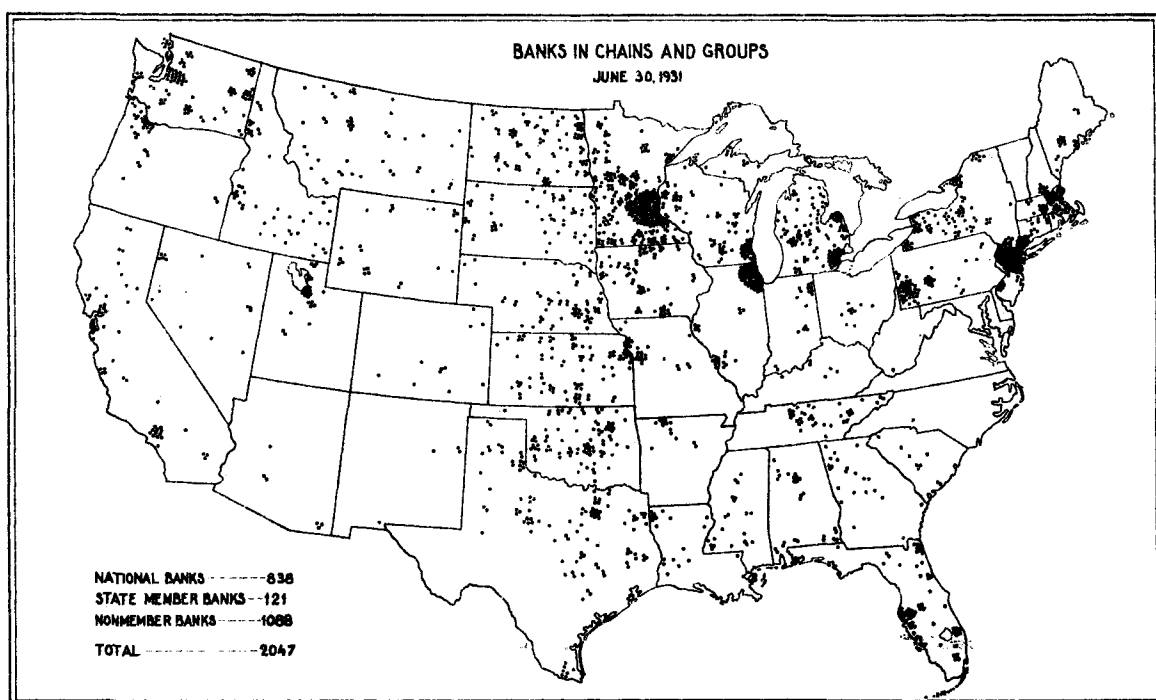


Table 5 — NUMBER OF BANKS AND BRANCHES IN CHAIN AND GROUP SYSTEMS
BY STATES CLASSIFIED ACCORDING TO LEGAL STATUS OF
BRANCH BANKING, JUNE 30, 1931.

| States classified according to the law regarding branch banking* | Total number of banks in chain and group systems | Number operating branches | Number of branches operated by banks in chain and group systems | | | |
|--|--|---------------------------|---|---|-------------------|----------|
| | | | In head office city | Outside head office city but in same county | In other counties | Total |
| State-wide branch banking permitted | 72 | 13 | 161 | 39 | 470 | 670 |
| Branches restricted as to location | 570 | 126 | 850 | 38 | 52 | 940 |
| Establishment of branches prohibited | 1,033 | 8 | 15 | 1 | 1 | 17 |
| No provision in State law | <u>272</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | 2,047 | 147 | 1,026 | 78 | 523 | 1,627 |

*The States in these various classifications are listed as in Appendix I.

Table 6 -- NUMBER OF BANKS AND BANKING OFFICES IN CHAIN AND GROUP SYSTEMS COMPARED WITH TOTAL ACTIVE BANKS AND BRANCHES BY STATES CLASSIFIED ACCORDING TO LEGAL STATUS OF BRANCH BANKING, JUNE 30, 1931

| States classified according to the law regarding branch banking | Chain and group systems | | All active banks* | | Number in chain and group systems per hundred active | |
|---|-------------------------|-------------------------|-------------------|-------------------------|--|-------------------|
| | Number of banks | Total banking offices** | Number of banks | Total banking offices** | Banks | Banking offices** |
| State-wide branch banking permitted | 72 | 742 | 1,754 | 3,030 | 4.1 | 24.5 |
| Branches restricted as to location | 670 | 1,610 | 8,468 | 10,609 | 7.9 | 15.2 |
| Establishment of branches prohibited | 1,033 | 1,050 | 9,580 | 9,625 | 10.2 | 10.9 |
| No provision in state law | <u>272</u> | <u>272</u> | <u>1,321</u> | <u>1,322</u> | <u>20.6</u> | <u>20.6</u> |
| Total | 2,047 | 3,674 | 21,123 | 24,586 | 9.7 | 14.9 |

*Based on data furnished by Comptroller of the Currency.

**Banks and branches.

Table 7 -- LOANS AND INVESTMENTS OF BANKS IN CHAIN AND GROUP SYSTEMS COMPARED
WITH ALL ACTIVE BANKS BY STATES CLASSIFIED ACCORDING TO LEGAL
STATUS OF BRANCH BANKING, JUNE 30, 1931

| States classified according to the law regarding branch banking | Loans and investments of banks in chain and group systems (000,000 omitted) | Loans and investments of all active banks (000,000 omitted) | Per cent of total in chain and group systems |
|---|--|--|--|
| State-wide branch banking permitted | \$1,980 | \$5,624 | 35.2 |
| Branches restricted as to location | 8,304 | 28,083 | 29.6 |
| Establishment of branches prohibited | 3,094 | 10,053 | 30.7 |
| No provision in state law | <u>206</u> | <u>655</u> | <u>31.4</u> |
| Total | 13,583 | 44,425 | 30.6 |

Table 8 -- CHAIN AND GROUP SYSTEMS, BY THE NUMBER OF STATES
IN WHICH THEIR BANKS OPERATE: JUNE 30, 1931

| Number of states in which banks operate | Number of chain and group systems | Aggregate number of banks in chain and group systems |
|---|---|--|
| 1 | 232 | 1,339 |
| 2 | 43 | 291 |
| 3 | 9 | 127 |
| 4 | 2 | 60 |
| 5 | 1 | 105 |
| 8 | 1 | 125 |
| Total | 288 | 2,047 |

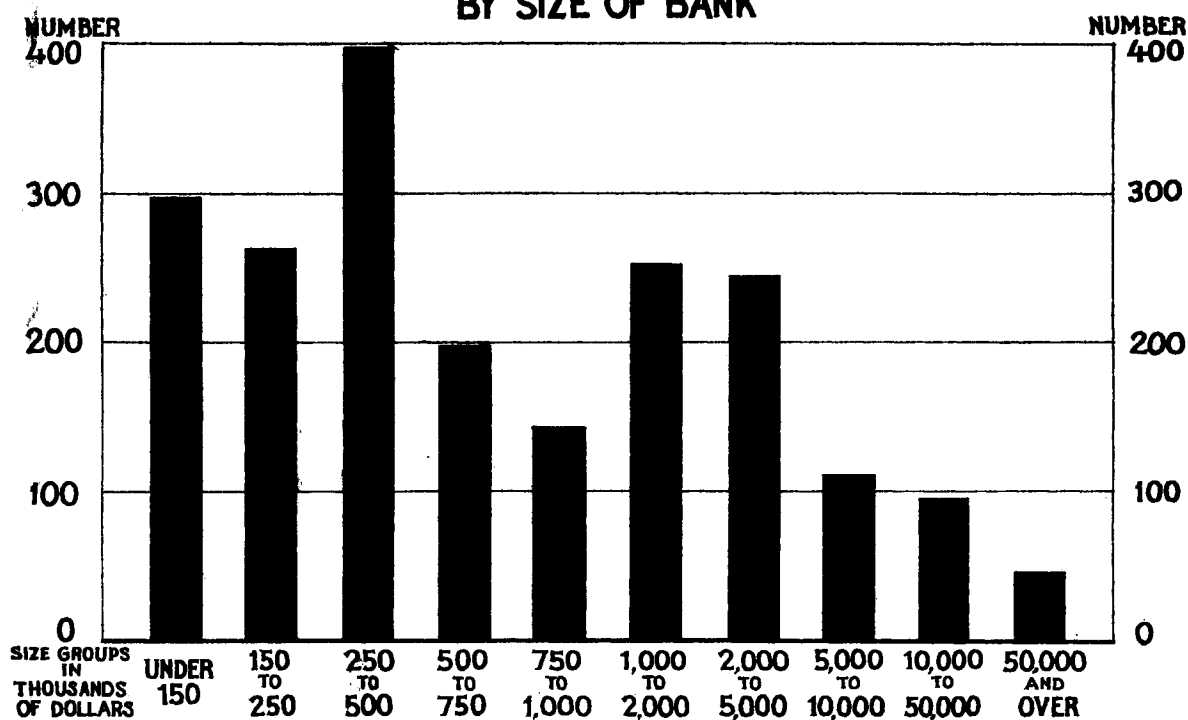
Table 9 -- CHAIN AND GROUP BANKING BY GEOGRAPHIC DIVISIONS

| Geographic divisions | Number of banks | | | Loans and investments in millions of dollars | | |
|----------------------|-----------------|-----------------|-----------------|---|-----------------|-----------------|
| | June 30 1929 | June 30 1930 | June 30 1931 | June 30 1929 | June 30 1930 | June 30 1931 |
| New England | 43 | 82 | 88 | 734 | 1,197 | 1,212 |
| Middle Atlantic | 211 | 249 | 254 | 3,357 | 4,015 | 5,451 |
| North Central | 237 | 336 | 284 | 1,704 | 2,927 | 2,662 |
| Southern Mountain | 28 | 56 | 42 | 101 | 311 | 188 |
| South Eastern | 127 | 154 | 139 | 345 | 443 | 424 |
| South Western | 260 | 289 | 237 | 293 | 327 | 351 |
| Western Grain | 646 | 697 | 663 | 630 | 1,013 | 954 |
| Rocky Mountain | 164 | 181 | 179 | 224 | 267 | 238 |
| Pacific Coast | 154 | 175 | 161 | 2,116 | 2,316 | 2,102 |
| Total | 1,870 | 2,219 | 2,047 | 9,507 | 12,818 | 13,583 |

SIZE OF BANKS IN CHAIN AND GROUP SYSTEMS

CHART 2

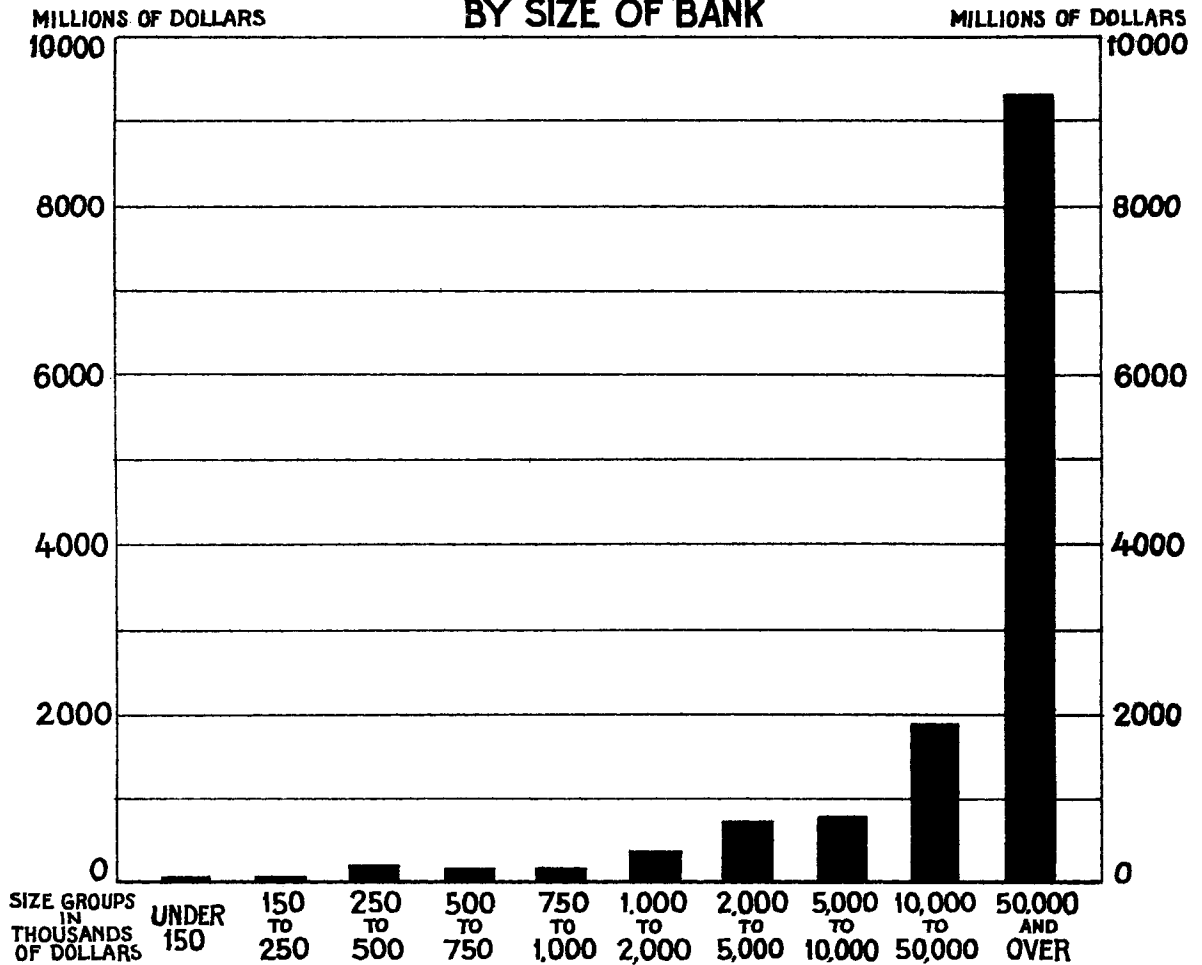
NUMBER OF BANKS IN CHAIN AND GROUP SYSTEMS BY SIZE OF BANK



Number of banks in chain and group systems as of June 30, 1931
Banks classified according to size of loans and investments

CHART 3

**LOANS AND INVESTMENTS OF BANKS IN
CHAIN AND GROUP SYSTEMS
BY SIZE OF BANK**



**Loans and investments of banks in chain and group systems
as of June 30, 1931**

Banks classified according to size of loans and investments

Table 10 -- NUMBER OF BANKS IN CHAIN AND GROUP SYSTEMS BY SIZE OF
LOANS AND INVESTMENTS: JUNE 30, 1931

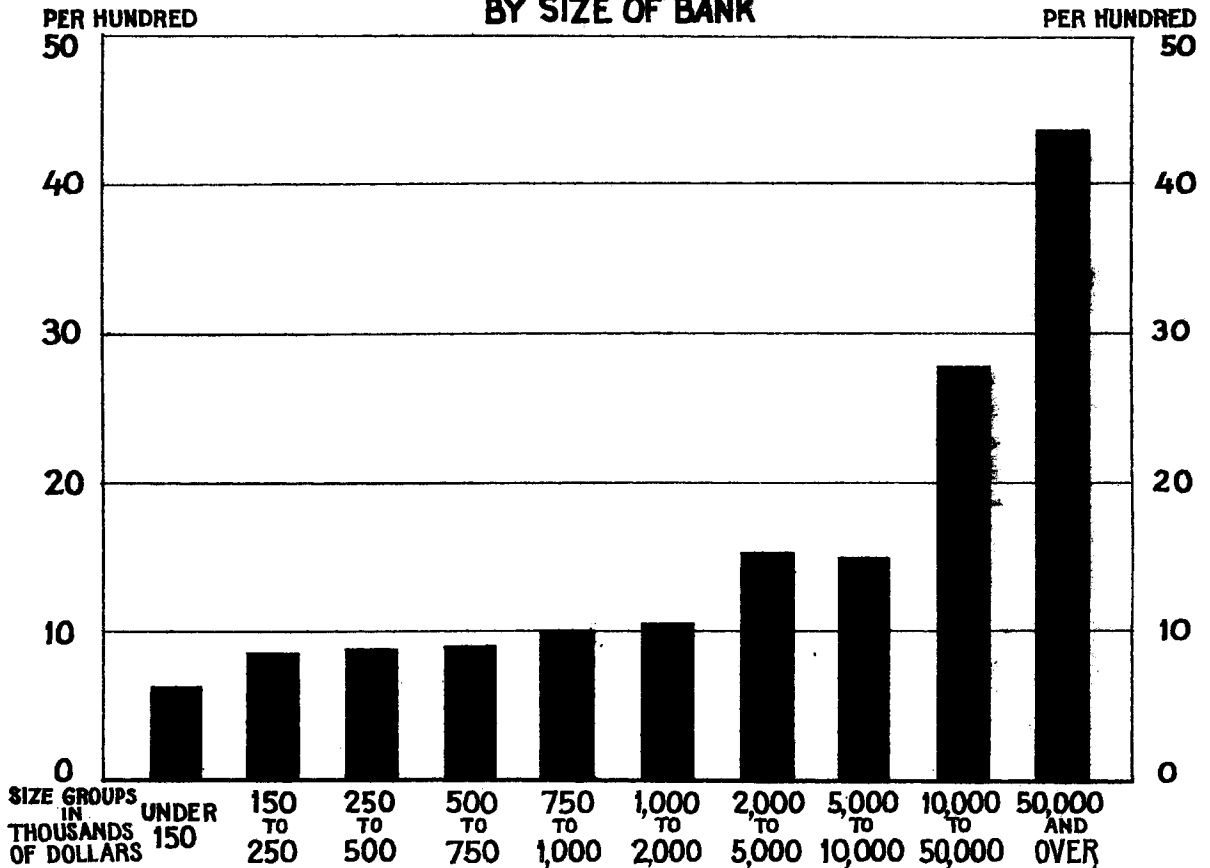
| Size Groups Loans and investments | Number of banks | Per cent of total | Aggregate loans and investments (000,000 omitted) | Per cent of total |
|--------------------------------------|-----------------------|-------------------------|--|-------------------------|
| Under \$150,000 | 298 | 14.6 | \$28 | .2 |
| \$150,000 to 250,000 | 263 | 12.8 | 52 | .4 |
| 250,000 to 500,000 | 399 | 19.5 | 145 | 1.1 |
| 500,000 to 750,000 | 198 | 9.7 | 122 | .9 |
| 750,000 to 1,000,000 | 140 | 6.8 | 123 | .9 |
| 1,000,000 to 2,000,000 | 259 | 12.7 | 367 | 2.7 |
| 2,000,000 to 5,000,000 | 240 | 11.7 | 738 | 5.4 |
| 5,000,000 to 10,000,000 | 110 | 5.4 | 801 | 5.9 |
| 10,000,000 to 50,000,000 | 95 | 4.6 | 1,908 | 14.0 |
| 50,000,000 and over | 45 | 2.2 | 9,300 | 68.5 |
| Total | 2,047 | 100.0 | 13,583 | 100.0 |

Table 11 -- NUMBER OF BANKS IN CHAIN AND GROUP SYSTEMS,
BY SIZE OF TOWN: JUNE 30, 1931

| Population of town | Number of banks | Per cent of total | Aggregate loans and investments (000,000 omitted) | Per cent of total |
|-----------------------|-----------------------|-------------------------|--|-------------------------|
| Under 500 | 347 | 17.0 | \$63 | .5 |
| 500 to 1,000 | 276 | 13.5 | 86 | .6 |
| 1,000 to 2,500 | 345 | 16.9 | 177 | 1.3 |
| 2,500 to 5,000 | 197 | 9.6 | 167 | 1.2 |
| 5,000 to 10,000 | 183 | 8.9 | 240 | 1.8 |
| 10,000 to 25,000 | 195 | 9.5 | 544 | 4.0 |
| 25,000 to 50,000 | 90 | 4.4 | 387 | 2.8 |
| 50,000 to 100,000 | 97 | 4.7 | 661 | 4.9 |
| 100,000 and over | 317 | 15.5 | 11,257 | 82.9 |
| Total | 2,047 | 100.0 | 13,583 | 100.0 |

CHART 4

**NUMBER OF BANKS IN CHAIN AND GROUP SYSTEMS
PER HUNDRED ACTIVE BANKS
BY SIZE OF BANK**



Number of banks in chain and group systems per hundred active banks as of June 30, 1930

Banks classified according to size of loans and investments

Table 12 -- NUMBER OF BANKS IN CHAIN AND GROUP SYSTEMS PER 100
ACTIVE BANKS, BY SIZE OF LOANS AND INVESTMENTS:
JUNE 30, 1930

| Size Groups Loans and investments | Number of banks in chain and group systems per hundred active banks |
|--------------------------------------|---|
| Under \$150,000 | 6.3 |
| 150,000 to 250,000 | 8.3 |
| 250,000 to 500,000 | 8.8 |
| 500,000 to 750,000 | 9.0 |
| 750,000 to 1,000,000 | 10.0 |
| 1,000,000 to 2,000,000 | 10.5 |
| 2,000,000 to 5,000,000 | 15.2 |
| 5,000,000 to 10,000,000 | 14.8 |
| 10,000,000 to 50,000,000 | 27.8 |
| 50,000,000 and over | 43.6 |
| Total | 9.7 |

Table 13 -- NUMBER OF CHAIN AND GROUP SYSTEMS CLASSIFIED BY NUMBER OF BANKS IN EACH SYSTEM, JUNE 30, 1931

| Number of banks in group | Number of chain and group systems | Aggregate number of banks in chain and group systems | Per cent of banks in all chain and group systems | Aggregate loans and investments of banks in chain and group systems | Per cent of total loans and investments of all chain and group systems |
|--------------------------|-----------------------------------|--|--|---|--|
| 3 | 75 | 225 | 11.0 | (000 omitted) \$3,832,997 | 28.2 |
| 4 | 59 | 236 | 11.5 | 1,189,625 | 8.7 |
| 5 | 40 | 200 | 9.8 | 432,190 | 3.2 |
| 6 | 31 | 186 | 9.1 | 494,897 | 3.6 |
| 7 | 17 | 119 | 5.8 | 1,001,037 | 7.4 |
| 8 | 12 | 96 | 4.7 | 108,433 | .8 |
| 9 | 15 | 135 | 6.6 | 946,729 | 7.0 |
| 10 | 11 | 110 | 5.4 | 357,782 | 2.6 |
| 11-15 | 12 | 154 | 7.5 | 1,734,249 | 12.8 |
| 16-20 | 8 | 145 | 7.1 | 1,996,506 | 14.7 |
| 21-30 | 3 | 80 | 3.9 | 433,596 | 3.2 |
| 35 | 1 | 35 | 1.7 | 68,131 | .5 |
| 46 | 1 | 46 | 2.3 | 252,915 | 1.9 |
| 50 | 1 | 50 | 2.4 | 48,307 | .3 |
| 105 | 1 | 105 | 5.1 | 337,134 | 2.5 |
| 125 | 1 | 125 | 6.1 | 348,562 | 2.6 |
| Total | 288 | 2,047 | 100.0 | 13,583,090 | 100.0 |

PRINCIPAL CHAIN AND GROUP SYSTEMS

Table 14 -- PRINCIPAL GROUP SYSTEMS CONTROLLED BY HOLDING CORPORATIONS:

JUNE 30, 1931

(Systems with 10 or more banks or \$50,000,000 or more loans and investments.)

| Name and location of controlling interest | Number of banks** | Number of branches | | | Loans and invest- ments (000 omitted) |
|---|-------------------------|------------------------------|-----------------------------------|-------|--|
| | | In head office city | Outside head office city | Total | |
| Transamerica Corporation, New York | 13 | 84 | 366 | 450 | \$1,186,547 |
| Detroit Bankers, Inc., Detroit | 20 | 219 | - | 219 | 683,996 |
| Marine Midland Group, Inc., Buffalo | 17 | 54 | - | 54 | 480,083 |
| Guardian Detroit Union Group, Inc. Detroit | 29 | 75 | - | 75 | 366,142 |
| Manhattan Company, New York | 4 | 80 | - | 80 | 353,082 |
| Northwest Bancorporation, Minneapolis | 125 | 3 | - | 3 | 348,562 |
| *First Bank Stock Corp., Minneapolis | 105 | 4 | - | 4 | 337,134 |
| *Goldman Sachs Trading Corp., New York | 3 | 72 | 58 | 130 | 316,510 |
| Wisconsin Bankshares Corp., Milwaukee | 46 | 6 | - | 6 | 252,915 |
| Financial Institutions, Inc., Augusta, Me. | 15 | 3 | 27 | 30 | 84,694 |
| BancOhio Corp., Columbus, Ohio | 10 | 11 | - | 11 | 71,343 |
| Melbank Corporation, Pittsburgh | 12 | - | - | - | 48,774 |
| Socarnat Bank Corp., Charleston, S. C. | 10 | 3 | 14 | 17 | 37,004 |
| Marine Bancorporation, Seattle | 10 | - | - | - | 35,314 |
| First Security Corp., Ogden, Utah | 27 | - | - | - | 35,180 |
| Old National Corp., Spokane, Wash. | 24 | - | - | - | 32,274 |
| First Natl. Invest. Co., Boise, Idaho | 10 | - | - | - | 11,502 |
| Total, 17 groups | 480 | 614 | 465 | 1,079 | 4,631,056 |

*Not a typical "holding company" group, and since June has disposed of its interest in one of the 3 banks included above.

**Exclusive of mutual savings banks and private banks.

Table 15 -- PRINCIPAL GROUP SYSTEMS CONTROLLED BY A BANK OR TRUST COMPANY:
JUNE 30, 1931

(Systems with 10 or more banks or \$50,000,000 or more loans and investments.)

| Name and location of controlling interest | Number of banks** | Number of branches | | | Loans and invest- ments (000 omitted) |
|--|-------------------------|------------------------------|-----------------------------------|------------|--|
| | | In head office city | Outside head office city | Total | |
| Chase National Bank, New York | 3 | 63 | - | 63 | \$1,732,578 |
| First National Bank, Chicago | 9 | - | - | - | 736,994 |
| Union Trust Co., Pittsburgh | 7 | - | - | - | 581,873 |
| Central Hanover Bk. & Tr. Co., New York | 3 | 15 | - | 15 | 577,447 |
| First National Bank, Boston | 20 | 35 | - | 35 | 552,843 |
| Security First N. B., Los Angeles | 4 | 68 | 58 | 126 | 459,417 |
| Peoples Pittsburgh Trust Co., Pittsburgh | 3 | 8 | - | 8 | 186,321 |
| Central Trust Co., Chicago | 12 | - | - | - | 183,492 |
| Fidelity Union Trust Co., Newark | 3 | 9 | - | 9 | 156,700 |
| Industrial Trust Co., Providence | 3 | 4 | 10 | 14 | 153,554 |
| National Shawmut Bank, Boston | 6 | 12 | - | 12 | 150,226 |
| Anglo-London Paris N. B., San Francisco | 17 | 1 | - | 1 | 147,507 |
| *Nat. Bank of the Republic, Chicago | 10 | - | - | - | 142,654 |
| M. & T. Trust Company, Buffalo | 3 | 20 | - | 20 | 133,899 |
| First Trust & Deposit Co., Syracuse | 15 | 13 | - | 13 | 102,446 |
| First National Bank, Atlanta | 7 | 9 | - | 9 | 94,794 |
| First Seattle Dexter Horton N.B., Seattle | 7 | 2 | - | 2 | 81,311 |
| Commerce Trust Co., Kansas City | 6 | - | - | - | 77,235 |
| United States Nat. Bank, Portland, Ore. | 12 | - | - | - | 73,909 |
| Worcester Bank & Tr. Co., Worcester | 7 | 5 | 1 | 6 | 72,849 |
| American National Bank, Nashville | 18 | 10 | 4 | 14 | 69,264 |
| Exchange National Bank, Tulsa | 35 | - | - | - | 68,131 |
| Citizens & Southern Nat. Bank, Savannah | 7 | 3 | 8 | 11 | 67,364 |
| Federal National Bank, Boston | 9 | 7 | - | 7 | 63,273 |
| First National Bank, Birmingham | 6 | - | - | - | 53,892 |
| Republic Nat. Bank & Tr. Co., Dallas | 5 | - | - | - | 53,283 |
| First National Bank, Louisville | 6 | 8 | - | 8 | 51,918 |
| Hartford-Connecticut Tr. Co., Hartford | 9 | - | - | - | 37,312 |
| Hamilton National Bank, Chattanooga | 17 | 5 | - | 5 | 34,763 |
| Peoples Trust & Guaranty Co. Hackensack | 10 | - | - | - | 25,073 |
| Mercantile Bank & Tr. Co., Dallas | 10 | - | - | - | 16,227 |
| Exchange National Bank, Tampa | 12 | - | - | - | 14,628 |
| Total, 32 groups | 301 | 297 | 81 | 378 | 6,963,177 |

*Since June the National Bank of the Republic has been absorbed by the Central Trust Company, the dominant bank in another group.

**Exclusive of mutual savings banks and private banks.

Table 16 -- PRINCIPAL CHAIN SYSTEMS: JUNE 30, 1931.
 (Systems with 10 or more banks or \$50,000,000 or more loans and investments.)

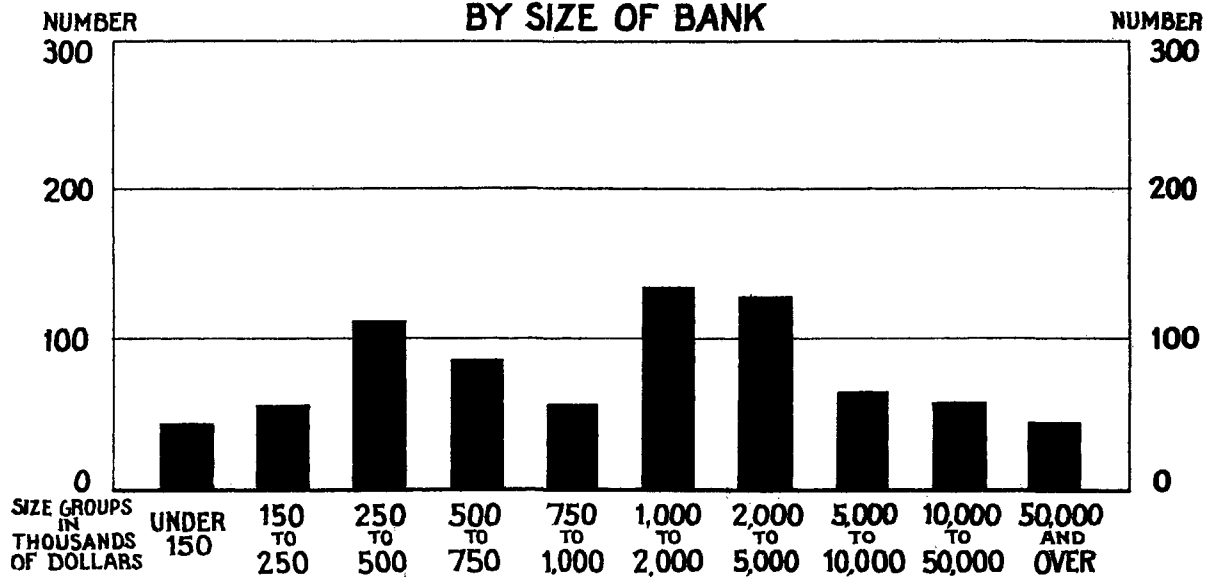
| Name and location of controlling interest | Number of banks** | Loans and investments (000 omitted) |
|--|-------------------------|---|
| W. C. Heppenheimer, Jersey City* | 3 | \$80,878 |
| Otto Bremer, St. Paul | 50 | 48,307 |
| George Wingfield, Reno, Nev. | 13 | 21,306 |
| James F. Toy, Sioux City | 18 | 12,976 |
| J. G. & H. H. Wilkinson, Fort Worth | 11 | 7,836 |
| John Clay, Chicago | 10 | 7,381 |
| M. Weil & Family, Lincoln, Neb. | 10 | 7,328 |
| A. E. Sleeper, Bad Axe, Mich. | 13 | 4,023 |
| Isaac Hazlett, et al, Minneapolis | 18 | 5,054 |
| Thurmond Bros., Oklahoma City | 15 | 3,775 |
| C. A. McCloud & Assoc. York, Nebr. | 10 | 2,857 |
| J. M. Crews, Childress, Tex. | 11 | 2,034 |
| M. C. Parrish, et al., Austin, Tex. | 10 | 1,099 |
| Total, 13 chains | 192 | 204,854 |

*The banks in this chain have a total of ten branches, eight in the head office city and two outside the head office city but in the same county as the head office. None of the other banks in the above list of chains operate branches.

**Exclusive of mutual savings banks and private banks.

CHART 5

**NUMBER OF BANKS IN 49 PRINCIPAL GROUP SYSTEMS
BY SIZE OF BANK**



**Number of banks in 49 principal group systems as of June 30, 1931
Banks classified according to size of loans and investments**

Table 17 -- NUMBER OF BANKS IN 49 PRINCIPAL GROUP SYSTEMS,
BY SIZE OF LOANS AND INVESTMENTS: JUNE 30, 1931

| Size Groups Loans and investments | Number of banks | Per cent of total | Aggregate loans and investments (000,000 omitted) | Per cent of total |
|--------------------------------------|-----------------------|-------------------------|--|-------------------------|
| Under \$150,000 | 43 | 5.5 | \$4 | - |
| 150,000 to 250,000 | 59 | 7.5 | 12 | .1 |
| 250,000 to 500,000 | 110 | 14.1 | 42 | .4 |
| 500,000 to 750,000 | 83 | 10.6 | 52 | .5 |
| 750,000 to 1,000,000 | 57 | 7.3 | 50 | .4 |
| 1,000,000 to 2,000,000 | 135 | 17.3 | 195 | 1.7 |
| 2,000,000 to 5,000,000 | 128 | 16.4 | 390 | 3.4 |
| 5,000,000 to 10,000,000 | 66 | 8.5 | 474 | 4.1 |
| 10,000,000 to 50,000,000 | 56 | 7.2 | 1,204 | 10.3 |
| 50,000,000 and over | 44 | 5.6 | 9,222 | 79.1 |
| Total | 781 | 100.0 | 11,644 | 100.0 |

Table 18 -- NUMBER OF BANKS IN 49 PRINCIPAL GROUP SYSTEMS,
BY SIZE OF TOWN; JUNE 30, 1931

| Population of town | Number of banks | Per cent of total | Aggregate loans and investments (000,000 omitted) | Per cent of total |
|-----------------------|-----------------------|-------------------------|--|-------------------------|
| Under 500 | 35 | 4.5 | \$6 | .1 |
| 500 to 1,000 | 60 | 7.7 | 26 | .2 |
| 1,000 to 2,500 | 129 | 16.5 | 73 | .6 |
| 2,500 to 5,000 | 85 | 10.9 | 77 | .7 |
| 5,000 to 10,000 | 90 | 11.5 | 134 | 1.1 |
| 10,000 to 25,000 | 110 | 14.1 | 325 | 2.8 |
| 25,000 to 50,000 | 41 | 5.2 | 200 | 1.7 |
| 50,000 to 100,000 | 45 | 5.8 | 432 | 3.7 |
| 100,000 and over | 186 | 23.8 | 10,371 | 89.1 |
| Total | 781 | 100.0 | 11,644 | 100.0 |

APPENDICES

APPENDIX I

NUMBER OF ALL BANKS IN THE UNITED STATES AND BANKS AND BRANCHES
IN CHAIN AND GROUP SYSTEMS: JUNE 30, 1931

| States classified according to law regarding branch banking | All active banks | Total number of banks in chain and group systems | Total number of branches of banks in chain and group systems | Number of banks in chain and group systems operating branches | | | Number of branches of banks in chain and group systems | |
|---|------------------|--|--|---|----------------------|----------------------|--|--------------------------|
| | | | | Total | City* branch systems | Other branch systems | In head office city | Outside head office city |
| <u>STATE-WIDE BRANCH BANKING PERMITTED</u> | | | | | | | | |
| Arizona | 37 | 6 | 1 | 1 | - | 1 | - | 1 |
| California | 410 | 51 | 637 | 8 | 2 | 6 | 153 | 484 |
| Delaware | 59 | - | - | - | - | - | - | - |
| Dist. of Col. | 39 | - | - | - | - | - | - | - |
| Maryland | 205 | - | - | - | - | - | - | - |
| North Carolina | 324 | 1 | - | - | - | - | - | - |
| Rhode Island | 26 | 3 | 14 | 1 | - | 1 | 4 | 10 |
| South Carolina | 140 | 11 | 18 | 3 | 1 | 2 | 4 | 14 |
| Vermont | 84 | - | - | - | - | - | - | - |
| Virginia | 430 | - | - | - | - | - | - | - |
| Total | 1,754 | 72 | 670 | 13 | 3 | 10 | 161 | 509 |

BRANCHES RESTRICTED AS TO LOCATION

| | | | | | | | | |
|---------------|-------|-----|-----|-----|-----|----|-----|----|
| Georgia | 344 | 24 | 19 | 2 | 1 | 1 | 11 | 8 |
| Indiana | 713 | 13 | - | - | - | - | - | - |
| Iowa | 1,107 | 60 | 2 | 1 | - | 1 | - | 2 |
| Kentucky | 515 | 6 | 8 | 1 | 1 | - | 8 | - |
| Louisiana | 206 | 21 | 42 | 9 | 5 | 4 | 29 | 13 |
| Maine | 90 | 18 | 35 | 7 | - | 7 | 3 | 32 |
| Massachusetts | 248 | 50 | 62 | 15 | 13 | 2 | 60 | 2 |
| Michigan | 672 | 111 | 333 | 28 | 28 | - | 333 | - |
| Mississippi | 267 | 23 | 12 | 1 | - | 1 | - | 12 |
| Montana | 165 | 45 | - | - | - | - | - | - |
| New Jersey | 515 | 90 | 55 | 23 | 21 | 2 | 49 | 6 |
| New York | 904 | 106 | 314 | 21 | 21 | - | 314 | - |
| Ohio | 871 | 10 | 11 | 1 | 1 | - | 11 | - |
| Pennsylvania | 1,418 | 58 | 13 | 7 | 6 | 1 | 12 | 1 |
| Tennessee | 433 | 35 | 34 | 10 | 6 | 4 | 20 | 14 |
| Total | 8,468 | 670 | 940 | 126 | 103 | 23 | 850 | 90 |

*Includes banks operating branches only in head office city and contiguous territory.

APPENDIX I (Cont'd)

NUMBER OF ALL BANKS IN THE UNITED STATES AND BANKS AND BRANCHES
IN CHAIN AND GROUP SYSTEMS: JUNE 30, 1931

| States classified according to law regarding branch banking | All active banks | Total number of banks in chain and group systems | Total number of branches of banks in chain and group systems | Number of banks in chain and group systems operating branches | | | Number of branches of banks in chain and group systems | |
|---|------------------|--|--|---|----------------------|----------------------|--|--------------------------|
| | | | | Total | City* branch systems | Other branch systems | In head office city | Outside head office city |
| <u>ESTABLISHMENT OF BRANCHES PROHIBITED BY LAW</u> | | | | | | | | |
| Alabama | 284 | 26 | - | - | - | - | - | - |
| Arkansas | 321 | 18 | 1 | 1 | - | 1 | - | 1 |
| Colorado | 250 | 11 | - | - | - | - | - | - |
| Connecticut | 156 | 17 | - | - | - | - | - | - |
| Florida | 193 | 54 | - | - | - | - | - | - |
| Idaho | 131 | 45 | - | - | - | - | - | - |
| Illinois | 1,463 | 65 | - | - | - | - | - | - |
| Kansas | 972 | 87 | - | - | - | - | - | - |
| Minnesota | 933 | 270 | 6 | 2 | 2 | - | 6 | - |
| Missouri | 1,100 | 27 | - | - | - | - | - | - |
| Nebraska | 727 | 66 | - | - | - | - | - | - |
| Nevada | 33 | 17 | - | - | - | - | - | - |
| New Mexico | 51 | 5 | - | - | - | - | - | - |
| Oregon | 215 | 29 | - | - | - | - | - | - |
| Texas | 1,176 | 104 | - | - | - | - | - | - |
| Utah | 96 | 25 | - | - | - | - | - | - |
| Washington | 307 | 81 | 4 | 2 | 1 | 1 | 3 | 1 |
| West Virginia | 262 | 1 | - | - | - | - | - | - |
| Wisconsin | 910 | 85 | 6 | 3 | 3 | - | 6 | - |
| Total | 9,580 | 1,033 | 17 | 8 | 6 | 2 | 15 | 2 |
| <u>NO PROVISION IN STATE LAW REGARDING BRANCH BANKING</u> | | | | | | | | |
| New Hampshire | 69 | - | - | - | - | - | - | - |
| North Dakota | 302 | 95 | - | - | - | - | - | - |
| Oklahoma | 550 | 94 | - | - | - | - | - | - |
| South Dakota | 318 | 58 | - | - | - | - | - | - |
| Wyoming | 82 | 25 | - | - | - | - | - | - |
| Total | 1,321 | 272 | - | - | - | - | - | - |
| Total all states | 21,123 | 2,047 | 1,627 | 147 | 112 | 35 | 1,026 | 601 |
| National | 6,800 | 838 | 792 | 54 | 48 | 6 | 410 | 382 |
| State members | 982 | 121 | 604 | 37 | 33 | 4 | 533 | 71 |
| Nonmembers | 13,341 | 1,088 | 231 | 56 | 31 | 25 | 83 | 148 |

*Includes banks operating branches only in head office city and contiguous territory.

APPENDIX II

LOANS AND INVESTMENTS OF ALL BANKS AND OF BANKS IN CHAIN AND GROUP SYSTEMS
 JUNE 30, 1931
 (000 omitted)

| States classified according to law regarding branch banking | All active banks | All banks in chain and group systems | Banks in chain and group systems operating branches | | |
|---|------------------|--------------------------------------|---|----------------------|-------|
| | | | City* branch systems | Other branch systems | Total |

STATE-WIDE BRANCH BANKING PERMITTED

| | | | | | |
|-------------------|-----------|-----------|---------|-----------|-----------|
| Arizona | \$62,701 | \$15,507 | - | \$755 | \$755 |
| California | 3,149,193 | 1,766,763 | \$3,601 | 1,584,709 | 1,588,310 |
| Delaware | 135,504 | - | - | - | - |
| Dist. of Columbia | 249,483 | - | - | - | - |
| Maryland | 617,403 | - | - | - | - |
| North Carolina | 278,577 | 2,973 | - | - | - |
| Rhode Island | 363,054 | 153,554 | - | 142,783 | 142,783 |
| South Carolina | 136,438 | 40,910 | 2,861 | 27,308 | 30,169 |
| Vermont | 142,735 | - | - | - | - |
| Virginia | 489,084 | - | - | - | - |
| Total | 5,624,173 | 1,979,707 | 6,462 | 1,755,555 | 1,762,028 |

BRANCHES RESTRICTED AS TO LOCATION

| | | | | | |
|---------------|------------|-----------|-----------|---------|-----------|
| Georgia | 291,430 | 163,537 | 71,551 | 56,148 | 127,809 |
| Indiana | 531,320 | 46,026 | - | - | - |
| Iowa | 582,833 | 71,954 | - | 571 | 571 |
| Kentucky | 421,243 | 51,918 | 26,331 | - | 26,331 |
| Louisiana | 376,509 | 140,555 | 84,340 | 21,872 | 106,212 |
| Maine | 301,884 | 95,390 | - | 55,454 | 55,454 |
| Massachusetts | 1,942,457 | 864,751 | 735,921 | 29,711 | 765,632 |
| Michigan | 1,722,275 | 1,120,001 | 939,437 | - | 939,437 |
| Mississippi | 147,477 | 22,315 | - | 4,822 | 4,822 |
| Montana | 119,482 | 70,147 | - | - | - |
| New Jersey | 1,953,337 | 690,055 | 435,987 | 70,042 | 506,029 |
| New York | 11,598,532 | 3,808,245 | 3,595,072 | - | 3,595,072 |
| Ohio | 2,315,657 | 71,343 | 29,794 | - | 29,794 |
| Pennsylvania | 5,120,128 | 951,941 | 206,528 | 1,274 | 207,902 |
| Tennessee | 347,952 | 135,394 | 94,951 | 24,537 | 119,488 |
| Total | 28,082,517 | 8,303,594 | 6,221,122 | 274,441 | 6,495,553 |

*Includes banks operating branches only in head office city and contiguous territory.

APPENDIX II (Cont'd)

LOANS AND INVESTMENTS OF ALL BANKS AND OF BANKS IN CHAIN AND GROUP SYSTEMS
 JUNE 30, 1931
 (000 omitted)

| States classified according to law regarding branch banking | All active banks | All Banks in chain and group systems | Banks in chain and group systems operating branches | | |
|---|-------------------|--------------------------------------|---|----------------------|----------------|
| | | | City* Branch Systems | Other Branch Systems | Total |
| ESTABLISHMENT OF BRANCHES PROHIBITED BY LAW | | | | | |
| Alabama | 226,082 | 61,674 | - | - | - |
| Arkansas | 135,371 | 14,129 | - | 169 | 169 |
| Colorado | 241,269 | 23,743 | - | - | - |
| Connecticut | 598,514 | 97,824 | - | - | - |
| Florida | 189,661 | 131,895 | - | - | - |
| Idaho | 67,561 | 37,352 | - | - | - |
| Illinois | 3,207,106 | 1,122,895 | - | - | - |
| Kansas | 325,798 | 41,145 | - | - | - |
| Minnesota | 783,065 | 542,821 | 163,027 | - | 163,027 |
| Missouri | 1,102,347 | 136,310 | - | - | - |
| Nebraska | 303,456 | 62,364 | - | - | - |
| Nevada | 33,944 | 23,896 | - | - | - |
| New Mexico | 35,136 | 1,438 | - | - | - |
| Oregon | 229,450 | 125,675 | - | - | - |
| Texas | 885,121 | 109,978 | - | - | - |
| Utah | 150,032 | 48,493 | - | - | - |
| Washington | 383,824 | 208,501 | 71,730 | 3,011 | 74,741 |
| West Virginia | 301,708 | 1,488 | - | - | - |
| Wisconsin | 863,764 | 302,414 | 160,069 | - | 160,069 |
| Total | 10,063,209 | 3,094,035 | 394,826 | 3,180 | 398,006 |

NO PROVISION IN STATE LAW REGARDING BRANCH BANKING

| | | | | | |
|-------------------------|-------------------|-------------------|------------------|------------------|------------------|
| New Hampshire | 78,628 | - | - | - | - |
| North Dakota | 88,564 | 55,441 | - | - | - |
| Oklahoma | 327,648 | 86,451 | - | - | - |
| South Dakota | 108,015 | 45,432 | - | - | - |
| Wyoming | 52,080 | 18,430 | - | - | - |
| Total | 654,935 | 205,754 | - | - | - |
| Total all states | 44,424,934 | 13,583,090 | 6,622,410 | 2,033,187 | 8,655,597 |
| National | 20,824,530 | 8,062,050 | 3,730,015 | 1,442,766 | 5,222,781 |
| State members | 13,097,992 | 3,730,887 | 2,549,849 | 421,956 | 2,971,805 |
| Nonmembers | 10,502,412 | 1,790,153 | 292,546 | 168,465 | 461,011 |

*Includes banks operating branches only in head office city and contiguous territory.