

# **Annual Report 1973**

## **Comptroller of the Currency**



**The Administrator of National Banks**

**James E. Smith**

**Comptroller of the Currency**

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# Letter of Transmittal

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TREASURY DEPARTMENT,  
OFFICE OF THE COMPTROLLER OF THE CURRENCY,  
WASHINGTON, D.C., OCTOBER 1, 1973

SIRS: Pursuant to the provisions of Section 333 of the United States Revised Statutes, I am pleased to submit the 1973 *Annual Report of the Comptroller of the Currency*.

Respectfully,

JAMES E. SMITH,  
*Comptroller of the Currency.*

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

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# I. *Condition of the National Banking System*

National banks' operations in 1973 reflected the strong economic expansion and the pervasive inflationary pressures that marked the year. Loan demand was exceedingly strong, and total loans spurted by 17.8 percent during the year. Deposit growth was not sufficient to provide all the funds needed to support the loan expansion despite spirited bidding for large-denomination certificates of deposit. Time and savings deposits increased by 16.0 percent, while demand deposits experienced only a 3.8 percent rise. As a result, the former accounted for 54.7 percent of total deposits at the end of 1973, compared with 52.0 percent a year earlier.

Holdings of U.S. Treasuries decreased by \$6.2 billion, but that reduction was partially offset by an increase of \$4.4 billion in securities of Government agencies and corporations. Non-deposit liabilities increased substantially, with federal funds purchased and securities sold under agree-

ments to repurchase \$11.6 billion higher than at the beginning of the year.

Total assets of National banks reached \$489.6 billion at year-end, representing a 12.6 percent increase for the year. That compared with a 15.5 percent asset increase in 1972. Again, as in 1972, the loan portfolio grew significantly relative to the securities portfolio. Loans climbed from 53.0 percent of total assets to 55.5 percent during 1973, while the ratio of securities to total assets dropped from 23.9 percent to 21.4 percent.

Total capital of National banks reached \$33.1 billion at year-end 1973, representing an increase of 9.2 percent during the year. Reflecting the high level of interest rates in the bond market, only a nominal increase from \$2.1 billion to \$2.2 billion occurred in the total of outstanding capital notes and debentures in 1973. Total reserves on loans and securities rose 12.8 percent during the year, to a total of \$4.7 billion.

**TABLE 1**  
*Assets, liabilities, and capital accounts of National Banks, 1972 and 1973*

[Dollar amounts in millions]

	Dec. 31, 1972 4,614 banks		Dec. 31, 1973 4,661 banks		Change, 1972-1973	
	Amount	Percent Distribution	Amount	Percent Distribution	Amount	Percent
<b>ASSETS</b>						
Cash and due from banks.....	\$67,401	15.50	\$70,724	14.45	\$3,323	4.93
U.S. Treasury securities.....	37,200	8.55	30,966	6.32	- 6,234	- 16.76
Obligations of other U.S. Government agencies and corporations.....	10,666	2.45	15,072	3.08	4,406	41.31
Obligations of States and political subdivisions.....	52,716	12.12	55,236	11.28	2,520	4.78
Other securities.....	3,154	.73	3,411	.70	257	8.15
<i>Total securities.....</i>	<i>103,736</i>	<i>23.85</i>	<i>104,685</i>	<i>21.38</i>	<i>949</i>	<i>.91</i>
Federal funds sold and securities purchased under agreements to resell.....	16,672	3.83	22,091	4.51	5,419	32.50
Direct lease financing.....	1,073	.25	1,573	.32	500	46.60
Loans.....	230,456	52.98	271,572	55.47	41,116	17.84
Fixed assets.....	7,333	1.69	8,144	1.66	811	11.06
Customers' liability on acceptances outstanding.....	2,007	.46	2,847	.58	840	4.85
Other assets.....	6,268	1.44	7,965	1.63	1,697	27.07
<i>Total assets.....</i>	<i>434,947</i>	<i>100.00</i>	<i>489,600</i>	<i>100.00</i>	<i>54,653</i>	<i>12.57</i>
<b>LIABILITIES</b>						
Demand deposits of individuals, partnerships and corporations.....	130,376	29.98	136,056	27.79	5,680	4.36
Time and savings deposits of individuals, partnerships and corporations.....	157,663	36.25	181,215	37.01	23,552	14.94
Deposits of U.S. Government.....	7,062	1.62	6,193	1.26	- 869	- 12.31
Deposits of States and political subdivisions.....	33,445	7.69	37,072	7.57	3,627	10.84
Deposits of foreign governments and official institutions, central banks, and international institutions.....	4,362	1.00	6,030	1.23	1,668	38.24
Deposits of commercial banks.....	20,526	4.72	23,379	4.78	2,853	13.90
Certified and officers' checks, etc.....	5,993	1.38	5,935	1.21	- 58	- .97
<i>Total deposits.....</i>	<i>359,427</i>	<i>82.64</i>	<i>395,881</i>	<i>80.86</i>	<i>36,454</i>	<i>10.14</i>
<i>Demand deposits.....</i>	<i>172,565</i>	<i>39.67</i>	<i>179,046</i>	<i>36.57</i>	<i>6,481</i>	<i>3.76</i>
<i>Time and savings deposits.....</i>	<i>186,862</i>	<i>42.96</i>	<i>216,835</i>	<i>44.29</i>	<i>29,973</i>	<i>16.04</i>
Federal funds purchased and securities sold under agreements to repurchase.....	24,349	5.60	35,975	7.35	11,626	47.75
Liabilities for borrowed money.....	2,370	.54	3,722	.76	1,352	57.05
Acceptances executed by or for account of reporting banks and outstanding.....	2,062	.47	2,921	.60	859	41.66
Other liabilities.....	12,204	2.81	13,251	2.71	1,047	8.58
<i>Total liabilities.....</i>	<i>400,413</i>	<i>92.06</i>	<i>451,749</i>	<i>92.27</i>	<i>51,336</i>	<i>12.82</i>
Minority interest in consolidated subsidiaries.....	2	-	3	-	+ 1	50.00
<b>RESERVES ON LOANS AND SECURITIES</b>						
Reserves on loans.....	4,101	.94	4,634	.95	533	13.00
Reserves on securities.....	78	.02	79	.02	1	1.28
<b>CAPITAL ACCOUNTS</b>						
Capital notes and debentures.....	2,129	.49	2,200	.45	71	3.33
Preferred stock.....	42	.01	37	.01	- 5	- 11.90
Common stock.....	7,458	1.71	7,904	1.61	446	5.98
Surplus.....	12,717	2.92	13,513	2.76	796	6.26
Undivided profits.....	7,524	1.73	8,998	1.84	1,474	19.59
Reserves.....	482	.11	484	.10	2	.41
<i>Total capital accounts.....</i>	<i>30,352</i>	<i>6.98</i>	<i>33,135</i>	<i>6.77</i>	<i>2,783</i>	<i>9.17</i>
<i>Total liabilities and capital accounts.....</i>	<i>434,947</i>	<i>100.00</i>	<i>489,600</i>	<i>100.00</i>	<i>54,653</i>	<i>12.57</i>

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts less than .01 percent.

The 1972 and 1973 data reflect consolidation of all majority-owned bank premises, subsidiaries, and all significant domestic majority-owned subsidiaries, with the exception of Edge Act subsidiaries.

## II. *Income and Expenses of National Banks*

Both total operating income and total operating expenses of National banks increased at unprecedented rates during 1973—32.6 percent and 35.9 percent respectively. With net securities losses being only a nominal \$13.5 million, net income totalled \$3.8 billion, a 13.9 percent increase over 1972 results. Since the rate of increase of total assets was slightly less, 12.6 percent, the rate of return on assets increased by a small amount.

The combination of the 17.8 percent increase in loans and the sharply higher loan rates led to a 39.6 percent increase in interest and fees on loans. That item accounted for 67.5 percent of total operating income in 1973, compared with 64.1 percent in 1972. Interest received on investments also increased significantly, except for Treasuries which declined 1.2 percent due to the \$6.2 billion decline in bank holdings. Income on federal funds sold and securities purchased under agreements to resell vaulted from \$641.8 million in 1972 to \$1.5 billion in 1973,

accounting for 4.7 percent of total operating income.

All of the expense items involving interest payments increased sharply in 1973. Interest on deposits—by far the largest component of operating expense, accounting for 44.5 percent of the total—reached \$11.7 billion, a 44.3 percent increase. Expense of federal funds purchased and securities sold under agreements to repurchase totalled \$2.7 billion, accounting for 10.2 percent of operating expense and representing a 174.7 percent increase over the prior year's figure. While salaries and wages of officers and employees increased 10.3 percent, to \$4.9 billion, their relative importance as a component of operating expense continued to decline, this time from 23.1 percent in 1972 to 18.8 percent in 1973.

Applicable income taxes increased from \$1.0 billion to \$1.2 billion, a rise of 21.7 percent. Cash dividends of \$1.4 billion were declared, representing a payout of 38 percent.

TABLE 2  
Income and expenses of National banks\*, 1972 and 1973  
[Dollar amounts in millions]

	Dec. 31, 1972		Dec. 31, 1973		Change, 1972-1973	
	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent
Number of banks.....	4,614		4,661		47	1.02
Operating income:						
Interest and fees on loans.....	\$15,084.9	64.07	\$21,054.5	67.45	\$5,969.6	39.57
Income on Federal funds sold and securities purchased under agreements to resell.....	641.8	2.73	1,454.7	4.66	812.9	126.66
Interest and dividends on investments:						
U.S. Treasury securities.....	1,844.5	7.84	1,821.8	5.84	- 22.7	- 1.23
Obligations of other U.S. Government agencies and corporations.....	567.2	2.41	725.7	2.32	158.5	27.94
Obligations of States and political subdivisions.....	2,039.7	8.66	2,230.8	7.15	191.1	9.37
Other securities.....	175.6	.75	203.7	.65	28.1	16.00
Trust department income.....	770.9	3.27	820.4	2.63	49.5	6.42
Service charges on deposit accounts.....	718.3	3.05	752.7	2.41	34.4	4.79
Other service charges, collection and exchange charges, commissions, and fees.....	695.8	2.96	815.7	2.61	119.9	17.23
Other operating income.....	1,003.9	4.26	1,334.3	4.27	330.4	32.91
Total operating income.....	23,542.7	100.00	31,214.2	100.00	7,671.5	32.59
Operating expense:						
Salaries and wages of officers and employees.....	4,461.0	23.10	4,922.0	18.75	461.0	10.33
• Pensions and other employee benefits.....	778.7	4.03	905.3	3.45	126.6	16.26
Interest on deposits.....	8,084.7	41.86	11,666.0	44.45	3,581.3	44.30
Expense of Federal funds purchased and securities sold under agreements to repurchase.....	976.2	5.05	2,681.2	10.22	1,705.0	174.66
Interest on borrowed money.....	77.9	.40	304.0	1.16	226.1	290.24
Interest on capital notes and debentures.....	111.3	.58	130.4	.50	19.1	17.16
Occupancy expense of bank premises, net.....	903.6	4.68	999.2	3.81	95.6	10.58
Furniture and equipment, depreciation, rental costs, servicing, etc.....	651.2	3.37	718.7	2.74	67.5	10.37
Provision for loan losses (or actual net loan losses).....	584.3	3.02	758.1	2.89	173.8	29.74
Other operating expenses.....	2,685.8	13.91	3,161.9	12.05	476.1	17.73
Total operating expense.....	19,314.7	100.00	26,246.9	100.00	6,932.2	35.89
Income before income taxes and securities gains or losses.....	4,228.0		4,967.3		739.3	17.49
Applicable income taxes.....	982.2		1,194.9		212.7	21.66
Income before securities gains or losses.....	3,245.8		3,772.5		526.7	16.23
Net securities gains or losses (after tax effect).....	54.1		- 13.5		- 67.6	- 124.95
Net income before extraordinary items.....	3,299.9		3,758.9		459.0	13.91
Extraordinary charges or credits.....	8.3		9.0		.7	8.43
Minority interest in consolidated subsidiaries.....	—		—		—	—
Net income.....	3,307.9		3,767.7		459.8	13.90
Cash dividends declared:						
On common stock.....	1,307.6		1,447.0		139.4	10.66
On preferred stock.....	2.7		2.4		— .3	- 11.11
Total cash dividends declared.....	1,310.3		1,449.4		139.1	10.62
Ratio to income before income taxes and securities:						
Applicable income taxes.....		23.23		24.06		
Net securities gains.....		1.28		— .27		
Extraordinary charges or credits.....		.20		.18		
Ratio to total operating income:						
Salaries and wages.....		18.95		15.77		
Interest on deposits.....		34.34		37.37		
All other operating expenses.....		11.41		10.13		
Total operating expenses.....		82.04		84.09		
Net Income.....		14.05		12.07		

\*Includes all banks operating as National banks at year-end, and full year data for those State banks converting to National banks during the year.

NOTE: Dashes indicate amounts of less than \$500,000. Data may not add to totals because of rounding.

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

By the end of 1973, there were 19,415 National bank offices serving the public in the United States. That figure reflects the addition of 1,002 offices during 1973, a 5.2 percent increase. Operating offices included the head offices of 4,661 banks, a net increase of 47 over year-end 1972. The total number of branches at the end of 1973 reached 14,754, an increase of 6.5 percent. California, with 2,660 National banking offices, New York, with 1,675, Pennsylvania, with 1,470, and Ohio, with 1,071 led the other states in this category. Two unit banking states, Texas and Illinois, and the limited branching State of Pennsylvania led in total number of National banks — with 550,417, and 264 respectively.

National banks opened 871 *de novo* branches during 1973. In addition, 262 branches joined the National Banking System by way of mergers or conversions, and 177 left the system via closings, mergers, and conversions.

Over 68 percent of the *de novo* branches opened in 1973 were located in communities with fewer than 50,000 people. At the other end of the spectrum,

only 18.9 percent of the *de novo* branches were placed in cities with populations of 500,000 or more. Banks with total resources of less than \$50 million accounted for 335, or 38 percent of 1973's *de novo* branch openings. National banks with resources of over a billion dollars opened 218 *de novo* branches, or 25 percent of the total.

Ninety-four charters for newly organized National banks were issued during 1973, a 74 percent increase over 1972's 54. Preliminary approval was given to 134 applications, compared to 84 in the prior year. In addition, 82 charters were issued pursuant to corporate reorganizations and 16 in connection with conversions of State banks.

Fifty-three merger, consolidation, or purchase and sale transactions involving two or more operating banks and in which the resulting bank was a National bank were consummated during 1973. The comparable figure for 1972 was 57. Further, 88 transactions involving only one operating bank were completed, pursuant to corporate reorganizations.

TABLE 3  
National banks and banking offices, by States, Dec. 31, 1973

	National banks			Number of branches	Number of offices
	Total	Unit	With branches		
United States.....	4,661	2,831	1,829	14,754	19,414
Alabama.....	91	40	51	245	336
Alaska.....	5	0	5	60	65
Arizona.....	3	1	2	253	256
Arkansas.....	72	26	46	116	188
California.....	57	7	50	2,603	2,660
Colorado.....	126	111	15	15	141
Connecticut.....	24	6	18	243	267
Delaware.....	5	3	2	4	9
District of Columbia.....	12	1	11	78	90
Florida.....	262	262	0	0	262
Georgia.....	61	16	45	283	344
Hawaii.....	2	1	1	10	12
Idaho.....	6	1	5	147	153
Illinois.....	417	330	87	87	504
Indiana.....	122	41	81	408	530
Iowa.....	100	57	43	70	170
Kansas.....	170	136	34	40	210
Kentucky.....	80	31	49	174	254
Louisiana.....	51	12	39	215	266
Maine.....	19	3	16	116	135
Maryland.....	39	8	31	306	345
Massachusetts.....	79	14	65	473	552
Michigan.....	111	27	84	657	768
Minnesota.....	201	194	7	11	212
Mississippi.....	41	5	36	182	223
Missouri.....	104	64	40	45	149
Montana.....	54	51	3	3	57
Nebraska.....	122	94	28	32	154
Nevada.....	4	1	3	68	72
New Hampshire.....	49	19	30	73	122
New Jersey.....	127	22	105	857	984
New Mexico.....	34	5	29	96	130
New York.....	159	49	110	1,516	1,675
North Carolina.....	25	3	22	724	749
North Dakota.....	43	31	12	12	55
Ohio.....	215	59	156	856	1,071
Oklahoma.....	194	145	49	49	243
Oregon.....	8	1	7	281	289
Pennsylvania.....	264	105	158	1,206	1,469
Rhode Island.....	5	0	5	113	118
South Carolina.....	19	4	15	345	364
South Dakota.....	32	22	10	65	97
Tennessee.....	72	13	59	329	401
Texas.....	550	550	0	0	550
Utah.....	11	6	5	89	100
Vermont.....	22	9	13	43	65
Virginia.....	103	17	86	578	681
Washington.....	24	7	17	491	515
West Virginia.....	94	92	2	2	96
Wisconsin.....	127	86	41	77	204
Wyoming.....	42	42	0	0	42
Virgin Islands.....	1	0	1	8	9
Puerto Rico.....	1	1	0	0	1
District of Columbia— all*.....	15	1	14	115	130

\* Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

TABLE 4

*Applications for National bank charters\*, and charters issued\*, by States, calendar 1973*

	Received†	Approved	Rejected	Abandoned	Pending Dec. 31, 1973	Chartered
United States.....	357	134	68	4	151	94
Alabama.....	7	6	0	0	1	3
Alaska.....	0	0	0	0	0	0
Arizona.....	0	0	0	0	0	0
Arkansas.....	6	3	2	0	1	2
California.....	12	5	1	0	6	5
Colorado.....	9	3	1	0	5	3
Connecticut.....	1	1	0	0	0	0
Delaware.....	0	0	0	0	0	0
District of Columbia.....	2	2	0	0	0	1
Florida.....	78	17	19	2	40	17
Georgia.....	4	2	0	0	2	1
Hawaii.....	0	0	0	0	0	1
Idaho.....	0	0	0	0	0	0
Illinois.....	18	4	2	0	12	3
Indiana.....	1	0	0	0	1	1
Iowa.....	1	1	0	0	0	1
Kansas.....	1	1	0	0	0	0
Kentucky.....	1	1	0	0	0	0
Louisiana.....	5	3	1	0	1	1
Maine.....	1	1	0	0	0	0
Maryland.....	7	2	2	0	3	0
Massachusetts.....	0	0	0	0	0	0
Michigan.....	11	8	0	0	3	6
Minnesota.....	4	0	3	0	1	1
Mississippi.....	4	2	0	0	2	3
Missouri.....	12	6	3	0	3	1
Montana.....	0	0	0	0	0	0
Nebraska.....	2	1	0	0	1	1
Nevada.....	0	0	0	0	0	0
New Hampshire.....	1	1	0	0	0	1
New Jersey.....	17	7	3	0	7	8
New Mexico.....	7	0	3	0	4	1
New York.....	6	4	0	0	2	1
North Carolina.....	3	2	0	0	1	2
North Dakota.....	0	0	0	0	0	0
Ohio.....	2	2	0	0	0	1
Oklahoma.....	5	1	1	1	2	1
Oregon.....	0	0	0	0	0	0
Pennsylvania.....	1	1	0	0	0	0
Rhode Island.....	0	0	0	0	0	0
South Carolina.....	2	0	0	0	2	0
South Dakota.....	0	0	0	0	0	0
Tennessee.....	5	3	0	0	2	1
Texas.....	90	28	25	1	36	14
Utah.....	2	1	1	0	0	2
Vermont.....	0	0	0	0	0	0
Virginia.....	14	7	1	0	6	5
Washington.....	3	1	0	0	2	1
West Virginia.....	6	5	0	0	1	4
Wisconsin.....	2	1	0	0	1	1
Wyoming.....	3	1	0	0	2	0
Virgin Islands.....	0	0	0	0	0	0
Puerto Rico.....	1	0	0	0	1	0

\*Excludes conversions and corporate reorganizations.

†Includes 130 applications pending as of December 31, 1972.

TABLE 5

*Applications for National bank charters issued pursuant to corporate reorganizations, and charters issued, by States, calendar 1973*

	<i>Received*</i>	<i>Approved</i>	<i>Disapproved</i>	<i>Withdrawn</i>	<i>Pending Dec. 31, 1973</i>	<i>Chartered</i>
United States.....	106	99	0	1	6	82
Alabama.....	11	10	0	0	1	8
Alaska.....	0	0	0	0	0	0
Arizona.....	0	0	0	0	0	0
Arkansas.....	0	0	0	0	0	0
California.....	0	0	0	0	0	0
Colorado.....	4	4	0	0	0	0
Connecticut.....	0	0	0	0	0	1
Delaware.....	0	0	0	0	0	0
District of Columbia.....	0	0	0	0	0	0
Florida.....	0	0	0	0	0	0
Georgia.....	0	0	0	0	0	0
Hawaii.....	0	0	0	0	0	0
Idaho.....	0	0	0	0	0	0
Illinois.....	2	2	0	0	0	3
Indiana.....	1	1	0	0	0	0
Iowa.....	0	0	0	0	0	0
Kansas.....	0	0	0	0	0	1
Kentucky.....	0	0	0	0	0	0
Louisiana.....	1	1	0	0	0	1
Maine.....	0	0	0	0	0	1
Maryland.....	1	1	0	0	0	0
Massachusetts.....	5	5	0	0	0	3
Michigan.....	13	11	0	0	2	11
Minnesota.....	0	0	0	0	0	0
Mississippi.....	1	0	0	0	1	0
Missouri.....	1	1	0	0	0	1
Montana.....	0	0	0	0	0	0
Nebraska.....	1	1	0	0	0	1
Nevada.....	0	0	0	0	0	0
New Hampshire.....	3	3	0	0	0	0
New Jersey.....	11	10	0	1	0	3
New Mexico.....	0	0	0	0	0	0
New York.....	5	5	0	0	0	10
North Carolina.....	0	0	0	0	0	0
North Dakota.....	0	0	0	0	0	0
Ohio.....	4	3	0	0	1	6
Oklahoma.....	3	3	0	0	0	3
Oregon.....	0	0	0	0	0	0
Pennsylvania.....	1	1	0	0	0	2
Rhode Island.....	0	0	0	0	0	0
South Carolina.....	0	0	0	0	0	0
South Dakota.....	0	0	0	0	0	0
Tennessee.....	6	6	0	0	0	3
Texas.....	26	25	0	0	1	22
Utah.....	0	0	0	0	0	0
Vermont.....	0	0	0	0	0	0
Virginia.....	3	3	0	0	0	1
Washington.....	1	1	0	0	0	0
West Virginia.....	2	2	0	0	0	0
Wisconsin.....	0	0	0	0	0	1
Wyoming.....	0	0	0	0	0	0
Virgin Islands.....	0	0	0	0	0	0
Puerto Rico.....	0	0	0	0	0	0

\* Includes 8 applications pending as of December 31, 1972.

TABLE 6

*Applications for conversion to National bank charter, and charters issued, by States, calendar 1973*

	<i>Received*</i>	<i>Approved</i>	<i>Rejected</i>	<i>Abandoned</i>	<i>Pending Dec. 31, 1973</i>	<i>Chartered</i>
United States.....	17	15	1	1	0	16
Alabama.....	0	0	0	0	0	0
Alaska.....	0	0	0	0	0	0
Arizona.....	0	0	0	0	0	0
Arkansas.....	1	1	0	0	0	1
California.....	0	0	0	0	0	0
Colorado.....	0	0	0	0	0	0
Connecticut.....	1	1	0	0	0	1
Delaware.....	0	0	0	0	0	0
District of Columbia.....	0	0	0	0	0	0
Florida.....	2	2	0	0	0	1
Georgia.....	2	1	0	1	0	0
Hawaii.....	0	0	0	0	0	0
Idaho.....	1	1	0	0	0	1
Illinois.....	1	1	0	0	0	1
Indiana.....	1	1	0	0	0	1
Iowa.....	0	0	0	0	0	0
Kansas.....	0	0	0	0	0	0
Kentucky.....	0	0	0	0	0	0
Louisiana.....	0	0	0	0	0	0
Maine.....	0	0	0	0	0	0
Maryland.....	0	0	0	0	0	0
Massachusetts.....	0	0	0	0	0	0
Michigan.....	0	0	0	0	0	0
Minnesota.....	2	1	1	0	0	1
Mississippi.....	1	1	0	0	0	1
Missouri.....	0	0	0	0	0	1
Montana.....	0	0	0	0	0	0
Nebraska.....	0	0	0	0	0	0
Nevada.....	0	0	0	0	0	0
New Hampshire.....	0	0	0	0	0	1
New Jersey.....	1	1	0	0	0	1
New Mexico.....	0	0	0	0	0	0
New York.....	0	0	0	0	0	0
North Carolina.....	0	0	0	0	0	0
North Dakota.....	0	0	0	0	0	0
Ohio.....	0	0	0	0	0	0
Oklahoma.....	0	0	0	0	0	0
Oregon.....	0	0	0	0	0	0
Pennsylvania.....	0	0	0	0	0	0
Rhode Island.....	0	0	0	0	0	0
South Carolina.....	0	0	0	0	0	0
South Dakota.....	0	0	0	0	0	0
Tennessee.....	0	0	0	0	0	0
Texas.....	1	1	0	0	0	2
Utah.....	0	0	0	0	0	0
Vermont.....	1	1	0	0	0	0
Virginia.....	1	1	0	0	0	1
Washington.....	0	0	0	0	0	0
West Virginia.....	1	1	0	0	0	2
Wisconsin.....	0	0	0	0	0	0
Wyoming.....	0	0	0	0	0	0
Virgin Islands.....	0	0	0	0	0	0

\*Includes two applications pending as of December 31, 1972.

**TABLE 7**  
*Branches of National banks, by States, calendar 1973*

	<i>Branches in operation Dec. 31, 1973</i>	<i>Branches opened for business Jan. 1 to Dec. 31, 1973</i>	<i>Branches acquired through merger or conversion Jan. 1 to Dec. 31, 1973</i>	<i>Existing branches dis- continued or consolidated Jan. 1 to Dec. 31, 1973</i>	<i>Branches in operation, Dec. 31, 1973</i>
United States.....	13,798*	871	262	177	14,754
Alabama.....	225	19	2	1	245
Alaska.....	57	3	0	0	60
Arizona.....	239	14	0	0	253
Arkansas.....	100	16	0	0	116
California.....	2,530	81	64	72	2,603
Colorado.....	14	2	0	1	15
Connecticut.....	247	8	0	12	243
Delaware.....	4	0	0	0	4
District of Columbia.....	74	4	0	0	78
Florida.....	0	0	0	0	0
Georgia.....	248	34	1	0	283
Hawaii.....	10	0	0	0	10
Idaho.....	115	5	30	3	147
Illinois.....	79	8	0	0	87
Indiana.....	381	25	2	0	408
Iowa.....	63	6	2	1	70
Kansas.....	32	9	0	1	40
Kentucky.....	162	12	1	1	174
Louisiana.....	202	13	0	0	215
Maine.....	112	5	0	1	116
Maryland.....	284	19	3	0	306
Massachusetts.....	457	21	2	7	473
Michigan.....	625	33	1	2	657
Minnesota.....	7	4	0	0	11
Mississippi.....	158	14	10	0	182
Missouri.....	35	11	0	1	45
Montana.....	3	0	0	0	3
Nebraska.....	27	5	0	0	32
Nevada.....	66	2	0	0	68
New Hampshire.....	63	10	0	0	73
New Jersey.....	799	45	15	2	857
New Mexico.....	86	11	0	1	96
New York.....	1,397	117	8	6	1,516
North Carolina.....	676	44	8	4	724
North Dakota.....	12	0	0	0	12
Ohio.....	815	34	9	2	856
Oklahoma.....	48	1	0	0	49
Oregon.....	270	12	0	1	281
Pennsylvania.....	1,128	90	9	21	1,206
Rhode Island.....	96	17	0	0	113
South Carolina.....	262	20	63	0	345
South Dakota.....	62	2	1	0	65
Tennessee.....	318	20	0	9	329
Texas.....	0	0	0	0	0
Utah.....	80	6	4	1	89
Vermont.....	39	5	0	1	43
Virginia.....	537	50	14	23	578
Washington.....	470	10	13	2	491
West Virginia.....	1	1	0	0	2
Wisconsin.....	75	3	0	1	77
Wyoming.....	0	0	0	0	0
Virgin Islands.....	8	0	0	0	8
District of Columbia—all †.....	110	5	0	0	115

†Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

\*Includes eight automated teller machines in operation as of December 31, 1973.

TABLE 8

*De novo branch applications of National banks, by States, calendar 1973*

	<i>Received*</i>	<i>Approved</i>	<i>Rejected</i>	<i>Abandoned</i>	<i>Pending Dec. 31, 1973</i>
United States.....	1,627	1,092†	119	46	370
Alabama.....	36	29	1	2	4
Alaska.....	7	3	2	0	2
Arizona.....	39	29	4	0	6
Arkansas.....	37	33	0	2	2
California.....	152	102	27	2	21
Colorado.....	6	5	0	0	1
Connecticut.....	25	18	5	0	2
Delaware.....	1	0	0	0	1
District of Columbia.....	8	6	0	0	2
Florida.....	53	13	1	0	39
Georgia.....	50	41	2	0	7
Hawaii.....	0	0	0	0	0
Idaho.....	13	10	2	0	1
Illinois.....	10	7	0	0	3
Indiana.....	49	34	4	3	8
Iowa.....	7	6	0	0	1
Kansas.....	27	23	0	1	3
Kentucky.....	20	13	2	0	5
Louisiana.....	20	18	1	0	1
Maine.....	9	7	0	0	2
Maryland.....	35	22	3	1	9
Massachusetts.....	24	20	0	0	4
Michigan.....	133	55	22	7	49
Minnesota.....	7	4	0	0	3
Mississippi.....	31	15	4	2	10
Missouri.....	16	11	0	1	4
Montana.....	1	0	0	0	1
Nebraska.....	22	16	0	1	5
Nevada.....	8	7	0	0	1
New Hampshire.....	17	12	2	1	2
New Jersey.....	131	72	6	7	46
New Mexico.....	12	8	0	0	4
New York.....	173	123	4	7	39
North Carolina.....	66	48	4	0	14
North Dakota.....	4	3	0	0	1
Ohio.....	66	51	2	2	11
Oklahoma.....	3	3	0	0	0
Oregon.....	9	8	0	0	1
Pennsylvania.....	112	89	7	4	12
Rhode Island.....	3	3	0	0	0
South Carolina.....	28	18	1	0	9
South Dakota.....	5	2	0	0	3
Tennessee.....	39	27	4	0	8
Texas.....	0	0	0	0	0
Utah.....	14	9	1	0	4
Vermont.....	10	8	1	0	1
Virginia.....	54	37	2	1	14
Washington.....	21	13	5	1	2
West Virginia.....	9	7	0	0	2
Wisconsin.....	5	4	0	1	0
Wyoming.....	0	0	0	0	0
Virgin Islands.....	0	0	0	0	0
District of Columbia — all ‡.....	10	8	0	0	2

\*Includes 280 applications pending as of December 31, 1972.

†Includes four automated teller machines approved in 1973. One was located in each of these States: District of Columbia; Indiana; New York; and North Carolina. One was also approved in New Jersey, but the application was withdrawn.

‡Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

TABLE 9

*De novo branches of National banks opened for business, by community size and by size of bank, calendar 1973*

<i>Population of cities</i>	<i>Branches</i>	<i>Total resources of banks (millions of dollars)</i>	<i>Branches</i>
Less than 5,000.....	165	Less than 10.0.....	53
5,000 to 24,999.....	313	10.0 to 24.9.....	142
25,000 to 49,999.....	119	25.0 to 49.9.....	140
50,000 to 99,999.....	86	50.0 to 99.9.....	105
100,000 to 249,999.....	80	100.0 to 999.9.....	213
250,000 to 499,999.....	31	1,000 and over.....	218
500,000 to 1,000,000.....	29		
Over 1,000,000.....	48	Total.....	871*
Total.....	871*		

\*Includes three automated teller machines, beginning operation during 1973.

TABLE 10

*Mergers,\* calendar 1973*

	<i>Transactions involving two or more operating banks</i>	<i>Other pursuant to corporate reorganization</i>
Applications carried over from 1972.....	17	38
Applications received, 1973.....	54	89
Disposition of applications 1973:		
Approved.....	54	84
Withdrawn.....	2	5
Applications pending December 31, 1973.....	15	38
Transactions completed 1973:		
Mergers.....	40	83
Consolidations.....	3	0
Purchases of assets.....	10	5
Total completed.....	53	88

\*Includes mergers, consolidations, and purchase and sale transactions where the resulting bank is a National bank.

## IV. *Bank Examinations and Related Activities*

The National Bank Act requires that all National banks be examined twice in each calendar year, but the Comptroller, in the exercise of his discretion, may waive one such examination in a 2-year period, or may cause such examinations to be made more frequently, if considered necessary. In addition, the District Code authorizes the Comptroller to examine each non-National bank and trust company in the District of Columbia.

For the year ended December 31, 1973, the Office examined 6,844 banks, 25,400 branches and facilities, 1,762 trust departments, and 292 affiliates and subsidiaries, as well as conducting 623 special examinations and visitations. In addition, the Office received 227 applications to establish new banks; those included 97 corporate reorganizations. The Office also received 1,347 applications to establish *de novo* branches, and 15 applications to convert State banks to National banking associations.

National bank examinations are designed to determine the condition and performance of banks, the quality of their operations, the capacity of management, and whether the banks are complying with Federal laws. All facets of an examination have, as their end result, the determination of liquidity and solvency, present and prospective, and the determination of whether the bank is operating within the framework of applicable banking laws and regulations. The appraisal of a bank's loans and lending policies, investments and investment policies, and the ability and capacity of its management constitute the most exacting phases of the examination process.

As of December 31, 1973, the Office employed 2,038 examining personnel, 1,919 commercial examiners and 119 trust examiners.

A thorough review of examination practices and procedures is being undertaken in the Office's constant efforts to improve the quality and efficiency of examinations. The career development program of examining personnel is placing increased emphasis on various schools for all per-

sonnel, from the newly appointed Assistant National Bank Examiner to the experienced National Bank Examiner. The National Bank Examiner's school occupies a key role in this program; it is attended by all recently commissioned National Bank Examiners and is very important in the development of our examining personnel. The curriculum covers all aspects of commercial examinations. Loans and investment analysis, determination of asset quality, and evaluation of bank management receive the greatest emphasis. Time is also devoted to diversification of risk, liquidity, capital adequacy, earnings, bank operations, investment in fixed assets, borrowings, future prospects, and review of the various laws and regulations affecting National banks. There are also lectures on trust and international examining and enforcement responsibilities pertaining to the various types of consumer legislation. Instruction is provided by Washington Office personnel and several experienced National Bank Examiners. Knowledgeable bankers serve as guest speakers on topics in their field of specialization.

All newly appointed Assistant National Bank Examiners attend a special school held on the Regional level. Instruction is provided by experienced assistants and commissioned examiners. In-depth coverage is given to the basic areas of the examination in which the assistants will be performing most of their work. A broad view of banking is also presented in order to acquaint the new assistant with the industry.

Ninety-five National banks with 628 foreign branches require examiners with additional training to examine their international activities. That training is being provided through week-long seminars held quarterly in Washington, D.C., and through frequent, but temporary, international examining assignments at inter-regional and overseas locations.

National Bank Examiners began attending 5-day EDP seminars during 1970. During 1973 the Office

conducted three such seminars in the regions. Instruction covered the capabilities and limitations of EDP systems in commercial banks. The program will continue until all examining personnel have received the necessary training. In addition, examiners from each region have been selected for specialized instruction in Advanced Electronic Data Processing. Those examiners generally work independently of the commercial or trust examiner and prepare the EDP Report of Examination, copies of which are sent to the banks examined.

During 1973, a trust school was held in Washington, D.C. in addition to schools for trust personnel held on the regional level.

Finally, and in keeping with past practices, the Office encourages its examiners to attend the various graduate schools of banking and to participate in the host of courses offered by the American Institute of Banking and Dun and Bradstreet. We will continue to review and update training programs and examining techniques and to keep abreast of the ever-changing world of banking.

## V. *Litigation*

New litigation in 1973 challenging administrative actions for rulings of the Comptroller continued the trend characteristic of litigation in 1972—a significant increase in cases, 36\* new cases were filed during 1973, 31\* cases were pending on January 1, 1973, 25\* cases were terminated by the end of 1973, and 42\* cases were pending at the end of 1973. The litigation during 1973 was strongly influenced by a Supreme Court opinion handed down in March of 1973 which upheld the administrative procedures by which the Comptroller processes new bank applications.

The Comptroller's ruling was overturned in only two of the 25 cases terminated. The more significant cases involved the following subjects:

### A. *Administrative Enforcement Authority*

In *Manges v. Camp*, Civil Action No. SA-71-CA-362, W.D. Texas, the plaintiff sued to enjoin the Comptroller from enforcing provisions of the Financial Institutions Supervisory Act of 1966 which permit the Comptroller's summary suspension of persons indicted or convicted of certain felonies from participation in the affairs of an insured bank. Plaintiff in the *Manges* case asked that the provision of the Supervisory Act which permits the Comptroller to exercise summary suspension authority, 12 U.S.C. §1818(g)(1), be declared by the court to be unconstitutional as an *ex post facto* law, a bill of attainder, an unconstitutional delegation of legislative power, and a denial of due process.

The District Court upheld the Comptroller's motion to dismiss the case, but on March 1, 1973, the Court of Appeals for the Fifth Circuit reversed the District Court dismissal order in favor of the Comptroller (474 F.2d 97 (1973)) and held that the Comptroller's order under the Financial Institutions Supervisory Act summarily suspending the plaintiff from participating in the affairs of the bank was invalid because, according to the appellate court,

the language of the Act did not reach persons, like plaintiff, indicted or convicted of felonies prior to their participation in the affairs of the bank. In so ruling, the court did not reach the constitutional questions raised.

An additional case challenging the same summary suspension provision also was commenced in 1973 by a plaintiff indicted *while participating* in the affairs of a National bank. *Alexander J. Barket v. Smith*, Civil Action No. 1987-73, D. D.C. At year-end the *Barket* action was pending on the Comptroller's motion to dismiss.

### B. *Personal Property Lease Financing*

Three cases challenging the Comptroller's interpretive ruling (I.R. 7.3400, 12 C.F.R. 7.3400), which provides that National banks may engage in the leasing of personal property under certain circumstances were filed during 1973. *M & M Leasing Corporation, et al. v. Seattle-First National Bank, First Bank Leasing Corporation and Smith*, Civil Action No. 508-73C2, U.S.D.C., W.D. Wash. (Seattle); *M & M Leasing Corporation, et al. v. Peoples National Bank of Washington, Peoples Leasing Co. and Smith*, Civil Action No. 509-73C2, U.S.D.C., W.D. Wash. (Seattle); and *Cook Ford, Inc., et al. v. National Bank of Detroit and James E. Smith*, Civil Action No. 4-70795, U.S.D.C., E.D. Mich., S.D. Detroit. The complaints, in all three cases filed by automobile leasing corporations, challenge the Comptroller's ruling on the ground that the business of leasing and/or renting personal property, including motor vehicles, is, according to plaintiffs, not an activity incidental or necessary to the business of banking and, therefore, is not a permissible activity under the National Bank Act. Each plaintiff requests preliminary and permanent injunctions against the automobile lease financing programs of the respective defendant banks. At the end of 1973, no proceedings had taken place in the three cases other than the filing of the complaints.

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\*Bank Merger Act litigation not included.

## C. Receivership Priority Plan Adopted by the Comptroller and the Federal Deposit Insurance Corporation

In December of 1973, a complaint was filed in the United States District Court for the District of Columbia by First Empire Bank in New York and four foreign banking corporations (Banque Française du Commerce Extérieur, Interunion Banque, and Société Generale, banking corporations organized under the laws of France; and Credit Generale, a banking corporation organized under the laws of Belgium), asking the court to set aside or modify portions of the FDIC claim priority plan adopted in connection with the receivership of the United States National Bank in San Diego (*Banque Française du Commerce Extérieur, et al. v. Federal Deposit Insurance Corporation and James E. Smith, Comptroller of the Currency, U.S.D.C., D.C., Civil Action No. 2216-73*). The plaintiff banks alleged that, because the purchase and assumption agreement between the FDIC and purchaser Crocker National Bank excluded letters of credit issued to plaintiffs from the group of liabilities assumed by Crocker, while including other letters of credit, the FDIC and the Comptroller "granted a preference and a priority to certain other creditors of plaintiffs in violation of 12 U.S.C. §§91, 194, and 1821(d)." At the end of 1973, no action had been taken in the case other than the filing of the complaint.

## D. Performance of Data Processing Services by National Banks

Two cases which allege that the data processing activities of particular National banks exceed the authority contained in the incidental powers clause of the National Bank Act (12 U.S.C. §24) were pending during 1973: *Hallmark Data Systems Company, Inc. v. Central National Bank, et al.*, Civil Action No. 72C-1586, N.D. Ill.; and *National Retailers Corporation of America (NRCA) v. Valley National Bank, et al.*, Civil Action No. 71-410-PHX-WCF, D. Ariz.

In both cases, independent data processing service bureaus were challenging the Comptroller's ruling, 12 C.F.R. § 7.3500, which permits National

banks to perform certain data processing services. In the *Hallmark* case, the plaintiff contended that the performance of reader services and subscription fulfillment services by Central National Bank, in Chicago, Ill., was improper. Plaintiff *Hallmark* voluntarily dismissed its action in December 1973 without prejudice to a later refiling.

In the *NRCA* case, plaintiff challenges the authority of Valley National Bank in Phoenix, Ariz. to perform sales, inventory and accounts receivable analyses, and processing for businesses. At year-end 1973, the action was pending on plaintiff's motion for summary judgment.

A specific proposal to revise I.R. 7.3500 was published by the Comptroller October 25, 1973 (38 F.R. 29479). At year-end 1973, the Comptroller's staff was reviewing extensive comments received in response to the proposal.

## E. Performance of Travel Agency Services by National Banks

A decision of the United States Court of Appeals for the First Circuit which had held invalid the Comptroller's ruling permitting travel agency services by National banks (12 C.F.R. 7.7475) to the "extent that it may be construed by the Comptroller as authorizing a National bank to operate a full-scale travel agency" became final during 1973 when the Comptroller determined that the limited holding of the appellate court did not warrant Supreme Court review. *Arnold Tours v. Camp*, 472 F.2d 427 (1st Cir. 1972). At year-end 1973, the Comptroller's Office was preparing to publish an invitation for comment concerning modification of the travel services ruling to delineate more clearly the permissible boundaries of bank activity.

## F. New Banks

1. *Cases brought by competitors.* Twenty-five actions brought by competitors challenging the Comptroller's authority to approve new bank applications were before federal courts during 1973. *American Bank of Tulsa v. Smith*, Civil No. 73-C-16, N.D. Okla.; *Bank of Commerce v. Smith, et al.*, Civil Action No. 5912, D. Wyo.; *Bank of Commerce of Laredo v. City National Bank of Laredo, et al.*, Civil Action No. 72-L-15, S.D. Texas; *The Central Bank v. Smith, et al.*, Civil Action No. 73-C-576, E.D. Wisc.; *The Central Jersey Bank and Trust Co.*

v. *Watson*, Civil Action No. 1190-73, D. N.J.; *The Exchange National Bank of Jefferson City, et al. v. Smith*, Civil Action No. 73-CV-141-C, W.D., Mo.; *Farmers & Merchants State Bank of Derby, et al. v. Camp, et al.*, Civil Action No. W-5312, D. Kansas; *Village Bank and The First National Bank of Britton v. Smith and Quail Creek Bank, N.A.*, Civil Action No. 73-483-C, W.D. Okla.; *Wood County Bank v. Camp*, Civil Action No. 1277-72, D. D.C.; *First National Bank of Shawnee Mission v. Roeland Park State Bank and Trust Company and Centennial State Bank*, Civil Action No. 3669, D. Kansas; *Bank of Oregon v. Camp*, Civil Action No. 73-C-203, W.D. Wis.; *First National Bank of Fayetteville v. Smith*, Civil Action No. F-73-12, W.D., Ark.; *Grenada Bank v. Watson*, Civil Action No. EC-72-119-S, N.D. Miss.; *First National Bank of Homestead v. Camp*, Civil Action No. 348-73, D. D.C.; *Paul M. Nehring v. Smith*, Civil Action No. 73C 1905, N.D. Ill.; *City National Bank v. Smith and Meadowbrook National Bank*, Civil Action No. 73-2132, D. D.C.; *First American Bank of Memphis v. Watson*, Civil Action No. 73-203, W.D. Tenn.; *Peoples Bank of Arapahoe County v. Camp and The First National Bank of Aurora*, Civil Action No. C-4769, D. Colo.; *Harold E. Doley, et al. v. Piedmont Investment Co., Inc., et al.*, Civil Action No. 73-796, E.D. La.; *Roeland Park State Bank and Trust Co. v. Camp*, Civil Action No. 2563-73, D. D.C.; *First National Bank of Smithfield v. S. Gerald Isley and Smith*, Civil Action No. 4210, E.D. N.C.; *First State Bank, Clute, Texas v. Smith*, Civil Action No. 73-G-165, S.D. Texas; *Plaza National Bank v. Watson*, Civil Action No. 920-73, D. N.J.; *Grant County Bank, Sheridan, Arkansas v. Camp*, Civil Action No. PB73 C-49, E.D. Ark.; and *Proposed Bank of Commerce of New Jersey v. Camp and United Jersey National Bank of Cherry Hill*, Civil Action No. 143-72, D. N.J.

Four cases resulted in a final order upholding the Comptroller (*Bank of Commerce of Laredo*, *First National Bank of Homestead*, *First National Bank of Shawnee Mission*, and *Doley*); three cases were pending on appeal from lower court judgments for the Comptroller (*American Bank of Tulsa*, *City National Bank*, and *Wood County Bank*); one case was pending on appeal from a lower court judgment against the Comptroller (*First National Bank of Fayetteville*); three cases were voluntarily dismissed (*Roeland Park*, *Grant County Bank*, and *Proposed Bank of Commerce*); and fourteen cases

were pending in district courts (*Bank of Commerce, Sheridan, Wyoming*; *The Central Jersey Bank and Trust Company*; *The Exchange National Bank of Jefferson City*; *Farmers and Merchants State Bank of Derby*; *First American Bank of Memphis*; *First National Bank of Smithfield*; *First State Bank, Clute*; *Paul M. Nehring*; *Peoples Bank of Arapahoe County*; *Plaza National Bank*; *Bank of Oregon*; *The Village Bank*; *The Central Bank*; and *Grenada Bank*).

In the *Wood County* case, the Court of Appeals for the District of Columbia Circuit summarily reversed a District Court grant of a preliminary injunction preventing the Comptroller from issuing a charter because the Comptroller's approval was not issued in conjunction with formal findings of fact. Upon remand to the District Court, the Comptroller's approval of the charter was upheld. In the *Bank of Commerce* case, the Court of Appeals for the Fifth Circuit upheld a District Court opinion affirming the Comptroller's approval of a charter for a new National bank which proposed to be affiliated with an existing bank. Both courts determined that an affiliate National bank is a distinct banking entity and not a branch of the existing bank with which it is to be affiliated. Similarly, in the *American Bank of Tulsa* case, the District Court upheld the Comptroller's motion for summary judgment when the Comptroller approved a charter for an affiliate National bank. An appeal filed by plaintiffs is pending in the Court of Appeals for the Tenth Circuit. In the *Bank of Commerce* case in Wyoming, the District Court dismissed the action for lack of jurisdiction, stating that the Comptroller's approval of a bank holding company subsidiary charter application is not a final agency action, that final approval on a subsidiary application must come from the Federal Reserve Board, and that any appeal from a ruling by the Federal Reserve Board must be brought in a Federal Court of Appeals rather than in Federal District Court.

In *First National Bank of Fayetteville*, the District Court granted judgment for the plaintiff competitors who challenged the Comptroller's approval of an application for a new National bank in Fayetteville, Ark. In granting judgment for the competing institutions, the court suggested, *inter alia*, that \$1 million may be insufficient capital for a new bank in Fayetteville, Ark. At year-end, the Comptroller had appealed the District Court ruling to the United States Court of Appeals for the Eighth Circuit.

2. *Cases brought by applicants.* Three cases involving challenge by the organizers of National banks to the Comptroller's denial of their charter applications were pending before federal courts during 1973. *Sidney Schwartz, et al. v. Smith*, Civil Action No. 4655, S.D. N.Y.; *Camp v. Pitts*, 411 U.S. 138 (1973); and *Meisel v. Camp*, Civil Action No. 71-C-437, E.D. Mo.

In *Pitts*, the Supreme Court of the United States filed *per curiam* opinion (on the Comptroller's petition for *certiorari* from an adverse decision of the Fourth Circuit Court of Appeals (463 F.2d 632)), ruling that the Comptroller is not required to make formal findings when passing on new bank applications and that the responsibility of a District Court, when faced with an appeal from an administrative decision of the Comptroller, is to review the Comptroller's administrative record and to sustain the Comptroller's action unless the court finds it to be arbitrary, capricious, or illegal on the basis of the administrative record before the Comptroller at the time he made his decision. The Supreme Court thus reversed the Court of Appeals and remanded the case for further proceedings. At year-end 1973, the case was again pending before the District Court. The *Meisel* case was voluntarily dismissed by plaintiffs during the year, while at year-end 1973, no proceedings had taken place in the *Schwartz* case other than the filing of the complaint.

## G. Branches

Twenty-two actions challenging the Comptroller's approval of branch bank applications were before federal courts during 1973. *Driscoll v. Northwestern National Bank and Camp*, Civil Action No. 3-72-42, D. Minn.; *Merchants and Planters Bank of Newport, Arkansas, and the First National Bank of Newport, Arkansas v. Watson and/or Smith*, Civil Action No. B 73 C-18, E.D. Ark.; *Franklin S. Billings, Jr., et al. v. Camp, et al.*, Civil Action No. 1366-72, D. D.C.; *West Windsor State Bank v. The First National Bank of Princeton, The Broad Street National Bank of Trenton, The New Jersey National Bank, and Camp*, Civil Action No. 205-73, D. N.J.; *Old Kent Bank and Trust Co. v. Camp and Grand Valley National Bank*, Civil Action No. G67-73-CA(6), W.D. Mich.; *First National Bank, Piscataway v. Camp*, Civil Action No. 360-73, D. N.J.; *The First Bank and Trust Company v. Smith and Middlesex Bank, N.A.*, Civil Action No. 73-1355-M, D. Mass.; *Hudson United Bank v. Smith,*

*et al.*, Civil Action No. 1015-73, D. N.J.; *McDowell National Bank of Sharon v. Watson*, Civil Action No. 73-440, W.D. Pa.; *Community State Bank and Trust Co. v. Camp, et al.*, Civil Action No. 296-73, D. N.J.; *Mid-America National Bank of Chicago v. Watson and Michigan Avenue National Bank of Chicago*, Civil Action No. 72 C 2636, N.D. Ill.; *The Fidelity Trust Co., et al. v. Camp*, Civil Action No. B-39, D. Conn.; *First National Bank of Fairbanks v. Camp*, Civil Action No. 3702-70, D. D.C.; *Dunn v. First National Bank of Cartersville and Camp*, Civil Action No. 2375, N.D. Ga.; *First National Bank of Southaven v. Camp and Coahoma National Bank*, Civil Action No. 7145-K, N.D. Miss.; *The Community Banks of Washington v. Camp*, Civil Action No. 263-72C2, W.D. Wash.; *Alaska State Bank v. Camp*, Civil Action No. A101-70, D. Alaska; *The Community Bank and The Oregon Bank v. Camp and United States National Bank of Oregon*, Civil Action No. 72-703, D. Ore.; *First National Bank of Piscataway v. Camp and The Peoples National Bank of Piscataway*, Civil Action No. 984-72, D. N.J.; and *Lafayette Bank and Trust Co. v. Camp and Hartford National Bank*, Civil Action No. B-274, D. Conn.

Branch litigation resulted in a number of final appellate determinations during 1973. In *First National Bank of Fairbanks*, the Supreme Court denied review and thus left standing as final the decision of the Court of Appeals for the District of Columbia which had upheld the Comptroller's approval of an application by a National bank to establish a branch in Fairbanks, Alaska. The Court of Appeals, in ruling for the Comptroller, had rejected charges that the Comptroller's proceedings denied due process and the further contention that the Comptroller was bound to follow the Alaska State banking supervisor's views as to the application of State law to the branch application.

Just 24 hours after hearing oral arguments, the United States Court of Appeals for the Second Circuit issued an order unanimously affirming the decision of the United States District Court in New Haven, Conn., which had upheld the Comptroller's approval of an application by the Atlantic National Bank to establish a branch in Stanford, Conn. Plaintiffs in *The Fidelity Trust Company* case had urged both the district and appellate courts to overturn the Comptroller's decision upon the grounds that the Comptroller allegedly erred in not deeming Atlantic National's branch application

to be a *de facto* branch application of the Connecticut National Bank because of a pending merger plan.

In *Southaven*, the United States Court of Appeals for the Fifth Circuit agreed with the District Court in an opinion upholding the Comptroller's approval of a branch application. Both the District Court and the Court of Appeals agreed that the Comptroller had reasonably construed the branch banking statutes of Mississippi to permit establishment of branches in unincorporated areas within 1 mile of the parent bank, notwithstanding the contrary views of the State banking supervisor.

In *Driscoll v. Northwestern National Bank*, the United States Court of Appeals for the Eighth Circuit filed an opinion during 1973 reversing the District Court judgment for the Comptroller and remanding the case to the Comptroller for further consideration. The appellate court opinion did not hold incorrect the Comptroller's determination, affirmed by the District Court, that an existing TV-teller station of the defendant bank was part of its main office and not a branch, and that the bank, consequently, was still entitled to establish a branch at another location. Instead, the court merely held that the Comptroller's administrative record contained certain factual "discrepancies" which obligated the Comptroller "to make a fresh determination." At year-end 1973, the matter was pending before the Comptroller on remand.

The United States District Court for the Northern District of California filed an opinion granting judgment for the Comptroller in *Seattle Trust and Savings Bank, et al. v. The Bank of California, N.A.*, thereby affirming the Comptroller's approval of an application by the Bank of California to establish an additional branch in Seattle, Wash. The bank had contended, and the Comptroller agreed, that the bank was "situated" in Seattle for purposes of the operative language of 12 U.S.C. § 36(c) and the bank was thus entitled to establish an additional branch in Seattle just as were its other Seattle competitors. At year-end 1973, the case was pending on appeal by the Washington banking supervisor and numerous State banks to the United States Court of Appeals for the Ninth Circuit.

In the fall of 1973, the United States Court of Appeals for the Ninth Circuit filed an opinion in a long-pending appeal affirming in part and reversing in part a judgment of the United States District Court for the District of Alaska which had upheld the Comptroller's approval of an application by a

National bank to establish a branch in Anchorage (*Alaska State Bank v. Camp*). The Court of Appeals expressly affirmed the District Court's judgment as to the propriety and legality of the Comptroller's decision, but reversed the District Court's award of \$5,000 in attorneys' fees in favor of the Comptroller, finding that the conduct of the plaintiff bank was not sufficiently "vexatious, oppressive, fraudulent, unfair, . . . or in bad faith . . ." to warrant the attorney fee award as a punitive measure.

During 1973, litigation challenging the Comptroller's decision on branch applications resulted in nine final orders in favor of the Comptroller (*Community State Bank, First National Bank of Piscataway, Mid-American National Bank of Chicago, Old Kent Bank and Trust Company, Fidelity Trust Co., First National Bank of Fairbanks, Dunn, First National Bank of Southaven, and Alaska State Bank*); one case was dismissed as moot (*Billings*); one case was voluntarily dismissed by plaintiff (*Lafayette*); two cases were pending on appeal from lower court judgments in favor of the Comptroller (*The Community Bank and The Oregon Bank, and Seattle Trust and Savings Bank*); and nine cases were pending before lower courts (*The Community Banks of Washington, Driscoll, First Bank and Trust Company, First National Bank of Piscataway, The State Savings Bank of Scottsville, Hudson United Bank, Merchants and Planters Bank, West Windsor State Bank, and McDowell National Bank of Sharon*).

## H. Bank Merger Act Cases

The Comptroller's Antitrust Section won two more district court "potential competition" bank merger cases in 1972, *United States v. Marine Bancorporation*, ¶74,496, 1973 CCH Trade Cases (Jan. 31, 1973) and *United States v. The Connecticut National Bank*, 362 F. Supp. 240 (D. Conn. 1973), thereby bringing the total to eight.

Additionally, the Supreme Court on February 28, upheld by a split vote of 4-4 the merger involved in *United States v. First National Bancorporation*, 410 U.S. 577 (1973), *aff'g*. 329 F. Supp. 1003 (D. Colo. 1971). In that case the Comptroller had submitted an *amicus curiae* brief highlighting the conflict between bank regulation and the Justice Department's "potential competition" theory. Another district court "potential competition" case, *United States v. Bankers Trust of South Carolina*, Civil No. 72-830 (D. S.C.), was settled

by a consent decree between the Justice Department and the banks.

The *Marine Bancorporation* case, filed by Justice in 1971, was tried in mid-January; the trial took 8 full days. In that case the Justice Department alleged that Marine Bancorporation's single bank subsidiary, National Bank of Commerce of Seattle, Seattle, Wash., was a "potential entrant" into Spokane, Wash., a city situated 284 miles from Seattle near the Idaho border, and thus its acquisition of Washington Trust Bank in Spokane was considered violative of § 7 of the Clayton Act, 15 U.S.C. § 18. That assertion was made despite the fact that Washington State branching law prohibited a Seattle-based bank from establishing a branch office in Spokane except by acquiring "an existing bank." (See Revised Code of Washington, § 30.08.020.) The only other existing bank in Spokane was not available for acquisition because of a State statute forbidding State banks to be acquired prior to having been in operation for a period of 10 years. The Department of Justice nevertheless maintained that the Seattle bank could somehow obtain a branch in Spokane. The Comptroller and the defendants argued that The National Bank of Commerce of Seattle was not a potential entrant into Spokane in any realistic sense. The District Court, recognizing that the Justice Department's case was weaker than in the six earlier potential competition bank merger cases which had been tried and lost by Justice, delivered his opinion from the bench at the close of trial. The Court concluded that Justice had failed to prove that the bank merger violated the Clayton Act by lessening competition and that, in any event, the procompetitive and other convenience and needs benefits of the merger clearly outweighed the Justice Department's alleged anticompetitive effects. Those convenience and needs benefits were established by the direct testimony of business and other banking customers from Spokane called as witnesses by the Comptroller's trial attorneys. For example, the Comptroller proved through the testimony of a financial aide officer at a Spokane college that no banks in Spokane made student loans, that there was a need for student loans in Spokane, and that the instant merger would introduce a bank into Spokane, The National Bank of Commerce of Seattle, which would make such loans. Also, the Comptroller established at trial that only one bank in Spokane offered conventional, VA, and FHA mortgage financing so critical for the average home buyer and that The National Bank of Commerce's

entry through the challenged merger would provide a second and competitive source of mortgage financing.

The Department of Justice appealed the District Court's adverse decision in *Marine Bancorporation* and the Supreme Court noted probable jurisdiction on October 15, 1973. The Comptroller and the banks thereafter filed a joint motion to dismiss the appeal when the Justice Department had not filed its brief pursuant to the Supreme Court's rules and that motion had not been ruled on at the close of 1973. (The motion was denied on January 7, 1974 and oral argument in the Supreme Court is expected in April).

In the *Connecticut* case, also filed in 1971, the Department of Justice had sought to block the consolidation of The Connecticut National Bank, Bridgeport, Conn., and The First New Haven National Bank, New Haven, Conn., alleging that the consolidation would eliminate both actual and potential competition in violation of § 7 of the Clayton Act. The trial in this case lasted from October 10, 1972, until November 15, 1972. As for the potential competition allegations, Connecticut State branching law prohibited each of those banks from establishing branches in the other's market except by acquiring an existing bank. Nevertheless, Justice argued the banks could obtain offices in each other's markets. On June 22, 1973, the District Court, in a lengthy opinion, ruled against the Justice Department and stated that Justice had failed to prove its case. As in the *Marine Bancorporation* case, the District Court in *Connecticut* concluded that even had Justice proven its case, the convenience and needs of the community to be served clearly outweighed the alleged anticompetitive effects, again relying upon the testimony from the Comptroller's banking customer witnesses. The Justice Department appealed that decision also, although at the close of the year the Supreme Court had not decided to hear the case. (On January 7, 1974, the Supreme Court noted probable jurisdiction in the *Connecticut* case and set both *Marine Bancorporation* and *Connecticut* for oral argument in April).

On February 28, the Supreme Court split 4-4 on *United States v. First National Bancorporation*, 410 U.S. 577 (1973), a case in which the Comptroller had submitted an *amicus curiae* brief covering the bank regulation issues involved. No opinion was rendered in that case, which also involved the applicability of the "potential competition" theory

to banking. The *Connecticut* and *Marine Bank-corporation* bank merger cases may decide whether the Justice Department's potential competition theory should be applied to the banking industry where new entry is restricted to minimize the risk of bank failure.

## *I. Miscellaneous Litigation*

During 1973, the Comptroller was a party to a variety of other types of litigation which defy ready categorization. Thus, the Comptroller was a defendant in two separate actions (*Independent Bankers of Oregon v. Camp* and *United States National Bank of Oregon*, Civil Action Number 72-528; and *Olin v. Camp*, Civil Action No. 72-535, D. Ore.) brought by a group of banks in Oregon and the Oregon State supervisor to overturn the Comptroller's approval of certain automated teller units the bank proposed to install in shopping center locations. The District Court overturned the Comptroller's approval, holding that the Comptroller

can permit such facilities in Oregon only if their operation is authorized "affirmatively and not merely by implication or recognition by the statute law of Oregon." At year-end 1973, the case was pending on the Comptroller's and the bank's appeal from the District Court judgment. In *Skyline National Bank v. Watson*, Civil Action No. C-4847, D. Colo., plaintiff sought to enjoin the Comptroller's appointment of the FDIC as receiver of the bank. The District Court dismissed the action on the Comptroller's motion after hearing oral argument.

The Comptroller was also named as a nominal defendant in several actions pending during the year attacking the constitutionality of the Financial Recordkeeping and Reporting Act and the implementing regulations of the Treasury Department. *American Civil Liberties Union v. George P. Shultz, et al.*, Civil Action No. 1330-72, D. D.C.; the *California Bankers Association v. Connally*, Civil Action No. C-72-1175-WTS, N.D. Cal.; and *Stark, et al. v. Connally*, Civil Action No. 72-1045-WTS, N.D. Cal.

## VI. *Fiduciary Activities of National Banks*

Continued growth was observed in National bank trust departments in 1973. During the year, 56 applications for permits to exercise fiduciary powers were received. Of those applications and ones pending from prior years, 47 were approved. Also, during 1973, five State-chartered banks with trust departments converted to National banks. Taking into account losses through mergers and consolidations, the number of National banks authorized to exercise fiduciary powers stood at 1,988 at year-end. Of that figure, 1,739 operated trust departments.

Training of trust department examiners continued to receive a high priority. Innovation of new techniques and subject matter coverage characterized a 2-week school for assisting personnel held in March. Both Associates-in-Trusts, the intermediate examiner level, and Assistants-in-Trusts, the entry level, attended the first week, which was devoted to examination related matters. In addition to the more traditional subjects of instruction, special treatment was given to Investments, Portfolio Management, Securities Laws and Legislation, Control and Letter Stock, and Commercial Department Examination. Each subject was covered first by an outside expert in the field, and then by an experienced trust department examiner, thus bringing both technical subject knowledge and a specific focus upon its examination implications to the students. Examiners from the State banking departments of Oregon, Texas, Michigan, Connecticut, West Virginia, Wisconsin, Oklahoma, and Wyo-

ming also attended that session of the school.

The second week, for Associates-in-Trusts only, was devoted to supervisory and management training and was conducted by a professional in that field.

The trust examination force in the field was strengthened by the adoption of specific numerical complements for trust specialists in the examining force of each National bank region. The recruitment and promotion of trust examiners was given strong emphasis. During the year, 36 new Assistants-in-Trusts were hired, 11 Assistants were promoted to Associate-in-Trusts, and 12 Associates were promoted to Representative-in-Trusts, the highest qualification level.

The public image of trust departments and their supervision became the subject of increased attention on the part of many persons, both inside and out of the banking industry. Many asserted the need for disclosure of asset holdings and securities transactions by bank trust departments. That subject was given careful consideration by our Office and by year-end imposing such a requirement upon National banks was under consideration.

The relationship between banks and their trust departments has been a subject of continuing study for several years. Proposed rules and examination procedures developed to provide more explicit regulatory guidance on questions of the Chinese Wall, brokerage, and related matters were, and remain, under active consideration.

## VII. *International Banking and Finance*

1973 was a dramatic year for international financial centers as well as for the National banks which conduct business overseas. Worldwide inflation, international commodity shortages, and numerous political uncertainties were prevalent. The significant decrease in Japan's exchange reserves caused concern. The October Mideast crisis was especially jolting. The United States displayed its resiliency with a positive surge in our balance of payments. The dollar returned to a position of prominence.

National banks continually adjusted to those events. While a few banks reduced their foreign positions, the overall trend was expansionary through additional foreign branches and increased investment in *de novo* or existing foreign financial institutions. To this Office, such changes posed greater supervisory challenges which were met head-on with more intensive and improved examinations, additional educational programs for National Bank Examiners, and a closer working relationship with government financial institutions both here and abroad.

During 1973, National banks opened 72 foreign branches and closed 17. At year-end, an additional 34 branches were approved, but unopened, National banks also continued investing in foreign financial institutions either directly or indirectly through Edge Act subsidiaries. Forty-five National banks had some form of such ownership at year-end; the foreign institutions involved carry on commercial, retail, merchant, or investment banking. The avenue of foreign market presence, *i.e.*, branch vs. investment, generally depended on the regulatory framework of the market to be served and the financial capacity of the banks involved.

The International Division coordinates the supervision of such activities. The division maintains a London Embassy Office staffed with three experienced National Bank Examiners responsible for examining the activities of the 22 National banks in the United Kingdom. The United Kingdom has the greatest concentration of National bank

foreign assets. In addition, 59 National Bank Examiners were assigned to foreign branch examinations in 28 other countries during 1973; three examinations were conducted jointly with Italian Central Bank examiners. The division also arranged for each traveling examiner to meet with host country officials for discussion of mutual matters. As in previous years, a specialized National Bank Examiner was assigned to examine foreign branch computer operations.

In order to improve examination responsibilities, the International Division provided additional training for National Bank Examiners. During the year, eight examiners received 30 days' exposure to the sophisticated London market. In July, four examiners attended the School for International Banking at the University of Colorado. In October, the International Division conducted an intensive 5-day seminar for 30 examiners; subject matter centered on sovereign credit analysis and foreign exchange accounting. Finally, a 30 to 40 page newsletter has been instituted and is sent weekly to 185 examiners as well as to staff members of the Federal Reserve System. That newsletter contains media articles and country studies pertinent to current international activities.

The International Division participated with the National Advisory Council's working group to monitor debt of less developed countries. The Office was also an active participant in the Department of Treasury's membership on the Council of International Economic Policy. Dialogue with several Central Banks increased substantially during 1973, and foreign bankers and foreign bank supervisors visited the International Division throughout the year. A mutually beneficial relationship was also established with the sovereign analysis division of Eximbank. Finally, as in the past, this Office cooperated fully with the House of Representatives Committee on Banking and Currency, The Board of Governors of the Federal Reserve System, and The Bankers' Association for Foreign Trade in international banking matters of common interest.

## VIII. *Administrative and Management Development*

During 1973 the administrative operations of the bureau were strengthened by appointment of the Administrative Assistant to the Comptroller to the position of Deputy Comptroller of the Currency for Administration. In recognizing the increased scope of administrative activities, the Comptroller has assured a more mobile and responsive management staff.

The Fiscal Management Division continued to provide management with comprehensive and timely information concerning the financial operations of the Office. Although there were no significant changes or developments in our financial reporting system during the year, there were some minor refinements and changes in various operating procedures aimed at producing more efficient operations. These changes included automating some subsidiary accounting records which were previously prepared manually, and completing the automation of our manual record of total branches by bank. Use of the automated branch record has significantly reduced the time expended in the audit of National bank branch assessments.

Another important area of responsibility for the Fiscal Management Division is that of official employee travel which is normally performed in privately owned automobiles. During the year, travel regulations were revised and reissued to all employees. In recognition of increased travel costs, some travel allowances were increased. Because of the energy crisis, employees on official travel were requested and encouraged to use carpools as an energy conservation measure. Employee response to that request has been exceptional and the "energy" saved has been significant, with a decrease in unaccompanied travel from 39 percent to 25 percent.

The Comptroller's investment portfolio continued to be a major source of operating funds during 1973. The investment policy has been, and continues to be, one of keeping all available funds fully invested to maximize interest revenue, thereby defraying,

to the greatest possible extent, the cost of operating the Office. Interest income increased by 56 percent because of higher interest rates, an increase in funds available for investment, and investment policies and procedures initiated in prior years. Our return on investments was approximately 7 percent.

Plans for consolidation of the Comptroller's Washington, D.C. offices continued during 1973. The fifth and sixth floors of the L'Enfant Plaza East building have been selected for our National offices, and planning and construction have advanced to the point that occupancy is planned for summer of 1974. Those offices will consolidate employees currently in three separate buildings. An exceptional increase in interoffice communications is expected to result in increased productivity, decreased redundancy of operations, and improved employee morale.

In coordination with the move, a computer system has been selected and will be installed. The acquisition of the computer system was approved by the Comptroller as a measure in establishing independence of regulatory operations and to provide better use of the information available.

The bureau is substantially involved in preparation for the July 1, 1974 implementation of the federal building fund program requiring rental payment for all federally-controlled space. Our bureau currently occupies Federal space in approximately 55 cities and towns across the country; thus, considerable administrative effort is necessary to meet the program's requirements. Other space management activity included the relocation of four sub-regional offices, the establishment of three additional offices, and the elimination of one.

The Records Management Branch has succeeded in saving time, effort, and resources while sustaining a high level of efficiency and effectiveness in the preservation of vital records. That has been accomplished by eliminating the process of making a diazo copy of each microfilm frame and by maintaining

a microfiche in addition to the microfilm itself. At our request, the National Archives and Records Service evaluated our legal file-keeping procedures so that a centralized filing system for all legal records might be established.

Procurement activity has increased in all areas, keeping pace with the overall growth of the organization. Last year's decision to introduce electronic calculators into our equipment inventory on a large scale has been implemented and is highly successful. The examiners using the calculators in bank examinations report them to be true time saving devices.

The Personnel Management Division was reorganized late in 1973 to better meet the needs of expanding personnel activities and increasing employment. Several revised personnel procedures were issued to streamline paperwork requirements and to minimize the efforts of managers in requesting personnel actions.

Significant progress was achieved in the hiring of members of minority groups and women for the examining force. Our year-end survey showed 287 minority employees on the rolls. Of those, 171 were in examination, an increase of 68 percent over 1972, and approximately 160 of those were women, an increase of 70 percent over 1972. That progress was achieved by implementing new approaches to recruiting, including visits to college campuses outside regional boundaries.

Continued progress has been made in the cooperative education program. There were approximately 185 financial interns in the program at the end of 1973. That was a 68 percent increase over the prior year. Approximately 33 percent of the financial interns are members of minority groups and 23 percent are women. The program is considered a valuable tool in the continuing effort to achieve more effective equal employment opportunity and upward mobility programs.

Personnel ceilings established for each region required greater emphasis on quality staffing and effective manpower utilization. Based on an analysis of actual workload, staffing patterns and grade structures were developed for several regions.

An evaluation of the training needs of assistant examiners resulted in plans to coordinate training at the Washington level. The training program for new examiners will include a new orientation program, examination training teams, and formal classroom training. A program was established during 1973 to provide a more formalized system of executive development in order to assure a continuing

supply of executive talent for key positions through the identification and development of employees with high potential for executive assignment. The program will also provide opportunities for incumbent executives to attain and maintain their highest possible level of competence.

During 1973, more emphasis was placed on supervisory training for National Bank Examiners. An outside consultant conducted that training at the regional level. Particular attention was given to the areas of motivation, communication, and interpersonal relationships.

The labor-management relations policy was broadened with new provisions relating to intra-management communication and consultation. In a document sent to all employees, supervisors were advised of their responsibility for participating in the formulation of policy. In addition, they were advised of their role in communicating management views to employees and employees' views to management.

Because the Treasury Department relinquished its control over the personnel security function, a system for implementing such a program was established in the bureau. That involved the identification of critical sensitive positions, the review of full field investigation reports, and the issuance of top secret security clearances as appropriate.

On-site visits to four regions were made in order to evaluate the regional personnel management program. Personnel problems were identified through discussions with regional officials and interviews with employees. In addition to resolving individual problems, many regional personnel policies and practices were changed through informal discussions with regional administrators. Those visits also provided valuable input for changes in personnel policies and adoption of new policies at the Washington level.

Steady progress continued to be made in implementing the Comptroller's pay policy, especially for support and regional executive positions. A number of positions were restructured for greater efficiency and upward mobility. As a result of the incentive awards program, 38 awards were granted for adopted suggestions and superior achievements. In addition, 137 employees were recognized with high quality increase awards for their superior performance. Amount of awards distributed totaled \$76,285 for the year. Major changes in leave laws were implemented as were pay adjustments for all employees.

The Internal Audit Division conducted reviews in six regional offices and three computerized payroll centers in addition to management reviews in Washington. The audit reports contained 46 recommendations of which 41 were accepted.

The Management Services Division continued active support response to a variety of on-going government programs. Although no new programs

were initiated for data processing, extensive planning has been accomplished for the acquisition of the new computer system. The Burroughs B1726 will perform all present computerized applications, absorb the EAM system, and provide the capability for expansion in areas of economic research, use of examination data, and consolidation of bank structure information.

## IX. *Financial Operations of the Office of the Comptroller of the Currency*

Total revenue for the year was \$51.2 million, an increase of 14.06 percent over 1972. The percentage increase is greater than the increase in 1972 when the growth rate was 10.76 percent. Assessment receipts totaled \$43.2 million, an increase of \$5.4 million. That resulted from a \$58.5 billion rise in National bank assets. National bank assets affecting 1973 assessment receipts rose 15.54 percent, compared to an increase of 10.43 percent in the previous year.

Revenues from trust examinations totaled \$2,502,000, an increase of \$179,000. There were 1,668 trust examinations made in 1973, compared to 1,660 in 1972. Revenue from branch investigation applications was up sharply, increasing \$100,000. One thousand two hundred and eighty-four branch applications were received in 1973, compared to 1,108 in 1972. New bank charter revenues increased by \$6,000, while merger and consolidation fees decreased by \$48,000. There were 299 new bank charter applications in 1973, compared to 293 in 1972, and the number of bank merger applications dropped to 142, compared to 155 in 1972.

Interest on investments increased \$1,050,000, a rise of 56 percent, for a total of \$2,936,000. That rise was due to a combination of higher interest rates and a larger amount of funds available for investment.

The 1972 amount in other revenue included amounts received from the Small Business Administration for assistance provided that agency in processing applications under the hurricane Agnes

flood disaster program. No such assistance was required in 1973, thus accounting for the decrease.

All other revenue categories remained at substantially the same levels when compared to 1972.

Total expenses amounted to \$45.8 million, compared to \$40.5 million for 1972, an increase of \$5.3 million. That amounts to a 13.20 percent increase for 1973, compared to 6.65 percent for 1972.

Salaries, personnel benefits, and travel expenses amounted to \$43.3 million, or 94.5 percent of the total expenses for the year. Those three expenses amounted to \$38.2 million in 1972. Two across-the-board pay raises (5.14 percent in January 1973 and 4.77 percent in October 1973) and an increase in our examining staff were the principal reasons for the rise in salary expenses. Travel expenses totaled \$6.5 million, a rise of \$800,000 over 1972. That rise was due primarily to an increase in *per diem* rates and the encouragement of accompanied travel due to the energy situation. An extra allowance for accompanied travel resulted in increased mileage costs.

The remaining expenses totaled \$2,519,000, an increase of \$270,000 over the previous year. The most significant increases occurred in printing costs and consultants' fees.

The equity account is in reality a reserve for contingencies. Transfers of \$5.4 million increased the equity to \$32.4 million at year end. That represents a 7.9 months' reserve for operating expenses, based on the level of expenses over the last three months of 1973.

TABLE 11  
OFFICE OF THE COMPTROLLER OF THE CURRENCY  
BALANCE SHEETS

	<u>Assets</u>	<u>December 31</u>	
		<u>1973</u>	<u>1972</u>
Current assets:			
Cash.....		\$1,620,642	\$162,763
Obligations of U.S. Government, at amortized cost (approximates market value).....		3,749,000	9,089,412
Accrued interest on investments.....		738,230	562,287
Accounts receivable .....		245,010	499,139
Travel advances.....		483,440	435,817
Prepaid expenses and other assets.....		105,329	74,822
Total current assets .....		6,941,651	10,824,240
Long-term obligations of U.S. Government, at amortized cost (approximates market value).....		33,256,668	21,667,965
Fixed assets, at cost (Note 1):			
Furniture and fixtures.....		886,466	868,440
Office machinery and equipment .....		509,110	443,612
		1,395,576	1,312,052
Less accumulated depreciation.....		798,609	718,946
		596,967	593,106
Total assets.....		<u>\$40,795,286</u>	<u>\$33,085,311</u>
	<u>Liabilities and Comptroller's Equity</u>		
Current liabilities:			
Accounts payable and accrued expenses.....		\$343,459	\$193,194
Taxes and other payroll deductions.....		155,372	133,536
Accrued travel and salaries .....		2,604,320	857,838
Total current liabilities .....		3,103,151	1,184,568
Long-term liabilities:			
Accumulated annual leave.....		2,581,794	2,208,146
Closed receivership funds (Note 2).....		2,706,492	2,706,358
Total liabilities.....		8,391,437	6,099,072
Comptroller's equity.....		32,403,849	26,986,239
Commitments and contingencies (Note 3):			
Total liabilities and Comptroller's equity.....		<u>\$40,795,286</u>	<u>\$33,085,311</u>

See Notes at end of section.

TABLE 12

OFFICE OF THE COMPTROLLER OF THE CURRENCY

STATEMENTS OF REVENUE, EXPENSES AND COMPTROLLER'S EQUITY

	Year Ended December 31	
	1973	1972*
Revenue (Note 1):		
Semiannual assessments.....	\$43,178,771	\$37,824,450
Examinations and investigations.....	4,520,905	4,335,914
Investment income.....	2,936,677	1,886,494
Examination reports sold.....	507,080	490,355
Other.....	92,353	380,501
	<u>51,235,786</u>	<u>44,917,714</u>
Expenses:		
Salaries.....	33,985,944	29,998,319
Per diem.....	4,195,473	3,840,710
Retirement and other employee benefits (Note 3).....	2,854,360	2,538,394
Travel.....	2,263,484	1,850,070
Rent and maintenance (Note 3).....	629,907	608,819
Communications.....	495,468	445,849
Moving and shipping.....	181,498	248,478
Employee education and training.....	244,917	205,521
Printing, reproduction and subscriptions.....	256,977	204,012
Office machine repairs and rentals.....	155,204	129,458
Depreciation.....	121,418	124,937
Supplies.....	111,890	80,953
Consulting services.....	128,590	59,104
Other.....	193,046	142,189
	<u>45,818,176</u>	<u>40,476,813</u>
Excess of revenue over expenses.....	5,417,610	4,440,901
Comptroller's equity at beginning of year.....	26,986,239	22,545,338
Comptroller's equity at end of year.....	<u>\$32,403,849</u>	<u>\$26,986,239</u>

See Notes at end of section.

\*Reclassified to conform with 1973 presentation.

TABLE 13

OFFICE OF THE COMPTROLLER OF THE CURRENCY  
STATEMENTS OF CHANGES IN FINANCIAL POSITION

	<u>Year Ended December 31</u>	
	<u>1973</u>	<u>1972</u>
Financial resources were provided by:		
Excess of revenue over expenses.....	\$5,417,610	\$4,440,901
Add charges and credits not affecting working capital in the period:		
Additions to accumulated annual leave.....	666,850	369,635
Depreciation.....	121,418	124,937
Amortization of premium and accretion of discount on long-term U.S. Government obligations (net).....	(5,753)	(4,066)
Net loss on sales of fixed assets.....	2,613	2,111
Working capital provided by operations for the period.....	6,202,738	4,933,518
Long-term U.S. Government obligations:		
Redeemed.....		7,848,067
Transferred to current assets.....	1,350,000	4,061,003
Proceeds received on sales of fixed assets.....	9,971	2,319
Net receivership fund receipts.....	134	967
Total.....	7,562,843	16,845,874
Financial resources were used for:		
Purchase of long-term U.S. Government obligations.....	12,932,950	12,830,323
Payments of accrued annual leave.....	293,202	211,501
Purchase of fixed assets.....	137,863	106,129
	13,364,015	13,147,953
(Decrease) increase in working capital.....	<u>\$ (5,801,172)</u>	<u>\$ 3,697,921</u>
<u>Analysis of Changes in Working Capital</u>		
(Decrease) increase in current assets:		
Cash.....	\$1,457,879	\$(102,223)
Obligations of U.S. Government.....	(5,340,412)	2,351,454
Accrued interest.....	175,943	45,888
Accounts receivable.....	(254,129)	330,083
Travel advances.....	47,623	29,712
Prepaid expenses and other assets.....	30,507	(7,833)
	(3,882,589)	2,647,081
(Increase) decrease in current liabilities:		
Accounts payable and other accruals.....	(150,265)	(14,742)
Taxes and other payroll deductions.....	(21,836)	(50,257)
Accrued travel and salaries.....	(1,746,482)	1,115,839
	(1,918,583)	1,050,840
(Decrease) increase in working capital.....	<u>\$ (5,801,172)</u>	<u>\$ 3,697,921</u>

# OPINION OF INDEPENDENT ACCOUNTANT

To the Comptroller of the Currency  
Office of the Comptroller of the Currency

In our opinion, the accompanying balance sheets, the related statements of revenue, expenses and Comptroller's equity and the statements of changes in financial position present fairly the financial position of the Office of the Comptroller of the Currency at December 31, 1973 and 1972, the results of its operations and the changes in financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including confirmation of securities owned by correspondence with the depository.

PRICE WATERHOUSE & CO.

WASHINGTON, D.C.  
February 20, 1974.

## NOTES TO FINANCIAL STATEMENTS

### *Note 1—Organization and Accounting Policies*

The Office of the Comptroller of the Currency was created for the purpose of establishing and regulating a National Banking System. The National Currency Act of 1863, rewritten and re-enacted as The National Banking Act of 1864, created the Comptroller's Office, provided for its supervisory functions and the chartering of banks. The revenue of the Comptroller's Office is derived principally from assessments and fees paid by the National banks and interest on investments in U.S. Government obligations. Assessments paid by National banks are not construed to be government funds. No funds derived from taxes or Federal appropriations are allocated to or used by the Comptroller's Office in any of its operations. However, since the Comptroller's Office was created by an Act of Congress, its operations are not subject to Federal income taxes.

The accounts of the Comptroller's Office are maintained on the accrual basis. Fixed assets are depreciated on the straight-line basis principally over an estimated useful life of 10 years. Premiums and discounts on investments in U.S. Government obligations are amortized or accreted ratably over the terms of the obligations. U.S. Government obligations having a maturity date more than 12 months from the date of the financial statements are classified as long-term investments.

### *Note 2—Closed Receivership Funds*

This amount represents a liability for unclaimed depositors account balances, resulting principally from the failure and closing of certain National banks during the 1930's. At such time, the assets of the banks were transferred to the custody of the

Comptroller's Office to be held in trust for their depositors. Those funds have been invested in government securities pending claim by depositors.

### *Note 3—Commitments and Contingencies*

Regional and sub-regional offices of the Comptroller of the Currency lease office space under agreements which expire at varying dates through 1981. Rent expense aggregates approximately \$600,000 annually, of which approximately \$225,000 relates to long-term lease commitments at December 31, 1973. The Washington, D.C. office and certain regional Offices located in Federal Government facilities are presently occupied on a rent-free basis. However, as of July 1, 1974, the Comptroller's Office will be required to pay an estimated \$144,000 annually for the space occupied by those regional offices.

The Comptroller's Office has entered into a lease agreement for new office space in Washington, D.C. effective June 1, 1974 at an approximate annual rental of \$1,200,000. The initial lease is for a 5-year period and includes three consecutive 5-year renewal options.

The Comptroller's Office contributes to the Civil Service Retirement plan for the benefit of all its eligible employees. Contributions aggregated \$2,311,708 and \$2,037,847 in 1973 and 1972, respectively. The plan is participatory, with 7 percent of salary being contributed by each party.

Various banks in the District of Columbia have deposited securities with the Comptroller's Office as collateral for those banks entering into and administering trust activities. Those securities, having a par or stated value of \$11,741,000, are not assets of the Comptroller's Office and accordingly are not included in the accompanying financial statements.

**APPENDIX A**

**Merger Decisions, 1973**

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### 

Jan. 8, 1973:	Page	Mar. 30, 1973:	Page
Fidelity National Bank of Pa., Williamsport, Pa.		National Community Bank of Rutherford, Rutherford, N.J.	
The First National Bank of Lock Haven, Lock Haven, Pa.		National Union Bank of New Jersey, Dover, N.J.	
Merger.....	45	Merger.....	63
Jan. 15, 1973:		Mar. 31, 1973:	
Community National Bank, Loveland, Ohio		Northwestern National Bank of Sioux Falls, Sioux Falls, S. Dak.	
Citizensbank National Association, Felicity, Ohio		Parker State Bank, Parker, S. Dak.	
Merger.....	46	Merger.....	64
Jan. 19, 1973:		Mar. 31, 1973:	
Bank of Indiana, National Association, Gary, Ind.		The Union National Bank of Youngstown, Youngstown, Ohio	
Northwest Bank of Indiana, National Association, Whiting, Ind.		The First National Bank of Girard, Girard, Ohio	
Merger.....	48	Merger.....	65
Jan. 19, 1973:		Apr. 2, 1973:	
Old National Bank of Washington, Spokane, Wash.		Farmers First National Bank, Lititz, Pa.	
Security Bank, Lynnwood, Wash.		The First National Bank of Marietta, Marietta, Pa.	
Purchase.....	49	Merger.....	67
Jan. 26, 1973:		Apr. 2, 1973:	
The Merchants National Bank of Allentown, Allentown, Pa.		Guaranty National Bank and Trust Company of Corpus Christi, Corpus Christi, Tex.	
The First National Bank of Coopersburg, Coopersburg, Pa.		Bank of Commerce, Corpus Christi, Tex.	
Merger.....	51	Merger.....	68
Feb. 13, 1973:		Apr. 6, 1973:	
Wilber National Bank of Oneonta, Oneonta, N.Y.		The Merchants National Bank of Mobile, Mobile, Ala.	
The First National Bank of Morris, Morris, N.Y.		Citronelle State Bank, Citronelle, Ala.	
Merger.....	52	Merger.....	69
Feb. 28, 1973:		Apr. 13, 1973:	
Bankers Trust Company Albany, National Association, Albany, N.Y.		New Jersey Bank (National Association), Clifton, N.J.	
Montgomery County Trust Company, Amsterdam, N.Y.		The National Bank of Palisades Park, Palisades Park, N.J.	
Merger.....	54	Purchase.....	71
Feb. 28, 1973:		May 1, 1973:	
First National Bank, Bowling Green, Ohio		The Fulton National Bank of Lancaster, Lancaster, Pa.	
Progress National Bank of Toledo, Toledo, Ohio		The Leola National Bank, Leola, Pa.	
Consolidation.....	55	Merger.....	72
Mar. 8, 1973:		May 11, 1973:	
The Citizens National Bank of Meridian, Meridian, Miss.		First National Bank of South Jersey, Egg Harbor Township, N.J.	
The Bank of Macon, Macon, Miss.		First National Bank of Moorestown, Moorestown, N.J.	
Merger.....	56	Merger.....	74
Mar. 9, 1973:		May 31, 1973:	
North Carolina National Bank, Charlotte, N.C.		Zions First National Bank, Salt Lake City, Utah	
Citizens Bank and Trust Company, Henderson, N.C.		Bank of Vernal, Vernal, Utah	
Merger.....	58	Purchase.....	75
Mar. 9, 1973:		June 1, 1973:	
Puget Sound National Bank, Tacoma, Wash.		Purdue National Bank of Lafayette, Lafayette, Ind.	
State Bank of Morton, Morton, Wash.		Stockwell State Bank, Stockwell, Ind.	
Eatonville State Bank, Eatonville, Wash.		Merger.....	76
Orting State Bank, Orting, Wash.		June 1, 1973:	
Merger.....	60	The Amoskeag National Bank of Manchester, Manchester, N.H.	
Mar. 30, 1973:		Amoskeag Trust Company, N.A., Manchester, N.H.	
National Bank and Trust Company, Charlottesville, Va.		Merger.....	77
The First National Bank of Nelson County at Lovings-ton, Lovings-ton, Va.		June 30, 1973:	
Merger.....	61	Glens Falls National Bank and Trust Company, Glens Falls, N.Y.	
		The National Bank of Schuylerville, Schuylerville, N.Y.	
		Merger.....	78

\*Includes mergers, consolidations, and purchase and sale transactions where the emerging bank is a National bank. Decisions are arranged chronologically by effective date.

	<i>Page</i>		<i>Page</i>
June 30, 1973:		The Cambridge Valley National Bank, Cambridge, N.Y.	
The First National Bank of Cobb County, Marietta, Ga.		Merger.....	98
Bank of Acworth, Acworth, Ga.		Nov. 15, 1973:	
Merger.....	79	The First National Bank of Gallipolis, Gallipolis, Ohio	
June 30, 1973:		The Vinton Banking Company, Vinton, Ohio	
The First National Bank of Kenton, Kenton, Ohio		Purchase.....	99
The Alger Savings Bank, Alger, Ohio		Nov. 16, 1973:	
Merger.....	81	First National State Bank of North Jersey, Hackensack, N.J.	
June 30, 1973:		County Trust Company, Tenafly, N.J.	
The First National Bank of Logan, Logan, Utah		Merger.....	100
Pioneer National Bank, Logan, Utah		Nov. 16, 1973:	
Merger.....	82	The National Bank of Northern New York, Watertown, N.Y.	
July 2, 1973:		The First National Bank of Dexter, Dexter, N.Y.	
The South Carolina National Bank, Charleston, S.C.		Merger.....	101
The Bank of Berkeley, Moncks Corner, S.C.		Nov. 30, 1973:	
Merger.....	83	Citizens First National Bank of Ridgewood, Ridgewood, N.J.	
Aug. 1, 1973:		Pascack Valley Bank and Trust Company, Hillsdale, N.J.	
Zions First National Bank, Salt Lake City, Utah		Merger.....	103
Carbon Emery Bank, Price, Utah		Nov. 30, 1973:	
Merger.....	84	Highland National Bank of Newburgh, Newburgh, N.Y.	
Sept. 1, 1973:		First National Bank in Montgomery, Montgomery, N.Y.	
The Union National Bank of New Brighton, New Brighton, Pa.		Merger.....	104
The Freedom National Bank, Freedom, Pa.		Dec. 1, 1973:	
Consolidation.....	85	The First National Bank of Bethel, Bethel, Ohio	
Sept. 10, 1973:		The Amelia State Bank, Amelia, Ohio	
The Peoples National Bank of State College, State College, Pa.		Merger.....	106
The Rebersburg National Bank, Rebersburg, Pa.		Dec. 12, 1973:	
Merger.....	87	Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C.	
Sept. 18, 1973:		Bank of Elizabethtown, Elizabethtown, N.C.	
The Newport National Bank, Newport, Ky.		Merger.....	107
West Side Savings Bank, Newport, Ky.		Dec. 17, 1973:	
Purchase.....	88	American National Bank, Bakersfield, Calif.	
Oct. 1, 1973:		National Bank of Agriculture, Fresno, Calif.	
The National Bank and Trust Company of Norwich, Norwich, N.Y.		Merger.....	108
The First National Bank of Newark Valley, Newark Valley, N.Y.		Dec. 31, 1973:	
Merger.....	89	Citizens National Bank in Pocomoke City, Pocomoke City, Md.	
Oct. 5, 1973:		Bank of Crisfield, Crisfield, Md.	
The National Bank of Commerce of Seattle, Seattle, Wash.		Merger.....	110
Citizens State Bank, Puyallup, Wash.		Dec. 31, 1973:	
Purchase.....	91	Crocker National Bank, San Francisco, Calif.	
Oct. 15, 1973:		Imperial Valley National Bank, El Centro, Calif.	
The Peoples National Bank, Greenville, S.C.		Purchase.....	111
Bankers Trust of South Carolina, Columbia, S.C.		Dec. 31, 1973:	
Consolidation.....	92	Cumberland County National Bank and Trust Company, New Cumberland, Pa.	
Oct. 18, 1973:		The Citizens National Bank of Newport, Newport, Pa.	
Crocker National Bank, San Francisco, Calif.		Merger.....	113
United States National Bank, San Diego, Calif.		Dec. 31, 1973:	
Purchase.....	93	First National Bank of South Carolina, Columbia, S.C.	
Oct. 23, 1973:		The Security Bank, Edgefield, S.C.	
The Park National Bank, Newark, Ohio		Merger.....	114
The Utica Savings Bank Company, Utica, Ohio		Dec. 31, 1973:	
Purchase.....	94	Mid-American National Bank and Trust Company, Northwood, Ohio	
Oct. 26, 1973:		The Grand Rapids Banking Company, Grand Rapids, Ohio	
Pittsburgh National Bank, Jeanette, Pa.		Merger.....	115
Farmers Bank and Trust Company, Indiana, Pa.			
Purchase.....	95		
Oct. 29, 1973:			
The Shelburne Falls National Bank, Shelburne Falls, Mass.			
The Conway National Bank, Conway, Mass.			
Merger.....	97		
Oct. 31, 1973:			
Glens Falls National Bank and Trust Company, Glens Falls, N.Y.			

## II. Mergers consummated, pursuant to corporate reorganization

	Page		Page
Jan. 1, 1973:		Feb. 26, 1973:	
American National Bank and Trust Company of Chattanooga, Chattanooga, Tenn.		The Fairfield County National Bank, Norwalk, Conn.	
American Bank National Association, Chattanooga, Tenn.		The Connecticut Bank and Trust Company, N.A., Norwalk, Conn.	
Merger.....	117	Merger.....	128
Jan. 1, 1973:		Feb. 28, 1973:	
National Bank of Detroit, Detroit, Mich.		The First National Bank of Hopedale, Hopedale, Ohio	
Detroit National Bank, Detroit, Mich.		The Second National Bank of Hopedale, Hopedale, Ohio	
Merger.....	117	Merger.....	129
Jan. 1, 1973:		Feb. 28, 1973:	
San Angelo National Bank of San Angelo, San Angelo, Tex.		The Saugerties National Bank and Trust Company, Saugerties, N.Y.	
Capital National Bank, San Angelo, Tex.		The Chase Manhattan Bank of the Mid-Hudson (National Association), Saugerties, N.Y.	
Merger.....	118	Merger.....	130
Jan. 8, 1973:		Mar. 1, 1973:	
The Niles National Bank and Trust Company, Niles, Mich.		The First National Bank of Moravia, Moravia, N.Y.	
American Bank of Niles, National Association, Niles, Mich.		Moravia National Bank, Moravia, N.Y.	
Merger.....	119	Merger.....	131
Jan. 22, 1973:		Mar. 1, 1973:	
Second National Bank of Saginaw, Saginaw, Mich.		The Hayes National Bank of Clinton, Clinton, N.Y.	
The Second Bank of Saginaw, N.A., Saginaw, Mich.		Hayes National Bank, Clinton, N.Y.	
Merger.....	119	Merger.....	132
Jan. 26, 1973:		Mar. 6, 1973:	
The First National Bank of Highland, Highland, N.Y.		The Central Valley National Bank, Central Valley, N.Y.	
The Second National Bank of Highland, Highland, N.Y.		Citibank (Mid-Hudson), National Association, Town of Woodbury (P.O. Central Valley), N.Y.	
Merger.....	120	Merger.....	133
Jan. 29, 1973:		Mar. 6, 1973:	
The American Bank of Three Rivers, National Association, Three Rivers, Mich.		The First Trust and Deposit Company of Oriskany Falls, Oriskany Falls, N.Y.	
Three Rivers National Bank, Three Rivers, Mich.		Citibank (Central), National Association, Oriskany Falls, N.Y.	
Merger.....	121	Merger.....	134
Jan. 30, 1973:		Mar. 26, 1973:	
The American National Bank of Amarillo, Amarillo, Tex.		First National Bank of Holland, Holland, Mich.	
Bank of Amarillo, N.A., Amarillo, Tex.		Holland National Bank, Holland, Mich.	
Merger.....	122	Merger.....	135
Jan. 31, 1973:		Mar. 30, 1973:	
Neenah West National Bank, Neenah, Wis.		Union Bank and Trust Company (National Association), Grand Rapids, Mich.	
Second Neenah West National Bank, Neenah, Wis.		The Union National Bank, Grand Rapids, Mich.	
Merger.....	123	Merger.....	136
Feb. 1, 1973:		Apr. 19, 1973:	
Bank of Maine, N.A., Augusta, Me.		Somerset Hills & County National Bank, Basking Ridge, N.J.	
Water Street National Bank, Augusta, Me.		New Somerset Hills & County National Bank, Basking Ridge, N.J.	
Merger.....	124	Merger.....	137
Feb. 1, 1973:		Apr. 20, 1973:	
State National Bank, Evanston, Ill.		The Austin National Bank, Austin, Tex.	
SNB National Bank, Evanston, Ill.		Austin Bank, National Association, Austin, Tex.	
Merger.....	124	Merger.....	139
Feb. 13, 1973:		Apr. 24, 1973:	
Gulf Coast National Bank, Houston, Tex.		First National Bank of Abilene, Abilene, Tex.	
Gulf Bank, National Association, Houston, Tex.		Second National Bank of Abilene, Abilene, Tex.	
Merger.....	125	Merger.....	139
Feb. 13, 1973:		Apr. 24, 1973:	
Houston Intercontinental National Bank, Houston, Tex.		Manufacturers National Bank of Detroit, Detroit, Mich.	
Kennedy Boulevard Bank, National Association, Houston, Tex.		Manufacturers Bank Detroit, N.A., Detroit, Mich.	
Merger.....	126	Merger.....	140
Feb. 15, 1973:		Apr. 24, 1973:	
The First National Bank of Lawrenceburg, Lawrenceburg, Tenn.		The Hibernia National Bank in New Orleans, New Orleans, La.	
The National Bank of Lawrenceburg, Lawrenceburg, Tenn.		Tower National Bank, New Orleans, La.	
Merger.....	126	Merger.....	141
Feb. 21, 1973:		Apr. 30, 1973:	
The First National Bank of Cookeville, Cookeville, Tenn.		Citizens National Bank in Ennis, Ennis, Tex.	
The Second National Bank of Cookeville, Cookeville, Tenn.		Bancorp National Bank of Ennis, Texas, Ennis, Tex.	
Merger.....	127	Merger.....	141

Apr. 30, 1973:	Page	July 2, 1973:	Page
The National City Bank of Cleveland, Cleveland, Ohio		Hackley Union National Bank and Trust Company of Muskegon, Muskegon, Mich.	
NCB National Bank, Cleveland, Ohio		Hackley Bank National Association, Muskegon, Mich.	
Merger.....	142	Merger.....	154
May 1, 1973:		July 9, 1973:	
Citizens National Bank of San Antonio, San Antonio, Tex.		The Winters National Bank and Trust Company of Dayton, Dayton, Ohio	
Citizens Bank, N.A., San Antonio, Tex.		Winters Bank, N.A., Dayton, Ohio	
Merger.....	143	Merger.....	155
May 1, 1973:		July 19, 1973:	
Corpus Christi State National Bank, Corpus Christi, Tex.		MacGregor Park National Bank of Houston, Houston, Tex.	
State National Bank of Corpus Christi, Corpus Christi, Tex.		New MacGregor Park National Bank, Houston, Tex.	
Merger.....	143	Merger.....	156
May 1, 1973:		July 25, 1973:	
The Frost National Bank of San Antonio, San Antonio, Tex.		The First National Bank of Olean, Olean, N.Y.	
Frost Bank, N.A., San Antonio, Tex.		First Bank of Olean, National Association, Olean, N.Y.	
Merger.....	144	Merger.....	156
May 4, 1973:		July 31, 1973:	
The First National Bank of Eagle Pass, Eagle Pass, Tex.		The Farmers National Bank of Malone, Malone, N.Y.	
Maverick County National Bank, Eagle Pass, Tex.		Farmers Bank of Malone, National Association, Malone, N.Y.	
Merger.....	145	Merger.....	158
May 7, 1973:		Aug. 8, 1973:	
Nanuet National Bank, Nanuet, N.Y.		Union National Bank, Lowell, Mass.	
The Nanuet National Bank of Rockland County, Nanuet, N.Y.		Union Bank, National Association, Lowell, Mass.	
Merger.....	146	Merger.....	159
June 4, 1973:		Aug. 17, 1973:	
The Peoples National Bank of Greenfield, Greenfield, Ohio		Virginia National Bank/Henry County, Henry County (P.O. Martinsville), Va.	
Greenfield National Bank, Greenfield, Ohio		The Martinsville Branch of Virginia National Bank, Norfolk, Va.	
Merger.....	147	Purchase.....	160
June 11, 1973:		Sept. 4, 1973:	
First National Bank & Trust Co., Washington, Pa., Washington, Pa.		Bassett National Bank of El Paso, El Paso, Tex.	
First Washington Bank, N.A., Washington, Pa.		Bassett Bank, PanNational Association, El Paso, Tex.	
Merger.....	148	Merger.....	161
June 14, 1973:		Sept. 4, 1973:	
The Barnstable County National Bank of Hyannis, Hyannis, Mass.		Citizens National Bank of Austin, Austin, Tex.	
Barnstable County Bank, National Association, Barnstable, Mass.		Pan National Bank of Austin, Austin, Tex.	
Merger.....	149	Merger.....	162
June 29, 1973:		Sept. 4, 1973:	
Lincoln National Bank, Buffalo, N.Y.		First National Bank & Trust Company of Lincoln, Lincoln, Nebr.	
Chase Manhattan Bank of Western New York (National Association), Buffalo, N.Y.		National Bank of Lincoln, Lincoln, Nebr.	
Merger.....	150	Merger.....	163
June 29, 1973:		Sept. 4, 1973:	
The First National Bank of Manhattan, Manhattan, Kans.		The First Freeport National Bank, Freeport, Tex.	
Poyntz National Bank of Manhattan, Manhattan, Kans.		First Freeport Interim National Bank, Freeport, Tex.	
Merger.....	151	Merger.....	163
June 30, 1973:		Sept. 4, 1973:	
The Commercial National Bank of Anniston, Anniston, Ala.		The First National Exchange Bank of Washington County, Washington County (P.O. Bristol), Va.	
Commercial Bank National Association, Anniston, Ala.		Three Bristol Branches of The First National Exchange Bank of Virginia, Roanoke, Va.	
Merger.....	152	Purchase.....	164
June 30, 1973:		Sept. 6, 1973:	
The First National Bank and Trust Company of Muskogee, Muskogee, Okla.		The First National Bank of Greeneville, Greeneville, Tenn.	
Three Rivers National Bank of Muskogee, Muskogee, Okla.		The National Bank of Greeneville, Greeneville, Tenn.	
Merger.....	153	Merger.....	165
June 30, 1973:		Sept. 21, 1973:	
Upper Avenue National Bank of Chicago, Chicago, Ill.		Temple National Bank, Temple, Tex.	
UA National Bank, Chicago, Ill.		Temple Bank, National Association, Temple, Tex.	
Merger.....	154	Merger.....	166
		Sept. 28, 1973:	
		The Alabama National Bank of Montgomery, Montgomery, Ala.	
		Mongomery County National Bank, Montgomery, Ala.	
		Merger.....	167
		Sept. 28, 1973:	
		The American National Bank of Huntsville, Huntsville, Ala.	

Madison National Bank, Huntsville, Ala.	Page	Denison Bank, National Association, Denison, Tex.	Page
Merger.....	168	Merger.....	180
Sept. 28, 1973:		Nov. 19, 1973:	
Union National Bank and Trust Company of Souderton, Souderton, Pa.		Peoples National Bank & Trust Company of Bay City, Bay City, Mich.	
New Union National Bank, Souderton, Pa.		Commercial National Bank of Bay City, Bay City, Mich.	
Merger.....	169	Merger.....	181
Sept. 30, 1973:		Nov. 30, 1973:	
The First National Bank and Trust Company of Escanaba, Escanaba, Mich.		First National Bank in Brownwood, Brownwood, Tex.	
Second National Bank and Trust Company of Escanaba, Escanaba, Mich.		First Bank National Association, Brownwood, Tex.	
Merger.....	169	Merger.....	181
Sept. 30, 1973:		Nov. 30, 1973:	
The First National Bank and Trust Company of Marquette, Marquette, Mich.		Holyoke National Bank, Holyoke, Mass.	
Second National Bank and Trust Company of Marquette, Marquette, Mich.		The Holyoke Bank, National Association, Holyoke, Mass.	
Merger.....	170	Merger.....	182
Sept. 30, 1973:		Nov. 30, 1973:	
The Miners' First National Bank and Trust Company of Ishpeming, Ishpeming, Mich.		The American National Bank in Western Michigan, Allegan, Mich.	
Miners' Second National Bank and Trust Company of Ishpeming, Ishpeming, Mich.		The West Allegan Branch of The American National Bank and Trust Company of Michigan, Kalamazoo, Mich.	
Merger.....	171	Purchase.....	183
Oct. 1, 1973:		Nov. 30, 1973:	
First & Merchants National Bank of Tidewater, Chesapeake, Va.		The First National Bank of Mobile, Mobile, Ala.	
Fourteen Branches of First & Merchants National Bank, Richmond, Va.		FBG National Bank of Mobile, Mobile, Ala.	
Purchase.....	172	Merger.....	184
Oct. 5, 1973:		Nov. 30, 1973:	
The First National Bank of Odessa, Odessa, Tex.		The Henderson National Bank of Huntsville, Huntsville, Ala.	
Odessa Bank, National Association, Odessa, Tex.		FBG National Bank of Huntsville, Huntsville, Ala.	
Merger.....	173	Merger.....	185
Oct. 15, 1973:		Dec. 31, 1973:	
First National Bank and Trust Company of Evanston, Evanston, Ill.		First Charter National Bank, Monroe Township (P.O. Jamesburg), N.J.	
FNB National Bank, Evanston, Ill.		Second Charter National Bank, Monroe Township (P.O. Jamesburg), N.J.	
Merger.....	174	Merger.....	185
Oct. 31, 1973:		Dec. 31, 1973:	
The Capital National Bank in Austin, Austin, Tex.		First Hutchings-Sealy National Bank of Galveston, Galveston, Tex.	
Capital Bank, National Association, Austin, Tex.		Market Street Bank, National Association, Galveston, Tex.	
Merger.....	174	Merger.....	186
Oct. 31, 1973:		Dec. 31, 1973:	
The First National Bank of Harlingen, Harlingen, Tex.		First National Bank in Bartlesville, Bartlesville, Okla.	
Harlingen Bank, National Association, Harlingen, Tex.		Security National Bank, Bartlesville, Okla.	
Merger.....	175	Merger.....	187
Nov. 1, 1973:		Dec. 31, 1973:	
American National Bank in Springfield, Springfield, Mo.		Mechanics National Bank of Burlington County, Burlington Township, N.J.	
Charter Bank of Springfield, National Association, Springfield, Mo.		Mechanics National Bank of Delaware Valley, Burlington Township, N.J.	
Merger.....	176	Merger.....	188
Nov. 12, 1973:		Dec. 31, 1973:	
The First National Bank of Anniston, Anniston, Ala.		The City National Bank of Tuscaloosa, Tuscaloosa, Ala.	
Alabama National Bank of Anniston, Anniston, Ala.		City Bank of Tuscaloosa, N.A., Tuscaloosa, Ala.	
Merger.....	177	Merger.....	189
Nov. 15, 1973:		Dec. 31, 1973:	
First National Bank of Bay Minette, Bay Minette, Ala.		The First National Exchange Bank of Montgomery County, Blacksburg, Va.	
Bay Minette National Bank, Bay Minette, Ala.		Two Blacksburg Branches of The First National Exchange Bank of Virginia, Roanoke, Va.	
Merger.....	178	Purchase.....	190
Nov. 15, 1973:		Dec. 31, 1973:	
The Citizens National Bank in Abilene, Abilene, Tex.		The First National Bank of Yorktown, Va.	
Citizens Bank, National Association, Abilene, Tex.		Yorktown National Bank, Yorktown, Va.	
Merger.....	179	Merger.....	191
Nov. 15, 1973:			
The State National Bank of Denison, Denison, Tex.			

### III. Additional approvals

A. Approved, but in litigation	Page	Rocky Mount, N.C.	Page
June 29, 1973:		PNB National Bank, Rocky Mount, N.C.	
The Merchants National Bank of Burlington, Burling-		Merger.....	195
ton, Vt.			
Montpelier National Bank, Montpelier, Vt.		C. Approved, but abandoned after litigation	
Merger.....	193	Mar. 16, 1973:	
		The First National Bank of Platteville, Platteville, Wis.	
B. Approved, but abandoned, no litigation		Mound City Bank, Platteville, Wis.	
Feb. 8, 1973:		Merger.....	195
The Planters National Bank and Trust Company,			

NOTE.—The 1972 *Annual Report* carried the Comptroller's decision approving the proposed merger of Bank of Fulton County, East Point, Ga., into The National Bank of Georgia, Atlanta, Ga., under the heading "Approved, but in litigation." After the filing of an action against the merger by the Justice Department in 1972, the banks abandoned their merger plans on January 31, 1973.

## *I. Mergers consummated, involving two or more operating banks*

### FIDELITY NATIONAL BANK OF PA., WILLIAMSPORT, PA., AND THE FIRST NATIONAL BANK OF LOCK HAVEN, LOCK HAVEN, PA.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The First National Bank of Lock Haven, Lock Haven, Pa. (507), with.....	\$32,815,248	1	.....
and Fidelity National Bank of Pa., Williamsport, Pa., (175), which had.....	66,006,960	3	.....
merged Jan. 8, 1973, under charter and title of the latter bank (175). The merged bank at date of merger had.....	98,822,208	.....	4

#### COMPTROLLER'S DECISION

On July 18, 1972, The First National Bank of Lock Haven, Lock Haven, Pa., and the Fidelity National Bank of Pa., Williamsport, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Fidelity National Bank of Pa., the charter bank, was organized in 1863, and is currently the fourth largest bank in its service area. The bank, with assets of \$62.6 million and IPC deposits of \$51.6 million, operates three branch offices, two of which serve an area separate and distinct from that served by the main office. One area is centered in Williamsport and consists of three-fourths of southern Lycoming County and a small portion of eastern Clinton County. The other area served by the bank has the city of Danville as its nucleus and embraces portions of southern Montour County, northeastern Northumberland County, and Columbia County. The economies of those areas are basically similar, depending upon light and medium manufacturing, dairy farming, and recreational pursuits.

In the Lycoming County market, the charter bank competes with the Northern Central Bank and Trust Company, Williamsport, with deposits of \$78 million; the Commonwealth Bank and Trust Company, Muncy, with deposits of \$69 million; and the Williamsport National Bank, Williamsport, with deposits of \$57 million. All of those banks are aggressive competitors. In the Danville area, the charter bank ranks third in size and competes with the First National Bank of Eastern Pennsylvania, Wilkes-Barre, and the United Penn Bank, Wilkes-Barre. There are also several smaller banks with which the Fidelity National Bank of Pa. competes in its two service areas.

The First National Bank of Lock Haven, the merg-

ing bank, was organized in 1864, and is headquartered 25 miles southwest of Williamsport. The bank currently has assets of \$27 million and IPC deposits of \$22.9 million. It has operated as a unit institution since its inception, but has recently obtained regulatory approval to open a single branch to be located in Lock Haven. The service area of this bank is relatively small and consists only of the town of Lock Haven and its nearby environs. The economy of that area is similar to that of the charter bank's service area, with light and medium industries as well as small dairy farms.

The merging bank competes with the Central Counties Bank, an aggressive State-chartered institution headquartered in State College, Pa., which has deposits of \$62 million, and with the State Bank of Avis, Avis, Pa., which has deposits of \$13 million.

There is no competition between any offices of the two proponents of this application because large distances separate the nearest offices and an adequate number of competitors are located in the intervening distance. Williamsport is located 30 miles from Lock Haven and the Danville offices are situated 45 miles from the site of the merging bank. Those relatively large distances effectively preclude any competition between the charter and merging banks.

Consummation of the proposed merger will have a significant impact on the competitive structures in the service areas of both the charter and merging banks. In Lock Haven, a small, unaggressive bank will be replaced by an office of an aggressive, viable competitor which will provide expanded and improved services to local residents and businesses. Those new services will include a larger lending limit which will stimulate the necessary industrial expansion in this area, trust services, varied consumer and real estate loans, and more competitive interest rates on

deposits. The impact in the charter bank's service area will be felt in the form of intensified competition with the larger banks in the area. Accordingly, the merger will have a positive effect on competition within the concerned areas.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is in the public interest and it is, therefore, approved.

DECEMBER 7, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Lock Haven is served by First National Bank of Lock Haven, a branch of Central Counties Bank (deposits \$62 million, formed in 1970 by the merger of Lock Haven Trust Company and First National Bank of State College, Centre County) and a branch of the State Bank of Avis (deposits \$15.2 million). The nearest other banking alternatives for residents of Lock Haven are in Jersey Shore (1970 population 5,322), Lycoming County, 13 miles east of Lock Haven, presently served by Jersey Shore State Bank (deposits \$13.8 million) and a branch of the Commonwealth Bank and Trust Company (deposits \$69 million) established through the acquisition of The Union National Bank of Jersey Shore in December 1969. No other banking alternatives intervene between Lock Haven and Williamsport.

Without supplying data as to overlaps between the banks for loans (particularly real estate loans)

and deposits, the application states that competition between the banks is minimal but that direct connection by new and improved highways will give the banks a common business area.

If the proposed acquisition is approved, the probability for increased direct competition between the banks in the near future will be eliminated.

State law permits *de novo* branching into counties contiguous to home office counties. Hence, each of the banks could be permitted to establish *de novo* branches in the home county of the other. Even though First National Bank of Lock Haven has not, so far, elected to establish branches, it has submitted an application for the establishment of another Lock Haven branch. Fidelity would even more clearly appear to be capable of *de novo* expansion. However, the generally static population and economy of this area detracts from the possibility of substantial *de novo* branching in the near term.

The Williamsport area banks are the most significant potential entrants into the Lock Haven-Avis area. There are two banks of this group larger than Fidelity and one of near equal size.

Merger activity in the area is at a high level. The proposed merger would contribute to the trend of regional consolidation.

We conclude that the proposed merger may have some adverse competitive effect.

\* \* \*

#### COMMUNITY NATIONAL BANK, LOVELAND, OHIO AND CITIZENSBANK NATIONAL ASSOCIATION, FELICITY, OHIO

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Citizensbank National Association, Felicity, Ohio (15861), with.....	\$6,748,872	3	.....
and Community National Bank, Loveland, Ohio (15945), which had.....	8,397,921	1	.....
merged Jan. 15, 1973, under charter of the latter bank (15945) and title "Citizensbank National Association." The merged bank at date of merger had.....	15,146,792	.....	4

#### COMPTROLLER'S DECISION

On October 16, 1972, Citizensbank National Association, Felicity, Ohio, and Community National Bank, Loveland, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Community National Bank, the charter bank, was organized in February 1972 as a wholly-owned

subsidiary of BancOhio Corporation, a multi-bank holding company headquartered in Columbus. The bank, with assets of \$5.9 million and IPC deposits of \$3.7 million, operates as a unit institution in the Clermont County portion of Loveland, approximately 25 miles northeast of Cincinnati. Other portions of that city lie in Hamilton and Warren counties. The charter bank is in an adverse competitive position in relation to its largest competitors since it has a rather small lending limit

which prevents it from adequately serving the credit needs of that growing area.

The service area of the charter bank consists of the city of Loveland and its immediate environs, a predominantly residential area with small local businesses providing consumer services. A majority of the wage earners who live in the area commute daily to industrial and commercial employment in the Cincinnati area. Competition for the Community National Bank is provided by a branch of Clermont National Bank, Milford, which, with deposits of \$46 million and eight banking offices, is the largest bank in Clermont County. Clermont County is also served by several smaller unit banks including The New Richmond National Bank, The First National Bank of Bethel, and Amelia State Bank. In view of the widespread commuting in this area, the charter bank also competes with banks in the areas where local residents work, for example, with larger banks headquartered in Cincinnati.

Citizensbank National Association, the merging bank, was chartered in 1903, and, in 1968, became a subsidiary of U.S. Grant Financial Corporation, a registered one-bank holding company. With assets of \$5.4 million and IPC deposits of \$3.9 million, the merging bank operates one office each in Milford and Batavia, and has received approval to open a third branch in Mt. Carmel. The bank is currently experiencing a management problem because its one executive officer is going to retire soon and the junior officers are not believed to be qualified to manage the bank without assistance.

The head office of Citizensbank National Association is situated in Felicity, Ohio, a rural village with a population of approximately 900 persons. The service area of the bank, which has a total population of 5,000, has an economy based primarily on agriculture. Through its branches, the merging bank is in direct competition with several branches of the Clermont National Bank.

Consummation of the proposed transaction will eliminate only the minimal competition between the charter and merging banks resulting from a slight overlap of the trade areas between the charter bank in Loveland and the merging bank's Milford Office. That competition is clearly minimized because of the dominant position Clermont National Bank maintains in the intervening area.

The resulting bank will offer improved customer services and an increased ability to compete with the largest bank in the area through an increased

lending limit and the introduction of new services such as trust services, equipment leasing, and a wider variety of loan services. The management weakness at the merging bank will be alleviated through this merger and it will be able to take advantage of the financial resources and banking expertise of BancOhio Corporation.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

DECEMBER 15, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest BancOhio subsidiary to Citizens is Community, 6 miles north of the Citizens office in Milford. BancOhio previously has indicated that the service area of Community would encompass an area which includes Milford. Since Citizens' office in Milford draws accounts from several miles north of that town, it appears that the two banks are in direct competition over a substantial area. Furthermore, the rapid growth of both banks, with Community obtaining \$3.8 million in deposits in its first four months of operation and Citizens tripling its business in the past 2 years, indicates that this direct competition is increasing. Therefore, it appears that the proposed merger would eliminate significant direct competition.

Banking in Clermont County is highly concentrated; six banks operate 16 offices. Clermont National Bank, a holding company subsidiary of First Banc Group of Ohio, is by far the largest bank, holding about 68 percent of total deposits in the county and operating 11 banking offices. Citizens ranks third and Community fifth, with 7.2 percent and 5.7 percent of total county deposits, respectively. The bank resulting from the merger would rank second, with 12.9 percent of total deposits, and the share of deposits held by the three largest banks in the county would increase from 82.7 percent to 88.4 percent.

The effect of the proposed merger on concentration in the northern half of the county would be even more pronounced. The only banks operating in that area are Citizens, Community, and Clermont National, the latter holding over 84 percent of total deposits in the three banks. The bank resulting from the merger would hold 16 percent of total deposits in the three banks and the number of banking alternatives for residents in the northern half of the county would fall from three to two.

The proposed merger would combine the two

banks in Clermont County which are most capable of providing effective and increasing competition to each other and to the county's dominant bank. As a subsidiary of BancOhio, Community has the capability to continue its expansion and competitive efforts without merging with Citizens. Citizens, with its expanding branch system and excellent recent performance record, also appears capable,

despite its presently modest absolute size, of providing competition in Clermont County. If affiliation with a larger banking organization is deemed necessary by Citizens, there are many other alternatives in Ohio that would not present the anti-competitive effect of the instant proposal.

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

\* \* \*

**BANK OF INDIANA, NATIONAL ASSOCIATION, GARY, IND., AND NORTHWEST BANK OF INDIANA,  
NATIONAL ASSOCIATION, WHITING, IND.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Northwest Bank of Indiana, National Association, Whiting, Ind. (14813), with.....	\$ 41,601,410	4	.....
and Bank of Indiana, National Association, Gary, Ind. (15455), which had.....	124,454,488	8	.....
merged Jan. 19, 1973, under charter and title of the latter bank (15455). The merged bank at date of merger had.....	157,422,686	.....	12

**COMPTROLLER'S DECISION**

On August 8, 1972, Northwest Bank of Indiana, National Association, Whiting, Ind., and Bank of Indiana, National Association, Gary, Ind., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Bank of Indiana, National Association, the charter bank, with IPC deposits of \$78.2 million, was organized in 1907. In addition to its head office, it operates six branches in the Gary area and one branch in Shelby, a small community about 28 miles south of Gary.

Northwest Bank of Indiana, National Association, the merging bank, with IPC deposits of \$31.9 million, was organized in 1931. In addition to its head office in Whiting, it operates offices in Highland, St. John, and Cedar Lake, each of which is close to the western border of Indiana.

Both merging banks and their branches are located in the extreme northwestern corner of Indiana in Lake County which has a population of 546,253. Gary, Ind., with a population of 175,400, is about 40 miles southeast of Chicago, Ill., while Whiting, Ind., with a population of 7,200, is approximately 9 miles northwest of Gary, and is separated from it by portions of East Chicago and Hammond, Ind. Heavy industry, particularly steel production, dominates manufacturing and total employment in this region. Plants of U.S. Steel Corporation, Republic Steel, and Youngstown Sheet and Tube Company are primary employers in Gary. Whiting is the center of considerable industrial activity, particularly oil refining. Standard Oil Company of Indiana is the largest single employer in that community.

Located in Lake County are 13 commercial banks operating 49 branches. In addition, there are 18 savings and loan associations, 73 offices of finance companies, and 21 credit unions in the county. Additional competition comes from financial institutions located to the east, in the western portion of Porter County where there are four commercial banks. In that service area the charter bank, Bank of Indiana, N. A., ranks fifth in terms of deposits, while the Whiting Bank ranks 10th. The largest bank in the market area, Gary National Bank, has deposits of \$277 million, and provides the strongest competition for Bank of Indiana. Whiting Bank's primary competitors are The First Bank of Whiting, with deposits of \$33 million, and American Trust and Savings Bank of Whiting, with deposits of \$15 million. The main offices and branches of four banks headquartered in East Chicago and Hammond, which have deposits ranging from \$53 to \$128 million, provide significant competition to both of the merging banks.

Consummation of this merger will help resolve management problems of the two banks. Bankshares of Indiana, Inc., which, since 1958, has controlled Bank of Indiana, has committed itself to increase

the capital of the resulting bank and that will, to a large degree, replace two undercapitalized banks with one adequately capitalized bank. Furthermore, the Whiting community will benefit from the merger by virtue of a number of new, improved, and more efficient services not now available nor within the merging bank's capacity to provide, including trust, travel, and expanded loan services.

Competition will not be adversely affected by consummation of this transaction. The nearest branches of the two banks are only 5 miles apart, two branches of other banks intervene. Further, the cities of Hammond and East Chicago are located between Whiting and Gary, and 12 offices of five banks are located in the intervening territory. There is, in consequence, little competition between the two banks. After consummation of this merger, the resulting bank will become the second largest, in terms of total resources, of the 19 banks headquartered in the service area, a change from the fourth position the charter bank now occupies. The result is that competition between and among the largest banks in the area will be enhanced, and smaller institutions will not be disadvantaged competitively. In Gary, head-to-head competition between the charter bank, with about \$105.2 in deposits, and the much larger Gary National Bank, with deposits of \$277 million, will be improved.

It is concluded that the merger will have no adverse competitive effect and is in the public interest. The application is, therefore, approved.

DECEMBER 15, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The home offices of the participating banks are located 12 miles apart, with several intervening banking offices. However, the closest branches of Northwest Bank and Gary Bank are only 5 miles apart. Each bank draws some deposit and loan business from the service area of the other; however, restrictions on *de novo* branching in northern Lake County prevent the merging banks from establishing offices in each other's immediate service area. Some competition would be eliminated by the proposed merger.

The application considers the relevant market in which to assess the competitive impact of the proposed merger to include Lake County, and portions of Porter County, Ind., and Cook County, Ill. In this area, the merging banks hold 6.8 percent and 2.4 percent of total commercial bank deposits. However, since Indiana law limits commercial banks to branching in their home counties, concentration in Lake County alone is also indicative of competitive effects attending the proposed merger.

The four leading banks in the county account for 66 percent of total deposits held by such offices. Gary Bank, with about 11 percent of these deposits, ranks fourth in the market, and Northwest Bank, with about 4 percent of these deposits, ranks seventh. If this merger is consummated, Gary Bank will become the second largest bank with offices in Lake County, and the share of the four largest banks there will increase to 70 percent.

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

\* \* \*

#### OLD NATIONAL BANK OF WASHINGTON, SPOKANE, WASH., AND SECURITY BANK, LYNNWOOD, WASH.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Security Bank, Lynnwood, Wash., with.....	\$15,682,450	5	.....
was purchased Jan. 19, 1973, by Old National Bank of Washington, Spokane, Wash. (4668), which had.....	368,413,689	48	.....
After the purchase was effected, the receiving bank had.....	384,096,140	.....	53

#### COMPTROLLER'S DECISION

On September 12, 1972, Old National Bank of Washington, Spokane, Wash., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Security

Bank, Lynnwood, Wash.

Old National Bank of Washington, the purchasing bank, was organized in 1891, and currently operates 45 branches with assets of \$368 million and IPC deposits of \$291.4 million. All but three of those branches are located in the eastern part of

the State which is naturally separated from western Washington by the Cascade Mountains. The purchasing bank is a subsidiary of Washington Bancshares, Inc., a registered bank holding company which controls First National Bank in Spokane, with deposits of \$40 million, and owns 5 percent or less of the stock of five additional banks headquartered in Port Angeles, Seattle, Ephrata, Clarkston, and Yakima.

The service area of Old National Bank of Washington consists primarily of that portion of the State of Washington east of the Cascade Mountains, and it competes with virtually all of the banks operating in that section of the State. The purchasing bank is not now a statewide commercial bank because it maintains only three branches in the western section of the State which contains the majority of the population, commerce, and industry of the State, as well as the main offices of the four largest commercial banks. The purchasing bank does compete with the largest banks in the State through the limited number of branches they maintain east of the Cascade Mountains, but it does not compete directly in the area from which they derive the majority of their financial strength.

Spokane, where the purchasing bank maintains its main office, is the second largest city in the State, and has an estimated population of 170,500 persons. It is situated about 285 miles east of Seattle and 17 miles west of the Idaho border. The economy of that area is dependent primarily on agriculture, lumbering, and mining, with additional support from manufacturing, the transportation industry, and military installations. There are approximately 41,000 farms with a 1970 cash income of \$600 million within the service area of the purchasing bank. The lumber industry employs 28,000 persons at an annual payroll of \$120 million. Manufacturing in the Spokane area consists of 350 diverse enterprises employing about 21,600 persons.

Security Bank, the selling bank, was organized in 1961, and is headquartered in western Washington, 17 miles north of Seattle. It operates four branch offices within 2 miles of its main office. The bank, with assets of \$15.7 million and IPC deposits of \$12 million, has experienced moderate growth under conservative lending policies, but is presently suffering from inadequate capitalization.

The selling bank is the sixth largest of 12 banks currently operating in Snohomish County. Its service area includes the towns of Lynnwood and Mountlake Terrace. Security Bank competes di-

rectly with offices of Seattle-First National Bank, with deposits of \$2.3 billion; Peoples National Bank of Washington, Seattle, with deposits of \$440 million; Everett Trust and Savings Bank, Everett, with deposits of \$85 million; and Bank of Everett, with deposits of \$28 million.

Lynnwood, the city where the selling bank maintains its offices, is located in the geographic center of Snohomish County. It has a population of 6,000 persons, and is considered the retail trade center for several nearby residential communities within an 8- to 10-mile radius from Lynnwood; that area contains a total population of approximately 85,000 people. The economy of the region is diversified, although it maintains a heavy dependence on the transportation industry centered in nearby Seattle. There are numerous retail and commercial establishments, schools, and hospitals which form the basic source of employment in the service area of Security Bank.

There is no competition between the purchasing and selling banks because relatively large distances separate the two banks and an adequate number of competitors operate in the intervening distance. The main offices of the two banks are 290 miles apart and the major portion of the purchasing bank's branching system is on the eastern side of the Cascade Mountains. Of the three offices in western Washington operated by the buying bank, the closest is 15 miles from Lynnwood. Because the purchasing bank is precluded from opening a *de novo* branch directly in competition with Security Bank by reason of the State banking laws, there is no potential for competition between those banks.

Consummation of the proposed transaction will stimulate competition in the service area of Security Bank by enabling the resulting branches in Snohomish County to provide additional resources and services with which to meet the needs of the community it presently serves. A significantly larger lending limit, increased capitalization, added management depth, trust services, and a more liberal lending policy will serve the needs of residents and local businesses more efficiently than is now being done by the selling bank. Therefore, the purchase and sale agreement will merely replace a small bank with a larger, more dynamic, financial institution without eliminating any competition between the two banks involved.

The subject application will allow the purchasing bank to compete more directly and effectively with the four largest banks in the State in the very area

from which those banks derive the majority of their financial resources. The resulting bank will remain the fifth largest bank in the State, significantly smaller than Seattle-First National Bank, with deposits of \$2.2 billion; National Bank of Commerce, with deposits of \$1.6 billion; Pacific National Bank of Washington, with deposits of \$643 million; and Peoples National Bank of Washington, with deposits of \$440 million, all of which are headquartered in Seattle. The resulting bank will have total deposits of \$325 million.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest and the application is, therefore, approved.

DECEMBER 7, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Since the nearest office of Old National Bank of Washington to a Security Bank office is in downtown Seattle, the proposed acquisition will not

eliminate significant existing competition. Under Washington law it would appear that Old National Bank of Washington could not open a *de novo* branch in the Lynnwood area. However, Old National Bank of Washington has established branch offices in other communities apparently foreclosed to *de novo* branching by sponsoring the creation of a new bank and subsequently merging with the sponsored bank. This means of entry into areas ostensibly closed to *de novo* branching has been used by other banks in the State of Washington. Since Old National Bank of Washington is the third largest bank in the State, in terms of deposits, which does not operate an office in the Lynnwood area, it must be considered a significant potential competitor in that area. However, there are other banks of significant size and capability which could also enter the Lynnwood area. Hence, the effect of the proposed merger on potential competition will not be significantly adverse.

\* \* \*

#### THE MERCHANTS NATIONAL BANK OF ALLENTOWN, ALLENTOWN, PA., AND THE FIRST NATIONAL BANK OF COOPERSBURG, COOPERSBURG, PA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Coopersburg, Coopersburg, Pa. (9034), with.....	\$14,680,425	2	.....
and The Merchants National Bank of Allentown, Allentown, Pa. (6645), which had.....	292,874,718	16	.....
merged Jan. 26, 1973, under charter and title of the latter bank (6645). The merged bank at date of merger had.....	307,555,143	.....	18

#### COMPTROLLER'S DECISION

On August 2, 1972, The First National Bank of Coopersburg, Coopersburg, Pa., and The Merchants National Bank of Allentown, Allentown, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Merchants National Bank of Allentown, the charter bank, was organized in 1903, and is the sixth largest bank operating in the Lehigh Valley. The bank has assets of \$262 million and IPC deposits of \$214 million. The charter bank is headquartered 55 miles northwest of Philadelphia and, through a network of 15 branch offices, serves primarily the counties of Lehigh and Northampton. That area, which contains a population of approximately 2,000,000 persons, has enjoyed substantial growth during the past decade. It has 2,000 farms in the

surrounding area and 9,000 business establishments, including 29 major firms, in the vicinity of Allentown.

The charter bank competes with both local banks and branches of large Philadelphia-based banks which have recently moved into the Lehigh Valley. The larger competitors in this area include The First Pennsylvania Banking and Trust Company, with deposits of \$2.9 billion; the Girard Bank, with deposits of \$1.9 billion; the American Bank and Trust Company of Pennsylvania, with deposits of \$631 million; and the Industrial Valley Bank and Trust Company, with deposits of \$533 million.

The First National Bank of Coopersburg, the merging bank, was organized in 1907, and is situated 8 miles south of the charter bank. The bank has assets of \$13 million and IPC deposits of \$11.1 million. It operates one branch in Upper Saucon Township, approximately 5 miles northwest

of its main office. The service area of this bank is a residential community with a population of about 46,000 people. The Coopersburg market area will remain a predominantly residential area due to restrictive zoning laws and will probably become a suburb of Allentown or Bethlehem as those cities expand.

The First National Bank of Coopersburg has no direct competitors. Although the merging bank maintains a branch 3 miles south of Allentown, and its main office is located 5 miles to the south, the offices of the charter and merging banks are separated by the South Mountain, which forms a natural barrier between the service areas of the two banks and effectively isolates them from each other.

Consummation of the proposed merger will stimulate competition. The resulting offices in Coopersburg will offer new and expanded services to local residents such as a major credit card, automated customer services, a marketing division, trust services, and a substantially larger lending limit. The public interest will be served by this merger since the resulting bank will offer more diversified and specialized services to all its customers and will be in a better position from which to compete with the larger banks in the area. This will stimulate competition in the Lehigh Valley.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

OCTOBER 20, 1972.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

Merchants' head office in Allentown is about 10 miles north of Coopersburg Bank's main office, and only about 3 miles north of the latter's Upper Saucon Township branch. Other branch offices of Merchants in the southern sections of Allentown are even closer. It is apparent that Merchants is among the most convenient banking alternatives for customers in the more limited service area of Coopersburg Bank, and each bank draws significant banking business from the other's service area. The proposed merger would eliminate direct competition between these two banks.

Merchants is the second leading bank in the Allentown-Bethlehem area, which probably overstates the relevant geographic market in which the effects of the proposed merger primarily would be felt. Its share of banking deposits in this area amounted to over 25 percent as of June 30, 1970, while the combined share of the three leading banks in the area was about 81 percent. Coopersburg Bank is among the smaller banks in the area, holding about 1.5 percent of its commercial bank deposits.

While several banks larger in terms of total deposits than Merchants have branches in this area, Merchants is presently one of its dominant banks. Accordingly, despite recent inroads into Allentown-Bethlehem by Philadelphia and Reading banks, we conclude that the proposed merger would have an adverse effect on competition.

\* \* \*

## WILBER NATIONAL BANK OF ONEONTA, ONEONTA, N.Y., AND THE FIRST NATIONAL BANK OF MORRIS, MORRIS, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Morris, Morris, N.Y. (4870), with.....	\$4,729,691	1	.....
and Wilber National Bank of Oneonta, Oneonta, N.Y. (2151), which had.....	51,864,974	4	.....
merged Feb. 13, 1973, under charter of the latter bank (2151) and title "Wilber National Bank." The merged bank at date of merger had.....	56,594,665	.....	5

## COMPTROLLER'S DECISION

On November 6, 1972, The First National Bank of Morris, Morris, N.Y., and Wilber National Bank of Oneonta, Oneonta, N.Y., applied to the Comptroller of the Currency for permission to

merge under the charter of the latter and with the title, "Wilber National Bank."

Wilber National Bank of Oneonta, the charter bank, was incorporated in 1874, and, with assets of \$47.7 million and IPC deposits of \$40.1 million, operates three branch offices. The service area of

the bank consists of Otsego County in the Fourth Banking District of New York, where its offices are located, and western Delaware County in the Seventh Banking District. An estimated 90,000 persons reside in the area which is primarily rural, with an economy based on dairy farming.

The charter bank is the largest of three commercial banks headquartered in Otsego County, and ranks 12th in size of the 35 commercial banks operating in the Fourth Banking District. Competition is afforded primarily by branch offices of larger banks based outside Otsego County, including Marine Midland Bank-Eastern, National Association, Troy, with deposits of \$166 million, which is a member of Marine Midland Banks, Inc., a multi-bank holding company with deposits of \$6.3 billion; National Commercial Bank and Trust Company, Albany, with deposits of \$746 million, which is a member of First Commercial Banks, Inc., a bank holding company controlling deposits of \$1.1 billion; and State Bank of Albany, with deposits of \$686 million, which is a member of United Bank Corporation of New York controlling deposits of \$1.1 billion. There are 12 commercial banks in the designated service area with total deposits of \$1.9 billion.

The First National Bank of Morris, the merging bank, was organized in 1893, and, with assets of \$4.3 million and IPC deposits of \$3.7 million, operates as a unit institution. The service area of the bank includes approximately 10,000 persons and consists of the village of Morris and the neighboring townships of Morris, Pittsfield, New Lisbon, and Butternuts. The area is predominantly rural in nature and is dependent on dairy farming for its economic base.

The merging bank is the smallest of three banks based in Otsego County and ranks last in size of the 35 commercial banks in the Fourth Banking District of New York. The service area of the merging bank is located within the service area of several larger banks including that of the charter bank but, because of its local nature and small size, The First National Bank of Morris is unable to offer many of the services available at these larger commercial banks, thereby minimizing its competitive impact with neighboring financial institutions. The merging bank is a very small bank and is therefore able to satisfy only local needs.

Competition in Otsego County will not be detri-

mentally affected by this proposal despite the fact that the head offices of the two proponents of this application are only 12 miles apart. The resulting bank will provide the Morris area with improved and expanded services including a much larger lending limit, specialized farm loans, consumer financing, and trust department services. The management succession problem and the weakness in the capital structure of the merging bank will also be alleviated by a consummation of this merger. The resulting bank will have assets of \$51 million and total deposits of \$47 million, and its relative size in relation to other banks in the Fourth Banking District will remain unchanged.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger will result in no adverse competitive effects and will benefit the public interest. This application is, therefore, approved.

JANUARY 12, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Morris Bank is the only bank in the village of Morris. It is situated approximately 12 miles northwest of the nearest branch of Wilber Bank in Oneonta. There are no banks in intervening communities, but National Commercial Bank and Trust Co. of Albany (total deposits of \$746.4 million, as of December 31, 1971), which has six branches in Otsego County, operates three of these in Oneonta. It appears that some existing competition between Morris Bank and Wilber Bank would be eliminated as a result of the proposed merger. Morris Bank would be eliminated as an independent competitor in the county, or, alternatively, as an entry vehicle for a banking organization not already operating in the county.

Banking in Otsego County is concentrated, with the top four banks (out of seven) holding 82.7 percent of total deposits (as of June 30, 1970). Wilber Bank ranks second, with 31.7 percent of total deposits, while Morris Bank ranks last with 3.3 percent of total deposits. If the proposed merger is consummated, Wilber Bank will rank first in the county, with 35 percent of total deposits.

The proposed merger would take place in a concentrated market, eliminate some existing competition, and increase concentration and domination of one of the two leading banks in the area. The overall effect of the transaction on competition would be adverse.

\* \* \*

**BANKERS TRUST COMPANY ALBANY, NATIONAL ASSOCIATION, ALBANY, N.Y., AND MONTGOMERY COUNTY TRUST COMPANY, AMSTERDAM, N.Y.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Montgomery County Trust Company, Amsterdam, N.Y., with.....	\$31,655,502	1	.....
and Bankers Trust Company Albany, National Association, Albany, N.Y. (15758), which had.....	222,214,972	22	.....
merged Feb. 28, 1973, under charter and title of the latter bank (15758). The merged bank at date of merger had.....	253,586,177	.....	23

**COMPTROLLER'S DECISION**

On July 6, 1972, the Montgomery County Trust Company, Amsterdam, N.Y., and Bankers Trust Company of Albany, National Association, Albany, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Bankers Trust Company of Albany, National Association, the charter bank, with \$182.9 million in total deposits, was organized in 1838. It presently operates 23 offices in nine counties and has approval for one additional office. While 12 of the bank's offices are located in Albany County, there are none in Montgomery County. Eight offices are located in the city of Albany. Bankers Trust is a member of the \$8.1 billion Bankers Trust New York Corporation, a registered bank holding company.

Albany, capital of the State of New York and home office city of the charter bank, has a population of 115,000. The charter bank's primary service area has an estimated population of 210,844 and Albany County has a population of 285,618. Albany has been undergoing urban redevelopment and many old buildings have been leveled. Although government is the largest employer in Albany, many industrial employers are found in the city and the capital district. The population in Albany is declining.

The \$210.5 million charter bank is located in the Fourth Banking District of New York which encompasses 15 counties and has a population of 1,200,000. As of December 31, 1970, the charter bank ranked third in size with \$181 million in total deposits or 6.7 percent of the aggregate deposits of \$27 billion held by 35 commercial banks in the Fourth Banking District. Its competitors include the \$844 million State Bank of Albany, Albany; the \$817 million National Commercial Bank and Trust Company, Albany; the \$161 million Marine Midland Bank-Eastern, National Association, Troy, a member of the \$6.7 billion Marine Midland Banks,

Inc., a registered bank holding company; the \$73 million Union National Bank of Troy, which is proposed to be a member of the \$5.4 billion Charter New York Corporation, a registered bank holding company, and the \$39 million Mechanics and Farmers Bank of Albany, a member of the \$2.9 billion Bank of New York Corporation, a registered bank holding company. Competition is also provided by the \$350 million Schenectady Savings Bank, Schenectady; the \$348 million Albany Savings Bank, Albany; and nine other savings banks.

Montgomery County Trust Company, the merging institution, with total deposits of \$25.5 million, was organized in 1912, and is a unit bank. It is faced with a serious management succession problem which has developed as a result of illnesses and retirements among its executives.

Amsterdam, home of the merging bank's only office, has a declining population currently at 24,534. It is located in Montgomery County. The service area of the merging bank has an estimated population of 297,000, while Montgomery County has a population of 55,583. Amsterdam, like Albany, is experiencing a large urban renewal program. It is largely an industrial and residential area and is referred to as the "rug city". A large number of its residents commute for work to either the large General Electric plant in Schenectady or the South Beechnut plant in Canajoharie.

The \$30.3 million Montgomery County Trust Company is also located in the Fourth Banking District of New York. As of December 31, 1970, it ranked 18th in size with \$24 million in total deposits or 0.9 percent of the aggregate deposits held by 34 commercial banks in the district. It competes directly with branches of the \$844 million State Bank of Albany, the \$817 million National Commercial Bank and Trust Company, and the \$161 million Marine Midland-Eastern, National Association. It also competes with the \$68 million Amsterdam Savings Bank and the \$51 million Central

National Bank, Canajoharie, the only other commercial bank based in Montgomery County.

The resulting bank will provide improved and expanded services to customers including accounts receivable loans, construction loans, term loans, lease financing, F.H.A. and V.A. mortgage loans, F.H.A. home improvement loans, student loans, BankAmericard, expanded trust department services, municipal bonds underwriting and municipal advisory services, a wider variety of time deposits, and international banking services. At the same time its management succession problem will be solved.

Competition will not be adversely affected. Because the nearest office of the charter bank is 8 miles from the merging bank, there is little existing competition between them. The \$238 million resulting bank will continue to rank third in size in the Fourth Banking District, with total deposits of \$206 million, or 7.6 percent of the aggregate deposits of the \$2.7 billion held by the 34 commercial banks. In Amsterdam, the merging bank would be replaced by the much larger charter institution with the result that competition among the large banks presently operating in Amsterdam will be intensi-

fied. At the same time, home office protection will be eliminated in Amsterdam, thus opening the community to the possibility of *de novo* branching by other banks. In Albany the effect on competition will be minimal.

It is concluded that the merger will have no adverse competitive effect and is in the public interest. The application is, therefore, approved.

JANUARY 11, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

We have reviewed the competitive factors presented by the proposed merger in the light of intervening developments in banking in New York State. Expansion in upstate New York by newly developing multi-bank holding companies centered around major New York City banks may enhance competition in some areas, particularly in and around the major population centers. However, in view of the substantial size of Bankers Trust, even when compared to these companies, for the reasons expressed in our original competitive report, we remain of the view that the proposed merger may have an adverse effect on competition.

\* \* \*

#### FIRST NATIONAL BANK, BOWLING GREEN, OHIO, AND PROGRESS NATIONAL BANK OF TOLEDO, TOLEDO, OHIO

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Progress National Bank of Toledo, Toledo, Ohio (15470), with.....	\$14,896,484	2	.....
and First National Bank, Bowling Green, Ohio (15416), which had.....	53,211,087	6	.....
consolidated Feb. 28, 1973, under charter of the latter bank (15416) and title "Mid-American National Bank and Trust Company." The consolidated bank at date of consolidation had.....	68,107,571	.....	8

#### COMPTROLLER'S DECISION

On October 24, 1972, First National Bank, Bowling Green, Ohio, and Progress National Bank of Toledo, Toledo, Ohio, applied to the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title "Mid-American National Bank and Trust Company," with headquarters in Northwood, Ohio.

First National Bank, the charter bank, was organized in 1952, and is headquartered in Bowling Green, the county seat of Wood County, approximately 20 miles south of Toledo. The bank, with assets of \$53.2 million and IPC deposits of \$36.4 million, now operates six offices in the county and

has approval to open two more branches, scheduled to open in 1973, one each in Bowling Green and Perrysburg.

The service area of the charter bank consists of Wood County, a residential suburb of Toledo. While that county is the site of several large industrial plants, the economy of the area is considered rural with agriculture a significant economic factor south of Bowling Green. Industry in the county is a direct economic result of its close proximity to Toledo; Wood County should grow as metropolitan Toledo continues to expand. The charter bank is the third largest of 10 commercial banks in Wood County, and competes with Tri-County National Bank, Fostoria, with deposits of

\$49.6 million, and Bank of Wood County, Bowling Green, with deposits of \$55.9 million.

Progress National Bank of Toledo, the consolidating bank, was chartered in 1965, and operates a single branch in the Franklin Park Mall, just west of Toledo. The bank, with assets of \$14.9 million and IPC deposits of \$11.2 million, is the smallest of six commercial banks headquartered in Toledo. It has experienced serious management and earnings problems since its inception.

The service area of the consolidating bank consists of the city of Toledo, a highly industrialized inland port located on the Great Lakes and in relatively close proximity to Cleveland, Chicago, and Detroit. Because of its small size and insufficient management personnel, the consolidating bank has experienced great difficulty in competing with the other Toledo-based banks, all of which are substantially larger. Toledo-based competitors include The Toledo Trust Company, with deposits of \$419 million; First National Bank of Toledo, with deposits of \$245 million; the Ohio Citizens Trust Company, with deposits of \$215 million; and Lucas County State Bank, with deposits of \$63.9 million.

There is no significant competition between the charter and consolidating bank. As the two banks operate in different counties representing separate and distinct service areas as previously defined, there is no effective competition generated between them.

Consummation of the proposed consolidation will have its primary effect in the service area of Progress National Bank of Toledo which will benefit from a larger lending limit, the introduction of new and improved services, and the influence of the stable and capable management team now operating

the charter bank. The consolidating bank has been unable to overcome the turmoil of its initial organization, and the obvious benefit of this consolidation will be to stabilize its internal operations so that the resulting bank can become a more effective competitor within its enlarged service area. A secondary effect of the proposed transaction will be to relocate the main office of the resulting bank to Northwood, allowing it to maintain its branches in both Wood and Lucas counties. In spite of the fact that the resulting bank will become the largest commercial bank in Wood County, its margin over the next largest competitors will be small, and the resulting bank will remain significantly smaller than the three largest banks headquartered in adjoining Lucas County.

Applying the statutory criteria it is concluded that the proposed consolidation is in the public interest and is, therefore, approved.

JANUARY 9, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Progress National is located in downtown Toledo a short distance from the offices of four large banks holding over \$950 million in deposits. The closest First National office to Progress National is located in Rossford, Ohio, 3 miles south of downtown Toledo across the Maumee River. While the distance between the two banks suggests that a certain amount of direct competition may be eliminated by the proposed merger, the two banks would have minimal shares of any relevant banking market in the Toledo area. The size of Progress National and the existence of many large potential entrants into the area also indicate that no significant potential competition would be eliminated by the proposed merger.

\* \* \*

#### THE CITIZENS NATIONAL BANK OF MERIDIAN, MERIDIAN, MISS., AND THE BANK OF MACON, MACON, MISS.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Bank of Macon, Macon, Miss., with .....	\$5,236,348	1	.....
and The Citizens National Bank of Meridian, Meridian, Miss. (7266), which had.....	48,708,853	6	.....
merged Mar. 8, 1973, under charter and title of the latter bank (7266). The merged bank at date of merger had .....	53,406,092	.....	7

## COMPTROLLER'S DECISION

On November 28, 1972, The Citizens National Bank of Meridian, Meridian, Miss., and The Bank of Macon, Macon, Miss., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The Citizens National Bank of Meridian, the charter bank, was organized in 1888 and, with assets of \$44 million and IPC deposits of \$35 million, is the second largest bank headquartered in Meridian. The charter bank operates six offices in Meridian and has received approval to open a new branch, which is presently under construction in nearby Marion, approximately 5 miles northeast of Meridian.

Competition in Meridian is provided by Merchants and Farmers Bank, with deposits of \$40 million; First National Bank in Meridian, with deposits of \$30 million; and a branch of Peoples Bank of Mississippi, Union, with total deposits of \$33 million. Additional competition is provided by 16 other banks located within the trade area of the charter bank.

The Citizens National Bank of Meridian is in the county seat of Lauderdale County, near the eastern border of Mississippi, approximately 95 miles east of Jackson. Meridian has a population of about 45,000 persons. The service area of the charter bank consists of the surrounding eight counties; Clarke, Jasper, Kemper, Lauderdale, Neshoba, and Newton counties in Mississippi, and Choctaw and Sumter counties in western Alabama. Meridian, the only municipality with a population of more than 7,000 people in the bank's service area, is centrally located within the 8-county area. That service area has a diversified economy with a growing trend toward industry and manufacturing and away from agriculture.

The Bank of Macon, the merging bank, was chartered in 1899 and, with assets of \$4.6 million and IPC deposits of \$3.2 million, is the smallest of three banks serving Noxubee County. The merging bank operates as a unit institution and has never been involved in any previous mergers or reorganizations. Competition is provided by Merchants and Farmers Bank, Macon, which has total deposits of \$13 million.

The Bank of Macon is in the county seat of Noxubee County, near the eastern border of Mississippi, approximately 60 miles north of Meridian. The service area of the bank is defined as Noxubee County in which it is centrally located. The econ-

omy of the area is primarily agricultural but has attracted increased industrial activity in recent years. Small farming operations appear to be diminishing and mechanization is becoming more prevalent on the larger farms in the area.

There is no competition between the charter and merging banks because large distances separate their two closest offices and an adequate number of alternative banking facilities operate in the intervening distance. The closest two offices are approximately 55 miles apart, and each bank operates in a separate and distinct service area, further precluding any competitive impact on each other.

Consummation of the proposed merger will allow the resulting banking office in Macon to become a more competitive financial institution by allowing it to offer a broader range of services to residents and businessmen in Noxubee County. Those services will include trust and estate planning services, the ability to implement pension and profit sharing plans, computer services, a travel department, a complete line of time deposits, and several new types of loans including construction loans, consumer installment loans, and FHA Title I Home Improvement loans. The availability of a larger lending limit will be especially significant because the trend toward mechanization and larger operations in agriculture has brought about increased credit demands for mortgage loans, equipment loans and production loans. The availability of larger loans will also be a significant aid in stimulating and developing the industrial potential of this area.

Applying the statutory criteria it is the conclusion of this Office that the proposed merger is in the public interest and this application is, therefore, approved.

FEBRUARY 5, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

The distance between the merging banks is about 58 miles, with the offices of several other banks intervening between them. The application states that less than 1 percent of Citizens' deposits originate in Noxubee and that Bank's correspondent deposits account for most of that. The proposed merger would not eliminate any substantial direct competition presently existing between the two banks.

Under Mississippi law, Citizens could establish a branch bank in Noxubee County, but not in Macon.

However, in view of the size of Bank, and the nature of its service area; it does not appear that

the proposed merger would eliminate substantial potential competition.

\* \* \*

NORTH CAROLINA NATIONAL BANK, CHARLOTTE, N.C., AND CITIZENS BANK AND TRUST COMPANY, HENDERSON, N.C.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Citizens Bank and Trust Company, Henderson, N.C., with	\$36,681,251	4	
and North Carolina National Bank, Charlotte, N.C. (13761), which had	2,374,261,872	136	
merged Mar. 9, 1973, under charter and title of the latter bank (13761). The merged bank at date of merger had	2,411,096,948		140

COMPTROLLER'S DECISION

On September 29, 1972, Citizens Bank and Trust Company, Henderson, N.C., and North Carolina National Bank, Charlotte, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

North Carolina National Bank, the charter bank, was organized in 1933 and, with assets of \$2.2 billion and IPC deposits of \$1.2 billion, is currently the second largest commercial bank in North Carolina. The bank operates 110 offices in 34 communities in various parts of North Carolina, the majority of which are located in the western portion of the State.

The charter bank competes both with the other statewide financial systems in North Carolina and with the smaller, regional and local banks situated within the individual service areas of various branches of North Carolina National Bank. The larger statewide competitors include Wachovia Bank and Trust Company, National Association, Winston-Salem, with deposits of \$1.6 billion; First Union National Bank, Charlotte, with deposits of \$1.1 billion; and First-Citizens Bank and Trust Company, Smithfield, with deposits of \$715 million.

Citizens Bank and Trust Company, the merging bank, was organized in 1889 and, with assets of \$32.8 million and IPC deposits of \$25.7 million, operates three branches in Henderson as well as a drive-in facility adjacent to its main office. The merging bank is the 27th in size among all banks in North Carolina and has dropped substantially in its position within Vance County in the last 20 years, indicative of its lack of aggression and conservative banking policies. The bank has no asset

problems and is generally well managed internally.

The service area of the merging bank is limited to the city of Henderson and its immediate environs where it is the smallest commercial bank. Competition is provided by four offices of Peoples Bank and Trust Company, Rocky Mount, the 13th largest bank in the State, which has deposits of \$116.5 million; and three offices of Southern National Bank of North Carolina, Lumberton, the eighth largest bank in North Carolina, which has deposits of \$219.4 million. In addition, First Citizens Bank and Trust Company of Smithfield, the fourth largest bank in the State, has received approval to open a *de novo* office in Henderson.

The merging bank is located in Henderson, the county seat and only urban center of Vance County, at the eastern edge of the Piedmont section of North Carolina adjacent to the Virginia State line. The economy of Vance County has become strongly industrial in character because a number of medium- and large-sized industrial plants settled in Vance County in the 1960's, the majority of which are clustered around Henderson. Commercialization has also developed, although agriculture is still a significant economic factor in this area.

There is no competition between the charter and merging banks because large distances separate the closest offices of the banks and an adequate number of competitors operate in the intervening distances. The head office of the North Carolina National Bank is located approximately 185 miles southwest of Henderson and the closest offices of the charter bank are located in Durham and Raleigh, approximately 43 and 47 miles southwest of Henderson, respectively. Those large distances effectively preclude any competition between the two proponents of this application.

Nor will this merger eliminate potential competition between the two banks. Even if the economic climate of Henderson warranted another *de novo* branch, it is neither clear nor certain that the North Carolina National Bank could justify its entry under the present state of the law as interpreted by the North Carolina courts in recent branching decisions.

Consummation of the proposed merger will stimulate competition in Vance County by allowing the charter bank to replace its broader range of services and larger resources for those presently offered by the merging bank. Because of its small size and conservative policies Citizens Bank and Trust Company has been unable to compete effectively with the larger commercial banks operating branches within its service area and has had difficulty in meeting the credit needs of the industries which have recently settled in and around Henderson. The resulting bank will be an active catalyst in Vance County and will serve as a viable alternative to the larger commercial banks now operating in that area. The North Carolina National Bank will also bring to the Henderson offices of the resulting bank a broad range of consumer-oriented services that will directly benefit individual residents in Vance County. The proposed transaction will not significantly change the size of the charter bank which will remain the second largest bank in North Carolina.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JANUARY 9, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

This proposed merger would combine the State's second largest bank, North Carolina National Bank, and its affiliates with the leading bank in Henderson and Vance County. Three banks currently operate 10 banking offices in Vance County—all of which are located in Henderson. Citizens accounts for the largest share of deposits held by any bank operating in Vance County. On the basis of June 30, 1970, figures, Citizens held 54.2 percent of total deposits held by banks in the county and 59.2 percent of all IPC demand deposits. Offices of the State's eighth and 12th largest banks accounted, in almost equal shares, for the balance of bank deposits in the county.

The merger would appear to eliminate a limited

amount of direct banking competition between North Carolina National Bank and Citizens. North Carolina National Bank's branch nearest a Citizens office is in Durham, about 34 miles southwest of Henderson—via the excellent highway link provided by Interstate 85. The offices of several other banks operate in the intervening area. Nonetheless, both banks appear to draw at least some deposits and loans from areas served by the other.

More importantly, it would eliminate substantial direct competition between Citizens and Stephenson Finance Company, another subsidiary of North Carolina National Bank's parent holding company, NCNB Corporation. The latter operates a consumer loan office in Henderson which has a significant volume of personal consumer loans outstanding in the Henderson area. Since Citizens, in view of its loan portfolio, is a significant consumer lender in Vance County, this proposed merger would eliminate significant direct competition between Citizens and Stephenson Finance Company and increase concentration in the local market for these services.

North Carolina National Bank, as the State's second largest bank with total resources exceeding \$2 billion, possesses the capability of continued expansion and growth by means other than the acquisition of leading local banks. None of the other largest banks in the State operate offices in Vance County (although First-Citizens, which ranks fourth, has permission to enter *de novo*). Thus, these other banks are also potential entrants into the market served by Citizens. However, Citizens' merger into North Carolina National Bank would represent another significant contribution to the continuing trend of mergers by the State's largest banks—the five largest of which already account for about 70 percent of deposits in the State—by which they succeed to the deposits and leading local market positions of the merged banks. Between its formation in 1960, by a merger of two of the State's leading banks, and 1971, North Carolina National Bank acquired 12 banks, succeeding to their aggregate deposits of \$151 million and 37 banking offices. In 1972 alone, North Carolina National Bank has received approval to acquire three leading local banks and their \$51 million in aggregate deposits and 11 banking offices—this would be its fourth approval for a major acquisition. Furthermore, Citizens' merger into North Carolina National Bank would eliminate Citizens as a significant merger partner for smaller regional or statewide banks whose development presents

the greatest possibility of effective statewide competition to existing banking giants such as North Carolina National Bank.

We conclude that the proposed merger of Citizens into North Carolina National Bank would have a significantly adverse effect on competition.

\* \* \*

**PUGET SOUND NATIONAL BANK, TACOMA, WASH., AND STATE BANK OF MORTON, MORTON, WASH., AND EATONVILLE STATE BANK, EATONVILLE, WASH., AND ORTING STATE BANK, ORTING, WASH.**

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
State Bank of Morton, Morton, Wash., with.....	\$6,251,927	1	.....
Orting State Bank, Orting, Wash., with .....	2,733,198	1	.....
Eatonville State Bank, Eatonville, Wash., with.....	4,782,028	1	.....
and Puget Sound National Bank, Tacoma, Wash. (12292), which had.....	287,728,181	29	.....
merged Mar. 9, 1973, under charter and title of the latter bank (12292). The merged bank at date of merger had .....	297,990,490	.....	32

**COMPTROLLER'S DECISION**

On October 29, 1972, State Bank of Morton, Morton, Wash.; Orting State Bank, Orting, Wash.; Eatonville State Bank, Eatonville, Wash.; and Puget Sound National Bank, Tacoma, Wash., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Puget Sound National Bank, the charter bank, with deposits of \$226.2 million, was organized in 1890. In addition to its head office, the charter bank operates 28 branches, all but two of which are within 30 minutes' travel time from the charter bank's main office in Tacoma.

Tacoma, home of the charter bank, is located on Puget Sound and surrounding Commencement Bay in Pierce County. The city of Tacoma has a population of 155,000, and Pierce County is populated by 418,000 people. The service area of the charter bank is considered to include a portion of southern King County, western Pierce County, and the Hood Canal and Shelton area lying to the west across the southern portion of Puget Sound. The economy of the area emphasizes logging and wood products processing, metallurgical electrochemical and chemical processing industries, marine industries, warehousing and distribution facilities, with some agriculture outside the urban area. Fort Lewis, one of the largest permanent Army posts in the United States, borders Tacoma to the south, while McChord Air Force Base and Madigan General Hospital, in addition to a large Veteran's Administration Hospital, are situated nearby.

The charter bank is the sixth largest bank in the State of Washington. Its principal competitor is the Pacific National Bank of Washington, Seattle, whose local branches hold an estimated \$214 million in deposits. Other banks operating in the area include Bank of California, N.A., Tacoma, with \$70 million in area deposits; Seattle-First National Bank with \$21 million in area deposits; North Pacific Bank, Tacoma, with \$18 million in area deposits; Peoples National Bank of Washington, Seattle, holding \$16 million in area deposits; Western Commercial Bank, with \$3 million in area deposits; and Tacoma Commercial Bank, with area deposits of \$2 million.

The State Bank of Morton, the first merging bank, with deposits of \$5.2 million, was organized in 1911. The Eatonville State Bank, the second merging bank, with deposits of \$4.1 million, was organized in 1913, and the Orting State Bank, with deposits of \$2.5 million, was chartered in 1891. Those three banks have not only their ownership in common, but also their president, and are unique in being operated as branches of the same system. The lending limits of those three small banks are quite small and are inadequate to serve the needs of customers in their service areas. In addition, the banks are faced with the difficulty of attracting qualified management personnel, and none is large enough to have a formal management training program.

Morton, Wash., home of the first merging bank, is situated in Lewis County, and has a population of 1,231; Lewis County has an estimated population of 46,800. Lewis County is noted for producing more

logs for the Washington lumber market than any other county. Employment in the county is involved in light manufacturing, logging, and agriculture. The county also produces large amounts of electrical power from various dams. The only other financial institution in the city or surrounding area is a small branch of the Evergreen Savings and Loan Association with headquarters in Chehalis, Wash., 45 miles west of Morton.

Eatonville, home of Eatonville State Bank, has a population of 860, and is located in southern Pierce County about 30 miles south of Tacoma. Formerly one of Washington's most important lumber-producing, log-shipping centers, the economy is presently dependent on agriculture and, to a lesser extent, tourism.

Orting, home of the third subject bank, has a population of 1,643 and is situated in Pierce County about 20 miles southeast of Tacoma. The local economy consists of truck gardening, bulb farming, berry farming, logging, and lumber milling.

The merger will enable the acquiring institution to offer banking services not now available from the three merging banks, namely, trust, international, dealer financing, automated accounting, and credit card services. In addition, the merger will substitute the much larger lending limit of the charter bank for that presently possessed by the merging institutions.

Competition will not be adversely affected. The service areas of none of the banks overlap and there is, in consequence, no competition presently existing between them to be eliminated. In the service areas of the merging banks there are no competing commercial banks, and competition in those areas

would therefore be unaffected. In the service area of the charter bank the addition of the three very small merging banks will have little effect on the charter bank's competitive position; its statewide ranking as sixth largest bank will remain unchanged.

It is concluded that the merger will have no adverse competitive effect and is in the public interest. The application is, therefore, approved.

JANUARY 22, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

In view of their long standing common ownership and management, it does not appear that the proposed transaction will eliminate any existing competition between the Orting, Eatonville, and Morton banks. Puget Sound National Bank's closest office to any of these three banks is located in Puyallup, about 8 miles north of Orting. Puget Sound National Bank draws some banking business from central and southern Pierce County. While this business is limited in terms of absolute figures, it is not insignificant when compared to the total business done by the Orting and Eatonville banks. Banking alternatives are few in these sparsely populated areas of the county, and Puget Sound National Bank would be one of the more important competitive alternatives for customers in the Orting and Eatonville areas.

Puget Sound National Bank holds about 32 percent of Pierce County commercial bank deposits. While the Orting and Eatonville banks together hold less than 1 percent of such deposits, the proposed transaction would eliminate some competition. The effect of this merger on competition will be adverse.

\* \* \*

#### NATIONAL BANK AND TRUST COMPANY, CHARLOTTESVILLE, VA., AND THE FIRST NATIONAL BANK OF NELSON COUNTY AT LOVINGSTON, LOVINGSTON, VA.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The First National Bank of Nelson County at Lovington, Lovington, Va. (11957), with.....	\$10,484,042	1	.....
and National Bank and Trust Company, Charlottesville, Va. (10618), which had.....	174,634,229	21	.....
merged Mar. 30, 1973, under charter and title of the latter bank (10618). The merged bank at date of merger had.....	185,118,272	.....	22

#### COMPTROLLER'S DECISION

On November 28, 1972, The First National Bank of Nelson County at Lovington, Lovington, Va.,

and National Bank and Trust Company, Charlottesville, Va., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

National Bank and Trust Company, the charter bank, was organized in 1914, and now ranks as the 13th largest of the 251 banks serving the State of Virginia and has assets of \$167 million and IPC deposits of \$150.7 million. The bank operates 21 offices in 13 communities within a 30-mile radius of Charlottesville, with eight of its offices directly in Charlottesville. The charter bank is the principal component of NB Corporation, a one-bank holding company that was formed in 1969. The holding company is now expanding its scope of operation, and has recently filed an application for permission to establish a new State-chartered bank in Culpeper, approximately 46 miles northeast of Charlottesville.

National Bank and Trust Company competes with 18 banks in its service area including the three largest banks in Virginia. Among the largest competitors are Virginia National Bank, with deposits of \$1.08 billion; First and Merchants National Bank, with deposits of \$946 million; and United Virginia Bank, with deposits of \$215 million.

The First National Bank of Nelson County, the merging bank, was established in 1911, and operates as a unit institution with assets of \$9.7 million and IPC deposits of \$8.2 million. The merging bank, which is located in the county seat of Nelson County about 35 miles southwest of Charlottesville, ranks 168th in size among the 251 banks in Virginia. The competitors closest to the merging bank are Farmers and Merchants Bank, Inc., and Fidelity National Bank, both of which are in Amherst, 17 miles southwest of Lovingson.

Economic factors in the area served by the charter bank are generally favorable; the University of Virginia is the principal employer. Manufacturing, agriculture, and tourism also contribute substantially to the economy of this area. In contrast, the economy of the service area of the merging bank is static and received a setback when a natural flood disaster occurred in 1969. Nelson County is primarily rural, and one-third of the working force commutes daily outside of the county for employment.

There is no competition between the charter

and merging banks because large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distance. The nearest office of the charter bank to Lovingson is in Scottsville, approximately 32 miles away. Due to road conditions and living habits, there is little commerce between these two communities.

Consummation of the proposed merger will result in no adverse competitive effects because a small country bank will be replaced by an office of a large competitor capable of fulfilling the financial needs of Nelson County. National Bank and Trust Company's entry into this area will bring specialized banking services not presently available from the merging bank, and will bring the resources necessary to aid the future economic growth of this county. The subject merger will also alleviate the management succession problem at the merging bank.

Applying the statutory criteria it is the conclusion of this Office that the proposed merger is in the public interest and this application is therefore approved.

FEBRUARY 27, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The First National Bank of Nelson County at Lovingson is currently the only commercial bank in Nelson County, although one new bank is in organization. National Bank and Trust Company has no offices in the town of Lovingson or in Nelson County; and its nearest office is located approximately 32 miles away in Scottsville. National Bank and Trust Company's headquarters are 35 miles away in Charlottesville.

According to the application, there is only very minimal direct competition between the merging banks. National Bank and Trust Company is a potential competitor in Nelson County, but there are several other larger potential entrants throughout Virginia. Therefore, we conclude that the proposed merger will have no significant competitive effect.

\* \* \*

NATIONAL COMMUNITY BANK OF RUTHERFORD, RUTHERFORD, N.J., AND NATIONAL UNION BANK OF NEW JERSEY, DOVER, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
National Union Bank of New Jersey, Dover, N.J. (2076), with.....	\$105,959,078	13	.....
and National Community Bank of Rutherford, Rutherford, N.J. (5005), which had.....	564,746,807	33	.....
merged Mar. 30, 1973, under charter and title of the latter bank (5005). The merged bank at date of merger had.....	670,705,886	.....	46

#### COMPTROLLER'S DECISION

On Dec. 20, 1972, National Union Bank of New Jersey, Dover, N.J., and National Community Bank of Rutherford, Rutherford, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

National Community Bank of Rutherford, the charter bank, was organized in 1895, and now has assets of \$550 million and IPC deposits of \$437.6 million. The bank is headquartered in Bergen County and operates 32 branches, 26 of which are in Bergen County and six in Sussex County.

The charter bank is the sixth largest of 88 commercial banks in the First Banking District of New Jersey and ranks second in size of the 28 banks headquartered in Bergen County. Competition for the charter bank is provided by almost all of the commercial banks in Bergen County. Among the larger competitors are Peoples Trust of New Jersey, Hackensack, with deposits of \$828 million, a member of United Jersey Banks, a multi-bank holding company with aggregate deposits of \$1.2 billion; New Jersey Bank (National Association), Clifton, with deposits of \$565 million; First National Bank of New Jersey, Totowa, with deposits of \$440 million; and Garden State National Bank, Hackensack, with deposits of \$375 million.

National Union Bank of New Jersey, the merging bank, was organized in 1873, and now has assets of \$106 million and IPC deposits of \$79.2 million. The bank operates 12 branches, ten of which are in Morris County; it has received approval to open two additional offices within that county.

The merging bank is the 21st largest of 88 commercial banks in the First Banking District of New Jersey, and ranks second in size of the 13 banks headquartered in Morris County. Competition for the merging bank is provided by American National Bank and Trust of New Jersey, Montclair, which, with deposits of \$346 million, is a member of

Princeton-American Bancorporation which has aggregate deposits of \$436 million; First National Iron Bank of New Jersey, Morristown, which, with deposits of \$176 million, is a member of Heritage Bancorporation, a multi-bank holding company with aggregate deposits of \$563 million; First National State Bank of Northwest Jersey, Succasunna, which with deposits of \$84 million, is a member of First National State Bancorporation which has deposits of \$1.2 billion; and Dover Trust Company which, with deposits of \$41 million, is a member of United Jersey Banks which controls deposits of \$1.2 billion.

The trade area of National Community Bank of Rutherford consists of Bergen County which has a population of about 910,000 persons. The county is primarily residential, and many of the residents travel to New York City for employment. National Union Bank of New Jersey serves Morris County which has a population of approximately 400,000 persons. That county is heavily industrialized and has experienced tremendous growth in recent years.

There is minimal competition between the charter and merging banks because each operates in a well defined service area separate and distinct from that of the other bank. The main offices of the two banks are 29 miles apart and their nearest offices are 4 miles apart, and are separated by several alternative banking facilities which dilute their competitive impact on each other.

Consummation of the proposed merger will result in no adverse competitive effects in the First Banking District of New Jersey. The resulting bank, with deposits of \$562 million, will remain the sixth largest bank in the First Banking District, and will remain smaller than five of the multi-bank holding companies operating in that banking district. The proposed merger will have a favorable effect on competition by introducing an expanded range of services to residents and businesses in

Morris County not now available from the merging bank, such as a substantially larger lending limit, an expanded trust department, international banking services, and other specialized consumer services usually offered by the larger commercial banks.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is therefore approved.

FEBRUARY 28, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

While the closest offices of the merging banks are located only 3 or 4 miles apart, the application indicates that each of the merging banks draws only limited banking business from the service areas of the other. Thus, the proposed merger would not eliminate substantial existing competition.

Under New Jersey law, the merging banks could be permitted to branch *de novo* throughout the First Banking District, subject to home and branch office protection statutes. Additionally, the increasingly popular holding company device could serve as a

vehicle for entry into "closed" communities as well. While National Union could not, because of its size, be considered among the most significant potential entrants into areas now served by National Community, the latter is one of the larger banks in the first district and indeed in the State as a whole. It has the apparent resources and incentives to enter attractive new markets, particularly in those sections of the first district which it does not now serve.

Morris County presents attractive expansion opportunities for National Community. The county's excellent growth rate has attracted *de novo* branching by other large banks in the first district. National Union, while much smaller in absolute size than several of the banks operating offices in Morris County, nonetheless has a substantial share of total county deposits. As of June 30, 1972, it ranked third in the county, with about 12 percent of such deposits.

Although there are several other potential entrants into Morris County comparable in significance to National Community, we conclude that the proposed merger would eliminate some potential competition.

\* \* \*

#### NORTHWESTERN NATIONAL BANK OF SIOUX FALLS, SIOUX FALLS, S. DAK., AND PARKER STATE BANK, PARKER, S. DAK.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Parker State Bank, Parker, S. Dak., with.....	\$6,747,726	1	.....
and Northwestern National Bank of Sioux Falls, Sioux Falls, S. Dak. (10592), which had .....	188,247,376	13	.....
merged Mar. 31, 1973, under charter and title of the latter bank (10592). The merged bank at date of merger had .....	195,118,591	.....	14

#### COMPTROLLER'S DECISION

On December 18, 1972, Parker State Bank, Parker, S. Dak., and Northwestern National Bank of Sioux Falls, Sioux Falls, S. Dak., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Northwestern National Bank of Sioux Falls, the charter bank, was organized in 1880, and currently, with assets of \$177 million and IPC deposits of \$142 million, operates 13 offices in the southeastern portion of the State. It is a subsidiary of Northwest Bancorporation, a Minnesota-based holding company which controls three of the four largest commercial banks in South Dakota. The bank operates

as both a wholesale and retail institution and serves as one of the State's leading correspondent banks. It also provides a wide range of commercial banking services at each of its branches for the convenience of local residents and businesses. The charter bank therefore competes both with the large statewide commercial banks such as National Bank of South Dakota, the largest bank in the State, and with each of the smaller banks in the individual service areas of the branches of Northwestern National Bank of Sioux Falls.

Sioux Falls is the county seat of Minnehaha County and, with 72,500 persons, is the largest population center in the State. The economy of Sioux Falls is agriculturally oriented with a mixture of

light industry. The city also serves as a regional distribution center for the surrounding area. Its economy is considered stable with adequate growth potential for the near future.

Parker State Bank, the merging bank, was organized in 1924, and operates as a unit institution with assets of \$6.3 million and IPC deposits of \$5.1 million. Competition for the bank is provided by Bank of Centerville, with deposits of \$5.1 million; Farmers State Bank, with deposits of \$4.7 million; Hurley State Bank, with deposits of \$2.6 million; Chancellor State Bank, with deposits of \$1.9 million; and a branch office of United National Bank, headquartered in Clay County, with total deposits of \$46 million. The area served by the merging bank, all of Turner County, has an economy based on agriculture.

There is no competition between the charter and merging banks because large distances separate their closest two offices and five alternative banking facilities are located in the intervening distance. The closest two offices of these banks are situated in different counties, approximately 30 miles apart, which distance effectively precludes any competition between them.

Consummation of the proposed merger will not result in any adverse competitive effects because a small unaggressive bank will be absorbed by a larger, aggressive institution which will allow the resulting office in Parker to offer an improved and expanded range of services to the residents and businesses of Turner County. That will increase

banking competition in Turner County to the direct benefit of the people who live there. The proposed merger will also alleviate the management succession problem at the merging bank.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest and this application is, therefore, approved.

FEBRUARY 28, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest branches of Sioux Falls Bank to Parker Bank are located in the Sioux Falls area, about 30 miles northeast of Parker. There are no intervening banks between Parker Bank and these branches, and they derive \$1.8 million in deposits from Turner County, equal to 7.3 percent of the deposits held by banks located in that county. Parker Bank is the only bank in Parker and the largest of six banks in Turner County with 22.7 percent of county deposits, although two other banks are of similar size. Therefore, it appears that direct competition, small in absolute terms but significant in terms of banking in Turner County, would be eliminated by the proposed merger.

Sioux Falls Bank could branch into Turner County *de novo*, although the declining population and small banking market appear to make such entry unlikely. In addition, there are other banks in South Dakota capable of *de novo* entry into Turner County. The proposed merger would have some adverse competitive effect.

\* \* \*

#### THE UNION NATIONAL BANK OF YOUNGSTOWN, YOUNGSTOWN, OHIO, AND THE FIRST NATIONAL BANK OF GIRARD, GIRARD, OHIO

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Girard, Girard, Ohio (4884), with.....	\$20,544,959	2	.....
and The Union National Bank of Youngstown, Youngstown, Ohio (13586), which had.....	178,216,355	11	.....
merged Mar. 31, 1973, under charter and title of the latter bank (13586). The merged bank at date of merger had .....	199,705,363	.....	13

#### COMPTROLLER'S DECISION

On July 24, 1972, The First National Bank of Girard, Girard, Ohio, and The Union National Bank of Youngstown, Youngstown, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter and title of the latter.

The Union National Bank of Youngstown, the charter bank, with total deposits of approximately \$147 million, was chartered in 1931, and presently maintains ten branch offices. It is headquartered in the city of Youngstown, the county seat of Mahoning County. Youngstown supports an approximate population of 140,000. The charter bank

ranks second in size among the 13 commercial banks in its service area, holding approximately 14.2 percent of total deposits and 11.8 percent of total loans.

Banks competing with the charter bank in Mahoning County include The Dollar Savings and Trust Company, Youngstown, with deposits of approximately \$233 million; The Peoples Bank of Youngstown, Youngstown, Ohio, with total deposits of approximately \$38 million; the Mahoning National Bank of Youngstown, with approximately \$150 million in deposits; First National Bank of Sebring, Sebring, Ohio, with total deposits of approximately \$5 million; The Farmers National Bank of Canfield, Canfield, Ohio, with total deposits of approximately \$34 million; and, The Lowellville Savings and Banking Company, Lowellville, Ohio, with total deposits of approximately \$13 million.

The First National Bank of Girard, the merging bank, with total deposits of approximately \$18 million, was organized in 1893, and maintains one branch office in McDonald, Ohio. It is headquartered in Girard, located in Trumbull County, approximately 5 miles northwest of Youngstown. Girard's approximate population is 14,200.

Competition with the merging bank in Trumbull County is provided by The Second National Bank of Warren, Warren, Ohio, with total deposits of approximately \$114 million; The Dollar Savings Bank Company, Niles, Ohio, with total deposits of approximately \$11 million; The Niles Bank Company, Niles Ohio, with total deposits of approximately \$28 million; Cortland Savings and Banking Company, Cortland, Ohio, with total deposits of approximately \$39 million; and The Union Savings and Trust Company, Warren, Ohio, with total deposits of approximately \$134 million.

Both banks are located in the Youngstown-Warren Standard Metropolitan Statistical Area which consists of Mahoning and Trumbull counties. Because Youngstown is located both in Mahoning and Trumbull counties, the charter bank has a right, under Ohio law, to establish branches in Trumbull as well as in Mahoning County. This area supported a 1970 population of approximately 536,000. Its economy is heavily dependent upon steel and iron industries, as evidenced by an industrial employment of 154,000 and an annual industrial payroll of \$336 million in 1971. The Youngstown-Warren area is expected to enjoy continued industrial growth, although the Youngstown area of Mahoning

County has recently experienced some economic set-backs due primarily to the closing down and idling of local steel plants.

In addition to participating banks, competition in the area is provided by the 11 other commercial banks previously mentioned, ranging in size from \$259 million to \$6 million. Additional competition is furnished by the Orwell office of the Farmers National Bank and Trust Company of Ashtabula, with approximately \$66 million in total deposits, located in contiguous Ashtabula County. Besides the competing commercial banks, the area supports ten savings and loan associations, 24 credit unions, and 32 consumer and sales finance companies, as well as a number of insurance companies and federal financial agencies.

Competition will not be significantly affected in an adverse manner. At present there is no meaningful direct competition between participating banks. While some competition does exist between the subject banks, in their loan solicitations, the overlap is not substantial. Consummation of the proposed merger will not, therefore, eliminate any significant competition despite the 5-mile proximity of the participating banks. There will remain an abundance of banking alternatives in the service area. The resulting bank will remain second in size, holding approximately 14.7 percent of the area's deposits and 12.3 percent of the area's loans.

Consummation of this proposal will enable the resulting bank to compete with The Niles Bank Company, Niles, Ohio, affiliated with Bank Ohio Corporation, the largest multi-bank holding company in Ohio, and with The Peoples Bank of Youngstown in addition to The Farmers National Bank and Trust Company of Ashtabula, both of which are subsidiaries of Society Corporation, the third largest multi-bank holding company in Ohio.

In addition, the proposed transaction will provide the economically declining Girard community, presently serviced solely by the merging bank, with a more aggressive banking institution able to offer larger lending limits, expanded trust and credit card services, as well as home improvement paper and certificates of deposit.

Applying the statutory criteria to this application, it is concluded that the proposed merger is in the public interest. The application is, therefore, approved.

JANUARY 9, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

The main offices of the merging banks are approximately 5 miles apart. Union National's closest branches to Girard Bank are only about 2.5 and 4 miles distant. There are two additional offices of other competing banks in the intervening area, but Union National is obviously one of the most convenient banking alternatives for residents and business located in the Girard service area of Girard Bank. Extensive tables contained in the application purport to demonstrate that the merging banks actually draw relatively small amounts of deposit and loan business from each other's service area. However, the application indicates that these tables were constructed by defining service areas as those areas encompassing 75 percent of the loan and deposits business of each bank; in view of the proximity of the offices of the merging banks and the lack of any other competing banking offices in the immediate vicinity of Girard Bank, it is likely that the banks compete much more substantially than the application would appear to indicate. This competition would be eliminated by the proposed merger.

Commercial banking in the Youngstown area is highly concentrated. Out of a total of ten banks, the largest three hold 74.9 percent of total deposits, and the largest four hold 80.2 percent. Union Bank ranks third in size, holding 21 percent of total deposits, and Girard Bank ranks eighth holding 2.6 percent. Consummation of this merger would increase the share of the four largest banks in the area to 82.7 percent of total deposits, and the largest three banks would hold 77.5 percent.

Applicants apparently contend that any increase in banking concentration would be illusory as Girard Bank is in such a position as to compel its sale to another institution. Without commenting on the merits of this conclusion, we would note that sale to any other institution, particularly one of Ohio's expanding bank holding companies, not already operating in the Youngstown area, would not present the competitive effects inherent in the instant proposal.

We conclude, therefore, that because existing competition between the participating banks would be eliminated and concentration would be increased in an already concentrated market, this merger would have a significantly adverse effect on competition.

\* \* \*

## FARMERS FIRST NATIONAL BANK, LITITZ, PA., AND THE FIRST NATIONAL BANK OF MARIETTA, MARIETTA, PA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Marietta, Marietta, Pa. (25), with .....	\$7,023,473	1	.....
and Farmers First National Bank, Lititz, Pa. (5773), which had .....	118,275,757	10	.....
merged Apr. 2, 1973, under charter and title of the latter bank (5773). The merged bank at date of merger had .....	125,332,695	.....	11

## COMPTROLLER'S DECISION

On November 30, 1972, The First National Bank of Marietta, Marietta, Pa., and Farmers First National Bank, Lititz, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Farmers First National Bank, the charter bank, was organized in 1901, and currently has assets of \$111 million and IPC deposits of \$93.7 million. The charter bank has nine banking offices located in the cities of Lancaster, Neffeville, Ephrata, Intercourse, and Lititz. The service area of the bank consists of all of Lancaster County, although the majority of its business as well as the location of its offices are concentrated in north central Lan-

caster County. The economy of that area is dependent on a mixture of light and heavy industry, agriculture, and tourism.

Farmers First National Bank is the sixth largest of 19 commercial banks competing within its service area, and is the third largest of all banks headquartered in Lancaster County. Competitors include National Central Bank, Lancaster, with deposits of \$675 million; The Commonwealth National Bank, Harrisburg, with deposits of \$437 million; Dauphin Deposit Bank and Trust Company, Harrisburg, with deposits of \$300 million; and The Fulton National Bank of Lancaster, with deposits of \$173 million.

The First National Bank of Marietta, the merging bank, with assets of \$6.8 million and IPC deposits

of \$5.9 million, operates as a unit institution as it has done since it was originally chartered in 1863. The merging bank is situated in the western portion of Lancaster County, approximately 12 miles west of Lancaster and 32 miles southwest of Lititz. The bank serves an area confined exclusively to the city of Marietta and its immediate environs, where the economy is based on several small industries, agriculture, and tourism. The merging bank has no real competitors because of the limited scope of its operations. The closest competitor is approximately 3 miles away.

There is no competition between the charter and merging banks because of the relatively large distance which separates the two banks and the adequate number of alternative banking facilities operating in the intervening distance. The closest two offices of these banks are approximately 15 miles apart and nine banking offices operate in the intervening distance.

Consummation of the proposed merger will stimulate competition in the service area of The First National Bank of Marietta because a small ineffective competitor will be replaced by a branch of a larger, dynamic bank which will introduce a wider variety of banking services for the convenience of residents and businessmen in Marietta. Those will include a significantly larger lending limit, computer services, modern bookkeeping techniques, and a complete line of time deposits and consumer-oriented loans. The proposed merger

will also relieve a management crisis at the merging bank which, because of its small size, is unable to recruit satisfactory replacements for the managing officers who are now ready to retire.

Applying the statutory criteria it is the conclusion of this Office that the proposed merger is in the public interest and this application is, therefore, approved.

FEBRUARY 2, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The main office of Lititz Bank is about 22 miles northeast of Marietta. Lititz Bank's Park City Shopping Center office in Lancaster is 13.2 miles east of Marietta and is its closest office. According to the application, less than 3 percent of FNB Marietta's accounts (savings and checking) are derived from the Lancaster city area, the only area in which both banks compete. There are several offices of competing banks in the areas intervening between offices of the merging banks, and it appears that the proposed merger would eliminate only a limited amount of direct competition.

As of June, 1972, 19 banks operated offices in Lancaster County. The three leading banks held 52.6 percent of the total county deposits. Lititz Bank, which ranks fourth, held 11.4 percent, while FNB Marietta held 0.7 percent. The overall effect of the proposed merger would not be significantly adverse.

\* \* \*

#### GUARANTY NATIONAL BANK AND TRUST OF CORPUS CHRISTI, CORPUS CHRISTI, TEX., AND BANK OF COMMERCE, CORPUS CHRISTI, TEX.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Bank of Commerce, Corpus Christi, Tex., with.....	\$13,309,223	1	.....
and Guaranty National Bank and Trust of Corpus Christi, Corpus Christi, Tex. (14988), which had.....	20,110,719	1	.....
merged Apr. 2, 1973, under charter and title of the latter bank (14988). The merged bank at date of merger had.....	34,114,798	.....	1

#### COMPTROLLER'S DECISION

On November 10, 1972, Bank of Commerce, Corpus Christi, Tex., and Guaranty National Bank and Trust of Corpus Christi, Corpus Christi, Tex., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Guaranty National Bank and Trust of Corpus Christi, the charter bank, was chartered in 1962 and operates as a unit institution in compliance with State law. The bank is located in the downtown financial district of Corpus Christi and currently has assets of \$18 million and IPC deposits of \$14.9 million.

Bank of Commerce, the merging bank, was organized in 1962 and also operates as a unit institution in the financial district of Corpus Christi. The bank, with assets of \$14.7 million and IPC deposits of \$10.9 million has achieved a slow rate of growth because of frequent ownership and managerial changes. It has been controlled by five different owners and been managed by three different presidents, thereby preventing the bank from stabilizing its financial policies and its public image.

The service area of both the charter and merging banks consists of the Corpus Christi Standard Metropolitan Statistical Area which includes Nueces and San Patricio counties. The population of this area is almost 300,000 persons. Major factors in the economy of this area include industry, tourism, commercial fishing, and import-export trade. There are 150 manufacturing concerns in the Corpus Christi area employing approximately 11,500 persons.

At the present time there are 26 banks in the Corpus Christi area and 13 of these are headquartered in the city of Corpus Christi. The largest banks include Corpus Christi State National Bank, with deposits of \$180 million; Corpus Christi Bank and Trust, with deposits of \$112.5 million; and Citizens State Bank, with deposits of \$43 million. In the aggregate these three banks control in excess of 55 percent of commercial banking deposits in Corpus Christi.

Because the offices of the charter and merging banks are separated by only a few city blocks, there is some competition between these two institutions but the nature of the business in which each has concentrated minimizes this competitive effect on each other. Guaranty National Bank and Trust has a very active trust department, is heavily engaged in

real estate financing, and has an active credit card program. Bank of Commerce has concentrated more heavily on commercial banking, particularly in the financing of oil and gas exploration and production.

The proposed merger will, therefore, combine two complimentary financial institutions into a bank which will have larger resources, larger capital accounts, and increased earnings potential. The resulting bank will introduce diversified and specialized services, which correspondingly will increase, rather than diminish, competition in the relevant banking market. The larger bank created by this merger will be able to compete more effectively with the three largest banks in Corpus Christi for loans, deposits, and new business, and will, therefore, be a stimulus to competition in this area. The 13 remaining banks in Corpus Christi will provide adequate competition for the resulting bank, which will become the fourth largest commercial bank in that city.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

FEBRUARY 13, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Corpus Christi is a concentrated banking market, dominated by the two largest banks, which together hold 65 percent of total city deposits. Guaranty and Commerce are the seventh and eighth largest banks of the 13 in Corpus Christi, holding 3.4 percent and 2.7 percent, respectively, of total city deposits. The applicant banks are small competitors located one block apart; thus, the merger will eliminate some direct competition.

\* \* \*

#### THE MERCHANTS NATIONAL BANK OF MOBILE, MOBILE, ALA., AND CITRONELLE STATE BANK, CITRONELLE, ALA.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Citronelle State Bank, Citronelle, Ala., with .....	\$8,974,005	1	.....
and The Merchants National Bank of Mobile, Mobile, Ala. (13097), which had .....	291,108,014	8	.....
merged Apr. 6, 1973, under charter and title of the latter bank (13097). The merged bank at date of merger had .....	298,293,486	.....	9

## COMPTROLLER'S DECISION

On November 22, 1972, Citronelle State Bank, Citronelle, Ala., and The Merchants National Bank of Mobile, Mobile, Ala., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Merchants National Bank of Mobile, the charter bank, was organized in 1901, and is currently the second largest commercial bank headquartered in Mobile with assets of \$273 million and IPC deposits of \$206.4 million. The charter bank operates six offices in Mobile and one office each in the nearby towns of Prichard and Saraland. Mobile, with a population of 188,000 persons, is the second largest city in Alabama and is located in the extreme southwestern corner of the State. The economy of Mobile County, the primary service area of the charter bank, is well diversified with agriculture playing a secondary role to industry and sea transportation. Also, a revival of the oil industry is underway in this area.

Competition within the city of Mobile is provided by First National Bank of Mobile, with deposits of \$244 million; American National Bank and Trust Company of Mobile, with deposits of \$74.5 million; and Commercial Guaranty Bank of Mobile, with deposits of \$28.5 million. The Mobile Standard Metropolitan Statistical Area, which includes Baldwin, Mobile and Washington counties, is also served by 10 other banks holding a total of \$105 million in deposits. There are a total of 38 branch banking offices in the Mobile area.

Citronelle State Bank, the merging bank, was chartered in 1918, and operates as a unit institution with assets of \$7.8 million and IPC deposits of \$6.3 million. The bank, which is located within the Mobile SMSA, serves a trade area made up of portions of northern Mobile County and southern Washington County. Citronelle, which is located 35 miles northwest of Mobile, is in a rural area where economic growth has been much slower than in the port city of Mobile. Many residents commute to nearby towns for industrial employment and the small farms which still exist in this area no longer play an important economic role. Competition for the merging bank is provided primarily by a recently opened office of Deposit National Bank of Mobile County which is headquartered in Prichard.

Despite the fact that the merging bank is situated within the service area of The Merchants National Bank of Mobile the two banks are not competitors

because of the great disparity in size between these two institutions and the type of banking business offered by each bank. Citronelle State Bank, because of its limited size and conservative lending policies, can only satisfy the most immediate and limited needs of its community while the charter bank is a large, innovative commercial bank with many specialized departments serving the needs of many of the largest individual customers and businesses in the area. The many alternative banking facilities in the surrounding area further diminish the competitive impact of these two banks.

Consummation of the proposed merger will have its greatest impact in Citronelle because a small, un-aggressive unit bank will be replaced by an office of the second largest bank in Mobile County. The quality and variety of banking services to be made available by the resulting bank in the area now served by the merging bank will be materially improved, including the introduction of such specialized services as commercial and installment loans, investment counselling, extensive trust services, and access to one of the leading petroleum financing departments in the South. The charter bank will also provide the management skills necessary to implement these new services and will provide for an orderly succession of management at the appropriate time. The resulting branch in Citronelle will implement a much more liberal lending policy than pursued by the merging bank and will have available the necessary capital for industrial expansion and diversification which is so necessary to the economy of this area.

Applying the statutory criteria it is the conclusion of this Office that the proposed merger is in the public interest and will result in no adverse competitive effects. This application is, therefore, approved.

MARCH 7, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

There are seven banks located in Mobile County. Merchants is slightly the largest, with about 41 percent of total county deposits. The two largest organizations hold together over 80 percent of Mobile County deposits. Citronelle Bank holds about 1 percent of total county deposits, ranking as the next to smallest bank in the county.

Although the banks are located some 28 miles apart, Merchants is a significant competitive force throughout Mobile County and beyond to the whole southern Alabama and Gulf Coast area. The application defines Merchants' service area as a 3-county

area including Mobile County. Thus, the merger would eliminate some existing competition between Merchants and Citronelle Bank. Since Merchants can branch throughout Mobile County, the merger would also eliminate the chance of increased future competition, should Merchants decide to branch into Citronelle as two other Mobile area banks have done in the very recent past.

Citronelle Bank appears to be well-managed and profitable, and fully capable of continued independent existence or, in the alternative, of serving as an entry vehicle for other banking organizations not now represented in Mobile County. Although it is small in absolute terms, its acquisition by one of the dominant banks in the region would clearly have an adverse effect on competition.

\* \* \*

# NEW JERSEY BANK (NATIONAL ASSOCIATION), CLIFTON, N.J., AND THE NATIONAL BANK OF PALISADES PARK, PALISADES PARK, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The National Bank of Palisades Park, Palisades Park, N.J. (14088), with.....	\$19,368,586	1	.....
was purchased Apr. 13, 1973 by			
New Jersey Bank (National Association), Clifton, N.J. (15709), which had.....	663,585,300	30	.....
After the purchase was effected, the receiving bank had.....	679,724,580		31

## COMPTROLLER'S DECISION

On December 15, 1972, New Jersey Bank (National Association), Clifton, N.J., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of The National Bank of Palisades Park, Palisades Park, N.J., under the charter and with the title of the former.

New Jersey Bank (National Association), the purchasing bank, was founded in 1869, and currently has assets of \$664 million and IPC deposits of \$484.5 million. The bank is headquartered in Passaic County and currently operates 29 branches, 19 of which are located in Passaic County, five in Bergen County, and the remaining five branches in Warren, Sussex, and Morris counties. The bank also has two approved but unopened branches in Passaic County. In April 1972, the purchasing bank became a member of Greater New Jersey Bancorp., Clifton, a one-bank holding company.

New Jersey Bank is the fifth largest of 88 commercial banks in the First Banking District of New Jersey and ranks as the largest of 10 commercial banks headquartered in Passaic County. Competition is provided primarily by First National Bank of New Jersey, with deposits of \$440 million; Bank of Passaic and Clifton, National Association, with deposits of \$182 million; Prospect Park National Bank, with deposits of \$158 million; and Broadway Bank and Trust Company, with deposits of \$92 million. Competition is also provided by the multi-

billion dollar banks based in Newark, N.J., and in New York City.

The National Bank of Palisades Park, the selling bank, was chartered in 1934, and operates as a unit institution in Bergen County. It has total assets of \$19.4 million and IPC deposits of \$15.5 million. At the present time the selling bank is the 60th in size of the 88 commercial banks in the First Banking District, and ranks 20th in size of the 28 commercial banks headquartered in Bergen County.

Competition for the selling bank is provided by Peoples Trust of New Jersey, Hackensack, which has deposits of \$828 million and is a member of United Jersey Banks, a multi-bank holding company with aggregate deposits of \$1.2 billion; National Community Bank of Rutherford, with deposits of \$477 million; Garden State National Bank, with deposits of \$375 million; Citizens National Bank, which has deposits of \$240 million and is a member of Midlantic Banks, Inc., a multi-bank holding company with aggregate deposits of \$1.2 billion; and First National State Bank of North Jersey, which has deposits of \$69 million and is a member of First National State Bancorporation, a multi-bank holding company with aggregate deposits of \$1.2 billion.

The service area of the purchasing bank consists of all of Passaic County plus those portions of Bergen, Warren, Sussex and Morris counties served by the individual branches of that bank. The southern portion of Passaic County is highly

industrialized and urbanized with many prominent national corporations maintaining facilities there because of its close proximity to the New York metropolitan area. The northern portion of Passaic County is moderately developed but has very little industry. The selling bank primarily serves the borough of Palisades Park, a residential area from which a large portion of the population commutes daily to New York City for employment.

There is minimal competition between the purchasing and selling banks. The main offices of these two banks are 9 miles apart, their closest offices are 6.8 miles apart; further, the nine commercial banks operating 15 offices in the intervening distance dilute the competitive impact the two banks have on each other.

Consummation of the proposed transaction will result in no adverse competitive effects and the resulting bank will remain the fifth largest commercial institution in the First Banking District. The proposed purchase of assets will have a favorable effect upon competition by opening Palisades Park to *de novo* branching not presently allowed because of the head office protection afforded the selling bank by New Jersey law. In addition, the resulting bank will introduce an expanded range of services to the residents and businesses of the Palisades Park area such as a substantially larger lending limit, international banking services, complete trust department services, and other specialized services usually offered by larger commercial banks.

Applying the statutory criteria it is concluded that the proposed transaction is in the public interest and this application is, therefore, approved.

MARCH 9, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

New Jersey Bank (National Association)'s closest office to National Bank of Palisades Park is its branch in River Edge, 6.8 road miles from National Bank of Palisades Park. Despite the proximity of these offices, New Jersey Bank (National Association) does not draw any substantial deposit or loan business from Palisades Park where National Bank of Palisades Park's service area is centered. Accordingly, no more than a limited amount of existing competition would be eliminated by the proposed merger.

Under New Jersey law, New Jersey Bank (National Association), one of the largest banks in New Jersey's First Banking District, could establish *de novo* offices in Bergen County, by branching or establishing new banks as subsidiaries of its parent holding company. Thus, the proposed merger would eliminate some potential competition in the vicinity of Palisades Park, while removing the home office protection presently afforded to the community. However, in view of the modest size of National Bank of Palisades Park and the existence of several other large potential entrants into its vicinity, the overall effect of the merger on potential competition would not be significantly adverse.

\* \* \*

#### THE FULTON NATIONAL BANK OF LANCASTER, LANCASTER, PA., AND THE LEOLA NATIONAL BANK, LEOLA, PA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Leola National Bank, Leola, Pa. (13186), with.....	\$15,637,410	2	.....
and The Fulton National Bank of Lancaster, Lancaster, Pa. (2634), which had.....	207,693,218	12	.....
merged May 1, 1973, under charter and title of the latter bank (2634). The merged bank at date of merger had.....	223,330,629	.....	14

#### COMPTROLLER'S DECISION

On December 6, 1972, The Leola National Bank, Leola, Pa., and The Fulton National Bank of Lancaster, Lancaster, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Fulton National Bank of Lancaster, the charter bank, was organized in 1882 and, with assets of \$182

million and IPC deposits of \$147.6 million, is the fifth largest commercial bank in its service area. The charter bank operates 11 banking offices and has received approval to open three new branches. The area served by this bank consists of Lancaster County and the southwestern section of Dauphin County with its economy supported by a wide variety of industries, agriculture, and tourism.

Competition in and around Lancaster is intense

and many large banks compete directly in the surrounding area. Competition for the charter bank is provided by American Bank and Trust Company of Pa., Reading, with deposits of \$680 million; National Central Bank, Lancaster, with deposits of \$635 million; The Commonwealth National Bank, Harrisburg, with deposits of \$425 million; and Dauphin Deposit Trust Company, Harrisburg, with deposits of \$293 million.

The Leola National Bank, Leola, Pa., the merging bank, was organized in 1928, and currently operates one branch office with total assets of \$13.6 million and IPC deposits of \$10.8 million. The service area of this bank is restricted to the city of Leola and its immediate environs with its economic support derived primarily from agriculture and tourism.

The merging bank is the only bank presently situated in its primary service area although the second largest bank in Lancaster County, the National Central Bank, recently received approval to establish a branch in Leola. The filing of that application by National Central Bank precipitated the application for this merger because the management of the merging bank became convinced that they could not compete successfully against such a large bank and subsequently approached the charter bank concerning the proposed merger. The closest competitors to the merging bank at the present time include The Brownstown National Bank, with deposits of \$9.6 million; New Holland Farmers National Bank, with deposits of \$31.4 million; and Farmers First National Bank, with deposits of \$95.6 million.

Some competition presently exists between the charter and merging banks because the nearest office of The Fulton National Bank of Lancaster is located 5 miles from the merging bank. The amount of this competition is minimal because of an adequate number of intervening banking offices as well as the traffic patterns and shopping habits of area residents. What little competition may be eliminated as a result of this merger will be more than adequately compensated for as a result of the intense competition which the charter bank will

provide for the second largest bank in the area, National Central Bank, when it opens its new branch in Leola.

The service area of the merging bank will benefit substantially as a result of this merger because a small, unaggressive country bank will be replaced by offices of a larger, more sophisticated commercial bank with the ability to provide the present customers of The Leola National Bank with more modern and efficient services. The subject merger will have little effect in the charter bank's head office city because, as the fifth largest bank, it will remain substantially smaller than Dauphin Deposit Trust Company, the fourth largest bank operating in Lancaster.

Applying the statutory criteria it is the conclusion of this Office that the proposed merger is in the public interest and this application is, therefore, approved.

MARCH 6, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the merging banks are 9 miles apart and their closest offices are 5 miles apart. The application does not contain information as to the amount of banking business drawn from the vicinity of Leola by Fulton. As one of the leading banks in Lancaster County, however, Fulton draws banking business from areas throughout the county; its offices are distributed well, and bracket those of Leola Bank, which is located near the center of the county. Accordingly, it is likely that the proposed merger would eliminate some existing competition in Lancaster County.

Nineteen commercial banks operate about 67 banking offices in Lancaster County. As of June 30, 1972, Fulton held the second largest share of total deposits in the county, about 17 percent, while Leola Bank held about 1.5 percent. The four leading banks in the county held in the aggregate about 64 percent.

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

\* \* \*

**FIRST NATIONAL BANK OF SOUTH JERSEY, EGG HARBOR TOWNSHIP, N.J., AND FIRST NATIONAL BANK OF MOORESTOWN, MOORESTOWN, N.J.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
First National Bank of Moorestown, Moorestown, N.J., (15534), with .....	\$16,073,801	1	.....
and First National Bank of South Jersey, Egg Harbor Township, N.J. (1326), which had.....	415,499,893	36	.....
merged May 11, 1973, under charter and title of the latter bank (1326). The merged bank at date of merger had .....	432,987,167	.....	37

**COMPTROLLER'S DECISION**

On February 5, 1973, First National Bank of Moorestown, Moorestown, N.J., and First National Bank of South Jersey, Egg Harbor Township, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

First National Bank of South Jersey, the charter bank, was originally chartered in 1907, and now, with assets of \$415 million and IPC deposits of \$306.7 million, operates 34 offices throughout the Third Banking District of New Jersey. The Third Banking District encompasses eight counties with an estimated population of 1.7 million persons and is a largely undeveloped area now experiencing rapid growth: commercial and industrial interests predominate.

The charter bank is the largest of seven commercial banks headquartered in Atlantic County and ranks third in size among the 62 banks operating in the Third Banking District. The largest competitors of the charter bank are South Jersey National Bank, Cherry Hill, with deposits of \$387 million which is a member of Heritage Bancorporation, and The Bank of New Jersey, Camden, with deposits of \$381 million. Significant competition for the charter bank's main office is provided by Guarantee Bank, Atlantic City, with deposits of \$104 million. Additional competition is provided by numerous banks affiliated with holding companies such as Midlantic Banks Inc., First National State Bancorporation, and United Jersey Banks.

First National Bank of Moorestown, the merging bank, was chartered in 1965 and operates as a unit bank with assets of \$15.7 million and IPC deposits of \$13.6 million. The merging bank is located in Burlington County in the Third Banking District of New Jersey. The service area of this bank is primarily Moorestown Township which has an estimated population of 15,900 persons. Moorestown is

an affluent residential area with some light industry situated in industrial parks as well as several large retail establishments in a shopping mall.

The merging bank is the tenth in size of 11 banks headquartered in Burlington County and ranks 45th in size of the 62 banks operating in the Third Banking District of New Jersey. Competition for this bank is provided primarily by the larger banks headquartered in Burlington County including Burlington County Trust Company, Moorestown, with deposits of \$108 million; Mechanics National Bank of Burlington County, Burlington, with deposits of \$81 million; Bank of Mid-Jersey, Bordentown, with deposits of \$51 million; and Provident Bank of New Jersey, Willingboro, with deposits of \$38 million.

There is minimal competition between the charter and merging banks because relatively large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distances. The nearest offices of the two banks are 10 miles apart. Competition between these two banks is further diminished by the small size and restricted service area of the merging bank.

Consummation of the proposed merger will increase competition in the service area of the merging bank because the resulting branch in Moorestown will provide expanded and improved banking services to local residents and businesses such as a significantly larger lending limit, a credit card program, a wider variety of time deposits, computer services, expanded trust services, and added management depth. That will allow the resulting branch in Moorestown to become a more viable competitor. The effects of the merger will not be felt in the present service area of the charter bank which will remain the third largest bank in the Third Banking District.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

APRIL 10, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

First National operates two offices in Burlington County, and holds about 3 percent of total county deposits. Moorestown National with its single office situated in Burlington County, holds about 2.6 percent of total county deposits. The closest offices of the parties are approximately 7 miles apart with several competitive alternatives in the intervening area. It appears that the proposed merger would eliminate only a limited amount of existing competition between the two banks.

Moorestown National ranks 14th among the 16

commercial banks operating in Burlington County. State law would prohibit First National from *de novo* branching into Moorestown. State law would not, however, prevent the *de novo* chartering, by a bank holding company, of a new bank in this attractive market. In view of the considerable number of significant potential entrants, the proposed transaction will not eliminate substantial potential competition.

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

\* \* \*

## ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH, AND BANK OF VERNAL, VERNAL, UTAH

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Bank of Vernal, Vernal, Utah, with .....	\$13,321,000	1	.....
was purchased May 31, 1973, by Zions First National Bank, Salt Lake City, Utah (4341), which had .....	377,063,000	28	.....
After the purchase was effected, the receiving bank had .....	390,384,000	.....	29

### COMPTROLLER'S DECISION

On January 8, 1973, Zions First National Bank, Salt Lake City, Utah, applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Bank of Vernal, Vernal, Utah.

Zions First National Bank, the purchasing bank, with deposits of over \$323 million is the second largest bank in the State. Chartered in 1890, it now operates a number of branches throughout Utah. Zions First National Bank is wholly owned by Zions Utah Bancorporation with the exception of director's qualifying shares.

Salt Lake City, home of the purchasing bank, has a population of 175,885 and is the capital of Utah as well as the seat of government of the Mormon Church. A large and diversified industry has grown up in the Salt Lake City region, producing a wide variety of durable and non-durable goods. The city is a regional center for finance and administration, as well as a marketing and wholesaling center for distributing commodities throughout the intermountain region. There are no cities of comparable size within 500 miles. The purchasing bank is slightly larger than the Walker Bank and Trust Company, the State's third largest bank, and slightly smaller than First Security Bank of Utah. N.A., the State's

largest bank; it competes directly with branches of these two banks at various points in the State.

The Bank of Vernal, with total deposits of \$12 million, was organized in 1903. It is a unit bank which has remained under the same ownership since its inception.

Vernal has a population of 3,908, and is the county seat of Uintah County, a desert county on the eastern border of the State which has a population of 12,684. The service area is primarily residential and commercial. Oil exploration is very active in the area and the bulk of the area's economic growth has come from oil activity. Vernal is 175 miles east of Salt Lake City and some 30 miles east of Roosevelt, where the purchasing bank's nearest branch is located. Vernal is also served by a branch of the First Security Bank of Utah, N.A. The Walker Bank and Trust, a member of Western Bancorporation, has applied for a Vernal location.

Consummation of the subject transaction will benefit the Vernal area. Overall, the growth of the area, which is proceeding apace, should be extended by the presence of the new institution and the expanded services it will offer.

Competition will not be adversely affected by consummation of this transaction. Because Vernal is 30 miles from the site of Zions First National Bank's

nearest branch, the two banks do not presently compete. Competition in Vernal will be improved since the second largest bank in the State will gain a branch there through which it can compete with the presently operating branch of the State's largest bank, First Security Bank of Utah, N.A. Also, by eliminating the head office protection in Vernal, the transaction will open up Vernal to *de novo* branching, further enhancing competition. Statewide, the purchasing bank's position as second largest will remain the same while its proportionate share of deposits and assets will increase only slightly.

It is concluded, this transaction will have no adverse competitive effect and is in the public interest. The application is, therefore, approved.

APRIL 23, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Zions First's nearest office to Vernal Bank is located 30 miles west of Vernal, in Roosevelt, Duchesne County, which is contiguous to Uintah County on its western border. It is unlikely that either bank draws any significant banking business from the service area of the other; accordingly, the proposed transaction would not eliminate substantial existing competition.

Zions First could not establish a branch in Vernal, but its parent holding company could charter a new bank in the area. However, in view of the nature of Vernal and Uintah County, and the presence of some other potential entrants into this part of Utah, we conclude that the overall effect of the proposed transaction on competition would not be adverse.

\* \* \*

#### PURDUE NATIONAL BANK OF LAFAYETTE, LAFAYETTE, IND., AND STOCKWELL STATE BANK, STOCKWELL, IND.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Stockwell State Bank, Stockwell, Ind., with.....	\$3,733,763	1	.....
and Purdue National Bank of Lafayette, Lafayette, Ind. (11148), which had.....	140,846,321	7	.....
merged June 1, 1973, under charter and title of the latter bank (11148). The merged bank at date of merger had .....	144,249,829	.....	8

#### COMPTROLLER'S DECISION

On February 2, 1973, Purdue National Bank of Lafayette, Lafayette, Ind., and Stockwell State Bank, Stockwell, Ind., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Purdue National Bank of Lafayette, the charter bank, was organized in 1918, and is the largest commercial bank in Tippecanoe County with assets of \$126 million and IPC deposits of \$92.5 million. The bank operates six branch offices, three of which are located in Lafayette with the remaining branches in adjacent West Lafayette. The principal competitors of the charter bank are Lafayette National Bank, with deposits of \$97.4 million and Lafayette Bank and Trust Company, with deposits of \$51.6 million, both of which are headquartered in the city of Lafayette.

The service area of the charter bank consists of most of Tippecanoe County and portions of adjoining counties. This area is agriculturally-oriented except for the city of Lafayette which has a moderate amount of commercial and industrial development with Purdue University being the largest single

employer. The principal crops in Tippecanoe County are corn and soybeans, and there are also extensive cattle and hog feeding operations.

Stockwell State Bank, the merging bank, was organized in 1910, and has operated as a unit institution since that date. The bank now has assets of \$3.4 million and IPC deposits of \$2.8 million. The merging bank actually competes with no other banks and only serves the limited area surrounding Stockwell, 14 miles from Lafayette. The service area of the merging bank has a population of approximately 14,000 persons.

Stockwell is a small, rural farming community containing a few retail stores which are all oriented to the needs of the surrounding farmers. Most residents in this area travel to Lafayette for their shopping needs and many commute there for nonagricultural employment.

Consummation of the proposed merger will resolve an acute management succession problem at the merging bank and will also provide additional resources for the community of Stockwell whose population consists mainly of farmers with credit needs much larger than Stockwell State Bank is presently able to supply. The resulting branch in

Stockwell will also provide new and improved services which will confer a direct benefit on the local residents. Although the number of commercial banks in Tippecanoe County will be reduced to three, the merging bank has never been a significant competitive force and its deletion will have no adverse effect. As a result of this merger, the charter bank's ranking as the largest commercial bank in the county will only be slightly enhanced.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

APRIL 2, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

According to the application, Purdue Bank draws a very small amount of business from the Stockwell area. Four commercial banks operate 19 offices in Tippecanoe County. Purdue Bank is the largest with 40.8 percent of county deposits. Stockwell State Bank is the smallest bank in the county with 1.2 percent of total county deposits. The proposed merger will eliminate limited competition between Purdue Bank and Stockwell State Bank in Tippecanoe County, and will further increase the already high concentration in commercial banking in that county.

\* \* \*

#### THE AMOSKEAG NATIONAL BANK OF MANCHESTER, MANCHESTER, N.H., AND AMOSKEAG TRUST COMPANY, N.A., MANCHESTER, N.H.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Amoskeag Trust Company, N. A., Manchester, N.H., (16106), with .....	\$1,965,690	1	.....
and The Amoskeag National Bank of Manchester, Manchester, N.H. (574), which had.....	43,136,280	5	.....
merged June 1, 1973, under charter of the latter bank (574) and title "Amoskeag National Bank & Trust Co." The merged bank at date of merger had.....	44,675,439	.....	6

#### COMPTROLLER'S DECISION

On December 18, 1972, Amoskeag Trust Company, N. A., Manchester, N.H., and The Amoskeag National Bank of Manchester, Manchester, N.H., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title, "Amoskeag National Bank & Trust Co.".

The Amoskeag National Bank of Manchester, the charter bank, was organized in 1848, and currently, with assets of \$47.8 million and IPC deposits of \$29 million, is the fourth largest of eight commercial banks headquartered in Manchester. The bank has four banking offices with one additional branch under construction. The charter bank offers complete commercial banking services but does not engage in trust activities.

Amoskeag Trust Company, N.A., the merging bank, was organized in 1891 and has total assets of \$1.6 million and IPC deposits of \$639,000. Although the merging bank is authorized to engage in commercial banking activities, it has confined its scope of business to handling and managing the properties and funds of trust estates in a fiduciary capacity

and handling and managing funds on an agency or custodian basis. Except to the extent that it holds deposits due various principals of trusts, agencies, and estates in its fiduciary capacity it does not engage in activities authorized to commercial banks.

There is no competition between the charter and merging banks primarily because the services provided by each are mutually exclusive of each other. Another significant factor is that the two banks enjoy a closely affiliated relationship in which they share a common board of directors as well as significant amounts of commonly owned stock. The proposed merger is therefore a corporate reorganization which will have no effect on banking competition in Manchester.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest. This application is, therefore, approved.

APRIL 17, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The main offices of Amoskeag Bank and Amoskeag Trust are located in the same building in Manchester. They share largely identical boards of directors and senior management. According to

the application, the two institutions have been under common control and management for a long period of time.

Amoskeag Bank has provided few trust services, while Amoskeag Trust does little commercial

banking business, primarily as an adjunct to its trust operations.

We conclude that the proposed transaction would not have a significantly adverse effect on competition.

\* \* \*

**GLEN FALLS NATIONAL BANK AND TRUST COMPANY, GLENS FALLS, N.Y., AND THE  
NATIONAL BANK OF SCHUYLerville, SCHUYLerville, N.Y.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The National Bank of Schuylerville, Schuylerville, N.Y. (1298), with.....	\$ 7,258,629	1	.....
and Glens Falls National Bank and Trust Company, Glens Falls, N.Y. (7699), which had.....	102,857,054	9	.....
merged June 30, 1973, under charter and title of the latter bank (7699). The merged bank at date of merger had.....	110,115,683	.....	10

**COMPTROLLER'S DECISION**

On February 26, 1973, The National Bank of Schuylerville, Schuylerville, N.Y., and Glens Falls National Bank and Trust Company, Glens Falls, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Glens Falls National Bank and Trust Company, the charter bank, was organized in 1851, and now operates eight branch offices with assets of \$101 million and IPC deposits of \$76.2 million. The service area of the bank includes portions of Warren, Washington, Saratoga, and Essex counties with an estimated population of 125,000 persons.

The charter bank is now the smaller of the two banks headquartered in Warren County and competes primarily with The First National Bank of Glens Falls which has deposits of \$115 million. Additional competition is provided by offices of Marine Midland Bank-Eastern, National Association, Troy, with deposits of \$175 million; State Bank of Albany, with deposits of \$790 million which is a member of United Bank Corporation of New York; National Commercial Bank and Trust Company, Albany, with deposits of \$881 million which is a member of First Commercial Banks, Inc.; and Bankers Trust Company of Albany, National Association, with deposits of \$180 million which is a member of Bankers Trust New York Corporation.

The National Bank of Schuylerville, the merging bank, was organized in 1865 and has operated since that time as a unit institution. The bank now has assets of \$7.5 million and IPC deposits of \$5.9 million. The merging bank is located in Saratoga

County and its service area extends approximately 10 miles in all directions from Schuylerville; it contains an estimated population of 5,000 persons.

The merging bank is the smallest of three commercial banks headquartered in Saratoga County and competes primarily with Adirondack Trust Company, Saratoga Springs, with deposits of \$51 million, and with Ballston Spa National Bank, Ballston Spa, with deposits of \$21 million. Additional competition is provided by Cambridge Valley National Bank, with deposits of \$6 million; The First National Bank of Greenwich, with deposits of \$9 million; Marine Midland Bank-Eastern, National Association, Troy, with deposits of \$175 million which is a member of Marine Midland Banks, Inc.; and State Bank of Albany, with deposits of \$790 million which is a member of United Bank Corporation of New York.

There is minimal competition between the charter and merging banks because their closest two offices are separated by relatively large distances and an adequate number of alternative banking facilities operate in the area. The closest offices of the two banks are about 13 miles apart, and the small size of the merging bank prevents it from being a significant competitor with the charter bank.

Consummation of the proposed merger will stimulate competition in the service area of the merging bank because the resulting branch in Schuylerville will offer new and improved services such as a significantly larger lending limit, trust services, a credit card program, student loans, letters of credit, federally insured loans, competitive interest rates, and computer services. That will make the resulting branch in Schuylerville a more viable com-

petitor within its service area. The resulting bank will remain the eighth largest commercial bank in the Fourth Banking District of New York.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MAY 8, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are located about 13 miles apart with some intervening

banking alternatives. The application indicates that there is only limited existing competition between the parties. Each holds a minor percentage of commercial bank deposits in Saratoga County.

Glens Falls National could increase its competitive efforts in the area served by NBS, although it could not open *de novo* branches in Schuylerville itself. However, in view of the modest size of NBS, the nature of its service area, and the existence of other potential entrants, the proposed merger would not eliminate significant potential competition.

\* \* \*

#### THE FIRST NATIONAL BANK OF COBB COUNTY, MARIETTA, GA., AND BANK OF ACWORTH, ACWORTH, GA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Bank of Acworth, Acworth, Ga., with.....	\$10,613,452	1	.....
and The First National Bank of Cobb County, Marietta, Ga. (3830), which had.....	93,582,283	7	.....
merged June 30, 1973, under charter and title of the latter bank (3830). The merged bank at date of merger had.....	104,045,101	.....	8

#### COMPTROLLER'S DECISION

On February 27, 1973, Bank of Acworth, Acworth, Ga., and The First National Bank of Cobb County, Marietta, Ga., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The First National Bank of Cobb County, the charter bank, was organized in 1888, and now operates five branches with assets of \$92.5 million and IPC deposits of \$59.8 million. The charter bank serves all of Cobb County, the fastest growing of the five counties comprising the Atlanta Standard Metropolitan Statistical Area. Economic growth in that county has been concentrated around the centrally located county seat of Marietta and south of that area toward Atlanta. There are now 180 manufacturing and industrial firms located in Cobb County with an annual payroll of approximately \$358 million.

Direct competition for the charter bank and its branches is provided by several banks headquartered in Cobb County including Cobb Exchange Bank, with deposits of \$27.3 million; Bank of Smyrna, with deposits of \$24 million; Citizens and Southern Bank of Cobb County, with deposits of \$21.5 million; and Commercial Bank of Cobb County, with deposits of \$19 million. Strong competition is also provided by several of the

larger banks headquartered in the city of Atlanta, especially for large commercial loans.

Bank of Acworth, the merging bank, was chartered in 1905 and has operated continuously as a unit bank since that date. The merging bank, located in the northwestern portion of Cobb County which is economically the slowest growing area of that county, has assets of \$9.8 million and IPC deposits of \$8.4 million. The bank has no trust powers and has recently experienced both management and ownership problems including the misappropriation of funds as a result of the illegal activities of the bank's former executive officer.

The merging bank's service area is confined to the community of Acworth and its immediate environs, a population of approximately 4,000 persons. The nearest competitor for the merging bank is a recently established branch of Cobb County Bank located about 2.5 miles southeast of Acworth.

There is minimal competition between the charter and merging banks because of the relatively large distance which separates the two banks as well as the economic reality of Cobb County. Bank of Acworth is located approximately 5.5 miles northwest of the main office of the charter bank which is its closest office to Acworth. The remaining branches of The First National Bank of Cobb County are located to the south which is that part of Cobb County

closest to Atlanta and furthest from Acworth. The principal economic activity of both Cobb County and the charter bank is concentrated in the southern portion of Cobb County and, therefore, the major efforts of the charter bank are directed away from the area in which the merging bank is located. Bank of Acworth has a restricted service area which does not reach as far south as its nearest competitor.

Consummation of the proposed merger will bring increased economic resources and banking services to residents of Acworth including a significantly larger lending limit, trust services, consumer loans, and a wide variety of time deposits. That will confer a direct benefit on residents of Acworth while not significantly changing the competitive structure in Cobb County. The proposed merger will also resolve the management problems at the merging bank and will provide the needed stability of ownership which the bank's public image needs to increase public confidence in this financial institution.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is in the public interest and is, therefore, approved.

MAY 21, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

First National Bank of Cobb County ("Cobb Bank") maintains its main office in Marietta and five other branches. As of December 31, 1972, it held total deposits of \$84.1 million (including IPC demand deposits of \$34.7 million) and loans and discounts of \$43.0 million.

The Bank of Acworth ("Acworth Bank") maintains its single office in Acworth. As of December 31, 1972, it held total deposits of \$8.9 million (including IPC demand deposits of \$4.1 million) and loans and discounts of \$5.7 million.

Cobb County is a fast growing area northwest of Atlanta, Georgia. The population of the county has grown rapidly, from 114,174 in 1960, to 196,793 in 1970, an increase of 72 percent. Acworth, a small town in northwest Cobb County, has only recently begun to grow rapidly.

Acworth Bank is located 11 miles northwest of Marietta, where Cobb Bank's closest offices are located. There is one intervening competitive alternative. Marietta, located in the center of the county, is a regional center for shopping, employment, and banking. The application indicates that Cobb Bank draws only about \$550,000 in deposits from the town of Acworth. There is, however, no information concerning the distribution of accounts from the area separating the two banks. Considering the distances involved, and Cobb Bank's perception of itself as a competitor throughout the county, it is clear that the proposed transaction would eliminate existing competition. Georgia law permits county-wide branching. Therefore, the transaction would also eliminate the potential for more extensive competition between the parties in the future.

Since Georgia law limits branching to counties in which banks are headquartered, either bank could branch throughout Cobb County. This fact, combined with the competitive presence of Cobb Bank throughout the county, supports the conclusion that Cobb County is a relevant commercial banking market in which the competitive effects of the proposed merger may be measured. This market is concentrated; out of a total of nine banks, Cobb Bank is the largest with 33.3 percent of total county deposits, while the next three largest control approximately 12 percent each. The four largest banks hold about 71 percent of such deposits. Acworth Bank has 3.5 percent of the market. Consummation of the proposed merger would give Cobb Bank about 37 percent of total county deposits, and increase the share of the four largest banks to about 74 percent.

The proposed transaction would eliminate existing competition and increase banking concentration in Cobb County. In addition, Cobb Bank's dominant position in the county would be entrenched. Therefore, we conclude that the proposed acquisition would have adverse competitive effects and, in the absence of convenience and needs considerations which clearly outweigh these competitive effects, should be denied.

\* \* \*

**THE FIRST NATIONAL BANK OF KENTON, KENTON, OHIO, AND THE ALGER SAVINGS  
BANK, ALGER, OHIO**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Alger Savings Bank, Alger, Ohio, with.....	\$4,662,151	1	.....
and The First National Bank of Kenton, Kenton, Ohio (2500), which had.....	18,115,371	1	.....
merged June 30, 1973, under charter and title of the latter bank (2500). The merged bank at date of merger had.....	22,777,521	.....	2

**COMPTROLLER'S DECISION**

On December 29, 1972, The Alger Savings Bank, Alger, Ohio, and The First National Bank of Kenton, Kenton, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The First National Bank of Kenton, the charter bank, was organized in 1880 and operates as a unit institution with assets of \$16.3 million and IPC deposits of \$13.4 million. The bank is located in the county seat of Hardin County, approximately 60 miles northwest of Columbus. In June 1972, the charter bank became a subsidiary of Huntington Bancshares, Incorporated, a multi-bank holding company controlling 12 affiliated banks with aggregate deposits of \$992 million.

The service area of the charter bank has an estimated population of 20,000 persons and derives its economic support from a combination of agriculture and manufacturing. The Hardin County farmland is among the best in Ohio, and corn, soybeans, and livestock feeding are the major sources of local farm income. The Kenton area contains 33 manufacturing firms which employ about 2,300 persons.

Competition for the charter bank is provided by The Kenton Savings Bank, with total deposits of \$14.2 million which is a member of BancOhio Corporation; and The Kenton National Bank, with total deposits of \$11.6 million. Hardin County is served by a total of seven commercial banks.

The Alger Savings Bank, Alger, Ohio, the merging bank, was organized in 1906 and operates as a single office institution with assets of \$4 million and IPC deposits of \$3.1 million. The only real competitor of the merging bank is The Liberty National Bank of Ada, located about 5 miles north of Alger.

The merging bank serves an agriculturally oriented service area which has an estimated population of 12,000 persons. The city of Alger con-

tains only a few small mercantile stores and a larger grain elevator. The area immediately surrounding Alger is devoted almost exclusively to farming and related activities. Many of the residents in this area must travel to Kenton, Lima, and other nearby communities for shopping purposes.

Competition between the charter and merging banks is virtually nonexistent due to the restrictive lending policies of the merging bank and the fact that the two banks are 15 miles apart.

Consummation of the proposed merger will stimulate competition in Hardin County and will replace a small, ineffective competitor with a larger bank capable of meeting the financial needs of Alger. The merging bank has a very small lending limit which has proved unsatisfactory to meet the credit requirements of the large farms near Alger. The resulting office in Alger will be able to satisfy those agricultural loans through its increased lending limit and will offer a wider range of banking services to residents of Alger. In addition, the management succession problem at the merging bank will be resolved as a result of the proposed transaction.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MAY 2, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

Alger Bank is the only bank in the village of Alger. It is situated 15 miles from Kenton Bank. There are two other banks in Kenton: The Kenton National Bank (total deposits of \$11.6 million, as of June 30, 1972) and The Kenton Savings Bank (total deposits of \$14.2 million, as of June 30, 1972). While Kenton Bank draws most of its deposits from the immediate vicinity of Kenton, the application indicates that it also draws banking business from

the surrounding areas. Thus, it appears that some competition may be eliminated by the proposed merger.

Kenton Bank is the leading bank in Hardin County, holding 22.5 percent of total county deposits; Alger Bank ranks sixth with 4.9 percent.

\* \* \*

# THE FIRST NATIONAL BANK OF LOGAN, LOGAN, UTAH, AND PIONEER NATIONAL BANK, LOGAN, UTAH

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Pioneer National Bank, Logan, Utah (15643), with.....	\$5,549,460	1	.....
and The First National Bank of Logan, Logan, Utah (4670), which had.....	26,073,142	1	.....
merged June 30, 1973, under charter and title of the latter bank (4670). The merged bank at date of merger had.....	31,068,413	.....	2

## COMPTROLLER'S DECISION

On February 12, 1973, Pioneer National Bank, Logan, Utah, and The First National Bank of Logan, Logan, Utah, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The First National Bank of Logan, the charter bank, was organized in 1892 and operates as a unit bank with assets of \$24.4 million and IPC deposits of \$18.7 million.

Pioneer National Bank, the merging bank, was chartered in January 1968 by persons associated with The First National Bank of Logan after an attempt by that bank to establish a branch in Logan was stifled on legal grounds. Pioneer National Bank has operated as an affiliate of the charter bank since its inception and the two banks have a common directorate as well as common stock ownership; 86 shareholders own 92.12 percent of The First National Bank of Logan and own 85.3 percent of Pioneer National Bank. Pioneer National Bank has assets of \$5.7 million and IPC deposits of \$4.3 million.

The city of Logan is situated 90 miles north of Salt Lake City and has a population of 23,000 persons. The principal employer in Logan is the Utah State University which employs 3,000 persons. This city is predominantly residential in nature

although several light manufacturing firms have recently settled in Logan. The service area of the charter and merging banks extends to most of Cache County, which is predominantly agricultural.

Direct competition in Logan for both the charter and merging banks is provided by branches of First Security Bank of Utah, Salt Lake City, with deposits of \$589 million and a member of First Security Corporation System, and Walker Bank and Trust Company, Salt Lake City, with deposits of \$319 million and a member of Western Bancorporation. Additional competition is provided by several smaller banks located in Cache County.

Consummation of the proposed merger will not eliminate any competition in Logan because both of the banks involved in this proposal are commonly owned and managed and significant competition will be provided by the remaining banks in that city which are each much larger than the resulting bank. Customers of both the charter and merging banks will enjoy the advantages of an increased lending limit, expanded services and the convenience of an additional office.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

APRIL 23, 1973.

NOTE.—No Attorney General's report received.

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**THE SOUTH CAROLINA NATIONAL BANK, CHARLESTON, S.C., AND THE BANK OF BERKELEY,  
MONCKS CORNER, S.C.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Bank of Berkeley, Moncks Corner, S.C., with.....	\$7,574,054	2	.....
and The South Carolina National Bank, Charleston, S.C. (2044), which had.....	872,357,834	95	.....
merged July 2, 1973, under charter and title of the latter bank (2044). The merged bank at date of merger had.....	879,931,887	.....	97

**COMPTROLLER'S DECISION**

On January 8, 1973, The Bank of Berkeley, Moncks Corner, S.C., and The South Carolina National Bank, Charleston, S.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The South Carolina National Bank, the charter bank, was organized in 1834, and now, with assets of \$755 million, and IPC deposits of \$525.6 million, is the largest commercial bank in South Carolina. The bank now operates 92 branches in 29 cities and towns throughout the State and has seven approved but unopened offices. In June 1972, the charter bank was involved in a plan of reorganization in connection with the formation of a holding company and is now the only subsidiary of that corporation, The South Carolina National Corporation.

As a statewide bank, The South Carolina National Bank competes with all of the other major banks in the State as well as with local banks situated in the individual service areas of its various branches. Competition is thus provided by Citizens and Southern National Bank, with deposits of \$390 million; First National Bank of South Carolina, with deposits of \$278 million; Bankers Trust Company of South Carolina, with deposits of \$244 million; and First Citizens Bank and Trust Company, with deposits of \$113 million, among many other commercial banks.

The Bank of Berkeley, the merging bank, was chartered by the State of South Carolina in 1949, and currently has assets of \$6.3 million and IPC deposits of \$4.1 million. The bank operates one branch in St. Stephen which is located approximately 16 miles northeast of Moncks Corner in Berkeley County.

The service area of the merging bank includes most of Berkeley County which is located on the northeastern edge of the Charleston Metropolitan Area. Goose Creek, located in Berkeley County, appears to be at the extreme northern edge of

that area. Development is now taking place between Goose Creek and Moncks Corner and the latter will undoubtedly become a part of Charleston's urban area at some time in the future. Much of Berkeley County is now covered by swamp, forest, and lakes, and agriculture continues to be the primary economic factor in the county.

Competition for the merging bank is provided by The Farmers and Merchants Bank of Holy Hill which operates a branch in Moncks Corner. The Citizens and Southern National Bank of South Carolina, the second largest commercial bank in the State, has recently received approval to open a Moncks Corner branch which is scheduled to commence operations within the next few weeks.

There is no competition between the charter bank and the merging bank because relatively large distances separate their closest two offices and each operates in a service area separate and distinct from that of the other. The closest branch of the charter bank is in Goose Creek, approximately 15 miles from Moncks Corner. The Goose Creek office of the charter bank derives most of its business from the Charleston Metropolitan Area to the south, while almost all of the business of the merging bank is generated from within Berkeley County, close to its offices. Barren, mostly undeveloped land serves as a natural barrier between Goose Creek and Moncks Corner which further retards the competitive impact.

Consummation of the proposed merger will stimulate banking competition in Berkeley County because the resulting branches in Moncks Corner and St. Stephen will be able to offer a greatly expanded range of services not currently available to local residents and businesses. These will include a significantly larger lending limit, competitive interest rates on both loans and deposits, a credit card service, installment consumer loans, and a wide variety of other services, the effect of which will be to confer an immediate and direct

benefit on local residents. In addition, the presence, in Berkeley County, of both the largest and second largest South Carolina banks will insure continued competitive conditions.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MAY 25, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the two banks are about 16 miles apart in Berkeley County, with no other alternative banking offices located in the area intervening directly between them. It appears,

however, that the proposed transaction would eliminate only a limited amount of direct competition presently existing between the two banks.

South Carolina National Bank could legally establish *de novo* offices in the area of Berkeley County served by Bank. In view of its substantial market position in the Charleston area, and existing office in southern Berkeley County, it must be considered one of the most significant potential entrants into the area served by Bank. Thus, some potential competition would be eliminated by the proposed transaction, although there is limited economic and population growth in the area and other large potential entrants also exist.

\* \* \*

#### ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH, AND CARBON EMERY BANK, PRICE, UTAH

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Carbon Emery Bank, Price, Utah, with.....	\$38,219,970	2	.....
and Zions First National Bank, Salt Lake City, Utah (4341), which had.....	489,667,449	29	.....
merged Aug. 1, 1973, under charter and title of the latter bank (4341). The merged bank at date of merger had.....	503,888,365	.....	31

#### COMPTROLLER'S DECISION

On April 15, 1973, Zions First National Bank, Salt Lake City, Utah, and Carbon Emery Bank, Price, Utah, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Zions First National Bank, the charter bank, was organized in 1873, and is now the second largest commercial bank in Utah with assets of \$459.5 million and IPC deposits of \$304 million. The bank now operates 27 branch offices throughout the most populous portions of the State and has received approval to open two additional branches.

Competition for the charter bank is provided by all of the largest banks in the State including First Security Bank of Utah, National Association, with deposits of \$580 million; Walker Bank and Trust Company, with deposits of \$319 million; and The Continental Bank and Trust Company, with deposits of \$130 million. Additional competition is provided by the many smaller banks throughout Utah which are situated within the service areas of the individual branches of the charter bank.

Carbon Emery Bank, the merging bank, was originally chartered in 1910, and now has assets

of \$31 million and IPC deposits of \$24.6 million. The bank operates one branch in Emery County located at Castle Dale and has received approval to open a second branch in the community of Sunnyside, in Carbon County. The service area of Carbon Emery Bank now encompasses the coal producing area of Utah.

Competition for the merging bank is provided by a branch of Walker Bank and Trust Company, which is located in the city of Price. Further, First Security Bank of Utah, National Association, the largest commercial bank in Utah, has recently received approval to open a newly organized unit bank in Price, to be called First Security Bank of Price.

There is no competition between the charter and merging banks because very large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distance. The main office of the charter bank is located in Salt Lake City, approximately 130 miles northwest of Price, and its nearest branch is situated in Spanish Fork, 70 miles northwest of Price. Those large distances are sufficient to preclude any competition between those offices.

Consummation of the proposed merger will

stimulate competition in the service area of the merging bank because the second largest bank in Utah will enter a market in which the largest and third largest commercial banks in the State will be operating offices. The fact that the resulting bank will have three branches in that area will stimulate the other banks to seek to open additional offices in the area for the added convenience of local residents. Further, as part of the charter bank, the resulting branches in the area will be able to offer an expanded range of services not available from the bank prior to the merger thus making those branches viable competitors with the other large banks.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JULY 2, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Zions First National Bank, Salt Lake City ("Zions Bank") is one of two banking subsidiaries of Zions Utah Bancorporation, Utah's second largest banking organization. On December 31, 1972, Zions Bank held total deposits of \$404.8 million (including IPC demand deposits of \$139.9 million) and net loans of \$284 million. It operates 28 banking offices, with 13 of these offices situated in Salt Lake County.

Carbon Emery Bank ("Carbon Emery") operates its main office in Price, Utah (Carbon County) and one branch in Castle Dale in adjacent Emery County. A second branch, to be located in Sunnyside (Carbon County) has been approved but is not yet in operation. On December 31, 1972, Carbon Emery held total deposits of \$28.4 million (including IPC demand deposits of \$8.2 million) and net loans of \$12.2 million.

Carbon and Emery counties, the areas primarily

affected by the proposed merger, are located in east-central Utah. Population of the two counties totals about 21,000, which represents a decline of about 22 percent in the last decade. Much of the land area of these two counties is desert, and coal mining is the single most important industry. In recent years, employment in the coal industry has declined significantly.

The closest offices of the merging banks are approximately 70 miles apart, and are separated by mountainous, sparsely populated terrain. No significant existing competition would be eliminated by the proposed merger. Under applicable law, Zions Bank could not branch *de novo* into Price, the only significant community in the two-county area, but its parent bank holding company could enter *de novo* through establishment of a new banking subsidiary. While demographic figures indicate that the two-county area is not particularly attractive as a *de novo* site, the contemporaneous *de novo* entry of another large holding company indicates some promise in this market.

The merger would have a clearly discernable competitive effect on the developing structure of commercial banking in the State of Utah. Three large banking organizations, including Zions Bank's parent holding company, dominate commercial banking in the State, and control about 60 percent of commercial bank deposits. Further acquisitions by these organizations of banks of any significant size can only add to this dominance, and prevent the growth of additional banking systems able to offer increasing competition on a statewide basis. Carbon Emery ranks as the 10th largest banking organization in Utah, controls over 50 percent of the deposits in its market, and is of sufficient size to be an important element in this development. Accordingly, the proposed merger would have some adverse effect on competition.

\* \* \*

#### THE UNION NATIONAL BANK OF NEW BRIGHTON, NEW BRIGHTON, PA., AND THE FREEDOM NATIONAL BANK, FREEDOM, PA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Freedom National Bank, Freedom, Pa. (5454), with.....	\$21,111,375	3	.....
and The Union National Bank of New Brighton, New Brighton, Pa. (4549), which had.....	16,502,563	2	.....
consolidated Sept. 1, 1973, under charter of the latter bank (4549) and title "The Century National Bank and Trust Company." The consolidated bank at date of consolidation had.....	37,613,939	.....	5

## COMPTROLLER'S DECISION

On April 4, 1973, The Freedom National Bank, Freedom, Pa., and The Union National Bank of New Brighton, New Brighton, Pa., applied to the Comptroller of the Currency for permission to consolidate under the charter of the latter and with the title "The Century National Bank and Trust Company" and with the head office to be located in Rochester, Pa.

The Union National Bank of New Brighton, the charter bank, was organized in 1891, and has total assets of \$14.7 million and IPC deposits of \$11.6 million. The bank is headquartered in New Brighton, Beaver County, Pa., and operates one branch, a drive-up facility, located to the rear of the main office.

Although Pennsylvania law would allow the charter bank to branch into four contiguous counties, its small size effectively limits its service area to central Beaver County. The service area, which is bounded on the east by the Beaver River and extends 2 miles north, south, and west of New Brighton, encompasses New Brighton, Dougherty Township, Rochester Township, and Beaver Falls. The economy of that area is substantially industrial, with a heavy emphasis on steel production. Approximately 19,200 people live in the service area.

The charter bank ranks third among the six banks which have their main offices in Beaver County. Competition is afforded by several branches of large Pittsburgh metropolitan banks, including Mellon Bank, National Association, with deposits of \$5 billion; Western Pennsylvania National Bank, with deposits of \$1.1 billion; and Union National Bank of Pittsburgh, with deposits of \$726 million.

The Freedom National Bank, the consolidating bank, was organized in 1872 and has total assets of \$18.4 million and IPC deposits of \$15.6 million. That bank is headquartered in Freedom, Pa., and operates two branch offices. The service area of the consolidating bank, which is slightly south of that of the charter bank, is bounded on the south and west by the Ohio River and extends 5.5 miles along that river and 5 miles east and northeast. That service area includes Baden, Conway, Freedom, Rochester, Economy Borough, and New Sewickley Township. The economy of that area is also based primarily on steel production and its estimated population is 27,500 people.

The Freedom National Bank is the second largest bank of the six banks that operate their head offices

in Beaver County. Additional competition is felt from the branches of large Pittsburgh metropolitan banks, including Mellon Bank, National Association, with deposits of \$5 billion, and Western Pennsylvania National Bank, with deposits of \$1.1 billion.

Competition between the charter bank and the consolidating bank is insignificant despite the close proximity of their service areas because the rough terrain of the area fosters distinct communities. Only a nominal number of accounts and installment loans are drawn by each bank from the other's service area.

Consummation of the proposed consolidation will not significantly alter competition in Beaver County. Although an insignificant amount of competition will be eliminated between the charter bank and the consolidating bank, competition in general will be enhanced because the resulting bank will be better able to compete with the large Pittsburgh metropolitan banks as well as the other commercial banks headquartered in Beaver County. The resulting bank, which will continue to operate primarily in central Beaver County, will remain small in comparison to its competitors but will become a more viable banking institution. It will be able to offer expanded and improved services, such as trust services, extended banking hours, and a larger lending limit. In addition, the management problems of both banks, which arise from the domination of their respective presidents, will be improved since the expanded services of the resulting bank will encourage delegation of authority.

Applying the statutory criteria, it is the conclusion of this Office that the proposed consolidation will stimulate competition in the service area of the resulting bank. The application is, therefore, approved.

JUNE 29, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

Freedom Bank and Union Bank are headquartered within 5 miles of each other, and their closest offices are about 2.8 miles apart. Thus, the consolidation would eliminate some existing competition between the two banks.

Freedom Bank and Union Bank hold 5.9 percent and 4.6 percent, respectively, of total deposits held by Beaver County commercial banks, the fifth and sixth largest shares of the 11 commercial banks operating in the county. The resulting bank would be the second largest bank headquartered in

Beaver County and would hold 10.5 percent of total county deposits, the fourth largest share of all banks operating in the county. This increase in concentration may somewhat overstate the effect of the consolidation on competition, however, because the two banks are not fully in competition with each other throughout their service areas.

Both banks could be permitted to branch into

the communities in which the other operates offices, but the small size of these communities coupled with the existence of several large potential entrants into each community diminish the effect of the consolidation on potential competition.

We conclude, therefore, that the consolidation would have some adverse effect on existing competition.

\* \* \*

**THE PEOPLES NATIONAL BANK OF STATE COLLEGE, STATE COLLEGE, PA., AND  
THE REBERSBURG NATIONAL BANK, REBERSBURG, PA.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Rebersburg National Bank, Rebersburg, Pa. (11789), with.....	\$3,891,845	1	.....
and The Peoples National Bank of State College, State College, Pa. (12261), which had.....	42,929,457	5	.....
merged Sept. 10, 1973, under charter of the latter bank (12261) and title "The Peoples National Bank of Central Pennsylvania." The merged bank at date of merger had.....	46,821,302	.....	6

**COMPTROLLER'S DECISION**

On February 26, 1973, The Rebersburg National Bank, Rebersburg, Pa., and The Peoples National Bank of State College, State College, Pa., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title, "The Peoples National Bank of Central Pennsylvania."

Peoples National Bank of State College, the charter bank, was organized in 1922, and now, with assets of \$40.5 million and IPC deposits of \$35.7 million, operates five offices serving central and west central Centre County. The charter bank has filed applications to establish two additional branch offices in the State College area. The service area of the bank has an economy supported by a wide variety of businesses and industry devoted primarily to research and development with Penn State University the largest single employer in the area.

The charter bank is the fourth largest commercial bank in its service area and competes directly with Mid-State Bank and Trust Company, Altoona, with deposits of \$157.6 million; Central Counties Bank, State College, with deposits of \$76.3 million; and Union National Bank and Trust Company of Huntingdon, with deposits of \$38.9 million.

The Rebersburg National Bank, the merging bank, was organized in 1920, and operates as a unit bank with assets of \$3.7 million and IPC deposits of \$3.2 million. The merging bank serves a rural

area in the extreme eastern portion of Centre County containing a population of approximately 600 persons. Residents of that service area devote their time to either agricultural pursuits or commute to State College and its surrounding area for employment. There is no public transportation in the area and all travel must be done by private car over small country roads, which emphasizes the isolated location of the merging bank.

There is no competition between The Rebersburg National Bank and any other banking institution because of the large distance between its only office and the nearest commercial banks which are in the city of State College, approximately 26 miles southwest of Rebersburg. The small size of the merging bank as well as its restricted service areas further minimizes the competitive impact which The Rebersburg National Bank has on any other bank.

Consummation of the proposed merger will not eliminate any competition in Centre County because there is no competition between the charter and merging banks. The major impact of this merger will be felt in the service area of the merging bank because the resulting branch in Rebersburg will be able to offer new and improved services to local residents such as a significantly larger lending limit, a trust department, consumer loans, and a broader range of more sophisticated banking services. That will confer a direct benefit on residents of Rebersburg. The resulting bank will become the

third largest bank operating in Centre County exceeding the presently third ranked Union National Bank and Trust Company of Huntingdon by only a few dollars in deposits.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JULY 3, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The main office of Peoples National Bank of State College is 26 miles from Rebersburg and the closest existing office is 24 miles away. There are three relatively small banks in the intervening

area. Rebersburg also is separated from State College by a north-south mountain range. These factors suggest that existing competition between Peoples National Bank of State College and Rebersburg National Bank is of very limited magnitude. Viewed from the perspective of potential competition, it appears that the small size of Rebersburg makes it relatively unattractive for the *de novo* entry of a second commercial bank. Thus, although the proposed merger would have the effect of increasing Peoples National Bank of State College's share of Centre County deposits from 22 percent to approximately 24 percent, its overall effect on competition would not be significantly adverse.

\* \* \*

#### THE NEWPORT NATIONAL BANK, NEWPORT, KY., AND WEST SIDE SAVINGS BANK, NEWPORT, KY.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
West Side Savings Bank, Newport, Ky., with.....	\$7,772,000	1	.....
was purchased Sept. 18, 1973, by The Newport National Bank, Newport, Ky. (4765), which had.....	29,920,000	5	.....
After the purchase was effected, the receiving bank had.....	33,431,000	.....	6

#### COMPTROLLER'S DECISION

On May 4, 1973, The Newport National Bank, Newport, Ky., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of West Side Savings Bank, Newport, Ky., under the charter and with the title of the former.

The Newport National Bank, the purchasing bank, was organized in 1892, and currently operates four branches with assets of \$26.9 million and IPC deposits of \$21.4 million. Three of the purchasing bank's offices, including the main office, are located in Newport, one is located in adjoining Fort Thomas, and one is located in Alexandria, approximately 7 miles southeast of Newport.

Newport, the city in which the purchasing bank maintains its main office, is geographically, historically, and economically an integral part of the Cincinnati, Ohio Metropolitan Area. The city of Newport has a population of about 26,000 and is located within a loop of the Ohio River which penetrates deeply into the city of Cincinnati. Cincinnati has a population of 452,000. Newport is connected to Cincinnati by two commuter bridges. Its business district is within a mile of downtown

Cincinnati, and the subject banks are located within a mile of the main offices of the principal Cincinnati banks. Commuter patterns illustrate the economic integration of the Cincinnati-Newport urban area; one half of the working residents of Newport are employed in Ohio, one third are employed in Cincinnati, and conversely, many Ohio citizens in this area are employed in Kentucky. The Cincinnati area has a diversified economy which includes manufacturing, wholesale and retail trade, service industries, and transportation.

The purchasing bank competes not only with banks located in Newport but also with banks headquartered in Cincinnati. The distance between Cincinnati and Newport is so short and their economic integration so complete as to make virtually all area banks realistic alternatives for customers of any particular bank. The Newport National Bank is the largest of the three banks in Newport, but its total deposits of \$23.7 million are small in relation to the aggregate deposits of \$2.3 billion in the south-central area of Cincinnati where 19 banks operate a total of 83 banking offices. Eight of the area's nine largest banks are located within 1.5 miles of The Newport National Bank's main office. Those competitors include First National

Bank of Cincinnati, with deposits of \$656 million; The Central Trust Company, with deposits of \$501 million; and The Provident Bank, with deposits of \$310 million.

West Side Savings Bank, the selling bank, was organized in 1925 and has no branches. That bank, with assets of \$7.7 million and IPC deposits of \$6.1 million, has very conservative lending policies. It is now faced with a serious management succession problem and has been unable to replace its vice president and cashier who resigned in December 1972. The selling bank is located within a half mile of the purchasing bank, but direct competition between the two banks is limited. A majority of the selling bank's loans consist of conventional real estate loans and single payment loans for personal expenditures, and those categories account for only a small minority of the total loans of the purchasing bank.

Consummation of the proposed transaction will not significantly alter the banking structure in the south-central area of Cincinnati. The resulting bank, with deposits of \$30.7 million will continue to be the fifth largest of the 13 remaining banks in both Campbell and Kenton counties and will be far smaller than any of the five principal banks in Cincinnati which are prime competitors in the Newport area. The proposed transaction will provide customers of the selling bank with longer business hours, broader lending services, increased lending limits, and trust services. It will also resolve a serious problem of management succession in the selling bank.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest

and the application is, therefore, approved.

AUGUST 6, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Newport National Bank ("Applicant"), organized in 1892, operates its main office and one branch in Newport, and branches in Fort Thomas and Alexandria, all in Campbell County, Ky. As of December 31, 1972, it held total deposits of \$23.7 million (including IPC demand deposits of \$9.9 million) and total loans and discounts of \$12.2 million.

West Side Savings Bank ("WSB"), a State bank, was organized in 1925. It operates its only office in Newport, Campbell County, Ky. As of December 31, 1972, it held total deposits of \$7 million (including IPC demand deposits of \$2.9 million) and total loans and discounts of \$2.6 million.

Both parties to this merger are located in Newport, Ky., a part of the Cincinnati, Ohio SMSA. Newport and adjacent Covington, Ky., are separated by the Licking River and both cities lie directly across the Ohio River from Cincinnati. The three cities of Newport, Covington, and Cincinnati are separated by less than a mile.

The proposed merger will combine two of the three banks in Newport, eliminating direct competition, particularly for customers which do not consider banks in neighboring Cincinnati as convenient alternatives. However, in view of the small size of the bank to be acquired, and the fact that the downtown Cincinnati banks are in such close proximity to Newport, we do not believe that the overall competitive effect of the proposed merger would be significantly adverse.

\* \* \*

#### THE NATIONAL BANK AND TRUST COMPANY OF NORWICH, NORWICH, N.Y., AND THE FIRST NATIONAL BANK OF NEWARK VALLEY, NEWARK VALLEY, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Newark Valley, Newark Valley, N.Y. (1011), with.....	\$11,076,624	2	.....
and The National Bank and Trust Company of Norwich, Norwich, N.Y. (1354), which had.....	122,974,815	12	.....
merged Oct. 1, 1973, under charter and title of the latter bank (1354). The merged bank at date of merger had.....	134,097,626	.....	14

#### COMPTROLLER'S DECISION

On July 5, 1973, The First National Bank of Newark Valley, Newark Valley, N.Y., and The National

Bank and Trust Company of Norwich, Norwich, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The First National Bank of Newark Valley, the merging bank, was organized in 1911 and operates one branch in Maine, N.Y. It has total assets of \$10.1 million and IPC deposits of \$7.5 million, and ranks second in deposit size among the four banks headquartered in Tioga County and 20th among the 32 banks located in the Seventh Banking District. The service area of the bank encompasses the five northern townships of Tioga County and the township of Maine in Broome County. That area has an estimated population of 10,000 people and is economically dependent on dairy farming, agriculture, and employment in the triple cities of Binghamton, Johnson City, and Endicott.

Competition in the service area of the merging bank is principally afforded by Tioga State Bank, which has deposits of \$15 million; Endicott Bank of New York, which has deposits of \$48 million and is a member of The Bank of New York Company, Inc., a multibank holding company with deposits of \$2.8 billion; First City National Bank of Binghamton, which has deposits of \$218 million and is a member of Lincoln First Banks, Inc., a multibank holding company with deposits of \$2.1 billion; The Owego National Bank which has deposits of \$8 million; Nichols National Bank, which has deposits of \$5 million; Endicott Trust Company, which has deposits of \$89 million and is a member of Charter New York Corporation, a multi-bank holding company with deposits of \$5.1 billion; and Bankers Trust of Binghamton, which has deposits of \$25 million and is a member of Bankers Trust New York Corporation, a multibank holding company with deposits of \$8 billion.

The National Bank and Trust Company of Norwich, Norwich, N.Y., the charter bank, was organized in 1856, and operates eight branches in Chenango County, two in Delaware County, and one in Broome County. The bank possesses total assets of \$120.1 million and IPC deposits of \$94.1 million. In Chenango County the bank ranks first in deposit size among the three banks headquartered there, and it ranks third among the 32 banks in the Seventh Banking District. Chenango County, the eastern portion of Delaware County, and the western portion of Broome County, near the city of Deposit, comprise the service area of the charter bank. The economy of that area, which has an estimated population of 50,000 people, depends on dairy farming, agriculture, and industry.

Competitors of The National Bank and Trust Company of Norwich include First City National

Bank of Binghamton, which has deposits of \$218 million and is a member of Lincoln First Banks, Inc., a multi-bank holding company with deposits of \$2.1 billion; The National Bank of Oxford, which has deposits of \$16 million; First National Bank in Greene, which has deposits of \$15 million; Marine Midland Bank-Southern, which has deposits of \$316 million and is a member of Marine Midland Banks, Inc., a multi-bank holding company with deposits of \$6.6 billion; Deak National Bank, which has deposits of \$9 million; First National Bank of Hancock, which has deposits of \$9 million; First National Bank of Hobart, which has deposits of \$5 million; National Bank of Roxbury, which has deposits of \$3 million; First National Bank in Sidney, which has deposits of \$15 million; National Bank of Stamford, which has deposits of \$16 million; and National Bank of Delaware County, which has deposits of \$17 million.

Competition between the subject banks is nominal since they operate in different service areas and their closest offices are separated by a distance of approximately 44 miles.

Consummation of the proposed transaction will stimulate, rather than inhibit, competition. New York State's "head office protection" provision will no longer apply to Newark Valley, and other banks will be permitted to branch *de novo* in that area. In addition, expanded and improved services will be provided in the Newark Valley area, including a larger lending limit, agricultural, mortgage, and wholesale financing, credit card and overdraft checking plans, and trust department services. The management succession problem of the merging bank will also be resolved.

Applying the statutory criteria, it is the view of this Office that the proposed merger is in the public interest and will result in no adverse competitive effects. It is, therefore, approved.

AUGUST 27, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The National Bank and Trust Company of Norwich operates 12 offices in Chenango, Delaware, and Broome counties in upstate New York. As of March 28, 1973, it held total deposits of \$104.1 million (including IPC demand deposits of \$27.1 million).

The First National Bank of Newark Valley operates its main office in Newark Valley, Tioga County, and one branch in Maine, Broome County. As of March 28, 1973, it held total deposits of \$9 million

(including IPC demand deposits of \$2 million).

The nearest offices of the parties are located approximately 44 miles apart, with a number of competitive alternatives in the intervening area. Thus, it appears that the proposed transaction would eliminate no substantial existing competition. And because of the modest market position of the

bank to be acquired and the existence of other significant potential entrants, we conclude that the proposed acquisition will not eliminate substantial potential competition.

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

\* \* \*

THE NATIONAL BANK OF COMMERCE OF SEATTLE, SEATTLE, WASH., AND CITIZENS STATE BANK, PUYALLUP, WASH.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Citizens State Bank, Puyallup, Wash., with.....	\$29,012,326	5	.....
was purchased Oct. 5, 1973, by The National Bank of Commerce of Seattle, Seattle, Wash. (4375), which had.....	1,656,420,031	111	.....
After the purchase was effected, the receiving bank had.....	1,685,432,357	.....	116

COMPTROLLER'S DECISION

On February 23, 1973, The National Bank of Commerce of Seattle, Seattle, Wash., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Citizens State Bank, Puyallup, Wash.

The National Bank of Commerce of Seattle, the purchasing bank, was organized in 1889, and is now the second largest commercial bank operating in the State of Washington with assets of \$1.6 billion and IPC deposits of \$1.2 billion. The bank maintains 107 banking offices throughout the State.

Competition for the purchasing bank is provided by numerous large banks including Seattle-First National Bank, with deposits of \$2.5 billion; a branch of The Bank of California, National Association, San Francisco, with deposits of \$1.9 billion; Pacific National Bank of Washington, with deposits of \$643 million; and Peoples National Bank of Washington, with deposits of \$440 million.

Citizens State Bank, the selling bank, was organized in 1898 and has assets of \$29 million and IPC deposits of \$24.6 million. The selling bank operates four branch offices within 4 miles of its main office and serves a relatively small area approximately 10 miles southeast of Tacoma and 32 miles south of Seattle. The service area of the bank has an economy based on agriculture but is rapidly becoming part of a developing suburban area serving Tacoma and Seattle. Industrial expansion

in this area is also becoming significant in terms of employment opportunities for local residents.

Direct competition for the selling bank is provided by branches of Seattle-First National Bank, the largest commercial bank in the State of Washington, with deposits of \$2.5 billion, and Puget Sound National Bank, Tacoma, with deposits of \$217 million.

There is minimal competition between the purchasing and selling banks because relatively large distances separate their closest offices and natural barriers separating those offices prevent them from becoming competitors. The purchasing bank's nearest branch is located in Auburn, 7 miles north of an office of the selling bank. Any overlap of service areas is hindered, however, by minor geographic barriers including a river, a large hill, and a heavily forested uninhabited area between the two communities. Further, the purchasing bank not only has no offices in Pierce County, where the selling bank maintains all of its offices, but is precluded from establishing *de novo* branches in Pierce County by State law.

Consummation of the proposed transaction will not eliminate any banking offices but will merely replace a small relatively ineffective competitor with branches of a large, sophisticated bank capable of competing with the larger banks now in Pierce County. The branches of the resulting bank in Pierce County will also be in a better position to satisfy the financial requirements of this area's growing economy and will provide a broader range

of financial services not now available through the branches of the selling bank, such as data processing services, a trust department, comprehensive investment and tax services, and teller machines. That will serve to stimulate competition in Pierce County.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest and this application is, therefore, approved.

AUGUST 30, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The nearest offices of the parties are situated about 7 miles apart, with no competitive alternatives in the intervening area. NBC does not have offices in Pierce County, although its offices in adjacent King County derive a significant amount of deposits and loans from the Puyallup Valley and throughout Pierce County. Thus, the proposed transaction will eliminate some existing competition.

Citizens is the largest of three banks with offices in the Puyallup Valley, holding more than 42 percent of the Valley's total deposits. In the larger Pierce County market, Citizens ranks fifth among the 12 banks with offices in the county and holds approximately 4 percent of total deposits. Under Washington law, NBC could not open a *de novo* branch in the Puyallup area. NBC could, however, enter Pierce County by sponsoring the creation of a new bank and subsequently merging with the sponsored bank.

Banking in the State of Washington is highly

concentrated. The five largest banks in the State hold more than 75 percent of the State's total deposits, and the two largest (one of which is NBC) hold 52 percent of statewide deposits. The number of middle-sized banks in the State capable of expanding beyond their local or regional areas is small, yet they constitute the only reservoir from which significant potential competition capable of deconcentrating the State's banking structure may be generated. Only if these medium-sized banks are preserved to combine with one another and with smaller banks and expand to compete with the larger statewide institutions can significant deconcentration evolve.

Citizens is one of a limited number of medium-sized independent banking organizations in Western Washington. It is the largest bank in the Puyallup Valley, holding more than 42 percent of area deposits and operating more than half of the banking offices in the area. NBC is the second largest banking organization in the State of Washington. Citizens, as the 17th largest bank in the State is a significant independent bank; to permit its acquisition by NBC will further rigidify the existing highly concentrated structure in banking in the State of Washington and further reduce the likelihood of future deconcentration in the State.

We therefore conclude that the proposed merger would have an adverse effect on potential competition in the Puyallup Valley and will tend to eliminate the likelihood of future deconcentration in commercial banking in Western Washington.

\* \* \*

#### THE PEOPLES NATIONAL BANK, GREENVILLE, S.C., AND BANKERS TRUST OF SOUTH CAROLINA, COLUMBIA, S.C.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Bankers Trust of South Carolina, Columbia, S.C., with.....	\$350,280,741	61	.....
and The Peoples National Bank, Greenville, S.C. (10635), which had.....	129,309,270	20	.....
consolidated Oct. 15, 1973, under charter of the latter bank (10635) and title "Bankers Trust of South Carolina, N.A." The consolidated bank at date of consolidation had.....	479,590,011	.....	81

The "Comptroller's Decision" and the "Summary of Report by Attorney General" for this case ap-

peared in the 1972 Annual Report under the heading "Approved, but in litigation."

\* \* \*

CROCKER NATIONAL BANK, SAN FRANCISCO, CALIF., AND UNITED STATES NATIONAL BANK,  
SAN DIEGO, CALIF.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>
United States National Bank, San Diego, Calif. (10391), with.....	\$1,014,314,670
was purchased Oct. 18, 1973, by Crocker National Bank, San Francisco, Calif. (1741), which had.....	6,804,594,544
After the purchase was effected, the receiving bank had.....	8,176,934,387

### COMPTROLLER'S DECISION

On October 18, 1973, application was made to the Comptroller of the Currency for prior written approval for the Crocker National Bank, San Francisco, Calif. (the "Assuming Bank") to purchase certain of the assets and assume certain of the liabilities of the United States National Bank, San Diego, Calif. ("USNB").

Prior to 3:00 p.m. on October 18, 1973, USNB was a National bank with 63 offices in five Southern California counties and deposits of approximately \$940 million. At 3:00 p.m. on October 18, 1973, the Comptroller became satisfied that USNB was insolvent and appointed the Federal Deposit Insurance Corporation ("FDIC") as receiver. The present application is based upon an agreement, which is incorporated herein by reference, by which the FDIC as receiver has agreed to sell certain USNB assets and liabilities to the Assuming Bank. For the reasons stated hereafter, the Assuming Bank's application is approved, and the purchase and assumption transaction may be consummated immediately.

USNB was organized in 1913, and has total book resources of approximately \$1.2 billion. As of June 30, 1973, it was the ninth largest bank in California and the 83rd largest bank in the United States. It operated 33 branches in Los Angeles County, 12 branches in Orange County, 11 branches in San Diego County, four branches in San Bernadino County, and two branches in Riverside County. It had approximately 344,000 deposit accounts. An estimated 3,330 of those depositors had amounts on deposit in excess of the \$20,000 insured by the FDIC, and the aggregate uninsured and otherwise unsecured deposits were about \$300 million.

It has been apparent for several months that USNB was in difficulty. The bank had suffered serious losses in its loan portfolio. A deposit runoff of approximately \$100 million during June caused severe liquidity problems necessitating high cost

borrowing in the federal funds market. As a result the bank has been running operating losses of approximately \$1 million per month.

As early as July 1973, several banks were in direct communication with the management of USNB concerning the possibility of taking over USNB. No prospective purchaser, however, appeared interested in a takeover unless assistance was provided by the FDIC. The FDIC indicated a willingness to provide assistance, and joint negotiations among the Comptroller, the FDIC, and interested banks has developed the purchase and assumption agreement which the Comptroller is now being asked by the Assuming Bank to approve.

Under the Bank Merger Act, 12 U.S.C. 1828(c), the Comptroller cannot approve a purchase and assumption transaction which would have certain proscribed anticompetitive effects unless he finds these anticompetitive effects to be clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served. Additionally, the Comptroller is directed to consider the financial and managerial resources and future prospects of the existing and proposed institution, and the convenience and needs of the community to be served. When necessary, however, to prevent the evils attendant upon the failure of a bank, the Comptroller can dispense with the uniform standards applicable to usual acquisition transactions, and need not consider reports on the competitive consequences of the transaction ordinarily solicited from the Department of Justice and other banking agencies. He is authorized in such circumstances to act immediately in his sole discretion, to approve an acquisition, and to authorize the immediate consummation of the transaction.

The proposed acquisition will prevent an enormous disruption to the community and potential losses to a large number of uninsured depositors. The Assuming Bank has strong financial and managerial resources, and the acquisition will enable

it to enhance the banking services it offers in the five-county Southern California area. Thus, the approval of this transaction will help to avert a loss of public confidence in the banking system, and may actually improve the services offered to the banking public.

The Comptroller thus finds that the proposed transaction will not result in a monopoly, be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any part of the United States, and that the anticompetitive effects of the proposed transaction, if any, are clearly outweighed in the public interest by the probable effect of the proposed transaction in meeting the convenience and needs of the community to be served. For those reasons, the Assuming Bank's application to acquire certain liabilities and purchase certain assets of USNB, as set forth in the agreement executed with the FDIC as receiver, is approved. This approval includes specifically the transfer to the Assuming Bank of USNB trust business as provided in Section 7 of the agreement. The Comptroller further finds that the failure of USNB requires him to act immediately, as contemplated by the Bank Merger Act, to prevent disruption of banking services to the community; and the Comptroller thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

OCTOBER 18, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Crocker operates 118 offices in four of the five counties in which U.S. National had offices. Ninety-

five of these Crocker offices are in Los Angeles County. The parties held the following market shares (based on total deposits) in the five counties in which U.S. National operated offices:

	<i>Los Angeles</i>	<i>San Diego</i>	<i>San Bernardino</i>	<i>Orange</i>	<i>Riverside</i>
U.S. National....	1.2	9.8	2.8	3.2	2.2
Crocker.....	5.5	.....	3.4	3.5	2.6

Thus, although the acquisition eliminated direct, actual competition in numerous local markets, in no county in which both banks previously had offices would the acquisition give Crocker a county-wide market share greater than 6.7 percent. On a state-wide basis, after the acquisition of U.S. National, Crocker remains the fourth largest bank in the State with 9.6 percent of total State deposits and 10.8 percent of commercial bank offices. The four largest banks in California now control 69.9 percent of total State deposits.

Absent the unusual circumstances present in this situation the combination of banks such as U.S. National and Crocker, with the resulting elimination of not insubstantial direct competition and the loss of one of a small number of large statewide or regional organizations, would present serious competitive problems. The effects on the structure of banking in the State of California would, ordinarily, be clearly undesirable. However, given the condition of U.S. National, and the difficult practical and legal problems restricting the number of potential purchasers, the acquisition of U.S. National will not, in light of the available alternative methods of protecting depositors, have a significantly adverse effect on competition.

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#### THE PARK NATIONAL BANK, NEWARK, OHIO, AND THE UTICA SAVINGS BANK COMPANY, UTICA, OHIO

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Utica Savings Bank Company, Utica, Ohio, with.....	\$5,538,939	1	.....
was purchased Oct. 23, 1973, by The Park National Bank, Newark, Ohio (9179), which had.....	111,842,516	7	.....
After the purchase was effected, the receiving bank had.....	117,445,843	.....	8

#### COMPTROLLER'S DECISION

On July 5, 1973, The Park National Bank, Newark, Ohio, applied to the Comptroller of the Currency for permission to purchase the assets and assume

the liabilities of The Utica Savings Bank Company, Utica, Ohio.

The Park National Bank, the purchasing bank, was organized in 1908, and is currently the largest of seven commercial banks in Licking County with

assets of \$112 million and IPC deposits of \$91.3 million. The bank operates six branch offices which serve the central and southern portions of Licking County as well as nearby portions of adjacent Franklin County. The city of Newark serves as a regional trade center for the surrounding rural areas and is becoming an area from which many people commute to Columbus for employment.

Competition for the purchasing bank in Licking County is provided by The First National Bank of Newark, which has deposits of \$67.5 million and is a member of BancOhio Corporation; The Newark Trust Company, which has deposits of \$66.2 million and is a member of Citizens Financial Corporation; and several smaller commercial banks. Additional competition is provided by some of the larger banks in Franklin County including The Ohio National Bank of Columbus, with deposits of \$1.2 billion; The Huntington National Bank of Columbus, with deposits of \$728.4 million; and The City National Bank and Trust Company of Columbus, with deposits of \$597.6 million.

The Utica Savings Bank Company, the selling bank, was organized in 1905 and, with assets of \$5.5 million and IPC deposits of \$4.6 million, is the fourth largest of seven commercial banks headquartered in Licking County. The selling bank operates as a unit institution and serves a limited service area including Utica and the immediately surrounding rural area of northern Licking County and southern Knox County.

Competition for the selling bank in Utica is provided by a branch of The First National Bank of Newark and direct competition will soon be provided by The Newark Trust Company which has recently received approval to open a branch office in Utica.

There is little competition between the purchasing and selling banks because their closest offices are approximately 15 miles apart. The Utica Savings Bank Company is not an aggressive institution and

is unable to compete effectively with the larger banks. The opening of a new branch in Utica by The Newark Trust Company will put further pressure on the competitive capability of the selling bank. The small amount of business done by the purchasing bank which originates in Utica is due to the fact that some Utica residents commute to work or shop in Newark on a regular basis.

Consummation of the proposed transaction will stimulate competition in the service area of The Utica Savings Bank Company by offering expanded and improved services. The resulting bank, will not significantly increase in size over its principal competitors.

Applying the statutory criteria, it is the conclusion of this Office that the proposed transaction is in the public interest and this application is, therefore, approved.

SEPTEMBER 21, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Utica Bank is situated in the small community of Utica (population about 2,000), approximately 13 miles from Park National's nearest office. There are no banking alternatives in the intervening area. Thus, it appears that the proposed acquisition may eliminate some existing competition.

Commercial banking in Licking County is highly concentrated. Park National, with 44 percent of County deposits, ranks first among the County's seven banks, while the three largest banks hold approximately 91 percent of total County deposits. Utica Bank ranks fifth with 2 percent of County deposits. The proposed acquisition will increase Park National's share of the Licking County market to 46 percent and increase the share of the top three banks from 91 percent to 93 percent.

The proposed acquisition would eliminate some existing competition and slightly increase banking concentration in Licking County.

\* \* \*

#### PITTSBURGH NATIONAL BANK, JEANETTE, PA., AND FARMERS BANK AND TRUST COMPANY, INDIANA, PA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Farmers Bank & Trust Company, Indiana, Pa., with.....	\$33,692,000	2	.....
was purchased Oct. 26, 1973, by Pittsburgh National Bank, Jeanette, Pa. (252), which had....	2,155,558,000	87	.....
After the purchase was effected, the receiving bank had.....	2,155,558,000	.....	89

## COMPTROLLER'S DECISION

On June 13, 1973, Pittsburgh National Bank, Jeanette, Pa., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Farmers Bank and Trust Company, Indiana, Pa.

Pittsburgh National Bank, the purchasing bank, is the second largest of all the commercial banks operating in the Pittsburgh area. The bank, with assets of \$2.1 billion and IPC deposits of \$1.5 billion, operates 86 offices serving Allegheny, Butler, Westmoreland, and Washington counties. In addition, the bank has nine approved but unopened branches and three pending applications for branches in these four counties. The purchasing bank moved its headquarters from Pittsburgh to Jeanette in June 1972.

In the five counties in which Pittsburgh National Bank could, and still can, legally branch, both before and after the relocation of its main office, there are 41 commercial banks. Those banks, offering a full range of services through many offices, include Mellon National Bank and Trust Company, Pittsburgh, with total deposits of \$6.2 billion; Western Pennsylvania National Bank, Pittsburgh, with total deposits of \$1.3 billion; and Union National Bank of Pittsburgh, with total deposits of \$837 million.

Farmers Bank and Trust Company, the selling bank, with total assets of \$33.6 million and IPC deposits of \$28.4 million is the third largest of seven commercial banks headquartered in Indiana County. It maintains two banking offices and primarily serves the borough of Indiana and environs. The management executives of the bank are nearing retirement age, and there is no middle-level management personnel who can take control of the daily operation of the bank. Competition within Indiana County is provided by Blainsville National Bank, with total assets of 21 million; The Savings and Trust Company, with total assets of \$67 million; and National Bank of the Commonwealth, with total assets of \$61 million.

There is no competition between the purchasing and selling banks. The closest offices of the selling bank and Pittsburgh National Bank are 36 miles apart. Although Pittsburgh National Bank's main office is located in Jeanette, about 39 miles from

the borough of Indiana, its management and operations headquarters are in Pittsburgh, approximately 67 miles from Indiana. Those large distances and the number of alternative banking institutions located in the intervening area precludes the possibility of any competition between the purchasing and selling banks.

Consummation of the proposed merger will increase competition in the service area of the selling bank. The purchase by Pittsburgh National Bank will enable the resulting branches in Indiana to offer an expanded range of services for the convenience of area residents. Those improved services will include overdraft checking, BankAmericard, improved and expanded loan services, and a larger lending limit. The proposed merger also will solve the management succession problem at the selling bank.

Applying the statutory criteria, it is the conclusion of this Office that the proposed purchase is in the public interest and it is, therefore, approved.

SEPTEMBER 25, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the parties are approximately 36 miles apart, with several competitive alternatives in the intervening area. It appears that the instant proposal would eliminate only a limited amount of existing competition.

Under Pennsylvania law, PNB has the legal ability to establish branches in Indiana County; in fact, the recent move of its main office into Westmoreland County expanded its permissible branching area to include this county. Commercial banking in Indiana County is highly concentrated; as of June 30, 1972, the four leading banks in the county held about 76 percent of its total commercial bank deposits. Farmers ranks third of nine banks operating offices in the county, with about 15 percent of such deposits. PNB is by far the largest bank eligible to enter Indiana County, and has demonstrated its capability for *de novo* expansion. Thus, although Farmers is significantly smaller than the two leading banks in Indiana County, and the county's growth rate has been modest, we conclude that the proposed transaction would eliminate some potential competition.

\* \* \*

**THE SHELBURNE FALLS NATIONAL BANK, SHELBURNE FALLS, MASS.,  
AND THE CONWAY NATIONAL BANK, CONWAY, MASS.**

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Conway National Bank, Conway, Mass. (895), with.....	\$1,880,308	1	.....
and The Shelburne Falls National Bank, Shelburne Falls, Mass. (1144), which had.....	6,809,761	2	.....
merged Oct. 29, 1973, under charter of the latter bank (1144) and title "The Country Bank, National Association." The merged bank at date of merger had.....	8,690,070	.....	3

**COMPTROLLER'S DECISION**

On July 3, 1973, The Conway National Bank, Conway, Mass., and The Shelburne Falls National Bank, Shelburne Falls, Mass., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "The Country Bank, National Association."

The Conway National Bank, the merging bank, was organized in 1865 and operates as a unit institution. The bank, with total assets of \$1.9 million and IPC deposits of \$1.3 million, is the smallest National bank in Massachusetts. The service area of the merging bank, encompassing Conway and its environs to the west and south, is an isolated rural area. The merging bank is experiencing a critical management succession problem because it is unable to offer competitive salaries. Two directors are presently managing the daily affairs of the bank during the 2 days a week that they each volunteer.

The Shelburne Falls National Bank, the charter bank, was organized in 1865, and operates one branch in Greenfield, Mass. With total assets of \$6.8 million and IPC deposits of \$4.5 million, the bank ranks 75th among the 83 National banks in Massachusetts. The charter bank's service area, which is economically dependent on dairy farming, apple orchards and industry, extends west from Greenfield to Charlemont and north to the Vermont border.

Competitors in Franklin County include Franklin County Trust Company, with deposits of \$35.8 million; First National Bank of Franklin, with deposits of \$35.7 million; Franklin Savings Institution, with deposits of \$56.4 million, which offers "NOW" accounts; and Greenfield Savings Bank, with deposits of \$47.4 million, which also offers "NOW" accounts.

Competition between the subject banks is minimal since they have only a nominal number of common customers and since their closest offices

are separated by a distance of approximately 10 miles. In addition, the connecting roads are in poor condition and winter snow makes travelling hazardous.

Competition can only be enhanced by consummation of the proposed transaction. The serious management succession problem of the merging bank will be resolved and expanded and improved services will be offered, such as a larger lending limit, automated services, and higher savings interest rates. The resulting bank will utilize the same premises as presently maintained by the subject banks and will operate under the title of "The Country Bank, National Association."

Applying the statutory criteria, it is the view of this Office that the proposed merger is in the public interest and will result in no adverse competitive effects. It is, therefore, approved.

SEPTEMBER 27, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

Shelburne Falls National Bank operates its main office in Shelburne Falls, Mass., and a branch in nearby Greenfield. As of December 31, 1972, it held total deposits of \$5.5 million (including IPC demand deposits of \$2.5 million) and net loans and discounts of \$3.3 million.

Conway National Bank operates its single office in Conway, Mass. As of December 31, 1972, it held total deposits of \$1.4 million (including IPC demand deposits of \$847,000) and net loans and discounts of \$971,000.

The parties to this proposed transaction are situated in Franklin County, with about 7 miles separating their nearest offices. Thus, it appears that some existing competition may be eliminated by the proposed merger. However, it does not appear that banking concentration will be significantly increased in any relevant market.

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

\* \* \*

**GLENS FALLS NATIONAL BANK AND TRUST COMPANY, GLENS FALLS, N.Y.,  
AND THE CAMBRIDGE VALLEY NATIONAL BANK, CAMBRIDGE, N.Y.**

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Cambridge Valley National Bank, Cambridge, N.Y. (1275), with.....	\$8,005,233	1	.....
and Glens Falls National Bank and Trust Company, Glens Falls, N.Y. (7699), which had.....	118,805,382	12	.....
merged Oct. 31, 1973, under charter and title of the latter bank (7699). The merged bank at date of merger had.....	126,810,615	.....	13

**COMPTROLLER'S DECISION**

On July 11, 1973, The Cambridge Valley National Bank, Cambridge, N.Y., and Glens Falls National Bank and Trust Company, Glens Falls, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and title of the latter.

Glens Falls National Bank and Trust Company, the charter bank, was incorporated in 1851 and, with assets of \$101.1 million and IPC deposits of \$72 million, operates eight branch offices. The service area of the bank consists of Washington, Warren, Essex, and Saratoga counties, with an estimated population of 125,000.

The charter bank is the seventh largest in total deposit size of 32 commercial banks in the Fourth Banking District and is the smaller of two banks headquartered in Warren County. Competition is provided by the \$700 million deposit State Bank of Albany; the \$196 million deposit Bankers Trust Company of Albany, National Association; the \$193 million deposit Marine Midland Bank-Eastern, National Association, Troy; the \$123 million deposit The First National Bank of Glens Falls; and the \$15 million deposit Essex County-Champlain National Bank, Willsboro. The first three competitors named are member of multi-bank holding companies.

The Cambridge Valley National Bank, the merging bank, was organized in 1865 and, with assets of \$7.2 million and IPC deposits of \$5.9 million, operates as a unit institution. The service area is the village of Cambridge and the area within a 10-mile radius of Cambridge, including the southeastern portion of Washington County and the northern portion of Rensselaer County, with an estimated population of 8,000.

The merging bank ranks 31st in total deposit size among the 32 commercial banks in the Fourth Banking District of New York, and is the smaller of two commercial banks headquartered in Washington County. Competition is provided by the larger

banks operating in Washington County including, the \$9 million deposit First National Bank of Greenwich; the \$51 million deposit The Adirondack Trust Company, Saratoga Springs; the \$947 million deposit National Commercial Bank and Trust Company, Albany; the \$700 million deposit State Bank of Albany; the \$193 million deposit Marine Midland Bank-Eastern, National Association, Troy; and the \$79 million deposit Union National Bank, Albany. The latter four competitors named are members of multi-bank holding companies.

Competition for banking services will not be adversely affected by the proposed merger. The resulting bank, with deposits of \$103 million, will still rank seventh in deposit size in the Fourth Banking District. There is negligible competition between The Cambridge National Bank and Glens Falls National Bank and Trust Company, as their nearest offices are 15 miles apart. Consummation of the merger will remove head office protection from Cambridge as provided by New York State law, thus allowing *de novo* branching by other banks in that community.

Consummation of the proposed merger will provide Cambridge residents with expanded and improved services including an increased lending limit, government guaranteed loans, wholesale loans, credit cards, letters of credit, trust department services, data processing services, increased rate of interest on savings and assured management succession.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger will result in no adverse competitive effects and will benefit the public interest. This application is, therefore, approved.

SEPTEMBER 28, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

Washington County is served by six commercial banks. Cambridge Bank is the smallest bank in

the County with 8 percent of total deposits and Glens Falls Bank ranks third with 18 percent of total county deposits. Although both banks operate in Washington County, it appears that the proposed acquisition will eliminate only a limited amount of existing competition; their Washington County offices are separated by a distance of about 29 miles, and Glens Falls' office nearest Cambridge is the recently acquired Schuylerville branch, located about 15 miles west of Cambridge in Saratoga

County. Glens Falls Bank has, however, applied for approval to open an office near Greenwich, about 9 miles northwest of Cambridge in Washington County.

Thus, while it does not appear that the proposed merger will eliminate substantial existing competition between the parties, the transaction may eliminate the potential for increased competition in the future.

\* \* \*

THE FIRST NATIONAL BANK OF GALLIPOLIS, GALLIPOLIS, OHIO, AND THE VINTON BANKING COMPANY, VINTON, OHIO

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Vinton Banking Company, Vinton, Ohio, with.....	\$590,000	1	.....
was purchased Nov. 15, 1973, by The First National Bank of Gallipolis, Gallipolis, Ohio (136), which had.....	15,990,000	1	.....
After the purchase was effected, the receiving bank had.....	16,580,000	.....	2

COMPTROLLER'S DECISION

On July 4, 1973, The First National Bank of Gallipolis, Gallipolis, Ohio, applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of The Vinton Banking Company, Vinton, Ohio.

The First National Bank of Gallipolis, the purchasing bank, was organized in 1863 and operates as a unit institution. With total assets of \$16 million and IPC deposits of \$12.6 million, it is the third largest of the four banks operating in Gallia County, the service area of the purchasing bank. Gallia County, an agricultural area, has a population of 25,200 people.

The Vinton Banking Company, the selling bank, was organized in 1902 and operates as a unit institution. It possesses total assets of \$590 thousand and IPC deposits of \$304 thousand. It is the smallest of the four banks operating in Gallia County and its service area extends in a radius of 2.5 miles from Vinton.

The two banks in Gallia County with which the subject banks compete are Commercial and Savings Bank of Gallipolis, with deposits of \$18.8 million, and Ohio Valley Bank Company, with deposits of \$26.5 million. Although the subject banks operate in the same county, competition between them is nominal since the selling bank offers only

limited services and is separated by a distance of approximately 18 road miles from the purchasing bank.

Consummation of the proposed transaction will result in no adverse competitive effects. Rather, competition will be enhanced because the management succession problems of the selling bank will be resolved and expanded services will be offered, such as a larger lending limit, savings and time deposit accounts, safe deposit boxes, and night depository services. The resulting bank will be better able to serve the banking needs of the county, which will expand when an electrical power plant is built near Gallipolis and coal mines are opened near Vinton.

Accordingly, it is the opinion of this Office that consummation of the proposed transaction is in the public interest and will result in no adverse competitive effects. It is, therefore, approved.

OCTOBER 5, 1973.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First National Bank of Gallipolis operates a single office in Gallipolis, Gallia County, Ohio. As of December 31, 1972, it held total deposits of \$14 million (including IPC demand deposits of \$4.5 million) and net loans and discounts of \$7.4 million.

Vinton Banking Company operates a single office

in Vinton, also in Gallia County, Ohio. As of December 31, 1972, it held total deposits of \$490,000 (including IPC demand deposits of \$304,000) and net loans and discounts of \$171,000.

Both parties to this proposed acquisition operate in Gallia County, and are separated by a distance of approximately 16 miles. Although some existing

competition may be eliminated by the proposed transaction, it does not appear that banking concentration will be significantly increased in any relevant market.

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

\* \* \*

**FIRST NATIONAL STATE BANK OF NORTH JERSEY, HACKENSACK, N.J., AND COUNTY TRUST COMPANY, TENAFLY, N.J.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
County Trust Company, Tenafly, N.J., with.....	\$137,014,366	9	.....
and First National State Bank of North Jersey, Hackensack, N.J. (12014), which had.....	77,780,873	7	.....
merged Nov. 16, 1973, under charter of the latter bank (12014) and title "County Trust Company, National Association." The merged bank at date of merger had.....	214,795,239	.....	16

**COMPTROLLER'S DECISION**

On April 13, 1973, the County Trust Company, Tenafly, N.J., and the First National State Bank of North Jersey, Hackensack, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "County Trust Company, National Association" with its main office in Tenafly.

First National State Bank of North Jersey, the charter bank, was organized in 1921 and was acquired in 1970 by First National State Bancorporation, a multi-bank holding company with total deposits of \$1.2 billion. The charter bank, with assets of \$76.9 million and IPC deposits of \$61.8 million, is headquartered in Hackensack and operates six branch offices in the southern portion of Bergen County in the First Banking District of New Jersey. The service area is limited to the southern portion of Bergen County which is bordered by Passaic County on the west and Hudson County to the south. That area, which has a population of approximately 311,790 people, is economically founded on retail and commercial enterprises with estimated growth of the area in the future limited.

First National State Bank of North Jersey ranks seventh in deposit size of the 28 commercial banks in Bergen County and 23rd in size of the 88 banks located in the First Banking District. Competition is provided by many of the larger banks in Bergen County, including Peoples Trust of New Jersey, Hackensack, with deposits of \$976 million, the lead bank in United Jersey Banks, a multi-bank holding

company with total deposits of \$1.2 billion; National Community Bank of Rutherford, Rutherford, with deposits of \$417 million; Citizens National Bank, Tenafly, with deposits of \$251 million, a member of Midlantic Banks, Inc., a multi-bank holding company with total deposits of \$1.2 billion; and Citizens First National Bank of Ridgewood, Ridgewood, with deposits of \$169 million. In addition, because many of the residents of Bergen County commute daily to New York City, the larger banks in that city also provide competition.

County Trust Company, the merging bank, was organized in 1907 and possesses total assets of \$137.2 million and IPC deposits of \$107.8 million. The bank is headquartered in Tenafly and operates eight branch offices in northeastern Bergen County in the First Banking District of New Jersey. That service area includes the municipalities of Cresskill, Dumont, Haworth, Montvale, New Milford, Oradell, Park Ridge, Tenafly, and Woodcliff Lake, which have a total estimated population of 96,634. The service area, which is predominantly residential and rural in nature, possesses good potential for development in its northern sector.

County Trust Company ranks sixth in deposit size of the 28 commercial banks in Bergen County and 19th in size of the 88 commercial banks in the First Banking District. Competition is primarily offered by the larger banks in the area, including Peoples Trust of New Jersey, Citizens National Bank, and Broadway Bank and Trust, Paterson, with deposits of \$92 million. As with the charter

bank, County Trust Company also encounters competition from the New York City banks. Because of its small lending limit and lack of adequate services, the merging bank is unable to meet the financial needs of the new enterprises moving into its service area. Consequently, its competitive impact is diminishing and will continue to do so as the area develops. In addition, County Trust Company is experiencing a management succession problem caused by the death and retirement of its senior managing officers and a lack of adequate experience on the part of its midmanagement level personnel.

Competition in Bergen County will not be adversely affected by consummation of this merger. The service areas of the respective banks are separate and distinct, as evidenced by the negligible number of common borrowers, even though their closest offices are located only 2.6 miles apart. The other members of First National State Bank-corporation located in the First Banking District also operate in service areas distinct from that of County Trust Company. The resulting bank will enhance competition since it will be better able to serve the needs of Bergen County by its improved and expanded services, including a larger lending limit, expanded trust services, and data processing facilities. Additionally, the management succession problem at County Trust Company will be resolved. The resulting bank will have deposits of \$192 million and will rank fifth in size in Bergen County and 15th in size in the First Banking District.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is in the public interest and will involve no adverse competitive effects. This application is, therefore, approved.

SEPTEMBER 7, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

As of June 30, 1972, County and North Jersey ranked sixth and seventh among 35 banks operating offices in Bergen County, with 4.5 and 2.6 percent of Bergen County total deposits, respectively.

Banking in Bergen County is highly concentrated; as of June 30, 1972, the three largest banks in Bergen County held 55.2 percent of the county's deposits; the four largest held 69.9 percent; and the six largest held 74.4 percent. Consummation of the proposed merger would increase the share of total Bergen County deposits held by its six largest banks to 76.6 percent.

To the extent that Bancorp is not regarded as competing throughout Bergen County (the application states that North Jersey serves only part of the county), it is certainly a significant potential competitor in those sections of the county where it does not already have offices. As one of the very largest bank holding companies in New Jersey, Bancorp has the resources to expand in new markets other than by repeated acquisitions of banks serving the same general vicinity. The instant merger would be Bancorp's third acquisition in Bergen County since New Jersey law was amended to permit statewide holding company expansion in 1969. Repeated acquisitions by the State's largest banking organizations in newly entered markets can only serve to concentrate the State's banking industry, deterring the development of a more competitive banking structure. County Trust is of sufficient size as to make its acquisition by one of the largest holding companies, and particularly a holding company serving adjoining and to some extent overlapping sections of the same county, competitively undesirable.

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

\* \* \*

## THE NATIONAL BANK OF NORTHERN NEW YORK, WATERTOWN, N.Y., AND THE FIRST NATIONAL BANK OF DEXTER, DEXTER, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Dexter, Dexter, N.Y. (8463), with.....	\$6,745,334	1	.....
and The National Bank of Northern New York, Watertown, N.Y. (2657), which had.....	128,230,685	10	.....
merged Nov. 16, 1973, under charter and title of the latter bank (2657). The merged bank at date of merger had.....	134,123,923		11

## COMPTROLLER'S DECISION

On May 7, 1973, The First National Bank of Dexter, Dexter, N.Y., and The National Bank of Northern New York, Watertown, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The National Bank of Northern New York, the charter bank, was organized in 1882, and has assets of \$123.5 million with IPC deposits of \$100 million. The bank has ten offices within the Fifth Banking District of New York: its head office and three branches in Watertown, two in Massena, and one each in Adams Center, Clayton, Croghan, and Lowville. Those municipalities, with a combined population of approximately 60,000, comprise the service area of the charter bank.

That service area has an economy based primarily on agriculture and tourism, resulting in one of the lowest per capita incomes in the State. The population density of the area is less than one-fifth the statewide average, and the population of Watertown has declined significantly since 1950. The bank does well among the 20 commercial banks in its service area, in deposits second only to Marine Midland Bank-Northern, a member of Marine Midland Banks Inc., a multi-bank holding company with total deposits of \$6.6 billion.

The First National Bank of Dexter, the merging bank, was organized in 1906 and has always operated as a unit bank. It presently has assets of \$5 million and \$3 million IPC deposits. The village of Dexter, with a population of 1,068, is located in Jefferson County which comprises the bank's service area. Among the seven commercial banks within the service area, First National Bank of Dexter ranks fifth. The three banks providing the most direct competition are: Jefferson National Bank, La Fargeville, with deposits of \$6 million; Seaway National Bank, Watertown, with deposits of \$12 million; and Marine Midland Bank-Northern, Watertown, with deposits of \$168 million.

Upon consummation of the proposed merger, The National Bank of Northern New York will remain the second largest commercial bank in both Jefferson County and in the Fifth Banking District. While some competition presently exists between the charter and merging banks whose nearest offices are 7 miles apart, the total effect of this merger will be for the benefit of the citizens of Dexter in the form of superior banking services, a larger lending limit, more sophisticated com-

mercial loans, data processing services, expertise in agricultural loans, the introduction of a credit card program, and trust department services. Future problems of management succession at the merging bank will also be alleviated.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest and this application is approved.

OCTOBER 17, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

The National Bank of Northern New York ("Charter Bank"), established in 1882, operates nine offices in Jefferson, Lewis, and St. Lawrence counties in upstate New York. As of December 31, 1972, Charter Bank held total deposits of \$104.9 million (including IPC demand deposits of \$27.6 million) and loans and discounts of \$65 million.

The First National Bank of Dexter ("Dexter Bank"), established in 1906, maintains its only office in Dexter, Jefferson County. As of December 31, 1972, Dexter Bank held total deposits of \$4.5 million (including IPC demand deposits of \$1.07 million) and loans and discounts of \$2.6 million.

The impact of this proposed acquisition will be felt primarily in Jefferson County, where Charter Bank operates its main office and four branches and where Dexter Bank operates its only office. Charter Bank's main office and two of its Jefferson County branches are located in Watertown, the Jefferson County seat. Dexter Bank is situated about 8 miles from Watertown in the small community of Dexter. The nearest offices of the parties are located about 8 miles apart with no banking alternatives in the area separating Watertown and Dexter. Thus, it appears that the proposed acquisition will eliminate some direct competition between the parties in Jefferson County.

Eight commercial banks maintain offices in Jefferson County. Charter Bank, with 34.8 percent of total county deposits, ranks second and Dexter Bank, with 2.8 percent of total county deposits, ranks fourth. Jefferson County is a highly concentrated banking market. The two largest of the eight banks with offices in the county hold 83 percent of total county deposits and the top four banks hold more than 92 percent. Consummation of the proposed acquisition would increase Charter Bank's share of the Jefferson County market to more than 37 percent and increase the share of the two largest

banks from 83 percent to 85.8 percent.

The proposed transaction would eliminate some existing competition and increase banking con-

centration in Jefferson County. We therefore conclude that the proposed acquisition will have an adverse effect on competition.

\* \* \*

**CITIZENS FIRST NATIONAL BANK OF RIDGEWOOD, RIDGEWOOD, N.J. AND PASCACK VALLEY BANK AND TRUST COMPANY, HILLSDALE, N.J.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Pascack Valley Bank and Trust Company, Hillsdale, N.J., with.....	\$40,590,487	2	.....
and Citizens First National Bank of Ridgewood, Ridgewood, N.J. (11759), which had.....	193,249,436	14	.....
merged Nov. 30, 1973, under charter of the latter bank (11759) and title "Citizens First National Bank of New Jersey." The merged bank at date of merger had.....	233,839,922	.....	16

**COMPTROLLER'S DECISION**

On June 22, 1973, Pascack Valley Bank and Trust Company, Hillsdale, N.J., and Citizens First National Bank of Ridgewood, Ridgewood, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title, "Citizens First National Bank of New Jersey."

Citizens First National Bank of Ridgewood, the charter bank, was established in 1920 and now operates 13 branch offices. It has total assets of \$187 million and IPC deposits of \$147.5 million. The primary service area of the bank is the north-western portion of Bergen County including the municipalities of Mahwah, Ramsey, Upper Saddle River, Saddle River, Allendale, Walkwick, Franklin Lakes, Wyckoff, Midland Park, Ho-Ho-Kus, Ridgewood, Glen Rock, and Oakland, and the Passaic County community of Hawthorne. That area has a population of approximately 134,000 persons.

The charter bank ranks fifth in deposit size among the 28 commercial banks headquartered in Bergen County and is 16th in size among 88 commercial banks in the First Banking District of New Jersey. Competition for the bank is provided primarily by the larger banks in Bergen County including Peoples Trust of New Jersey, Hackensack, with deposits of \$976 million, the lead bank in United Jersey Banks; National Community Bank of Rutherford, with deposits of \$504 million; Garden State National Bank, Hackensack, with deposits of \$417 million; and Citizens National Bank, Tenaflly, with deposits of \$251 million.

Pascack Valley Bank and Trust Company, the merging bank, was organized in 1926 and now,

with total assets of \$40.6 million and IPC deposits of \$30 million, operates one branch in the Bergen County community of Old Tappan. The service area of the merging bank consists of the Pascack Valley area of Bergen County which includes the municipalities of Montvale, River Vale, Woodcliff Lake, Hillsdale, Washington Township, Westwood, Old Tappan, and Harrington Park, a combined population of 65,100 persons.

The merging bank ranks tenth in size among the 28 commercial banks headquartered in Bergen County and is the 37th largest of 88 banks in the First Banking District of New Jersey. Competition for the bank is provided by several banks including Peoples Bank, Montvale, with deposits of \$13 million, a member of United Jersey Banks; County Trust Company, Tenaflly, with deposits of \$124 million; Citizens National Bank, Tenaflly, with deposits of \$251 million, a member of Midlantic Banks, Inc.; and Peoples Trust of New Jersey, Hackensack, with deposits of \$976 million, the lead bank of United Jersey Banks.

Competition between the charter and merging banks is minimal because their nearest offices are approximately 6 miles apart and are geographically separated by the Garden State Parkway which serves as a man-made barrier between the areas served by those offices.

Consummation of the proposed merger will allow the resulting offices in Pascack Valley to offer new and improved services to residents and businesses within its service area including a larger lending limit, trust department services, a broader range of savings plans, an alternative source of municipal financing, and computer services. The resulting bank, with deposits of \$206 million, will

remain the fifth largest commercial bank in Bergen County and will rank 14th by deposit size in the First Banking District of New Jersey.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is in the public interest and this application is, therefore, approved.

OCTOBER 12, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Citizens First National Bank of Ridgewood ("Citizens Bank"), organized in 1920, operates its head office in Ridgewood, Bergen County, N.J., and a total of 13 branch offices, 12 in northwestern Bergen County and 1 in adjoining Passaic County. On March 31, 1973, Citizens Bank held total deposits of \$163.2 million (including IPC demand deposits of \$51.2 million) and total loans and discounts of \$96.2 million. Its 1972 net current operating income was \$2.7 million, compared to its 1967-71 average of \$2.2 million.

Pascack Valley Bank and Trust Company ("Pascack Bank"), organized in 1926, operates its head office in Hillsdale, N.J., and one branch in nearby Old Tappan, both in Bergen County. On March 31, 1973, Pascack Bank held total deposits of \$36.3 million (including IPC demand deposits of \$9.8 million) and total loans and discounts of \$22.3 million. Its 1972 net operating income was \$360,000, compared to its 1967-71 average of \$211,000.

Bergen County is located in the northeastern corner of New Jersey, bounded by Rockland County, N.Y., to the north and by New York City and Westchester County, N.Y., to the east. The county is one of the most populous and fastest growing in New

Jersey, total population having increased from 780,000 in 1960 to 898,000 in 1970. The northern portion of the county, where both banks operate, is the least populous portion, but is the fastest growing and enjoys a higher average income than the county as a whole. As the county grows, an increasing proportion of its residents also work there, instead of commuting to New York City.

Citizens Bank's offices are concentrated in the northwestern portion of Bergen County, while those of Pascack Bank are in the northeastern portion. The banks are separated by the Garden State Parkway. The head offices of the two banks, however, are only about 7 miles apart and the closest offices are only about 5 miles apart. Only a few banking offices intervene between these offices of the two banks. Thus, there is probably some existing competition between the two banks which would be eliminated by the merger.

Citizens Bank holds the fifth largest share of total Bergen County commercial bank deposits, 6.1 percent. Pascack Bank's share is 1.4 percent.<sup>1</sup> Thus, the resulting bank would hold 7.5 percent, still fifth largest. The share held by the five largest Bergen County banks would increase from 69.8 percent to 71.2 percent. This increase in concentration understates the effect of the merger in northern Bergen County, however, where Citizens Bank operates more offices than any other bank. The merger would enhance this leading position of Citizens Bank in northern Bergen County. Thus, we conclude that the proposed merger may have some adverse effects on competition in northern Bergen County.

<sup>1</sup> Most of the large, statewide or regional banking organizations operate in Bergen County, though some have relatively small shares of total county deposits.

\* \* \*

#### HIGHLAND NATIONAL BANK OF NEWBURGH, NEWBURGH, N.Y., AND FIRST NATIONAL BANK IN MONTGOMERY, MONTGOMERY, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First National Bank in Montgomery, Montgomery, N.Y. (13559), with.....	\$5,017,741	1	.....
and Highland National Bank of Newburgh, Newburgh, N.Y. (1106), which had.....	75,409,266	3	.....
merged Nov. 30, 1973, under charter and title of the latter bank (1106). The merged bank at date of merger had.....	80,427,008	.....	4

## COMPTROLLER'S DECISION

On April 17, 1973, First National Bank in Montgomery, Montgomery, N.Y., and Highland National Bank of Newburgh, Newburgh, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Highland National Bank of Newburgh, the charter bank, was originally organized in 1834. The bank, with assets of \$69.4 million and IPC deposits of \$57.4 million, operates two branch offices in addition to its main office and has a branch application pending. On November 30, 1972, Highland National Bank became a member of United Bank Corporation of New York, a multi-bank holding company with total assets of \$1.4 billion. The holding company owns two other banks, one located in New York State's Fourth Banking District and the other located in New York State's Ninth Banking District. Neither of those other subsidiaries of United Bank Corporation of New York competes with either the charter bank or the merging bank.

Highland National Bank of Newburgh, with total deposits of \$62.2 million, is the second largest of 11 commercial banks headquartered in Orange County. The charter bank's competition includes Columbus Trust Company, Newburgh, with deposits of \$31 million; The First National Bank of Highland, with total deposits of \$76 million, a member of First Empire State Corporation, a multi-bank holding company with deposits of \$1.2 billion; The County Trust Company, White Plains, with deposits of \$988 million, a member of the Bank of New York Company, Inc., a multi-bank holding company with deposits of \$2.7 billion; and The Chester National Bank, Chester, with deposits of \$45 million, a member of Manufacturer's Hanover Corporation, a multi-bank holding company with deposits of \$10.3 billion.

First National Bank in Montgomery, the merging bank, has been operating as a unit bank since its incorporation in 1905, and now has assets of \$4.6 million and IPC deposits of \$3.6 million. The active management of the bank is supervised by its president, who is 67 years old and wishes to retire, and by its cashier who may leave the bank soon. There is no one else within the bank qualified to manage it and all attempts to recruit management from the outside have been unsuccessful.

First National Bank in Montgomery has total deposits of \$4 million, making it the smallest of the 11 commercial banks headquartered in Orange County. The merging bank's competition comes pri-

marily from Empire National Bank, Middletown, with deposits of \$431 million, and from Valley National Bank, Walkill, with deposits of \$25 million.

The primary service area of Highland Bank of Newburgh extends in approximately a 9-mile radius from the city of Newburgh to serve an estimated 70,000 people. That area is urban in character and the major employers are industry and the retail trades. Much of the area's rapid growth can be attributed to Newburgh's proximity to New York City, 66 miles away, and to the increasing number of area residents commuting to New York City daily. The service area of First National Bank in Montgomery extends in approximately a 6-mile radius from the village of Montgomery to serve an estimated 8,700 people. The service area consists of the village of Montgomery and portions of the towns of Montgomery and Crawford and the village of Walden. The economy of the area is based upon farming, light industry, and the service industries. The area is rapidly becoming primarily residential and suburban, and it is estimated that the village of Montgomery will triple in size within the next 5 years.

Both the merger and charter banks are located in the Third Banking District of New York. First National Bank in Montgomery ranked smallest among 44 commercial banks headquartered in the district; Highland National Bank of Newburgh ranked 12th. The resulting bank would rank 11th in the district with \$66 million in deposits.

Competition between the banks is insignificant as the nearest offices are approximately 11 miles apart. Consummation of this merger will stimulate competition in the service area of the merging bank. The head office protection afforded to First National Bank in Montgomery under New York State law will be eliminated thus opening the village of Montgomery to *de novo* branching by other banks. The resulting bank will offer improved and expanded services to residents of the Montgomery area including a larger lending limit, trust powers, equipment financing, lease financing, computer services, and investment advisory services. None of those services are provided in Montgomery at present, but are available at the larger competitive banks. The proposed merger would alleviate the management succession problem which presently exists at First National Bank in Montgomery. In addition, the resulting bank will not significantly increase its position among other commercial banks operating in the Third Banking District.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest. This application is, therefore, approved.

OCTOBER 30, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Highland National Bank of Newburgh ("Highland Bank") operates its head office and one branch in Newburgh, N.Y., and one additional branch in Village Gate, a few miles south of Newburgh, all in Orange County. On December 31, 1972, Highland Bank held total deposits of \$62.3 million (including IPC demand deposits of \$21.7 million) and total loans and discounts of \$37.7 million. Highland Bank is one of three banks controlled by United Bank Corporation, an upstate New York bank holding company. The three banks controlled by United Bank Corporation together held total deposits of \$1.2 billion on December 31, 1972.

First National Bank in Montgomery ("Montgomery Bank") operates its only office in Montgomery, N.Y., also in Orange County, about 12 miles west of Newburgh. Montgomery Bank held total deposits on December 31, 1972, of \$4.1 million (including IPC demand deposits of \$1.7 million) and total loans and discounts of \$2.4 million.

Newburgh (population 26,200) is located on the

Hudson River, 66 miles north of New York City. Newburgh and Orange County are experiencing rapid economic growth; total population of Orange County increased from 184,000 to 221,000 during the 1960's. Montgomery (population 1,500) is still primarily rural, but is experiencing significant residential growth.

The two banks are headquartered about 12 miles apart in northeastern Orange County. Two banking offices intervene between Montgomery Bank and the closest office of Highland Bank. Thus, the merger would eliminate some existing competition.

Nineteen commercial banks presently operate offices in Orange County. On June 30, 1972, Highland Bank held the second largest share of total deposits of all Orange County commercial banking offices, 12.5 percent. Montgomery Bank is the smallest bank headquartered in Orange County, holding 1.0 percent of total county deposits. Thus, the merger would increase Highland Bank's share of county deposits from 12.5 percent to 13.5 percent, and the share of total county deposits held by the four largest banks in the county would increase from 60.0 percent to 61.0 percent.

The proposed acquisition would eliminate some existing competition and slightly increase banking concentration in Orange County.

\* \* \*

#### THE FIRST NATIONAL BANK OF BETHEL, BETHEL, OHIO, AND THE AMELIA STATE BANK, AMELIA, OHIO

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Amelia State Bank, Amelia, Ohio, with.....	\$4,892,479	1	.....
and The First National Bank of Bethel, Bethel, Ohio (5627), which had.....	6,640,958	1	.....
merged Dec. 1, 1973, under charter of the latter bank (5627) and title "The First National Bank of Bethel, Ohio." The merged bank at date of merger had.....	11,494,091	.....	2

#### COMPTROLLER'S DECISION

On July 25, 1973, The Amelia State Bank, Amelia, Ohio, and The First National Bank of Bethel, Bethel, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "The First National Bank of Bethel, Ohio."

The Amelia State Bank, the merging bank, was organized in 1910 and operates as a unit institution. It possesses total assets of \$4.1 million and IPC deposits of \$3.2 million and is the smallest bank headquartered in Clermont County. The service area of

the merging bank encompasses portions of Batavia, Pierce, Ohio, and Union Township in western Clermont County. That area, which has a population of approximately 6,691 people, is primarily rural and the inhabitants commute to industrial and office jobs in Hamilton County.

The First National Bank of Bethel, the charter bank, was organized in 1900 and also operates as a unit institution. With total assets of \$5.2 million and IPC deposits of \$3.7 million, the bank ranks second smallest among the five banks located in Clermont County. The service area of the charter bank, which has a population of approximately 6,959 people, in-

cludes the village of Bethel and most of Tate Township in southeastern Clermont County. The economy of that area is similar to that of the merging bank.

The three banks in Clermont County with which the subject banks compete are Clermont National Bank, which has deposits of \$56.9 million and is an affiliate of First Banc Group of Ohio, Inc.; Citizensbank National Bank, which has deposits of \$14.3 million and is an affiliate of Banc Ohio Corporation; and New Richmond National Bank, with deposits of \$6 million.

The subject banks are separated by approximately 9 miles, a distance which effectively inhibits competition between them. Only a nominal number of accounts are obtained by each bank from the service area of the other.

Consummation of the proposed transaction will result in no adverse competitive effects. Rather, the resulting bank will be better able to serve the needs of western Clermont County, which is expected to expand rapidly when Interstate 275, a reservoir and recreation area, a large shopping center, and a nuclear power plant are constructed. The resulting bank will have an increased lending limit, more aggressive management, and improved and expanded services, including monthly checking statements, computerized accounting, and drive-in windows, and will be capable of competing more

effectively with the larger banks in its service area.

Applying the statutory criteria, it is the opinion of this Office that the proposed merger is in the public interest and will result in no adverse competitive effects. This is, therefore, approved.

OCTOBER 31, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The First National Bank of Bethel ("Bethel Bank") operates its only office in Bethel, Clermont County, Ohio. As of March 28, 1973, Bethel Bank held total deposits of \$4.3 million (including IPC demand deposits of \$3.3 million) and net loans and discounts of \$1.1 million.

Amelia State Bank ("Amelia Bank") operates a single office in Amelia, also in Clermont County, Ohio. As of March 28, 1973, Amelia Bank held total deposits of \$3.6 million (including IPC demand deposits of \$2 million) and net loans and discounts of \$1.6 million.

Both Amelia Bank and Bethel Bank operate in Clermont County, Ohio, with their nearest offices situated about 12 miles apart with no intervening banks. Thus, it appears that the proposed merger may eliminate some existing competition. However, in view of the modest size of each of the merging banks, the proposed transaction would not have significant adverse competitive effects.

\* \* \*

#### WACHOVIA BANK AND TRUST COMPANY, N.A., WINSTON-SALEM, N.C., AND BANK OF ELIZABETHTOWN, ELIZABETHTOWN, N.C.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Bank of Elizabethtown, Elizabethtown, N.C., with.....	\$11,329,991	4	.....
and Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C. (15673), which had .....	2,775,623,294	178	.....
merged Dec. 12, 1973, under charter and title of the latter bank (15673). The merged bank at date of merger had.....	2,782,553,285	.....	182

#### COMPTROLLER'S DECISION

On July 9, 1973, Bank of Elizabethtown, Elizabethtown, N.C., and Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Bank of Elizabethtown, the merging bank, was organized in 1907, and now operates three branch offices. It possesses total assets of \$11 million and IPC deposits of \$8.6 million. The service area of the merg-

ing bank encompasses Bladen County, an agricultural area which has a population of approximately 26,477 people. Within that area competition is generated by a branch of Bank of North Carolina, N.A., with deposits of \$369 million; a branch of Waccamaw Bank and Trust Company, with deposits of \$104 million; and Bank of Bladenboro, with deposits of \$3.4 million.

Wachovia Bank and Trust Company, N.A., the charter bank, was organized in 1879 and is the main subsidiary of Wachovia Corporation, a registered

bank holding company. With total assets of \$2.7 billion and IPC deposits of \$1.7 billion, it is the leading bank in the southeastern section of the United States. The bank operates 177 branches throughout North Carolina.

The majority of the charter bank's business is generated from the Piedmont Crescent area of North Carolina, wherein its competitors include Bank of North Carolina, N.A.; First-Citizens Bank and Trust Company, with deposits of \$809 million; First Union National Bank, with deposits of \$1.3 billion; North Carolina National Bank, with deposits of \$2.2 billion; The Northwestern Bank, with deposits of \$769.6 million; American Bank and Trust Company, with deposits of \$105 million; and Central Carolina Bank and Trust Company, with deposits of \$225.7 million.

Little direct competition exists between the subject banks. The limited amount of business which the charter bank has acquired from Bladen County is primarily business which the merging bank is too small to handle. In addition, the closest offices of the subject banks are separated by a distance of approximately 24 miles and are located in different counties.

Competition in Bladen County will be enhanced by consummation of the proposed merger. The resulting bank will offer a wide variety of expanded and improved services including a full range of deposit services, overdraft checking, a credit card plan, trust services, tax services, and a larger lending limit. Also, the management succession problem of the merging bank will be resolved. The infusion of new services and additional resources will be beneficial in stimulating the static economic development of Bladen County.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is in the public interest and will result in no adverse com-

petitive effects. This application is, therefore, approved.

NOVEMBER 12, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Wachovia Bank and Trust Company, N.A. ("Wachovia"), is the largest commercial banking organization in North Carolina. It operates 167 offices throughout the State and holds approximately 21 percent of total statewide deposits. As of December 31, 1972, it held total deposits of \$2.3 billion (including IPC demand deposits of \$804.9 million) and loans and discounts of \$1.5 billion.

Bank of Elizabethtown ("Bank") operates its main office in the small community of Elizabethtown (Bladen County) and three branches in surrounding Bladen County. As of December 31, 1972, it held total deposits of \$9.8 million (including IPC demand deposits of \$5.2 million) and loans and discounts of \$3.9 million.

Wachovia maintains no offices in Bladen County; the nearest offices of the parties are approximately 24 miles apart. Although Wachovia draws some business from Bladen County, it appears that the proposed acquisitions would eliminate only a limited amount of existing competition.

Wachovia could legally establish *de novo* branches in Elizabethtown and Bladen County. And Bank, with approximately 31.5 percent of total Bladen County deposits, is the largest of four banks situated in that county. However, the small size of the communities served by Bank, the decline in Bladen County population and the existence of other significant potential entrants into this market diminish the effect of the proposed transaction on potential competition.

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

\* \* \*

#### AMERICAN NATIONAL BANK, BAKERSFIELD, CALIF., AND NATIONAL BANK OF AGRICULTURE, FRESNO, CALIF.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
National Bank of Agriculture, Fresno, Calif. (11330), with.....	\$28,593,405	5	.....
and American National Bank, Bakersfield, Calif. (15437), which had.....	115,775,269	17	.....
merged Dec. 17, 1973, under charter and title of the latter bank (15437). The merged bank at date of merger had.....	146,846,361	.....	22

## COMPTROLLER'S DECISION

On August 1, 1973, National Bank of Agriculture, Fresno, Calif., and American National Bank, Bakersfield, Calif., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

American National Bank, the charter bank, was organized in 1964 under the title of Bakersfield National Bank and now operates 15 branch offices with assets of \$97.2 million and IPC deposits of \$76.6 million. The service area of the charter bank encompasses the Greater Metropolitan Bakersfield Area, with an estimated population of 200,000 persons; the Antelope Valley in northern Los Angeles County, with an estimated population of 50,000 persons; an agricultural area situated in the central coastal section of the State, with an estimated population of 5,000 persons; and the mid-San Joaquin Valley area extending from Tulare and Porterville in the south to Madera in the north, with an estimated population of 260,000 persons.

The charter bank presently competes with 112 banking offices in its service area, many of which are branches of large statewide banking institutions. The principal competitors of the charter bank include Bank of America, NT&SA, which has deposits of \$33.3 billion; Crocker National Bank, which has deposits of \$6.2 billion; and Security Pacific Bank, which has deposits of \$10 billion.

National Bank of Agriculture, the merging bank, was organized in 1964 under the title of Valley National Bank of Delano. It now operates five branch offices, with approval to open a sixth, and has total assets of \$24.5 million and total IPC deposits of \$19 million. The service area of the merging bank ranges over an area extending from Bakersfield in the south, 300 miles north to the city of Sacramento, Calif., with an estimated population of 721,000 persons.

The merging bank presently competes with 129 banking offices, mainly branches, of large statewide banking institutions. Competition is primarily provided by the three banks which have been cited as the major competitors of the charter bank.

No competition exists between National Bank of Agriculture and American National Bank in the areas of the Delano, Caruthers, and Sacramento branch offices of the merging bank. A question may arise, however, in regard to the Fresno and Bakersfield branch offices of those two banks because their offices in those areas are separated by distances of 6 miles and 0.5 mile, respectively.

The competitive situation between the charter and merging banks in the Fresno and Bakersfield areas must be viewed in light of the particular competitive structure of the California banking industry. California law permits statewide branching with no limitations as to geography. The State's vast geographic area, its population growth and its dynamic economic expansion have all contributed to the existing banking structure. The resulting situation has been an extensive proliferation of over 3,000 offices operated by a group of 151 banks.

In the immediate vicinity of Fresno there are 47 banking offices. The charter and merging banks each operate one. Thirty-six of the banking offices in the Fresno area are operated by major, multi-billion dollar statewide banks indicating that distance of separation alone is not the sole criterion by which to assess competitive interplay. The 6 miles separating the subject banking offices in Fresno is a relatively large distance in an area of such intensive banking saturation. The Fresno branch office of American National Bank is located in the extreme northern portion of the city while the Fresno head office of National Bank of Agriculture is located in the heart of the city indicating that those offices obtain their business from completely distinct communities.

The Bakersfield area also typifies the intensive competitive structure of the commercial banking industry in California. It has 35 banking offices, 19 of which are operated by major statewide banks. In that area American National Bank operates three offices, one, its head office, is situated approximately one-half mile from the Bakersfield branch office of National Bank of Agriculture. Any significant physical proximity of those two offices is considerably lessened by the fact that within the downtown area of 24 square city blocks there are nine commercial banking offices operating. Three of those provide an effective competitive buffer zone between the offices of the charter and merging banks. Within that intervening area is one branch office each of Security Pacific National Bank, Bank of America, NT&SA, and Community National Bank. The four other commercial banks with one branch each operating within the immediate vicinity are Wells Fargo National Bank, Crocker National Bank, United California Bank, and California Republic Bank. Therefore, an adequate number of large alternative banking facilities operate in the intervening distance, inhibiting competition between the closest two offices of the

charter and merging banks. The other two Bakersfield offices of the charter bank are situated 3 miles northeast and 3 miles southwest of the merging bank branch office, respectively, and serve totally distinct communities.

In addition to the noncompetitive situation existing between the charter and merging banks in Fresno and Bakersfield which has been created by the intensive nature of California banking activity, National Bank of Agriculture has been a less than viable competitor in the service areas it shares with the charter bank. That the merging bank is financially unable to open its approved office in Modesto and is currently suffering from a lack of effective senior management and persistent operating losses is indicative of that fact.

Consummation of the proposed merger will create a bank with a more effective management capacity and the ability to offer a wider range of economical banking services to residents and businessmen in the respective service areas. Drawing on the greater financial resources of the charter bank, the resulting bank will avoid the probable stagnation presently facing the merging bank and will ably resume vigorous competition with its larger banking competitors. Therefore, the elimination of one banking institution in the Bakersfield and Fresno areas will not result in any adverse competitive effects. The resulting bank will have a greater diversity of assets and will serve a larger area of California which will make it

less subject to local fluctuations and better able to compete with larger banks which in turn would benefit the public.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

NOVEMBER 16, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The competitive effects of this proposed merger are limited largely to the cities of Bakersfield and Fresno, the only banking markets in which both parties maintain banking offices. Ten banking organizations presently operate 41 offices in Bakersfield. American National, with 3.7 percent of total city deposits, ranked fourth among these ten institutions as of June 30, 1972. NBA, with 0.4 percent of city deposits, ranked tenth as of that date.

In Fresno, ten banking institutions operate 36 offices. American National ranked tenth among the ten Fresno banks with 0.4 percent of city deposits as of June 30, 1972, and NBA, with 0.7 percent of city deposits, ranked ninth.

The proposed merger would eliminate some existing competition between the parties in Bakersfield and in Fresno. However, it does not appear that concentration in commercial banking would be substantially increased in either of these banking markets. Therefore, we conclude that the proposed merger would not have a substantial competitive impact.

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#### CITIZENS NATIONAL BANK IN POCOMOKE CITY, POCOMOKE CITY, MD., AND BANK OF CRISFIELD, CRISFIELD, MD.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Bank of Crisfield, Crisfield, Md., with.....	\$17,097,116	3	.....
and Citizens National Bank in Pocomoke City, Pocomoke City, Md., (14106), which had.....	13,475,011	1	.....
merged Dec. 31, 1973, under charter of the latter bank (14106) and title "The Eastern Shore National Bank." The merged bank at date of merger had.....	30,572,126	.....	4

#### COMPTROLLER'S DECISION

On September 4, 1973, Bank of Crisfield, Crisfield, Md., and Citizens National Bank in Pocomoke City, Pocomoke City, Md., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "The Eastern Shore National Bank."

Citizens National Bank in Pocomoke City, the

charter bank, was organized in 1903 and now operates as a unit institution with an application currently pending to establish its first branch office in Pocomoke City. The service area of the bank includes portions of Worcester and Somerset counties in Maryland and Accomack County in Virginia, with an estimated population of 9,000 persons.

The charter bank, with assets of \$12 million and

IPC deposits of \$10.4 million, ranks 72nd in size among the 112 banks in Maryland. A majority of the outstanding voting shares of the bank is owned by Financial General Bankshares, Inc., a multi-bank holding company controlling subsidiaries in Maryland, Virginia, Georgia, Illinois, Iowa, New York, Tennessee, the Virgin Islands, and the District of Columbia.

Competition for the charter bank is primarily provided by Maryland National Bank, Baltimore, with deposits of \$1.2 billion. Additional competition is provided by The First National Bank of Snow Hill, Snow Hill, Md., with deposits of \$8.7 million.

Bank of Crisfield, the merging bank, was organized in 1893, and now operates a total of three banking offices with assets of \$16.1 million and IPC deposits of \$12.7 million. The service area of the merging bank encompasses the southern portion of Somerset County, Md.

The merging bank ranks 40th in size among Maryland banks, and the majority of its outstanding voting shares is controlled by Financial General Bankshares, Inc. The primary competitor for the bank is Bank of Somerset, Princess Anne, with deposits of \$23 million, an affiliate of Mercantile Bankshares, Inc., a multi-bank holding company headquartered in Baltimore.

There is minimal competition between the charter and merging banks because their closest two offices are separated by relatively large distances and an

adequate number of alternative banking facilities operate in the intervening area. The closest offices of these two banks are approximately 14 miles apart. In addition, Financial General Bankshares, Inc. controls both the charter and merging banks. In view of that close affiliation, the subject application represents a corporate reorganization of commonly owned assets the purpose of which is to effectuate certain economies in operation and to help alleviate an asset problem at the merging bank.

Consummation of the proposed merger will stimulate competition in the service area of the resulting bank because customers will be afforded greater depth of management and newly expanded trust services among other benefits. Since the proposed merger is merely a corporate reorganization, Financial General Bankshares, Inc. will experience no change in its size or rank among Maryland banking organizations.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest, and this application is, therefore, approved.

NOVEMBER 29, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are both majority-owned subsidiaries of the same registered bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

\* \* \*

#### CROCKER NATIONAL BANK, SAN FRANCISCO, CALIF., AND IMPERIAL VALLEY NATIONAL BANK, EL CENTRO, CALIF.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Imperial Valley National Bank, El Centro, Calif., (15557), with.....	\$22,120,019	3	.....
was purchased Dec. 31, 1973, by Crocker National Bank, San Francisco, Calif. (1741), which had.....	7,345,630,150	360	.....
After the purchase was effected, the receiving bank had.....	7,367,750,169	.....	363

#### COMPTROLLER'S DECISION

On August 22, 1973, Crocker National Bank, San Francisco, Calif., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Imperial Valley National Bank, El Centro, Calif., under the charter and title of the former.

Crocker National Bank, the purchasing bank, was formed in 1870 and, on the date of filing, with 291 branches in California, had assets of \$6.1 billion and IPC deposits of \$3.9 billion. The bank is a subsidiary of Crocker National Corporation, a registered bank holding company.

The service area of Crocker National Bank extends through large portions of California, and the

bank competes with all major California banking systems as well as with many of the smaller banks located within its service area. However, none of its 291 branches are located in Imperial County where the selling bank is located. The economy of the service area is diverse, supported by agriculture, industry, finance, lumbering, fishing, tourism, mining, oil production, manufacturing, military establishments, and retail trade.

Imperial Valley National Bank, the selling bank, was organized in 1965. Besides its main office in El Centro, the selling bank has a branch in Brawley, 13 miles to the north, and one in Calexico, 12 miles to the south of El Centro. The bank, with assets of \$22.8 million and IPC deposits of \$15.6 million, has experienced moderate growth under conservative lending policies but is suffering from inadequate capitalization at the present time.

The service area of Imperial Valley National Bank includes most of Imperial County but is concentrated in the commercial centers of Brawley, Calexico, and El Centro. The estimated population of the service area is 55,000 persons and its economy is supported primarily by agriculture and livestock production.

Competition for the merging bank is provided by five branches of the \$33.3 billion deposit Bank of American National Trust and Savings Association, San Francisco; three branches of the \$10.0 billion deposit Security Pacific National Bank, Los Angeles; one branch of the \$7.4 billion deposit Wells Fargo Bank, National Association, San Francisco; and three branches of the \$5.7 billion deposit United California Bank, Los Angeles.

There is no competition between the purchasing and selling banks because their nearest offices are 97 miles apart, and an adequate number of competitors operate in the intervening distance. Consummation of the proposed transaction will directly benefit customers of Imperial Valley National Bank by providing more competitive services in the areas of international banking, trusts, credit cards, and extensive electronic data process-

ing, as well as by providing a significantly larger lending limit. Furthermore, problems of management and capitalization at the merging bank will be alleviated and the resulting bank will become a more effective competitor against the larger banks within its service area.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest and this application is, therefore, approved.

NOVEMBER 30, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Crocker is the fourth largest bank in California and currently operates a network of 291 offices located in most of the principal economic areas of California. Its nearest office (in Riverside County) is approximately 97 miles from the nearest branch of Imperial Bank. The amount of direct competition between the two banks is minimal.

The economy of Imperial County in southeastern California (which is served by the bank sought to be acquired) is based on agriculture, principally through irrigation, and is noted for its productivity and high cash farm value. In addition to the current high level of its economy Imperial County possesses significant potential for further economic growth due to the increase in farm prices generally, increased per acre output, shifts to higher value crops, substantial increase in cattle production, and current research and development of geothermal resources of heated underground water resources.

By entering Imperial County in the manner proposed, rather than by *de novo* branching, Crocker will be acquiring the third largest of the five banks in the county and the only existing independent bank in the area which, since its organization in 1965, has had a demonstrably favorable record in terms of growth and profitability. It currently holds approximately 10 percent of total deposits in the county. In view of the growth potential in the area, the proposed acquisition would, in our view, have some adverse competitive effects.

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**CUMBERLAND COUNTY NATIONAL BANK AND TRUST COMPANY, NEW CUMBERLAND, PA., AND THE CITIZENS NATIONAL BANK OF NEWPORT, NEWPORT, PA.**

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Citizens National Bank of Newport, Newport, Pa. (7716), with.....	\$5,086,415	1	.....
and Cumberland County National Bank and Trust Company, New Cumberland, Pa. (14542), which had.....	182,741,424	15	.....
merged Dec. 31, 1973, under charter and title of the latter bank (14542). The merged bank at date of merger had.....	187,839,523	.....	16

**COMPTROLLER'S DECISION**

On September 11, 1973, The Citizens National Bank of Newport, Newport, Pa., and Cumberland County National Bank and Trust Company, New Cumberland, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Cumberland County National Bank and Trust Company, the charter bank, was organized in 1904. The bank, with assets of \$177.4 million and IPC deposits of \$129.5 million, presently operates 16 offices with two others approved but as yet unopened. With total deposits of \$155 million, it is the sixth largest bank in its four-county service area.

Competition for the Cumberland County National Bank and Trust Company is provided by National Central Bank, Lancaster, with deposits of \$685 million; The Commonwealth National Bank, Harrisburg, with deposits of \$455 million; the Dauphin Deposit Bank and Trust Company, Harrisburg, with deposits of \$301 million; The Fulton National Bank of Lancaster, with deposits of \$199 million; and the Pennsylvania National Bank and Trust Company, Pottsville, with deposits of \$177 million.

The Citizens National Bank of Newport, the merging bank, was chartered in 1905. The bank, with assets of \$4.9 million and IPC deposits of \$3.9 million, is operated as a unit bank. The bank's president plans to retire in the near future and the question of finding a successor raises a serious problem for the bank.

The merging bank with total deposits of \$4.6 million has not provided aggressive competition for its sole rival, The First National Bank of Newport, a bank with total deposits of \$6.2 million. The failure of the merging bank to pay competitive rates for savings and time deposits and its declining share of the market are evidence.

The primary service area of The Citizens National Bank of Newport is confined to the city of Newport

and the northeastern portion of Perry County, an area dominated by agricultural pursuits. The service area of the charter bank consists of the eastern half of Cumberland County, southwestern Dauphin County, east-central Adams County, and northern York County, which is very ably supported by a wide array of medium and light industry, governmental bodies, military installations, and service organizations, as well as agriculture. The rate of unemployment is very low.

At present The Citizens National Bank of Newport provides very little competition for any other bank. The 19 miles between this unit bank and the nearest branch of The Cumberland County National Bank and Trust Company as well as the three alternative banks in between make competition between the two banks very unlikely in such a rural area.

Consummation of the proposed merger will provide much needed stimulation in the service area of the merging bank. The resulting bank will offer improved and expanded services to the residents of the Newport area including drive-in banking, extended banking hours, a credit card plan, a significantly larger lending limit, trust powers, and the ability to provide more sophisticated agricultural services. The merger, while solving the foreseeable management problems of the merging bank, will not significantly change the size of the charter bank or its position in the area it presently serves.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

NOVEMBER 30, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

Bank's Newport (Perry County) office is located about 15 miles from Applicant's nearest branch, with 4 competitive alternatives in the intervening area. Thus, it appears that the proposed acquisition would eliminate only a limited amount of existing

competition. Although Applicant could legally establish *de novo* offices in Perry County, the relatively modest market position of Bank and its small absolute size diminish the effect of this

transaction on potential competition.

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

\* \* \*

# FIRST NATIONAL BANK OF SOUTH CAROLINA, COLUMBIA, S.C., AND THE SECURITY BANK, EDGEFIELD, S.C.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Security Bank, Edgefield, S.C., with.....	\$8,544,771	2	.....
and First National Bank of South Carolina, Columbia, S.C. (13720), which had.....	467,861,074	54	.....
merged Dec. 31, 1973, under charter and title of the latter bank (13720). The merged bank at date of merger had.....	473,849,177	.....	56

## COMPTROLLER'S DECISION

On September 3, 1973, The Security Bank, Edgefield, S.C., and First National Bank of South Carolina, Columbia, S.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

First National Bank of South Carolina, the charter bank, was organized in 1933. That bank, with assets of \$384 million and IPC deposits of \$264 million, operates 56 offices throughout the State of South Carolina.

The charter bank has total deposits of \$314 million and is the third largest bank in South Carolina. Competition is provided statewide by South Carolina National Bank, with deposits of \$665 million; Citizens and Southern National Bank of South Carolina, with deposits of \$430 million; and Bankers Trust of South Carolina, with deposits of \$267 million.

The Security Bank, the merging bank, was chartered in 1933 and, with assets of \$7 million and IPC deposits of \$5 million, operates one branch office. Its board chairman is the only effective source of managerial advice and he has planned his retirement for the near future.

The Security Bank has total deposits of \$6 million and provides service for an area within a 10-mile radius of Edgefield, S.C. Farmers and Merchants Bank, Aiken, S.C., with a branch one block south of merging bank and deposits of \$36 million; Bankers Trust of South Carolina, Columbia, S.C., with deposits of \$267 million; and Bank of Trenton, Trenton, S.C., with deposits of \$9 million, all compete within that service area. The merging bank is currently finding it difficult to serve the needs of this area due to its small size and inability to provide the banking

services usually available from a larger bank.

The service area of The Security Bank is experiencing expansion of its manufacturing and service related industries and a decline in the employment of agricultural laborers. This area lies in Edgefield County which has experienced a decline in population over the past 30 years. Manufacturing and service industries have checked this decline in recent years and the banking needs they have created in the area cannot be supplied by the merging bank due to its limited resources. Customers must turn to banks in other areas of the State and some to other states to meet their needs.

There is no direct competition between charter bank and merging bank as the nearest branch of First National Bank of South Carolina is 45 miles northeast of Edgefield.

Consummation of the proposed merger will provide experienced managerial advice for the resulting branch in Edgefield County and will allow it to provide many needed services to local residents and businesses. Those new services will include a significantly larger lending limit, a highly specialized installment loan department offering automobile, personal, mobile home, home improvement, and other installment loans; a highly developed trust department offering investment services, corporate trusts, estate administration, testamentary trusts, and tax services, and inhouse computer services now unavailable in the area. As a result of this proposal, the total resources of the charter bank will not be significantly affected and competition on a statewide basis will not be altered.

Applying the statutory criteria, it is concluded

that the proposed merger is in the public interest and this application is, therefore, approved.

NOVEMBER 29, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The nearest offices of the parties are separated by a distance of about 55 miles. Thus, it appears that the proposed merger will eliminate little if any existing competition. FNB could legally estab-

lish *de novo* offices in the area served by Security Bank. However, because of the size and nature of the community served by Security Bank and the number of other potential entrants, we conclude that the proposed acquisition will not eliminate substantial potential competition.

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

\* \* \*

#### MID-AMERICAN NATIONAL BANK AND TRUST COMPANY, NORTHWOOD, OHIO, AND THE GRAND RAPIDS BANKING COMPANY, GRAND RAPIDS, OHIO

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Grand Rapids Banking Company, Grand Rapids, Ohio, with.....	\$9,545,801	2	.....
and Mid-American National Bank and Trust Company Northwood, Ohio (15416), which had.....	60,958,604	9	.....
merged Dec. 31, 1973, under charter and title of the latter bank (15416). The merged bank at date of merger had.....	70,504,405	.....	11

#### COMPTROLLER'S DECISION

On May 4, 1973, The Grand Rapids Banking Company, Grand Rapids, Ohio, and Mid-American National Bank and Trust Company, Northwood, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Mid-American National Bank and Trust Company, the charter bank, was organized in 1952 and possesses assets of \$60.9 million and IPC deposits of \$37.8 million. The bank is headquartered in Northwood, Ohio, and operates five branches in Wood County, two branches in Toledo in Lucas County, and has received authorization to open three additional offices in Wood County.

The service area of the charter bank encompasses central and eastern Wood County and the city of Toledo in Lucas County. The economy of that area is based upon various factors, including manufacturing, agriculture, a State university, and the port of Toledo. Competition is provided by the large banks located in Toledo, including First National Bank, with deposits of \$265 million; The Ohio Citizens Trust Company, with deposits of \$258 million; and Toledo Trust Company, with deposits of \$479 million which is a member of Northwest Ohio Bancshares, Inc.; and by banks headquartered in Wood County such as Bank of Wood County, Bowling

Green, with deposits of \$67.7 million which is a member of Huntington Bancshares Incorporated; and branches of Tri-County National Bank, Fostoria, with deposits of \$57.9 million which is a member of Society Corporation Bank.

The Grand Rapids Banking Company, the merging bank, was organized in 1900 and operates one branch in Weston. The bank has total assets of \$9.5 million and IPC deposits of \$7.9 million. The president of the merging bank is nearing retirement age and a management succession problem is anticipated.

The merging bank's service area, which is confined to the northwestern portion of Wood County and to small parts of Henry and Lucas counties, is economically dependent on agriculture. Competition is afforded by banks in Wood and Henry counties, including Farmers State Bank, McClure, with deposits of \$6.3 million, and The Custar State Bank, Custar, with deposits of \$4.5 million. Since many of the area's residents commute to Toledo, the large banks in that city also engender competition.

The merging bank and the charter bank experience little competitive overlap. Their closest offices are separated by a distance of 11 miles, and a sufficient number of alternative banking offices are located in the intervening area. The

number of accounts which each draws from the service area of the other is nominal.

Consummation of the proposed transaction will not adversely affect competition but will enhance it. The resulting bank will be better able to serve the merging bank's customers because a significantly larger lending limit will be available and new and expanded services will be offered, such as a credit card plan, trust services, automated bookkeeping of deposits, real estate mortgages, and personal loans. The management succession problem of the merging bank will also be resolved.

Applying the statutory criteria, it is the conclusion of this Office that the proposed transaction is in the public interest and this application is, therefore, approved.

OCTOBER 18, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Mid-American National Bank ("Applicant") was established on March 1, 1973, by the consolidation of The First National Bank of Bowling Green and Progress National Bank of Toledo. Applicant oper-

ates its main office in Northwood, Wood County, Ohio and nine branch offices dispersed throughout Wood and Lucas counties, Ohio. On December 31, 1972, Applicant held total deposits of \$65.4 million (including IPC demand deposits of approximately \$11 million) and total consolidated loans of \$42.3 million.

The Grand Rapids Banking Company ("Grand Rapids Bank") operates its main office in Grand Rapids, Wood County, Ohio and its single branch office in nearby Weston, Ohio, also in Wood County. On December 31, 1972, Grand Rapids Bank held total deposits of \$8.5 million (including IPC demand deposits of \$2.1 million) and total loans of \$5.8 million.

Applicant and Grand Rapids Bank are both headquartered in Wood County, one of the three counties comprising the Toledo, Ohio SMSA. The nearest offices of the parties are situated about 11 miles apart. Thus, the proposed acquisition would eliminate some existing competition in Wood County and, to a lesser extent, in the Greater Toledo Area. However, it appears that no significant increase in concentration would occur in any appropriate market as a result of the proposed acquisition.

\* \* \*

## II. Mergers consummated, pursuant to corporate reorganization

### AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHATTANOOGA, CHATTANOOGA, TENN., AND AMERICAN BANK NATIONAL ASSOCIATION, CHATTANOOGA, TENN.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
American National Bank and Trust Company of Chattanooga, Chattanooga, Tenn. (14611), with .....	\$380,943,738	19	.....
and American Bank National Association, Chattanooga, Tenn. (14611), which had .....	239,957	0	.....
merged Jan. 1, 1973, under charter of the latter bank (14611) and title "American National Bank and Trust Company of Chattanooga." The merged bank at date of merger had .....	381,183,695	.....	19

#### COMPTROLLER'S DECISION

On August 21, 1972, American National Bank and Trust Company of Chattanooga, Chattanooga, Tenn., and American Bank National Association (organizing), Chattanooga, Tenn., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

American National Bank and Trust Company of Chattanooga, the merging bank, was chartered in 1912, and currently operates 18 branches in Hamilton County, Tenn. The merging bank has assets of \$319 million and IPC deposits of \$200 million.

American Bank National Association, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to the American National Corporation which will become a one-bank holding company when it acquires the resulting bank. The charter bank will not be operating as a commercial bank prior to this merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

OCTOBER 20, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

### NATIONAL BANK OF DETROIT, DETROIT, MICH., AND DETROIT NATIONAL BANK, DETROIT, MICH.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
National Bank of Detroit, Detroit, Mich. (13671), with .....	\$5,456,605,341	108	.....
and Detroit National Bank, Detroit, Mich. (13671), which had .....	249,500	0	.....
merged Jan. 1, 1973, under charter of the latter bank (13671) and title "National Bank of Detroit." The merged bank at date of merger had .....	5,456,612,541	.....	108

#### COMPTROLLER'S DECISION

On September 28, 1972, National Bank of Detroit, Detroit, Mich., and Detroit National Bank (organiz-

ing), Detroit, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

National Bank of Detroit, the merging bank, was

organized in 1933, and operates 106 branches with total assets of \$5.7 billion and IPC deposits of \$3 billion.

Detroit National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to National Detroit Corporation which will become a one-bank holding company upon its acquisition of the resulting bank. The charter bank will not be operating as a commercial bank prior to this merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same

name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 27, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### SAN ANGELO NATIONAL BANK OF SAN ANGELO, SAN ANGELO, TEX., AND CAPITAL NATIONAL BANK, SAN ANGELO, TEX.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
San Angelo National Bank of San Angelo, San Angelo, Tex. (13587), with.....	\$94,882,876	1	.....
and Capital National Bank, San Angelo, Tex. (13587), which had.....	240,000	0	.....
merged Jan. 1, 1973, under charter of the latter bank (13587) and title "San Angelo National Bank of San Angelo." The merged bank at date of merger had.....	95,122,876	.....	1

#### COMPTROLLER'S DECISION

On March 5, 1972, the San Angelo National Bank of San Angelo, San Angelo, Tex. and the Capital National Bank (organizing), San Angelo, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

San Angelo National Bank of San Angelo, the merging bank is headquartered in San Angelo and is a unit bank. This bank, with total resources of \$76.7 million and IPC deposits of \$49.4 million was chartered originally in 1932.

Capital National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Texas Commerce Bancshares, Inc. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there

can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 24, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

**THE NILES NATIONAL BANK AND TRUST COMPANY, NILES, MICH., AND AMERICAN BANK  
OF NILES, NATIONAL ASSOCIATION, NILES, MICH.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Niles National Bank and Trust Company, Niles, Mich. (15822), with .....	\$6,903,577	2	.....
and American Bank of Niles, National Association, Niles, Mich. (15822), which had.....	120,000	0	.....
merged Jan. 8, 1973, under charter of the latter bank (15822) and title "The Niles National Bank and Trust Company." The merged bank at date of merger had.....	7,023,577	.....	2

**COMPTROLLER'S DECISION**

On September 20, 1972, The Niles National Bank and Trust Company, Niles, Mich., and the American Bank of Niles, National Association (organizing), Niles, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Niles National Bank and Trust Company, the merging bank, is headquartered in Niles, and has one office which is located in Niles. This bank, with total resources of \$4.9 million and IPC deposits of \$2.4 million, was chartered originally in 1970.

American Bank of Niles, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the American National Holding Company. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank. Since no competition presently exists nor is likely to exist between the resulting bank; the holding company's

subsidiary, American National Bank and Trust Company of Kalamazoo; or the holding company's two affiliates, The American Bank of Three Rivers, National Association, and The American National Bank in Portage, because Michigan banking law restricts branching to within 25 miles of the home office of the parent bank and prohibits branching into any city or village in which a State or National bank or branch thereof is then in operation, acquisition of the resulting bank by the holding company will not reduce or eliminate any existing or potential competition.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

DECEMBER 8, 1972.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

**SECOND NATIONAL BANK OF SAGINAW, SAGINAW, MICH., AND THE SECOND BANK  
OF SAGINAW, N.A., SAGINAW, MICH.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Second National Bank of Saginaw, Saginaw, Mich. (1918), with.....	\$269,596,054	15	.....
and The Second Bank of Saginaw, N.A., Saginaw, Mich. (1918), which had.....	252,581	0	.....
merged Jan. 22, 1973, under charter of the latter bank (1918) and title "Second National Bank of Saginaw." The merged bank at date of merger had.....	269,600,673	.....	15

## COMPTROLLER'S DECISION

On September 1, 1972, The Second Bank of Saginaw, N.A. (organizing), Saginaw, Mich., and the Second National Bank of Saginaw, Saginaw, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

Second National Bank of Saginaw, the merging bank, is headquartered in Saginaw, and has 14 offices located throughout Saginaw and its environs. The bank, with total resources of \$250.2 million and IPC deposits of \$192.4 million, was chartered originally in 1871.

The Second Bank of Saginaw, N.A. (organizing), the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Century Financial Corporation of Michigan which will then become a one-bank holding company. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating

bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 15, 1972.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

## THE FIRST NATIONAL BANK OF HIGHLAND, HIGHLAND, N.Y., AND THE SECOND NATIONAL BANK OF HIGHLAND, HIGHLAND, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Highland, Highland, N.Y. (5336), with.....	\$83,776,755	6	.....
and The Second National Bank of Highland, Highland, N.Y. (5336), which had.....	70,770	0	.....
merged Jan. 26, 1973, under charter of the latter bank (5336) and title "The First National Bank of Highland." The merged bank at date of merger had.....	83,847,525	.....	6

## COMPTROLLER'S DECISION

On November 8, 1972, The Second National Bank of Highland (organizing), Highland, N.Y., and The First National Bank of Highland, Highland, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The First National Bank of Highland, the merging bank, was originally opened in 1900, and is currently eighth in size of the 43 commercial banks operating in the Third Banking District of New York. It is the largest of six commercial banks headquartered in Ulster County. The bank, with assets of \$70 million and deposits of \$63 million, is located approximately 75 miles north of New York City and operates five offices within the three-county area of

Ulster, Orange, and Dutchess counties. In addition, the merging bank has received permission to establish a branch in its head office village. The total population of this five-office service area is approximately 180,000 persons.

The Second National Bank of Highland, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to First Empire State Corporation. The charter bank will not be operating as a commercial bank prior to this merger.

First Empire State Corporation, Buffalo, N.Y., the holding company which will acquire the resulting bank, was organized in 1969 and is currently the 11th largest of 14 bank holding companies headquartered in New York State. This bank holding company, controlling deposits of \$1.1 billion, has

two subsidiaries at present, *viz.*, the Manufacturers and Traders Trust Company, Buffalo, its principal subsidiary, and the First Empire Bank-New York, New York City, which specializes in wholesale commercial banking and international operations. Those subsidiaries operate in the ninth and second banking districts, respectively.

Competition between First Empire State Corporation's subsidiaries and the merging bank is minimal. Empire First Bank-New York is not only located 60 miles from the Newburg office of The First National Bank of Highland but also does not solicit or conduct retail banking services as does the merging bank. The closest office of Manufacturers and Traders Trust Company is 285 road miles from the nearest office of the merging bank; that distance effectively limits their competitive impact on each other.

Consummation of the proposed transaction will enable The First National Bank of Highland to offer expanded and improved services which will make it a more effective competitor within its service area. Those services will include trust services, financial advisory services to municipalities, a greater variety of time deposits and interna-

tional services. In addition, the village of Highland will be opened to *de novo* branching by other banks with the removal of head office protection as provided by New York State law. The subject proposal will not significantly increase the size of First Empire State Corporation nor will it change the rank in size of this holding company in relation to the other bank holding companies in the State.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and will stimulate competition in the Third Banking District of New York. This application is, therefore, approved.

DECEMBER 26, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### THE AMERICAN BANK OF THREE RIVERS, NATIONAL ASSOCIATION, THREE RIVERS, MICH., AND THREE RIVERS NATIONAL BANK, THREE RIVERS, MICH.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The American Bank of Three Rivers, National Association, Three Rivers, Mich. (15889), with....	\$7,871,345	2	.....
and Three Rivers National Bank, Three Rivers, Mich. (15889), which had.....	120,000	0	.....
merged Jan. 29, 1973, under charter of the latter bank (15889) and title "The American Bank of Three Rivers, National Association." The merged bank at date of merger had.....	7,991,345	.....	2

#### COMPTROLLER'S DECISION

On September 28, 1972, The American Bank of Three Rivers, National Association, Three Rivers, Mich., and the Three Rivers National Bank (organizing), Three Rivers, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The American Bank of Three Rivers, National Association, the merging bank, is headquartered in Three Rivers, Mich., and has two offices, both of which are located in Three Rivers. The bank, with

total resources of \$6.7 million and IPC deposits of \$5.7 million, was chartered originally in 1958.

Three Rivers National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the American National Holding Company. The charter bank will not be operating as a commercial bank prior to the merger.

While the merging bank experiences substantial competition from other banks and financial institutions, virtually no competition now exists nor is likely to exist between the merging bank, American National Holding Company's subsidiary, American

National Bank and Trust Company of Michigan, Kalamazoo, and American National Holding Company's to affiliated banks, The American National Bank in Portage, Mich., and The Niles National Bank and Trust Company, Niles, Mich.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest

and the application is, therefore, approved.

DECEMBER 29, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### THE AMERICAN NATIONAL BANK OF AMARILLO, AMARILLO, TEX., AND BANK OF AMARILLO, N.A., AMARILLO, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The American National Bank of Amarillo, Amarillo, Tex. (14350), with.....	\$80,058,543	1	.....
and Bank of Amarillo, N.A., Amarillo, Tex. (14350), which had.....	247,200	0	.....
merged Jan. 30, 1973, under charter of the latter bank (14350) and title "The American National Bank of Amarillo." The merged bank at date of merger had.....	80,314,743	.....	1

#### COMPTROLLER'S DECISION

On March 27, 1972, The American National Bank of Amarillo, Amarillo, Tex., and the Bank of Amarillo, N.A., (organizing), Amarillo, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The American National Bank of Amarillo, the merging bank, was organized in 1936, and operates as a unit institution in conformity with State law. The bank has assets of \$69 million and IPC deposits of \$44.8 million.

The Bank of Amarillo, N.A., the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to the Fort Worth National Corporation. The charter bank will not be operating as a commercial bank prior to this merger.

The Fort Worth National Corporation, the holding company which will acquire the resulting bank, is headquartered in Fort Worth. The principal subsidiary of this holding company is the Fort Worth National Bank which has deposits of \$660 million.

There is no competition between the holding

company or its subsidiaries and The American National Bank of Amarillo because large distances separate the closest offices and because an adequate number of banking alternatives are in the intervening distances. Fort Worth, where the Fort Worth National Corporation has the overwhelming majority of its subsidiaries, is 360 miles from Amarillo, and Paducah, where the holding company owns a 5 percent interest in the First National Bank, is 120 miles from the office of The American National Bank of Amarillo. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank. New services will be introduced and greater management potential will be available.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and is, therefore, approved.

DECEMBER 29, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which American National Bank of Amarillo would become a subsidiary of Fort Worth National Corpo-

ration, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and with-

out regard to the acquisition of the surviving bank by Fort Worth National Corporation, it would have no effect on competition.

\* \* \*

**NEENAH WEST NATIONAL BANK, NEENAH, WIS., AND SECOND NEENAH  
WEST NATIONAL BANK, NEENAH, WIS.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Neenah West National Bank, Neenah, Wis. (15599), with.....	\$6,902,897	1	.....
and Second Neenah West National Bank, Neenah, Wis. (15599), which had.....	120,000	0	.....
merged Jan. 31, 1973, under charter of the latter bank (15599) and title "Neenah West National Bank." The merged bank at date of merger had.....	7,022,897	.....	1

**COMPTROLLER'S DECISION**

On September 26, 1972, Neenah West National Bank, Neenah, Wis., and Second Neenah West National Bank (organizing), Neenah, Wis., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Neenah West National Bank, the merging bank, was organized in 1966, and, with assets of \$6.2 million and IPC deposits of \$5.2 million, is the smallest of the 15 banks within its service area. The merging bank operates as a unit institution.

Second Neenah West National Bank, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to Associated Bank Services, Inc. The charter bank will not be operating as a commercial bank prior to this merger.

Associated Bank Services, Inc., Green Bay, Wis., the holding company which will acquire the resulting bank, controls three banks with aggregate deposits of approximately \$215 million and is currently the fourth largest bank holding company in Wisconsin. Subsidiaries of this holding company include Kellogg-Citizens National Bank of Green Bay, the principal subsidiary of this holding company; and

The First National Bank of Neenah, Neenah, Wis. The merging bank was originally organized by directors and officers of The First National Bank of Neenah and, at present, approximately 36 percent of the stock of the merging bank is owned by management of that bank; about 70 percent of the stock of Neenah West National Bank is held by shareholders of Associated Bank Services, Inc. Accordingly, the proposed merger is merely a reorganization of preexisting, commonly owned assets which will have no effect on competition in Wisconsin.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

DECEMBER 8, 1972.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

**BANK OF MAINE, N.A., AUGUSTA, ME., AND WATER STREET NATIONAL BANK, AUGUSTA, ME.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Bank of Maine, N.A., Augusta, Me. (498), with.....	\$47,684,132	5	.....
and Water Street National Bank, Augusta, Me. (498), which had.....	117,552	0	.....
merged Feb. 1, 1973, under charter of the latter bank (498) and title "Bank of Maine, N.A.".....	47,801,684	.....	5
The merged bank at date of merger had.....			

**COMPTROLLER'S DECISION**

On September 25, 1972, Water Street National Bank (organizing), Augusta, Me., and Bank of Maine, N.A., Augusta, Me., applied to the Office of the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

Bank of Maine, N.A., the merging bank, is headquartered in Augusta and maintains two branches in that city and one branch each in Winthrop and Waterville. The bank, with total resources of \$63.5 million and IPC deposits of \$36.7 million, was chartered in 1836.

Water Street National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Banc of Maine Corporation which will become a one-bank holding company upon its acquisition of the resulting bank. The charter bank will not be operating as a commercial bank prior to this merger.

Because the merging bank is the only operating

bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

DECEMBER 29, 1972.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

**STATE NATIONAL BANK, EVANSTON, ILL., AND SNB NATIONAL BANK, EVANSTON, ILL.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
State National Bank, Evanston, Ill. (15615), with.....	\$177,002,317	1	.....
and SNB National Bank, Evanston, Ill. (15615), which had.....	246,954	0	.....
merged Feb. 1, 1973, under charter of the latter bank (15615) and title "State National Bank.".....	177,249,271	.....	1
The merged bank at date of merger had.....			

**COMPTROLLER'S DECISION**

On July 31, 1972, the SNB National Bank (organizing), Evanston, Ill., and the State National Bank, Evanston, Ill., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

State National Bank, the merging bank, is located in Evanston, Ill., and has total resources of \$172.2

million and IPC deposits of approximately \$141.6 million.

SNB National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the State National Corporation, a newly created holding company. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating

bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

DECEMBER 29, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### GULF COAST NATIONAL BANK, HOUSTON, TEX., AND GULF BANK, NATIONAL ASSOCIATION, HOUSTON, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Gulf Coast National Bank, Houston, Tex. (14858), with.....	\$15,965,134	1	.....
and Gulf Bank, National Association, Houston, Tex. (14858), which had.....	253,128	0	.....
merged Feb. 13, 1973, under charter of the latter bank (14858) and title "Gulf Coast National Bank." The merged bank at date of merger had.....	16,218,261	.....	1

#### COMPTROLLER'S DECISION

On September 6, 1972, Gulf Coast National Bank, Houston, Tex., and Gulf Bank, National Association (organizing), Houston, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Gulf Coast National Bank, the merging bank, is headquartered in Houston, and is a unit bank. The bank, with total resources of \$14.9 million and IPC deposits of \$13 million, was chartered in 1959.

Gulf Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Southwest Bancshares, Inc. The charter bank will not be operating as a commercial bank prior to the merger. Bank of the Southwest, National Association, Houston is the only subsidiary of Southwest Bancshares, Inc. operating in the service area of the merging bank, and is located about 10 miles away.

As those two banks are affiliated, the proposal will have little competitive effect. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

JANUARY 11, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

**HOUSTON INTERCONTINENTAL NATIONAL BANK, HOUSTON, TEX., AND KENNEDY BOULEVARD BANK,  
NATIONAL ASSOCIATION, HOUSTON, TEX.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Houston Intercontinental National Bank, Houston, Tex. (15802), with.....	\$3,604,150	1	.....
and Kennedy Boulevard Bank, National Association, Houston, Tex. (15802), which had.....	253,128	0	.....
merged Feb. 13, 1973, under charter of the latter bank (15802) and title "Houston Intercontinental National Bank." The merged bank at date of merger had.....	3,857,278	.....	1

**COMPTROLLER'S DECISION**

On September 4, 1972, the Houston Intercontinental National Bank, Houston, Tex., and Kennedy Boulevard Bank, National Association (organizing), Houston, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Houston Intercontinental National Bank, the merging bank, is headquartered in Houston. The bank, with total resources of \$4.2 million and IPC deposits of \$3 million, was chartered originally in 1969.

Kennedy Boulevard Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Southwest Bancshares, Inc. The charter bank will not be operating as a commercial bank prior to the merger. There is not now and has never been any meaningful competition between the merging bank and any subsidiary of the applicant. Although the merging bank and applicant's affiliate, Bank of the

Southwest, operate in the same service area, they do not compete as shareholders of the applicant, which owns 100 percent of Bank of the Southwest, also own 72 percent of the merging bank. The proposal, therefore, is merely a corporate reorganization involving commonly owned assets. No competitive impact will result from its consummation.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

JANUARY 11, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

**THE FIRST NATIONAL BANK OF LAWRENCEBURG, LAWRENCEBURG, TENN., AND THE NATIONAL  
BANK OF LAWRENCEBURG, LAWRENCEBURG, TENN.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The First National Bank of Lawrenceburg, Lawrenceburg, Tenn. (6093), with.....	\$25,040,691	2	.....
and The National Bank of Lawrenceburg, Lawrenceburg, Tenn. (6093), which had.....	120,000	0	.....
merged Feb. 15, 1973, under charter of the latter bank (6093) and title "The First National Bank of Lawrenceburg." The merged bank at date of merger had.....	25,160,691	.....	2

**COMPTROLLER'S DECISION**

On October 18, 1972, The First National Bank of Lawrenceburg, Lawrenceburg, Tenn., and The National Bank of Lawrenceburg (organizing), Lawrenceburg, Tenn., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of Lawrenceburg, the merging bank, was chartered in 1902, and operates as a unit institution, with assets of \$24 million and IPC deposits of \$19.2 million.

The National Bank of Lawrenceburg, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Third

National Corporation. The charter bank will not be operating as a commercial bank prior to this merger.

Third National Corporation, Nashville, Tenn., the holding company which will acquire the resulting bank, was organized in January 1972 and now controls the Third National Bank in Nashville which operates its main office and 19 branches in the Nashville Metropolitan Area. That subsidiary has deposits of \$616 million and is headquartered in Davidson County.

There is no competition between Third National Bank and The First National Bank of Lawrenceburg because large distances separate the closest offices and an adequate number of competitors operate in the intervening distance. The nearest office of the Third National Bank is approximately 98 road miles from Lawrenceburg and the State law that limits branching to the county in which the main office of the bank is located effectively prevents any competition between Third National Bank and the merging bank.

The acquisition of the resulting bank by Third National Corporation will stimulate competition in Lawrence County because it will enable the resulting subsidiary in Lawrenceburg to expand the range of services now offered to the public within the trade area, particularly with respect to trust services,

\* \* \*

# THE FIRST NATIONAL BANK OF COOKEVILLE, COOKEVILLE, TENN., AND THE SECOND NATIONAL BANK OF COOKEVILLE, COOKEVILLE, TENN.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Cookeville, Cookeville, Tenn. (9667), with.....	\$42,903,341	4	.....
and The Second National Bank of Cookeville, Cookeville, Tenn. (9667), which had.....	120,000	0	.....
merged Feb. 21, 1973, under charter of the latter bank (9667) and title "The First National Bank of Cookeville." The merged bank at date of merger had.....	43,023,341	.....	4

## COMPTROLLER'S DECISION

On October 16, 1972, The First National Bank of Cookeville, Cookeville, Tenn., and The Second National Bank of Cookeville (organizing), Cookeville, Tenn., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of Cookeville, the merging bank, was incorporated in 1910. It currently operates three offices in Cookeville and a fourth is under construction. The bank has assets of \$36.8 million and IPC deposits of \$27.3 million.

The Second National Bank of Cookeville, the

consumer lending, and the ability of that bank to satisfy the credit needs of the largest customers of the area. The acquisition will add management depth to the resulting bank and will allow it to modernize and improve its internal operations and credit procedures through the expertise in those areas that will become available through affiliation with the holding company. The proposed acquisition will have a negligible effect on the statewide competitive position of Third National Corporation because of the relatively small size of the bank which it will acquire.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JANUARY 10, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First Tennessee National Corporation. The charter bank will not be operating as a commercial bank prior to this merger.

First Tennessee National Corporation, Memphis, Tenn., the holding company which will acquire the resulting bank, was organized in 1968, and currently controls three commercial banks with aggregate deposits of \$1 billion. The largest of these subsidiary banks is First National Bank of Memphis which has deposits of \$967 million. The remaining subsidiaries are The Banking and Trust Company, Jonesboro, with deposits of \$30 million, and White's Creek

Bank and Trust Company, with deposits of \$6.9 million. In addition to the present proposal, this holding company has plans to acquire three more banks, one each in Morristown, Kingsport, and Dyersburg, with aggregate deposits of \$55 million.

There is no competition between First Tennessee National Corporation or any of its subsidiaries and the merging bank because large distances separate their closest two offices and an adequate number of competitors operate in the intervening distances. Cookeville is located in east-central Tennessee approximately 85 miles east of Nashville and 50 miles south of the Kentucky border. The closest office of a subsidiary of the First Tennessee National Corporation is White's Creek Bank and Trust Company, White's Creek, approximately 85 miles west of Cookeville. That large distance effectively precludes any competition between First National Bank of Cookeville and the subsidiaries of this holding company.

The proposed transaction will have a negligible effect on the statewide competitive position of First Tennessee National Corporation because of the relatively small size of the merging bank but, it will increase competition in Putnam County, where The

First National Bank of Cookeville is headquartered, by enabling the resulting bank to offer an expanded range of services to the residents of its service area. Consummation of the subject proposal will also provide the resulting bank, as a subsidiary of First Tennessee National Corporation, with an opportunity to strengthen its internal operations and staff services through the expertise available from the principal subsidiary of the holding company.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

JANUARY 10, 1973.

#### SUMMARY OF REPORT BY ATTORNEY

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

\* \* \*

#### THE FAIRFIELD COUNTY NATIONAL BANK, NORWALK, CONN., AND THE CONNECTICUT BANK AND TRUST COMPANY, N.A., NORWALK, CONN.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Fairfield County National Bank, Norwalk, Conn. (15294), with.....	\$13,298,368	2	.....
and The Connecticut Bank and Trust Company, N.A., Norwalk, Conn. (15294), which had.....	240,000	0	.....
merged Feb. 26, 1973, under charter and title of the latter bank (15294). The merged bank at date of merger had.....	13,868,531	.....	2

#### COMPTROLLER'S DECISION

On August 3, 1972, The Fairfield County National Bank, Norwalk, Conn., and The Connecticut Bank and Trust Company, N.A. (organizing), Norwalk, Conn., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Fairfield County National Bank, the merging bank, is headquartered in Norwalk and has one other office, also in Norwalk. The bank, with total assets of \$12.6 million and IPC deposits of \$10.4 million, was chartered originally in 1964.

The Connecticut Bank and Trust Company, N.A.,

the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the CBT Corporation. The charter bank will not be operating as a commercial bank prior to the merger.

No competition will be eliminated by the acquisition of the resulting bank by CBT Corporation. CBT Corporation was organized in 1969, and currently operates as a one-bank holding company. CBT Corporation's only banking subsidiary is the Connecticut Bank and Trust Company, Hartford, which is the second largest commercial bank in the State, with assets of \$1.2 billion and deposits of \$740 million. As of December 31, 1971, Connecticut Bank

and Trust Company operated 67 offices in 37 towns.

The principal competitors of The Fairfield County National Bank include The Union Trust Company, New Haven, with assets of \$604 million; the Connecticut National Bank, Bridgeport, with assets of \$413 million; the State National Bank of Connecticut, Bridgeport, with assets of \$419 million; and the Merchants Bank and Trust Company, Norwalk, with assets of \$40 million. The Fairfield County National Bank also faces aggressive competition from savings banks operating in Norwalk.

Competition between offices of The Fairfield County National Bank and The Connecticut Bank and Trust Company is negligible. Connecticut Bank and Trust's closest offices are in Darien and Fairfield which are 5 miles and 12 miles from Norwalk, respectively. Connecticut Bank and Trust has applied for approval to establish a branch in New Canaan which is adjacent to Norwalk. Approval of that branch will have no negative effect on competition, however, because The Fairfield County National Bank draws less than 1 percent of its total IPC deposits and an even smaller percentage of loans of all types from New Canaan. Distance and the large number of banking alternatives prevents Connecticut Bank and Trust from competing with the prospective subsidiary of CBT Corp. The acquisition will not materially increase the size of CBT Corporation.

The acquisition of the resulting bank will enhance competition rather than diminish it. The same number of banking alternatives will be available. Additionally, commercial banks operating in Norwalk will be offered new banking services. Through affiliation with CBT Corporation, the bank will be able to offer its customers a full range of retail credit and trust department services. Through participations and correspondent relationships with CBT Corporation subsidiaries, the Fairfield bank will be able to offer the larger commercial borrower an alternative source of substantial funds, international financing services, and other specialized loan services such as commercial financing and leasing.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

JANUARY 26, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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#### THE FIRST NATIONAL BANK OF HOPEDALE, HOPEDALE, OHIO, AND THE SECOND NATIONAL BANK OF HOPEDALE, HOPEDALE, OHIO

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The First National Bank of Hopedale, Hopedale, Ohio (6938), with.....	\$7,097,566	1	.....
and The Second National Bank of Hopedale, Hopedale, Ohio (6938), which had.....	59,870	0	.....
merged Feb. 28, 1973, under charter of the latter bank (6938) and title "The First National Bank of Hopedale." The merged bank at date of merger had.....	7,157,435	.....	1

#### COMPTROLLER'S DECISION

On October 23, 1972, The First National Bank of Hopedale, Hopedale, Ohio, and The Second National Bank of Hopedale (organizing), Hopedale, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter with the title of the former.

The First National Bank of Hopedale, the merging bank, was chartered in 1903, and operates as a unit

institution, with assets of \$6.5 million and IPC deposits of \$5.3 million.

The Second National Bank of Hopedale, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to First Steuben Bancorp, Inc. The charter bank will not be operating as a commercial bank prior to this merger.

First Steuben Bancorp, Inc., Steubenville, Ohio, the holding company which will acquire the resulting

bank, was incorporated in September 1969, and has acquired a controlling interest in The First National Bank and Trust Company in Steubenville, its only subsidiary to date. That bank, with deposits of \$80.7 million, operates seven banking offices in Jefferson County and has received approval to open a drive-in facility in downtown Steubenville. The applicant is the eighth largest bank holding company in Ohio and is significantly smaller than Central Bancorporation, the seventh largest bank holding company in the State, which controls deposits of \$729 million.

There is minimal competition between the merging bank and The First National Bank and Trust Company in Steubenville because relatively large distances separate the two banks and an adequate number of alternative banking facilities operate in the surrounding area. The closest offices of these two banks are located 8.5 miles apart. Hopedale is located 20 miles from Steubenville where the major portion of the banking business of The First National Bank and Trust Company in Steubenville is transacted. It is only in the Bloomingdale-Unionport area in Jefferson County that the service areas of these two banks actually overlap, but the amount of business done by each bank in that specific area is small in relation to the total volume of their business.

Consummation of the proposed transaction will not significantly alter the competitive banking structure in Jefferson and Harrison counties but will bring many benefits to the residents and businessmen in the service area of the resulting subsidiary

by allowing that bank to offer many new services not currently available at that location. The resulting bank will have access to easier loan participations, will introduce trust services, and will be able to provide commercial loans in participation with the Small Business Administration, as well as education loans in conjunction with the Ohio State Loan Commission and the United States Department of Health, Education, and Welfare and related federal agencies. A larger, more specialized pool of management expertise will be available to advise the bank in such areas as commercial and farm lending, bond portfolio management, audit procedures, and other areas of banking which have not been tapped by the bank in the past.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JANUARY 26, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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#### THE SAUGERTIES NATIONAL BANK AND TRUST COMPANY, SAUGERTIES, N.Y., AND THE CHASE MANHATTAN BANK OF THE MID-HUDSON (NATIONAL ASSOCIATION), SAUGERTIES, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Saugerties National Bank and Trust Company, Saugerties, N.Y. (1040), with .....	\$17,316,600	2	.....
and The Chase Manhattan Bank of the Mid-Hudson (National Association), Saugerties, N.Y. (1040), which had .....	55,224	0	.....
merged Feb. 28, 1973, under charter and title of the latter bank (1040). The merged bank at date of merger had .....	17,371,824	.....	2

#### COMPTROLLER'S DECISION

On November 2, 1972, The Chase Manhattan Bank of the Mid-Hudson (National Association) (organizing), Saugerties, N.Y., and The Saugerties National Bank and Trust Company, Saugerties,

N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The Saugerties National Bank and Trust Company, the merging bank, is located in the Third Banking District of New York and, with assets of

\$16.4 million and IPC deposits of \$12.3 million, operates one branch in Barclay Heights which is located 1 mile south of the bank's main office. The merging bank serves an estimated population of 8,500 persons.

The Chase Manhattan Bank of the Mid-Hudson (National Association), the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to The Chase Manhattan Corporation. The charter bank will not be operating as a commercial bank prior to this merger.

The Chase Manhattan Corporation, New York City, the holding company which will acquire the resulting bank, is one of the largest bank holding companies in the United States and controls The Chase Manhattan Bank (National Association), the largest commercial bank headquartered in New York State; and Chase Manhattan Bank of Long Island, Melville, which was organized *de novo* in 1971.

The proposed merger will result in no adverse competitive effects in the Third Banking District nor will it eliminate any competition between The Chase Manhattan Corporation or its subsidiaries

and the merging bank. The closest office of a subsidiary of this holding company to the service area of The Saugerties National Bank and Trust Company is the Peekskill office of Chase Manhattan Bank in Westchester County, which is approximately 60 miles from Saugerties. In addition, none of the subsidiaries of The Chase Manhattan Corporation holds any deposits or loans originating in the service area of the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JANUARY 11, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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#### THE FIRST NATIONAL BANK OF MORAVIA, MORAVIA, N.Y., AND MORAVIA NATIONAL BANK, MORAVIA, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Moravia, Moravia, N.Y. (99), with.....	\$19,764,474	1	.....
and Moravia National Bank, Moravia, N.Y. (99), which had.....	63,044	0	.....
merged Mar. 1, 1973, under charter of the latter bank (99) and title "The First National Bank of Moravia." The merged bank at date of merger had.....	19,764,474	.....	1

#### COMPTROLLER'S DECISION

On November 8, 1972, The First National Bank of Moravia, Moravia, N.Y., and Moravia National Bank (organizing), Moravia, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of Moravia, the merging bank, was organized in 1863 and, with assets of \$19 million and IPC deposits of \$14.5 million, is the 13th in size among 24 commercial banks headquartered in the Sixth Banking District. It is the second largest of the three commercial banks headquartered in Cayuga County. The merging bank is the only financial institution operating in

the village of Moravia which has a population of 1,600. The bank is a unit institution which serves an area extending 15 miles to the north and south and 10 miles to the east and west of Moravia. The bank is inadequately capitalized and has limited profit retention.

Moravia National Bank, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to Charter New York Corporation. The charter bank will not be operating as a commercial bank prior to the consummation of this merger.

Charter New York Corporation, New York, N.Y., the holding company which will acquire the resulting bank, is the seventh largest of 14 registered bank holding companies in New York State. It

presently controls 10 subsidiary banks, with aggregate deposits of \$4.3 billion, which operate in eight of the nine State banking districts. The principal subsidiary of this holding company is Irving Trust Company, New York, with deposits of \$3.4 billion. The remaining subsidiaries range in size from The Merchants National Bank and Trust Company, Rochester, with deposits of \$239 million, to the Fulton County National Bank and Trust Company, Gloversville, with deposits of \$29 million. The subsidiaries are headquartered in various cities including Arcade, Albany, Babylon, Endicott, Poughkeepsie, and Scarsdale. Charter New York Corporation has also filed additional applications to acquire banks in Clinton and Nanuet which have total deposits of \$76 million.

Competition between The First National Bank of Moravia and any subsidiary of charter New York Corporation is negligible because relatively large distances separate the closest two banks and an adequate number of competitors operate in the intervening distance. The closest office of a subsidiary of the holding company is the Elbridge office of The Merchants National Bank and Trust Company of Syracuse which is 29 miles from Moravia and therefore clearly outside of the service area of the merging bank. No other subsidiary of Charter New York Corporation is close enough to Moravia to be considered a competitor.

Consummation of the proposed transaction will stimulate competition in the service area of the resulting subsidiary in Moravia by enabling it to offer expanded and improved services including

specialized commercial, real estate, and consumer loans, a check credit plan, trust services, and a full range of advisory services. The resulting bank will be able to operate more efficiently through the use of electronic data processing and through its access to larger lending capacity through easier participations with other subsidiaries of the holding company. That larger capacity will allow the bank to more readily meet the credit needs of the larger businesses in this area. The availability of increased capital and experienced management by affiliation with Charter New York Corporation will help to alleviate the present problems of the bank in Moravia. The resulting acquisition will not significantly increase the size of Charter New York Corporation which will continue to be smaller than the \$6.4 billion Marine Midland Banks, Inc., the next largest multi-bank holding company in New York State.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

JANUARY 16, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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#### THE HAYES NATIONAL BANK OF CLINTON, CLINTON, N.Y., AND HAYES NATIONAL BANK, CLINTON, N.Y.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Hayes National Bank of Clinton, Clinton, N.Y. (10295), with.....	\$17,304,642	1	.....
and Hayes National Bank, Clinton, N.Y. (10295), which had.....	62,914	0	.....
merged Mar. 1, 1973, under charter and title of the later bank (10295). The merged bank at date of merger had.....	17,306,542	.....	1

#### COMPTROLLER'S DECISION

On November 3, 1972, The Hayes National Bank of Clinton, Clinton, N.Y., and Hayes National Bank (organizing), Clinton, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Hayes National Bank of Clinton, the merging bank, was founded in 1912, and with assets of \$16 million and IPC deposits of \$12.8 million, is the 15th in size among the 24 commercial banks headquartered in the Sixth Banking District. It is the third largest of the six commercial banks based in Oneida County. This is the only bank headquartered

in the village of Clinton which has a population of 1,800 persons. The merging bank operates as a unit institution but has a recently approved but unopened branch in New Hartford located approximately 5 miles northeast of Clinton. The service area of The Hayes National Bank of Clinton is an area of about 17 square miles in and around Clinton which has a population of 17,000 people.

Hayes National Bank, the charter bank, is being organized to provide a vehicle by which to transfer the ownership of the merging bank to Charter New York Corporation. The charter bank will not be operating as a commercial bank prior to this merger.

Charter New York Corporation, New York, N.Y., the holding company which will acquire the resulting bank, is the seventh largest of 14 registered bank holding companies in New York State, and presently controls ten subsidiary banks, with aggregate deposits of \$4.3 billion, which operate in eight of the nine State banking districts. The principal subsidiary of this holding company is Irving Trust Company, New York, with deposits of \$3.4 billion. The remaining subsidiaries range in size from The Merchants National Bank and Trust Company, Rochester, with deposits of \$239 million to the smaller Fulton County National Bank and Trust Company, Gloyersville, with deposits of \$29 million. Its subsidiaries are headquartered in various cities including Arcade, Albany, Babylon, Endicott, Poughkeepsie, and Scarsdale. Charter New York Corporation has also filed additional applications to acquire banks in Moravia and Nanuet with total deposits of \$78 million.

Competition will not be adversely affected by consummation of the proposed transaction because relatively large distances separate the closest two banks and an adequate number of competitors

operate in the intervening distance. The nearest branch of a subsidiary of Charter New York Corporation is 32 miles from Clinton and therefore is clearly outside of the service area of the merging bank.

Consummation of the proposed transaction will stimulate competition in the service area of the resulting subsidiary in Clinton by enabling it to offer expanded and improved services including specialized commercial, real estate, and consumer loans, a check credit plan, trust services, and a full range of advisory services. The resulting bank will be able to operate more efficiently by using electronic data processing, and easier participations with other subsidiaries of the holding company will allow it to more readily meet the credit needs of the larger businesses in this area. The proposed transaction will not significantly increase the size of Charter New York Corporation which would continue to be smaller than the \$6.4 billion Marine Midland Banks, Inc., the next largest multi-bank holding company in New York State.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

JANUARY 10, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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#### THE CENTRAL VALLEY NATIONAL BANK, CENTRAL VALLEY, N.Y., AND CITIBANK (MID-HUDSON), NATIONAL ASSOCIATION, TOWN OF WOODBURY (P.O. CENTRAL VALLEY), N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Central Valley National Bank, Central Valley, N.Y. (9990), with.....	\$17,425,896	3	.....
and Citibank (Mid-Hudson), National Association, Town of Woodbury (P.O. Central Valley), N.Y. (9990), which had.....	61,900	0	.....
merged Mar. 6, 1973, under charter and title of the latter bank (9990). The merged bank at date of merger had.....	17,487,796	.....	3

# COMPTROLLER'S DECISION

On August 25, 1972, The Central Valley National Bank, Central Valley, N.Y., and Citibank (Mid-Hudson), National Association, (organizing), Town of Woodbury (P.O. Central Valley), N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Central Valley National Bank, the merging bank, was organized in 1911, and is the ninth largest of 11 commercial banks headquartered in Orange County. The merging bank operates two branches and has assets of \$16 million and IPC deposits of \$14 million.

Citibank (Mid-Hudson), National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First National City Corporation. The charter bank will not be operating as a commercial bank prior to this merger.

First National City Corporation, New York, N.Y., the holding company which will acquire the resulting bank, is the second largest of 13 registered multi-bank holding companies in New York State and controls deposits of \$13.5 billion. The holding company presently controls five banks including First National City Bank, New York City; Citibank (Suffolk), National Association, Bay Shore; Citibank (Western), National Association, Silver Creek; Citibank (Mid-Western), National Association, Honeoye Falls; and Citibank (Eastern), National Association, Castleton-on-Hudson. An application is also pending to acquire The First Trust and Deposit Company of Oriskany Falls, which is located in the Sixth Banking District of New York.

\* \* \*

## THE FIRST TRUST AND DEPOSIT COMPANY OF ORISKANY FALLS, ORISKANY FALLS, N.Y., AND CITIBANK (CENTRAL), NATIONAL ASSOCIATION, ORISKANY FALLS, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First Trust and Deposit Company of Oriskany Falls, Oriskany Falls, N.Y., with.....	\$5,766,207	1	.....
and Citibank (Central), National Association, Oriskany Falls, N.Y. (16089), which had.....	61,900	0	.....
merged Mar. 6, 1973, under charter and title of the latter bank (16089). The merged bank at date of merger had.....	5,828,107	.....	1

# COMPTROLLER'S DECISION

On July 10, 1972, The First Trust and Deposit Company of Oriskany Falls, village of Oriskany

There is minimal competition between the applicant's subsidiaries and The Central Valley National Bank because relatively large distances separate the closest two offices and an adequate number of competitors operate in the intervening distance. The closest branch of any subsidiary of the holding company is First National City Bank's branch in Peekskill, 16 miles away.

Affiliation with First National City Corporation will enable the resulting subsidiary to improve the quality and range of banking services it now offers including a wider variety of time deposits, more competitive mortgage loans, overdraft banking, and expanded trust services. Funds and expertise will also be available for larger and more specialized commercial loans and municipal financing. The proposed affiliation will therefore stimulate competition in Orange County and will allow the resulting subsidiary to serve as a viable alternative to the larger banks already serving that area.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

FEBRUARY 2, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

Falls, N.Y., and Citibank (Central), National Association, (organizing), village of Oriskany Falls, N.Y., applied to the Comptroller of the Currency

for permission to merge under the charter and with the title of the latter.

Citibank (Central), National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to The First National City Corporation, New York, N.Y. The charter bank will not be operating as a commercial bank prior to this merger.

The First National City Corporation, New York, N.Y., the applicant, is a registered bank holding company headquartered in New York State and controls \$13.8 billion of the aggregate domestic deposits of the \$94 billion deposits held by all of the commercial banks based in the State of New York. The principal subsidiary of the holding company is the First National City Bank, New York City, the largest bank in the State.

The First Trust and Deposit Company of Oriskany Falls, village of Oriskany Falls, N.Y., the bank which will merge with the proposed subsidiary, was organized in 1903 as a National bank, and converted to a State charter in 1926. That bank, operating as a single-office institution, currently has deposits of \$4.8 million. The service area of the bank includes the towns of Augusta, Marshall, and Sangerfield in Oneida County and the town of Madison in Madison County.

The First Trust and Deposit Company of Oriskany Falls is the smallest of six commercial banks headquartered in Oneida County and is the 23rd in size of the 24 commercial banks in the Sixth Banking District. The banks based in Oneida County include The Oneida National Bank and Trust Company of Central New York, Utica, with deposits of \$300 million; the Bank of Utica, with deposits of \$36 million; and The Hayes National Bank of Clinton, Clinton, with deposits of \$14 million which is a proposed member of the Charter New York Corporation. Additional competition in the Sixth Banking District includes many large banks, a

large number of which are subsidiaries of holding companies.

Competition between The First Trust and Deposit Company of Oriskany Falls and The First National City Corporation or its subsidiaries is negligible. The nearest office of any subsidiary of the applicant to Oriskany Falls is 120 miles away. If a proposed acquisition of The National Exchange Bank of Castleton-on-Hudson by the applicant is consummated, its nearest office would be 90 miles from Oriskany Falls.

Consummation of the proposed transaction, by improving and expanding services, will enable the resulting subsidiary in Oriskany Falls to compete more effectively with its larger competitors and with banks affiliated with large holding companies in the Sixth Banking District. New services would consist of overdraft checking, a larger variety of time deposits, expanded consumer loans, business installment loans, and trust services, among others. The proposed transaction will not significantly increase the size of the applicant, but it will greatly increase banking competition in the Sixth Banking District of New York without causing any adverse effects.

On weighing the factors of this case in the light of the statutory criteria, it is concluded that the subject merger is in the public interest. The application is, therefore, approved.

FEBRUARY 2, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First Trust and Deposit Company of Oriskany Falls would become a subsidiary of First National City Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by First National City Corporation, it would have no effect on competition.

\* \* \*

#### FIRST NATIONAL BANK OF HOLLAND, HOLLAND, MICH., AND HOLLAND NATIONAL BANK, HOLLAND, MICH.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First National Bank of Holland, Holland, Mich. (14560), with.....	\$39,779,958	1	.....
and Holland National Bank, Holland, Mich. (14560), which had.....	120,000	0	.....
merged Mar. 26, 1973, under charter of the latter bank (14560) and title "First National Bank of Holland." The merged bank at date of merger had.....	39,899,958	.....	1

# COMPTROLLER'S DECISION

On November 10, 1972, First National Bank of Holland, Holland, Mich., and Holland National Bank (organizing), Holland, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

First National Bank of Holland, the merging bank, is headquartered in Holland, Mich., and has two pending branch applications. The bank holds total assets of approximately \$36.9 million.

Holland National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First National Financial Corporation, a multi-bank holding company. The charter bank will not be operating as a commercial bank prior to the merger.

First National Financial Corporation is the 11th largest banking organization in Michigan. It controls three banks with aggregate deposits of approximately \$306 million, representing 1.25 percent of total deposits in commercial banks in the State. First National Financial Corporation's affiliates are the First National Bank and Trust Company of Michigan, Kalamazoo, Mich.; The Merchants and Miners Bank, Calumet, Mich.; and the Deerfield State Bank, Deerfield, Mich.

The proposed affiliation will not have an adverse competitive effect. First National Financial Corporation's nearest subsidiary office is located more than 23 miles from First National Bank of Holland. Further, the proposed acquisition will not significantly increase the concentration of banking resources in the State. First National Financial Corporation's share of State deposits would only in-

crease to approximately 1.5 percent, and its rank in size among State banking institutions would only increase from 11th to 10th.

Affiliation of First National Bank of Holland with First National Financial Corporation would, however, enable the Holland bank to compete effectively with the two larger area banks: Peoples State Bank, Holland, Mich., with approximately \$45 million in deposits, and First Michigan Bank and Trust Company, Zeeland, Mich., with approximately \$70 million in deposits. Further, the affiliation will enable First National Bank of Holland to benefit from the experience and expertise of First National Financial Corporation's lead bank, First National Bank and Trust Company of Michigan. Among the lead bank's areas of expertise are fully developed commercial and agricultural loan programs, a full line of trust services, and modern techniques of credit analysis.

Accordingly, applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

FEBRUARY 23, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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## UNION BANK AND TRUST COMPANY (NATIONAL ASSOCIATION), GRAND RAPIDS, MICH., AND THE UNION NATIONAL BANK, GRAND RAPIDS, MICH.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Union Bank and Trust Company (National Association), Grand Rapids, Mich. (15575), with.....	\$332,190,000	26	.....
and The Union National Bank, Grand Rapids, Mich. (15575), which had.....	256,250	0	.....
merged Mar. 30, 1973, under charter of the latter bank (15575) and title "Union Bank and Trust Company (National Association)." The merged bank at date of merger had.....	332,446,250	.....	26

## COMPTROLLER'S DECISION

On September 8, 1972, Union Bank and Trust Company (National Association), Grand Rapids, Mich., and The Union National Bank (organizing), Grand Rapids, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Union Bank and Trust Company (National Association), the merging bank, was organized in 1918, and, with deposits of \$287 million, is currently the third largest commercial bank operating in Grand Rapids.

The Union National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Peninsular Holding Corporation of Michigan, which will become a one-bank holding company when it acquires the resulting bank. The charter bank will not be operating as a commercial bank prior to this merger.

Because the merging bank is the only operating

bank involved in the proposed transaction, there can be no adverse effect on competition resulting from a consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

FEBRUARY 13, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

## SOMERSET HILLS & COUNTY NATIONAL BANK, BASKING RIDGE, N.J., AND NEW SOMERSET HILLS & COUNTY NATIONAL BANK, BASKING RIDGE, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Somerset Hills & County National Bank, Basking Ridge, N.J. (6960), with.....	\$66,677,666	7	.....
and New Somerset Hills & County National Bank, Basking Ridge, N.J. (6960), which had.....	125,000	0	.....
merged Apr. 19, 1973, under charter of the latter bank (6960) and title "Somerset Hills & County National Bank." The merged bank at date of merger had.....	66,802,666	.....	7

## COMPTROLLER'S DECISION

On September 26, 1972, Somerset Hills & County National Bank, Basking Ridge, N.J., and the New Somerset Hills & County National Bank (organizing) Basking Ridge, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Somerset Hills & County National Bank, the merging bank, is headquartered in Basking Ridge, and has six branches located throughout Somerset County. The bank, with total reserves of \$167.7 million and IPC deposits of \$55.4 million, was chartered originally in 1903.

New Somerset Hills & County National Bank, the charter bank, is being organized to provide a

vehicle to transfer ownership of the merging bank to the First National State Bancorporation. The charter bank will not be operating as a commercial bank prior to the merger.

Basking Ridge, home of the subject bank, is located in the northern central section of Somerset County, approximately 30 to 35 miles southwest of Newark, N.J. Somerset County had a 1970 population of 198,372, and the bank's service area, which includes portions of Somerset, Morris, and Middlesex counties, had a 1970 population of 173,324. The north-central and the western sections of Somerset County are basically residential in nature, with the industrial corridor located in the eastern section. Other parts of the service area are residential and mixed industrial and commercial.

Of the 13 commercial banking institutions which operate 31 offices in the primary service area of the subject bank, that bank ranked eighth in terms of amount of deposits. Competition includes American National Bank and Trust of New Jersey, Montclair, with deposits of \$358 million, a member of the Princeton American Bancorporation which has aggregate deposits of \$447 million; Franklin State Bank, Somerset, with deposits of \$149 million; First National Bank of Central Jersey, Somerville, with deposits of \$141 million; Somerset Trust Company, Somerville, with deposits of \$89 million; The First National Bank of Princeton, Princeton, with \$85 million in deposits, a member of United Jersey Banks which is a multi-bank holding company with aggregate deposits of \$1.3 billion; The National Bank of New Jersey, New Brunswick, with deposits of \$77 million, a member of Fidelity Union Bancorporation which is a multi-bank holding company with aggregate deposits of \$792 million; and Peoples National Bank of Central Jersey, Piscataway, with deposits of \$59 million. In addition, five savings and loan associations with combined assets of \$129 million provide additional competition. Two credit unions, 18 sales finance companies, and 10 small loan licensees operate in the primary service area and compete for smaller consumer loans.

First National State Bancorporation, the applicant, is the third largest of the six registered multi-bank holding companies in the State of New Jersey. As of September 30, 1972, it held \$1.1 billion of the \$21 billion total deposits held by the commercial banks in New Jersey. First National State Bancorporation presently controls seven banks located in the three banking districts in New Jersey. The lead bank is First National State Bank of New Jersey, Newark, with deposits of \$929 million, other subsidiary banks in the First Banking District are the First National State Bank of Northeast Jersey, Succasunna, with \$84 million in deposits and the First National State Bank of North Jersey, Hackensack, with \$55 million in deposits. In the Second Banking District there is The Edison Bank, National Association, South Plainfield, with deposits of \$76 million; First National State Bank of Spring Lake, with deposits of \$26 million; and First National State Bank of Central Jersey, Trenton, with deposits of \$54 million. The holding company's representation in the Third

Banking District is First National State Bank of Ocean County, Lakewood, with deposits of \$31 million.

Consummation of the proposed transaction will enable Somerset Hills & County National Bank to offer improved and expanded services to its customers including term loans, accounts receivable financing, lease financing, auto dealer financing, commercial letters of credit, expanded trust department services, and international services. Other services will be computer services to customers, investment planning, correspondent bank services, underwriter, dealer, and distributor services in the bond market, and a means whereby loans over the lending limit can be more easily placed.

Competition should not be adversely affected. Because the nearest office of a subsidiary of the applicant is located 2.4 miles from the subject bank, and is separated by the city of New Brunswick in an area which is highly banked, it would appear that there is little competition between the subject bank and a subsidiary of the applicant. The applicant would continue its ranking as the third largest bank holding company in New Jersey and its ability to compete with its larger competitors would be slightly improved while smaller holding companies should not be seriously disadvantaged. The subject bank would continue as eighth largest bank in its service area but its ability to compete with its larger competitors and other holding company affiliated banks should be improved through consummation of this transaction. Because of the high demand for banking services in this area, smaller competitors should not be seriously disadvantaged.

We find the proposal to be in the public interest and without adverse competitive effect. The application is, therefore, approved.

MARCH 8, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

**THE AUSTIN NATIONAL BANK, AUSTIN, TEX., AND AUSTIN BANK, NATIONAL ASSOCIATION, AUSTIN, TEX.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Austin National Bank, Austin, Tex. (4308), with.....	\$335,832,357	1	.....
and Austin Bank, National Association, Austin, Tex. (4308), which had.....	250,000	0	.....
merged Apr. 20, 1973, under charter of the latter bank (4308) and title "The Austin National Bank." The merged bank at date of merger had.....	335,839,557	.....	1

**COMPTROLLER'S DECISION**

On October 31, 1972, The Austin National Bank, Austin, Tex., and the Austin Bank, National Association (organizing), Austin, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Austin National Bank, the merging bank is headquartered in Austin and is a unit bank. This bank, with total resources of \$292.9 million and total deposits of \$282.5 million was chartered originally in 1890.

Austin Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Austin Bancshares Corporation, a newly created bank holding company without present subsidiaries. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating

bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

MARCH 15, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

**FIRST NATIONAL BANK OF ABILENE, ABILENE, TEX., AND SECOND NATIONAL BANK OF ABILENE, ABILENE, TEX.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
First National Bank of Abilene, Abilene, Tex. (4166), with.....	\$94,951,323	1	.....
and Second National Bank of Abilene, Abilene, Tex. (4166), which had.....	240,000	0	.....
merged Apr. 24, 1973, under charter of the latter bank (4166) and title "First National Bank of Abilene." The merged bank at date of merger had.....	94,958,523	.....	1

**COMPTROLLER'S DECISION**

On April 27, 1972, the First National Bank of Abilene, Abilene, Tex., and the Second National Bank of Abilene (organizing), Abilene, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of Abilene, the merging bank, was organized in 1889, and operates as a unit bank in conformity with State law. The bank has assets of \$87.7 million and IPC deposits of \$61.2 million.

The Second National Bank of Abilene, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the F & M

Operating Company. The charter bank will not be operating as a commercial bank prior to the merger.

The F & M Operating Company, the holding company which will acquire the resulting bank, controls the Bank of Commerce in Abilene. There is minimal competition between the Bank of Commerce and the merging bank because the First National Bank of Abilene is located in downtown Abilene and the Bank of Commerce is situated in a suburban location 7 miles away. That distance as well as the fact that several competitors are located in the intervening area effectively minimizes the competition between the two banks. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

MARCH 19, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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#### MANUFACTURERS NATIONAL BANK OF DETROIT, DETROIT, MICH., AND MANUFACTURERS BANK DETROIT, N.A., DETROIT, MICH.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Manufacturers National Bank of Detroit, Detroit, Mich. (13738), with.....	\$2,337,375,893	72	.....
and Manufacturers Bank Detroit, N.A., Detroit, Mich. (13738), which had.....	250,000	0	.....
merged Apr. 24, 1973, under charter of the latter bank (13738) and title "Manufacturers National Bank of Detroit." The merged bank at date of merger had.....	2,337,365,893	.....	72

#### COMPTROLLER'S DECISION

On December 12, 1972, Manufacturers National Bank of Detroit, Detroit, Mich., and Manufacturers Bank Detroit, N.A. (organizing), Detroit, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Manufacturers National Bank of Detroit, the existing bank, was organized in 1933, and now has 72 banking offices, with total assets of \$2.3 billion and IPC deposits of a \$1.8 billion, located throughout the Detroit Metropolitan Area.

Manufacturers Bank Detroit, N.A., the new bank, is being organized to provide a vehicle to transfer ownership of the existing bank to Manufacturers National Corporation which will be a one-bank holding company at the time of its formation. The new bank will not be operating as a commercial bank prior to this merger.

Because the existing bank is the only operating

bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

MARCH 23, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

**THE HIBERNIA NATIONAL BANK IN NEW ORLEANS, NEW ORLEANS, LA., AND TOWER NATIONAL BANK,  
NEW ORLEANS, LA.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Hibernia National Bank in New Orleans, New Orleans, La. (13688), with.....	\$528,240,178	13	.....
and Tower National Bank, New Orleans, La. (13688), which had.....	240,000	0	.....
merged Apr. 24, 1973, under charter of the latter bank (13688) and title "Hibernia National Bank in New Orleans." The merged bank at date of merger had.....	528,477,678	.....	13

**COMPTROLLER'S DECISION**

On February 14, 1973, The Hibernia National Bank in New Orleans, New Orleans, La., and Tower National Bank (organizing), New Orleans, La., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "Hibernia National Bank in New Orleans."

The Hibernia National Bank in New Orleans, the existing bank, was organized in 1933, and now, with deposits of \$444 million, is the third largest of nine commercial banks headquartered in New Orleans. Competition for the bank includes Whitney National Bank of New Orleans, with deposits of \$707 million, and First National Bank of Commerce, with deposits of \$595 million.

Tower National Bank, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to Hibernia Corporation, New Orleans, which will become a one-bank holding company upon its acquisition of the existing bank. The new bank will not be operating

as a commercial bank prior to this merger.

Because The Hibernia National Bank in New Orleans is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MARCH 20, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

**CITIZENS NATIONAL BANK IN ENNIS, ENNIS, TEX., AND BANCORP NATIONAL BANK OF ENNIS, TEXAS, ENNIS, TEX.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Citizens National Bank in Ennis, Ennis, Tex. (13667), with.....	\$23,198,082	1	.....
and Bancorp National Bank of Ennis, Texas, Ennis, Tex. (13667), which had.....	120,000	0	.....
merged Apr. 30, 1973, under charter of the latter bank (13667) and title "Citizens National Bank in Ennis." The merged bank at date of merger had.....	23,316,582	.....	1

**COMPTROLLER'S DECISION**

On August 22, 1972, Citizens National Bank in Ennis, Ennis, Tex., and Bancorp National Bank in Ennis, Texas (organizing), Ennis, Tex., applied to

the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Citizens National Bank in Ennis, the existing bank, was organized in 1933, and currently has as

sets of \$20.8 million and IPC deposits of \$15.4 million. Approximately 24 percent of the stock of this bank is now owned by First Bancorp, Inc., Corsicana, Tex.

Bancorp National Bank of Ennis, Texas, the new bank, is being organized to provide a vehicle by which to transfer total ownership of Citizens National Bank in Ennis to First Bancorp. The new bank will not be operating as a commercial bank prior to this merger.

Because Citizens National Bank in Ennis is already controlled by First Bancorp, the proposed transaction is merely part of a corporate reorganization in which the existing bank will become a wholly-owned subsidiary of this holding company.

\* \* \*

# THE NATIONAL CITY BANK OF CLEVELAND, CLEVELAND, OHIO, AND NCB NATIONAL BANK, CLEVELAND, OHIO

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The National City Bank of Cleveland, Cleveland, Ohio (786), with.....	\$1,779,515,969	39	.....
and NCB National Bank, Cleveland, Ohio (786), which had.....	240,000	0	.....
merged Apr. 30, 1973, under charter of the latter bank (786) and title "National City Bank."			
The merged bank at date of merger had.....	1,779,528,919		39

## COMPTROLLER'S DECISION

On December 29, 1972, The National City Bank of Cleveland, Cleveland, Ohio, and NCB National Bank (organizing), Cleveland, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title, "National City Bank."

The National City Bank of Cleveland, the existing bank, was organized in 1845 and, with deposits of \$1.3 billion, is the second largest commercial bank headquartered in Cleveland. Cleveland Trust, the largest bank in Ohio, has deposits of \$2.4 billion.

NCB National Bank, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to National City Corporation, Cleveland, which will become a one-bank holding company upon its acquisition of the resulting bank. NCB National Bank will not be operating as a commercial bank prior to this merger.

Because The National City Bank of Cleveland is the only operating bank involved in the proposed

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MARCH 16, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations as presently used by The National City Bank of Cleveland.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MARCH 20, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

CITIZENS NATIONAL BANK OF SAN ANTONIO, SAN ANTONIO, TEX., AND CITIZENS BANK, N.A.,  
SAN ANTONIO, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Citizens National Bank of San Antonio, San Antonio, Tex. (14938), with.....	\$27,495,719	1	.....
and Citizens Bank, N.A., San Antonio, Tex. (14938), which had.....	240,000	0	.....
merged May 1, 1973, under charter of the latter bank (14938) and title "Citizens National Bank of San Antonio." The merged bank at date of merger had.....	27,502,919	.....	1

COMPTROLLER'S DECISION

On July 31, 1972, Citizens National Bank of San Antonio, San Antonio, Tex., and Citizens Bank, N.A. (organizing), San Antonio, Tex., applied to the Office of the Comptroller of Currency for permission to merge under the charter of the latter and with the title of the former.

Citizens National Bank of San Antonio, San Antonio, Tex., the merging bank, is headquartered in San Antonio, Tex. The bank, with IPC deposits of approximately \$18 million, was chartered in 1961.

Citizens Bank, N.A., San Antonio, Tex., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Frost Realty Company, soon to be changed to Frost Bank Corporation, a Texas-based bank holding company.

Because the merging bank is the only operating bank involved in the proposed transaction, there

can be no adverse competitive effect resulting from the consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest. The application is, therefore, approved.

MARCH 27, 1973.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

CORPUS CHRISTI STATE NATIONAL BANK, CORPUS CHRISTI, TEX., AND STATE NATIONAL BANK OF CORPUS CHRISTI, CORPUS CHRISTI, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Corpus Christi State National Bank, Corpus Christi, Tex. (4423), with.....	\$250,500,469	1	.....
and State National Bank of Corpus Christi, Corpus Christi, Tex. (4423), which had.....	240,000	0	.....
merged May 1, 1973, under charter of the latter bank (4423) and title "Corpus Christi State National Bank." The merged bank at date of merger had.....	250,507,669	.....	1

COMPTROLLER'S DECISION

On September 19, 1972, Corpus Christi State National Bank, Corpus Christi, Tex., and State National Bank of Corpus Christi (organizing), Corpus Christi, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Corpus Christi State National Bank, the existing bank, was organized in 1890 and now, with deposits of \$180 million, is the largest commercial bank in Corpus Christi. Corpus Christi Bank and Trust, the bank's principal competitor, is in the process of being acquired by First City Bancorporation of Texas, Inc., Houston.

State National Bank of Corpus Christi, the new

bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to Federated Texas Bancorporation, Inc. State National Bank of Corpus Christi will not operate as a commercial bank prior to this merger.

Federated Texas Bancorporation, Inc., San Antonio, Tex., the holding company which will acquire the resulting bank, has recently been organized as a holding company and has submitted applications to acquire The American National Bank of Austin, Austin, Tex., and The Alamo National Bank, San Antonio, Tex. The holding company has no previous financial history and does not operate any subsidiaries at the present time.

The American National Bank of Austin was organized in 1890, and currently, with deposits of \$177.3 million, is the third largest commercial bank in Austin. Principal competitors with the bank include The Austin National Bank, with deposits of \$283 million, and The Capital National Bank in Austin, with deposits of \$240 million. The Alamo National Bank, the other bank to be acquired by Federated Texas Bancorporation, was organized in 1891, and, with deposits of \$181 million, is the third largest of 29 commercial banks headquartered in San Antonio. Competition is provided by Frost National Bank, with deposits of \$452 million; National Bank of Commerce of San Antonio, with deposits of \$277 million; and National Bank of Fort Sam Houston, with deposits of \$49.7 million.

There is no competition between the three banks to be acquired by Federated Texas Bancorporation because large distances separate their offices and an adequate number of alternative banking facilities operate in the intervening distances. Austin is located 75 miles from San Antonio and 150 miles from Corpus Christi. San Antonio is about 120 miles from Corpus Christi. Those large distances

preclude any direct competition between the banks which are to be acquired by this holding company.

A common characteristic of the three subject banks is that the share of the deposit structure controlled by each in their respective service areas has declined between 5 and 10 percent in the past 10 years. It is pointed out that those declines are the result of the growing influence of Dallas/Fort Worth- and Houston-based multi-bank holding companies and, to a lesser extent, to the larger local competitors that have been successful in attracting corporate business from the three banks individually. The subject proposal is part of a plan designed to create an alternative banking force capable of competing more effectively with the sophisticated services provided by the largest commercial banks and by the larger multi-bank holding companies in the State. That will stimulate competition over a large portion of Texas. Federated Texas Bancorporation will become the ninth largest bank holding company in the State, which means that it will not be in a position to dominate banking in any respect.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and is, therefore, approved.

MARCH 23, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### THE FROST NATIONAL BANK OF SAN ANTONIO, SAN ANTONIO, TEX., AND FROST BANK, N.A., SAN ANTONIO, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Frost National Bank of San Antonio, San Antonio, Tex. (5179), with.....	\$571,553,677	1	.....
and Frost Bank, N.A., San Antonio, Tex. (5179), which had.....	240,000	0	.....
merged May 1, 1973, under charter of the latter bank (5179) and title "The Frost National Bank of San Antonio." The merged bank at date of merger had.....	571,793,677	.....	1

# COMPTROLLER'S DECISION

On August 1, 1972, The Frost National Bank of San Antonio, San Antonio, Tex., and Frost Bank, N.A. (organizing), San Antonio, Tex., applied to the Office of the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Frost National Bank of San Antonio, the merging bank, is headquartered in San Antonio, Tex., and has IPC deposits of approximately \$288 million. The merging bank, established in 1899, has no branch offices.

Frost Bank, N.A., San Antonio, Tex., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Frost Realty Company, soon to be changed to Frost Bank Corporation, a Texas-based bank holding company.

Because the merging bank is the only operating bank involved in the proposed transaction, there

can be no adverse competitive effect resulting from the consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest. The application is, therefore, approved.

MARCH 27, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

## THE FIRST NATIONAL BANK OF EAGLE PASS, EAGLE PASS, TEX., AND MAVERICK COUNTY NATIONAL BANK, EAGLE PASS, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Eagle Pass, Eagle Pass, Tex. (4490), with.....	\$20,898,421	1	.....
and Maverick County National Bank, Eagle Pass, Tex. (4490), which had.....	120,000	0	.....
Merged May 4, 1973, under charter of the latter bank (4490) and title "The First National Bank of Eagle Pass." The merged bank at date of merger had.....	21,018,421	.....	1

# COMPTROLLER'S DECISION

On December 28, 1972, The First National Bank of Eagle Pass, Eagle Pass, Tex., and Maverick County National Bank (organizing), Eagle Pass, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of Eagle Pass, the existing bank, was organized in 1890, and now, with deposits of \$16.7 million, is the largest bank in Eagle Pass. Competition is provided by Frontier State Bank, Eagle Pass, with deposits of \$7 million, and by several banks in the contiguous community of Piedras Negras, Mexico.

Maverick County National Bank, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to National Bancshares Corporation of Texas. Maverick

County National Bank will not be operating as a commercial bank prior to this merger.

National Bancshares Corporation of Texas, San Antonio, Tex., the holding company which will acquire the resulting bank, was organized in March 1972 and currently controls two subsidiary banks with aggregate deposits of \$294.9 million. The principal subsidiary of this holding company is National Bank of Commerce of San Antonio which, with deposits of \$276.6 million, is the second largest bank headquartered in that city. The other subsidiary of this holding company is Randolph Field National Bank, Universal City, with deposits of \$18.3 million.

There is no competition between National Bancshares Corporation of Texas or its subsidiaries and The First National Bank of Eagle Pass because very large distances separate their closest two offices and an adequate number of alternative bank-

ing facilities operate in the intervening distance. The closest subsidiary of this holding company is 140 miles from Eagle Pass, which precludes any competition between the banks.

Consummation of the proposed transaction will stimulate competition in Eagle Pass and its immediate environs by allowing the resulting subsidiary to offer new and improved banking services such as trust services, data processing, installment consumer loans, a wider variety of time deposits and business counseling to local residents and businesses. That will stimulate competition from which local residents and businesses will derive direct and immediate benefits.

Applying the statutory criteria, it is concluded that

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# NANUET NATIONAL BANK, NANUET, N.Y., AND THE NANUET NATIONAL BANK OF ROCKLAND COUNTY, NANUET, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Nanuet National Bank, Nanuet, N.Y. (13314), with.....	\$86,149,250	9	.....
and The Nanuet National Bank of Rockland County, Nanuet, N.Y. (13314), which had .....	122,893	0	.....
merged May 7, 1973, under charter of the latter bank (13314) and title "Nanuet National Bank." The merged bank at date of merger had.....	86,152,927	.....	9

## COMPTROLLER'S DECISION

On November 21, 1972, Nanuet National Bank, Nanuet, N.Y., and The Nanuet National Bank of Rockland County (organizing), Nanuet, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Nanuet National Bank, the existing bank, was chartered in 1929, and operates eight branches, in the Third Banking District, with total deposits of \$65 million.

The Nanuet National Bank of Rockland County, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to Charter New York Corporation. The new bank will not be operating as a commercial bank prior to this merger.

Charter New York Corporation, New York, N.Y., the holding company which will acquire the resulting bank, is the seventh largest of 20 bank holding companies in the State of New York, and controls ten commercial banks with aggregate deposits of \$4.1 billion. The subsidiaries of the holding company

the proposed merger is in the public interest and this application is, therefore, approved. .

MARCH 28, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

operate in eight of the nine banking districts of New York. Charter New York Corporation has two subsidiaries in the Third Banking District: Scarsdale National Bank and Trust Company, with deposits of \$99 million; and Dutchess Bank and Trust Company, with deposits of \$60 million.

Competition between Nanuet National Bank and any subsidiary of Charter New York Corporation is minimal because their nearest offices are separated by the Hudson River which forms an effective natural barrier. The Hartsdale office of Scarsdale National Bank and Trust Company is 10 miles from the West Nyack office of Nanuet National Bank.

Consummation of the proposed transaction will provide residents, businesses, and industries in the service area of Nanuet National Bank with the benefits of expanded lending services, data processing, trust services, municipal financing and a host of other services which will be made available through affiliation with Charter New York Corporation. That will serve to stimulate competition in Rockland County.

Applying the statutory criteria, it is the conclusion

of this Office that the proposed merger is in the public interest and is, therefore, approved.

APRIL 3, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Nanuet National Bank would become a

subsidiary of Charter New York Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by Charter New York Corporation, it would have no effect on competition.

\* \* \*

#### THE PEOPLES NATIONAL BANK OF GREENFIELD, GREENFIELD, OHIO, AND GREENFIELD NATIONAL BANK, GREENFIELD, OHIO

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Peoples National Bank of Greenfield, Greenfield, Ohio (10105), with.....	\$17,906,359	3	.....
and Greenfield National Bank, Greenfield, Ohio (10105), which had.....	125,000	0	.....
merged June 4, 1973, under charter of the latter bank (10105) and title "The Peoples National Bank of Greenfield." The merged bank at date of merger had.....	18,028,359	.....	3

#### COMPTROLLER'S DECISION

On December 27, 1972, Greenfield National Bank (organizing), Greenfield, Ohio, and The Peoples National Bank of Greenfield, Greenfield, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The Peoples National Bank of Greenfield, the existing bank, was chartered as a National bank in 1911, and currently operates two branches, with total deposits of \$15.8 million, within the city of Greenfield. The bank is located about 50 miles southwest of Columbus and 60 miles northeast of Cincinnati, in Highland County.

Competition for The Peoples National Bank of Greenfield is provided by four banks in Highland County: The Merchants National Bank of Hillsboro, with deposits of \$16.4 million; The Hillsboro Bank and Savings Company, with deposits of \$15.9 million; The Farmers and Traders National Bank of Hillsboro, with deposits of \$15.2 million; and The Farmers Exchange Bank of Lynchburg, with deposits of \$6.8 million.

Greenfield National Bank (organizing), the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to BancOhio Corporation. Greenfield National Bank will not be operating as a commercial bank prior to this merger.

BancOhio Corporation, Columbus, Ohio, the bank holding company which will acquire the re-

sulting bank, is the largest multi-bank holding company in the State, controlling 32 subsidiary banks with aggregate deposits of \$2.1 billion. The principal subsidiary of that holding company is Ohio National Bank, Columbus, with deposits of \$1.2 billion. In addition to this proposal, the applicant has filed applications to acquire six other banks in Ohio.

Competition for BancOhio Corporation is provided by many large holding companies including Centran Bancshares Corp., Cleveland, with aggregate deposits of \$1.5 billion; Society Corporation, Cleveland, controlling total deposits of \$1.2 billion; Union Commerce Corp., Cleveland, with aggregate deposits of \$934 million; Huntington Bancshares, Inc., Columbus, with total deposits of \$957 million; and First BancGroup of Ohio, Inc., Columbus, controlling aggregate deposits of \$940 million. The formation of a new bank holding company, Clevtrust Corp., Cleveland, has been proposed, and upon its acquisition of three proposed subsidiaries, it will have total deposits of \$2.4 billion.

There is little, if any, competition between BancOhio Corporation or its subsidiaries and The Peoples National Bank of Greenfield because relatively large distances separate their closest offices and each operates in a service area separate and distinct from that of the other banks. The closest subsidiaries of the applicant are located in Wilmington, 30 miles west of Greenfield; Chillicothe, about 22 miles east of Greenfield; and Washington

Court House, approximately 16 miles north of Greenfield. Any competition existing between The Peoples National Bank of Greenfield and the closest subsidiary of the applicant is negligible.

Consummation of the proposed transaction will stimulate competition for banking services in Highland County while not altering the competitive statewide position of the applicant in relation to the other bank holding companies in Ohio. The resulting subsidiary in Greenfield will offer a wider range of banking services including data processing, consumer installment loans, a larger variety of time deposits, and more sophisticated internal procedures which will make the bank a more efficiently run institution. The resulting subsidiary will also introduce trust services not now available at that bank, and the immediate problem of management succession at The Peoples National Bank of Green-

field will be solved.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is in the public interest and this application is, therefore approved.

MAY 4, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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#### FIRST NATIONAL BANK & TRUST CO., WASHINGTON, PA., WASHINGTON, PA., AND FIRST WASHINGTON BANK, N.A., WASHINGTON, PA.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
First National Bank & Trust Co., Washington, Pa., Washington, Pa. (5920), with.....	\$147,858,961	14	.....
and First Washington Bank, N.A., Washington, Pa. (5920), which had .....	120,000	0	.....
merged June 11, 1973, under charter of the latter bank (5920) and title "First National Bank & Trust Co., Washington, Pa." The merged bank at date of merger had.....	147,858,961	.....	14

#### COMPTROLLER'S DECISION

On January 18, 1973, First Washington Bank, N.A. (organizing), Washington, Pa., and First National Bank & Trust Co., Washington, Pa., Washington, Pa., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

First National Bank & Trust Co., Washington, Pa., the existing bank, was organized in 1901, and now operates 13 branches with deposits of \$103 million. The bank competes directly with branches of Mellon National Bank and Trust Company, with deposits of \$4.9 billion; Gallatin National Bank, Uniontown, with deposits of \$181 million; and Commercial Bank and Trust Company, Pittsburgh, with deposits of \$63 million.

First Washington Bank, N.A., the new bank,

is being organized to provide a vehicle by which to transfer ownership of the existing bank to First Southwest Corporation, Washington, Pa., which will become a one-bank holding company upon its acquisition of the resulting bank. First Washington Bank will not be operating as a commercial bank prior to this merger.

Because the existing bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MAY 8, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank & Trust Co. would become a subsidiary of First Southwest Corporation, a bank holding company. The instant merger, how-

ever, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by First Southwest Corporation, it would have no effect on competition.

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## THE BARNSTABLE COUNTY NATIONAL BANK OF HYANNIS, HYANNIS, MASS., AND BARNSTABLE COUNTY BANK, NATIONAL ASSOCIATION, BARNSTABLE, MASS.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Barnstable County National Bank of Hyannis, Hyannis, Mass. (13395), with.....	\$17,300,066	4	.....
and Barnstable County Bank, National Association, Barnstable, Mass. (13395) which had.....	125,000	0	.....
merged June 14, 1973, under charter of the latter bank (13395) and title "The Barnstable County National Bank of Hyannis." The merged bank at date of merger had.....	18,449,132	.....	4

### COMPTROLLER'S DECISION

On March 16, 1973, Barnstable County Bank, National Association (organizing), Barnstable, Mass., and The Barnstable County National Bank of Hyannis, Hyannis, Mass., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The Barnstable County National Bank of Hyannis, the existing bank, was organized in 1929, and now has deposits of \$15.3 million. The bank operates three branch offices, all of which are located in Barnstable County. The economy of the service area of The Barnstable County National Bank of Hyannis is dependent upon the popularity of Cape Cod as a summer resort. Hyannis, the largest community in Barnstable County, serves as a business center for all of Cape Cod.

Competition for The Barnstable County National Bank of Hyannis is provided by Cape Cod Bank and Trust Company, Hyannis, with deposits of \$50.3 million; First National Bank of Cape Cod, Orleans, with deposits of \$23.8 million; The Falmouth National Bank, Falmouth, with deposits of \$22.8 million; and Merchants Bank and Trust Company, Hyannis, with deposits of \$12.3 million.

Barnstable County Bank, National Association, the new bank, is being organized to provide a vehicle by which to transfer ownership of The Barnstable County National Bank of Hyannis to New England Merchants Company. The new bank will not be operating as a commercial bank prior to this merger.

New England Merchants Company, Boston, Mass., the bank holding company which will acquire the resulting bank, was organized in June 1970, and now owns, as its only banking subsidiary, New England Merchants National Bank, Boston, with deposits of \$875 million. That holding company also controls three bank-related subsidiaries which specialize in equipment leasing, investments, and international banking operations.

There is no competition between New England Merchants Company or its subsidiary and The Barnstable County National Bank of Hyannis because very large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distances. Hyannis is approximately 79 miles south-east of the main office of New England Merchants National Bank in Boston and is over 70 miles from the border of Suffolk County. Barnstable County is located about 50 miles from Suffolk County, in which all of New England Merchants National Bank's offices are located. In the intervening distance are 150 offices of 17 commercial banks having aggregate deposits in excess of \$860 million.

Consummation of the proposed merger will stimulate competition in Barnstable County because the resulting subsidiary in Hyannis will be able to offer new and improved services such as equipment purchasing and leasing services, international banking, trust services, and computer facilities. The resulting subsidiary will also be able to handle larger loan requests because of the convenient availability of participation sources. The acquisition

of the existing bank by New England Merchants Company will solve a management succession problem at The Barnstable County National Bank of Hyannis and will result in an economy of operations which will be reflected in increased profits for that bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MAY 10, 1973.

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**LINCOLN NATIONAL BANK, BUFFALO, N.Y., AND CHASE MANHATTAN BANK OF WESTERN NEW YORK (NATIONAL ASSOCIATION), BUFFALO, N.Y.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Lincoln National Bank, Buffalo, N.Y. (13952), with.....	\$14,513,202	4	.....
and Chase Manhattan Bank of Western New York (National Association), Buffalo, N.Y. (13952), which had.....	240,000	0	.....
merged June 29, 1973, under charter and title of the latter bank (13952). The merged bank at date of merger had.....	14,751,591	.....	4

**COMPTROLLER'S DECISION**

On January 8, 1973, Lincoln National Bank, Buffalo, N.Y., and Chase Manhattan Bank of Western New York (National Association) (organizing), Buffalo, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Lincoln National Bank, the existing bank, was organized in 1934 and, with assets of \$11.6 million and IPC deposits of \$8.9 million, now operates two branch offices in Erie County. The service area of this bank includes a portion of the city of Buffalo, the town of Cheektowaga, and portions of the town of Lancaster.

Lincoln National Bank is the ninth largest of 10 commercial banks headquartered in Erie County and is the 22nd in deposit size of the 30 banks operating in the Ninth Banking District of New York. Vigorous competition is provided by the following banks, all of which are headquartered in the city of Buffalo: Marine Midland Bank-Western, with deposits of \$1.5 billion, a member of Marine Midland Banks; Manufacturers and Traders Trust Company, with deposits of \$995 million, a member of First Empire State Corporation; Liberty National Bank and Trust Company, with deposits of \$476 million, a member of United Bank Corporation of New York; and Bank of Buffalo, with de-

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

The proposed merger is part of a plan through which Barnstable County National Bank of Hyannis would become a subsidiary of New England Merchants Company, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution as such, and without regard to the acquisition of the surviving bank by New England Merchants Company, Inc., it would have no effect on competition.

posits of \$113 million, a member of Empire Shares Corporation. Lincoln National Bank is the only commercial bank headquartered in Buffalo which is not affiliated with a bank holding company.

Chase Manhattan Bank of Western New York (National Association), the new bank, is being organized to provide a vehicle by which to transfer ownership of Lincoln National Bank to The Chase Manhattan Corporation. The new bank will not be operating as a commercial bank prior to this merger.

The Chase Manhattan Corporation, New York, N.Y., the holding company which will acquire the resulting bank, is the largest of 20 bank holding companies operating in New York State and controls four subsidiary banks with aggregate deposits slightly in excess of \$15 billion. The principal subsidiary of the holding company is The Chase Manhattan Bank (National Association), which operates offices in each of the first three banking districts in New York State and has deposits of \$15 billion. The other subsidiary banks of this holding company operate in the first, sixth, and eighth banking districts in New York.

There is no competition between The Chase Manhattan Corporation or its subsidiaries and Lincoln National Bank because large distances separate their closest two offices and an adequate

number of alternative banking facilities operate in the intervening distance. The nearest offices of Lincoln National Bank and a subsidiary of the holding company are 45 miles apart which precludes any competition between them. The Chase Manhattan Corporation has no subsidiary in the Ninth Banking District of New York.

Consummation of the proposed transaction will not adversely affect competition in Buffalo because it will provide for the entry of New York State's largest bank holding company into an area of vigorous banking competition. The resulting subsidiary in Buffalo will have access to the expertise of the specialized departments of The Chase Manhattan Corporation which will allow it to offer increased services, including one-statement banking, a wider range of time deposits, competitive mortgage financing, a wider range of consumer

loans, and municipal financing. That will serve to increase competition in Buffalo and will therefore confer a benefit on the banking public.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest and this application is, therefore, approved.

MAY 11, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### THE FIRST NATIONAL BANK OF MANHATTAN, MANHATTAN, KANS., AND POYNTZ NATIONAL BANK OF MANHATTAN, MANHATTAN, KANS.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Manhattan, Manhattan, Kans. (3782), with.....	\$34,458,687	2	.....
and Poyntz National Bank of Manhattan, Manhattan, Kans. (3782), which had.....	121,238	0	.....
merged June 29, 1973, under charter of the latter bank (3782) and title "First National Bank of Manhattan." The merged bank at date of merger had .....	34,579,925	.....	2

#### COMPTROLLER'S DECISION

On December 29, 1972, The First National Bank of Manhattan, Manhattan, Kans., and Poyntz National Bank of Manhattan (organizing), Manhattan, Kans., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title, "First National Bank of Manhattan."

The First National Bank of Manhattan, the existing bank, was organized in 1887. It now operates from its main office and a single teller facility and has assets of \$32 million and IPC deposits of \$23.2 million.

Poyntz National Bank of Manhattan, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to First Manhattan Bankshares, Inc., Manhattan, Kans., which will become a one-bank holding company upon its acquisition of the resulting bank.

Poyntz National Bank of Manhattan will not be operating as a commercial bank prior to this merger.

Because The First National Bank of Manhattan is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

APRIL 16, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank of Manhattan would become a subsidiary of First Manhattan Bankshares,

Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and with-

out regard to the acquisition of the surviving bank by First Manhattan Bankshares, Inc., it would have no effect on competition.

\* \* \*

THE COMMERCIAL NATIONAL BANK OF ANNISTON, ANNISTON, ALA., AND COMMERCIAL BANK NATIONAL ASSOCIATION, ANNISTON, ALA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Commercial National Bank of Anniston, Anniston, Ala. (11753), with.....	\$35,049,331	4	.....
and Commercial Bank National Association, Anniston, Ala. (11753), which had.....	120,000	0	.....
merged June 30, 1973, under charter of the latter bank (11753) and title "The Commercial National Bank of Anniston." The merged bank at date of merger had.....	35,169,331	.....	4

COMPTROLLER'S DECISION

On December 29, 1972, Commercial Bank National Association (organizing), Anniston, Ala., and The Commercial National Bank of Anniston, Anniston, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The Commercial National Bank of Anniston, the existing bank, was chartered in 1920, and operates three branches in the city of Anniston with deposits of \$30.7 million. The service area of the bank includes Anniston, Oxford, Fort McClellan, Hobson City, Blue Mountain, Weaver, and the surrounding portions of Calhoun County.

Competition for the existing bank is provided by The First National Bank of Anniston, with deposits of \$60.8 million; The Anniston National Bank, with deposits of \$39.3 million; First National Bank of Jacksonville, with deposits of \$15.3 million; and First State Bank of Oxford, with deposits of \$12.9 million, as well as several other small banks in the surrounding area.

Commercial Bank National Association, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to Alabama Bancorporation. Commercial Bank National Association will not be operating as a commercial bank prior to this merger.

Alabama Bancorporation, Birmingham, Ala., the holding company which will acquire the resulting bank, was organized as a bank holding company in November 1970 and now controls three subsidiary banks located in the northern, central,

and southern parts of Alabama, with aggregate deposits of \$863 million. The principal subsidiary of this holding company is The First National Bank of Birmingham, with deposits of \$753 million. In addition to the present proposal, Alabama Bancorporation has received approval to acquire Bank of Sulligent, with deposits of \$8.6 million, and has an application pending to acquire Alabama National Bank of Montgomery, with deposits of \$66.2 million.

Competition for Alabama Bancorporation is provided by several large bank holding companies including First Alabama Bankshares, Inc., Montgomery, with aggregate deposits of \$524 million; Alabama Financial Group, Inc., Birmingham, controlling deposits of \$512 million; and Central and State National Corporation, Birmingham, with total deposits of \$505 million.

There is no competition between Alabama Bancorporation or its subsidiaries and The Commercial National Bank of Anniston because large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distance. The nearest subsidiary of this holding company is The First National Bank of Birmingham which is 56 miles from Anniston. This large distance precludes any competition between these two banks.

Competition in Calhoun County will be increased as a result of the consummation of the proposed transaction because the resulting subsidiary in Anniston will offer a broader range of financial services than is now available from The Commercial National Bank of Anniston. Expanded services will

include a wider variety of time deposits, consumer installment loans, data processing, and sophisticated business counseling. In addition, the proposed acquisition will not significantly alter the statewide competitive position of Alabama Bancorporation.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest and this application is, therefore, approved.

MAY 11, 1973.

\* \* \*

# FIRST NATIONAL BANK AND TRUST COMPANY OF MUSKOGEE, MUSKOGEE, OKLA., AND THREE RIVERS NATIONAL BANK OF MUSKOGEE, MUSKOGEE, OKLA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank and Trust Company of Muskogee, Muskogee, Okla. (4385), with.....	\$48,227,000	1	.....
and Three Rivers National Bank of Muskogee, Muskogee, Okla. (4385), which had .....	130,000	0	.....
merged June 30, 1973, under charter of the latter bank (4385) and title "The First National Bank and Trust Company of Muskogee." The merged bank at date of merger had.....	48,357,000	.....	1

## COMPTROLLER'S DECISION

On December 19, 1972, Three Rivers National Bank of Muskogee (organizing), Muskogee, Okla., and The First National Bank and Trust Company of Muskogee, Muskogee, Okla., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The First National Bank and Trust Company of Muskogee, the existing bank, was organized in 1890 and, with deposits of \$38 million, is the second largest of four commercial banks headquartered in Muskogee. The largest bank in that city is Commercial Bank and Trust Company, with deposits of \$43 million.

Three Rivers National Bank of Muskogee, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to First Muskogee Corporation, Muskogee, Okla., which will become a one-bank holding company upon its acquisition of the resulting bank. Three Rivers National Bank of Muskogee will not be operating as a commercial bank prior to this merger.

\* \* \*

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

Because The First National Bank and Trust Company of Muskogee is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MAY 4, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

UPPER AVENUE NATIONAL BANK OF CHICAGO, CHICAGO, ILL., AND UA NATIONAL BANK, CHICAGO, ILL.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Upper Avenue National Bank of Chicago, Chicago, Ill. (14363), with.....	\$120,976,657	1	.....
and UA National Bank, Chicago, Ill. (14363), which had.....	265,342	0	.....
merged June 30, 1973, under charter of the latter bank (14363) and title "Upper Avenue National Bank". The merged bank at date of merger had.....	121,224,635	.....	1

COMPTROLLER'S DECISION

On December 13, 1972, Upper Avenue National Bank of Chicago, Chicago, Ill., and UA National Bank (organizing), Chicago, Ill., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title, "Upper Avenue National Bank."

Upper Avenue National Bank of Chicago, the existing bank, was organized in 1929, and currently has assets of \$107 million and IPC deposits of \$91.4 million.

UA National Bank, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to Dearborn Financial Corporation, Chicago, Ill., which will become a one-bank holding company upon its acquisition of the resulting bank. UA National Bank will not be operating as a commercial bank prior to this merger.

Because Upper Avenue National Bank of Chicago is the only operating bank involved in the

proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location as presently used by Upper Avenue National Bank of Chicago.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

MAY 3, 1973.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

HACKLEY UNION NATIONAL BANK AND TRUST COMPANY OF MUSKEGON, MUSKEGON, MICH., AND HACKLEY BANK NATIONAL ASSOCIATION, MUSKEGON, MICH.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Hackley Union National Bank and Trust Company of Muskegon, Muskegon, Mich. (4398), with.....	\$162,191,736	9	.....
and Hackley Bank National Association, Muskegon, Mich. (4398), which had.....	116,763	0	.....
merged July 2, 1973, under charter of the latter bank (4398) and title "Hackley Union National Bank and Trust Company of Muskegon." The merged bank at date of merger had.....	162,308,499	.....	9

COMPTROLLER'S DECISION

On March 27, 1973, Hackley Union National Bank and Trust Company of Muskegon, Muskegon, Mich., and Hackley Bank National Association (organizing), Muskegon, Mich., applied to the Comptroller of the Currency for permission to

merge under the charter of the latter and with the title of the former.

Hackley Union National Bank and Trust Company of Muskegon, the existing bank, was organized in 1870 and, with assets of \$156 million and IPC deposits of \$119 million, is currently the largest bank headquartered in Muskegon. Competition for

this bank is provided by National Lumberman's Bank and Trust Company, with deposits of \$96 million, and The Muskegon Bank and Trust Company, with deposits of \$77 million.

Hackley Bank National Association, the new bank, is being organized to provide a vehicle by which to transfer ownership of Hackley Union National Bank and Trust Company of Muskegon to Lake Shore Financial Corporation, Muskegon, Mich., which will become a one-bank holding company upon its acquisition of the resulting bank. The new bank will not be operating as a commercial bank prior to this merger.

Because Hackley Union National Bank and Trust Company of Muskegon is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business

at the same locations and with the same name as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

JUNE 1, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### THE WINTERS NATIONAL BANK AND TRUST COMPANY OF DAYTON, DAYTON, OHIO, AND WINTERS BANK, N.A., DAYTON, OHIO

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Winters National Bank and Trust Company of Dayton, Dayton, Ohio (2604), with.....	\$614,792,923	20	.....
and Winters Bank, N.A., Dayton, Ohio (2604), which had.....	242,500	0	.....
merged July 9, 1973, under charter of the latter bank (2604) and title "Winters National Bank and Trust Co." The merged bank at date of merger had.....	614,800,123	.....	20

#### COMPTROLLER'S DECISION

On April 4, 1973, Winters Bank, N.A. (organizing), Dayton, Ohio, and The Winters National Bank and Trust Company of Dayton, Dayton, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title, "Winters National Bank and Trust Co."

The Winters National Bank and Trust Company of Dayton, the existing bank, was organized in 1814, and now has assets of \$661.8 million and IPC deposits of \$466.8 million. The bank is the largest of four commercial banks in Dayton and competes with The First National Bank, with deposits of \$237 million and The Third National Bank and Trust Company, with deposits of \$227 million.

Winters Bank, N.A., the new bank, is being organized to provide a vehicle by which to transfer ownership of The Winters National Bank and Trust

Company of Dayton to Winters National Corporation, which will be a one-bank holding company upon its acquisition of the resulting bank. The new bank will not be operating as a commercial bank prior to this merger.

Because The Winters National Bank and Trust Company of Dayton is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with approximately the same name as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JUNE 6, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Winters National Bank and Trust Company of Dayton would become a subsidiary of Winters National Corporation, a bank holding company

The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by Winters National Corporation, it would have no effect on competition.

\* \* \*

## MACGREGOR PARK NATIONAL BANK OF HOUSTON, HOUSTON, TEX., AND NEW MACGREGOR PARK NATIONAL BANK, HOUSTON, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
MacGregor Park National Bank of Houston, Houston, Tex. (14703), with.....	\$36,220,722	1	.....
and New MacGregor Park National Bank, Houston, Tex. (14703), which had.....	240,000	0	.....
merged July 19, 1973, under charter of the latter bank (14703) and title "MacGregor Park National Bank." The merged bank at date of merger had.....	36,460,722	.....	1

### COMPTROLLER'S DECISION

On February 28, 1973, New MacGregor Park National Bank (organizing), Houston, Tex., and MacGregor Park National Bank of Houston, Houston, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title, "MacGregor Park National Bank."

MacGregor Park National Bank of Houston, the existing bank, was organized in 1954, and now has assets of \$37 million and IPC deposits of \$31.7 million. The bank operates as a unit institution in compliance with State law.

New MacGregor Park National Bank, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to Bancshares, Inc., Houston, Tex., which will become a one-bank holding company upon its acquisition of the resulting bank. New MacGregor Park National Bank will not be operating as a commercial bank prior to this merger.

Because MacGregor Park National Bank of Houston is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JUNE 6, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

## THE FIRST NATIONAL BANK OF OLEAN, OLEAN, N.Y., AND FIRST BANK OF OLEAN, NATIONAL ASSOCIATION, OLEAN, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Olean, Olean, N.Y. (1887), with.....	\$52,153,735	4	.....
and First Bank of Olean, National Association, Olean, N.Y. (1887), which had.....	120,000	0	.....
merged July 25, 1973, under charter of the latter bank (1887) and title "The First National Bank of Olean." The merged bank at date of merger had.....	52,157,350	.....	4

## COMPTROLLER'S DECISION

On March 26, 1973, First Bank of Olean, National Association (organizing), Olean, N.Y., and The First National Bank of Olean, Olean, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The First National Bank of Olean, the existing bank, was organized in 1870, and now operates three branches with deposits of \$46 million. The primary service area of the bank consists of the cities of Olean, Allegany, and Portville, covering an estimated population of 26,700 persons.

The First National Bank of Olean is the largest of six commercial banks headquartered in Cattaraugus County, and ranks 11th among the 30 commercial banks headquartered in the Ninth Banking District of New York. Competition for the bank is provided by First Trust Union Bank, Wellsville, with deposits of \$73 million, a member of Security New York State Corporation; The Citizens National Bank of Wellsville, with deposits of \$64 million; and The Exchange Bank of Olean, with deposits of \$43 million, a member of The Bank of New York Company. Additional competition is provided by several smaller banks.

First Bank of Olean, National Association, the new bank, is being organized to provide a vehicle by which to transfer ownership of The First National Bank of Olean to Manufacturers Hanover Corporation, Dover, Del. The new bank will not be operating as a commercial bank prior to this merger.

Manufacturers Hanover Corporation, the holding company which will acquire the resulting bank, is the third largest of 20 bank holding companies operating in New York State; it now controls two banks with aggregate deposits of approximately \$9 billion. The principal subsidiary of the holding company is Manufacturers Hanover Trust Company, New York City, with deposits of \$9 billion, which operates offices in the first, second and third banking districts of New York. First National Bank of Bay Shore, the other subsidiary, has deposits

of \$59 million, and is located in the First Banking District. Manufacturers Hanover Corporation has also submitted applications to acquire four banks, including the subject of this application.

There is no competition between Manufacturers Hanover Corporation or its subsidiaries and The First National Bank of Olean because large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distance. The nearest office of a subsidiary of Manufacturers Hanover Corporation is approximately 325 miles from the closest branch of The First National Bank of Olean. Further, the resulting subsidiary will be 157 miles from the closest office of the other banks which Manufacturers Hanover Corporation has submitted applications to acquire.

Consummation of the proposed transaction will stimulate competition in the service area of the resulting subsidiary in Olean by allowing it to offer a wider range of banking and credit services, including expanded trust services, computer services, easy access to large loan reserves, and the expertise of very specialized banking departments and their personnel. The proposed transaction will have no effect on the present service area of Manufacturers Hanover Corporation and its subsidiaries, nor will it alter the size of this holding company relative to its principal competitors.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JUNE 22, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

**THE FARMERS NATIONAL BANK OF MALONE, MALONE, N.Y., AND FARMERS BANK OF MALONE, NATIONAL ASSOCIATION, MALONE, N.Y.**

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Farmers National Bank of Malone, Malone, N.Y. (598), with.....	\$44,658,229	5	.....
and Farmers Bank of Malone, National Association, Malone, N.Y. (598), which had.....	116,987	0	.....
merged July 31, 1973, under charter of the latter bank (598) and title "Farmers National Bank of Malone." The merged bank at date of merger had.....	44,775,216	.....	5

**COMPTROLLER'S DECISION**

On October 12, 1972, The Farmers National Bank of Malone, Malone, N.Y., and Farmers Bank of Malone, National Association (organizing), Malone, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "Farmers National Bank of Malone".

The Farmers National Bank of Malone, the existing bank, was chartered in 1864, and currently has assets of \$37.4 million and IPC deposits of \$29.7 million. The bank is the largest of three commercial banks headquartered in Franklin County, and ranks fourth among 20 banks located in the Fifth Banking District of New York. The existing bank now has three operating branches with one approved but unopened office.

Farmers Bank of Malone, National Association, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to Bankers Trust New York Corporation. The new bank will not be operating as a commercial bank prior to this merger.

Bankers Trust New York Corporation, New York City, the holding company which will acquire the resulting bank, is the fourth largest of 18 bank holding companies in New York State, and currently controls eight commercial banks with aggregate deposits of approximately \$10 billion. The principal subsidiary of the holding company is Bankers Trust Company, which has 91 banking offices in the New York Metropolitan Area, with total deposits of \$9.5 billion. While subsidiaries of the holding company operate in seven of the nine banking districts of New York, it has no subsidiary in the Fifth Banking District of New York, which is where the existing bank maintains its office.

There is minimal competition between Bankers Trust New York Corporation or its subsidiaries and The Farmers National Bank of Malone because large distances separate the closest two offices and an adequate number of alternative banking facilities operate in the intervening distance. The nearest office of any subsidiary of the holding company to Malone is the Long Lake branch of Bankers Trust of Albany, National Association, which is 81 miles away and in the Fourth Banking District. That large distance satisfactorily precludes any competition.

Consummation of the proposed transaction will allow the resulting subsidiary in Malone to offer an improved and expanded range of services to residents and businessmen in the area, such as a wider variety of loans, expanded trust and investment services, municipal financing, and international banking services. That will stimulate competition in New York's Fifth Banking District to the direct benefit of the public. This transaction will not significantly increase the size of Bankers Trust New York Corporation, which will remain the fourth largest bank holding company in New York State.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JUNE 14, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

**UNION NATIONAL BANK, LOWELL, MASS., AND UNION BANK, NATIONAL ASSOCIATION, LOWELL, MASS.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Union National Bank, Lowell, Mass. (6077), with .....	\$171,872,243	16	.....
and Union Bank, National Association, Lowell, Mass. (6077), which had.....	250,000	0	.....
merged Aug. 8, 1973, under charter of the latter bank (6077) and title "Union National Bank."			
The merged bank at date of merger had .....	171,879,443	.....	16

**COMPTROLLER'S DECISION**

On December 27, 1972, Union Bank, National Association (organizing), Lowell, Mass., and Union National Bank, Lowell, Mass., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

Union National Bank, the existing bank, was organized in 1902, and now operates 16 banking offices in 10 cities and towns in northern Middlesex County. The bank has assets of \$168.4 million and IPC deposits of \$127.3 million.

Union National Bank is the fourth largest of eight commercial banks in Middlesex County and competes with Middlesex Bank, National Association, with deposits of \$220 million, a member of Baystate Corporation; Howard Trust Company, the second largest bank in Middlesex County with deposits of \$189 million, also a member of Baystate Corporation; Melrose-Wakefield Trust Company, with deposits of \$40 million, a member of Shawmut Association, Inc.; and Lexington Trust Company, with deposits of \$35 million, also a member of Shawmut Association, Inc.

Union Bank, National Association, the new bank, is being organized to provide a vehicle by which to transfer ownership of Union National Bank to State Street Boston Financial Corporation, Boston, Mass. The new bank will not be operating as a commercial bank prior to this merger.

State Street Boston Financial Corporation, the holding company which will acquire the resulting bank, is the fourth largest banking organization in the State, and controls, as its only subsidiary bank, State Street Bank and Trust Company, Boston, Mass. That bank, with deposits of \$963 million, is the third largest commercial bank headquartered in Boston, and operates 17 branches, all of which are situated within Suffolk County. State Street

Bank and Trust Company is prohibited by State law from branching outside of Suffolk County.

The principal competitors of State Street Bank and Trust Company include The First National Bank of Boston, with deposits of \$2.9 billion, and National Shawmut Bank of Boston, with deposits of \$972 million, each of which is the major subsidiary of a large bank holding company. Another large competitor is New England Merchants National Bank, with total deposits of \$875 million.

There is no competition between State Street Boston Financial Corporation or its subsidiary and Union National Bank because large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distance. There are 24 cities and towns located in the intervening area between the service area of Union National Bank and Suffolk County where all of the offices of the State Street Bank and Trust Company are located. Those 24 cities and towns have a combined population of 910,000 and contain a total of 130 offices of 29 commercial banks with aggregate deposits in excess of \$1.2 billion. Of those 130 commercial banking offices, 24 of them belong to banks which are subsidiaries of Shawmut Association, Inc., and 46 belong to banks which are subsidiaries of Baystate Corporation. The large number of banks in the intervening distance precludes any competition between Union National Bank and State Street Bank and Trust Company.

Consummation of the proposed merger will stimulate competition in the service area of Union National Bank because the resulting subsidiary in Middlesex County will be able to offer new and improved services through its affiliation with State Street Bank and Trust Company. The new services to be introduced will involve the more sophisticated banking operations usually available from only

the largest banks in the State. Further, serious loan problems and the complete lack of management succession at Union National Bank will be ameliorated as a result of the subsequent acquisition of that bank by State Street Boston Financial Corporation.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JULY 2, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### VIRGINIA NATIONAL BANK/HENRY COUNTY, HENRY COUNTY (P.O. MARTINSVILLE), VA., AND THE MARTINSVILLE BRANCH OF VIRGINIA NATIONAL BANK, NORFOLK, VA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Martinsville Branch of Virginia National Bank, Norfolk, Va. (9885), with .....	\$8,120,000	1	.....
was purchased Aug. 17, 1973, by Virginia National Bank/Henry County, Henry County (P.O. Martinsville), Va. (16167), which had .....	1,250,000	0	.....
After the purchase was effected, the receiving bank had .....	9,370,000	.....	1

#### COMPTROLLER'S DECISION

On March 20, 1973, Virginia National Bank/Henry County, Henry County, Va. applied to the Comptroller of the Currency for permission to purchase the assets and assume the deposit liabilities of the Martinsville Branch of Virginia National Bank, Norfolk, Va.

Virginia National Bank/Henry County, Henry County, Va., the purchasing bank, is a new bank which is being organized by persons associated with Virginia National Bankshares, Inc., a registered bank holding company headquartered in Norfolk, Va. In a companion application, the holding company has requested approval to acquire the purchasing bank as a subsidiary. Prior to its successful acquisition by Virginia National Bankshares, the purchasing bank will not be operating as a commercial bank.

Virginia National Bank, Norfolk, Va., the selling bank, acquired its Martinsville branch in 1964 by merger, and now seeks to sell that branch to the purchasing bank. Due to the restrictions of the State banking laws, Virginia National Bank is now prohibited from further *de novo* expansion in Henry County. The selling bank is the principal subsidiary

of Virginia National Bankshares.

Competition for the Martinsville Branch of Virginia National Bank is provided by The First National Bank of Martinsville, with deposits of \$85 million and seven offices in the area; Piedmont Trust Bank, with deposits of \$62 million and five offices in the area; and First National Bank of Bassett, with deposits of \$36 million and two offices in the area.

The purchase by Virginia National Bank/Henry County of the Martinsville Branch of Virginia National Bank will provide a vehicle through which Virginia National Bankshares will be able to provide more effective banking services in a rapidly expanding area of Virginia. It will be able to open additional offices to meet the strong competition already existing in that area. Because both the purchasing and selling banks are subsidiaries of the same holding company and will remain so, the subject application is part of an internal corporate reorganization which will result in no adverse competitive effects.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest and this application is, therefore, approved.

JULY 12, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which an office of Virginia National Bank would be transferred to a newly organized bank. Since both the transferring bank and the acquiring bank

will be wholly-owned subsidiaries of Virginia National Bancshares, Inc., a bank holding company, the proposed transaction is simply a corporate reorganization and would have no competitive effect.

\* \* \*

## BASSETT NATIONAL BANK OF EL PASO, EL PASO, TEX., AND BASSETT BANK, PANATIONAL ASSOCIATION, EL PASO, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Bassett National Bank of El Paso, El Paso, Tex. (15011), with.....	\$20,862,842	1	.....
and Bassett Bank, PanNational Association, El Paso, Tex. (15011), which had.....	250,000	0	.....
merged Sept. 4, 1973, under charter of the latter bank (15011) and title "Bassett National Bank of El Paso." The merged bank at date of merger had.....	21,328,068	.....	1

### COMPTROLLER'S DECISION

On April 16, 1973, Bassett Bank, PanNational Association (organizing), El Paso, Tex., and Bassett National Bank of El Paso, El Paso, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

Bassett National Bank of El Paso, the existing bank, was organized in 1962, and now has assets of \$21.3 million and IPC deposits of \$17 million. Prior to the filing of this application, PanNational Group, Inc., acquired 30.07 percent of the stock of the bank.

Bassett Bank, PanNational Association, the new bank, is being organized to provide a vehicle by which to transfer the remaining shares of the existing bank to PanNational Group, Inc., El Paso, Tex. Bassett Bank, PanNational Association, will not be operating as a commercial bank prior to this merger.

PanNational Group, Inc., the holding company which will acquire the resulting bank as a wholly-owned subsidiary, already owns 30.07 percent of the existing bank. Its principal subsidiary is The State National Bank of El Paso, which has deposits of \$230 million and this holding company also owns 24.98 percent of the stock of Citizens State Bank

of Ysleta. PanNational Group, Inc., has submitted applications to acquire Citizens National Bank of Austin and Metro Bank of Dallas and has plans to acquire two new banks which will be organized in the El Paso area.

Because of the prior affiliation between the existing bank and PanNational Group, Inc., there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by Bassett National Bank of El Paso.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

AUGUST 3, 1973.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

CITIZENS NATIONAL BANK OF AUSTIN, AUSTIN, TEX., AND PANNATIONAL BANK OF AUSTIN,  
AUSTIN, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Citizens National Bank of Austin, Austin, Tex. (14928), with.....	\$43,906,827	1	.....
and PanNational Bank of Austin, Austin, Tex. (14928), which had.....	250,000	0	.....
merged Sept. 4, 1973, under charter of the latter bank (14928) and title "Citizens National Bank of Austin." The merged bank at date of merger had.....	44,156,827	.....	1

COMPTROLLER'S DECISION

On April 16, 1973, PanNational Bank of Austin Tex., and Citizens National Bank of Austin, Austin, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

Citizens National Bank of Austin, the existing bank, was organized in 1961 and, with deposits of \$35 million, is the sixth largest bank headquartered in Austin. Competition for the bank is provided by The Austin National Bank, with deposits of \$289 million; The Capital National Bank in Austin, with deposits of \$266 million; The American National Bank of Austin, with deposits of \$207 million; City National Bank of Austin, with deposits of \$183 million; and Texas State Bank, with deposits of \$41.6 million.

PanNational Bank of Austin, the new bank, is being organized to provide a vehicle by which to transfer ownership of Citizens National Bank of Austin to PanNational Group, Inc., El Paso, Tex. PanNational Bank of Austin will not be operating as a commercial bank prior to this merger.

PanNational Group, Inc., the bank holding company which will acquire the resulting bank, was organized in April 1972 and owns as its principal subsidiary State National Bank of El Paso which, with deposits of \$275 million, is the second largest bank headquartered in that city. That bank holding company also controls Bassett National Bank, El Paso; Citizens State Bank of Ysleta, El Paso; and has submitted an application to acquire Metro Bank of Dallas.

There is no competition between PanNational Group, Inc., or its subsidiaries and Citizens National Bank of Austin because large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distances. The closest subsidiary bank of this holding company is in El Paso, approximately 580 miles west of Austin.

Consummation of the proposed transaction will stimulate competition in the service area of the resulting subsidiary because that bank will be able to offer a broader range of services which will increase its ability to compete with the larger banks in its service area. That will be of direct benefit to the banking public because it will provide an alternative source from which the more sophisticated banking services may be obtained.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is in the public interest and this application is, therefore, approved.

AUGUST 3, 1973.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

**FIRST NATIONAL BANK & TRUST COMPANY OF LINCOLN, LINCOLN, NEBR., AND  
NATIONAL BANK OF LINCOLN, LINCOLN, NEBR.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
First National Bank & Trust Company of Lincoln, Lincoln, Nebr. (1798), with.....	\$402,842,695	2	.....
and National Bank of Lincoln, Lincoln, Nebr. (1798), which had.....	260,429	0	.....
merged Sept. 4, 1973, under charter of the latter bank (1798) and title "First National Bank & Trust Company of Lincoln." The merged bank at date of merger had.....	402,842,695	.....	2

**COMPTROLLER'S DECISION**

On May 4, 1973, First National Bank & Trust Company of Lincoln, Lincoln, Nebr., and National Bank of Lincoln (organizing), Lincoln, Nebr., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

First National Bank & Trust Company of Lincoln, the merging bank, was organized in 1871, and operates one drive-in facility in Lincoln. It possesses total assets of \$336.7 million and IPC deposits of \$178 million.

National Bank of Lincoln, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First National Lincoln Corporation, Lincoln, Nebr. The charter bank will not be operating as a commercial bank prior to this merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there

can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

AUGUST 3, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

**THE FIRST FREEPORT NATIONAL BANK, FREEPORT, TEX., AND FIRST FREEPORT INTERIM NATIONAL BANK,  
FREEPORT, TEX.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The First Freeport National Bank, Freeport, Tex. (10420), with.....	\$32,402,939	1	.....
and First Freeport Interim National Bank, Freeport, Tex. (10420), which had.....	120,000	0	.....
merged Sept. 4, 1973, under charter of the latter bank (10420) and title "First Freeport National Bank." The merged bank at date of merger had.....	32,522,939	.....	1

**COMPTROLLER'S DECISION**

On April 25, 1973, First Freeport Interim National Bank (organizing), Freeport, Tex., and the First Freeport National Bank, Freeport, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title "First Freeport National Bank".

The First Freeport National Bank, the existing bank, was organized in 1913, and now has assets of \$33.5 million and IPC deposits of \$23 million. The bank ranks as the 49th largest of the 152 commercial banks in the Houston Standard Metropolitan Statistical Area.

First Freeport Interim National Bank, the new

bank, is being organized to provide a vehicle by which to transfer ownership of The First Freeport National Bank to First Freeport Corporation, Freeport, Tex., which will become a one-bank holding company upon its acquisition of the resulting bank. The new bank will not be operating as a commercial bank prior to this merger.

Because The First Freeport National Bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with approximately the same name as presently used by The First Freeport National Bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JULY 2, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### THE FIRST NATIONAL EXCHANGE BANK OF WASHINGTON COUNTY, WASHINGTON COUNTY (P.O. BRISTOL), VA., AND THREE BRISTOL BRANCHES OF THE FIRST NATIONAL EXCHANGE BANK OF VIRGINIA, ROANOKE, VA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Three Bristol Branches of The First National Exchange Bank of Virginia, Roanoke, Va. (2737), with.....	\$48,361,218	3	.....
were purchased Sept. 4, 1973, by The First National Exchange Bank of Washington County, Washington County (P. O. Bristol), Va. (16174), which had.....	3,600,000	0	.....
After the purchase was effected, the receiving bank had.....	51,961,218	.....	3

#### COMPTROLLER'S DECISION

On March 15, 1973, The First National Exchange Bank of Washington County (organizing), Washington County, Va., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of three Bristol branches of The First National Exchange Bank of Virginia, Roanoke, Va.

The First National Exchange Bank of Virginia, the selling bank, has total deposits of approximately \$531 million. It is the principal subsidiary of Dominion Bankshares Corporation, a registered bank holding company with total deposits of \$807 million. The Bristol offices of The First National Exchange Bank of Virginia, whose assets are to be purchased and whose liabilities are to be assumed by The First National Exchange Bank of Washington County, were organized under Dominion National Bank in 1890. Dominion National Bank merged with The First National Exchange Bank of Virginia in 1963. As of December 31, 1972, the three

Bristol offices of the selling bank had total deposits of approximately \$46.3 million.

The First National Exchange Bank of Washington County, the purchasing bank, is being organized by Dominion Bankshares Corporation to effect a transfer of its Bristol banking offices to a new bank which will have broader *de novo* branching powers than are presently available to The First National Exchange Bank of Virginia under State law.

Because both The First National Exchange Bank of Virginia and The First National Exchange Bank of Washington County are subsidiaries of the same bank holding company, Dominion Bankshares Corporation, the proposed transaction is simply a corporate reorganization and would have no competitive effect.

Accordingly, applying the statutory criteria, it is concluded that the proposed transaction is in the public interest. This application is, therefore, approved.

JULY 5, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed transaction is part of a plan through which the Washington County offices of First National Exchange Bank of Virginia would be transferred to a newly organized bank. Since both the

transferring bank and the acquiring bank are subsidiaries of Dominion Bankshares Corporation, a bank holding company, the proposed transaction is simply a corporate reorganization and would have no competitive effect.

\* \* \*

## THE FIRST NATIONAL BANK OF GREENEVILLE, GREENEVILLE, TENN., AND THE NATIONAL BANK OF GREENEVILLE, GREENEVILLE, TENN.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Greeneville, Greeneville, Tenn. (4177), with.....	\$37,894,515	5	.....
and The National Bank of Greeneville, Greeneville, Tenn. (4177), which had.....	120,000	0	.....
merged Sept. 6, 1973, under charter of the latter bank (4177) and title "The First National Bank of Greeneville." The merged bank at date of merger had.....	38,479,005	.....	5

## COMPTROLLER'S DECISION

On May 10, 1973, The First National Bank of Greeneville, Greeneville, Tenn., and The National Bank of Greeneville (organizing), Greeneville, Tenn., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of Greeneville, the merging bank, was chartered in 1889, and now maintains four branches with total deposits of \$31 million. Recently, the bank has been granted approval to establish a branch in Mosheim, Tenn. The service area of the merging bank includes most of Greene County which has an estimated population of 39,000 people.

Competitors of the merging bank include Greene County Bank, with deposits of \$36.8 million, and Mosheim Bank, with deposits of \$7.6 million. The merging bank also competes with several banks located in Johnson City which is 31 miles northeast of Greeneville.

National Bank of Greeneville, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to Tennessee Valley Bancorp., Inc., a registered bank holding company. The charter bank will not be operating as a commercial bank prior to this merger.

Tennessee Valley Bancorp., Inc., Nashville, Tenn., the bank holding company which will acquire the resulting bank, is the seventh largest banking organization in the State of Tennessee. At present, it owns as its only subsidiary bank, Commerce Union Bank, Nashville, which has deposits of \$505.7

million. In addition to the present proposal, Tennessee Valley Bancorp., Inc., has submitted an application to acquire Citizens Bank, Elizabethton, with deposits of \$21.9 million.

There is no competition between the merging bank and either the existing or proposed subsidiary of Tennessee Valley Bancorp., Inc. The nearest office of Commerce Union Bank, the existing subsidiary, is in Sparta, Tenn., 171 miles west of Greeneville. The nearest office of the proposed subsidiary, Citizens Bank, Elizabethton, is 37 miles northeast of Greeneville. This distance, and the number of alternative banking institutions located between Greeneville and Elizabethton precludes any competition between these banks. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

AUGUST 6, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

TEMPLE NATIONAL BANK, TEMPLE TEX., AND TEMPLE BANK, NATIONAL ASSOCIATION, TEMPLE, TEX

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Temple National Bank, Temple, Tex. (14459), with.....	\$63,687,038	1	.....
and Temple Bank, National Association, Temple, Tex. (14459), which had.....	125,000	0	.....
merged Sept. 21, 1973, under charter of the latter bank (14459), and title "Temple National Bank." The merged bank at date of merger had.....	62,553,052	.....	1

COMPTROLLER'S DECISION

On July 5, 1973, Temple National Bank, Temple, Tex. and Temple Bank, National Association (organizing), Temple, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Temple National Bank, the merging bank, was established in 1910, and has assets of \$61 million and IPC deposits of \$45 million. The charter bank is the largest bank in the Hilleen-Temple SMSA, serving a population of 160,000. Its chief competitors are First National Bank of Temple, with total deposits of \$46.2 million, and First National Bank of Hilleen, with total deposits of \$44.5 million.

Temple Bank, National Association (organizing), the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to First International Bancshares, Inc., Dallas, a registered bank holding company. The charter bank will not be operating as a commercial bank prior to the merger.

First International Bancshares, Inc., the bank holding company which will acquire the resulting bank, was organized in December 1972, and has acquired First National Bank in Dallas and Houston-Citizens National Bank and Trust Company. The former has deposits of \$2.5 billion and is the second largest bank in Dallas. The latter has deposits of \$245.8 million and is the fifth largest bank in Houston. First International Bancshares, Inc., the second largest bank holding company in Texas, has certain other acquisitions pending and has indicated an intent to divest itself of certain minority bank interests.

There is no competition between the applicant's present or proposed subsidiaries and Temple National Bank because large distances separate the closest offices. Temple National Bank is located in the city of Temple, approximately 168 miles from Houston and 135 miles from Dallas. A large number of alternative banking institutions are located between those cities.

Consummation of the proposed merger will stimulate competition in the Hilleen-Temple area. As a result of its affiliation with First International Bancshares, Inc., Temple National Bank will gain access to expertise in construction and mortgage lending, international banking services, and business and industrial development, and will be able to increase its lending capabilities. The bank will thus strengthen its competitive position in the area and improve its services to the community. Further, acquisition of the proposed subsidiary will not greatly enhance the competitive position of First International Bancshares, Inc.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

AUGUST 22, 1973.

SUMMARY OF REPORT BY ATTORNEY GENERAL

These mergers are parts of plans through which the existing banks will become subsidiaries of First International Bancshares, Inc. Each of these mergers, however, will merely combine an existing bank with a nonoperating institution and without regard to the acquisition of the surviving banks by First International Bancshares, Inc., will have no effect on competition.

\* \* \*

**THE ALABAMA NATIONAL BANK OF MONTGOMERY, MONTGOMERY, ALA., AND MONTGOMERY COUNTY  
NATIONAL BANK, MONTGOMERY, ALA.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Alabama National Bank of Montgomery, Montgomery, Ala. (12993), with.....	\$84,616,822	2	.....
and Montgomery County National Bank, Montgomery, Ala. (12993), which had.....	240,000	0	.....
merged Sept. 28, 1973, under charter of the latter bank (12993) and title "The Alabama National Bank of Montgomery." The merged bank at date of merger had.....	84,856,822	.....	2

**COMPTROLLER'S DECISION**

On December 29, 1972, The Alabama National Bank of Montgomery, Montgomery, Ala., and Montgomery County National Bank (organizing), Montgomery, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Alabama National Bank of Montgomery, the existing bank, was organized in 1907, and now, with deposits of \$66 million, is the third largest of five commercial banks headquartered in Montgomery. The bank has one operating branch and principally serves the city of Montgomery and Montgomery County, which has a population of approximately 168,000.

The existing bank competes directly with The First National Bank of Montgomery, with deposits of \$233 million; Union Bank and Trust Company, with deposits of \$127 million; Peoples Bank and Trust Company, with deposits of \$51 million; and Capitol National Bank of Montgomery, with deposits of \$8.5 million.

Montgomery County National Bank, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to Alabama Bancorporation. Montgomery County National Bank will not be operating as a commercial bank prior to this merger.

Alabama Bancorporation, Birmingham, Ala., the holding company which will acquire the resulting bank, was organized in November 1970 and now controls three subsidiary banks with aggregate deposits of \$865 million. The principal subsidiary of the holding company is The First National Bank of Birmingham, the largest commercial bank in Alabama, with deposits of \$754.3 million. Alabama Bancorporation also owns American National Bank and Trust Company of Mobile and First National Bank of Decatur.

Alabama Bancorporation is the largest multi-bank holding company in the State. The largest competitors of this holding company include First Alabama Bancshares, with aggregate deposits of \$565.5 million; C and S National Corporation, with deposits of \$549 million; and Alabama Financial Group, with aggregate deposits of \$514.5 million.

There is no competition between Alabama Bancorporation or its subsidiaries and The Alabama National Bank of Montgomery because large distances separate the closest two banks and an adequate number of competitors operate in the intervening distances. The closest subsidiary bank of this holding company is an office of The First National Bank of Birmingham, which is 82 miles from Montgomery.

Consummation of the proposed transaction will allow the resulting bank, as a subsidiary of Alabama Bancorporation, to increase its services to the public by expanding its branch operations, making available FHA and VA mortgage loans, increasing its construction financing, and offering more sophisticated fiduciary services. In addition, the bank will be in a position to offer international banking services, a credit card plan, and data processing to local commercial customers. Residents within the bank's trade area will benefit considerably from the acquisition of The Alabama National Bank of Montgomery by Alabama Bancshares as a result of the introduction of new services and the expansion of existing services. This will stimulate competition in Montgomery County while only slightly increasing the concentration of banking resources on a statewide basis.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

AUGUST 3, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Alabama National Bank of Montgomery would become a subsidiary of Alabama Bancorporation, a bank holding company. The instant merger,

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## THE AMERICAN NATIONAL BANK OF HUNTSVILLE, HUNTSVILLE, ALA., AND MADISON NATIONAL BANK, HUNTSVILLE, ALA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The American National Bank of Huntsville, Huntsville, Ala. (15316), with.....	\$27,928,207	5	.....
and Madison National Bank, Huntsville, Ala. (15316), which had.....	240,000	0	.....
merged Sept. 28, 1973, under charter of the latter bank (15316) and title "The American National Bank of Huntsville." The merged bank at date of merger had.....	28,168,207	.....	5

### COMPTROLLER'S DECISION

On December 27, 1972, The American National Bank of Huntsville, Huntsville, Ala., and Madison National Bank (organizing), Huntsville, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The American National Bank of Huntsville, the merging bank, was organized in 1964, and operates four branch offices in Huntsville. It possesses total assets of \$21.1 million and IPC deposits of \$16 million, making it the smallest of the five banks located in Huntsville.

Madison National Bank, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to Alabama Bancorporation. The charter bank will not be operating as a commercial bank prior to this merger.

Alabama Bancorporation, Birmingham, Ala., the holding company which will acquire the resulting bank, controls three banks with aggregate deposits of approximately \$929.1 million. Subsidiaries of the holding company include the First National Bank of Birmingham, its principal subsidiary, the American National Bank and Trust Company of Mobile, and the First National Bank of Decatur.

Competition between the merging bank and the subsidiaries of Alabama Bancorporation is minimal. The American National Bank of Huntsville and the three subsidiaries are all located in different counties, with the First National Bank of Decatur in closest proximity to the merging bank. That bank is over 20 road miles from the merging bank and they

however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by Alabama Bancorporation, it would have no effect on competition.

are separated by the Tennessee River. The other two subsidiaries are located considerable distances from Huntsville, thus effectively limiting any competition between them and the merging bank.

Consummation of the proposed merger will enable The American National Bank of Huntsville to offer expanded and improved services which will make it a more effective competitor within its service area. Those services will include trust services, installment credit loans, and a larger lending capacity through easier participations with other subsidiaries of the holding company. In addition, the internal operations of the merging bank will be benefited by the expertise of the holding company. The proposed transaction will not significantly increase the size of the applicant, but it will enhance the merging bank's ability to compete with the larger banks in Huntsville.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

AUGUST 3, 1973.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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UNION NATIONAL BANK AND TRUST COMPANY OF SOUDERTON, SOUDERTON, PA., AND  
NEW UNION NATIONAL BANK, SOUDERTON, PA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Union National Bank and Trust Company of Souderton, Souderton, Pa. (2333), with.....	\$88,573,392	10	.....
and New Union National Bank, Souderton, Pa. (2333), which had.....	120,000	0	.....
merged Sept. 28, 1973, under charter of the latter bank (2333) and title "Union National Bank and Trust Company of Souderton." The merged bank at date of merger had.....	88,693,392	.....	10

**COMPTROLLER'S DECISION**

On February 5, 1973, New Union National Bank (organizing), Souderton, Pa., and Union National Bank and Trust Company of Souderton, Souderton, Pa., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

Union National Bank and Trust Company of Souderton, the existing bank, was organized in 1876, and now has assets of \$88.6 million and IPC deposits of \$68 million.

New Union National Bank, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to Univest Corporation of Pennsylvania, Souderton, Pa., which will become a one-bank holding company upon its acquisition of the resulting bank. New Union National Bank will not be operating as a commercial bank prior to this merger.

Because Union National Bank and Trust Company of Souderton is the only operating bank involved in

the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

AUGUST 3, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

THE FIRST NATIONAL BANK AND TRUST COMPANY OF ESCANABA, ESCANABA, MICH., AND SECOND NATIONAL BANK AND TRUST COMPANY OF ESCANABA, ESCANABA, MICH.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank and Trust Company of Escanaba, Escanaba, Mich. (3761), with.....	\$42,307,765	3	.....
and Second National Bank and Trust Company of Escanaba, Escanaba, Mich. (3761), which had..	125,000	0	.....
merged Sept. 30, 1973, under charter of the latter bank (3761) and title "First National Bank and Trust Co. of Escanaba." The merged bank at date of merger had .....	42,432,765	.....	3

**COMPTROLLER'S DECISION**

On April 4, 1973, Second National Bank and Trust Company of Escanaba (organizing), Escanaba, Mich., and The First National Bank and Trust Company of Escanaba, Escanaba, Mich., applied to the Comptroller of the Currency for permission

to merge under the charter of the former and with the title of "First National Bank and Trust Co. of Escanaba."

The First National Bank and Trust Company of Escanaba, the existing bank, was organized in 1871, and now has assets of \$38 million and IPC deposits of \$29 million. Direct competition for this

bank is provided by Northern Michigan National Bank, Escanaba, with deposits of \$26 million and State Bank of Escanaba, with deposits of \$19 million.

Second National Bank and Trust Company of Escanaba, the new bank, is being organized to provide a vehicle by which to transfer ownership of The First National Bank and Trust Company to Michigan Financial Corporation, Marquette, Mich. Second National Bank and Trust Company will not be operating as a commercial bank prior to this merger.

Michigan Financial Corporation, the holding company which will acquire the resulting bank, has filed applications to acquire six existing banks as subsidiaries. The proposed merger will result in no adverse competitive effects because all six of those banks are, at the present time, commonly owned and controlled by a single family and Michigan Financial Corporation does not own or

operate any other subsidiaries. Accordingly, the proposed merger is part of an internal corporate reorganization which will have no effect on competition.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JULY 12, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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#### THE FIRST NATIONAL BANK AND TRUST COMPANY OF MARQUETTE, MARQUETTE, MICH., AND SECOND NATIONAL BANK AND TRUST COMPANY OF MARQUETTE, MARQUETTE, MICH.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The First National Bank and Trust Company of Marquette, Marquette, Mich. (390), with.....	\$67,216,598	3	.....
and Second National Bank and Trust Company of Marquette, Marquette, Mich. (390), which had.....	625,000	0	.....
merged Sept. 30, 1973, under charter of the latter bank (390) and title "First National Bank and Trust Company of Marquette." The merged bank at date of merger had.....	67,841,598	.....	3

#### COMPTROLLER'S DECISION

On April 4, 1973, Second National Bank and Trust Company of Marquette (organizing), Marquette, Mich., and The First National Bank and Trust Company of Marquette, Marquette, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of "First National Bank and Trust Company of Marquette."

The First National Bank and Trust Company of Marquette, the existing bank, was organized in 1864, and now has assets of \$62.6 million and IPC deposits of \$43 million. Direct competition for this bank is provided by The Union National Bank and Trust Company, Marquette, with deposits of \$32 million.

Second National Bank and Trust Company of Marquette, the new bank, is being organized to

provide a vehicle by which to transfer ownership of The First National Bank and Trust Company of Marquette to Michigan Financial Corporation, Marquette, Mich. Second National Bank and Trust Company of Marquette will not be operating as a commercial bank prior to this merger.

Michigan Financial Corporation, the holding company which will acquire the resulting bank, has filed applications to acquire six existing banks as subsidiaries. The proposed merger will result in no adverse competitive effects because all six of those banks are, at the present time, commonly owned and controlled by a single family and Michigan Financial Corporation does not own or operate any other subsidiaries. Accordingly, the proposed merger is part of an internal corporate reorganization which will have no effect on competition.

Applying the statutory criteria, it is concluded

that the proposed merger is in the public interest and this application is, therefore, approved.

JULY 12, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank and Trust Company of

Marquette would become a subsidiary of Michigan Financial Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by Michigan Financial Corporation, it would have no effect on competition.

\* \* \*

#### THE MINERS' FIRST NATIONAL BANK AND TRUST COMPANY OF ISHPEMING, ISHPEMING, MICH., AND MINERS' SECOND NATIONAL BANK AND TRUST COMPANY OF ISHPEMING, ISHPEMING, MICH.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Miners' First National Bank and Trust Company of Ishpeming, Ishpeming, Mich (13931), with.....	\$31,127,317	2	.....
and Miners' Second National Bank and Trust Company of Ishpeming, Ishpeming, Mich. (13931), which had.....	125,000	0	.....
merged Sept. 30, 1973, under charter of the latter bank (13931) and title "Miners' First National Bank and Trust Co. of Ishpeming." The merged bank at date of merger had.....	31,252,317	.....	2

#### COMPTROLLER'S DECISION

On April 3, 1973, Miners' Second National Bank and Trust Company of Ishpeming (organizing), Ishpeming, Mich., and The Miners' First National Bank and Trust Company of Ishpeming, Ishpeming, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of "Miners' First National Bank and Trust Co. of Ishpeming."

The Miners' First National Bank and Trust Company of Ishpeming, the existing bank, was organized in 1934, and now has assets of \$29.4 million and IPC deposits of \$22.7 million. Direct competition for this bank is provided by The Peninsula Bank, Ishpeming, with deposits of \$11 million.

Miners' Second National Bank and Trust Company of Ishpeming, the new bank, is being organized to provide a vehicle by which to transfer ownership of The Miners' First National Bank and Trust Company of Ishpeming to Michigan Financial Corporation, Marquette, Mich. Miners' Second National Bank and Trust Company of Ishpeming will not be operating as a commercial bank prior to this merger.

Michigan Financial Corporation, the holding company which will acquire the resulting bank,

has filed applications to acquire six existing banks as subsidiaries. The proposed merger will result in no adverse competitive effects because all six of those banks are, at the present time, commonly owned and controlled by a single family and Michigan Financial Corporation does not own or operate any other subsidiaries. Accordingly, the proposed merger is part of an internal corporate reorganization which will have no effect on competition.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

JULY 12, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

**FIRST & MERCHANTS NATIONAL BANK OF TIDEWATER, CHESAPEAKE, VA., AND FOURTEEN  
BRANCHES OF FIRST & MERCHANTS NATIONAL BANK, RICHMOND, VA.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Fourteen Branches of First & Merchants National Bank, Richmond, Va. (1111), with.....	\$89,970,000	14	.....
were purchased Oct. 1, 1973, by First & Merchants National Bank of Tidewater, Chesapeake, Va. (16184), which had.....	6,500,000	0	.....
After the purchase was effected, the receiving bank had.....	96,470,000	.....	14

**COMPTROLLER'S DECISION**

On May 8, 1973, First & Merchants National Bank of Tidewater (organizing), Chesapeake, Va., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of fourteen branches of First & Merchants National Bank, Richmond, Va., under the charter and with the title of the former.

First & Merchants National Bank, the selling bank, was organized in 1865, and now has deposits of \$863 million. The bank is attempting to sell 14 of its branches, which have aggregate assets of \$89.9 million and total IPC deposits of \$66.8 million, to a new bank that is being organized by persons closely associated with the selling bank. Those branches are located in the cities of Norfolk, Portsmouth, Chesapeake, and Virginia Beach.

First & Merchants National Bank of Tidewater, the purchasing bank, is being organized to provide a vehicle through which the banking operations of affiliates of First and Merchants Corporation in the tidewater area of Virginia can be consolidated under the ownership of a locally-based bank. Through a separate application, First and Merchants Corporation will acquire the purchasing bank as a subsidiary. The purchasing bank will not be operating as a commercial bank prior to the consummation of the subject application.

First and Merchants Corporation, Richmond, Va., the holding company that will acquire the resulting bank, is a multi-bank holding company con-

trolling aggregate deposits of \$936.9 million. That holding company presently controls three banks including First & Merchants National Bank, First & Merchants National Bank of the Peninsula, and the First National Bank of Danville.

The proposed transaction is part of an internal corporate reorganization involving the transfer of ownership of branches between commonly owned affiliates. The transaction will have no effect on the competitive structure of banking in the tidewater area because all of the operating offices involved are branches of a subsidiary of First and Merchants Corporation and will merely be transferred to another subsidiary of that holding company.

Applying the statutory criteria, it is the conclusion of this Office that the proposed transaction is in the public interest and this application is, therefore, approved.

AUGUST 31, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

The proposed transaction is part of a plan through which the Tidewater Region offices of First & Merchants National Bank would be transferred to a newly organized bank. Since both the transferring bank and the acquiring bank are subsidiaries of First & Merchants Corporation, a bank holding company, the proposed transaction is simply a corporative reorganization and would have no competitive effect.

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**THE FIRST NATIONAL BANK OF ODESSA, ODESSA, TEX., AND ODESSA BANK, NATIONAL ASSOCIATION,  
ODESSA, TEX.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The First National Bank of Odessa, Odessa, Tex. (13608), with.....	\$64,744,380	1	.....
and Odessa Bank, National Association, Odessa, Tex. (13608), which had.....	254,499	0	.....
merged Oct. 5, 1973, under charter of the latter bank (13608) and title "The First National Bank of Odessa." The merged bank at date of merger had.....	65,494,617	.....	1

**COMPTROLLER'S DECISION**

On July 2, 1973, The First National Bank of Odessa, Odessa, Tex., and Odessa Bank, National Association (organizing), Odessa, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of Odessa, the existing bank, was organized in 1932, and now has deposits of \$52.9 million. It is the largest bank in Odessa, and the third largest of the nine banks in the Midland-Odessa area. Competition for The First National Bank of Odessa is provided by American Bank of Commerce, Odessa, with deposits of \$47.5 million, a member of Texas Commerce Bancshares, Inc., a bank holding company headquartered in Houston; First State Bank, Odessa, with deposits of \$27.6 million; and National Bank of Odessa, with deposits of \$21.9 million.

Odessa Bank, National Association (organizing), the new bank, is being organized to provide a vehicle by which to transfer ownership of The First National Bank of Odessa to First International Bancshares, Inc. The new bank will not be operating as a commercial bank prior to this merger.

First International Bancshares, Inc., Dallas, Tex., the holding company which will acquire the resulting bank, has aggregate deposits of \$2.7 billion, making it the largest bank holding company in the State. Its principal subsidiaries are the \$2.5 billion-

deposit First National Bank in Dallas, the largest bank in the State of Texas, and the \$245.8 million-deposit Houston Citizens Bank and Trust Company, the fifth largest in the city of Houston.

There is no competition between First International Bancshares, Inc., or its subsidiaries and The First National Bank of Odessa because very large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distances. Applicant's subsidiary bank closest to First National Bank of Odessa is located in Dallas, more than 300 miles away. Consummation of the proposed merger will stimulate competition in Odessa because the resulting subsidiary will be able to offer expanded and improved services, as a result of its affiliation with the applicant.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

SEPTEMBER 5, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

These mergers are parts of plans through which the existing banks will become subsidiaries of First International Bancshares, Inc. Each of these mergers, however, will merely combine an existing bank with a nonoperating institution and without regard to the acquisition of the surviving banks by First International Bancshares, Inc., will have no effect on competition.

\* \* \*

**FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, EVANSTON, ILL., AND  
FNB NATIONAL BANK, EVANSTON, ILL.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
First National Bank and Trust Company of Evanston, Evanston, Ill. (13709), with.....	\$210,027,824	2	.....
and FNB National Bank, Evanston, Ill. (13709), which had .....	259,913	0	.....
merged Oct. 15, 1973, under charter of the latter bank (13709) and title "First National Bank and Trust Company of Evanston." The merged bank at date of merger had.....	210,037,675	.....	2

**COMPTROLLER'S DECISION**

On March 13, 1973, First National Bank and Trust Company of Evanston, Evanston, Ill., and FNB National Bank (organizing), Evanston, Ill., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

First National Bank and Trust Company of Evanston, the existing bank, was organized in 1933 and, with deposits of \$173 million, is the largest of four commercial banks headquartered in Evanston. The principal competitor with the bank is State National Bank, with deposits of \$158 million.

FNB National Bank, the new bank, is being organized to provide a vehicle to transfer ownership of First National Bank and Trust Company of Evanston to First Illinois Corporation, Evanston, Ill., which will become a one-bank holding company upon its acquisition of the resulting bank. The new bank will not be operating as a commercial bank prior to this merger.

Because First National Bank and Trust Company

of Evanston is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the existing bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

AUGUST 3, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

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**THE CAPITAL NATIONAL BANK IN AUSTIN, AUSTIN, TEX., AND CAPITAL BANK, NATIONAL ASSOCIATION,  
AUSTIN, TEX.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Capital National Bank in Austin, Austin, Tex. (13926), with.....	\$310,624,672	1	.....
and Capital Bank, National Association, Austin, Tex. (13926), which had.....	250,000	0	.....
merged Oct. 31, 1973, under charter of the latter bank (13926) and title "The Capital National Bank in Austin." The merged bank at date of merger had.....	310,874,672	.....	1

**COMPTROLLER'S DECISION**

On March 29, 1973, The Capital National Bank in Austin, Austin, Tex., and Capital Bank, National Association (organizing), Austin, Tex., applied to the Comptroller of the Currency for permission to

merge under the charter of the latter and with the title of the former.

The Capital National Bank in Austin, the merging bank, was organized in 1934, and operates as a unit institution. The bank possesses total assets of \$304 million and IPC deposits of \$140.8 million.

Capital Bank, National Association, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to The Bancapital Financial Corporation, Austin, Tex., which will become a one-bank holding company upon its acquisition of the resulting bank. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

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**THE FIRST NATIONAL BANK OF HARLINGEN, HARLINGEN, TEX., AND HARLINGEN BANK,  
NATIONAL ASSOCIATION, HARLINGEN, TEX.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The First National Bank of Harlingen, Harlingen, Tex. (12119), with.....	\$71,390,330	1	.....
and Harlingen Bank, National Association, Harlingen, Tex. (12119), which had.....	125,000	0	.....
merged Oct. 31, 1973, under charter of the latter bank (12119) and title "The First National Bank of Harlingen." The merged bank at date of merger had.....	75,289,087	.....	1

**COMPTROLLER'S DECISION**

On July 27, 1973, Harlingen Bank, National Association (organizing), Harlingen, Tex., and The First National Bank of Harlingen, Harlingen, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The First National Bank of Harlingen, the existing bank, was organized in 1922 and, with total deposits of \$66 million, is the second largest commercial bank in the Brownsville-Harlingen-San Benito area. Its chief competitors are First National Bank of Brownsville, with deposits of \$66.5 million, and Harlingen National Bank, with deposits of \$43.7 million.

Harlingen Bank, National Association, is being organized to provide a vehicle by which to transfer ownership of The First National Bank of Harlingen to First International Bancshares, Inc., Dallas, Tex. The new bank will not be operating as a commercial bank prior to this merger.

First International Bancshares, Inc., the bank holding company which will acquire the resulting

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

SEPTEMBER 10, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

bank, was organized in December 1972 and has acquired First National Bank in Dallas and Houston Citizens National Bank and Trust Company. The former has deposits of \$2.5 billion and is the second largest bank in Dallas. The latter has deposits of \$245.8 million and is the fifth largest bank in Houston. The holding company has plans to acquire several other banks and has indicated an intent to divest itself of certain minority bank interests.

There is no competition between First International Bancshares, Inc. or its subsidiaries and The First National Bank of Harlingen because large distances separate their closest office. The First National Bank of Harlingen is located approximately 293 miles from the closest subsidiary of First International Bancshares, Inc. and an adequate number of banking alternatives are located in the intervening distance.

Consummation of the proposed merger will stimulate competition in the service area of the resulting bank. Because of its affiliation with International Bancshares, Inc., The First National Bank of Harlingen will gain additional expertise in construction and mortgage lending, specialized

industry lending, business and industrial development, and international banking. The resulting bank will be able to strengthen its competitive position in the area and improve its services to the community.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is in the public interest and the application is, therefore, approved.

SEPTEMBER 20, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

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

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## AMERICAN NATIONAL BANK IN SPRINGFIELD, SPRINGFIELD, MO., AND CHARTER BANK OF SPRINGFIELD, NATIONAL ASSOCIATION, SPRINGFIELD, MO.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
American National Bank in Springfield, Springfield, Mo. (15183), with.....	\$21,961,655	1	.....
and Charter Bank of Springfield, National Association, Springfield, Mo. (15183), which had.....	240,000	0	.....
merged Nov. 1, 1973, under charter of the latter bank (15183) and title "American National Bank in Springfield." The merged bank at date of merger had.....	22,254,807	.....	1

### COMPTROLLER'S DECISION

On June 25, 1973, American National Bank in Springfield, Springfield, Mo., and Charter Bank of Springfield, National Association (organizing), Springfield, Mo., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

American National Bank in Springfield, the merging bank, was organized in 1963. That bank, with assets of \$20.1 million and IPC deposits of \$16.1 million, is the fifth largest of eight banks in Springfield.

Competitors of the merging bank in Springfield include The Union National Bank, with deposits of \$115.1 million; Commerce Bank of Springfield, with deposits of \$59.2 million; and Bank of Springfield with deposits of \$11.7 million. Three of the competing banks in Springfield are members of large multi-bank holding companies.

Charter Bank of Springfield, National Association, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to First National Charter Corporation, a registered bank holding company. The charter bank will not be operating as a commercial bank prior to the merger.

First National Charter Corporation, Kansas City, Mo., the bank holding company which will acquire

the resulting bank, is the fourth largest holding company in Missouri and presently controls nine subsidiary banks with aggregate deposits of \$671 million. The principal subsidiary of the holding company is First National Bank of Kansas City, Kansas City, Mo., with deposits of \$480.8 million. The remaining subsidiaries are located in Kansas City, Boonville, Webster Groves, Beltors, Jennings, Overland, and Butler, Mo., with deposits ranging from \$10.7 million, at National Bank of Boonville, to \$47.7 million, at Webster Groves Trust Company. The holding company has proposed certain other acquisitions throughout the State.

Competition between American National Bank in Springfield and any subsidiary of First National Charter Corporation is negligible. The closest subsidiary of the holding company to Springfield is Butler State Bank, approximately 130 miles away, and there are a large number of competitors operating in the intervening distance.

Consummation of the proposed merger will stimulate competition in the service area of American National Bank in Springfield by enabling it to offer expanded and improved services, strengthening its capital structure, and improving its financial and managerial resources. The resulting bank will conduct the same banking business at the same location as presently used by the merging bank.

Applying the statutory criteria it is concluded that

the proposed merger is in the public interest and this application is, therefore, approved.

SEPTEMBER 28, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which American National Bank in Springfield would

become a subsidiary of First National Charter Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by First National Charter Corporation, it would have no effect on competition.

\* \* \*

#### THE FIRST NATIONAL BANK OF ANNISTON, ANNISTON, ALA., AND ALABAMA NATIONAL BANK OF ANNISTON, ANNISTON, ALA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Anniston, Anniston, Ala. (3041), with.....	\$75,026,625	7	.....
and Alabama National Bank of Anniston, Anniston, Ala. (3041), which had.....	120,000	0	.....
merged Nov. 12, 1973, under charter of the latter bank (3041) and title "The First National Bank of Anniston." The merged bank at date of merger had.....	75,254,108	.....	7

#### COMPTROLLER'S DECISION

On August 1, 1973, The First National Bank of Anniston, Anniston, Ala., and Alabama National Bank of Anniston (organizing), Anniston, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of Anniston, the existing bank, was organized in 1883 and now operates eight offices in the city of Anniston and has deposits of \$60.8 million. The service area of the bank, which has an estimated population of 106,000 persons, includes the towns of Oxford and Heflin as well as the surrounding portions of Calhoun and Cleburne counties.

The First National Bank of Anniston competes directly with Anniston National Bank, with deposits of \$39 million and Commercial National Bank of Anniston, with deposits of \$30.7 million. Competition is also provided by First State Bank of Oxford, with deposits of \$12.9 million; First National Bank of Jacksonville, with deposits of \$14.6 million; and Bank of Heflin, with deposits of \$18 million.

Alabama National Bank of Anniston, the new bank, is being organized to provide a vehicle by which to transfer ownership of the existing bank to The Alabama Financial Group, Inc., Birmingham, Ala. The new bank will not be operating as a commercial bank prior to this merger.

The Alabama Financial Group, Inc., the bank holding company which will acquire the resulting

bank, was organized in 1968 and now controls four subsidiary banks with aggregate deposits of \$512 million. Those banking subsidiaries serve widely separated areas of the State with one located in each of the cities of Birmingham, Dothan, Huntsville, and Mobile. The principal subsidiary of this holding company is Birmingham Trust National Bank, with deposits of \$395 million. In addition to the present proposal, the applicant has submitted an application to acquire Marion County Banking Company, Guin, with deposits of \$14.7 million.

The Alabama Financial Group is now the fourth largest multi-bank holding company in the State. The holding company's largest competitors include Alabama Bancorporation, with aggregate deposits of \$865 million; First Alabama Bancshares, with deposits of \$565.5 million; and Central and State National Corporation, with deposits of \$549 million.

There is no competition between The Alabama Financial Group or its subsidiaries and The First National Bank of Anniston because large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distances. The nearest such office is a branch of Birmingham Trust National Bank, 48 miles from Anniston.

Consummation of the proposed transaction will enable The Alabama Financial Group to enter a highly competitive market from which its present subsidiaries are excluded from branching because of the head office protection afforded by State law.

A broader range of services than is now available to the banking public in the service area of The First National Bank of Anniston will be introduced by the resulting subsidiary, including specialized lending, data processing for local commercial customers, sophisticated fiduciary services, and lease financing. The resulting subsidiary will also have access to the specialized management skills of its parent holding company for the purpose of satisfying the particular financial needs of its customers as they arise. That will stimulate competition in Anniston which will confer a direct benefit on the banking public.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is

in the public interest and this application is, therefore, approved.

OCTOBER 12, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### FIRST NATIONAL BANK OF BAY MINETTE, BAY MINETTE, ALA., AND BAY MINETTE NATIONAL BANK, BAY MINETTE, ALA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First National Bank of Bay Minette, Bay Minette, Ala. (14720), with.....	\$19,085,790	2	.....
and Bay Minette National Bank, Bay Minette, Ala. (14720), which had.....	120,000	0	.....
merged Nov. 15, 1973, under charter of the latter bank (14720) and title "First National Bank of Bay Minette." The merged bank at date of merger had.....	18,913,670	.....	2

#### COMPTROLLER'S DECISION

On August 8, 1973, First National Bank of Bay Minette, Bay Minette, Ala., and Bay Minette National Bank (organizing), Bay Minette, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and title of the former.

First National Bank of Bay Minette, the existing bank, was organized in 1954 and, with total deposits of \$13.7 million, operates one branch office. The service area of the bank consists of the towns of Bay Minette, Loxley, and areas immediately adjacent, with an estimated population of 14,000.

Competition for First National Bank of Bay Minette is provided principally by Baldwin County Bank, Bay Minette, with deposits of \$11.5 million, and Baldwin National Bank of Robertsedale, Loxley, with deposits of \$7.8 million.

Bay Minette National Bank, the new bank, is being organized as a vehicle by which to transfer ownership of First National Bank of Bay Minette to First Alabama Bancshares, Inc. The new bank will not be operating as a commercial bank prior to this merger.

First Alabama Bancshares, Inc., Birmingham, Ala., the bank holding company which will acquire the resulting bank, was organized in 1971, and is now the second largest multi-bank holding company in Alabama, a rank which will be unchanged by the proposed acquisition. The holding company controls three subsidiary banks in Birmingham, Huntsville, and Montgomery with aggregate deposits of \$524 million, and has received approval to acquire Dothan Bank and Trust Company, with deposits of \$41.7 million.

There is no competition between the holding company or its subsidiaries and First National Bank of Bay Minette because large distances separate the closest two banks and an adequate number of alternative banking offices operate in the intervening distances. The nearest subsidiary of the holding company is First National Bank of Montgomery, which is approximately 150 miles northeast of the proposed subsidiary. That large distance precludes any competition between those banks.

Consummation of the proposed merger will stimulate competition in the service area of the resulting subsidiary in Bay Minette because the

bank will be able to offer a wider range of more sophisticated banking services such as lease financing, data processing, credit card operations, trust services, and commercial and industrial loans of sufficient size to encourage growth in that community. That will be of great benefit to residents of Bay Minette.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

OCTOBER 16, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

## THE CITIZENS NATIONAL BANK IN ABILENE, ABILENE, TEX., AND CITIZENS BANK, NATIONAL ASSOCIATION, ABILENE, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Citizens National Bank in Abilene, Abilene, Tex. (13727), with.....	\$105,842,173	1	.....
and Citizens Bank, National Association, Abilene, Tex. (13727), which had.....	250,000	0	.....
merged Nov. 15, 1973, under charter of the latter bank (13727) and title "The Citizens National Bank in Abilene." The merged bank at date of merger had .....	106,092,173	.....	1

## COMPTROLLER'S DECISION

On July 19, 1973, The Citizens National Bank in Abilene, Abilene, Tex., and Citizens Bank, National Association (organizing), Abilene, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Citizens National Bank in Abilene, the merging bank, was organized in 1902 and operates one facility at Dyess Air Force Base. With total assets of \$92.2 million and IPC deposits of \$71.4 million, it is the largest bank in Abilene. The bank services the Abilene Standard Metropolitan Statistical Area which is defined as Callahan, Jones, and Taylor counties, with an estimated population of 122,000 people.

Competitors of the merging bank include Abilene National Bank, with deposits of \$13.9 million; First National Bank, Abilene, with deposits of \$86.3 million; First State Bank, Abilene, with deposits of \$67.9 million; Bank of Commerce, Abilene, with deposits of \$15.3 million; First National Bank, Stamford, with deposits of \$12.4 million; and First National Bank, Baird, with deposits of \$7.9 million.

Citizens Bank, National Association, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to

First International Bancshares, Inc., Dallas, Tex., a bank holding company. The charter bank will not be operating as a commercial bank prior to the transaction.

First International Bancshares, Inc., is the registered bank holding company which will gain control of the resulting bank. That corporation wholly owns First National Bank in Dallas, with deposits of \$2.5 billion, and Houston-Citizens Bank and Trust Company, with deposits of \$245.8 million. In addition, it indirectly owns 6.67 percent to 24.52 percent of 11 other banks in Texas and has applied for permission to acquire six additional banks.

There is virtually no competition between the merging bank and any subsidiaries of First International Bancshares, Inc., since the closest subsidiary of this corporation is located approximately 178 miles from Abilene. The resulting bank will operate the same banking business at the same location and with the same name as presently used by the merging bank but will offer a wider range of more sophisticated services as a result of its affiliation with a large holding company.

Applying the statutory criteria, it is the opinion of this Office that the proposed merger is in the public interest and will result in no adverse competitive effects. It is, therefore, approved.

OCTOBER 15, 1973.

# SUMMARY OF REPORT BY ATTORNEY GENERAL

These mergers are parts of plans through which the existing banks will become subsidiaries of First International Bancshares, Inc., a bank holding company. Each of these mergers, however, will

merely combine an existing bank with a non-operating institution and without regard to the acquisition of the surviving banks by First International Bancshares, Inc., will have no effect on competition.

\* \* \*

## THE STATE NATIONAL BANK OF DENISON, DENISON, TEX., AND DENISON BANK, NATIONAL ASSOCIATION, DENISON, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The State National Bank of Denison, Denison, Tex. (3058), with.....	\$40,962,185	1	.....
and Denison Bank, National Association, Denison, Tex. (3058), which had.....	127,250	0	.....
merged Nov. 15, 1973, under charter of the latter bank (3058) and title "The State National Bank of Denison." The merged bank at date of merger had.....	40,519,854	.....	1

## COMPTROLLER'S DECISION

On July 2, 1973, The State National Bank of Denison, Denison, Tex., and Denison Bank, National Association (organizing), Denison, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The State National Bank of Denison, Denison, Tex., the merging bank, was organized in 1883 and, with \$33.8 million in deposits, is the third largest bank in the Sherman-Denison Standard Metropolitan Statistical Area. Principal competition for the bank comes from Merchants and Planters National Bank, with deposits of \$56 million; The Citizens National Bank of Denison, with deposits of \$35.6 million; and Grayson County State Bank, with deposits of \$22.5 million.

Denison Bank, National Association, Denison, Tex., the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to First International Bancshares, Inc., Dallas, Tex. The charter bank will not be operating as a commercial bank prior to this merger.

First International Bancshares, Inc., Dallas, Tex., the holding company which will acquire the resulting bank, currently controls two banks, the largest of which is First National Bank in Dallas, which has deposits of \$2.5 billion and is the second largest commercial bank in Dallas. Houston-Citizens Bank

and Trust Company, the second subsidiary of the applicant, has deposits of \$245.8 million and is the fifth largest bank in Houston. That holding company, second largest in Texas, also owns minority interests in 13 other banks in the Dallas Metropolitan Area, eight of which it has announced plans to divest by March 1975.

There is no competition between the holding company or its subsidiaries and State National Bank of Denison because large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distances. The nearest office of a subsidiary of the holding company is First National Bank in Dallas, 75 miles south of Denison.

Apply the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

OCTOBER 15, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

These mergers are parts of plans through which the existing banks will become subsidiaries of First International Bancshares, Inc. Each of these mergers, however, will merely combine an existing bank with a nonoperating institution and without regard to the acquisition of the surviving banks by First International Bancshares, Inc., will have no effect on competition.

\* \* \*

**PEOPLES NATIONAL BANK & TRUST COMPANY OF BAY CITY, BAY CITY, MICH., AND COMMERCIAL NATIONAL BANK OF BAY CITY, BAY CITY, MICH.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Peoples National Bank & Trust Company of Bay City, Bay City, Mich. (14641), with.....	\$193,977,087	13	.....
and Commercial National Bank of Bay City, Bay City, Mich. (14641), which had.....	127,500	0	.....
merged Nov. 19, 1973, under charter of the latter bank (14641) and title "Peoples National Bank & Trust Company of Bay City." The merged bank at date of merger had.....	194,104,587	.....	13

**COMPTROLLER'S DECISION**

On July 23, 1973, Peoples National Bank & Trust Company of Bay City, Bay City, Mich., and, Commercial National Bank of Bay City (organizing), Bay City, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Peoples National Bank & Trust Company of Bay City, the merging bank, was organized in 1887 and operates 12 branch offices in Bay County. The bank has total assets of \$199.8 million and IPC deposits of \$155.4 million. In its service area, the merging bank primarily competes with Bay City Bank and Trust Company, with deposits of \$53.7 million; Chemical Bank and Trust Company of Midland, with deposits of \$110.5 million; and Valley National Bank, with deposits of \$43.2 million.

Commercial National Bank of Bay City, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to Peoples National Corporation, Bay City, Mich. The charter bank will not be operated as a commercial bank prior to the merger.

Peoples National Corporation has applied to the Board of Governors of the Federal Reserve System for permission to become a bank holding company

and will acquire the resulting bank and West Branch Bank (organizing), West Branch, Mich., the successor by consolidation to The State Savings Bank of West Branch, West Branch, Mich. Because those two proposed subsidiaries operate in different service areas and share only a nominal number of common customers, and because their closest offices are separated by a distance of approximately 44 road miles, competition between them is minimal.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and will result in no adverse competitive effect. The application is, therefore, approved.

OCTOBER 15, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

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

\* \* \*

**FIRST NATIONAL BANK IN BROWNWOOD, BROWNWOOD, TEX., AND FIRST BANK NATIONAL ASSOCIATION, BROWNWOOD, TEX.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
First National Bank in Brownwood, Brownwood, Tex. (4695), with.....	\$40,839,022	1	.....
and First Bank National Association, Brownwood, Tex. (4695), which had.....	127,983	0	.....
merged Nov. 30, 1973, under charter of the latter bank (4695) and title "First National Bank in Brownwood." The merged bank at date of merger had.....	40,842,622	.....	1

**COMPTROLLER'S DECISION**

On May 21, 1973, First National Bank in Brownwood, Brownwood, Tex., and First Bank National

Association (organizing), Brownwood, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

First National Bank in Brownwood, the existing bank, was organized in 1892 and now has deposits of \$32.4 million.

First Bank National Association is being organized to provide a vehicle by which to transfer ownership of First National Bank in Brownwood to Central Texas Financial Corporation, Brownwood, Tex. The new bank will not be operating as a commercial bank prior to this merger.

Central Texas Financial Corporation, Brownwood, Tex., will become a registered bank holding company by acquisition of the successor by merger to First National Bank in Brownwood. The resulting holding company has no previous financial history and does not operate any subsidiaries at the present time. This acquisition, in itself, will have no effect on competition in Brownwood, since it

involves the formation of a one-bank holding company, Central Texas Financial Corporation.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

OCTOBER 30, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### HOLYOKE NATIONAL BANK, HOLYOKE, MASS., AND THE HOLYOKE BANK, NATIONAL ASSOCIATION, HOLYOKE, MASS.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
Holyoke National Bank, Holyoke, Mass. (1939), with.....	\$27,251,462	5	.....
and The Holyoke Bank, National Association, Holyoke, Mass. (1939), which had.....	240,550	0	.....
merged Nov. 30, 1973, under charter of the latter bank (1939) and title "Holyoke National Bank." The merged bank at date of merger had.....	27,492,012	.....	5

#### COMPTROLLER'S DECISION

On August 8, 1973, Holyoke National Bank, Holyoke, Mass., and The Holyoke Bank, National Association (organizing), Holyoke, Mass., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Holyoke National Bank, the merging bank, was organized in 1872, and operates four branches in Hampden County. The bank possesses total assets of \$28.6 million and IPC deposits of \$21.7 million. The service area of the merging bank encompasses Holyoke, Southampton, Easthampton, South Hadley, and Granby in Hampshire County, and Westfield, West Springfield, and Chicopee in Hampden County. That area, which is primarily industrial in nature, has a population of approximately 215,300 people. Competitors of the merging bank include Third National Bank of Hampden County, with deposits of \$215 million; Valley Bank and Trust

Company, with deposits of \$200 million, which is a member of Baystate Corporation; and First Bank and Trust Company of Hampden County, with deposits of \$219 million, which is a member of Shawmut Association, Inc.

The Holyoke Bank, National Association, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to First National Boston Corporation, a bank holding company. The charter bank will not be operating as a commercial bank prior to the proposed transaction.

First National Boston Corporation, Boston, Mass., the holding company which will acquire the resulting bank, was organized in 1970 and operates one subsidiary, The First National Bank of Boston. That subsidiary, with deposits of \$4.6 billion, is the largest commercial bank in New England. Competition between the merging bank and The First National Bank of Boston for consumer business is nonexistent as they operate in different counties.

Also, because of its small size, Holyoke National Bank is not capable of competing for the large industrial loans and business services in which The First National Bank of Boston has great expertise.

The resulting bank will operate the same banking business at the same locations and with the same name as presently utilized by the merging bank but will also be able to offer a wider range of services as a result of its affiliation with a large holding company, which will act to stimulate competition in its service area.

Applying the statutory criteria, it is the opinion of this Office that the proposed transaction is in the

public interest and will result in no adverse competitive effects. It is, therefore, approved.

OCTOBER 31, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### THE AMERICAN NATIONAL BANK IN WESTERN MICHIGAN, ALLEGAN, MICH., AND THE WEST ALLEGAN BRANCH OF THE AMERICAN NATIONAL BANK AND TRUST COMPANY OF MICHIGAN, KALAMAZOO, MICH.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
West Allegan Branch of The American National Bank and Trust Company of Michigan, Kalamazoo, Mich. (13820), with.....	\$221,428,000	1	.....
was purchased Nov. 30, 1973, by The American National Bank in Western Michigan, Allegan, Mich. (16211), which had.....	825,000	0	.....
After the purchase was effected, the receiving bank had.....	7,925,000	.....	1

#### COMPTROLLER'S DECISION

On August 7, 1973, The American National Bank in Western Michigan (organizing), Allegan, Mich., applied to the Comptroller of the Currency for permission to purchase the West Allegan branch office of The American National Bank and Trust Company of Michigan, Kalamazoo, Mich.

The American National Bank and Trust Company of Michigan, the selling bank, was organized in 1933 and was acquired in 1972 by American National Holding Company, Kalamazoo, Mich., the parent company. The selling bank has total deposits of \$191.1 million and presently operates 16 branch offices.

The American National Bank in Western Michigan, the purchasing bank, is being organized by people closely affiliated with the selling bank and the parent company. The bank will locate a branch office in what is presently the West Allegan branch office of the selling bank, adjacent to, but outside of, the city limits of Allegan, approximately 4 miles from the location of the proposed subsidiary. The service area of the purchasing bank will extend to

the city of Allegan, Allegan Township, Cheshire Township, Lee Township, Trowbridge Township, and Valley Township. Competition for the proposed subsidiary will be provided by a branch of The First National Bank and Trust Company of Michigan, located in Allegan.

Applying the statutory criteria, it is concluded that the proposed transaction is merely part of a corporate reorganization which will result in no adverse competitive effects. This application is, therefore, approved.

OCTOBER 23, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

THE FIRST NATIONAL BANK OF MOBILE, MOBILE, ALA., AND FBG NATIONAL BANK OF MOBILE, MOBILE, ALA

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Mobile, Mobile, Ala. (1595), with.....	\$333,932,543	12	.....
and FBG National Bank of Mobile, Mobile, Ala. (1595), which had.....	240,000	0	.....
merged Nov. 30, 1973, under charter of the latter bank (1595) and title "The First National Bank of Mobile." The merged bank at date of merger had.....	334,172,543	.....	12

COMPTROLLER'S DECISION

On June 27, 1973, The First National Bank of Mobile, Mobile, Ala., and FBG National Bank of Mobile (organizing), Mobile, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and the title of the former.

The First National Bank of Mobile, Mobile, Ala., the existing bank, was organized in 1865 and now has deposits of \$243.7 million. The bank operates six branches located in Mobile and one each in Bayou La Barte, Grand Bay, and Saraland, Ala. In addition, the bank has an approved, but unopened branch in Mobile. The service area of The First National Bank of Mobile is defined as Mobile County whose economy is mainly supported by natural resources, such as oil, minerals, and wood products.

Principal competition for the existing bank is provided by the \$240.8 million deposit Merchants National Bank of Mobile, the \$74.5 million deposit American National Bank & Trust Company of Mobile, and the \$28.5 million deposit Commercial Guaranty Bank of Mobile. Two of the competing banks are existing subsidiaries of multi-bank holding companies and plans for affiliation with multi-bank holding companies have been reported by three other competitors.

FBG National Bank of Mobile, the new bank, is being organized to provide a vehicle by which to transfer ownership of The First National Bank of Mobile, Mobile, Ala. The new bank will not be

operating as a commercial bank prior to this merger.

First Bancgroup-Alabama, Inc., Mobile, Ala., wishes to become a registered bank holding company by acquisition of the successors by merger to The First National Bank of Mobile and The Henderson National Bank of Huntsville, Huntsville, Ala., which are 355 miles apart. The proposed holding company has no previous financial history and at present does not operate any subsidiaries.

First Bancgroup-Alabama, Inc., will become, by its acquisition of the two banks, the fifth largest banking organization in Alabama. The proposed transaction will not result in any significant movement toward the ability of the applicant to dominate the competition for banking services in Mobile.

Applying the statutory criteria, it is the conclusion of this Office that the proposed merger is in the public interest and this application is, therefore, approved.

OCTOBER 26, 1973.

SUMMARY OF REPORT BY ATTORNEY GENERAL

These mergers are parts of plans through which the existing banks will become subsidiaries of First Bancgroup-Alabama, Inc. Each of these mergers, however, will merely combine an existing bank with a nonoperating institution and without regard to the acquisition of the surviving banks by First Bancgroup-Alabama, Inc., will have no effect on competition.

\* \* \*

**THE HENDERSON NATIONAL BANK OF HUNTSVILLE, HUNTSVILLE, ALA., AND FBG NATIONAL  
BANK OF HUNTSVILLE, HUNTSVILLE, ALA.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
The Henderson National Bank of Huntsville, Huntsville, Ala. (8765), with.....	\$54,635,000	5	.....
and FBG National Bank of Huntsville, Huntsville, Ala. (8765), which had.....	240,000	0	.....
merged Nov. 30, 1973, under charter of the latter bank (8765) and title "The Henderson National Bank of Huntsville." The merged bank at date of merger had.....	54,875,000	.....	5

**COMPTROLLER'S DECISION**

On June 27, 1973, The Henderson National Bank of Huntsville, Huntsville, Ala., and FBG National Bank of Huntsville (organizing), Huntsville, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and the title of the former.

The Henderson National Bank of Huntsville, the existing bank, was organized in 1907 and now has deposits of \$40.5 million. The bank operates four branches which serve an area composed of Huntsville and Madison County whose economy is supported mainly by military installations and industries supporting the government space effort.

Competition for The Henderson National Bank is provided principally by a branch of the \$305.2 million deposit State National Bank of Decatur, Decatur, Ala., and the \$91.9 million deposit First National Bank of Huntsville, Huntsville, Ala. Four of the competing banks are presently subsidiaries of multi-bank holding companies.

FBG National Bank of Huntsville, the new bank, is being organized to provide a vehicle by which to transfer ownership of Henderson National Bank to First Bancgroup-Alabama, Inc., Mobile, Ala. The new bank will not be operating as a commercial bank prior to this merger.

First Bancgroup-Alabama, Inc., Mobile, Ala., wishes to become a registered bank holding com-

pany by acquisition of the successors by merger to The Henderson National Bank of Huntsville and The First National Bank of Mobile, Mobile, Ala. There is no competition between the two banks, because their nearest offices are 335 miles apart. The proposed holding company has no previous financial history and at present does not operate any subsidiaries.

First Bancgroup-Alabama, Inc., will become, upon its acquisition of the two banks, the fifth largest banking organization in Alabama. The proposed transaction will not result in any significant movement toward the ability of the resulting holding company to dominate the competition for banking services in Huntsville.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

OCTOBER 26, 1973.

**SUMMARY OF REPORT BY ATTORNEY GENERAL**

These mergers are parts of plans through which the existing banks will become subsidiaries of First Bancgroup-Alabama, Inc. Each of these mergers, however, will merely combine an existing bank with a nonoperating institution and without regard to the acquisition of the surviving banks by First Bancgroup-Alabama, Inc., will have no effect on competition.

\* \* \*

**FIRST CHARTER NATIONAL BANK, MONROE TOWNSHIP (P.O. JAMESBURG), N.J., AND  
SECOND CHARTER NATIONAL BANK, MONROE TOWNSHIP (P.O. JAMESBURG), N.J.**

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
First Charter National Bank, Monroe Township (P.O. Jamesburg), N.J. (288), with.....	\$149,402,992	11	.....
and Second Charter National Bank, Monroe Township (P.O. Jamesburg), N.J. (288), which had.....	123,014	0	.....
merged Dec. 31, 1973, under charter of the latter bank (288) and title "First Charter National Bank." The merged bank at date of merger had.....	149,526,006	.....	11

# COMPTROLLER'S DECISION

On August 9, 1973, First Charter National Bank, Monroe Township, N.J., and Second Charter National Bank (organizing), Monroe Township, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

First Charter National Bank, the merging bank, is headquartered in Monroe Township, and has nine offices located throughout Middlesex and Mercer counties. The bank, with total resources of \$140.1 million and IPC deposits of \$109 million, was chartered originally in 1864.

Second National Charter Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Heritage Bancorporation, Cherry Hill, N.J. The charter bank will not be operating as a commercial bank prior to the merger.

Heritage Bancorporation, the parent company, began operation as a bank holding company in November 1971 with the acquisition of South Jersey National Bank, Camden, and The First National Iron Bank of New Jersey, Morristown, through which it serves the southern and central portions of the State. The parent company, with aggregate deposits of \$646 million, ranks fifth in size among the eight bank holding companies operating in New Jersey.

There is minimal competition between the parent company or its subsidiaries and First Charter

National Bank, because large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening area. The closest office of a subsidiary of the parent company to the merging bank is the Stirling Branch Office of The First National Iron Bank of New Jersey located in Passaic Township approximately 17 miles northeast.

Consummation of the proposed transaction will enable the resulting bank to offer improved and expanded services to area residents and businesses including specialized commercial lending, municipal financing, improved personal and corporation trust services, computer services, and a wider range of interest rates and savings plans. The resulting bank will be better able to compete effectively with area banks and holding companies.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 27, 1973.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

## FIRST HUTCHINGS-SEALY NATIONAL BANK OF GALVESTON, GALVESTON, TEX., AND MARKET STREET BANK, NATIONAL ASSOCIATION, GALVESTON, TEX.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First Hutchings-Sealy National Bank of Galveston, Galveston, Tex. (1566), with.....	\$93,516,977	1	.....
and Market Street Bank, National Association, Galveston, Tex. (1566), which had.....	250,000	0	.....
Merged Dec. 31, 1973, under charter of the latter bank (1566) and title "First Hutchings-Sealy National Bank of Galveston." The merged bank at date of merger had.....	93,766,977	.....	1

# COMPTROLLER'S DECISION

On July 20, 1973, First Hutchings-Sealy National Bank of Galveston, Galveston, Tex., and Market Street Bank, National Association (organizing), Galveston, Tex., applied to the Comptroller of

Currency for permission to merge under charter of the latter and title of the former.

First Hutchings-Sealy National Bank of Galveston, the existing bank, was organized in 1854 and now has total deposits of \$81.1 million. The city of Galveston, which comprises the service area of

the bank, has a growing economy based on a wide variety of industry including port-related activities.

Competition in Galveston is provided by the \$66.8 million deposit United States National Bank, the \$40.6 million deposit Moody National Bank, \$10.5 million deposit Bank of Galveston, the \$10.0 million deposit American Bank, and the \$6.5 million deposit University National Bank.

Market Street Bank, National Association, the new bank, is being organized to provide a vehicle by which to transfer ownership of First Hutchings-Sealy National Bank of Galveston to First International Bancshares, Inc. The new bank will not be operating as a commercial bank prior to this merger.

First International Bancshares, Inc., Dallas, Tex., which will acquire the resulting bank, is the largest bank holding company in the State and has 10 approved subsidiaries with aggregate deposits of \$2.5 billion. Its primary subsidiary is First National Bank of Dallas.

There is only negligible competition between the holding company or its subsidiaries and First Hutchings-Sealy National Bank of Galveston because large distances separate their closest two offices and a number of alternative banking facilities

operate in the intervening distance. The nearest subsidiary of the holding company is Houston-Citizens Bank, some 52 miles away. That long distance precludes any competition between the two banks.

Consummation of the proposed merger will stimulate competition in Galveston because the resulting subsidiary will be able to offer new and improved services, such as in credit, trust, and investment counseling services, and managerial talent.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and is, therefore, approved.

NOVEMBER 29, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

These mergers are parts of plans through which the existing banks will become subsidiaries of First International Bancshares, Inc., a bank holding company. Each of these mergers, however, will merely combine an existing bank with a non-operating institution and without regard to the acquisition of the surviving banks by First International Bancshares, Inc., will have no effect on competition.

\* \* \*

#### FIRST NATIONAL BANK IN BARTLESVILLE, BARTLESVILLE, OKLA., AND SECURITY NATIONAL BANK, BARTLESVILLE, OKLA.

<i>Name of bank and type of transaction</i>	<i>Total assets</i>	<i>Banking offices</i>	
		<i>In operation</i>	<i>To be operated</i>
First National Bank in Bartlesville, Bartlesville, Okla. (6258), with .....	\$138,841,910	1	.....
and Security National Bank, Bartlesville, Okla. (6258), which had .....	120,000	0	.....
merged Dec. 31, 1973, under charter of the latter bank (6258) and title "First National Bank in Bartlesville." The merged bank at date of merger had .....	138,961,910	.....	1

#### COMPTROLLER'S DECISION

On August 20, 1973, First National Bank in Bartlesville, Bartlesville, Okla., and Security National Bank (organizing), Bartlesville, Okla., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

First National Bank in Bartlesville, the merging bank, was organized in 1900 and operates as a unit institution. The bank possesses total assets of \$129.1 million and IPC deposits of \$96.6 million.

Security National Bank, the charter bank, is being organized to provide a vehicle by which to

transfer ownership of the merging bank to First Bancshares, Incorporated, which will become a one-bank holding company upon its acquisition of the resulting bank. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded

that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 12, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank in Bartlesville would

become a subsidiary of First Bancshares, Incorporated, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by First Bancshares, Incorporated, it would have no effect on competition.

\* \* \*

#### MECHANICS NATIONAL BANK OF BURLINGTON COUNTY, BURLINGTON TOWNSHIP, N.J., AND MECHANICS NATIONAL BANK OF DELAWARE VALLEY, BURLINGTON TOWNSHIP, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Mechanics National Bank of Burlington County, Burlington Township, N.J. (1222), with.....	\$106,582,456	12	.....
and Mechanics National Bank of Delaware Valley, Burlington Township, N.J. (1222), which had.....	125,000	0	.....
merged Dec. 31, 1973, under charter and title of the latter bank (1222). The merged bank at date of merger had .....	106,707,456	.....	12

#### COMPTROLLER'S DECISION

On April 12, 1973, Mechanics National Bank of Burlington County, Burlington Township, N.J., and Mechanics National Bank of Delaware Valley (organizing), Burlington Township, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Mechanics National Bank of Burlington County, the merging bank, was organized in 1839 and operates 13 branches in the north and central portions of Burlington County. The bank possesses total assets of \$95 million and IPC deposits of \$70.8 million. The economy of the service area, which has a population of approximately 249,000 people, is fostered by military installations and industrial operations.

Mechanics National Bank of Burlington County ranks second in deposit size among the 12 commercial banks headquartered in Burlington County and 11th among the 68 commercial banks in the Third Banking District. Its competitors include Burlington County Trust Company, Moorestown, with deposits of \$120 million; South Jersey National Bank, Cherry Hill, with deposits of \$441 million, which is a member of Heritage Bancorporation, a multi-bank holding company with deposits of \$646 million; The Bank of New Jersey, Camden, with deposits of \$460 million; Fidelity Bank and Trust

Company of New Jersey, Pennsauken, with deposits of \$55 million; Bank of Mid-Jersey, Bordentown, with deposits of \$54 million, and The Third National Bank of New Jersey, Camden, with deposits of \$47 million, which is a member of United Jersey Banks, a multi-bank holding company with deposits of \$1.4 billion.

Mechanics National Bank of Delaware Valley, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to First National State Bancorporation. The charter bank will not be operating as a commercial bank prior to the merger.

First National State Bancorporation, Newark, N.J., the registered bank holding company which will gain control of the resulting bank, was organized in 1970 and is the second largest of the eight multi-bank holding companies operating in New Jersey. The company controls eight banks in the first, second, and third banking districts, which have aggregate deposits of \$1.4 billion. Its largest subsidiary, First National State Bank of New Jersey, Newark, N.J., has deposits of \$1 billion.

Competition between Mechanics National Bank of Burlington County and the subsidiaries of the applicant is minimal. They operate in different service areas and their closest offices are separated by a distance of approximately 11 miles.

Consummation of the proposed transaction will result in no adverse competitive effects. The re-

sulting bank will be able to offer improved and expanded services, including specialized commercial loans, automobile loans to servicemen, overdraft banking, international banking services, trust services, and competitive bidding for municipal financing.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 30, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### THE CITY NATIONAL BANK OF TUSCALOOSA, TUSCALOOSA, ALA., AND CITY BANK OF TUSCALOOSA, N.A., TUSCALOOSA, ALA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The City National Bank of Tuscaloosa, Tuscaloosa, Ala. (6173), with.....	\$95,154,409	6	.....
and City Bank of Tuscaloosa, N.A., Tuscaloosa, Ala. (6173), which had.....	240,000	0	.....
merged Dec. 31, 1973, under charter of the latter bank (6173) and title "The City National Bank of Tuscaloosa." The merged bank at date of merger had.....	95,161,609	.....	6

#### COMPTROLLER'S DECISION

On September 4, 1973, The City National Bank of Tuscaloosa, Tuscaloosa, Ala., and City Bank of Tuscaloosa, N.A. (organizing), Tuscaloosa, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The City National Bank of Tuscaloosa, the merging bank, is headquartered in Tuscaloosa, Ala., and has five offices located throughout Tuscaloosa County. The bank, with total resources of \$85.7 million and IPC deposits of \$52.1 million was chartered originally in 1902.

City Bank of Tuscaloosa, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First Alabama Bancshares, Inc., Birmingham, Ala. The charter bank will not be operating as a commercial bank prior to the merger.

First Alabama Bancshares, Inc., the parent company, began operation as a bank holding company in October 1971 with the acquisition of First National Bank of Montgomery; Exchange Security Bank, Birmingham; and First National Bank, Huntsville, through which the parent company serves three of the four largest population centers in the State. In June 1972, the parent company was

the second largest of four bank holding companies operating in Alabama with aggregate deposits of \$565.5 million. Since that time, the parent company has acquired the Dothan Bank and Trust Company which has deposits of \$38.3 million.

There is no competition between the parent company or its subsidiaries and The City National Bank of Tuscaloosa, because large distances separate their closest two offices and an adequate number of alternative banking facilities operate in the intervening distances. The closest office of First Alabama Bancshares to Tuscaloosa is a branch of Exchange Security Bank located in Bessemer approximately 45 miles northeast of the merging bank. That large distance effectively precludes any competition between those two banks.

Consummation of the proposed transaction will allow the resulting bank to offer broader and more effective banking services to residents and businesses within its service area. The services will include sophisticated trust services, a credit card program, lease financing, and expanded construction loans. This will directly benefit all within the bank's service area who need or use these services and will stimulate competition among banks in Tuscaloosa.

Applying the statutory criteria, it is concluded

that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 30, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which The City National Bank of Tuscaloosa would

become a subsidiary of First Alabama Bancshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by First Alabama Bancshares, Inc., it would have no effect on competition.

\* \* \*

#### THE FIRST NATIONAL EXCHANGE BANK OF MONTGOMERY COUNTY, BLACKSBURG, VA., AND TWO BLACKSBURG BRANCHES OF THE FIRST NATIONAL EXCHANGE BANK OF VIRGINIA, ROANOKE, VA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Two Blacksburg Branches of The First National Exchange Bank of Virginia, Roanoke, Va. (2737), with .....	\$18,926,000	2	.....
were purchased Dec. 31, 1973, by The First National Exchange Bank of Montgomery County, Blacksburg, Va. (16246), which had .....	1,800,000	0	.....
After the purchase was effected, the receiving bank had.....	20,726,000	.....	2

#### COMPTROLLER'S DECISION

On July 6, 1973, The First National Exchange Bank of Montgomery County (organizing), Blacksburg, Va., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the two Blacksburg, Va., branches of The First National Exchange Bank of Virginia, Roanoke, Va.

The First National Exchange Bank of Montgomery County, the purchasing bank, is a new National banking association in the process of organization. The proposed location of the main office of the purchasing bank is on North Main Street in the center of downtown Blacksburg and the proposed location of the branch is on South Main Street, approximately 1.5 miles south of central Blacksburg. Dominion Bankshares Corporation, a registered multi-bank holding company headquartered in Roanoke, Va., has submitted an application to the Board of Governors of the Federal Reserve System for permission to acquire all the voting shares, except for directors' qualifying shares, of the purchasing bank. The First National Exchange Bank of Montgomery County will not open for business unless it becomes a subsidiary of Dominion Bankshares Corporation.

The First National Exchange Bank of Virginia, desires to sell its two existing Blacksburg branches which have total assests of \$20.7 million and IPC

deposits of \$16 million to the purchasing bank. Dominion Bankshares Corporation owns a controlling interest in the selling bank.

Since both the purchasing and selling banks are owned by the same bank holding company, the entire transaction is merely a corporate reorganization. While Virginia law prohibits branching in Montgomery County by the selling bank, The First National Bank of Montgomery County will be allowed to branch *de novo*, thereby enhancing competition. The purchasing bank will conduct the same banking business at the same locations as presently used by the selling bank.

Applying the statutory criteria, it is concluded that the proposed transaction is in the public interest and it is, therefore, approved.

OCTOBER 31, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed transaction is part of a plan through which the Blacksburg offices of First National Exchange Bank of Virginia would be transferred to a newly organized bank. Since both the transferring bank and the acquiring bank are subsidiaries of Dominion Bankshares Corporation, a bank holding company, the proposed transaction is simply a corporate reorganization and would have no competitive effect.

\* \* \*

THE FIRST NATIONAL BANK OF YORKTOWN, YORKTOWN, VA., AND YORKTOWN NATIONAL BANK, YORKTOWN, VA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Yorktown, Yorktown, Va. (11554), with.....	\$10,991,208	2	.....
and Yorktown National Bank, Yorktown, Va. (11554), which had .....	154,500	0	.....
merged Dec. 31, 1973, under charter of the latter bank (11554) and title "The First National Bank of Yorktown." The merged bank at date of merger had.....	11,145,708	.....	2

#### COMPTROLLER'S DECISION

On September 21, 1973, The First National Bank of Yorktown, Yorktown, Va., and Yorktown National Bank (organizing), Yorktown, Va., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of Yorktown, the merging bank, is headquartered in Yorktown, Va., and has two branch offices. This bank, with total deposits of approximately \$10.1 million, ranks 185th in size among 251 banks in Virginia.

The First National Bank of Yorktown serves the central portion of York County as well as small portions of southern Gloucester County and northwestern Newport News. Competitors within The First National Bank of Yorktown's service area include The First National Bank of Poquoson, with total deposits of approximately \$9 million, and Citizens Bank of Poquoson, an affiliate of First Virginia Bankshares, Inc., with aggregate deposits of \$706 million. Also competing with the existing bank are First and Merchants National Bank and Dominion National Bank of the Peninsula, affiliates of First and Merchants Corporation and Dominion Bankshares Corporation, respectively. In addition, United Virginia Bank/Citizens and Marine and United Virginia Bank of Williamsburg have an office in York County. Both banks are affiliated with United Virginia Bankshares Incorporated, the largest banking organization in Virginia, with aggregate deposits in excess of \$1.5 billion.

Yorktown National Bank, Yorktown, Va., the new bank, is being organized to provide a vehicle to transfer ownership of The First National Bank of Yorktown to Central National Corporation, Richmond, Va. Yorktown National Bank will not be operating as a commercial bank prior to the merger.

Central National Corporation, Richmond, Va., with aggregate deposits of \$275 million, ranks ninth in deposit size of ten bank holding companies in Virginia. Central National Corporation controls Central National Bank, Richmond, Va., which has total deposits of \$257.2 million and has 15 branch offices. The holding company has also received permission to acquire the successor by merger to City Savings and Trust Company, Petersburg, Va.

Consummation of the proposed transaction will not adversely affect competition. The proposed acquisition will not change Central National Corporation's rank with regard to other bank holding companies and will not significantly increase the concentration of banking resources in Virginia. Furthermore, there is no overlap between the service areas of the existing bank and subsidiaries of Central National Corporation. The shortest distance between offices of the subject banks is 57 miles.

The proposed merger will have a procompetitive effect. Affiliation with Central National Corporation will enable the resulting bank to compete more effectively within its service area with affiliates of other bank holding companies. Additionally, the proposed acquisition will allow the resulting bank to offer such new and expanded services as a credit card program, investment and trust services as well as financial business services like automated payroll billings, lock box inventory, and equipment financing.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and this application is, therefore, approved.

NOVEMBER 30, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which The First National Bank of Yorktown would become a subsidiary of Central National Corpora-

tion, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without

regard to the acquisition of the surviving bank by Central National Corporation, it would have no effect on competition.

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### III. Additional approvals

#### A. Approved, but in litigation

#### THE MERCHANTS NATIONAL BANK OF BURLINGTON, BURLINGTON, VT., AND MONTPELIER NATIONAL BANK, MONTPELIER, VT.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Montpelier National Bank, Montpelier, Vt. (13915), with.....	\$35,738,000	2	.....
and The Merchants National Bank of Burlington, Burlington, Vt. (1197), which had.....	64,638,000	7	.....
applied for permission to merge June 29, 1973, under charter of the latter bank (1197) and title "The Merchants National Bank of Burlington, Vermont." The application was approved Nov. 1, 1973. The pending merger was challenged by Justice Department Nov. 29, 1973, and is presently in litigation.....			

#### COMPTROLLER'S DECISION

On June 29, 1973, Montpelier National Bank, Montpelier, Vt. and The Merchants National Bank of Burlington, Burlington, Vt., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "The Merchants National Bank of Burlington, Vermont."

The Merchants National Bank of Burlington, the charter bank, was organized in 1849, and presently operates seven banking offices with assets of \$64.6 million and IPC deposits of \$54.2 million. The service area of the charter bank generally encompasses the central section of the State of Vermont with competition provided by Chittenden Trust Company, Burlington, with deposits of \$185.4 million; The Howard Bank, Burlington, with deposits of \$145.7 million; The First Vermont Bank and Trust Company, Brattleboro, with deposits of \$104.4 million; and Vermont National Bank, Brattleboro, with deposits of \$92.4 million.

Montpelier National Bank, the merging bank, was organized in 1824, and presently operates two banking offices with assets of \$35.7 million and IPC deposits of \$26.1 million. Those offices are located in Montpelier and Berlin. Principal competition for this bank is provided by the larger banks cited as competitors of the charter bank.

Vermont is the 48th most populous State in the Union with an estimated population of only 458,000 persons. The significance of that small figure to the competitive structure of the banking industry is enhanced by the fact that 88 percent of the land in Vermont is devoted to farms and forests, leaving a rather small amount of acreage for commercial, industrial, and residential use.

In that small, more densely populated area there are presently 41 commercial banks and 133 commercial banking offices, including home offices. The charter bank ranks fifth in size while the merging bank ranks ninth. Among the 20 states with statewide branching, Vermont ranks 19th in population per bank and in population per banking office. Hence, the combination of a statewide branching law with a limited populated land area requires that the entire State be taken as one service area for concentration computations.

The five largest banks in Vermont hold slightly over one-half the total deposits in the State. That concentration of banking business might, at first glance, signal the anticompetitive tendencies of the charter bank, ranking fifth, enlarging its holdings. However, the relevant figures show that the true concentration centers in the three largest Vermont banks with the charter bank holding only a small fraction of total State deposits compared to the combined deposits of those banks. Thus, the proposed merger would not alter the present competitive hierarchy in the State and would enable the resulting bank to compete more effectively with the larger institutions.

Even if the unitary nature of the State were to be disregarded and a service area delineated in the Montpelier-Barre corridor, the competitive banking structure, both present and prospective, would only be improved by the proposed merger. There are presently eight banking offices in this area, two of which are operated by the merging bank and one of which is operated by the charter bank. Applications are now pending to open six new banking offices in this area, most of which have been submitted by banks already established in Montpelier or Barre. That rash of applications is indicative that such

banks, which had been willing to compete with Montpelier National with their existing facilities, feel that consummation of the proposed merger of that bank with the charter bank will produce a more competitive banking arena necessitating more and better facilities. That preliminary reaction by the banking community is a most pro-competitive result.

The fact that the resulting bank will move the Merchants National Bank of Burlington from second to first place in size of banks in the Montpelier-Barre corridor is of questionable significance. The percentage difference in deposit amounts between the first and second place banks will virtually remain the same prior to and following the proposed merger with only the top two banks reversing rank. There will be no greater concentration of deposits following the transaction and competition will remain keen with three sizable area competitors.

There is minimal actual competition between the charter and merging banks because their head offices are 37 miles apart and the nearest branch of the former is 5 miles from the only branch of the latter with four competitive banking alternatives between them. The charter bank has been unsuccessful in attempting to enter the Montpelier banking community and the merging bank has obtained a less than substantial amount of business in the Barre region. The communities of Montpelier and Barre are separated by poor roads and hilly terrain. The newly opened Interstate 89 does not go through either Montpelier or Barre but runs several miles outside each and there are no easy access roads from this route to either city. The only road directly linking the two cities is a narrow two-lane State Route 302 making transit between them extremely inconvenient.

Consummation of the proposed merger will have distinctly pro-competitive effect in the service area of the merging bank. Even though the limited competition which exists between the charter and merging banks in the Montpelier-Barre corridor will be eliminated, the size and role of the resulting bank will tend to increase competition in both the Barre-Montpelier corridor and the other State markets. The problems facing the merging bank will be resolved. The management succession dilemma confronting the merging bank will be settled through the transferral by the charter bank of a depth of leadership. The question of the

marginally adequate capital base of the merging bank will be eliminated by joining it with adequate capital and capital note sales ability of the charter bank. The resulting bank will be able to offer improved and expanded services to the residents and businessmen of the Montpelier-Barre area including computerized accounting and record keeping, longer hours, complete trust services and a full line of loan services.

Applying the statutory criteria it is concluded that the proposed merger is in the public interest, and this application is, therefore, approved.

NOVEMBER 1, 1973.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The impact of this acquisition may be measured in the Montpelier-Barre area in Washington County. Montpelier National operates its main office in Montpelier and a branch in Berlin, situated about midway between Montpelier and Barre. Merchants maintains a branch in Barre, located about 5 miles from Montpelier National's nearest office. There are six banks with offices in the highly concentrated Montpelier-Barre market, with the three largest holding 64.2 percent of the market's total deposits. Montpelier National ranks second in the area with 19.1 percent of the total deposits, while Merchants ranks sixth with 8.5 percent of total deposits. The proposed merger will move Merchants to first among the six banks in the market, and increase top three concentration to 72.7 percent. Thus, the proposed merger will eliminate substantial existing competition and significantly increase banking concentration in the Montpelier-Barre market.

In addition, the proposed merger may foreclose the potential for increased competition in the area, since Vermont law permits statewide *de novo* branching. Thus, Merchants and Montpelier National could open additional branches in the Montpelier-Barre area. Since both banks are capable of branching *de novo*, the proposed merger will eliminate the potential for intensifying the existing competition in the market.

During the past decade there has been a significant increase in the concentration of deposits held by the State's largest banks. The five largest banks in the State now hold 52.5 percent of the State's total deposits, while in 1960 the five largest held 35 percent. This proposed merger not only will

further this trend toward greater concentration of banking resources in Vermont, but will also eliminate existing competition and increase concentra-

tion in the important Montpelier-Barre market. We conclude that the proposed merger would have a significantly adverse effect on competition.

\* \* \*

#### B. Approved, but abandoned, no litigation

#### THE PLANTERS NATIONAL BANK AND TRUST COMPANY, ROCKY MOUNT, N.C., AND PNB NATIONAL BANK, ROCKY MOUNT, N.C.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Planters National Bank and Trust Company, Rocky Mount, N.C. (10608), with..... and PNB National Bank, Rocky Mount, N.C. (10608), which had..... applied for permission to merge Feb. 17, 1969, under charter of the latter bank (10608) and title "The Planters National Bank and Trust Company." The application was approved Apr. 1, 1969, but was abandoned by the banks Feb. 8, 1973.....	\$111,586,071 125,000	25 0	..... .....

#### COMPTROLLER'S DECISION

On February 8, 1969, The Planters National Bank and Trust Company, Rocky Mount, N.C., and the PNB National Bank (organizing), Rocky Mount, N.C., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Planters National Bank and Trust Company, the merging bank, is headquartered in Rocky Mount, and has 24 branches. The bank, with total resources of \$111.6 million and IPC deposits of \$94.3 million, was chartered originally in 1899.

PNB National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the PNB Corporation. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating

bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

APRIL 1, 1969.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

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

\* \* \*

#### C. Approved, but abandoned after litigation

#### THE FIRST NATIONAL BANK OF PLATTEVILLE, PLATTEVILLE, WIS., AND MOUND CITY BANK, PLATTEVILLE, WIS.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Mound City Bank, Platteville, Wis., with..... and The First National Bank of Platteville, Platteville, Wis. (53818), which had..... applied for permission to merge Aug. 21, 1972, under charter of the latter bank (4650) and title "The First Mound City National Bank." The application was approved Dec. 14, 1972, but was abandoned by the banks Mar. 16, 1973, after filing of antitrust suit by the Justice Department.....	\$17,253,000 12,428,000	2 1	..... .....

## COMPTROLLER'S DECISION

On August 21, 1972, Mound City Bank, Platteville, Wis., and The First National Bank of Platteville, Platteville, Wis., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "The First Mound City National Bank."

The First National Bank of Platteville, the charter bank, was established in 1891 and operates from a single office with assets of \$12.4 million and IPC deposits of \$10.7 million. Mound City Bank, the merging bank, was organized in 1915 and, with assets of \$17.2 million and IPC deposits of \$14.4 million, maintains one branch office in nearby Belmont. Platteville, the city in which both the charter and merging banks are headquartered, is situated in the southwestern corner of Wisconsin approximately 40 miles southwest of Madison, the capital of Wisconsin, and 20 miles northeast of Dubuque, Iowa, the closest large cities.

The trade areas served by those two banks, which are co-extensive, lie within a 25-mile radius of Platteville and include the major portion of the three adjacent counties of Grant, Iowa, and Lafayette. Both the charter and merging banks compete actively throughout the entire delineated service area, which has an estimated population of 56,000 persons, because of the status of Platteville as the trading center of that large rural area. Within that area, where agriculture forms the primary economic base, a total of 18 commercial banks have their main offices and operate five additional branches, the largest of which include Union State Bank, Lancaster, with deposits of \$14.3 million; State National Bank of Platteville, with deposits of \$13.9 million; Lancaster State Bank, with deposits of \$13.4 million; and Strong's Bank, Dodgeville, with deposits of \$12.7 million.

No concentration of banking resources has occurred in the service area of the charter and merging banks because the area surrounding Platteville contains many small banking units that have not found it economically feasible to acquire the personnel and facilities needed to provide full service commercial banking. Lending activities by banks in the area are, in large part, confined to equipment and livestock financing, real estate mortgage loans to individuals, and personal, single payment loans.

Those services are insufficient to meet the current financial needs of local residents and businesses.

The enormous importance of mortgage loans and the virtual absence of consumer, installment, and commercial loans place great emphasis on competition with savings and loan institutions which compete strongly for that type of business in the service area of the charter and merging banks. Within the city of Platteville alone there are offices of two such institutions, the newly chartered First Federal Savings and Loan Association of Platteville and a branch of Anchor Savings and Loan Association, Madison, with total assets of \$200 million. The Anchor Savings and Loan Association recently entered the Platteville market by absorbing an existing savings institution previously headquartered there; its ability to bring substantial resources to this market through this new office is a significant factor in evaluating the competitive structure of this area. An additional factor concerning those financial institutions is their ability to offer higher interest rates on savings accounts which will provide effective competition for large amounts of deposits now held by commercial banks which will be unable to meet the higher rate because of various legal restrictions.

The charter and merging banks compete with other financial institutions including the Federal Land Bank and the Production Credit Association which deal in real estate mortgage loans, installment loans and other farm oriented loans with offices in Lancaster, Darlington, and Dodgeville. Thorp Finance, a wholly owned subsidiary of International Telephone and Telegraph Corporation, is considered a strong competitor for consumer and installment loan business through offices in Platteville, Lancaster, Darlington, and Dodgeville.

The geographic area that the two proponents of this application serve is predominantly agricultural and although relatively stable; it has had no significant growth in population or in economic development in the recent past. This area is becoming industrialized with a substantial portion of the industrial employment represented by agriculturally related enterprises such as cheese-making and dairying. The city of Platteville also serves as the retail trade center for the surrounding three-county area and is the site of a campus of the Wisconsin

State University system which has a local enrollment of about 3,000.

The individual lending limits of The First National Bank of Platteville and Mound City Bank are presently incapable of adequately serving the credit needs of many of its customers and the number and size of large loans which cannot be satisfied by either of those banks on a separate basis is increasingly becoming an important factor in determining whether local banks will be able to satisfy the growing credit needs of this community. The fact that larger lines of credit are needed is illustrated by the financial requirements of a number of the largest farms in the area which have approached or exceeded the respective individual loan limits of the subject banks. The campus of the State university system in Platteville is another example of a customer with large credit needs, including construction financing and an outlet through which student loans may be obtained. In addition, no bank in this area offers a trust department capable of handling the growing demand for estate and fiduciary services. If the commercial banks operating in the Platteville market are unable to satisfy the credit and trust demands of these large local customers, they will be forced to travel to distant cities in which larger banks are headquartered unless an adequate, local, viable alternative becomes available. This will not only inconvenience a growing number of residents and businessmen, but the lack of a large commercial bank will also discourage new business from settling in this area which is only marginally industrialized and which needs the diversity of new businesses.

Because the charter and merging banks are headquartered in the same city and serve an identical trade area, the resulting merger will eliminate some existing competition between the two subject banks but at the same time it will serve to increase competition within the service area as a whole by establishing a larger bank capable of offering an expanded range of services which will directly benefit the residents and businesses located within Grant, Iowa, and Lafayette counties. The resulting institution will have greater lending capabilities based on a larger capital structure which will allow it to meet the credit needs of the larger customers in this area who now must go to banks in Dubuque, Madison, and far-away Milwaukee for their financial needs. The resulting bank

will also be in a position to offer specialized agricultural loan services, complete trust facilities, and installment loans. The proposed merger will allow the resulting bank in Platteville to operate from the newly constructed offices of The First National Bank of Platteville thereby allowing the merging bank to save the expense of building a new and modern office facility which will be needed in the near future. The branch of Mound City Bank, located in Belmont, will remain at that location. Consummation of the proposed transaction will also provide for the succession of capable management at the resulting bank, an issue which is now in question at the merging bank. This will bring financial stability to Platteville and its surrounding communities at a time when the economic expansion and diversification of Grant, Iowa, and Lafayette counties can play a significant role in the development of this area for the next generation.

Applying the statutory criteria to this application, it is concluded that the convenience and needs of this proposal clearly outweigh the marginally adverse competitive effects of this merger and will stimulate competition in the resulting service area as a whole. This application is, therefore, approved.

DECEMBER 14, 1972.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger would combine two of the three banking alternatives in the city of Platteville. The head offices of the merging banks are both located in the central portion of the city of Platteville, and both operate in the same banking market area. Therefore, it appears that the proposed merger will eliminate substantial direct competition between First National and City Bank.

Within a 17-mile radius of Platteville (an area which clearly overstates the market) nine banks (including the applicants) operate 12 banking offices. As of December 31, 1971, City Bank held the largest share, approximately 18 percent, of total deposits in this area, while First National held the fifth largest share, some 13 percent. The State National Bank of Platteville held the second largest share, about 16 percent of such deposits. The participants' combined share of these deposits would be about 31 percent, almost twice as large as the next largest commercial bank.

These concentration figures understate the com-

petitive effects of this merger, for competition between the merging banks appears to be most direct in Platteville itself. Deposits by Platteville customers constitute 67 percent of total deposits in City Bank's main, Platteville office, and 87 percent of First National's total deposits. As of December 31, 1971, City Bank and First National

held 34 percent and 30 percent, respectively, of deposits in the town and the combined bank would hold 64 percent of these deposits.

Since this merger would combine two direct competitors, both of which have a considerable share of the relevant local market, it would have a significantly adverse effect on competition.

\* \* \*

# APPENDIX B

## Statistical Tables

# Statistical Tables

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TABLE B-1  
*Comptrollers of the Currency, 1863 to the present*

<i>No.</i>	<i>Name</i>	<i>Date of appointment</i>	<i>Date of resignation</i>	<i>State</i>
1	McCulloch, Hugh.....	May 9, 1863	Mar. 8, 1865	Indiana.
2	Clarke, Freeman.....	Mar. 21, 1865	July 24, 1866	New York.
3	Hulburt, Hiland R.....	Feb. 1, 1867	Apr. 3, 1872	Ohio.
4	Knox, John Jay.....	Apr. 25, 1872	Apr. 30, 1884	Minnesota.
5	Cannon, Henry W.....	May 12, 1884	Mar. 1, 1886	Minnesota.
6	Trenholm, William L.....	Apr. 20, 1886	Apr. 30, 1889	South Carolina.
7	Lacey, Edward S.....	May 1, 1889	June 30, 1892	Michigan.
8	Hepburn, A. Barton.....	Aug. 2, 1892	Apr. 25, 1893	New York.
9	Eckels, James H.....	Apr. 26, 1893	Dec. 31, 1897	Illinois.
10	Dawes, Charles G.....	Jan. 1, 1898	Sept. 30, 1901	Illinois.
11	Ridgely, William Barret.....	Oct. 1, 1901	Mar. 28, 1908	Illinois.
12	Murray, Lawrence O.....	Apr. 27, 1908	Apr. 27, 1913	New York.
13	Williams, John Skelton.....	Feb. 2, 1914	Mar. 2, 1921	Virginia.
14	Crissinger, D. R.....	Mar. 17, 1921	Apr. 30, 1923	Ohio.
15	Dawes, Henry M.....	May 1, 1923	Dec. 17, 1924	Illinois.
16	McIntosh, Joseph W.....	Dec. 20, 1924	Nov. 20, 1928	Illinois.
17	Pole, John W.....	Nov. 21, 1928	Sept. 20, 1932	Ohio.
18	O'Connor, J. F. T.....	May 11, 1933	Apr. 16, 1938	California.
19	Delano, Preston.....	Oct. 24, 1938	Feb. 15, 1953	Massachusetts.
20	Gidney, Ray M.....	Apr. 16, 1953	Nov. 15, 1961	Ohio.
21	Saxon, James J.....	Nov. 16, 1961	Nov. 15, 1966	Illinois.
22	Camp, William B.....	Nov. 16, 1966	Mar. 23, 1973	Texas.
23	Smith, James E.....	July 5, 1973	.....	South Dakota.

TABLE B-2  
*Deputy Comptrollers of the Currency*

<i>No.</i>	<i>Name</i>	<i>Dates of tenure</i>		<i>State</i>
1	Howard, Samuel T .....	May 9, 1863	Aug. 1, 1865	New York.
2	Hulburt, Hiland R .....	Aug. 1, 1865	Jan. 31, 1867	Ohio.
3	Knox, John Jay .....	Mar. 12, 1867	Apr. 24, 1872	Minnesota.
4	Langworthy, John S .....	Aug. 8, 1872	Jan. 3, 1886	New York.
5	Snyder, V. P. ....	Jan. 5, 1886	Jan. 3, 1887	New York.
6	Abrahams, J. D .....	Jan. 27, 1887	May 25, 1890	Virginia.
7	Nixon, R. M .....	Aug. 11, 1890	Mar. 16, 1893	Indiana.
8	Tucker, Oliver P .....	Apr. 7, 1893	Mar. 11, 1896	Kentucky.
9	Coffin, George M .....	Mar. 12, 1896	Aug. 31, 1898	South Carolina.
10	Murray, Lawrence O .....	Sept. 1, 1898	June 27, 1899	New York.
11	Kane, Thomas P .....	June 29, 1899	Mar. 2, 1923	Dist. of Columbia.
12	Fowler, Willis J .....	July 1, 1908	Feb. 14, 1927	Indiana.
13	McIntosh, Joseph W .....	May 21, 1923	Dec. 19, 1924	Illinois.
14	Collins, Charles W .....	July 1, 1923	June 30, 1927	Illinois.
15	Stearns, E. W .....	Jan. 6, 1925	Nov. 30, 1928	Virginia.
16	Awalt, F. G .....	July 1, 1927	Feb. 15, 1936	Maryland.
17	Gough, E. H .....	July 6, 1927	Oct. 16, 1941	Indiana.
18	Proctor, John L .....	Dec. 1, 1928	Jan. 23, 1933	Washington.
19	Lyons, Gibbs .....	Jan. 24, 1933	Jan. 15, 1938	Georgia.
20	Prentiss, Jr., William .....	Feb. 24, 1936	Jan. 15, 1938	California.
21	Diggs, Marshall R .....	Jan. 16, 1938	Sept. 30, 1938	Texas.
22	Oppegard, G. J .....	Jan. 16, 1938	Sept. 30, 1938	California.
23	Upham, C. B .....	Oct. 1, 1938	Dec. 31, 1948	Iowa.
24	Mulroney, A. J .....	May 1, 1939	Aug. 31, 1941	Iowa.
25	McCandless, R. B .....	July 7, 1941	Mar. 1, 1951	Iowa.
26	Sedlacek, L. H .....	Sept. 1, 1941	Sept. 30, 1944	Nebraska.
27	Robertson, J. L .....	Oct. 1, 1944	Feb. 17, 1952	Nebraska.
28	Hudspeth, J. W .....	Jan. 1, 1949	Aug. 31, 1950	Texas.
29	Jennings, L. A .....	Sept. 1, 1950	May 16, 1960	New York.
30	Taylor, W. M .....	Mar. 1, 1951	Apr. 1, 1962	Virginia.
31	Garwood, G. W .....	Feb. 18, 1952	Dec. 31, 1962	Colorado.
32	Fleming, Chapman C .....	Sept. 15, 1959	Aug. 31, 1962	Ohio.
33	Haggard, Hollis S .....	May 16, 1960	Aug. 3, 1962	Missouri.
34	Camp, William B .....	Apr. 2, 1962	Nov. 15, 1966	Texas.
35	Redman, Clarence B .....	Aug. 4, 1962	Oct. 26, 1963	Connecticut.
36	Watson, Justin T .....	Sept. 3, 1962	.....	Ohio.
37	Miller, Dean E .....	Dec. 23, 1962	.....	Iowa.
38	DeShazo, Thomas G .....	Jan. 1, 1963	.....	Virginia.
39	Egertson, R. Coleman .....	July 13, 1964	June 30, 1966	Iowa.
40	Blanchard, Richard J .....	Sept. 1, 1964	.....	Massachusetts.
41	Park, Radcliffe .....	Sept. 1, 1964	June 1, 1967	Wisconsin.
42	Faulstich, Albert J .....	July 19, 1965	.....	Louisiana.
43	Motter, David C .....	July 1, 1966	.....	Ohio.
44	Gwin, John D .....	Feb. 21, 1967	.....	Mississippi.
45	Howland, Jr., W. A .....	July 5, 1973	.....	Georgia.
46	Mullin, Robert A .....	July 5, 1973	.....	Kansas.

TABLE B-3  
*Regional Administrators of National Banks*

<i>Region</i>	<i>Name</i>	<i>Headquarters</i>	<i>States</i>
1	Charles H. Paterson .....	Boston, Mass .....	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
2	Charles M. Van Horn .....	New York, N.Y .....	New Jersey, New York, Puerto Rico, Virgin Islands.
3	R. Coleman Egertson .....	Philadelphia, Pa .....	Pennsylvania, Delaware.
4	Charles B. Hall .....	Cleveland, Ohio .....	Indiana, Kentucky, Ohio.
5	John G. Hensel .....	Richmond, Va .....	District of Columbia, Maryland, North Carolina, Virginia, West Virginia.
6	Joseph M. Ream .....	Atlanta, Ga .....	Florida, Georgia, South Carolina.
7	Joseph C. Lutz .....	Chicago, Ill .....	Illinois, Michigan.
8	John W. Schaffer, Jr. ....	Memphis, Tenn .....	Alabama, Arkansas, Louisiana, Mississippi, Tennessee.
9	Donald B. Smith .....	Minneapolis, Minn .....	Minnesota, North Dakota, South Dakota, Wisconsin.
10	John R. Burt .....	Kansas City, Mo .....	Iowa, Kansas, Missouri, Nebraska.
11	Michael Doman .....	Dallas, Tex .....	Oklahoma, Texas.
12	John R. Thomas .....	Denver, Colo .....	Arizona, Colorado, New Mexico, Utah, Wyoming.
13	H. Joe Selby .....	Portland, Oreg .....	Alaska, Idaho, Montana, Oregon, Washington.
14	Arnold E. Larsen .....	San Francisco, Calif .....	California, Guam, Hawaii, Nevada.

TABLE B-4

*Changes in the structure of the National Banking System, by States, 1863-1973*

	<i>Organized and opened for busi- ness 1863- 1973</i>	<i>Consolidated and merged under 12 U.S.C. 215</i>		<i>Insol- vencies</i>	<i>Liqui- dated</i>	<i>12 U.S.C. 214</i>		<i>In operation Dec. 31, 1973</i>
		<i>Consoli- dated</i>	<i>Merged</i>			<i>Converted to State banks</i>	<i>Merged or consolidated with State banks</i>	
United States.....	16,250	724	719	2,824	6,755	224	343	4,661
Alabama.....	220	4	17	45	63	0	0	91
Alaska.....	8	0	0	0	2	0	1	5
Arizona.....	33	1	0	6	21	1	1	3
Arkansas.....	169	1	2	39	55	0	0	72
California.....	616	21	52	67	396	4	19	57
Colorado.....	278	5	0	58	86	3	0	126
Connecticut.....	140	11	9	7	69	5	15	24
Delaware.....	32	0	0	1	18	0	8	5
District of Columbia.....	40	8	0	7	13	0	0	12
Florida.....	351	2	2	43	42	0	0	262
Georgia.....	211	8	4	42	87	9	0	61
Hawaii.....	8	1	0	0	4	1	0	2
Idaho.....	113	0	2	35	65	2	3	6
Illinois.....	995	20	13	227	299	17	2	417
Indiana.....	454	14	7	98	205	4	4	122
Iowa.....	567	4	2	206	243	11	1	100
Kansas.....	462	6	4	77	198	7	0	170
Kentucky.....	250	11	2	37	110	8	2	80
Louisiana.....	126	4	2	16	53	0	0	51
Maine.....	130	8	10	13	79	0	1	19
Maryland.....	157	3	17	17	69	1	11	39
Massachusetts.....	394	44	22	28	208	1	12	79
Michigan.....	380	11	18	77	157	1	5	111
Minnesota.....	522	8	0	116	193	4	0	201
Mississippi.....	103	5	4	16	35	2	0	41
Missouri.....	340	13	12	58	148	4	1	104
Montana.....	211	4	1	76	76	0	0	54
Nebraska.....	416	2	3	83	199	7	0	122
Nevada.....	18	1	0	4	8	0	1	4
New Hampshire.....	88	3	8	5	23	0	0	49
New Jersey.....	495	56	70	60	154	1	27	127
New Mexico.....	98	1	1	25	37	0	0	34
New York.....	1,054	127	106	130	441	13	78	159
North Carolina.....	166	8	22	44	58	0	9	25
North Dakota.....	264	3	0	100	118	0	0	43
Ohio.....	740	33	36	112	336	2	6	215
Oklahoma.....	786	12	8	85	454	33	0	194
Oregon.....	154	2	4	31	103	0	6	8
Pennsylvania.....	1,300	111	113	211	494	9	98	264
Rhode Island.....	70	3	2	2	58	0	0	5
South Carolina.....	138	8	14	43	49	1	4	19
South Dakota.....	224	14	2	93	81	2	0	32
Tennessee.....	230	9	9	36	94	8	2	72
Texas.....	1,415	45	47	142	574	53	4	550
Utah.....	51	4	2	6	23	3	2	11
Vermont.....	85	3	4	17	29	2	8	22
Virginia.....	299	23	56	28	74	4	11	103
Washington.....	247	19	9	51	143	0	1	24
West Virginia.....	211	11	0	38	68	0	0	94
Wisconsin.....	308	9	1	54	116	1	0	127
Wyoming.....	80	0	0	12	26	0	0	42
Virgin Islands.....	1	0	0	0	0	0	0	1
Puerto Rico.....	2	0	0	0	1	0	0	1

TABLE B-5

*Charters, liquidations, and changes in issued capital stock of National banks, calendar 1973*

	Number of banks	Capital stock		Capital notes and debentures
		Common	Preferred	
<b>Increases:</b>				
Banks newly chartered:				
Primary organizations.....	*176	\$62,886,700		
Conversions of State banks.....	16	14,065,465		
Capital stock:				
Preferred: 2 cases by new issue.....			\$450,000	
Common:				
759 cases by statutory sale.....		123,091,497		
633 cases by statutory stock dividends.....		282,379,928		
1 case by statutory consolidation.....		14,250,690		
34 cases by statutory merger.....		20,093,275		
41 cases by conversion of preferred stock.....		7,027,832		
70 cases by conversion of capital notes.....		3,042,863		
Capital notes and debentures: 214 cases by new issue.....				\$273,248,341
Total increases.....	192	526,838,250	450,000	273,248,341
<b>Decreases:</b>				
Banks ceasing operations:				
Voluntary liquidations:				
Succeeded by National banks.....	2	1,105,000		
Succeeded by State banks.....	0			
Statutory consolidations.....	2			
Statutory mergers.....	†104			
Converted into State banks.....	20	10,969,165	1,950,000	
Merged or consolidated into State banks.....	10	2,742,250		
Insolvent.....	3	20,930,000		11,004,250
Capital stock:				
Preferred: 30 retired.....			5,840,248	
Common:				
22 cases by statutory reduction.....		4,066,584		
1 case by statutory consolidation.....		45,380		
5 cases by statutory merger.....		1,098,600		
Capital notes and debentures:				
47 retirements.....				94,459,947
70 converted to common stock.....				10,495,500
Total decreases.....	141	40,956,979	7,790,248	115,959,697
Net change.....	+ 51	485,881,271	- 7,340,248	157,288,644
Charters in force Dec. 31, 1972, and issued capital.....	4,618	7,429,005,238	40,529,898	2,220,770,406
Charters in force Dec. 31, 1973, and issued capital.....	4,669	7,914,886,509	33,189,650	2,378,059,050

\*Includes 82 reorganized banks with capital stock of \$11,510,000.

†Includes 81 reorganized banks.

NOTE: Premium on sale of common stock..... \$204,395,097 (743 cases)

Premium on sale of convertible notes..... \$ 7,443,138 ( 70 cases)

Total..... \$211,838,235 (813 cases)

TABLE B-6

*Applications for National bank charters, approved and rejected, by States, calendar 1973*

ALABAMA		Approved	Rejected	FLORIDA—Continued		Approved	Rejected
Citizens National Bank of Limestone County, Athens.....		Apr.	23	North Bay Village .....		Mar.	30
Eastern Shore National Bank, Daphne.....		May	4	Oakland Park.....		May	14
Commonwealth National Bank, Mobile.....		Feb.	26	West Boynton Beach National Bank, Unincorporated area of Palm Beach County.....		Feb.	15
Exchange National Bank of Montgomery, Montgomery.....		June	28	Panama City National Bank, Panama City...		July	2
The United Memorial National Bank, Montgomery.....		Feb.	12	First National Bank of Port Salerno, Port Salerno.....		Feb.	20
First National Bank of Autauga County, Prattville.....		Mar.	20	St. Petersburg.....		Mar.	8
ARKANSAS				Barnett Bank of Sarasota, National Association, Sarasota.....		Feb.	5
Corning.....			May 15	Sarasota.....		June	6
Northwest National Bank, Fayetteville .....		Feb.	5	Sarasota.....		June	6
Lonoke.....			Feb. 16	Unincorporated area of Sarasota County.....			June 18
The First National Bank of McGehee, McGehee.....		May	10	First National Bank of Sunrise, Sunrise.....		June	5
First National Bank of Sheridan, Sheridan...		Mar.	9	City National Bank, Tallahassee.....		Dec.	21
CALIFORNIA				North Florida National Bank, Tallahassee...		Dec.	21
Harbor National Bank, Carson.....		June	27	Tampa.....			Sept. 28
Carson.....			Jan. 3	Venice.....			May 10
Citizens National Bank, Hanford.....		Apr.	19	Vero Beach.....			Jan. 2
Irvine National Bank, Irvine.....		Apr.	4	Vero Beach.....			Jan. 2
Far East National Bank, Los Angeles.....		July	21	Winter Park National Bank, Winter Park...		May	9
The Torrance National Bank, Torrance.....		Mar.	19	GEORGIA			
COLORADO				Fidelity National Bank, Decatur.....		May	8
Buckingham Square National Bank, Aurora.....		Jan.	12	First National Bank of Thomasville—Thomas County, Thomasville.....		July	21
Aurora.....			Jan. 12	ILLINOIS			
United Bank of Skyline, National Association, Denver.....		Mar.	30	Lake Shore National Bank, Danville .....		Sept.	29
Empire National Bank, East Canon City.....		July	21	University National Bank of DeKalb, DeKalb.....		May	9
CONNECTICUT				First National Bank of Mt. Zion, Mt. Zion .....		Aug.	9
Citizen's National Bank of Fairfield, Fairfield.....		July	21	Pekin.....			Mar. 21
DISTRICT OF COLUMBIA				Suburban National Bank of Woodfield, Village of Schaumburg.....		Jan.	15
American Indian National Bank, Washington.....		June	12	Schaumburg.....		Mar.	12
Hemisphere National Bank, Washington.....		June	18	IOWA			
FLORIDA				Second National Bank, Eldora.....		Oct.	8
Avon Park.....			Dec. 17	KANSAS			
Boynton Beach.....			Feb. 15	First National Bank of Derby, Derby.....		Apr.	30
Southern National Bank of Broward County, Unincorporated area of Broward County...		Sept.	28	KENTUCKY			
Unincorporated area of Broward County.....			Feb. 2	Continental National Bank of Kentucky, Louisville.....		Mar.	5
Clearwater.....			Mar. 23	LOUISIANA			
Destin.....			Oct. 28	Belle Chasse.....		May	16
Destin.....			Oct. 28	First National Bank in St. Charles Parish, Boutte.....		June	1
Palmer Bank of Fort Myers, National Association, Fort Myers .....		Apr.	30	Republic National Bank of Louisiana, New Orleans.....		Jan.	29
Gainesville.....			Mar. 29	First National Bank of Opelousas, Opelousas.....		May	24
Second National Bank of Homestead, Homestead.....		Feb.	9	MAINE			
Key Biscayne.....			Mar. 1	Casco-Northern National Bank, Augusta.....		Aug.	9
Lake Worth.....			Mar. 30	MARYLAND			
The Exchange National Bank of Largo, Largo.....		June	4	Bethesda.....		June	21
Palmer Bank of Bradenton, National Association, Unincorporated area of Manatee County .....		May	9	Lincoln National Bank, Gaithersburg.....		Dec.	4
Southeast National Bank of Manatee, Unincorporated area of Manatee County.....		May	17	Atlantic National Bank, Ocean City.....		May	23
First National Bank of Miramar, Miramar.....		Mar.	7	Unincorporated area of Prince Georges County.....			Mar. 15
First National Bank of Moore Haven, Moore Haven.....		July	21	MICHIGAN			
Palmer Bank and Trust Company of Naples, National Association, Naples.....		May	24	The American National Bank in Western Michigan, Allegan.....		Mar.	16

TABLE B-6—Continued

*Applications for National bank charters, approved and rejected, by States, calendar 1973*

MICHIGAN—Continued		Approved	Rejected	NEW YORK		Approved	Rejected
The American National Bank in Battle Creek, Battle Creek .....	Mar.	16	.....	Chase Manhattan Bank of Eastern New York (National Association), Albany.....	Mar.	21	.....
Greenfield National Bank, Dearborn.....	Jan.	12	.....	Chase Manhattan Bank of the Southern Tier (National Association), Binghamton ...	Sept.	29	.....
Michigan National Bank—Mid Michigan, Flint Township.....	May	10	.....	Bessemer Trust Company, National Association, New York .....	Dec.	6	.....
First National Bank of Gaylord, Gaylord.....	May	30	.....	Peoples National Bank of Rockland County, Ramapo.....	Feb.	21	.....
Grand Rapids Bank, National Association, Grand Rapids.....	Nov.	10	.....	NORTH CAROLINA			
Michigan National Bank—West, Kalamazoo.....	Aug.	20	.....	Metrolina National Bank, Charlotte.....	May	18	.....
The American National Bank in South Haven, South Haven.....	Mar.	16	.....	Peoples National Bank, Smithfield.....	Feb.	16	.....
MINNESOTA				OHIO			
Burnsville.....	May	23	.....	First Trust Company of Ohio, N. A., Columbus.....	Apr.	20	.....
Maplewood.....	June	12	.....	The Central Trust Company of Montgomery County, National Association, Dayton .....	Dec.	17	.....
Village of Maplewood.....	Apr.	23	.....	OKLAHOMA			
MISSISSIPPI				Quail Creek Bank, National Association, Oklahoma City.....	May	16	.....
Metropolitan National Bank, Biloxi.....	Aug.	24	.....	Warr Acres.....	May	15	.....
Clinton National Bank, Clinton.....	Jan.	31	.....	PENNSYLVANIA			
MISSOURI				Yough Valley National Bank, Connellsville... ..	Mar.	28	.....
United Missouri Bank of Blue Springs, National Association, Blue Springs.....	June	13	.....	TENNESSEE			
Commerce Bank of Independence, National Association, Independence.....	Feb.	27	.....	Hamilton Bank, National Association, Bristol.....	Nov.	26	.....
United Missouri Bank of Jefferson City, National Association, Jefferson City.....	Aug.	9	.....	First National Bank of Lebanon, Lebanon.....	June	12	.....
Mercantile National Bank of Clay County, Kansas City.....	Aug.	9	.....	City National Bank of Memphis, Memphis....	May	1	.....
Kansas City.....	June	22	.....	TEXAS			
Kansas City.....	June	22	.....	Alief.....	Jan.	23	.....
Kansas City.....	Mar.	9	.....	Central National Bank, Arlington .....	Dec.	4	.....
Harvester National Bank, Unincorporated area of St. Charles County.....	Mar.	7	.....	Brownsville National Bank, Brownsville.....	Feb.	27	.....
Mercantile National Bank of St. Louis County, Unincorporated area of St. Louis County.....	Feb.	23	.....	Cleveland.....	July	21	.....
NEBRASKA				Pan American National Bank of Dallas, Dallas.....	Apr.	6	.....
First National Bank of Elm Creek, Elm Creek.....	May	7	.....	Dallas.....	Mar.	22	.....
NEW HAMPSHIRE				Dallas.....	Mar.	1	.....
Indian Head National Bank of Concord, Concord.....	June	4	.....	Dallas.....	Jan.	26	.....
NEW JERSEY				Dallas.....	June	27	.....
Township of Berkeley .....	Jan.	16	.....	Denton.....	Mar.	21	.....
Midlantic National Bank/Somerset, Borough of Bernardsville.....	Mar.	2	.....	De Soto.....	May	15	.....
Liberty National Bank, Borough of Hillsdale.....	Jan.	30	.....	Montwood National Bank, El Paso.....	Aug.	25	.....
Montville National Bank, Township of Montville.....	Mar.	20	.....	Continental National Bank, El Paso.....	July	3	.....
Fidelity Union Trust Company, National Association, Morristown.....	Apr.	20	.....	Franklin National Bank, El Paso.....	July	21	.....
Arcadia National Bank, Secaucus.....	May	8	.....	El Paso.....	July	3	.....
Borough of Secaucus.....	May	8	.....	Meadowbrook National Bank, Fort Worth....	Mar.	2	.....
Suburban National/A United Jersey Bank, Borough of South Plainfield.....	Feb.	21	.....	National Bank of Finance, Fort Worth.....	July	3	.....
Township of Wall.....	July	21	.....	National Bank of Grand Prairie, Grand Prairie.....	Aug.	25	.....
United Jersey National Bank of Monmouth County, Freehold.....	July	21	.....	Plaza National Bank, Harlingen .....	Feb.	1	.....
NEW MEXICO				Harlingen.....	June	1	.....
Albuquerque.....	Feb.	22	.....	West Loop National Bank, Houston.....	Sept.	29	.....
Farmington.....	Feb.	22	.....	Plaza Commerce Bank, National Association, Houston.....	Aug.	9	.....
Gallup.....	Mar.	12	.....	Security National Bank, Houston.....	Sept.	29	.....
				First Professional Bank, National Association, Houston.....	Feb.	6	.....
				Houston.....	Mar.	6	.....
				Houston.....	Apr.	23	.....
				Houston.....	Apr.	19	.....
				Houston.....	Jan.	22	.....
				Houston.....	Jan.	22	.....
				Houston.....	Apr.	23	.....

TABLE B-6—Continued

*Applications for National bank charters, approved and rejected, by States, calendar 1973*

TEXAS—Continued		Approved	Rejected	VIRGINIA		Approved	Rejected
Houston.....		Mar.	6	Arlington.....		Feb.	8
Houston.....		Jan.	22	The Services National Bank, Arlington.....	May	4	
Dallas/Fort Worth Airport National Bank, Irving.....	June	7		The First National Exchange Bank of Montgomery County, Blacksburg.....	May	14	
Irving.....	June	7		First & Merchants National Bank of Tide- water, Chesapeake.....	Jan.	23	
Irving.....	June	7		Fidelity National Bank, Unincorporated area of Halifax County.....	June	14	
Jersey Village.....	June	8		Virginia National Bank/Henry County, Henry County.....	Feb.	6	
Jersey Village.....	June	8		Fidelity National Bank, Roanoke, Un- incorporated area of Roanoke County.....	May	14	
The First National Bank in Joshua, Joshua....	July	21		The First National Exchange Bank of Washington County, Unincorporated Area of Washington County.....	Jan.	16	
First National Bank of LaMarque, LaMarque.....	Mar.	15		WASHINGTON			
Commercial National Bank of Longview, Longview.....	Dec.	4		Columbia National Bank, Longview.....	Mar.	19	
League City.....			June 8	WEST VIRGINIA			
Oak Hill National Bank, Oak Hill.....	July	21		First National Bank, Beckley.....	May	17	
Plano.....			Dec. 4	Suburban National Bank of Martinsburg, Unicorporated area of Berkeley County...	Jan.	15	
Richardson National Bank, Richardson.....	Aug.	25		Elk National Bank, Big Chimney.....	Feb.	20	
Lakeside National Bank, Rockwall.....	July	5		South Berkely National Bank, Inwood.....	May	16	
Rockwall Bank, National Association, Rockwall.....	Mar.	7		Mountain National Bank, Shady Spring.....	Dec.	7	
Churchill National Bank, San Antonio.....	Dec.	4		WISCONSIN			
Colonial National Bank, San Antonio.....	May	2		Tri City National Bank of West Allis, West Allis.....	Aug.	25	
Eisenhower National Bank, San Antonio.....	Feb.	1		WYOMING			
Peoples National Bank of San Antonio, San Antonio.....	Dec.	4		Bank of Wyoming, National Association, Sheridan.....	July	2	
Southwest Texas National Bank, San Antonio.....	May	2					
San Antonio.....			May 2				
Stafford.....			June 14				
National Security Bank, Tyler.....	July	17					
UTAH							
First Security Bank of Murray, National Association, Murray.....	Mar.	8					
Salt Lake.....			Feb. 6				

TABLE B-7

*Applications for National bank charters, by States, pursuant to corporate reorganizations, calendar 1973*

ALABAMA		Approved	Rejected	NEW HAMPSHIRE		Approved	Rejected
Alabama National Bank of Anniston, Anniston.....	Feb.	5	.....	The Concord Bank, National Association, Concord.....	July	23	.....
First Bank of Athens, N.A., Athens.....	June	18	.....	The Laconia Bank, National Association, Laconia.....	July	23	.....
Bay Minette National Bank, Bay Minette.....	Apr.	10	.....	The Merchants Bank, National Association, Manchester.....	July	23	.....
FBG National Bank of Huntsville, Huntsville.....	Apr.	26	.....	NEW JERSEY			
FBG National Bank of Mobile, Mobile.....	Apr.	23	.....	The Farmers & Merchants National Bank of Cumberland County, Bridgeton.....	Sept.	7	.....
Interim National Bank of Mobile County, Prichard.....	Feb.	5	.....	Mechanics National Bank of Delaware Valley, Township of Burlington.....	Feb.	5	.....
City Bank of Tuscaloosa, N.A., Tuscaloosa.....	Apr.	10	.....	New Jersey National Bank—South, Township of Cherry Hill.....	Sept.	17	.....
Gulf Coast National Bank of Robertsedale, Robertsedale.....	July	13	.....	Midlantic National Bank/Cranbury, Cranbury.....	Sept.	26	.....
Selma Bank, N. A., Selma.....	June	20	.....	Second Peoples National Bank of New Jersey, Township of Haddon.....	Feb.	7	.....
Dallas County National Bank, Selma.....	Sept.	7	.....	Second Charter National Bank, Township of Monroe.....	June	20	.....
COLORADO				New Colonial First National Bank, Red Bank.....	Oct.	19	.....
Second National Bank in Aspen, Aspen.....	Mar.	13	.....	Second Plaza National Bank, Secaucus.....	Dec.	7	.....
Second National Bank in Glenwood Springs, Glenwood Springs.....	Mar.	16	.....	First Prospect Park National Bank, Wayne.....	Dec.	20	.....
Second National Bank in Grand Junction, Grand Junction.....	Mar.	13	.....	Gloucester County National Bank, Woodbury.....	Dec.	20	.....
Second National Bank—North, Grand Junction, Grand Junction.....	Mar.	13	.....	NEW YORK			
ILLINOIS				Chase Manhattan Bank of Northern New York (National Association), Village of Canton.....	Apr.	24	.....
First National Bank & Trust Company, Alton.....	Dec.	12	.....	Glen Head National Bank, Glen Head.....	May	1	.....
FNB National Bank, Evanston.....	Jan.	4	.....	Hancock National Bank, Hancock.....	May	3	.....
INDIANA				Homer Bank N.A., Village of Homer.....	Mar.	28	.....
Tippecanoe National Bank, Lafayette.....	June	6	.....	Bank of Watkins Glen, National Association, Watkins Glen.....	Jan.	17	.....
LOUISIANA				OHIO			
FNB National Bank, Baton Rouge.....	Mar.	26	.....	FN National Bank, Cincinnati.....	Sept.	28	.....
MARYLAND				Winters Bank, N.A., Dayton.....	Jan.	23	.....
Charles Street National Bank, Baltimore.....	Sept.	26	.....	Northern Columbiana County National Bank, Salem.....	July	13	.....
MASSACHUSETTS				OKLAHOMA			
Barnstable County Bank, National Association, Barnstable.....	Jan.	30	.....	Security National Bank, Bartlesville.....	Mar.	30	.....
Easthampton Bank (N.A.), Easthampton.....	May	4	.....	Fidelity National Bank, Oklahoma City.....	Apr.	2	.....
Montachusett National Bank, Fitchburg.....	July	26	.....	U. N. National Bank, Tulsa.....	Apr.	20	.....
The Holyoke Bank, National Association, Holyoke.....	Apr.	13	.....	PENNSYLVANIA			
Second National Bank of New Bedford, New Bedford.....	Dec.	12	.....	New Union National Bank, Souderton.....	Jan.	30	.....
MICHIGAN				TENNESSEE			
National Bank of Ann Arbor, Ann Arbor.....	Aug.	31	.....	Cleveland Interim Bank, N.A., Cleveland.....	Dec.	26	.....
Commercial National Bank of Bay City, Bay City.....	Jan.	4	.....	The National Bank of Greeneville, Greeneville.....	Mar.	27	.....
E. L. National Bank, East Lansing.....	Feb.	27	.....	Loudon Bank, N.A., Loudon.....	Aug.	9	.....
Evart Bank, N. A., Evart.....	Sept.	17	.....	The Second National Bank of Murfreesboro, Murfreesboro.....	Aug.	16	.....
LCM National Bank, Lake City.....	May	30	.....	The National Bank of Union City, Union City.....	Nov.	28	.....
UNB National Bank, Marquette.....	Mar.	21	.....	Winchester Bank, N.A., Winchester.....	Aug.	9	.....
NLB Bank, N. A., Muskegon.....	Aug.	17	.....	TEXAS			
NBR National Bank, Rochester.....	Aug.	15	.....	Citizens Bank, National Association, Abilene.....	Apr.	24	.....
V. National Bank, Saginaw.....	Feb.	6	.....	Capital Bank, National Association, Austin.....	Jan.	29	.....
Sault National Bank, Sault Ste. Marie.....	Aug.	24	.....	PanNational Bank of Austin, Austin.....	Mar.	7	.....
W. National Bank, Wyoming.....	Feb.	23	.....	First Bank National Association, Brownwood.....	Feb.	22	.....
MISSOURI							
Charter Bank of Springfield, National Association, Springfield.....	May	22	.....				
NEBRASKA							
National Bank of Lincoln, Lincoln.....	Jan.	24	.....				

TABLE B-7—Continued

*Applications for National bank charters, by States, pursuant to corporate reorganizations, calendar 1973*

TEXAS—Continued			Approved	Rejected	TEXAS—Continued			Approved	Rejected
Guaranty Commerce National Bank, Corpus Christi.....	Aug.	8	.....		Odessa Bank, National Association, Odessa..	Feb.	8	.....	
The New National Bank of Crockett, Crockett.....	Oct.	11	.....		New National Bank of Paris, Paris.....	Aug.	24	.....	
Stemmons National Bank, Dallas.....	June	29	.....		New National Bank, San Angelo.....	Aug.	31	.....	
Denison Bank, National Association, Denison.....	Feb.	8	.....		New First National Bank of Silsbee, Silsbee..	Apr.	27	.....	
Bassett Bank, PanNational Association, El Paso.....	Mar.	2	.....		Stephenville National Bank, Stephenville.....	Nov.	21	.....	
First Freeport Interim National Bank, Freeport.....	Mar.	26	.....		Temple Bank, National Association, Temple.	Feb.	8	.....	
Market Street Bank, National Association, Galveston.....	Apr.	23	.....		Ferguson Bank, National Association, Tyler..	Apr.	25	.....	
Second National Bank in Grand Prairie, Grand Prairie.....	June	29	.....		Waco Bank, National Association, Waco.....	Oct.	14	.....	
Harlingen Bank, National Association, Harlingen.....	Mar.	14	.....		VIRGINIA				
New MacGregor Park National Bank, Houston.....	Feb.	8	.....		Virginia National Bank/Fredericksburg, Fredericksburg.....	Aug.	31	.....	
Hurst Commerce National Bank, Hurst.....	May	29	.....		Onancock Bank, N.A., Onancock.....	Feb.	1	.....	
New Lufkin National Bank, Lufkin.....	Nov.	15	.....		Yorktown National Bank, Yorktown.....	Aug.	17	.....	
The New National Bank of Nordheim, Nordheim.....	Aug.	9	.....		WASHINGTON				
					SeaFirst National Bank, Seattle.....	Nov.	28	.....	
					WEST VIRGINIA				
					Kanawha National Bank, Charleston.....	Dec.	11	.....	
					Community National Bank, Fairmont.....	Dec.	11	.....	

TABLE B-8  
Newly organized National banks, by States, calendar 1973

Charter No.	Title and location of bank	Total capital accounts
Total, United States: 94 banks.....		\$113,710,700
ALABAMA		
16105	First City National Bank of Oxford, Oxford.....	1,000,000
16219	First National Bank of Autauga County, Prattville.....	800,000
16247	Exchange National Bank of Montgomery, Montgomery.....	2,000,000
Total: 3 banks.....		3,800,000
ARKANSAS		
16093	Grand National Bank, Hot Springs.....	2,250,000
16256	The First National Bank of McGehee, McGehee.....	850,000
Total: 2 banks.....		3,100,000
CALIFORNIA		
16139	Foothill National Bank, Glendora.....	1,250,000
16168	Irvine National Bank, Irvine.....	2,500,000
16154	First National Bank of Riverbank, Riverbank.....	1,000,000
16202	The Torrance National Bank, Torrance.....	2,000,000
16240	Los Angeles National Bank, Los Angeles.....	2,500,000
Total: 5 banks.....		9,250,000
COLORADO		
16244	Buckingham Square National Bank, Aurora.....	500,000
16098	Coronado National Bank, Denver.....	500,000
16102	United Bank of Skyline, National Association, Denver.....	500,000
Total: 3 banks.....		1,500,000
DISTRICT OF COLUMBIA		
16220	American Indian National Bank.....	1,000,000
FLORIDA		
16116	Citizens National Bank, Boca Raton.....	1,275,000
16171	Broward National Bank of Plantation, Unincorporated area of Broward County.....	600,000
16143	Ellis National Bank of Clearwater, Clearwater.....	750,000
16126	First National Bank of Englewood, Englewood.....	1,500,000
16064	Southport American National Bank of Fort Lauderdale, Fort Lauderdale.....	2,000,000
16135	First Financial National Bank of Tampa, Unincorporated area of Hillsborough County.....	1,000,000
16146	Second National Bank of Homestead, Homestead.....	1,000,000
16119	First National Bank of Hudson, Hudson.....	510,000
16242	Southeast National Bank of Manatee, Unincorporated area of Manatee County.....	1,000,000
16233	First National Bank of Miramar, Miramar.....	1,000,000
16107	First National Bank of Palm Bay, Palm Bay.....	500,000
16224	West Boynton Beach National Bank, Unincorporated area of Palm Beach County.....	1,000,000
16160	First National Bank of Port Salerno, Port Salerno.....	1,000,000
16206	Barnett Bank of Sarasota, National Association, Sarasota.....	1,000,000
16108	Sun Bank of Semoran, National Association, Unincorporated area of Seminole County.....	750,000
16170	The Gulf National Bank, Tallahassee.....	1,000,000
16212	Winter Park National Bank, Winter Park.....	2,000,000
Total: 17 banks.....		17,885,000
GEORGIA		
16117	Commerce National Bank of Warner Robins, Warner Robins.....	1,200,000
HAWAII		
16104	Bank of Honolulu, National Association, Honolulu.....	2,500,000

**TABLE B-8—Continued**  
*Newly organized National banks, by States, calendar 1973*

<i>Charter No.</i>	<i>Title and location of bank</i>	<i>Total capital accounts</i>
<b>ILLINOIS</b>		
16199	University National Bank of DeKalb, DeKalb.....	\$750,000
16101	First National Bank of Lincolnshire, Lincolnshire.....	600,000
16176	First National Bank of Wilmette, Wilmette.....	750,000
	Total: 3 banks.....	2,100,000
<b>INDIANA</b>		
16215	The First National Bank of Scottsburg, Scottsburg.....	875,000
<b>IOWA</b>		
16197	Second National Bank, Eldora.....	600,000
<b>LOUISIANA</b>		
16200	First National Bank of Opelousas, Opelousas.....	1,200,000
<b>MICHIGAN</b>		
16211	The American National Bank in Western Michigan, Allegan.....	825,000
16185	The American National Bank in Battle Creek, Battle Creek.....	1,000,300
16157	Greenfield National Bank, Dearborn.....	1,500,000
16234	Michigan National Bank—Mid Michigan, Flint.....	1,500,000
16152	Kentwood National Bank, Kentwood.....	750,000
16186	The American National Bank in South Haven, South Haven.....	825,000
	Total: 6 banks.....	6,400,300
<b>MINNESOTA</b>		
16128	Shelard National Bank, St. Louis Park.....	1,500,000
<b>MISSISSIPPI</b>		
16079	Citizens National Bank, Pascagoula.....	2,000,000
16204	First National Bank of Wiggins, Wiggins.....	500,000
16257	Clinton National Bank, Clinton.....	1,000,000
	Total: 3 banks.....	3,500,000
<b>MISSOURI</b>		
16136	United Missouri Bank of St. Louis, National Association, St. Louis.....	2,500,000
<b>NEBRASKA</b>		
16133	First National Bank of Elm Creek, Elm Creek.....	250,000
<b>NEW HAMPSHIRE</b>		
16175	Indian Head National Bank of Concord, Concord.....	1,000,000
<b>NEW JERSEY</b>		
16193	Midlantic National Bank/Somerset, Bernardsville.....	1,000,000
16162	Liberty National Bank, Hillsdale.....	1,500,000
16172	Fidelity Union Trust Company, National Association, Morristown.....	1,000,000
16142	City National Bank of New Jersey, Newark.....	1,500,000
16075	New Jersey National Bank of Princeton, Borough of Princeton.....	1,000,000
16129	Suburban National/A United Jersey Bank, South Plainfield.....	1,000,000
16164	Glendale National Bank of New Jersey, Voorhees Township.....	1,000,000
16092	Independent National Bank, Township of Willingboro.....	2,000,000
	Total: 8 banks.....	10,000,000
<b>NEW MEXICO</b>		
16236	United Southwest National Bank of Santa Fe, Santa Fe.....	750,000
<b>NEW YORK</b>		
16203	Chase Manhattan Bank of Eastern New York, National Association, Albany.....	2,000,000

TABLE B-8—Continued  
*Newly organized National banks, by States, calendar 1973*

<i>Charter No.</i>	<i>Title and location of bank</i>	<i>Total capital accounts</i>
NORTH CAROLINA		
16100	Capitol National Bank, Raleigh.....	\$1,397,000
16114	Columbus National Bank, Whiteville .....	500,000
	Total: 2 banks .....	1,897,000
OHIO		
16235	First Trust Company of Ohio, National Association, Columbus .....	2,000,000
OKLAHOMA		
16166	Exchange National Bank of Del City, Del City .....	750,000
TENNESSEE		
16076	Citizens National Bank, Sevierville.....	1,250,000
TEXAS		
16103	Love Field National Bank, Dallas .....	1,000,000
16226	The National Bank of Texas at Fort Worth, Fort Worth .....	750,000
16109	Executive National Bank, Houston .....	1,000,000
16213	Heritage National Bank, Houston .....	1,000,000
16223	Inwood Commerce Bank, National Association, Houston .....	1,000,000
16205	Plaza del Oro Commerce Bank, National Association, Houston.....	1,000,000
16096	San Felipe National Bank, Houston .....	1,250,000
16138	Suburban National Bank, Houston .....	1,000,000
16251	Dallas/Fort Worth Airport National Bank, Irving.....	1,250,000
16201	First National Bank of LaMarque, LaMarque .....	750,000
16127	City National Bank of Laredo, Laredo.....	600,000
16156	Rockwall Bank, National Association, Rockwall .....	500,000
16144	Eisenhower National Bank, San Antonio.....	400,000
16209	Southwest Texas National Bank, San Antonio .....	2,500,000
	Total: 14 banks .....	14,000,000
UTAH		
16225	Second National Bank of Layton, Layton.....	250,000
16241	First Security Bank of Logan, National Association, Logan .....	500,000
	Total: 2 banks.....	750,000
VIRGINIA		
16246	The First National Exchange Bank of Montgomery County, Blacksburg.....	1,800,000
16174	The First National Exchange Bank of Washington County, Bristol.....	4,500,000
16184	First & Merchants National Bank of Tidewater, Chesapeake.....	6,500,000
16167	Virginia National Bank/Henry County, Martinsville .....	1,250,000
16192	Fidelity National Bank, Unincorporated area of Roanoke .....	1,500,000
	Total: 5 banks .....	15,550,000
WASHINGTON		
16214	Columbia National Bank, Longview.....	1,000,000
WEST VIRGINIA		
16182	Elk National Bank, Big Chimney.....	750,000
16134	Suburban National Bank of Martinsburg, Unincorporated area of Berkeley County .....	400,000
16132	The Teays Valley National Bank, Scott Depot .....	800,000
16137	Union Central National Bank, Unincorporated area of Wood County.....	653,400
	Total: 4 banks .....	2,603,000
WISCONSIN		
16091	Metropolitan National Bank, Monona.....	1,000,000

TABLE B-9

*National bank charters issued\* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1973*

<i>Effective date of merger</i>	<i>Operating bank New bank Resulting bank</i>	<i>Total capital accounts</i>	<i>Total assets</i>
ALABAMA			
June 30, 1973	The Commercial National Bank of Anniston, Anniston Commercial Bank National Association, Anniston Charter issued June 29, 1973	\$3,158,055	\$42,319,971
Sept. 28, 1973	The Alabama National Bank of Montgomery, Montgomery Montgomery County National Bank, Montgomery Charter issued September 26, 1973	8,423,028	84,856,822
Sept. 28, 1973	The American National Bank of Huntsville, Huntsville Madison National Bank, Huntsville Charter issued September 26, 1973	1,949,556	28,168,207
Nov. 12, 1973	The First National Bank of Anniston, Anniston Alabama National Bank of Anniston, Anniston Charter issued November 9, 1973	7,183,672	75,254,108
Nov. 15, 1973	First National Bank of Bay Minette, Bay Minette Bay Minette National Bank, Bay Minette Charter issued November 14, 1973	1,462,122	18,913,670
Nov. 30, 1973	First National Bank of Mobile, Mobile FBG National Bank of Mobile, Mobile Charter issued November 26, 1973	22,029,565	334,172,543
Nov. 30, 1973	The Henderson National Bank of Huntsville, Huntsville The City National Bank of Tuscaloosa, Tuscaloosa City Bank of Tuscaloosa, National Association, Tuscaloosa Charter issued November 26, 1973	6,415,957	57,941,827
Dec. 31, 1973	The City National Bank of Tuscaloosa, Tuscaloosa Charter issued December 19, 1973	7,061,772	95,161,609
CONNECTICUT			
Feb. 26, 1973	The Fairfield County National Bank, Norwalk The Connecticut Bank and Trust Company, National Association, Norwalk Charter issued February 23, 1973	978,130	13,868,531
KANSAS			
July 2, 1973	The First National Bank of Manhattan, Manhattan Poyntz National Bank of Manhattan, Kansas, Manhattan Charter issued June 26, 1973	4,124,048	34,579,925
ILLINOIS			
Feb. 1, 1973	State National Bank, Evanston SNB National Bank, Evanston Charter issued January 31, 1973	11,549,066	177,249,271
June 30, 1973	Upper Avenue National Bank of Chicago UA National Bank, Chicago Charter issued June 26, 1973	7,390,967	121,224,635
Oct. 15, 1973	First National Bank and Trust Company of Evanston, Evanston FNB National Bank, Evanston Charter issued October 11, 1973	14,929,425	210,037,675

See footnote at end of table.

TABLE B-9—Continued

*National bank charters issued\* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1973*

<i>Effective date of merger</i>	<i>Operating bank New bank Resulting bank</i>	<i>Total capital accounts</i>	<i>Total assets</i>
LOUISIANA			
Apr. 24, 1973	The Hibernia National Bank in New Orleans, New Orleans Tower National Bank, New Orleans Charter issued April 20, 1973 Hibernia National Bank in New Orleans, New Orleans.....	\$44,556,704	\$528,477,678
MAINE			
Feb. 1, 1973	Bank of Maine, National Association, Augusta Water Street National Bank, Augusta Charter issued January 29, 1973 Bank of Maine, National Association, Augusta.....	3,863,953	47,801,684
MASSACHUSETTS			
June 14, 1973	The Barnstable County National Bank of Hyannis, Hyannis Barnstable County Bank, National Association, Barnstable Charter issued June 11, 1973 The Barnstable County National Bank of Hyannis, Hyannis .....	2,509,092	18,449,132
Aug. 8, 1973	Union National Bank, Lowell Union Bank, National Association, Lowell Charter issued August 6, 1973 Union National Bank, Lowell.....	10,439,014	171,879,443
Nov. 30, 1973	Holyoke National Bank, Holyoke The Holyoke Bank, National Association, Holyoke Charter issued November 26, 1973 Holyoke National Bank, Holyoke.....	2,347,300	27,492,012
MICHIGAN			
Jan. 1, 1973	National Bank of Detroit, Detroit Detroit National Bank, Detroit Charter issued December 27, 1972 National Bank of Detroit .....	438,211,393	5,456,612,540
Jan. 8, 1973	The Niles National Bank and Trust Company, Niles American Bank of Niles, National Association, Niles Charter issued January 5, 1973 The Niles National Bank and Trust Company, Niles .....	1,117,255	7,023,577
Jan. 22, 1973	Second National Bank of Saginaw, Saginaw The Second Bank of Saginaw, National Association, Saginaw Charter issued January 19, 1973 Second National Bank of Saginaw, Saginaw .....	19,901,305	269,600,673
Jan. 29, 1973	The American Bank of Three Rivers, National Association, Three Rivers Three Rivers National Bank, Three Rivers Charter issued January 26, 1973 The American Bank of Three Rivers, National Association, Three Rivers .....	706,720	7,991,345
Mar. 26, 1973	First National Bank of Holland, Holland Holland National Bank, Holland Charter issued March 22, 1973 First National Bank of Holland, Holland .....	2,689,847	39,899,958
Mar. 30, 1973	Union Bank and Trust Company, National Association, Grand Rapids The Union National Bank, Grand Rapids Charter issued March 27, 1973 Union Bank and Trust Company, National Association, Grand Rapids.....	16,286,619	372,714,794
Apr. 24, 1973	Manufacturers National Bank of Detroit, Detroit Manufacturers Bank Detroit, National Association, Detroit Charter issued April 20, 1973 Manufacturers National Bank of Detroit, Detroit .....	158,262,189	2,337,365,893
July 2, 1973	Hackley Union National Bank and Trust Company of Muskegon, Muskegon Hackley Bank National Association, Muskegon Charter issued June 28, 1973 Hackley Union National Bank and Trust Company of Muskegon, Muskegon.....	13,581,666	162,308,499

See footnote at end of table.

TABLE B-9—Continued

*National bank charters issued\* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1973*

Effective date of merger	Operating bank New bank Resulting bank	Total capital accounts	Total assets
	MICHIGAN—continued		
Sept. 30, 1973	The First National Bank and Trust Company of Marquette, Marquette Second National Bank and Trust Company of Marquette, Marquette Charter issued September 26, 1973	\$4,175,829	\$67,841,598
	The First National Bank and Trust Company of Marquette, Marquette..... The Miners' First National Bank and Trust Company of Ishpeming, Ishpeming Miners' Second National Bank and Trust Company of Ishpeming, Ishpeming Charter issued September 26, 1973		
Sept. 30, 1973	The Miners' First National Bank and Trust Company of Ishpeming, Ishpeming... The First National Bank and Trust Company of Escanaba, Escanaba Second National Bank and Trust Company of Escanaba, Escanaba Charter issued September 26, 1973	2,089,233	31,252,317
	First National Bank and Trust Company of Escanaba, Escanaba..... Peoples National Bank and Trust Company of Bay City, Bay City Commercial National Bank of Bay City, Bay City Charter issued November 16, 1973		
Sept. 30, 1973	Peoples National Bank and Trust Company of Bay City, Bay City.....	4,069,513	42,532,765
Nov. 19, 1973	Peoples National Bank and Trust Company of Bay City, Bay City.....	16,388,756	194,104,587
	MISSOURI		
Nov. 1, 1973	American National Bank in Springfield, Springfield Charter Bank of Springfield, National Association, Springfield Charter issued October 29, 1973	1,691,907	22,254,807
	American National Bank in Springfield, Springfield.....		
	NEBRASKA		
Sept. 4, 1973	First National Bank and Trust Company of Lincoln, Lincoln National Bank of Lincoln, Lincoln Charter issued August 29, 1973	22,927,389	402,842,695
	First National Bank and Trust Company of Lincoln, Lincoln.....		
	NEW JERSEY		
Apr. 19, 1973	Somerset Hills and County National Bank, Basking Ridge New Somerset Hills and County National Bank, Basking Ridge Charter issued April 18, 1973	5,320,397	66,802,666
	Somerset Hills and County National Bank, Basking Ridge..... Mechanics National Bank of Burlington County, Burlington Township Mechanics National Bank of Delaware Valley, Burlington Township Charter issued December 17, 1973		
Dec. 31, 1973	Mechanics National Bank of Delaware Valley, Burlington Township..... First Charter National Bank, Township of Monroe Second Charter National Bank, Township of Monroe Charter issued December 20, 1973	4,395,623	106,707,456
	First Charter National Bank, Township of Monroe.....		
Dec. 31, 1973	First Charter National Bank, Township of Monroe.....	8,894,920	149,526,006
	NEW YORK		
Jan. 26, 1973	The First National Bank of Highland, Hamlet of Highland The Second National Bank of Highland, Hamlet of Highland Charter issued January 24, 1973	5,104,272	83,847,525
	The First National Bank of Highland, Hamlet of Highland..... The Saugerties National Bank and Trust Company, Village of Saugerties Chase Manhattan Bank of the Mid-Hudson, National Association, Village of Saugerties Charter issued February 20, 1973		
Feb. 28, 1973	Chase Manhattan Bank of the Mid-Hudson, National Association, Village of Saugerties.....	1,400,186	17,371,824
	The Hayes National Bank of Clinton, Village of Clinton Hayes National Bank, Village of Clinton Charter issued February 27, 1973		
Mar. 1, 1973	Hayes National Bank of Clinton, Village of Clinton.....	1,290,933	17,304,642

See footnote at end of table.

TABLE B-9—Continued

*National bank charters issued\* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1973*

<i>Effective date of merger</i>	<i>Operating bank New bank Resulting bank</i>	<i>Total capital accounts</i>	<i>Total assets</i>
NEW YORK—continued			
Mar. 1, 1973	The First National Bank of Moravia, Village of Moravia Moravia National Bank, Village of Moravia Charter issued February 27, 1973 The First National Bank of Moravia, Village of Moravia..... The First Trust and Deposit Company of Oriskany Falls, Village of Oriskany Falls Citibank (Central), National Association, Village of Oriskany Falls Charter issued March 2, 1973	\$1,026,756	\$19,764,474
Mar. 6, 1973	Citibank (Central), National Association, Village of Oriskany Falls..... The Central Valley National Bank, Town of Woodbury Citibank (Mid-Hudson), National Association, Town of Woodbury Charter issued March 2, 1973	660,065	5,828,107
Mar. 6, 1973	Citibank (Mid-Hudson), National Association, Town of Woodbury..... Nanuet National Bank, Nanuet The Nanuet National Bank of Rockland County, Nanuet Charter issued May 3, 1973	1,126,339	17,487,796
May 7, 1973	Nanuet National Bank, Nanuet..... Lincoln National Bank, Buffalo Chase Manhattan Bank of Western New York, National Association, Buffalo Charter issued June 26, 1973	5,662,685	86,152,927
June 29, 1973	Chase Manhattan Bank of Western New York, National Association, Buffalo..... The First National Bank of Olean, Olean First Bank of Olean, National Association, Olean Charter issued July 23, 1973	898,258	14,513,202
July 25, 1973	The First National Bank of Olean, Olean..... The Farmers National Bank of Malone, Village of Malone Farmers Bank of Malone, National Association, Malone Charter issued July 27, 1973	5,096,897	52,157,350
July 31, 1973	Farmers National Bank of Malone, Village of Malone.....	2,823,885	44,775,216
OHIO			
Feb. 28, 1973	The First National Bank of Hopedale, Village of Hopedale The Second National Bank of Hopedale, Village of Hopedale Charter issued February 26, 1973 The First National Bank of Hopedale, Village of Hopedale..... The National City Bank of Cleveland, Cleveland NCB National Bank, Cleveland Charter issued April 26, 1973	704,790	7,157,436
Apr. 30, 1973	The National City Bank of Cleveland, Cleveland..... The Peoples National Bank of Greenfield, Greenfield Greenfield National Bank, Greenfield Charter issued May 31, 1973	168,599,576	1,779,528,919
June 4, 1973	The Peoples National Bank of Greenfield, Greenfield..... The Winters National Bank and Trust Company of Dayton, Dayton Winters Bank, National Association, Dayton Charter issued July 6, 1973	1,413,916	18,028,359
July 9, 1973	Winters National Bank and Trust Company of Dayton, Dayton.....	49,550,424	614,800,123
OKLAHOMA			
June 30, 1973	The First National Bank and Trust Company of Muskogee, Muskogee Three Rivers National Bank of Muskogee, Muskogee Charter issued June 22, 1973 The First National Bank and Trust Company of Muskogee, Muskogee..... First National Bank in Bartlesville, Bartlesville Security National Bank, Bartlesville Charter issued December 11, 1973	2,610,199	50,287,000
Dec. 31, 1973	First National Bank in Bartlesville, Bartlesville.....	17,480,802	138,961,910

See footnote at end of table.

TABLE B-9—Continued  
National bank charters issued\* and mergers consummated pursuant to corporate reorganizations, by States,  
calendar 1973

Effective date of merger	Operating bank New bank Resulting bank	Total capital accounts	Total assets
PENNSYLVANIA			
June 11, 1973	First National Bank and Trust Company, Washington First Washington Bank, National Association, Washington Charter issued June 8, 1973 First National Bank and Trust Company, Washington.....	\$9,859,978	\$147,858,961
Sept. 28, 1973	Union National Bank and Trust Company of Souderton, Souderton New Union National Bank, Souderton Charter issued September 28, 1973 Union National Bank and Trust Company of Souderton, Souderton.....	2,758,737	43,023,341
TENNESSEE			
Jan. 1, 1973	American National Bank and Trust Company of Chattanooga, Chattanooga American Bank National Association, Chattanooga Charter issued December 27, 1972 American National Bank and Trust Company of Chattanooga, Chattanooga.....	24,357,406	381,183,695
Feb. 15, 1973	The First National Bank of Lawrenceburg, Lawrenceburg The National Bank of Lawrenceburg, Lawrenceburg Charter issued February 14, 1973 The First National Bank of Lawrenceburg, Lawrenceburg.....	1,616,113	25,160,691
Feb. 21, 1973	The First National Bank of Cookeville, Cookeville The Second National Bank of Cookeville, Cookeville Charter issued February 16, 1973 The First National Bank of Cookeville, Cookeville.....	2,758,737	43,023,341
Sept. 6, 1973	The First National Bank of Greeneville, Greeneville The National Bank of Greeneville, Greeneville Charter issued September 5, 1973 The First National Bank of Greeneville, Greeneville.....	2,774,500	38,479,005
TEXAS			
Jan. 1, 1973	San Angelo National Bank of San Angelo, San Angelo Capital National Bank, San Angelo Charter issued December 14, 1972 San Angelo National Bank of San Angelo, San Angelo.....	4,538,178	95,122,876
Jan. 30, 1973	American National Bank of Amarillo, Amarillo Bank of Amarillo, National Association, Amarillo Charter issued January 30, 1973 The American National Bank of Amarillo, Amarillo.....	1,301,568	80,314,743
Feb. 13, 1973	Houston Intercontinental National Bank, Houston Kennedy Boulevard Bank, National Association, Houston Charter issued February 12, 1973 Houston Intercontinental National Bank, Houston.....	553,911	3,857,278
Feb. 13, 1973	Gulf Coast National Bank, Houston Gulf Bank National Association, Houston Charter issued February 12, 1973 Gulf Coast National Bank, Houston.....	1,428,105	16,218,261
Apr. 20, 1973	The Austin National Bank, Austin Austin Bank, National Association, Austin Charter issued April 17, 1973 The Austin National Bank, Austin.....	23,694,578	335,839,557
Apr. 24, 1973	The First National Bank of Abilene, Abilene Second National Bank of Abilene, Abilene Charter issued April 20, 1973 First National Bank of Abilene, Abilene.....	7,828,797	94,958,523
Apr. 30, 1973	Citizens National Bank in Ennis, Ennis Bancorp National Bank of Ennis, Ennis Charter issued April 25, 1973 Citizens National Bank in Ennis, Ennis.....	1,666,033	23,316,582
May 1, 1973	Corpus Christi State National Bank, Corpus Christi State National Bank of Corpus Christi, Corpus Christi Charter issued April 26, 1973 Corpus Christi State National Bank, Corpus Christi.....	17,940,725	250,507,669

See footnote at end of table.

TABLE B-9—Continued  
National bank charters issued\* and mergers consummated pursuant to corporate reorganizations, by States,  
calendar 1973

Effective date of merger		Operating bank New bank Resulting bank	Total capital accounts	Total assets
TEXAS—Continued				
May	1, 1973	Citizens National Bank of San Antonio, San Antonio Citizens Bank, National Association, San Antonio Charter issued April 26, 1973	\$1,765,789	\$27,502,919
		Citizens National Bank of San Antonio, San Antonio.....		
		The Frost National Bank, San Antonio Frost Bank, National Association, San Antonio Charter issued April 26, 1973		
May	1, 1973	The Frost National Bank, San Antonio.....	32,193,406	571,553,677
		The First National Bank of Eagle Pass, Eagle Pass Maverick County National Bank, Eagle Pass Charter issued May 3, 1973		
		The First National Bank of Eagle Pass, Eagle Pass.....		
May	4, 1973	MacGregor Park National Bank of Houston, Houston New MacGregor Park National Bank, Houston Charter issued July 17, 1973	1,386,127	21,018,421
		MacGregor Park National Bank, Houston.....		
		Citizens National Bank of Austin, Austin PanNational Bank of Austin, Austin Charter issued August 30, 1973		
Sept.	4, 1973	Citizens National Bank of Austin, Austin.....	4,175,776	44,156,827
		Bassett National Bank of El Paso, El Paso Bassett Bank, PanNational Association, El Paso Charter issued August 30, 1973		
		Bassett National Bank of El Paso, El Paso.....		
Sept.	4, 1973	The First Freeport National Bank, Freeport First Freeport Interim National Bank, Freeport Charter issued August 30, 1973	1,614,614	21,328,068
		First Freeport National Bank, Freeport.....		
		Temple National Bank, Temple Temple Bank, National Association, Temple Charter issued September 20, 1973		
Sept.	21, 1973	Temple National Bank, Temple.....	5,287,634	63,687,038
		The First National Bank of Odessa, Odessa Odessa Bank, National Association, Odessa Charter issued October 3, 1973		
		The First National Bank of Odessa, Odessa.....		
Oct.	5, 1973	The Capital National Bank in Austin, Austin Capital Bank, National Association, Austin Charter issued October 29, 1973	4,361,579	65,494,617
		The Capital National Bank in Austin, Austin.....		
		The First National Bank of Harlingen, Harlingen Harlingen Bank, National Association, Harlingen Charter issued October 30, 1973		
Oct.	31, 1973	The First National Bank of Harlingen, Harlingen.....	3,960,834	75,289,087
		The State National Bank of Denison, Denison Denison Bank, National Association, Denison Charter issued November 12, 1973		
		The State National Bank of Denison, Denison.....		
Nov.	15, 1973	The Citizens National Bank in Abilene, Abilene Citizens Bank, National Association, Abilene Charter issued November 12, 1973	3,461,793	40,962,185
		The Citizens National Bank in Abilene, Abilene.....		
		First National Bank in Brownwood, Brownwood First Bank National Association, Brownwood Charter issued November 28, 1973		
Nov.	30, 1973	First National Bank in Brownwood, Brownwood.....	2,691,952	40,842,622
		First Hutchings-Sealy National Bank of Galveston, Galveston Market Street Bank, National Association, Galveston Charter issued December 20, 1973		
		First Hutchings-Sealy National Bank of Galveston, Galveston.....		
Dec.	31, 1973	First Hutchings-Sealy National Bank of Galveston, Galveston.....	11,624,282	93,766,977

See footnote at end of table.

TABLE B-9—Continued  
National bank charters issued\* and mergers consummated pursuant to corporate reorganizations, by States,  
calendar 1973

<i>Effective date of merger</i>	<i>Operating bank New bank Resulting bank</i>	<i>Total capital accounts</i>	<i>Total assets</i>

\*Includes only charter issuances related to mergers consummated during 1973. For a full listing of all charters issued pursuant to corporate reorganizations during the year, see Table B-11.

TABLE B-10  
State-chartered banks converted to National banks, by States, calendar 1973

Charter No.	Title and location of bank	Effective date of charter	Outstanding capital stock	Surplus, undivided profits and reserves	Total assets
	Total: 16 banks.....		\$13,915,650	\$23,675,061	\$599,591,700
ARKANSAS					
16173	First National Bank of Sharp County, Ash Flat Conversion of Bank of Ash Flat.....	Sept. 1	200,000	489,280	9,564,900
CONNECTICUT					
16125	National Industrial Bank of Connecticut, Meriden Conversion of The Meriden Industrial Bank.....	May 1	200,000	289,433	2,497,165
FLORIDA					
16099	First National Bank of Dade City, Dade City Conversion of Commercial Bank of Dade City.....	Apr. 2	750,000	512,789	19,046,821
IDAHO					
16237	Bank of Idaho, National Association, Boise Conversion of Bank of Idaho.....	Dec. 11	7,514,650	9,865,960	315,737,949
ILLINOIS					
16072	First National Bank of Niles, Niles Conversion of Bank of Niles.....	Feb. 1	641,000	961,197	44,772,641
INDIANA					
16118	Central National Bank of Howard County, Russiaville Conversion of Russiaville State Bank.....	Mar. 30	50,000	458,766	5,670,227
MINNESOTA					
16196	Northwestern National Bank of Owatonna, Owatonna Conversion of security Bank and Trust Company of Owatonna.....	Oct. 12	600,000	1,948,597	42,419,682
MISSISSIPPI					
16194	Peoples Bank of Mississippi, National Association, Union Conversion of Peoples Bank of Mississippi.....	Oct. 1	720,000	2,011,485	49,470,378
MISSOURI					
16083	Commerce Bank of Fenton, National Association, Fenton Conversion of Commerce Bank of Fenton.....	Feb. 26	350,000	1,098,638	18,460,020

TABLE B-10—Continued

*State-chartered banks converted to National banks, by States, calendar 1973*

<i>Charter No.</i>	<i>Title and location of bank</i>	<i>Effective date of charter</i>	<i>Outstanding capital stock</i>	<i>Surplus, undivided profits and reserves</i>	<i>Total assets</i>
<b>NEW HAMPSHIRE</b>					
16106	Amoskeag Trust Company, National Association, Manchester Conversion of Amoskeag Trust Company.....	Apr. 10	\$50,000	\$1,035,692	\$2,412,529
<b>NEW JERSEY</b>					
16169	The Hamilton Bank, National Association, Hamilton Township Conversion of The Hamilton Bank.....	Aug. 17	1,000,000	846,835	22,199,491
<b>TEXAS</b>					
16073	Texas National Bank of Baytown, Baytown Conversion of Bank of Baytown.....	Feb. 1	200,000	364,032	3,405,202
16232	State National Bank of Odessa, Odessa Conversion of First State Bank.....	Dec. 3	1,000,000	1,704,643	36,885,118
<b>VIRGINIA</b>					
16159	Dominion National Bank of The Peninsula, York County Conversion of Dominion Bank of York County.....	July 19	300,000	354,095	2,664,549
<b>WEST VIRGINIA</b>					
16097	Citizens National Bank of Follansbee, Follansbee Conversion of Citizens Bank of Follansbee.....	Apr. 2	90,000	425,275	7,204,001
16088	The Peoples National Bank of Martinsburg, Martinsburg Conversion of The Peoples Trust Company.....	Mar. 1	250,000	1,308,344	17,181,027

TABLE B-11

*National bank charters issued pursuant to corporate reorganizations, by States, calendar 1973*

<i>Charter No.</i>	<i>Title and location of bank</i>	<i>Date of issuance</i>
Total: 82 banks		
<b>ALABAMA</b>		
3041	Alabama National Bank of Anniston, Anniston.....	Nov. 9
11753	Commercial Bank National Association, Anniston.....	June 29
14720	Bay Minette National Bank, Bay Minette.....	Nov. 14
8765	FBG National Bank of Huntsville, Huntsville.....	Nov. 26
15316	Madison National Bank, Huntsville.....	Sept. 26
1595	FBG National Bank of Mobile, Mobile.....	Nov. 26
12993	Montgomery County National Bank, Montgomery.....	Sept. 26
6173	City Bank of Tuscaloosa, National Association, Tuscaloosa.....	Dec. 19
Total: 8 banks		
<b>CONNECTICUT</b>		
15294	The Connecticut Bank and Trust Company, National Association, Norwalk.....	Feb. 23
<b>ILLINOIS</b>		
14363	UA National Bank, Chicago.....	June 26
13709	FNB National Bank, Evanston.....	Oct. 11
15615	SNB National Bank, Evanston.....	Jan. 31
Total: 3 banks		
<b>KANSAS</b>		
3782	Poyntz National Bank of Manhattan, Kansas, Manhattan.....	June 26
<b>LOUISIANA</b>		
13688	Tower National Bank, New Orleans.....	Apr. 20
<b>MAINE</b>		
498	Water Street National Bank, Augusta.....	Jan. 29

TABLE B-11—Continued

*National bank charters issued pursuant to corporate reorganizations, by States, calendar 1973*

<i>Charter No.</i>	<i>Title and location of bank</i>	<i>Date of issuance</i>
<b>MASSACHUSETTS</b>		
1939	The Holyoke Bank, National Association, Holyoke.....	Nov. 26
13395	Barnstable County Bank, National Association, Hyannis.....	June 11
6077	Union Bank, National Association, Lowell.....	Aug. 6
Total: 3 banks		
<b>MICHIGAN</b>		
14641	Commercial National Bank of Bay City, Bay City.....	Nov. 16
13738	Manufacturers Bank Detroit, National Association, Detroit.....	Apr. 20
3761	Second National Bank and Trust Company of Escanaba, Escanaba.....	Sept. 26
15575	The Union National Bank, Grand Rapids.....	Mar. 27
14560	Holland National Bank, Holland.....	Mar. 22
13931	Miners' Second National Bank and Trust Company of Ishpeming, Ishpeming.....	Sept. 26
390	Second National Bank and Trust Company of Marquette, Marquette.....	Sept. 26
4398	Hackley Bank National Association, Muskegon.....	June 28
15822	American Bank of Niles, National Association, Niles.....	Jan. 5
1918	The Second Bank of Saginaw, National Association, Saginaw.....	Jan. 19
15889	Three Rivers National Bank, Three Rivers.....	Jan. 26
Total: 11 banks		
<b>MISSOURI</b>		
15183	Charter Bank of Springfield, National Association, Springfield.....	Oct. 29
<b>NEBRASKA</b>		
1798	National Bank of Lincoln, Lincoln.....	Aug. 29
<b>NEW JERSEY</b>		
6960	New Somerset Hills and County National Bank, Township of Bernards.....	Apr. 18
1222	Mechanics National Bank of Delaware Valley, Burlington Township.....	Dec. 17
288	Second Charter National Bank, Township of Monroe.....	Dec. 20
Total: 3 banks		
<b>NEW YORK</b>		
13952	Chase Manhattan Bank of Western New York, National Association, Buffalo.....	June 26
10295	Hayes National Bank, Village of Clinton.....	Feb. 27
5336	Second National Bank of Highland, Hamlet of Highland.....	Jan. 24
598	Farmers Bank of Malone, National Association, Malone.....	July 27
99	Moravia National Bank, Village of Moravia.....	Feb. 27
13314	The Nanuet National Bank of Rockland County, Nanuet.....	May 3
1887	First Bank of Olean, National Association, Olean.....	July 23
16089	Citibank (Central), National Association, Village of Oriskany Falls.....	Mar. 2
104	Chase Manhattan Bank of Mid-Hudson (National Association), Village of Saugerties.....	Feb. 20
9990	Citibank (Mid-Hudson), National Association, Town of Woodbury.....	Mar. 2
Total: 10 banks		
<b>OHIO</b>		
24	FN National Bank, Cincinnati.....	Dec. 21
786	NCB National Bank, Cleveland.....	Apr. 26
2604	Winters Bank, National Association, Dayton.....	July 6
13944	Greenfield National Bank, Greenfield.....	May 31
6938	The Second National Bank of Hopedale, Village of Hopedale.....	Feb. 26
973	Northern Columbiana County National Bank, Salem.....	Dec. 21
Total: 6 banks		
<b>OKLAHOMA</b>		
6258	Security National Bank, Bartlesville.....	Dec. 11
4385	Three Rivers National Bank of Muskogee, Muskogee.....	June 22
12016	Fidelity National Bank, Oklahoma City.....	Dec. 19
Total: 3 banks		
<b>PENNSYLVANIA</b>		
2333	New Union National Bank, Souderton.....	Sept. 28
5920	First Washington Bank, National Association, Washington.....	June 8
Total: 2 banks		
<b>TENNESSEE</b>		
9667	The Second National Bank of Cookeville, Cookeville.....	Feb. 16
4177	The National Bank of Greeneville, Greeneville.....	Sept. 5
6093	The National Bank of Lawrenceburg, Lawrenceburg.....	Feb. 14
Total: 3 banks		

TABLE B-11 — Continued

*National bank charters issued pursuant to corporate reorganizations, by States, calendar 1973*

<i>Charter No.</i>	<i>Title and location of bank</i>	<i>Date of issuance</i>
TEXAS		
13727	Citizens Bank, National Association, Abilene .....	Nov. 12
4166	Second National Bank of Abilene, Abilene.....	Apr. 20
14350	Bank of Amarillo, National Association, Amarillo.....	Jan. 30
4308	Austin Bank, National Association, Austin.....	Apr. 17
13926	Capital Bank, National Association, Austin.....	Oct. 29
14928	PanNational Bank of Austin, Austin.....	Aug. 30
4695	First Bank National Association, Brownwood.....	Nov. 28
4423	State National Bank of Corpus Christi, Corpus Christi.....	Apr. 26
3058	Denison Bank, National Association, Denison.....	Nov. 12
4490	Maverick County National Bank, Eagle Pass.....	May 3
15011	Bassett Bank, PanNational Association, El Paso.....	Aug. 30
13367	Bancorp National Bank of Ennis, Ennis.....	Apr. 25
10420	First Freeport Interim National Bank, Freeport.....	Aug. 30
1566	Market Street Bank, National Association, Galveston.....	Dec. 20
12119	Harlingen Bank, National Association, Harlingen.....	Oct. 30
14858	Gulf Bank, National Association, Houston.....	Feb. 12
15802	Kennedy Boulevard Bank, National Association, Houston.....	Feb. 12
4076	New MacGregor Park National Bank, Houston.....	July 17
13608	Odessa Bank, National Association, Odessa.....	Oct. 3
14938	Citizens Bank, National Association, San Antonio.....	Apr. 26
5179	Frost Bank, National Association, San Antonio.....	Apr. 26
14459	Temple Bank, National Association, Temple.....	Sept. 20
Total: 22 banks		
VIRGINIA		
11554	Yorktown National Bank, Yorktown.....	Dec. 11
WISCONSIN		
15594	Second Neenah West National Bank, Neenah.....	Jan. 26

TABLE B-12

*National banks reported in voluntary liquidation, by States, calendar 1973*

<i>Title and location of bank</i>	<i>Date of liquidation</i>	<i>Total capital accounts of liquidated banks</i>
Total: 2 National banks.....		\$3,147,778
CALIFORNIA		
Imperial Valley National Bank, El Centro (15557), absorbed by Crocker National Bank, San Francisco (1741).....	Dec. 31	1,260,699
NEW JERSEY		
The National Bank of Palisades Park, Palisades Park (14088), absorbed by New Jersey Bank, National Association, Clifton (15709).....	Apr. 13	1,887,079

TABLE B-13

*National banks merged or consolidated with State banks, by States, calendar 1973*

<i>Title and location of bank</i>	<i>Effective date</i>	<i>Total capital accounts of National banks</i>
Total: 10 banks .....		\$14,635,810
IDAHO		
Cassia National Bank, Burley (12256), merged into Bank of Idaho, Boise, under title of "Bank of Idaho"...	Jan. 2	1,283,669
MASSACHUSETTS		
First National Bank of Winchendon, Winchendon (327), consolidated with Guaranty Bank and Trust Company, Worcester, under title of "Guaranty Bank and Trust Company" .....	Feb. 9	663,042
PENNSYLVANIA		
First National Bank in Bangor, Bangor (14170), merged into First Valley Bank, Lansford, under title of "First Valley Bank" .....	July 2	2,441,163
Tri-Valley National Bank, Hegins (13994), merged into American Bank and Trust Company of Pennsylvania, Reading, under title of "American Bank and Trust Company of Pennsylvania" .....	Dec. 28	1,172,640
First Citizens National Bank, Montgomery (5574), merged into Northern Central Bank and Trust Company, Williamsport, under title of "Northern Central Bank and Trust Company" .....	Apr. 30	595,838
The Liberty National Bank of Pittston, Pittston (11865), merged into First Valley Bank, Lansford, under title of "First Valley Bank" .....	Dec. 31	2,316,224
The First National Bank of Shingle House, Shingle House (6799), merged into Commonwealth Bank and Trust Company, Muncy, under title of "Commonwealth Bank and Trust Company" .....	Dec. 31	506,432
VERMONT		
The Peoples National Bank of Barre, Barre (7068), merged into First Vermont Bank and Trust Company, Brattleboro, under title of "First Vermont Bank and Trust Company" .....	Mar. 30	2,403,400
The County National Bank of Bennington, Bennington (2395), merged into Chittenden Trust Company, Burlington, under title of "Chittenden Trust Company" .....	Aug. 31	2,382,902
VIRGINIA		
Woodlawn National Bank, Fairfax County (15353), merged into Clarendon Bank and Trust, Arlington County, under title of "Clarendon Bank and Trust" .....	Feb. 12	870,500

TABLE B-14

*National banks converted into State banks, by States, calendar 1973*

<i>Charter No.</i>	<i>Title and location of bank</i>	<i>Effective date</i>	<i>Total capital accounts of National banks</i>
	Total: 20 banks.....		\$41,369,041
	CONNECTICUT		
1139	The Deep River National Bank, Deep River, converted into Deep River Bank and Trust Company.....	May 17	799,682
15542	The Constitution National Bank Hartford, Hartford, converted into Constitution Bank and Trust Company.....	June 20	2,418,867
720	The Home National Bank and Trust Company, Meriden, converted into Home Bank Trust Company.....	Mar. 27	3,641,005
	GEORGIA		
11939	The Citizens National of Montezuma, Montezuma, converted into Citizens Bank of Montezuma.....	Jan. 2	592,185
	IDAHO		
15153	Tri-State National Bank of Montpelier, Montpelier, converted into Tri-State Bank Trust.....	Oct. 1	391,762
	ILLINOIS		
14237	The Peoples National Bank of Cambridge, Cambridge, converted into Peoples Bank of Cambridge.....	Sept. 18	787,935
14245	The Manufacturers National Bank of Chicago, Chicago, converted into Manufacturers Bank.....	Mar. 12	7,564,498
	INDIANA		
13788	The Stone City National Bank of Bedford, Bedford, converted into The Stone City Bank.....	Dec. 15	1,288,208
	KANSAS		
9758	Stockyards National Bank, Wichita, converted into United American State Bank and Trust Company.....	Sept. 4	2,657,812
	MICHIGAN		
15042	First National Bank of Cadillac, Cadillac, converted into First Bank of Cadillac.....	Aug. 1	1,070,268
	NEBRASKA		
9400	The Minden Exchange National Bank, Minden, converted into Minden Exchange Bank and Trust Company.....	June 21	1,106,467
13339	The First National Bank of Oakdale, Oakdale, converted into The First State Bank.....	May 1	104,712
	PENNSYLVANIA		
12526	The Cheltenham National Bank, Cheltenham, converted into Cheltenham Bank.....	Mar. 19	7,678,933
	TENNESSEE		
13635	The Hamilton National Bank of Johnson City, Johnson City, converted into Hamilton Bank of Johnson City.....	Feb. 1	5,747,547
13056	The First National Bank of Smithville, Smithville, converted into The First Central Bank.....	Sept. 1	733,632
	TEXAS		
14227	State National Bank in Comanche, Comanche, converted into First Comanche Bank.....	Aug. 1	874,646
15298	Lone Star National Bank, Lone Star, converted into Lone Star State Bank.....	Jan. 2	329,459
15440	Uvalde National Bank, Uvalde, converted into The Uvalde Bank.....	Oct. 9	538,846
15289	Northwest National Bank, White Settlement, converted into Northwest Bank.....	July 2	1,368,481
	WISCONSIN		
14906	Mayfair National Bank of Wauwatosa, Wauwatosa, converted into First Wisconsin Bank of Mayfair.....	Jan. 15	1,674,096

TABLE B-15

*Purchases of State banks by National banks, by States, calendar 1973*

<i>Title and location of bank</i>	<i>Effective date</i>	<i>Total capital accounts of State banks</i>
Total: 7 banks .....		\$35,261,508
KENTUCKY		
The Newport National Bank, Newport (4765), purchased The West Side Savings Bank, Newport.....	Sept. 18	793,811
OHIO		
The Park National Bank, Newark (9179), purchased The Utica Savings Bank Company, Utica .....	Oct. 23	637,386
The First National Bank of Gallipolis, Gallipolis (136), purchased The Vinton Banking Company, Vinton.....	Nov. 15	108,305
PENNSYLVANIA		
Pittsburgh National Bank, Jeannette (252), purchased The Farmers Bank and Trust Company, Indiana .....	Oct. 26	3,203,192
UTAH		
Zions First National Bank, Salt Lake City (4341), purchased The Bank of Vernal, Vernal.....	May 31	1,093,811
WASHINGTON		
The National Bank of Commerce of Seattle, Seattle (4375), purchased The Citizens State Bank, Puyallup.....	Oct. 5	1,749,298
Old National Bank of Washington, Spokane (4668), purchased The Security Bank, Lynnwood.....	Jan. 19	27,675,705

TABLE B-16

*Consolidations\* of National banks, or National and State banks, by States, calendar 1973*

<i>Effective date</i>	<i>Consolidating banks Resulting bank</i>	<i>Outstanding capital stock</i>	<i>Surplus</i>	<i>Undivided profits and reserves</i>	<i>Total assets</i>
	Total: 3 consolidations				
	OHIO				
Feb. 28	First National Bank, Bowling Green (15416) .....	\$1,985,620	\$2,000,000	\$363,423	\$60,958,604
	Progress National Bank of Toledo, Toledo (15470) .....	600,000	291,955	none	11,851,122
	Mid-American National Bank and Trust Company, Northwood (15416) .....	2,540,240	2,345,380	391,601	73,432,764
	PENNSYLVANIA				
Sept. 1	Union National Bank, New Brighton (4549) .....	200,000	400,000	650,579	16,502,563
	The Freedom National Bank, Freedom (5454) .....	400,000	500,000	111,714	21,111,375
	The Century National Bank and Trust Company, Rochester (4549) .....	600,000	900,000	762,293	37,613,939
	SOUTH CAROLINA				
Oct. 15	The Peoples National Bank, Greenville (10635) .....	2,078,800	3,097,740	4,568,049	129,309,270
	Bankers Trust of South Carolina, Columbia .....	9,677,330	2,588,265	7,923,414	350,280,741
	Bankers Trust of South Carolina, National Association, Columbia (10635) .....	16,329,490	5,686,005	7,918,103	479,590,011

\* Excludes consolidations involving only one operating bank, effected pursuant to corporate reorganizations.

TABLE B-17

*Mergers\* of National banks, or National and State banks, by States, calendar 1973*

<i>Effective date</i>	<i>Merging banks Resulting bank</i>	<i>Outstanding capital stock</i>	<i>Surplus</i>	<i>Undivided profits and reserves</i>	<i>Total assets</i>
	Total: 41 merger actions				
	ALABAMA				
Apr. 6	Citronelle State Bank, Citronelle.....	\$150,000	\$225,000	\$497,783	\$8,974,005
	The Merchants National Bank of Mobile, Mobile (13097) .....	3,300,000	10,200,000	6,358,992	291,108,014
	The Merchants National Bank of Mobile, Mobile (13097) .....	3,300,000	10,200,000	6,096,007	298,293,486
	CALIFORNIA				
Dec. 17	National Bank of Agriculture, Fresno (11330).....	1,072,030	304,800	648,554	28,593,405
	American National Bank, Bakersfield (15437) .....	1,825,095	1,116,235	954,283	115,775,269
	American National Bank, Bakersfield (15437) .....	2,347,710	1,518,391	934,114	146,846,361
	GEORGIA				
June 30	Bank of Acworth, Acworth.....	264,000	200,000	389,842	10,613,452
	The First National Bank of Cobb County, Marietta (3830) .....	1,500,000	3,000,000	1,722,570	93,582,283
	The First National Bank of Cobb County, Marietta (3830) .....	2,000,000	3,200,000	1,407,478	104,045,101
	INDIANA				
Jan. 19	Northwest Bank of Indiana, National Association, Whiting (14813)...	750,000	750,000	420,092	41,601,410
	Bank of Indiana, National Association, Gary (15455) .....	2,500,000	1,350,000	1,584,338	124,454,488
	Bank of Indiana, National Association, Gary (15455) .....	3,625,000	1,800,000	1,929,430	157,422,686
June 1	Stockwell State Bank, Stockwell.....	75,000	200,000	176,271	3,733,763
	Purdue National Bank of Lafayette, Lafayette (11148).....	2,160,000	3,840,000	1,858,576	140,846,321
	Purdue National Bank of Lafayette, Lafayette (11148).....	2,272,500	4,227,500	1,828,933	144,249,829
	MARYLAND				
Dec. 31	Bank of Crisfield, Crisfield.....	200,000	800,000	356,201	17,097,115
	Citizens National Bank in Pocomoke City, Pocomoke City (14106).....	100,000	300,000	499,145	13,475,011
	The Eastern Shore National Bank, Pocomoke City (14106).....	260,000	1,100,000	895,346	30,572,126
	MASSACHUSETTS				
Oct. 29	The Conway National Bank, Conway (895).....	25,000	95,000	74,286	1,551,642
	The Shelburne Falls National Bank, Shelburne (1144) .....	150,000	150,000	415,383	9,304,928
	The County Bank, National Association, Shelburne (1144) .....	215,600	245,000	401,133	9,568,422
	MISSISSIPPI				
Mar. 8	The Bank of Macon, Macon .....	90,000	330,000	61,018	5,236,348
	The Citizens National Bank of Meridian, Meridian (7266).....	1,003,000	2,145,000	141,133	48,708,853
	The Citizens National Bank of Meridian, Meridian (7266).....	1,149,840	2,423,160	203,525	53,406,092
	NEW HAMPSHIRE				
June 1	Amoskeag Trust Company, National Association, Manchester (16106).....	200,000	300,000	594,507	1,965,690
	The Amoskeag National Bank of Manchester, Manchester (574).....	1,200,000	4,800,000	1,849,828	43,136,280
	Amoskeag National Bank & Trust Company, Manchester (574).....	1,279,000	5,200,000	2,458,202	44,675,439
	NEW JERSEY				
Mar. 30	National Union Bank of New Jersey, Dover (2076) .....	2,713,110	3,557,400	2,681,681	105,959,078
	National Community Bank of Rutherford, Rutherford (5005).....	10,475,669	15,500,000	12,846,590	564,746,807
	National Community Bank of Rutherford, Rutherford (5005).....	14,206,194	20,000,000	13,568,256	670,705,886
May 11	First National Bank of Moorestown, Moorestown (15534) .....	303,185	303,185	428,389	16,073,801
	First National Bank of South Jersey, Egg Harbor Township (1326).....	10,182,310	10,182,310	5,058,698	415,499,893
	First National Bank of South Jersey, Egg Harbor Township (1326).....	10,182,310	10,182,310	4,929,858	432,987,167
Nov. 16	County Trust Company, Tenafly .....	4,000,000	4,000,000	1,449,136	137,014,366
	First National State Bank of North Jersey, Hackensack (12014) .....	2,000,000	2,000,000	1,670,884	77,780,873
	County Trust Company, National Association, Tenafly (12014).....	6,000,000	6,000,000	3,120,020	214,795,239

See footnote at end of table.

TABLE B-17—Continued

*Mergers\* of National banks, or National and State banks, by States, calendar 1973*

Effective date	Merging banks Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
NEW JERSEY—Continued					
Nov. 30	Pascack Valley Bank and Trust Company, Hillsdale.....	\$1,250,000	\$1,350,000	\$761,959	\$40,590,487
	Citizens First National of Ridgewood, Ridgewood (11759).....	3,913,230	3,913,230	7,975,538	193,249,436
	Citizens First National Bank of New Jersey, Ridgewood (11759).....	5,038,230	5,388,230	8,737,498	233,839,922
NEW YORK					
Feb. 13	The First National Bank of Morris, Morris (4870).....	50,000	150,000	112,895	4,729,691
	Wilber National Bank of Oneonta, Oneonta (2151).....	1,320,000	1,350,000	1,402,253	51,864,974
	Wilber National Bank, Oneonta (2151).....	1,490,000	1,380,000	1,515,148	56,594,665
Feb. 28	Montgomery County Trust Company, Amsterdam.....	400,000	2,000,000	1,717,839	31,655,502
	Bankers Trust Company of Albany, National Association, Albany (15758).....	4,000,000	6,000,000	9,672,568	222,214,972
	Bankers Trust Company of Albany, National Association, Albany (15758).....	4,400,000	8,000,000	11,390,407	253,586,177
June 30	The National Bank of Schuylerville, Schuylerville (1298).....	250,000	250,000	236,950	7,258,629
	Glens Falls National Bank and Trust Company, Glens Falls (7699)....	2,116,920	2,600,000	2,457,529	102,857,054
	Glens Falls National Bank and Trust Company, Glens Falls (7699)....	2,416,920	2,850,000	2,644,479	110,115,683
Oct. 1	The First National Bank of Newark Valley, Newark Valley (10111)....	154,000	180,000	423,374	11,076,624
	The National Bank and Trust Company of Norwich, Norwich (1354)...	3,265,620	3,265,620	3,726,531	122,974,815
	The National Bank and Trust Company of Norwich, Norwich (1354)...	3,727,620	3,727,620	3,561,502	134,097,626
Oct. 31	The Cambridge Valley National Bank, Cambridge (1275).....	100,000	250,000	324,502	8,005,233
	Glens Falls National Bank and Trust Company, Glens Falls (7699)...	2,416,920	2,850,000	2,806,555	118,805,382
	Glens Falls National Bank and Trust Company, Glens Falls (7699)....	2,796,920	3,100,000	2,851,057	126,810,615
Nov. 16	The First National Bank of Dexter, Dexter (8463).....	50,000	200,000	259,884	6,745,334
	The National Bank of Northern New York, Watertown (2657).....	2,307,815	2,307,815	5,624,013	128,230,685
	The National Bank of Northern New York, Watertown (2657).....	2,417,815	2,417,815	5,913,896	134,123,923
Nov. 30	First National Bank in Montgomery, Montgomery (13559).....	50,000	200,000	245,833	5,017,741
	Highland National Bank of Newburgh, Newburgh (1106).....	1,300,000	2,020,000	1,990,391	75,409,266
	Highland National Bank of Newburgh, Newburgh (1106).....	1,300,000	2,270,000	2,236,224	80,427,008
NORTH CAROLINA					
Mar. 9	Citizens Bank and Trust Company, Henderson.....	750,000	2,000,000	1,526,568	36,681,251
	North Carolina National Bank, Charlotte (13761).....	30,111,968	55,490,945	24,851,792	2,374,261,872
	North Carolina National Bank, Charlotte (13761).....	35,511,968	52,840,945	26,870,134	2,411,096,948
Dec. 12	Bank of Elizabethtown, Elizabethtown.....	200,000	600,000	161,626	11,329,991
	Wachovia Bank and Trust Company, National Association, Winston-Salem (15673).....	51,360,070	70,000,000	42,174,849	2,775,623,294
	Wachovia Bank and Trust Company, National Association, Winston-Salem (15673).....	51,360,070	70,800,000	42,336,475	2,782,553,285
OHIO					
Jan. 15	Citizensbank National Association, Felicity (15861).....	190,000	210,000	43,346	6,748,872
	Community National Bank, Loveland (15945).....	200,000	150,000	122,240	8,397,921
	Citizensbank National Association, Felicity (15945).....	390,000	360,000	165,586	15,146,792
Mar. 31	The First National Bank of Girard, Girard (4884).....	437,500	562,500	811,279	20,544,959
	The Union National Bank of Youngstown, Youngstown (13586).....	6,528,000	10,972,000	4,178,472	178,216,355
	The Union National Bank of Youngstown, Youngstown (13586).....	7,193,000	12,807,000	3,491,138	199,705,363
June 30	The Alger Savings Bank, Alger.....	100,000	100,000	138,482	4,662,151
	The First National Bank of Kenton, Kenton (2500).....	200,000	300,000	573,429	18,115,371
	The First National Bank of Kenton, Kenton (2500).....	320,880	529,120	561,910	22,777,521
Dec. 1	The Amelia State Bank, Amelia.....	100,000	200,000	120,333	4,892,479
	The First National Bank of Bethel, Bethel (5627).....	100,000	400,000	563,578	6,640,958
	The First National Bank of Bethel, Bethel (5627).....	327,425	600,000	573,386	11,494,091
Dec. 31	The Grand Rapids Banking Company, Grand Rapids.....	250,000	250,000	340,046	10,427,143
	Mid-American National Bank and Trust Company, Northwood (15416)...	2,540,240	2,400,000	463,551	77,554,195
	Mid-American National Bank and Trust Company, Northwood (15416)...	2,950,240	2,650,000	643,597	87,981,338

See footnote at end of table.

TABLE B-17—Continued

*Mergers\* of National banks, or National and State banks, by States, calendar 1973*

<i>Effective date</i>	<i>Merging banks Resulting bank</i>	<i>Outstanding capital stock</i>	<i>Surplus</i>	<i>Undivided profits and reserves</i>	<i>Total assets</i>
PENNSYLVANIA					
Jan. 8	The First National Bank of Lock Haven, Lock Haven (507).....	\$220,000	\$1,580,000	\$545,331	\$32,815,248
	Fidelity National Bank of Pennsylvania, Williamsport (175).....	1,338,480	3,341,490	441,461	66,006,960
	Fidelity National Bank of Pennsylvania, Williamsport (175).....	2,664,640	3,815,330	986,792	98,822,208
Jan. 26	The First National Bank of Coopersburg, Coopersburg (9034).....	200,000	400,000	362,030	14,680,425
	The Merchants National Bank of Allentown, Allentown (6645).....	3,718,825	7,500,000	4,110,409	292,874,718
	The Merchants National Bank of Allentown, Allentown (6645).....	4,068,825	7,900,000	4,322,438	307,555,143
Apr. 2	The First National Bank of Marietta, Marietta (25).....	110,000	300,000	205,055	7,023,473
	Farmers First National Bank, Lititz (5773).....	2,959,000	4,200,000	852,195	118,275,757
	Farmers First National Bank, Lititz (5773).....	3,234,000	4,500,000	927,238	125,332,695
May 1	The Leola National Bank, Leola (13186).....	210,000	600,000	409,831	15,637,410
	The Fulton National Bank of Lancaster, Lancaster (2634).....	2,170,875	5,052,350	6,766,803	207,693,218
	The Fulton National Bank of Lancaster, Lancaster (2634).....	2,485,875	5,652,350	7,071,633	223,330,629
Sept. 10	The Rebersburg National Bank, Rebersburg (11789).....	25,000	175,000	136,536	3,891,845
	The Peoples National Bank of State College, State College (12261).....	600,000	1,200,000	1,379,497	42,929,457
	The Peoples National Bank of Central Pennsylvania, State College (12261).....	652,500	1,347,500	1,516,032	46,821,302
Dec. 31	The Citizens National Bank of Newport, Newport (7716).....	75,000	200,000	312,365	5,086,415
	Cumberland County National Bank and Trust Company, New Cumberland (14542).....	1,845,620	4,854,380	2,826,101	182,741,424
	Cumberland County National Bank and Trust Company, New Cumberland (14542).....	1,845,620	5,129,380	3,110,916	187,839,523
SOUTH CAROLINA					
July 2	The Bank of Berkeley, Moncks Corner.....	129,000	221,000	420,643	7,574,054
	The South Carolina National Bank, Charleston (2044).....	8,167,010	22,072,990	28,447,124	872,357,834
	The South Carolina National Bank, Charleston (2044).....	8,399,210	22,190,790	28,867,768	879,931,887
Dec. 31	The Security Bank, Edgefield.....	200,000	300,000	222,406	8,544,771
	First National Bank of South Carolina, Columbia (13720).....	5,000,000	15,000,000	10,994,361	467,861,074
	First National Bank of South Carolina, Columbia (13720).....	5,000,000	15,000,000	11,716,767	473,849,177
SOUTH DAKOTA					
Mar. 31	Parker State Bank, Parker.....	125,000	225,000	216,672	6,747,726
	Northwestern National Bank of Sioux Falls, Sioux Falls (10592).....	3,500,000	3,500,000	3,880,447	188,247,376
	Northwestern National Bank of Sioux Falls, Sioux Falls (10592).....	3,600,000	3,600,000	4,270,099	195,118,591
TEXAS					
Apr. 2	Bank of Commerce, Corpus Christi.....	750,000	750,000	667,006	13,309,223
	Guaranty National Bank & Trust of Corpus Christi, Corpus Christi (14988).....	462,750	468,250	763,322	20,110,719
	Guaranty National Bank & Trust of Corpus Christi, Corpus Christi (14988).....	991,500	1,218,250	1,652,882	34,114,798
UTAH					
June 30	Pioneer National Bank, Logan (15643).....	120,000	73,000	182,400	5,549,460
	The First National Bank of Logan, Logan (4670).....	600,000	600,000	729,341	26,073,142
	The First National Bank of Logan, Logan (4670).....	720,000	720,000	864,742	31,068,413
Aug. 1	Carbon Emery Bank, Price.....	400,000	800,000	885,142	38,219,970
	Zions First National Bank, Salt Lake City (4341).....	5,630,890	12,662,354	6,771,101	489,667,449
	Zions First National Bank, Salt Lake City (4341).....	6,030,890	13,462,354	7,345,965	503,888,365

See footnote at end of table.

TABLE B-17—Continued

*Mergers\* of National banks, or National and State banks, by States, calendar 1973*

<i>Effective date</i>	<i>Merging banks Resulting bank</i>	<i>Outstanding capital stock</i>	<i>Surplus</i>	<i>Undivided profits and reserves</i>	<i>Total assets</i>
	VIRGINIA				
Mar. 30	The First National Bank of Nelson County at Lovington, Lovington (11957).....	\$100,000	\$400,000	\$269,884	\$10,484,042
	National Bank and Trust Company, Charlottesville (10618).....	2,005,785	4,045,000	7,020,900	174,634,229
	National Bank and Trust Company, Charlottesville (10618).....	2,105,785	4,445,000	7,290,784	185,118,272
	WASHINGTON				
Mar. 9	State Bank of Morton, Morton.....	50,000	200,000	354,535	6,251,927
	Orting State Bank, Orting.....	50,000	75,000	93,281	2,733,198
	Eatonville State Bank, Eatonville.....	50,000	150,000	209,342	4,782,028
	Puget Sound National Bank, Tacoma (12292).....	6,551,500	5,850,000	1,724,837	287,728,181
	Puget Sound National Bank, Tacoma (12292).....	7,166,500	5,850,000	2,440,154	297,990,490

\*Excludes mergers involving only one operating bank, effected pursuant to corporate reorganizations.

TABLE B-18

*Mergers resulting in National banks, by assets of acquiring and acquired banks, 1960-73\**

<i>Assets of acquiring banks†</i>	<i>Acquired banks 1960-73</i>	<i>Assets of acquired bank —</i>				
		<i>Under \$10 million</i>	<i>\$10 million to \$24.9 million</i>	<i>\$25 million to \$49.9 million</i>	<i>\$50 million to \$99.9 million</i>	<i>\$100 million and over</i>
Under \$10 million.....	87	87	0	0	0	0
\$10 million to \$24.9 million.....	137	120	17	0	0	0
\$25 million to \$49.9 million.....	156	103	42	11	0	0
\$50 million to \$99.9 million.....	170	107	40	20	3	0
\$100 million and over.....	525	223	182	65	25	30
Total.....	1,075‡	640	281	96	28	30

\* Includes all forms of acquisitions involving two or more banks from May 13, 1960 through December 31, 1973.

† In each transaction, the bank with larger total assets was considered to be the acquiring bank.

‡ Comprises 1,035 transactions, 23 involving three banks, seven involving four banks, and one involving five banks.

TABLE B-19

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
	Total .....	314	819	1,133*
	ALABAMA			
3041	First National Bank of Anniston, Anniston .....	1	0	1
12455	The First National Bank of Auburn, Auburn .....	1	0	1
14569	Birmingham Trust National Bank, Birmingham .....	0	1	1
15473	City National Bank of Birmingham, Birmingham .....	0	2	2
14590	First National Bank of Columbiana, Columbiana .....	0	1	1
14414	State National Bank of Alabama, Decatur .....	0	1	1
13414	The American National Bank & Trust Company of Mobile, Mobile .....	0	1	1
1595	The First National Bank of Mobile, Mobile .....	1	1	2
13097	The Merchants National Bank of Mobile, Mobile .....	1	2	3
12993	The Alabama National Bank of Montgomery, Montgomery .....	1	0	1
1814	The First National Bank of Montgomery, Montgomery .....	3	0	3
9550	The Farmers National Bank of Opelika, Opelika .....	0	1	1
15604	The Deposit National Bank of Mobile County, Prichard .....	0	1	1
1736	The City National Bank of Selma, Selma .....	1	0	1
5593	First Farmers and Merchants National Bank of Troy, Troy .....	1	0	1
	ALASKA			
14747	Alaska National Bank, Fairbanks .....	0	2	2
7718	First National Bank of Fairbanks, Fairbanks .....	1	0	1
	ARIZONA			
3728	First National Bank of Arizona, Phoenix .....	1	1	2
14324	The Valley National Bank of Arizona, Phoenix .....	2	10	12
	ARKANSAS			
7346	The First National Bank of Fayetteville, Fayetteville .....	0	1	1
14429	Helena National Bank, Helena .....	1	0	1
8952	The First National Bank of Huntsville, Huntsville .....	1	0	1
14000	The Commercial National Bank of Little Rock, Little Rock .....	1	0	1
13949	The First National Bank in Little Rock, Little Rock .....	1	0	1
13958	Union National Bank of Little Rock, Little Rock .....	2	0	2
16009	Worthen Bank & Trust Company, National Association, Little Rock .....	3	0	3
14238	The Malvern National Bank, Malvern .....	1	0	1
15222	First National Bank & Trust Co. of Mountain Home, Mountain Home .....	0	1	1
14818	First American National Bank, North Little Rock .....	1	0	1
14056	National Bank of Commerce of Pine Bluff, Pine Bluff .....	0	1	1
8763	The First National Bank of Springdale, Springdale .....	1	0	1
15257	Commercial National Bank of Texarkana, Texarkana .....	1	0	1
	CALIFORNIA			
15347	Alameda First National Bank, Alameda .....	1	0	1
15437	American National Bank, Bakersfield .....	0	1	1
15398	Inyo-Mono National Bank, Bishop .....	0	1	1
15310	Peninsula National Bank, Burlingame .....	0	1	1
15089	First National Bank of Daly City, Daly City .....	0	1	1
11330	National Bank of Agriculture, Fresno .....	0	1	1
15958	Gavilan National Bank, Gilroy .....	0	1	1
14823	Valley National Bank, Glendale, Glendale .....	0	1	1
15305	Valley Bank, National Association, Livermore .....	0	1	1
15495	Mid-Cal National Bank, Lodi .....	0	1	1
2491	Security Pacific National Bank, Los Angeles .....	0	16	16
6919	Central Bank, National Association, Oakland .....	0	1	1
15220	West Coast National Bank, Oceanside .....	0	1	1
6268	First National Bank and Trust Company, Ontario .....	0	1	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
CALIFORNIA—Continued				
8181	The First National Bank of Orange County, Orange.....	0	1	1
15532	Commercial and Farmers National Bank, Oxnard.....	1	0	1
9897	The First National Bank of Pleasanton, Pleasanton .....	1	0	1
15349	Valley National Bank, Salinas .....	1	1	2
3050	Southern California First National Bank, San Diego.....	0	2	2
13044	Bank of America National Trust and Savings Association, San Francisco .....	0	24	24
1741	Crocker National Bank, San Francisco.....	2	68	70
13178	Liberty National Bank, San Francisco.....	0	1	1
9655	The Bank of California, National Association, San Francisco.....	0	1	1
15660	Wells Fargo Bank, National Association, San Francisco .....	1	4	5
2158	The First National Bank of San Jose, San Jose .....	1	2	3
15241	San Luis Obispo National Bank, San Luis Obispo.....	1	1	2
14891	Santa Barbara National Bank, Santa Barbara .....	0	1	1
15180	Security National Bank, Walnut Creek.....	0	1	1
15443	National Bank of Whittier, Whittier.....	1	0	1
COLORADO				
13928	The Greeley National Bank, Greeley.....	1	0	1
15436	Westlake First National Bank, Loveland.....	1	0	1
CONNECTICUT				
780	The City National Bank of Connecticut, Bridgeport .....	0	1	1
335	The Connecticut National Bank, Bridgeport .....	0	1	1
4	The State National Bank of Connecticut, Bridgeport.....	0	1	1
15542	The Constitution National Bank, Hartford.....	0	1	1
1338	Hartford National Bank and Trust Company, Hartford .....	1	0	1
1184	The New Britain National Bank, New Britain .....	1	0	1
14588	Northern Connecticut National Bank, Windsor Locks .....	1	1	2
DISTRICT OF COLUMBIA †				
15013	District of Columbia National Bank, District of Columbia .....	1	0	1
2038	The First National Bank of Washington, District of Columbia.....	1	0	1
5046	The Riggs National Bank of Washington, D.C., District of Columbia.....	1	0	1
3275	Union Trust Company of the District of Columbia, District of Columbia .....	1	0	1
15382	United National Bank of Washington, District of Columbia .....	1	0	1
GEORGIA				
1639	The First National Bank of Athens, Athens.....	1	0	1
15789	Mercantile National Bank, Atlanta .....	1	0	1
1559	The First National Bank of Atlanta, Atlanta .....	0	4	4
9617	The Fulton National Bank of Atlanta, Atlanta.....	1	1	2
15541	The National Bank of Georgia, Atlanta.....	0	1	1
14483	American National Bank of Brunswick, Brunswick.....	0	1	1
11833	First National Bank of Polk County, Cedartown.....	0	1	1
2338	The First National Bank of Columbus, Columbus.....	1	0	1
9613	The First National Bank of Habersham County, Cornelia.....	1	0	1
12105	The First National Bank of Dallas, Dallas .....	0	1	1
3907	The First National Bank of Dalton, Dalton .....	1	0	1
11936	First National Bank of Lawrenceville, Lawrenceville.....	0	1	1
3830	The First National Bank of Cobb County, Marietta.....	0	3	3
14046	The National Bank of Walton County, Monroe.....	0	1	1
2368	The First National Bank of Rome, Rome .....	1	0	1
13068	The Citizens and Southern National Bank, Savannah.....	0	10	10
13472	The Liberty National Bank & Trust Company of Savannah, Savannah .....	1	1	2
15531	The First National Bank of Tucker, Tucker .....	0	1	1
15947	National Bank of Grady County, Whigham.....	0	1	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
IDAHO				
16237	Bank of Idaho, N.A., Boise .....	4	26	30
14444	First Security Bank of Idaho, National Association, Boise .....	0	2	2
1668	The Idaho First National Bank, Boise .....	0	2	2
4773	The First National Bank of Wallace, Wallace .....	0	1	1
ILLINOIS				
13630	The First National Bank in Champaign, Champaign.....	1	0	1
13373	First National Bank in Chicago Heights, Chicago Heights .....	1	0	1
14450	Northwest National Bank of Chicago, Chicago.....	1	0	1
15019	The Archer National Bank, Chicago .....	1	0	1
14467	University National Bank, Chicago .....	1	0	1
13744	The City National Bank of Hoopeston, Hoopeston .....	1	0	1
9408	The Peoples National Bank of McLeansboro, McLeansboro .....	1	0	1
14689	Ottawa National Bank, Ottawa .....	1	0	1
INDIANA				
1888	First National Bank of Bloomington, Bloomington.....	0	1	1
8415	The Bloomington National Bank, Bloomington .....	1	0	1
12444	Old National Bank in Evansville, Evansville .....	0	1	1
7725	Lincoln National Bank and Trust Company of Fort Wayne, Fort Wayne.....	0	1	1
15455	Bank of Indiana, National Association, Gary .....	0	2	2
14113	The First National Bank of Goshen, Goshen.....	1	0	1
14292	The National Bank of Greenwood, Greenwood.....	0	1	1
13759	American Fletcher National Bank and Trust Company, Indianapolis.....	0	2	2
984	The Indiana National Bank, Indianapolis .....	2	4	6
14175	Lafayette National Bank, Lafayette .....	0	1	1
11148	Purdue National Bank of Lafayette, Lafayette .....	0	2	2
15784	Citizens National Bank of Grant County, Marion.....	1	0	1
13643	First National Bank, Martinsville, Martinsville .....	1	0	1
9756	The American National Bank of Noblesville, Noblesville .....	0	1	1
4678	The First National Bank of North Vernon, North Vernon.....	0	1	1
7011	The First National Bank and Trust Company of Plainfield, Plainfield.....	0	1	1
1869	The Rush County National Bank of Rushville, Rushville.....	1	0	1
16118	Central National Bank of Howard County, Russiaville.....	0	1	1
15662	American National Bank and Trust Company of South Bend, South Bend .....	1	0	1
IOWA				
10034	The Citizens First National Bank of Storm Lake, Storm Lake .....	1	0	1
2511	The Merchants National Bank of Cedar Rapids, Cedar Rapids .....	0	1	1
15133	First National Bank of Davenport, Davenport .....	1	0	1
13321	Central National Bank & Trust Company of Des Moines, Des Moines.....	1	0	1
2370	Iowa—Des Moines National Bank, Des Moines.....	0	1	1
10354	The Harlan National Bank, Harlan .....	1	0	1
2574	The First National Bank of Mason City, Mason City .....	1	0	1
13609	The Newton National Bank, Newton.....	1	0	1
KANSAS				
5498	Citizens National Bank and Trust Company, Emporia.....	1	0	1
3180	The First National Bank of Hutchinson, Hutchinson .....	1	0	1
3584	The First National Bank of Lawrence, Lawrence .....	1	0	1
1951	The First National Bank of Parsons, Parsons .....	1	0	1
14987	East Side National Bank and Trust Company, Wichita.....	1	0	1
2782	First National Bank in Wichita, Wichita.....	2	0	2
12490	The Fourth National Bank and Trust Company, Wichita, Wichita .....	1	0	1
11010	Union National Bank of Wichita, Wichita .....	1	0	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
KENTUCKY				
5900	The Citizens National Bank of Bowling Green, Bowling Green.....	0	1	1
14840	Citizens Union National Bank & Trust Company, Lexington, Lexington .....	1	0	1
109	First National Bank of Louisville, Louisville.....	2	1	3
14320	Liberty National Bank and Trust Company of Louisville, Louisville.....	0	1	1
6129	The Traders National Bank of Mt. Sterling, Mount Sterling.....	1	0	1
4765	Newport National Bank, Newport.....	1	0	1
12961	The Peoples First National Bank & Trust Company of Paducah, Paducah.....	1	0	1
7030	Pikeville National Bank & Trust Company, Pikeville.....	0	1	1
12456	The Farmers National Bank of Scottsville, Scottsville.....	0	1	1
3832	The First and Farmers National Bank of Somerset, Somerset.....	1	1	2
LOUISIANA				
14462	Fidelity National Bank of Baton Rouge, Baton Rouge.....	2	0	2
9834	Louisiana National Bank of Baton Rouge, Baton Rouge.....	3	0	3
14086	The Citizens National Bank in Hammond, Hammond.....	2	0	2
14753	The National Bank of Commerce in Jefferson, Jefferson Parish.....	1	0	1
4154	The First National Bank of Lake Charles, Lake Charles.....	0	1	1
3671	The New Iberia National Bank, New Iberia.....	1	0	1
4524	The Peoples National Bank of New Iberia, New Iberia.....	1	0	1
13689	First National Bank of Commerce, New Orleans.....	1	0	1
14685	First National Bank of West Monroe, West Monroe.....	0	1	1
MAINE				
498	Bank of Maine, N.A., Augusta.....	1	0	1
2311	The Camden National Bank, Camden.....	0	1	1
5861	Northeast Bank N.A. of Farmington, Farmington .....	1	0	1
13843	The First National Bank of Aroostook, Fort Fairfield.....	0	1	1
1254	The Ocean National Bank of Kennebunk, Kennebunk.....	0	1	1
MARYLAND				
1244	The Farmers National Bank of Annapolis, Annapolis .....	0	2	2
13745	Maryland National Bank, Baltimore.....	0	4	4
1413	The First National Bank of Baltimore, Baltimore.....	0	4	4
2498	The National Bank of Cambridge, Cambridge.....	0	1	1
13979	Frostburg National Bank, Frostburg.....	1	0	1
4364	The Citizens National Bank, Laurel.....	0	1	1
5623	The First National Bank of Oakland, Oakland.....	0	1	1
13776	The Garrett National Bank in Oakland, Oakland.....	0	1	1
14106	The Eastern Shore National Bank, Pocomoke City .....	0	3	3
14856	Potomac National Bank, Potomac.....	0	1	1
15365	University National Bank, Rockville .....	0	1	1
14937	American National Bank of Maryland, Silver Spring.....	0	1	1
8799	The Woodbine National Bank, Woodbine .....	0	1	1
MASSACHUSETTS				
393	The First National Bank of Amherst, Amherst.....	0	1	1
15483	Harbor National Bank of Boston, Boston.....	1	0	1
475	New England Merchants National Bank of Boston, Boston.....	1	0	1
15509	The National Shawmut Bank of Boston, Boston.....	0	1	1
528	Community National Bank, Framingham.....	1	2	3
1129	Merrimack Valley National Bank, Haverhill.....	0	1	1
484	The Haverhill National Bank, Haverhill.....	0	1	1
1014	Bay State National Bank, Lawrence.....	0	1	1
4013	The Lenox National Bank, Lenox.....	1	0	1
13241	Needham National Bank, Needham.....	0	1	1
1018	Northampton National Bank, Northampton.....	0	1	1
726	Merchant — Warren National Bank of Salem, Salem.....	0	1	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
MASSACHUSETTS—Continued				
1144	The Country Bank, National Association, Shelburne Falls.....	0	1	1
15005	Hampshire National Bank of South Hadley, South Hadley.....	0	1	1
308	Third National Bank of Hampden County, Springfield.....	1	1	2
2232	First Bristol County National Bank, Taunton.....	0	2	2
1440	The National Bank of Wareham, Wareham.....	0	1	1
79	Worcester County National Bank, Worcester.....	1	1	2
MICHIGAN†				
16211	The American National Bank in Western Michigan, Allegan.....	0	1	1
14933	National Bank and Trust Company of Ann Arbor, Ann Arbor.....	1	0	1
9497	Hickory National Bank of Michigan, Burr Oak.....	0	1	1
1812	The First National Bank of Cassopolis, Cassopolis.....	0	1	1
14948	Michigan National Bank of Detroit, Detroit.....	2	1	3
13671	National Bank of Detroit, Detroit.....	0	1	1
15049	Metropolitan National Bank of Farmington, Farmington.....	1	0	1
15575	Union Bank and Trust Company (National Association), Grand Rapids.....	1	1	2
14560	First National Bank of Holland, Holland.....	0	1	1
14452	Commercial National Bank of Iron Mountain, Iron Mountain.....	1	0	1
13741	The National Bank of Jackson, Jackson.....	0	1	1
191	The First National Bank and Trust Company of Michigan, Kalamazoo.....	1	0	1
15234	First National Bank of Lake City, Lake City.....	0	1	1
14032	Michigan National Bank, Lansing.....	1	0	1
1587	The First National Bank of Monroe, Monroe.....	0	1	1
13753	First National Bank of Southwestern Michigan, Niles.....	0	1	1
15899	West Oakland Bank, National Association, Novi.....	0	1	1
5607	First National Bank and Trust Company, Petoskey.....	0	1	1
15938	The American National Bank in Portage, Portage.....	1	0	1
1918	Second National Bank of Saginaw, Saginaw.....	1	1	2
15403	Valley National Bank of Saginaw, Saginaw.....	0	1	1
3547	The First National Bank of Sault Ste. Marie, Michigan, Sault Ste. Marie.....	1	0	1
15527	Michigan National Bank—Oakland, Southfield.....	1	0	1
15167	National Bank of Southfield, Southfield.....	1	0	1
14918	National Bank and Trust Company of Traverse City, Traverse City.....	0	1	1
15008	Michigan National Bank—North Metro, Troy.....	0	1	1
15286	First National Bank of Wyoming, Wyoming.....	1	0	1
13807	The National Bank of Ypsilanti, Ypsilanti.....	0	2	2
MINNESOTA				
2648	Fergus Falls National Bank and Trust Company, Fergus Falls.....	1	0	1
10740	The First National Bank of Lakeville, Lakeville.....	1	0	1
2073	The First National Bank of Northfield, Northfield.....	1	0	1
579	The First National Bank of Rochester, Rochester.....	1	0	1
MISSISSIPPI				
15284	First National Bank of Clarksdale, Clarksdale.....	0	1	1
15124	First National Bank of Bolivar County, Cleveland.....	1	0	1
10738	First-Columbus National Bank, Columbus.....	1	0	1
10361	The National Bank of Commerce, Columbus.....	1	0	1
14487	Gulf National Bank, Gulfport.....	1	0	1
5176	First Mississippi National Bank, Hattiesburg.....	0	1	1
15386	First American National Bank, Uika.....	0	1	1
15548	Deposit Guaranty National Bank, Jackson.....	0	1	1
10523	First National Bank of Jackson, Jackson.....	0	1	1
13313	First National Bank of Holmes County, Lexington.....	0	1	1
13551	First National Bank in Meridian, Meridian.....	0	1	1
7266	The Citizens National Bank of Meridian, Meridian.....	0	2	2
15519	First National Bank, New Albany.....	0	1	1
15479	First Citizens National Bank, Tupelo.....	1	0	1
16194	Peoples Bank of Mississippi National Association, Union.....	0	9	9

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
MISSOURI				
15996	The National Bank of Affton, Affton.....	1	0	1
1467	First National Bank and Trust Company, Columbia.....	1	0	1
1770	The Boone County National Bank of Columbia, Columbia.....	1	0	1
14876	First National Bank of Callaway County, Fulton.....	0	1	1
15115	First National Bank of Gladstone, Gladstone.....	1	0	1
4157	The First National Bank of Independence, Independence.....	1	0	1
3712	The First National Bank of Liberty, Liberty.....	1	0	1
4215	The First National Bank of Plattsburg, Plattsburg.....	0	1	1
170	First National Bank in St. Louis, St. Louis.....	1	0	1
15793	Springfield National Bank, Springfield.....	1	0	1
5209	The Union National Bank of Springfield, Springfield.....	1	0	1
NEBRASKA				
3081	The Beatrice National Bank and Trust Company, Beatrice.....	1	0	1
13953	City National Bank of Hastings, Hastings.....	1	0	1
9908	Northwestern National Bank, Omaha.....	1	0	1
1633	The Omaha National Bank, Omaha.....	1	0	1
15435	West Omaha National Bank, Omaha.....	1	0	1
NEVADA				
7038	First National Bank of Nevada, Reno, Nevada, Reno.....	0	1	1
14406	Security National Bank of Nevada, Reno.....	1	0	1
NEW HAMPSHIRE				
5183	The Farmers and Traders National and Savings Bank, Colebrook.....	0	1	1
12889	Indian Head National Bank of Exeter, Exeter.....	0	1	1
14835	Hampton National Bank, Hampton.....	0	1	1
1885	The Littleton National Bank, Littleton.....	1	1	2
574	Amoskeag National Bank & Trust Co., Manchester.....	0	2	2
15563	Indian Head National Bank of Manchester, Manchester.....	0	1	1
3404	The Citizens National Bank of Newport, Newport.....	0	1	1
15652	Community National Bank of Rochester, Rochester.....	0	1	1
NEW JERSEY				
15781	Atlantic National Bank, Atlantic City.....	1	2	3
10712	Citizens' Bank, National Association, Bloomsbury.....	0	1	1
15913	Shore National Bank, Bricktownship.....	0	1	1
7945	The First National Bank of Cape May Court House, Cape May Court House.....	1	0	1
1209	South Jersey National Bank, Cherry Hill.....	2	1	3
15971	United Jersey National Bank of Cherry Hill, Cherry Hill.....	1	0	1
15709	New Jersey Bank, N.A., Clifton.....	0	1	1
8704	First National Bank and Trust Company of Beverly, Edgewater Park Township.....	0	1	1
15430	Midlantic National Bank/Raritan Valley, Edison.....	1	0	1
1326	First National Bank of South Jersey, Egg Harbor Township.....	1	2	3
1436	The National State Bank, Elizabeth, N.J., Elizabeth.....	2	0	2
13893	The Edgewater National Bank, Englewood Cliffs, N.J., Englewood Cliffs.....	0	1	1
15035	Urban National Bank, Franklin Lakes.....	0	1	1
12014	First National State Bank of North Jersey, Hackensack.....	1	1	2
16169	The Hamilton Bank, National Association, Hamilton Township.....	1	0	1
4147	Peoples National Bank of Monmouth County, Hazlet.....	0	4	4
8627	The First National Bank and Trust Company of Kearny, Kearny.....	1	1	2
16035	First National State Bank of Ocean County, Lakewood Township.....	0	1	1
15360	Midlantic National Bank/Morris, Morristown.....	0	1	1
15505	Security National Bank, Newark.....	0	1	1
587	The National Bank of New Jersey, New Brunswick.....	1	0	1
12732	Meadowlands National Bank, North Bergen.....	0	1	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
NEW JERSEY—Continued				
15975	Midlantic National Bank, Parsippany-Troy Hills, Parsippany-Troy Hills.....	1	0	1
15790	Bank of Passaic and Clifton, National Association, Passaic.....	1	0	1
3697	The Peoples National Bank of Central Jersey, Piscataway.....	1	0	1
4872	The First National Bank of Princeton, Princeton.....	0	1	1
11759	Citizens First National Bank of New Jersey, Ridgewood.....	0	2	2
5005	National Community Bank of Rutherford, Rutherford.....	0	1	1
2076	National Union Bank of Rutherford, Rutherford.....	0	1	1
12978	The First National Bank of Stone Harbor, Stone Harbor.....	0	1	1
12014	County Trust Company, National Association, Tenafly.....	0	9	9
13039	First National State Bank of Central Jersey, Trenton.....	0	1	1
3709	The Broad Street National Bank of Trenton, Trenton.....	0	1	1
14673	The City National Bank of Millville, Vineland.....	0	1	1
12861	The Prospect Park National Bank, Wayne.....	1	0	1
399	Peoples National Bank of New Jersey, Westmont.....	0	3	3
15838	Mid-Jersey National Bank, Woodbridge Township.....	1	0	1
NEW MEXICO				
12485	Albuquerque National Bank, Albuquerque.....	3	0	3
15499	Fidelity National Bank, Albuquerque.....	1	0	1
13814	First National Bank in Albuquerque, Albuquerque.....	1	0	1
6597	The First National Bank of Belen, Belen.....	1	0	1
15256	Farmington National Bank, Farmington.....	0	1	1
14636	First National Bank in Las Vegas, Las Vegas.....	1	0	1
14577	Liberty National Bank, Lovington.....	1	0	1
14912	Security National Bank of Roswell, Roswell.....	1	0	1
13438	Hot Springs National Bank, Truth or Consequences.....	1	0	1
NEW YORK†				
15758	Bankers Trust Company of Albany, National Association, Albany.....	0	3	3
1301	National Commercial Bank and Trust Company, Albany.....	0	1	1
963	Union National Bank, Albany.....	1	1	2
15917	Citibank (Suffolk), National Association, Bay Shore.....	0	2	2
10029	Manufacturers Hanover Trust Company/Suffolk, National Association, Bay Shore.....	0	2	2
12997	Franklin National Bank, Brooklyn.....	1	0	1
15080	Liberty National Bank and Trust Company, Buffalo.....	0	2	2
13952	Lincoln National Bank, Buffalo.....	0	1	1
16050	Chase Manhattan Bank of Greater Rochester (National Association) Caledonia.....	0	1	1
13590	United National Bank, Calicoon.....	0	1	1
8531	The St. Lawrence National Bank, Canton.....	0	2	2
976	The Putnam County National Bank of Carmel, Carmel.....	0	1	1
5816	Citibank (Eastern), National Association, Castleton-on-Hudson.....	0	2	2
10295	The Hayes National Bank of Clinton, Clinton.....	0	1	1
15464	First National Bank of East Hampton, East Hampton.....	0	1	1
11511	Marine Midland Tinker National Bank, East Setauket.....	0	6	6
7699	Glens Falls National Bank and Trust Company, Glens Falls.....	1	4	5
980	The First National Bank of Glens Falls, Glens Falls.....	0	1	1
13126	The First National Bank of Glen Head, Glen Head.....	0	1	1
9305	City National Bank and Trust Company of Gloversville, Gloversville.....	0	1	1
6587	Security National Bank, Hempstead.....	0	3	3
5336	The First National Bank of Highland, Highland.....	0	1	1
15976	Citibank (Mid-Western), National Association, Honeoye Falls.....	1	2	3
7703	National Bank of North America, Jamaica.....	2	1	3
1120	The Rondout National Bank, Kingston.....	1	1	2
13365	Jefferson National Bank, Lafargeville.....	0	1	1
4925	The Sullivan County National Bank of Liberty, Liberty.....	0	1	1
598	The Farmers National Bank of Malone, Malone.....	0	1	1
15922	Chase Manhattan Bank of Long Island (National Association), Melville.....	0	1	1
5293	The First National Bank of Mexico, Mexico.....	0	1	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
NEW YORK—Continued				
13314	Nanuet National Bank, Nanuet.....	0	1	1
1106	Highland National Bank of Newburgh, Newburgh.....	0	1	1
1461	First National City Bank, New York.....	12	1	13
13295	Sterling National Bank & Trust Company of New York, New York.....	1	0	1
2370	The Chase Manhattan Bank National Association, New York.....	25	1	26
1354	The National Bank and Trust Company of Norwich, Norwich.....	0	1	1
14734	Chemical Bank Hudson Valley, National Association, Nyack.....	0	2	2
2151	Wilber National Bank, Oneonta.....	0	2	2
16089	Citibank (Central), National Association, Oriskany Falls, Oriskany Falls.....	0	1	1
12788	Bankers Trust of Suffolk, National Association, Patchogue.....	0	3	3
1269	The National Bank of Pawling, Pawling.....	1	0	1
15641	Bankers Trust Hudson Valley, N.A., Poughkeepsie.....	0	1	1
1040	Chase Manhattan Bank of the Mid-Hudson (National Association), Saugerties.....	0	1	1
1226	The Mohawk National Bank of Schenectady, Schenectady.....	0	2	2
14680	First National Bank of Scotia, Scotia.....	0	2	2
10258	Citibank (Western) National Association, Silver Creek.....	0	3	3
14763	Chemical Bank of Suffolk, National Association, Smithtown.....	0	3	3
16047	Chase Manhattan Bank of Central New York, National Association, Syracuse.....	0	2	2
15627	Lincoln First Bank-Central, National Association, Syracuse.....	1	0	1
721	Marine Midland Bank—Eastern National Association, Troy.....	0	2	2
2657	The National Bank of Northern New York, Watertown.....	0	1	1
10525	National Bank of Westchester, White Plains.....	0	1	1
9405	Essex County-Champlain National Bank Willsboro, Willsboro.....	0	1	1
NORTH CAROLINA				
15650	First Union National Bank of North Carolina, Charlotte.....	1	14	15
13761	North Carolina National Bank, Charlotte.....	1	13	14
14229	Cherryville National Bank, Cherryville.....	1	0	1
3903	The Concord National Bank, Concord.....	0	1	1
4597	First National Bank of Catawba County, Hickory.....	1	0	1
14676	Bank of North Carolina, National Association, Jacksonville.....	0	4	4
6744	Carolina First National Bank, Lincolnton.....	0	1	1
10610	Southern National Bank of North Carolina, Lumberton.....	1	3	4
4896	The First National Bank of Mount Airy, Mount Airy.....	1	0	1
13859	The Union National Bank of Oxford, Oxford.....	0	1	1
8571	The First National Bank of West Jefferson, West Jefferson.....	1	0	1
15673	Wachovia Bank and Trust Company National Association, Winston-Salem.....	0	8	8
OHIO				
15526	The Ross County National Bank, Adelphi.....	0	1	1
5627	The First National Bank of Bethel, Ohio, Bethel.....	0	1	1
6566	First National Bank of Cambridge, Cambridge.....	2	0	2
14879	The Geauga County National Bank of Chardon, Chardon.....	0	1	1
4318	Central National Bank of Cleveland, Cleveland.....	1	1	2
786	National City Bank, Cleveland.....	0	2	2
15423	The Capital National Bank, Cleveland.....	0	2	2
5065	The Ohio National Bank of Columbus, Columbus.....	1	1	2
10	The Third National Bank and Trust Company of Dayton, Ohio, Dayton.....	1	0	1
2604	Winters National Bank and Trust Company, Dayton.....	0	2	2
15573	Euclid National Bank, Euclid.....	0	1	1
136	The First National Bank of Gallipolis, Gallipolis.....	0	1	1
2449	The Merchants National Bank of Hillsborough, Hillsboro.....	1	0	1
98	The First National Bank of Ironton, Ironton.....	0	1	1
2500	The First National Bank of Kenton, Kenton.....	0	1	1
3505	The Kenton National Bank, Kenton.....	0	1	1
15945	Citizensbank National Association, Loveland.....	0	2	2
11831	The National City Bank of Marion, Marion.....	1	0	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
OHIO—Continued				
4842	The Old Phoenix National Bank of Medina, Medina.....	0	1	1
9179	The Park National Bank, Newark.....	0	1	1
15416	Mid-American National Bank and Trust Company, North Wood.....	0	4	4
14686	The Lake County National Bank of Painesville, Painesville.....	0	2	2
7781	The Security Central National Bank of Portsmouth, Portsmouth.....	1	0	1
973	The Farmers National Bank of Salem, Salem.....	0	1	1
238	The First National Bank of Springfield, Springfield.....	0	1	1
6594	The Security National Bank, Springfield.....	0	1	1
90	The First Citizens National Bank of Upper Sandusky, Upper Sandusky.....	1	0	1
15561	Community National Bank of Warrensville Heights, Warrensville Heights.....	0	1	1
2350	The Mahoning National Bank of Youngstown, Youngstown.....	1	1	2
13586	The Union National Bank of Youngstown, Youngstown.....	0	1	1
828	The Wayne County National Bank of Wooster, Wooster.....	0	1	1
OKLAHOMA				
15177	Plaza National Bank of Bartlesville, Bartlesville.....	1	0	1
OREGON				
1553	First National Bank of Oregon, Portland.....	4	3	7
4514	United States National Bank of Oregon, Portland.....	1	3	4
14860	Douglas National Bank, Roseburg.....	0	1	1
PENNSYLVANIA‡				
13871	First National Bank at Albion, Albion.....	0	1	1
373	The First National Bank of Allentown, Allentown.....	1	0	1
6645	The Merchants National Bank of Allentown, Allentown.....	0	3	3
247	The First National Bank of Altoona, Altoona.....	2	0	2
539	The Philadelphia National Bank, Ardmore.....	0	5	5
723	Central Penn National Bank, Bala-Cynwyd, Bala-Cynwyd.....	0	3	3
9026	The Brownstown National Bank, Brownstown.....	0	1	1
15422	Provident National Bank, Bryn Mawr.....	0	6	6
664	First National Bank, Carbondale, Pennsylvania, Carbondale.....	1	1	2
355	Southeast National Bank of Pennsylvania, Chester.....	0	3	3
10232	The Central Pennsylvania National Bank of Claysburg, Claysburg.....	0	1	1
12967	The Dale National Bank, Dale.....	0	1	1
5118	The Northampton National Bank of Easton, Easton.....	0	1	1
5084	The First National Bank of Ebensburg, Ebensburg.....	0	1	1
10775	The Elverson National Bank, Elverson.....	0	1	1
14205	Community National Bank, Forest City.....	0	1	1
5351	Southwest National Bank of Pennsylvania, Greensburg.....	0	1	1
580	The Commonwealth National Bank, Harrisburg.....	0	3	3
6445	The First National Bank of Hawley, Hawley.....	1	0	1
3893	Peoples First National Bank and Trust Company, Hazleton.....	0	1	1
4204	The Hazleton National Bank, Hazleton.....	0	1	1
2822	The Hummelstown National Bank, Hummelstown.....	0	1	1
252	Pittsburgh National Bank, Jeannette.....	0	4	4
694	National Central Bank, Lancaster.....	0	3	3
2634	The Fulton National Bank of Lancaster, Lancaster.....	0	1	1
9528	Sullivan County National Bank, Laporte.....	0	1	1
5502	The First National Bank of Leechburg, Leechburg.....	1	0	1
745	The Lewisburg National Bank, Lewisburg.....	1	0	1
5773	Farmers First National Bank, Lititz.....	0	3	3
9207	Community National Bank of Southern Pennsylvania, Littlestown.....	0	2	2
870	Marine National Bank, Meadville.....	0	2	2
12	The First National Bank of Pennsylvania, Meadville.....	0	1	1
357	Tri-County National Bank, Middleburg.....	0	1	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
PENNSYLVANIA—Continued				
5147	The Juniata Valley National Bank, Mifflintown.....	1	0	1
5496	The First National Bank of Pike County, Milford.....	0	1	1
2223	County National Bank of Montrose, Montrose.....	0	1	1
5077	Nazareth National Bank & Trust Company, Nazareth.....	1	1	2
4676	The Citizens National Bank of New Castle, New Castle.....	0	1	1
14542	Cumberland County National Bank and Trust Company, New Cumberland.....	0	2	2
8499	New Holland Farmers National Bank, New Holland.....	0	1	1
11015	The Solebury National Bank of New Hope, New Hope.....	0	1	1
7910	The First National Bank of Nicholson, Nicholson.....	0	1	1
2222	Equibank N.A., Pittsburgh.....	0	5	5
6301	Mellon Bank, N.A., Pittsburgh.....	0	5	5
252	Pittsburgh National Bank, Pittsburgh.....	0	1	1
5702	Keystone National Bank, Punxsutawney.....	0	1	1
8045	The Farmers National Bank of Quarryville, Quarryville.....	0	1	1
4549	The Century National Bank and Trust Company, Rochester.....	0	2	2
8764	The McDowell National Bank of Sharon, Sharon.....	0	2	2
12261	The Peoples National Bank of Central Pennsylvania, State College.....	0	1	1
42	The First National Bank of Strasburg, Strasburg.....	0	1	1
1237	First National Trust Bank, Sunbury.....	0	1	1
4984	The First National Bank of Troy, Troy.....	0	1	1
5034	Gallatin National Bank, Uniontown.....	0	1	1
5920	First National Bank & Trust Co., Washington, Pa., Washington.....	0	1	1
30	The First National Bank of Eastern Pennsylvania, Wilkes-Barre.....	0	1	1
175	Fidelity National Bank of Pa., Williamsport.....	0	1	1
14082	Citizens National Bank in Windber, Windber.....	0	1	1
RHODE ISLAND				
1492	The Newport National Bank, Newport.....	0	16	16
1302	Industrial National Bank of Rhode Island, Providence.....	1	0	1
SOUTH CAROLINA				
14425	The Citizens and Southern National Bank of South Carolina, Charleston.....	0	4	4
2044	The South Carolina National Bank, Charleston.....	0	9	9
10635	Bankers Trust of South Carolina, N.A., Columbia.....	8	53	61
13720	First National Bank of South Carolina, Columbia.....	1	5	6
14625	First National Bank of Easley, Easley.....	0	1	1
14448	Rock Hill National Bank, Rock Hill.....	1	0	1
10660	The National Bank of South Carolina of Sumter, Sumter.....	1	0	1
SOUTH DAKOTA				
12881	National Bank of South Dakota, Sioux Falls.....	1	0	1
10592	Northwestern National Bank of Sioux Falls, Sioux Falls.....	0	1	1
3393	The First National Bank in Sioux Falls, Sioux Falls.....	1	0	1
TENNESSEE				
3341	The First National Bank of McMinn County, Athens.....	1	0	1
7848	The Hamilton National Bank of Chattanooga, Chattanooga.....	1	0	1
1666	The Cleveland National Bank, Cleveland.....	1	0	1
9809	The First National Bank of Crossville, Crossville.....	1	0	1
4177	The First National Bank of Greeneville, Greeneville.....	0	1	1
15056	The First National Bank of Gibson County, Humboldt.....	0	1	1
10842	The First National Bank of Sullivan County, Kingsport.....	0	1	1
13539	The Hamilton National Bank of Knoxville, Knoxville.....	0	1	1
7225	The First National Bank of La Follette, La Follette.....	1	0	1
10028	City and County Bank of Anderson County, National Association, Lake City.....	0	1	1
8673	Hamilton National Bank of Lenoir City, Lenoir City.....	1	0	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
TENNESSEE—Continued				
14279	The Blount National Bank of Maryville, Maryville.....	0	1	1
2221	The First National Bank of McMinnville, McMinnville.....	1	0	1
336	The First National Bank of Memphis, Memphis.....	2	0	2
13349	Union Planters National Bank of Memphis, Memphis.....	1	1	2
9319	The First National Bank of Mount Pleasant, Mount Pleasant.....	0	1	1
3032	First America National Bank of Nashville, Nashville.....	0	1	1
8039	The First National Bank of Oneida, Oneida.....	0	1	1
UTAH				
4607	The First National Bank of Logan, Logan.....	1	0	1
15490	Citizens National Bank, Ogden.....	0	1	1
2597	First Security Bank of Utah, National Association, Ogden.....	0	3	3
4341	Zions First National Bank, Salt Lake City.....	0	5	5
VERMONT				
1368	The National Bank of Derby Line, Derby Line.....	0	1	1
194	Catamount National Bank, North Bennington.....	0	1	1
2274	The Randolph National Bank, Randolph.....	0	1	1
2295	The Merchants National Bank of St. Johnsbury, St. Johnsbury.....	0	1	1
122	First National Bank of Springfield, Springfield.....	0	1	1
VIRGINIA				
7093	Alexandria National Bank, Alexandria.....	0	1	1
651	United Virginia Bank/First & Citizens National, Alexandria.....	1	5	6
11205	The Farmers National Bank of Appomattox, Appomattox.....	1	0	1
16246	The First National Exchange Bank of Montgomery County, Blacksburg.....	1	0	1
15390	First Virginia bank—Monticello National, Charlottesville.....	1	0	1
10618	National Bank and Trust Company, Charlottesville.....	1	1	2
16184	First & Merchants National Bank of Tidewater, Chesapeake.....	2	11	13
4503	The Covington National Bank, Covington.....	1	1	2
9343	American National Bank and Trust Company of Danville, Danville.....	1	0	1
1985	The First National Bank of Danville, Danville.....	1	0	1
15247	Grundy National Bank, Grundy.....	1	0	1
12267	The Old Point National Bank of Phoebus, Hampton.....	1	1	2
16167	Virginia National Bank/Henry County, Henry County.....	0	1	1
14325	Citizens National Bank of Herndon, Herndon.....	1	0	1
3917	The Peoples National Bank of Leesburg, Leesburg.....	0	1	1
6031	The First National Bank of Luray, Luray.....	0	1	1
1558	United Virginia Bank/First National, Lynchburg.....	1	1	2
6748	The Peoples National Bank of Manassas, Manassas.....	0	1	1
7206	The First National Bank of Martinsville and Henry County, Martinsville.....	0	1	1
10194	United Virginia Bank/Seaboard National, Norfolk.....	0	1	1
9885	Virginia National Bank, Norfolk.....	0	2	2
11381	American National Bank, Portsmouth.....	0	1	1
1111	First & Merchants National Bank, Richmond.....	0	1	1
15027	Richmond National Bank, Richmond.....	0	1	1
10080	The Central National Bank of Richmond, Richmond.....	0	2	2
11817	The Colonial-American National Bank of Roanoke, Roanoke.....	2	0	2
15117	United Virginia Bank/Security National, Roanoke County.....	1	1	2
8984	The Peoples National Bank of Rocky Mount, Rocky Mount.....	1	0	1
11265	The First National Bank of Saltville, Saltville.....	1	0	1
14824	Fairfax County National Bank, Seven Corners.....	0	1	1
6126	The Fauquier National Bank of Warrenton, Warrenton.....	0	2	2
16174	The First National Exchange Bank of Washington County, Washington County.....	0	3	3
1635	The Shenandoah Valley National Bank of Winchester, Winchester.....	0	1	1
16159	Dominion National Bank of the Peninsula, York.....	0	2	2
15984	First & Merchants National Bank of the Peninsula, York County.....	0	1	1

See footnotes at end of table.

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1973*

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
WASHINGTON				
3417	Pacific National Bank of Washington, Seattle.....	0	1	1
14394	Peoples National Bank of Washington, Seattle.....	1	0	1
11280	Seattle-First National Bank, Seattle.....	1	1	2
4375	The National Bank of Commerce of Seattle, Seattle.....	1	7	8
13331	First National Bank in Spokane, Spokane.....	1	0	1
4668	Old National Bank of Washington, Spokane.....	1	5	6
12292	Puget Sound National Bank, Tacoma.....	0	4	4
WEST VIRGINIA				
13954	The National Bank of Logan, Logan.....	1	0	
WISCONSIN				
14397	The Baraboo National Bank, Baraboo.....	1	0	1
1998	The First National Bank of Wisconsin Rapids, Wisconsin Rapids.....	0	1	1
4639	The Wood County National Bank of Wisconsin Rapids, Wisconsin Rapids.....	0	1	1

\*Includes three automated teller machines beginning operation in 1972.

†Includes one non-National bank.

‡Includes adjustment from prior year.

TABLE B-20

*Domestic branches of National banks closed, by States, calendar 1973*

Charter No.	Title and location of bank	Branches closed		
		Local	Outside branches	Total
	Total.....	39	138	177
ALABAMA				
4067	The First National Bank of Huntsville, Huntsville.....	0	1	1
CALIFORNIA				
2491	Security Pacific National Bank, Los Angeles.....	0	1	1
10391	United States National Bank, San Diego.....	4	59	63
13044	Bank of America National Trust and Savings Association, San Francisco.....	1	2	3
15660	Wells Fargo Bank, National Association, San Francisco.....	0	4	4
15180	Security National Bank, Walnut Creek.....	1	0	1
COLORADO				
15170	Northern National Bank, Colorado Springs.....	1	0	
CONNECTICUT				
1139	The Deep River National Bank, Deep River.....	0	1	1
15542	The Constitution National Bank, Hartford.....	2	2	4
720	The Home National Bank and Trust Company, Meriden.....	2	5	7

TABLE B-20—Continued

*Domestic branches of National banks closed, by States, calendar 1973*

Charter No.	Title and location of bank	Branches closed		
		Local	Outside branches	Total
IDAHO				
1668	The Idaho First National Bank, Boise.....	0	1	1
12256	The Cassia National Bank of Burley, Burley.....	1	1	2
IOWA				
4677	The Citizens National Bank of Charles City, Charles City.....	1	0	1
KANSAS				
9758	Stockyards National Bank, Union Stock Yards.....	0	1	1
KENTUCKY				
109	First National Bank of Louisville, Louisville.....	1	0	1
MAINE				
13750	Norway National Bank, Norway.....	1	0	1
MASSACHUSETTS				
200	The First National Bank of Boston, Boston.....	1	0	1
14834	First National Bank of Natick, Natick.....	2	3	5
308	Third National Bank of Hampden County, Springfield.....	1	0	1
MICHIGAN				
13671	National Bank of Detroit, Detroit.....	1	0	1
13820	The American National Bank and Trust Company of Michigan, Kalamazoo.....	0	1	1
MISSOURI				
5036	The First National Bank of West Plains, West Plains.....	1	0	1
NEW JERSEY				
1326	First National Bank of South Jersey, Egg Harbor Township.....	0	1	1
1452	First National State Bank of New Jersey, Newark.....	1	0	1
NEW MEXICO				
14628	First National Bank of Lea County, Hobbs.....	1	0	1
NEW YORK				
12997	Franklin National Bank, Brooklyn.....	0	1	1
1461	First National City Bank, New York.....	0	1	1
7703	National Bank of North America, New York.....	1	3	4
NORTH CAROLINA				
15650	First Union National Bank of North Carolina, Charlotte.....	0	1	1
10608	The Planters National Bank and Trust Company, Rocky Mount.....	1	1	2
15673	Wachovia Bank and Trust Company, N.A., Winston-Salem.....	0	1	1
OHIO				
786	National City Bank, Cleveland.....	0	1	1
15423	The Capital National Bank, Cleveland.....	0	1	1

TABLE B-20—Continued

*Domestic branches of National banks closed, by States, calendar 1973*

Charter No.	Title and location of bank	Branches closed		
		Local	Outside branches	Total
OREGON				
1553	The First National Bank of Oregon, Portland.....	1	0	
PENNSYLVANIA				
14170	First National Bank in Bangor, Bangor.....	0	2	2
12526	The Cheltenham National Bank, Cheltenham.....	2	6	8
13994	Tri-Valley National Bank, Hegins.....	0	2	2
5429	The First National Bank of Meshoppen, Meshoppen.....	0	1	1
5574	First Citizens National Bank, Montgomery.....	0	1	1
2222	Equibank N.A., Pittsburgh.....	0	1	1
6301	Mellon Bank, N.A., Pittsburgh.....	0	1	1
252	Pittsburgh National Bank, Pittsburgh.....	0	3	3
705	The Union National Bank of Pittsburgh, Pittsburgh.....	0	1	1
4549	The Century National Bank and Trust Company, Rochester.....	0	1	1
TENNESSEE				
12031	First National Bank in Harriman, Harriman.....	1	1	2
13635	The Hamilton National Bank of Johnson City, Johnson City.....	5	1	6
13056	The First National Bank of Smithville, Smithville.....	1	0	1
UTAH				
7685	The First National Bank of Layton, Layton.....	1	0	1
VERMONT				
2395	The County National Bank of Bennington, Bennington.....	0	1	1
VIRGINIA				
15353	Woodlawn National Bank, Alexandria.....	0	3	3
9343	American National Bank & Trust Company of Danville, Danville.....	1	0	1
9885	Virginia National Bank, Norfolk.....	0	1	1
1111	First & Merchants National Bank, Richmond.....	0	14	14
2737	The First National Exchange Bank of Virginia, Roanoke.....	0	3	3
WASHINGTON				
3417	Pacific National Bank of Washington, Seattle.....	0	1	1
14394	Peoples National Bank of Washington, Seattle.....	1	0	1
WISCONSIN				
2725	The First National Bank and Trust Company of Beloit.....	1	0	1
	Adjustment from prior year.....	0	1	1

TABLE B-21

Principal assets, liabilities, and capital accounts of National banks, by deposit size, year-end 1972 and 1973

[Dollar amounts in millions]

	Number of banks	Total assets	Cash and cash items	Loans*	Securities*		Fixed assets	Deposits			Capital stock	Capital notes and debentures	Surplus, undivided profits, and reserves
					Total	U.S. Treasury securities		Total	Demand	Time and savings			
1973 Deposit size													
Less than \$1.0.....	15	\$20	\$4	\$3	\$5	\$4	\$1	\$9	\$6	\$3	\$5	\$0	\$5
\$1.0 to \$1.9.....	51	104	17	34	26	17	4	81	50	32	8	0	13
\$2.0 to \$4.9.....	371	1,572	201	686	468	242	31	1,360	645	715	52	1	124
\$5.0 to \$9.9.....	799	6,743	826	3,192	2,090	864	106	5,997	2,726	3,271	131	6	427
\$10.0 to \$24.9.....	1,659	30,249	3,571	15,060	9,359	3,243	503	26,985	11,168	15,817	506	45	1,713
\$25.0 to \$49.9.....	847	33,865	4,054	17,750	9,792	2,948	598	29,830	12,133	17,697	590	86	1,770
\$50.0 to \$99.9.....	457	36,140	4,648	19,041	9,874	2,801	699	31,637	13,111	18,526	627	111	1,805
\$100.0 to \$499.9.....	348	87,337	12,977	46,568	20,454	5,659	1,580	73,692	33,476	40,216	1,502	420	4,087
\$500.0 and over.....	114	293,570	44,426	169,238	52,616	13,119	4,621	226,289	105,731	120,558	4,519	1,531	13,051
Total.....	4,661	489,600	70,724	271,572	104,684	28,897	8,143	395,880	179,046	216,835	7,940	2,200	22,995
1972 Deposit size													
Less than \$1.0.....	12	16	3	5	4	3	1	9	6	2	3	0	4
\$1.0 to \$1.9.....	65	132	17	57	39	27	3	101	59	41	11	0	18
\$2.0 to \$4.9.....	420	1,731	233	772	576	326	25	1,531	734	797	41	1	124
\$5.0 to \$9.9.....	904	7,549	926	3,552	2,483	1,155	117	6,748	3,049	3,699	142	5	470
\$10.0 to \$24.9.....	1,603	28,795	3,404	13,898	9,416	3,788	478	25,846	10,999	14,847	486	34	1,556
\$25.0 to \$49.9.....	781	31,065	3,707	15,709	9,608	3,449	542	27,614	11,665	15,949	555	66	1,577
\$50.0 to \$99.9.....	404	31,922	4,048	16,290	9,619	3,316	604	28,278	12,226	16,051	564	91	1,563
\$100.0 to \$499.9.....	315	77,682	11,752	39,685	20,626	6,680	1,378	66,808	32,345	34,463	1,355	320	3,652
\$500.0 and over.....	110	256,057	43,311	140,489	51,367	16,555	4,186	202,493	101,482	101,011	4,344	1,726	11,643
Total.....	4,614	434,949	67,401	230,457	103,738	35,299	7,334	359,428	172,565	186,860	7,501	2,243	20,607

\*Loans and securities figures are shown gross, that is, reserves are not deducted from the respective assets.

NOTE: Data may not add to totals because of rounding.

TABLE B-22

*Dates of reports of condition of National banks, 1914-73*[For dates of previous calls see *Annual Report* for 1920, vol. 2, table No. 42, p. 150]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1914	13		4			30			12	31		31
1915			4		1	23			2		10	31
1916			7		1	30			12		17	27
1917			5		1	20			11		20	31
1918			4		10	29		31			1	31
1919			4		12	30			12		17	31
1920		28			4	30			8		15	29
1921		21		28		30			6			31
1922			10		5	30			15			29
1923				3		30			14			31
1924			31			30				10		31
1925				6		30			28			31
1926				12		30						31
1927			23			30				10		31
1928		28				30				3		31
1929			27			29				4		31
1930			27			30			24			31
1931			25			30			29			31
1932						30			30			31
1933						30				25		30
1934			5			30				17		31
1935			4			29					1	31
1936			4			30						31
1937			31			30						31
1938			7			30			28			31
1939			29			30				2		30
1940			26			29						31
1941				4		30			24			31
1942				4		30						31
1943						30				18		31
1944				13		30						30
1945			20			30						31
1946						29			30			31
1947						30				6		31
1948				12		30						31
1949				11		30					1	31
1950				24		30				4		30
1951				9		30				10		31
1952			31			30			5			31
1953				20		30			30			31
1954				15		30				7		31
1955				11		30				5		31
1956				10		30			26			31
1957			14			6				11		31
1958			4			23			24			31
1959			12			10				6		31
1960			15			15				3		31
1961				12		30			27			30
1962			26			30			28			28
1963			18			29			30			20
1964				15		30				1		31
1965				26		30				13		31
1966				5		30			20			31
1967				25		30				4		30
1968				18		29				30		31
1969				30		30				21		31
1970				30		30				28		31
1971				20		30			30			31
1972				18		30				10		31
1973				28		30				17		31

See notes on next page.

## NOTES

Act of Feb. 25, 1863, provided for reports of condition on the 1st of each quarter before commencement of business.

Act of June 3, 1864—1st Monday of January, April, July, and October, before commencement of business, on form prescribed by Comptroller (in addition to reports on 1st Tuesday of each month showing condition at commencement of business in respect to certain items; i.e., loans, specie, deposits, and circulation).

Act of Mar. 3, 1869, not less than 5 reports per year, on form prescribed by Comptroller, at close of business on any past date by him specified.

Act of Dec. 28, 1922, minimum number of calls reduced from 5 to 3 per year.

Act of Feb. 25, 1927, authorized a vice president or an assistant cashier designated by the board of directors to verify reports of condition in absence of president and cashier.

Act of June 16, 1933, requires each National bank to furnish and publish not less than 3 reports each year of affiliates other than member banks, as of dates identical with those for which the Comptroller shall during such year require reports of condition of the bank. The report of each affiliate shall contain such information as in the judgment of the Comptroller shall be necessary to disclose fully the relations between the affiliate and the bank and to enable the Comptroller to inform himself as to the effect of such relations upon the affairs of the bank.

Sec. 21 (a) of the Banking Act of 1933 provided, in part, that after June 16, 1934, it would be unlawful for any private bank

not under State supervision to continue the transaction of business unless it submitted to periodic examination by the Comptroller of the Currency or the Federal Reserve bank of the district, and made and published periodic reports of condition the same as required of National banks under sec. 5211, U.S.R.S. Sec 21(a) of the Banking Act of 1933, however, was amended by sec. 303 of the Banking Act of 1935, approved Aug. 23, 1935, under the provisions of which private banks are no longer required to submit to examination by the Comptroller or Federal Reserve bank, nor are they required to make to the Comptroller and to publish periodic reports of condition. (Five calls for reports of condition of private banks were made by the Comptroller, the first one for June 30, 1934, and the last one for June 29, 1935.)

Sec. 7(a)(3) of the Federal Deposit Insurance Act (Title 12, U.S.C., sec. 1817(a)) of July 14, 1960, provides, in part that, effective Jan. 1, 1961, each insured National bank shall make to the Comptroller of the Currency 4 reports of condition annually upon dates to be selected by the Comptroller, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, or a majority thereof. Two dates shall be selected within the semiannual period of January to June, inclusive, and 2 within the semiannual period of July to December, inclusive. Sec. 161 of Title 12 also provides that the Comptroller of the Currency may call for additional reports of condition, in such form and containing such information as he may prescribe, on dates to be fixed by him, and may call for special reports from any particular association whenever in his judgment the same are necessary for use in the performance of his supervisory duties.

TABLE B-23

*Total and principal assets of National banks, by States, June 30, 1973*

[Dollar amounts in millions]

	Number of banks	Total assets	Cash assets*	Securities, gross†			Loans, gross	Federal funds sold§	Direct lease financing
				U.S. Gov- ernment obligations‡	State and local	Other			
United States.....	4,631	\$449,924	\$61,356	\$43,428	\$53,277	\$2,995	\$254,211	\$16,072	\$1,329
Alabama.....	90	5,266	711	554	883	21	2,768	171	4
Alaska.....	5	685	97	78	135	3	339	4	—
Arizona.....	3	4,506	531	359	500	15	2,843	36	5
Arkansas.....	71	2,876	420	347	355	10	1,511	141	3
California.....	56	61,959	7,836	5,767	5,435	301	36,736	2,855	447
Colorado.....	125	5,046	698	406	562	21	3,041	115	10
Connecticut.....	24	3,584	625	184	396	23	2,125	83	6
Delaware.....	5	49	4	11	2	—	29	2	—
District of Columbia.....	11	2,590	408	263	294	16	1,438	103	2
Florida.....	254	14,829	2,165	1,787	2,484	113	7,274	525	10
Georgia.....	61	6,896	1,065	303	651	75	4,292	168	12
Hawaii.....	2	126	17	30	5	—	65	6	—
Idaho.....	6	1,447	160	132	193	4	874	40	5
Illinois.....	416	39,331	4,483	4,382	4,450	425	22,890	1,293	71
Indiana.....	122	9,740	1,364	1,065	1,148	98	5,312	438	45
Iowa.....	100	3,306	472	468	370	11	1,700	211	2
Kansas.....	171	3,758	511	579	474	12	1,834	245	2
Kentucky.....	80	3,332	449	460	426	9	1,729	158	12
Louisiana.....	50	5,816	765	853	743	24	2,853	398	15
Maine.....	19	950	103	54	142	2	597	20	—
Maryland.....	39	3,907	559	325	567	16	2,165	162	9
Massachusetts.....	80	10,947	1,601	734	1,353	68	6,448	184	85
Michigan.....	106	17,079	2,578	1,593	2,009	148	9,599	645	13
Minnesota.....	200	9,250	1,234	1,037	997	39	5,362	241	52
Mississippi.....	39	2,439	353	261	304	13	1,353	74	—
Missouri.....	104	7,629	1,178	681	995	21	4,009	517	27
Montana.....	54	1,332	138	170	184	4	764	34	1
Nebraska.....	122	3,533	484	358	403	11	2,033	151	2
Nevada.....	4	1,211	133	145	149	6	681	48	11
New Hampshire.....	48	956	115	108	101	2	571	32	—
New Jersey.....	122	14,648	1,664	1,673	2,433	240	7,822	303	46
New Mexico.....	33	1,700	224	177	252	4	921	74	—
New York.....	163	62,863	10,727	4,539	5,220	429	36,969	996	171
North Carolina.....	25	8,066	1,130	660	1,114	17	4,772	90	12
North Dakota.....	43	1,081	108	168	150	3	611	13	—
Ohio.....	215	17,616	2,037	2,124	2,638	178	9,463	610	42
Oklahoma.....	193	6,478	872	804	1,039	34	3,097	434	22
Oregon.....	8	4,916	710	373	610	9	2,842	140	10
Pennsylvania.....	270	27,453	3,185	2,812	3,870	238	15,374	1,071	48
Rhode Island.....	5	2,400	215	150	292	8	1,643	8	5
South Carolina.....	19	2,239	344	185	237	6	1,300	95	—
South Dakota.....	32	1,382	150	155	196	2	797	43	—
Tennessee.....	73	7,992	1,135	922	991	64	4,373	123	35
Texas.....	545	29,390	4,462	2,668	4,260	146	15,046	1,691	28
Utah.....	10	1,376	221	98	120	4	871	14	7
Vermont.....	23	464	40	40	65	4	292	13	—
Virginia.....	98	7,721	805	696	1,014	24	4,734	153	7
Washington.....	23	7,521	909	502	807	20	4,314	621	23
West Virginia.....	93	2,633	279	440	432	11	1,270	119	2
Wisconsin.....	127	6,556	766	618	681	37	3,866	337	18
Wyoming.....	42	899	98	122	117	6	502	23	2
Virgin Islands.....	1	134	12	3	27	—	87	—	—
Puerto Rico.....	1	18	8	2	—	—	—	—	—
District of Columbia—all 11.....	14	3,823	633	436	433	24	2,079	127	2

\* Cash, balances with other banks, and cash items in process of collection.

† Includes investment securities and securities held in trading accounts.

‡ Includes U.S. Treasury securities and obligations of other U.S. Government agencies.

§ Also includes securities purchased under agreements to resell.

11 Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts of less than \$500,000.

TABLE B-24

*Total and principal liabilities of National banks, by States, June 30, 1973*

[Dollar amounts in millions]

	<i>Total liabilities</i>	<i>Deposits</i>					<i>Federal funds purchased†</i>	<i>Reserves on loans and securities</i>
		<i>Total deposits</i>	<i>Demand deposits, total</i>	<i>Time and savings deposits, total</i>	<i>Demand deposits, IPC*</i>	<i>Time deposits, IPC</i>		
United States.....	\$413,747	\$364,236	\$159,958	\$204,277	\$121,004	\$171,523	\$30,643	\$4,297
Alabama.....	4,831	4,513	2,059	2,454	1,608	2,110	134	45
Alaska.....	633	595	286	309	227	161	14	6
Arizona.....	4,199	3,737	1,335	2,402	1,146	2,122	218	34
Arkansas.....	2,636	2,402	1,210	1,192	918	1,084	168	24
California.....	57,834	50,982	18,450	32,532	15,506	25,563	4,616	589
Colorado.....	4,657	4,242	2,044	2,198	1,605	1,853	217	44
Connecticut.....	3,313	3,030	1,615	1,416	1,260	1,216	178	34
Delaware.....	45	44	17	27	15	27	0	—
District of Columbia.....	2,355	2,201	1,286	915	1,095	889	73	23
Florida.....	13,683	12,623	6,117	6,507	4,841	5,316	628	100
Georgia.....	6,300	5,215	2,788	2,427	2,155	1,943	688	59
Hawaii.....	117	115	50	65	39	39	0	1
Idaho.....	1,341	1,266	508	759	413	681	15	11
Illinois.....	36,269	31,330	12,084	19,246	9,502	16,219	3,489	436
Indiana.....	9,005	8,028	3,535	4,493	2,571	4,106	646	75
Iowa.....	3,055	2,663	1,216	1,447	868	1,340	325	28
Kansas.....	3,403	3,103	1,536	1,568	1,055	1,320	214	27
Kentucky.....	3,058	2,871	1,393	1,478	1,097	1,329	108	31
Louisiana.....	5,317	4,710	2,207	2,503	1,664	1,927	436	50
Maine.....	875	806	350	456	296	415	34	9
Maryland.....	3,598	3,277	1,653	1,624	1,307	1,490	221	33
Massachusetts.....	9,999	8,428	4,797	3,631	3,490	3,017	962	116
Michigan.....	15,723	14,518	5,594	8,925	3,943	7,598	766	160
Minnesota.....	8,500	7,087	2,948	4,139	2,087	3,741	926	82
Mississippi.....	2,247	2,107	1,040	1,067	717	859	74	20
Missouri.....	6,948	5,709	3,238	2,471	2,290	2,205	1,041	68
Montana.....	1,235	1,157	420	737	340	663	29	12
Nebraska.....	3,241	2,921	1,385	1,536	1,008	1,383	215	32
Nevada.....	1,120	1,086	462	624	375	497	0	10
New Hampshire.....	860	808	447	361	358	328	19	8
New Jersey.....	13,480	12,766	5,255	7,511	4,161	6,829	294	130
New Mexico.....	1,572	1,481	655	825	507	625	40	12
New York.....	57,068	47,287	23,976	23,311	15,113	18,542	4,991	798
North Carolina.....	7,427	6,581	2,990	3,591	2,315	3,044	457	74
North Dakota.....	995	943	334	609	277	565	21	10
Ohio.....	16,089	14,599	5,888	8,712	4,688	7,767	849	155
Oklahoma.....	5,927	5,296	2,523	2,773	1,859	2,251	461	46
Oregon.....	4,503	4,133	1,726	2,407	1,468	2,073	194	45
Pennsylvania.....	25,041	21,958	8,570	13,388	6,865	11,930	1,737	244
Rhode Island.....	2,211	2,031	639	1,391	511	1,293	114	20
South Carolina.....	2,057	1,862	1,216	646	1,016	605	102	21
South Dakota.....	1,269	1,230	448	782	361	701	4	14
Tennessee.....	7,386	6,378	2,688	3,690	2,006	2,925	614	60
Texas.....	27,085	23,540	12,039	11,501	8,842	8,791	2,608	255
Utah.....	1,265	1,132	468	664	369	546	90	11
Vermont.....	427	409	133	276	112	261	4	4
Virginia.....	7,120	6,437	2,546	3,891	2,126	3,481	341	70
Washington.....	7,003	5,998	2,535	3,463	2,119	3,104	784	71
West Virginia.....	2,404	2,247	925	1,323	672	1,249	75	20
Wisconsin.....	6,060	5,460	2,000	3,460	1,562	3,034	371	59
Wyoming.....	824	789	317	472	243	410	7	7
Virgin Islands.....	124	91	18	72	15	48	29	1
Puerto Rico.....	17	16	3	13	3	6	0	0
District of Columbia—all‡.....	3,472	3,230	1,909	1,321	1,607	1,291	137	34

\*IPC deposits are those of individuals, partnerships, and corporations.

†Also includes securities sold under agreements to repurchase.

‡Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts less than \$500,000.

TABLE B-25  
Capital accounts of National banks, by States, June 30, 1973

[Dollar amounts in millions]

	Total capital accounts	De- bentures	Preferred stock	Common stock	Surplus	Un- divided profits	Capital reserves
United States.....	\$31,877	\$2,093	\$38	\$7,668	\$13,161	\$8,434	\$484
Alabama.....	390	4	0	98	159	122	8
Alaska.....	46	1	0	13	19	13	1
Arizona.....	273	74	0	37	90	72	0
Arkansas.....	216	22	0	49	73	68	5
California.....	3,536	428	0	748	1,425	835	100
Colorado.....	345	27	—	84	130	103	1
Connecticut.....	237	12	0	53	129	44	—
Delaware.....	4	0	0	1	1	1	—
District of Columbia.....	211	1	2	41	99	68	1
Florida.....	1,047	42	0	292	429	265	19
Georgia.....	536	66	0	122	144	156	49
Hawaii.....	8	2	0	3	2	2	0
Idaho.....	95	5	0	26	41	23	0
Illinois.....	2,627	64	1	696	1,337	481	48
Indiana.....	659	3	0	151	270	226	9
Iowa.....	224	12	0	52	73	82	5
Kansas.....	328	18	1	78	125	104	2
Kentucky.....	243	3	0	62	102	71	5
Louisiana.....	449	17	2	91	203	133	4
Maine.....	67	—	0	21	23	22	—
Maryland.....	276	3	0	57	111	93	12
Massachusetts.....	832	43	0	163	396	228	2
Michigan.....	1,196	96	4	253	555	275	14
Minnesota.....	667	96	0	165	189	211	7
Mississippi.....	171	9	0	40	112	10	1
Missouri.....	613	28	3	144	218	218	1
Montana.....	85	7	—	31	31	14	1
Nebraska.....	260	22	—	59	81	96	3
Nevada.....	82	0	0	27	27	27	—
New Hampshire.....	88	1	0	15	44	27	1
New Jersey.....	1,038	62	—	262	426	273	16
New Mexico.....	117	12	0	29	40	32	4
New York.....	4,997	296	19	1,371	2,040	1,263	7
North Carolina.....	565	89	0	137	223	111	5
North Dakota.....	75	5	0	20	24	24	2
Ohio.....	1,372	35	0	324	666	345	2
Oklahoma.....	506	43	0	115	151	195	2
Oregon.....	369	100	0	93	99	76	0
Pennsylvania.....	2,166	134	4	404	1,003	571	50
Rhode Island.....	169	5	0	30	83	51	0
South Carolina.....	162	—	0	35	68	56	3
South Dakota.....	98	11	0	24	29	33	1
Tennessee.....	547	21	0	130	199	186	11
Texas.....	2,050	79	—	574	727	614	55
Utah.....	100	13	0	30	37	21	0
Vermont.....	34	2	—	7	10	13	1
Virginia.....	530	28	0	130	207	164	3
Washington.....	447	5	—	128	183	119	12
West Virginia.....	209	3	0	39	94	66	6
Wisconsin.....	437	43	0	108	179	102	5
Wyoming.....	68	2	0	7	28	29	2
Virgin Islands.....	8	0	0	—	4	3	—
Puerto Rico.....	2	0	0	1	1	—	0
District of Columbia— all *.....	317	14	2	54	133	113	1

\* Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts less than \$500,000.

TABLE B-26  
Total and principal assets of National banks, by States, Dec. 31, 1973

[Dollar amounts in millions]

	Number of banks	Total assets	Cash assets*	Securities, gross †			Loans, gross	Federal funds sold ‡	Direct lease financing
				U.S. Government obligations ‡	State and local	Other			
United States.....	4,661	\$489,600	\$70,724	\$46,038	\$55,236	\$3,412	\$271,572	\$22,091	\$1,573
Alabama.....	91	5,743	812	579	849	50	2,941	342	12
Alaska.....	5	695	82	89	118	3	344	25	1
Arizona.....	3	4,863	661	340	420	25	3,010	117	5
Arkansas.....	72	3,192	531	358	364	10	1,596	233	5
California.....	57	67,747	9,214	6,465	5,583	290	39,426	3,261	609
Colorado.....	126	5,533	963	402	624	24	3,104	193	18
Connecticut.....	24	3,791	635	211	407	23	2,160	204	11
Delaware.....	5	52	5	11	2	—	30	3	0
District of Columbia.....	12	2,705	429	262	275	16	1,469	170	3
Florida.....	262	16,271	2,696	1,754	2,595	107	7,809	802	11
Georgia.....	61	7,592	1,291	286	656	86	4,475	387	17
Hawaii.....	2	128	16	22	6	—	75	4	0
Idaho.....	6	1,925	244	167	226	5	1,146	72	10
Illinois.....	417	42,461	4,724	4,761	4,561	444	25,004	1,321	71
Indiana.....	122	10,959	1,608	1,122	1,191	97	5,728	829	48
Iowa.....	100	3,580	571	481	377	11	1,808	245	2
Kansas.....	170	4,229	728	581	498	12	1,897	397	2
Kentucky.....	80	3,689	464	476	401	11	1,954	264	17
Louisiana.....	51	6,434	976	845	750	21	3,086	553	20
Maine.....	19	978	129	55	122	4	617	18	0
Maryland.....	39	4,163	601	311	494	17	2,430	201	4
Massachusetts.....	79	11,799	1,836	810	1,282	76	6,619	578	71
Michigan.....	111	17,693	2,714	1,624	1,966	154	10,396	294	17
Minnesota.....	201	10,430	1,356	1,320	1,098	191	5,638	475	38
Mississippi.....	41	2,754	443	278	320	12	1,501	112	—
Missouri.....	104	8,836	1,521	714	1,049	26	4,196	1,056	27
Montana.....	54	1,446	162	183	205	4	818	36	—
Nebraska.....	122	4,005	665	385	429	11	2,119	296	2
Nevada.....	4	1,268	134	143	140	6	731	61	12
New Hampshire.....	49	1,009	136	109	80	2	591	63	—
New Jersey.....	127	15,503	1,812	1,685	2,406	241	8,322	490	52
New Mexico.....	34	1,826	277	186	245	4	972	89	—
New York.....	159	66,732	10,708	4,959	5,968	536	39,524	933	165
North Carolina.....	25	9,337	1,696	710	1,261	38	5,071	198	17
North Dakota.....	43	1,175	136	183	160	2	646	20	0
Ohio.....	215	19,107	2,404	2,279	2,721	215	10,035	841	61
Oklahoma.....	194	6,923	1,127	766	1,101	31	3,324	358	24
Oregon.....	8	5,371	766	463	728	9	2,963	148	14
Pennsylvania.....	264	29,572	3,600	2,787	3,959	246	16,501	1,509	42
Rhode Island.....	5	2,565	194	183	269	8	1,724	90	7
South Carolina.....	19	2,863	473	210	310	7	1,590	186	—
South Dakota.....	32	1,532	169	177	219	3	888	35	—
Tennessee.....	72	8,603	1,331	882	956	66	4,690	277	34
Texas.....	550	32,791	5,833	2,750	4,509	163	15,678	2,664	43
Utah.....	11	1,551	310	108	120	4	932	23	8
Vermont.....	22	458	45	36	51	3	297	16	—
Virginia.....	103	8,483	1,027	682	1,013	24	5,100	325	10
Washington.....	24	8,304	1,250	580	834	22	4,544	678	38
West Virginia.....	94	2,873	311	454	437	12	1,372	195	2
Wisconsin.....	127	6,926	761	674	738	34	4,056	370	21
Wyoming.....	42	1,004	136	135	143	5	523	30	2
Virgin Islands.....	1	106	7	2	1	—	88	1	0
Puerto Rico.....	1	24	5	1	0	—	14	3	0
District of Columbia—all §.....	15	4,067	588	445	422	23	2,182	287	9

\* Cash, balances with other banks, and cash items in process of collection.

† Includes investment securities and securities held in trading accounts.

‡ Includes U.S. Treasury securities and obligations of other U.S. Government agencies.

§ Also includes securities purchased under agreement to resell.

|| Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts less than \$500,000.

TABLE B-27

*Total and principal liabilities of National banks, by States, Dec. 31, 1973*

[Dollar amounts in millions]

	<i>Total liabilities</i>	<i>Deposits</i>					<i>Federal funds purchased†</i>	<i>Reserves on loans and securities</i>
		<i>Total deposits</i>	<i>Demand deposits, total</i>	<i>Time and savings deposits, total</i>	<i>Demand deposits, IPC*</i>	<i>Time deposits, IPC</i>		
United States.....	\$451,749	\$395,881	\$179,046	\$216,835	\$136,056	\$181,215	\$35,975	\$4,713
Alabama.....	5,268	4,864	2,280	2,584	1,753	2,206	215	49
Alaska.....	639	595	275	320	235	170	24	6
Arizona.....	4,547	3,892	1,475	2,417	1,296	2,157	397	39
Arkansas.....	2,937	2,683	1,372	1,311	1,039	1,174	177	25
California.....	63,436	54,957	20,809	34,147	17,126	26,863	5,783	681
Colorado.....	5,122	4,654	2,394	2,261	1,857	1,943	280	47
Connecticut.....	3,510	3,282	1,831	1,451	1,427	1,235	121	38
Delaware.....	48	47	19	28	17	28	0	—
District of Columbia.....	2,467	2,311	1,337	974	1,130	957	93	25
Florida.....	15,029	13,951	6,771	7,180	5,233	5,696	644	113
Georgia.....	6,975	5,421	3,062	2,359	2,368	1,948	852	63
Hawaii.....	119	117	53	64	45	42	0	1
Idaho.....	1,790	1,710	721	990	585	878	15	17
Illinois.....	39,267	33,622	13,146	20,476	10,194	17,362	4,154	502
Indiana.....	10,184	8,815	3,920	4,895	2,860	4,365	934	88
Iowa.....	3,317	2,946	1,402	1,544	1,021	1,424	292	31
Kansas.....	3,863	3,496	1,830	1,667	1,276	1,412	281	29
Kentucky.....	3,397	3,097	1,516	1,581	1,221	1,424	197	36
Louisiana.....	5,921	5,163	2,548	2,615	1,943	2,026	519	57
Maine.....	897	853	371	483	318	440	15	10
Maryland.....	3,834	3,405	1,702	1,704	1,409	1,524	320	39
Massachusetts.....	10,818	9,266	5,307	3,959	3,797	3,199	1,101	122
Michigan.....	16,294	14,881	5,758	9,124	4,211	7,805	971	174
Minnesota.....	9,647	7,979	3,462	4,517	2,524	4,124	1,134	90
Mississippi.....	2,546	2,376	1,129	1,247	831	975	99	24
Missouri.....	8,138	6,632	3,933	2,699	2,731	2,419	1,353	72
Montana.....	1,342	1,258	471	786	396	696	32	13
Nebraska.....	8,700	3,322	1,663	1,659	1,220	1,503	289	35
Nevada.....	1,171	1,130	485	645	402	514	—	11
New Hampshire.....	908	847	467	380	375	349	28	9
New Jersey.....	14,270	13,648	5,705	7,943	4,549	7,212	203	141
New Mexico.....	1,685	1,592	686	906	552	668	42	14
New York.....	60,751	51,380	26,259	25,121	16,953	19,317	4,701	798
North Carolina.....	8,648	7,556	3,658	3,898	2,830	3,258	696	82
North Dakota.....	1,084	1,030	409	621	353	589	23	11
Ohio.....	17,520	15,711	6,602	9,110	5,216	8,188	1,097	165
Oklahoma.....	6,353	5,822	2,874	2,943	2,168	2,387	354	51
Oregon.....	4,943	4,372	1,841	2,531	1,583	2,106	377	47
Pennsylvania.....	27,071	23,830	9,574	14,255	7,796	12,504	1,763	273
Rhode Island.....	2,370	2,166	679	1,487	545	1,348	132	22
South Carolina.....	2,636	2,402	1,549	853	1,262	777	127	27
South Dakota.....	1,414	1,367	507	860	432	771	3	15
Tennessee.....	7,982	7,016	3,259	3,757	2,317	3,048	551	65
Texas.....	30,350	26,157	13,918	12,238	10,462	9,370	3,298	282
Utah.....	1,431	1,311	576	734	452	612	72	12
Vermont.....	421	412	137	275	114	260	0	4
Virginia.....	7,848	7,000	2,831	4,169	2,398	3,740	499	80
Washington.....	7,759	6,462	2,852	3,610	2,409	3,308	1,055	79
West Virginia.....	2,632	2,367	960	1,407	725	1,329	178	22
Wisconsin.....	6,414	5,717	2,263	3,454	1,791	3,069	471	67
Wyoming.....	921	878	365	514	291	446	11	7
Virgin Islands.....	97	93	23	69	13	37	0	1
Puerto Rico.....	22	21	5	16	4	14	0	—
District of Columbia—all ‡.....	3,707	3,437	1,997	1,440	1,658	1,418	180	36

\* IPC deposits are those of individuals, partnerships, and corporations.

† Also includes securities sold under agreements to repurchase.

‡ Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts less than \$500,000.

TABLE B-28

*Capital accounts of National banks, by States, Dec. 31, 1973*

[Dollar amounts in millions]

	<i>Total capital accounts</i>	<i>De- bentures</i>	<i>Preferred stock</i>	<i>Common stock</i>	<i>Surplus</i>	<i>Undivided profits</i>	<i>Capital reserves</i>
United States.....	\$33,135	\$2,200	\$37	\$7,904	\$13,513	\$8,998	\$484
Alabama.....	427	24	0	100	164	133	6
Alaska.....	50	1	0	16	20	12	1
Arizona.....	277	74	0	37	91	75	0
Arkansas.....	230	22	0	54	74	74	6
California.....	3,635	437	0	736	1,556	801	105
Colorado.....	364	30	0	85	135	113	1
Connecticut.....	243	12	0	53	130	48	—
Delaware.....	4	0	0	1	2	1	—
District of Columbia.....	213	1	2	42	99	69	1
Florida.....	1,129	41	—	305	465	298	19
Georgia.....	553	66	0	124	153	161	50
Hawaii.....	8	2	0	3	2	2	0
Idaho.....	119	8	0	34	53	25	0
Illinois.....	2,691	67	2	701	1,383	491	48
Indiana.....	687	4	0	153	278	242	9
Iowa.....	231	12	0	53	74	88	5
Kansas.....	337	19	—	79	125	113	2
Kentucky.....	254	5	0	64	106	75	4
Louisiana.....	457	18	2	92	204	136	4
Maine.....	71	1	0	21	24	24	1
Maryland.....	290	4	0	58	114	110	3
Massachusetts.....	859	39	0	169	402	246	2
Michigan.....	1,224	95	4	260	564	289	13
Minnesota.....	693	98	0	167	192	229	8
Mississippi.....	183	9	0	42	129	2	1
Missouri.....	626	29	5	145	221	226	1
Montana.....	92	9	0	32	32	19	1
Nebraska.....	269	22	—	60	81	102	5
Nevada.....	86	0	0	27	27	31	—
New Hampshire.....	91	1	0	15	46	28	1
New Jersey.....	1,092	65	—	274	442	295	15
New Mexico.....	128	12	0	37	45	30	4
New York.....	5,183	279	19	1,467	1,967	1,449	2
North Carolina.....	607	115	0	137	226	125	4
North Dakota.....	79	6	0	20	25	26	2
Ohio.....	1,422	37	0	328	680	375	2
Oklahoma.....	520	44	0	116	153	204	2
Oregon.....	381	100	0	93	99	88	0
Pennsylvania.....	2,227	144	2	418	1,023	590	50
Rhode Island.....	172	5	0	30	83	53	0
South Carolina.....	201	12	0	50	74	65	—
South Dakota.....	103	11	0	24	30	37	1
Tennessee.....	556	21	0	131	207	187	10
Texas.....	2,159	100	—	586	743	662	69
Utah.....	108	15	0	30	43	20	0
Vermont.....	32	1	—	7	10	13	1
Virginia.....	554	28	0	138	221	166	2
Washington.....	466	5	—	134	184	132	12
West Virginia.....	219	4	0	40	97	72	6
Wisconsin.....	445	43	0	108	182	107	5
Wyoming.....	76	7	0	7	29	32	2
Virgin Islands.....	8	0	0	—	4	3	—
Puerto Rico.....	2	0	0	1	1	—	0
District of Columbia— all*.....	323	13	2	55	133	118	1

\*Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts less than \$500,000.

TABLE B-29

*Loans of National banks, by States, Dec. 31, 1973*

[Dollar amounts in millions]

	<i>Loans</i>	<i>Loans secured by real estate</i>	<i>Loans to financial institutions</i>	<i>Loans to purchase or carry securities</i>	<i>Loans to farmers</i>	<i>Commercial and industrial loans</i>	<i>Personal loans to individuals</i>	<i>Other loans</i>
United States.....	\$271,572	\$67,208	\$24,131	\$6,571	\$8,858	\$98,393	\$57,979	\$8,432
Alabama.....	2,941	588	122	22	56	911	1,120	122
Alaska.....	344	142	—	—	—	110	89	2
Arizona.....	3,010	936	172	11	290	769	763	70
Arkansas.....	1,596	408	34	58	85	457	532	22
California.....	39,426	11,587	3,682	688	1,370	14,320	6,666	1,112
Colorado.....	3,104	686	214	32	304	855	929	83
Connecticut.....	2,160	772	42	26	14	656	553	98
Delaware.....	30	16	—	0	1	3	9	—
District of Columbia.....	1,469	475	244	14	0	346	349	42
Florida.....	7,809	2,229	339	78	70	2,470	2,489	134
Georgia.....	4,475	911	211	29	28	1,576	1,594	125
Hawaii.....	75	38	0	0	—	29	8	—
Idaho.....	1,146	325	15	6	167	266	351	15
Illinois.....	25,004	3,555	4,190	1,206	575	11,396	3,151	931
Indiana.....	5,728	1,857	380	63	127	1,531	1,656	114
Iowa.....	1,808	446	25	38	392	450	429	28
Kansas.....	1,897	262	48	38	488	547	498	15
Kentucky.....	1,954	573	109	16	96	495	603	61
Louisiana.....	3,086	671	217	53	40	1,163	857	86
Maine.....	617	248	3	3	6	173	178	7
Maryland.....	2,430	856	184	22	22	641	636	69
Massachusetts.....	6,619	1,069	830	46	12	3,365	1,150	147
Michigan.....	10,396	4,074	907	120	73	2,629	2,263	330
Minnesota.....	5,638	1,442	362	165	287	2,162	1,115	105
Mississippi.....	1,501	341	82	23	44	420	534	57
Missouri.....	4,196	724	306	146	210	1,714	926	170
Montana.....	818	227	6	1	154	194	230	5
Nebraska.....	2,119	249	42	89	716	527	481	15
Nevada.....	731	325	13	3	13	159	211	7
New Hampshire.....	591	179	3	1	4	186	209	9
New Jersey.....	8,322	3,546	329	48	12	2,187	2,029	171
New Mexico.....	972	177	28	9	103	329	295	30
New York.....	39,524	6,750	5,757	2,125	210	18,270	4,750	1,661
North Carolina.....	5,071	707	173	34	46	2,088	1,792	232
North Dakota.....	646	196	1	1	126	177	140	5
Ohio.....	10,035	2,994	486	113	125	2,932	3,171	213
Oklahoma.....	3,324	673	165	94	439	1,072	755	126
Oregon.....	2,963	768	284	26	113	1,170	574	28
Pennsylvania.....	16,501	4,996	1,661	151	187	5,212	3,717	579
Rhode Island.....	1,724	714	124	2	1	540	311	30
South Carolina.....	1,590	358	25	12	22	485	591	96
South Dakota.....	888	210	3	1	285	207	176	5
Tennessee.....	4,690	942	295	41	56	1,764	1,507	85
Texas.....	15,678	2,572	1,165	731	940	6,197	3,303	769
Utah.....	932	319	40	19	41	287	184	41
Vermont.....	297	157	1	—	8	58	69	2
Virginia.....	5,100	1,472	189	29	94	1,557	1,618	140
Washington.....	4,544	1,297	392	52	193	1,577	946	88
West Virginia.....	1,372	462	23	6	10	296	554	20
Wisconsin.....	4,056	1,493	202	77	96	1,294	767	128
Wyoming.....	523	125	3	3	104	149	137	2
Virgin Islands.....	88	64	0	—	0	13	11	—
Puerto Rico.....	14	—	0	0	0	11	1	1
District of Columbia— all*.....	2,182	719	379	23	0	466	509	86

\* Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts of less than \$500,000.

TABLE B-30

*Outstanding balances, credit cards and related plans of National banks, Dec. 31, 1973*

	Credit cards		Other related credit plans	
	Number of banks	Outstanding volume (dollars in thousands)	Number of banks	Outstanding volume (dollars in thousands)
United States.....	839	\$4,999,338	900	\$1,148,424
Alabama.....	16	60,189	8	2,677
Arizona.....	2	83,467	2	18,150
Arkansas.....	4	19,960	8	440
California.....	29	992,204	27	185,438
Colorado.....	45	126,963	39	14,258
Connecticut.....	5	56,588	7	17,393
Delaware.....	0	0	0	0
District of Columbia.....	2	61,715	3	10,830
Florida.....	60	149,310	43	47,436
Georgia.....	24	187,065	9	18,140
Idaho.....	3	20,225	2	7,680
Illinois.....	29	223,859	89	40,867
Indiana.....	56	83,025	16	10,530
Iowa.....	6	26,063	16	2,919
Kansas.....	4	37,790	13	1,282
Kentucky.....	35	43,107	7	3,596
Louisiana.....	5	47,106	6	4,141
Maine.....	14	11,819	9	3,513
Maryland.....	2	66,517	9	15,582
Massachusetts.....	38	81,923	42	91,273
Michigan.....	29	205,879	32	46,360
Minnesota.....	4	9,837	82	39,387
Mississippi.....	2	21,583	2	1,141
Missouri.....	10	145,358	17	10,901
Montana.....	6	2,373	8	578
Nebraska.....	5	75,949	19	3,315
Nevada.....	3	15,120	1	4,407
New Hampshire.....	22	11,807	10	2,351
New Jersey.....	19	56,633	42	57,043
New Mexico.....	5	16,965	2	643
New York.....	32	541,925	42	228,344
North Carolina.....	8	110,236	14	37,705
North Dakota.....	6	589	11	1,277
Ohio.....	103	268,714	51	30,055
Oklahoma.....	8	70,296	17	2,690
Oregon.....	3	75,077	0	0
Pennsylvania.....	20	176,907	39	114,934
Rhode Island.....	4	30,196	2	14,414
South Carolina.....	5	55,435	2	954
South Dakota.....	0	0	4	291
Tennessee.....	13	104,756	8	5,820
Texas.....	55	230,184	39	12,997
Utah.....	4	24,309	0	0
Vermont.....	6	2,812	1	18
Virginia.....	20	126,576	21	9,607
Washington.....	6	133,470	5	11,051
West Virginia.....	8	13,052	8	797
Wisconsin.....	42	83,015	53	13,250
Wyoming.....	9	1,178	12	1,669
Alaska.....	3	10,212	0	0
Hawaii.....	0	0	1	280
Virgin Islands.....	0	0	0	0
Puerto Rico.....	0	0	0	0

TABLE B-31

*National banks engaged in direct lease financing, Dec. 31, 1973*

	<i>Total number of banks</i>	<i>Number of banks engaged in direct lease financing</i>	<i>Amount of direct lease financing (dollars in thousands)</i>
Alabama.....	91	9	\$11,635
Alaska.....	5	2	896
Arizona.....	3	2	4,876
Arkansas.....	72	7	4,968
California.....	57	20	609,243
Colorado.....	126	25	17,748
Connecticut.....	24	4	11,265
Delaware.....	5	0	0
District of Columbia *.....	15	4	9,477
Florida.....	262	24	10,803
Georgia.....	61	13	16,802
Hawaii.....	2	0	0
Idaho.....	6	2	9,882
Illinois.....	417	50	70,890
Indiana.....	122	17	47,731
Iowa.....	100	11	1,577
Kansas.....	170	15	2,299
Kentucky.....	80	8	16,555
Louisiana.....	51	8	19,886
Maine.....	19	0	0
Maryland.....	39	4	4,346
Massachusetts.....	79	8	71,263
Michigan.....	111	24	16,591
Minnesota.....	201	15	38,291
Mississippi.....	41	6	220
Missouri.....	104	22	27,363
Montana.....	54	7	493
Nebraska.....	122	9	1,798
Nevada.....	4	2	12,261
New Hampshire.....	49	1	3
New Jersey.....	127	9	51,609
New Mexico.....	34	2	49
New York.....	159	13	165,377
North Carolina.....	25	6	17,431
North Dakota.....	43	0	0
Ohio.....	215	33	61,035
Oklahoma.....	194	77	24,162
Oregon.....	8	3	14,143
Pennsylvania.....	264	14	41,906
Rhode Island.....	5	2	6,712
South Carolina.....	19	2	82
South Dakota.....	32	2	118
Tennessee.....	72	13	33,511
Texas.....	550	30	42,893
Utah.....	11	2	7,967
Vermont.....	22	2	279
Virginia.....	103	8	9,609
Washington.....	24	6	38,109
West Virginia.....	94	9	1,656
Wisconsin.....	127	20	21,379
Wyoming.....	42	16	2,450
Virgin Islands.....	1	0	0
Puerto Rico.....	1	0	0
Total United States and possessions*.....	4,663	588	\$1,579,639

\* Includes 3 non-National banks in the District of Columbia.

TABLE B-32

*Income and expenses of National banks,\* by States, year ended Dec. 31, 1973*

[Dollar amounts in thousands]

	<i>United States</i>	<i>Alabama</i>	<i>Alaska</i>	<i>Arizona</i>	<i>Arkansas</i>	<i>California</i>	<i>Colorado</i>	<i>Connecticut</i>
Number of banks.....	4,661	91	5	3	72	57	126	24
Operating income:								
Interest and fees on loans.....	\$21,054,480	\$232,834	\$30,245	\$241,205	\$120,446	\$3,039,676	\$267,803	\$175,436
Income on Federal funds sold and securities purchased under agreements to resell.....	1,454,717	21,057	1,933	1,158	12,631	186,339	13,718	5,159
Interest and dividends on investments:								
U.S. Treasury securities.....	1,821,807	25,633	1,978	14,646	12,701	209,936	18,780	7,472
Obligations of other U.S. Government agencies and corporations.....	725,749	8,677	3,064	6,422	8,227	86,490	6,008	4,624
Obligations of States and political subdivisions.....	2,230,757	36,946	5,972	22,044	15,571	207,512	25,480	18,144
Other securities.....	203,664	1,975	366	284	799	22,164	1,376	2,154
Trust department income.....	820,368	7,446	541	6,989	2,378	97,592	15,074	15,039
Service charges on deposit accounts.....	752,699	13,408	3,096	9,545	6,415	132,948	15,236	6,659
Other service charges, collection and exchange charges, commissions, and fees.....	815,651	9,371	2,832	5,114	4,859	146,380	13,176	7,151
Other operating income.....	1,334,341	7,107	677	6,987	2,971	240,769	7,494	4,806
<i>Total operating income.....</i>	<i>31,214,233</i>	<i>364,454</i>	<i>50,704</i>	<i>314,394</i>	<i>186,998</i>	<i>4,369,806</i>	<i>384,145</i>	<i>246,644</i>
Operating expense:								
Salaries and wages of officers and employees.....	4,921,969	62,377	12,191	64,457	32,744	751,040	68,779	56,174
Pensions and other employee benefits.....	905,315	12,186	1,631	10,183	5,057	133,651	11,290	10,425
Interest on deposits.....	11,666,030	131,712	17,219	132,794	64,278	1,880,760	122,819	75,561
Expense of Federal funds purchased and securities sold under agreements to repurchase.....	2,681,225	12,333	1,578	20,862	12,815	308,390	21,715	16,582
Interest on borrowed money.....	304,008	3,496	79	1,354	554	15,034	2,577	2,221
Interest on capital notes and debentures.....	130,390	446	49	5,212	1,475	24,659	2,147	585
Occupancy expense of bank premises, net.....	999,201	10,167	2,051	13,172	6,907	160,377	11,197	13,159
Furniture and equipment, depreciation, rental costs, servicing, etc.....	718,746	10,710	1,786	9,487	6,614	76,153	10,958	8,147
Provision for loan losses (or actual net loan losses).....	758,146	7,832	484	5,547	3,368	115,388	10,427	6,271
Other operating expenses.....	3,161,864	43,015	5,292	29,235	21,967	355,471	59,176	27,667
<i>Total operating expense.....</i>	<i>26,246,894</i>	<i>294,274</i>	<i>42,360</i>	<i>292,303</i>	<i>155,779</i>	<i>3,820,923</i>	<i>321,085</i>	<i>216,792</i>
Income before income taxes and securities gains or losses.....	4,967,339	70,180	8,344	22,091	31,219	548,883	63,060	29,852
Applicable income taxes.....	1,194,886	16,148	1,335	- 1,330	6,167	167,261	17,572	6,586
Income before securities gains or losses.....	3,772,453	54,032	7,009	23,421	25,052	381,622	45,488	23,266
Net securities gains or losses (after tax effect).....	- 13,509	162	62	- 135	544	849	265	- 266
Net income before extraordinary items.....	3,758,944	54,194	7,071	23,286	25,596	382,471	45,753	23,000
Extraordinary charges or credits.....	+ 9,025	+ 724	+ 24	+ 101	- 46	+ 116	+ 90	+ 79
Minority interest in consolidated subsidiaries.....	- 302	+ 1	0	0	0	0	0	0
<i>Net income.....</i>	<i>3,767,667</i>	<i>54,919</i>	<i>7,095</i>	<i>23,387</i>	<i>25,550</i>	<i>382,587</i>	<i>45,843</i>	<i>23,079</i>

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits.....	3,767,667	54,919	7,095	23,387	25,550	382,587	45,843	23,079
Capital stock, notes and debentures sold or issued including premium received.....	780,419	25,277	33	932	8,336	44,422	12,921	130
Addition to surplus, undivided profits and reserves incident to mergers and consolidations.....	101,602	2,056	0	0	19	424	974	246
Transfers from reserves on loans and securities.....	35,622	391	144	0	86	468	468	83
All other increases.....	542,923	7,038	58	135	2,011	184,318	2,131	160
<i>Total increases.....</i>	<i>1,460,566</i>	<i>34,762</i>	<i>235</i>	<i>1,067</i>	<i>10,482</i>	<i>229,632</i>	<i>16,494</i>	<i>619</i>
Decreases:								
Cash dividends declared:								
On common stock.....	1,446,994	19,553	855	10,740	5,810	175,779	15,700	11,255
On preferred stock.....	2,398	0	0	0	0	0	14	0
Capital stock, notes and debentures, retired including premium paid.....	171,098	0	20	932	62	6,422	464	1
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations.....	117,440	283	0	0	0	111	0	0
Transfers to reserves on loans and securities.....	292,634	2,163	66	2,205	1,155	65,134	2,290	1,964
All other decreases.....	313,870	4,167	75	507	1,322	109,791	1,086	82
<i>Total decreases.....</i>	<i>2,344,434</i>	<i>26,166</i>	<i>1,016</i>	<i>14,384</i>	<i>8,349</i>	<i>357,237</i>	<i>19,554</i>	<i>13,302</i>
Net change in capital accounts.....	2,883,799	63,515	6,314	10,070	27,683	254,982	42,783	10,396
Capital accounts†.....	31,787,879	393,598	46,447	272,202	215,854	3,533,065	343,546	239,889
Ratios:								
Net income before dividends to capital accounts (percent).....	11.85	13.95	15.28	8.59	11.84	10.83	13.34	9.62
Total operating expense to total operating revenue (percent)...	84.09	80.74	83.54	92.97	83.31	87.44	83.58	87.90

See footnotes at end of table.

TABLE B-32—Continued

*Income and expenses of National banks,\* by States, year ended Dec. 31, 1973*

[Dollar amounts in thousands]

	<i>Delaware</i>	<i>District of Columbia</i>	<i>Florida</i>	<i>Georgia</i>	<i>Hawaii</i>	<i>Idaho</i>	<i>Illinois</i>	<i>Indiana</i>
Number of banks.....	5	12	262	61	2	6	417	122
Operating income:								
Interest and fees on loans.....	\$2,327	\$116,214	\$622,847	\$403,026	\$6,908	\$90,224	\$1,855,986	\$427,911
Income on Federal funds sold and securities purchased under agreements to resell.....	195	9,786	56,029	29,182	256	5,012	113,324	44,872
Interest and dividends on investments:								
U.S. Treasury securities.....	502	13,107	63,514	14,540	1,014	8,441	169,557	48,405
Obligations of other U.S. Government agencies and corpora- tions.....	189	2,591	46,236	3,531	499	1,516	88,391	18,567
Obligations of States and political subdivisions.....	85	10,999	108,053	27,799	214	9,481	197,223	49,892
Other securities.....	4	912	7,531	3,104	8	410	29,293	6,814
Trust department income.....	0	6,197	26,831	15,797	0	926	82,701	16,076
Service charges on deposit accounts.....	103	6,053	30,033	20,132	18	5,211	32,773	16,584
Other service charges, collection and exchange charges, commis- sions, and fees.....	49	2,183	34,208	15,683	284	2,897	44,287	23,578
Other operating income.....	60	3,652	18,681	27,033	68	903	112,938	15,329
<i>Total operating income.....</i>	<i>3,514</i>	<i>171,694</i>	<i>1,013,963</i>	<i>559,917</i>	<i>9,269</i>	<i>125,021</i>	<i>2,726,473</i>	<i>668,028</i>
Operating expense:								
Salaries and wages of officers and employees.....	657	35,674	160,939	108,043	2,298	23,448	325,107	103,818
Pensions and other employee benefits.....	106	6,020	27,773	20,360	276	3,737	59,840	16,779
Interest on deposits.....	1,182	50,384	360,488	142,046	3,557	48,567	1,160,996	239,503
Expense of Federal funds purchased and securities sold under agreements to repurchase.....	0	7,195	58,352	68,509	58	1,981	356,245	70,665
Interest on borrowed money.....	7	847	4,022	26,035	0	475	21,322	3,171
Interest on capital notes and debentures.....	0	930	2,745	3,594	75	500	4,573	244
Occupancy expense of bank premises, net.....	126	6,776	24,474	18,844	693	3,226	71,230	22,865
Furniture and equipment, depreciation, rental costs, servicing, etc.....	146	4,783	24,614	16,738	285	3,575	47,968	18,063
Provision for loan losses (or actual net loan losses).....	16	2,836	19,820	18,277	200	1,995	56,874	14,883
Other operating expenses.....	466	19,220	143,677	64,513	1,643	12,785	196,723	74,526
<i>Total operating expense.....</i>	<i>2,706</i>	<i>134,665</i>	<i>826,904</i>	<i>486,959</i>	<i>9,085</i>	<i>100,289</i>	<i>2,300,878</i>	<i>564,517</i>
Income before income taxes and securities gains or losses.....	808	37,029	187,059	72,958	184	24,732	425,595	103,511
Applicable income taxes.....	290	12,466	37,698	17,812	27	7,855	98,573	23,669
Income before securities gains or losses.....	518	24,563	149,361	55,146	157	16,877	327,022	79,842
Net securities gains or losses (after tax effect).....	14	48	-3,079	3,060	27	-8	-2,624	320
Net income before extraordinary items.....	532	24,611	146,282	58,206	184	16,869	324,398	80,162
Extraordinary charges or credits.....	0	+34	+799	+282	+23	0	-403	-54
Minority interest in consolidated subsidiaries.....	0	0	0	0	0	0	-2	0
<i>Net income.....</i>	<i>532</i>	<i>24,645</i>	<i>147,081</i>	<i>58,488</i>	<i>207</i>	<i>16,869</i>	<i>323,993</i>	<i>80,108</i>

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits.....	532	24,645	147,081	58,488	207	16,869	323,993	80,108
Capital stock, notes and debentures sold or issued including premium received.....	200	3,034	61,236	17,172	2,500	4,687	26,128	5,891
Addition to surplus, undivided profits and reserves incident to mergers and consolidations.....	0	0	7,235	15,616	0	557	1,293	4,668
Transfers from reserves on loans and securities.....	0	16	697	209	0	288	6,255	356
All other increases.....	81	574	5,012	6,155	0	0	9,718	18,400
<i>Total increases.....</i>	<i>281</i>	<i>3,624</i>	<i>74,180</i>	<i>39,152</i>	<i>2,500</i>	<i>5,532</i>	<i>43,394</i>	<i>29,315</i>
Decreases:								
Cash dividends declared:								
On common stock.....	101	9,193	52,575	24,808	132	5,608	130,138	23,718
On preferred stock.....	0	608	0	0	0	0	95	0
Capital stock, notes and debentures, retired including premium paid.....	0	73	2,981	7,793	0	0	698	548
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations.....	0	0	50	2,140	0	0	2,217	1,198
Transfers to reserves on loans and securities.....	18	1,027	7,282	6,345	0	1,156	43,565	5,371
All other decreases.....	99	5,091	3,423	4,442	108	123	9,286	2,222
<i>Total decreases.....</i>	<i>218</i>	<i>15,992</i>	<i>66,311</i>	<i>45,528</i>	<i>240</i>	<i>6,887</i>	<i>185,999</i>	<i>33,057</i>
Net change in capital accounts.....	595	12,277	154,950	52,112	2,467	15,514	181,388	76,366
Capital accounts†.....	4,141	208,435	1,049,828	524,728	7,199	101,649	2,611,503	652,926
Ratios:								
Net income before dividends to capital accounts (percent).....	12.85	11.82	14.01	11.15	2.88	16.60	12.41	12.27
Total operating expense to total operating revenue (percent)...	77.01	78.43	81.55	86.97	98.01	80.22	84.39	84.50

See footnotes at end of table.

TABLE B-32 — Continued  
*Income and expenses of National banks,\* by States, year ended Dec. 31, 1973*  
 [Dollar amounts in thousands]

	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts	Michigan
Number of banks.....	100	170	80	51	19	39	79	111
Operating income:								
Interest and fees on loans.....	\$132,243	\$145,183	\$142,367	\$237,699	\$50,795	\$185,192	\$539,139	\$774,210
Income on Federal funds sold and securities purchased under agreements to resell.....	20,463	21,710	13,811	23,684	1,762	12,988	38,431	63,256
Interest and dividends on investments:								
U.S. Treasury securities.....	19,639	26,252	22,415	43,215	2,723	14,661	35,532	75,272
Obligations of other U.S. Government agencies and corporations.....	7,930	9,438	5,465	9,732	677	5,754	11,284	20,437
Obligations of States and political subdivisions.....	15,220	20,357	18,749	32,493	5,308	22,809	45,781	83,849
Other securities.....	1,006	715	507	1,853	150	973	3,948	10,025
Trust department income.....	4,756	4,113	3,029	3,894	2,353	4,205	45,049	28,142
Service charges on deposit accounts.....	4,903	7,165	5,199	11,215	1,846	9,696	16,756	24,683
Other service charges, collection and exchange charges, commissions, and fees.....	7,148	8,194	4,626	10,200	1,722	5,830	31,915	21,514
Other operating income.....	1,892	2,830	7,829	6,528	704	4,306	45,613	20,428
<i>Total operating income.....</i>	<i>215,200</i>	<i>245,957</i>	<i>223,997</i>	<i>380,513</i>	<i>68,040</i>	<i>266,414</i>	<i>813,448</i>	<i>1,121,816</i>
Operating expense:								
Salaries and wages of officers and employees.....	32,338	39,495	36,933	56,233	14,144	49,330	150,804	173,275
Pensions and other employee benefits.....	5,007	6,539	6,015	9,244	2,771	7,898	29,251	32,206
Interest on deposits.....	76,847	82,619	75,542	141,877	23,572	78,478	229,866	486,106
Expense of Federal funds purchased and securities sold under agreements to repurchase.....	23,079	16,088	11,061	34,350	1,633	21,391	92,000	71,578
Interest on borrowed money.....	1,936	1,949	866	5,478	456	1,955	9,881	3,256
Interest on capital notes and debentures.....	700	902	287	1,336	38	186	2,555	5,803
Occupancy expense of bank premises, net.....	5,926	6,371	8,343	12,325	2,928	11,833	31,026	36,714
Furniture and equipment, depreciation, rental costs, servicing, etc.....	8,240	7,073	6,805	11,174	2,204	7,818	19,773	25,418
Provision for loan losses (or actual net loan losses).....	2,252	4,949	4,064	8,916	1,295	5,039	26,054	13,943
Other operating expenses.....	20,824	25,446	29,739	41,072	9,556	29,017	84,518	96,165
<i>Total operating expense.....</i>	<i>177,149</i>	<i>191,431</i>	<i>179,655</i>	<i>322,005</i>	<i>58,597</i>	<i>212,945</i>	<i>675,728</i>	<i>944,464</i>
Income before income taxes and securities gains or losses.....	38,051	54,526	44,342	58,508	9,443	53,469	137,720	177,352
Applicable income taxes.....	10,337	16,031	11,057	11,719	1,772	15,197	48,189	45,788
Income before securities gains or losses.....	27,714	38,495	33,285	46,789	7,671	38,272	89,531	131,564
Net securities gains or losses (after tax effect).....	29	32	-246	25	-35	-306	-1,275	-1,575
Net income before extraordinary items.....	27,743	38,527	33,039	46,814	7,636	37,966	88,256	129,989
Extraordinary charges or credits.....	+ 11	- 78	+ 80	+ 874	+ 231	+ 19	+ 401	+ 89
Minority interest in consolidated subsidiaries.....	- 10	0	0	0	0	0	0	- 19
<i>Net income.....</i>	<i>27,744</i>	<i>38,449</i>	<i>33,119</i>	<i>47,688</i>	<i>7,867</i>	<i>37,985</i>	<i>88,657</i>	<i>130,059</i>

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits.....	27,744	38,449	33,119	47,688	7,867	37,985	88,657	130,059
Capital stock, notes and debentures sold or issued including premium received.....	9,766	12,021	3,628	10,362	1,506	3,332	13,161	25,294
Addition to surplus, undivided profits and reserves incident to mergers and consolidations.....	0	21	0	1,108	0	271	1,986	4,225
Transfers from reserves on loans and securities.....	14	99	1,138	1,830	65	12	752	4,443
All other increases.....	2,025	3,149	2,131	1,244	1,341	4,679	7,809	110,497
<i>Total increases.....</i>	<i>11,805</i>	<i>15,290</i>	<i>6,897</i>	<i>14,544</i>	<i>2,912</i>	<i>8,294</i>	<i>23,708</i>	<i>144,459</i>
Decreases:								
Cash dividends declared:								
On common stock.....	8,941	10,549	8,864	15,765	3,841	11,925	39,936	70,367
On preferred stock.....	0	30	0	118	0	0	0	195
Capital stock, notes and debentures, retired including premium paid.....	71	1,190	53	150	0	134	4,042	102,786
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations.....	2	0	1,504	0	0	0	41	184
Transfers to reserves on loans and securities.....	2,027	1,588	3,105	2,557	478	3,390	10,708	9,308
All other decreases.....	1,541	3,284	1,491	7,701	1,192	1,223	3,800	4,128
<i>Total decreases.....</i>	<i>12,582</i>	<i>16,641</i>	<i>15,017</i>	<i>26,291</i>	<i>5,511</i>	<i>16,672</i>	<i>58,527</i>	<i>186,968</i>
Net change in capital accounts.....	26,967	37,098	24,999	35,941	5,268	29,607	53,838	87,550
Capital accounts†.....	219,808	322,376	241,909	443,887	67,939	275,322	832,141	1,185,693
Ratios:								
Net income before dividends to capital accounts (percent)...	12.62	11.93	13.69	10.74	11.58	13.80	10.65	10.97
Total operating expense to total operating revenue (percent)...	82.32	77.83	80.20	84.62	86.12	79.93	83.07	84.19

See footnotes at end of table.

TABLE B-32—Continued

*Income and expenses of National banks,\* by States, year ended Dec. 31, 1973*

[Dollar amounts in thousands]

	Minnesota	Mississippi	Missouri	Montana	Nebraska	Nevada	New Hampshire	New Jersey
Number of banks .....	201	41	104	54	122	4	49	127
Operating income:								
Interest and fees on loans .....	\$435,297	\$115,457	\$324,620	\$63,061	\$164,578	\$58,334	\$48,383	\$613,543
Income on Federal funds sold and securities purchased under agreements to resell .....	24,153	7,743	40,808	3,418	16,919	3,452	3,609	29,128
Interest and dividends on investments:								
U.S. Treasury securities .....	40,052	12,466	28,151	8,843	15,417	7,164	5,899	71,098
Obligations of other U.S. Government agencies and corporations .....	19,309	3,359	11,609	2,143	6,879	2,065	879	36,078
Obligations of States and political subdivisions .....	41,260	13,410	38,933	7,994	17,594	6,061	4,194	104,302
Other securities .....	1,291	655	1,490	258	856	381	149	17,650
Trust department income .....	20,983	1,919	20,458	569	6,250	1,985	1,559	21,418
Service charges on deposit accounts .....	12,392	6,814	7,726	2,937	4,982	3,823	3,172	28,377
Other service charges, collection and exchange charges, commissions, and fees .....	25,227	6,902	12,620	2,534	9,212	2,369	748	13,946
Other operating income .....	25,208	2,506	19,052	1,063	4,937	791	1,479	17,522
<i>Total operating income</i> .....	<i>645,172</i>	<i>171,231</i>	<i>505,467</i>	<i>92,820</i>	<i>247,624</i>	<i>86,425</i>	<i>70,071</i>	<i>953,062</i>
Operating expense:								
Salaries and wages of officers and employees .....	85,203	27,915	78,172	13,530	38,476	16,732	14,259	175,872
Pensions and other employee benefits .....	15,574	4,835	13,268	2,550	6,208	2,528	2,686	33,882
Interest on deposits .....	242,812	59,143	142,952	40,463	85,843	31,416	19,312	377,651
Expense of Federal funds purchased and securities sold under agreements to repurchase .....	78,977	7,958	78,373	2,149	16,656	31	1,644	22,880
Interest on borrowed money .....	14,449	407	2,637	211	2,283	0	317	4,043
Interest on capital notes and debentures .....	6,145	1,374	1,374	455	1,419	0	55	4,000
Occupancy expense of bank premises, net .....	13,175	4,679	13,293	2,240	8,184	3,210	3,505	39,750
Furniture and equipment, depreciation, rental costs, servicing, etc .....	13,379	5,746	12,944	2,348	8,559	2,141	2,217	27,679
Provision for loan losses (or actual net loan losses) .....	9,221	6,948	12,225	1,385	5,038	1,681	1,339	13,442
Other operating expenses .....	57,909	20,231	54,006	10,829	25,854	8,686	12,107	104,481
<i>Total operating expense</i> .....	<i>536,844</i>	<i>138,341</i>	<i>409,244</i>	<i>76,160</i>	<i>198,520</i>	<i>66,425</i>	<i>57,441</i>	<i>803,680</i>
Income before income taxes and securities gains or losses .....	108,328	32,890	96,223	16,660	49,104	20,000	12,630	149,382
Applicable income taxes .....	35,746	8,722	26,640	4,106	14,042	6,685	3,704	18,577
Income before securities gains or losses .....	72,582	24,168	69,583	12,554	35,062	13,315	8,926	130,805
Net securities gains or losses (after tax effect) .....	-1,266	73	-605	-312	-208	23	-39	-1,631
Net income before extraordinary items .....	71,316	24,241	68,978	12,242	34,854	13,338	8,887	129,174
Extraordinary charges or credits .....	+155	-39	-768	-195	+116	+48	-7	+432
Minority interest in consolidated subsidiaries .....	0	0	0	0	0	0	0	0
<i>Net income</i> .....	<i>71,471</i>	<i>24,202</i>	<i>68,210</i>	<i>12,047</i>	<i>34,970</i>	<i>13,386</i>	<i>8,880</i>	<i>129,606</i>

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits .....	71,471	24,202	68,210	12,047	34,970	13,386	8,880	129,606
Capital stock, notes and debentures sold or issued including premium received .....	26,280	6,441	5,224	5,950	3,989	1	1,636	33,357
Addition to surplus, undivided profits and reserves incident to mergers and consolidations.....	304	309	1,946	47	0	0	1,537	13,201
Transfers from reserves on loans and securities.....	224	417	404	452	224	0	113	727
All other increases .....	4,285	1,216	1,610	1,731	2,266	4	365	2,846
<i>Total increases</i> .....	31,093	8,383	9,184	8,180	6,479	5	3,651	50,131
Decreases:								
Cash dividends declared:								
On common stock .....	27,705	8,163	40,611	4,085	12,181	4,403	3,341	58,386
On preferred stock .....	0	0	237	0	6	0	0	3
Capital stock, notes and debentures, retired including premium paid .....	912	120	10	160	10	0	0	1,509
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations.....	0	29	400	300	0	0	9	1,124
Transfers to reserves on loans and securities.....	4,388	215	2,714	766	2,436	341	526	7,244
All other decreases.....	2,068	206	1,993	1,462	788	172	441	1,141
<i>Total decreases</i> .....	35,073	8,733	45,965	6,773	15,421	4,916	4,317	69,407
Net change in capital accounts .....	67,491	23,852	31,429	13,454	26,028	8,475	8,214	110,330
Capital accounts†.....	660,932	170,389	610,813	85,554	258,078	81,698	87,226	1,040,682
Ratios:								
Net income before dividends to capital accounts (percent) .....	10.81	14.20	11.17	14.08	13.55	16.38	10.18	12.45
Total operating expense to total operating revenue (percent)...	83.21	80.79	80.96	82.05	80.17	76.86	81.98	84.33

See footnotes at end of table.

TABLE B-32—Continued

*Income and expenses of National banks,\* by States, year ended Dec. 31, 1973*

[Dollar amounts in thousands]

	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania
Number of banks .....	34	159	25	43	215	194	8	264
Operating income:								
Interest and fees on loans .....	\$78,893	\$3,067,040	\$411,658	\$48,038	\$779,043	\$263,681	\$233,359	\$1,199,254
Income on Federal funds sold and securities purchased under agreements to resell .....	6,232	70,870	18,043	2,325	59,222	29,256	17,640	100,896
Interest and dividends on investments:								
U.S. Treasury securities .....	7,458	180,682	19,554	7,631	110,154	42,758	16,788	123,504
Obligations of other U.S. Government agencies and corporations .....	3,694	52,883	19,814	3,408	24,299	5,295	10,007	44,252
Obligations of States and political subdivisions .....	10,715	220,980	48,964	6,538	113,548	43,216	28,246	153,518
Other securities .....	452	26,630	1,254	194	11,702	2,112	429	18,648
Trust department income .....	1,491	113,322	17,169	1,142	29,851	7,807	7,366	62,811
Service charges on deposit accounts .....	4,403	71,003	16,570	2,209	32,352	12,499	15,975	19,943
Other service charges, collection and exchange charges, commissions, and fees .....	4,003	106,161	16,374	1,947	30,360	8,944	7,282	26,587
Other operating income .....	1,681	471,757	21,769	630	21,007	10,226	5,953	74,243
Total operating income .....	119,022	4,381,328	591,169	74,062	1,211,538	425,794	343,045	1,823,656
Operating expense:								
Salaries and wages of officers and employees .....	20,754	611,420	110,143	10,198	190,208	62,147	68,223	270,303
Pensions and other employee benefits .....	3,045	142,009	19,548	1,945	29,084	9,582	12,931	53,254
Interest on deposits .....	47,460	1,491,196	217,511	32,806	462,295	158,056	126,195	713,470
Expense of Federal funds purchased and securities sold under agreements to repurchase .....	3,539	451,420	44,050	1,113	82,999	37,659	17,570	126,903
Interest on borrowed money .....	219	56,182	3,882	501	4,929	4,265	325	48,692
Interest on capital notes and debentures .....	1,010	15,119	5,991	341	2,024	2,617	6,712	9,082
Occupancy expense of bank premises, net .....	3,057	156,443	21,480	1,732	35,386	9,830	13,736	59,360
Furniture and equipment, depreciation, rental costs, servicing, etc .....	3,243	75,992	13,856	1,646	32,266	9,227	8,327	41,640
Provision for loan losses (or actual net loan losses) .....	3,055	165,477	8,972	794	24,736	12,281	5,965	30,726
Other operating expenses .....	13,192	452,982	64,361	7,141	141,422	47,039	28,107	169,403
Total operating expense .....	98,574	3,618,240	509,794	58,217	1,005,349	352,703	288,091	1,522,833
Income before income taxes and securities gains or losses .....	20,448	763,088	81,375	15,845	206,189	73,091	54,954	300,823
Applicable income taxes .....	4,564	190,911	16,085	4,284	41,241	11,504	15,207	49,906
Income before securities gains or losses .....	15,884	572,177	65,290	11,561	164,948	61,587	39,747	250,917
Net securities gains or losses (after tax effect) .....	121	-4,721	-3,018	-261	-3,288	97	-529	11,619
Net income before extraordinary items .....	16,005	567,456	62,272	11,300	161,660	61,684	39,218	262,536
Extraordinary charges or credits .....	+ 6	+ 2,216	- 543	+ 9	+ 166	+ 132	+ 3	- 604
Minority interest in consolidated subsidiaries .....	0	- 7	0	0	- 9	- 3	0	- 233
Net income .....	16,011	569,665	61,729	11,309	161,817	61,813	39,221	261,699

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits .....	16,011	569,665	61,729	11,309	161,817	61,813	39,221	261,699
Capital stock, notes and debentures sold or issued including premium received .....	6,941	109,575	38,847	1,357	11,787	7,184	208	69,863
Addition to surplus, undivided profits and reserves incident to mergers and consolidations.....	85	8,901	2,496	350	2,953	525	0	4,855
Transfers from reserves on loans and securities.....	49	263	1,270	7	1,201	733	387	1,415
All other increases .....	2,808	93,373	1,022	490	9,062	5,856	26	9,012
<i>Total increases</i> .....	9,883	212,112	43,635	2,204	25,003	14,298	621	85,145
Decreases:								
Cash dividends declared:								
On common stock .....	4,440	156,574	22,151	3,339	73,384	25,262	15,099	125,884
On preferred stock.....	0	875	0	0	0	0	0	176
Capital stock, notes and debentures, retired including premium paid.....	70	28,509	375	150	1,230	19	0	7,353
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations.....	0	90,120	2,650	0	345	362	0	420
Transfers to reserves on loans and securities.....	1,103	24,470	5,766	451	7,686	2,777	1,083	14,451
All other decreases.....	1,205	85,548	1,489	533	4,321	2,923	173	17,414
<i>Total decreases</i> .....	6,818	386,096	32,431	4,473	86,966	31,343	16,355	165,698
Net change in capital accounts .....	19,076	395,681	72,933	9,040	99,854	44,768	23,487	181,146
Capital accounts † .....	117,654	4,988,955	569,148	75,036	1,373,058	500,235	369,178	2,152,030
Ratios:								
Net income before dividends to capital accounts (percent) .....	13.61	11.42	10.85	15.07	11.79	12.36	10.62	12.16
Total operating expense to total operating revenue (percent).....	82.82	82.58	86.23	78.61	82.98	82.83	83.98	83.50

See footnotes at end of table.

TABLE B-32—Continued

*Income and expenses of National banks,\* by States, year ended Dec. 31, 1973*

[Dollar amounts in thousands]

	<i>Rhode Island</i>	<i>South Carolina</i>	<i>South Dakota</i>	<i>Tennessee</i>	<i>Texas</i>	<i>Utah</i>	<i>Vermont</i>	<i>Virginia</i>
Number of banks.....	5	19	32	72	550	11	22	103
Operating income:								
Interest and fees on loans.....	\$134,206	\$134,275	\$64,424	\$377,979	\$1,270,624	\$77,210	\$22,573	\$411,439
Income on Federal funds sold and securities purchased under agreements to resell.....	4,148	8,694	3,583	20,822	154,997	3,207	1,342	16,879
Interest and dividends on investments:								
U.S. Treasury securities.....	5,403	8,768	7,566	33,368	107,682	5,650	2,026	28,934
Obligations of other U.S. Government agencies and corpora- tions.....	3,284	3,878	2,573	17,930	51,850	1,176	245	13,010
Obligations of States and political subdivisions.....	10,474	12,475	8,989	42,640	175,047	6,139	2,387	44,266
Other securities.....	466	239	127	4,585	10,298	460	220	2,002
Trust department income.....	9,714	4,348	1,135	11,046	48,441	1,547	213	12,467
Service charges on deposit accounts.....	2,735	9,722	3,484	13,757	46,920	4,216	1,102	9,444
Other service charges, collection and exchange charges, commissions, and fees.....	2,948	5,797	3,142	19,219	45,507	3,645	275	17,071
Other operating income.....	5,853	3,917	645	15,704	48,159	1,392	302	7,830
<i>Total operating income.....</i>	<i>179,231</i>	<i>192,113</i>	<i>95,668</i>	<i>557,050</i>	<i>1,959,525</i>	<i>104,642</i>	<i>30,685</i>	<i>563,342</i>
Operating expense:								
Salaries and wages of officers and employees.....	24,606	47,082	13,507	89,433	267,842	17,084	5,749	89,344
Pensions and other employee benefits.....	6,145	8,502	2,643	14,313	43,781	2,618	908	17,062
Interest on deposits.....	76,849	39,893	42,802	214,309	679,295	37,686	13,281	211,516
Expense of Federal funds purchased and securities sold under agreements to repurchase.....	12,989	7,502	517	51,552	239,783	5,523	102	33,534
Interest on borrowed money.....	1,740	1,422	115	7,439	29,022	1,618	144	3,300
Interest on capital notes and debentures.....	313	627	668	1,052	4,722	1,060	107	2,100
Occupancy expense of bank premises, net.....	4,445	6,322	2,242	16,894	36,156	2,278	967	16,508
Furniture and equipment, depreciation, rental costs, servicing, etc.....	2,507	7,854	2,604	17,234	46,776	2,746	1,026	13,780
Provision for loan losses (or actual net loan losses).....	6,375	3,735	1,517	19,200	54,976	1,071	469	11,725
Other operating expenses.....	18,449	28,188	8,249	60,436	214,922	11,422	3,270	77,707
<i>Total operating expense.....</i>	<i>154,418</i>	<i>151,127</i>	<i>74,864</i>	<i>491,862</i>	<i>1,617,275</i>	<i>83,106</i>	<i>26,023</i>	<i>476,576</i>
Income before income taxes and securities gains or losses.....	24,813	40,986	20,804	65,188	342,250	21,536	4,662	86,766
Applicable income taxes.....	6,681	14,023	5,978	9,229	77,053	7,712	972	18,474
Income before securities gains or losses.....	18,132	26,963	14,826	55,959	265,197	13,824	3,690	68,292
Net securities gains or losses (after tax effect).....	-297	-106	-474	-42	-2,596	-5	-90	-1,474
Net income before extraordinary items.....	17,835	26,857	14,352	55,917	262,601	13,819	3,600	66,818
Extraordinary charges or credits.....	0	+2,497	+14	+22	+1,587	-576	+4	+153
Minority interest in consolidated subsidiaries.....	0	0	0	-20	0	0	0	0
<i>Net income.....</i>	<i>17,835</i>	<i>29,354</i>	<i>14,366</i>	<i>55,919</i>	<i>264,188</i>	<i>13,243</i>	<i>3,604</i>	<i>66,971</i>

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits.....	17,835	29,354	14,366	55,919	264,188	13,243	3,604	66,971
Capital stock, notes and debentures sold or issued including premium received.....	900	12,737	4,836	5,364	81,957	2,850	519	28,596
Addition to surplus, undivided profits and reserves incident to mergers and consolidations.....	0	1,155	589	2,313	6,422	1,259	1	8,710
Transfers from reserves on loans and securities.....	0	0	10	153	7,760	0	26	105
All other increases.....	8,758	19	661	1,592	18,009	307	430	2,233
<i>Total increases.....</i>	<i>9,658</i>	<i>13,911</i>	<i>6,096</i>	<i>9,422</i>	<i>114,148</i>	<i>4,416</i>	<i>976</i>	<i>39,644</i>
Decreases:								
Cash dividends declared:								
On common stock.....	7,965	11,771	4,687	20,347	78,747	5,477	1,254	29,311
On preferred stock.....	0	0	0	0	17	0	23	0
Capital stock, notes and debentures, retired including premium paid.....	0	0	40	65	1,314	0	194	120
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations.....	0	31	0	456	2,796	275	0	6,664
Transfers to reserves on loans and securities.....	1,312	1,597	712	3,037	19,382	706	312	5,059
All other decreases.....	32	219	209	6,326	14,795	8	234	1,481
<i>Total decreases.....</i>	<i>9,309</i>	<i>13,618</i>	<i>5,648</i>	<i>30,231</i>	<i>117,051</i>	<i>6,466</i>	<i>2,017</i>	<i>42,635</i>
Net change in capital accounts.....	18,184	29,647	14,814	35,110	261,285	11,193	2,563	63,980
Capital accounts†.....	165,030	169,970	96,476	543,147	2,048,405	101,836	33,500	525,843
Ratios:								
Net income before dividends to capital accounts (percent).....	10.81	17.27	14.89	10.30	12.90	13.00	10.76	12.74
Total operating expense to total operating revenue (percent)....	86.16	78.67	78.25	88.30	82.53	79.42	84.81	84.60

See footnotes at end of table.

TABLE B-32—Continued

*Income and expenses of National banks,\* by States, year ended Dec. 31, 1973*

[Dollar amounts in thousands]

	<i>Washington</i>	<i>West Virginia</i>	<i>Wisconsin</i>	<i>Wyoming</i>	<i>Puerto Rico</i>	<i>Virgin Islands</i>	<i>District of Columbia— all†</i>
Number of banks .....	24	94	127	42	1	1	15
Operating income:							
Interest and fees on loans.....	\$360,231	\$98,367	\$308,326	\$42,445	\$864	\$7,362	\$167,169
Income on Federal funds sold and securities purchased under agreements to resell .....	58,544	13,213	36,617	1,943	62	196	12,395
Interest and dividends on investments:							
U.S. Treasury securities .....	23,124	19,321	25,692	6,279	201	239	23,402
Obligations of other U.S. Government agencies and corporations.....	7,541	8,550	12,354	1,634	0	2	3,861
Obligations of States and political subdivisions .....	35,166	18,324	29,205	5,488	0	703	16,541
Other securities .....	1,101	728	2,428	389	1	8	1,439
Trust department income .....	13,668	2,663	9,324	574	0	0	11,168
Service charges on deposit accounts .....	24,765	2,151	7,306	2,076	72	95	8,729
Other service charges, collection and exchange charges, commissions, and fees ...	21,077	2,565	14,310	1,431	2	245	4,003
Other operating income.....	17,542	2,309	9,742	1,150	117	250	5,330
<i>Total operating income.....</i>	<i>562,759</i>	<i>168,191</i>	<i>455,304</i>	<i>63,409</i>	<i>1,319</i>	<i>9,100</i>	<i>254,037</i>
Operating expense:							
Salaries and wages of officers and employees .....	111,894	23,695	66,005	9,834	164	1,877	49,258
Pensions and other employee benefits .....	19,134	3,481	13,778	1,497	16	263	8,728
Interest on deposits .....	176,655	66,390	199,844	26,590	655	4,911	71,047
Expense of Federal funds purchased and securities sold under agreements to repurchase.....	78,271	10,866	37,303	902	0	0	12,819
Interest on borrowed money.....	4,095	200	3,432	473	0	695	1,750
Interest on capital notes and debentures .....	413	253	2,995	216	0	0	1,539
Occupancy expense of bank premises, net .....	21,775	4,189	15,436	1,740	23	436	10,687
Furniture and equipment, depreciation, rental costs, servicing, etc .....	16,456	4,372	11,972	1,395	50	232	6,506
Provision for loan losses (or actual net loan losses).....	12,804	3,546	6,861	1,332	100	420	4,396
Other operating expenses .....	59,079	18,951	42,694	7,279	278	1,477	27,134
<i>Total operating expense.....</i>	<i>500,576</i>	<i>135,943</i>	<i>400,320</i>	<i>51,258</i>	<i>1,286</i>	<i>10,311</i>	<i>193,864</i>
Income before income taxes and securities gains or losses .....	62,183	32,248	54,984	12,151	33	-1,211	60,173
Applicable income taxes .....	10,734	5,959	11,944	2,915	8	-939	21,627
Income before securities gains or losses .....	51,449	26,289	43,040	9,236	25	-272	38,546
Net securities gains or losses (after tax effect) .....	-437	111	-121	68	3	8	58
Net income before extraordinary items .....	51,012	26,400	42,919	9,304	28	-264	38,604
Extraordinary charges or credits .....	+274	+122	+91	+304	+10	0	+77
Minority interest in consolidated subsidiaries .....	0	0	0	0	0	0	0
<i>Net income.....</i>	<i>51,286</i>	<i>26,522</i>	<i>43,010</i>	<i>9,608</i>	<i>38</i>	<i>-264</i>	<i>38,681</i>

Changes in capital accounts:							
Increases:							
Net income transferred to undivided profits .....	51,286	26,522	43,010	9,608	38	—264	38,681
Capital stock, notes and debentures sold or issued including premium received .....	1,069	6,794	9,358	4,800	0	0	3,034
Addition to surplus, undivided profits and reserves incident to mergers and consolidations .....	625	0	770	1,550	0	0	0
Transfers from reserves on loans and securities .....	850	442	236	83	0	257	16
All other increases .....	1,961	1,275	1,877	1,163	0	0	587
<i>Total increases</i> .....	4,505	8,511	12,241	7,596	0	257	3,637
Decreases:							
Cash dividends declared:							
On common stock .....	16,490	6,763	20,138	2,883	0	0	14,553
On preferred stock .....	1	0	0	0	0	0	608
Capital stock, notes and debentures, retired including premium paid .....	45	30	133	310	0	0	693
Reduction to surplus, undivided profits and reserves incident to mergers and consolidation .....	3,297	0	432	0	0	0	0
Transfers to reserves on loans and securities .....	5,470	1,316	4,066	346	0	0	2,061
All other decreases .....	144	1,131	888	178	0	164	5,136
<i>Total decreases</i> .....	25,447	9,240	25,657	3,717	0	164	23,051
Net change in capital accounts .....	30,344	25,793	29,594	13,487	38	—171	19,267
Capital accounts † .....	449,803	206,675	433,323	69,222	1,917	7,981	314,609
Ratios:							
Net income before dividends to capital accounts (percent) .....	11.40	12.83	9.93	13.88	1.98	—3.31	12.29
Total operating expense to total operating revenue (percent) .....	88.95	80.83	87.92	80.84	97.50	113.31	76.31

\*Includes all banks operating as National banks at year-end and full-year data for those State banks converting to National banks during the year.

† Includes the aggregate book value of debentures, preferred stock, common stock, surplus, undivided profits, and reserves. Excepting Puerto Rico, these are averages from the June and December call dates in the year indicated and the previous December call date.

‡ Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding.

TABLE B-33

*Income and expenses of National banks,\* by deposit size, year ended Dec. 31, 1973*

[Dollar amounts in thousands]

	<i>Banks operating full year with deposits in December 1973, of—</i>								
	<i>Total</i>	<i>\$2,000.0 and under</i>	<i>\$2,000.1 to \$5,000.0</i>	<i>\$5,000.1 to \$10,000.0</i>	<i>\$10,000.1 to \$25,000.0</i>	<i>\$25,000.1 to \$50,000.0</i>	<i>\$50,000.1 to \$100,000.0</i>	<i>\$100,000.1 to \$500,000.0</i>	<i>Over \$500,000.0</i>
Number of banks .....	4,661	66	371	799	1,659	847	457	348	114
Operating income:									
Interest and fees on loans .....	\$21,054,480	\$2,075	\$49,158	\$239,136	\$1,138,237	\$1,352,243	\$1,448,220	\$3,649,321	\$13,176,090
Income on Federal funds sold and securities purchased under agreements to resell .....	1,454,717	1,230	12,394	39,942	133,639	105,544	103,413	251,498	807,057
Interest and dividends on investments:									
U.S. Treasury securities .....	1,821,807	1,100	15,157	55,305	208,522	192,785	184,175	360,931	803,832
Obligations of other U.S. Government agencies and corporations .....	725,749	277	5,918	24,502	99,209	101,577	97,658	163,551	233,057
Obligations of States and political subdivisions .....	2,230,757	67	3,753	27,971	167,167	206,183	222,260	478,457	1,124,899
Other securities .....	203,664	114	718	2,611	13,989	16,395	19,406	46,662	103,769
Trust department income .....	820,368	0	41	420	4,842	16,686	40,991	160,428	596,960
Service charges on deposit accounts .....	752,699	146	3,062	15,947	71,243	77,398	73,836	146,511	364,556
Other service charges, collection and exchange charges, commissions, and fees .....	815,651	78	1,629	7,201	34,108	40,973	43,358	166,254	522,050
Other operating income .....	1,334,341	87	1,084	4,255	20,371	23,927	28,231	104,150	1,152,236
<i>Total operating income .....</i>	<i>31,214,233</i>	<i>5,174</i>	<i>92,914</i>	<i>417,290</i>	<i>1,891,327</i>	<i>2,133,711</i>	<i>2,261,548</i>	<i>5,527,763</i>	<i>18,884,506</i>

Operating expense:									
Salaries and wages of officers and employees .....	4,921,969	1,681	21,068	80,954	322,368	351,889	384,839	943,056	2,816,114
Pensions and other employee benefits .....	905,315	185	2,537	10,727	50,016	58,727	65,459	165,844	551,820
Interest on deposits .....	11,666,030	980	30,516	150,361	755,098	871,896	926,675	2,081,159	6,849,345
Expense of Federal funds purchased and securities sold under agreements to repurchase .....	2,681,225	1	140	1,206	6,977	19,942	45,036	349,169	2,258,754
Interest on borrowed money .....	304,008	5	61	511	3,383	5,483	8,950	31,349	254,266
Interest on capital notes and debentures .....	130,390	0	49	311	2,616	5,465	6,966	26,302	88,681
Occupancy expense of bank premises, net .....	999,201	248	3,202	12,512	57,312	67,593	79,592	193,177	585,565
Furniture and equipment, depreciation, rental costs, servicing, etc. ....	718,746	199	2,661	10,652	47,475	56,175	62,184	166,630	372,770
Provision for loan losses (or actual net loan losses) .....	758,146	339	2,494	9,934	40,335	44,576	43,400	115,235	501,833
Other operating expenses .....	3,161,864	1,176	14,091	53,831	225,108	255,368	265,255	629,172	1,717,863
<i>Total operating expense</i> .....	<i>26,246,894</i>	<i>4,814</i>	<i>76,819</i>	<i>330,999</i>	<i>1,510,688</i>	<i>1,737,114</i>	<i>1,888,356</i>	<i>4,701,093</i>	<i>15,997,011</i>
Income before income taxes and securities gains or losses ..	4,967,339	360	16,095	86,291	380,639	396,597	373,192	826,670	2,887,495
Applicable income taxes .....	1,194,886	198	4,139	22,156	92,366	87,668	73,883	165,873	748,603
Income before securities gains or losses .....	3,772,453	162	11,956	64,135	288,273	308,929	299,309	660,797	2,138,892
Net securities gains or losses (after tax effect) .....	-13,509	-5	+6	-152	+293	-593	-2,646	-6,269	-4,143
Net income before extraordinary items .....	3,758,944	157	11,962	63,983	288,566	308,336	296,663	654,528	2,134,749
Extraordinary charges or credits .....	+9,025	-62	-118	+161	+1,260	+456	+1,791	+1,585	+3,952
Minority interest in consolidated subsidiaries .....	-302	0	0	-1	-10	-2	-11	-50	-228
<i>Net income</i> .....	<i>3,767,667</i>	<i>95</i>	<i>11,844</i>	<i>64,143</i>	<i>289,816</i>	<i>308,790</i>	<i>298,443</i>	<i>656,063</i>	<i>2,138,473</i>
Cash dividends declared:									
On common stock .....	1,446,994	206	3,069	14,815	68,760	89,510	98,813	268,943	902,878
On preferred stock .....	2,398	0	0	0	26	45	113	541	1,673
<i>Total cash dividends declared</i> .....	<i>1,449,392</i>	<i>206</i>	<i>3,069</i>	<i>14,815</i>	<i>68,786</i>	<i>89,555</i>	<i>98,926</i>	<i>269,484</i>	<i>904,551</i>

\* Includes all banks operating as National banks at year-end, and full-year data for those State banks converting to National banks during the year.

TABLE B-34

*Capital accounts, net income, and dividends of National banks, 1944-73*

[Dollars amounts in thousands]

Year (last call)	Number of banks	Capital stock (par value)*			Total capital accounts*	Net income before dividends	Cash dividends		Ratios (percent)			
		Preferred	Common	Total			On preferred stock	On common stock	Net income before dividends to total capital accounts	Cash dividends to net income before dividends	Cash dividends on preferred stock to preferred capital	Cash dividends to total capital accounts
1944.....	5,031	\$110,597	\$1,440,519	\$1,551,116	\$4,114,972	\$411,844	\$5,926	\$139,012	10.01	35.04	4.79	3.53
1945.....	5,023	80,672	1,536,212	1,616,884	4,467,618	490,133	4,131	151,525	10.97	31.76	5.12	3.48
1946.....	4,013	53,202	1,646,631	1,699,833	4,893,038	494,898	2,427	167,702	10.11	34.38	4.56	3.48
1947.....	5,011	32,529	1,736,676	1,769,205	5,293,267	452,983	1,372	182,147	8.56	40.51	4.22	3.47
1948.....	4,997	25,128	1,779,362	1,804,490	5,545,993	423,757	1,304	192,603	7.64	45.76	5.19	3.50
1949.....	4,981	20,979	1,863,373	1,884,352	5,811,044	474,881	1,100	203,644	8.17	43.11	5.24	3.52
1950.....	4,965	16,079	1,949,898	1,965,977	6,152,799	537,610	712	228,792	8.74	42.69	4.43	3.73
1951.....	4,946	12,032	2,046,018	2,058,050	6,506,378	506,695	615	247,230	7.79	49.04	5.11	3.81
1952.....	4,916	6,862	2,171,026	2,177,888	6,875,134	561,481	400	258,663	8.17	46.14	5.83	3.77
1953.....	4,864	5,512	2,258,234	2,263,746	7,235,820	573,287	332	274,884	7.92	48.01	6.02	3.80
1954.....	4,796	4,797	2,381,429	2,386,226	7,739,553	741,065	264	299,841	9.58	40.50	5.50	3.88
1955.....	4,700	4,167	2,456,454	2,460,621	7,924,719	643,149	203	309,532	8.12	48.16	4.87	3.91
1956.....	4,659	3,944	2,558,111	2,562,055	8,220,620	647,141	177	329,777	7.87	50.99	4.49	4.01
1957.....	4,627	3,786	2,713,145	2,716,931	8,769,839	729,857	171	363,699	8.32	49.85	4.52	4.15
1958.....	4,585	3,332	2,871,785	2,875,117	9,412,557	889,120	169	392,822	9.45	44.20	5.07	4.18
1959.....	4,542	3,225	3,063,407	3,066,632	10,003,852	800,311	165	422,703	8.00	52.84	5.12	4.23
1960.....	4,530	2,050	3,257,208	3,259,258	10,695,539	1,046,419	99	450,830	9.78	43.09	4.83	4.22
1961.....	4,513	2,040	3,464,126	3,466,166	11,470,899	1,042,201	119	485,960	9.09	46.64	5.83	4.24
1962.....	4,503	9,852	3,662,603	3,672,455	12,289,305	1,068,843	202	517,546	8.70	48.44	2.05	4.21
1963.....	4,615	24,304	3,861,738	3,886,042	13,102,085	1,205,917	1,126	547,060	9.20	45.46	4.63	4.18
1964.....	4,773	27,281	4,135,789	4,163,070	14,297,834	1,213,284	1,319	591,491	8.49	48.86	4.83	4.15
1965.....	4,815	28,697	4,600,390	4,629,087	16,111,704	1,387,228	1,453	681,802	8.61	49.25	5.06	4.24
1966.....	4,799	29,120	5,035,685	5,064,805	17,971,372	1,582,535	1,348	736,591	8.81	46.63	4.63	4.11
1967.....	4,758	38,081	5,224,214	5,262,295	19,095,324	1,757,491	2,124	794,056	9.20	45.30	5.58	4.17
1968.....	4,716	57,704	5,503,820	5,561,524	20,585,402	1,931,556	4,344	892,934	9.38	46.45	7.53	4.36
1969.....	4,669	62,453	6,165,757	6,228,210	22,158,066	2,534,029	4,428	1,063,647	11.44	42.15	7.09	4.82
1970.....	4,621	62,572	6,326,508	6,389,080	24,080,719	2,829,334	4,677	1,273,039	11.75	45.16	7.46	5.31
1971.....	4,600	56,761	6,640,849	6,697,610	25,986,802	3,041,122	4,011	1,386,166	11.70	45.71	7.07	5.35
1972.....	4,614	42,627	7,132,092	7,174,719	28,714,775	3,307,906	2,703	1,307,628	11.52	39.61	6.34	4.56
1973.....	4,661	38,660	7,676,452	7,715,112	31,787,879	3,767,667	2,398	1,446,994	11.85	38.47	6.20	4.56

\*These are averages of data from the reports of condition of the previous December, and June and December of the respective years.

NOTE: For earlier data, see *Annual Reports of the Comptroller of the Currency*, 1938, p. 115, and 1963, p. 306.

TABLE B-35

*Loan losses and recoveries of National banks, 1945-73*

[Dollar amounts in thousands]

<i>Year</i>	<i>Total loans, end of year, net</i>	<i>Net losses or recoveries (+)</i>	<i>Ratio of net losses or net recoveries (+) to loans</i>	<i>Year</i>	<i>Total loans, end of year, net</i>	<i>Net losses or recoveries (+)</i>	<i>Ratio of net losses or net recoveries (+) to loans</i>
			<i>Percent</i>				<i>Percent</i>
1945.....	\$13,948,042	+ \$7,740	+ 0.06	1961.....	\$67,308,734	\$112,412	0.17
1946.....	17,309,767	3,207	.02	1962.....	75,548,316	97,617	.13
1947.....	21,480,457	29,913	.14	1963.....	83,388,446	121,724	.15
1948.....	23,818,513	19,349	.08	1964.....	95,577,392	125,684	.13
1949.....	23,928,293	33,199	.14	1965.....	116,833,479	189,826	.16
1950.....	29,277,480	14,445	.05	1966.....	126,881,261	240,880	.19
1951.....	32,423,777	22,108	.07	1967.....	136,752,887	279,257	.20
1952.....	36,119,673	19,326	.05	1968.....	154,862,018	257,280	.17
1953.....	37,944,146	32,201	.08	1969.....	168,004,686	303,357	.18
1954.....	39,827,678	25,674	.06	1970.....	173,456,091	601,734	.35
1955.....	43,559,726	29,478	.07	1971.....	190,308,412	666,190	.35
1956.....	48,248,332	41,006	.08	1972.....	226,354,896	545,473	.24
1957.....	50,502,277	35,428	.07	1973.....	266,937,532	731,633	.27
1958.....	52,796,224	38,173	.07				
1959.....	59,961,989	25,767	.04	Average for			
1960.....	63,693,668	130,177	.20	1945-73.....	85,415,662	164,303	.19

NOTE: For earlier data, including figures on gross losses and chargeoffs and gross recoveries, see *Annual Reports of the Comptroller of the Currency*, 1947, p. 100 and 1968, p. 233.

TABLE B-36

*Securities losses and recoveries of National banks, 1945-73*

[Dollar amounts in thousands]

<i>Year</i>	<i>Total securities, end of year, net</i>	<i>Losses and chargeoffs*</i>	<i>Ratio of net losses to securities</i>	<i>Year</i>	<i>Total securities, end of year, net</i>	<i>Losses and chargeoffs*</i>	<i>Ratio of net losses to securities</i>
			<i>Percent</i>				<i>Percent</i>
1945.....	\$55,611,609	\$74,627	0.04	1961.....	\$49,093,539	\$51,236	0.08
1946.....	46,642,816	74,620	.09	1962.....	51,705,503	47,949	.08
1947.....	44,009,966	69,785	.10	1963.....	52,601,949	45,923	.07
1948.....	40,228,353	55,369	.07	1964.....	54,366,781	86,500	.15
1949.....	44,207,750	23,595	.04	1965.....	57,309,892	67,898	.11
1950.....	43,022,623	26,825	.04	1966.....	57,667,429	302,656	.52
1951.....	43,043,617	57,546	.12	1967.....	69,656,371	149,545	.21
1952.....	44,292,285	76,524	.15	1968.....	76,871,528	344,068	.44
1953.....	44,210,233	119,124	.25	1969.....	70,216,983	286,215	.41
1954.....	48,932,258	49,469	.08	1970.....	84,157,505	137,704	.16
1955.....	42,857,330	152,858	.32	1971.....	95,948,647	+ 189,347	+ .20
1956.....	40,503,392	238,997	.56	1972.....	103,658,543	+ 94,506	+ .09
1957.....	40,981,709	151,152	.35	1973.....	104,606,665	36,738	.04
1958.....	46,788,224	67,455	.12				
1959.....	42,652,855	483,526	1.09	Average for			
1960.....	43,852,194	154,372	.30	1945-73.....	56,541,321	108,566	.19

\*Excludes transfers to and from valuation reserves beginning in 1948.

NOTE: For earlier data, including figures on gross losses and chargeoffs and gross recoveries, see *Annual Reports of the Comptroller of the Currency*, 1947, p. 100 and 1968, p. 234.

TABLE B-37  
*Assets and liabilities of National banks, date of last report of condition, 1950-73*

[Dollar amounts in thousands]

Year	Number of banks	Total assets*	Cash and due from banks	Total securities, net	Loans, net	Other assets	Total deposits	Liabilities for borrowed money	Other liabilities†	Capital	Surplus, undivided profits and reserves
1950.....	4,965	\$97,240,093	\$23,813,435	\$43,022,623	\$29,277,480	\$1,126,555	\$89,529,632	\$76,644	\$1,304,828	\$2,001,650	\$4,327,339
1951.....	4,946	102,738,560	26,012,158	43,043,617	32,423,777	1,259,008	94,431,561	15,484	1,621,397	2,105,345	4,564,773
1952.....	4,916	108,132,743	26,399,403	44,292,285	36,119,673	1,321,382	99,257,776	75,921	1,739,825	2,224,852	4,884,369
1953.....	4,864	110,116,699	26,545,518	44,210,233	37,944,146	1,416,802	100,947,233	14,851	1,754,099	2,301,757	5,107,759
1954.....	4,796	116,150,569	25,721,897	48,932,258	39,827,678	1,668,736	106,145,813	11,098	1,889,416	2,485,844	5,618,398
1955.....	4,700	113,750,287	25,763,440	42,857,330	43,559,726	1,569,791	104,217,989	107,796	1,488,573	2,472,624	5,463,305
1956.....	4,659	117,701,982	27,082,497	40,503,392	48,248,332	1,867,761	107,494,823	18,654	1,716,373	2,638,108	5,834,024
1957.....	4,627	120,522,640	26,865,134	40,981,709	50,502,277	2,173,520	109,436,311	38,324	1,954,788	2,806,213	6,278,004
1958.....	4,585	128,796,966	26,864,820	46,788,224	52,796,224	2,347,698	117,086,128	43,035	1,999,002	2,951,279	6,717,522
1959.....	4,542	132,636,113	27,464,245	42,652,855	59,961,989	2,557,024	119,637,677	340,362	2,355,957	3,169,742	7,132,375
1960.....	4,530	139,260,867	28,674,506	43,852,194	63,693,668	3,040,499	124,910,851	110,590	3,141,088	3,342,850	7,755,488
1961.....	4,513	150,809,052	31,078,445	49,093,539	67,308,734	3,328,334	135,510,617	224,615	3,198,514	3,577,244	8,298,062
1962.....	4,505	160,657,006	29,683,580	51,705,503	75,548,316	3,719,607	142,824,891	1,635,593	3,446,772	3,757,646	8,992,104
1963.....	4,615	170,233,363	28,634,500	52,601,949	83,388,446	5,608,468	150,823,412	395,201	5,466,572	4,029,243	9,518,935
1964.....	4,773	190,112,705	34,065,854	54,366,781	95,577,392	6,102,678	169,616,780	299,308	5,148,422	4,789,943	10,258,252
1965.....	4,815	219,102,608	36,880,248	57,309,892	116,833,479	8,078,989	193,859,973	172,087	7,636,524	6,089,792	11,334,232
1966.....	4,799	235,996,034	41,689,580	57,667,429	127,453,846	9,185,179	206,456,287	1,015,147	9,975,692	6,299,133	12,159,775
1967.....	4,758	263,374,709	46,633,658	69,656,371	136,752,887	10,331,793	231,374,420	296,821	11,973,852	6,602,519	13,127,097
1968.....	4,716	296,593,618	50,952,691	76,871,528	154,862,018	13,907,381	257,883,926	689,087	16,496,707	7,008,482	14,515,416
1969.....	4,669	310,263,170	54,727,953	70,030,342	168,004,686	17,500,189	256,426,791	2,283,717	28,284,638	7,347,948	15,906,249
1970.....	4,621	337,070,049	56,040,460	84,157,465	173,455,791	23,416,333	283,784,496	1,280,365	27,130,131	7,680,597	17,194,460
1971.....	4,600	372,538,487	59,200,995	95,948,647	190,308,412	27,080,433	314,211,616	866,103	30,387,265	8,277,752	18,794,699
1972.....	4,614	430,768,064	67,401,118	103,658,543	226,354,896	33,353,507	359,427,154	2,370,204	38,616,017	9,629,168	20,722,810
1973.....	4,661	484,887,096	70,723,613	104,606,665	266,937,532	42,619,286	395,880,964	3,721,870	52,149,189	10,140,173	22,994,400

\*After deduction of securities and loan reserves.

†Beginning in 1973, includes minority interest in consolidated subsidiaries.

NOTE: For earlier data, revised for certain years and made comparable to those in this table, references should be made as follows: years 1863 to 1913, inclusive *Annual Report of the Comptroller of the Currency*, 1913; figures 1914 to 1919, inclusive, report for 1936; figures 1920 to 1939, inclusive, report for 1939; and figures 1936 to 1949, inclusive, report for 1966.

TABLE B-38

*Foreign branches of National banks, by region and country, Dec. 31, 1973*

<i>Region and country</i>	<i>Number</i>	<i>Region and country</i>	<i>Number</i>
Central America.....	47	Europe—Continued	
El Salvador.....	1	Luxembourg.....	6
Guatemala.....	3	Monaco.....	1
Honduras.....	3	Netherlands.....	6
Mexico.....	5	Northern Ireland.....	1
Nicaragua.....	3	Scotland.....	1
Panama.....	32	Switzerland.....	6
South America.....	131	Africa.....	2
Argentina.....	38	Liberia.....	2
Bolivia.....	3	Middle East.....	15
Brazil.....	21	Bahrain.....	2
Colombia.....	32	Israel.....	2
Ecuador.....	15	Lebanon.....	3
Guyana.....	1	Qatar.....	1
Paraguay.....	6	Saudi Arabia.....	2
Peru.....	6	Trucial States.....	5
Uruguay.....	5	Asia and Pacific.....	101
Venezuela.....	4	Brunei.....	2
West Indies—Caribbean.....	151	Fiji Islands.....	4
Antigua.....	2	Hong Kong.....	22
Bahamas.....	68	India.....	11
Barbados.....	4	Indonesia.....	6
British Virgin Islands.....	3	Japan.....	18
Cayman Islands.....	26	Korea.....	3
Dominican Republic.....	16	Malaysia.....	5
French West Indies.....	3	Pakistan.....	4
Grenada.....	3	Philippines.....	4
Haiti.....	2	Republic of China.....	4
Jamaica.....	9	Singapore.....	13
Montserrat.....	1	Thailand.....	2
Netherlands Antilles.....	3	Vietnam.....	3
St. Lucia.....	2	U.S. overseas areas and trust territories.....	53
Trinidad and Tobago.....	6	Canal Zone (Panama).....	2
West Indies Federation of States.....	3	Caroline Islands.....	1
Europe.....	121	Guam.....	7
Austria.....	1	Marianas Islands.....	1
Belgium.....	5	Marshall Islands.....	1
England.....	31	Puerto Rico.....	22
France.....	11	Virgin Islands.....	19
Germany.....	24	Total.....	621
Greece.....	16		
Ireland.....	4		
Italy.....	8		

Table B-39

*Total assets of foreign branches\* of National banks, year-end 1953-73*

[Dollar amounts in thousands]

1953.....	\$1,682,919	1964.....	\$3,319,879
1954.....	1,556,326	1965.....	7,241,068
1955.....	1,116,003	1966.....	9,364,278
1956.....	1,301,883	1967.....	11,856,316
1957.....	1,342,616	1968.....	16,021,617
1958.....	1,405,020	1969.....	28,217,139
1959.....	1,543,985	1970.....	38,877,627
1960.....	1,628,510	1971.....	50,550,727
1961.....	1,780,926	1972.....	54,720,405
1962.....	2,008,478	1973.....	83,304,441
1963.....	2,678,717		

\*Includes military facilities operated abroad by National banks in 1966 through 1971.

TABLE B-40

*Foreign branches of National banks, 1960-73*

<i>End of year</i>	<i>Number of branches operated by National banks</i>	<i>National bank branches as a percentage of total foreign branches of U.S. banks</i>	<i>End of year</i>	<i>Number of branches operated by National banks</i>	<i>National bank branches as a percentage of total foreign branches of U.S. banks</i>
1960.....	93	75.0	1967.....	278	95.5
1961.....	102	75.6	1968.....	355	95.0
1962.....	111	76.6	1969.....	428	93.0
1963.....	124	77.5	1970.....	497	92.7
1964.....	138	76.7	1971.....	528	91.5
1965.....	196	93.5	1972.....	566	90.2
1966.....	230	94.3	1973.....	621	89.5

TABLE B-41

*Assets and liabilities of foreign branches of National banks, Dec. 31, 1973: consolidated statement*

[Dollar amounts in thousands]

<i>Assets</i>		<i>Liabilities</i>	
Cash and cash items in process of collection.....	\$373,770	Demand deposits.....	\$5,887,410
Demand balances with other banks.....	1,505,541	Time deposits.....	62,677,739
Time balances with other banks.....	32,052,808	Liabilities for borrowed money.....	2,040,759
Securities.....	1,010,654	Acceptances executed.....	1,601,705
Loans, discounts and overdrafts, etc.....	34,791,864	Deferred payment letters of credit outstanding.....	53,767
Customers' liability on acceptances outstanding...	1,524,701	Reserve for interest, taxes and other accrued expenses.....	1,499,717
Customers' liability on deferred payment letters of credit.....	87,514	Other liabilities.....	512,347
Premises, furniture and fixtures.....	198,431	Due to other foreign branches of this bank.....	7,568,603
Accruals—interest earned, foreign exchange profits, etc.....	1,441,925	Due to head office and its domestic branches.....	1,462,394
Due from other foreign branches of this bank.....	7,714,287	Total liabilities.....	\$83,304,441
Due from head office and its domestic branches.....	1,863,189		
Other assets.....	739,757		
Total assets.....	\$83,304,441		
		<i>Memoranda</i>	
		Letters of credit outstanding.....	\$1,827,945
		Future contracts to buy foreign exchange and bullion.....	\$38,889,646
		Future contracts to sell foreign exchange and bullion.....	\$37,861,733

TABLE B-42

*Trust assets\* and income of National banks, by States, calendar 1973*

[Dollar amounts in millions]

	<i>Number of banks</i>	<i>Employee benefit accounts†</i>	<i>Other trust accounts‡</i>	<i>Total trust accounts</i>	<i>Agency accounts§</i>	<i>Total trust and agency accounts</i>	<i>Trust de- partment income (Dollar amounts in thousands)</i>
Total United States.....	1,783	\$63.798	\$96.886	\$160.684	\$43.233	\$203.918	\$825.339
Alabama.....	32	367	1,187	1,553	213	1,766	7,446
Alaska.....	4	51	35	86	92	178	541
Arizona.....	2	225	753	978	110	1,088	6,989
Arkansas.....	37	68	300	368	51	420	2,378
California.....	14	7,548	9,971	17,519	2,308	19,828	97,592
Colorado.....	32	689	1,511	2,200	428	2,628	15,074
Connecticut.....	9	493	2,166	2,659	950	3,609	15,039
Delaware.....	1	0	0	0	0	0	0
District of Columbia <sup>  </sup> .....	6	477	1,499	1,976	1,494	3,470	11,168
Florida.....	97	438	4,280	4,717	683	5,400	26,831
Georgia.....	31	736	1,415	2,151	1,565	3,716	15,797
Hawaii.....	0	0	0	0	0	0	0
Idaho.....	3	56	113	169	12	181	926
Illinois.....	175	7,471	7,684	15,156	4,841	19,996	82,701
Indiana.....	97	600	2,795	3,395	1,093	4,488	16,076
Iowa.....	49	126	597	723	357	1,081	4,756
Kansas.....	54	113	610	724	317	1,041	4,113
Kentucky.....	53	78	402	481	132	613	3,029
Louisiana.....	23	264	342	607	129	736	3,894
Maine.....	16	48	274	322	109	431	2,353
Maryland.....	11	157	784	941	230	1,170	4,205
Massachusetts.....	54	4,163	4,416	8,580	1,563	10,142	45,049
Michigan.....	39	5,419	3,180	8,599	1,928	10,527	28,142
Minnesota.....	23	1,383	2,116	3,499	1,000	4,499	20,983
Mississippi.....	22	69	248	317	14	331	1,919
Missouri.....	43	1,184	3,038	4,222	1,536	5,758	20,458
Montana.....	13	9	61	70	22	93	569
Nebraska.....	23	226	679	905	336	1,241	6,250
Nevada.....	3	21	364	386	29	415	1,985
New Hampshire.....	22	10	250	260	97	357	1,559
New Jersey.....	70	534	2,062	2,596	1,227	3,823	21,418
New Mexico.....	18	34	208	242	31	273	1,491
New York.....	78	16,142	10,257	26,400	6,172	32,571	113,322
North Carolina.....	16	1,355	2,208	3,563	828	4,390	17,169
North Dakota.....	12	32	159	190	51	242	1,142
Ohio.....	62	2,337	5,145	7,482	1,449	8,931	29,851
Oklahoma.....	45	582	985	1,567	499	2,067	7,807
Oregon.....	2	294	777	1,071	230	1,302	7,366
Pennsylvania.....	121	5,385	9,021	14,406	6,127	20,533	62,811
Rhode Island.....	4	338	1,353	1,691	338	2,029	9,714
South Carolina.....	8	187	533	720	292	1,012	4,348
South Dakota.....	10	39	116	155	56	211	1,135
Tennessee.....	29	318	1,726	2,044	619	2,663	11,046
Texas.....	152	2,434	5,499	7,933	1,792	9,726	48,441
Utah.....	2	113	215	328	28	356	1,547
Vermont.....	8	2	32	35	5	39	213
Virginia.....	51	343	1,453	1,795	990	2,785	12,467
Washington.....	10	470	1,887	2,357	308	2,665	13,668
West Virginia.....	38	42	527	569	80	649	2,663
Wisconsin.....	43	321	1,572	1,893	455	2,348	9,324
Wyoming.....	16	6	78	84	16	100	574
Puerto Rico.....	0	0	0	0	0	0	0
Virgin Islands.....	0	0	0	0	0	0	0

\* As of December 31, 1973.

† Employee benefit accounts include all accounts for which the bank acts as trustee, regardless of whether investments are partially, or wholly, directed by others. Insured plans or portions of plans funded by insurance are omitted, as are employee benefit accounts held as agent.

‡ Includes all accounts, except employee benefit accounts and corporate accounts, for which the bank acts in the following, or similar capacities: trustee (regardless of whether investments are directed by others), executor, administrator, guardian; omits all agency accounts and accounts for which the bank acts as registrar of stock and bonds, assignee, receiver, safekeeping agent, custodian, escrow agent, or similar capacities.

§ Includes both managing agency and advisory agency accounts.

<sup>||</sup> Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding.

TABLE B-43

*Common trust funds of National and State banks, by States, 1972 and 1973\**

	Number of banks with common trust funds		Number of common trust funds		Number of account participations		Total assets of funds (millions)		Percent change in assets	
	1972	1973	1972	1973	1972	1973	1972	1973	1971-72	1972-73
United States.....	725	783	1,738	1,882	465,457	509,174	15,217.4	15,910.6	20.0	4.6
Alabama.....	9	11	19	25	3,570	4,259	55.7	65.5	47.1	17.5
Alaska.....	1	2	1	2	71	124	1.3	2.8	58.8	113.6
Arizona.....	4	5	13	18	4,437	5,903	166.9	197.1	24.3	18.1
Arkansas.....	11	11	19	21	1,914	2,130	27.3	31.6	26.7	16.0
California.....	16	16	57	58	36,475	39,839	1,299.6	1,311.0	27.0	0.9
Colorado.....	18	21	43	49	9,394	10,361	337.9	343.7	25.1	1.7
Connecticut.....	15	15	45	49	13,058	14,730	504.6	504.4	25.1	†
Delaware.....	4	4	11	11	3,650	3,534	105.5	98.8	15.9	- 6.4
District of Columbia.....	6	6	16	16	4,420	4,548	171.7	174.7	24.4	1.8
Florida.....	26	29	62	65	8,064	8,324	205.0	205.2	39.3	0.1
Georgia.....	14	16	30	34	9,015	9,629	284.0	301.3	36.7	6.1
Hawaii.....	3	3	10	10	2,257	2,604	63.5	76.4	21.0	20.3
Idaho.....	4	4	7	8	1,462	1,585	23.4	24.4	26.7	3.9
Illinois.....	35	44	84	102	28,178	32,152	1,222.3	1,398.8	51.4	14.4
Indiana.....	30	32	63	73	8,317	9,620	215.7	255.8	50.5	18.6
Iowa.....	14	16	26	29	3,321	3,795	99.8	116.1	93.6	16.3
Kansas.....	9	13	19	24	1,870	2,275	35.9	41.0	44.5	14.7
Kentucky.....	10	10	22	27	4,221	4,628	113.1	126.7	38.3	12.0
Louisiana.....	5	6	10	12	1,284	1,542	25.6	32.1	40.3	25.3
Maine.....	10	10	23	23	3,489	3,712	98.3	94.8	17.3	- 3.6
Maryland.....	8	8	27	28	8,372	9,447	223.6	253.7	47.9	13.5
Massachusetts.....	31	32	80	85	19,358	21,304	831.6	871.8	23.9	4.8
Michigan.....	22	23	60	64	15,745	16,792	492.6	508.4	30.1	3.2
Minnesota.....	16	16	43	45	8,800	8,742	245.6	220.7	25.3	- 10.1
Mississippi.....	5	5	8	9	1,377	1,476	24.5	27.7	30.3	13.2
Missouri.....	14	15	39	44	13,609	15,090	401.1	396.7	9.9	- 1.1
Montana.....	4	4	7	7	937	984	15.1	14.8	28.3	- 2.3
Nebraska.....	5	6	12	13	3,640	3,872	99.3	100.9	26.7	1.6
Nevada.....	2	2	7	6	809	764	15.5	15.2	97.9	- 1.8
New Hampshire.....	5	7	12	13	635	809	26.3	25.5	109.6	- 3.0
New Jersey.....	22	23	52	54	10,230	11,088	264.4	274.8	25.2	3.9
New Mexico.....	5	6	11	13	1,734	1,867	37.9	38.5	7.6	1.4
New York.....	27	27	85	81	38,213	41,649	2,256.6	2,226.5	20.1	- 1.3
North Carolina.....	14	14	34	35	10,675	14,849	286.7	403.1	28.1	40.6
North Dakota.....	4	4	7	7	814	896	6.8	8.4	10.7	22.6
Ohio.....	34	37	91	94	17,616	19,238	580.1	592.7	30.3	2.2
Oklahoma.....	9	9	22	22	2,238	2,410	71.4	77.8	24.6	9.0
Oregon.....	4	4	12	14	5,041	5,862	113.1	120.0	16.2	6.1
Pennsylvania.....	87	88	181	193	80,233	83,335	1,804.5	1,758.7	- 3.8	- 2.5
Rhode Island.....	3	3	14	14	2,484	2,456	65.0	62.9	10.5	- 3.2
South Carolina.....	3	4	6	8	1,877	2,365	34.7	46.0	31.4	32.6
South Dakota.....	5	6	12	14	1,119	1,234	14.6	13.9	- 31.8	- 5.1
Tennessee.....	11	11	26	27	5,364	5,693	142.8	146.8	49.0	2.8
Texas.....	55	59	115	126	17,462	19,102	521.4	550.8	29.9	5.7
Utah.....	6	7	14	17	3,548	3,746	56.5	71.4	46.8	26.5
Vermont.....	5	5	9	10	1,060	1,391	11.6	13.7	- 6.3	17.5
Virginia.....	28	31	61	63	10,921	11,049	289.7	297.6	19.0	2.7
Washington.....	8	9	25	24	8,592	10,489	244.8	278.5	30.7	13.8
West Virginia.....	14	14	18	19	2,039	2,220	34.4	37.5	25.2	9.0
Wisconsin.....	23	28	65	73	22,249	23,355	945.6	1,049.8	- 13.2	11.0
Wyoming.....	2	2	3	4	199	306	2.5	3.9	78.7	56.6

\*These figures were derived from a survey of banks and trust companies operating common trust funds. Data are for the last valuation date in 1972 and 1973.

† Less than 0.1 percent.

NOTE: Data may not add to totals because of rounding.

## APPENDIX C

# Addresses and Selected Congressional Testimony of the Comptroller of the Currency

# Addresses and Selected Congressional Testimony of the Comptroller of the Currency

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STATEMENT OF JAMES E. SMITH, COMPTROLLER OF THE CURRENCY, BEFORE THE HOUSE COMMITTEE  
ON BANKING AND CURRENCY, WASHINGTON, D.C., SEPT. 13, 1973

Mr. Chairman and members of this distinguished Committee, I am pleased for this opportunity to join with you in analyzing the causes and effects of our current financial dilemma and in considering reforms for our financial intermediation system which will strengthen that system's capacity to function more effectively throughout the cyclical changes in the economy.

The Chairman's letter of invitation to appear at these hearings and the accompanying Committee staff report on financial institutions reform establish an awesomely panoramic focus for this inquiry. Both because of the statutory province of the Office of the Comptroller of the Currency and my own brief term on duty, I shall direct my comments to the more limited domain of reforms affecting the structure and functions of our deposit financial institutions.

Throughout the course of these hearings, you will receive testimony from experts on fiscal and monetary policy. I pretend no such expertise. Nor, for the purposes of my discussion, is it necessary to deal with the underlying economic forces that bring about another period of monetary restraint. It is sufficient to stipulate that for the third time in just 7 years we find inflationary pressures having built to a level that necessitates policies of tightening monetary control with attendant sharp increases in short-term interest rates and restricted availability of credit.

Again, as in 1966-67 and 1969-70, we find the deposit financial institutions—savings and loan associations, mutual savings banks, and commercial banks—under increasing strain in the performance of their intermediation function. Journalistic attention has tended to focus on the deposit outflows from the thrift institutions and the resulting adverse impact on both the cost and availability of home mortgage credit. But the Federal Reserve Board's statistical series of weekly reporting banks indicates that the last three weeks of August produced an intensifying deposit flow problem for commercial banks as well. Thus that condition called disintermediation, unpleasant both in effect and in sound, is upon us!

As we assess this latest period of economic destabilization, we must be careful to separate cause from effect. That is especially so when we are considering reform and modification of the structure of our financial institutions. Structural reform of those institutions is absolutely necessary, and it is that subject matter to which I will address most of my comments.

Our objective in making institutional reforms in the financial system must be to strengthen the capacity of that system to perform its intermediation function during all phases of the economic cycle. We must avoid the mistaken assumption that by altering the framework of our financial institutions we can somehow cure the basic ills that give rise to periods of destabilization. By mistaking effect for cause we create potential danger for undertaking changes detrimental to our financial system.

In an earlier period of extreme monetary stringency (1966-67) we sought to mitigate the impact on deposit institutions by resorting to a regulatory relic of the Banking Act of 1933; namely, ceiling rate regulation of the interest paid on time and savings deposits. That price-fixing mode of regulation, which had its origins in some invalid assumptions regarding the causes of past financial problems, has shown itself to be both *inadequate* in its protection of the deposit institutions and *unfair* in its effect on their deposit customers.

The governmental imposition of ceiling rates on deposits is predicated on the false assumption that ceilings offer meaningful protection to deposit institutions during periods of sharply rising short-term interest rates. Perhaps it mutes somewhat the competition among the deposit institutions, but any such limited benefit is vastly outweighed by the collective handicap those institutions face in competing for funds with market instruments such as Treasury bills, U.S. agency issues and corporate debentures. In the two previous periods of recent experience, deposit-rate ceilings did not work to insulate the institutions from deposit outflows. They are not work-

ing today. Moreover, such rate setting is highly discriminatory to the consumer-saver, who lacks either the financial sophistication or the monetary wherewithal to shift his funds to the high-yielding market instruments.

Over the past decade, ceiling regulation of deposit rates has come under increasing attack from both academic observers and financial practitioners. Even with only a brief exposure to the regulatory role, I believe I better understand the inherent weaknesses in such a system. Governmentally regulated deposit rates will never keep in real touch with market rates. They will always lag by some considerable margin. On the "up side", the regulatory instinct is one of caution against "posting" a rate too high for our marginal institutions. On the "down side", concern for consumer reaction causes delay in reducing ceilings, which have also become floors, with the result that deposit rates stay ratcheted above market rates. Those inherent inefficiencies in a system of regulated rates are harmful both to the deposit institutions and the consumers they are meant to serve.

Having had this regime of government price fixing in effect for 40 years with respect to the banks, and for 7 years with respect to the thrifts, its instant removal would undoubtedly cause some dislocations in our financial system. Furthermore, there is a necessity to augment the powers of the thrift institutions to serve household and consumer needs before we totally withdraw rate regulation. Added powers for the thrift institutions should make it possible for thrift institutions and banks to compete on essentially equal footing for household deposits. Increasingly all of those institutions will be looking to those consumer deposits as the stabilizing element in their deposit structure.

As you are aware, on August 3, President Nixon sent a message to the Congress, calling for a number of modernizing reforms of our depository institutions. The central thrust of the President's message is that we must ensure the continued viability of the thrift institutions as our principal residential mortgage financiers through additional consumer service powers and diversification of their loan and investment portfolios. Also, we must unshackle our entire financial intermediation system from the deadening grip of self-defeating deposit rate regulation so as to better avoid the cycle of feast or famine in our credit markets.

While there are some differences of degree and detail between the Administration's recommenda-

tions and the proposals of this Committee's staff for broadening the powers of the thrift institutions, there is nevertheless, considerable agreement as to the general objectives and the approach to them. I would hope that this Committee would give special attention to this area.

Your Committee's inquiry comes at a time when the Congress and the President are searching for opportunities to make common cause for the constructive advancement of this Nation. Of the subject matter you will consider, none has a higher order of priority or a brighter prospect for real accomplishment than modernizing reform of our deposit financial institutions. Reforms of the type recommended by the President offer the dual benefits of broadening and intensifying competition in the field of consumer finance and assisting the thrift institutions to attain viability over the economic cycle. I earnestly hope that this distinguished Committee will move in this session to begin work on this important legislative project.

REMARKS OF JAMES E. SMITH, COMPTROLLER OF  
THE CURRENCY, BEFORE THE ANNUAL CONVEN-  
TION OF THE AMERICAN BANKERS ASSOCIATION,  
CHICAGO, ILL., OCT. 9, 1973

"The Dual System of the 70's: A view from the  
Comptroller's Office"

It is a special honor for me to address the American Bankers Association in my new regulatory capacity. I very much cherish the memories of my past direct relationship with this Association, and the friendships that I enjoy with so many of the members.

Some may believe that that prior relationship will limit my capacity for objectivity. I anticipate no such incapacitation! Indeed, the rapport which I hope exists between this Comptroller and the banking industry should help, not hinder, the achievement of objectives that are in the public interest. It has been my personal experience that mutual trust and confidence are important, perhaps essential, ingredients for the effective solution of tough issues.

There can be no doubt that the banking industry faces some tough issues. The last several years have seen a great deal of effort devoted to rethinking the purposes and functions of our financial institutions and their regulators. That effort is a healthy one that can yield substantive public benefits.

In overseeing banks' pursuit of their purpose, regulators must always be cognizant of the fact that no sector of the financial community impacts quite so broadly or directly on human aspirations and commercial development as does banking. In urban America, the direct correlation between bank performance and the economic vitality of a community may be somewhat obscured. In less populous areas, like my native South Dakota, that inextricable tie can be observed in bold relief. A prosperous community is highly reliable evidence of progressive banking.

Thus, regulators have an obligation to permit banks the operational flexibility they require to respond to changing needs. Dogmatic and unbending regulation should not be equated with sound bank supervision. Adherence to the status quo is often a "cop-out" for those who really do not want to grapple with the complexities of change.

Determining the appropriate regulatory posture is an extraordinarily difficult task. No regulator has a valid claim to omniscience. Indeed, our profession is more an art than a science and, as such, relies heavily on experimentation. In that regard, I, as a bank regulator, am very fortunate to be part of the dual banking system.

The greatest single advantage offered by the duality of our system is its capacity to foster fruitful experimentation. In effect, we have 51 banking laboratories. Results of changes in regulatory stance soon become apparent to all authorities. False turns can quickly be amended without widespread impact; salutary changes can spread rapidly into other jurisdictions.

That competition between the National and State systems, and among State systems, is thoroughly consistent with the precepts of Federalism. It has not led to a competition in laxity. Instead, it has engendered a healthy march away from the stultifying protectionist mode of regulation that was an understandable outgrowth of the Great Depression.

Unfortunately, because of lack of resources, some State banking authorities are forced to lean heavily upon the Federal Reserve and the Federal Deposit Insurance Corporation for aid in bank supervision. I personally hope that, over time, such States will acquire a greater independent regulatory capacity. When that day arrives, duality will have been materially strengthened. I commend Chairman Wille and the Conference of State Bank Supervisors for their experimental efforts to achieve more independence for State banking agencies.

I want to assure each State banking authority that, in all supervisory matters, we stand ready to cooperate fully and to exchange the fruits of our experiences. For example, we are undertaking a fundamental and detailed evaluation of our examination function to assure that our procedures are keeping pace with changes in the industry. In that evaluation, we expect to consult fully with both State and Federal regulatory colleagues, and will, of course, share its results.

The current controversy over deposit reserve requirements revolves in part around the dual system. If a case can be made for strengthening the Federal Reserve's ability to shape monetary results more precisely, we must, of course, be sensitive to that need. However, we must give no less attention to the importance of preserving our dual banking system.

The current debate involves men of good will on both sides. I believe that solutions can be found that will fulfill both important objectives. No matter how much time it takes we must not be satisfied with a solution that sacrifices one objective to gain the other.

For all of its flexibility, our dual banking system does not provide a full choice of structural options in a number of States. The principal gap is a lack of branching powers. I believe that the public interest can be best served if the banking authorities have the flexibility to employ all four structural options: chartering a new bank; allowing an existing bank to branch; allowing two or more existing banks to merge; and allowing expansion by holding company acquisition.

Possession of the branching option is crucial. Many small communities can have convenient access to a banking office even if the local market cannot support an independent bank. Large communities can reap the benefits of greater competition. Developing areas can experience a more rapid infusion of banking services. Decaying areas need not witness a complete withdrawal of banking offices. Branching permits, via merger, a flexible and efficient means for handling management succession problems without interrupting the flow of banking services. Regulators facing emergency problems are able to utilize the merger route to solve them.

Availability of the four major structural options is fully consistent with dual banking. State authorities yield no additional powers to Federal authorities.

I am pleased that we are witnessing today a

gradual movement among the States toward granting banking authorities fuller use of those structural options. Liberalizations of branch laws have been enacted in Arkansas, Georgia, New Jersey, and New York. Authorities in Pennsylvania are actively sponsoring a less restrictive branching bill.

Significant steps have been taken to liberalize the use of facilities: a new facilities law is on the books in Florida; in Kansas the number of services available at a facility has been expanded; and in Nebraska the permissible number of facilities per bank has been increased.

Other types of State initiatives have also given bankers new flexibility in their branching options. The availability of the automated teller has prompted significant reexamination of branching statutes. Such machines are finding widespread public acceptance. They are, or soon will be, operating as free standing installations in Connecticut, Ohio, North Carolina, New Jersey, and New York. In Oregon, the State legislature explicitly authorized their use, after the courts upheld a restrictive regulatory interpretation. In Ohio, the State banking authority has tried to promote their use by exempting them from the branch application process. If that effort is successful, we will all watch the experiment closely.

The record has not been without reversals for the consumer of banking services, however. In Montana, a unit banking State, a law permitting a bank to operate another bank acquired by merger as a branch was recently stricken from the books.

In Illinois, some banks pressed by economic circumstances have sought to relocate. After an intensive study, our Office denied such a relocation application as not being in the public interest. How much easier it would be if banks in large urban areas could move their headquarters while operating their former head offices as branches! The State banking authority prepared, earlier this year, a bill to that effect. It was regrettably defeated in legislative committee.

The merits of interstate banking operations deserve consideration. Mr. Harry Albright, New York State Superintendent of Banks, has reported an encouraging response to his proposal for reciprocal banking privileges across State lines.

There has been progress toward the removal of barriers blocking the entrance of foreign banks. Recently, State legislatures in Illinois and Washington enacted statutes permitting the establishment of branches of foreign banks within their borders.

Pressures are building for a comparable law in Pennsylvania.

Despite all that progress in bank structure options, much remains to be done. Consistent with my own legal responsibilities, I will exercise the authority of my office in a manner that will not jeopardize continued progress. I will not employ contrived and tortured interpretations of State law to advance my personal judgment that branch banking is an essential element of modern, progressive, full-service banking. However, I have no intention of surrendering my right of free speech! I shall be forthright in my public declarations as to the absolute need for every State to have flexible laws on banking structure.

My concern with attaining structural flexibility for banking stems from my belief that structure governs the performance of the industry to a considerable extent. By performance, I am simply referring to the degree to which the banking industry accomplishes its basic public purposes.

One measure of performance is responsiveness. For an industry as constrained by regulation as banking, I think its record of responsiveness to both new customer demands and to new technology is remarkable.

A number of financial activities that either were not engaged in or were relatively insignificant 15 years ago have become important today. Those include direct lease financing, factoring, data processing, investment advisory services, and various specialized types of consumer lending, including credit card programs.

The Office of the Comptroller of the Currency has consistently encouraged National banks to react positively to developing financial needs. That course has not been without controversy. Litigation has been common as legal frontiers were explored. I believe this process is a healthy one, and under my stewardship the Office will continue to offer encouragement and support to constructive innovation. We do not seek litigation, but where public benefits are clearly at stake we will not be intimidated by the threat of litigation.

Our Office is also going to encourage, in fact, to insist, that all National banks serve their consumer customers in an equitable and nondiscriminatory manner. We have begun an effort to intensify our supervision of compliance with Federal and State consumer protection statutes. To determine how we can best fulfill our responsibilities in this important area, we will be consulting with banking and

consumer affairs authorities in the States. Discriminatory or deceptive practices have no place in our system, and we do not intend to allow them to exist. Fortunately, most bankers agree fully with us.

The Administration proposals for financial reform are another effort to improve the responsiveness of our financial institutions to the needs of the public. Structural reform of our financial institutions is absolutely necessary. The capacity of our system to perform its intermediation function during all phases of the economic cycle must be strengthened.

Regulated ceilings for deposit rates have proved to be both inadequate in their protection of the deposit institutions and unfair in their effect on deposit customers. We must move with all deliberate speed to eliminate this price-fixing mode of regulation. It is appropriate to augment the powers of the thrift institutions to serve household and consumer needs before rate regulation is totally withdrawn. Added powers for the thrift institutions will make it possible for them to compete with banks on essentially equal footing for household deposits. Increasingly, all institutions will be looking to consumer deposits as a stabilizing element in their deposit structure.

Banks not only live in regulatory and market environments, but also in a technological one. Responsiveness and adaptability to technological change is a requisite for retention of a competitive position. Failure to adapt leads to higher costs for some services and an inability to offer others. The banking industry deservedly receives high marks for the imaginative manner in which it has harnessed the computer revolution. In one manner or other, it has found ways to bend computer technology to its purposes, and thereby to reshape its own destiny.

Another measure of banking's responsiveness to public needs is its commitment to fostering equal opportunity. I would like to commend the efforts of this Association and its member banks directed toward the development and expansion of minority-owned businesses. I understand that you are ahead of your schedule in meeting the goal of \$1 billion in loans to minority businesses over a 5-year period. MinBank is beginning to make investments in minority banks to augment their capital.

Those efforts are a good start, but there is need for still greater effort. Banks, bank trade associations, and the banking agencies must push on, and create ever more employment and ownership opportunities in banking for members of minority groups. The number of minority banks has about doubled in the past 4 years, while their assets have tripled.

A major barrier to further progress is an inadequate supply of experienced management personnel. I would like you to consider, either as an association or as individual banks, the development of a lend-lease program that would provide management talent during the first years of minority bank operations. Such a program would need to include firm guarantees to the "leased" personnel that they would not lose their place in the batting order at their home institution.

In conclusion, let me affirm that I am optimistic about the future of the banking industry and its ability to achieve its essential purpose; that is, to bring a full array of financial products and services to all individuals and to all businesses in a convenient manner and at a reasonable cost.

In carrying out its mission, I believe the industry, aided by the duality of the system, will be fully responsive to new needs as they emerge and to new possibilities for service created by further technological developments.

STATEMENT OF JAMES E. SMITH, COMPTROLLER OF THE CURRENCY, BEFORE THE SUBCOMMITTEE ON CONSUMER AFFAIRS OF THE HOUSE COMMITTEE ON BANKING AND CURRENCY, WASHINGTON, D.C., OCT. 31, 1973

Madam Chairwoman and members of this distinguished Committee, I am pleased to appear before you today to testify on the Truth-in-Lending Act and related consumer protection issues. In July 1969, the Truth-in-Lending Act became effective and, for the first time in the history of our country, consumer credit, or one aspect of consumer credit (disclosure), came under the aegis of federal control and regulation. Since 1969, the Act has been amended twice with the addition of two new major sections relating to credit cards and the reporting of information on consumers—The Fair Credit Reporting Act. Under consideration by the Congress is a "Truth-in-Savings Act" and a "Fair Credit Billing Act."

Certainly one of the legitimate areas of inquiry by Congress and specifically this Committee, is who should regulate this important field. Should all consumer matters be turned over to a single agency or bureau as suggested in the Report of the National Commission on Consumer Finance? Or, do the banking agencies, the Federal Trade Commission, and other regulatory agencies have a legitimate and primary role to play in this field? Can those agencies adequately protect the interests

of consumers, or are they truly captives of the industries they regulate, as has been suggested on a number of occasions, not only in the press, but in testimony before the Congress? Those are certainly important questions which require straightforward answers and I appreciate this opportunity to share with you a few thoughts on those matters.

I would like to begin my testimony today with a discussion of some of our recent efforts to safeguard the interests of consumers who deal with National banks. This is a particularly relevant topic, not only because the National Commission on Consumer Finance has recommended the creation of a Consumer Protection Agency with authority to supervise all examination and enforcement functions under the Consumer Credit Protection Act, but also because I have a strong personal interest in protecting consumers from unfair and deceptive practices.

Let me start by describing our present procedures for handling consumer complaints. All written complaints addressed to the Washington Office are reviewed by a supervisory level attorney. Each complaint is then assigned to a staff attorney for investigation or to one of our fourteen regional offices. In either case, all letters from consumers are acknowledged promptly with an assurance of a definite response upon completion of our investigation.

The next step is to ask the bank involved for a full explanation in writing. Our request to the bank is often accompanied by specific questions which we believe may be important in obtaining a complete picture of the facts surrounding a particular complaint. If we ultimately decide that the bank's position is correct, we inform the consumer by letter and provide a detailed explanation. On the other hand, if we believe the bank has erred, we request that restitution be made or an accommodation reached that is satisfactory to both parties. In nearly every instance, cooperation on the part of the bank is forthcoming immediately.

In more difficult cases involving disputed questions of fact or law, the Office may send a National Bank Examiner to the bank to make a special on-the-spot investigation of the consumer's complaint. We do not hesitate to insist that the bank furnish us with a comprehensive legal opinion from its attorneys if the situation warrants it.

We recognize, of course, that consumer protection involves more than responding to consumer-generated complaints. A conscientious effort must also be made to uncover, during our examination, violations of consumer protection laws. To

that end, National Bank Examiners devote considerable time to scrutinizing individual bank installment and real estate loan departments, where violations of Federal and State consumer protection laws are most likely to be found.

The process of educating the examiner in the requirements of consumer protection acts is a matter which now receives special attention. All new examiners are given instruction in that area, usually by a qualified attorney. In addition, regional staff conferences attended by all examiners in a particular region frequently feature a lecture by an attorney familiar with consumer protection laws. Recently, for example, all National Bank Examiners in the Twelfth National Bank Region (Arizona, Colorado, Utah, New Mexico, and Wyoming) received instruction in the Uniform Consumer Credit Code from a lawyer formerly associated with the National Conference of Commissioners on Uniform State Laws. In Kansas, our regional office is currently conferring with State officials to determine the best means of educating State and National Bank Examiners in the provisions of the UCCC, which becomes effective in that State on January 1, 1974. In fact, enforcement of the UCCC will be further explored at a meeting scheduled for November 15 between representatives of our Washington Office and the State administrators of the Uniform Consumer Credit Code.

We believe that our present efforts on behalf of the consumer are effective. Nevertheless, the Comptroller's staff is presently restudying our entire approach to consumer problems to determine if we are doing all that we can. Consideration is being given to the establishment within the Office of a division of consumer affairs and to the training of examiners who will serve as specialists in the field of consumer credit. We also contemplate increased liaison with State banking supervisors and administrators of State consumer protection acts.

In speaking appearances throughout the Nation, I am emphasizing that the Comptroller's Office does not, and will not, treat the consumer's interest lightly. Recently, before the annual convention of the American Bankers Association, I announced our intention to intensify consumer protection enforcement and advised that our Office is going to insist that all National banks serve their customers in an equitable and nondiscriminatory manner. Deceptive practices have no place in our system, and we do not intend to allow them to exist.

on the basis of sex or marital status. As the regulatory agency for National banks, we realize that the best interests of those banks are served when loan demand is strong and creditworthy customers are plentiful. That women who are creditworthy, no matter what their marital status, should not be denied credit simply because of their sex or marital status should no longer be a matter for debate. Discrimination against women in the credit fields, however, has been well documented by the National Commission on Consumer Finance. I applaud the efforts of this subcommittee in considering legislation that would outlaw such practices.

Let me offer a few comments on the 15 bills recently introduced as they pertain to the subject at hand. Twelve of the bills (H.R. 247, 4734, 5414, 8163, 9388, 9996, 10162, 10603, 10109, 10142, 10675, and 10737) would amend the Consumer Credit Protection Act and would prohibit discrimination by any creditor on the basis of sex or marital status. Since the Federal Reserve Board has rule-making authority by virtue of that Act, all of the enforcing agencies would be governed by uniform Federal Reserve Board regulations promulgated to enforce the prohibition through record-keeping and reporting requirements.

H.R. 10674 prohibits sex and marital status discrimination but applies only to Federally insured financial institutions and credit card issuers. It does not amend the Consumer Credit Protection Act although it would give the Federal Reserve Board rule-making powers and the enforcing structure would be similar to that of the Consumer Credit Protection Act. Its recordkeeping and reporting requirements are onerous and duplicative. Under that bill, each creditor must file reports with its regulatory agency reporting whatever loan information is required under the Federal Reserve Board's regulations. The agencies then report to Congress annually. In addition, as a "party" to a Federally related mortgage transaction, Federally insured financial institutions must report to HUD all terms and information on every mortgage loan refused or denied.

H.R. 246 is similar to 10674 although it is confined to prohibiting sex and marital status discrimination in Federally related mortgage transactions. We do not feel that this bill is broad enough in scope to remedy the problem of discrimination. We recommend against the passage of H.R. 10674 and H.R. 246.

H.R. 8246 prohibits sex and marital status dis-

crimination and also requires lenders to take into account the combined incomes of husband and wife if both are obligated. It does not amend the CCPA and gives rule-making authority to each regulatory agency mentioned. We feel the "combined incomes" provision is unnecessary and we would prefer that antidiscrimination regulations be uniform. Therefore, we recommend against passage of this bill.

The antidiscrimination provisions contained in the other bills are virtually identical in scope and would bar discrimination in lending on the basis of sex or marital status by any creditor covered by the Act. This Office is in favor of passage of such a provision to amend the Consumer Credit Protection Act. Our Agency has the capacity for enforcing antidiscrimination legislation. We have seen that the structure for implementing Truth-in-Lending is workable: the Federal Reserve Board issues regulations and each enforcing agency carries them out in a generally uniform manner. We have every reason to believe that the same technique for enforcing antidiscrimination provisions would be successful.

One final comment concerning antidiscrimination statutes. Other statutory provisions, such as Title 8 of the Civil Rights Act of 1968, contain antidiscrimination requirements that are applicable to lenders. This Office and the other bank regulatory agencies have been working on the formulation of regulations that would assist the enforcement of the prohibition of discrimination in housing related lending on the basis of race, color, religion, or national origin. Again, to assist in effective enforcement and to avoid unnecessary difficulties in compliance, we urge that all existing antidiscrimination provisions be amended to provide for uniform goals and uniform administrative enforcement, as well as uniform liabilities and remedies.

Finally, let me add a word or two about Senate Joint Resolution 160 recently passed by the Congress. That resolution directs the various bank regulatory agencies to impose a rate ceiling on the so-called "wild card" consumer certificates of deposit. The avowed purpose of this resolution is to assure a flow of funds into thrift institutions so that home mortgage loans can be maintained at reasonable rates of interest.

I am sorry that in its rapid consideration of the Resolution, the Congress did not obtain the full benefit of hearings or recommendations from this subcommittee and of other committees charged with protection of the consumer's interest. I would

have expected that a measure so directly affecting the consumer would have been preceded by some evaluation of its overall impact by a consumer affairs committee.

In the past, interest rate ceilings on savings accounts have not achieved their objectives. Contrary to expectations, they have not protected the liquidity of thrift institutions by preventing an outflow of funds during periods of tight money.

CORRESPONDENCE OF JAMES E. SMITH, COMPTROLLER OF THE CURRENCY, ON HIS OCTOBER 31 TESTIMONY BEFORE THE CONSUMER AFFAIRS SUBCOMMITTEE OF THE HOUSE BANKING AND CURRENCY COMMITTEE

NOVEMBER 29, 1973

Hon. LEONOR K. SULLIVAN  
*House of Representatives*  
*Washington, D.C. 20515:*

Permit me, once again, to thank you for granting me the opportunity to testify on October 31, 1973, before the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency. It is always a pleasure to exchange views with members of Congress, and particularly with your Subcommittee.

At several points during my testimony, I promised to provide you with additional material on certain questions. That material, cited by the page number of the transcript on which the matter is discussed, is set forth below. As per instructions from the Subcommittee's staff, we have made any necessary corrections to the transcript and attached a copy of this letter to each page that will be supplemented.

Page 534, line 12:

My staff has not yet completed its study of possible approaches that we can take to improve our representation of consumer interests. As soon as the report is completed and I have had a chance to review its recommendations, I will inform the Subcommittee of the actions we contemplate in this area.

Page 541, line 12:

As part of our effort to assist the credit card customer in resolving billing complaints as quickly as possible, our staff suggested that each bank credit card bear the name of the issuing or account bank, so that the customer would know to whom he could turn in the event of a billing dispute. Although the periodic statement sent to the customer each month usually contains the name and address of the clear-

ing house association which performs the billing, we have observed that customers may experience some delay in obtaining corrections from this source. Rather than engage in correspondence with a distant clearing house, the customer might be able to secure speedier redress if he were able to approach the bank in his community which issued the card or maintains duplicate records of his account. That is not possible now because in many cases the local bank is not named either on the card or on the billing statement.

Upon further reflection, we believe that this matter can be resolved through an amendment to Regulation Z, without additional legislation by Congress. Accordingly, we will consult with the Federal Reserve Board to determine the best approach to the problem.

Page 545, line 2:

The most significant violation of State laws encountered by this Office appears to be the miscalculation of the proper amount of rebate on an installment loan which is repaid prior to maturity. Our experience suggests that these errors are not deliberate but result from ignorance.

Occasionally, we have detected instances in which National banks have exceeded the maximum allowable fee established by State law for the filing or recording of documents. These violations also appear to be unintentional.

Insofar as the "Rule of 78's" is concerned, a growing number of commercial banks are switching to the simple interest method of rebating interest, which yields a higher rebate to the customer than the "Rule of 78's". One of the leaders in this movement, Continental Illinois National Bank & Trust Co., Chicago, Ill., has received more than 150 requests from banks throughout the country for details on the operation of the simple interest method. Other major banks which have introduced simple interest rebates include Wachovia Bank & Trust Co., N.A., Winston-Salem, N.C., and United California Bank, Los Angeles. Some of those banks have indicated that while simple interest rebates have produced a slight loss in interest income, increases in loan volume and customer satisfaction have made the experience worthwhile.

For the assistance of the Subcommittee in its consideration of the "Rule of 78's" issue, we refer you to 1 CCH Consumer Credit Guide ¶530, which describes the operation of the rule and provides helpful tables, and to the Comments following sections 2.209 and 2.210 of the Uniform Consumer

Credit Code. The latter, which are published both at 1 CCH Consumer Credit Guide ¶5069 and ¶5070 and in the West Publishing Company edition of the UCCC, furnish useful examples of interest rebates under the rule. See also, *Bone v. The Hibernia Bank*, 4 CCH Consumer Credit Guide ¶99,025 (N.D. Cal. 1972), now on appeal to the Ninth Circuit Court of Appeals.

Page 549, line 8:

This Office has looked into the matter referred to by Rep. Young to determine whether card-issuing U.S. banks utilize fluctuations in foreign exchange rates to increase bank earnings at the expense of the cardholder. We have been assured by one of the largest credit card issuers in the country that no conscious attempt is made by that organization to indulge in such a practice. Our own view is that attempts to profit in this manner will not yield much, if anything, in the way of additional earnings to the bank.

The methods of settlement between the card issuer and the foreign bank will vary according to the laws of the different countries involved and the negotiations between the parties. We will set forth two common methods applicable to most situations.

Under the first method, the foreign bank receives a local currency draft from a local merchant representing a sale to a U.S. cardholder. The foreign bank pays the merchant the face amount of the draft, less discount, and then reimburses itself by charging its local currency account of the U.S. bank. The foreign bank then sends the local currency draft to the U.S. bank, which converts it to dollars and charges the cardholder.

Under the other method, the same procedure is followed until the foreign bank seeks reimbursement. At that point, rather than charging its local currency account of the U.S. bank, the foreign bank converts the draft to dollars and sends it to the U.S. bank, which pays the draft by crediting the foreign bank's dollar account at the U.S. bank.

In the first instance, the U.S. card-issuing bank bears the "float" expense, a factor which causes the bank to make every attempt possible to reduce the amount of time consumed in the clearing process. If the U.S. bank must absorb the entire "float," it will be especially anxious to present the sales drafts to the cardholder as soon as possible for payment and thereby cut down on the cardholder's "free-ride" period. Thus, it seems unlikely that the bank would delay posting in the hope of benefiting from changes in the exchange rates.

In the second situation, the foreign bank into which the foreign merchant deposits his sales drafts will bear the "float" expense until the U.S. bank credits the foreign bank's account, after which the U.S. bank carries the "float" expense until its American customer remits. Since the U.S. bank must absorb the "float" between the date of posting and the date the cardholder makes his payment, the bank will, as in the first situation, be apt to post as quickly as possible, although it is conceivable in this instance that the bank could make some money through intentional delays.

I am alerting our International Division to this matter and I appreciate your bringing it to our attention. If there is any other information we can provide, please let us know.

CORRESPONDENCE OF THOMAS G. DESHAZO, ACTING  
COMPTROLLER OF THE CURRENCY, ON H.R. 10993

NOVEMBER 6, 1973

Hon. FERNAND J. ST. GERMAIN,  
*Subcommittee on Bank Supervision and Insurance of  
the Committee on Banking and Currency  
U. S. House of Representatives  
Washington, D.C.:*

This is in reference to H.R. 10993, a bill which would provide for 100 percent deposit insurance in banks, savings and loans, and credit unions for deposits of public funds and increase insurance on private deposits from the present \$20,000 to \$50,000.

I. Section 1 would amend the Federal Deposit Insurance Act, the National Housing Act, and the Federal Credit Union Act to require the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, and the National Credit Union Administration to insure the deposits of public units for the full aggregate amount of such deposits rather than to the maximum amount of \$20,000 currently provided for other depositors.

We understand the reasons advanced for the passage of Section 1 to be as follows: (1) It would enable types of institutions such as savings and loan associations and credit unions, which are now unable to receive deposits from public bodies, to do so. We understand that such institutions cannot receive public deposits now because they are legally and practically unable to pledge the collateral typically required by public units of their depositaries; (2) It would provide deserved additional protection for taxpayers in the event of the failure of a depository bank in a jurisdiction in which public deposits were

not required to have been fully collateralized; and (3) It would provide desirable flexibility to the receiving institutions in their use of funds received from public depositors.

While we believe that each of the foregoing factors deserves consideration by the Congress, there are also negative aspects of the proposed change which must be considered.

(1) The present requirements of Federal, State, and local governments that their deposits be collateralized reflect legislative determinations that the interest of taxpayers require such protection. The proponents of the bill assume that 100 percent Federal insurance would effectively substitute for such protection. However, to the extent that collateral requirements are dropped, the attractiveness of public funds to the depositaries will be markedly increased. While that could be reflected by a salutary increase in competition for those deposits, it could also have the undesirable side effect of materially increasing the temptation to collusion between officials having charge of public funds and depositaries. As long as public funds must be fully collateralized, the possibilities for such collusion, while not eliminated, are kept to a minimum.

(2) The testimony of Mr. Wille indicates that under the present system, the amount of losses suffered by public depositors in closed banks has been negligible.

(3) The elimination of the collateral security requirement could result in a material increase in the borrowing costs of the Treasury, other Federal agencies and State and local governments. Insured banks now hold about \$170 billion in Treasury, Federal agency and municipal obligations, part of which are used as collateral security for public deposits which are not insured. The release of the collateralization requirements would almost surely reduce bank demand for such obligations.

II. With reference to sections 2 and 3 of H.R. 10993, increasing from \$20,000 to \$50,000 the coverage on private accounts held by commercial banks, mutual savings banks, and savings and loan associations, the FDIC has concluded that the amount of coverage could be substantially increased without subjecting the insurance fund to undue risk. Based on this and other considerations, the Corporation has announced its support for a substantial increase in the present \$20,000 insurance ceiling and has said it had no objection if the Congress were to set the ceiling at \$50,000.

A 1963 Presidential Commission, on the other

hand, reported reservations about increases in the insurance coverage other than those necessary to take account of rising wealth and incomes. The Commission felt that any increases over and above such amounts should not be considered apart from complementary measures to strengthen the supervisory framework and enable the responsible authorities to oversee more effectively certain practices bearing on the safety and liquidity of individual institutions. The Commission felt that general increase in coverage without such corresponding increases in regulation, could cause managements to feel less need for the exercise of prudent and careful management of the funds entrusted to them.

We conclude that prior to taking action on Section 1, the Committee should obtain data on its effects on the demand for public securities. In view of the negligible losses suffered by public depositaries under the present system, it would appear likely that the increases in their borrowing costs occasioned by the elimination of pledging requirements, would outweigh any advantages to be gained by 100 percent insurance.

With respect to Section 2, changes in economic conditions since the last increase of coverage in December 1969 would appear to make some increase appropriate, although not necessarily the figure of \$50,000 contained in the bill.

REMARKS OF JAMES E. SMITH, COMPTROLLER OF THE CURRENCY, BEFORE THE NATIONAL CORRESPONDENT BANKING CONFERENCE, AMERICAN BANKERS ASSOCIATION, SAN FRANCISCO, CALIF., NOV. 6, 1973

#### "Assessing the Capital Needs of Banking"

In preparation for this session, we reviewed some of the earlier annual reports of the Comptroller of the Currency. We found that Comptroller John Skelton Williams, in his 1914 *Annual Report*, expressed his concern about the adequacy of the capital of National banks. Specifically, he stated:

The view is held by many practical bankers and experienced economists that it is not sound banking for an active commercial bank to be allowed to receive deposits in excess of ten times its capital and surplus. I am firmly impressed with the correctness of this view, and respectfully recommend to the Congress that the national-bank act be amended so as to provide that no national bank shall be permitted to hold deposits in excess of ten times its

unimpaired capital and surplus. Perhaps it might be wiser to make this limitation eight times the capital and surplus.

To put Mr. Williams' recommendation in context, we may note that as of September 12, 1914, the ratio of total deposits to total capital for all National banks was 4.6. As of June 30, 1973, the same ratio for all National banks was 11.4.

Bank regulators must inevitably be concerned with the adequacy of bank capital. We in the Comptroller's Office are giving a good deal of attention to that question, and I would like to share with you today our early thinking on some of the issues with which we are wrestling.

As I see it, there are five major issues. They are: (1) the relevance of total economic collapse; (2) the weight to be given the quality of management; (3) the role of capital notes and debentures; (4) the role of bank capital in bank holding companies; and (5) the usefulness of capital ratios as measures of capital adequacy. I will discuss those topics in turn.

The first problem that must be faced in any discussion of capital adequacy is composing a list of contingencies threatening bank capital. At the forefront of that problem is the question: should the list include total economic collapse?

Perhaps the principal element that may distinguish our answer to this question today from the answer that may have been appropriate 40 years ago is the changing role of national economic policies. Most economic authorities are agreed that our knowledge of appropriate counter-cyclical fiscal and monetary policies is vastly superior to that available to our policymakers in the early 1930's. From that, one may reasonably assume that an economic debacle of the magnitude of the Great Depression of the early 1930's is avoidable.

What does this mean for the stance of the banker and the bank regulator in connection with capital adequacy? I think it is defensible for both bank regulators and bankers to assume that fiscal and monetary policies will allow the prevention of large-scale economic crises. We are well aware, however, that cyclical movements have not been abolished, and that periodic recessions of more limited amplitude are to be expected. Those swings can bring significant pressures to bear upon banks.

The second issue to be considered is whether the quality of management should influence determinations of capital adequacy. Some views from out-

side and inside banking suggest that management quality has not been given its due. For example, a major study completed a few years ago by Professors Robinson and Pettway suggested that bank examiners "... should take their eyes off bank capital and focus on the quality of bank management." The authors continue:

An analogy will help at this point: examiners do not try to specify the elements of a liquidity policy to a bank but they rightly criticize a bank if it does not have a clearly articulated liquidity policy. By the same token, why should examiners try to establish capital standards (which by their nature can't be specified)? Shouldn't their efforts and energy be directed to the problem of making sure that bank managements have clearly articulated capital policies and that they are implemented by managers of as high skill and training as possible?

Mr. George Vojta, in his recent monograph, after examining the body of research dealing with the relationship between bank capital and bank failures, concludes that "... the important causal factors relating to solvency are competence and integrity of management."

The *Comptroller's Manual*, until its 1971 revision, contained a section dealing with capital adequacy. It opened with the statement that:

The Comptroller of the Currency will not hereafter rely on the ratios of capital to risk assets and to total deposits in assessing the adequacy of capital of national banking associations.

That is a strong, unqualified statement and may account for deletion of the section in the 1971 revision. The section also included the well-known set of eight factors to "... be considered by the Comptroller in assessing the adequacy of capital." The very first factor listed was "the quality of management." The other seven were:

- (a) The liquidity of assets;
- (b) The history of earnings and of the retention thereof;
- (c) The quality and character of ownership;
- (d) The burden of meeting occupancy expenses;
- (e) The potential volatility of deposit structure;
- (f) The quality of operating procedures; and

- (g) The bank's capacity to meet present and future financial needs of its trade area, considering the competition it faces.

Although that list is not contained in the current edition of the *Manual*, the factors have not been disowned by this Office. Indeed, to some degree the set of factors has come to epitomize the non-ratio approach with which the Comptroller has been identified during the past decade.

Let me now turn to the issue of capital notes and debentures. The Office of the Comptroller of the Currency in the early 1960's issued a ruling that encouraged National banks to resort, on appropriate occasions, to the sale of debentures to supplement their capital position. Until that ruling, senior capital, in the view of many bankers, was associated only with near-emergency situations at financially weak institutions. Our Office has applied a rule of thumb that limits the proportion of a National bank's total capital that can be in debentures to one-third.

Some of the capital formulae applied by bank regulators discriminate against the use of debentures. For example, one such ratio involves total equity capital plus reserves on loans and securities, divided by the sum of total liabilities plus total debentures less cash and cash items. It is obvious that a bank with outstanding debentures is penalized in the application of this ratio, as compared with a bank that has issued no debentures.

In our Office, we believe there is a place for debt instruments in the capital structure of National banks. The basic regulatory function of bank capital is to serve as protection for depositors and those who assume, their risks. Capital notes and debentures extend substantial additional protection to bank depositors. Further, some market situations would penalize bank stock holders greatly, were the regulatory authorities to insist upon the sale of equity securities. Having the option of selling capital notes yields valuable flexibility.

A subsidiary question, in connection with bank debt capital, relates to the sale by one bank, usually a smaller one, of its debentures to a larger bank. There are, I believe, reasons for holding such transactions to a minimum. From the standpoint of the entire banking system, such transactions do not provide any net inflow of capital. Were such transactions to proceed on a round-robin basis throughout the system, it is evident that a substantial watering down of capital requirements for the system would

have occurred. If the regulatory authorities desire to reduce capital requirements for the system, it may be preferable to take such action directly. Having stated this, I do not today advocate abolition of that type of transaction. On occasion, in a particular situation, that course of action can be beneficial to both banks involved and, perhaps, to the mental health of the bank regulator.

Let us now look at the question of bank capital for holding company banks.

There appears to be fairly general agreement that a bank and its capital position must be protected, whether or not it is a holding company subsidiary. Certainly, from the standpoint of a primary bank regulator, the relationship of a regulated bank with a parent bank holding company and its associated non-bank affiliates, should be a source of positive strength for the bank. Our Office will oppose any affiliation for a National bank when that affiliation would tend to threaten the soundness of the bank.

No single banking agency is responsible for regulating all types of banking organizations. In general, that division of responsibility is a plus for banking. However, the division of responsibility does lead to some overlap, and to occasional jurisdictional problems. One such problem involves the adequacy of capital in holding company banks, where the banks are other than State member banks.

As a primary bank regulator, our Office is concerned with the soundness of the bank and with its capital position.

We also recognize that the Federal Reserve, as the regulator of bank holding companies, is legitimately concerned with the capital position of the holding company *per se* and its constituent parts.

I would like to offer a suggestion for discussion purposes, which I plan to pursue further upon my return to Washington. Would it be workable for a rebuttable presumption to exist in connection with the capital position of a subsidiary bank, based on the view of the primary bank regulator? In other words, in each case we would draw a conclusion as to whether or not the capital of a National bank were adequate. If our decision were in the affirmative, and if the bank in question were a subsidiary of a bank holding company, the Federal Reserve Board would accept our conclusion, unless the Board found cause for rebutting or attempting to rebut our conclusion. In the latter

instance, further interagency discussion would be required.

I wish to emphasize that I view such interagency discussions as a useful educational exercise for all parties. Each agency has a wealth of experience gained from implementing its views of capital adequacy that has not as yet been fully shared with the other. No one, of course, should expect all differences of opinion to evaporate through that sharing. However, I am hopeful that major issues can be resolved.

The fifth and final issue touched on in my introduction relates to the usefulness of capital ratios as measurements of capital adequacy. In fact, somewhat more broadly, the question really is: how may the adequacy of capital be measured?

A variety of capital ratios are used by all bank examiners as initial screening devices in their attempt to determine whether an institution under examination is adequately capitalized. The loans-to-capital ratio, the capital-to-total assets ratio, the capital-to-total deposits ratio—those and others are among the more popular measures.

As to the norms or the “acceptable” levels for those ratios, it is undoubtedly true that the current average figures tend to become a sort of standard. In my opening example, I pointed out the sharp drop in capital ratios over the past 60 years. That drop illustrates that we tend to look at the concept of capital adequacy in relative terms rather than in absolute terms.

In using ratios, one is often tempted to adopt “minimum” values for regulatory purposes. When that is done, there is a natural tendency on the part of bankers, hard pressed as they are to maintain a favorable rate of return on capital, to allow their institutions to slide gradually to the minimum acceptable levels. The choice of any minimum that lies below the ratios of a significant number of banks would tend, in and of itself, to exert downward pressure on the aggregate capital ratios of the system.

I personally believe that no strict formulation can substitute for the factor of human judgment in determining capital adequacy. Obviously, if that were not so, the world would be an easier place for bank regulators. Were mechanistic judgments to be finally determinative, one perhaps could appoint the latest generation computer as regulator.

However, bank regulators do need benchmarks and guideposts, and I would like to close by describing one exercise in which we are currently engaged. Even if this exercise bears fruit, we will not have

altered our basic position that no strict formula can be finally determinative of the adequacy of capital. Rather, we will simply have another tool to help us in our determination.

As you know, our Office develops classified assets totals for National banks. Classified assets are those assets of an institution which our examiners find to be subject to some type of criticism. The volume of classified assets is related to the degree of potential loss in a bank's asset portfolio.

There are several determinants of the overall classification of a bank, but a principal one relates to the ratio of classified assets to gross capital funds. Gross capital funds include total stated capital plus reserves on securities and loans. Banks with a ratio below 20 percent are A banks, those with a ratio of 20 percent or more but below 40 percent are B banks, those with a ratio of 40 percent or more but below 80 percent are C banks, and those with a ratio of 80 percent or more are D banks.

We have also divided all National banks into a number of deposit-size categories. For our purposes here, let me confine the discussion to three broad size categories, the smallest being those banks with less than \$100 million, and the largest those with \$500 million or more.

The approach we are considering as an additional tool in the capital adequacy area involves a determination of acceptable limits of certain capital ratios for banks in each of our groups. The approach assumes that the A banks, that is, those banks with relatively low ratios of classified assets to gross capital funds, can safely reach higher loans-to-capital ratios than is the case for banks in the D category.

As of the end of 1972, the ratio of total loans to total capital accounts for all insured banks was 7.4. Taking this as a jumping-off point, we have explored the question of how many National banks would require additional capital were various limits of the loans-to-capital ratio applied to banks in the A, B, C, and D classifications.

In a preliminary exercise, we have applied two different sets of limits for the loans-to-capital ratio to banks in each classification. The first ranges from 8.5 for A banks to 6.5 for D banks, while the range for the second is from 9.0 to 7.0.

Under the first set of loans-to-capital ratio limits, *i.e.*, the set ranging from 8.5 for A banks to 6.5 for D banks, 12.7 percent of all National banks would need additional capital. Only 8.4 percent of A banks would require an injection of capital,

while the percentages for the B, C, and D groups would be 30.0 percent, 64.6 percent, and 81.3 percent, respectively.

If the set of limits ranging from 9.0 for A banks to 7.0 for D banks were to be applied, 8.1 percent of all National banks would fall short. That would include 4.8 percent of A banks, 20.3 percent of B banks, 51.3 percent of C banks, and 71.9 percent of D banks.

We applied the same sets of limits to banks in various deposit-size categories. For the set of ratio limits ranging from 8.5 to 6.5, 12.2 percent of the National banks with deposits under \$100 million would require a capital injection. Of National banks with deposits between \$100 and \$500 million, 14.8 percent would need to augment their capital, while for the banks above \$500 million, the comparable percentage would be 26.6.

A similar pattern occurs with the application of the set of ratio limits ranging from 9.0 to 7.0. For the smallest size category, 7.8 percent of the banks would need capital. For the middle size category, the percentage would be 9.1 percent, and for the \$500 million and above category, 18.3 percent.

To add some perspective to these figures, it is useful to note that most of our National banks, 85.5 percent, in fact, are A banks, and that a far lower percentage of A banks would require additional capital under the limits discussed than is the case for the other classifications. Secondly, for many banks showing a need for capital under the procedures outlined, a comparatively small injection would suffice. That is shown by the fact that altering limits by small amounts drastically reduces the number of banks failing to meet the limit test.

It is obvious that similar exercises can be pursued for each of a number of capital ratios. We have already made, for example, a preliminary examination of the effects of various cutoffs applied to the capital-to-total assets ratio. We have not made any determination to date as to whether different limits would be appropriate for different-size banks.

I must re-emphasize that whatever the continuing results of such exercises may be, we will never replace our judgment with any strict formulation. We do believe, however, that the more relevant data that can be brought to bear on the question, the better our judgment is likely to be. However, I am reasonably certain that annual reports of the Comptroller of the Currency well into the future will continue to provide evidence that no final resolution of this question has been achieved.

STATEMENT BY JAMES E. SMITH, COMPTROLLER OF THE CURRENCY, BEFORE THE SUBCOMMITTEE ON FINANCIAL INSTITUTIONS OF THE SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, WASHINGTON, D.C., NOV. 8, 1973

Mr. Chairman and members of this distinguished committee, I am pleased to appear before you to testify on the President's recommendations for change in the U.S. financial system. As we are all aware, the tremendous growth of our country would have been impossible without its well-developed and sophisticated system of financial markets. Our system has marshalled funds in times of national emergency and it has provided the finance needed to transform innovative ideas into new products that increase the well-being of all Americans. Efficient financial markets are vitally necessary for continued improvements in our standard of living.

Experience since the mid 1960's has, however, revealed significant weaknesses in the functioning of our financial markets. During periods of monetary restraint, the ability of our thrift institutions to perform their intermediation function has been substantially curtailed, and the flow of funds to high priority sectors such as housing has been seriously threatened.

After a thorough review of those problems, and their causes, the Administration proposed a seven point program of reform. In essence, all deposit institutions would be permitted freer rein to compete in offering financial services to the consumer.

Because of the statutory province of the Office of the Comptroller of the Currency, I shall direct my comments to the portions of the reform package that most affect National banks and what they imply for the work of our Office. Those portions are: (1) the removal of interest ceilings on time and savings deposits; (2) N.O.W. (negotiable order of withdrawal) accounts; (3) truth-in-savings; and (4) expanded real estate lending powers for National banks.

Let me comment first on the issue of ceilings on deposit interest rates. The President has recommended phasing out the current deposit rate regulations over the next 5½ years, and for good reason.

Governmental imposition of ceiling rates on deposits is predicated on the false assumption that ceilings offer meaningful protection to deposit institutions during periods of sharply rising short-term interest rates. Perhaps ceilings mute some-

what the competition among the deposit institutions, but any such limited benefit is vastly outweighed by the collective handicap those institutions face in competing for funds with market instruments such as Treasury bills, U.S. agency issues, and corporate debentures. In the two previous periods of monetary restraint, deposit rate ceilings did not insulate institutions from deposit outflows. They are not working today. Moreover, such rate setting is highly discriminatory to the consumer-saver, who lacks either the financial sophistication or the monetary wherewithal to shift his funds to the high-yielding market instruments.

The inability of rate ceilings to protect deposit institutions against a loss of funds is of increasing significance. Banks are more dependent today upon the savings dollar than they have ever been, and that dependence is growing. In the mid 1940's, time and savings deposits made up 31.3 percent of the deposits of insured commercial banks outside of New York City. The comparable figure for large money market banks was only 6.7 percent. Since that time, there has been a slow but dramatic change in those numbers. By 1966, the time and savings deposits of insured banks outside the money market center reached 50.3 percent, and early this year it climbed to 61.2 percent. Money market banks have witnessed a similar trend; early this year their time and savings deposits surpassed their demand deposits for the first time.

Such shifts have contributed significantly to increases in bank costs because of a substantial increase in the cost of time money. One estimate, based on the ratio of interest expense to year-end deposit totals, indicates that the cost of such funds more than doubled during the 1960's. That was true for banks in all size categories—from those with less than \$1 million in deposits to those with over \$1 billion.

Higher cost funds for banks are related to a desire by the American public to economize on its money holdings and to changes in banking practices and technology which permit it to do so. Pressures for continued pursuit of that goal will remain strong.

Buttressing that view is the development and success of the N.O.W. account in Massachusetts and New Hampshire. That new interest-bearing transaction account forms a bridge between the traditional demand account and the passbook account.

It could not have been possible without development of sophisticated money transfer systems. It would not have been profitable without the public support it has received. If allowed to flourish, that new instrument can become an important element in the attempt by deposit institutions to attract and keep consumer funds.

The President's proposals would allow all deposit institutions to offer N.O.W. accounts. Because of their similarity to demand deposits they would be subject to the same range of reserves. However, the authorities may, if they wish, set a different rate for N.O.W. deposits. Because of their similarity to savings accounts, interest payments on them cannot be prohibited, although such interest can be no higher than that paid on passbook accounts. Moreover, individual institutions may impose a 30-day delay after any notice of withdrawal. They will not, however, be required to do so.

With consumer tastes and funds transfer technology constantly changing, our institutions must be free to compete for consumer deposits. However, many questions have already been raised about the long-run viability of deposit institutions in an atmosphere of freer competition. There appear to be two arguments here. One is that banks in general will bid funds away from thrift institutions by offering interest rates they cannot match. Secondly, some have expressed the fear that money center banks will bid funds away from smaller banks, especially those which serve the less urbanized areas of the United States. I, for one, do not share the view that in a free market large banks can succeed only at the expense of thrift institutions and small banks. All can succeed to the benefit of the American consumer.

My optimism, if it may be called that, rests upon two propositions: (1) a comparison of deposit rates is not the sole factor influencing consumers in the placement of their savings deposits; and (2) thrifts will be given an expanded capability to offer more financial services to consumers, and thus will be able to compete with banks in non-price areas. Thrifts do not possess that capability today, and it makes no sense to remove interest ceilings completely until they do possess it. Let us look at those two propositions in turn.

If rate ceilings have had any positive effect it might be this: deposit institutions have learned to compete in non-price terms. There has been a significant expansion in the variety and quality of deposit services. Overdraft facilities and "A to Z" monthly financial statements for the consumer, non-

existent a few years ago, are commonplace today. The concept of full-service banking, embracing both deposit and lending services, has proved to be successful. Locational convenience, always an important factor, has become increasingly significant. The consumer has become attuned to those non-price factors and is not likely to forget them, even in the context of freer rate competition.

Thus, if thrift institutions are granted the powers recommended by the President to expand their offerings of deposit and lending services to the consumer, they will have the ability to compete with banks. They need not fear any exodus of funds to banks so long as they can and do offer the quality and variety of deposit and lending services demanded by the public. By the same token, banks will find it necessary to intensify their consumer lending activities. Among other things, that will mean a larger mortgage portfolio.

Total competition is today conducted in both price and non-price terms between banks and thrifts. The advantages held by commercial banks today in non-price competitive factors have allowed them to maintain a large volume of time money in the face of a 0.25 percent to 0.50 percent rate differential favoring S&L's. When the proposals under discussion are adopted, thrifts will be on a much more nearly equal footing. In that setting, bankers who take the long view of their operations would not be likely to offer the significant rate differentials needed to attract deposits from thrift institutions. The examination process, which places significant constraints on the acquisition of high risk assets, encourages banks to take the long view.

Moreover, under the President's program, thrifts will have the capacity to blunt the adverse effects of upward shifts in interest rates, when they occur. If they utilize the proposed broader lending and investing capabilities, they will not be as locked into earning assets whose interest income is frozen for long periods as they are today.

Free competition in deposit markets is not, of course, a license for insupportable and confusing claims about interest payments. As a consumer safeguard, the Administration is proposing a truth-in-savings amendment which is a logical extension of the truth-in-lending law now on the books. It requires that all institutions subject to the proposed "Financial Institutions Act of 1973" provide full disclosure of all rates, terms and restrictions relating to all interest bearing deposit accounts. In particular, it requires that when rate

quotations are given in advertisements, they must indicate the annual percentage rate or annual percentage yield for only 1 year, regardless of the underlying maturity. For deposits maturing in more than 1 year, current practices of quoting a compounded interest rate give an exaggerated picture of the true yield. Adoption of the truth-in-savings proposals will result in substantive gains for the American consumer.

The President's legislative plan would also increase the capacity of National banks to extend real estate and real estate-related credit. That is to be done by repealing all current limitations on real estate lending. In essence, National banks will be able to extend real estate loans on the same basis as all other loans. That change is long overdue.

The present restraints find their origins in the National Bank Act of 1864. It forbade National banks to make real estate loans, partly to protect depositors. Congress gradually relaxed that position, but it has continued to insist that National banks be guided by more stringent criteria than those applicable to competing institutions.

There is no valid reason why the current restrictions should be part of today's banking law. They are unnecessarily hindering the flow of funds into housing markets. In general, loans secured by residential mortgages have become very low risk loans. Protecting bank depositors against particular instances of unsound lending practices can be most appropriately handled by the banking agencies.

Although that simple step will encourage banks to extend needed real estate credit, more needs to be done. Greater incentives are required to expand further the financial involvement of banks in redeveloping our urban areas. Thus, the President's proposals would explicitly authorize National banks to invest in loans, or debt securities, or real estate for community welfare and development up to 3 percent of total assets.

The liberalizations and consumer safeguards I have discussed today will pose new challenges for bank supervisory authorities. Regulators, like banks, have become accustomed to the current environment. However, we are prepared to assess changes in the asset and liability structures of banks in terms of the public interest. We have a responsibility to assure that no regulation or ruling unduly inhibits experimentation with new lending and deposit powers. At the same time, our judgments must be made with the full realization that banks lend other people's money, not their own.

STATEMENT BY JAMES E. SMITH, COMPTROLLER OF THE CURRENCY, BEFORE THE SUBCOMMITTEE ON BANK SUPERVISION AND INSURANCE OF THE HOUSE COMMITTEE ON BANKING AND CURRENCY, WASHINGTON, D.C., NOV. 27, 1973.

I appreciate the opportunity to discuss with this Committee the impact of electronic funds transfer systems (EFTS) on the banking industry and on the general public. Technological developments in the EFTS area have been so rapid in recent years that the capability exists to create and operate more sophisticated EFTS systems than have been put in place to date. The timing of advances from this point forward will be largely determined by the statutory and regulatory framework and by the extent of anticipated lower costs through the use of more complex systems.

Our basic policy position in this area can be stated as follows: the public must be allowed to gain the full benefits available from all technological advances. Where that is not possible because of existing statutory or regulatory restrictions, we favor making the requisite changes.

A second general principle that we believe should be used to test the wisdom of policy actions in the EFTS area relates to competition. Wherever consistent with attaining an efficient use of resources, we believe that competition among financial institutions should be encouraged. Another way of saying that is that we would place the burden of proof on those who hold that certain EFT systems can be operated efficiently only if established as a quasi-utility with monopoly powers.

From the standpoint of the payments mechanism in our country, appropriate public policy calls for encouraging those developments that would reduce the flow of paper required to carry out and record financial transactions. Twenty-five billion checks now pass through the banking system each year; that figure has been increasing on the order of 7 percent annually. The clearing mechanisms have absorbed the substantial increases in that flow over the years. However, in its recent release relating to proposed revisions in Regulation J, the Federal Reserve Board held out the possibility that "... the growth in check usage may eventually impede the flow of funds in the economy and make the use of checks slow and expensive." Certainly the costs associated with the current procedures for handling payments will, over time, become larger and larger relative to the costs associated with alternative EFTS methods.

Discussions of EFTS are often broken down into three topics: automated clearing houses; point-of-sale systems; and automated tellers. I would like to look at each of those in turn.

Groups of banks have traditionally established clearing houses on a joint basis to carry out clearing transactions. A major function of the automated clearing house is to achieve the same end as the traditional clearing house but in a more efficient manner. Automated clearing houses also can be used to facilitate certain transactions that were not historically associated with clearing houses. One of those is the direct deposit of payrolls without the use of any checks. An employer sends a tape to his bank showing the amounts to be credited to the deposits of each of his employees. The employer's bank, in conjunction with the automated clearing house, is able to arrange the appropriate credits for employees in their accounts in their respective banks. The system can also involve a guaranteed credit for employees on a given date on a regular basis. Systems for preauthorization of bill payments for bank customers can also be established through the facilities of an automated clearing house.

Automated clearing houses are in operation in San Francisco and Atlanta, and it is anticipated that perhaps as many as 10 additional ones will come into being over the next year. The policy issue that has gained most attention in connection with automated clearing houses relates to the tests for admission to membership. Although savings and loan associations have applied for membership, none have yet been admitted. The bank founders of the San Francisco automated clearing house have justified the non-admission of savings and loan associations by noting that the latter in general do not possess third party payment powers. The banks note that the traditional function of clearing houses relates to interbank clearing of third party payment items.

I would like to emphasize that adoption of the Administration proposals for financial reform, which I strongly support, will make that issue moot. The reform package will give thrift institutions third party payment powers, and at that point, their admission to clearing houses would become virtually automatic.

The immediate question, of course, relates to the time prior to the adoption of the Administration package. In my view, the development of integrated clearing systems in each area or region is consistent

with the public interest. Thus, it would be appropriate over time for arrangements to be worked out that would allow participation of all financial institutions within a clearing system, at least to the extent necessary to allow them to perform the services they are currently offering to the public. Consideration must also be given to the anti-trust question concerning exclusion of competitors from a facility. It is my understanding that the determination of any possible anti-trust violation hinges on the question of whether institutions are being barred from a facility which is "essential" to their continued successful operation.

Point-of-sale terminal systems have been operated to date only on a scattered experimental basis. Yet, it is those systems that have generated the most imaginative speculation as to the form of our future payments mechanism.

In a point-of-sale system, terminals are located in retail outlets. Those terminals are linked to a central computer facility. A purchase by a customer from a merchant can be paid for through crediting the merchant's account and debiting the customer's account on a same-day basis. If both merchant and customer have deposits at the bank associated with the point-of-sale system, the transaction can occur without reference to other financial institutions. However, it is apparent that for any widespread use of point-of-sale systems to develop, it would be necessary for most, or all, of the financial institutions in an area to be linked to a communications network.

It is at that point, the interface between point-of-sale systems and automated clearing houses, that most of the sticky policy questions appear. Many of those will not be resolved for some time. A major reason is that the experience with point-of-sale systems is so fragmentary to date that it is difficult to create the factual base necessary to arrive at intelligent policy decisions.

A crucial question is whether the economies of scale are such that duplicate communication networks for handling point-of-sale transactions are not feasible from a cost standpoint. That question is still open, and we hope that some experimental moves, now in the planning stage in several cities, will shed some additional light on the matter. Even if it turns out that only a single area communications network is economically feasible, the question remains whether there are methods and devices that will allow competition to occur among various groups of users of the network.

Another issue with which regulators must be concerned is the consumer reaction to EFTS developments in general, and to point-of-sale systems in particular. Scattered surveys indicate that there is considerable consumer resistance to payment methods that have the effect of removing "float" and that remove the option normally held by customers as to the precise order in which bills are paid.

If it becomes obvious over time that the economies associated with point-of-sale systems are too great to pass up, an intensive program of consumer education may have to be mounted. I think that the point made by Governor Mitchell in that connection has considerable relevance. He holds that customer resistance will be overcome only if there is monetary benefit associated with immediate payment as opposed to deferred payment. While such a differential appears economically sound, it is often absent under current payment methods.

I would like to conclude by giving attention to automated tellers and cash machines. The impact of those machines on the banking industry and on bank customers can be distinguished from that of automated clearing houses and point-of-sale systems. The automated teller need not have any communications link with any institutions other than the parent. In simplest terms, those machines offer a new dimension in customer convenience. The principal customer advantages offered relate to location and hours of availability. In the absence of regulatory or statutory prohibitions, those machines can be placed at numerous locations that would not merit a full-scale branch. As to hours, the machines are operable 24 hours a day, except for downtime.

The placement of automated tellers has inevitably become associated with the branching question. A recent survey appearing in *The Magazine of Bank Administration* revealed that 1,430 automated tellers and 355 cash dispensers had been installed as of 2 months ago. In addition, about 1,300 additional machines are on order. The survey also indicated that over 90 percent of the installations are located on the outside wall of existing bank offices. On-premises locations do not raise the branching issue. However, about 4 percent of all machine installations are located off existing premises, and the number will grow if regulatory barriers can be removed.

In general, in those States whose branching law

would allow a full-scale branch at a given site, we have approved and certificated locations for free-standing machine installations. In a number of non-branching States, the use of machines is currently restricted to existing bank premises.

We are sympathetic to the efforts under way in several States to liberalize the use of automated tellers. The banking commissioner of Ohio is supporting legislation that would eliminate the need for a branch application procedure in connection with machines. An Anti-trust Division official has testified before this Committee that the Division may look with favor, at some point down the road, at legislation that would allow National banks to establish automated tellers without reference to State branching law. Our Office has not reached such a determination yet; however, if it became apparent that the only way for the banking public to gain the benefits associated with automated tellers was through that approach, we would probably favor it. Whatever legislative developments occur at the State or National level in that area, it will be necessary to preserve the competitive equality of the dual banking system.

The possibility of two or more banks sharing automated tellers has been raised. From a technological standpoint, machines can easily be linked to the computers of two or more banks. As I understand it, the existing technology allows essentially the same results to be achieved from the customer standpoint when two banks share one automated teller, or alternatively, when two banks install separate machines side-by-side at a location. The sharing of facilities would again raise an anti-trust question. The possibility of shared facilities is under consideration by our Office, but we have not reached any conclusion to date.

Another public policy issue which will become more important in the future relates to the development of interchange systems tying together the automated tellers of various banks. Such a system would yield considerable consumer benefit, since the customer of one bank could carry out the transactions he desired with his own bank through the automated teller of another bank. Such an interchange system is already in use in certain multi-bank holding companies. One may conceive of the development, first of local interchanges, then regional interchanges, and finally, at some point, a national interchange. Such interchanges would require compatible data formats and security systems. The regulatory question here is whether

the convenience of an interchange system can be secured without losing the benefits of competition.

In summary, new technology makes possible a number of developments in the payments mechanism, only a portion of which have yet been implemented. Some further advances await clarification or modification of the statutory and regulatory framework; others depend upon a demonstration that the innovation would yield an acceptable profit. It is our intent to take those steps open to us that will enhance the opportunity of bank customers to gain the benefits made possible by technology. To achieve this, we must allow National banks to be fully responsive to emerging financial needs and to utilize all available means to serve those needs. At the same time, we will insist that vital competitive safeguards be maintained and strengthened.

REMARKS OF DEAN E. MILLER, DEPUTY COMPTROLLER FOR TRUSTS, BEFORE THE IOWA TRUST ASSOCIATION, DES MOINES, IOWA, MAY 16, 1973

You have asked me here today to discuss current regulatory developments. In complying with your request, I propose to take a broad view of the subject. Regulation of trust departments has greatly increased in complexity in a very short span of time, and all indications are that this process has not abated. Accordingly, some of the "developments" I wish to discuss today are things that I think are going to happen. Others are already here and are accepted as a part of the scene, yet are not fully comprehended. The implications of the developing interplay of conflicting statutory schemes administered by diversely-oriented regulators are not readily appreciated. New progeny of those matings are continually emerging—often to our surprise—often to our chagrin. Thus the picture I will try to paint of the regulatory panorama may appear disorganized. Although I would maintain that the activities of my office could not accurately be so labeled, I must admit that the accusation may quite validly be leveled at the combination of forces that has created the current regulatory framework, and my discourse can, in large part, only reflect that lack of organization.

For the Trust Division of the Office of the Comptroller of the Currency, the key word for the past few years has been "adaptability." Faced by constantly mounting asset totals in trust departments, a steadily increasing number of matters of concern which should be the subject of supervisory inquiry,

and a manpower complement which could not be expanded correspondingly, we have had to re-examine our procedures, and in the process reevaluate our priorities in examination time and emphasis. Procedures and checks that relate to more remote possibilities of liability have been given lower priorities or dropped. The process is a continuing one. Just before coming here I drafted the following examination circular which has yet to be issued:

TO: Regional Administrators and Trust  
Examining Personnel  
SUBJECT: Examination of Banks Having  
E.D.P. Facilities

It has been made apparent to this Office that we can no longer afford the waste of time which is involved in transcribing balances to line cards in departments where accurate printouts of such balances are available. Hereafter the printout of the assets will be preserved for the next examination. At that time it will be compared with the succeeding printout, using the account governing instrument provisions of the Forms 1487 for reference where necessary. Through comparison of the account ledgers, changes in investments, terminations of accounts, variable amount note balances in excess of a year, and large corpus reductions can be ascertained and marked for subsequent inquiry. The trial balance is to be used for overdraft and large uninvested cash balances. The holder's list of assets by type is to be used to examine for quality and large holdings. In summation, therefore, where the account ledger for the current year and the previous year, a trial balance and a holder's list by type are available, Representatives-in-Trusts will utilize these printouts rather than transcribing balances.

Any questions concerning this procedure shall be directed to the Washington Office.

Until now, the question whether to follow the time-honored practice of copying appropriate balances onto line cards has been left to the Representative. Now, we simply cannot permit him that flexibility. The older method, while it has certain benefits not possible under the newer, simply takes too much time. Besides, it does not lend itself to rotation of examiners. We were finding that examiners who did not want to follow the method used in the previous examination either had to utilize both methods, in order that the necessary up-to-date records would be available for both procedures at the next examination, or to "break

the chain" for one system or the other. Thus, we were forced to require that one system be followed—and we opted for the less time consuming. That is but one small example of the process which we have been going through in the past few years.

What are some of the developments that have necessitated our continuing adaptation? They defy classification, but I'll try.

First are the additional restrictions relating to bank collective investment funds. There are now two means by which such funds for tax-exempt trusts may obtain tax exemption. You may operate a pooled fund solely for pension and profit-sharing trusts and obtain tax exemption under the provisions of Revenue Ruling 56-267, and the subsequent rulings elaborating on it. Each participating trust must provide for investment in a group trust, in which event such group trust would be adopted as a part of each participating trust. The alternative is to operate a common trust fund for tax-exempt trusts and get exemption for the common fund under Section 584 of the Internal Revenue Code. You may invest charitable trusts as well as employee benefit trusts in such funds. No adoption provisions are needed by the participants. Compliance with the percentage limitations of Section 18 of Regulation 9 is not necessary for either type of fund. However, only assets held as trustee, executor, administrator or guardian may be invested in a fund operating under Section 584 of the Internal Revenue Code. Those are the variations on a collective investment fund authorized by one paragraph of Regulation 9 which can now exist. It used to be that there were no variations—there was one type of fund, subject to certain well-defined requirements and limitations—but things have become more complicated.

The second development creating a need for us to be adaptable is further restrictions on collective fund operations caused by application of securities laws. It appears that interests in such funds, *i.e.*, accounts which are so invested, are securities issued by an entity other than the bank, *i.e.*, the fund, thus are not entitled to the provisions pertaining to securities issued by a bank. There are, however, exceptions or exemptions available at least in part. By virtue of the provisions of the Mutual Fund Reform Act of a couple of years ago, interests in traditional common trust funds and pooled funds for employee benefit trusts, other than H. R. 10 trusts, are exempt from the provisions of the securities laws, except for the anti-fraud

sections. Funds for H. R. 10 trusts are subject to the provisions of the securities laws if they are issuing securities in interstate commerce—that is, if there should be invested therein funds of a trust established by a person who lives outside the state where the bank is located. In addition, all collective funds themselves are investment companies, but are exempt from the Investment Company Act under specific exemptions contained in that Act. For traditional common trust funds, however, the exemption only applies for funds being operated for *bona fide* fiduciary purposes.

If you have followed all that, you may be beginning to see why our job requires constant training. You may even ask, “If bank collective funds are investment companies and issuers of securities, why aren’t banks which operate such funds in violation of the Glass-Steagall Act, particularly in view of the holding of the Supreme Court in *Investment Company Institute v. Camp*?” My first reaction in answer to that question reflects very unfavorably on the functioning of our system of government, so I’ll instead be politic here and shrug my shoulders.

Of course, the operation of collective investment funds is not the only place where a bank’s trust department may run afoul of the securities laws. It may do so if it buys or sells securities for trust accounts, based upon information obtained because of a commercial relationship with the company involved. It would appear that the problem only arises where there is an actual transmission of information to the trust officer who acts on it. However, recent lawsuits brought by some unions against Continental Illinois National Bank in Chicago would apparently seek to extend the theory of liability under the securities laws to any cases where there exists a significant lending relationship between a trustee bank and the company in whose securities its trust accounts also invest, or where there exists a common director between the bank and such a company. One such suit even goes so far as to allege that in such a case Regulation 9 is violated. That would extend the Regulation further than we had thought heretofore. However, since the Regulation essentially parallels the local law of trusts in a question such as this, it would not be unprecedented for us to learn, by virtue of a court’s decision, that we should be interpreting our Regulation more strictly. If, indeed, the courts in Illinois decide that Continental has violated the securities laws and/or our regula-

tions and the law of trusts, we shall have to revise our regulations and interpretations thereof and involve our examiners in a little more education.

Another area where we have rubbed against the securities laws in trust department operations concerns the sale of stock of the trustee bank’s parent holding company which is held in fiduciary accounts. Not long ago, the SEC issued an interpretation which stated that before a bank could sell such stock out of its fiduciary accounts, it would have to have an additional registration of that stock under the Securities Act. That was modified more recently to enable such sale without registration for stock acquired as an original asset of the fiduciary account. However, the interpretation continues to apply to stock purchased by a bank for a trust account in the mistaken exercise of its investment discretion. In such a case, which does happen occasionally, the bank would be requested by the supervisory authority to sell the stock without loss to the accounts. The ruling then would still require registration, posing a significant impediment to our obtaining corrective action. Further along that line, it is our policy in cases where a bank has accumulated amounts of its own or affiliated companies’ stock in excess of 20 percent of the outstanding amount, to recommend, pursuant to proper authority, that a program of disposal be initiated. That too is now hampered by the SEC opinion.

Another area where the SEC has an interest, and is shortly to become involved in the supervision of bank trust department activities, pertains to stock transfers. There exists before Congress proposed legislation which would give the SEC extensive rule making authority as to performance of stock transfer functions, backed up by enforcement authority. While the Administration’s proposals in that regard would have those rules enforced by a bank supervisory authority in the case of bank stock transfer agents, the bill submitted by the Moss Subcommittee in the House would make no such provision. Even in an instance where legislation in this area did not confer supervisory authority upon the banking agencies, it is obvious that if a bank were to run afoul of the SEC regulations and become the subject of disciplinary action by that agency, a significant adverse effect could result on its soundness. For that reason, it would be necessary, in my opinion, for the banking agencies to also check for compliance with SEC regulations in order to forestall such an event.

It is interesting at this point to observe that is

is frequently stated, usually by the opponents of bank agency supervision of stock transfer regulations, that there is a divergence between the purposes sought by the SEC and those of the banking agencies. That is apparently seen to be true on the Commission's side; however, it is not necessarily so from the viewpoint of the banking agencies. To that point in the few cases where the SEC has brought disciplinary actions against banks, we have seen their complete concern with investor protection and an apparent disregard for the objective of bank solvency. That has resulted in their insistence on applying the same rules and disciplinary methods to banks as to other companies. Under such circumstances, although evenhanded treatment of violators of investor protection concerns does result, there is certainly a divergence of governmental ends. Were we to disregard the sacred cow of evenhandedness, however, and attempt to guarantee investors protection from bank violators through traditional bank supervisory means, there would not have to be a divergence between the federal regulatory agencies. Investors would be protected and bank solvency would not be jeopardized. Once again, I would like to say that the reason that the latter more sensible and more economical approach will not come to pass does not reflect favorably upon the workings of our system of government.

The last area I shall touch upon in which trust department activity comes into contact with the securities laws was illuminated by the Sharon Steel case. There the principle was made clear; the purchase and sale of a company's securities by its employee benefit trusts for the purpose of influencing the price of those securities violates provisions of the Securities Exchange Act. A cynic could say that that was one of the motivations for every such purchase and I might have trouble arguing with him. Certainly a bank should keep that in mind, particularly in direction trusts, and it's something, obviously, which we shall have to keep in mind.

I am now on a subject that will allow me to make the transition to a new area from the securities laws—pension trusts. In the operation of pension trusts, by which I mean all employee benefit trusts, bank trust departments run into numerous other laws. The Welfare and Pension Plans Disclosure Act, as administered by the Labor Department, is perhaps the most obvious. At present it is primarily just that, a disclosure act, and the filing of forms with the Labor Department is the main im-

pact on the bank trustee of a plan, in which that is its responsibility. However, that will change when one of the pension reform bills before Congress passes, and I do expect that to happen this year. Briefly stated, that bill would enact a federal law of trusts for pension plans, administered by the Secretary of Labor. To the extent that such trusts are administered by banks, which is a pretty large extent, it would make the Secretary a bank regulator. And, like the proposed stock transfer legislation, even if no provision is made for administration of the terms of the legislation by the banking agencies, it will have to be a subject of inquiry at our examinations.

Even without new legislation, the pension trust area is one where new law may well be made in the fairly near future. As noted before, there are several cases brought by unions against the Continental National Bank in Chicago, which would establish some new law with respect to conflicts of interest. It is probable that pension trusts will be the subject of more suits in the future, simply because of the size of those funds and of the very real human element involved in their handling. Those funds, in nearly every case, represent the hopes of a group of employees for a worry-free retirement. The frustration of those expectations will certainly give rise to the urge to sue someone. In a context where the possible subject of such a suit is a company which may or may not be of firm financial foundation, and a bank, it is apparent that the bank will be the subject of the suit. Further, as the drive for performance continues with the attendant incentive to invest in concerns that would not have previously been regarded as trust quality investments, and as the banking industry continues to cave in to employers who seek to use such funds as additional sources of capital, and indeed, banks do it themselves, the chance of frustration of employee expectations increases. Thus, the suits we have seen thus far are not the end. They will be followed by others, and we will follow them all.

It is largely because of the size of pension fund holdings and their attendant potential for enormous power and for possibly affecting market conditions that proposals for enforced disclosure of trust department holdings continue to be advanced. The most recent was made by Chairman Cook of the SEC. It was, of course, previously recommended by the Institutional Investors Study that that Commission carried out, which called for the filing of information on holdings and transactional data with

the SEC. You may recall that another such proposal was mentioned in Chairman Patman's Banking Reform Bill a couple of years ago. Under his proposal, stock holdings and information on the voting of stock at annual elections would be filed with the FDIC. The proposal was also advanced recently in a particularly poorly researched article appearing in the Yale Law Journal. That article was written by a Master of Law candidate at the University of Pennsylvania. Based upon the "sneak and peek" philosophy of research which seems to be in vogue these days, it is, of course, not very accurate, but it too recommends as the solution to the proposals posed by the large holdings in pension accounts that there be a requirement of disclosure to the SEC. Finally, perhaps entitled to the most respect because of scholarly qualities, is the Hunt Commission's report calling for disclosure of trust assets.

In view of all those forces driving in roughly the same direction, it appears possible that some such requirement will come to be. In view of the numerous reports which bank trust departments are already required to file with various government agencies, including the banking agencies, this would appear to be an ideal situation for consolidation of all such reporting into one comprehensive report filed at one government agency. That would be efficient, vastly so when compared to the present and proposed system, both from the standpoint of the banks and the government. If, however, any of you have the illusion that it will come to pass, then I could only conclude that there are more optimists in Iowa than anyplace else in the world.

It could be, however, that I am merely being exceedingly imperceptive. I have spoken already of the various extensions into bank supervision made on behalf of the securities laws. Now I see it reported that Chairman Cook of the SEC has advocated that the supervision of bank trust departments be transferred to his agency. Thus, it may be that we

are in the process of putting all government supervision of all businesses in the SEC. That thought lends itself to almost limitless possibilities of comment. Once again, however, I shall take the cowardly way out and avoid the opportunity. It does seem to be an appropriate thought to leave you with, however. Accordingly, I shall terminate my remarks today on that subject. It continues to be difficult for me to understand the constant moves in the direction of increased governmental requirements on various types of institutions, but primarily upon banks, so often rationalized in terms of necessity to assist the small investor. I think it's time that we face up to the fact that the truly small investor as a direct owner of shares of stock has gone the way of the passenger pigeon. The cost of purchase of stock is simply too high. It undoubtedly is a cost which is justified in terms of keeping brokers solvent, but, nonetheless, its end result is that the small investor simply can't afford to own stock with that kind of a penalty attached to each purchase. Accordingly, I think it should be recognized that the only way we are going to get that man of modest means into the stock market is through the device of the no-load mutual fund—that, and indirectly through his pension fund. Our governmental concern should be towards the effectuation of a system which permits him as many choices as possible for such funds, including some administered by banks. He is no more likely to invest directly in the stock market if he knows that there is a massive bin somewhere in this country containing detailed minutiae of the investments and transactions of everybody who has more money than he. To be more specific, increased disclosure of bank trust department holdings is going to be of no benefit at all to him. Neither will the imposition of a few more government agencies and a few additional cost burdens upon banks. They will only redound to his detriment. I leave it to you to speculate as to just who those proposals will benefit.

Now let's all stop and spend the rest of the day thinking about what I have just said.

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