1978 ANNUAL REPORT

Comptroller of the Currency
Administrator of National Banks

Annual Report 1978
Comptroller of the Currency

The Administrator of National Banks

John G. Heimann

Comptroller of the Currency

Letter of Transmittal

Treasury Department,
Office of the Comptroller of the Currency,
Washington, D.C., November 30, 1979

Sirs: Pursuant to the provisions of Section 333 of the United States Revised Statutes, I am pleased to submit the 1978 *Annual Report of the Comptroller of the Currency.*

Respectfully,

John G. Heimann,
Comptroller of the Currency.

The President of the Senate
The Speaker of the House of Representatives

Contents

Statistical Tables

I. Condition of the National Banking System

National bank assets continued to grow rapidly during 1978, increasing 12 percent, to more than $892 billion. Foreign office assets, including those held by Edge Act subsidiaries, continued to grow at an even more rapid rate, increasing 17 percent during the year to $170 billion. That reflects continuing inflation and the growth of the economy as a whole through most of the year, although at a slower pace than in 1977. Assets increased at a rate somewhat lower than 1977's 13.1 percent, the fastest growth since 1973, when assets jumped 16.4 percent. The intervening year-end increases were 10.6 percent for 1974, 3.8 percent for 1975, and 9.3 percent, on an adjusted basis, for 1976. National banks' foreign assets have consistently grown more rapidly than their domestic assets and, as a result, now account for 19 percent of total assets, compared to 14 percent 5 years ago.

Rapid growth in total assets resulted from continuing strong loan demand, which had been slow in recovering from the severe recession which ended in early 1975. That is shown by the 14.2 percent increase in loans net of reserves, to $490 billion, and in the continued high level of interest rates during the year. Although that $61 billion increase in net loans accounted for more than 60 percent of the year's growth in total assets, the asset category showing the greatest percentage increase was lease financing, which jumped 25.2 percent.

During and immediately following the last recession, when loan demand remained weak, national banks rapidly increased their holdings of securities, particularly U.S. Treasury issues, in an effort to maintain their earnings and improve their liquidity. In 1977, that trend was reversed, with total holdings of securities increasing only 2.7 percent, compared to 8.8 percent in 1975. In 1978, holdings of securities increased only 2.8 percent. That relatively slow growth has caused securities to decline to 16 percent of total assets, from 20 percent in 1976. The change has been more marked in investment holdings of U.S. Treasury issues. Such holdings actually declined 9.5 percent in 1978, following a 4.9 percent drop in 1977. In 1976, they had increased 17.7 percent, which followed a 62.6 percent increase, in 1975.

The continuing rapid growth in national bank assets was made possible, largely, by a continuing increase, 9.6 percent, in total deposits, which reached $717 billion. Domestic office deposits increased at a lower rate, 7.9 percent, to $561 billion. That increase is actually understated by nearly $8 billion because of the initiation of interest-bearing demand notes issued to the U.S. Treasury which now account for virtually all of what were previously U.S. government demand deposits. In part, because of that change, demand deposits in domestic offices increased only 4.3 percent, compared to a rapid increase of 12.5 percent last year. However, 1977 was the only year since 1969 that domestic demand deposits grew at a faster rate than domestic time and savings deposits. In 1978, the proportion of time and savings deposits to total domestic office deposits reached a new peak of 60.7 percent. Foreign office deposits and other purchased funds continued to grow more rapidly than the banks' traditional domestic deposit base. That is expected during a period of high interest rates because of the limitations on interest which can be paid to attract other than very large deposits and because of the desire to avoid the additional cost of holding non-interest bearing reserves.

The largest increase in what are generally considered purchased funds was the $21.7 billion increase in deposits at foreign offices. However, a relatively small source of those funds, borrowed money, jumped 44.9 percent to $12.9 billion, which followed a 51.3 percent increase last year. Although federal funds purchased and securities sold under agreements to repurchase increased 9.1 percent, it was significantly below the rate of increase for total liabilities and below the previous years' rates of 15.0 percent, in 1977, and 34.7 percent, in 1976.

Total equity capital of national banks increased at a slower rate than total assets in 1978 as in 1977. Despite a $4.2 billion increase, most of which resulted from retained earnings, the ratio of equity capital to total assets declined slightly, to 5.5 percent, from 1977's level of 5.6 percent. As the average size of national banks has increased substantially over the years, that ratio has tended to decline. However, due to the slow growth of assets following the last recession it did increase in 1975 and 1976 to the recent peak of 5.9 percent. Similarly, the ratio of equity capital to risk assets, that is total assets less cash and investment holdings of U.S. Treasury and U.S. government agency issues, was 7.5 percent, down from 7.8 percent the previous year. Subordinated debt, which is considered a close substitute for equity capital for some regulatory purposes, continued to increase moderately to $3.1 billion, an increase of 9.1 percent compared to 11.2

percent the previous year. The allowance for possible loan losses, however, increased 17.5 percent to $4.6 billion. Those reserves, which may be used to absorb loan losses, were equal to 1.0 percent of total loans.

At the end of 1978, the 104 national banks which operated foreign branches and subsidiaries, including Edge Act subsidiaries in the U.S., accounted for more than 60 percent of all national bank assets. More detail on their holdings of assets and liabilities is provided in Table B-27, in the Appendix. Also, domestic office assets and liabilities are detailed by state in Appendix Tables B-18 and B-19.

Table 1

Assets, liabilities and capital accounts of national banks, 1977 and 1978

(Dollar amounts in millions)

	Dec. 31, 1977 4,655 banks		Dec. 31, 1978 4,564 banks		Change, 1977-1978 Fully consolidated	
	Consolidated foreign and domestic	Domestic offices	Consolidated foreign and domestic	Domestic offices	Amount	Percent
Assets						
Cash and due from depository institutions*	$150,508	$ 92,072	$170,146	$102,603	$19,638	13.0
U.S. Treasury securities	50,051	49,922	45,311	45,285	−4,740	−9.5
Obligations of other U.S. government agencies and corporations	17,832	17,822	21,312	21,308	3,480	19.5
Obligations of states and political subdivisions	62,914	62,792	66,758	66,564	3,844	6.1
All other securities	12,422	7,753	12,774	7,345	352	2.8
Total securities	143,219	138,289	146,155	140,502	2,936	2.1
Federal funds sold and securities purchased under agreements to resell	32,152	32,124	31,147	30,996	−1,005	−3.1
Total loans (excluding unearned income)	433,364	344,522	494,896	394,671	61,532	14.2
Allowance for possible loan losses	4,046	3,896	4,754	4,566	708	17.5
Net loans	429,318	340,626	490,142	390,105	60,824	14.2
Lease financing receivables	5,259	4,406	6,582	5,561	1,323	25.2
Bank premises, furniture and fixtures, and other assets representing bank premises	11,387	10,798	12,652	11,930	1,265	11.1
Real estate owned other than bank premises	1,918	1,821	1,573	1,456	−345	−18.0
All other assets	23,090	31,307	33,874	39,132	10,784	46.7
Total assets	796,851	651,444	892,272	722,285	95,421	12.0
Liabilities						
Demand deposits of individuals, partnerships and corporations	164,450	164,473	175,356	175,356	10,706	6.6
Time and savings deposits of individuals, partnerships and corporations	265,978	200,071	294,707	294,707	28,708	10.8
Deposits of U.S. government †	4,821	4,821	2,078	2,078	−2,743	−56.9
Deposits of states and political subdivisions	41,964	41,964	45,689	45,689	3,725	8.9
All other deposits	35,648	36,201	35,909	35,909	201	0.7
Certified and officers' checks	6,798	6,714	7,229	7,229	431	6.3
Total deposits in domestic offices	519,659	520,244	560,968	560,968	41,309	7.9
Demand deposits	211,429	211,650	220,593	220,593	9,164	4.3
Time and savings deposits	308,229	308,594	340,375	340,375	30,146	10.4
Total deposits in foreign offices	134,398	0	156,090	0	21,692	16.1
Total deposits	654,057	520,244	717,057	560,968	63,000	9.5
Federal funds purchased and securities sold under agreements to repurchase	59,560	59,336	64,989	64,908	5,429	9.1
Interest-bearing demand notes issued to U.S. Treasury	NA	NA	7,764	7,764	7,764	NA
Other liabilities for borrowed money	8,878	3,882	12,860	5,499	3,982	44.9
Mortgage indebtedness and liability for capitalized leases	482	474	1,275	1,232	793	164.5
All other liabilities	25,841	19,474	35,808	29,642	9,967	38.6
Total liabilities	748,817	603,410	839,753	670,013	90,936	12.1
Subordinated notes and debentures	3,035	3,035	3,312	3,065	277	9.1
Equity Capital						
Preferred stock	25	25	29	29	4	16.0
Common stock	9,552	9,552	9,912	9,912	360	3.8
Surplus	16,650	16,650	17,291	17,291	641	3.8
Undivided profits and reserve for contingencies and other capital reserves	18,772	18,772	21,976	21,976	3,204	17.1
Total equity capital	44,999	44,999	49,207	49,207	4,208	9.4
Total liabilities, subordinated notes and debentures and equity capital	796,851	651,444	892,272	722,285	95,421	12.0

* In 1978, this category was expanded to include all depository institutions rather than just banks.
† Most demand deposits of the U.S. government were converted to "interest-bearing" demand notes issued to U.S. Treasury in late 1978.
NOTE: NA indicates information is not applicable.

II. Income and Expenses of National Banks

Total income and expenses of national banks increased greatly during 1978, reflecting both the continuing increase in bank assets and the rapid rise in interest rates. Continuing steady economic expansion is reflected in the rapid increase in national banks' net income by more than $1 billion, or 20 percent. That was the highest rate of increase of net income in the decade, and follows last year's substantial rise of 11.9 percent. It resulted from banks' ability to limit the reduction in their interest rate margins despite the increasing need to rely on purchased funds and the development of higher priced consumer deposits such as the 26-week money market rate certificate.

During 1978, total operating income jumped 26.1 percent to $67.8 billion. That rate was more than double the 12 percent increase in assets over the year, reflecting the ability of banks to adjust their loan rates during a period of rapidly rising interest rates. That is possible because most bank loans are short term and because an increasing proportion are being made on a floating rate basis. The prime rate, the basic commercial lending rate, increased from 7.75 to 11.75 percent during 1978. Total operating expenses increased somewhat more slowly than income, growing 25.6 percent to $59 billion. That produced a $2 billion increase in income before taxes and securities gains. The 29.8 percent increase in net operating earnings was trimmed by a sharp increase in applicable income taxes of 46.6 percent, to $2.6 billion. Also, national banks suffered a net loss, after taxes, of $128 million on sales of securities for the year, a reversal of last year's modest gain of $36 million. That loss was partially offset by net extraordinary gains of $26 million, which left net income for the year at $6.2 billion. The rate of return on assets was 0.69 percent, up significantly from 1977's 0.64 percent.

Interest income, including income from lease financing and corporate stock, increased 26.7 percent over 1977 to reach $61.9 billion; it accounted for more than 91 percent of total operating income. The largest component of that, interest and fees on loans, totalled $46 billion in 1978, an increase of nearly 30 percent over 1977. Thus, in addition to loans increasing 13 percent, national banks were able to increase the average return on their loan portfolio by more than 1 full percentage point during the year. However, interest on balances with depository institutions and income from federal funds transactions jumped even more disproportionately, 36 and 43 percent respectively, reflecting their greater responsiveness to changes in interest rates.

Security holdings, which increased slowly during the year, accounted for less than 13 percent of total operating income. That continued the trend of decreasing reliance on income from securities which was interrupted briefly in 1975, as a result of the recession. Although holdings of U.S. Treasury and government agency securities actually declined during 1978, as they had in 1977, income on those investments rose a modest 4.2 percent as a result of the rising interest rates on government issues. Revenues from obligations of states and political subdivisions totalled $3.25 billion, showing an increase of 11 percent over 1977. Non-interest income, resulting mainly from fees for services, increased just over 20 percent to $5.9 billion.

On the expense side, the rapidly rising interest rates during 1978 had a marked effect on deposit costs. Total interest expense on deposits was $30 billion, an increase of 30 percent over 1977. That increase would have been even more dramatic except for the fact that most bank deposits are still subject to interest rate controls. The expense of deposits which are acquired at a competitive market rate, large time certificates of deposit and deposits in foreign offices, jumped 74 percent and 42 percent respectively, nearly three times the actual increase in those deposits. Deposits at foreign offices, essentially all of which pay interest at market rates, accounted for one-third of the total interest expense for deposits, although they equal less than 22 percent of total deposits.

Other interest expenses, with the exception of those for long term subordinated debt, increased more rapidly than those for deposits. The cost of federal funds purchased and securities sold under agreements to repurchase grew $1.9 billion, or 60 percent, during 1978. Also, the $1 billion paid on borrowed money was nearly 70 percent higher than in 1977. However, that item now includes the expense of demand notes issued to the U.S. Treasury which were introduced late in the year. The full effect of that change will not be shown until 1979. Total interest expense was $36.3 billion, a 34 percent increase over 1977, which is equal to 62 percent of total operating expenses.

Salaries and employee benefits increased by 14.3 percent, slightly greater than the rate of increase for total assets. However, the proportion of total expenses that item represents declined to 18 percent from 20 percent last year. The most substantial improvement in expenses results from the continuing decline in net loan losses which dropped to $1.4 billion in 1978, substantially below the post-recession peak of more than $2 billion in 1975. Therefore, national banks were able to substantially increase their loan loss reserves while only increasing their expense provision by $146 million.

During 1978, national banks not only enjoyed substantial growth in net income, but continued the trend toward retaining a larger portion of those earnings. Cash dividends totalling $2.2 billion were declared in 1978, only a 10 percent increase over 1977. Those dividends equalled less than 36 percent of earnings. The comparable pay-out ratio was 39 percent last year, and nearly 43 percent in 1975. As retained earnings are the primary source of equity capital in banking, high levels of retained earnings and net income are necessary to prevent the decline of current capital ratios. Because of the rapid increase in net income and the slight increase in leveraging, net income to equity capital rose to 12.5 percent from 11.4 percent last year.

Table 2

Income and expenses of national banks, 1977 and 1978

(Dollar amounts in millions)

	1977 4,655 banks		1978 4,564 banks		Change, 1977-1978	
	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent
Operating income:						
Interest and fees on loans	$35,446.3	65.9	$45,997.7	67.8	$10,551.4	29.7
Interest on balances with depository institutions*	3,243.0	6.0	4,407.3	6.5	1,164.3	35.9
Income on Federal funds sold and securities purchased under agreements to resell	1,532.1	2.8	2,197.8	3.2	665.7	43.5
Interest on U.S. Treasury securities and on obligations of other U.S. government agencies and corporations	4,532.0	8.4	4,721.6	7.0	159.6	4.2
Interest on obligations of states and political subdivisions in the U.S.	2,929.6	5.4	3,252.1	4.8	322.5	11.0
Income from all other securities (including dividends on stock)	640.1	1.2	693.2	1.0	53.1	8.3
Income from lease financing	537.6	1.0	639.4	0.9	101.8	18.9
Income from fiduciary activities	1,131.3	2.1	1,214.8	1.8	83.5	7.4
Service charges on deposit accounts	986.9	1.8	1,089.5	1.6	102.6	10.4
Other service charges, commissions, and fees	1,566.6	2.9	1,932.2	2.8	365.6	23.3
Other operating income	1,243.3	2.3	1,696.9	2.5	453.6	36.5
Total operating income	53,788.9	100.0	67,842.4	100.0	14,053.5	26.1
Operating expenses:						
Salaries and employee benefits	9,486.9	20.2	10,845.2	18.4	1,358.3	14.3
Interest on time certificates of $100,000 or more (issued by domestic offices)	4,031.5	8.6	7,021.9	11.9	2,990.4	74.2
Interest on deposits in foreign offices	7,123.0	15.2	10,139.7	17.2	3,016.7	42.4
Interest on other deposits	11,956.9	25.5	12,873.9	21.8	917.0	7.7
Expense of federal funds purchased and securities sold under agreements to repurchase	3,116.1	6.6	4,989.6	8.5	1,873.5	60.1
Interest on demand notes issued to the U.S. Treasury and on other borrowed money †	604.0	1.3	1,023.1	1.7	419.1	69.4
Interest on subordinated notes and debentures	202.7	0.4	234.3	0.4	31.6	15.6
Occupancy expense of bank premises, net, and furniture and equipment expense	2,851.1	6.1	3,194.3	5.4	343.2	12.0
Provision for possible loan loss	1,985.1	4.2	2,131.2	3.6	146.1	7.4
Other operating expenses	5,598.3	11.9	6,522.5	11.1	924.2	16.5
Total operating expenses	46,955.6	100.0	58,975.8	100.0	12,020.2	25.6
Income before income taxes and securities gains or losses	6,833.3	....	8,866.6	....	2,033.3	29.8
Applicable income taxes	1,767.1	....	2,591.0	....	323.9	46.6
Income before securities gains or losses	5,066.3	....	6,275.6	....	1,209.3	23.9
Securities gains (losses), gross	52.5	....	-253.5	....	-306.2	-583.2
Applicable income taxes	16.0	....	-125.2	....	-141.2	-832.5
Securities gains (losses), net	36.5	....	-128.3	....	-164.8	-451.5
Income before extraordinary items	5,102.7	....	6,147.3	....	1,044.6	20.5
Extraordinary items, net	36.0	....	26.1	....	-9.9	-27.5
Net income	5,138.7	....	6,173.4	....	1,034.7	20.1
Cash dividends declared on common stock	1,993.2	....	2,194.7	....	201.5	10.1
Cash dividends declared on preferred stock	1.1	....	1.4	....	0.3	27.3
Total cash dividends declared	1,994.3	....	2,196.1	....	201.8	10.1
Recoveries credited to allowance for possible loan losses	503.9	....	685.9	....	177.0	34.8
Losses charged to allowance for possible loan losses	2,179.8	....	2,124.6	....	-55.2	-2.5
Net loan losses	1,670.9	....	1,438.7	....	-232.2	-13.9
Ratio to total operating income:	*Percent*		*Percent*			
Interest on deposits	43.0		44.3			
Other interest expense	7.3		9.2			
Salaries and employee benefits	17.6		16.0			
Other non-interest expense	19.4		17.5			
Total operating expenses	87.3		86.9			
Ratio of net income to:						
Total assets (end of period)	0.64		0.69			
Total equity capital (end of period)	11.4		12.5			

* In 1978, this category was expanded to include all depository institutions, rather than just banks.

† Most demand deposits of the U.S. government were converted to "interest-bearing" demand notes issued to the U.S. Treasury in late 1978.

III. Structural Changes in the National Banking System

At year-end 1978, there were 4,564 national banks, 2,313 of which were unit banks. The remaining 2,251 national banks operated a total of 17,439 branches. In addition to those 22,003 traditional banking offices, national banks operated 765 CBCT branches (electronic banking facilities).

The total number of national banks declined for the third consecutive year. At year-end 1978, there were 91 fewer national banks than a year earlier, although the number of national bank offices had increased by 286. All national banks must be members of the Federal Reserve System, and a principal reason for the reduction in number of national banks continues to be the costs associated with that membership. During 1978, 68 national banks converted to state charters and 25 national banks merged or consolidated with state banks. Only 39 new national banks were chartered and only three state chartered banks converted into national banks during the year. When state branching laws are liberalized, as they were in Florida during 1977, there is a tendency for banks to merge to create branch systems. That tendency has contributed to the reduction in number of national banks; for example, in Florida alone, in 1978, mergers where the resulting bank was a national bank accounted for a reduction of eight banks.

During 1978, the Comptroller granted preliminary approval to organize 42 new national banks. As in recent years, the largest number of applications approved was for locations in Texas, a state that does not allow branching, but does permit multibank holding companies. Thirteen new bank applications were approved for Texas; no more than four were approved for any other state.

National banks continued to expand by branching during 1978. The Comptroller's Office received 792 branch applications during the year, compared to 741 in 1977. National banks opened 630 *de novo* branches in 1978 and 93 branches were added to the system through conversion or consolidation. In 1978, banks with total resources of less than $100 million opened 48 percent of the new branches, compared to 55 percent in 1977. Banks with total resources of more than $1 billion opened 23 percent of the new branches, compared to 18 percent in 1977. The number of CBCT branches increased by 238 during the year.

The Comptroller's Office approved 47 merger applications involving two or more operating banks in 1978 compared to 64 applications in 1977. Forty-four mergers were consummated during the year compared to 70 in 1977.

Table 3

National banks and banking offices, by states, December 31, 1978

	National Banks			Number of branches†	Number of offices†
	Total	Unit	With branches†		
All national banks	4,564	2,313	2,251	17,439	22,003
50 states	4,564	2,313	2,251	17,433	21,997
Alabama	99	34	65	340	439
Alaska	6	1	5	79	85
Arizona	3	1	2	319	322
Arkansas	69	15	54	175	244
California	53	9	44	2,761	2,814
Colorado	137	106	31	31	168
Connecticut	19	3	16	201	220
Delaware	5	1	4	5	10
District of Columbia	16	4	12	135	151
Florida	236	100	136	302	538
Georgia	64	14	50	332	396
Hawaii	2	0	2	11	13
Idaho	6	0	6	178	184
Illinois	419	270	149	182	601
Indiana	121	28	93	507	628
Iowa	99	49	50	91	190
Kansas	151	100	51	75	226
Kentucky	79	16	63	254	333
Louisiana	54	12	42	277	331
Maine	17	1	16	117	134
Maryland	34	5	29	356	390
Massachusetts	73	8	65	447	520
Michigan	125	13	112	868	993
Minnesota	205	153	52	67	272
Mississippi	37	3	34	256	293
Missouri	101	54	47	67	168
Montana	56	48	8	8	64
Nebraska	117	79	38	56	173
Nevada	4	1	3	85	89
New Hampshire	39	7	32	98	137
New Jersey	96	10	86	973	1,069
New Mexico	40	10	30	118	158
New York	124	31	93	1,489	1,613
North Carolina	27	5	22	809	836
North Dakota	43	19	24	29	72
Ohio	217	43	174	1,096	1,313
Oklahoma	191	132	59	60	251
Oregon	6	1	5	321	327
Pennsylvania	226	74	152	1,408	1,634
Rhode Island	5	0	5	115	120
South Carolina	18	4	14	322	340
South Dakota	32	18	14	85	117
Tennessee	72	8	64	364	436
Texas	609	597	12	13	622
Utah	10	6	4	113	123
Vermont	13	4	9	46	59
Virginia	88	4	84	683	771
Washington	20	2	18	594	614
West Virginia	106	80	26	26	132
Wisconsin	129	84	45	89	218
Wyoming	46	46	0	0	46
Puerto Rico	0	0	0	0	0
Virgin Islands	0	0	0	6	6
District of Columbia — all*	17	4	13	136	153

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

†For the purposes of this table, CBCT's are not considered branches or offices. For information on those branches, see Table 8 of this report.

Table 4

Applications for national bank charters and charters issued, by states, calendar 1978*

	Received†	*Approved*	*Disapproved*	*Withdrawn*	*Pending December 31, 1978*	*Chartered*
Total	118	42	14	1	61	39
Alabama	6	3	3	0	0	2
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	2	0	1	0	1	0
California	10	3	1	0	6	0
Colorado	6	2	0	0	4	4
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	1
Florida	5	2	0	0	3	4
Georgia	2	0	0	1	1	0
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	1	0	0	0	1	1
Indiana	1	1	0	0	0	1
Iowa	1	0	0	0	1	0
Kansas	1	0	0	0	1	0
Kentucky	2	1	0	0	1	0
Louisiana	4	0	2	0	2	1
Maine	0	0	0	0	0	0
Maryland	0	0	0	0	0	0
Massachusetts	1	1	0	0	0	1
Michigan	6	3	1	0	2	4
Minnesota	0	0	0	0	0	1
Mississippi	0	0	0	0	0	1
Missouri	1	0	0	0	1	1
Montana	0	0	0	0	0	0
Nebraska	1	0	1	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0
New Mexico	0	0	0	0	0	1
New York	1	0	0	0	1	0
North Carolina	1	0	0	0	1	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	0	0	0	0
Oklahoma	6	2	1	0	3	1
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	1	1	0	0	0	0
Tennessee	0	0	0	0	0	0
Texas	46	13	2	0	31	13
Utah	4	4	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	0	0	0	0	0	0
Washington	2	1	1	0	0	0
West Virginia	2	1	0	0	1	1
Wisconsin	4	3	1	0	0	1
Wyoming	1	1	0	0	0	0
Virgin Islands	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0

*Excludes conversions and corporate reorganizations.
†Includes applications pending as of December 31, 1977.

Table 5

Applications for national bank charters pursuant to corporate reorganizations and charters issued, by states, calendar 1978

	Received*	Approved	Disapproved	Withdrawn	Pending December 31, 1978	Chartered
Total	38	28	0	3	7	25
Alabama	2	1	0	0	1	1
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0
California	1	0	0	0	1	0
Colorado	0	0	0	0	0	0
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	0	0	0	0	0	0
Georgia	6	6	0	0	0	6
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	3	2	0	0	1	2
Indiana	1	1	0	0	0	0
Iowa	1	0	0	0	1	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	1	1	0	0	0	1
Michigan	3	2	0	1	0	2
Minnesota	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0
Missouri	0	0	0	0	0	0
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	0
New Jersey	1	0	0	1	0	0
New Mexico	0	0	0	0	0	0
New York	0	0	0	0	0	0
North Carolina	0	0	0	0	0	1
North Dakota	0	0	0	0	0	0
Ohio	4	2	0	0	2	2
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	14	12	0	1	1	9
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	1	1	0	0	0	1
Washington	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0

*Includes applications pending as of December 31, 1977.

Table 6

Applications for conversion to national bank charter and charters issued, by states, calendar 1978

	*Received**	*Approved*	*Rejected*	*Withdrawn*	*Pending December 31, 1978*	*Chartered*
Total	6	1	1	3	1	3
Alabama	0	0	0	0	0	0
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	1	0	0	1	0	0
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	1	1	0	0	0	1
Georgia	1	0	1	0	0	0
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	0	0	0	0	0	0
Indiana	0	0	0	0	0	0
Iowa	1	0	0	1	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	0	0	0	0	0	1
Mississippi	0	0	0	0	0	0
Missouri	0	0	0	0	0	0
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	0
New Jersey	0	0	0	0	0	0
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	2	0	0	1	1	0
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	0	0	0	0	0	0
Washington	0	0	0	0	0	0
West Virginia	0	0	0	0	0	1
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0

*Includes applications pending as of December 31, 1977.

Table 7

Branches of national banks, by states, calendar 1978*

	Branches in operation December 31, 1977	*De novo branches opened for business Jan. 1 to Dec. 31, 1978*	*Branches acquired through merger or conversion Jan. 1 to Dec. 31, 1978*	*Existing branches discontinued or consolidated Jan. 1 to Dec. 31, 1978*	*Branches in operation December 31, 1978*
All national banks	17,066	630	93	350	17,439
50 states	17,060	630	93	350	17,433
Alabama	317	24	0	1	340
Alaska	77	3	0	1	79
Arizona	308	12	0	1	319
Arkansas	169	9	0	3	175
California	2,741	74	15	69	2,761
Colorado	32	0	0	1	31
Connecticut	205	1	0	5	201
Delaware	4	1	0	0	5
District of Columbia	130	5	0	0	135
Florida	221	69	19	7	302
Georgia	322	10	0	0	332
Hawaii	11	0	0	0	11
Idaho	170	8	0	0	178
Illinois	145	37	0	0	182
Indiana	496	18	1	8	507
Iowa	88	7	0	4	91
Kansas	72	3	0	0	75
Kentucky	242	14	0	2	254
Louisiana	267	10	0	0	277
Maine	118	1	0	2	117
Maryland	338	19	1	2	356
Massachusetts	451	2	0	6	447
Michigan	835	51	6	24	868
Minnesota	37	31	0	1	67
Mississippi	233	16	8	1	256
Missouri	75	5	0	13	67
Montana	8	0	0	0	8
Nebraska	53	3	0	0	56
Nevada	82	3	0	0	85
New Hampshire	93	4	2	1	98
New Jersey	1,043	14	0	84	973
New Mexico	116	7	0	5	118
New York	1,505	10	2	28	1,489
North Carolina	801	15	1	8	809
North Dakota	26	3	0	0	29
Ohio	1,058	35	5	2	1,096
Oklahoma	58	2	0	0	60
Oregon	317	13	0	9	321
Pennsylvania	1,392	29	7	20	1,408
Rhode Island	115	0	0	0	115
South Carolina	307	15	1	1	322
South Dakota	80	4	1	0	85
Tennessee	358	9	0	3	364
Texas	8	5	0	0	13
Utah	107	3	6	3	113
Vermont	45	2	0	1	46
Virginia	687	10	17	31	683
Washington	586	10	0	2	594
West Virginia	23	3	1	1	26
Wisconsin	88	1	0	0	89
Wyoming	0	0	0	0	0
Virgin Islands	6	0	0	0	6
District of Columbia — all†	131	5	0	0	136

*Does not include CBCT or foreign branches. For those branches, see tables 8 and B-28.
†Includes national and non-national banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

Table 8

CBCT branches of national banks, by states, calendar 1978*

	Branches in operation December 31, 1977	De novo branches opened for business Jan. 1 to Dec. 31, 1978	Branches acquired through merger or conversion Jan. 1 to Dec. 31, 1978	Existing branches discontinued or consolidated Jan. 1 to Dec. 31, 1978	Branches in operation December 31, 1978
All national banks	527	289	0	51	765
Alabama	3	4	0	0	7
Alaska	2	0	0	0	2
Arizona	0	0	0	0	0
Arkansas	2	2	0	0	4
California	3	0	0	0	3
Colorado	0	12	0	0	12
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
District of Columbia	1	0	0	0	1
Florida	30	6	0	0	36
Georgia	13	3	0	0	16
Hawaii	0	0	0	0	0
Idaho	1	0	0	0	1
Illinois	0	0	0	0	0
Indiana	1	1	0	0	2
Iowa	44	0	0	1	43
Kansas	30	35	0	24	41
Kentucky	2	1	0	0	3
Louisiana	3	10	0	0	13
Maine	0	0	0	0	0
Maryland	1	2	0	0	3
Massachusetts	1	0	0	0	1
Michigan	0	1	0	0	1
Minnesota	0	12	0	0	12
Mississippi	1	0	0	0	1
Missouri	0	0	0	0	0
Montana	0	2	0	0	2
Nebraska	73	17	0	0	87
Nevada	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	3	1	0	0	4
New Mexico	0	0	0	0	0
New York	75	39	0	6	108
North Carolina	1	0	0	0	1
North Dakota	11	2	0	0	13
Ohio	13	46	0	1	58
Oklahoma	66	36	0	0	102
Oregon	8	0	0	0	8
Pennsylvania	1	17	0	0	18
Rhode Island	0	0	0	0	0
South Carolina	5	7	0	0	12
South Dakota	3	3	0	0	6
Tennessee	43	6	0	2	47
Texas	0	0	0	0	0
Utah	0	0	0	0	0
Vermont	0	0	0	0	0
Virginia	15	4	0	0	19
Washington	8	1	0	0	9
West Virginia	0	0	0	0	0
Wisconsin	64	22	0	17	69
Wyoming	0	0	0	0	0
District of Columbia — all†	1	0	0	0	1

*Customer-Bank Communications Terminal branches.
†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 branch applications of national banks, by states, calendar 1978

	*Received**	*Approved*	*Rejected*	*Abandoned*	*Pending December 31, 1978*
Total	1,003	709	57	37	200
Alabama	15	10	1	1	3
Alaska	4	3	0	0	1
Arizona	28	24	0	2	2
Arkansas	7	4	0	2	1
California	110	74	2	3	31
Colorado	5	4	0	0	1
Connecticut	5	3	1	0	1
Delaware	0	0	0	0	0
District of Columbia	12	10	2	0	0
Florida	113	82	3	15	13
Georgia	17	14	0	1	2
Hawaii	0	0	0	0	0
Idaho	6	4	0	0	2
Illinois	43	31	1	2	9
Indiana	27	16	1	0	10
Iowa	6	5	0	0	1
Kansas	3	2	0	0	1
Kentucky	9	6	0	0	3
Louisiana	13	11	0	1	1
Maine	1	0	0	1	0
Maryland	28	22	3	0	3
Massachusetts	7	5	0	0	2
Michigan	160	96	30	1	33
Minnesota	35	28	5	2	0
Mississippi	12	11	0	0	1
Missouri	3	2	1	0	0
Montana	0	0	0	0	0
Nebraska	3	2	0	0	1
Nevada	9	6	2	0	1
New Hampshire	4	3	0	0	1
New Jersey	28	23	0	0	5
New Mexico	7	7	0	0	0
New York	16	11	0	0	5
North Carolina	23	21	0	0	2
North Dakota	3	3	0	0	0
Ohio	81	58	1	0	22
Oklahoma	10	2	0	0	8
Oregon	16	14	0	0	2
Pennsylvania	33	22	1	1	9
Rhode Island	2	0	0	0	2
South Carolina	17	17	0	0	0
South Dakota	5	3	0	0	2
Tennessee	11	6	1	1	3
Texas	13	10	0	0	3
Utah	11	5	1	1	4
Vermont	3	1	0	0	2
Virginia	18	10	1	0	7
Washington	12	10	0	2	0
West Virginia	2	2	0	0	0
Wisconsin	7	6	0	1	0
Wyoming	0	0	0	0	0

*Includes 121 applications pending as of December 31, 1977.

Table 10

De novo branches of national banks opened for business, by community size and by size of bank, calendar 1978*

Population of cities	*Branches*	*Total resources of banks (millions of dollars)*	*Branches*
Less than 5,000	140	Less than 10.0	17
5,000 to 24,999	220	10.0 to 24.9	84
25,000 to 49,999	105	25.0 to 49.9	108
50,000 to 99,999	56	50.0 to 99.9	95
100,000 to 249,999	44	100.0 to 999.9	181
250,000 to 499,999	29	1,000.0 and over	145
500,000 to 1,000,000	26	Total	630
Over 1,000,000	10		
Total	630		

*Does not include CBCT branches.

Table 11

Mergers, calendar 1978*

	Transactions involving two or more operating banks	*Others pursuant to corporate reorganization*	*Total*
Applications received, 1978:			
Mergers	35	26	61
Consolidations	3	0	3
Purchases and Assumptions	15	0	15
Total received	53	26	79
Approvals issued, 1978:			
Mergers	31	24	55
Consolidations	3	0	3
Purchases and Assumptions	13	0	13
Total approvals	47	24	71
Abandoned, 1978:			
Mergers	2	2	4
Consolidations	1	0	1
Purchases and Assumptions	2	0	2
Total abandoned	5	2	7
Consummated, 1978:			
Mergers	29	23	52
Consolidations	2	2	4
Purchases and Assumptions	13	0	13
Total consummated	44	25	69

*Includes mergers, consolidations and purchases and assumptions where the resulting bank is a national bank.

IV. Bank Examinations and Related Activities

The Office is responsible for examining all national banks and their affiliates. With the ever increasing demands placed on the OCC's limited resources, the Office has established a national policy on the frequency of on-site examinations. This policy combines on-site examination priorities with an off-site examination program, utilizing National Bank Surveillance System analysis, which will make the most effective contribution to the overall supervisory mission of this Office.

Banks requiring special supervisory attention will receive on-site examinations at least twice annually, including at least one full scope general examination. Banks not requiring special supervisory attention, which have assets exceeding $100 million will receive one on-site examination at least annually. Banks with less than $100 million in assets that do not require special supervision will receive one on-site examination at least every 18 months.

During the year ended December 31, 1978, the Office examined 3,432 banks, 1,040 trust departments, and 45 affiliates and subsidiaries and conducted 75 special supervisory examinations.

During 1978, the condition of the national banking system continued to improve as measured by traditional standards. That improvement reflected the continued strength of the economy over the last 4 years. It must be stressed that the health of our banking system inevitably reflects the basic strength or weakness of the economy. Although the performance of individual banks may and does vary independently of overall economic conditions, the financial condition of the banking system as a whole is inextricably linked to the domestic and, increasingly, the international economy.

Examinations of national banks are meant to provide an objective evaluation of a bank's soundness, to permit the Office to appraise the quality of management and directors, and to identify areas where corrective action might be required to strengthen the bank, improve the quality of its performance and enable it to comply with applicable laws, rules and regulations. To accomplish those objectives, the Office employs standardized examination procedures. Because banks are not identical, examiners, drawing on professional judgment and experience, may have to modify the application of those procedures to fit the circumstances encountered in each bank. The use of such procedures provides for the conduct of consistent and objective examinations of varying scope.

As of December 31, 1978, the Office employed 2,254 examiners; 2,093 commercial and 161 trust. Included in these numbers are examiners specifically trained in computer operations and consumer affairs and regulation. These specialized areas are a part of the regular examination process.

EDP Examination

The EDP Examination Division and the Trust Examination Division are under the supervision of the Deputy Comptroller for Specialized Examinations. The Trust Examination Division is covered in this report under Fiduciary Activities of National Banks.

The EDP Examination Division has made significant achievements during the past year. Supervision of data processing operations have improved through the expansion of the report review process at the regional and national levels. A review assistant has been added to the Washington staff. Quality control reviews have been improved and administrative follow up actions have expanded.

For the first time, a formal career development program was initiated for the EDP examiner. A new title of Associate National Bank Examiner - EDP was established and certification in the EDP examination program has been achieved through the use of an associate examination. Training was improved through the use of formalized schools for all levels of examiners.

In the area of interagency activities, the EDP Examination Division has cooperated with the other federal financial regulators in many ways. An Interagency Policy Statement was developed and implemented. The policy established joint examination procedures for joint EDP examinations and EDP report distribution guidelines. A Uniform Interagency Rating System for data processing operations was drafted. The OCC has joined with the Federal Reserve System and the FDIC in a major revision of the OCC EDP Examination Handbook and work program. The final products will be adopted by all three agencies as uniform examination procedures for data processing operations. Sister agency requests have also affected this division. The OCC has provided training for selected Federal Reserve and FDIC examiners in the use of OCC EDP examination procedures. In addition the National Credit Union Administration (NCUA) requested individuals within the EDP Examination Division to conduct an examination of NCUA's computer operation at the

Washington headquarters. That was completed during March 1979.

The division completed a comprehensive review of the OCC's internal computer operation during the fall of 1978. Many significant improvements in the operation can be directly attributed to that review.

V. Law Department

The Law Department advises the Comptroller of the Currency on legal matters arising in the administration of laws, rulings and regulations governing national banks. At the end of 1978, the Department employed 55 attorneys in the Washington Office and an additional 18 in regional offices around the country. Some of the Department's major activities are described below.

Litigation

At the beginning of 1978, 55 lawsuits were pending. During the year, 45 new lawsuits were filed. During this same period, 30 cases were closed.

Extensive litigation resulting from bank failures, including U.S. National Bank in San Diego and Franklin National Bank in New York, continued in 1978. In those lawsuits, bank shareholders, directors, bonding companies, auditors and others sued the United States under the Federal Tort Claims Act contending that government negligence caused the banks to fail. All of the federal district courts which have ruled to date have held that the examination and supervisory powers of the federal banking agencies are not intended for the specific benefit of the bank involved and do not result in an actionable duty to the bank or its shareholders on the part of the agencies. In the first of these cases to reach the appellate level, *Harmsen* v. *Smith,* 586 F.2d 156 (9th Cir. 1978), the Ninth Circuit Court of Appeals held that the federal scheme of bank regulation creates no duty on the part of the Comptroller to shareholders and directors.

However, in litigation involving the failure of Franklin National Bank, the district court held that if the federal banking agencies were so involved with the bank that they managed and controlled its day-to-day operations, then the government may have assumed a duty to the bank to prevent fraud. *In re Franklin National Bank Securities Litigation,* 445 F. Supp. 723, *supplemented,* 449 F. Supp. 574 (E.D. N.Y. 1978). Since government involvement with a problem bank is always extensive, this case poses a dilemma. On the one hand, a "normal" degree of bank supervision which may be inadequate to protect the public interest in the case of a problem bank cannot result in government liability, while the extensive supervision that such a bank warrants can subject the government to subsequent liability for alleged negligence contributing to its failure. The case is still in preliminary stages, however, and resolution of this legal issue must await conclusion of the action at the district court level and a subsequent appeal.

The Comptroller's new regulation on credit life insurance, barring insiders of national banks from retaining income from the sales of such insurance to loan customers, was challenged by the Independent Bankers Association of America in the United States District Court for the District of Columbia (*IBAA* v. *Heimann,* Civil No. 77-2189). The IBAA contended that the Comptroller lacks the statutory power to promulgate regulations and that the regulation in question is contrary to law. The district court dismissed the action on the ground that review of the regulation should more properly follow an administrative proceeding under the Financial Institutions Supervisory Act of 1966. IBAA has appealed, and the case is now pending in the U.S. Court of Appeals for the District of Columbia Circuit. Although the Comptroller's Office believes its authority to issue this regulation is plain, legislative clarification of the Comptroller's rulemaking authority appears necessary to forestall litigation of this type.

Branching by national banks also continued to be a source of controversy. The federal statute authorizing national banks to establish branches (12 USC 36) makes such authority contingent upon the authority given to state banks by the state in question. That statute, however, defines the term "state bank" to include trust companies, savings banks and other institutions carrying on a banking business.

In reliance upon that statute, the Comptroller approved an application by a national bank in Oklahoma to establish a branch pursuant to the power of Oklahoma trust companies to do so. Although trust companies may branch in Oklahoma, state commercial banks are forbidden to do so. The State Banking Commissioner and the Independent Bankers Association of Oklahoma filed suit challenging that approval arguing that national banks should be confined to the branching powers granted to state commercial banks. The suit is now pending.

In another "branching" lawsuit, 12 years after the Comptroller had issued an interpretive ruling declaring that the off-premises solicitation of loans does not violate the National Bank Act, the Independent Bankers Association of America filed suit to overturn the ruling. In reliance upon the ruling, many banks over the years have established off-premises and out-of-state offices where loans are solicited and preliminary paperwork done. However, decisions on such loans always were made at the bank's main office or at an established branch. In its complaint, the IBAA argues that any off-premises activities of a bank must be considered branching even if loans actually are not made off-premises. In short, the Association seeks to confine all banks to walk-in customers and thus to limit banking competition solely to those banks formally located in a given geographical area. The case is now pending. *IBAA* v. *Heimann,* Civil No. 78-0811 (D.C.)

In the only significant suit brought under the Freedom of Information Act (FOIA), the United States Court of Appeals for the District of Columbia Circuit held in *Consumers Union* v. *Heimann,* 589 F.2d 531 (D.C. Cir. 1978), that the disclosure policy of the Truth-in-Lending Act does not supersede the exemption from disclosure accorded to bank examination reports in the FOIA. The court held that exemption 8 of the Act, which allows the withholding of reports of examination and other similar documents, applies to special consumer examination reports as well as to the general reports made of a bank's overall condition, and that they need not be disclosed to the public.

Finally, in the area of bank supervision, the United States Court of Appeals for the Fifth Circuit upheld the Comptroller's powers to issue a cease and desist order barring a bank's major shareholder from obtaining credit from the bank directly or indirectly. *Groos National Bank* v. *Comptroller of the Currency,* 573 F.2d 889 (5th Cir. 1978). That case is only the second decision by a U.S. Court of Appeals on a petition to review a final order issued by a bank regulatory agency under the Financial Institutions Supervisory Act of 1966.

Antitrust

In *United States* v. *The Second National Bank and Trust Co. of Lexington, et al.,* Civil No. 77-87, 4 CCH Trade Reg. Rep. ¶ 45,007 (#2586), the expense and delays in defending an antitrust suit caused the defendant banks to withdraw the merger application which had been approved by this Office on April 27, 1977. Each bank, by resolution of its board of directors, terminated the merger agreement and the court dismissed the complaint on March 14, 1978.

Two significant decisions interpreting the anti-tying provisions of the Bank Holding Company Act Amendments of 1970 were handed down by federal appellate courts in 1978.

In *Swerdloff* v. *Miami National Bank,* 584 F.2d 54 (5th Cir. 1978), the owner of a corporation, which had been placed in involuntary bankruptcy, alleged that the bank engaged in an illegal tie-in when it conditioned credit on the transfer of 51 percent of the corporation's capital stock to another bank customer. The district court granted the bank's motion for judgment on the grounds that the money was lent to the corporation and only the corporation had standing as a "customer" to bring suit. The court of appeals reversed and remanded the case holding that the complaint adequately alleged an illegal tying arrangement.

In *Costner* v. *The Blount National Bank of Maryville, Tenn.,* 578 F.2d 1192 (6th Cir. 1978), the plaintiff obtained a loan to purchase the stock of an automobile dealership with the stock serving as collateral. The loan agreement required the dealership to sell a substantial share of its automobile installment paper to the bank. The bank subsequently foreclosed on the dealership's stock, which was sold at less than fair market value to a group headed by the lending officer's brother. The court of appeals held that the tie-in between the granting of credit and the sale to the bank of the dealership's installment paper was illegal under the Bank Holding Company Act Amendments of 1970 and that, unlike allegations based on the Sherman Act, it was unnecessary for the plaintiff to prove that the bank had appreciable economic power in its market.

Another important case involving tie-ins imposed by financial institutions was decided under the Sherman Act. In *Foster* v. *Maryland State Savings & Loan Ass'n.,* 590 F.2d 928 (D.C. Cir. 1978), *cert. denied,* 99 S. Ct. 842 (1979), the defendant savings and loan required each borrower to pay an attorney's fee charge of $100 for title search and mortgage preparation if the borrower employed counsel other than the law firm retained by the savings and loan. The charges were waived if the borrower used the savings and loan's law firm for settlement. Plaintiff borrowers contended that these arrangements constituted an illegal tie-in of legal services to the sale of credit and an unlawful restraint of trade on the market for legal settlement services. The court of appeals, in a twice amended decision, found no illegal tie-in because the provision of legal services and the granting of credit did not, in this instance, constitute two separate products. Rather, the borrower's $100 payment represented an incidental and inseparable part of his "purchase" of a loan, rather than the "purchase" of a tied product. Further, the court held any restraint of trade that did exist in the market for legal settlement services was reasonable and *de minimus* in nature. However, the court noted that several partners of the savings and loan association's law firm occupied high corporate positions in the association and stressed that the court was not addressing the propriety of this arrangement under any legal standard other than the antitrust laws. A concurring opinion states that the majority might reach a different conclusion if the record were to show that the association "steered" legal business to its counsel or otherwise made a showing that the arrangement with the law firm was characterized by "venality."

Securities Disclosure

Approximately 340 national banks have a class of securities registered with the Comptroller pursuant to the Securities Exchange Act of 1934 ("1934 Act"). The Securities Disclosure Division has reviewed registration statements, annual and special meeting proxy materials, periodic reports and materials required to be filed in connection with tender offers and election contests for those banks. Reports of beneficial ownership and changes in beneficial ownership have been recorded, and a public file of 1934 Act filings has been maintained.

During 1978, the division prepared proposed and adopted amendments to 12 CFR 11, "Securities Exchange Act Rules," designed to make the Comptroller's regulations under the 1934 Act substantially similar to rules of the Securities and Exchange Commission (SEC), in a response to statutory mandate.

Seven regional conferences were presented in Hershey (Pa.), Cleveland, Chicago, Atlanta, Richmond, New York and San Francisco for the benefit of national banks having a class of securities registered with the Comptroller pursuant to the 1934 Act. The conferences were designed to assist banks in complying with the reporting requirements of the 1934 Act, and to inform them of proposed changes in 12 CFR 11 and various regulations of the SEC which will affect banks. The conferences also focused on compliance with the requirements of the Comptroller's "Securities Offering Disclosure Rules," 12 CFR 16, relating to the offering and sale by national banks of their securities.

The division assisted the Trust Operations Division of the Comptroller's Office in federal securities law matters. It again participated in a seminar for trust examiners and a fraud seminar designed to help examiners recognize possible violations of Section 10(b) of the 1934 Act and SEC Rule 10b-5. The division assisted in the finalization of amendments to 12 CFR 9, "Fiduciary Powers of National Banks and Collective Investment Funds," relating to variable amount master notes, securities handling procedures, and the use by trust departments of material inside information available to the bank as a result of its commercial banking activities. The revision of 12 CFR 9.7(d), which requires national banks with fiduciary powers to adopt written policies and procedures to ensure that they will not use material inside information in connection with any decision or recommendation to purchase or sell any security, was adopted on February 16, 1978. The division assisted in the drafting of a new proposed regulation, 12 CFR 12, "Recordkeeping and Confirmation Requirements for Certain Transactions Effected by National Banks," in response to recommendations contained in the SEC report on bank securities activities. The proposal addresses the recordkeeping and confirmation requirements to be promulgated for national banks engaged in the purchase or sale of securities on the order of a customer. At the end of the year a final regulation had not been adopted.

The division suspended trading in the stock of two national banks pending the public dissemination of information which might affect the market activity in, and the price of, the banks' stocks. The division assisted the SEC in several enforcement actions against national banks alleging violations of the federal securities laws. The division also had numerous meetings and discussions with the SEC on such matters as access to and disclosure of information contained in bank examination reports, activities of trust departments, and 1934 Act filings of bank holding companies which are parents of national banks.

The division took a leading role in the initiation and negotiation of a consent decree against two national banks and an individual in a suit filed by the Comptroller as co-plaintiff with the Securities and Exchange Commission. This suit established a precedent, concurred in by the Department of Justice, for the Comptroller's Office appearing on its own behalf in civil actions initiated by it under the 1934 Act. Also, the division initiated the Comptroller's first civil injunctive action under the 1934 Act as sole plaintiff, alleging violations of sections 13(d) and 14(d) of that Act. A preliminary injunction was obtained and as of the end of the year the case was pending before the court for determination of final relief.

The division, working closely with the Office's Investment Securities Division, instituted and pursued the first private investigation by the Comptroller's Office of the activities of a registered bank municipal securities dealer under the 1934 Act. At the end of 1978 the investigation was still in progress.

In the administration of 12 CFR 16, the division processed approximately 120 offering circulars filed by national banks in connection with the public offering and sale of their equity or debt securities. In addition, the division responded to numerous requests filed under the exemptive provisions of the regulation. Regional Counsel have been assisted by the division in reviewing offering circulars of organizing banks.

Legislative Counsel

The principal responsibilities of the Legislative Counsel Division relate to the legal aspects of legislation. The subject matter covers virtually every area of the Office's jurisdiction and almost every legislative measure of interest to national banks. In addition, the division deals with matters of intergovernmental and operational interest. In connection with those general responsibilities, the division maintains such information as status of bills, reports on bills, press information and primary legislative documents as well as files on Public Laws passed in the current and immediately preceding Congresses.

Division attorneys prepare testimony to be given before Congressional committees and letters of comment on pending bills to be sent to members of Congress. They draft legislation and write memoranda and briefing papers concerning various legislation. Division attorneys are in frequent contact with members of Congress and their staffs; personnel in Treasury, Office of Management and Budget and other federal and, occasionally, state agencies; Office staff in the regions and in Washington; and public representatives who want information on banking legislation. They also attend relevant hearings on the Hill and participate in meetings with Treasury and other agencies to consult on and keep abreast of legislation of interest to this Office. In addition, division attorneys speak to various groups, including bar associations, foreign bankers and Office staff, on legislative matters.

The following are the legislative activities of the Second Session of the 95th Congress (1978) which are of significance to the Comptroller's Office.

Securities Investor Protection Act Amendment (P.L. 95-283; May 21, 1978) — Provides customers of securities broker-dealers protection against losses which might occur as a result of the financial failure of broker-dealers.

Federal Banking Agency Audit Act (P.L. 95-320; July 21, 1978) — Provides for an audit by the General Accounting Office of the Federal Deposit Insurance Corporation and the Comptroller of the Currency.

International Banking Act of 1978 (P.L. 95-369; Sept. 17, 1978) — Establishes a system of federal regulation of foreign banking activities in domestic markets. Chartering and examination of foreign-owned federal branches and agencies are the responsibility of OCC. The law permits interstate branches of foreign banks (1) for branches existing on or before 7/27/78, (2) for branches whose deposit-taking powers are restricted to internationally-related transactions permissible for Edge Act corporations, (3) for federal branches when permitted by the state in which it is to be operated and for state branches with the approval of the state regulatory authority. Federal branches and agencies are to be subject to reserve requirements. FDIC insurance is required for domestic deposits but is limited to foreign banks which accept retail deposits less than $100,000. FDIC may waive that requirement if the branch is exclusively engaged in wholesale banking, even though it accepts deposits under $100,000. The nonbanking activities of foreign banks and foreign companies are subject to the restrictions of the Bank Holding Company Act but such activities, including securities affiliates, in existence prior to July 26, 1978, have been permanently grandfathered. The Federal Reserve Board is authorized to terminate the grandfather status of any company after December 31, 1985, pursuant to its powers under the Bank Holding Company Act. Securities activities of federally chartered foreign branches and agencies are subject to the same restrictions that apply to national banks under the Glass-Steagall Act. The law authorizes a study of the treatment of American banks overseas and a review of the McFadden Act's prohibitions on interstate branching by commercial banks.

Ethics in Government Act of 1978 (P.L. 95-521; Oct. 26, 1978) — The Act contains requirements to file reports disclosing personal financial information on officers or employees of the three branches of the Federal Government at grades GS-16 or above, and certain other employees. It is to take effect January 1, 1979. It establishes a special Office of Government Ethics to direct executive branch policies relating to the prevention of conflicts of interest. It places limitations on post-employment activities of executive branch employees; July 1, 1979 is the effective date for that provision. Finally, the Act sets out new procedures for appointing a special prosecutor whenever the Attorney General believes that high level executive personnel have violated federal criminal laws, and establishes an Office of Senate Legal Counsel to defend the Senate in any court proceedings.

The Financial Institutions Regulatory and Interest Rate Control Act of 1978 (P.L. 95-630; Nov. 10, 1978) — The following is a brief summary of each title as it affects OCC.

Title I—Supervisory Authority Over Depository Institutions

This Title, which is the cornerstone of the bill, increases the extent of specific powers the OCC may exercise in supervising national banks. It provides for civil money penalties, cease and desist orders against individuals, expanded grounds for removal of officers and directors and immediate suspension of insiders indicted for crimes involving dishonesty or breach of trust. It restricts overdrafts to executive officers and directors, and places limitations on loans to insiders. It also provides that the Federal Reserve may order divestiture by a bank holding company of subsidiaries which endanger the holding company's safety and soundness.

Title II—Interlocking Directorates

This Title prohibits management interlocks among depository institutions in the same SMSA or in the same or adjacent city, town or village. Depository institutions with less than $20 million in assets are restricted only in the same or contiguous or adjacent city, town or village. All management interlocks between depository institutions or holding companies with $1 billion in assets and another institution or holding company with $500 million or more in assets are prohibited regardless of geographical location. Existing interlocks are grandfathered for 10 years. OCC is given rulemaking authority under the Title.

Title III—Foreign Branching (FDIC Housekeeping Amendments)

This Title, which pertains primarily to the FDIC, also contains provisions applicable to OCC. Antidiscrimination standards are extended to foreign banks operating in the U.S., and representation of such compliance must be made to OCC before applications for charters are granted to foreign banks.

In addition, this Title brings OCC employees under the federal criminal statute, 18 USC 1114, dealing with assaults on employees engaged in official duties. Finally, the FDIC is given additional general rulemaking authority.

Title IV—American Arts Gold Medallions

This Title authorizes the public sale of government-issued gold medals.

Title V—Credit Union Restructuring

This Title establishes the National Credit Union Administration with a board consisting of three members. Its activities are to be financed by fees rather than Congressional appropriations.

Title VI—Change in Bank Control Act

This Title authorizes OCC to disapprove changes in control of national banks within 60 days of filing. Disapproved parties have a right to a formal hearing. The Title sets forth what information will be required and grounds for disapproval. The Title also provides for civil money penalties of $10,000 a day.

Specific rulemaking authority is given to OCC, which must report to Congress on the administration of this Title and make recommendations for changes.

Title VII—Change in Savings and Loan Control Act

This Title parallels Title VI and is applicable to the Federal Home Loan Bank Board's responsibilities for savings and loan institutions.

Title VIII—Correspondent Accounts

This Title prohibits preferential treatment in loans to customers where correspondent relationships exist. The OCC may assess a $1,000 a day penalty for violations. National banks are required to make reports to the Comptroller on correspondent loans to insiders.

The OCC is authorized to make rules and regulations to carry out these provisions. Those accused of violating this Title may have a hearing on the record.

Title IX—Disclosure of Material Facts

This Title requires insured banks to report annually a list of their major stockholders and the aggregate amount of all their loans to officers and major stockholders, their affiliated companies, and political or campaign committees. This information will be made public.

The OCC is given rulemaking authority to carry out this provision.

Title X—Federal Financial Institutions Examination Council

This Title establishes an examination council to develop uniform standards for examinations and improve coordination among the agencies. It is composed of all five federal financial regulatory agencies. The Council members select the first chairman and thereafter the chairmanship will rotate. The Council employs its own staff and consultants. Expenses will be met from the agencies, with the OCC furnishing one-fifth of the expenses of the Council.

The Title also provides for liaison with state officials.

Title XI—Right of Financial Privacy

This Title protects the financial records of bank customers from certain government seizures. Civil money penalties, damages to the customer and costs are provided for in this Title.

Title XII—Charters for Thrift Institutions

This Title permits mutual savings banks to convert to a federal charter and become subject to supervision and regulation by the Federal Home Loan Bank Board.

Title XIII—NOW Accounts

NOW accounts are permitted for New York financial institutions, effective upon enactment.

Title XIV—IRA and Keogh Accounts

This Title increases deposit insurance on IRA and Keogh Accounts from $40,000 to $100,000.

Title XV—Miscellaneous Provisions

The provisions of major interest to OCC in this Title are an amendment to the Community Reinvestment Act concerning financial institutions which predominantly serve the needs of military personnel who are not located within a defined geographic area, and a provision which authorizes to OCC to grant national charters to limited purpose trust companies. This Title also permanently prohibits credit card surcharges.

Title XVI—Interest Rate Controls

This Title extends Regulation Q for 2 years to December 15, 1980. Significantly, it also eliminates the differential on transaction accounts. The maximum rate of interest payable on such accounts is the rate which insured commercial banks can pay.

Title XVII—Federal Savings and Loan Investment Authority

This Title is a modernization of Section 5(c) of the Homeowners' Loan Act, which prescribes the asset powers of federal savings and loan associations.

Title XVIII—National Credit Union Central Liquidity Fund

This Title establishes a liquidity facility for credit unions.

Title XIX—Export-Import Amendments

This Title was a "rider" on the bill and has no direct bearing on the OCC.

Title XX—Electronic Fund Transfers

This Title provides consumer protection in connection with electronic fund transfers. Rulemaking authority is vested in the Federal Reserve Board and the OCC is delegated enforcement authority with respect to national banks.

Title XXI—Effective Date

Except as specifically provided in other Titles, the Act becomes effective on March 10, 1979.

Legal Advisory Services Division

During the year 1978, the Legal Advisory Services Division received approximately 1,900 written inquiries and 3,800 consumer inquiries. Those figures represent only written assignments for which a control sheet was prepared. They do not include the large number of telephone calls, interim correspondence or supporting memoranda required for many inquiries. Members of the division also participated in numerous meetings with bankers, banking lawyers, consumers, federal and staff regulatory authorities and representatives of other branches of the federal government to discuss various topics affecting national banks.

During the year the division participated in the writing of regulations and rulings which were published in the *Federal Register*. Some of the proposed regulations concerned leasing of bank premises, flood insurance, enforcement of Regulation B, separation of the commercial department of a bank from its trust department, hearing procedures for the removal of bank officers (12 CFR 24), Community Reinvestment Act Regulations (12

CFR 25) and application procedures and interpretive rulings on real estate loans, charitable contributions and other real estate owned. The division also assisted in the publication of the amendments to 12 CFR 11 and 12 CFR 12. Toward the end of the year, a proposed revision of 12 CFR 1, governing investment securities, was developed. It was published in the *Federal Register* on January 3, 1979. The revision, if adopted, should result in a savings to OCC of approximately $13,000 per year in publishing costs.

Significant letter rulings issued by the division interpreting OCC statutes, rulings and regulations are issued each month and published by various loose-leaf reporting services.

Division attorneys also served on various task forces and committees which considered such areas as the Equal Credit Opportunity Act, Comptroller's conflicts of interest issues, civil service matters, and implementation of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. A number of special assignments were undertaken by members of the division staff. One staff member participated in the President's Personnel Interchange Program as the Treasury Department's representative. Another served as Special Assistant to the Chief Counsel for a 6-month period.

The paralegal unit responded to a record number of inquiries from consumers. The unit received 3,760 new consumer inquiries during 1978, of which 1,627 were referred to regional offices. During that same period, 2,061 such inquiries were resolved; 209 remained pending as of the end of the year. Some 4,186 consumer assignments were processed and resolved during 1978 with the help of the paralegal unit. That number includes new inquiries, inquiries pending from 1977, and inquiries referred to regional offices or other agencies.

Enforcement and Compliance Division

For the second consecutive year, the number of formal administrative actions under the Financial Institutions Supervisory Act increased 50 percent over the preceding year. The administrative actions dealt with such areas as violations of laws, rules and regulations; abusive insider transactions; poor managerial practices; and general unsafe and unsound practices and conditions. The actions required such items as:

- Reviews of bank correspondent accounts, director and officer remuneration, management capabilities, lending and investing policies, earnings and capital position.
- Prohibitions against preferential transactions by insiders, payment of checks drawn against uncollected or insufficient funds, extensions of credit to particular individuals and extensions of credit outside the bank's trade area.
- Increases in equity capital, liquidity and allowance for possible loan losses.
- Restrictions on the payment of dividends, travel and entertainment expenses and excessive salaries.
- Limitations on the lending and investing authority of bank officers.
- Reimbursement by officers and directors for losses resulting from violations of law or from improper, self-serving transactions.
- Reimbursement for excessive salaries and for improper expenses.
- Correction of violations of laws, rules and regulations, including the violations of consumer laws.
- Hiring of independent counsel or auditors to review questionable insider transactions.
- Prohibitions relating to GNMA standby forward placement contracts.

As in previous years, the division participated in examinations and investigations of white collar crime leading to criminal referrals to the U.S. Department of Justice. In one particular instance, a national bank examiner uncovered a large volume of unexplained and unsupported travel and entertainment expenses. Through the use of subpoenas and depositions, it was established that the chief executive officer had charged lavish amounts of personal expenses to his bank. This information led to the individual's resignation of his position as chief executive officer and chairman of the board, sale of his controlling interest in the bank, and reimbursement of the bank for personal expenses charged to the bank.

The division also coordinated, with several other agencies, an investigation and the institution of a civil action against two national banks and an individual involving violations of federal securities laws. The settlement of the case required the banks and the individual to cease the objectionable practices and to take affirmative actions to correct the conditions resulting from those practices.

During the course of 1978, the division conducted three seminars to give national bank examiners intensive exposure to the investigation, documentation and reporting of fraudulent transactions in financial institutions. The seminar included presentations on conducting an examination into fraudulent transactions; criminal statutes; testifying, interviewing and taking depositions; writing criminal referrals; and actual and hypothetical cases involving fraud within banks. The seminars were open to the other federal and state banking agencies.

The division established communications with various foreign commissioners of banks to promote cooperation with respect to frauds being perpetrated on United States banks and citizens through the use of offshore shell banks.

Listed below is a short summary of each administrative action initiated during 1978. (Similar detail is available for 1977 on pp. 18-23 of the *Annual Report* for that year.)

1. A Notice of Charges and a Temporary Order to Cease and Desist were served which prohibited the bank from violating its legal lending limits; from making loans to any borrower whose loan had been criticized; from granting loans which were unsupported by current and adequate credit information; from violating Federal Reserve Regulation Z or 12 CFR 23; and from allowing the chief executive officer of the bank to grant or approve any extension of

credit, to sell or purchase any loan participation, or to make investments on behalf of the bank without the specific, prior written approval of the Board of Directors. While the proceedings were pending the bank converted to a state charter.

2. An Agreement prohibited violations of the bank's legal lending limits and loans to any borrower with criticized credit. The bank was ordered to hire a qualified and capable chief executive officer and the Board was told to submit a written program to augment capital. The Agreement proscribed favorable treatment in the use of bank assets and facilities by officers, directors, or 10 percent shareholders of the bank. The bank was to reduce concentrations of credit; improve its liquidity position; obtain adequate credit information and collateral before granting new loans; increase reserves; and implement internal control and investment policies.
3. An Agreement required the correction of all violations of legal lending limits and prohibited loans to officers and directors in violation of 12 USC 375a. The Board of Directors was called on to raise equity capital; to evaluate the reasonableness of all remuneration to the bank's officers and directors for services rendered; and to review all of the bank's correspondent accounts with other financial institutions. Bank reserves were to be raised; criticized assets and loans were to be curtailed, if not eliminated entirely; and full credit information was to be demanded on loans, as was prompt collection.
4. An Agreement prohibited violations of the bank's legal lending limits; proscribed loans to any borrower whose loan had been criticized; and ordered that no loan be granted unless supported by current satisfactory credit information. Additional capital was considered crucial to the future well-being of the bank. The bank's latitude in declaring dividends was circumscribed and the bank was directed to implement its existing internal audit procedures. An independent accountant was to assess the reasonableness and legitimacy of all remuneration and benefits tendered to bank officers within the preceding 12 months. A new loan and investment policy was to be implemented; a new senior lending officer was to be added to the existing staff; and reserves were to be maintained at an adequate level.
5. An Agreement prohibited violations of the bank's lending limits. Loans in violation of 12 USC 371c were proscribed and any loans made for the benefit of an affiliate of the bank were to be approved by a majority of the Board of Directors. Elimination of assets from critical status was requested; the further extension of credit to any borrower whose loans had been criticized was severely circumscribed; and improved collection of, and a reduction in the level of, delinquent loans was ordered. Complete credit information was required on all loans, as was a revision of the bank's written lending policy. A program to increase the equity capital of the bank and a program to improve the bank's earnings and liquidity position were also required.
6. An Agreement proscribed loans in excess of the bank's lending limit. The Board of Directors was instructed to raise the equity capital of the bank, to provide the bank with a qualified and capable senior lending officer, and to evaluate the reasonableness of all remuneration and benefits tendered to the bank's executive officers within the prior 2 years. A written forecast of the bank's financial operations for the year was to be submitted, outlining the Board's plans to restore the bank's operations to a sound and profitable basis. Improvement of the bank's liquidity position, augmentation of the bank's reserves for bad debts, and a new loan policy were requested. Current and satisfactory credit information on all loans was required, as was the elimination of all assets from criticized status. An independent audit of the bank was ordered within 120 days.
7. An Agreement prohibited the bank from extending further credit to any borrower whose loan had been criticized and forbade the violation of the bank's legal lending limit. An internal audit of the bank was ordered to assess the reasonableness and legitimacy of all remuneration paid by the bank to its officers during the prior 12-month period and to determine if restitution was appropriate. Elimination of internal control and audit deficiencies was required, as was the adoption of a safe and sound written loan policy and the maintenance of an adequate loan valuation reserve. The Board of Directors was also required to secure additional equity capital for the bank and to remove all assets from classified status, with particular attention to substandard loans to insiders' interests. The Board was to submit the bank's 1978 budget with pro forma financial exhibits and liquidity projections, and was to evaluate all fees paid by the bank to insiders. All correspondent accounts with other financial institutions were to be reviewed.
8. Violations of the legal lending limits were proscribed and the Board of Directors was to ensure that the bank obtain indemnification from responsible directors for any losses on loans granted in violation of 12 USC 84. The bank was also prohibited from granting any preferential loans or overdrafts or from holding cash items in abeyance for the benefit of officers, directors or their interests. No transactions from which any officer or director derived personal pecuniary benefit, other than as reasonable compensation for normal services performed in the ordinary course of employment, were permitted without the prior written approval of the regional administrator. A senior executive officer with authority over lending was to be appointed. The Board was to develop a program to improve the bank's profitability and its liquidity position and was to review the bank's investment and loan policies. The bank agreed to eliminate criticized assets, to obtain full credit information and to obtain an independent audit.
9. The bank was prohibited from extending credit to any borrower whose residence or principal place of

business was located outside the bank's trade area, and was ordered to cease generating new business from any of its loan production offices, limiting the activity of those offices to the collection of outstanding loans. Borrowers whose loans had been criticized were to be denied further credit and criticized assets were to be eliminated. The Board of Directors was ordered to provide a new senior lending officer and to prepare an analysis of the bank's present and future capital needs. A program to improve and sustain the earnings of the bank was required. Remuneration to directors was to be confined to services rendered. Legal lending limits were to be adhered to, full credit information on loans was to be required, and internal control and audit deficiencies were to be rectified. A review of the reserves for possible loan losses was ordered and the bank was to adopt a policy on those reserves.

10. A Notice of Charges and a Temporary Order to Cease and Desist were followed by a Permanent Order which prohibited the bank from honoring any instrument that would either create an overdraft or would constitute payment in excess of $500 against uncollected funds in the demand deposit account of any insider. No official checks lacking previously collected funds sufficient to cover the check were permitted. Violations of the bank's legal lending limits were proscribed. An independent audit of the bank was ordered, with particular attention to transactions between the bank and insiders. The bank was further required to institute policies to ensure that all transactions between the bank and insiders were conducted on nonpreferential terms which were fair to the bank. The bank was also instructed to comply with the provisions of an Agreement drawn up in 1976.
11. An Agreement was entered into which prohibited violations of the bank's legal lending limits and ordered that excessive loans be reduced to conforming amounts. Members of the Board of Directors assenting to a loan in violation of the lending limits were to indemnify the bank for any resulting losses. The bank was also forbidden to grant any credit to specific individuals or their interests. The Board of Directors was to prepare a written program to augment the bank's capital. Elimination of assets from criticized status was required, no loans were to be granted to borrowers whose previous loans had been criticized, no loans were to be granted without prior compliance with 31 CFR 103, and no dividends were to be declared unless in conformance with 12 USC 56 or 60, justified by sound banking policy and approved in writing by the regional administrator. The bank was ordered to submit a written loan policy addressing the deficiencies in the loan portfolio management, and establishing guidelines for preventing undue concentrations of credit and improper overdrafts. A comprehensive independent audit was required to study the remuneration paid to the officers and directors and to review the bank's reserves for possible loan losses.
12. An Order to Cease and Desist was issued against the bank which ordered the Board of Directors to appoint a compliance committee. All lending and investing authority of the president and executive vice-president of the bank was withdrawn and given to the compliance committee. A capable chief executive officer and a senior lending officer were to be provided. An independent auditor was to assess the merit of remuneration paid by the bank, reimbursement was called for on all expenses not incurred solely for the benefit of the bank, and salaries were to be adjusted to a level commensurate with the services rendered. The bank was also prohibited from making any loans and from selling or buying any assets to or from certain individuals. The bank's lending territory was to be strictly confined to its primary service area, dividends were to be curtailed, increased investments in bank premises were to be reduced; concentrations in credit were to be reduced, criticized assets were to be reduced, and current and satisfactory credit information on all loans was to be required. Equity capital was to be increased; the bank's earnings improved; new loan and investment policies instituted; violations of 12 USC 371c, 377, 463, 375a, and 84 corrected; and all correspondent accounts reviewed.
13. An Agreement called for the reduction and/or elimination of fees paid to bank directors until bank earnings improved or asset problems were resolved. Maintenance of an acceptable level of liquidity, the raising of equity capital, and a review of reserves for possible loan losses were called for. The bank's CPA firm was to determine whether any insider had received any benefit from certain loans or extensions of credit. The bank was prohibited from acquiring any loan participation or asset and from extending credit to a certain individual, any member of his family, or his relatives. The Board was instructed to continue complying with consumer laws and regulations.
14. A Notice of Charges and an Order to Cease and Desist ordered the bank to cease paying any salary or compensation to the Chairman of the Board or his son, and to cease paying any salary to specified insiders unless such fees were reasonable and in return for services rendered to the bank. Directors' fees for attendance at Board meetings were not to exceed $100 per month. The bank was ordered to divest itself of its airplane and to cease making any payments on automobiles. The bank was to be audited and to adjust its reserves for loan losses. All expenses paid by the bank were to be in connection with bank business only. Any transactions between the bank and the family or business of the Chairman of the Board were to be closely scrutinized. The bank was prohibited from transacting any insurance business with the company owned by the Chairman. The Board was not to alter the bank's lease if the result was to increase payments. Violations of 12 USC 84, 371c and 375a and 12 CFR 23 were to be corrected, the bank's loan policy was to be amended, and no dividends were to be

declared unless justified and approved by the regional administrator.

15. An Agreement required correction of violations of law, a new chief executive officer, a capital plan, the elimination of criticized assets and preferential insider loans, the improvement of lending policies, and a review of the bank's reserves for possible loan losses.
16. An Order to Cease and Desist prohibited the bank from violating the legal lending limits, from acquiring any loan participation or other obligation or asset, and from extending any credit to a list of specified individuals, business entities, or relatives or affiliates of such. The Board of Directors was called on to provide the bank with a capable and qualified chief executive officer and to review the reasonableness of all salaries paid to bank executive officers. Current and satisfactory credit information was to be required on all loans. A new written loan policy was to be formulated and internal control and audit procedures were to be rectified. Adequate loan valuation reserves were to be maintained and correspondent bank accounts were to be reviewed to determine that they were in the best interests of the bank.
17. An Agreement called for the correction of all violations of 12 USC 375a and for a reduction in the bank's ratio of net loans to total capital. A written liquidity program was to be submitted for the approval of the regional administrator, concentrations of credit to insiders were to be reduced, removal of assets and loans from criticized status was to be effected, and the declaration of dividends was circumscribed. A detailed budget for 1978 was to be submitted to the regional administrator, with particular attention paid to the acquisition of new management, new capital and new ownership.
18. An Agreement prohibited violations of the bank's lending limits and required full credit information on all loans. The Board of Directors was to review and revise the written lending policy of the bank to ensure its safety and soundness. Elimination of assets from criticized status was required and review of reserve for possible loan losses was called for. The Board was asked to implement a program to coordinate the bank's assets and liabilities, to augment bank capital, to rectify deficiencies in internal control procedures so that checks would not be honored against uncollected funds, and to achieve desired levels of liquidity. A senior lending officer was to be employed to supervise the bank's loan portfolio.
19. An agreement required the Board of Directors to formulate an investment policy applicable to all securities holdings and bank activities by which the bank was to operate its investment and trading accounts. The Board of Directors was required to develop a written program restricting the bank's market-making activities in the bank's stock. Other problems addressed included hiring a new chief executive officer, increasing capital and liquidity, implementing new lending policies, and increasing the reserve for possible loan losses.
20. An Order to Cease and Desist required that the bank submit a program to increase equity capital. It further required that the bank remain within the lending limitations and reduce excessive loans. Credit was not to be extended nor further loans made to borrowers whose credit had been criticized. The bank was to increase its liquidity and decrease its dependence upon market rate funds. A program to increase the bank's earnings and a budget for profitable operation were to be formulated and adopted. The bank was to develop a policy regulating the types of advances and the circumstances under which loans would be made to insiders or their interests.
21. An Agreement required that action be taken to remove all loans to insiders which had been criticized in the report of examination from criticized status. Guidelines were set restricting loans to directors. Overdrafts were prohibited for insiders and their interests. A new written lending policy was to be submitted to the regional administrator. Criticized assets were to be eliminated and loans were not to be made to borrowers with criticized credit. Collections were to be improved and a new lending officer hired. The reserve for possible loan losses was ordered to be increased. A budget was to be made and a program formulated to provide for contingency capital needs.
22. An Agreement required new loan and investment policies. A new lending officer and an internal auditor were to be hired. The bank was required to increase its reserve for possible loan losses. A program was to be instituted to sustain bank earnings which was to include a budget and a plan to reduce non-accrual loans. Provisions to supply sufficient equity capital were to be made. Corrections of deficiencies in internal control were to be implemented. All criticized assets were to be eliminated and loans to borrowers with criticized credit were prohibited.
23. A Permanent Order to Cease and Desist was stipulated to, which ordered the bank to raise not less than $200,000 in equity capital within 30 days of the effective date of the Order. The Board of Directors was instructed to assess the reasonableness of all remuneration paid to bank directors and officers for services rendered to the bank. The bank was prohibited from acquiring any loan participation or any other obligation or asset and from guaranteeing extensions of credit to a list of specified individuals or their interests. Programs were called for to maintain an acceptable level of liquidity and a safe and sound investment policy. Review of the bank's loan policy and reserve for possible loan losses was required. Elimination of all assets from criticized status was required and deficiencies in internal control and audit procedures were to be eliminated. Violations of the bank's legal lending limits were proscribed and the bank was ordered to bring all loans to its executive officers into conformity with 12 USC 375a.

24. An Agreement addressed the bank's major problems, including a substantial increase in classified assets, numerous violations of law, marginal capital, earnings and liquidity.
25. A Notice of Charges and a Temporary Order to Cease and Desist required that in the future banking fees for appraisal and loan origination be disclosed pursuant to Federal Reserve Regulation Z and that such fees be paid directly to the bank.
26. A stipulated Cease and Desist Order required the bank to submit a program to increase equity capital, to refrain from paying dividends without prior approval by the regional administrator, and to review and evaluate the reasonableness of salaries paid to directors and executive officers based on their services rendered to the bank.
27. An Agreement was made with the bank to formulate and institute programs to increase equity capital, augment reserves for possible loan losses, improve the bank's asset and liability posture, and eliminate deficiencies in internal and audit control. The bank was prohibited from lending in excess of legal limitations and from lending to borrowers with criticized loans. The bank was further ordered to reduce all excessive loans, correct all violations of law, recover from the directors all losses from loans knowingly made in violation of 12 USC 84, and take all necessary steps to remove loans to officers from criticized status. Loan and investment policies were to be reviewed and supplemented. The bank was forbidden to pay employees on the basis of the bank's gross income without first adjusting for possible loan losses, securities or non-recurring gains or losses, and income taxes.
28. After a Notice of Charges was served, a Temporary Order to Cease and Desist was issued prohibiting a specific bank officer from extending loans, authorizing expenditures, investments, selling or exchanging bank assets, borrowing in the bank's name, participating in the bank's contracts, bookkeeping, and hiring and firing personnel. The bank was forbidden to extend credit to borrowers with criticized loans. The bank contested the issuance and scope of the Temporary Order in federal district court, after a hearing. The court denied the bank's petition for a temporary restraining order against the Comptroller and sustained the issuance of the Comptroller's Order.
29. An Order to Cease and Desist prohibited a specific bank officer from extending loans and employing or removing personnel. The bank was ordered to appoint a new chief executive and a cashier, and to define and limit the duties, salaries and bonuses of executive officers. Loans were to remain within the legal limitations, excessive loans were to be reduced, and all criticized assets were to be removed from criticized status. Loans to borrowers with criticized credit were forbidden. Lending policies were to be reviewed and new ones submitted to the regional administrator. An audit by an independent auditor was ordered and deficiencies in internal control and audit were to be corrected. Capital structure was to be strengthened and augmented with the incorporation of a budget. Employees were to receive training in consumer law.
30. An Agreement addressed the major problems of low liquidity, poor lending practices, inadequate documentation of loans, loans without repayment schedules, and a high level of classified loans.
31. An Agreement ordered the bank to appoint a new chief executive officer, define the duties of senior management and establish a reasonable compensation plan. Policies on loans and overdrafts were ordered to be the same for all persons. Credit concentrations were to be reduced. A new loan policy was to be established limiting the amounts of loans to insiders, preferential interest rates, the bank's trade area, its concentrations of credit, and certain purchases of loan participations. The bank was commanded to eliminate deficiencies in internal control procedures and to prepare a policy for the payment of expenses. Loans were to remain within the legal limitations, and certain loans were to be reduced and collected. Specific questionable expenses were to be examined with compliance reported to the regional administrator. Only legal political campaign contributions were authorized. A shareholder list was to be made and out-of-territory loans were to be reduced.
32. An Agreement was entered into with the bank to augment equity capital, reduce reliance on rate-sensitive funding sources and increase core deposits. A budget was to be implemented, major assets were to be removed from criticized status, and loans were not to be made to borrowers with criticized credit. A new senior lending officer was to be hired. All fees, bonuses, salaries, or remunerations paid to Board members were to be eliminated, except those to the full-time president, until the bank's earnings and capital warranted such payments. The validity of certain expense payments was to be examined and the repayment of all expenses unrelated to the bank's business was to be secured. The bank was ordered to increase and maintain adequate reserves for possible loan losses, to eliminate deficiencies in internal control policies, to provide fidelity insurance coverage in the appropriate amounts, and to fill vacancies on the Board of Directors. Loans exceeding the lending limitations were prohibited and excessive loans were to be reduced.
33. An Agreement required an outlining of the authority of the bank's chief executive officer, the removal of all criticized assets, and the prohibition of loans to borrowers with criticized credit. The loan valuation reserve was to be increased, as was the liquidity percentage, and an adequate capital structure was to be maintained. The bank was further ordered to correct the deficiencies in its data processing subsidiary.
34. An Agreement ordered the appointment of a new senior loan officer to formulate a plan detailing the authority and duties of each lending officer. New loan policies and audit procedures were set forth

providing principles for placing loans on a non-accrual status, identifying non-marketable loans, collecting loans, obtaining complete credit information, and treating criticized loans. Loans to insiders and their interests were to be limited, and were to require the use of the same terms for all persons. Removal of assets from criticized status was ordered and loans to borrowers with criticized credit were to be discontinued. Loans to directors were to be removed from criticized status and a report sent to the regional administrator. A policy was formulated to monitor loans to major stockholders and their families. The bank was instructed to inform the directors of the status of deficiencies disclosed by audit and to establish procedures for treatment of property held in a fiduciary trust.

35. An Agreement required an asset/liability program to reduce reliance upon rate-sensitive deposits and borrowed funds, and development of a plan to improve liquidity. The bank agreed not to pay any dividends unless in conformance with the law and approved by the regional administrator. Programs to raise new equity capital, to improve bank earnings and to increase reserves for possible loan losses were required. A review of the written investment policy was required, with provisions to include income and liquidity considerations as well as a schedule of desired maturities. All criticized assets were to be eliminated and loans to borrowers with criticized credit were forbidden. A real-estate broker was engaged to review the lease for the bank branch. The duties of the chief executive officer were to be detailed and a review made as to the reasonableness of salaries to executive officers and fees and services to directors. Violations of specific sections of law were to be corrected. Unsecured deposits were prohibited where security was required by law or contract.

36. Because of non-compliance with an outstanding Agreement, an Amendment to that Agreement was executed. Several violations of law required correction, including an over-investment in fixed assets. A new lending officer was required as was a comprehensive program to eliminate internal controls exceptions. Lending to criticized borrowers was prohibited. Dividends were restricted, reserves for possible loan losses were augmented and were to be reviewed quarterly, and the bank's liquidity was to be improved.

37. A Permanent Order prohibited acquisition by the bank of any liability for the benefit of a specific person or his interests. The bank was ordered to remain within its legal lending limitations, to limit its loans to its executive officers, and to appoint a new chief executive officer. Equity capital and liquidity were to be augmented and rate-sensitive deposits were to be reduced. The reserve for possible loan losses was to be reviewed and the compensation paid to the Board of Directors was to be evaluated. All criticized assets were to be eliminated from criticized status and no loans were to be made to borrowers with criticized credit. Large lines and concentrations of credit were to be reduced and imperfections in the securing of collateral were to be eliminated. New sound loan and investment policies were to be formulated and internal control procedures were to be improved.

38. An Agreement required the appointment of a new chief executive officer, a compliance committee of outsiders and an independent attorney. The independent attorney was to study the payments, loans and bonuses given to the members of the Board of Directors. Illegitimate payments were to be returned to the bank. The duties of the executive officer were to be outlined, and no loans were to be made to the officers or directors except under the same terms as for other persons. The expansion of the loan portfolio was to be controlled. Criticized assets were to be removed from critical status and no loans were to be made to borrowers with criticized credit. A new lending policy was to be written and a program to augment the equity of the bank formulated. The loan policy was ordered revised and the reserve for possible loan losses was to be increased. Deficiencies in internal control and audit procedures were ordered corrected by an audit committee.

39. & 40. Following service of a Notice of Charges and a Temporary Order to Cease and Desist on two affiliated banks, a Permanent Order was issued. The Permanent Order prohibited the banks from acquiring any obligations from, or extending credit to, specified persons, their families and interests. Credit terms for officers were to be the same as for all persons. All contracts with specified persons were to be reviewed. No loans were permitted to borrowers with criticized credit and all criticized loans were to be removed from criticized status. A review of expenses paid to officers and other expenses incurred by the banks were to be reviewed for reasonableness, and all demand and time accounts maintained by the banks with other financial institutions were to be reviewed and closed, if deemed unwarranted. The reserve for possible loan losses was to be augmented and new equity capital was to be raised. A sound investment policy was to be written and no dividends were to be paid without the regional administrator's approval.

41. Following service of a Notice of Charges and a Temporary Order to Cease and Desist, a Permanent Order to Cease and Desist was issued against the bank, removing all authority from the bank's president and requiring a new chief executive officer. Lending was not to exceed the legal limitations and all loans in excess were to be reduced. An independent auditor was to be employed to conduct an audit. An average liquidity level was to be achieved and capital was to be increased. Dividends were not to be paid except in conformance with law and the approval of the regional administrator. Action to eliminate criticized assets was ordered, and loans to borrowers with criticized credit were prohibited. A loan policy was to be written and adhered to and collateral exceptions were to be corrected. The restructuring or altering of loans was to be limited and

the procedures defined, and collection efforts were to be improved.

42. An Agreement ordered the bank to adopt a written loan policy of a safe and sound nature. Loans to insiders were not to contain any preferential terms. Transactions between the bank and insiders were allowed only if the terms and conditions were at least as favorable to the bank as could be obtained from an independent third party. A written policy defining in what circumstances depositors would be permitted to draw against uncollected funds and overdraw accounts was called for. Violations of the legal lending limits were proscribed. The bank was ordered to assess its relationship with its affiliate concerning the sale and leaseback of bank equipment and was ordered to submit its request for approval of a suitable aggregate investment in fixed assets to the regional administrator. A written investment policy was to be devised in keeping with the bank's projected liquidity needs.
43. A Notice of Charges and an Order to Cease and Desist were entered against the bank. All lending authority was withdrawn from the bank's president and a new chief executive officer was required. All violations of law were to be corrected and reimbursement was required of specific executive officers for interest and charges not assessed against them on illegal loans and overdrafts. The overdraft policy was ordered amended and the reserve for possible loan losses increased. An auditor who was to report to the regional administrator was to be retained. Regulatory reports and a capital plan were to be submitted. No dividends were to be paid unless lawful and approved by the regional administrator. Criticized assets were to be eliminated and no loans were to be made to borrowers with criticized credit. Requirements were listed for the granting or restructuring of loans and the bank's non-accrual policy was to be altered. Collection efforts were to be improved.
44. An Order to Cease and Desist was entered following a Notice of Charges against the bank. The bank was ordered not to lend beyond the legal limitations, to remove all loans, and to refrain from extending further credit to a specific person or his interests. A new chief executive officer was to be hired and a compliance committee appointed. Criticized assets were ordered reduced or eliminated and non-interest expenses were to be controlled. A new loan policy was to be written and an asset-liability management policy formulated. Dividends were to be paid only in conformity with the law or with the approval of the regional administrator. The maintenance of adequate reserves for loan losses was ordered and a new sound investment policy was written.
45. An Agreement stipulated that the bank would not lend to borrowers with criticized credit or to a specified person or his interests. All criticized assets were to be eliminated and lending was to be within the legal limitations. No charged-off assets were to be rebooked. All recoveries in excess of $5,000 were to be disclosed, with their sources, to the regional administrator. A new loan policy was to be written with a plan to reduce or eliminate unduly risky concentrations of credit. The reserve for possible loan losses was to be reviewed and a plan to raise equity capital formulated.
46. A Notice of Charges and a Temporary Order to Cease and Desist prohibited the bank from extending credit to any borrower whose loan had been criticized. Violations of the bank's legal lending limits, of the bank's powers to hold real property, and of 12 USC 375a were proscribed.
47. An Agreement commanded that all directors be informed of 12 USC 84 and be made aware of their liability for violations of that section. Should a violation occur, the bank was not to suffer any losses. No loans were to be made in excess of the legal limitation and loans were not to be granted to borrowers with criticized credit. A loan committee was to be established to review all loans of $10,000 or more and to set loan limits. The bank agreed to increase collection efforts, to discontinue certain practices in treatment of interest on renewed loans, and to eliminate criticized assets. An audit was required in order to correct deficiencies in internal control and audit procedures and to review the reserve for possible loan losses and other areas. No cash dividends were to be paid for 2 years except in conformity with the law and with the approval of the regional administrator.
48. An Agreement ordered a program to raise equity capital, improve earnings, and review reserves for possible loan losses. The bank was forbidden to accept unsecured deposits of public funds. No additional loans were permitted to borrowers with criticized credit. A plan to improve the financial situation of the bank was ordered to be strictly followed.
49. An Agreement to correct all violations of law was entered into with the bank. Deficiencies in internal control were to be corrected, lines of authority for the officers were to be drawn, and action was to be taken on all criticized loans. A new, safe investment policy was to be adopted and a plan projecting the future of certain aspects of the bank was to be formulated. A Committee was ordered appointed to review the performance of the bank's senior officers.
50. An Agreement prohibited the acquisition of obligations or extensions of credit to an insider unless certain conditions were met, and preferential transactions with insiders were forbidden. Independent directors and a compliance committee to review correspondent accounts and all extra expenses paid recently by the bank were to be appointed. Rules governing correspondent accounts were set forth. A new lending policy was ordered, with additional scrutiny of extensions to insiders to be adopted.
51. An Agreement required the appointment of a new chief executive officer. Loans were not to exceed the legal limitations, and those in excess of the limit were to be reduced. Capital was to be augmented as was

the reserve for possible loan losses. The bank was ordered to take action to eliminate assets from the criticized list. A loan policy was to be written, with attention to overdraft handling procedures. Loans made to directors, officers and major shareholders were to be on the same terms as to other persons. A sound investment policy and a budget were to be formulated. Deficiences in internal control and audit were to be eliminated.

52. An Agreement detailed the duties of the chief executive officer, ordered the elimination of all criticized assets, and limited loans to borrowers with criticized credit. A review of the loan policy and a strengthening of the capital structure was demanded. A budget to restore earnings to the bank and an asset-liabilities plan were to be written. An audit was ordered to correct deficiencies in internal audit and control.
53. A Permanent Cease and Desist Order limited the power of a member of the Board. A determined amount of equity capital was to be added to the bank's funds and the legal lending limit was not to be exceeded. Loans to borrowers with criticized credit were not to be made. A daily liquidity average was ordered. Monthly balance sheets were to be submitted to the regional administrator.
54. An Agreement prohibited violations of the bank's lending limit, required corrective action on outstanding violations, and specified the Board of Directors' liability for ultimate indemnification of the bank for losses on illegal loans. A new chief executive officer and senior lending officer were to be hired and provided with written job descriptions. After a full audit by an independent auditor, the bank was to adopt a written internal audit program. A written lending policy was required and criticized loans were addressed. Finally, certain technical changes were required in the trust department.
55. An Agreement addressed the serious problems the bank faced with high operating expenses and net losses for the previous 2 years. A plan to replace $1 million in subordinated debt was required, as was a program to improve the bank's earnings. Quarterly reviews of reserves for possible loan losses were mandated and further extensions of credit to criticized borrowers were prohibited. Collection efforts were required, as was a review of current management adequacy. Failure to comply with the Agreement within 90 days would require the submission of alternate proposals, including the possibility of sale or merger.

56. 57. 58. 59. 60. & 61. Notices of Charges were served on six banks who had rejected prepared Agreements because they were unwilling to admit responsibility for violations of 12 USC 371c. The banks suffered from inadequate capital, very high criticized assets, violations of law, poor lending practices, and inadequate reserves for possible loan losses. After extensive settlement negotiations but before administrative hearings commenced, the banks converted to state charters.

62. An Agreement required the appointment of a new chief officer and the drafting of a new loan policy addressing the restructuring of old loans, geographic limitations, and Regulation B compliance. All criticized assets were to be eliminated and loans to borrowers with criticized credits were prohibited. Collection of charged-off assets was instituted. A review of the reserve for possible loan losses was to be conducted and a new budget and equity capital program were to be written.
63. An Agreement required no further extensions of credit in violation of the legal lending limit and increased collection efforts to reduce excessive loans already outstanding. Criticized assets were addressed and further lending to criticized borrowers was prohibited. A plan to improve earnings and augment capital was mandated and a new lending policy was required. Internal controls were addressed and liquidity was to be increased. The reserve for possible loan losses was to be reviewed quarterly and all violations of law were to be eliminated.
64. An amended Agreement to correct all violations of the law was entered into with the bank. The bank agreed to formulate a program to increase the earnings of the bank; to maintain asset, deposit, and net loan ratios below certain levels; and to improve the capital position of the bank. A review of the trading account policies and accounting and control procedures was required. Criticized assets were to be eliminated and loans to borrowers with criticized credits were prohibited. An audit was to be conducted. The reserve for possible loan losses was to be reviewed and a report on it submitted to the regional administrator.
65. An Agreement dealt with lending policy, criticized assets and reserves for possible loan losses.
66. An Agreement required restitution by specific insiders, particularly one bank official. The bank's independent auditor was to conduct an investigation into the scope of the abuses and the Board of Directors agreed to seek reimbursement. The President resigned and was prohibited from involvement in bank affairs without the specific approval of this Office. Internal procedures and controls were adopted to prevent future insider abuses and a written policy limiting insider borrowing was adopted.
67. An Agreement required an increase in the capital accounts of the bank and a program for asset-liability management. Loans and the level of rate-sensitive funds were limited, and an oversight committee was appointed to supervise compliance with this requirement. The bank was prohibited from acquiring obligations for the benefit of insiders. Criticized assets were to be eliminated and loans to borrowers with criticized credit were forbidden. Dividends were not to be paid until the bank had complied with 12 USC 60 and had received approval of the regional administrator.
68. An Agreement required reimbursement of chief executive officer's salary and of any expense item found to be unrelated to legitimate bank business, the appointment of a new chief executive officer,

correction of lending deficiencies, and adequate review of the reserve for possible loan losses.

69. An Agreement ordered the bank to immediately stop paying salary to the Chairman of its Board (the control owner of the bank) and to take any necessary steps to secure repayment of all salary paid since June 30, 1977. An independent audit was to be conducted to examine all the bank's operating expenses with particular attention to the relationship of expense items to legitimate bank business. Any expense found to be unrelated to legitimate bank business was to be repaid by the Chairman or the Board of Directors, personally. The bank was advised to make all disclosures required by the "Truth-in-Lending" Act and to properly distribute the proceeds of credit life insurance income as prescribed in 12 CFR 2. Elimination of assets from criticized status was advocated and extensions of credit to any borrowers with criticized loans were proscribed. The Board was to revise the bank's loan policy to correct all deficiencies, detailing the conditions under which overdrafts against demand deposit accounts were to be allowed and prohibiting payment of an overdraft on the account of an insider of the bank. The Board was ordered to seek recovery of a $5,000 statutory bad debt of the bank's President and to implement a program to maintain the reserve for possible loan losses at an adequate level.
70. An Agreement required the appointment of a new chief executive officer and a special committee to act on behalf of the bank. A new management team was also to be hired. A written program to augment equity capital, a sound investment program, and a budget were to be drafted. The bank was forbidden to enter into any standby Government National Mortgage Association forward placement contracts and was to develop a program for sound and profitable operation. Directors were not to be paid for attending Board meetings, and the reserve for possible loan losses was to be reviewed.
71. After issuance of a Notice of Charges and a Temporary Order to Cease and Desist, a Permanent Order to Cease and Desist was consented to by the bank. The Board of Directors was ordered to withdraw all responsibilities from the Chairman of the Board and the President and Chief Executive Officer. A committee of 3 officers and/or directors was to be established to act in their stead until a new chief executive officer could be hired.The bank was prohibited from acquiring any asset from, and from extending credit to, the present Chairman of the Board and the Chief Executive Officer, their families or business interests. An independent audit of the bank was required to assess the terms and circumstances surrounding all transactions entered into during the prior 2 years between the bank and any of its affiliates, insiders, or insiders' interests, and to determine the business legitimacy of all expense items paid by the bank during that period. A program of audit controls was requested, as were procedures to ensure that all bank assets, funds and facilities were used solely for the bank's benefit and not for the personal benefit of any insider. The bank was to be repaid for all expenses incurred for the personal benefit of insiders. Conflicts of interest were to be prohibited, and insider transactions circumscribed. Loans to executive officers were to conform to 12 USC 375a and loans to affiliates to conform to the lending and collateral requirements of 12 USC 371c. Conformity with the Bank Holding Company Act was mandated. Equity capital was ordered raised by at least $500,000 declaration of dividends was circumscribed, and an adequate reserve for loan losses was ordered maintained. The bank was to reduce the level of delinquent loans and to remove all assets from its books which had been classified loss in the report of examination.
72. An Agreement ordered the bank to adopt and maintain policies and procedures designed to (1) prevent violations of law, rules and regulations, and (2) ensure that the preparation of financial statements and reports filed with regulatory agencies were in conformity with applicable law. The bank was required to maintain an adequate reserve for possible loan losses and to account for its "Other Real Estate Owned" in accordance with applicable law. The chief executive officer's responsibilities were required to be set out in detail, with particular attention paid to strengthening and improving the efficiency of the bank's internal controls and procedures and to assessing problem loans in the bank's loan portfolio. Elimination of assets from criticized status was to be effected and extensions of credit to any borrower whose loan had been criticized were proscribed. The bank's latitude in acting as investment advisor for a publicly held company was circumscribed, as was the bank's latitude in declaring dividends. The bank's trust department was to adhere to sound fiduciary principles. The bank was required to limit its activities at locations away from its legally established branches, with particular attention to be paid to the bank's factoring operation. The bank was required to reduce its overall dependence on rate-sensitive, volatile liability instruments.
73. An Agreement prohibited a particular Director of the bank and his interests from having any involvement with the bank or from receiving any benefits from the bank. All new loan activities were to be curtailed until a program was designed to improve the bank's liquidity position. The bank was required to reduce its dependence on borrowed funds and volatile deposits, and to implement written guidelines to coordinate and manage the bank's assets and liabilities. Elimination of assets from criticized status was required and the declaration of dividends was circumscribed.
74. An Agreement required correction and prevention of all violations of law, rule or regulation. A new chief executive officer was to be employed and a new lending policy formulated. Criticized assets were to be eliminated, and further lending to bor-

rowers with criticized loans was prohibited. A budget was required, along with a program to improve earnings and a quarterly review of the reserve for possible loan losses. Equity capital was to be increased, and comprehensive improvements in internal controls were to be made. An internal auditor was to be appointed and an annual external audit was to be required.

75. An Agreement required the employment of a new chief executive officer and senior lending officer. A formal plan to improve earnings was required, along with a comprehensive budget and capital program. Criticized assets were addressed. New lending, investment and asset concentration policies were required. The reserve for possible loan losses was to be reviewed quarterly, and no loans were permitted to criticized borrowers.
76. Insider abuse by the president, his family, and two other directors was addressed by an Agreement. Independent legal counsel was retained to conduct an investigation to determine the extent of insider abuse. Upon receiving counsel's report, the Board of Directors was to take appropriate corrective action. Specific abuses were addressed, such as misuse of expense accounts, market making in the bank's stock, and insider leasing of bank branch premises. Internal controls were to be reviewed, as were internal and external audit procedures. A plan to monitor the bank's growing dependence on rate-sensitive funds and a plan to deal appropriately with credit life insurance income were required.
77. A Notice of Charges and a Temporary Order to Cease and Desist prohibited the bank from paying for any personal travel, entertainment or long-distance telephone expenses incurred by the bank's president or by any other insider. Acquisition of any loan participation or other asset or extension of credit for the benefit of the bank president was proscribed. The bank's latitude in declaring dividends was circumscribed.
78. An Agreement required the bank to engage an independent auditor to conduct a comprehensive audit to determine if any loans to insiders were of a preferential nature and that salaries and fees paid to insiders were reasonable and not detrimental to minority shareholders. The bank was then required to hire an attorney to review the information from the audit and advise the regional administrator and Board of Directors of instances where loans or expenses were inappropriately granted. The Board agreed to assume responsibility for repayment of expenses so categorized. The bank was also to adopt a written program to eliminate criticized assets, to cease lending money or extending credit to borrowers with criticized credit, to improve and maintain its liquidity position, to write a fiscal year 1977 report, including a letter explaining the differences between that report and the one originally sent to shareholders, and to obtain a current appraisal of real estate it holds as "Other Real Estate Owned."

VI. Fiduciary Activities of National Banks

At year-end 1978, there were 1,763 national banks engaged in fiduciary activities. Fourteen national banks received approval to offer trust services during the year. Nevertheless, the year saw a net decrease of 58 active national bank trust departments, due to conversions, mergers, and surrender of fiduciary powers.

The Trust Examination Division performed 1,011 trust department examinations and special supervisory examinations during the year. Some of those examinations were performed in conjunction with examinations of other areas of the bank. By year-end, 92 percent of all trust departments had been examined once under the revised procedures and 13 percent had been examined under the new procedures for the second time. Those examinations were performed by a field staff of 14 regional directors for trust operations, 47 national trust examiners, 34 associate national trust examiners, and 69 assistant national trust examiners. Trust personnel from six regions performed 54 examinations outside of their home regions, in an attempt to help all regions meet the goal of examining every national bank trust department with the new procedures by December 1978.

A reorganization of the Office of the Comptroller of the Currency transferred the responsibility for the administration of the Trust Examination Division to the Director for Trust Examinations, under the supervision of the Deputy Comptroller for Specialized Examinations. The correction and clearance of examination report matters was then decentralized to the 14 regions. That action was taken to promote greater efficiency and to permit regional administrators to have supervisory responsibility over all functions of the banks in their regions.

Effective March 16, 1978, 12 CFR 9.7(d) was amended. That amendment gives regulatory recognition to the established principle of law which prohibits the use of material inside information in connection with a purchase or sale of any security. The regulation requires banks to establish written policies and procedures to insure that federal securities laws are complied with in making any decision or recommendation to purchase or sell any securities. On May 31, the Comptroller announced the recision of 12 CFR 9.101, 9.102, 9.103 and 9.104. The recision of those sections eliminated the requirements for national bank trust departments with holdings of equity securities with a market value of $75 million or more to file quarterly reports of equity transactions and an annual report of equity holdings. The sections were eliminated to prevent duplication of reporting requirements between this agency and the Securities and Exchange Commission (SEC) which adopted requirements that institutional investors file annual and quarterly reports of equity holdings.

On November 1, 1978, the Comptroller of the Currency, republished for comment a proposed rule concerning recordkeeping and confirmation requirements for certain transactions effected by national banks. The proposed amendments would require national banks to establish uniform procedures and records relating to the handling of securities transactions for trust department accounts and for customers. The proposed amendments were, in part, an outgrowth of the recommendations of the Securities and Exchange Commission's Final Report on Bank Securities Activities. The republication of the proposed rule was issued under 12 CFR 12 in recognition that the proposed rule would not affect only banks exercising fiduciary powers.

A uniform interagency trust rating system was developed in conjunction with the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation. The rating system evaluates six critical areas of trust departments' administration and operations. A composite rating of the overall condition of the trust department is determined by the sum of the ratings in the six individual areas. Also, the three regulatory agencies jointly modified the Trust Department Annual Report. The major modification was to limit the assets reported to those over which the bank has investment discretion.

In January, all commissioned trust examiners attended a 4-day school concerning federal securities laws and regulations. Staff from the Securities and Exchange Commission addressed the group on such subjects as the Securities Act of 1933, the Exchange Act of 1934, and the regulation of registered transfer agents. During the school, examiners were presented with modifications to the revised examination procedures which were to be implemented by OCC personnel. The major modifications to the existing work programs included the introduction of judgemental sampling, observation as a method of examination verification, and elimination of duplicative examination procedures checklist steps. An extensive securities activities section was added to the existing examination work program on operations. The securities activities examination procedures require verification that the execution of securities transactions are in compliance with federal securities laws and regulations and sound fiduciary principles. Also, an additional work program was added to the examination procedures requiring that every trust department establish policies, procedures and controls in order to comply with the various consumer laws and regulations.

A supplement to the *Comptroller's Handbook for National Trust Examiners* was issued to all trust examiners, national banks with fiduciary powers, and other subscribers. The supplement contained all modifications to the examination procedures as well as additional interpretative opinions and revisions to existing opinions in the precedents and opinion section of the Handbook.

In the Trust Continuing Education Program, two Introductory Trust Examiner Schools were held. These 5-day schools are intended for examiners who have completed 2 to 6 months of on-the-job trust training. The schools were attended by a total of 27 assistant national trust examiners. The instructors for the schools were commissioned trust examiners. During the week of June 12, nine trust examiners from various regions attended an Interagency Trust Workshop. The primary topics of that workshop were securities laws and regulations and the Employee Retirement Income Security Act. During the latter part of the year, four trust examiners were temporarily assigned to Washington to develop courses for the Advanced Trust Examiners School. In April, the Trust Examination Division instituted a program of rotating a field examiner into the division for 6 weeks to provide assistance to the division and to expose the field examiner to the workings of the Trust Examination Division in Washington.

At year-end, 853 banks were registered with this Office as transfer agents. The activities of national banks acting as either registered or non-registered transfer agents are regulated through examination procedures and through the rules of the Securities and Exchange Commission. The Comptroller of the Currency, in conjunction with the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation, has initiated a program of joint examinations of registered transfer agent servicers. That program should result in savings to the agencies and a reduction of the overlapping regulation of registered transfer agent servicers, in keeping with the spirit of the Securities Reform Act of 1975.

VII. International Banking and Finance

World output and trade continued to increase in 1978 after the most severe recession since the 1930's, but recovery in the domestic economies of the industrial world remained hesitant except in the United States. Unemployment persisted and, despite some easing in Europe and Japan, high rates of inflation continued to impair economic performance in many industrial and primary producer countries. Inequalities in rates of economic growth and inflation, especially between the United States and several other major industrial countries, led to a maldistribution of current account balances among major industrial countries, instability in exchange markets, and depreciation of the U.S. dollar during 1978. Inflation and depreciation of the dollar caused the United States to implement policies of monetary and fiscal restraint and to take action to quell exchange market disturbances. Europe and Japan implemented economic recovery programs during 1978 which, combined with the gradual U.S. economic slowdown and the resultant cut in the American trade deficit and inflation rate, could increase world trade and stabilize world currency values. In the prevailing inflationary environment, however, industrial countries fear expansionary policies might fuel further inflation.

Following the late 1973 oil price increases, impetus to increased international business by commercial banks was provided by (1) OPEC countries' investment in the international banking system, especially in the Eurocurrency market and (2) the increase in oil-importing countries' balance of payments financing needs. More recently, the decline in the OPEC countries' current payments surpluses and in the total payments deficits of oil-importing countries outside the United States changed that situation. By 1978, the oil-importing countries had switched from balance of payments financing to borrowing for increasing their monetary reserves. The OPEC countries have been replaced as the main source of funds by several industrial countries where the continuing low economic growth has meant increased commercial bank liquidity and moderate domestic credit demands. Such countries have been looking more to the international sector for profitable outlets. That, along with the international liquidity created by the U.S.'s current payments deficits in 1977 and 1978, has led to a "borrower's market" for international banking funds.

The Office of the Comptroller of the Currency has been confronted with the resultant growth in national banks' foreign assets/deposits/earnings/foreign exchange activities, their substantial lending to foreign public sector borrowers and the problem of the applicability of statutory lending limits to such credits.

At year-end 1978, foreign loans of United States banks and bank holding companies aggregated $217 billion. Sixty-three percent of that total represented credit extensions to borrowers in industrialized developed countries and offshore banking centers. Credits to borrowers in non-oil producing, developing nations totaled $52 billion, or 24 percent of the total. By the end of 1978, the international assets of national banks were $182 billion, up 14 percent from $160 billion on December 31, 1977. Total assets of the 646 foreign branches of national banks aggregated $181 billion, a 12 percent increase over the $162 billion held at the end of 1977.

The International Examinations Division of the Office of the Comptroller of the Currency is delegated the responsibility of supervising the international activities of national banks. The Office's primary supervisory tool is the bank examination function. Examinations of international divisions, foreign branches and foreign affiliates are especially tailored to the organizational, geographical and reporting structure of the banks under examination. Examiners evaluate the quality of international loan and investment portfolios and analyze foreign exchange activities, reporting procedures, accounting and bookkeeping systems, and the adequacy of internal controls and audit programs. During 1978, approximately 175 national bank examiners participated in examinations of international banking divisions in the 14 regions. Over the same period, 142 examiners traveled to 19 countries to examine 61 foreign branches. The assets of the other foreign branches, including "shell" branches, were examined using records maintained at the banks' head offices or elsewhere. Three foreign subsidiaries and ten electronic data processing centers were examined on-site. The Office maintains a permanent staff of six examiners in London who are responsible for continuously supervising the activities of the branches of 26 national banks located there.

In late 1978, the Comptroller's Office, the Federal Reserve Board and the Federal Deposit Insurance Corporation adopted uniform procedures for evaluating and commenting on "country risk" factors in international lending by U.S. banks. Under the new system, to be implemented in early 1979, examiners from the three agencies will segregate country risk factors from the evaluation of other lending risks, and deal with this special cateory of lending risks in a separate section of their examination reports. The commercial credit risks in the banks' international portfolios will continue to be assessed on an individual loan basis according to "traditional" standards of credit analysis. A key element in the new procedures is the assessment of bank management's ability to analyze and monitor country risk in its international lending. The procedures will be incorporated in the *Comptroller's Handbook for National Bank Examiners* during 1979.

The International Banking Act, passed by the Congress in late 1978, is expected to have a profound impact on OCC operations, including the International Examinations Division. The effects of the Act on the Comptroller's international activities will be in the areas of licensing, supervision and regulation of foreign banks' federal branches and agencies; foreign directors; registration of representative offices; and regulatory studies.

During 1978, the three bank regulatory agencies further refined the joint, semiannual, Consolidated Country Exposure Reports which show, by country, the foreign claims held by U.S. banks and bank holding companies. Information from those reports facilitates the systematic monitoring of overseas lending by U.S. banks. The monthly Foreign Currency Report continued to be used by the International Examinations Division to monitor the foreign exchange trading activities of national banks.

The training of international examiners received major emphasis during 1978 with three training schools conducted by the International Examinations Division in Washington, D.C. The subjects of the schools were international banking and foreign exchange. The Division conducted a basic training school in international banking for Federal Deposit Insurance Corporation examiners in November 1978. The first international banking training school under the Office's continuing education program was piloted in December 1978 and more courses will be incorporated into the program during 1979.

To keep field examiners and other staff informed, the International Examinations Division prepared and circulated the twice-monthly "International Report" containing news articles and other reference data. The Report was mailed to approximately 300 national bank examiners in all 14 regions as well as to members of Congress and selected staff of the Comptroller's Office, the Federal Reserve System, the Federal Deposit Insurance Corporation and the Treasury. Division staff participated in outside international conferences and seminars held in London, New York and Philadelphia. The Office was also represented at the 1978 annual meeting of the Bankers' Association for Foreign Trade.

The Division arranged for examiners to attend outside seminars and schools on international banking. Those schools included the Colgate Darden Graduate School/Bankers' Association for Foreign Trade international lending seminars, various Robert Morris Associates international workshops, and the American Bankers Association's School for International Banking at the University of Colorado.

Throughout 1978, the International Examinations Division represented the Office on international banking matters with other U.S. government departments and agencies, foreign bank supervisors, Congressional staff members, private agencies and American and foreign bankers. The International Examinations Division continued to work closely with the Congress, the Federal Deposit Insurance Corporation, the Federal Reserve System, the Bankers' Association for Foreign Trade, and foreign officials and bankers to strengthen the quality and supervision of the national banking system throughout the world by improving both supervisory techniques and communications among the regulatory agencies, bankers and foreign governments. A noteworthy example of that interaction occurred in early 1978, when Comptroller John Heimann became the first Comptroller of the Currency to join the Cooke Committee, an international association of bank regulators headquartered in Basel, Switzerland. The Committee (formally referred to as the Bank for International Settlements Committee on Banking Regulations and Supervisory Practices) meets several times each year to discuss problems of bank solvency and liquidity and bank/supervisory regulation and practices. Also, during 1978, under an agreement with the International Monetary Fund (IMF), the Comptroller's Office provided, on a temporary basis, examiners for the IMF's technical assistance programs in Bolivia and Nicaragua.

Table 12

Examinations of overseas branches, subsidiaries, and EDP centers of national banks, 1972-1978

Year	Examinations		Banks	Countries	Examiners
	Branches and subsidiaries	EDP centers			
1972	184	4	16	24	58
1973	92	3	22	28	59
1974	137	4	23	26	96
1975	80	15	23	25	153
1976	145	13	25	37	215
1977	60	2	25	20	101
1978	64	10	26	19	142

Table 13

Outstanding external currency claims of U.S. banks on foreign borrowers, December 31, 1978

(Dollars in billions)

	By residence of borrower				
Type of country	Banks	Other Public Borrowers	Other Private Borrowers	Total	Percent of Total
Industrialized	$ 67.4	$ 8.8	$ 27.4	$103.6	47.7
Developing, by income group:					
High income	14.4	5.1	7.1	26.6	12.3
Upper middle income	12.2	6.1	10.6	28.9	13.3
Middle income	9.7	11.8	9.3	30.8	14.2
Lower middle income	2.4	2.6	4.4	9.4	4.3
Low income	1.0	1.5	1.2	3.7	1.7
Oil exporting surplus	1.6	0.7	1.0	3.3	1.5
Centrally planned	2.9	1.9	0.4	5.2	2.4
Other	4.9	0.4	0.3	5.6	2.6
Total	116.5	38.9	61.7	217.1	100.0
Percent of total claims	53.7	17.9	28.4	100.0	....

VIII. Administration

The Administration Department is responsible for providing a range of administrative services which support the on-going functions of the Office of the Comptroller of the Currency. The Department is headed by the Deputy Comptroller for Administration and is divided into five primary operating divisions — Equal Employment Opportunity, Finance and Administration, Human Resources, Operations Planning and Systems and Data Processing.

Equal Employment Opportunity (EEO)

Two additional EEO counselors were appointed and trained for the Washington Office. Due to the increase in the number of formal complaints, two investigators were also appointed.

An indepth analysis of the OCC work force was conducted in January 1978 to identify areas where underrepresentation of minorities and women exist. Regional Administrators, department heads and division directors were provided with a copy of the analysis and, as a result, set hiring projections and promotion goals in underrepresented areas. A comprehensive listing consisting of various minority organizations and media (newspapers, radio and television) throughout the United States was distributed to all regional directors of human resources, the National Recruitment Coordinator and the manager of Minority and Special Emphasis Programs.

A quarterly analysis of all regional ceiling and turnover reports was conducted. Results were used to set hiring projections for 1979-80.

An EEO training program was developed for managers and supervisors in the Washington Office and was sent to the regional offices to be used as a guideline for apprising regional employees of the EEO function at regional staff conferences.

Preliminary guidelines on the discrimination complaint processing system were developed to revise and up-date Administrative Circular 41. Issuance of these guidelines has been temporarily delayed because of the change anticipated by the Treasury Department as a result of the Civil Service Reform Act which transferred this function to EEOC.

Four formal complaints were filed in 1978. Three alleged race discrimination and one alleged age discrimination. Two of the race discrimination complaints were resolved informally, one is pending, and the age complaint was remanded to the EEO Counselor for informal processing.

Three formal complaints filed in the later part of 1977 alleged race, sex, and national origin discrimination. Those cases were carried over in 1978 to complete processing. The reports of investigation on those three complaints did not substantiate the allegations of discrimination. Two employees appealed to the Treasury Department for a decision without a hearing. The Treasury concurred with OCC findings. One employee refused to accept the final disposition offered by OCC because the offer was made with a finding of no discrimination. That employee elected to resign.

Finance and Administration

The Finance and Administration Division is responsible for promoting maximum utilization of the Office of the Comptroller of the Currency's financial and physical resources such as accounting, budgeting, contracting and procurement, office space management and leasing, records and reports management, and distribution and administrative services. The division consists of four branches — Financial Management, Procurement and Contracting, Distribution Services and Administrative Services.

The Financial Management Branch develops policy for and directs Office fiscal and budgetary operations. In 1978, that branch further refined the computer-based financial information system (FIS) which relies on the concept of cost center responsibility accounting. The system provided managers with timely financial information to use in analyzing and controlling the costs of their operations.

The computerized budget monitoring system, which provides each organization with monthly budget performance reports comparing actual versus budgeted expenses by individual expense account, was further refined by financial management in 1978. The system helped increase managers' awareness of the need to control expenses by identifying potential cost saving areas.

The second year's experience under the Office's new budget process was very satisfactory. Actual expenses for 1978 were 0.5 percent under budget.

The Procurement and Contracting Branch is responsible for purchasing goods and services for the Washington Office as well as the 14 regional offices.

During 1978, the branch substantially increased its minority contracting in accordance with the federal government's policy to provide more government business to minority firms.

In 1978, an internal requisition control system was established to monitor the status of requisitions from the date of receipt to issuance of purchase orders. That management tool insures that the status of any requisition may be readily ascertained.

Procurement and contracting also installed a microfilm cassette system to provide ready access to all government-wide General Services Administration schedules. That system provides the Office with up-to-date ordering information.

The Distribution Services Branch provides printing and supply operations and mail and messenger services for the Office. The branch continued consolidating mailings and improved folding procedures in 1978 to avoid increased postal costs. A new folder-inserter should allow automated mailings of circulars, speeches and bulletins and, thus, reduce postal costs in 1979.

The Administrative Services Branch consists of two sections — Facilities Management and Publications and Records Management.

In 1978, the Facilities Management Section directed several construction management and space design projects to renovate and relocate several Washington headquarters departments. The section also implemented new Washington Office security procedures and a new parking policy which reduced parking expenses and improved parking availability.

The Publications and Records Section coordinated the printing and distribution of Office manuals, such as the Comptroller's handbooks for national bank examiners and trust examiners. The section also headed a task force to analyze regional word processing requirements and to propose equipment which will be implemented in 1979. During 1978, Publications and Records developed a monthly reporting system to provide senior management with information to enable them to monitor the status of certain bank supervision, financial and administrative activities.

Human Resources Division

The Human Resources Division continued the successful implementation of the human resources programs approved by the Department of the Treasury in January 1977. Major accomplishments were made in the areas of personnel development, compensation, staff analysis, national recruitment, employee relations and staffing and operations.

During 1978, 77 training sessions were conducted by the Human Resources Division. Over 2,100 Washington and regional participants attended courses in bank examination policies and procedures, supervisory and management development, instructor training techniques, report writing and clerical skills.

The following new programs were developed:

- Regional ANBE Examining School (Level I)
- Basic International Examining School (Level II)
- Electronic Data Processing School (Level II)
- Financial Analysis School (Level III)
- Advanced Trust Examiners School (Level III)
- ANBE School for Advanced Study — Revised (Level V)
- OCC Management Seminar (Level VI)
- Put-It-In-Writing Workshop
- Supervisory Development Seminar
- Career Development Program for Secretaries

The Compensation Program is to determine, for each professional, administrative and managerial position, a salary level which is competitive with the financial community and is equitable relative to other positions in OCC. During 1978, activities toward that goal included a survey of over 600 professional, administrative and managerial positions from which descriptions were prepared for the more than 24 distinct jobs identified. A point factor evaluation plan for rating covered positions was also completed. That plan was applied to all of the jobs in the survey and preliminary evaluations were submitted to the line management committee for review. A salary survey of positions in national banks, other federal regulatory agencies, Federal Reserve District Banks, major accounting firms and state bank regulatory agencies was also completed. Preliminary analysis of all salary data gathered was completed to be used as a base for a new salary schedule.

Policy implementation issues were identified and are being developed into a work plan to complete the Salary Administration Program.

The Human Resources Information System (HRIS) is a computer-based system designed to provide OCC management with accurate and timely personnel information, including data on employee skills, experience and training and on applicant, project, and position history. A system for retrieving information stored in the Treasury Payroll/Personnel Information System (TPPIS) was installed in 1978.

Over 400 highly qualified individuals were successfully recruited to fill bank examiner positions during 1978. Increased emphasis was placed on minority recruitment and hiring. Several steps were taken to increase the number of minority, female, handicapped and veteran applicants for OCC positions. Those steps included development of a comprehensive minority and female recruitment plan, increased advertising in minority sponsored publications, and recruitment trips to key minority organizations and educational institutions. Also during 1978, the position of Manager, Minority and Special Emphasis Programs was established to promote minority recruitment, career development for lower level employees and other special programs.

The OCC Career Development Program proceeded in 1978 with the development of policies for Career Development Levels I and II which were then formally issued. Regional and Washington panels met and selected 23 participants for the 1978 Career Development Level II Program. Those individuals are being developed for future managerial positions with the OCC.

The Human Resources Division assisted management with the several reorganization plans. Among those were the proposal and the subsequent implementation of the Washington Office reorganization, the reorganization of the OCC's regional structure and the elimination of several subregions, and the restructuring of several Washington divisions and one regional office.

Personnel services to managers and employees throughout OCC were increased and expanded in all areas of Human Resources during 1978. The Staffing and Operations Group developed new procedures designed to provide the most responsive service possible. They include a Status of Request for Personnel Action Form to provide regional offices with status reports on personnel actions being processed through TPPIS.

Staffing and Operations has also established a highly proficient clerical pool to answer temporary needs throughout the Washington Office during peak work periods and to provide a source for filling vacant positions. During 1978, liaison between Staffing and Operations and the Office of Personnel Management (Civil Service Commission) improved the quality of candidate referral requests.

Recruitment and processing activities for 1978 were extremely heavy. Washington vacancies announced and merit staffed totaled approximately 180. A plan for matching applicant skills to job requirements has been developed. The plan is based on identifying abilities and experience necessary for successful performance in a position and determining the degree to which each candidate has demonstrated those capabilities.

During 1978, 54 special achievement, 127 high quality, 41 Gallatin, and 6 suggestion awards were reviewed, evaluated and processed.

The OCC Cooperative Education Program was revised in 1978. The new program emphasizes recruitment of minorities and females, formal and on-the-job training for developing assistant national bank examiners, and closer relationships with colleges and universities. Implementation of a Washington Cooperative Education Program is planned for 1979.

Operations Planning

In early 1978, the operations planning staff was given a mandate to integrate planning with budgeting, to simplify the planning process and to reduce paperwork submissions required of planning units.

Working with a newly-established planning/budget integration committee, the planning staff revised the planning process to include budgeting which, for the first time, permitted OCC managers to address OCC operations both functionally and organizationally. A combined planning/budget calendar was established for the entire year and one of the first major projects was an immediate and extensive review of OCC policy objectives, operating goals and administrative assumptions by the operations planning refinement committee. That led to the proposal for minimum standards of planning response for the national banking regions and subsequent approval by senior management of uniform regional performance targets. Another major project was the early development of formats, programs and reports for automation of the planning process to permit presentation of OCC-wide plans to senior management in complete, manageable form.

The operations planning staff joined with task forces of representatives of Finance and Administration, other headquarters units and two regions to develop materials for and lead planning budget workshops, one for planning officials from the regions, the other for Washington personnel. The Washington task force addressed OCC operating goals and its recommendation that the unwieldy 109 goals be reduced to 35 was approved.

The Operations Planning Division's decision to segment plan submissions into two phases (one for 3 full years in the future, another for a later-developed quarterized current year plan) brought about more realistic planning, because of improved top-down action in establishing operating goals and performance targets for 3 years ahead.

The first integrated and automated OCC consolidated plan was delivered to Planning and Budget Review Committee members on July 24. It was accompanied by an analysis of major advantages and disadvantages facing the OCC and, among other things, an analysis of projected workday and expense needs for every planning unit by each operating goal and performance target and for all examination-related functions.

The division also played substantial roles in other major office programs. One staff member devoted approximately 50 percent of his time to liaison with the General Accounting Office staff which is auditing OCC operations and procedures. Another staff member assisted in development of a manual system for tracking examinations planned and completed, by type and priority, for each region.

The planning cycle and portions of the planning guide were revised to reflect changes to OCC organizational structure, titles and operational channels, and much time was spent assisting the Human Resources Division in developing the proposed time reporting system for the pilot project to start early in 1979. Operations planning also provided the ZBB task force with the review and evaluation of zero-based budgeting materials, which led to the adoption of a functional rather than organizational format, thus keeping ZBB decision packages to a minimum.

Systems and Data Processing

During 1978, national bank call reports were successfully processed and NBSS bank performance reports were provided on time to all OCC regions and national banks during the four quarters of 1978. Bank performance reports were also produced for the Federal Reserve System and, during the last two quarters of 1978, for state banks in New York and Virginia.

In the face of increasing ADP requirements, the Systems and Data Processing Division was successful in consistently reducing costs. Specific areas of reduction include:

- An automated fiscal system was developed and implemented to allow the release of all tab card equipment, thus resulting in annual savings of $17,000.
- A new, more efficient terminal configuration was designed and implemented which will result in annual savings of approximately $9,000.

- Efforts to reduce our regulatory data base were successful and will result in annual savings of approximately $37,000.
- A volume discount program was negotiated with our major ADP contractor which will result in annual savings of approximately $24,000.
- Competitive selection of new data entry support was accomplished and will result in annual savings of approximately $20,000.
- Efforts to reduce magnetic tape storage at our major ADP contractor were successful and will result in annual savings of approximately $72,000.

A Request for Proposals concerning a study of feasibility of merging OCC and FDIC ADP support was prepared and issued to interested vendors. Continued efforts in this area may eventually result in the merger of OCC and FDIC ADP functions.

The division continued to assist other areas of the OCC in automating systems. An automated system for tracking corporate transactions was designed and developed for the Bank Organization and Structure Division. An automated planning system was developed and implemented. That system will support the integration of planning and budgeting functions for the Office. A system for controlling the flow of staff work in Human Resources was designed and implemented, and an automated Statistical Data Sheet system which produces past and present bank examination data for national bank examiners was designed and implemented.

The division also provided management support in several areas. The "Revenue Study Task Force Report" identifying various OCC revenue sources was completed and presented to the Deputy Comptroller for Operations and a comprehensive study concerning the proper functions and placement of management analysis was completed for the Deputy Comptroller for Administration.

IX. Customer and Community Programs

In the 1978-79 reorganization of the Office of the Comptroller of the Currency (OCC), consumer affairs activities were expanded and restructured into three divisions headed by the Deputy Comptroller for Customer and Community Programs.

The Consumer, Community and Fair Lending Examinations Division (CCFLED) is responsible for all examination-related activities in the areas of consumer protection, community lending and civil rights. The CCFLED coordinates and supervises the OCC consumer compliance examination program, which includes the Community Reinvestment Act, the Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Housing Act, etc. Other functions of the CCFLED include consumer complaint resolution, examination report review and analysis, corrective action, consumer examiner training and banker education.

The Customer Programs Division was established, but not fully operational, in 1978. That division is responsible for developing and implementing consumer and civil rights programs outside of the examination process. It is oriented toward policy development on issues, conveying such OCC policy to outside groups through a continuing liaison function. Consumer education is another primary role of the Customer Programs Division.

The third division, the Community Development Division, parallels the Customer Programs Division and concentrates on community lending. That new division will develop and operate programs designed to promote community lending by national banks. Through this division, information and assistance will be available to national banks for increasing and improving their community lending activities. Coordination of the Commercial Reinvestment Task Force and the Minority Bank Program will be within the purview of the Community Development Division.

In addition to the three formalized divisions, a position of Special Assistant for Civil Rights has been created. The primary functions of that position are oversight of OCC efforts to comply with the terms of the Fair Housing suit settlement, initiation of policies and programs to strengthen OCC's enforcement of civil rights, and liaison with civil rights organizations.

Legislation

Two bills concerning consumer protection in the financial area were enacted in late 1978 — The Electronic Fund Transfer Act (EFTA) and the Right to Financial Privacy Act. EFTA, Title IX of the Consumer Credit Protection Act, provides a basic framework establishing the rights, liabilities and responsibilities of consumers in relation to electronic fund transfer systems. EFTA sets forth certain requirements for disclosure, receipts, error resolution and consumer liability for unauthorized use. The Board of Governors of the Federal Reserve System has been given authority to write regulations to implement the Act (Regulation E). The Right to Financial Privacy Act is intended to protect customers of financial institutions from unwarranted access to their financial records by the federal government. Financial institutions may not provide any financial records of consumers to any federal government agency unless the agency has certified that it has followed the prescribed legal procedures and consumer notification requirements.

Uniform regulations were issued on November 6, 1978 implementing the Community Reinvestment Act of 1977 (CRA). The regulations, published by the OCC, Federal Reserve Board (FRB), Federal Home Loan Bank Board (FHLBB), and Federal Deposit Insurance Corporation (FDIC), are identical in their substantive provisions, but contain technical and procedural variations to accommodate functional differences among the types of institutions regulated. Before issuing the regulations, the agencies held a series of CRA hearings in six cities to obtain input from interested persons. Bankers, consumers, attorneys and public interest groups testified on how the CRA should be implemented and enforced. Uniform examination procedures were also developed by the agencies which formalized a CRA performance assessment for all financial institutions.

The Fair Debt Collection Practices Act (15 USC 1692 *et seq.*), signed into law on September 20, 1977, became effective on March 20, 1978. An interagency task force including representatives from the OCC, FDIC, and FRB was established to develop a uniform approach to enforcement of the Act. A joint release was sent to all banks presenting the Act in a clear and informative manner. The release included a fact sheet, question and answer summary, and copy of the statute.

The Joint Notice of Statement of Enforcement Policy of the Truth in Lending Act and Regulation Z (Guidelines) were signed in December 1978, by the OCC and the other four federal financial regulatory agencies. The Guidelines are designed to address the most common substantive violations of the regulation and to correct the conditions resulting from violations such as miscalculated annual percentage rates. The Guidelines call for reimbursement to consumers for overcharges of $1 or more, or for smaller overcharges which are part of a pattern or which result from willful noncompliance. The Guidelines establish a minimum standard for corrective action and in no way preclude any of the agencies from taking enforcement action for violations not covered by the Guidelines. Under the final Guidelines, creditors may use either a lump sum or lump sum/payment reduction method of reimbursement.

In June 1978, the five financial regulatory agencies, including the OCC, proposed uniform guidelines for the enforcement of the Equal Credit Opportunity Act, Regulation B, and the Fair Housing Act. The proposed guidelines require creditors who are found to be in violation of any of those laws to take certain actions to redress consumers who have been adversely affected. For example, a creditor who illegally required a co-signer on a prohibited basis would be required to offer to release any unnecessary co-signer from liability. As of the end of 1978, the agencies were in the process of redrafting the guidelines in response to suggestions received during the comment period.

Consumer, Community and Fair Lending Examinations Division (CCFLED)

The CCFLED administers the OCC's consumer compliance examination program. Every national bank receives a periodic consumer examination. Approximately 1,767 such examinations were conducted in 1978.

In the fall and spring of each year, OCC conducts three 2-week consumer examiner training schools. In 1978, approximately 300 examiners were trained. Also, representatives from trade associations, consumer groups and other federal and state regulatory agencies were invited to attend the schools. At any time, about 150, or 6 percent of the examining force, are actively conducting consumer examinations. Examiners spend 6 months in the consumer program before returning to commercial examinations. A consumer career path has been proposed which, when finalized in 1979, will allow examiners to remain in the consumer examination program and advance in salary and position up to Regional Director of Customer and Community Programs. Examiner training relies extensively on lectures, case studies, problem-solving techniques and examination procedures.

Through the consumer complaint resolution process, the OCC is able to both assist individuals with bank-related problems and detect areas of noncompliance. In 1978, 11,319 written complaints were received. That represents a 34 percent increase in written complaints over the 1977 total. It is estimated that a comparable number of walk-in and telephone complaints or inquiries were also received.

The complaint resolution function is operated in the Washington Office and the 14 regional offices. Upon receipt of a written complaint, an inquiry is made by either an attorney or a paralegal. An acknowledgment is immediately sent to the consumer notifying him or her of receipt of the complaint. The bank against which the complaint has been made is contacted by letter and asked for information and documentation. If necessary, an examiner will be assigned to visit the bank to investigate the matter further. The consumer is notified in writing of the results of our investigation. Since late 1978, most complaints received in the Washington office have been referred to the regional offices. The only exceptions are complaints referred by Congress and complaints which appeal the decisions of the regional offices.

All complaints are entered into an automated system, the Consumer Complaint Information System (CCIS), which categorizes complaint information by region and bank, type of complaint and resolution. Monthly CCIS reports are used by Washington and regional personnel to identify banks with concentrations of complaints and to monitor unresolved complaints. That information is also forwarded to consumer examiners to use as an examination tool indicating potential problems in banks.

In 1978, the Comptroller's consumer complaint pamphlet was introduced. The pamphlet, entitled "Do You Have a Complaint Against a National Bank?" was designed to help consumers notify the OCC about any problems they have with national banks. The pamphlet begins with an explanation of how to resolve a complaint and includes a summary of some consumer credit protection and civil rights laws. Consumers are encouraged to first contact the bank and discuss their complaint. If the bank fails to resolve the problem, the consumer is then encouraged to use the attached form to notify the nearest OCC regional office. The complaint form includes a postage-paid mailing envelope. The form asks for pertinent information about the bank and the consumer. Comment was solicited from banks, consumer groups and state and local government agencies before the final pamphlet was issued. The Comptroller announced the availability of the complaint pamphlet to national banks and urged them to display the pamphlets in their lobbies.

Special Fair Housing investigations are conducted by OCC examiners if an allegation of discrimination involving housing credit is made against a national bank. Such an investigation may be precipitated by a consumer complaint or a regular consumer examination report which has uncovered a potential discrimination problem. Special procedures have been developed for such investigations.

Another function of this division is the education of bankers in consumer credit protection, community and fair lending laws. In 1978, representatives of the OCC participated in a number of educational programs for bankers. In June and August, OCC staff led compliance seminars on all facets of consumer compliance at three industry-sponsored graduate schools of banking. In addition, the OCC and the other bank regulatory agencies, participated in Consumer Compliance Workshops for bankers sponsored by the American Bankers Association (ABA) in May and November. The eight workshops were all well received and attended by over 1,800 bankers. Most of the educational materials distributed at the workshops were prepared by the OCC. Throughout the year, regional consumer specialists spoke to banking and consumer groups on various consumer topics and regularly represent the OCC as sources of guidance and information.

In November 1978, the ABA, in conjunction with the OCC, published *Consumer Compliance: a Sourcebook of Materials and References* for use in the November ABA Workshops. The Sourcebook contains educational materials, case studies and compliance aids supplied by the Consumer, Community and Fair Lending Examinations Division. The OCC also provided substantial assistance to the Consumer Bankers Association (CBA) in the development of a banker's manual entitled, *Most Common Violations Found in the Consumer Compliance Examination and How to Correct Them.* CBA also published a manual, supplied by the OCC, entitled *Computational Procedures,* for bankers to use in computing and verifying annual percentage rates and other Regulation Z disclosures.

The division keeps field examiners and national banks up to date on new and changing legislation and regulations. In 1978, banking circulars were issued on the Fair Debt Collection Practices Act, the Flood Disaster Protection Act and the Community Reinvestment Act.

The OCC regularly participates in two federal interagency consumer education groups, the Federal Interagency Council on Citizen Participation and Consumer Education and Information Liaison (CEIL). During regularly scheduled meetings, representatives from the various agencies discuss ways to improve input into agency decision-making and how agencies can improve their services to consumers.

Customer Programs Division

The primary function of the Customer Programs Division is to ensure that consumer interests and concerns are represented and considered in the OCC's policy making decisions. During the latter part of 1978, the Customer Programs Division was involved in the interagency groups on Fair Lending Enforcement Guidelines, Regulation Z Enforcement Guidelines, and Regulation E (EFTA). The division has represented the Comptroller at many consumer and industry group conferences and meetings.

Community Development Division

The Community Development Division attempts to foster urban and rural redevelopment through non-regulatory means by encouraging banks and community groups to work together. Since its inception it has:

- Made information available to a number of banks, community groups and government agencies on ways of increasing their community lending activities.
- Developed and maintained liaison with the banking community, state and local officials, federal agencies, community groups and others interested in increasing community lending by national banks, with the goal of promoting dialogues and working partnerships among those parties.
- Reviewed proposals of banks wishing to create community development corporations, and established a system for the receipt of quarterly reports on their activities.
- Reviewed and commented on housing and community development programs of other financial institutions and other agencies of the federal government.
- Coordinated the activities of the Commercial Reinvestment Task Force, of which the Comptroller of the Currency is Chairman.

Special Assistant for Civil Rights

The Civil Rights function was established to coordinate and monitor the OCC fair lending enforcement programs. One of the first projects undertaken was a data collection and analysis system. That system, when finalized in 1979, will be a substitute monitoring program under Regulation B, 12 CFR 202.13(d).

The system is expected to generate information on applicants and property characteristics which will assist this office in enforcing the Fair Housing and Equal Credit Opportunity Acts. The Special Assistant conducted a number of preliminary studies to help establish the system. First, home loan data was collected from two banks and analyzed on an experimental basis. Second, cost analyses were conducted to help determine the actual cost of the system to national banks. Third, a survey was conducted to collect information about variations in processing home loan applications and underwriting criteria within the industry.

X. Financial Operations of the Office of the Comptroller of the Currency

Total revenue of the Office of the Comptroller of the Currency for 1978 was $95.7 million, an increase of 9.0 percent over 1977, which compares to a 6.1 percent increase the previous year. Assessment receipts, which account for 92 percent of total revenue, amounted to $88.0 million, an increase of $7.1 million due principally to an increase in national bank assets. Revenue from trust examinations totaled $3.0 million, an increase of $222 thousand. Revenue from applications for new charters and new branches increased by $67 thousand and $43 thousand, respectively. Fees for special supervisory examinations, affiliate examinations and mergers and consolidations declined $32 thousand, $32 thousand, and $66 thousand, respectively. Interest on investments increased $666 thousand, a rise of 24.7 percent, to total $3.4 million. The other revenue categories remained at substantially the same levels as in 1977.

Total expenses amounted to $92.7 million, compared to $83.9 million in 1977. That is an increase of $8.8 million or 10.4 percent, over 1977.

Salaries, personnel benefits and travel expenses amounted to $78.4 million, or 84.5 percent of total expenses for the year. Those three expenses amounted to $70.1 million in 1977. Salary increases were caused by a full year under the governmentwide general pay increase of 7.05 percent, effective October 1977, another general pay increase of 5.5 percent, effective October 1978, and an increase in our examining staff and support personnel. Travel expenses totaled $11.6 million, an increase of $900 thousand over 1977.

The remaining expenses totaled $14.4 million, an increase of $631 thousand from the previous year. The most significant changes occurred in rent, which increased $707 thousand and in consultants, which decreased $511 thousand.

The equity account is in reality a reserve for contingencies. Financial operations in 1978 increased that reserve by the $3 million excess of revenue over expenses, to $33.4 million at year-end. That represents a 4-month reserve for operating expenses, based on the level of expenses during the last 3 months of 1978. The equity account has been administratively restricted in the amount of $2,670,000, as explained in note 3 to the financial statements.

Table 14

COMPTROLLER OF THE CURRENCY
BALANCE SHEETS

	December 31 1978	December 31 1977
ASSETS		
Current assets:		
Cash	$ 169,908	$ 1,436,692
Obligations of U.S. government (Note 2)	17,977,313	13,336,032
Accrued interest on investments	326,288	344,474
Accounts receivable	494,969	726,793
Travel advances	894,855	725,636
Prepaid expenses and other assets	53,286	313,809
Total current assets	19,916,619	16,883,436
Long-term obligations of U.S. government (Note 2)	18,171,757	17,990,955
Fixed assets and leasehold improvements (Note 2):		
Furniture, equipment and software	5,059,843	4,703,509
Leasehold improvements	5,144,674	5,005,914
	10,204,517	9,709,423
Less accumulated depreciation and amortization	2,726,271	2,051,371
	7,478,246	7,658,052
Total assets	$45,566,622	$42,532,443
LIABILITIES AND COMPTROLLER'S EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,716,150	$ 1,801,357
Accrued travel and salaries	3,281,767	3,784,881
Total current liabilities	4,997,917	5,586,238
Long-term liabilities:		
Accumulated annual leave	4,425,810	3,804,739
Closed Receivership Funds (Note 3)	2,706,051	2,705,716
Total liabilities	12,129,778	12,096,693
Comptroller's equity:		
Administratively restricted (Note 3)	2,670,000	2,511,000
Unrestricted	30,766,844	27,924,750
Commitments and contingencies (Note 4):	33,436,844	30,435,750
Total liabilities and Comptroller's equity	$45,566,622	$42,532,443

See notes at end of tables.

Table 15

COMPTROLLER OF THE CURRENCY

STATEMENTS OF REVENUES, EXPENSES AND COMPTROLLER'S EQUITY

	Year ended December 31	
	1978	1977
Revenues (Note 1):		
Semiannual assessments	$87,993,876	$80,890,627
Examinations and investigations	4,045,553	3,911,277
Investment income	3,361,575	2,695,547
Examination reports sold	124,066	105,058
Other	199,832	247,922
	95,724,902	87,850,431
Expenses:		
Salaries	60,893,478	54,207,151
Retirement and other employee benefits (Note 4)	5,807,972	5,280,343
Travel and *per diem*	11,650,723	10,653,384
Rent and maintenance (Note 4)	4,219,810	3,512,347
Communications	1,547,045	1,389,048
Moving and shipping	991,625	908,311
Employee education and training	2,093,678	1,641,971
Data processing	1,758,138	1,950,627
Printing, reproduction and subscriptions	1,062,180	1,215,583
Office machine repairs and rentals	536,057	474,167
Depreciation and amortization	800,675	635,063
Supplies	432,329	439,162
Consulting services	236,811	747,899
Conferences	138,086	157,435
Remodeling	339,585	384,724
Other	215,616	284,689
	92,723,808	83,881,904
Excess of revenue over expenses	3,001,094	3,968,527
Comptroller's equity at beginning of year	30,435,750	26,467,223
Comptroller's equity at end of year	$33,436,844	$30,435,750

See notes at end of tables.

Table 16

COMPTROLLER OF THE CURRENCY
STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Year ended December 31 1978	1977
Financial resources were provided by:		
Excess of revenues over expenses	$ 3,001,094	$ 3,968,527
Charges and (credits) not affecting working capital in the period:		
Additions to accumulated annual leave	1,153,788	805,397
Depreciation and amortization	800,675	635,063
Amortization of premium and accretion of discount on long-term U.S. government obligations, net	29,823	24,007
Net (gain) loss on sale of fixed assets	1,249	(2,559)
Working capital provided by operations for the period	4,986,629	5,430,435
Long-term U.S. government obligations transferred to current assets	—	2,554,204
Proceeds from sale of fixed assets	8,047	12,006
Net closed receivership fund receipts	335	419
Total	4,995,011	7,997,064
Financial resources were used for:		
Purchase of long-term investments	210,625	7,142,725
Purchase of fixed assets	630,165	1,771,307
Payment of accrued leave	532,717	378,011
Total	1,373,507	9,292,043
Increase (decrease) in working capital	$ 3,621,504	$(1,294,979)

Analysis of Changes in Working Capital

	1978	1977
Increase (decrease) in current assets:		
Cash	$(1,266,784)	$ 1,268,816
Obligations of U.S. government	4,641,281	(2,283,340)
Accrued interest on investments	(18,186)	(66,434)
Accounts receivable	(231,824)	220,485
Travel advances	169,219	136,595
Prepaid expenses and other assets	(260,523)	(3,418)
	3,033,183	(727,296)
(Increase) decrease in current liabilities:		
Accounts payable and accrued expenses	85,207	(902,187)
Accrued travel and salaries	503,114	334,504
	588,321	(567,683)
Increase (decrease) in working capital	$ 3,621,504	$(1,294,979)

See notes on next page.

Notes to Financial Statements December 31, 1978 and 1977

Note 1—Organization

The Comptroller of the Currency (Comptroller's Office) was created by an Act of Congress 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 and provided for its supervisory functions and the chartering of banks.

No funds derived from taxes or federal appropriations are allocated to or used by the Comptroller's Office in any of its operations. 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. The Comptroller's Office is exempt from federal income taxes.

Note 2—Significant Accounting Policies

The accounting policies of the Comptroller of the Currency conform to generally accepted accounting principles. The financial statements are prepared on the accrual basis of accounting.

Obligations of the U.S. government are valued at amortized cost. For the current portion of obligations of the U.S. government, this approximates market value. The market value of the long-term U.S. government obligations owned at December 31, 1978 and 1977 was $16,656,000 and $17,419,000, respectively. It is the intention of the Comptroller's Office to hold these securities until their maturity, which ranges from 1980 through 1984. Therefore, no valuation reserve has been provided for in either 1978 or 1977. Premiums and discounts on investments in U.S. government obligations are amortized or accreted ratably over the terms of the obligations.

Furniture, equipment and software are valued at cost. Expenditures for maintenance and repairs or relatively minor items are charged to earnings as incurred. Renewals of significant items are capitalized. Depreciation is computed using the straight-line basis over the estimated useful lives of the assets, which range from 5 to 10 years. Leasehold improvements are valued at cost and are amortized over the terms of the related leases (including renewal options) or the estimated useful lives, whichever is shorter.

Note 3—Closed Receivership Funds

Prior to the assumption of closed national bank receivership functions by the Federal Deposit Insurance Corporation in 1936, the Comptroller of the Currency appointed individual receivers for all closed national banks. After settling the affairs of the closed banks and issuing final distributions to the creditors of the banks (principally depositors), the receivers transferred to the custody of the Comptroller's Office all remaining funds which represented distributions which were undeliverable or had not been presented for payment. Closed Receivership Funds in the accompanying balance sheets represent the potential claims for such funds by the original creditors of the receiverships. Since inception of the receivership function, unclaimed funds have been invested in U.S. government securities. The income from investments has been applied as an offset to expenses incurred by the Comptroller's Office in performing this function and accordingly has been recorded as revenue in the statements of revenues, expenses and Comptroller's equity. Through December 31, 1978, income has exceeded direct expenses by approximately $2,670,000 (including $159,000 and $180,000 in 1978 and 1977, respectively), which excess amount is included in the Comptroller's equity. An analysis of allocable indirect expenses has not been made.

In its reexamination of the legal status of Closed Receivership Funds and related excess income earned thereon, the Comptroller's legal staff has been unable to locate any definitive statutory or case law which specifies the ultimate disposition of such funds. In the absence of legal precedent, the legal staff is unable to currently give a definitive opinion as to the appropriate disposition of either the unclaimed receivership funds or the excess income from investment of such funds. The Comptroller is in the process of seeking legislative resolution of these matters.

Pending a resolution of the legal uncertainties and legislative action surrounding these funds, the Comptroller's Office has included a liability for Closed Receivership Funds in its balance sheets and recognized income from investment of such funds as revenue in its statements of revenue, expenses and Comptroller's equity. In recognition of these uncertainties, the Comptroller has administratively restricted a portion of the Comptroller's equity in an amount that approximates the excess income earned from investment of Closed Receivership Funds since custody of the funds commenced.

Note 4—Commitments and Contingencies

The Comptroller's Office occupies office space in Washington, D.C. under a lease agreement which provided for an initial 5-year term with five consecutive 5-year renewal options. As of December 31, 1978, the first of these options, expiring in 1984, has been exercised. In addition, regional and sub-regional offices lease space under agreements which expire at various dates through 1992. Minimum rental commitments under leases in effect at December 31, 1978 are as follows: 1979, $3,838,274; 1980, $3,675,517; 1981, $3,484,326; 1982, $3,057,764; 1983, $3,014,052; 1984 and after, $4,485,182 — a total of $21,555,115. Certain of the leases provide that annual rentals may be adjusted to provide for increases in taxes and other related expenses.

Total rental expense under operating leases was $4,219,810 and $3,512,347 for the years ended December 31, 1978 and 1977, respectively.

The Comptroller's Office contributes to the Civil Service retirement plan for the benefit of all its eligible employees. Contributions aggregated $4,133,000 and $3,698,000 in 1978 and 1977, respectively. The plan is participatory, with 7 percent of salary being contributed by each party.

The accompanying balance sheets include a liability for annual leave, accumulated within specified limits, which if not taken by employees prior to retirement is paid at that date.

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. These securities, having a par or stated value of $13,593,000 are not assets of the Comptroller's Office and accordingly are not included in the accompanying financial statements.

The Comptroller's Office is a defendant, together with other bank supervisory agencies and other persons, in litigation generally related to the closing of certain national banks. In the opinion of the Comptroller's legal staff, the Comptroller's Office will be able to defend successfully against these complaints.

OPINION OF INDEPENDENT ACCOUNTANT

To the Comptroller of the Currency

In our opinion, the accompanying balance sheets, the related statements of revenues, expenses and Comptroller's equity and of changes in financial position present fairly the financial position of the Comptroller of the Currency at December 31, 1978 and 1977, and the results of its operations and the changes in its 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 at December 31, 1978 and 1977, by correspondence with the custodians.

Price Waterhouse & Co.

Washington, D.C.
April 18, 1979.

APPENDIX A

Merger Decisions, 1978

Merger* Decisions, 1978

I. Mergers consummated, involving two or more operating banks

II. Mergers consummated, involving a single operating bank

III. Mergers approved, but abandoned pursuant to litigation

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

EXCHANGE NATIONAL BANK OF PINELLAS COUNTY,
Largo, Fla., and The Exchange Bank of Dunedin, Dunedin, Fla. and The Exchange Bank and Trust Company of Clearwater, Clearwater, Fla.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Exchange Bank and Trust Company of Clearwater, Clearwater, Fla., with	$63,300,000	1	———
and The Exchange Bank of Dunedin, Dunedin, Fla., with	15,827,000	1	———
and The Exchange National Bank of Pinellas County, Largo, Fla. (16281), which had	11,203,000	1	———
merged Jan. 1, 1978, under charter and title of the latter bank (16281). The merged bank at date of merger had	90,330,000	———	3

COMPTROLLER'S DECISION

Application has been made to the Controller of the Currency seeking prior permission for the Exchange Bank and Trust Company of Clearwater, Clearwater, Fla. ("Clearwater Bank"), and The Exchange Bank of Dunedin, Dunedin, Fla. ("Dunedin Bank") (collectively, "Merging Banks"), to merge into The Exchange National Bank of Pinellas County, Largo, Fla. ("ENB"), the charter bank, under the charter and title of The Exchange National Bank of Pinellas County, with corporate headquarters in Clearwater, Fla. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Clearwater Bank was established in 1962 as an independent state-chartered commercial banking institution. As of December 31, 1976, it had total deposits of $57.9 million.

Dunedin Bank was established *de novo* in September 1973, by its parent bank holding company, Exchange Bancorporation, Inc., Tampa, Fla., the 12th largest multi-bank holding company headquartered in the state. As of year-end 1976, Dunedin Bank's deposits totaled approximately $11 million.

ENB was also established *de novo* by its parent holding company, and commenced operations in 1974. As of the aforementioned date, the charter bank's total deposits were $8.8 million.

Inasmuch as all three of the proponent banks are subsidiaries of the same bank holding company, no meaningful competition exists among them, nor is there any potential for increased competition. This application essentially represents a corporate reorganization whereby Exchange Bancorporation, Inc., is consolidating its banking interests located within Pinellas County. Furthermore, the proposal appears to be in accord with the recently enacted state branching statutes.

The application does not give the appearance of being adverse to the public interest, and should be, and hereby is, approved.

August 3, 1977.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

* * *

INDIAN HEAD NATIONAL BANK OF PORTSMOUTH,
Portsmouth, N.H., and Indian Head National Bank of Rochester, Rochester, N.H.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Indian Head National Bank of Portsmouth, Portsmouth, N.H. (1052), with	$38,034,000	4	———
and Indian Head National Bank of Rochester, Rochester, N.H. (15652), which had	9,973,000	3	———
merged Jan. 1, 1978, under charter of the latter bank (15652) and title "Indian Head Bank, National Association." The merged bank at date of merger had	48,007,000	———	7

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency, pursuant to 12 USC 1828(c), soliciting prior consent for the merger of Indian Head National Bank of Portsmouth, Portsmouth, N.H. ("Merging Bank"), into Indian Head National Bank of Rochester, Rochester, N.H. ("Charter Bank"), under the charter of Indian Head National Bank of Rochester, with the title of "Indian Head Bank, National Association," and with corporate headquarters in Portsmouth, N.H. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank was issued national banking association charter number 15652 on May 23, 1968. As of June 30, 1977, Charter Bank held total commercial bank deposits of $8.8 million.

Merging Bank was chartered as a national banking association on April 25, 1865, and as of June 30, 1977, its total deposits were $34.6 million.

Both of the proponent banks are subsidiaries of Indian Head Banks, Inc., Nashua, N.H., a registered multi-bank holding company. Accordingly, this application is regarded as essentially a corporate reorganization whereby Indian Head Banks, Inc. is consolidating a portion of its banking interests in the hopes of producing a more efficient and more economically profitable unit. Due to the common ownership and control of the proponent banks, there will be produced no adverse impact upon competition.

The Rochester community particularly should be better served by the combination of Charter Bank with Merging Bank as a result of some economies of scale and larger legal lending limits.

This application is therefore deemed to be in the public interest, and should be, and hereby is, approved.

December 2, 1977.

SUMMARY OF REPORT BY ATTORNEY GENERAL

We have reviewed this proposed transaction and conclude that it is essentially a corporate reorganization and would have no effect on competition.

* * *

ZIONS FIRST NATIONAL BANK,
Salt Lake City, Utah, and First State Bank, Salina, Utah, and Richfield Commercial and Savings Bank, Richfield, Utah

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Richfield Commercial & Savings Bank, Richfield, Utah, with	$ 21,030,000	1	
and First State Bank, Salina, Utah, with	43,990,000	4	
and Zions First National Bank, Salt Lake City, Utah (4341), which had	932,212,000	41	
merged Jan. 10, 1978, under charter and title of the latter bank (4341). The merged bank at date of merger had	896,755,000		46

COMPTROLLER'S DECISION

Pursuant to 12 USC 1828(c), an application has been filed with the Office of the Comptroller of the Currency requesting prior consent to merge Richfield Commercial and Savings Bank, Richfield, Utah ("RCSB"), and First State Bank, Salina, Utah ("FSB") (collectively, "Merging Banks"), into Zions First National Bank, Salt Lake City, Utah ("Charter Bank"), under the charter and title of Zions First National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank, the second largest commercial bank in Utah, was granted national banking association charter number 4341 by this Office on June 12, 1890. As of June 30, 1977, Charter Bank held total deposits of $702.3 million. Additionally, Charter Bank is a subsidiary of Zions Utah Bancorporation, Salt Lake City, Utah, a registered multi-bank holding company.

Both of the Merging Banks are state-chartered commercial banking institutions. RCSB is a unit bank, with no branches and June 30, 1977, total deposits of $18.1 million. FSB operates its main office and a total of three branches; one each in Panguitch, Kanab, and Manti. As of June 30, 1977, FSB had total deposits of $36.5 million. Both Charter Bank and FSB have branch offices in Kanab. The application reflects that it is not Charter Bank's intent to combine the two offices in Kanab, but rather to sell its present branch in Kanab to another non-affiliated bank, and thereby preserve two banking facilities within that community. Also, inasmuch as there are only 15 banking offices domiciled within the entire four-county area served by Merging Banks, approval of this application does not give the appearance of having an adverse effect upon existing competition.

The banking community presently served by Merging Banks should be better served through the introduction of new and expanded banking services. The legal lending limit of the resulting bank will be able to accommodate larger loan requests of banking customers. Considerations relating to convenience and needs benefits are deemed to be positive in considering approval of the application.

The financial and managerial resources of Charter Bank are regarded as satisfactory, and are enhanced by the same factors present in its parent bank holding company. Likewise, the financial and managerial resources of both RCSB and FSB are satisfactory, and all of the proponent banks' future prospects appear favorable.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that the subject application is in the public interest, and should be, and hereby is, approved.

December 9, 1977.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

FIRST ALABAMA BANK, N.A.,
Notasulga, Lee County, Ala., and First Bank of Macon County, Notasulga, Macon County, Ala.

Names of banks and type of transaction	*Total assets**	*Banking offices*	
		In operation	*To be operated*
First Bank of Macon County, Notasulga, Macon County, Ala., with	$4,385,000	1	———
was purchased Jan. 28, 1978, by First Alabama Bank, N.A., Notasulga, Lee County, Ala. (16699), which had	500,000	0	———
After the purchase was effected, the receiving bank had	4,108,000	———	1

COMPTROLLER'S DECISION

On January 28, 1978, application was made to the Comptroller of the Currency for prior written approval for First Alabama Bank, N.A., Notasulga, Lee County, Ala. ("Assuming Bank"), to purchase certain of the assets and assume certain of the liabilities of First Bank of Macon County, Notasulga, Macon County, Ala. ("First").

On January 26, 1978, First was a state-chartered bank operating through its main office with deposits of approximately $3.8 million. On January 26, 1978, at 4:30 PM, Central Standard Time, First was declared insolvent and the Federal Deposit Insurance Corporation ("FDIC") was appointed as receiver. The present application is based upon an agreement, which is incorporated herein by reference, the same as if fully set forth, by which the FDIC, as receiver, has agreed to sell certain of First's assets to the Assuming Bank, and the Assuming Bank has agreed to assume certain of the former liabilities of First. For the reasons stated hereafter, the Assuming Bank's application is approved, and the purchase and assumption transaction may be consummated immediately.

Under the Bank Merger Act, 12 USC 1828(c), the Comptroller cannot approve a purchase and assumption transaction which would have certain proscribed anticompetitive effects unless he finds those 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 disruption of banking services to the community, and potential losses to a number of uninsured depositors. The Assuming Bank, as a new banking subsidiary of First Alabama Bancshares, Inc., Birmingham, Ala., a registered multi-bank holding company, has sufficient financial and managerial resources to absorb First and to enhance the banking services it offers within the Notasulga market.

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 purchase certain assets and assume certain liabilities of First as set forth in the agreement executed with the FDIC, as receiver, is approved. The Comptroller further finds that the failure of First requires him to act immediately, as contemplated by the Bank Merger Act, to prevent disruption of banking services to the community. 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.

January 28, 1978

Due to the emergency nature of the situation, no Attorney General's report was requested.

* Asset figures are as of call dates immediately before and after transaction.

* * *

SOUTHEAST FIRST NATIONAL BANK OF MAITLAND,
Maitland, Fla. and Southeast National Bank of Orlando, Orlando, Fla., and Southeast Bank of East Orange, Orlando, Fla.

Names of banks and type of transaction	Total assets*	Banking offices	
		In operation	To be operated
Southeast First National Bank of Maitland, Maitland, Fla. (15237), with	$ 61,313,000	1	
and Southeast Bank of East Orange, Orlando, Fla., with	9,469,000	1	
and Southeast National Bank of Orlando, Orlando, Fla. (15814), which had	37,767,000	1	
merged Feb. 6, 1978, under the charter and title of the latter bank (15814). The merged bank at date of merger had	112,010,000		3

COMPTROLLER'S DECISION

Pursuant to the Bank Merger Act of 1966 (12 USC 1828(c)), an application has been filed with the Office of the Comptroller of the Currency requesting prior consent to merge Southeast First National Bank of Maitland, Maitland, Fla. ("Maitland Bank"), and Southeast Bank of East Orange, Orlando, Fla. ("East Orange Bank") (collectively, "Merging Banks"), into Southeast National Bank of Orlando, Orlando, Fla. ("Charter Bank"), under the charter and title of Southeast National Bank of Orlando. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Maitland Bank was granted national banking association charter number 15237 by this Office on January 3, 1964, and as of June 30, 1977, held total commercial bank deposits of $53.7 million.

East Orange Bank is a state-chartered commercial banking institution that, as of June 30, 1977, had total deposits of $8.4 million.

Charter Bank has operated as a national bank under charter number 15814 since July 20, 1970, and as of mid-year 1977, its total deposits were $23.6 million.

Both of the Merging Banks and Charter Bank are banking subsidiaries of Southeast Banking Corporation, Miami, Fla., the largest multi-bank holding company headquartered in the state of Florida. Accordingly, due to the common ownership and control existing among the proponent banks, there is no meaningful degree of existing competition between any of these subsidiaries of Southeast Banking Corporation. The application must, therefore, be regarded essentially as a corporate reorganization.

Applying the statutory criteria, it is the conclusion of this Office that this application is not adverse to the public interest, and should be, and hereby is, approved.

January 6, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

* * *

WELLS FARGO BANK, NATIONAL ASSOCIATION,
San Francisco, Calif., and Eight Branches of The Bank of California, National Association, San Francisco, Calif.

Names of banks and type of transaction	Total assets*	Banking offices	
		In operation	To be operated
Eight Branches of The Bank of California, National Association, San Francisco, Calif. (9655), with	$ 2,995,357,000†	8	
were purchased Feb. 13, 1978, by Wells Fargo Bank, National Association, San Francisco, Calif. (15660), which had	14,845,509,000	348	
After the purchase was effected, the receiving bank had	15,291,670,000		356

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency by Wells Fargo Bank, National Association, San Francisco, Calif. ("Purchasing Bank"), requesting prior permission to purchase the assets and assume the liabilities of eight branches ("Branches") of The Bank of California, National Association, San Francisco, Calif. ("Selling Bank"). The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Selling Bank was granted national banking association charter number 9655 and, as of June 30, 1977, held total deposits of $2.5 billion.

Purchasing Bank was granted national banking association charter number 15660 on February 5, 1910, and as of June 30, 1977, its total deposits were $11.4 billion.

In an attempt to consolidate its position on a more regional banking concept, Selling Bank, on May 11,

* Asset figures are as of call dates immediately before and after transaction.

† Assets are for the entire bank.

1977, announced its intention to sell 30 of its branches which are located in areas where Selling Bank does not possess a significant relevant geographic market penetration. The eight branches being considered as the subject of this application, are located in southern California; six of the branch offices are domiciled in San Bernadino County, and one each is located in Fresno and Orange counties. The Fresno Branch is approximately 260 miles north of the Santa Ana Office, the nearest of the other branches being purchased, and the Santa Ana Branch is almost 35 miles southwest of the nearest of the six San Bernadino County branches. Because Purchasing Bank did not commence its market expansion and penetration of the southern California area until approximately 10 years ago, well after its significantly larger competitors had successfully established their presences outside their San Francisco Bay Area home bases, Purchasing Bank's presence in the three market areas relevant to this application is negligible. Accordingly, approval of this application would result in no adverse effect upon existing competition.

The fortified presence of Purchasing Bank within the relevant geographic markets should better serve the banking public with a more viable competitor that is a more meaningful banking alternative capable of providing new and expanded banking services. Considerations relating to convenience and needs benefits are consistent with approval.

The financial and managerial resources of Purchasing Bank and Selling Bank are generally satisfactory, and Purchasing Bank has the capacity to operate the branches in an efficient and profitable manner. The sale of the branches will increase Selling Bank's capital and should have a favorable impact on that bank's earnings by lowering overhead operational costs related to the branches.

The future prospects of the proponent banks appear favorable and consistent with approval of this proposal.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

January 10, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The eight branches covered by this application are located in three different areas of the state. Consequently, we have analyzed the effect on competition in each of these areas.

Existing Competition

(1) San Bernardino County. Six of the eight branches Applicant proposes to acquire are in San Bernardino County which is part of the Riverside-San Bernardino-Ontario SMSA. The six offices have total deposits of $40.2 million, or 1.5 percent of total county deposits. Bank will retain five other offices in San Bernardino County with total deposits of just under $100 million. Applicant currently has three offices in the county (one of which was opened since June 30, 1976) which held approximately $30 million in total deposits as of June 30, 1976. After the acquisition, Applicant would hold approximately 2.5 percent of the county's bank deposits and would rank seventh among banks operating there. Applicant has no offices in the "primary service areas," as defined in the application, of any of the six branches it proposes to acquire. It therefore appears that the acquisition of these branches by Applicant would not have an adverse effect on existing competition.

(2) Orange County. Applicant proposes to acquire one of the two offices Bank operates in Orange County—Bank's Santa Ana office which holds total deposits of approximately $23 million (including $3 million in large certificates of deposit which Applicant will not acquire), or 0.54 percent of total Orange County bank deposits. Bank will retain its office in Newport Beach, Orange County, which holds total deposits of approximately $6.4 million. Applicant has 12 offices in the county with deposits of approximately $92 million, or 2.1 percent of total county bank deposits. After the acquisition, it would hold approximately 2.6 percent of total county bank deposits and would move to a ranking of eighth from its current position of ninth. While Applicant has two offices in Santa Ana, neither is within the "primary service area," as defined in the application, of the branch to be sold. In addition, there are several other banks in the area surrounding the branch and located closer to it than Applicant's closest office. It therefore appears that the acquisition of this branch by Applicant would not have an adverse effect on existing competition.

(3) Fresno County. The final branch Applicant proposes to acquire is in Fresno. The branch, which is Bank's only office in Fresno County has total deposits of $16.6 million, or 1.3 percent of total county bank deposits. Applicant has eight offices in the county with total deposits of approximately $85 million, or 6.5 percent of total county bank deposits. It ranks fourth among banks operating there. After the acquisition, it would hold 7.8 percent of total county bank deposits and rank about equal with Crocker National, which holds the third largest share of the county's bank deposits. Banking is highly concentrated in Fresno County; the top four banks (including Applicant) control over 82 percent of total county bank deposits.

Both the branch Applicant proposes to acquire and its "Fresno Main Office" are located on the same block in downtown Fresno, and one of Applicant's other offices is located within a short distance of the branch. It therefore appears that the proposed acquisition would eliminate a substantial amount of existing competition between Applicant and Bank. Bank holds 2.6 percent and Applicant 5.9 percent of the total deposits held by banks operating in the "primary service area" of Bank's Fresno branch as defined in the application. Since Bank's share includes $5.2 million in large certificates of deposit which it will retain, Applicant will actually acquire approximately $11.4 million in deposits, increasing its share of local deposits to 7.7 percent.

Accordingly, the proposed acquisition of Bank's Fresno branch would have an adverse effect on competition inasmuch as it would eliminate existing competition and contribute to increased banking concentration. A sale to one of the smaller banks in the area would be highly preferable and there is no evidence that Bank's Fresno branch could not be sold independently of the other seven branches Applicant proposes to acquire.

Potential Competition

Applicant, which is the third largest banking institution in the state, must be considered a potential entrant into those markets in which it is not presently represented. Historically, Applicant has been much more heavily branched in northern California than in the southern part of the state. According to its 1976 Form 10-K, Applicant has undertaken a program of expansion in southern California and as of December 31, 1976, had 71 branches there. The report continues (p. 1): "It is anticipated that future branch expansion will occur primarily in southern California." The seven branches Applicant proposes to acquire in San Bernardino and Orange counties are in southern California. There can be little doubt that Applicant has both the resources and desire to enter new markets *de novo* as well as by acquisition. Moreover, compared to the two largest banking institutions in California, Bank of America and Security Pacific, and to several other banks, Applicant is poorly represented in southern California. Thus, we conclude that Applicant is a significant potential entrant in the markets in southern California in which it is not currently represented.

The Riverside-San Bernardino-Ontario SMSA has undergone a population increase since 1970 greater than that for the state as a whole. The Orange County SMSA has undergone very substantial population growth and has an average per capita income higher than that for the state as a whole. While both areas have a substantial number of banking offices at the present time, *de novo* entry into these areas by Applicant appears feasible. Accordingly, the acquisition by Applicant of six branches of Bank in San Bernardino County and one branch of Bank in Orange County would have a slightly adverse effect on potential competition.

In sum, the acquisition of Bank's Fresno branch by Applicant would have an adverse effect on existing competition and would increase concentration in a market that is already highly concentrated. In addition, the acquisition of the other seven branches would have a slightly adverse effect on potential competition in the markets involved.

* * *

FLORIDA FIRST NATIONAL BANK OF JACKSONVILLE, Jacksonville, Fla., and Florida National Bank at Arlington, Jacksonville, Fla., and Florida National Bank at Lake Shore, Jacksonville, Fla. and Florida Dealers and Growers Bank at Jacksonville, Jacksonville, Fla. and Florida Northside Bank of Jacksonville, Jacksonville, Fla.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Florida National Bank at Lake Shore, Jacksonville, Fla. (14974), with	$ 24,044,000	1	
and Florida National Bank at Arlington, Jacksonville, Fla. (14759), with	26,007,000	1	
and Florida Northside Bank of Jacksonville, Jacksonville, Fla., with	11,345,000	1	
and Florida Dealers and Growers Bank at Jacksonville, Jacksonville, Fla., with	17,464,000	3	
and Florida First National Bank of Jacksonville, Jacksonville, Fla. (8321), which had	360,423,000	4	
merged Feb. 20, 1978, under the charter and title of the latter bank (8321). The merged bank at date of merger had	439,281,000		10

COMPTROLLER'S DECISION

An application has been filed pursuant to 12 USC 1828(c), with the Office of the Comptroller of the Currency requesting prior permission to merge Florida National Bank at Lake Shore, Jacksonville, Fla. ("Lake Shore Bank"); Florida National Bank at Arlington, Jacksonville, Fla. ("Arlington Bank"); Florida Dealers and Growers Bank at Jacksonville, Jacksonville, Fla. ("FDGB"); and, Florida Northside Bank of Jacksonville, Jacksonville, Fla. ("Northside Bank") (collectively, "Merging Banks"), into Florida First National Bank of Jacksonville, Jacksonville, Fla. ("Charter Bank"), under the charter and title of Florida First National Bank of Jacksonville. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Lake Shore Bank possesses national banking association charter number 14974, and as of February 1, 1977, had total deposits of approximately $20 million.

Arlington Bank was granted a national banking association charter by this Office on November 21, 1955, and its total deposits were $22.8 million as of February 1, 1977.

Both FDGB and Northside Bank are state-chartered commercial banking institutions. FDGB is a member of the Federal Reserve System. FDGB and Northside Bank had total deposits on February 1, 1977, of $14.6 million and $9.5 million, respectively.

Charter Bank operates under national banking association charter number 8321, and had total deposits of $284.5 million as of the aforementioned date for banking data.

All of the proponent banks are banking subsidiaries of the fifth largest registered bank holding company headquartered in Florida, Florida National Banks of

Florida, Inc., Jacksonville, Fla. Accordingly, the proposed transaction is essentially a corporate reorganization, and would have no adverse effect upon competition.

It is therefore the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

January 13, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The banks are all wholly-owned subsidiaries of the same bank holding company. As such, the proposed transaction is essentially a corporate reorganization and would have no effect on competition.

* * *

FIRST NATIONAL BANK OF CATAWBA COUNTY,
Hickory, N.C., and The First National Bank of West Jefferson, West Jefferson, N.C.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of West Jefferson, West Jefferson, N.C. (8571), with	$ 28,758,000	2	
and First National Bank of Catawba County, Hickory, N.C. (4597), which had	220,993,000	13	
merged Feb. 21, 1978, under charter and title of the latter bank (4597). The merged bank at date of merger had	249,751,000		15

COMPTROLLER'S DECISION

Pursuant to 12 USC 1828(c), the Bank Merger Act, the Office of the Comptroller of the Currency is in receipt of an application that requests prior consent to effectuate a merger of The First National Bank of West Jefferson, West Jefferson, N.C. ("Merging Bank"), into First National Bank of Catawba County, Hickory, N.C. ("Charter Bank"), under the charter and title of First National Bank of Catawba County. The subject application rests upon an agreement between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank was granted national banking association charter number 4597 by this Office on July 14, 1891, and as of June 30, 1977, it had total commercial bank deposits of $183.3 million. In addition to its head office, Charter Bank maintains 11 offices in Catawba County and one office in adjoining Alexander County.

Merging Bank, also a national banking association, operating under charter number 8571, had June 30, 1977, total deposits of $23.5 million. Merging Bank operates only its main office and one drive-in branch, both of which are domiciled within Ashe County in the central-western section of the state.

The closest offices of Charter Bank and Merging Bank are approximately 70 road miles apart, and the respective primary services areas of the proponent banks are separated by three intervening counties, wherein are located offices of significantly larger competing banks. Given the geographic distance separating Charter Bank and Merging Bank, and the fact that approval of this proposed transaction would constitute Charter Bank's initial entry into Ashe County, consummation of the subject transaction would not have the effect of eliminating any meaningful degree of existing competition between the two banks.

Inasmuch as commercial banks in North Carolina enjoy statewide branching privileges, both Charter Bank and Merging Bank could legally utilize *de novo* expansion into each other's market area. However, inasmuch as West Jefferson and its immediate environs do not appear attractive for *de novo* entry (Merging Bank opened its drive-in facility in 1973); and presently, only Merging Bank and Northwestern National Bank of North Wilkesboro, the state's fourth largest commercial bank, operate offices within Ashe County, the size disparity between Merging Bank and Northwestern National Bank has inhibited Merging Bank's competitive abilities and efforts. The introduction of Charter Bank into Ashe County should provide increased competition to Northwestern, and the banking public should be better served through their enhanced competitive atmosphere.

The banking community in Ashe County should also enjoy the benefits of Charter Bank's ability to introduce new and expanded banking services into the area, particularly the introduction of trust services offered by Charter Bank to the present banking customers of Merging Bank. Considerations relating to convenience and needs benefits are regarded as a positive factor in approval of this application.

The financial and managerial resources of both Charter Bank and Merging Bank are regarded as satisfactory. However, Merging Bank's management is vested primarily in one individual who apparently has not adequately provided for successor management; Charter Bank appears to possess the managerial talent necessary to insure management succession at Merging Bank.

The future prospects of both proponents, separately and in combination, appear favorable, and consistent with approval.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved.

January 18, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Bank's office locations are limited to Ashe County, where Applicant at present has no offices. The closest offices of the two institutions are over 50 miles apart and are separated by three intervening counties. No branch offices of either bank will be closed if the merger is consummated. Accordingly, the proposed acquisition will not eliminate any significant amount of existing competition.

The proposed acquisition, however, will have an adverse effect on potential competition in Ashe County. At present only two banks have office locations there and the market is about equally divided between them (with Bank's competitor apparently having a growing edge). Applicant's resources and stated interest in expansion even if the application is denied make it a prime candidate for *de novo* entry into the county, which would enhance competition through the creation of a third competitor in the market. Bank's current competitor—the Northwestern National Bank of North Wilkesboro—has opened two branches in the county in the past 5 years which proves that *de novo* expansion is possible. However, there are numerous other potential entrants into Ashe County under North Carolina's statewide branching laws. Moreover, the disparity in size between Bank and its competitor Northwestern (the fifth largest bank in North Carolina with 173 offices) has handicapped Bank's efforts to remain competitive. All things considered, *de novo* entry by Applicant into Ashe County is clearly more consistent with the public interest than is entry by acquisition.

Conclusion

In sum, the proposed acquisition will not have an adverse effect on actual competition and will have an adverse effect upon potential competition.

* * *

TOWN-COUNTRY NATIONAL BANK, Camden, Wilcox County, Ala., and Wilcox County Bank, Camden, Wilcox County, Ala.

Names of banks and type of transaction	*Total assets**	*Banking offices*	
		In operation	*To be operated*
Wilcox County Bank, Camden, Ala., with	$12,664,000	1	
was purchased Mar. 8, 1978, by Town-Country National Bank, Camden, Ala. (16708), which had	750,000	0	
After the purchase was effected, the receiving bank had	11,608,000		1

COMPTROLLER'S DECISION

On March 7, 1978, application was made to the Comptroller of the Currency for prior written approval for Town-Country National Bank, Camden, Wilcox County, Ala. ("Assuming Bank"), to purchase certain of the assets and assume certain of the liabilities of Wilcox County Bank, Camden, Wilcox County, Ala. ("Wilcox").

On March 1, 1978, Wilcox was a state-chartered bank operating through its main office, and held commercial bank deposits of approximately $10.5 million. The board of directors of Wilcox, by unanimous vote, requested the Superintendent of Banks for the State of Alabama to take charge of and liquidate the affairs of the bank under the provisions of the Code of Alabama of 1975, Section 5-10-25. This was accomplished at the close of business on March 1, 1978, and the Superintendent of Banks appointed the Federal Deposit Insurance Corporation ("FDIC") as his agent to assist him in this statutory takeover. The FDIC is acting as receiver of Wilcox and the present application is based upon an agreement, which is incorporated herein by reference the same as if fully set forth, by which the FDIC, as receiver, has agreed to sell certain of Wilcox's assets to the Assuming Bank, and the Assuming Bank has agreed to assume certain of the former liabilities of Wilcox. For the reasons stated hereafter, the Assuming Bank's application is approved, and the purchase and assumption transaction may be consummated immediately.

Under the Bank Merger Act, 12 USC 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

* Asset figures are as of call dates immediately before and after transaction.

authorize the immediate consummation of the transaction.

The proposed acquisition will prevent a further disruption of banking services to the Camden community and potential losses to a number of uninsured depositors. The Assuming Bank is a new bank organized by individuals residing in, or having interests in, Camden and Wilcox County. The new bank has the financial resources to absorb Wilcox County Bank and to enhance the banking services available in the Camden banking market.

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 these reasons, the Assuming Bank's application to purchase certain of the assets and to assume certain of the liabilities of Wilcox as set forth in the agreement executed with the FDIC, as receiver, is approved. The Comptroller further finds that the failure of Wilcox requires him to act immediately, as contemplated by the Bank Merger Act, to prevent additional disruption of banking services to the community. 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.

March 7, 1978.

Due to the emergency nature of the situation, no Attorney General's report was requested.

* * *

SOUTHWEST NATIONAL BANK OF PENNSYLVANIA,
Greensburg, Pa., and The First National Bank of Youngwood, Youngwood, Pa., and Fidelity Deposit Bank of Derry, Derry, Pa.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Fidelity Deposit Bank of Derry, Derry, Pa., with	$ 8,371,000	1	———
and The First National Bank of Youngwood, Youngwood, Pa. (6500), with	23,973,000	2	———
and Southwest National Bank of Pennsylvania, Greensburg, Pa. (5351), which had	205,681,000	11	———
consolidated Mar. 13, 1978; under charter and title of the latter bank (5351). The consolidated bank at date of consolidation had	238,003,000	———	14

COMPTROLLER'S DECISION

An application has been filed with the Office of the Comptroller of the Currency requesting prior consent to consolidate Southwest National Bank of Pennsylvania, Greensburg, Pa. ("Charter Bank"), Fidelity Deposit Bank of Derry, Derry, Pa. ("Fidelity Bank"), and The First National Bank of Youngwood, Youngwood, Pa. ("FNB"), under the charter and title of Southwest National Bank of Pennsylvania. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank has operated under national banking association charter number 5351 since the charter was issued by this Office on May 15, 1900. In addition to its main office in Greensburg, the county seat of Westmoreland County, Charter Bank operates seven other offices within Westmoreland County, and three additional branches in contiguous Allegheny County. As of September 30, 1977, the bank held total deposits of $184.4 million.

Fidelity Bank is a state-chartered commercial banking institution with September 30, 1977, total deposits of $7.3 million. It is the smallest of the three proponents. Fidelity Bank operates only a single banking office, located approximately 15 miles to the northeast of Greensburg in Westmoreland County.

FNB was chartered as a national banking association on November 22, 1902. This bank operates its main office and one branch in the Youngwood area and is the only commercial banking facility in the community of Youngwood. As of September 30, 1977, FNB had total deposits of $21.5 million.

The main office of Charter Bank, in Greensburg, is approximately 15 miles from the sole office of Fidelity Bank and there are numerous banking offices in the intervening area. Fidelity Bank is one of the smallest commercial banks in Pennsylvania and, with the introduction of a branch of the seventh largest bank in the state, Equibank, in Derry, Fidelity Bank has suffered a dramatic loss of its market share of deposits. Although Charter Bank does maintain one office in Unity Township, approximately 10 miles distant from Derry, there is only a negligible degree of competition existent between Charter Bank and Fidelity Bank. Therefore, approval of this proposal will not eliminate any existing competition to a significant degree.

The head offices of Charter Bank and FNB are about 5 miles apart, and FNB operates a branch 2 miles north of Youngwood Borough (approximately 3 miles from an office of Charter Bank). It is noted, however, that Youngwood Borough is virtually surrounded by Hempsfield Township wherein six banks, including Equibank and Pittsburgh National Bank (the fifth largest bank in Pennsylvania), maintain offices. Additionally, although their main offices are only 5 miles apart, Charter Bank and FNB derive few deposits and make few loans from each other's respective locality; the two banks appear to basically serve different market areas. Thus, the proposed consolidation of Charter Bank and FNB would not eliminate existing competition between these two institutions to any appreciable extent.

Youngwood Borough is located 25 miles southwest of the community of Derry. Derry is located within the less populous eastern section of Westmoreland County. The county is bisected into two distinct portions by U.S. Route 119, which runs north-south through Greensburg. The western section contains nearly 90 percent of the county's population, and the larger proportion of the industrial and commercial establishments. The overflow of Pittsburgh population and industry has expanded into the western portion of Westmoreland County. The eastern portion lies in the foothills of the Allegheny Mountains, a resort area that is heavily forested, which has only one large population center, Latrobe. Due to the geographical barriers and the dominant influence of the Pittsburgh community upon the western section of Westmoreland County, Fidelity Bank and FNB are oriented toward two separate and distinct areas. Consummation of the subject proposal would not have any adverse effect upon existing competition between these two banks.

Applicable Pennsylvania branching laws permit commercial banks to expand *de novo* into contiguous counties; thus, the applying banks have the legal capability to branch into each other's areas. Because of the small size of Fidelity Bank and FNB, their management succession difficulties and limited financial resources, neither appears to be a likely candidate to employ that mode of expansion within the foreseeable future. Although Charter Bank may be expected to pursue an active course in *de novo* branching, neither the Youngwood nor the Derry area appears attractive for Charter Bank to expand *de novo* in the face of its significantly larger competitors. Overall, the small sizes of all of the proponent banks, and the ability of some of the state's largest banks to branch throughout the area, greatly mitigates any adverse effect upon potential competition.

With the proposed consolidation, the competitive abilities of all three banks will be greatly enhanced and the resulting bank will be in a position to better serve its customers and be a more viable banking alternative. Charter Bank is a full-service institution that offers a wide variety of services to its customers, including fiduciary services (both personal and corporate). Neither Fidelity Bank nor FNB offers trust services to its customers, and the introduction of this new service will be far more convenient to banking customers in Derry and Youngwood. The increased legal lending limit of the resulting institution will also better serve the banking community, especially in short-term financing of municipal and commercial accounts. In sum, the introduction of new and expanded banking services will better serve the public, and lends weight toward approval of this proposal.

The financial and managerial resources of Charter Bank are satisfactory. The financial conditions of Fidelity Bank and FNB are generally satisfactory. The management of both Fidelity Bank and FNB are of concern in passing upon this application. The situation in both banks is similar in that neither bank has adequately provided for management succession. Senior management of Fidelity Bank suffers health problems, and the decision has been made to "get out of the banking business." The chief executive officer of FNB has admitted difficulty in keeping pace with current changes in banking, especially with regard to various regulatory requirements. The increased competitive environment and FNB's board of directors reluctance to acquire the services of an individual with the necessary training and expertise to assume the duties of the managerial role, has led to the board's decision to merge or sell FNB. Charter Bank has the necessary managerial talent to assume the operations of both Fidelity Bank and FNB and to adequately provide for management succession at both banks. Factors relating to financial and managerial resources weigh favorably toward approval of this application.

The future prospects of Charter Bank appear favorable, and the future prospects of Fidelity Bank and FNB, when combined with Charter Bank, appear more favorable.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved.

February 9, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Effect on Existing Competition

The main office of Applicant in Greensburg is 15 miles from the sole office of Derry Bank in Derry. There are numerous other banking offices located in this intervening 15-mile area. Applicant has an office in Unity Township which is 10 miles from Derry, but that bank has no accounts with residents of Derry. Applicant has only one mortgage and nine installment loans within the area encompassed by the Derry ZIP Code, and Derry Bank has no mortgages and only one installment loan involving persons in the Greensburg area. Neither bank derives measurable deposits from areas served by the other. In sum, the proposed acquisition will not eliminate existing competition to any significant degree.

The head offices of the Youngwood Bank and Applicant are only 5 miles apart. Youngwood opened a branch in December 1976, 2 miles north of Youngwood Borough. This branch is approximately 3 miles away from Applicant. Applicant has no branch offices in Youngwood Borough nor any offices south of Greensburg. Youngwood Borough is almost completely surrounded by Hempsfield Township which has six banks and sixteen offices (not including those of Applicant located there). Recently, Pittsburgh National Bank and Equibank, ranked fifth and seventh, respectively, in the state, obtained approval to open branch offices between Youngwood Bank and Applicant.

The application indicates that Applicant has 20 mortgages (out of a total of 3,126) and 37 installment loans (out of a total of 12,600) with residents of Youngwood Borough, and derives an equally negligible amount of deposits from the area served by Youngwood Bank. Also, Greensburg residents have 2 percent of the deposit accounts, less than 4 percent of the mortgages are less than 3.5 percent of the installment loans of Youngwood Bank. Thus, the proposed acquisition of the Youngwood Bank would not eliminate existing competition to any appreciable extent.

Effect upon Concentration

If the relevant market area is Westmoreland County, this merger would have little, if any, adverse effect. All three banks are now operating offices within Westmoreland County (1970 population: 376,935), one of the four counties composing the Pittsburgh SMSA. A total of 22 banks have offices within Westmoreland County. Because of Pennsylvania's banking laws, which permit contiguous county branching, some of the large Pittsburgh banks—including Mellon Bank, the Union National Bank of Pittsburgh, the Pittsburgh National Bank, and Equibank—have made significant inroads upon the county. Of the 79 branch offices operating in the county as of June 30, 1976, 42 (or 53 percent) were operated by these four large Pittsburgh banks. Furthermore, in terms of deposits, the top four banks in Westmoreland County hold 6 percent of county deposits, so the market is not highly concentrated. Applicant is the second largest bank, with 12 percent of the county's deposits; the Youngwood Bank ranks 12th with 2 percent; and the Derry Bank ranks 17th with 1 percent.

If the market is defined as either Pittsburgh Market Area 46 or Greensburg-Latrobe Market Area 45, the proposed acquisition would have a more adverse effect in terms of enhancing concentration. Applicant and Youngwood Bank are located in Pittsburgh Market Area 46, an area which includes parts of Westmoreland, Beaver, Washington and Butler counties as most of Allegheny County. Though the four largest banks have 90.7 percent of the deposits, Applicant has 0.7 percent of the total deposits, whereas Youngwood Bank has 0.2 percent. Moreover, 39 banks operate 391 offices. The Derry Bank is not represented in this market at all. Within this area Applicant ranks fifth and Youngwood Bank ranks 26th.

Though Youngwood is located in Area 46, it appears to be right on the boundary of the Greensburg-Latrobe Market Area 45 which has 12 banks with 24 offices. In that area, Applicant ranks second. Nevertheless, even if the merger is approved, Applicant will remain second and will still be behind Mellon Bank which has deposits of $171 million. This is also a highly concentrated market since the largest four banks hold 83.9 percent of the total deposits. Applicant has 22.7 percent of those deposits. If Youngwood Bank is included in this market, it would rank fifth, with 4.8 percent of the total deposits. (Applicant's share of the market would drop to 21.5 percent.)

While these figures are somewhat higher than those suggested by the merger guidelines, the relatively small size of Youngwood Bank, its location very close to the boundaries of Market Areas 45 and 46, and the large number of other banks in the region, are mitigating factors. Therefore, a merger between Applicant and Youngwood Bank would have some adverse effect on competition.

Conclusion

The proposed acquisition would increase the concentration in Market Areas 45 and 46, and would eliminate some direct competition, and overall it would have some adverse competitive effects.

* * *

THE AMERICAN NATIONAL BANK AND TRUST COMPANY OF MICHIGAN, Kalamazoo, Mich., and The First National Bank of Lawton, Lawton, Mich.

Names of banks and type of transaction	*Total assets**	*Banking offices: In operation*	*Banking offices: To be operated*
The First National Bank of Lawton, Lawton, Mich. (12084), with	$ 9,762,000	2	———
was purchased Mar. 30, 1978, by The American National Bank and Trust Company of Michigan, Kalamazoo, Mich. (13820), which had	230,705,000	18	———
After the purchase was effected, the receiving bank had	235,811,000	———	20

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency by The American National Bank and Trust Company of Michigan, Kalamazoo, Mich. ("ANBTC"), the purchasing bank, requesting prior permission to purchase the assets and assume the liabilities of The First National Bank of Lawton, Lawton, Mich. ("FNB"), the selling bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

ANBTC was chartered on November 1, 1933, and as of March 31, 1977, the purchasing bank's total deposits were $184.3 million. The largest of seven banking subsidiaries of the 15th largest bank holding company headquartered in Michigan, American National Holding Company, Kalamazoo, Mich., ANBTC operates its main office in the city of Kalamazoo, and 17 branch offices, all domiciled within Kalamazoo County.

FNB, organized in 1922, had deposits aggregating $8.3 million as of March 31, 1977. The selling bank

* Asset figures are as of call dates immediately before and after transaction.

maintains only one branch office (West Paw Paw Township) in addition to its head office.

The closest offices of ANBTC and FNB are approximately 9 miles apart, and all offices of ANBTC are in Kalamazoo County, whereas both of FNB's offices are in adjacent Van Buren County. Additionally, three other banking subsidiaries of American National Holding Company operate within the relevant market. It therefore appears that approval of this proposal would have the effect of eliminating a degree of existing competition between ANBTC and FNB. It is noted, however, that the service area of ANBTC is comprised of two separate, distinct and noncontiguous areas; one consisting of the cities of Kalamazoo, Portage, Richland, Plainwell, Oshtemo and Ortego. The second area surrounds the village of Mendon, in St. Joseph County. The relevant market is served by five commercial banks that operate a total of 54 branches, and the market is characterized as being one of high concentration and intense competition. Furthermore, the largest share of the market's relevant deposits is held by a competing registered bank holding company, First National Financial Corporation, Kalamazoo, which holds approximately one-third of the total commercial bank deposits within the market, and whose two offices of The First National Bank and Trust Company of Michigan located in Paw Paw, are the nearest offices of any competing bank to an office of FNB. Inasmuch as ANBTC's share of market deposits would increase by 0.7 percent, to 21.3 percent, it is the conclusion of this Office that the subject proposal would have some adverse effect upon existing competition.

The introduction of ANBTC into the Lawton area will result in improved and expanded banking services to the banking community including, but not limited to, higher interest rates on savings accounts, lower service charges on demand checking accounts, and the introduction of new banking services such as trust services, mortgage loan sales and services, overdraft banking, and an increased legal lending limit. Considerations relating to convenience and needs benefits add some weight toward approval of the application.

A review of the application discloses that the annual net earnings of FNB for the past 4 operating years have declined significantly; net earnings of approximately $31,000 for 1976 are only slightly in excess of 30 percent of the bank's net earnings for 1973. That significant decline in earnings is primarily attributable to the purchase and installation of computer facilities, and related personnel staffing.

Of additional note, FNB is served by absentee executive management and requires the services of a full-time, competent chief executive officer. Affiliation with ANBTC and its corporate parent should provide FNB with the financial stability and managerial direction which it needs inasmuch as both the financial and managerial resources of ANBTC are considered to be satisfactory. The future prospects of both proponent banks are considered to be satisfactory; however, the future prospects of FNB in conjunction with ANBTC are regarded as more favorable.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved.

January 18, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Lawton and Paw Paw are small communities located in a predominantly rural area approximately 12 miles west of Kalamazoo. The closest office of a subsidiary of ANHC to an office of Bank is American National Bank—West's Lawrence office which is about 8 miles west of Bank's office in Paw Paw. In addition, an office of Applicant is located in Oshtemo, about 10 miles east of Lawton. Only one other banking organization operates offices within 10 miles of Lawton. The First National Bank and Trust Co. of Michigan, total deposits of approximately $375 million, operates two offices in Paw Paw. It therefore appears that the proposed merger would eliminate direct competition between subsidiaries of ANHC and Bank, and would reduce significantly the number of competitive alternatives in the area.

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

* * *

FIRST NATIONAL BANK OF GRAND RAPIDS, Grand Rapids, Mich., and The Moline State Bank of Lawton, Lawton, Mich.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Moline State Bank, Moline, Mich., with	$ 6,506,000	1	———
and First National Bank of Grand Rapids, Grand Rapids, Mich. (16296), which had	17,573,000	3	———
merged Mar. 31, 1978, under charter and title of the latter bank (16296). The merged bank at date of merger had	24,079,000	———	4

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency is in receipt of an application filed pursuant to the Bank Merger Act of 1966 (12 USC 1828(c)), that requests prior written consent of a proposed merger of The Moline State Bank, Moline, Mich. ("Merging Bank"), into First National Bank of Grand Rapids, Grand Rapids, Mich. ("Charter Bank"), under the charter and title of First National Bank of Grand Rapids. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank was issued national banking association charter number 16296 by this Office on March 21, 1974, and as of September 30, 1977, the bank held total deposits of $14.5 million.

Merging Bank is a state-chartered commercial banking institution that was established in 1919. As of June 30, 1977, Merging Bank's total deposits aggregated approximately $5.7 million.

Both of the proponent banks are wholly-owned banking subsidiaries of First National Financial Corporation, Kalamazoo, Mich. ("FNFC"), a registered multi-bank holding company, the seventh largest headquartered in Michigan. Due to this common ownership and control, there is no existing competition between Charter Bank and Merging Bank, nor is there any potential for the development of competition in the future.

The combination of the proponent banks would serve to establish a more meaningful banking alternative and a more viable competitor that would possess a strengthened capital base and be in a better position to offer new and expanded banking services to the banking public. Considerations relating to convenience and needs benefits are regarded as a positive factor in this case.

The financial and managerial resources of Merging Bank are considered to be satisfactory. Charter Bank has encountered numerous asset problems in its operating history due to the inability of its former corporate parent, Northern States Bancorporation, Detroit, to properly supervise the bank's affairs. Charter Bank was sold to FNFC in December 1976, and its present holding company parent has met with some success in its efforts to improve the overall condition of the bank. The future prospects of Merging Bank are favorable, and Charter Bank's future prospects are greatly enhanced by approval of this transaction.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that this application is in the public interest, and should be, and hereby is, approved.

February 22, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

THE FIRST NATIONAL BANK IN HUNTINGTON, Huntington, Ind., and Roanoke State Bank, Roanoke, Ind.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Roanoke State Bank, Roanoke, Ind., with	$ 9,235,000	1	———
and The First National Bank in Huntington, Huntington, Ind. (14398), which had	76,366,000	5	———
merged Mar. 31, 1978, under charter and title of the latter bank (14398). The merged bank at date of merger had	85,921,000	———	6

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has received an application, pursuant to 12 USC 1828(c), requesting prior consent of the proposed merger of Roanoke State Bank, Roanoke, Ind. ("Merging Bank"), into The First National Bank in Huntington, Huntington, Ind. ("Charter Bank"), under the charter and title of The First National Bank in Huntington. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Merging Bank is a state-chartered commercial banking institution that commenced operations on July 1, 1949. As of March 31, 1977, Merging Bank held total commercial bank deposits of slightly less than $8 million, thereby ranking as the smallest bank headquartered within Huntington County.

Charter Bank has operated as a national banking association since February 18, 1938, when this Office granted it charter number 14398. As of March 31, 1977, this bank's total deposits were $65.7 million. In addition to its main office domiciled in Huntington, Charter Bank operates three other offices in Huntington, and one branch in Andrews, approximately 5 miles west of Huntington. Charter Bank ranks as the largest of six commercial banks headquartered in Huntington County, and controls slightly less than 43 percent of the county's total deposits.

The focal point of this application is the definition of the relevant geographic market. If only Huntington County were to be considered as the market, on a pro forma basis Charter Bank would control approximately 48 percent of the county's deposits and the number of banking alternatives would decrease from six to five. The application reflects, however, that the relevant geographic market more properly encompasses more than Huntington County, per se, including the southeastern section of Whitley County and the southwestern portion of Allen County, including the city of Fort Wayne. It is of significant note that four Fort Wayne-based banks have branches located within 11 miles of Roanoke. Assuming that the geographic market as defined by the proponent banks is correct, Charter Bank would be the sixth largest bank, controlling slightly more than 4 percent of the market's deposits, and Merging Bank would be the smallest bank, controlling only 0.5 percent of total deposits. Additionally, due to a self-imposed lending limitation of $25,000, the Merging Bank refers loans in excess of that limit to Charter Bank for origination and servicing. Therefore, it is not unreasonable to conclude from that fact alone that Merging Bank and Charter Bank are not major competitors. Although there is some overlap of the proponent banks' respective trade areas, the resources and scope of operation of Merging Bank are limited, and its competitor influence within its market is minimal. Accordingly, applying the statutory criteria, it is the conclusion of this Office that approval of this application would not have a significantly adverse effect upon competition.

With approval of this application, the city of Roanoke would no longer be afforded "home-office" protection, and *de novo* branching by other banks in Huntington County, into Roanoke, would be possible. The introduction of new and expanded banking services to the present customers of Merging Bank should better serve the banking community within the Roanoke area and is considered to be a positive factor in approval of this application.

The financial and managerial resources of both Charter Bank and Merging Bank are satisfactory. The president of Merging Bank is past the usual age of retirement, however, due to a lack of successor management within the bank, and because the prospects of obtaining a competent successor have not been favorable, he has been reluctant to retire. Charter Bank possesses sufficient managerial strength to operate Merging Bank, and thereby resolve the management succession problem of Merging Bank.

The future prospects of both proponent institutions appear favorable, and the combination of Merging Bank with Charter Bank, should help to insure the favorable future prospects of both banks.

It is thus the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

December 2, 1977.

SUMMARY OF REPORT BY ATTORNEY GENERAL

We have reviewed this proposed transaction and conclude that it would not have a significantly adverse effect upon competition.

* * *

THE DETROIT BANK—STERLING, N.A., Sterling Heights, Mich., and Van Dyke—Sixteen Mile Branch of The Detroit Bank and Trust Company, Detroit, Mich.

Names of banks and type of transaction	*Total assets**	*Banking offices*	
		In operation	*To be operated*
Van Dyke—Sixteen Mile Branch of The Detroit Bank and Trust Company, Detroit, Mich., with	$3,432,512,000†	1	———
was purchased Apr. 1, 1978, by The Detroit Bank—Sterling, N.A., Sterling Heights, Mich. (16712), which had	3,000,000	0	———
After the purchase was effected, the receiving bank had	27,610,000	———	1

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has accepted an application requesting prior consent for The Detroit Bank—Sterling, N.A. (organizing), Sterling Heights, Mich. ("Purchasing Bank"), to purchase the assets and assume the liabilities of Van Dyke—Sixteen Mile Branch Office ("Van Dyke Branch"), of The Detroit Bank and Trust Company, Detroit, Mich. ("Selling Bank"). The subject application rests upon an agreement executed between the proponent banks, and is incorporated herein by reference, the same as if fully set forth.

By an action dated August 1, 1977, this Office granted preliminary approval for the organization of Purchasing Bank; that to date, has no operating history.

Selling Bank is a state-chartered commercial banking institution, and is a member of the Federal Reserve System. As of June 30, 1977, Selling Bank had total deposits of $2.8 billion.

Both of the proponent banks are subsidiaries of DETROITBANK Corporation, Detroit, Mich., ("DETROITBANK"), the third largest banking organization in Michigan. Purchasing Bank is to assume the business of an existing branch of one of DETROITBANK's five banking subsidiaries; and would merely transfer approximately $16 million in deposits into a newly created institution, thereby producing no adverse effect upon competition.

Although Purchasing Bank would be servicing its customers as a relatively small subsidiary of DETROITBANK, rather than as a branch of Selling Bank, Purchasing Bank will have the ability to provide additional banking offices in Sterling Heights, as the need arises. Additionally, the establishment of a bank in Sterling Heights, with the ability to open new branches, would have a favorable impact upon future competition within the city, and will better serve the needs of the banking community. Considerations relating to convenience and needs benefits weigh toward approval of this application.

* Asset figures are as of call dates immediately before and after transaction.

† Assets are for the entire bank.

The financial and managerial resources and future prospects of Selling Bank are generally satisfactory. Inasmuch as Purchasing Bank is essentially the successor to a successfully operated branch office, its future prospects as a subsidiary of DETROITBANK appear favorable.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved.

January 30, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Van Dyke—Sixteen Mile Branch Office of The Detroit Bank and Trust Company would become a subsidiary of DETROITBANK 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 DETROITBANK Corporation, it would have no effect on competition.

* * *

THE FIRST NATIONAL BANK OF MARYLAND, Baltimore, Md., and The First National Bank of Snow Hill, Snow Hill, Md.

Names of banks and type of transaction	*Total assets**	*Banking offices: In operation*	*Banking offices: To be operated*
The First National Bank of Snow Hill, Snow Hill, Md. (3783), with	$ 16,122,000	1	———
and The First National Bank of Maryland, Baltimore, Md. (1413), which had	1,478,851,000	83	———
merged Apr. 1, 1978, under charter and title of the latter bank (1413). The merged bank at date of merger had	1,492,099,000	———	84

COMPTROLLER'S DECISION

Pursuant to 12 USC 1828(c), an application has been filed with the Office of the Comptroller of the Currency seeking prior consent to merge The First National Bank of Snow Hill, Snow Hill, Md. ("Merging Bank"), into The First National Bank of Maryland, Baltimore, Md. ("Charter Bank"), under charter and title of The First National Bank of Maryland. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Merging Bank was granted its charter by this Office on August 29, 1887, and as of September 30, 1977, the bank had total commercial bank deposits of $13.9 million. The Merging Bank has not established any branches since its organization, and the instant proposal constitutes Merging Bank's first participation in a merger or acquisition transaction.

The Office of the Comptroller of the Currency on July 10, 1865, granted national banking association charter number 1413 to Charter Bank. With September 30, 1977, total deposits of approximately $1.2 billion, Charter Bank now operates 83 banking offices throughout the state of Maryland, and ranks as the third largest bank headquartered within the state. Additionally, Charter Bank has received approval for the establishment of a CBCT unit in Ocean City, Md.

Although Charter Bank's CBCT unit is to be located in the northeastern portion of Worcester County (Merging Bank's primary service area), Charter Bank presently operates no banking offices within the county, and its closest office to Snow Hill is approximately 17 miles distant near Salisbury, with offices of competing banks located within the intervening area.

The community of Snow Hill in the southern portion of Worcester County on Maryland's eastern shore, is currently served by two commercial banking offices; Merging Bank (the larger of the two), and an office of Maryland National Bank, the largest commercial bank in Maryland. The whole of Worcester County however, is served by a total of 10 banks that operate 18 banking offices, including one additional branch of Maryland National Bank. Merging Bank ranks as the fourth largest of the 10 banks with slightly in excess of 10 percent of the total deposits within the county.

Inasmuch as Charter Bank is not represented within the relevant market, Merging Bank experiences direct competition from the largest bank in Maryland, and given the geographic distance separating the closest offices of the proponent banks, there is no meaningful competition existing between Merging Bank and Charter Bank, and approval of the proposed merger would have no adverse effect upon competition.

Applicable Maryland statutes allow commercial banks to branch statewide. However, it appears that the Snow Hill area is not attractive for *de novo* entry by Charter Bank and approval of this proposal would not adversely affect potential competition.

With the introduction of Charter Bank into Snow Hill, the competitive environment should be stimulated, and the banking public should benefit from the new and expanded banking services that Charter Bank will provide. Considerations relating to convenience and needs benefits are regarded as a positive factor in considering approval of this application.

The financial and managerial resources of both Charter Bank and Merging Bank are satisfactory, and the future prospects of both institutions are regarded as favorable.

* Asset figures are as of the call dates immediately before and after transaction.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that this application is not adverse to the public interest, and should be, and hereby is, approved.

February 13, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Snow Hill (1970 population 2,200), is a rural community located about 20 miles southwest of Ocean City in Worcester County. The area surrounding Snow Hill is primarily agricultural and light industry. Snow Hill is the county seat and oldest town in the county, but has not experienced the growth and development in the northern part of the county around Ocean City.

Applicant operates five branches in Salisbury, the commercial center of the area, which is within 17 miles of Snow Hill. These are the offices of Applicant and Bank which are the closest to each other, and there are no other banks in the area between Snow Hill and Salisbury. It thus appears that the proposed acquisition will eliminate at least some existing competition.

Worcester County contains 10 banks with 21 offices, most of which are in the more developed northern portion of the county in and around Ocean City. The southern half of the county, considered by Applicant to be the primary service area of Bank, contains three banks with five offices. In this area, Maryland National Bank, the largest in the state, has 48.5 percent of deposits, Eastern Shore National Bank has 27.6 percent, and Bank has 23.9 percent. Applicant is currently not represented in the primary service area of the Bank, although it is heavily represented in the contiguous Salisbury area. The southern Worcester County-Salisbury area—whether it can properly be defined as a market is somewhat unclear on the facts before us—presently contains nine banks, including branches of the state's three largest banks. As of December 31, 1976, Applicant was the largest banking organization in the area controlling $63.1 million, 29.5 percent of the area's deposits, and Bank was the fifth largest, controlling $12.2 million, 5.7 percent of the area's deposits. Thus, the proposed acquisition would increase Applicant's share from 29.5 percent to 35.2 percent of deposits in this larger area.

Maryland permits statewide branching, so Applicant could theoretically enter Snow Hill *de novo* by establishing a branch. Given the population of Snow Hill, however, it does not appear that the town is a particularly attractive location.

Overall, the proposed acquisition would have an adverse effect upon competition.

* * *

FLAGSHIP FIRST NATIONAL BANK OF MIAMI BEACH,
Miami Beach, Fla., and Flagship First National Bank of Coral Gables, Coral Gables, Fla., and Flagship National Bank of Miami, Miami, Fla.

Names of banks and type of transaction	*Total assets*	*Banking offices: In operation*	*Banking offices: To be operated*
Flagship National Bank of Miami, Miami, Fla. (15411), with	$121,338,000	2	
and Flagship First National Bank of Coral Gables, Coral Gables, Fla. (13008), with	222,517,000	2	
and Flagship First National Bank of Miami Beach, Miami Beach, Fla. (12047), which had	248,243,000	1	
merged Apr. 30, 1978, under charter of the latter bank (12047) and title "Flagship National Bank of Miami." The merged bank at date of merger had	571,967,000		5

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency requesting prior permission to merge Flagship National Bank of Miami, Miami, Fla. ("Miami Bank"), and Flagship First National Bank of Coral Gables, Coral Gables, Fla. ("Coral Gables Bank"), into Flagship First National Bank of Miami Beach, Miami Beach, Fla. ("Charter Bank"), under the charter of Flagship First National Bank of Miami Beach, and with the title of "Flagship National Bank of Miami". The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank was established in 1921, operates under national banking association charter number 12047 and, as of calendar year-end 1977, had total deposits of $227.2 million.

Miami Bank was established in 1964, operates under national banking association charter number 15411, and as of calendar year-end 1977, had total deposits of $110.1 million.

Coral Gables was established in 1926, operates under national banking association charter number 13008 and, as of calendar year-end 1977, had total deposits of $192.6 million.

All three of the banks involved in the subject proposal are banking subsidiaries of Flagship Banks, Inc., Miami Beach, Fla., a registered multi-bank holding company. Due to their common ownership and control, there is no meaningful competition existent among the proponent institutions. This application must be regarded essentially as a corporate reorganization whereby Flagship Banks, Inc., is consolidating a portion of its banking interests.

It is therefore the opinion of the Office of the Comptroller of the Currency that this proposal is not adverse to the public interest, and should be, and hereby is, approved.

March 24, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are all wholly-owned subsidiaries of the same bank holding company. As such, their proposed mergers are essentially corporate reorganizations and would have no effect on competition.

* * *

MICHIGAN NATIONAL BANK—PORT HURON, Port Huron, Mich. and Four Port Huron Branches of Michigan National Bank, Lansing, Mich.

Names of banks and type of transaction	Total assets*	Banking offices	
		In operation	To be operated
Four Port Huron Branches of Michigan National Bank, Lansing, Mich. (14032), with	$1,788,909,000†	4	———
were purchased Apr. 20, 1978, by Michigan National Bank—Port Huron, Port Huron, Mich. (16714), which had	14,000,000	0	———
After the purchase was effected, the receiving bank had	190,048,000	———	4

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency is in receipt of an application filed pursuant to 12 USC 1828(c), that seeks prior written consent for Michigan National Bank—Port Huron (organizing), Port Huron, Mich. ("Purchasing Bank"), to purchase the assets and assume the liabilities of four Port Huron branches of Michigan National Bank, Lansing, Mich. ("Selling Bank"). The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth. Additionally, as required by the Bank Merger Act, notice of the proposed transaction was published in a form approved by this Office, and reports on the competitive effects were requested from the U.S. Attorney General, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System; and the application and reports have been considered in the light of the factors set forth within the Bank Merger Act.

By action dated August 8, 1977, this Office granted preliminary approval to organize a new national bank in Port Huron, to be known as "Michigan National Bank—Port Huron." The new bank application was sponsored by principals of the second largest commercial banking organization headquartered in Michigan, Michigan National Corporation, Bloomfield Hills, Mich. ("MNC"), a registered multi-bank holding company that controlled 16 banks with aggregate deposits of approximately $3.4 billion, as of June 30, 1977. The primary function of Purchasing Bank is to facilitate the acquisition of assets and assumption of the liabilities of four branch offices in Port Huron of MNC's largest banking subsidiary, Michigan National Bank, Lansing, Michigan.

MNC is the largest banking organization represented in the Port Huron area, and Selling Bank is legally prohibited from additional branching in Port Huron. As a separately chartered institution however, Purchasing Bank would be allowed to enjoy full branching privileges, and inasmuch as Purchasing Bank is a new bank and would acquire the assets and assume the deposit liabilities (approximately $153.5 million) of four branches of a bank currently controlled by MNC, consummation of the subject proposal would merely have the effect of transferring accounts from an existing bank to a new bank, both of which are controlled by MNC.

Purchasing Bank, to date, has no operating history; however, based upon its proposed management, initial capitalization, and projected earnings, in conjunction with the historical operating history of the four branches of Selling Bank, Purchasing Bank's future prospects, as a subsidiary of MNC, appear favorable.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this proposal is not adverse to the public interest, and should be, and hereby is, approved.

March 21, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed transaction is part of a plan through which the four Port Huron branches of Michigan National Bank would become subsidiaries of Michigan National Corporation, a bank holding company. The instant transaction, 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 Michigan National Corporation, it would have no effect on competition.

*Asset figures are as of call dates immediately before and after transaction.

† Assets are for the entire bank.

* * *

ATLANTIC NATIONAL BANK OF WEST PALM BEACH,
West Palm Beach, Fla., and Atlantic Westside Bank of Palm Beach County, West Palm Beach, Fla.

Names of banks and type of transaction	Total assets*	Banking offices	
		In operation	To be operated
Atlantic Westside Bank of Palm Beach County, West Palm Beach, Fla., with	$ 12,472,000	1	
was purchased Apr. 30, 1978, by Atlantic National Bank of West Palm Beach, West Palm Beach, Fla. (13300), which had	97,447,000	3	
After the purchase was effected, the receiving bank had	111,950,000		4

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency requesting prior permission for Atlantic National Bank of West Palm Beach, West Palm Beach, Fla. ("Purchasing Bank"), to purchase the assets and assume the liabilities of Atlantic Westside Bank of Palm Beach County, West Palm Beach, Fla. ("Selling Bank"). The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Purchasing Bank was granted charter number 13300 as a national banking association on March 20, 1929, and as of September 30, 1977, had total deposits of $69.2 million.

Selling Bank commenced commercial banking operations in 1974, and as of September 30, 1977, had total deposits of $9.0 million.

Both Purchasing Bank and Selling Bank are banking subsidiaries of the sixth largest commercial banking organization headquartered within the state of Florida, Atlantic Bancorporation, Jacksonville, Fla., a registered multi-bank holding company that controls 31 banks with deposits aggregating $1.2 billion. Inasmuch as the two proponent banks are commonly owned and controlled, approval of this application would not produce an adverse impact upon any relevant area of consideration.

The instant proposal essentially represents a corporate reorganization whereby Atlantic Bancorporation is realigning and consolidating its banking interests. The application is therefore deemed to be not adverse to the public interest, and should be, and hereby is, approved.

March 31, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The banks are both wholly-owned subsidiaries of the same bank holding company. As such, the proposed transaction is essentially a corporate reorganization and would have no effect on competition.

*Asset figures are as of call dates immediately before and after transaction.

* * *

THE FIRST NATIONAL BANK OF CONVOY,
Convoy, Ohio, and The Middle Point Banking Company, Middle Point, Ohio

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Middle Point Banking Company, Middle Point, Ohio, with	$ 6,024,000	1	
and The First National Bank of Convoy, Convoy, Ohio (8017), which had	15,354,000	2	
merged May 1, 1978, under charter of the latter bank (8017) and title "United National Bank." The merged bank at date of merger had	20,520,000		3

COMPTROLLER'S DECISION

Pursuant to 12 USC 1828(c), the Bank Merger Act, an application has been filed with the Office of the Comptroller of the Currency that requests approval of a proposed merger of The Middle Point Banking Company, Middle Point, Ohio ("Merging Bank"), into The First National Bank of Convoy, Convoy, Ohio ("FNB"), the Charter Bank, under the charter of The First National Bank of Convoy, and with the title of "United National Bank." The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth. Reports on the competitive factors of the proposal were solicited from the Attorney General, the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System; none of the three agencies concluded that the proposal would have substantially adverse competitive effects. As an incident to the proposed merger, the existing office of Merging Bank would become a branch of the resulting bank, and the resulting bank will change its corporate title to "United National Bank." The Office of the Comptroller of the Currency has considered this application and all reports received in the light of the factors set forth in the Bank Merger Act.

FNB has operated under national banking association charter number 8017 since said charter was issued by this Office on December 23, 1905. FNB, with total deposits of approximately $12.6 million, as of September 30, 1977, operates only one branch office in addition to its main office.

Merging Bank is a unit state-chartered commercial banking institution that had deposits aggregating approximately $4.9 million on September 30, 1977.

The closest office of FNB to Merging Bank's site is FNB's main office in Convoy, approximately 15 miles distant. The area intervening between these offices contains offices of competing banks, and the intervening market area around the city of Van Wert, serves to minimize any competitive overlap of the proponents. Although there would be the elimination of some existing competition between FNB and Merging Bank, this competition is regarded as negligible; and overall, consummation of the instant proposal would have no substantially adverse effect upon competition.

Pursuant to applicable Ohio state branching statutes, either FNB or Merging Bank could expand via *de novo* branching throughout Van Wert County. The loss of this potential competition is not viewed as significant, however, given the relatively small size of the proponent banks, and their ranking within the relevant market.

Van Wert County is located within a rich agricultural area of Ohio, and the record indicates that, due to its small lending limit (approximately $35 thousand), Merging Bank has been unable to accommodate loan requests from customers with larger farm operating requirements. Consummation of this proposal would increase the legal lending limit of the resulting bank to a level that would provide a more convenient financing source for local farm operations, and the surviving bank would be a more meaningful banking alternative. Additionally, new and expanded banking services would benefit the banking public. Considerations relating to convenience and needs benefits are regarded as being consistent with approval.

The financial and managerial resources of FNB are considered to be satisfactory. The financial resources of Merging Bank are generally satisfactory. The directorate of Merging Bank does not appear to have adequately provided for adequate management to maintain a viable banking organization. Since August 1977, Merging Bank has not had its own chief operating officer and interim management has been provided by FNB. FNB's management appears to be competent and capable bankers with the necessary experience required to direct the affairs of Merging Bank. Banking factors, in this case, weigh heavily for approval of the application.

The future prospects of FNB appear favorable, and the future prospects of Merging Bank are greatly enhanced by approval of this application.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved; and, incident thereto, the establishment of a branch office at the site of Merging Bank's main office, by FNB, is approved.

March 31, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

THE TROTWOOD BANK, Trotwood, Ohio, and The Central Trust Company of Montgomery County, National Association, Dayton, Ohio

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Trotwood Bank, Trotwood, Ohio, with	$39,937,000	3	———
and The Central Trust Company of Montgomery County, National Association, Dayton, Ohio (16330), which had	32,973,000	4	———
merged May 4, 1978, under charter and title of the latter bank (16330). The merged bank at date of merger had	72,910,000	———	7

COMPTROLLER'S DECISION

Pursuant to the Bank Merger Act of 1966 (12 USC 1828(c)), the Office of the Comptroller of the Currency is in receipt of an application that seeks prior written consent to effectuate a proposed merger of The Trotwood Bank, Trotwood, Ohio ("Merging Bank"), into The Central Trust Company of Montgomery County, National Association, Dayton, Ohio ("Charter Bank"), under the charter and title of The Central Trust Company of Montgomery County, National Association. The subject application rests upon an agreement executed between the proponent banks, and is incorporated herein by reference, the same as if fully set forth.

Charter Bank was granted national banking association charter number 16330 by this Office on May 21, 1974, and as of June 30, 1977, the Charter Bank's deposits had grown to a total of $20.9 million.

Merging Bank commenced operations as a state-chartered commercial banking institution in 1908, and is located approximately 7 miles northwest of Dayton, Ohio, the county seat and largest city within Montgomery County, Ohio. As of June 30, 1977, Merging Bank had total deposits of $33.5 million. In addition to its main office, Merging Bank operates two branches, one established in 1970 located at the Broadmore Plaza in Trotwood, and one at the Salem Mall in Dayton, established in 1976. The subject transaction represents Merging Bank's initial participation in a merger or consolidation transaction during its 70-year operating history.

The proponents' closest offices are Merging Bank's newly opened branch at the Salem Mall, less that 1 mile from the Friendship branch of Charter Bank. It should be noted however, that the Friendship branch is located in a center for senior citizens, and is open only one day during the week. The next closest offices are the Salem Mall office and the Englewood office of Charter Bank. These offices are approximately 6 miles apart, and there are offices of competing banking institutions within the intervening area. The banking structure of the Dayton Banking Market, particularly Montgomery County, is dominated by three large Dayton-based banks (The First National Bank, The Third National Bank and Trust Company of Dayton, and Winters National Bank and Trust Co.) controlling slightly less than 90 percent of the total commercial bank deposits within Montgomery County.

It appears that Merging Bank experiences its most intense competition from the Trotwood branch of The Third National Bank and Trust Company of Dayton, an institution whose total deposits are in excess of nine times those of Merging Bank. Thus, there is no significant existing competition between the proponent banks that would be eliminated by approval of this proposed transaction.

Applicable Ohio state branching statutes would permit both Charter Bank and Merging Bank to establish *de novo* banking offices throughout their home county. However, given the sizes of the proponents in relation to their major competitors, the loss of any potential competition is not regarded as significant, and should not bar approval of this application. In point of fact, the combined bank resulting from this transaction will be in a better position to compete with the significantly larger competitors in its market.

In addition to the benefit from additional lending resources and several larger scale operational efficiencies, the resulting bank, as a banking affiliate of the Central Bancorporation, Inc., Cincinnati, a registered multi-bank holding company, the eighth largest in Ohio, would benefit from specialized expertise that would be available through affiliation with the holding company parent and be in a position to offer new and expanded banking services to the public. Considerations relating to convenience and needs benefits weigh for approval of the application.

The financial and managerial resources of Charter Bank and Merging Bank are generally satisfactory. The president and chief executive officer of Merging Bank is currently near the usual age of retirement and there does not appear to be any strong successor available within ranks of the existing officers of the bank. Charter Bank, and its corporate parent, possess the competent and capable managerial talent necessary to provide for the orderly succession of senior management at Merging Bank. The capital structure of the surviving institution will be strained. Additionally, inasmuch as the merger agreement executed between Charter Bank and Merging Bank makes provision for stockholders of Merging Bank to receive a deferred payment, the resultant bank's aggregate indebtedness to these stockholders, may result in a violation of 12 USC 82.

Therefore, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and subject to the following conditions is, approved.

In order to ensure the favorable future prospects of the surviving national banking association, prior to, or at the time of, consummation of this proposal, the equity capital accounts of the resulting bank shall be increased by an amount aggregating at least $5 million. Additionally, should there actually arise any violation of 12 USC 82, it will be rectified prior to consummation of the subject proposal.

April 4, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Effect on Actual Competition

Applicant and Bank are direct competitors. All of their offices are in the northwest quadrant of Montgomery County. Excluding Applicant's Friendship Center branch, the nearest pair of offices—Applicant's Englewood branch and Bank's Salem Mall branch—are 5 miles apart. Other banks have offices adjacent to these two branches and in the intervening area. Bank's other two offices are within 6.5 miles of Applicant's offices.

Using Montgomery County as the relevant market, this merger would not have an adverse effect on actual competition. The application, however, suggests an area labelled the "Primary Area-Trotwood," from which almost three-fourths of Bank's deposits are derived, as the relevant market. *Application,* Exhibit C, pp. 3-4; Appendix 1 (Map). Six banks operate in Primary Area-Trotwood; the three large downtown Dayton banks hold 73 percent of the area's deposits (measured by branch office deposits). Bank is fourth largest with a 16.7 percent market share, and Applicant is the smallest with a 1.0 percent market share. *Application,* Exhibit C, p. 10. Without taking a position as to the relevant geographic market or markets for analyzing this application, we note that the proposed merger would eliminate existing competition to a substantial extent within the Primary Area-Trotwood.

Effect on Concentration

Montgomery County has 12 commercial banks, more than any other county in Ohio. Nevertheless, it is one of the most concentrated banking markets in the state. The three large downtown banks between them hold 89 percent of deposits and loans. Bank, the county's fourth largest bank, is only one-eighth as large as the third largest bank. The bank resulting from the proposed merger will still be a distant fourth in size with 4.1 percent of the market. It would be more than twice as large as the fifth largest bank, which has a 1.9 percent share.

The predictable consequences of this tightly concentrated market are reflected in the pricing of banking services in Montgomery County. The three large downtown banks offer passbook savings accounts which pay interest only on the low monthly balance, and none offer "free checking" accounts.

During the past 10 years, four new banks have received charters in Montgomery County and there has been one bank merger. Applicant, the most recent bank chartered, merged with another of the four new banks 7 months after Applicant commenced business. Although 22 branches have been opened in the last 5 years, the county has significantly fewer bank offices per capita than any of Ohio's major banking markets.

Bank (60.0 percent growth) and Applicant (57.9 percent growth) were respectively the second and third fastest growing banks in Montgomery County, as measured by deposit growth, between December 31, 1974 and 1976. Only BancOhio's subsidiary bank grew at a faster rate (74.4 percent). Despite the rapid growth of these three small banks, the market share of the three large downtown banks declined by less than 2 percent during those two years.

Effect on Potential Competition

Ohio law currently restricts banks to branching within a single county. However, the state legislature appears likely to pass a more liberal branching statute in the near future. The new statute would permit statewide branching through acquisition immediately and, starting in 1979, *de novo* office branching in adjacent counties. Holding companies currently operate statewide.

The proposed acquisition would eliminate Dayton's most desirable toehold entry possibility. The only realistic chance of reducing the domination of the three large downtown banks is if outside banking organizations enter Dayton. Although they are relatively small banks, Applicant and BancOhio's subsidiary are viewed in Dayton as credible competitors of the three large downtown banks because they can draw on the resources and expertise of their parent corporations.

Although the population of Dayton has declined in recent years, its banks nevertheless appear to have much room for growth. In both Akron and Toledo, which have also declined in size in recent years, the banks have significantly more branch offices per capita, and a greater percentage of total savings. If Dayton's banks operated as many branches or held the same percentage of savings, they would operate 16 to 34 more branches and hold an additional $297 to 444 million in deposits. These figures suggest that Dayton is a desirable market for a banking organization not yet present.

No one banking organization not presently in Montgomery County can be identified as the one most likely to enter Dayton. Nevertheless it seems reasonable to expect one or more to do so. At the present, they can enter Dayton by chartering a new bank or by acquiring an existing bank.

Bank's acquisition by an outside banking organization would increase the probability of ultimately deconcentrating the Dayton banking market. Bank is the most desirable toehold acquisition possibility among Montgomery County's seven small independent banks because: (1) it is the largest; (2) it is the fastest growing; (3) it is profitable; (4) it is one of two with any significant experience operating a branch network; and (5) it is one of two with an office close to downtown Dayton. Taking everything into account, we conclude that this acquisition would have an adverse effect on potential competition.

Conclusion

If this transaction was either a horizontal merger between two independent banks, or a market extension merger by an outside holding company, we would be less concerned. However, due to the nature of the Dayton market, the unique characteristics of Bank, the imminent change in the regulatory background, and the fact that this would be Applicant's second merger in just over 3 years, we believe that the proposed acquisition will have an adverse effect on competition.

* * *

WELLS FARGO BANK, NATIONAL ASSOCIATION, San Francisco, Calif, and The First National Bank of Orange County, Orange, Calif.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Orange County, Orange, Calif. (8181), with	$ 177,335,000	11	———
and Wells Fargo Bank, National Association, San Francisco, Calif. (15660), which had	13,327,844,000	356	———
merged May 6, 1978, under charter and title of the latter bank (15660). The merged bank at date of merger had	13,487,435,000	———	367

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has received an application, filed pursuant to 12 USC 1828(c), the Bank Merger Act, requesting the prior approval for the proposed merger of The First National Bank of Orange County, Orange, Calif. ("FNB"), the merging bank, into Wells Fargo Bank, National Association, San Francisco, Calif. ("Wells"), the charter bank, under the charter and title of Wells Fargo Bank, National Association. Incident to the proposed merger, the existing offices of FNB will become branches of Wells, as the resulting bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Wells, the third largest commercial bank headquartered in California, was granted national banking association charter number 15660 by this Office on February 5, 1910. As of September 30, 1977, Wells had total deposits (domestic and foreign) aggregating approximately $12.4 billion, and operated its main office and 345 branches.

FNB commenced operations in 1906, and possesses national banking association charter number 8181. On September 30, 1977, FNB had total deposits of $136.5 million and operated 11 banking offices, all domiciled within the boundaries of Orange County.

Wells currently operates 12 banking offices throughout Orange County (eight branches, one of which is in Orange County, were acquired on January 10, 1978, when this Office approved Wells' application to acquire eight offices from The Bank of California). The closest offices of Wells and FNB are slightly in excess of 1 mile apart, and there exists some competition between the two banks. The elimination of this competition is deemed to be not substantially adverse however, inasmuch as there are 47 commercial banks operating over 320 offices within the county. Three of these are statewide banking institutions operating 165 commercial bank offices and controlling almost 57 percent of the total deposits within Orange County. (On a pro forma basis, the resulting institution would hold only approximately 4.9 percent of the market's deposits, and would rank as the sixth largest competitor in Orange County.)

California state branching statutes permit unlimited branching throughout the state. Therefore, approval of this proposed merger would foreclose the possible development of future competition between Wells and FNB. In recent years, Wells has embarked upon an expansion program throughout southern California (the vast preponderance of Wells' operations is concentrated within the San Francisco Bay Area, and northern California), and this proposal will serve to further Wells' expansion in an area where its representation has been more limited than that of its major statewide competitors. The foreclosure of any future potential competition between Wells and FNB via *de novo* branch expansion is not considered to be significant, and is not considered a bar to approval of this application.

Although the general banking needs of Orange County residents are being adequately met, Wells' more influential position in the county should serve to stimulate the competitive environment, thereby better serving the banking public. Considerations relating to convenience and needs benefits are a positive factor in approving the application.

The financial and managerial resources of both Wells and FNB are generally satisfactory. The future prospects of Wells and FNB appear favorable.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved. Also, as an incident to approval of the application, Wells is hereby authorized to operate all offices of FNB as branches of the charter bank.

April 6, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Orange County (the Anaheim-Santa Ana-Garden Grove SMSA) is situated along the Pacific Ocean between the Los Angeles and San Diego metropolitan areas. Its estimated population at the beginning of 1977 was 1,759,500, and for the past two decades it has been the fastest growing area in the state. It is both an important manufacturing area and a developed residential center. The manufacturing sector of the economy is predominantly light industry, producing goods such as electronic components, instruments and pharmaceuticals.

Applicant operates 13 offices in Orange County*, eight of which are within 5 miles of an office of Bank. Their two nearest offices, located in Anaheim, are about 1.5 miles apart, and there are no banking alternatives along the main thoroughfare that runs between them. It therefore appears that there is some existing competition between the banks which would be eliminated by the proposed merger.

As of June 30, 1976, 45 banks operated in Orange County. Applicant and Bank are the seventh and eighth largest banks in the county, holding approximately 3.1 percent and 2.5 percent, respectively, of the county's commercial bank deposits. If the proposed merger is consummated the resulting bank would be the fifth largest bank in the county, holding approximately 5.6 percent of the county's commercial bank deposits.

The proposed merger would also eliminate the potential for increased future competition between Applicant and Bank. California law permits unlimited branching, and Applicant could be permitted to establish *de novo* branches throughout Orange County. It appears that the region east of Santa Ana and Anaheim and extending from Yorba Linda to Mission Viejo is a particularly attractive area for *de novo* expansion by Applicant. It is growing faster than the county as a whole, probably because it is the natural area of expansion for residential development. The area is presently served by eight of Bank's branches and only one of Applicant's. Given Applicant's announced intention to expand in southern California (Applicant's 1976 Form 10-K states that: "It is anticipated that future branch expansion will occur in southern California"), its expansion in the recent past (in the past 5 years it has acquired 19 offices, 18 of which are in southern California), and the attractiveness of the eastern area of Orange County, it appears reasonable to expect Applicant to increase its presence there by *de novo* branching.

The proposed merger would eliminate some direct competition as well as the potential for increased future competition between the parties. We conclude that the proposed transaction would have an adverse effect on competition.

* * *

* On January 10, 1978, the Comptroller of the Currency granted Applicant approval to acquire eight branches from the Bank of California, one of which was in Orange County. The following data reflect that acquisition.

DROVERS & MECHANICS NATIONAL BANK OF YORK, York, Pa., and York Haven State Bank, York Haven, Pa.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
York Haven State Bank, York Haven, Pa., with	$ 17,708,000	1	
and The Drovers & Mechanics National Bank of York, York, Pa. (2958), which had	92,904,000	8	
merged May 31, 1978, under charter and title of the latter bank (2958). The merged bank at date of merger had	110,651,000		9

COMPTROLLER'S DECISION

Pursuant to the Bank Merger Act (12 USC 1828(c)), York Haven State Bank, York Haven, Pa. ("Merging Bank"), and The Drovers & Mechanics National Bank of York, York, Pa. ("Charter Bank"), have applied to the Comptroller of the Currency for prior consent to merge Merging Bank into Charter Bank under the charter and title of The Drovers & Mechanics National Bank of York. Incident to the proposed merger, the existing office of Merging Bank would become a branch office of the resulting bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth. This Office has considered the application in the light of factors set forth within the Bank Merger Act.

Merging Bank is a state-chartered commercial banking institution that was established in 1918. As of September 30, 1977, Merging Bank had total deposits of approximately $15.1 million at its sole banking office in York Haven. The subject transaction constitutes Merging Bank's first participation in a merger or acquisition agreement.

Charter Bank has operated as a national banking association since April 28, 1883, when it was granted charter number 2958 by this Office. As of September 30, 1977, Charter Bank's total deposits aggregated almost $79.3 million, and the bank operated its main office and seven branch offices.

The community of York Haven is located approximately 10 miles to the north of the city of York, and is situated on the western shore of the Susquehanna River. All banking offices of the proponents are domiciled within York County, and the closest offices are Charter Bank's branch in Emigsville, approximately 7 miles south of Merging Bank's site. It is noted however, that there is an office of a competing bank within the intervening area. Although there is nominal existing competition between Charter Bank and Merging Bank, approval of this application would have no substantially adverse consequences inasmuch as there are now 15 commercial banks that compete within York County; of which Charter Bank ranks as the fifth largest with 6.7 percent of the total deposits, and Merging Bank is 12th largest with 1.2 percent of the total deposits within the market. Furthermore, the four largest banks in the market control almost 70 percent of the total deposits, and pro forma, Charter Bank would remain as the fifth largest bank.

Charter Bank intends to expand current banking services to the customers of Merging Bank; and additionally, to offer new services such as trust and fiduciary services, and credit card facilities. The introduction of these services should aid Merging Bank in becoming a full-service banking facility that is better able to meet the needs of the banking community. Considerations relating to convenience and needs benefits are regarded as a positive factor in considering approval of this proposal.

The financial and managerial resources of both Charter Bank and Merging Bank are satisfactory; and the future prospects of both institutions appear favorable.

Applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved. Additionally, as an incident to approval of the merger, Charter Bank is hereby authorized to operate the banking office of Merging Bank as a branch office of the resulting bank.

April 14, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

At present both banks have office locations only in York County, a southeastern Pennsylvania county bordering the state of Maryland. Bank is the only commercial bank presently operating an office in the borough of York Haven, a small community on the Susquehanna River located approximately 8 miles north of the city of York (1970 population 329,540), where Applicant's offices are concentrated. The closest office of Applicant to Bank is a branch facility of Applicant located in the town of Emigsville, 6 miles from the borough of York Haven. Between the two offices, there is only one intervening facility, a branch of the York Bank and Trust Company. Thus, the merger will adversely affect actual competition within the county, particularly for the residents of the York Haven area who will have their banking choices reduced from three to two.

The adverse effect of the merger should not be significant however. Fifteen banks presently compete in the county, with Applicant ranking fifth and Bank 12th in county deposit size. Although banking is concentrated in the county with the top four banks having 68 percent of the market, Applicant's and Bank's market shares are only 6.7 and 1.2 percent, respectively. Up-to-date service features—such as 24-hour teller machines and extended banking hours—provide further evidence of active competition in the market.

The merger should not adversely affect potential competition in the county. Several small competitors would remain in the market as possible foothold acquisitions. Moreover, the county's strong economic base, deriving from a well-balanced blend of industry and agriculture, would support *de novo* entry and branching under Pennsylvania's contiguous county branching laws.

In sum, the proposed acquisition would have some adverse effect on competition.

* * *

FIRST NATIONAL BANK OF JACKSON,
Jackson, Miss., and Citizens Bank of Hattiesburg, Hattiesburg, Miss.

Names of banks and type of transaction	Total assets	*Banking offices* In operation	*Banking offices* To be operated
Citizens Bank of Hattiesburg, Hattiesburg, Miss., with	$ 57,347,000	7	———
and First National Bank of Jackson, Jackson, Miss. (10523), which had	962,140,000	35	———
merged May 31, 1978, under charter and title of the latter bank (10523). The merged bank at date of merger had	1,019,487,000	———	42

COMPTROLLER'S DECISION

Citizens Bank of Hattiesburg, Hattiesburg, Miss. ("Citizens"), the merging bank, and First National Bank of Jackson, Miss. ("FNB"), the charter bank, have applied to the Office of the Comptroller of the Currency for prior approval, pursuant to the Bank Merger Act (12 USC 1828(c)), to merge Citizens into FNB, under the charter and title of First National Bank of Jackson. Incident to the proposed merger, the existing offices of Citizens would become branch offices of the resulting bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth. This Office has considered the application in the light of factors set forth within the Bank Merger Act.

FNB was granted national banking association charter number 10523 by this Office on April 27, 1914. As of September 30, 1977, FNB had total deposits of $737.1 million.

Citizens is a state-chartered commercial banking institution that commenced operations in 1902. As of September 30, 1977, Citizens operated a main office and six branches and had total deposits of $45.2 million. (Citizens has received approval for the establishment of one additional office, which is, to date, unopened.) The subject proposal constitutes Citizens' initial participation in a merger or acquisition transaction since its organization.

The main office of FNB is approximately 90 miles distant from the city of Hattiesburg, the county seat of Forrest County, and FNB's closest office is in Columbia, more than 30 miles from Hattiesburg. Additionally, FNB is not presently established within the political boundaries of Forrest County. Due to the distance separating FNB and Citizens, and given the competitive atmosphere in the Hattiesburg area, approval of this proposal would have no effect upon existing competition.

The two banks involved in this proposal operate in different banking markets, and there is little, if any, competition existent between them. With respect to potential competition, however, it is noted that the Hattiesburg area is one of the few attractive areas for *de novo* entry in Mississippi. Two of the 10 largest commercial banks headquartered in Mississippi (First Mississippi National Bank, Hattiesburg and Deposit Guaranty National Bank, Jackson) are now represented in Hattiesburg. These banks, because of their presence in Jackson, are already in direct competition with FNB. Inasmuch as Citizens currently ranks as the second largest bank in Hattiesburg, the introduction of FNB into Hattiesburg would maintain the competitive balances among these three larger institutions. (Deposit Guaranty National Bank operates six branches in Hattiesburg as a result of a merger, approved by this Office, between Deposit Guaranty National Bank and Southern National Bank of Hattiesburg, effective December 30, 1977.) Therefore, it is concluded that the competitive atmosphere within the Hattiesburg area would be enhanced, not diminished, by approval of this application.

Although Citizens ranks as the second largest commercial bank in Hattiesburg, it is substantially smaller than the largest bank, First Mississippi National Bank. With the introduction of FNB into Hattiesburg, the banking public should be better served through increased competition and the introduction of new and expanded banking services. Considerations relating to convenience and needs benefits are regarded as a positive factor in this application.

The financial and managerial resources of FNB and Citizens are satisfactory. Likewise, the future prospects of both banks appear favorable.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved. Further, as incident to approval of the merger, FNB is hereby authorized to operate, as branches, all offices of Citizens.

April 26, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

We have reviewed this proposed transaction and conclude that it does not appear that it would have a significantly adverse effect upon competition.

* * *

CONCORD NATIONAL BANK,
Concord, N.H., and The Pittsfield National Bank, Pittsfield, N.H.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Pittsfield National Bank, Pittsfield, N. H. (1020), with	$ 4,520,000	1	———
and Concord National Bank, Concord, N. H. (318), which had	70,946,000	4	———
merged June 29, 1978, under charter and title of the latter bank (318). The merged bank at date of merger had	75,430,000	———	5

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency seeking prior permission to effectuate a merger of The Pittsfield National Bank, Pittsfield, N. H. ("Merging Bank"), into Concord National Bank, Concord, N. H. ("Charter Bank"), under the charter and title of Concord National Bank. Under the proposed merger, the sole office of Merging Bank would become a branch office of the resulting bank. The subject application rests upon an agreement executed between the proponent banks, and is incorporated herein by reference, the same as if fully set forth.

Merging Bank has operated as a national banking association since April 17, 1865, when it was granted charter number 1020 by this Office. As of December 31, 1977, Merging Bank had total commercial bank deposits of $4.0 million, and operated its sole banking office in Pittsfield.

Charter Bank was granted national banking association charter number 318 by this Office on March 15, 1864, and had total commercial bank deposits of $58.9 million as of December 31, 1977. A wholly-owned subsidiary of First Bancorp of New Hampshire, Inc., Manchester, N. H., a registered multi-bank holding company, Charter Bank operates a main office and three branch offices within the city of Concord.

The town of Pittsfield is located approximately 19 miles to the northeast of the city of Concord, both localities are in Merrimac County. The closest office of Charter Bank is approximately 16 miles distant from Merging Bank's office. Given the geographic distance separating the proponent banks, and the presence of competing banking alternatives, approval of the instant merger would not have the effect of eliminating any meaningful degree of existing competition between the two banks. Additionally, the potential for increased competition between Merging Bank and Charter Bank appears to be minimal.

Charter Bank proposes to improve and expand the banking services currently provided by Merging Bank, and to offer new banking services such as, trust services, credit cards, automatic savings plans and overdraft checking privileges. Additionally, through an increased legal lending limit, the resulting bank would be able to accommodate larger loan requests of the Pittsfield banking community. Considerations relative to convenience and needs are consistent with, and add weight toward, approval of this application.

The financial and managerial resources of both Charter Bank and Merging Bank are satisfactory, and should favorably enhance the future prospects of the resulting bank. The financial and managerial resources of Charter Bank's parent organization are also satisfactory.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved.

May 4, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

CENTURY NATIONAL BANK OF BROWARD,
Fort Lauderdale, Fla., and Century National Bank of Coral Ridge, Fort Lauderdale, Fla.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Century National Bank of Coral Ridge, Fort Lauderdale, Fla. (14848), with	$107,275,000	3	———
and Century National Bank of Broward, Fort Lauderdale, Fla. (14554), which had	301,434,000	4	———
merged June 30, 1978, under charter and title of the latter bank (14554). The merged bank at date of merger had	408,709,000	———	7

COMPTROLLER'S DECISION

Pursuant to the Bank Merger Act (12 USC 1828(c)), an application has been filed with the Office of the Comptroller of the Currency that requests prior written consent to the proposed merger of Century National Bank of Coral Ridge, Fort Lauderdale, Fla. ("Merging Bank"), into Century National Bank of Broward, Fort Lauderdale, Fla. ("Charter Bank"), under the charter and title of Century National Bank of Broward. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth. Incident to the proposed merger, the existing offices of Merging Bank would become branch offices of the resulting bank. This Office has considered the application in the light of factors set forth within the Bank Merger Act.

Charter Bank was issued national banking association charter number 14554 by this Office on June 1, 1946, and as of October 1, 1977, Charter Bank's total deposits aggregated slightly in excess of $245 million.

Merging Bank was chartered by this Office on December 5, 1958, and had total deposits of about $89 million, on October 1, 1977.

Both Charter Bank and Merging Bank are wholly-owned banking subsidiaries of Century Banks, Inc., Fort Lauderdale, Fla. a registered multi-bank holding company. Due to this element of common ownership and control existing between the proponents, this application must be regarded essentially as a corporate reorganization whereby Century Banks, Inc. is consolidating a portion of its banking interests in the Fort Lauderdale area. Consequently, approval of the subject proposal would produce no adverse impact upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this proposal is not adverse to the public interest, and should be, and hereby is, approved. Additionally, Charter Bank is authorized to operate the existing offices of Merging Bank as branches of the resulting institution.

May 4, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are both wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

* * *

FLAGSHIP BANK OF MELBOURNE, NATIONAL ASSOCIATION, Melbourne, Fla., and Flagship Bank of West Melbourne, National Association, West Melbourne, Fla.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Flagship Bank of West Melbourne, National Association, West Melbourne, Fla. (15533), with	$11,556,000	1	———
and Flagship Bank of Melbourne, National Association, Melbourne, Fla. (15311), which had	51,008,000	1	———
merged June 30, 1978, under charter and title of the latter bank (15311). The merged bank at date of merger had	62,564,000	———	2

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency asking prior permission to effect a merger of Flagship Bank of West Melbourne, National Association, West Melbourne, Fla. ("Merging Bank"), into Flagship Bank of Melbourne, National Association, Melbourne, Fla. ("Charter Bank"), under the charter and title of Flagship Bank of Melbourne, National Association. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank has operated under national banking association number 15311 since April 30, 1964. As of June 30, 1977, Charter Bank had total deposits of $44.6 million.

Merging Bank has operated under national banking association number 15533 since July 26, 1965. As of June 30, 1977, Merging Bank had total deposits of $9.0 million.

Both Charter Bank and Merging Bank are banking subsidiaries of Flagship Banks, Inc., Miami Beach, Fl., a registered multi-bank holding company that controls 42 banks with deposits aggregating $1.5 billion. Inasmuch as the two proponent banks are commonly owned and controlled, approval of this proposal would not produce an adverse impact upon any relevant area of consideration.

The subject application essentially represents a corporate reorganization whereby Flagship Banks, Inc., is realigning and consolidating its banking interests. The application is therefore deemed to be not adverse to the public interest, and should be, and hereby is, approved.

May 31, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are all wholly-owned subsidiaries of the same bank holding company. As such, their proposed mergers are essentially corporate reorganizations and would have no effect on competition.

* * *

GALLATIN NATIONAL BANK,
Uniontown, Pa., and The Rices Landing National Bank, Rices Landing, Pa.

Names of banks and type of transaction	Total assets*	Banking offices	
		In operation	To be operated
The Rices Landing National Bank, Rices Landing, Pa. (7090), with	$ 15,381,000	3	
was purchased July 14, 1978, by Gallatin National Bank, Uniontown, Pa. (5034), which had	384,591,000	25	
After the purchase was effected, the receiving bank had	407,513,000		28

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency by Gallatin National Bank, Uniontown, Pa. ("Gallatin Bank"), the purchasing bank, requesting prior permission to purchase the assets and assume the liabilities of The Rices Landing National Bank, Rices Landing, Pa. ("Rices Landing Bank"), the selling bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

A wholly-owned subsidiary of GNB Corporation, Uniontown, Pa., a registered one-bank holding company, Gallatin Bank was granted charter number 5034 as a national banking association on March 5, 1896, and as of December 31, 1977, had total commercial bank deposits of $305.9 million. Gallatin Bank's principal area of operation is Fayette County wherein it operates 18 banking offices, including its main office. Additionally, Gallatin Bank has three banking offices in Greene County, two in Somerset County, and one banking office each in Washington and Westmoreland counties.

Rices Landing Bank was granted national banking association charter number 7090 by this Office on January 9, 1904, and as of December 31, 1977, had total commercial bank deposits of $13.1 million. The main office of Rices Landing Bank, its one branch office, and a limited-service, drive-in facility are all domiciled within Greene County.

The market area that would be most affected by the subject acquisition is the "Washington—Waynesburg" banking market, consisting of Greene County and southern Washington County. Within this market area, Gallatin Bank operates four branch offices, and Rices Landing Bank operates all three of its banking offices. Inasmuch as Gallatin Bank has a branch office located approximately 5 miles from the main office of Rices Landing Bank, there appears to be some direct competition existent between these banking offices. However, within the primary service area of these closest banking offices of the proponent banks, there are located several branch offices of competing commercial banking institutions. Additionally, the banking public in the Washington—Waynesburg market area have available numerous conveniently located banking alternatives. It is therefore concluded that approval of this acquisition would have no substantially adverse effect upon existing competition.

Applicable Pennsylvania banking statutes restrict branching by a bank to the county in which its principal place of business is located, and to all counties immediately contiguous. Due to the unique geographic location of Greene County, bordered by only two other Pennsylvania counties, and the restrictive branching laws of Pennsylvania, there are only six possible purchasers of Rices Landing Bank other than Gallatin Bank. Four of the banks are not of significant size to purchase Rices Landing Bank; of the two conceivable alternative purchasers, one is a state bank intent on remaining the largest single office bank in Pennsylvania and the other, the market leader in Greene and Washington counties, would present anticompetitive problems. Accordingly, Gallatin Bank is considered the most acceptable alternative purchaser from a practical, as well as a legal standpoint.

Rices Landing Bank is presently faced with an immediate management succession problem. Due to the recent resignation of the president and chief executive officer, and the lack of a successor from within the organization, the directors of Rices Landing Bank determined that the proposed purchase by Gallatin Bank would provide an immediate solution to this problem. Gallatin Bank is considered a sound organization, has a capable and experienced management group and, thus, has the resources to staff Rices Landing Bank with capable management.

Approval of the subject proposal would have the effect of maintaining Rices Landing Bank as a viable competitor and the resulting bank would offer the banking public a substantially larger legal lending limit, improved and expanded banking services, and new banking services such as trust services and automatic savings plans. It is, therefore, concluded that considerations relative to convenience and needs are consistent with, and add weight toward, approval of this application.

The financial and managerial resources of Gallatin Bank are considered to be satisfactory. Approval of this proposal would alleviate Rices Landing Bank's management succession problem and, given the generally satisfactory financial condition of Rices Landing Bank, the future prospects of the resulting bank are favorably enhanced.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved.

May 26, 1978.

*Asset figures are as of call dates immediately before and after transaction.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Greene County is a rural county that forms the southwest corner of the state. It is bordered on the south and west by West Virginia, on the east by Fayette County and on the north by Washington County. The economic base of the county is coal mining, and the fortunes of the county have fallen and risen with that industry. The county's economic prospects appear favorable as a result of the energy crisis and renewed interest in coal as an energy supply.

The parties' closest offices (Applicant's office in Jefferson and Bank's head office in Rices Landing) are 5 miles apart and there are no offices of other banks in the intervening area. It therefore appears that the proposed transaction will eliminate some direct competition between Applicant and Bank.

Four banks operate offices in Greene County. As of June 30, 1977, Applicant held the third largest share (24 percent) and Bank held the fourth largest share (15.5 percent) of the deposits held in these offices.

The Federal Reserve Bank of Philadelphia has defined a "Washington—Waynesburg" banking market which consists of Greene County and the southern portion of Washington County. Nine banks operate offices in this area, in which banking is highly concentrated. As of June 30, 1977, the four largest banks held 80.6 percent of the deposits held in banking offices in that area. Applicant held the fourth largest share (8.5 percent) and Bank held the seventh largest share (3.8 percent). If the proposed transaction is consummated, Applicant would remain the fourth largest bank in the area with approximately 12.3 percent of local deposits, and concentration among the four largest banks in the two-county area would increase from 80.6 percent to 84.4 percent.

The application indicates that Bank's management has concluded that a sale of Bank is advisable in order to resolve Bank's management succession problems. Under Pennsylvania law, which permits only contiguous county branching, six banks (other than Applicant) could be permitted to purchase Bank. However, only two of these banks appear to be of a size sufficient to purchase Bank, and one (First National Bank and Trust Company of Washington) has a larger share than Applicant of deposits both in Greene County and in Greene and Washington counties combined, while the other (Fayette County Bank and Trust) is a unit bank.

Overall, in our view, the proposed transaction would have some adverse effect on competition.

* * *

CROCKER NATIONAL BANK,
San Francisco, Calif., and Three Branches of The Bank of California, National Association, San Francisco, Calif.

Names of banks and type of transaction	*Total assets**	*Banking offices*	
		In operation	*To be operated*
Three Branches of The Bank of California, National Association, San Francisco, Calif. (9655), with	$3,001,206,000†	3	———
were purchased July 31, 1978, by Crocker National Bank, San Francisco, Calif. (1741), which had	12,758,506,000	360	———
After the purchase was effected, the receiving bank had	13,240,376,000	———	363

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency is in receipt of an application filed by Crocker National Bank, San Francisco, Calif. ("Purchasing Bank"), to purchase the assets and assume the liabilities of three branches of The Bank of California, National Association, San Francisco, Calif. ("Selling Bank"). The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Purchasing Bank has operated under national banking association charter number 1741, since the charter was granted by this Office on November 30, 1870. As of September 30, 1977, Purchasing Bank held total commercial bank deposits aggregating approximately $6.7 billion, and operated its main office in San Francisco and 359 branches throughout the state of California.

Selling Bank, also a national banking association since 1910, had total deposits on September 30, 1977, of approximately $2.2 billion, and operated its head office and 77 branch offices.

The subject application is a portion of an overall plan announced by Selling Bank on May 11, 1977, to dispose of a total of 33 of its California-based branch offices and their respective assets and liabilities. The three branches in this application are located in Greenbrae (Marin County), Santa Rosa (Sonoma County), and Tahoe City (Placer County); the three branches have total deposits aggregating approximately $27 million.

The Greenbrae office of Selling Bank is the bank's only location within Marin County. Purchasing Bank currently has 10 banking offices within the county, and is the second largest banking organization represented therein. (The pro forma ranking of Purchasing Bank will be unaltered.) Although the Greenbrae branch of Selling Bank is about 1 mile distant from an existing office of Purchasing Bank, there is only negligible existing competition between them, and, inasmuch as the Greenbrae office has not proven to be

*Asset figures are as of call dates immediately before and after transaction.

† Assets are for the entire bank.

a profitable operation for Selling Bank, it is not unreasonable to believe that Selling Bank would probably close the branch (should this application be denied), thereby reducing the number of banking alternatives and inconveniencing the banking public.

The Santa Rosa office of Selling Bank is its only representation in Sonoma County, wherein Purchasing Bank operates six offices. The number of banking alternatives available to the public highly mitigates any adverse consequences that might arise through the elimination of one banking alternative. Furthermore, the ranking of Purchasing Bank as the fourth largest banking organization within the county, would be unaltered.

Of the three commercial banks competing in Tahoe City, Selling Bank's Tahoe City office is the smallest, and there are eight commercial banks (in both California and Nevada) that operate 14 branches in the immediate area. The acquisition of this small branch, total deposits of approximately $5.6 million, would have no substantially adverse effect on competition. The same is true for the acquisition of all three branches by Purchasing Bank.

Inasmuch as the Purchasing Bank has a considerably more fully developed statewide branch network than Selling Bank, Purchasing Bank is in a better position to offer a broader range of banking services and statewide convenience to its banking customers. Additionally, as aforenoted, should the subject proposal not be consummated, there is great likelihood that Selling Bank, in an attempt to reduce operational expenses and fortify its capital base, would close one or more of the branches. Should that come to pass, the banking public would be inconvenienced and the lack of Selling Bank's presence in these areas would become fact. Accordingly, considerations relating to convenience and needs benefits are regarded as weighing toward approval of this application.

The financial and managerial resources of Purchasing Bank and Selling Bank are generally satisfactory, and Purchasing Bank has the capacity to operate and manage the branches in an efficient and profitable manner. The sale of the branches will enhance Selling Bank's capital resources, and should favorably impact upon that institution's earnings by lowering overhead operational costs related to branch operations.

The future prospects of both of the proponents appear favorable, and are enhanced by approval of this application.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved.

May 24, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

EATON NATIONAL BANK AND TRUST CO., Eaton, Ohio, and The First National Bank of New Paris, New Paris, Ohio

Names of banks and type of transaction	*Total assets**	*Banking offices*	
		In operation	*To be operated*
The First National Bank of New Paris, New Paris, Ohio (9211), with	$ 6,571,000	1	———
was purchased Aug. 31, 1978, by Eaton National Bank and Trust Co., Eaton, Ohio (7557), which had	29,977,000	2	———
After the purchase was effected, the receiving bank had	35,434,000	———	3

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has accepted an application filed by Eaton National Bank and Trust Co., Eaton, Ohio ("Purchasing Bank"), that requires the Comptroller's prior written consent to purchase the assets and assume the liabilities of The First National Bank of New Paris, New Paris, Ohio ("FNB"), the selling bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Purchasing Bank was issued national banking association charter number 7557 by this Office on January 14, 1905, and as of December 31, 1977, had total deposits of $24.3 million. In addition to its main office in Eaton, Purchasing Bank maintains its only branch office in West Alexandria, Ohio, 6 miles east of Eaton.

Operating under national banking association charter number 9211, FNB was chartered on July 31, 1908, and held commercial bank deposits aggregating approximately $5.7 million, at calendar year-end 1977.

The relevant geographic market for consideration of the subject proposal is approximated by the whole of Preble County, Ohio, wherein there are seven commercial banks that operate 11 banking offices. Purchasing Bank ranks as the second largest banking organization behind The Preble County National Bank of Eaton, with total deposits of approximately $38.7 million. FNB is the second smallest of the seven banks within the relevant market, and controls only slightly more than 5 percent of the total market deposits. The main offices of the proponents are the closest offices of the two institutions, approximately 15 miles apart. It appears that the two proponent banks are serving two different

*Asset figures are as of call dates immediately before and after transaction.

primary service areas and there is little overlap of competition for loan and deposit accounts between Purchasing Bank and FNB. It is, therefore, concluded that approval of this transaction would result in no substantially adverse effect upon competition.

Pursuant to applicable Ohio state branching statutes, both of the proponents could, with regulatory approval, establish *de novo* operations within each other's primary service areas. However, given the economic growth in recent years, and the limited population of the New Paris area, it does not appear likely that Purchasing Bank would pursue this mode of expansion into New Paris. Furthermore, considering the limited financial and managerial resources of FNB, in conjunction with the fact that after seven decades of operation the bank continues as a unit operation, it can not be reasonably concluded that FNB will seek to expand its operations within the foreseeable future.

FNB has followed a non-aggressive competitive philosophy and the bank has generally been meeting only the minimum banking needs of the New Paris banking public. Approval of this proposal would result in a local, convenient source of full-service banking to the residents of New Paris. The introduction of such new and expanded banking services as maximum legal rates paid upon time deposits, trust services, an expanded legal lending limit, bank credit cards, 24-hour banking available through the introduction of automated teller machines, and extended banking hours and additional drive-in facilities should prove to be of considerable convenience to the New Paris community. Considerations relating to convenience and needs of the banking public lend weight toward approval of this application.

The financial resources of both Purchasing Bank and FNB appear to be satisfactory. The managerial resources of Purchasing Bank are also satisfactory. The managerial resources of FNB are considered to be somewhat less than satisfactory however, inasmuch as both the chairman of the board and the president of FNB are inactive and the bank's management is vested solely in the person of the cashier. Although that one officer appears to have administered the bank's affairs in a generally effective and satisfactory manner, there is no management depth or provision for management succession at FNB. Purchasing Bank has the necessary management composed of experienced and capable bankers who are well qualified and capable of handling FNB's affairs and operations in an effective and efficient fashion. This is an additional positive factor in considering approval of the subject proposal.

The future prospects of Purchasing Bank appear favorable and the future prospects of FNB would appear to be greatly enhanced by consummation of this application.

Accordingly, for the reasons herein summarized above, this application is deemed to be in the public interest, and should be, and hereby is, approved. Incident to approval of the application, Purchasing Bank is authorized to operate the office of FNB as an office of the resulting bank.

July 26, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

We have reviewed this proposed transaction and conclude that it would not have a significantly adverse effect upon competition.

* * *

VIRGINIA NATIONAL BANK,
Norfolk, Va., and Virginia National Bank/Richmond, Richmond, Va., and Virginia National Bank/Henry County, Henry County, Va., and Virginia National Bank/Lynchburg, Lynchburg, Va.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Virginia National Bank/Henry County, Henry County, Va. (16167), with	$ 21,402,000	3	
and Virginia National Bank/Lynchburg, Lynchburg, Va. (15819), with	19,597,000	4	
and Virginia National Bank/Richmond, Richmond, Va. (16610), with	84,996,000	5	
and Virginia National Bank, Norfolk, Va. (9885), which had	2,097,962,000	153	
merged Aug. 31, 1978, under charter and title of latter bank (9885). The merged bank at date of merger had	2,221,958,000		165

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency is in receipt of an application that has been filed pursuant to the requirements of the Bank Merger Act (12 USC 1828(c)), seeking prior written permission to merge Virginia National Bank/Henry County, Henry County, Va. ("Henry County Bank"); Virginia National Bank/ Lynchburg, Lynchburg, Va. ("Lynchburg Bank"); and Virginia National Bank/Richmond, Richmond, Va. ("Richmond Bank") (collectively, "Merging Banks"), into Virginia National Bank, Norfolk, Va. ("Charter Bank"), under the charter and title of Virginia National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Henry County Bank has operated as a national banking association since August 14, 1973, when this Office granted the bank charter number 16167. As of December 31, 1977, Henry County Bank had total deposits of $16.3 million.

Lynchburg Bank commenced operations as a national bank on December 4, 1972, and as of year-end 1977, held total commercial bank deposits of approximately $17.2 million.

Richmond Bank, the largest of the three merging banks, with total deposits of slightly in excess of $61.1 million, as of December 31, 1977, has operated under national banking association charter number 16610 since October 20, 1976.

Charter Bank, with total deposits of approximately $1.8 billion, as of year-end 1977, has been a national bank since July 6, 1972.

All three Merging Banks and Charter Bank are wholly-owned banking subsidiaries of Virginia National Bankshares, Inc., Norfolk, Va., a registered multibank holding company that was incorporated in 1971. The subject application must therefore be regarded essentially as a corporate reorganization whereby the bank holding company is realigning and consolidating a portion of its banking interests in an effort to produce a more efficient and profitable operation.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that this application is not adverse to the public interest, and should be, and hereby is, approved.

July 12, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are all wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

* * *

FIRST & MERCHANTS NATIONAL BANK,
Richmond, Va., and First & Merchants National Bank of the Peninsula, York County, (P.O. Williamsburg), Va., and First & Merchants National Bank of Tidewater, Chesapeake, Va., and First & Merchants National Bank of Prince William, Unincorporated Area of Prince William County, Va.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First & Merchants National Bank of the Peninsula, York County (P.O. Williamsburg), Va. (15984), with	$ 162,930,000	10	
and First & Merchants National Bank of Tidewater, Chesapeake, Va. (16184), with	145,571,000	17	
and First & Merchants National Bank of Prince William, Unincorporated Area of Prince William County, Va. (16402), with	5,509,000	1	
and First & Merchants National Bank, Richmond, Va. (1111), which had	1,534,194,000	65	
merged Sept. 30, 1978, under charter and title of latter bank (1111). The merged bank at date of merger had	1,848,204,000		93

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency is in receipt of an application, pursuant to the Bank Merger Act (12 USC 1828(c)), requesting prior permission to merge First & Merchants National Bank of the Peninsula, York County (P.O. Williamsburg), Va. ("York Bank"); First & Merchants National Bank of Tidewater, Chesapeake, Va. ("Chesapeake Bank"); and First & Merchants Bank of Prince William, Unincorporated Area of Prince William County, Va. ("Prince William Bank"), into First & Merchants National Bank, Richmond, Va. ("Charter Bank"), under the charter and title of First & Merchants National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank has operated as a national banking association since May 3, 1865, when it was granted charter number 1111 by this Office. As of March 31, 1978, Charter Bank had total commercial bank deposits of $1.1 billion.

York Bank was established in 1972, operates under national banking association charter number 15984, and had deposits of $140.9 million as of March 31, 1978.

Chesapeake Bank received its charter as a national banking association on September 25, 1973, when it was granted charter number 16184. It held deposits of $122.6 million on March 31, 1978.

Prince William Bank has operated under national banking association charter number 16402 since November 19, 1974, and as of March 31, 1978, had total commercial bank deposits of $4.4 million.

All four of the banks involved in the proposed merger are banking subsidiaries of First & Merchants Corporation, Richmond, Va., a registered multibank holding company. Inasmuch as the proponent banks are commonly owned and controlled, approval of the subject application would not produce an adverse impact upon any relevant area of consideration.

The instant proposal must be regarded essentially as a corporate reorganization whereby First & Merchants Corporation is consolidating a majority of its banking interests. This merger is therefore deemed to be not adverse to the public interest, and should be, and hereby is, approved.

August 31, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

We have reviewed this proposed transaction and conclude that it is essentially a corporate reorganization and would have no effect on competition.

* * *

THE CITIZENS AND SOUTHERN NATIONAL BANK OF S.C., Charleston, S.C., and Hilton Head National Bank, Hilton Head, S.C.

Names of banks and type of transaction	Total assets*	Banking offices	
		In operation	To be operated
Hilton Head National Bank, Hilton Head, S.C. (16449), with	$ 14,768,000	1	———
was purchased Oct. 13, 1978, by The Citizens and Southern National Bank of S.C., Charleston, S.C. (14425), which had	787,421,000	85	———
After the purchase was effected, the receiving bank had	842,072,000	———	86

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has accepted for filing an application that requests prior written consent for The Citizens and Southern National Bank of S.C., Charleston, S.C. ("CSNB"), the purchasing bank, to purchase the assets and assume the liabilities of Hilton Head National Bank, Hilton Head, S.C. ("HHNB"), the selling bank. The subject application is based upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

CSNB has operated as a national banking association since January 20, 1940, when this Office granted it charter number 14425. As of March 31, 1978, CSNB had total commercial bank deposits aggregating approximately $606.5 million. The principal subsidiary of The Citizens and Southern Corporation, Charleston, S.C., a registered one-bank holding company, CSNB operates a total of 77 branches that are located in most of the major geographic and market centers of the state, and ranks as the second largest commercial banking organization headquartered in South Carolina.

HHNB, national banking association charter number 16449, commenced operations on April 7, 1975. As of March 31, 1978, the selling bank had total deposits of approximately $11.7 million and operated as a unit bank.

Hilton Head Island (population of approximately 9,000 year-round residents) is a portion of Beaufort County, situated near the extreme southern tip of South Carolina. The primary factor in the economy of Hilton Head Island is tourism, catering to the affluent. Many employees of various tourist-related businesses located on the island commute daily from the mainland. The nearest office of CSNB to HHNB's site, is the main office of CSNB in Charleston, approximately 100 road miles distant. Given the considerable geographic distance separating the nearest banking offices of the proponents, the availability of numerous banking alternatives, and the fact that, although CSNB may be properly termed a "statewide banking operation," it does not derive any significant degree of either its deposit or loan business from Hilton Head Island, it must be concluded that approval of this application would have no substantially adverse competitive effects.

*Asset figures are as of call dates immediately before and after transaction.

Applicable South Carolina statutes provide for statewide branching by commercial banks, with the approval of the appropriate supervisory authority. However, considering the financial condition of HHNB, as outlined below, it is not reasonable to conclude that HHNB, which lacks both the financial and managerial resources to expand via *de novo* branching, would do so. Moreover, it does not appear that CSNB would choose to commence *de novo* banking operations on the island, considering the present representation of banks on the island.

Commercial banking services are currently offered to the banking public on Hilton Head Island by branch offices of Bankers Trust of South Carolina, Columbia; The Bank of Beaufort, Beaufort; and HHNB. There are, however, banking services not currently provided, which CSNB proposes to offer. Those new banking services include simple interest loans, simple language loan agreements, extended-term loans for new car purchases (up to 48 months to repay), automated teller machines, money market certificates of deposit, bank credit cards, trust and fiduciary services, and bond investments. Additionally, CSNB has the capacity and expertise to expand upon already existing banking services. The introduction of CSNB onto Hilton Head Island should stimulate the competitive atmosphere, thereby benefiting the banking public. Considerations relating to convenience and needs benefits lend weight toward approval of the application.

The financial and managerial resources of CSNB are regarded as highly satisfactory. The managerial resources of HHNB are regarded as somewhat weak, and not totally satisfactory. HHNB has been the victim of a recent check kiting operation that has resulted in a substantial loss to the bank; consequently the capital accounts of HHNB have been reduced to a level that impairs its sound financial operation. Moreover, the substantial adverse publicity concerning the incident has served to undermine the confidence of the banking public in HHNB. CSNB will obviously be a significantly stronger competitor within the Hilton Head Island banking market than HHNB has been and the presence of CSNB should prove to be the impetus to the restoration of the public's confidence in HHNB.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that approval of this application is in the public interest, and should be, and hereby is, approved. Incident to approval of the application, CSNB is also authorized to operate the former banking office of HHNB as a branch of the surviving institution.

September 7, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

SECURITY PACIFIC NATIONAL BANK, Los Angeles, Calif., and Humboldt National Bank, Eureka, Calif.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Humboldt National Bank, Eureka, Calif. (15329), with	$ 47,320,000	8	———
and Security Pacific National Bank, Los Angeles, Calif. (2491), which had	19,588,912,000	571	———
merged October 20, 1978, under charter and title of latter bank (249). The merged bank at date of merger had	19,671,502,000	———	579

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has accepted an application filed pursuant to statutory requirements of 12 USC 1828(c), the Bank Merger Act. The subject application seeks prior written permission to effectuate a proposed merger of Humboldt National Bank, Eureka, Calif. ("HNB"), the merging bank, into Security Pacific National Bank, Los Angeles, Calif. ("SPNB"), the charter bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

SPNB has operated under national banking association charter number 2491 since the charter was granted by this Office on August 16, 1880. As of calendar year-end 1977, SPNB had total domestic and foreign office deposits aggregating approximately $14.9 billion, thereby ranking as the second largest commercial bank headquartered within the state of California. In addition to its head office in Los Angeles, SPNB operated 547 branch offices, as of December 31, 1977.

HBN received national banking association charter number 15329 from this Office on June 2, 1964. As of December 31, 1977, the merging bank had total commercial bank deposits of $43.7 million and operated a main office and seven branches.

The relevant geographic markets served by the proponent banks do not overlap and their nearest offices are more than 100 miles apart. All eight of HNB's banking offices are domiciled within Humboldt County and approval of the subject proposal would allow SPNB's initial entry into this Northern California banking market.

HNB currently ranks a distant third among commercial banking organizations operating within Humboldt County, behind Bank of America National Trust and Savings Association and Crocker National Bank, which are first and second largest, respectively. Although SPNB could, with prior supervisory approval, establish *de novo* branches in the areas served by HNB (California permits statewide banking), such expansion into Humboldt County does not appear likely within the foreseeable future inasmuch as the area is not experiencing rapid economic growth. Humboldt County's major industry is timber, with tourism a secondary source of revenue. The timber industry is expected to suffer when the Redwood National Park, located within the county, expands via acquisition of present commercial timberlands. Additionally, due to the mechanization of the timber industry, unemployment is a growing problem in Humboldt County. Given the economic picture as presented, it appears appropriate to conclude that SPNB would not choose *de novo* expansion to enter the Humboldt County market.

Approval of this proposed merger would result in the present customers of HNB experiencing new and expanded banking services. Among the various new services that SPNB proposes to offer HNB customers are reductions on consumer loan rates, bank credit card operations, computer account services, international banking services, and trust and fiduciary services. SPNB's ability to more effectively compete with HNB's significantly larger competitors should better serve the banking public, and the public should further benefit through the services of a more meaningful banking alternative that is a more aggressive competitor and a source of full-service banking. Considerations relating to convenience and need lend weight toward approval of the application.

The financial and managerial resources of both SPNB and HNB are satisfactory. The proposed merger would however, provide HNB with management succession. HNB's president is nearing the normal age of retirement and has experienced recent health problems, consequently he has commenced a plan for his retirement and there does not appear to be any leading candidate within the officer ranks of the bank who is fully capable of succeeding to the position.

The future prospects of PSNB appear favorable, and the provision of successor management and new and expanded banking services should help to insure the favorable future prospects of HNB.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that the subject proposal is not adverse to the public interest, and that this application should be, and hereby is, approved.

September 19, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

This merger would have no effect on direct competition, since Applicant's closest office is approximately 100 miles from Bank's offices.

The merger would, however, eliminate a significant potential competitor from a highly concentrated market. Humboldt County is served by six banking organizations and 25 banking offices (with one additional office approved but unopened). As of June 30, 1977, the top two banks (Bank of America and Crocker National) held 71 percent of the total deposits and 69.8 percent, respectively, of the IPC demand deposits in the county. The top four (filled out by Bank and Wells Fargo), held 91.4 percent of the total deposits and 90.1 percent of the IPC demand deposits. Bank, as noted above, is the third largest market entrant, with 11.5 percent of the total deposits and 13.5 percent of the IPC demand deposits.

Applicant is the most likely *de novo* entrant into banking in Humboldt County. The only larger bank in the state (Bank of America) is already well represented, indeed dominant, in the county, and Applicant is admittedly eager to expand its operations in northern California. Furthermore, Applicant has opened 63 *de novo* branches in the last 5 years, and plans to open four more.

Although Applicant is the most likely potential entrant, several circumstances diminish the likelihood that any bank would enter Humboldt County by *de novo* branching. Humboldt County's major industry is timber, with tourism a secondary source of economic activity. Despite the possibility of some growth as Humboldt State University continues to expand, significant economic or population growth (1977 population—106,000) is unlikely in Humboldt County. The timber industry is expected to suffer when Redwood National Park, located in the county, expands by acquisition of commercial timberlands, although tourism will increase somewhat as a result. In addition, unemployment is a problem in the county, in part because of mechanization of the timber industry. Furthermore, the county appears to be more heavily banked than the state as a whole. Thus, Humboldt County does not appear to be an attractive area for *de novo* entry.

Some attributes of the banking market in Humboldt County may mitigate the anticompetitive consequences of the proposed merger. The fact remains, however, that the most capable entrant proposes to absorb the largest and most successful competitor available to it in Humboldt County. For these reasons we conclude that the proposed transaction would have an adverse effect upon competition.

* * *

UNITED NATIONAL BANK, Sioux Falls, S. Dak., and Rosholt Community Bank, Rosholt, S. Dak.

Names of banks and type of transaction	Total assets*	*Banking offices*	
		In operation	*To be operated*
Rosholt Community Bank, Rosholt, S. Dak., with	$ 8,807,000	1	———
was purchased Nov. 3, 1978, by United National Bank, Sioux Falls, S. Dak. (15639), which had	149,808,000	19	———
After the purchase was effected, the receiving bank had	158,361,000	———	20

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has accepted an application filed by United National Bank, Sioux Falls, S. Dak. ("UNB"), the purchasing bank, requesting prior written consent to purchase the assets and assume the liabilities of Rosholt Community Bank, Rosholt, S. Dak. ("Selling Bank"). The subject application is based upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

UNB was granted national banking association charter number 15639 by this Office on October 30, 1967. As of March 31, 1978, UNB had total deposits of approximately $120.7 million and operated a main office and 18 other banking offices that are domiciled in 14 cities and towns, primarily within the western and southern sectors of the state. Furthermore, UNB is the primary subsidiary of United National Corporation, Sioux Falls, a registered one-bank holding company (consolidated assets of $143.4 million on December 31, 1977), that ranks as the fifth largest banking organization in South Dakota.

Selling Bank, with total commercial bank deposits of approximately $7.9 million as of March 31, 1978, is a state-chartered commercial banking institution that was established in 1927. The community of Rosholt is situated within the northeastern corner of South Dakota, approximately 9 miles from the Minnesota border, almost 6 miles from the North Dakota border, and 160 miles north of Sioux Falls. Agricultural activities constitute the economic base of the Rosholt area; the surrounding area is a portion of the southern tip of the fertile Red River Valley. The nearest offices of the proponent banks are more than 150 miles apart and there is no meaningful existing competition between

* Asset figures are as of call dates immediately before and after transaction.

the participating institutions. Approval of the subject application would, therefore, have no adverse competitive effects.

Due to constantly increasing credit requirements of the Rosholt area, it has become increasingly difficult for Selling Bank to provide area farmers and ranchers with sufficient funds for their expanding operations. As a unit of UNB, Selling Bank would continue to provide full-service banking. Moreover, the resulting legal lending limit will better serve more of the banking needs of the Rosholt banking community. Considerations relating to convenience and needs benefits are regarded as being consistent with approval of the proposal.

The financial and managerial resources of UNB and Selling Bank are considered to be generally satisfactory. The future prospects of both participating banks appear favorable and the future prospects of Selling Bank appear to be enhanced by approval of this proposal.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that the subject application is not adverse to the public interest, and should be, and hereby is, approved. Incident to approval of the application, UNB is also authorized to operate the former banking office of Selling Bank as a branch of the surviving bank.

September 26, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

We have reviewed these proposed transactions and conclude that they would not have a substantial competitive impact.

* * *

ZIONS FIRST NATIONAL BANK,
Salt Lake City, Utah, and Zions First National Bank of Ogden, Ogden, Utah

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Zions First National Bank of Ogden, Ogden, Utah (16043), with	$ 11,382,000	1	———
and Zions First National Bank, Salt Lake City, Utah (4341), which had	1,173,809,000	45	———
merged Dec. 1, 1978, under charter and title of latter bank (4341). The merged bank at date of merger had	1,185,191,000	———	46

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency, pursuant to the Bank Merger Act (12 USC 1828(c)), requesting prior written permission to effectuate a proposed merger of Zions First National Bank of Ogden, Utah ("Merging Bank"), into Zions First National Bank, Salt Lake City, Utah ("Charter Bank"), under the charter and title of Zions First National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Merging Bank was granted national banking association charter number 16043 by this Office on November 28, 1972, and as of March 31, 1978, the bank had total deposits of approximately $12.1 million.

Charter Bank, also a national banking association, was granted charter number 4341 on June 12, 1890. As of March 31, 1978, Charter Bank's commercial bank deposits aggregated $895.2 million.

Both of the proponents are banking subsidiaries of Zions Utah Bancorporation, Salt Lake City, a registered multibank holding company. Considering the element of common ownership and control that exists between Merging Bank and Charter Bank, the subject application must be regarded essentially as a corporate reorganization.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this proposal is not adverse to the public interest, and should be, and hereby is, approved. Incident to approval of this application, Charter Bank is authorized to operate the former banking office of Merging Bank as a branch of the surviving institution.

October 18, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are both wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

* * *

GALLATIN NATIONAL BANK,
Uniontown, Pa., and First National Bank of Scottdale, Scottdale, Pa.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First National Bank of Scottdale, Scottdale, Pa. (13772), with	$ 37,166,000	1	
was purchased Dec. 8, 1978, by Gallatin National Bank, Uniontown, Pa. (5034), which had	407,513,000	28	
After the purchase was effected, the receiving bank had	450,492,000		29

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has accepted for filing an application that requires prior written consent to the proposed purchase of assets and assumption of liabilities of First National Bank of Scottdale, Scottdale, Pa. ("FNB"), the selling bank, by Gallatin National Bank, Uniontown, Pa. ("GNB"), the purchasing bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

A wholly-owned banking subsidiary of GNB Corporation, Uniontown, Pa., a registered one-bank holding company, GNB was granted national banking association charter number 5034 by this Office on March 5, 1896. As of March 31, 1978, GNB had total commercial bank deposits of approximately $312.5 million. GNB's primary area of operation is approximated by the whole of Fayette County wherein GNB operates 18 banking offices including its main office. Additionally, GNB maintains six banking offices in neighboring Greene County, two branches in Somerset County, and one branch each in Washington and Westmoreland counties.

FNB is also a national banking association since it was granted charter number 13772 on September 12, 1933. Due to the close proximity of the community of Scottdale to the political boundary separating Westmoreland County from Fayette County, the bank serves portions of the banking public in both counties. As of March 31, 1978, FNB had total deposits of approximately $32.2 million and operated only its main office.

Although GNB operates in all of the counties into which it may branch (Fayette, Greene, Somerset, Washington and Westmoreland), approximately 80 percent of its total deposits are generated by the bank's offices in Fayette County. As aforenoted, FNB's location affords the bank the ability to serve residents of both Fayette and Westmoreland counties; however, it appears that FNB's primary service area is restricted to the area surrounding the community of Scottdale (between Mt. Pleasant in Westmoreland County and Connellsville in Fayette County). GNB maintains banking offices in both Mt. Pleasant and Connellsville, and there are no other banking offices between Scottdale and Connellsville. It should be noted, however, that any degree of existing competition between GNB and FNB is mitigated by the fact that Pittsburgh National Bank (total deposits approximately $2.5 billion) operates two offices in Mt. Pleasant and one office in Connellsville. Additionally, Yough Valley National Bank (total deposits approximately $9.5 million) is headquartered in Connellsville. Overall, it is the opinion of this Office that the degree of existing competition between FNB and GNB is not so intense as to be substantially adversely affected by approval of this application.

GNB's entry into the Scottdale area will introduce new and expanded banking services to the public. FNB has a history of a rather conservative operation, with very restrictive mortgage loan requirements and little in the way of specialized loans. Additionally, FNB has no trust department; an area where GNB has considerable expertise that will be made available to Scottdale area residents. The substantially increased legal lending limit will further provide commercial and local business customers of FNB a greater flexibility in meeting their individual and corporate credit requirements. Considerations relating to convenience and needs benefits are regarded as being a positive factor and add weight toward approval of the application.

The financial and managerial resources of both FNB and GNB are regarded as satisfactory and consistent with approval. It is noted, however, that the management and directorate of FNB are advanced in age. GNB is in a position to provide for adequate management succession through the continued provision of capable, competent bankers that are well able to conduct the affairs of FNB in a sound manner. The future prospects of GNB are considered favorable, and those of FNB would appear to be favorably enhanced via affiliation with GNB.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that the subject application is in the public interest, and should be, and hereby is, approved. As an incident to approval of this application, GNB is also hereby authorized to operate the main office of FNB as a branch of the surviving bank.

October 30, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The only county in which Applicant and Bank both operate is Westmoreland County. The two towns of Scottdale (1970 population 5,818) and Mount Pleasant (1970 population 5,895), where the offices of Bank and Applicant are located are only 8 miles apart. The only other commercial banks in the vicinity are the Scottdale Savings and Trust Company in Scottdale (a unit bank with total deposits of $14.2 million) and a branch office of the Pittsburgh National Bank in Mount Pleasant. Thus, it appears that the proposed merger would eliminate existing competition between Applicant and Bank.

Twenty-three banks with 85 offices and one mutual savings bank presently compete in Westmoreland County. Banking in the county is concentrated: the top four banks hold 66.65 percent of the demand deposits and 61.54 percent of total bank deposits in the county. Bank ranks 10th in size among banks in the county, with 2.82 percent of the county's demand deposits, and Applicant ranks 14th with 1.36 percent. Several major Pittsburgh banks are headquartered or represented in the county. Accordingly, the proposed acquisition would not increase concentration in Westmoreland County by a significant amount.

Overall in our view, the merger will have an adverse effect on competition.

* * *

BARNETT BANK OF TAMPA, NATIONAL ASSOCIATION,
Tampa, Fla., and Barnett Bank of Brandon, National Association, Unincorporated Area of Brandon, Fla.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Barnett Bank of Brandon, National Association, Unincorporated Area of Brandon, Fla. (16023), with	$33,816,000	1	
and Barnett Bank of Tampa, National Association, Tampa, Fla. (16437), which had	67,307,000	1	
merged Dec. 29, 1978, under charter and title of the latter bank (16437). The merged bank at date of merger had	101,123,000		2

COMPTROLLER'S DECISION

Application has been made to the Office of the Comptroller of the Currency requesting prior permission to merge Barnett Bank of Brandon, National Association, Unincorporated Area of Brandon, Fla. ("Merging Bank"), into Barnett Bank of Tampa, National Association, Tampa, Fla. ("Charter Bank"), under the charter and title of Barnett Bank of Tampa, National Association. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank has operated as a national banking association since February 26, 1975, when it was granted charter number 16437 by this Office. As of June 30, 1978, Charter Bank had total commercial bank deposits of $58.7 million.

Merging Bank was granted national banking association charter number 16023 by this Office on October 13, 1972, and had total commercial bank deposits of $29.0 million as of June 30, 1978.

Both Charter Bank and Merging Bank are banking subsidiaries of Barnett Banks of Florida, Inc., Jacksonville, Fla., a registered multi-bank holding company. Due to their common ownership and control, approval of this merger would not have an adverse effect upon any relevant area of consideration. This application must be regarded essentially as a corporate reorganization whereby Barnett Banks of Florida, Inc., is consolidating a portion of its banking interests.

It is, therefore, the opinion of the Office of the Comptroller of the Currency that this proposal is not adverse to the public interest, and should be, and hereby is, approved.

This application was filed prior to the November 6, 1978 effective date of the Comptroller's Community Reinvestment Act regulations, 12 CFR 25. However, pursuant to the Community Reinvestment Act, Public Law No. 95-128, available information relevant to the bank's record of meeting its community credit needs was reviewed and revealed no evidence to suggest that the applicants are not meeting the credit needs of their community, including low and moderate income neighborhoods.

November 29, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are both wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

* * *

NATIONAL CENTRAL BANK,
Lancaster, Pa., and Farmers Bank of Kutztown, Kutztown, Pa.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Farmers Bank of Kutztown, Kutztown, Pa., with	$ 33,816,000	2	
and National Central Bank, Lancaster, Pa., (694), which had	1,530,610,000	57	
merged Dec. 29, 1978, under the charter and title of the latter bank (694). The merged bank at date of merger had	1,564,426,000		59

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency is in receipt of an application, pursuant to the Bank Merger Act (12 USC 1828(c)), requesting prior permission to merge Farmers Bank of Kutztown, Kutztown, Pa. ("Farmers Bank"), the merging bank, into National

Central Bank, Lancaster, Pa. ("National Central"), the charter bank, under the charter and title of National Central Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

National Central, a wholly-owned subsidiary of National Central Financial Corporation, Lancaster, Pa., a registered one-bank holding company, was granted national banking association charter number 694 by this Office on January 9, 1865, and as of March 31, 1978, had total commercial bank deposits of $1.1 billion. National Central presently operates a total of 55 banking offices: 16, including its main office, in Lancaster County, 13 in Berks County, 12 in York County, nine in Dauphin County, three in Chester County and two in Lebanon County.

Farmers Bank was incorporated in 1909, and operates its main office in Kutztown, and one branch office in Lyons, Pa. (both situated in northeastern Berks County). As of March 31, 1978, Farmers Bank held commercial bank deposits of $27.6 million.

The closest offices of the merging bank and the charter bank are the main office of Farmers Bank in Kutztown and National Central's branch office in Hamburg, Pa., located approximately 15 miles apart. The intervening area is sparsely populated with the two communities linked via a series of rural, country roads. There are banking offices of competing commercial banks located within the market area of the merging bank, including offices of larger banks headquartered in Allentown and Reading, Pa. Thus, there appears to be no meaningful degree of existing competition between National Central and Farmers Bank. Additionally, the potential for increased competition between the proponent banks appears to be minimal. Overall, approval of this merger would have no substantially adverse effect upon competition.

National Central offers a full range of commercial banking services to its customers. National Central proposes to offer new and expanded banking services to the customers of Farmers Bank, including, but not limited to, trust department services, credit cards, overdraft checking privileges, and a substantially larger legal lending limit. Considerations relating to convenience and needs of the banking community to be served add additional weight toward approval of the application.

The financial and managerial resources of National Central and Farmers Bank are regarded as satisfactory, although Farmers Bank has limited management depth. The future prospects of National Central appear favorable, and the future prospects of Farmers Bank, when combined with National Central, appear more favorable since the charter bank has the necessary managerial resources to adequately provide for the merging bank's succession of management.

This application was filed prior to the November 6, 1978, the effective date of the Comptroller's Community Reinvestment Act regulations, 12 CFR 25. However, pursuant to the Community Reinvestment Act, Public Law No. 95-128, available information relevant to the bank's record of meeting its community credit needs was reviewed and revealed no evidence to suggest that the applicants are not meeting the credit needs of their community, including low and moderate income neighborhoods.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved.

November 29, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Berks County (1970 population 296,382) is located in the southeast-central portion of Pennsylvania and makes up the Reading SMSA. Its economy is based on a diversified mix of farming and industries such as primary metals, chemicals and allied products, and electrical machinery. The county has experienced substantial growth over the past two decades: population increased by 10.7 percent between 1960 and 1975 and median household income increased by 143.1 percent. Growth in Bank's immediate area has been even more pronounced because of the location of Kutztown midway between the cities of Reading and Allentown. From 1960 to 1975, the population in Kutztown increased 32.67 percent and median household income increased 148.8 percent. The economic outlook for both the county and the Kutztown area remains favorable.

The nearest office of Applicant to Bank is Applicant's branch facility in the town of Hamburg, located 14.6 miles northwest of Kutztown via a series of country roads. There are no offices of other banks located in the intervening area (which is sparsely populated), although there are offices of several of Bank's competitors that are closer to Bank than Applicant's Hamburg branch. It appears, therefore, that the proposed transaction would eliminate some direct competition between Applicant and Bank.

Sixteen commercial banks currently operate offices in Berks County. As of June 30, 1977, Applicant held the third largest share with 16.1 percent of total deposits and Bank held the eighth largest share with 1.8 percent of total deposits in Berks County commercial banking offices. If the proposed transaction is consummated, the resulting bank will remain the third largest bank in the county with a 17.9 percent share of deposits held in county banking offices. Concentration among the four largest banks in the county (in terms of county deposits) would increase from 87.0 percent to 88.8 percent. Thus, the proposed acquisition would increase the high level of concentration among the banks in Berks County.

Overall, in our view, the proposed transaction would have an adverse effect on competition.

* * *

THE CHESTER NATIONAL BANK,
Chester, N.Y., and The National Union Bank of Monticello, Monticello, N.Y.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The National Union Bank of Monticello, Monticello, New York (1503), with	$26,896,000	2	———
and The Chester National Bank, Chester, New York (1349), which had	59,087,000	11	———
merged December 29, 1978, under charter and title of the latter bank (1349). The merged bank at date of merger had	85,983,000	———	13

COMPTROLLER'S DECISION

Pursuant to 12 USC 1828(c), an application has been filed with the Office of the Comptroller of the Currency requesting prior permission to merge The National Union Bank of Monticello, Monticello, N.Y. ("Merging Bank"), into The Chester National Bank, Chester, N.Y. ("Charter Bank"), under the charter and title of The Chester National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank was granted national banking association charter number 1349 by this Office on June 28, 1865, and had total commercial bank deposits of $52.0 million as of December 31, 1977. A wholly-owned subsidiary of First Commercial Banks, Inc., Albany, N.Y., a registered multi-bank holding company, Charter Bank operates a main office and eight branch offices in Orange County and an additional branch office in Sullivan County.

Merging Bank has operated as a national banking association since August 4, 1865, when it was granted charter number 1503 by this Office. As of December 31, 1977, Merging Bank had total commercial bank deposits of $21.9 million and operates two banking offices, both located within the village of Monticello, the county seat of Sullivan County.

Charter Bank and Merging Bank serve separate and distinct service areas, and the closest offices of the proponent banks are approximately 12 miles apart, with several intervening offices of competing banks. Also, there are numerous banking alternatives in close proximity to both Charter Bank and Merging Bank, including banking offices of New York City-based commercial banks. Accordingly, approval of this application would result in no substantially adverse effect upon competition. Additionally, approval would remove home office protection from the village of Monticello, allowing branch establishment by other commercial banks within Monticello and thereby better serving the banking public.

As part of the proposed merger, Charter Bank, in conjunction with its corporate parent, intends to offer new and expanding banking services to the customers of Merging Bank. Those services include a larger legal lending limit, trust services, individual retirement accounts and credit card services. Considerations relating to convenience and needs benefits are therefore regarded as lending weight to approval.

The financial and managerial resources of both Charter Bank and Merging Bank are satisfactory, and the future prospects of the proponent banks independently, and in combination, appear favorable.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is in the public interest, and should be, and hereby is, approved.

October 11, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

We have reviewed this proposed transaction and conclude that it would not have a significantly adverse effect upon competition.

* * *

THE NATIONAL BANK AND TRUST COMPANY OF NORWICH,
Norwich, N.Y., and First National Bank in Sidney, Sidney, N.Y.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First National Bank in Sidney, Sidney, N.Y. (13563), with	$ 22,748,000	2	———
and The National Bank and Trust Company of Norwich, Norwich, N.Y. (1354), which had	219,518,000	15	———
merged Dec. 29, 1978, under charter and title of the latter bank (1354). The merged bank at date of merger had	242,469,000	———	17

COMPTROLLER'S DECISION

An application has been accepted by the Office of the Comptroller of the Currency that seeks and requires the prior written consent of this Office to effectuate the proposed merger of First National Bank in Sidney, Sidney, N.Y. ("Sidney"), the merging bank, into The National Bank and Trust Company of Norwich, Norwich, N.Y. ("Charter Bank"), under the charter and title of The National Bank and Trust Company of Norwich. The subject application rests upon an agreement executed between the proponent banks, and is incorporated herein by reference, the same as if fully set forth.

Sidney was granted national banking association charter number 13563 by this Office on July 11, 1931. As of March 31, 1978, Sidney had total deposits of approximately $19.3 million, and operated its main office and a drive-in facility in the village of Sidney.

Charter Bank, charter number 1354, is headquartered in Norwich, Chenango County, and operates 14 other offices in four counties (eight branches in Chenango County, three branches in Delaware County, two in Broome County, and one office in Tioga County). As of March 31, 1978, Charter Bank had total deposits of $175.9 million.

Although for purposes of The Bank Holding Company Act of 1956, Sidney is a subsidiary of Charter Bank (inasmuch as approximately 33.5 percent of the total outstanding voting shares of Sidney are held by Charter Bank's trust department), it does not appear that Charter Bank exercises active control over Sidney's normal daily operations. The closest offices of the proponent banks are Charter Bank's Bainbridge and Afton offices, approximately 6 and 10 miles west of the village of Sidney, respectively, and Sidney's main office. From a review of the record, it appears that there is a degree of existing competition between Charter Bank and Sidney. This competition is not however regarded as substantial, and any actual competition is highly mitigated by Charter Bank's stock ownership in Sidney (almost sufficient to legally preclude any merger with another banking institution). Further mitigating factors are the composition of Sidney's loan portfolio with over 60 percent in residential mortgages and slightly less than 30 percent in consumer loans (both credit unions and savings and loan associations actively compete with Sidney for these types of customer accounts), and the fact that the merger would eliminate home office protection within the village of Sidney, thereby allowing the entrance of other financial institutions and resulting in a more vigorous competitive atmosphere. Overall, anticompetitive effects of this proposal are deemed to be not substantially adverse.

The general banking services offered by Sidney are limited due to the size and experience of the bank's staff. Charter Bank's operations are departmentalized. Each department is staffed with qualified personnel, including Charter Bank's agriculture and trust departments. Charter Bank has four full time agricultural loan officers trained to assist farmers in the Sidney area with their financial matters and to provide professional advice as needed. Sidney has a small trust department, but the bank does not actively seek new accounts due to the limited staff and lack of qualified personnel. (Sidney's president acts as the bank's trust officer; however, he has no formal training in this area.) Additional expanded and new banking services to be realized by Sidney's customers as a result of this merger include a vastly increased legal lending limit, payment of maximum legal interest rates on various savings plans, bank related charge cards, pre-approved revolving lines of credit, and estate and trust planning. Considerations relating to convenience and needs weigh heavily for approval of this application.

The financial resources of both Charter Bank and Sidney are regarded as satisfactory. The managerial resources of Charter Bank are satisfactory and those of Sidney are general satisfactory. A major factor in considering the possibility of a merger on Sidney's part is the fact that Sidney has no apparent succession to present bank management. Charter Bank possesses qualified personnel that are regarded as competent and capable bankers who appear well able to successfully administer Sidney's business affairs and enhance the future prospects of both proponents. These factors add additional weight toward approval of the application.

This application was filed prior to the November 6, 1978 effective date of the Comptroller's Community Reinvestment Act regulations, 12 CFR 25. However, pursuant to the Community Reinvestment Act, Public Law No. 95-128, available information relevant to the bank's record of meeting its community credit needs was reviewed and revealed no evidence to suggest that the applicants are not meeting the credit needs of their community, including low and moderate income neighborhoods.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that the subject application is in the public interest and is approved. Incident to approval of the merger application, Charter Bank is authorized to operate all former offices of Sidney as branches of the surviving banking institution.

November 29, 1978

SUMMARY OF REPORT BY ATTORNEY GENERAL

The Binghamton SMSA covers four counties in New York State and one in Pennsylvania. Binghamton is about 45 miles from both Sidney and Norwich. The SMSA covers a much wider area than that which appears appropriate for competitive analysis here. Applicant, utilizing New York State Department of Commerce designations, claims that even the Binghamton Economic Area, which covers five counties in New York state and within which all its offices are located, is too small to be the relevant geographic market in this instance. It argues that the relevant market consists of an additional eight counties as well as the five counties in the Binghamton Economic Area; this "market" has a total of 52 commercial banks, of which 27 are in the Binghamton Economic Area. The application also declares that Bank's market is limited to not more than 20 miles from Sidney, which would include Applicant's main office location. This area also includes the communities of Oneonta and Walton, head office locations of Wilber National Bank and National Bank of Delaware County, respectively, parties to another proposed merger concerning which we are writing to you today.

In our opinion, the appropriate market is, at the largest, the counties of Delaware, Otsego and Chenango. Sidney is at the northwestern corner of Delaware County near the eastern boundary of Chenango County and the southwestern boundary of Otsego County. No new banks have been established in this area in the last 5 years and two commercial banks have opened a total of only three offices in that period. Several mergers have taken place in the last 10 years, including three by Applicant.

In Delaware County, Bank's home county, Applicant is the leading bank in deposits and number of offices. Its three branches hold $25.2 million in deposits, or 17.7 percent of total county deposits. The second largest bank, National Bank of Delaware County, holds $22.6 million in deposits, of 15.9 percent of total county deposits, and, as noted, proposes to merge with Wilber National Bank of Oneonta. Bank is the third largest in the county, with 13 percent of total deposits. After the proposed acquisition, the combined bank would control 30.7 percent of total county deposits.

In Chenango County, Applicant's home county is, by far, the dominant banking institution. It has nine of the 12 offices and 69.5 percent of total deposits in the county. A Binghamton-based subsidiary of First Lincoln Banks, Inc., accounts for an additional 11.3 percent of total deposits at its one office in Chenango County. Neither Applicant nor Bank has an office in Otsego County, which adjoins both of the above counties.

In the combined three-county area, Applicant is the largest bank with 27.4 percent of deposits. Bank has 3.7 percent, and, after the acquisition, the combined bank would have 31.1 percent of total deposits. Wilber National Bank and National Bank of Delaware, after merging, would be the second largest bank with 18.6 percent of three-county deposits.

Applicant's nearest office to Bank is Bainbridge, 6 miles southwest. Although Applicant says there is little "head to head" competition between them, it appears, on the basis of the limited information in the application, that they are the leading competitors for real estate mortgages in the area of Bank's offices. In 1975, between them, they accounted for 77 of 266 mortgages recorded, in 1976 for 108 of 319 mortgages recorded, and in 1977 for 106 of 364 mortgages recorded. No other lender had as high a share as either Applicant or Bank. This direct and significant competition would be eliminated as a result of the acquisition.

In view of the elimination of the existing competition between Bank and Applicant, and the position of the resulting bank in the market, the proposed acquisition would have an adverse effect on competition.

* * *

ADAMS COUNTY NATIONAL BANK,
Cumberland Township (P.O. Gettysburg), Pa., and The National Bank of Arendtsville, Arendtsville, Pa.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The National Bank of Arendtsville, Arendtsville, Pa. (9139), with	$ 13,795,000	2	———
and Adams County National Bank, Cumberland Township (P.O. Gettysburg), Pa. (311), which had	124,277,000	8	———
merged Dec. 31, 1978, under charter and title of the latter bank (311). The merged bank at date of merger had	138,065,000	———	10

COMPTROLLER'S DECISION

An application has been filed with the Office of the Comptroller of the Currency pursuant to the Bank Merger Act (12 USC 1828(c)), that requires prior written consent to the proposed merger of The National Bank of Arendtsville, Arendtsville, Pa. ("NBA"), the merging bank, into Adams County National Bank, Cumberland Township (P.O. Gettysburg), Pa. ("ACNB"), the charter bank, under the charter and title of Adams County National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

ACNB was founded in 1857 as a state-chartered savings institution and has operated as a national banking association since March 11, 1864, when this Office granted charter number 311 to the bank. In addition to its main office, ACNB operates six branch offices, all domiciled within Adams County. As of March 31, 1978, ACNB had total commercial bank deposits of approximately $106.5 million.

Operating under national banking association charter number 9139 since May 18, 1908, as of March 31, 1978, NBA had total deposits of $11.9 million. In addition to its head office in Arendtsville, NBA operates one branch office in Franklin Township.

At the present time, both of the proponents' operations are confined to Adams County wherein there are headquartered eight commercial banks that operate 25 banking offices. ACNB ranks as the largest commercial bank in Adams County and NBA ranks as the fourth largest bank within the county. The main offices of the proponent banks are approximately 10 miles apart and their nearest offices are separated by 8 road miles. From data contained within the file, it would appear that the proponents serve two separate and distinct primary service areas within Adams County. NBA primarily serves the northwest and west-central portions of the county while ACNB primarily serves the banking community of the immediate Gettysburg area, the surrounding south-central and eastern portions of Adams County, a portion of adjoining York County (running along the eastern border of Adams County), and part of Carroll County, Md. ACNB derives less than 4 percent of its total deposits and slightly in excess of 2 percent of its total loans from the primary service area of NBA. Likewise, NBA obtains approximately 6.5 percent of its total deposits and less than 9 percent of its total loans from the area of ACNB's focal competitive impact. NBA realizes its most intense competition from the Biglerville office of the Gettysburg National Bank (total deposits of $78.9 million), located approximately 3 miles to the east of NBA's head office, and The Bendersville National Bank (total deposits of $11.7 million), 5 miles to the north of Arendtsville. Approval of this application would result in the first largest (ACNB) and the second largest (The Gettysburg National Bank) commercial banks directly competing in all parts of Adams County. Additionally, the National Central Bank, Lancaster (total deposits of approximately $1.2 billion) operates two offices in Hanover (located near the York-Adams County line), and Dauphin Deposit Bank and Trust Company, Harrisburg (total deposits of $468 million) also maintains two banking offices in Hanover. One other larger competitor, CCNB Bank, N.A., New Cumberland (total deposits of $240 million) has a branch in New Oxford, Adams County, about 8 miles to the east of Gettysburg. The combined resources of NBA and ACNB should fortify the competitive position of ACNB with respect to these larger competitors and the banking public should be better served through this stimulated competitive atmosphere. The resulting bank should be in an enhanced position to more effectively compete with the larger banks headquartered outside of Adams County, but which actively compete within Adams County. Although approval of this application would have the effect of eliminating a degree of existing competition between ACNB and NBA, it is the opinion of this Office that the overall effect of the proposal would not be substantially adverse and, in fact, NBA's banking customers would be offered a more viable and meaningful banking alternative.

Applicable Pennsylvania branching statutes permit the participating banks to establish *de novo* offices throughout the counties of Adams, Franklin, Cumberland and York. Due to the size of the community of Arendtsville (approximately 600 residents) and the rural surrounding atmosphere, it does not appear that ACNB would choose to enter the immediate Arendtsville area via *de novo* expansion. Furthermore, given the relative size of NBA, in relation to its major competitors, the operating philosophy of the bank and the bank's limited financial resources, it does not appear reasonable to conclude that the merging bank would utilize this form of expansion.

The economy of Adams County is primarily agrarian in nature, with a heavy emphasis upon the raising and harvesting of fruit on a commercial basis. There are several actual and potential customers employed in this seasonal line of commerce for whom NBA is unable to provide service and meet credit requests. The increased legal lending limit of the resulting bank will better serve the credit needs of the banking public currently served by NBA. Additionally, NBA does not fully quality as a "full-service" bank inasmuch as the bank does not offer to its customers such important banking services as trust and fiduciary services, bank-related credit card programs, I.R.A. programs, bank letters of credit, and daily compounded interest on regular savings accounts. All of these and other expanded and improved banking services will be offered as a result of this merger. It is further contemplated that the physical facilities of NBA will be altered with the interior of the bank's head office being renovated in order to provide additional space to better accommodate both customers and employees of NBA. On balance, considerations relating to convenience and needs lend considerable weight toward approval of the subject proposal.

The financial and managerial resources of ACNB are considered to be satisfactory. The financial resources of NBA are regarded as satisfactory. The active day-to-day operations management of NBA is primarily vested in one officer of the bank and it is noted that the directorate of NBA is elderly and has not made apparent provision for adequate management succession at the bank. Furthermore, ACNB has an established management personnel training program and is able to provide competent and capable bankers who will be in a position to prudently manage the affairs of NBA in a sound manner.

The future prospects of ACNB appear favorable and the future prospects of NBA should be favorably enhanced by affiliation with the charter bank.

This application was filed prior to the November 6, 1978, effective date of the Comptroller's Community Reinvestment Act regulations, 12 CFR 25. However, pursuant to the Community Reinvestment Act, Public Law No. 95-128, available information relevant to the bank's record of meeting its community credit needs was reviewed and revealed no evidence to suggest that the applicants are not meeting the credit needs of their community, including low and moderate income neighborhoods.

Accordingly, applying the statutory criteria, it is the conclusion of this Office, that the application is in the public interest, and is approved.

November 30, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

At present both Applicant and Bank operate offices exclusively in Adams County, which had a 1970 population of 56,937. Ten banks now operate a total of 24 offices in Adams County; eight of these banks are headquartered in the county. Banking in Adams County is highly concentrated with the top four banks holding 79.9 percent of county deposits. Applicant is the largest bank in the county with 38.5 percent of the county deposits; Bank ranks fourth in size with a 4.3 percent market share.

Inasmuch as the city of Hanover and its environs in neighboring York County serve as the commercial hub for much of Adams County, it can be argued that the appropriate relevant geographic market must include these York County areas. The Federal Reserve Bank of Philadelphia has recognized a Gettysburg—Hanover market in its study of Pennsylvania banking markets. Even under this broader market definition Applicant has the largest market share with 21.1 percent of deposits and Bank has the eighth largest share with 2.4 percent.

Applicant argues that, despite its dominant presence in Adams County, it is an "outsider" for all practical purposes in Upper Adams, the northwest portion of Adams County where Bank is located. Nevertheless, the application indicates that direct competition between the two banks will be eliminated as a result of the merger. According to Applicant, 3.5 percent of Applicant's deposits and 2.1 percent of Applicant's loans originated in the service area of Bank and 6.5 percent of Bank's deposits and 8.5 percent of Bank's loans originated in Applicant's service area. These figures do not include deposits from loans to persons having businesses in both areas, persons who originally lived in one area but moved to the other, persons residing in one area and working in the other, and joint loan participations. It should also be noted that the offices of Applicant and Bank are separated by distances ranging only from 8 to 20 miles. Thus, the merger if consummated would have a significantly adverse effect on actual competition in the area.

The proposed merger would also have an adverse effect on potential competition in Adams County by permitting an existing competitor to acquire a bank that would be a suitable entry vehicle for a bank located in a contiguous county. The resulting unavailability of Bank as an entry vehicle thus lessens the possibility of needed deconcentration in the banking industry in Adams County.

Given the small size of bank and the relatively few residents of Arendtsville, the overall conclusion is that the proposed acquisition would have an adverse effect on competition.

* * *

CENTURY NATIONAL BANK OF PALM BEACH COUNTY, West Palm Beach, Fla., and Century National Bank, Boynton Beach, Fla.

Names of banks and type of transaction	*Total assets**	*Banking offices*	
		In operation	*To be operated*
Century National Bank, Boynton Beach, Boynton Beach, Fla. (16415), with	$ 8,474,000	1	———
and Century National Bank of Palm Beach County, West Palm Beach Fla. (16586), which had	12,846,000	2	———
merged Dec. 31, 1978, under charter and title of the latter bank (16586). The merged bank at date of merger had	14,933,000	———	3

COMPTROLLER'S DECISION

Application has been made to the Office of the Comptroller of the Currency requesting prior permission to effectuate a merger of Century National Bank, Boynton Beach, Boynton Beach, Fla. ("Merging Bank"), into Century National Bank of Palm Beach County, West Palm Beach, Fla. ("Charter Bank"), under the charter and title of Century National Bank of Palm Beach County. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Charter Bank was organized as the Northwood Bank of West Palm Beach in 1973 and converted to a national banking association with charter number 16586 on June 14, 1976. As of June 30, 1978, Charter Bank had total commercial bank deposits of $10.3 million.

Merging Bank was granted charter number 16415 as a national banking association on December 13, 1974, and as of June 30, 1978, had total commercial bank deposits of $7.3 million.

Both Charter Bank and Merging Bank are banking subsidiaries of Century Banks, Inc., Fort Lauderdale, Fla., a registered multi-bank holding company that controls 12 banks with deposits aggregating $742.1 million. Due to the common control and ownership between the proponent banks, the proposed merger would not have any adverse competitive impact.

This application was filed prior to the November 6, 1978, effective date of the Comptroller's Community Reinvestment Act regulations, 12 CFR 25. However, pursuant to the Community Reinvestment Act, Public Law No. 95-128, available information relevant to the bank's record of meeting its community credit needs was reviewed and revealed no evidence to suggest that the applicants are not meeting the credit needs of their community, including low and moderate income neighborhoods.

It is the conclusion of the Office of the Comptroller of the Currency that this application essentially represents a corporate reorganization whereby Century Banks, Inc., is consolidating its banking interests in Palm Beach County and the proposal would not produce an adverse impact upon any relevant area of consideration. The application is therefore deemed to be not adverse to the public interest, and should be, and hereby is, approved.

November 29, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are both substantially-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

*Asset figures are as of call dates immediately before and after transaction.

* * *

LINCOLN FIRST BANK OF ROCHESTER,
Rochester, N.Y., and National Bank of Westchester, White Plains, N.Y., and Lincoln First Bank-Central, National Association, Syracuse, N.Y., and First-City National Bank of Binghamton, N.Y., Binghamton, N.Y., and The First National Bank of Jamestown, Jamestown, N.Y.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Lincoln First Bank of Rochester, Rochester, N.Y., with	$1,195,733,000	51	———
and National Bank of Westchester, White Plains, N.Y. (10525), with	725,418,000	38	———
and First-City National Bank of Binghamton, N.Y., Binghamton, N.Y. (15625), with	306,593,000	16	———
and The First National Bank of Jamestown, Jamestown, N.Y. (15626), with	154,266,000	10	———
and Lincoln First Bank-Central, National Association, Syracuse, N.Y. (15627), which had	410,838,000	25	———
consolidated Dec. 31, 1978, under charter of latter bank (15627) and title "Lincoln First Bank, N.A."			
The consolidated bank at date of consolidation had	3,160,782,000	———	140

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has received an application that requests prior written consent to the proposed consolidation of Lincoln First Bank of Rochester, Rochester, N.Y. ("LFBR"); National Bank of Westchester, White Plains, N.Y. ("NBW"); First-City National Bank of Binghamton, N.Y., Binghamton, N.Y. ("FCNB"); The First National Bank of Jamestown, Jamestown, N.Y. ("FNBJ"); and Lincoln First Bank-Central, National Association, Syracuse, N.Y. ("Charter Bank"), under the charter of Lincoln First Bank-Central, National Association, and with the title of "Lincoln First Bank, N.A." The subject application rests upon an agreement executed among the proponent banks, incorporated herein by reference, the same as if fully set forth.

LFBR is a state-chartered commercial bank that as of December 31, 1977, had total deposits of $1.1 billion.

NBW is a national banking association operating under charter number 10525, as granted by this Office on April 29, 1914. As of calendar year-end 1977, NBW had total deposits of $597.8 million.

FCNB has operated as a national bank since May 11, 1967, and had total deposits of $262.9 million as of December 31, 1977.

FNBJ operates under national banking association charter number 15626 and, at year-end 1977, had total deposits of slightly less than $141 million.

Charter Bank had deposits aggregating approximately $332.4 million as of the calendar end of 1977 and is a national banking association.

All five of the proponent banks are wholly-owned banking subsidiaries of Lincoln First Banks Inc., Rochester, N.Y. By means of the subject proposal, the corporate parent, Lincoln First Banks Inc., would cease to be a registered multi-bank holding company but, rather, through the consolidation of all its banking interests, would become a one-bank holding company. The primary benefit to the banking public would be the creation of a financially stronger banking institution, with enhanced resources and increased competitive abilities.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that this proposal is not adverse to the public interest, and should be, and hereby is, approved.

September 5, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The consolidating banks are all wholly-owned subsidiaries of the same bank holding company. As such, their proposed consolidation is essentially a corporate reorganization and would have no effect on competition.

* * *

SOUTHEAST FIRST NATIONAL BANK OF SARASOTA,

Sarasota, Fla., and Southeast Bank of St. Armands, Sarasota, Fla., and Southeast Bank of Siesta Key, Sarasota, Fla., and Southeast Bank of Village Plaza, N.A., Sarasota, Fla., and Southeast Bank of Venice, Venice, Fla.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Southeast Bank of St. Armands, Sarasota, Fla., with	$ 50,918,000	1	———
and Southeast Bank of Siesta Key, Sarasota, Fla., with	32,058,000	1	———
and Southeast Bank of Venice, Venice, Fla., with	26,117,000	1	———
and Southeast Bank of Village Plaza, N.A., Sarasota, Fla. (15901), with	29,491,000	1	———
and Southeast First National Bank of Sarasota, Sarasota, Fla. (16531), which had	107,126,000	2	———
merged Dec. 31, 1978, under charter and title of the latter bank (16531). The merged bank at date of merger had	241,188,000	———	6

COMPTROLLER'S DECISION

An application has been filed with the Office of the Comptroller of the Currency, pursuant to the Bank Merger Act (12 USC 1828(c)), that requires prior written consent to effectuate a proposed merger of Southeast Bank of St. Armands, Sarasota, Fla. ("St. Armands Bank"); Southeast Bank of Siesta Key, Sarasota, Fla. ("Siesta Key Bank"); Southeast Bank of Venice, Venice Fla. ("Venice Bank"); and Southeast Bank of Village Plaza, N.A., Sarasota, Fla. ("Village Plaza Bank") (collectively, "Merging Banks"), into Southeast First National Bank of Sarasota, Sarasota, Fla. ("Charter Bank"). The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

St. Armands Bank is a state-chartered commercial banking institution that as of March 31, 1978, held total deposits of $50.8 million.

Siesta Key Bank is also a state-chartered bank, and had total deposits of slightly less than $29 million, on March 31, 1978.

Venice Bank, with total commercial bank deposits of $23.9 million is the smallest of the three proponent state-chartered commercial banks.

With total deposits of approximately $23.8 million on March 31, 1978, Village Plaza Bank is a national banking association operating under charter number 15901.

Charter Bank has operated under national banking association charter number 16531 as granted by this Office on January 14, 1976. As of March 31, 1978, Charter Bank had total deposits aggregating approximately $94.6 million.

All four Merging Banks and Charter Bank are commercial banking subsidiaries of the largest banking organization headquartered within the state of Florida, Southeast Banking Corporation, Miami, Fla., a registered multi-bank holding company that controls 40 banking subsidiaries, with total deposits of $2.8 billion, as of December 31, 1977.

The subject application must be regarded essentially as a corporate reorganization whereby Southeast Banking Corporation is consolidating a portion of its banking interests located in the Sarasota, Fla. area.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that the subject application is not adverse to the public interest, and should be, and hereby is, approved. Additionally, incident to approval of this application, Charter Bank is authorized to operate all existing offices of the Merging Banks as branches of the resulting bank.

August 23, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are all wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

* * *

II. Mergers consummated involving a single operating bank.

PEOPLES BANK AND TRUST, N.A.,
Trenton, Mich., and PBT Bank, National Association, Trenton, Mich.

Names of banks and type of transaction	*Total assets**	*Banking offices*	
		In operation	*To be operated*
PBT Bank, National Association, Trenton, Mich. (16571), with	$ 120,000	0	———
and Peoples Bank and Trust, N.A., Trenton, Mich. (16571), which had	158,215,000	1	———
consolidated Jan. 3, 1978, under charter and title of the latter bank (16571). The consolidated bank at date of consolidation had	165,617,000	———	1

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency requesting prior permission to consolidate PBT Bank, National Association (organizing), Trenton, Mich. ("PBT"), and Peoples Bank and Trust, N.A., Trenton, Mich. ("Charter Bank"), under the title and charter of Peoples Bank and Trust, N.A. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

On August 18, 1977, this Office granted its preliminary approval for the organization of PBT. The new national banking association charter application was sponsored by principals of the sixth largest banking organization headquartered in the state of Michigan, Old Kent Financial Corporation, Grand Rapids, Mich. ("Old Kent"). To date, PBT has no operating history.

Charter Bank commenced operations on April 5, 1976, and as of June 30, 1977, the bank's total deposits were $135.2 million.

The closest office of any of Old Kent's seven subsidiary banks to Charter Bank is in excess of 150 miles. Therefore, the Board of Governors of the Federal Reserve System concluded that, in view of the distance involved and Michigan's restrictive branching statutes, no competition existed between any of Old Kent's banking subsidiaries and Charter Bank, when the Board approved Old Kent's application to acquire 100 percent of the outstanding voting shares of the successor by consolidation to Charter Bank on October 25, 1977.

Approval of this application would threrfore merely combine a non-operating institution with an existing commercial bank, and would produce no adverse impact upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

November 29, 1977.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed consolidation is part of a plan through which Peoples Bank and Trust, N.A. would become a subsidiary of Old Kent Financial Corporation, a bank holding company. The instant transaction, 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 Old Kent Financial Corporation, it would have no effect on competition.

*Asset figures are as of call dates immediately before and after transaction.

* * *

THE FIRST NATIONAL BANK OF CASSOPOLIS,
Cassopolis, Mich., and Cassopolis National Bank, Cassopolis, Mich.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Cassopolis National Bank, Cassopolis, Mich. (1812), with	$ 127,000	0	———
and The First National Bank of Cassopolis, Cassopolis, Mich. (1812), which had	20,639,000	3	———
consolidated Jan. 31, 1978, under charter and title of the latter bank (1812). The consolidated bank at date of consolidation had	20,776,000	———	3

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency requesting prior permission to consolidate The First National Bank of Cassopolis, Cassopolis, Mich. ("FNB"), and Cassopolis National Bank (organizing), Cassopolis, Mich. ("Cassopolis Bank"), under the charter and title of The First National Bank of Cassopolis.

The Office of the Comptroller of the Currency, in an action dated February 12, 1976, granted preliminary approval for the organization of a new national banking association to be known as "Cassopolis National

Bank." The new association was organized by principals of the 32nd largest commercial banking organization headquartered within the state of Michigan, Western Michigan Corporation, Niles, Mich. a registered one-bank holding company, whose subsidiary First National Bank of Southwestern Michigan, Niles, holds total deposits representing approximately 0.4 percent of total deposits held by all commercial banks in the state. To date, Cassopolis Bank has no operating history.

FNB has operated under national banking association charter number 1812 since April 18, 1871. As of June 30, 1977, FNB had total deposits of $17.8 million.

The Board of Governors of the Federal Reserve System, by action dated June 30, 1976, denied the application of Western Michigan Corporation to acquire FNB. Upon request for reconsideration filed with the Board by the subject bank holding company, the Board, on April 29, 1977, approved Western Michigan Corporation's application to acquire 100 percent (less directors' qualifying shares) of the successor by merger to FNB. Subsequently, on August 15, 1977, the Federal Reserve Bank of Chicago, acting pursuant to authority delegated by the Board, posed no objection to Western Michigan Corporation's proposal to consolidate FNB and Cassopolis Bank. The primary purpose of Cassopolis Bank is to act as the vehicle for the acquisition of FNB by the bank holding company; and as such, would merely combine an existing commercial bank with a non-operating entity. Accordingly, this proposal would produce no adverse effect upon any relevant area of consideration.

This application is therefore regarded as being not adverse to the public interest, and should be, and hereby is, approved.

November 15, 1977.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed transaction is part of a plan through which First National Bank of Cassopolis would become a subsidiary of Western Michigan Corporation, a bank holding company. The instant consolidation, 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 Western Michigan Corporation, it would have no effect on competition.

* * *

BLACKSTONE VALLEY NATIONAL BANK,
Northbridge, Mass., and Old Colony National Bank of Worcester County, Northbridge, Mass.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Blackstone Valley National Bank, Northbridge, Mass. (1022), with	$28,566,000	5	——
and Old Colony Bank of Worcester County, National Association, Northbridge, Mass. (1022), which had	1,030,000	0	——
merged Feb. 6, 1978, under charter and title of the latter bank (1022). The merged bank at date of merger had	29,596,000	——	5

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency requesting prior permission to effectuate a merger of Blackstone Valley National Bank, Northbridge, Mass. ("Merging Bank"), into Old Colony Bank of Worcester County, National Association (organizing), Northbridge Mass. ("Old Colony"), the charter bank, under the charter and title of Old Colony Bank of Worcester County, National Association. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

On August 9, 1977, the Office of the Comptroller of the Currency granted preliminary approval for the organization of Old Colony. To date, the charter bank has no operating history.

Merging Bank was organized as The Blackstone Bank in 1825 and converted to a national banking association with charter number 1022 on April 17, 1865. As of December 31, 1976, Merging Bank had total deposits of $25.4 million.

Old Colony was organized by principals of First National Boston Corporation, Boston, Mass., a registered multi-bank holding company that as of year-end 1976 controlled five banking subsidiaries with domestic commercial bank deposits aggregating $3.0 billion. The combination of Old Colony and Merging Bank would have merely the effect of combining a non-operating entity with an existing commercial banking institution; and as such, would produce no adverse effect upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that the proposal considered herein is not adverse to the public interest, and the application should be, and hereby is, approved.

November 18, 1977.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Blackstone Valley 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 non-operating 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 CENTRAL SECURITY NATIONAL BANK OF LORAIN COUNTY,
Lorain, Ohio, and The Central Trust Company of Lorain County, National Association, Lorain, Ohio.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Central Security National Bank of Lorain County, Lorain, Ohio (15456), with	$110,424,000	11	———
and The Central Trust Company of Lorain County, National Association, Lorain, Ohio (15456), which had	240,000	0	———
merged Feb. 15, 1978, under charter of the latter bank (15456) and title "The Central Security National Bank of Lorain County." The merged bank at date of merger had	108,868,000	———	11

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency has received an application filed pursuant to 12 USC 1828(c), requesting prior permission to effectuate a merger of The Central Security National Bank of Lorain County, Lorain, Ohio ("Merging Bank"), into The Central Trust Company of Lorain County, National Association (organizing), Lorain, Ohio ("Charter Bank"), under the charter of The Central Trust Company of Lorain County, National Association, and with the title of The Central Security National Bank of Lorain County. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Merging Bank was granted national banking association charter number 15456 by this Office on December 24, 1968. As of March 31, 1977, Merging Bank's total commercial bank deposits aggregated $93.4 million.

In an action dated June 21, 1977, this Office granted preliminary approval for the organization of Charter Bank. The application was sponsored by principals of The Central Bancorporation, Inc., Cincinnati, Ohio ("Central"); to date, Charter Bank has no operating history.

The Board of Governors of the Federal Reserve System granted its prior approval for the acquisition of Merging Bank by Central on July 5, 1977. Charter Bank's primary function is to serve as the vehicle for the acquisition of the existing national bank by the bank holding company.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

January 13, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

CAPITOL NATIONAL BANK,
Raleigh, N.C., and New Capitol Bank, National Association, Raleigh, N.C.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Capitol National Bank, Raleigh, N.C. (16100), with	$12,840,000	2	———
and New Capitol Bank, National Association, Raleigh, N.C. (16100), which had	240,000	0	———
merged Apr. 1, 1978, under the charter of the latter bank (16100) and title "Capitol National Bank." The merged bank at date of merger had	13,080,000	———	2

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency is in receipt of an application, pursuant to the Bank Merger Act (12 USC 1828(c)), that requires the prior approval of this Office of the proposed merger of Capitol National Bank, Raleigh, N.C. ("Merging Bank"), into New Capitol Bank, National Association (organizing), Raleigh, N.C. ("Charter Bank"), under the charter of New Capitol Bank, National Association, and with the title of Capitol National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth. As required by the Bank Merger Act, notice of the proposed transaction was published in an acceptable form and reports concerning the competitive effects were requested from the U.S. Attorney General, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System. This Office has considered the application and all reports received in the light of the factors set forth in the Bank Merger Act.

Charter Bank was granted preliminary approval to organize by this Office on November 14, 1977; and to date, the new bank has no operating history. The new bank application was sponsored by principals of United Carolina Bancshares Corporation, Whiteville, N.C.

("UCB"), a registered multi-bank holding company, that controls three wholly-owned banking subsidiaries and 49 percent of the outstanding voting shares of Merging Bank. The primary significance of Charter Bank is to facilitate the acquisition of the remaining 51 percent of Merging Bank's shares by UCB.

Merging Bank has operated as a national banking association since its inception in 1973. As of June 30, 1977, Merging Bank had total deposits of approximately $8.6 million, and operated two banking offices in Raleigh.

On January 31, 1978, acting pursuant to delegated authority for the Federal Reserve Board, the Federal Reserve Bank of Richmond approved the application of UCB to acquire 100 percent of the outstanding voting shares (less directors' qualifying shares) of the successor by merger to Merging Bank. The subject merger is a portion of an overall plan whereby Merging Bank will become a wholly-owned subsidiary of UCB. The merger would merely join an existing bank with a non-operating institution; and as such, would have no adverse consequences within any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

February 27, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Capitol National Bank would become a subsidiary of United Carolina Bancshares 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 United Carolina Bancshares Corporation, it would have no effect on competition.

* * *

FIRST NATIONAL BANK OF MCALLEN,
McAllen, Tex., and McAllen Commerce Bank National Association, McAllen, Tex.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First National Bank of McAllen, McAllen, Tex. (14635), with	$122,664,000	1	———
and McAllen Commerce Bank National Association, McAllen, Tex. (14635), which had	240,000	0	———
merged Apr. 7, 1978, under charter of the latter bank (14635) and title "First National Bank of McAllen." The merged bank at date of merger had	124,593,000	———	1

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency is in receipt of an application filed pursuant to 12 USC 1828(c), that seeks prior written permission to effect a merger of First National Bank of McAllen, McAllen, Tex. ("Merging Bank"), into McAllen Commerce Bank National Association (organizing), McAllen, Tex. ("Charter Bank"), under the charter of McAllen Commerce Bank National Association, and with the title of First National Bank of McAllen. The subject application rests upon an agreement executed between the proponent banks which is incorporated herein by reference, the same as if fully set forth. Notice of the proposal, as required by the Bank Merger Act, was published in a form approved by this Office, and competitive factor reports were solicited from the U.S. Attorney General, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System; all three agencies submitted reports. The Office of the Comptroller of the Currency has considered the application and all comments and reports received in the light of the factors set forth in the Bank Merger Act.

On August 25, 1977, this Office granted preliminary approval for the organization of Charter Bank. Sponsored by principals of Texas Commerce Bancshares, Inc., Houston, Tex. a registered multi-bank holding company, to date Charter Bank has no operating history and its primary function is to serve as the vehicle for the acquisition of Merging Bank by Texas Commerce Bancshares, Inc.

Merging Bank has operated under national banking association charter number 14635 since November 1, 1949. As of June 30, 1977, Merging Bank's total deposits aggregated slightly in excess of $100 million.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that the proposed merger is a portion of a plan whereby Merging Bank will become a subsidiary of a bank holding company and, as such, would merely combine an existing commercial bank with a non-operating institution, resulting in no adverse impact upon any relevant area of consideration. The application is therefore deemed to be not adverse to the public interest, and should be, and hereby is, approved.

March 7, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

CITY NATIONAL BANK IN WICHITA FALLS,
Wichita Falls, Tex., and City Bank, National Association, Wichita Falls, Tex.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
City National Bank in Wichita Falls, Wichita Falls, Tex. (13665), with	$209,725,000	1	———
and City Bank, National Association, Wichita Falls, Tex. (13665), which had,	242,000	0	———
merged Apr. 14, 1978, under charter of the latter bank (13665) and title "City National Bank in Wichita Falls." The merged bank at date of merger had	209,967,000	———	1

COMPTROLLER'S DECISION

Pursuant to provisions of the Bank Merger Act of 1966 (12 USC 1828(c)), an application has been filed with the Office of the Comptroller of the Currency requesting prior written consent to a proposed merger of City National Bank in Wichita Falls, Wichita Falls, Tex., ("Merging Bank"), into City Bank, National Association (organizing), Wichita Falls, Tex. ("Charter Bank"), under the charter of City Bank, National Association, and with the title of City National Bank in Wichita Falls. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth. Additionally, as required by the Bank Merger Act, notice of the proposed transaction was published in a form approved by this Office, and reports concerning the competitive effects were requested from the U.S. Attorney General, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation; reports were submitted by the U.S. Attorney General and the Federal Reserve Board.

By action dated October 19, 1977, this Office granted preliminary approval for the organization of Charter Bank. The application to organize a new national bank was sponsored by principals of First International Bancshares, Inc., Dallas, Tex. ("FIB"), a registered multi-bank holding company, the third largest banking organization headquartered in Texas, that controls 27 banks with total deposits of $3.98 billion. To date, Charter Bank has no operating history, and its primary function is to serve as the acquisition vehicle for FIB to acquire the successor by merger to Merging Bank.

Merging Bank has operated under national banking association charter number 13665 since March 15, 1933, and as of December 31, 1977, Merging Bank's total commercial bank deposits aggregated $181.1 million.

On January 6, 1978, the Federal Reserve Board granted its prior approval, as required by the Bank Holding Company Act of 1956 (12 USC 1842(a)(3)), of the application of FIB to acquire the successor by merger to Merging Bank. The instant proposal involving Charter Bank and Merger Bank would have the effect of merely combining a non-operating entity with an existing institution; and would produce no adverse effect upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

March 15, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which City National Bank in Wichita Falls 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 non-operating 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.

* * *

KELLY FIELD NATIONAL BANK OF SAN ANTONIO,
San Antonio, Tex., and American Servicemen's National Bank, San Antonio, Tex.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Kelly Field National Bank of San Antonio, San Antonio, Tex. (14794), with	$64,817,000	1	———
and American Servicemen's National Bank, San Antonio, Tex. (14794), which had	240,000	0	———
merged May 12, 1978, under charter of the latter bank (14794) and title "Kelly Field National Bank of San Antonio." The merged bank at date of merger had	65,057,000	———	1

COMPTROLLER'S DECISION

Kelly Field National Bank of San Antonio, San Antonio, Tex. ("KFNB"), the merging bank, and American Servicemen's National Bank (organizing), San Antonio, Tex. ("Charter Bank"), have applied to the Office of the Comptroller of the Currency, pursuant to 12 USC 1828(c), the Bank Merger Act, for prior written consent to effectuate a merger of KFNB into Charter Bank, under the charter of American Servicemen's National Bank, and with the title of Kelly Field National Bank of

San Antonio. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth. This Office has considered the application in the light of factors set forth within the Bank Merger Act.

KFNB has operated under national banking association charter number 14794 since the charter was granted by this Office on October 11, 1956. As of September 30, 1977, KFNB had total commercial bank deposits aggregating approximately $58.7 million.

By action dated June 10, 1977, this Office granted preliminary approval for Charter Bank to organize. To date, the bank has no operating history. The primary function of Charter Bank is to serve as the acquisition vehicle for Kelly Field Bancshares Corporation, San Antonio, Tex. to acquire 100 percent (less directors' qualifying shares) of the successor by merger to Kelly Field National Bank of San Antonio. (The Board of Governors of the Federal Reserve System, on September 9, 1977, granted prior approval for Kelly Field Bancshares Corporation to become a bank holding company.)

Approval of the subject proposal would merely have the effect of combining a non-operating entity with an existing commercial bank, and would produce no adverse effect upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that the application is not adverse to the public interest, and should be, and hereby is, approved.

April 7, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Kelly Field National Bank of San Antonio would become a subsidiary of Kelly Field Bancshares 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 Kelly Field Bancshares Corporation, it would have no effect on competition.

* * *

FIRST NATIONAL BANK OF MAYWOOD,
Maywood, Ill., and Maywood National Bank, Maywood, Ill.

Names of banks and type of transaction	Total assets*	Banking offices	
		In operation	To be operated
First National Bank of Maywood, Maywood, Ill. (14470), with	$36,307,000	1	
and Maywood National Bank, Maywood, Ill. (14470), which had	120,000	0	
merged May 15, 1978, under charter of the latter bank (14470) and title "First National Bank of Maywood." The merged bank at date of merger had	37,411,000		1

COMPTROLLER'S DECISION

Pursuant to 12 USC 1828(c), an application has been filed with the Office of the Comptroller of the Currency asking prior written consent to the proposed merger of First National Bank of Maywood, Maywood, Ill. ("Merging Bank"), into Maywood National Bank (organizing), Maywood, Ill. ("Charter Bank"), under the charter of Maywood National Bank, and with the title of First National Bank of Maywood. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

By action dated October 26, 1976, this Office granted preliminary approval to organize a new national banking association to be known as "Maywood National Bank." To date, Charter Bank has no operating history, and the primary function of Charter Bank is to serve as the vehicle for the acquisition of Merging Bank by First Maywood, Inc., Maywood, Ill., a newly approved bank holding company.

Merging Bank has operated under national banking association charter number 14470 since this Office issued that charter on September 7, 1943. As of September 30, 1977, Charter Bank held total commercial bank deposits aggregating $32.6 million.

Inasmuch as approval of this transaction would merely have the effect of combining a non-operating entity with an existing commercial bank, there would be no adverse impact upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that this proposal is not adverse to the public interest, and should be, and hereby is, approved.

April 14, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

*Asset figures are as of call date immediately before and after transaction.

* * *

COMMUNITY NATIONAL BANK,
Flushing, Ohio, and Second National Bank, Flushing, Ohio.

Names of banks and type of transaction	Total assets*	Banking offices	
		In operation	To be operated
Community National Bank, Flushing, Ohio (12008), with	$14,598,000	2	———
and Second National Bank, Flushing, Ohio (12008), which had	180,000	0	———
merged July 15, 1978, under charter of the latter bank (12008) and title "Community National Bank." The merged bank at date of merger had	14,768,000	———	2

COMPTROLLER'S DECISION

Community National Bank, Flushing, Ohio ("Merging Bank"), and Second National Bank (organizing), Flushing, Ohio ("Charter Bank"), have applied to the Office of the Comptroller of the Currency, pursuant to the Bank Merger Act (12 USC 1828(c)), for prior written consent to the proposed merger of Community National Bank, Flushing, Ohio, into Second National Bank (organizing), Flushing, Ohio, under the charter of the Second National Bank and with the title of Community National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth. This Office has considered the application in the light of factors set forth within the Bank Merger Act.

By action dated September 26, 1977, this Office granted preliminary approval for the organization of a new national bank (Charter Bank), sponsored by principals of First Steuben Bancorp. Inc., Steubenville Ohio ("FSB"), a registered multi-bank holding company. To date, the Charter Bank has no operating history, and its primary function is to serve as the acquisition vehicle for Merging Bank to become a banking subsidiary of FSB.

*Asset figures are as of call dates immediately before and after transaction.

Merging Bank has operated under national banking association charter number 12008 since that charter was issued by this Office on August 19, 1921. As of December 31, 1977, Merging Bank had total deposits of approximately $14.2 million.

The subject proposal would merely have the effect of combining an existing commercial bank with a non-operating entity; and as such, would have no adverse consequences within any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

June 15, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Community National Bank 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 non-operating 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.

* * *

THE CITIZENS NATIONAL BANK OF EMPORIA,
Emporia, Va., and Greensville-Emporia National Bank, Emporia, Va.

Names of banks and type of transaction	Total assets*	Banking offices	
		In operation	To be operated
The Citizens National Bank of Emporia, Emporia, Va. (12240), with	$32,964,000	4	———
and Greensville-Emporia National Bank, Emporia, Va. (12240), which had	60,000	0	———
merged July 31, 1978, under the charter of the latter bank (12240) and title "The Citizens National Bank of Emporia." The merged bank at date of merger had	33,225,000	———	4

COMPTROLLER'S DECISION

Pursuant to the Bank Merger Act (12 USC 1828(c)), an application has been filed with the Office of the Comptroller of the Currency requesting prior written consent to the proposed merger of Greenville-Emporia National Bank (organizing), Emporia, Va., ("Charter Bank"), with The Citizens National Bank of Emporia, Emporia, Va. ("Merging Bank"), under the charter of Greenville-Emporia National Bank, and with the title of The Citizens National Bank of Emporia. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

By action dated February 24, 1978, this Office granted preliminary approval to organize a new national bank to be known as Greenville-Emporia National Bank. The new bank applicatn was sponsored by principals of the ninth largest banking organization head-

*Asset figures are as of call date immediately before and after transaction.

quartered within the Commonwealth of Virginia, Central National Corporation, Richmond, Va. ("CNB"), a registered multi-bank holding company that controls six subsidiary banks with total deposits of approximately $428 million. To date, Charter Bank has no operating history.

Merging Bank has operated as a national banking association since 1922 when it was granted charter number 12240 by this Office. As of December 31, 1977, Merging Bank held total commercial bank deposits aggregating approximately $28.9 million.

On April 28, 1978, the Board of Governors of the Federal Reserve System granted its prior approval to an application filed by CNB for the acquisition of the successor by merger to The Citizens National Bank of Emporia. The primary purpose of Charter Bank is to serve as the acquisition vehicle for CNB to acquire Merging Bank.

Accordingly, approval of the subject merger would have the effect of merely combining a non-operating institution with an existing commercial bank; and as such, would produce no adverse effect upon any relevant area of consideration.

The application is therefore deemed to be in the public interest, and should be, and hereby is, approved.

June 30, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

NATIONAL BANK OF MARSHALL, Marshall, Mich., and CFC National Bank, Marshall, Mich.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
National Bank of Marshall, Marshall, Mich. (15877), with	$ 9,925,585	1	
and CFC National Bank, Marshall, Mich. (15877), which had	120,000	0	
merged July 31, 1978, under charter of the latter bank (15877) and title "National Bank of Marshall."			
The merged bank at date of merger had	10,045,585		1

COMPTROLLER'S DECISION

Application has been made to the Comptroller of the Currency requesting prior permission to effectuate a merger of National Bank of Marshall, Marshall, Mich. ("Merging Bank"), into CFC National Bank (organizing), Marshall, Mich. ("Charter Bank"), under the charter of CFC National Bank, and with the title of National Bank of Marshall. The subject application rests upon an agreement executed between the proponent banks, and is incorporated herein by reference, the same as if fully set forth.

On March 20, 1978, this Office granted preliminary approval for the organization of Charter Bank; to date, the new bank has no operating history. Charter Bank was organized by principals of Chemical Financial Corporation, Midland, Mich. ("Chemical"), a registered multi-bank holding company, and its primary purpose is to act as the acquisition vehicle whereby Merging Bank would become a banking subsidiary of Chemical.

Merging Bank was granted national banking association charter number 15877 by this Office on June 4, 1971, and as of December 31, 1977, held total deposits of $8.8 million.

The proposed merger would merely have the effect of combining an existing commercial banking institution with a non-operating entity; and as such, would produce no adverse effect upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

June 28, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which National Bank of Marshall would become a subsidiary of Chemical 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 Chemical Financial Corporation, it would have no effect on competition.

* * *

BEXAR COUNTY NATIONAL BANK OF SAN ANTONIO,
San Antonio, Tex., and North St. Mary National Bank, San Antonio, Tex.

Names of banks and type of transaction	*Total assets**	*Banking offices*	
		In operation	*To be operated*
Bexar County National Bank of San Antonio, San Antonio, Tex. (14283), with	$150,627,000	1	———
and North St. Mary National Bank, San Antonio, Tex. (14283), which had	240,000	0	———
merged Aug. 1, 1978, under charter of the latter bank (14283) and title "Bexar County National Bank of San Antonio." The merged bank at date of merger had	$146,752,000	———	1

COMPTROLLER'S DECISION

Pursuant to the Bank Merger Act (12 USC 1828(c)), an application has been submitted to the Office of the Comptroller of the Currency requesting prior written permission to effect a merger of North St. Mary National Bank (organizing), San Antonio, Tex. ("Charter Bank"), and Bexar County National Bank of San Antonio, San Antonio, Tex. ("Merging Bank"), under the charter of North St. Mary National Bank, and with the title of Bexar County National Bank of San Antonio. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

On March 24, 1978, this Office granted preliminary approval to organize a new national bank to be known as North St. Mary National Bank. The new bank application was sponsored by principals of the fourth largest banking organization in Texas, Republic of Texas Corporation, Dallas, Tex. a registered multibank holding company that controls 14 banks with aggregate commercial bank deposits of approximately $3.4 billion. The primary purpose of Charter Bank is to serve as the vehicle for the acquisition of the successor by merger to Bexar County National Bank of San Antonio. (By action dated June 16, 1978, the Board of Governors of the Federal Reserve System granted its prior approval for Republic of Texas Corporation to have Merging Bank become a subsidiary of the bank holding company.)

Merging Bank was granted national banking association charter number 14283 by this Office on October 16, 1934. As of December 31, 1977, Merging Bank had total deposits of slightly less than $145 million.

Approval of this proposal would merely join together an existing commercial bank with non-operating entity; and as such, would have no adverse impact upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that the subject application is in the public interest, and should be, and hereby is, approved.

June 30, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Bexar County National Bank of San Antonio would become a subsidiary of Republic of Texas 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 Republic of Texas Corporation, it would have no effect on competition.

*Asset figure for Bexar County National Bank of San Antonio before merger is as of immediately preceding call date.

* * *

THE FIRST NATIONAL BANK & TRUST COMPANY OF AUGUSTA,
Augusta, Ga., and National Interim Bank of Augusta, Augusta, Ga.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank & Trust Company of Augusta, Augusta, Ga. (1860), with	$103,902,000	8	———
and National Interim Bank of Augusta, Augusta, Ga. (1860), which had	250,000	0	———
merged Aug. 17, 1978, under charter of the latter bank (1860) and title "The First National Bank & Trust Company of Augusta." The merged bank at date of merger had	100,543,000	———	8

THE FIRST NATIONAL BANK & TRUST COMPANY IN MACON,
Macon, Ga., and National Interim Bank of Macon, Macon, Ga.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank & Trust Company in Macon, Macon, Ga. (10270), with	$186,073,000	9	———
and National Interim Bank of Macon, Macon, Ga. (10270), which had	250,000	0	———
merged Aug. 17, 1978, under charter of the latter bank (10270) and title "The First National Bank & Trust Company in Macon." The merged bank at date of merger had	171,912,000	———	9

THE FIRST NATIONAL BANK OF ROME,
Rome, Ga., and National Interim Bank of Rome, Rome, Ga.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Rome, Rome, Ga. (2368), with	$82,118,000	4	———
and National Interim Bank of Rome, Rome, Ga. (2368), which had	250,000	0	———
merged Aug. 17, 1978, under charter of the latter bank (2368) and title "The First National Bank of Rome." The merged bank at date of merger had	81,079,000	———	4

THE NATIONAL BANK AND TRUST COMPANY OF COLUMBUS, GA.,
Columbus, Ga., and National Interim Bank of Columbus, Columbus, Ga.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The National Bank and Trust Company of Columbus, Ga., Columbus, Ga. (31901), with	$94,982,000	7	———
and National Interim Bank of Columbus, Columbus, Ga. (31901), which had	250,000	0	———
merged Aug. 17, 1978, under charter of the latter bank (31901) and title "The National Bank and Trust Company of Columbus, Ga." The merged bank at date of merger had	91,149,000	———	7

TRUST COMPANY OF GEORGIA BANK OF SAVANNAH, N.A.,
Savannah, Ga., and National Interim Bank of Savannah, Savannah, Ga.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Trust Company of Georgia Bank of Savannah, N.A., Savannah, Ga. (13472), with	$121,484,000	11	———
and National Interim Bank of Savannah, Savannah, Ga. (13472), which had	250,000	0	———
merged Aug. 17, 1978, under charter of the latter bank (13472) and title "Trust Company of Georgia Bank of Savannah, N.A." The merged bank at date of merger had	116,113,000	———	11

COMPTROLLER'S DECISION

Five separate but related applications have been submitted to the Office of the Comptroller of the Currency pursuant to applicable requirements of 12 USC 1828(c), the Bank Merger Act, requesting prior written consent to the proposed mergers of The First National Bank & Trust Company of Augusta, Augusta, Ga. ("Augusta Bank") into National Interim Bank of Augusta (organizing), Augusta, Ga. ("Augusta Charter Bank") under the charter of National Interim Bank of Augusta and with the title of The First National Bank & Trust Company of Augusta; The National Bank and Trust Company of Columbus, Ga., Columbus, Ga. ("Columbus Bank") into National Interim Bank of Columbus, Columbus, Ga., ("Columbus Charter Bank") under the charter of National Interim Bank of Columbus and with the title of The National Bank and Trust Company of Columbus, Ga.; The First National Bank & Trust Company in Macon, Macon, Ga. ("Macon Bank") into National Interim Bank of Macon (organizing), Macon, Ga. ("Macon Charter Bank") under the charter of National Interim Bank of Macon and with the title of The First National Bank & Trust Company in Macon; The First National Bank of Rome, Rome, Ga. ("Rome Bank") into National Interim Bank of Rome (organizing), Rome, Ga. ("Rome Charter Bank") under the charter of National Interim Bank of Rome and with the title of The First National Bank of Rome; and, Trust Company of Georgia Bank of Savannah, N.A., Savannah, Ga. ("Savannah Bank") into National Interim Bank of Savannah (organizing), Savannah, Ga. ("Savannah Charter Bank") under the charter of National Interim Bank of Savannah and with the title of Trust Company of Georgia Bank of Savannah, N.A. The applications rest upon five separate and distinct agreements executed between the five pairs of the 10 proponent banks and each agreement is incorporated herein by reference, the same as if fully set forth.

By separate actions, all dated May 18, 1978, this Office granted preliminary approval for the organization of Augusta Charter Bank, Columbus Charter Bank, Macon Charter Bank, Rome Charter Bank and Savannah Charter Bank. To date, none of the five institutions has any operating history. All five of the new bank applications were sponsored by principals of Trust Company of Georgia, Atlanta, Ga. ("TCG"), a registered multi-bank holding company, and the primary purpose of each of the five charter banks is to serve as the acquisition vehicle for TCG to acquire the minority interests in each of the five existing national banking associations.

Augusta Bank has operated under national banking association charter number 1860 since the charter was granted by this Office on August 10, 1871. As of December 31, 1977, Augusta Bank had total deposits of $88.7 million.

Columbus Bank was chartered by this Office in 1892 and, as of calendar year-end 1977, held total commercial bank deposits aggregating $77.8 million.

Chartered by this Office on September 30, 1912, Macon Bank's total deposits at year-end 1977, were $143.3 million.

National banking association charter number 2368 was granted to Rome Bank on August 22, 1877, and the bank's deposits totaled approximately $69.7 million, as of December 31, 1977.

Savannah Bank's charter (number 13472) was granted by this Office on June 7, 1930, and the bank's deposits had grown to slightly less than $103 million, at year-end 1977.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that approval of each of the five subject proposals would sanction a part of a plan through which Augusta Bank, Columbus Bank, Macon Bank, Rome Bank and Savannah Bank will become wholly-owned banking subsidiaries of TCG. The applications are therefore deemed to be in the public interest, and should be, and hereby are approved subject to the following condition: that a simple majority of the minority shares in each of the five existing banks, not currently owned or controlled by TCG, be voted in favor of the proposed merger(s) involving their respective bank(s).

July 18, 1978

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed mergers are part of a plan through which First National Bank of Rome; First National Bank & Trust Company in Macon; First National Bank & Trust Company of Augusta; Trust Company of Georgia Bank of Savannah, N.A.; and National Bank and Trust Company of Columbus, Ga., would become subsidiaries of Trust Company of Georgia, a bank holding company. The instant mergers, however, would merely combine existing banks with non-operating institutions; as such, and without regard to the acquisitions of the surviving banks by Trust Company of Georgia, they would have no effect on competition.

* * *

EASTERN SHORE NATIONAL BANK, Daphne, Ala., and FBG National Bank of Daphne, Daphne, Ala.

Names of banks and type of transaction	Total assets*	Banking offices: In operation	Banking offices: To be operated
Eastern Shore National Bank, Daphne, Ala. (16285), with	$9,242,000	1	———
and FBG National Bank of Daphne, Daphne, Ala. (16285), which had	60,000	0	———
merged Sept. 11, 1978, under charter of the latter bank (16285) and title "Eastern Shore National Bank." The merged bank at date of merger had	8,664,000	———	1

COMPTROLLER'S DECISION

Pursuant to the statutory requirements of 12 USC 1828(c), the Bank Merger Act, an application has been filed with the Office of the Comptroller of the Currency that requires prior written consent to the proposed merger of Eastern Shore National Bank, Daphne, Ala. ("ESNB"), the merging bank, into FBG National Bank of Daphne, (organizing), Daphne, Ala. ("FBG"), the charter bank, under the charter of FBG National Bank of Daphne and with the title of Eastern Shore National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

ESNB has operated as a national banking association since February 26, 1974, when this Office granted charter number 16285 to the bank. As of March 31, 1978, ESNB held total commercial bank deposits of approximately $5.8 million.

FBG has no operating history, and the charter bank's application for corporate existence was sponsored by First Bancgroup-Alabama, Inc., Mobile, Ala.,

*Asset figures are as of call dates immediately before and after transaction.

a registered multi-bank holding company that controls five banking subsidiaries with total deposits of approximately $602.4 million. The primary function of FBG is to serve as the vehicle for the acquisition of the successor by merger to Eastern Shore National Bank by First Bancgroup-Alabama.

The instant merger would have the effect of merely combining a non-operating entity with an existing commercial bank; and, as such, would result in no adverse impact upon any relevant area of consideration.

Accordingly, this application is deemed to be in the public interest, and should be, and hereby is, approved.

August 9, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

THE FIRST NATIONAL BANK OF DALTON, Dalton, Ga., and First National Interim Bank of Dalton, Dalton, Ga.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Dalton, Dalton, Ga. (3907), with	$109,013,000	4	———
and First National Interim Bank of Dalton, Dalton, Ga. (3907), which had	250,000	0	———
merged Sept. 14, 1978, under the charter and title of the latter bank (3907). The merged bank at date of merger had	110,290,000	———	4

COMPTROLLER'S DECISION

Pursuant to 12 USC 1828(c), the Bank Merger Act, an application has been filed with the Office of the Comptroller of the Currency that requires prior written consent to the proposed merger of The First National Bank of Dalton, Dalton, Ga. ("FNB"), the merging bank, into First National Interim Bank of Dalton (organizing), Dalton, Ga. ("Charter Bank"), under the charter of First National Interim Bank of Dalton and with the title of The First National Bank of Dalton. The subject application is based upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

On June 21, 1978, this Office granted preliminary approval to organize a new national bank to be known as "First National Interim Bank of Dalton." To date, Charter Bank has no operating history, and its primary function is to serve as the vehicle for the acquisition of the successor by merger to The First National Bank of Dalton by First National Holding Corp., Atlanta, Ga. ("FNHC"), a registered multi-bank holding company.

FNB has operated under national banking association charter number 3907 since this Office granted the charter on July 10, 1888. As of March 31, 1978, merging bank had total commercial bank deposits aggregating slightly less than $85 million.

Inasmuch as approval of this proposal would merely have the effect of combining a non-operating entity with an existing commercial bank, it is the conclusion of this Office that approval of the application is not adverse to the public interest. The subject application is therefore deemed to be in the public interest, and should be, and hereby is, approved.

August 14, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

THE FIRST NATIONAL BANK IN MINERAL WELLS,
Mineral Wells, Tex., and Hubbard National Bank, Mineral Wells, Tex.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank in Mineral Wells, Mineral Wells, Tex. (12669), with	$46,244,000	1	
and Hubbard National Bank, Mineral Wells, Tex. (12669), which had	120,000	0	
merged Oct. 2, 1978, under the charter of the latter bank (12669) and title "The First National Bank in Mineral Wells". The merged bank at date of merger had	47,108,000		1

COMPTROLLER'S DECISION

In compliance with applicable requirements of the Bank Merger Act (12 USC 1828(c)), an application has been filed with the Office of the Comptroller of the Currency that requests prior written permission to effectuate the proposed merger of The First National Bank in Mineral Wells, Mineral Wells, Tex. ("Merging Bank"), into Hubbard National Bank (organizing), Mineral Wells, Tex. ("Charter Bank"), under the charter of Hubbard National Bank and with the title of The First National Bank in Mineral Wells. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

By action dated March 10, 1978, this Office granted preliminary approval to organize Charter Bank; to date, the bank has no operating history.

Merging Bank has operated under national banking association charter number 12669 since April 4, 1925. As of December 31, 1977, Merging Bank had total commercial bank deposits amounting to approximately $37.5 million.

The new bank application for the establishment of Charter Bank was sponsored by principals of Republic of Texas Corporation, Dallas, Tex. ("RTC"), a registered multi-bank holding company that controls 14 banks with total deposits of $3.4 billion. The primary purpose of Charter Bank is to serve as the acquisition vehicle for RTC to acquire all of the outstanding voting shares of the successor by merger to The First National Bank in Mineral Wells.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that approval of this application would merely have the effect of combining a non-operating institution with an existing commercial bank and, as such, would produce no adverse effect upon any relevant area of consideration. The application is therefore deemed to be in the public interest, and should be, and hereby is, approved.

August 25, 1978

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank in Mineral Wells would become a subsidiary of Republic of Texas 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 Republic of Texas Corporation, it would have no effect on competition.

* * *

THE HERGET NATIONAL BANK OF PEKIN,
Pekin, Ill., and HNB Bank, N.A., Pekin, Ill.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Herget National Bank of Pekin, Pekin, Ill. (9788), with	$98,515,000	2	
and HNB Bank, N.A., Pekin, Ill. (9788), which had	240,000	0	
merged Nov. 14, 1978, under the charter of the latter bank (9788) and title "The Herget National Bank of Pekin." The merged bank at date of merger had	98,515,000		2

COMPTROLLER'S DECISION

Pursuant to 12 USC 1828(c), an application has been filed with the Office of the Comptroller of the Currency requesting prior permission to merge The Herget National Bank of Pekin, Pekin, Ill. ("Merging Bank"), into HNB Bank, N.A. (organizing), Pekin, Ill. ("Charter Bank"), under the charter of HNB Bank, N.A., and with the title of The Herget National Bank of Pekin. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Merging Bank has operated under national banking association charter number 9788 since the charter was granted by this Office on June 16, 1910. As of June 30, 1978, Merging Bank had total commercial bank deposits of $88.3 million.

This Office granted preliminary approval for the organization of Charter Bank on October 22, 1974 and, to date, Charter Bank has had no operating history. The primary function of Charter Bank is to act as the acquisition vehicle for Herget Financial Corp., Pekin, Ill. ("Herget Financial"), to acquire 100 percent (less directors' qualifying shares) of the successor by merger to The Herget National Bank of Pekin. On September 22, 1978, the Board of Governors of the Federal Reserve System, pursuant to the Bank Holding Company Act of 1956, approved the application by Herget Financial to become a one-bank holding company through the aforementioned acquisition.

The subject merger would merely have the effect of combining an existing commercial bank with a non-operating entity; as such, would produce no adverse effect upon any relevant area of consideration.

Accordingly, applying the statutory criteria, the application is, therefore, deemed to be not adverse to the public interest, and should be, and hereby is, approved.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Herget National Bank of Pekin would become a subsidiary of Herget 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 Herget Financial Corporation, it would have no effect on competition.

* * *

THE BROOKS FIELD NATIONAL BANK OF SAN ANTONIO, San Antonio, Tex., and Brooks Field Bank of Commerce National Association, San Antonio, Tex.

Names of banks and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Brooks Field National Bank of San Antonio, San Antonio, Tex. (14847), with..................	$70,083,000	1	
and Brooks Field Bank of Commerce National Association, San Antonio, Tex. (14847), which had....	240,000	0	
merged Nov. 27, 1978, under the charter of the latter bank (14847) and title "Brooks Field National Bank." The merged bank at date of merger had..	70,323,000		1

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency, pursuant to the statutory requirements of 12 USC 1828(c) (the Bank Merger Act), has accepted for filing an application that seeks and requires the prior written consent of the Office to the proposed merger of The Brooks Field National Bank of San Antonio, San Antonio, Tex. ("Merging Bank"), into Brooks Field Bank of Commerce National Association (organizing), San Antonio, Tex. ("Charter Bank"), under the charter of Brooks Field Bank of Commerce National Association, and with the title of Brooks Field National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Merging Bank has operated as a national banking association since November 28, 1958, when this Office granted charter number 14847 to the bank. As of March 31, 1978, Charter Bank's total deposits were approximately $56.5 million.

On May 10, 1978, preliminary approval to organize Charter Bank was granted by this Office; to date, the new bank has no operating history. The primary purpose for the organization of Charter Bank is to provide the vehicle for the acquisition of the succesor by merger to the Brooks Field National Bank of San Antonio by National Bancshares Corporation of Texas, San Antonio, a registered multi-bank holding company that as of December 31, 1977, controlled four subsidiary banks with total consolidated deposits of approximately $622.7 million. The effect of the instant proposal would be to merely combine a non-operating entity with an existing commercial bank; and as such, would produce no adverse effect upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of this Office that the application is not adverse to the public interest, and should be, and hereby is, approved.

October 20, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Brooks Field National Bank of San Antonio 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 non-operating 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.

* * *

GUARANTY NATIONAL BANK,
Houston, Tex., and Guaranty Bank of Commerce National Association, Houston, Tex.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Guaranty National Bank, Houston, Tex. (15834), with	$45,635,000	1	———
and Guaranty Bank of Commerce National Association, Houston, Tex. (15834), which had	240,000	0	———
merged Nov. 30, 1978, under the charter of latter bank (15834) and title "Guaranty National Bank."			
The merged bank at date of merger had	45,635,000	———	1

COMPTROLLER'S DECISION

The Office of the Comptroller of the Currency is in receipt of an application, pursuant to the Bank Merger Act (12 USC 1828(c)), that requests prior permission to effectuate a merger of Guaranty National Bank, Houston, Tex. ("Merging Bank"), into Guaranty Bank of Commerce National Association (organizing), Houston, Tex. ("Charter Bank"), under the charter of Guaranty Bank of Commerce National Association, and with the title of Guaranty National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

Merging Bank has operated under national banking association charter number 15834 since the charter was granted by this Office on October 9, 1970. As of June 30, 1978, Merging Bank had total commercial bank deposits of $41.2 million.

Charter Bank was granted preliminary approval to organize by this Office on August 15, 1978; to date, the new bank has no operating history. The primary function of Charter Bank is to act as the acquisition vehicle for National Bancshares Corporation of Texas, San Antonio, Tex., a registered multi-bank holding company, to acquire 100 percent (less directors' qualifying shares) of the successor by merger to Guaranty National Bank. On October 6, 1978, The Board of Governors of the Federal Reserve System, pursuant to the Bank Holding Company Act of 1956, approved the aforementioned acquisition by National Bancshares Corporation of Texas.

The subject merger would merely have the effect of combining an existing commercial bank with a non-operating entity; and as such, would produce no adverse effect upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is the conclusion of the Office of the Comptroller of the Currency that this application is not adverse to the public interest, and should be, and hereby is, approved.

October 20, 1978

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Guaranty National Bank 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 non-operating 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.

* * *

COLONIAL NATIONAL BANK,
Unincorporated Area of Harris County, Tex., and New Colonial National Bank, Unincorporated Area of Harris County, Tex.

Names of banks and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Colonial National Bank, Unincorporated Area of Harris County, Tex. (16493), with	$23,273,000	1	———
and New Colonial National Bank, Unincorporated Area of Harris County, Tex. (16493), which had	240,000	0	———
merged Dec. 14, 1978, under the charter of the latter bank (16493) and title "Colonial National Bank."			
The merged bank at date of merger had	22,654,000	———	1

COMPTROLLER'S DECISION

Pursuant to the statutory requirements of the Bank Merger Act (12 USC 1828(c)), an application has been filed with the Office of the Comptroller of the Currency that requires prior written permission to effect the proposed merger of Colonial National Bank, unincorporated area of Harris County, Tex. ("Merging Bank"), into New Colonial National Bank, unincorporated area of Harris County, Tex. ("Charter Bank"), under the charter of New Colonial National Bank and with the title of Colonial National Bank. The subject application rests upon an agreement executed between the proponent banks, incorporated herein by reference, the same as if fully set forth.

By action dated June 19, 1978, this Office granted preliminary approval for the organization of Charter Bank; to date, the new bank has no operating history.

Merging Bank has operated under national banking association charter number 16493 since the charter was granted by this Office on September 12, 1975. As of June 30, 1978, Merging Bank had total commercial bank deposits of approximately $18.3 million.

The primary purpose of this merger is to facilitate the acquisition of all of the voting shares (except for directors' qualifying shares) of the successor by merger to Colonial National Bank by Republic National Bancshares, Inc., Houston, Tex., a newly approved bank holding company. The end result of this merger would be to combine a non-operating entity with an existing commercial bank and, as such, would have no adverse impact upon any relevant area of consideration.

Accordingly, applying the statutory criteria, it is deemed that the application is not adverse to the public interest, and should be, and hereby is, approved.

October 25, 1978.

SUMMARY OF REPORT BY ATTORNEY GENERAL

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

* * *

III. Mergers approved but abandoned.

THE SECOND NATIONAL BANK AND TRUST COMPANY OF LEXINGTON, Lexington, Ky., and Bank of Lexington, Lexington, Ky.

Names of banks and type of transaction
Bank of Lexington, Lexington, Ky., and The Second National Bank and Trust Company of Lexington, Lexington, Ky. (2901), applied for permission to merge Aug. 18, 1976, under charter of the latter bank (2901) and title "Second National/Bank of Lexington." The application was approved Apr. 27, 1977. The pending merger was challenged by Justice Department May 26, 1977, and was abandoned February 14, 1978.

For text of Comptroller's Decision and Summary of Report by Attorney General, see 1977 Report, pp. 136-139.

* * *

APPENDIX B
Statistical Tables

Statistical Tables

Table B–1

Comptrollers of the Currency, 1863 to the present

No.	Name	Date of appointment	Date of resignation	State
1	McCulloch, Hugh	May 9, 1863	Mar. 8, 1865	Indiana.
2	Clarke, Freeman	Mar. 21, 1865	July 24, 1866	New York.
3	Hulburd, 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	July 31, 1976	South Dakota.
24	Heimann, John G.	July 21, 1977	....	New York.

Table B–2

Deputy Comptrollers of the Currency

No.	Name	Dates of tenure		State
1	Howard, Samuel T.	May 9, 1963	Aug. 1, 1865	New York.
2	Hulburd, 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	District 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	Georgia.
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	July 18, 1975	Ohio.
37	Miller, Dean E.	Dec. 23, 1962		Iowa.
38	DeShazo, Thomas G.	Jan. 1, 1963	Mar. 3, 1978	Virginia.
39	Egertson, R. Coleman	July 13, 1964	June 30, 1966	Iowa.
40	Blanchard, Richard J.	Sept. 1, 1964	Sept. 26, 1975	Massachusetts.
41	Park, Radcliffe	Sept. 1, 1964	June 1, 1967	Wisconsin.
42	Faulstich, Albert J.	July 19, 1965	Oct. 26, 1974	Louisiana.
43	Motter, David C.	July 1, 1966		Ohio.
44	Gwin, John D.	Feb. 21, 1967	Dec. 31, 1974	Mississippi.
45	Howland, Jr., W. A.	July 5, 1973	Mar. 27, 1978	Georgia.
46	Mullin, Robert A.	July 5, 1973	Sept. 8, 1978	Kansas.
47	Ream, Joseph M.	Feb. 2, 1975	June 30, 1978	Pennsylvania.
48	Bloom, Robert	Aug. 31, 1975	Feb. 28, 1978	New York.
49	Chotard, Richard D.	Aug. 31, 1975	Nov. 25, 1977	Missouri.
50	Hall, Charles B.	Aug. 31, 1975		Pennsylvania.
51	Jones, David H.	Aug. 31, 1975	Sept. 20, 1976	Texas.
52	Murphy C. Westbrook	Aug. 31, 1975	Dec. 30, 1977	Maryland.
53	Selby, H. Joe	Aug. 31, 1975		Texas.
54	Homan, Paul M.	Mar. 27, 1978		Nebraska.
55	Keefe, James T.	Mar. 27, 1978		Massachusetts.
56	Muckenfuss, Cantwell F., III	Mar. 27, 1978		Alabama.
57	Wood, Billy C.	Nov. 7, 1978		Texas.
58	Longbrake, William A.	Nov. 8, 1978		Wisconsin.

Table B–3

Regional administrators of national banks

Region	Name	Headquarters	States
1	Ralph W. Gridley	Boston, Mass.	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
2	John R. Burt	New York, N.Y.	New Jersey, New York, Puerto Rico, Virgin Islands.
3	R. Coleman Egertson	Philadelphia Pa.	Pennsylvania, Delaware.
4	Larry T. Gerzema	Cleveland, Ohio	Indiana, Kentucky, Ohio.
5	Robert J. Herrmann	Richmond, Va.	District of Columbia, Maryland, North Carolina, Virginia, West Virginia.
6	John G. Hensel	Atlanta, Ga.	Florida, Georgia, South Carolina.
7	Billy C. Wood	Chicago, Ill.	Illinois, Michigan.
8	Clifton A. Poole	Memphis, Tenn.	Alabama, Arkansas, Louisiana, Mississippi, Tennessee.
9	Kenneth W. Leaf	Minneapolis, Minn.	Minnesota, North Dakota, South Dakota, Wisconsin.
10	John W. Rogers	Kansas City, Mo.	Iowa, Kansas, Missouri, Nebraska.
11	Michael Doman	Dallas, Tex.	Oklahoma, Texas.
12	Kent D. Glover	Denver, Colo.	Arizona, Colorado, New Mexico, Utah, Wyoming.
13	M. B. Adams	Portland, Oreg.	Alaska, Idaho, Montana, Oregon, Washington.
14	Victor E. DelTredici	San Francisco, Calif.	California, Guam, Hawaii, Nevada.

Table B–4

Changes in the structure of the national banking system, by states, 1978

	In operation Dec. 31, 1977	Organized and opened for business during 1978	Consolidated and merged under 12 USC 215		Insolvencies	Liquidated	12 USC 214		In operation Dec. 31, 1978
			Consolidated	Merged			Converted to state banks	Merged or consolidated with state banks	
All national banks	4,655	40	1	27	3	5	68	27	4,564
Alabama	97	2	0	0	0	0	0	0	99
Alaska	6	0	0	0	0	0	0	0	6
Arizona	3	0	0	0	0	0	0	0	3
Arkansas	72	0	0	0	0	0	3	0	69
California	58	0	0	2	0	0	2	1	53
Colorado	133	4	0	0	0	0	0	0	137
Connecticut	21	0	0	0	0	0	0	2	19
Delaware	5	0	0	0	0	0	0	0	5
District of Columbia	15	1	0	0	0	0	0	0	16
Florida	263	5	0	11	0	0	7	14	236
Georgia	64	0	0	0	0	0	0	0	64
Hawaii	2	0	0	0	0	0	0	0	2
Idaho	6	0	0	0	0	0	0	0	6
Illinois	423	1	0	0	1	0	4	0	419
Indiana	121	1	0	0	0	0	1	0	121
Iowa	99	0	0	0	0	0	0	0	99
Kansas	160	0	0	0	0	0	9	0	151
Kentucky	82	0	0	0	0	0	3	0	79
Louisiana	53	1	0	0	0	0	0	0	54
Maine	17	0	0	0	0	0	0	0	17
Maryland	36	0	0	1	0	0	0	1	34
Massachusetts	72	1	0	0	0	0	0	0	73
Michigan	123	4	0	0	0	1	1	0	125
Minnesota	204	2	0	0	0	0	1	0	205
Mississippi	36	1	0	0	0	0	0	0	37
Missouri	113	1	0	0	0	0	13	0	101
Montana	56	0	0	0	0	0	0	0	56
Nebraska	117	0	0	0	0	0	0	0	117
Nevada	4	0	0	0	0	0	0	0	4
New Hampshire	41	0	0	2	0	0	0	0	39
New Jersey	100	0	0	0	2	0	2	0	96
New Mexico	40	1	0	0	0	0	1	0	40
New York	127	0	0	2	0	0	0	1	124
North Carolina	28	0	0	1	0	0	0	0	27
North Dakota	43	0	0	0	0	0	0	0	43
Ohio	218	0	0	0	0	1	0	0	217
Oklahoma	193	1	0	0	0	0	3	0	191
Oregon	7	0	0	0	0	0	0	1	6
Pennsylvania	233	0	1	1	0	2	1	2	226
Rhode Island	5	0	0	0	0	0	0	0	5
South Carolina	19	0	0	0	0	1	0	0	18
South Dakota	32	0	0	0	0	0	0	0	32
Tennessee	73	0	0	0	0	0	1	0	72
Texas	604	12	0	0	0	0	7	0	609
Utah	12	0	0	1	0	0	1	0	10
Vermont	14	0	0	0	0	0	0	1	13
Virginia	103	0	0	6	0	0	5	4	88
Washington	21	0	0	0	0	0	1	0	20
West Virginia	106	1	0	0	0	0	1	0	106
Wisconsin	128	1	0	0	0	0	0	0	129
Wyoming	46	0	0	0	0	0	0	0	46
Puerto Rico	1	0	0	0	0	0	1	0	0

NOTE: This table reflects information for operating banks, and may not agree with other tables because of effective dates.
Does not include one non-national bank in the District of Columbia supervised by the Comptroller of the Currency.
For summary of changes 1863–1977 see Table B–4 in *Annual Report*, 1977.

Table B–5

Applications for national bank charters, approved and rejected, by states, calendar 1978*

	Approved	Rejected
ALABAMA		
Town-Country National Bank, Camden	Mar. 5	———
Columbiana	———	Sept. 27
Central Bank of Dothan, National Association, Dothan	Mar. 6	———
Fort Payne	———	Apr. 4
Mobile	———	Feb. 20
First Alabama Bank, N.A., Notasulga	Jan. 28	———
ARKANSAS		
Booneville	———	Oct. 20
CALIFORNIA		
Santa Fe National Bank, Norwalk and Santa Fe Springs	Aug. 31	———
Meridian National Bank, Pleasant Hill	May 15	———
Sonoma	———	Dec. 15
Westwood National Bank, Westwood	Feb. 7	———
COLORADO		
Chapel Hills National Bank, El Paso County	Oct. 18	———
First Bank of Villa Italia, National Association, Lakewood	Dec. 22	———
FLORIDA		
Charlotte County National Bank, Unincorporated Area of Charlotte County	Sept. 6	———
The Gold Coast National Bank, Unincorporated Area of Dade County	Feb. 20	———
INDIANA		
National Bank of Clarksville, Clarksville	Aug. 5	———
KENTUCKY		
First National Bank of Versailles, Versailles	Aug. 25	———
LOUISIANA		
Farmerville	———	Aug. 15
Leesville	———	Feb. 7
MASSACHUSETTS		
BayBank Boston, N.A., Boston	May 10	———
MICHIGAN		
Michigan National Bank - Ann Arbor, Ann Arbor	Nov. 24	———
Northern National Bank, Grayling	Dec. 13	———
Marcellus	———	Aug. 5
The Detroit Bank - Novi, National Association, Novi	Mar. 23	———
NEBRASKA		
South Sioux City	———	Feb. 27
OKLAHOMA		
Citizens National Bank of Ardmore, Ardmore	Jan. 18	———
Ardmore	———	Jan. 18
Midwest National Bank, Midwest City	Dec. 22	———
SOUTH DAKOTA		
Tri-State National Bank, Belle Fourche	Sept. 18	———
TEXAS		
Corpus Christi	———	June 21
Forestwood National Bank of Dallas, Dallas	Dec. 6	———
Baybrook National Bank, Unincorporated Area of Harris County	Mar. 8	———
Citizens' National Bank, Unincorporated Area of Harris County	Jan. 20	———
Continental National Bank, Unincorporated Area of Harris County	Sept. 18	———
First City Bank - Westheimer, N.A., Unincorporated Area of Harris County	Aug. 5	———
Westview Commerce Bank National Association, Unincorporated Area of Harris County	Jan. 25	———
South Belt Commerce Bank National Association, Houston	Feb. 27	———
Bayport National Bank, La Porte	Dec. 22	———
League City National Bank, League City	June 22	———
League City	———	June 22
Texas National Bank of Midland, Midland	Mar. 23	———
The American National Bank of Mount Pleasant, Mount Pleasant	Dec. 22	———
Salado National Bank, Unincorporated City of Salado	Aug. 14	———
First National Bank of Sulphur Springs, Sulphur Springs	Dec. 22	———
UTAH		
Zions First National Bank of Cedar City, Cedar City	June 30	———
Zions First National Bank of Orem, Orem	Dec. 6	———
First Security Bank of Richfield, N.A., Richfield	Oct. 17	———
First Security Bank of St. George, N.A., St. George	Oct. 17	———
WASHINGTON		
National Bank of Bremerton, Bremerton	Dec. 22	———
Friday Harbor	———	Mar. 2
WEST VIRGINIA		
American National Bank of Glen Daniel, Glen Daniel	Feb. 7	———
WISCONSIN		
Tri City National Bank of Brown Deer, Brown Deer	Jan. 31	———
Community National Bank, Mukwonago	Oct. 19	———
Northern Security National Bank of Rhinelander, Pelican	Dec. 22	———
Westby	———	Oct. 19
WYOMING		
Wyoming National Bank of East Casper, Casper	Mar. 23	———

* Does not include applications for conversion or pursuant to corporate reorganization.

Table B–6

Applications for national bank charters pursuant to corporate reorganization, by states, calendar 1978

	Approved	*Rejected*
ALABAMA		
FBG National Bank of Daphne, Daphne	Feb. 23	———
GEORGIA		
National Interim Bank of Augusta, Augusta	May 15	———
National Interim Bank of Columbus, Columbus	May 15	———
First National Interim Bank of Dalton, Dalton	June 20	———
National Interim Bank of Macon, Macon	May 15	———
National Interim Bank of Rome, Rome	May 15	———
National Interim Bank of Savannah, Savannah	May 15	———
ILLINOIS		
FNEP National Bank, Evergreen Park	Jan. 11	———
City Bank, National Association, Rockford	Oct. 19	———
INDIANA		
Indiana Interim National Bank, Gary	Oct. 20	———
MASSACHUSETTS		
New Harbor National Bank, Boston	Aug. 7	———
MICHIGAN		
CFC National Bank, Marshall	Mar. 17	———
NLB National Bank of Muskegon, Muskegon	June 22	———
OHIO		
The F.B.G. National Bank of Lancaster, Lancaster	Aug. 5	———
H.C.B. National Bank of Norwalk, Norwalk	Dec. 12	———
TEXAS		
New National Bank of Commerce of Dallas, Dallas	Oct. 20	———
Citizens Bank, National Association, Denison	Nov. 8	———
New Colonial National Bank, Unincorporated Area of Harris County	June 19	———
Guaranty Bank of Commerce National Association, Houston	Aug. 14	———
Gulf Bank, National Association, Houston	Oct. 19	———
5600 Lancaster National Bank, Fort Worth	Aug. 3	———
New Lufkin National Bank, Lufkin	Sept. 5	———
Hubbard National Bank, Mineral Wells	Mar. 8	———
1409 Avenue K National Bank, Plano	Sept. 26	———
Brooks Field Bank of Commerce National Association, San Antonio	May 10	———
North St. Mary National Bank, San Antonio	Mar. 24	———
First Waco Bank, National Association, Waco	May 15	———
VIRGINIA		
Greensville - Emporia National Bank, Emporia	Feb. 23	———

Table B–7

Newly organized national banks, by states, calendar 1978

Charter No.	*Title and location of bank*	*Total capital accounts*
	Total, United States: 39 banks	$66,500,000
	ALABAMA	
16708	Town-Country National Bank, Camden	750,000
16699	First Alabama Bank, N.A., Notasulga	500,000
	Total: 2 banks	1,250,000
	COLORADO	
16747	United Bank of Arvada National Association, Arvada	1,000,000
16701	Citizens National Bank, Colorado Springs	1,500,000
16723	The Women's Bank, N.A., Denver	2,000,000
16704	FirstBank of South Longmont, National Association	1,000,000
	Total: 4 banks	5,500,000
	DISTRICT OF COLUMBIA	
16720	The Women's National Bank, Washington	2,000,000
	FLORIDA	
16698	Royal Trust Bank of South Dade, N.A., Unincorporated Area of Dade	2,000,000
16749	First National Bank of West Delray, Unincorporated Area West of Delray Beach	1,200,000
16722	Florida Coast Bank of South Palm Beach County, National Association, Unincorporated Area of Southwest Palm Beach County	1,000,000
16759	First National Bank of Jefferson County, Monticello	1,000,000
	Total: 4 banks	5,200,000
	ILLINOIS	
16715	First National Bank of Wheeling, Wheeling	1,000,000
	INDIANA	
16760	Industrial National Bank of East Chicago, East Chicago	2,164
	LOUISIANA	
16732	National Bank of Commerce of DeRidder, DeRidder	1,000,000
	MASSACHUSETTS	
16757	BayBank Boston, N.A., Boston	2,500,000

Table B-7—Continued

Newly organized national banks, by states, calendar 1978

Charter No.	Title and location of bank	Total capital accounts
	MICHIGAN	
16710	Old Kent Bank of Norton Shores, National Association, Norton Shores	$ 1,250,000
16714	Michigan National Bank - Port Huron, Port Huron	14,000,000
16707	Michigan National Bank - Sterling, Sterling Heights	2,000,000
16712	The Detroit Bank - Sterling, N.A., Sterling Heights	3,000,000
	Total: 4 banks	20,250,000
	MINNESOTA	
16744	Granite City National Bank of St. Cloud, St. Cloud	2,000,000
	MISSISSIPPI	
16726	Citizens National Bank of Columbus, Columbus	1,250,000
	MISSOURI	
16750	Commerce Bank of Clay County, National Association, Kansas City	1,000,000
	NEW MEXICO	
16741	Southwest National Bank, Hobbs	1,500,000
	OKLAHOMA	
16743	Citizens National Bank of Ardmore, Ardmore	1,500,000
	TEXAS	
16703	First National Bank of Dimmit County, Carrizo Springs	1,250,000
16721	Carrollton First National Bank, Carrollton	1,500,000
16725	American National Bank of Dallas, Dallas	1,500,000
16733	Baybrook National Bank, Unincorporated Area of Harris County	1,500,000
16754	Citizens National Bank, Unincorporated Area of Harris County	1,200,000
16762	First City Bank - West, N.A., El Paso	1,250,000
16716	Overton Park National Bank, Fort Worth	1,600,000
16724	National Bank of Commerce of Kerrville, Kerrville	1,500,000
16718	Lake Worth National Bank, Lake Worth	1,250,000
16752	Southwest Lubbock National Bank, Lubbock	2,000,000
16756	Ingram Park Bank of Commerce National Association, San Antonio	1,250,000
16740	South Park National Bank, San Antonio	1,250,000
16731	American National Bank, Texarkana	1,500,000
	Total: 13 banks	18,550,000
	WEST VIRGINIA	
16761	Stonewall National Bank, Weston	1,000,000
	WISCONSIN	
16748	Tri City National Bank of Brown Deer, Brown Deer	1,000,000

Table B-8

Mergers consummated pursuant to corporate reorganizations, by states, calendar 1978*

(Dollar amounts in thousands)

Effective date of merger	Operating bank New bank Resulting bank	Total capital accounts	Total assets
	ALABAMA		
	Eastern Shore National Bank, Daphne		
	FBG National Bank of Daphne, Daphne		
	Charter issued September 5, 1978		
Sept. 11	Eastern Shore National Bank, Daphne	$ 781	$ 8,664
	GEORGIA		
	The First National Bank & Trust Company of Augusta, Augusta		
	National Interim Bank of Augusta, Augusta		
	Charter issued August 11, 1978		
Aug. 17	The First National Bank & Trust Company of Augusta, Augusta	8,697	100,543
	The National Bank and Trust Company of Columbus, Ga., Columbus		
	National Interim Bank of Columbus, Columbus		
	Charter issued August 11, 1978		

Table B-8—Continued

Mergers consummated pursuant to corporate reorganizations, by states, calendar 1978*

(Dollar amounts in thousands)

Effective date of merger	*Operating bank* *New bank* *Resulting bank*	*Total capital accounts*	*Total assets*
	The National Bank and Trust Company of Columbus, Ga., Columbus	$ 9,457	$91,149
	The First National Bank of Dalton, Dalton		
	First National Interim Bank of Dalton, Dalton		
	Charter issued September 13, 1978		
Sept. 14	The First National Bank of Dalton, Dalton	12,417	110,290
	The First National Bank & Trust Company in Macon, Macon		
	National Interim Bank of Macon, Macon		
	Charter issued August 11, 1978		
Aug. 17	The First National Bank & Trust Company in Macon, Macon	18,338	171,912
	The First National Bank of Rome, Rome		
	National Interim Bank of Rome, Rome		
	Charter issued August 11, 1978		
Aug. 17	The First National Bank of Rome, Rome	7,729	81,079
	Trust Company of Georgia Bank of Savannah, N.A., Savannah		
	National Interim Bank of Savannah, Savannah		
	Charter issued August 11, 1978		
Aug. 17	Trust Company of Georgia Bank of Savannah, N.A., Savannah	9,592	116,113
	ILLINOIS		
	First National Bank of Maywood, Maywood		
	Maywood National Bank, Maywood		
	Charter issued May 12, 1978		
May 15	First National Bank of Maywood, Maywood	3,129	36,045
	The Herget National Bank of Pekin, Pekin		
	HNB Bank, N.A., Pekin		
	Charter issued November 13, 1978		
Nov. 14	The Herget National Bank of Pekin, Pekin	7,541	98,515
	MASSACHUSETTS		
	Blackstone Valley National Bank, Northbridge		
	Old Colony Bank of Worcester County, National Association, Northbridge		
	Charter issued January 31, 1978		
Feb. 6	Old Colony Bank of Worcester County, National Association, Northbridge	2,316	29,596
	MICHIGAN		
	The First National Bank of Cassopolis, Cassopolis		
	Cassopolis National Bank, Cassopolis		
	Charter issued January 31, 1978		
Jan. 31†	The First National Bank of Cassopolis, Cassopolis	1,984	20,766
	National Bank of Marshall, Marshall		
	CFC National Bank, Marshall		
	Charter issued July 25, 1978		
July 31	National Bank of Marshall, Marshall	964	10,046
	Peoples Bank and Trust, N.A., Trenton		
	PBT Bank, National Association, Trenton		
	Charter issued December 28, 1977		
Jan. 3†	Peoples Bank and Trust, N.A., Trenton	11,541	154,553
	NORTH CAROLINA		
	Capitol National Bank, Raleigh		
	New Capitol Bank, National Association, Raleigh		
	Charter issued March 31, 1978		
Apr. 1	Capitol National Bank, Raleigh	1,455	12,840
	OHIO		
	Community National Bank, Flushing		
	Second National Bank, Flushing		
	Charter issued July 15, 1978		
July 15	Community National Bank, Flushing	1,111	15,297
	The Central Security National Bank of Lorain County, Lorain		
	The Central Trust Company of Lorain County, National Association, Lorain		
	Charter issued February 15, 1978		
Feb. 15	The Central Security National Bank of Lorain County, Lorain	9,464	108,868
	TEXAS		
	Colonial National Bank, Harris County		
	New Colonial National Bank, Harris County		
	Charter issued December 13, 1978		
Dec. 14	Colonial National Bank, Harris County	1,441	22,654
	Guaranty National Bank, Houston		
	Guaranty Bank of Commerce National Association, Houston		
	Charter issued November 28, 1978		
Nov. 30	Guaranty National Bank, Houston	4,755	45,635
	First National Bank of McAllen, McAllen		
	McAllen Commerce Bank National Association, McAllen		
	Charter issued March 23, 1978		

Table B–8—Continued

Mergers consummated pursuant to corporate reorganizations, by states, calendar 1978*

(Dollar amounts in thousands)

Effective date of merger	*Operating bank New bank Resulting bank*	*Total capital accounts*	*Total assets*
Apr. 7	First National Bank of McAllen, McAllen	$ 8,158	$124,593
	The First National Bank in Mineral Wells, Mineral Wells		
	Hubbard National Bank, Mineral Wells		
	Charter issued September 27, 1978		
Oct. 2	The First National Bank in Mineral Wells, Mineral Wells	4,487	47,108
	Kelly Field National Bank of San Antonio, San Antonio		
	American Servicemen's National Bank, San Antonio		
	Charter issued May 10, 1978		
May 12	Kelly Field National Bank of San Antonio, San Antonio	5,528	64,817
	The Brooks Field National Bank of San Antonio, San Antonio		
	Brooks Field Bank of Commerce National Association, San Antonio		
	Charter issued November 24, 1978		
Nov. 27	Brooks Field National Bank, San Antonio	6,686	70,323
	Bexar County National Bank of San Antonio, San Antonio		
	North St. Mary National Bank, San Antonio		
	Charter issued July 31, 1978		
Aug. 1	Bexar County National Bank of San Antonio, San Antonio	9,954	146,752
	City National Bank in Wichita Falls, Wichita Falls		
	City Bank, National Association, Wichita Falls		
	Charter issued April 11, 1978		
Apr. 14	City National Bank in Wichita Falls, Wichita Falls	14,389	209,725
	VIRGINIA		
	The Citizens National Bank of Emporia, Emporia		
	Greensville - Emporia National Bank, Emporia		
	Charter issued July 31, 1978		
July 31	The Citizens National Bank of Emporia, Emporia	2,767	33,225

* Includes consolidation involving a simple operating bank.
† Consolidation

Table B–9

State-chartered banks converted to national banks, by states, calendar 1978

Charter No.	*Title and location of bank*	*Effective date of charter*	*Outstanding Capital stock*	*Surplus, undivided profits and reserves*	*Total assets*
	Total: 3 banks		$1,425,000	$7,126,976	$122,572,813
	FLORIDA				
16728	Ellis First National Bank of Flagler County, Bunnell, conversion of Ellis Citizens Bank, Bunnell	Aug. 1	300,000	1,316,056	16,801,327
	MINNESOTA				
16702	St. Anthony National Bank, St. Anthony Village, conversion of State Bank of St. Anthony, St. Anthony	Feb. 24	600,000	2,316,880	34,279,134
	WEST VIRGINIA				
16696	Wheeling National Bank, Wheeling, conversion of Morris Plan Bank & Trust Company, Wheeling	Jan. 3	525,000	3,494,040	71,492,352

Table B–10

National bank charters issued pursuant to corporate reorganizations, by states, calendar 1978

Charter No.	Title and location of bank	Date of Issuance	
	Total: 25 banks		
	ALABAMA		
16285	FBG National Bank of Daphne, Daphne	Sept.	5
	GEORGIA		
1860	National Interim Bank of Augusta, Augusta	Aug.	11
4691	National Interim Bank of Columbus, Columbus	Aug.	11
3907	First National Interim Bank of Dalton, Dalton	Sept.	13
10270	National Interim Bank of Macon, Macon	Aug.	11
2368	National Interim Bank of Rome, Rome	Aug.	11
13472	National Interim Bank of Savannah, Savannah	Aug.	11
	Total: 6 banks		
	ILLINOIS		
14470	Maywood National Bank, Maywood	May	12
9788	HNB Bank, N. A., Pekin	Nov.	13
	Total: 2 banks		
	MASSACHUSETTS		
1022	Old Colony Bank of Worcester County, National Association, Northbridge	Jan.	31
	MICHIGAN		
15877	CFC National Bank, Marshall	July	25
1812	Cassopolis National Bank, Village of Cassopolis	Jan.	31
	Total: 2 banks		
	NORTH CAROLINA		
16100	New Capitol Bank, National Association, Raleigh	Mar.	31
	OHIO		
12008	Second National Bank, Flushing	July	15
15456	The Central Trust Company of Lorain County, National Association, Lorain	Feb.	15
	Total: 2 banks		
	TEXAS		
12696	5600 Lancaster National Bank, Fort Worth	Dec.	29
16493	New Colonial National Bank, Unincorporated Area of Harris County	Dec.	13
15834	Guaranty Bank of Commerce National Association, Houston	Nov.	28
14635	McAllen Commerce Bank National Association, McAllen	Mar.	23
12669	Hubbard National Bank, Mineral Wells	Sept.	27
14794	American Servicemen's National Bank, San Antonio	May	10
14847	Brooks Field Bank of Commerce National Association, San Antonio	Nov.	24
14283	North St. Mary National Bank, San Antonio	July	31
13665	City Bank, National Association, Wichita Falls	Apr.	11
	Total: 9 banks		
	VIRGINIA		
12240	Greensville - Emporia National Bank, Emporia	July	31

Table B–11

National banks reported in voluntary liquidation, by states, calendar 1978
(Dollar amounts in thousands)

Title and location of bank	*Date of liquidation*	*Total capital accounts of liquidated bank**
Total: 8 national banks		$29,125
ILLINOIS		
The Drovers National Bank of Chicago (6535), Chicago, absorbed by Drovers Bank of Chicago, Chicago	Jan. 20	15,337
MICHIGAN		
The First National Bank of Lawton (12084), Lawton, absorbed by The American National Bank and Trust Company of Michigan (13820), Kalamazoo	Mar. 30	1,388
NEW JERSEY		
The Hamilton Bank, National Association (16169), Hamilton Township, absorbed by Bank of Mid-Jersey, Bordentown	May 19	1,361
Mid-Jersey National Bank (15838), Woodbridge, absorbed by Princeton Bank and Trust Company, Princeton	Jan. 31	3,626
OHIO		
The First National Bank of New Paris (9211), New Paris, absorbed by Eaton National Bank and Trust Co., Eaton	Aug. 31	648
PENNSYLVANIA		
The Rices Landing National Bank (7090), Rices Landing, absorbed by Gallatin National Bank (5034), Uniontown	July 14	1,985
First National Bank of Scottdale (13772), Scottdale, absorbed by Gallatin National Bank (5034), Uniontown	Dec. 8	3,636
SOUTH CAROLINA		
Hilton Head National Bank (16449), Hilton Head, absorbed by The Citizens and Southern National Bank of S.C. (14425), Charleston	Oct. 13	1,144

* Includes subordinated notes and debentures, if any.

Table B–12

National banks merged or consolidated with state banks, by states, calendar 1978
(Dollar amounts in thousands)

Title and location of bank	*Effective date*	*Total capital accounts of national banks**
Total: 25 banks		$93,015
CALIFORNIA		
Commercial and Farmers National Bank (15532), Oxnard, merged into The Chartered Bank of London, San Francisco, under title "The Chartered Bank of London"	Jan. 23	3,085
CONNECTICUT		
The Connecticut Bank and Trust Company, N.A. (15294), Norfolk, merged into The Connecticut Bank and Trust Company, Hartford, under title "The Connecticut Bank and Trust Company"	Sept. 25	1,250
Liberty National Bank (16006), Stamford, merged into The Connecticut Bank and Trust Company, Hartford, under title "The Connecticut Bank and Trust Company"	Dec. 11	1,853
FLORIDA		
Southeast National Bank of Cocoa (15475), Cocoa, and Southeast First National Bank of Satellite Beach (15084), Satellite, merged into Southeast Bank of Titusville, Titusville, under title "Southeast Bank of Brevard"	Oct. 9	2,617
Barnett Bank of Delray Beach, National Association (14774), Delray Beach, merged into Barnett Bank of West Delray Beach, Palm Beach County, under title "Barnett Bank of Delray Beach"	April 1	4,965
Southeast National Bank of Dunedin (14922), Dunedin, and Southeast National Bank of St. Petersburg (15036), South Pasadena, merged into Southeast First Bank of Largo, Largo, under title "Southeast Bank of Pinellas"	Oct. 9	8,863
First American National Bank of Hernando County (16520), Hernando County, merged into Hernando State Bank, Brooksville, under title "Hernando State Bank"	Sept. 1	1,142
First American Bank of Lake Worth, National Association (14796), Lake Worth, merged into First American Bank of North Palm Beach, North Palm Beach, under title "First American Bank of Palm Beach County"	Dec. 31	6,386
Landmark Bank of Melbourne, National Association (14712), Melbourne, merged into Landmark Bank of Brevard, Indialantic, under title "Landmark Bank of Brevard"	May 1	2,002
Barnett Bank of West Lake Worth, National Association (16424), Lake Worth, merged into Barnett Bank of West Palm Beach, West Palm Beach, under title "Barnett Bank of Palm Beach County"	Jan. 3	822

Table B–12—Continued

National banks merged or consolidated with state banks, by states, calendar 1978
(Dollar amounts in thousands)

Title and location of bank	Effective date	Total capital accounts of national banks*
First Marine National Bank (15782), Palm Springs, and First Marine Bank of Boca Raton, Boca Raton, and First Marine Bank of Palm Beach Gardens, Palm Beach Gardens, merged into First Marine Bank and Trust Company of the Palm Beaches, Riviera Beach, under title "First Marine Bank and Trust Company of the Palm Beaches"	Dec. 30 '77	$1,641
Barnett Bank of St. Augustine, National Association (11420), St. Augustine, merged into Barnett Bank of Anastasia Island, St. Augustine, under title "Barnett Bank of St. Johns County"	Apr. 1	3,447
The Gulf National Bank (16170), Tallahassee, merged into The Lewis State Bank, Tallahassee, under title "The Lewis State Bank"	Mar. 1	1,169
Barnett Bank of East Polk County, National Association (13383), Winter Haven, merged into Barnett Bank of Auburndale, Winter Haven, under title "Barnett Bank of East Polk County"	May 1	6,546
The Exchange National Bank of Winter Haven (13437), Winter Haven, merged into The Exchange Bank of Central Florida, Haines City, under title "Exchange Bank of Polk County"	Nov. 30	9,049
MARYLAND		
The Peoples National Bank of Hancock (13853), Hancock, merged into Blue Ridge Trust Company, Hancock, under title "The Peoples Bank of Hancock"	Apr. 1	688
NEW YORK		
Chemical Bank - Eastern National Association (2517), Greenwich, merged into Chemical Bank, New York, under title "Chemical Bank"	Sept. 29	2,122
OREGON		
Crater National Bank (15583), Medford, merged into Western Bank, Coos Bay, under title "Western Bank"	Dec. 11	3,531
PENNSYLVANIA		
The First National Bank in Bedford (14284), Bedford, merged into Johnstown Bank and Trust Company, Johnstown, under title "Johnstown Bank and Trust Company"	Apr. 17	3,318
The First National Bank of Hawley (6445), Hawley, merged into West Side Bank, Scranton, under title "First State Bank"	Sept. 29	1,676
VERMONT		
First National Bank of White River Junction (3484), White River Junction, merged into Inter-State Trust Company, White River Junction, under title "First Inter-State Bank"	Dec. 30 '77	1,362
VIRGINIA		
Fidelity American Bank NA, Tidewater (11381), Portsmouth, merged into Fidelity American Bank, Virginia Beach, Virginia Beach, under title "Fidelity American Bank"	Sept. 30	9,036
First Virginia Bank-Manassas National (5032), Prince William County, merged into First Virginia Bank, Falls Church, under title "First Virginia Bank"	Dec. 29	3,268
Alexandria National Bank of Northern Virginia (7093), Springfield, merged into Arlington Trust Company, Inc., Herndon, under title "First American Bank of Virginia"	Mar. 31	11,646
Williamsburg National Bank (15562), Williamsburg, merged into Southern Bank and Trust Company, Richmond, under title "Southern Bank and Trust Company"	Nov. 30	1,531

* Includes subordinated notes and debentures, if any.

Table B–13

National banks converted into state banks, by states, calendar 1978

(Dollar amounts in thousands)

Charter No.	Title and location of bank	Effective date		Total capital accounts of national banks*
	Total: 68 banks			$223,979,530
	ARKANSAS			
11580	The Farmers National Bank of Clarksville, Clarksville, converted into Farmers Bank and Trust Company, Clarksville	July	6	1,640,897
6758	The First National Bank of Newport, Newport, converted into First State Bank of Newport, Newport	July	7	2,828,370
14941	First National Bank of Warren, Warren, converted into First State Bank of Warren, Warren	Dec.	14	2,260,000
	CALIFORNIA			
14670	Community National Bank, Bakersfield, converted into Community First Bank, Bakersfield	July	12	7,615,107
6919	Central Bank, National Association, Oakland, converted into Central Bank, Oakland	Sept.	30	526,000
	FLORIDA			
15425	Second National Bank of Clearwater, Clearwater, converted into First American Bank of Pinellas, Clearwater	Dec.	29	1,794,503
15204	The First National Bank of Davie, Davie, converted into First American Bank of Davie, Davie	Dec.	29	2,553,737
16146	Second National Bank of Homestead, Homestead, converted into First American Bank of Homestead, Homestead	Dec.	29	656,000
15465	The Second National Bank of North Miami, North Miami, converted into First American Bank of Dade County, North Miami	Dec.	29	4,958,999
15770	Second National Bank of North Miami Beach, North Miami Beach, converted into First American Bank of North Miami Beach, North Miami Beach	Dec.	29	2,357,433
16038	Park National Bank, Pinellas Park, converted into Park Bank of Florida, Pinellas Park	Dec.	9	1,727,831
15263	First National Bank of the Upper Keys, Tavernier, converted into First American Bank of the Florida Keys, Tavernier	Dec.	29	2,576,929
	ILLINOIS			
14647	National Bank of Chenoa, Chenoa, converted into Bank of Chenoa, Chenoa	Mar.	1	1,677,266
14405	The South Shore National Bank of Chicago, Chicago, converted into the South Shore Bank of Chicago, Chicago	Dec.	19	3,968,000
5070	The Southern Illinois National Bank, Fairview Heights, converted into Southern Illinois Bank, Fairview Heights	May	15	3,998,756
14426	State National Bank of Lincoln, Lincoln, converted into State Bank of Lincoln, Lincoln	Apr.	10	3,726,912
	INDIANA			
13729	Marion National Bank of Marion, Marion, converted into American Bank & Trust Company, Marion	May	26	6,245,966
	KANSAS			
10644	The Farmers National Bank of Atwood, Atwood, converted into Farmers Bank & Trust, Atwood	July	1	1,506,000
11177	The Farmers National Bank of Beaver, Beaver, converted into Farmers State Bank, Beaver	July	1	735,682
11775	The Exchange National Bank of Clyde, Clyde, converted into Exchange Bank of Clyde, Clyde	June	1	428,458
8596	The First National Bank of Formoso, Formoso, converted into the Formoso Bank, Formoso	Oct.	1	208,000
3794	The Howard National Bank, Howard, converted into Howard State Bank, Howard	Aug.	1	598,307
16540	Jennings National Bank, Jennings, converted into Jennings Bank, Jennings	Jan.	3	305,722
2777	The First National Bank of Newton, Newton, converted into First Bank of Newton, Newton	Dec.	27	1,328,271
5359	The First National Bank of Nortonville, Nortonville, converted into Bank of Nortonville, Nortonville	June	1	471,532
7195	The First National Bank of Overbrook, Overbrook, converted into The First Security Bank, Overbrook	Oct.	1	535,000
	KENTUCKY			
6160	The Montgomery National Bank of Mt. Sterling, Mt. Sterling, converted into Montgomery Bank & Trust Company, Mt. Sterling	June	30	1,480,194
6129	The Traders National Bank of Mt. Sterling, Mt. Sterling, converted into Traders Bank and Trust Company, Mt. Sterling	Oct.	27	1,586,445
995	The Clark County National Bank of Winchester, Winchester, converted into Clark County Bank, Inc., Winchester	Apr.	4	3,242,782
	MICHIGAN			
16571	Peoples Bank and Trust, N.A., Trenton, converted into Peoples Bank and Trust Company, Trenton	June	1	11,814,798
	MINNESOTA			
11552	The First National Bank of Good Thunder, Good Thunder, converted into First State Bank of Good Thunder, Good Thunder	June	12	312,000
	MISSOURI			
16306	United Missouri Bank of Blue Springs, National Association, Blue Springs, converted into United Missouri Bank of Blue Springs, Blue Springs	July	19	903,215
7351	The First National Bank of Braymer, Braymer, converted into The Braymer Bank, Braymer	Sept.	7	447,455
4441	United Missouri Bank of Carthage, National Association, Carthage, converted into United Missouri Bank of Carthage, Carthage	June	9	3,111,000
4111	The Citizens National Bank of Chillicothe, Chillicothe, converted into Citizens Bank and Trust Company, Chillicothe	July	20	5,359,000
16351	United Missouri Bank of Jefferson City, National Association, Jefferson City, converted into United Missouri Bank of Jefferson City, Jefferson City	July	26	852,636

Table B–13—Continued

National banks converted into state banks, by states, calendar 1978
(Dollar amounts in thousands)

Charter No.	Title and location of bank	Effective date		Total capital accounts of national banks*
15299	United Missouri Bank of Joplin, National Association, Joplin, converted into United Missouri Bank of Joplin, Joplin	July	12	$2,052,756
9236	Traders National Bank of Kansas City, Kansas City, converted into Traders Bank of Kansas City, Kansas City	July	6	10,040,535
3110	United Missouri Bank of Milan, National Association, Milan, converted into United Missouri Bank of Milan, Milan	June	21	1,255,619
9382	The Thornton National Bank of Nevada, Nevada, converted into Thornton Bank, Nevada	Jan.	19	1,594,225
4215	The First National Bank of Plattsburg, Plattsburg, converted into American Bank of Plattsburg, Plattsburg	Sept.	29	1,513,000
15176	Belt National Bank of St. Joseph, St. Joseph, converted into Belt American Bank of St. Joseph, St. Joseph	Sept.	20	1,561,803
4160	The First National Bank of Stewartsville, Stewartsville, converted into American Bank of Stewartsville, Stewartsville	Aug.	11	566,564
5160	United Missouri Bank of Warrensburg, National Association, Warrensburg, converted into United Missouri Bank of Warrensburg, Warrensburg	June	9	2,264,000
	NEW JERSEY			
399	First Peoples National Bank of New Jersey, Haddon Township, converted into First Peoples Bank of New Jersey, Haddon Township	Mar.	21	35,492,895
1113	Heritage Bank-North, N.A., Monroe Township, converted into Heritage Bank-North, Monroe Township	Sept.	1	33,640,611
	NEW MEXICO			
13438	Hot Springs National Bank, Truth or Consequences, converted into Western Bank, Truth or Consequences	June	1	2,158,340
	OKLAHOMA			
12148	The First National Bank of Coyle, Coyle, converted into Eighty Niner Bank of Coyle, Coyle	Dec.	1	196,000
16457	Citizens National Bank of Lawton, Lawton, converted into Citizens Bank, Lawton	Apr.	3	869,000
12334	The State National Bank of Wynnewood, Wynnewood, converted into the State Bank of Wynnewood, Wynnewood	June	1	512,000
	PENNSYLVANIA			
5147	The Juniata Valley National Bank, Mifflintown, converted into The Juniata Valley Bank, Mifflintown	Sept.	21	5,223,490
	PUERTO RICO			
16020	Banco de Santander-Puerto Rico, N.A., Hato Rey, converted into Banco de Santander of Puerto Rico, Hato Rey	Apr.	1	4,365,000
	TENNESSEE			
7314	The First National Bank of Tracy City, Tracy City, converted into First Bank and Trust, Tracy City	Oct.	2	802,539
	TEXAS			
14427	Citizens National Bank & Trust Company of Baytown, Baytown, converted into Citizens Bank and Trust Company of Baytown, Baytown	June	1	7,630,115
5533	The Delta National Bank of Cooper, Cooper, converted into The Delta Bank, Cooper	Dec.	1	786,000
10694	The First National Bank of Dawson, Dawson, converted into First Bank & Trust Company, Dawson	Apr.	17	378,000
15956	First National Bank of Deer Park, Deer Park, converted into First Bank of Deer Park, Deer Park	Jan.	27	991,419
16304	Western National Bank, Duncanville, converted into Western Bank, Duncanville	Jan.	20	1,195,126
164	National Standard Bank, Houston, converted into The Standard Bank, Houston	Nov.	17	2,792,000
10956	The First National Bank of Schwertner, Schwertner, converted into Schwertner State Bank, Schwertner	Oct.	23	193,756
	UTAH			
1549	Citizens National Bank, Ogden, converted into The Citizens Bank, Ogden	Sept.	29	1,826,000
	VIRGINIA			
15139	The First National Bank, Narrows, converted into First Virginia Bank - West, Narrows	Oct.	1	2,906,000
13878	The First National Bank in Onancock, Onancock, converted into First Virginia Bank - Eastern Shore, Onancock	Nov.	1	1,679,000
6018	First Virginia Bank - First National, Purcellville, converted into First Virginia Bank - Loudoun, Purcellville	Dec.	1	2,348,000
8984	The Peoples National Bank, Rocky Mount, converted into First Virginia Bank - Franklin County, Rocky Mount	Oct.	1	3,590,000
15566	First Virginia Bank, N.A., Strasburg, converted into First Virginia Bank - Shenandoah Valley, Strasburg	Oct.	1	4,383,000
	WASHINGTON			
11935	The First National Bank of Stanwood, Stanwood, converted into Bank of Stanwood, Stanwood	May	1	1,946,983
	WEST VIRGINIA			
15597	The Valley National Bank of Huntington, Huntington, converted into The Valley Bank, Huntington	Apr.	28	886,551

* Includes subordinated notes and debentures, if any.

Table B–14

Purchases of state banks by national banks, by states, calendar 1978
(Dollar amounts in thousands)

Title and location of bank	Effective date	Total capital accounts of state banks
Total: 4 banks		$ 2,362
ALABAMA		
Town-Country National Bank (16708), Camden, purchased Wilcox County Bank, Camden	Mar. 8	451
First Alabama Bank, N.A. (16699), Notasulga, purchased First Bank of Macon County, Notasulga	Jan. 28	364
FLORIDA		
Atlantic National Bank of West Palm Beach (13300), West Palm Beach, purchased Atlantic Westside Bank of Palm Beach County, West Palm Beach	May 1	803
SOUTH DAKOTA		
United National Bank (15639), Sioux Falls, purchased Rosholt Community Bank, Rosholt	Nov. 3	744

Table B–15

Consolidations of national banks, or national and state banks, by states, calendar 1978
(Dollar amounts in thousands)

Effective date	Consolidating banks Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	Total: 2 consolidations				
	NEW YORK				
	Lincoln First Bank-Central, National Association (15627), Syracuse	$ 8,620	$ 9,200	$ 6,918	$ 410,838
	Lincoln First Bank of Rochester, Rochester	37,500	25,000	19,115	1,195,733
	National Bank of Westchester (10525), White Plains	11,264	11,290	19,643	725,418
	First-City National Bank of Binghamton, N.Y. (15625), Binghamton	4,250	10,750	10,172	306,593
	The First National Bank of Jamestown (15626), Jamestown	2,000	2,000	5,882	154,266
Dec. 31	Lincoln First Bank, N.A. (15627), Rochester	63,634	63,634	78,327	3,160,782
	PENNSYLVANIA				
	Southwest National Bank of Pennsylvania (5351), Greensburg	3,930	5,000	9,139	205,681
	The First National Bank of Youngwood (6500), Youngwood	100	1,000	1,405	23,973
	Fidelity Deposit Bank of Derry, Derry	100	500	473	8,371
Mar. 13	Southwest National Bank of Pennsylvania (5351), Greensburg	5,180	7,000	9,467	238,003

Table B–16

Mergers of national banks, or national and state banks, by states, calendar 1978
(Dollar amounts in thousands*)

Effective date	Merging banks Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	Total: 29 merger actions				
	CALIFORNIA				
	Humboldt National Bank, Eureka (8321)	$ 695	$ 1,305	$ 1,019	$ 47,320
	Security Pacific National Bank, Los Angeles (2491)	309,521	310,479	264,774	19,588,912
Oct. 20	Security Pacific National Bank, Los Angeles (2491)	309,521	310,479	303,145	19,671,502
	The First National Bank of Orange County, Orange (8181)	1,378	2,350	4,686	177,335
	Wells Fargo Bank, National Association, San Francisco (15660)	94,461	310,101	229,717	13,327,844
May 6	Wells Fargo Bank, National Association, San Francisco (15660)	94,461	310,101	220,387	13,487,435

See footnotes at end of table.

Table B-16—Continued

Mergers of national banks, or national and state banks, by states, calendar 1978

(Dollar amounts in thousands*)

Effective date	Merging banks Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	FLORIDA				
	Century National Bank of Coral Ridge, Fort Lauderdale (14848)	$1,221	$4,479	$ 2,605	$107,275
	Century National Bank of Broward, Fort Lauderdale (14554)	3,483	11,017	7,887	301,434
June 30	Century National Bank of Broward, Fort Lauderdale (14554)	3,483	16,717	10,492	408,709
	Florida National Bank at Lake Shore, Jacksonville (14974)	450	1,500	593	24,044
	Florida National Bank at Arlington, Jacksonville (14759)	250	975	811	26,007
	Florida Dealers and Growers Bank at Jacksonville, Jacksonville	300	1,850	260	17,464
	Florida Northside Bank of Jacksonville, Jacksonville	300	550	216	11,345
	Florida First National Bank of Jacksonville, Jacksonville (8321)	12,500	20,000	12,567	360,423
Feb. 20	Florida First National Bank of Jacksonville, Jacksonville (8321)	12,500	20,000	12,567	439,281
	The Exchange Bank and Trust Company of Clearwater, Clearwater	1,500	2,500	1,272	63,300
	The Exchange Bank of Dunedin, Dunedin	500	500	69	15,827
	The Exchange National Bank of Pinellas County, Largo (16281)	500	400	95	11,203
Jan. 1	The Exchange National Bank of Pinellas County, Largo (16281)	360	5,540	1,436	90,330
	Flagship Bank of West Melbourne, National Association, West Melbourne (15533)	180	279	336	11,556
	Flagship Bank of Melbourne, National Association, Melbourne (15311)	720	1,880	2,137	51,008
June 30	Flagship Bank of Melbourne, National Association, Melbourne (15311)	845	2,214	2,473	62,564
	Flagship National Bank of Miami, Miami (15411)	2,068	3,642	3,046	121,338
	Flagship First National Bank of Coral Gables, Coral Gables (13008)	1,650	5,600	8,222	222,517
	Flagship First National Bank of Miami Beach, Miami Beach (12047)	3,800	4,800	9,540	248,243
Apr. 30	Flagship National Bank of Miami, Miami (12047)	8,887	12,672	20,809	571,967
	Southeast First National Bank of Maitland, Maitland (15237)	1,250	2,756	1,344	61,313
	Southeast Bank of East Orange, Orlando	960	740	781	9,469
	Southeast National Bank of Orlando, Orlando (15814)	1,000	831	585	37,767
Feb. 6	Southeast National Bank of Orlando, Orlando (15814)	3,576	4,498	599	112,010
	Southeast Bank of St. Armands, Sarasota	611	2,389	2,081	50,918
	Southeast Bank of Siesta Key, Sarasota	560	708	1,116	32,058
	Southeast Bank of Venice, Venice	540	660	673	26,117
	Southeast Bank of Village Plaza, N.A., Sarasota (15901)	800	200	701	29,491
	Southeast First National Bank of Sarasota, Sarasota (16531)	5,000	2,002	1,111	107,126
Dec. 31	Southeast First National Bank of Sarasota, Sarasota (16531)	7,000	7,000	5,153	241,188
	Barnett Bank of Brando, National Association, unincorporated area of Brando (16023)	500	300	1,217	33,816
	Barnett Bank of Tampa, National Association, Tampa (16437)	720	2,480	657	67,307
Dec. 29	Barnett Bank of Tampa, National Association, Tampa (16437)	1,083	2,917	1,874	101,123
	Century National Bank, Boynton Beach, Boynton Beach (16415)	800	300	1	10,618
	Century National Bank of Palm Beach County, West Palm Beach (16586)	630	630	328	14,933
Dec. 31	Century National Bank of Palm Beach County, West Palm Beach (16586)	1,071	1,289	330	28,208
	INDIANA				
	Roanoke State Bank, Roanoke	25	475	772	9,235
	The First National Bank in Huntington, Huntington (14398)	1,500	1,500	2,975	76,366
Mar. 31	The First National Bank in Huntington, Huntington (14398)	1,500	1,500	2,756	85,921
	MARYLAND				
	The First National Bank of Snow Hill, Snow Hill (3783)	120	450	982	16,122
	The First National Bank of Maryland, Baltimore (1413)	15,945	34,948	32,409	1,478,851
Apr. 1	The First National Bank of Maryland, Baltimore (1413)	16,065	35,835	32,845	1,492,831
	MICHIGAN				
	The Moline State Bank, Moline	200	320	98	6,506
	First National Bank of Grand Rapids, Grand Rapids (16296)	750	750	870	17,573
Mar. 31	First National Bank of Grand Rapids, Grand Rapids (16296)	950	1,070	218	24,079
	MISSISSIPPI				
	Citizens Bank of Hattiesburg, Hattiesburg	625	3,443	3,504	57,347
	First National Bank of Jackson, Jackson (10523)	8,973	51,599	3,519	962,140
May 31	First National Bank of Jackson, Jackson (10523)	9,518	54,886	3,832	1,019,487

See footnotes at end of table.

Table B-16—Continued

Mergers of national banks, or national and state banks, by states, calendar 1978

(Dollar amounts in thousands*)

Effective date	Merging banks Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	NEW HAMPSHIRE				
	The Pittsfield National Bank, Pittsfield, (1020)	$ 25	$ 125	$ 316	$ 4,520
	Concord National Bank, Concord (318)	760	2,240	2,842	70,946
June 29	Concord National Bank, Concord (318)	760	2,240	2,842	75,430
	Indian Head National Bank of Portsmouth, Portsmouth (1052)	275	925	551	38,034
	Indian Head National Bank of Rochester, Rochester (15652)	350	200	(239)	9,973
Jan. 1	Indian Head Bank, National Association, Rochester (15652)	690	1,060	312	48,007
	NEW YORK				
	The National Union Bank of Monticello, Monticello (1503)	200	1,000	1,378	26,896
	The Chester National Bank, Chester (1349)	815	1,530	1,127	59,087
Dec. 29	The Chester National Bank, Chester (1349)	1,015	2,530	2,505	85,983
	First National Bank in Sidney, Sidney (13563)	125	1,000	1,432	22,748
	The National Bank and Trust Company of Norwich, Norwich (1354)	4,863	4,863	11,219	219,518
Dec. 29	The National Bank and Trust Company of Norwich, Norwich (1354)	5,959	5,959	11,814	242,469
	NORTH CAROLINA				
	The First National Bank of West Jefferson, West Jefferson (8571)	50	450	2,709	28,758
	First National Bank of Catawba County, Hickory (4597)	1,982	7,000	6,558	220,993
Feb. 21	First National Bank of Catawba County, Hickory (4597)	2,588	6,894	9,267	249,751
	OHIO				
	The Middle Point Banking Company, Middle Point	140	210	104	6,024
	The First National Bank of Convoy, Convoy (8017)	213	511	371	15,354
May 1	United National Bank, Convoy (8017)	353	721	442	20,520
	The Trotwood Bank, Trotwood	1,000	1,000	2,000	39,937
	The Central Trust Company of Montgomery County, National Association, Dayton (16330)	1,250	785	586	32,973
May 4	The Central Trust Company of Montgomery County, National Association, Dayton (16330)	2,250	1,785	1,086	72,910
	PENNSYLVANIA				
	The National Bank of Arendtsville, Arendtsville (9139)	200	500	428	13,795
	Adams County National Bank, Cumberland Township (311)	1,625	3,690	3,097	124,277
Dec. 31	Adams County National Bank, Cumberland Township (311)	1,950	4,190	3,406	138,065
	Farmers Bank of Kutztown, Kutztown	100	1,500	882	33,816
	National Central Bank, Lancaster (694)	17,500	46,155	39,412	1,530,610
Dec. 29	National Central Bank, Lancaster (694)	17,600	47,655	40,294	1,564,426
	York Haven State Bank, York Haven	100	800	966	17,708
	The Drovers & Mechanics National Bank of York, York (2958)	2,464	3,036	3,499	92,904
May 31	The Drovers & Mechanics National Bank of York, York (2958)	1,864	2,236	3,268	110,651
	UTAH				
	Zions First National Bank of Ogden, Ogden (16043)	300	200	253	11,382
	Zions First National Bank, Salt Lake City (4341)	10,000	10,000	23,629	1,173,809
Dec. 1	Zions First National Bank, Salt Lake City (4341)	10,000	10,500	23,882	1,185,191
	Richfield Commercial & Savings Bank, Richfield	200	200	1,796	21,030
	First State Bank, Salina, Salina	325	375	3,031	43,990
	Zions First National Bank, Salt Lake City (4341)	10,000	10,000	25,128	932,212
Jan. 10	Zions First National Bank, Salt Lake City (4341)	10,000	10,000	19,957	986,755
	VIRGINIA				
	Virginia National Bank/Henry County, Henry County (16167)	500	950	725	21,402
	Virginia National Bank/Lynchburg, Lynchburg (15819)	1,013	598	398	19,597
	Virginia National Bank/Richmond, Richmond (16610)	1,200	2,800	3,378	84,996
	Virginia National Bank, Norfolk (9885)	20,552	33,337	67,265	2,097,962
Aug. 31	Virginia National Bank, Norfolk (9885)	20,552	40,397	71,776	2,221,958
	First & Merchants National Bank of the Peninsula, York County (15984)	3,400	3,400	5,890	162,930
	First & Merchants National Bank of Tidewater, Chesapeake (16184)	2,600	2,600	2,828	145,571
	First & Merchants National Bank of Prince William, Prince William (16402)	400	400	12	5,509
	First & Merchants National Bank, Richmond (1111)	21,982	38,023	35,443	1,534,194
Sept. 30	First & Merchants National Bank, Richmond (1111)	28,382	44,423	44,173	1,848,204

* Some asset figures are from the nearest Report of Condition.

Table B–17

*Mergers resulting in national banks, by assets of acquiring and acquired banks, 1960—1978**

Assets of acquiring banks†	Acquired banks 1960–1977	Assets of acquired banks: Under $10 million	$10 to 24.9 million	$25 to 49.9 million	$50 to 99.9 million	$100 million and over
Under $10 million	101	101	0	0	0	0
$10 to 24.9 million	159	141	18	0	0	0
$25 to 49.9 million	188	121	51	16	0	0
$50 to 99.9 million	228	123	62	38	5	0
$100 million and over	749	262	256	124	48	59
Total	1,425‡	248	387	178	53	59

* Includes all forms of acquisitions involving two or more banks from May 13, 1960 through December 31, 1978.
† In each transaction, the bank with the larger total assets was considered to be the acquiring bank.
‡ Comprises 1,316 transactions, 37 involving three banks, 13 involving four banks, 10 involving five banks, one involving six banks, one involving seven banks and one involving nine banks.

Table B-18

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, United States and other areas, June 30, 1978

(Dollar amounts in thousands)

	Total, U.S. and other areas	*Total, United States*	*Alabama*	*Alaska*	*Arizona*	*Arkansas*	*California*
Number of banks	4,616	4,616	99	6	3	72	56
Assets							
Cash and due from banks	$ 90,728,922	$ 90,728,922	$ 993,755	$ 177,524	$ 838,605	$ 593,538	$ 13,792,569
U.S. Treasury securities	47,530,326	47,530,326	483,447	71,245	520,595	291,599	5,179,432
Obligations of other U.S. government agencies and corporations	19,599,400	19,599,400	297,696	35,045	139,649	177,441	1,989,410
Obligations of states and political subdivisions	62,841,067	62,841,067	1,269,213	158,171	469,999	606,194	5,880,644
Other bonds, notes and debentures	2,509,975	2,509,975	21,706	470	6,761	8,278	142,446
Federal Reserve stock and corporate stock	1,011,666	1,011,666	10,752	2,828	6,615	5,479	126,396
Trading account securities	4,913,625	4,913,625	78,542	0	2,716	20,147	436,867
Federal funds sold and securities purchased under agreements to resell	27,791,430	27,791,430	195,707	37,400	453,450	303,187	5,495,323
Loans, total (excluding unearned income)	367,083,442	367,083,442	5,180,620	815,045	3,882,513	2,732,166	56,637,298
Reserve for possible loan losses	4,244,194	4,244,194	60,475	7,243	33,775	24,638	639,849
Loans, net of reserve	362,839,248	362,839,248	5,120,145	807,802	3,848,738	2,707,528	55,997,449
Direct lease financing	4,701,197	4,701,197	25,806	10,482	13,759	8,649	1,738,500
Bank premises, furniture and fixtures and other assets representing bank premises	11,324,838	11,324,838	172,289	62,417	159,277	105,302	1,699,644
Real estate owned other than bank premises	1,750,663	1,750,663	7,171	2,453	6,483	4,854	57,294
Investments in unconsolidated subsidiaries and associated companies	2,338,166	2,338,166	58	0	0	166	650,025
Customers' liabilities to this bank on acceptances outstanding	9,878,834	9,878,834	29,298	0	6,539	2,295	2,414,896
Other assets	21,406,883	21,406,883	119,587	21,618	83,886	67,113	4,783,945
Total assets	671,166,240	671,166,240	8,825,172	1,387,455	6,557,072	4,901,770	100,384,840
Liabilities							
Demand deposits of individuals, partnerships and corporations	159,117,068	159,117,068	2,281,936	475,229	1,939,817	1,274,945	22,264,608
Time and savings deposits of individuals, partnerships and corporations	280,054,749	280,054,749	4,008,862	389,102	3,309,057	2,153,116	45,574,426
Deposits of U.S. government	5,230,668	5,230,668	77,663	16,696	41,223	30,404	765,700
Deposits of states and political subdivisions	43,128,060	43,128,060	744,701	244,460	233,481	398,318	4,040,419
Deposits of foreign governments and official institutions	4,996,487	4,996,487	0	0	3,053	0	1,336,234
Deposits of commercial banks	27,493,932	27,493,932	272,706	5,805	55,932	210,257	3,266,256
Certified and officers' checks	6,911,383	6,911,383	54,230	20,111	112,062	25,114	1,361,062
Total deposits	526,932,347	526,932,347	7,440,098	1,151,403	5,694,625	4,092,154	78,608,705
Total demand deposits	202,925,268	202,925,268	2,773,796	568,314	2,235,629	1,659,619	26,683,883
Total time and savings deposits	324,007,079	324,007,079	4,666,302	583,089	3,458,996	2,432,535	51,924,822
Federal funds purchased and securities sold under agreements to repurchase	63,112,716	63,112,716	486,972	62,387	372,484	351,274	8,852,934
Liabilities for borrowed money	5,835,560	5,835,560	43,617	24,323	4,564	20,712	1,642,883
Mortgage indebtedness	1,005,362	1,005,362	4,301	12,477	12,600	11,939	153,925
Acceptances executed by or for account of this bank and outstanding	9,949,905	9,949,905	29,300	0	6,539	2,295	2,414,998
Other liabilities	14,214,441	14,214,441	143,205	22,123	58,559	53,225	2,594,365
Total liabilities	621,050,331	621,050,331	8,147,493	1,272,713	6,149,371	4,531,599	94,267,810
Subordinated notes and debentures	3,095,982	3,095,982	45,746	750	85,908	28,176	405,790
Equity Capital							
Preferred stock	26,193	26,193	0	0	0	0	0
Common stock	9,740,275	9,740,275	117,203	31,874	40,977	73,960	989,248
Surplus	16,878,681	16,878,681	242,607	41,046	100,537	96,769	2,275,913
Undivided profits	19,364,820	19,364,820	266,003	39,188	174,081	157,897	2,408,519
Reserve for contingencies and other capital reserves	1,009,958	1,009,958	6,120	1,884	6,198	13,369	37,560
Total equity capital	47,019,927	47,019,927	631,933	113,992	321,793	341,995	5,711,240
Total liabilities, subordinated notes and debentures and equity capital	671,166,240	671,166,240	8,825,172	1,387,455	6,557,072	4,901,770	100,384,840

Table B–18—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, United States and other areas, June 30, 1978

(Dollar amounts in thousands)

	Colorado	Connecticut	Delaware	District of Columbia	Florida	Georgia	Hawaii
Number of banks	135	21	5	16	249	64	2
Assets							
Cash and due from banks	$ 1,396,810	$ 588,658	$ 7,172	$ 768,075	$ 2,674,276	$ 1,691,132	$ 19,485
U.S. Treasury securities	477,059	223,382	9,777	453,086	2,716,347	481,065	24,596
Obligations of other U.S. government agencies and corporations	146,551	104,124	1,701	142,006	1,286,978	151,333	9,751
Obligations of states and political subdivisions	822,977	293,365	2,282	670,559	2,081,913	642,450	577
Other bonds, notes and debentures	1,386	59,225	302	17,090	141,784	14,115	0
Federal Reserve stock and corporate stock	10,320	5,579	99	9,021	32,407	39,769	200
Trading account securities	8,117	12,372	0	5,000	27,216	9,891	0
Federal funds sold and securities purchased under agreements to resell	251,798	118,503	4,350	433,255	982,234	576,578	2,000
Loans, total (excluding unearned income)	4,854,985	1,909,920	48,514	3,052,094	9,269,941	4,722,003	90,893
Reserve for possible loan losses	49,426	21,090	208	36,235	107,180	72,754	1,485
Loans, net of reserve	4,805,559	1,888,830	48,306	3,015,859	9,162,761	4,649,249	89,408
Direct lease financing	52,683	9,117	0	22,816	46,129	46,474	6,336
Bank premises, furniture and fixtures and other assets representing bank premises	162,782	70,710	1,146	68,122	429,275	247,149	2,409
Real estate owned other than bank premises	26,519	9,733	108	4,161	86,337	132,556	1,128
Investments in unconsolidated subsidiaries and associated companies	2,753	3,458	0	1,397	2,986	93,955	0
Customers' liabilities to this bank on acceptances outstanding	25,608	9,331	0	19,559	16,244	56,391	10
Other assets	111,338	192,225	514	67,343	502,944	218,788	1,370
Total assets	8,302,260	3,588,612	75,757	5,697,349	20,189,831	9,050,895	157,270
Liabilities							
Demand deposits of individuals, partnerships and corporations	2,363,245	1,116,570	18,544	1,938,299	6,125,093	2,764,259	47,937
Time and savings deposits of individuals, partnerships and corporations	3,201,304	1,489,832	46,165	2,101,847	8,765,817	2,667,197	64,335
Deposits of U.S. government	89,973	52,302	1,371	126,434	135,245	68,924	1,098
Deposits of states and political subdivisions	749,339	166,776	2,250	42,019	1,303,596	751,483	29,448
Deposits of foreign governments and official institutions	19,900	0	0	169,138	2,157	13,305	0
Deposits of commercial banks	450,437	173,855	0	135,198	641,942	471,208	1,107
Certified and officers' checks	95,687	32,692	532	79,542	221,624	50,840	3,035
Total deposits	6,969,885	3,032,027	68,862	4,592,477	17,195,474	6,787,216	146,960
Total demand deposits	3,102,517	1,444,224	20,613	2,348,717	7,436,595	3,602,248	53,793
Total time and savings deposits	3,867,368	1,587,803	48,249	2,243,760	9,758,879	3,184,968	93,167
Federal funds purchased and securities sold under agreements to repurchase	549,296	261,257	0	539,298	1,126,306	1,174,276	0
Liabilities for borrowed money	57,146	20,116	94	29,684	102,391	97,061	0
Mortgage indebtedness	26,242	88	0	12,931	11,604	42,657	0
Acceptances executed by or for account of this bank and outstanding	25,608	9,331	0	19,559	16,341	58,117	10
Other liabilities	96,653	33,010	488	55,800	204,664	226,496	1,476
Total liabilities	7,724,830	3,355,829	69,444	5,249,749	18,656,780	8,385,823	148,446
Subordinated notes and debentures	36,752	15,435	200	12,484	35,774	57,532	1,500
Equity Capital							
Preferred stock	0	0	0	323	1,001	0	0
Common stock	107,364	49,948	1,580	65,519	357,972	158,312	3,799
Surplus	173,538	107,406	1,726	136,270	591,206	224,760	2,508
Undivided profits	255,698	57,517	2,744	230,625	533,915	163,037	1,017
Reserve for contingencies and other capital reserves	4,078	2,477	63	2,379	13,183	61,431	0
Total equity capital	540,678	217,348	6,113	435,116	1,497,277	607,540	7,324
Total liabilities, subordinated notes and debentures and equity capital	8,302,260	3,588,612	75,757	5,697,349	20,189,831	9,050,895	157,270

Table B–18—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, United States and other areas, June 30, 1978

(Dollar amounts in thousands)

	Idaho	*Illinois*	*Indiana*	*Iowa*	*Kansas*	*Kentucky*	*Louisiana*
Number of banks	6	420	120	99	157	80	53
Assets							
Cash and due from banks	$ 358,865	$ 5,924,192	$ 1,659,633	$ 674,123	$ 730,002	$ 708,473	$ 1,127,520
U.S. Treasury securities	269,727	3,500,108	1,442,913	399,515	577,960	484,163	1,281,647
Obligations of other U.S. government agencies and corporations	54,350	2,740,215	653,901	201,585	267,926	121,668	251,565
Obligations of states and political subdivisions	282,710	5,704,876	1,547,316	604,192	675,554	666,512	986,330
Other bonds, notes and debentures	2,943	385,696	199,940	16,022	15,883	6,679	7,978
Federal Reserve stock and corporate stock	4,981	98,477	17,449	5,039	7,906	6,434	10,611
Trading account securities	0	552,580	34,136	6,117	13,334	8,655	1,030
Federal funds sold and securities purchased under agreements to resell	64,300	1,707,516	621,944	244,141	321,140	180,082	583,132
Loans, total (excluding unearned income)	1,952,451	33,153,837	7,854,882	3,060,214	3,023,742	3,538,091	4,552,136
Reserve for possible loan losses	16,399	392,695	83,946	24,744	28,923	31,594	50,153
Loans, net of reserve	1,936,052	32,761,142	7,770,936	3,035,470	2,994,819	3,506,497	4,501,983
Direct lease financing	4,568	45,539	140,176	2,963	4,352	84,704	26,432
Bank premises, furniture and fixtures and other assets representing bank premises	63,156	695,312	249,056	78,267	123,483	116,847	173,288
Real estate owned other than bank premises	1,767	283,962	40,267	6,399	4,006	6,153	27,215
Investments in unconsolidated subsidiaries and associated companies	0	178,340	8,702	1,304	1,724	67	897
Customers' liabilities to this bank on acceptances outstanding	0	967,244	38,367	10,584	0	4,593	14,740
Other assets	39,021	1,211,022	487,146	83,341	68,432	84,157	154,014
Total assets	3,082,440	56,756,221	14,911,882	5,369,062	5,806,521	5,985,684	9,148,382
Liabilities							
Demand deposits of individuals, partnerships and corporations	767,172	10,896,892	3,070,743	1,185,776	1,420,772	1,622,549	2,501,205
Time and savings deposits of individuals, partnerships and corporations	1,605,559	23,810,064	6,749,973	2,719,848	2,326,687	2,782,589	3,383,579
Deposits of U.S. government	21,069	386,357	109,427	36,960	45,525	59,803	65,856
Deposits of states and political subdivisions	188,284	2,713,140	1,632,057	305,707	754,800	355,069	1,238,251
Deposits of foreign governments and official institutions	0	1,222,981	2	0	0	0	2,966
Deposits of commercial banks	17,875	2,707,523	381,086	271,199	247,670	265,249	336,550
Certified and officers' checks	28,157	478,829	140,881	34,977	35,547	41,777	75,446
Total deposits	2,628,116	42,215,786	12,084,169	4,554,467	4,831,001	5,127,036	7,603,853
Total demand deposits	897,932	14,038,245	4,283,006	1,550,600	1,906,887	2,058,216	3,207,050
Total time and savings deposits	1,730,184	28,177,541	7,801,163	3,003,867	2,924,114	3,068,820	4,396,803
Federal funds purchased and securities sold under agreements to repurchase	198,426	8,285,452	1,467,261	338,601	401,145	294,157	688,894
Liabilities for borrowed money	1,725	155,436	25,697	13,481	35,351	16,383	9,860
Mortgage indebtedness	4,232	35,664	19,249	1,143	1,456	19,659	29,046
Acceptances executed by or for account of this bank and outstanding	0	971,458	38,367	10,711	0	4,593	14,862
Other liabilities	39,528	1,019,750	212,898	64,919	49,125	77,519	102,695
Total liabilities	2,872,027	52,683,546	13,847,641	4,983,322	5,318,078	5,539,347	8,449,210
Subordinated notes and debentures	22,305	109,308	31,548	28,723	24,157	13,608	26,569
Equity Capital							
Preferred stock	0	7,715	400	0	0	0	1,500
Common stock	37,651	788,574	197,305	63,665	95,216	77,653	113,616
Surplus	128,479	1,683,843	376,590	91,586	154,524	129,938	230,818
Undivided profits	19,726	1,392,884	439,125	190,465	208,166	213,725	305,741
Reserve for contingencies and other capital reserves	2,252	90,351	19,273	11,301	6,380	11,413	20,928
Total equity capital	188,108	3,963,367	1,032,693	357,017	464,286	432,729	672,603
Total liabilities, subordinated notes and debentures and equity capital	3,082,440	56,756,221	14,911,882	5,369,062	5,806,521	5,985,684	9,148,382

Table B-18—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, United States and other areas, June 30, 1978

(Dollar amounts in thousands)

	Maine	*Maryland*	*Massachusetts*	*Michigan*	*Minnesota*	*Mississippi*	*Missouri*
Number of banks	17	34	72	125	204	36	109
Assets							
Cash and due from banks	$ 121,118	$ 761,006	$ 1,911,772	$ 3,136,413	$ 1,850,911	$ 632,476	$ 1,921,934
U.S. Treasury securities	59,442	299,282	1,496,477	1,834,040	851,332	402,057	630,496
Obligations of other U.S. government agencies and corporations	56,063	87,384	187,860	439,814	579,004	128,250	354,339
Obligations of states and political subdivisions	174,433	490,598	748,526	2,526,945	1,663,385	599,973	1,210,590
Other bonds, notes and debentures	530	6,076	50,084	99,693	46,323	9,083	13,780
Federal Reserve stock and corporate stock	1,329	8,092	30,280	31,737	17,753	7,770	17,198
Trading account securities	0	26,998	75,160	20,667	308,216	19,999	55,480
Federal funds sold and securities purchased under agreements to resell	19,500	208,338	508,652	1,475,008	434,155	123,019	1,315,746
Loans, total (excluding unearned income)	731,560	3,629,909	6,459,275	13,522,410	8,400,440	2,201,476	5,684,027
Reserve for possible loan losses	6,162	33,482	93,715	128,161	77,362	23,189	66,551
Loans, net of reserve	725,398	3,596,427	6,365,560	13,394,249	8,323,078	2,178,287	5,617,476
Direct lease financing	0	39,800	65,845	49,657	152,762	153	58,054
Bank premises, furniture and fixtures and other assets representing bank premises	28,198	97,892	249,600	355,228	172,952	97,001	169,855
Real estate owned other than bank premises	1,209	7,895	29,092	47,358	52,195	5,367	16,551
Investments in unconsolidated subsidiaries and associated companies	408	762	83,970	48,852	17,494	78	14,334
Customers' liabilities to this bank on acceptances outstanding	0	88,258	296,081	159,586	142,001	2,035	60,457
Other assets	15,077	67,249	989,514	538,424	196,357	62,674	135,345
Total assets	1,202,705	5,786,057	13,088,473	24,157,671	14,807,918	4,268,222	11,591,635
Liabilities							
Demand deposits of individuals, partnerships and corporations	281,717	1,544,260	3,452,424	5,145,135	3,033,392	983,437	2,749,354
Time and savings deposits of individuals, partnerships and corporations	635,516	2,678,386	4,511,673	11,653,622	6,285,898	1,759,912	3,785,504
Deposits of U.S. government	13,954	51,417	139,482	219,295	107,540	19,064	132,820
Deposits of states and political subdivisions	91,261	216,137	687,378	2,067,670	890,862	651,185	582,743
Deposits of foreign governments and official institutions	0	868	100,831	865	111	6,536	148
Deposits of commercial banks	5,047	91,831	703,871	530,862	629,831	180,155	912,295
Certified and officers' checks	8,583	53,832	137,056	578,688	108,271	11,920	70,414
Total deposits	1,036,078	4,636,731	9,732,715	20,196,137	11,055,905	3,612,209	8,233,278
Total demand deposits	331,572	1,800,590	4,726,050	6,819,220	3,998,691	1,379,156	3,847,391
Total time and savings deposits	704,506	2,836,141	5,006,665	13,376,917	7,057,214	2,233,053	4,385,887
Federal funds purchased and securities sold under agreements to repurchase	61,887	570,617	1,722,895	1,650,818	2,012,561	304,425	2,034,972
Liabilities for borrowed money	6,395	14,351	73,961	29,293	187,093	8,246	196,406
Mortgage indebtedness	4,848	13,197	25,746	19,129	5,063	18,148	41,044
Acceptances executed by or for account of this bank and outstanding	0	88,258	296,680	159,586	142,199	2,035	60,457
Other liabilities	9,600	71,867	200,693	335,154	311,183	36,849	214,640
Total liabilities	1,118,808	5,395,021	12,052,690	22,390,117	13,714,004	3,981,912	10,780,797
Subordinated notes and debentures	2,050	2,995	36,357	104,702	131,434	9,820	29,965
Equity Capital							
Preferred stock	0	0	0	0	0	0	2,128
Common stock	20,480	63,928	166,719	324,529	270,156	46,061	149,132
Surplus	23,791	118,204	408,906	624,260	301,168	211,839	235,618
Undivided profits	36,735	193,715	403,531	682,935	361,835	15,363	380,515
Reserve for contingencies and other capital reserves	841	12,194	20,270	31,128	29,321	3,227	13,480
Total equity capital	81,847	388,041	999,426	1,662,852	962,480	276,490	780,873
Total liabilities, subordinated notes and debentures and equity capital	1,202,705	5,786,057	13,088,473	24,157,671	14,807,918	4,268,222	11,591,635

Table B–18—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, United States and other areas, June 30, 1978

(Dollar amounts in thousands)

	Montana	*Nebraska*	*Nevada*	*New Hampshire*	*New Jersey*	*New Mexico*	*New York*
Number of banks	56	117	4	39	97	39	127
Assets							
Cash and due from banks	$ 236,619	$ 721,257	$ 240,129	$ 190,233	$ 2,123,893	$ 301,901	$ 14,512,648
U.S. Treasury securities	155,745	284,804	199,419	128,928	1,721,622	250,479	4,162,004
Obligations of other U.S. government agencies and corporations	60,190	192,279	82,745	13,332	1,115,242	119,050	717,279
Obligations of states and political subdivisions	311,054	556,685	191,543	190,697	2,561,760	327,601	3,531,124
Other bonds, notes and debentures	4,165	9,863	313	1,549	293,373	2,317	270,189
Federal Reserve stock and corporate stock	3,894	6,608	1,990	1,941	23,548	4,426	170,565
Trading account securities	4,878	40,379	0	0	6,049	0	1,587,174
Federal funds sold and securities purchased under agreements to resell	30,245	371,562	32,800	12,920	366,332	134,582	1,672,412
Loans, total (excluding unearned income)	1,480,511	2,969,520	1,069,170	902,997	10,387,265	1,516,485	38,647,908
Reserve for possible loan losses	13,444	33,044	9,687	8,608	112,315	17,273	679,503
Loans, net of reserve	1,467,067	2,936,476	1,059,483	894,389	10,274,950	1,499,212	37,968,405
Direct lease financing	5,038	41,058	61,191	14	91,162	2,089	565,493
Bank premises, furniture and fixtures and other assets representing bank premises	42,281	86,096	43,680	31,237	349,510	78,168	937,331
Real estate owned other than bank premises	1,404	4,009	0	836	71,318	3,859	348,709
Investments in unconsolidated subsidiaries and associated companies	0	673	0	0	165	31	1,035,775
Customers' liabilities to this bank on acceptances outstanding	278	2,989	0	927	38,960	0	3,499,488
Other assets	30,821	70,103	23,639	11,605	301,570	36,035	5,406,979
Total assets	2,353,679	5,324,841	1,936,932	1,478,608	19,339,454	2,759,750	76,385,575
Liabilities							
Demand deposits of individuals, partnerships and corporations	537,898	1,256,692	685,300	387,542	4,933,382	784,509	15,965,708
Time and savings deposits of individuals, partnerships and corporations	1,238,470	2,395,862	805,661	721,206	9,893,435	1,081,828	23,325,151
Deposits of U.S. government	17,824	34,638	13,442	22,852	182,137	26,224	451,533
Deposits of states and political subdivisions	197,860	371,488	135,010	124,899	1,312,947	466,337	2,014,908
Deposits of foreign governments and official institutions	0	0	0	0	409	0	1,941,050
Deposits of commercial banks	35,165	353,568	5,261	19,710	209,297	34,179	6,991,833
Certified and officers' checks	20,786	25,408	33,852	14,859	238,020	32,250	1,003,960
Total deposits	2,048,003	4,437,656	1,678,526	1,291,068	16,769,627	2,425,327	51,694,143
Total demand deposits	656,339	1,741,034	782,445	496,829	6,058,579	942,804	24,067,015
Total time and savings deposits	1,391,664	2,696,622	896,081	794,239	10,711,048	1,482,523	27,627,128
Federal funds purchased and securities sold under agreements to repurchase	88,012	398,979	72,468	40,221	875,498	86,436	9,068,521
Liabilities for borrowed money	5,527	10,353	15,117	13,123	73,104	4,806	1,094,051
Mortgage indebtedness	2,455	10,545	6,477	2,882	6,679	15,802	37,237
Acceptances executed by or for account of this bank and outstanding	278	2,989	0	927	39,879	0	3,559,010
Other liabilities	33,965	59,253	20,088	14,631	225,890	30,235	3,416,636
Total liabilities	2,178,240	4,919,775	1,792,676	1,362,852	17,990,677	2,562,606	68,869,598
Subordinated notes and debentures	17,784	24,850	0	2,075	70,997	16,194	352,006
Equity Capital							
Preferred stock	0	101	0	300	2,244	1,500	1,421
Common stock	63,129	75,593	27,918	15,143	292,511	55,704	1,759,212
Surplus	63,314	101,393	36,647	46,486	458,020	73,692	2,292,843
Undivided profits	28,153	195,534	77,645	49,650	500,519	47,087	2,968,521
Reserve for contingencies and other capital reserves	3,059	7,595	2,046	2,102	24,486	2,967	141,974
Total equity capital	157,655	380,216	144,256	113,681	1,277,780	180,950	7,163,971
Total liabilities, subordinated notes and debentures and equity capital	2,353,679	5,324,841	1,936,932	1,478,608	19,339,454	2,759,750	76,385,575

Table B–18—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, United States and other areas, June 30, 1978

(Dollar amounts in thousands)

	North Carolina	*North Dakota*	*Ohio*	*Oklahoma*	*Oregon*	*Pennsylvania*	*Rhode Island*
Number of banks	27	43	218	191	7	231	5
Assets							
Cash and due from banks	$ 1,647,826	$ 181,660	$ 3,619,640	$ 1,336,574	$ 843,819	$ 4,952,109	$ 284,840
U.S. Treasury securities	483,720	122,047	2,289,565	1,018,623	323,218	3,464,722	379,630
Obligations of other U.S. government agencies and corporations	483,555	57,092	735,804	89,499	47,862	2,088,405	55,238
Obligations of states and political subdivisions	1,172,423	260,223	3,901,633	1,479,379	910,986	3,824,324	376,825
Other bonds, notes and debentures	6,497	4,009	88,710	26,445	5,545	294,217	10,263
Federal Reserve stock and corporate stock	13,064	2,188	42,459	14,002	10,083	62,480	4,304
Trading account securities	182,395	0	48,549	55,323	21,158	916,702	47,454
Federal funds sold and securities purchased under agreements to resell	455,740	17,759	850,136	436,157	315,866	1,778,146	50,472
Loans, total (excluding unearned income)	6,369,347	1,162,343	13,814,761	5,470,464	4,405,407	24,168,578	1,973,351
Reserve for possible loan losses	67,345	9,824	161,097	57,256	35,993	270,062	17,825
Loans, net of reserve	6,302,002	1,152,519	13,653,664	5,413,208	4,369,414	23,898,516	1,955,526
Direct lease financing	79,417	418	148,894	31,893	32,190	258,716	92,275
Bank premises, furniture and fixtures and other assets representing bank premises	220,799	34,496	471,030	167,240	158,318	548,226	66,055
Real estate owned other than bank premises	19,896	1,240	15,089	10,572	9,290	113,728	10,545
Investments in unconsolidated subsidiaries and associated companies	12,224	10	14,710	471	7,204	83,132	507
Customers' liabilities to this bank on acceptances outstanding	174,566	393	54,919	529	145,288	651,327	49,944
Other assets	306,505	26,796	961,644	129,612	450,790	1,581,818	108,581
Total assets	11,560,629	1,860,850	26,896,446	10,209,527	7,651,031	44,516,568	3,492,459
Liabilities							
Demand deposits of individuals, partnerships and corporations	3,312,059	434,341	6,440,710	2,700,503	1,963,416	9,205,343	618,707
Time and savings deposits of individuals, partnerships and corporations	4,449,635	1,053,953	12,740,197	4,186,762	3,296,719	19,950,209	1,755,600
Deposits of U.S. government	83,951	12,762	236,469	118,449	32,946	259,815	20,575
Deposits of states and political subdivisions	613,857	113,738	1,743,777	1,225,133	429,459	2,231,959	196,181
Deposits of foreign governments and official institutions	6,000	0	13	0	0	132,178	0
Deposits of commercial banks	324,504	14,281	363,377	424,646	83,228	1,541,031	24,617
Certified and officers' checks	71,529	15,398	269,431	86,357	62,223	286,280	31,656
Total deposits	8,861,535	1,644,473	21,793,974	8,741,850	5,867,991	33,606,815	2,647,336
Total demand deposits	3,930,937	499,604	7,840,534	3,399,053	2,283,969	11,222,434	744,046
Total time and savings deposits	4,930,598	1,144,869	13,953,440	5,342,797	3,584,022	22,384,381	1,903,290
Federal funds purchased and securities sold under agreements to repurchase	1,152,410	39,730	2,207,767	493,858	807,042	4,607,791	446,498
Liabilities for borrowed money	241,245	11,480	22,759	29,409	113,262	876,153	3,209
Mortgage indebtedness	57,039	911	44,419	4,583	13,534	51,345	26,932
Acceptances executed by or for account of this bank and outstanding	174,566	393	54,919	529	145,288	654,593	49,944
Other liabilities	170,235	19,896	623,795	110,770	103,772	1,444,571	80,837
Total liabilities	10,657,030	1,716,883	24,747,633	9,380,999	7,050,889	41,241,268	3,254,756
Subordinated notes and debentures	134,829	14,300	43,214	61,985	165,750	264,275	20,490
Equity Capital							
Preferred stock	0	0	0	500	0	927	0
Common stock	168,400	34,319	399,990	148,030	92,835	505,013	30,390
Surplus	256,359	40,273	883,587	193,885	150,144	1,197,340	88,087
Undivided profits	336,045	48,443	793,428	413,918	183,721	1,241,993	91,922
Reserve for contingencies and other capital reserves	7,966	6,632	28,594	10,210	7,692	65,752	6,814
Total equity capital	768,770	129,667	2,105,599	766,543	434,392	3,011,025	217,213
Total liabilities, subordinated notes and debentures and equity capital	11,560,629	1,860,850	26,896,446	10,209,527	7,651,031	44,516,568	3,492,459

Table B–18—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, United States and other areas, June 30, 1978

(Dollar amounts in thousands)

	South Carolina	*South Dakota*	*Tennessee*	*Texas*	*Utah*	*Vermont*	*Virginia*
Number of banks	19	32	73	604	12	13	102
Assets							
Cash and due from banks	$ 477,098	$ 222,735	$ 1,238,072	$ 7,056,556	$ 314,049	$ 35,957	$ 1,460,944
U.S. Treasury securities	223,307	120,899	975,425	4,071,305	169,218	32,052	764,118
Obligations of other U.S. government agencies and corporations	77,806	50,895	306,549	1,444,005	59,988	4,548	323,544
Obligations of states and political subdivisions	374,246	309,930	832,831	6,514,564	209,200	62,146	1,310,133
Other bonds, notes and debentures	208	5,504	15,546	103,274	1,073	3,361	8,282
Federal Reserve stock and corporate stock	3,795	2,735	13,886	61,090	2,952	820	17,907
Trading account securities	26,158	0	14,387	84,036	1,399	0	13,032
Federal funds sold and securities purchased under agreements to resell	164,507	24,087	330,092	2,327,683	160,935	8,165	543,409
Loans, total (excluding unearned income)	1,798,449	1,556,917	5,073,396	27,037,142	1,780,015	339,720	6,695,769
Reserve for possible loan losses	19,421	14,495	61,621	289,748	15,061	2,811	65,349
Loans, net of reserve	1,779,028	1,542,422	5,011,775	26,747,394	1,764,954	336,909	6,630,420
Direct lease financing	13,983	2,322	44,514	160,590	20,933	116	8,522
Bank premises, furniture and fixtures and other assets representing bank premises	79,047	43,171	205,986	923,338	38,421	10,240	287,334
Real estate owned other than bank premises	5,403	2,033	42,724	72,283	1,131	441	26,276
Investments in unconsolidated subsidiaries and associated companies	0	0	47	44,778	0	0	12
Customers' liabilities to this bank on acceptances outstanding	867	399	3,574	647,267	87	0	4,191
Other assets	44,721	33,000	235,620	700,465	36,826	4,324	163,281
Total assets	3,270,174	2,360,132	9,271,028	50,958,628	2,781,166	499,079	11,561,381
Liabilities							
Demand deposits of individuals, partnerships and corporations	1,340,455	501,862	2,262,977	13,777,330	645,233	90,671	2,971,046
Time and savings deposits of individuals, partnerships and corporations	1,077,183	1,344,656	4,168,924	17,552,175	1,298,967	331,207	5,616,354
Deposits of U.S. government	32,613	14,786	67,041	401,782	17,778	4,194	95,244
Deposits of states and political subdivisions	211,778	196,783	874,902	5,908,544	305,135	21,999	963,737
Deposits of foreign governments and official institutions	0	0	0	14,080	0	0	483
Deposits of commercial banks	41,931	26,546	479,962	2,696,240	48,226	1,674	140,162
Certified and officers' checks	25,343	13,717	43,026	380,004	26,773	6,775	83,863
Total deposits	2,729,303	2,098,350	7,896,832	40,730,155	2,342,112	456,520	9,870,889
Total demand deposits	1,573,618	583,465	2,964,105	17,434,626	775,674	109,086	3,503,207
Total time and savings deposits	1,155,685	1,514,885	4,932,727	23,295,529	1,566,438	347,434	6,367,682
Federal funds purchased and securities sold under agreements to repurchase	224,998	44,332	557,568	4,553,440	212,367	2,908	587,905
Liabilities for borrowed money	25,362	1,345	18,523	267,156	3,901	1,203	63,459
Mortgage indebtedness	813	2,266	7,560	107,132	128	14	47,723
Acceptances executed by or for account of this bank and outstanding	867	399	3,574	647,402	87	0	4,191
Other liabilities	34,992	27,469	128,727	828,421	35,818	2,615	151,223
Total liabilities	3,016,335	2,174,161	8,612,784	47,133,706	2,594,413	463,260	10,725,390
Subordinated notes and debentures	7,600	22,331	32,075	270,010	46,759	3,416	46,332
Equity Capital							
Preferred stock	0	0	0	133	0	0	0
Common stock	41,861	40,659	143,919	803,237	35,453	7,392	164,875
Surplus	81,076	45,482	214,777	956,270	58,887	9,399	269,252
Undivided profits	120,815	73,595	252,514	1,615,018	45,514	14,645	342,129
Reserve for contingencies and other capital reserves	2,487	3,904	14,959	180,254	140	967	13,403
Total equity capital	246,239	163,640	626,169	3,554,912	139,994	32,403	789,659
Total liabilities, subordinated notes and debentures and equity capital	3,270,174	2,360,132	9,271,028	50,958,628	2,781,166	499,079	11,561,381

Table B-18—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, United States and other areas, June 30, 1978

(Dollar amounts in thousands)

	Washington	*West Virginia*	*Wisconsin*	*Wyoming*	*District of Columbia non-national**
Number of banks	20	106	128	46	1
Assets					
Cash and due from banks	$ 1,953,658	$ 435,828	$ 1,089,462	$ 191,378	$ 3,467
U.S. Treasury securities	438,506	419,271	733,331	137,579	18,729
Obligations of other U.S. government agencies and corporations	168,550	348,917	282,642	68,775	6,354
Obligations of states and political subdivisions	993,451	749,735	872,393	235,897	3,369
Other bonds, notes and debentures	14,973	11,600	51,815	2,611	2,213
Federal Reserve stock and corporate stock	12,479	6,482	11,661	1,786	1
Trading account securities	101,100	294	39,918	0	0
Federal funds sold and securities purchased under agreements to resell	603,072	176,493	235,495	31,905	6,100
Loans, total (excluding unearned income)	8,624,738	2,441,178	5,435,720	1,001,849	21,026
Reserve for possible loan losses	84,646	24,614	52,632	9,086	278
Loans, net of reserve	8,540,092	2,416,564	5,383,088	992,763	20,748
Direct lease financing	331,529	11,915	38,863	2,306	0
Bank premises, furniture and fixtures and other assets representing bank premises	294,087	117,803	205,879	34,408	587
Real estate owned other than bank premises	11,546	2,075	106,905	1,118	0
Investments in unconsolidated subsidiaries and associated companies	25,786	0	879	56	0
Customers' liabilities to this bank on acceptances outstanding	199,503	0	39,221	0	0
Other assets	226,948	41,565	145,182	26,009	713
Total assets	13,915,280	4,738,542	9,236,734	1,726,591	62,281
Liabilities					
Demand deposits of individuals, partnerships and corporations	3,659,946	1,021,665	1,916,888	437,575	20,755
Time and savings deposits of individuals, partnerships and corporations	5,608,709	2,614,431	4,317,287	770,298	30,337
Deposits of U.S. government	84,144	39,973	95,545	48,349	1,899
Deposits of states and political subdivisions	1,211,237	220,685	751,409	203,464	4,952
Deposits of foreign governments and official institutions	15,436	0	7,738	5	0
Deposits of commercial banks	289,586	70,924	278,819	29,418	54
Certified and officers' checks	141,335	43,621	78,924	15,084	518
Total deposits	11,010,393	4,011,299	7,446,610	1,504,193	58,515
Total demand deposits	4,273,244	1,254,663	2,459,289	554,115	28,158
Total time and savings deposits	6,737,149	2,756,636	4,987,321	950,078	30,357
Federal funds purchased and securities sold under agreements to repurchase	1,527,008	246,237	915,651	46,476	0
Liabilities for borrowed money	51,943	18,521	35,749	18,531	0
Mortgage indebtedness	17,969	7,250	3,665	3,614	0
Acceptances executed by or for account of this bank and outstanding	199,503	0	39,263	0	0
Other liabilities	201,967	43,533	151,537	17,081	323
Total liabilities	13,008,783	4,326,840	8,592,475	1,589,895	58,838
Subordinated notes and debentures	108,447	7,404	54,807	8,464	90
Equity Capital					
Preferred stock	6,000	0	0	0	0
Common stock	199,121	70,214	142,558	10,358	278
Surplus	238,809	144,683	222,616	41,510	1,000
Undivided profits	328,332	178,667	209,774	72,536	2,075
Reserve for contingencies and other capital reserves	25,788	10,734	14,504	3,828	0
Total equity capital	798,050	404,298	589,452	128,232	3,353
Total liabilities, subordinated notes and debentures and equity capital	13,915,280	4,738,542	9,236,734	1,726,591	62,281

* Non-national banks in the District of Columbia are supervised by the Comptroller of the Currency.

Table B–19

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, December 31, 1978

(Dollar amounts in millions)

	Total, United States	*Alabama*	*Alaska*	*Arizona*	*Arkansas*	*California*	*Colorado*
Number of banks	4,564	99	6	3	69	53	137
Assets							
Cash and due from depository institutions	$ 102,603	$ 1,125	$ 178	$ 967	$ 627	$ 14,555	$ 1,653
U.S. Treasury securities	45,285	435	66	495	272	4,688	476
Obligations of other U.S. government agencies and corporations	21,308	336	58	189	177	2,763	155
Obligations of states and political subdivisions	66,564	1,286	160	528	606	5,541	866
All other securities	7,345	63	3	18	25	618	15
Total securities	140,502	2,120	287	1,230	1,080	13,611	1,512
Federal funds sold and securities purchased under agreements to resell	30,996	236	44	169	268	3,879	367
Total loans (excluding unearned income)	394,671	5,445	809	4,542	2,780	62,387	5,149
Allowance for possible loan losses	4,566	63	7	41	25	698	55
Net loans	390,105	5,382	801	4,501	2,755	61,690	5,094
Lease financing receivables	5,561	29	10	20	9	1,947	57
Bank premises, furniture and fixtures, and other assets representing bank premises	11,930	182	63	167	109	1,834	178
Real estate owned other than bank premises	1,456	9	3	4	4	75	20
All other assets	39,132	153	22	115	79	8,738	175
Total assets	722,285	9,236	1,409	7,172	4,931	106,330	9,057
Liabilities							
Demand deposits of individuals, partnerships and corporations	175,356	2,446	474	2,120	1,357	24,073	2,783
Time and savings deposits of individuals, partnerships and corporations	294,707	4,195	416	3,586	2,160	49,252	3,384
Deposits of U.S. government	2,078	31	6	28	7	316	32
Deposits of states and political subdivisions	45,689	769	222	316	385	4,452	688
All other deposits	35,909	315	5	71	218	3,747	568
Certified and officers' checks	7,229	69	19	108	27	1,294	104
Total deposits in domestic offices	560,968	7,825	1,142	6,230	4,154	83,134	7,559
Demand deposits	220,593	2,987	535	2,411	1,712	28,143	3,520
Time and savings deposits	340,375	4,838	607	3,820	2,441	54,990	4,039
Federal funds purchased and securities sold under agreements to repurchase	64,908	383	83	338	271	8,583	566
Interest-bearing demand notes issued to U.S. Treasury	7,764	78	16	58	26	823	87
Other liabilities for borrowed money	5,499	89	10	1	19	1,483	45
Mortgage indebtedness and liability for capitalized leases	1,232	5	12	12	12	237	34
All other liabilities	29,642	147	24	86	66	5,718	144
Total liabilities	670,013	8,527	1,237	6,725	4,547	99,978	8,434
Subordinated notes and debentures	3,065	47	1	82	28	322	38
Equity Capital							
Preferred stock	29	0	0	0	0	0	0
Common stock	9,912	118	32	43	76	1,024	111
Surplus	17,291	249	42	121	98	2,314	187
Undivided profits and reserve for contingencies and other capital reserves	21,976	296	47	200	182	2,692	288
Total equity capital	49,207	663	121	364	356	6,030	586
Total liabilities, subordinated notes and debentures and equity capital	722,285	9,236	1,409	7,172	4,931	106,330	9,057

* See note at end of table.

Table B–19—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, December 31, 1978

(Dollar amounts in millions)

	Connecticut	*Delaware*	*District of Columbia*	*Florida*	*Georgia*	*Hawaii*	*Idaho*
Number of banks	19	5	16	236	64	2	6
Assets							
Cash and due from depository institutions	$ 856	$ 8	$ 897	$ 3,115	$ 2,060	$ 21	$ 398
U.S. Treasury securities	201	9	461	2,363	480	15	288
Obligations of other U.S. government agencies and corporations	109	2	165	1,179	202	17	67
Obligations of states and political subdivisions	313	3	714	2,229	660	1	323
All other securities	39	—	40	183	68	—	8
Total securities	662	14	1,380	5,954	1,410	33	686
Federal funds sold and securities purchased under agreements to resell	220	6	346	1,090	898	8	180
Total loans (excluding unearned income)	2,113	49	3,406	9,784	4,930	89	1,976
Allowance for possible loan losses	23	—	39	112	68	1	18
Net loans	2,090	49	3,367	9,672	4,862	88	1,958
Lease financing receivables	9	0	28	52	54	8	34
Bank premises, furniture and fixtures, and other assets representing bank premises	70	1	72	442	248	2	68
Real estate owned other than bank premises	8	—	3	61	128	1	2
All other assets	338	—	115	511	303	2	49
Total assets	4,252	79	6,209	20,896	9,964	162	3,376
Liabilities							
Demand deposits of individuals, partnerships and corporations	1,428	18	2,044	6,475	3,095	52	814
Time and savings deposits of individuals, partnerships and corporations	1,578	48	2,300	8,706	2,824	66	1,715
Deposits of U.S. government	12	—	134	52	35	—	5
Deposits of states and political subdivisions	260	4	76	1,303	765	27	209
All other deposits	230	—	303	698	534	2	8
Certified and officers' checks	29	1	83	247	119	4	30
Total deposits in domestic offices	3,536	71	4,941	17,480	7,372	150	2,782
Demand deposits	1,755	20	2,468	7,817	4,042	58	936
Time and savings deposits	1,781	51	2,473	9,663	3,330	92	1,846
Federal funds purchased and securities sold under agreements to repurchase	290	0	564	1,368	1,407	0	251
Interest-bearing demand notes issued to U.S. Treasury	140	—	88	121	60	1	37
Other liabilities for borrowed money	6	—	30	88	111	0	1
Mortgage indebtedness and liability for capitalized leases	10	—	13	16	42	0	4
All other liabilities	34	1	109	281	288	1	78
Total liabilities	4,015	72	5,744	19,353	9,281	153	3,154
Subordinated notes and debentures	15	—	12	33	57	2	22
Equity Capital							
Preferred stock	0	0	—	1	0	0	0
Common stock	49	2	66	354	159	4	38
Surplus	109	2	137	587	226	3	144
Undivided profits and reserve for contingencies and other capital reserves	64	3	251	568	241	1	18
Total equity capital	222	6	453	1,510	626	8	200
Total liabilities, subordinated notes and debentures and equity capital	4,252	79	6,209	20,896	9,964	162	3,376

* See note at end of table.

Table B–19—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, December 31, 1978

(Dollar amounts in millions)

	Illinois	*Indiana*	*Iowa*	*Kansas*	*Kentucky*	*Louisiana*	*Maine*
Number of banks	419	121	99	151	79	54	17
Assets							
Cash and due from depository institutions	$ 7,097	$ 1,937	$ 809	$ 875	$ 822	$ 1,326	$ 150
U.S. Treasury securities	3,484	1,366	357	557	469	1,198	58
Obligations of other U.S. government agencies and corporations	2,692	660	225	283	140	295	67
Obligations of states and political subdivisions	6,165	1,607	645	687	675	1,003	163
All other securities	691	222	27	37	24	18	2
Total securities	13,032	3,855	1,254	1,564	1,308	2,514	290
Federal funds sold and securities purchased under agreements to resell	1,852	821	266	365	410	664	42
Total loans (excluding unearned income)	35,811	8,342	3,190	3,172	3,796	4,836	744
Allowance for possible loan losses	420	87	27	30	35	52	7
Net loans	35,391	8,255	3,163	3,141	3,761	4,784	737
Lease financing receivables	155	146	5	4	98	29	0
Bank premises, furniture and fixtures, and other assets representing bank premises	742	260	90	127	127	181	28
Real estate owned other than bank premises	245	36	6	4	4	18	1
All other assets	2,753	634	115	79	80	165	15
Total assets	61,267	15,944	5,708	6,161	6,609	9,681	1,263
Liabilities							
Demand deposits of individuals, partnerships and corporations	12,516	3,437	1,350	1,551	1,801	2,777	303
Time and savings deposits of individuals, partnerships and corporations	24,226	7,017	2,783	2,420	2,986	3,491	648
Deposits of U.S. government	132	35	13	14	15	49	3
Deposits of states and political subdivisions	2,861	1,821	319	759	390	1,216	111
All other deposits	4,401	380	289	338	324	360	6
Certified and officers' checks	390	128	34	39	42	84	10
Total deposits in domestic offices	44,526	12,818	4,788	5,121	5,558	7,976	1,080
Demand deposits	15,666	4,600	1,730	2,075	2,218	3,419	358
Time and savings deposits	28,859	8,218	3,058	3,045	3,340	4,557	722
Federal funds purchased and securities sold under agreements to repurchase	8,256	1,470	373	398	367	711	67
Interest-bearing demand notes issued to U.S. Treasury	1,157	177	37	64	84	39	14
Other liabilities for borrowed money	499	42	17	18	15	35	1
Mortgage indebtedness and liability for capitalized leases	37	22	9	1	20	32	5
All other liabilities	2,520	302	79	57	95	143	11
Total liabilities	56,995	14,831	5,303	5,659	6,139	8,935	1,177
Subordinated notes and debentures	113	34	31	25	13	32	2
Equity Capital							
Preferred stock	7	—	0	0	0	2	0
Common stock	792	200	64	96	77	118	20
Surplus	1,695	387	96	157	135	238	24
Undivided profits and reserve for contingencies and other capital reserves	1,665	492	214	224	244	356	39
Total equity capital	4,159	1,079	374	477	457	714	84
Total liabilities, subordinated notes and debentures and equity capital	61,267	15,944	5,708	6,161	6,609	9,681	1,263

* See note at end of table.

Table B–19—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, December 31, 1978

(Dollar amounts in millions)

	Maryland	*Massachusetts*	*Michigan*	*Minnesota*	*Mississippi*	*Missouri*	*Montana*
Number of banks	34	73	125	205	37	101	56
Assets							
Cash and due from depository institutions	$ 738	$ 2,133	$ 3,541	$ 2,233	$ 638	$ 2,610	$ 263
U.S. Treasury securities	337	1,638	1,774	755	350	549	150
Obligations of other U.S. government agencies and corporations	82	205	462	591	139	384	56
Obligations of states and political subdivisions	629	807	2,667	1,828	588	1,180	333
All other securities	15	176	194	345	24	87	11
Total securities	1,063	2,826	5,097	3,519	1,101	2,200	550
Federal funds sold and securities purchased under agreements to resell	293	556	1,774	528	106	1,820	73
Total loans (excluding unearned income)	3,713	6,877	14,292	8,666	2,440	5,878	1,533
Allowance for possible loan losses	35	99	138	82	26	67	14
Net loans	3,678	6,778	14,154	8,584	2,414	5,811	1,519
Lease financing receivables	47	153	125	171	1	69	5
Bank premises, furniture and fixtures, and other assets representing bank premises	113	253	394	188	99	172	45
Real estate owned other than bank premises	8	22	33	34	4	14	1
All other assets	278	1,556	954	478	64	247	31
Total assets	6,217	14,276	26,071	15,734	4,427	12,944	2,487
Liabilities							
Demand deposits of individuals, partnerships and corporations	1,610	3,778	5,650	3,569	1,082	3,110	609
Time and savings deposits of individuals, partnerships and corporations	2,736	4,773	12,008	6,589	1,879	3,855	1,298
Deposits of U.S. government	17	43	82	34	7	52	5
Deposits of states and political subdivisions	301	707	2,425	1,022	616	640	201
All other deposits	108	779	586	792	217	1,342	52
Certified and officers' checks	41	175	629	104	14	69	23
Total deposits in domestic offices	4,813	10,254	21,379	12,109	3,816	9,068	2,188
Demand deposits	1,885	4,999	7,221	4,590	1,421	4,549	737
Time and savings deposits	2,928	5,255	14,158	7,519	2,395	4,519	1,451
Federal funds purchased and securities sold under agreements to repurchase	584	1,884	1,700	1,343	213	2,275	59
Interest-bearing demand notes issued to U.S. Treasury	129	285	412	326	30	242	11
Other liabilities for borrowed money	41	56	54	256	2	77	1
Mortgage indebtedness and liability for capitalized leases	25	25	42	8	19	40	5
All other liabilities	220	693	653	526	44	422	39
Total liabilities	5,811	13,197	24,240	14,567	4,123	12,125	2,302
Subordinated notes and debentures	4	36	113	143	16	31	18
Equity Capital							
Preferred stock	0	0	0	0	0	2	0
Common stock	64	168	339	296	47	144	66
Surplus	119	422	640	326	233	230	66
Undivided profits and reserve for contingencies and other capital reserves	220	452	738	402	8	413	35
Total equity capital	403	1,042	1,717	1,024	288	789	167
Total liabilities, subordinated notes and debentures and equity capital	6,217	14,276	26,071	15,734	4,427	12,944	2,487

* See note at end of table.

Table B-19—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, December 31, 1978

(Dollar amounts in millions)

	Nebraska	Nevada	New Hampshire	New Jersey	New Mexico	New York	North Carolina
Number of banks	117	4	39	96	40	124	27
Assets							
Cash and due from depository institutions	$ 923	$ 256	$ 207	$ 2,321	$ 372	$ 14,988	$ 1,955
U.S. Treasury securities	285	198	145	1,600	246	3,970	600
Obligations of other U.S. government agencies and corporations	217	100	16	1,084	121	839	404
Obligations of states and political subdivisions	595	202	172	2,766	362	3,861	1,371
All other securities	49	3	4	332	7	1,644	140
Total securities	1,146	503	337	5,781	736	10,314	2,515
Federal funds sold and securities purchased under agreements to resell	423	24	32	485	152	2,119	574
Total loans (excluding unearned income)	3,092	1,141	946	10,671	1,618	42,707	6,638
Allowance for possible loan losses	33	12	9	111	17	748	74
Net loans	3,059	1,129	937	10,560	1,600	41,960	6,565
Lease financing receivables	43	76	—	116	2	582	90
Bank premises, furniture and fixtures, and other assets representing bank premises	88	47	33	346	82	974	242
Real estate owned other than bank premises	3	0	1	60	4	277	18
All other assets	83	22	15	334	39	11,585	747
Total assets	5,767	2,057	1,562	20,004	2,986	82,797	12,706
Liabilities							
Demand deposits of individuals, partnerships and corporations	1,442	705	421	5,226	847	16,749	3,872
Time and savings deposits of individuals, partnerships and corporations	2,527	873	762	9,785	1,144	24,754	4,782
Deposits of U.S. government	9	5	6	56	11	201	40
Deposits of states and political subdivisions	352	157	139	1,560	505	1,953	824
All other deposits	426	4	19	266	48	10,878	361
Certified and officers' checks	32	27	15	215	29	1,035	66
Total deposits in domestic offices	4,787	1,771	1,361	17,108	2,584	55,570	9,945
Demand deposits	1,977	783	530	6,272	993	26,380	4,483
Time and savings deposits	2,810	988	831	10,836	1,591	29,190	5,462
Federal funds purchased and securities sold under agreements to repurchase	409	43	38	992	106	9,618	1,117
Interest-bearing demand notes issued to U.S. Treasury	45	22	21	190	22	344	158
Other liabilities for borrowed money	16	33	2	66	8	910	24
Mortgage indebtedness and liability for capitalized leases	11	8	4	7	17	39	73
All other liabilities	70	21	16	280	37	8,443	442
Total liabilities	5,338	1,898	1,441	18,643	2,773	74,925	11,760
Subordinated notes and debentures	28	0	2	61	20	353	134
Equity Capital							
Preferred stock	—	0	0	2	2	1	0
Common stock	77	28	16	287	58	1,815	169
Surplus	104	44	47	455	79	2,360	258
Undivided profits and reserve for contingencies and other capital reserves	220	88	56	556	55	3,343	385
Total equity capital	401	160	118	1,300	193	7,519	811
Total liabilities, subordinated notes and debentures and equity capital	5,767	2,057	1,562	20,004	2,986	82,797	12,706

* See note at end of table.

Table B–19—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, December 31, 1978

(Dollar amounts in millions)

	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina
Number of banks	43	217	191	6	226	5	18
Assets							
Cash and due from depository institutions	$ 200	$ 3,848	$ 1,742	$ 1,094	$ 5,785	$ 327	$ 524
U.S. Treasury securities	114	2,353	1,025	295	3,254	353	192
Obligations of other U.S. government agencies and corporations	53	847	95	75	2,253	107	102
Obligations of states and political subdivisions	264	4,110	1,611	937	4,258	402	400
All other securities	7	169	108	56	1,268	49	31
Total securities	438	7,479	2,839	1,363	11,033	911	725
Federal funds sold and securities purchased under agreements to resell	31	1,162	747	219	1,785	105	254
Total loans (excluding unearned income)	1,217	14,908	5,894	4,805	26,260	2,146	1,839
Allowance for possible loan losses	10	167	62	40	296	19	21
Net loans	1,206	14,741	5,832	4,765	25,964	2,127	1,818
Lease financing receivables	1	170	30	35	278	94	15
Bank premises, furniture and fixtures, and other assets representing bank premises	38	490	175	165	565	68	86
Real estate owned other than bank premises	2	15	9	9	84	8	4
All other assets	27	1,355	163	642	2,703	182	34
Total assets	1,943	29,260	11,535	8,292	48,198	3,820	3,461
Liabilities							
Demand deposits of individuals, partnerships and corporations	497	7,400	3,118	2,083	10,145	646	1,427
Time and savings deposits of individuals, partnerships and corporations	1,097	13,393	4,575	3,653	20,812	2,011	1,132
Deposits of U.S. government	4	92	43	13	86	5	7
Deposits of states and political subdivisions	96	1,828	1,247	662	2,476	210	197
All other deposits	20	494	567	105	1,536	22	47
Certified and officers' checks	16	273	145	73	348	25	28
Total deposits in domestic offices	1,730	23,480	9,694	6,589	35,403	2,919	2,837
Demand deposits	557	8,815	3,969	2,404	11,952	749	1,631
Time and savings deposits	1,173	14,665	5,725	4,185	23,451	2,170	1,206
Federal funds purchased and securities sold under agreements to repurchase	23	2,453	560	561	4,898	353	207
Interest-bearing demand notes issued to U.S. Treasury	6	466	176	117	422	57	81
Other liabilities for borrowed money	3	53	67	69	714	59	15
Mortgage indebtedness and liability for capitalized leases	4	45	5	14	52	27	5
All other liabilities	25	528	154	352	3,347	161	44
Total liabilities	1,791	27,026	10,655	7,702	44,834	3,575	3,190
Subordinated notes and debentures	16	41	73	141	252	20	13
Equity Capital							
Preferred stock	0	0	1	0	1	0	0
Common stock	35	403	150	92	505	30	41
Surplus	41	894	199	149	1,202	88	81
Undivided profits and reserve for contingencies and other capital reserves	61	895	458	207	1,403	106	136
Total equity capital	137	2,193	807	449	3,111	225	258
Total liabilities, subordinated notes and debentures and equity capital	1,943	29,260	11,564	8,292	48,198	3,820	3,461

* See note at end of table.

Table B–19—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, December 31, 1978

(Dollar amounts in millions)

	South Dakota	*Tennessee*	*Texas*	*Utah*	*Vermont*	*Virginia*	*Washington*
Number of banks	32	72	609	10	13	88	20
Assets							
Cash and due from depository institutions	$ 258	$ 1,417	$ 8,837	$ 485	$ 46	$ 1,458	$ 2,084
U.S. Treasury securities	104	875	3,899	173	29	649	382
Obligations of other U.S. government agencies and corporations	61	357	1,478	62	7	383	196
Obligations of states and political subdivisions	314	912	7,097	224	64	1,403	1,077
All other securities	8	39	229	4	6	43	52
Total securities	487	2,183	12,703	463	106	2,478	1,707
Federal funds sold and securities purchased under agreements to resell	38	444	2,849	138	10	438	1,023
Total loans (excluding unearned income)	1,634	5,280	29,454	1,808	361	6,811	9,284
Allowance for possible loan losses	15	67	322	16	3	68	96
Net loans	1,619	5,214	29,132	1,791	358	6,742	9,189
Lease financing receivables	2	50	174	40	—	31	416
Bank premises, furniture and fixtures, and other assets representing bank premises	48	212	979	38	10	295	315
Real estate owned other than bank premises	2	37	63	2	—	20	12
All other assets	33	253	1,751	41	5	191	626
Total assets	2,487	9,809	56,489	2,999	537	11,653	15,372
Liabilities							
Demand deposits of individuals, partnerships and corporations	561	2,543	15,681	698	98	3,101	3,986
Time and savings deposits of individuals, partnerships and corporations	1,437	4,271	19,394	1,414	345	5,505	6,090
Deposits of U.S. government	9	37	161	4	1	28	38
Deposits of states and political subdivisions	170	884	5,880	333	34	908	1,293
All other deposits	28	492	3,108	28	1	97	272
Certified and officers' checks	18	50	524	29	7	76	150
Total deposits in domestic offices	2,223	8,277	44,749	2,506	487	9,715	11,829
Demand deposits	640	3,247	19,822	805	115	3,468	4,534
Time and savings deposits	1,583	5,031	24,927	1,701	372	6,247	7,295
Federal funds purchased and securities sold under agreements to repurchase	27	578	5,122	208	2	647	1,771
Interest-bearing demand notes issued to U.S. Treasury	8	54	461	32	4	107	217
Other liabilities for borrowed money	—	19	224	2	4	83	66
Mortgage indebtedness and liability for capitalized leases	5	13	111	—	—	61	27
All other liabilities	32	178	1,732	52	3	193	507
Total liabilities	2,296	9,121	52,399	2,802	500	10,806	14,417
Subordinated notes and debentures	22	31	311	46	3	50	108
Equity Capital							
Preferred stock	0	0	4	0	0	0	6
Common stock	43	144	825	35	8	159	199
Surplus	48	224	1,025	64	10	270	240
Undivided profits and reserve for contingencies and other capital reserves	78	289	1,926	52	17	369	401
Total equity capital	170	657	3,780	151	34	797	846
Total liabilities, subordinated notes and debentures and equity capital	2,487	9,809	56,489	2,999	537	11,653	15,372

* See note at end of table.

Table B–19—Continued

Total assets, liabilities and equity capital of domestic offices and subsidiaries of national banks, December 31, 1978

(Dollar amounts in millions)

	West Virginia	*Wisconsin*	*Wyoming*	*District of Columbia non-national**
Number of banks	106	129	46	1
Assets				
Cash and due from depository institutions	$ 514	$ 1,111	$ 220	$ 3
U.S. Treasury securities	381	735	137	18
Obligations of other U.S. government agencies and corporations	358	315	78	6
Obligations of states and political subdivisions	743	967	246	3
All other securities	18	124	5	2
Total securities	1,500	2,141	466	29
Federal funds sold and securities purchased under agreements to resell	180	398	83	4
Total loans (excluding unearned income)	2,587	5,794	1,028	25
Allowance for possible loan losses	26	56	10	—
Net loans	2,561	5,738	1,018	25
Lease financing receivables	11	41	2	0
Bank premises, furniture and fixtures, and other assets representing bank premises	122	217	36	1
Real estate owned other than bank premises	1	74	2	0
All other assets	45	178	28	1
Total assets	4,936	9,899	1,855	62
Liabilities				
Demand deposits of individuals, partnerships and corporations	1,077	2,205	505	17
Time and savings deposits of individuals, partnerships and corporations	2,691	4,499	826	31
Deposits of U.S. government	16	22	27	—
Deposits of states and political subdivisions	255	617	244	—
All other deposits	91	300	26	—
Certified and officers' checks	34	84	14	1
Total deposits in domestic offices	4,164	7,728	1,643	49
Demand deposits	1,288	2,689	615	18
Time and savings deposits	2,876	5,039	1,027	31
Federal funds purchased and securities sold under agreements to repurchase	246	1,095	27	9
Interest-bearing demand notes issued to U.S. Treasury	18	190	7	0
Other liabilities for borrowed money	23	32	9	0
Mortgage indebtedness and liability for capitalized leases	8	7	4	0
All other liabilities	47	178	20	—
Total liabilities	4,506	9,230	1,709	58
Subordinated notes and debentures	7	55	8	—
Equity Capital				
Preferred stock	0	0	0	0
Common stock	70	145	10	—
Surplus	151	229	44	1
Undivided profits and reserve for contingencies and other capital reserves	201	241	83	2
Total equity capital	423	614	137	3
Total liabilities, subordinated notes and debentures and equity capital	4,936	9,899	1,855	62

*Non-national banks in the District of Columbia are supervised by the Comptroller of the Currency.
NOTE: Dashes indicate amounts of less than $500,000. Data may not add to totals because of rounding.

Table B–20

Domestic office loans of national banks, by states, December 31, 1978

(Dollar amounts in millions)

	Total loans, gross	*Loans secured by real estate*	*Loans to financial institutions*	*Loans to purchase or carry securities*	*Loans to farmers*	*Commercial and industrial loans*	*Personal loans to individuals*	*Other loans*	*Total loans less unearned income*
All national banks	$404,384	$117,198	$27,057	$7,984	$13,430	$134,648	$93,273	$10,794	$394,671
Alabama	5,692	1,593	112	27	102	1,740	1,959	159	5,445
Alaska	838	333	1	—	—	286	212	6	809
Arizona	4,787	1,387	269	150	337	1,069	1,458	118	4,542
Arkansas	2,857	964	27	71	144	808	773	71	2,780
California	63,882	23,601	5,395	844	2,028	17,903	12,912	1,200	62,387
Colorado	5,246	1,295	194	87	499	1,654	1,392	125	5,149
Connecticut	2,154	804	128	2	13	655	514	39	2,113
Delaware	51	29	0	0	1	6	16	—	49
District of Columbia	3,457	1,172	487	22	1	954	717	104	3,406
Florida	10,138	3,723	340	58	70	2,418	3,315	213	9,784
Georgia	5,164	1,289	243	33	44	1,707	1,726	123	4,930
Hawaii	91	47	0	0	1	17	26	—	89
Idaho	2,018	599	30	6	221	573	579	10	1,976
Illinois	36,253	7,290	4,039	1,592	984	15,726	5,447	1,175	35,811
Indiana	8,611	3,511	302	64	254	2,015	2,328	137	8,342
Iowa	3,223	968	38	55	664	779	662	56	3,190
Kansas	3,233	642	73	93	680	844	832	68	3,172
Kentucky	3,933	1,266	90	21	148	1,084	1,258	65	3,796
Louisiana	5,005	1,483	171	66	62	1,798	1,296	129	4,836
Maine	753	306	2	—	9	217	213	7	744
Maryland	3,812	1,407	155	42	26	893	1,192	98	3,713
Massachusetts	6,990	1,388	749	44	50	3,312	1,287	159	6,877
Michigan	14,598	5,749	855	89	130	3,729	3,477	568	14,292
Minnesota	8,790	2,542	374	342	550	3,106	1,566	310	8,666
Mississippi	2,536	831	60	35	66	631	854	60	2,440
Missouri	5,976	1,398	485	179	267	2,060	1,401	185	5,878
Montana	1,612	447	3	1	233	414	495	18	1,533
Nebraska	3,150	422	70	102	1,039	711	754	51	3,092
Nevada	1,197	569	4	4	18	257	340	5	1,141
New Hampshire	984	365	4	—	2	286	317	9	946
New Jersey	11,027	4,856	322	24	8	2,843	2,829	145	10,671
New Mexico	1,685	430	25	3	123	522	564	18	1,618
New York	43,360	7,125	4,764	1,946	276	20,340	6,900	2,007	42,707
North Carolina	6,885	1,226	392	79	103	2,553	2,375	158	6,638
North Dakota	1,241	338	2	3	227	376	284	11	1,217
Ohio	15,537	5,184	485	101	227	4,053	5,265	222	14,908
Oklahoma	6,014	1,453	191	188	608	2,020	1,406	147	5,894
Oregon	4,863	1,612	492	39	193	1,501	978	49	4,805
Pennsylvania	26,985	8,354	2,794	440	199	8,499	5,952	746	26,260
Rhode Island	2,183	855	100	9	—	831	331	58	2,146
South Carolina	1,916	390	21	8	26	579	860	33	1,839
South Dakota	1,676	434	2	4	455	408	360	13	1,634
Tennessee	5,484	1,545	172	92	92	1,723	1,725	134	5,280
Texas	30,071	5,901	1,663	811	1,372	12,667	6,372	1,286	29,454
Utah	1,842	795	31	15	47	561	371	23	1,808
Vermont	370	191	1	—	7	85	80	6	361
Virginia	7,110	2,751	97	29	97	1,620	2,356	159	6,811
Washington	9,341	2,456	486	70	442	3,296	2,422	169	9,284
West Virginia	2,791	1,226	11	9	12	482	1,016	34	2,587
Wisconsin	5,906	2,348	305	79	145	1,693	1,244	93	5,794
Wyoming	1,065	308	2	4	130	343	265	13	1,028
District of Columbia—all*	3,482	1,187	489	22	1	960	719	104	3,431

*Includes national and non-national banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.
NOTE: Dashes indicate amounts of less than $500,000. Data may not add to totals because of rounding.

Table B–21

Outstanding balances, credit cards and related plans of national banks, December 31, 1978
(Dollar amounts in thousands)

	Total number of national banks	Credit cards and other related credit plans	
		Number of national banks	Outstanding volume
All national banks	4,564	1,850	$17,542,357
Alabama	99	19	153,455
Alaska	6	4	31,368
Arizona	3	2	251,459
Arkansas	69	10	50,085
California	53	43	3,417,638
Colorado	137	103	319,791
Connecticut	19	11	125,588
Delaware	5	0	0
District of Columbia	16	12	148,769
Florida	236	95	423,861
Georgia	64	28	338,412
Hawaii	2	2	2,903
Idaho	6	4	64,980
Illinois	419	160	1,447,174
Indiana	121	72	218,627
Iowa	99	35	71,107
Kansas	151	19	92,857
Kentucky	79	38	129,382
Louisiana	54	13	127,855
Maine	17	15	26,596
Maryland	34	15	327,021
Massachusetts	73	57	298,003
Michigan	125	72	646,927
Minnesota	205	122	121,817
Mississippi	37	3	54,633
Missouri	101	40	361,892
Montana	56	24	10,686
Nebraska	117	28	194,962
Nevada	4	3	42,569
New Hampshire	39	27	29,751
New Jersey	96	65	244,970
New Mexico	40	8	34,819
New York	124	60	3,313,988
North Carolina	27	25	339,128
North Dakota	43	15	8,000
Ohio	217	145	659,831
Oklahoma	191	29	170,613
Oregon	6	3	210,313
Pennsylvania	226	59	789,692
Rhode Island	5	4	66,045
South Carolina	18	10	118,865
South Dakota	32	8	4,389
Tennessee	72	14	219,817
Texas	609	135	656,793
Utah	10	4	66,309
Vermont	13	2	4,053
Virginia	88	37	348,025
Washington	20	12	454,334
West Virginia	106	19	42,857
Wisconsin	129	100	251,967
Wyoming	46	20	7,381
District of Columbia — all*	17	13	148,893

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

Table B–22

Income and expenses of foreign and domestic offices and subsidiaries of national banks, by states, year ended December 31, 1978

(Dollar amounts in millions)

	Total, United States	Alabama	Alaska	Arizona	Arkansas	California	Colorado
Number of banks	4,564	99	6	3	69	53	137
Operating income:							
Interest and fees on loans	$45,997.7	$530.2	$92.8	$403.5	$252.3	$8,212.7	$524.3
Interest on balances with depository institutions	4,407.3	1.6	1.1	6.4	0.8	1.058.1	0.5
Income on Federal funds sold and securities purchased under agreements to resell	2,197.8	20.7	3.5	26.4	23.7	298.6	22.9
Interest on U.S. Treasury securities and on obligations of other U.S. government agencies and corporations	4,721.6	56.9	8.2	47.0	32.4	474.5	44.8
Interest on obligations of States and political subdivisions in the U.S.	3,252.1	65.7	9.1	23.9	30.8	258.4	43.4
Income from all other securities (including dividends on stock)	693.2	2.8	0.3	0.8	0.9	153.0	0.7
Income from lease financing	639.4	0.9	1.0	1.8	1.1	166.8	5.1
Income from fiduciary activities	1,214.8	15.8	1.4	11.3	4.3	134.8	21.0
Service charges on deposit accounts	1,089.5	20.2	6.0	27.9	12.6	181.3	21.2
Other service charges, commissions, and fees	1,932.2	25.9	7.2	11.6	9.4	334.0	18.4
Other operating income	1,696.9	14.9	1.3	6.9	8.1	289.8	21.5
Total operating income	67,842.4	755.7	132.0	567.5	376.6	11,562.0	723.8
Operating expenses:							
Salaries and employee benefits	10,845.2	139.1	37.9	126.4	70.8	1,866.1	143.0
Interest on time certificates of $100,000 or more, issued by domestic offices	7,021.9	106.9	17.8	42.1	37.5	1,158.0	85.0
Interest on deposits in foreign offices	10,139.7	0	0	0.3	0	2,603.7	1.0
Interest on other deposits	12,873.9	189.5	17.1	158.9	108.5	1,927.1	150.4
Expense of Federal funds purchased and securities sold under agreements to repurchase	4,989.6	39.9	5.1	25.3	24.6	594.2	42.5
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	1,023.1	5.9	1.4	0.4	1.7	136.6	4.5
Interest on subordinated notes and debentures	234.3	3.6	0.1	5.7	2.1	23.1	2.9
Occupancy expense of bank premises, net, and furniture and equipment expense	3,194.3	41.2	13.3	36.4	25.9	508.8	43.4
Provision for possible loan losses	2,131.2	32.2	2.8	25.2	10.0	336.0	23.8
Other operating expenses	6,522.5	95.1	16.0	58.4	43.9	901.7	104.5
Total operating expenses	58,975.8	653.4	111.4	479.2	325.0	10,055.3	600.8
Income before income taxes and securities gains or losses	8,866.6	102.3	20.6	88.3	51.6	1,506.7	123.0
Applicable income taxes	2,591.0	15.7	5.7	32.1	8.4	619.2	35.9
Income before securities gains or losses	6,275.6	86.6	14.9	56.2	43.3	887.5	87.1
Securities gains (losses), gross	−253.5	−0.4	0.6	−2.3	0.3	−55.0	−0.5
Applicable income taxes	−125.2	−0.2	0.2	−1.2	0.2	−28.9	−0.3
Securities gains (losses), net	−128.3	−0.2	0.4	−1.1	0.1	−26.1	−0.2
Income before extraordinary items	6,147.3	86.4	15.3	55.1	43.3	861.4	86.9
Extraordinary items, net	26.1	0.1	0.8	0	0.4	2.0	0.4
Net income	6,173.4	86.5	16.1	55.1	43.7	863.4	87.3

Cash dividends declared on common stock	2,194.7	30.0	2.0	17.1	9.6	295.1	28.1
Cash dividends declared on preferred stock	1.4	0	0	0	0	0	0
Total cash dividends declared	2,196.1	30.0	2.0	17.1	9.6	295.1	28.1
Recoveries credited to allowance for possible loan losses	685.9	11.2	2.8	3.7	2.8	83.3	6.5
Losses charged to allowance for possible loan losses	2,124.6	34.5	4.1	14.9	9.9	290.9	21.5
Net loan losses	1,438.7	23.3	1.3	11.2	7.1	207.6	15.0
Ratio to total operating income:							
Interest on deposits	44.3	39.2	26.4	35.5	38.8	49.2	32.7
Other interest expense	9.2	6.5	5.0	5.5	7.5	6.5	6.9
Salaries and employee benefits	16.0	18.4	28.7	22.3	18.8	16.1	19.8
Other non-interest expense	17.5	22.3	24.3	21.1	21.2	15.1	23.7
Total operating expenses	86.9	86.5	84.4	84.4	86.3	87.0	83.0
Ratio of net income to total equity capital (end of period)	12.5	13.0	13.3	15.1	12.3	14.3	14.9

See note at end of table.

Table B–22—Continued

Income and expenses of foreign and domestic offices and subsidiaries of national banks, by states, year ended December 31, 1978

(Dollar amounts in millions)

	Connecticut	*Delaware*	*District of Columbia*	*Florida*	*Georgia*	*Hawaii*	*Idaho*
Number of banks	19	5	16	236	64	2	6
Operating income:							
Interest and fees on loans	$200.7	$4.6	$318.8	$900.7	$527.7	$9.1	$198.1
Interest on balances with depository institutions	24.4	0.1	26.6	23.5	22.4	0	1.2
Income on Federal funds sold and securities purchased under agreements to resell	5.7	0.4	22.8	91.0	64.8	0.5	5.9
Interest on U.S. Treasury securities and on obligations of other U.S. government agencies and corporations	22.9	0.8	44.5	271.0	44.3	2.2	24.2
Interest on obligations of States and political subdivisions in the U.S.	13.9	0.2	31.0	104.0	33.5	—	14.7
Income from all other securities (including dividends on stock)	2.7	0	1.6	12.1	3.4	—	0.6
Income from lease financing	0.9	0	1.2	6.0	5.1	0.7	1.1
Income from fiduciary activities	15.3	0	17.0	45.7	21.5	—	2.2
Service charges on deposit accounts	3.7	0.1	12.7	45.4	34.2	0.4	8.3
Other service charges, commissions, and fees	9.6	0.1	7.4	62.9	22.6	0.9	7.5
Other operating income	5 6	0.1	3.2	26.6	45.8	0.1	2.2
Total operating income	306.4	6.3	486.8	1,589.0	825.3	13.8	265.9
Operating expenses:							
Salaries and employee benefits	69.0	1.2	93.9	295.7	177.2	3.8	53.8
Interest on time certificates of $100,000 or more, issued by domestic offices	21.0	0.2	60.7	127.2	72.4	2.6	26.3
Interest on deposits in foreign offices	8.7	0	48.9	2.3	17.1	0	0
Interest on other deposits	69.5	2.5	74.9	419.9	129.5	2.8	80.4
Expense of Federal funds purchased and securities sold under agreements to repurchase	30.4	0	37.1	95.4	110.4	—	11.2
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	2.0	—	2.2	5.7	8.1	—	0.4
Interest on subordinated notes and debentures	1.0	—	0.7	2.3	5.0	0.1	1.9
Occupancy expense of bank premises, net, and furniture and equipment expense	22.9	0.4	27.8	88.6	54.5	1.3	12.5
Provision for possible loan losses	13.7	0.2	13.6	59.0	57.9	0.1	6.0
Other operating expenses	35.3	0.8	40.7	277.7	130.4	2.4	30.6
Total operating expenses	273.5	5.4	400.4	1,374.0	762.6	13.1	223.0
Income before income taxes and securities gains or losses	32.8	1.0	86.4	215.0	62.7	0.7	43.0
Applicable income taxes	10.0	0.3	30.7	52.9	8.4	0.3	13:3
Income before securities gains or losses	22.9	0.6	55.7	162.1	54.3	0.4	29.6
Securities gains (losses), gross	−0.3	—	−1.2	−7.6	0.5	—	−1.6
Applicable income taxes	−0.2	—	−0.6	−3.6	0.5	0	−0.8
Securities gains (losses), net	−0.1	—	−0.6	−4.0	0	—	−0.8
Income before extraordinary items	22.7	0.7	55.1	158.1	54.4	0.4	28.9
Extraordinary items, net	0.4	0	—	4.5	0.1	0.3	0
Net income	23.1	0.7	55.1	162.6	54.5	0.7	28.9

Cash dividends declared on common stock	10.2	0.2	20.8	82.0	14.7	—	9.1
Cash dividends declared on preferred stock	0	0	0.1	0.1	0	—	0
Total cash dividends declared	10.2	0.2	20.9	82.1	14.7	—	9.1
Recoveries credited to allowance for possible loan losses	5.2	0.1	4.7	17.1	11.4	0.3	2.7
Losses charged to allowance for possible loan losses	14.9	0.3	12.5	62.7	71.3	0.4	6.3
Net loan losses	9.7	0.2	7.8	45.6	59.9	0.1	3.6
Ratio to total operating income:							
Interest on deposits	32.4	42.8	37.9	34.6	26.5	39.1	40.1
Other interest expense	10.9	1.0	8.2	6.5	15.0	0.7	5.1
Salaries and employee benefits	22.5	18.5	19.3	18.6	21.5	27.5	20.2
Other non-interest expense	23.5	22.2	16.9	22.8	29.4	27.5	18.5
Total operating expenses	89.3	84.5	82.3	86.5	92.4	94.8	83.9
Ratio of net income to total equity capital (end of period)	10.4	10.4	12.2	10.8	8.7	8.9	14.5

See note at end of table.

Table B–22—Continued

Income and expenses of foreign and domestic offices and subsidiaries of national banks, by states, year ended December 31, 1978

(Dollar amounts in millions)

	Illinois	*Indiana*	*Iowa*	*Kansas*	*Kentucky*	*Louisiana*	*Maine*
Number of banks	419	121	99	151	79	54	17
Operating income:							
Interest and fees on loans	$3,923.4	$783.4	$282.8	$290.3	$350.7	$456.7	$72.9
Interest on balances with depository institutions	536.3	24.8	1.2	0.6	3.1	6.3	0.1
Income on Federal funds sold and securities purchased under agreements to resell	154.9	40.9	22.5	23.5	18.3	41.5	2.2
Interest on U.S. Treasury securities and on obligations of other U.S. government agencies and corporations	440.7	150.8	42.1	58.4	44.9	105.0	8.2
Interest on obligations of States and political subdivisions in the U.S.	313.0	82.0	30.8	33.4	35.9	48.5	7.9
Income from all other securities (including dividends on stock)	66.4	15.6	1.6	1.9	0.9	1.6	0.1
Income from lease financing	20.7	11.0	0.4	0.5	8.0	3.0	0
Income from fiduciary activities	112.2	25.9	8.2	7.8	4.3	8.1	2.8
Service charges on deposit accounts	46.1	22.8	7.3	10.1	9.3	17.9	2.2
Other service charges, commissions, and fees	147.1	27.6	18.1	13.0	17.2	23.5	3.3
Other operating income	149.0	16.4	4.0	4.8	5.2	5.8	1.3
Total operating income	5,910.0	1,201.1	418.9	444.2	497.9	718.1	101.0
Operating expenses:							
Salaries and employee benefits	709.3	199.0	66.0	75.9	88.3	121.0	22.6
Interest on time certificates of $100,000 or more, issued by domestic offices	833.9	114.0	26.7	45.5	49.8	122.7	6.9
Interest on deposits in foreign offices	1,110.7	7.9	0	0	5.8	4.3	0
Interest on other deposits	989.6	363.8	154.4	134.2	140.6	148.6	33.3
Expense of Federal funds purchased and securities sold under agreements to repurchase	690.6	106.0	27.9	30.9	24.1	49.8	4.2
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	61.6	6.0	0.9	2.3	2.3	2.0	0.2
Interest on subordinated notes and debentures	8.8	3.0	2.4	2.0	1.1	2.4	0.2
Occupancy expense of bank premises, net, and furniture and equipment expense	209.5	69.2	19.3	24.9	30.2	47.4	7.3
Provision for possible loan losses	207.1	31.5	8.8	11.3	15.2	23.4	4.9
Other operating expenses	416.5	124.4	50.9	47.8	57.6	78.0	13.0
Total operating expenses	5,237.7	1,024.8	357.3	374.9	415.1	599.5	92.5
Income before income taxes and securities gains or losses	672.2	176.3	61.6	69.3	82.8	118.6	8.5
Applicable income taxes	161.1	38.0	13.9	15.7	19.2	28.9	0.1
Income before securities gains or losses	511.1	138.3	47.7	53.6	63.6	89.7	8.4
Securities gains (losses), gross	−15.5	−0.3	−1.6	−1.6	−2.5	−4.6	−0.5
Applicable income taxes	−7.1	−0.1	−0.8	−0.6	−1.2	−2.2	−0.2
Securities gains (losses), net	−8.4	−0.2	−0.8	−0.9	−1.3	−2.4	−0.3
Income before extraordinary items	502.7	138.1	46.9	52.7	62.3	87.3	8.1
Extraordinary items, net	1.3	0.2	—	0.9	−0.1	0.8	0
Net income	504.0	138.3	46.9	53.6	62.2	88.2	8.1

Cash dividends declared on common stock	139.4	51.8	14.5	16.8	13.2	25.5	4.5
Cash dividends declared on preferred stock	0.1	—	0	0	0	0.1	0
Total cash dividends declared	139.5	51.8	14.5	16.8	13.2	25.6	4.5
Recoveries credited to allowance for possible loan losses	41.3	9.4	2.2	5.1	3.7	8.1	1.1
Losses charged to allowance for possible loan losses	207.6	30.7	7.4	12.7	13.8	25.9	4.8
Net loan losses	166.3	21.6	5.2	7.6	10.1	17.8	5.9
Ratio to total operating income:							
Interest on deposits	49.6	40.4	43.2	40.5	39.4	38.4	39.8
Other interest expense	12.9	9.6	7.4	7.9	5.5	7.5	4.6
Salaries and employee benefits	12.0	16.6	15.8	17.1	17.7	16.9	22.4
Other non-interest expense	14.1	18.7	18.9	18.9	20.7	20.7	25.0
Total operating expenses	88.6	85.3	85.3	84.4	83.4	83.5	91.6
Ratio of net income to total equity capital (end of period)	12.1	12.8	12.5	11.2	13.6	12.4	9.7

See note at end of table.

Table B-22—Continued

Income and expenses of foreign and domestic offices and subsidiaries of national banks, by states, year ended December 31, 1978

(Dollar amounts in millions)

	Maryland	*Massachusetts*	*Michigan*	*Minnesota*	*Mississippi*	*Missouri*	*Montana*
Number of banks	34	73	125	205	37	101	56
Operating income:							
Interest and fees on loans	$370.1	$1,010.1	$1,392.5	$816.1	$222.3	$562.4	$146.5
Interest on balances with depository institutions	13.5	215.7	83.0	30.4	4.3	16.0	0.2
Income on Federal funds sold and securities purchased under agreements to resell	25.3	66.4	97.3	32.5	13.2	99.6	3.6
Interest on U.S. Treasury securities and on obligations of other U.S. government agencies and corporations	28.4	121.9	158.6	103.5	35.0	68.4	15.2
Interest on obligations of States and political subdivisions in the U.S.	27.3	35.8	128.8	89.0	20.1	56.4	15.8
Income from all other securities (including dividends on stock)	0.8	36.5	10.8	4.1	1.0	1.8	0.5
Income from lease financing	6.1	36.3	5.6	12.0	0.2	5.1	0.5
Income from fiduciary activities	6.9	59.1	43.7	29.3	3.2	27.3	0.4
Service charges on deposit accounts	12.7	17.3	34.5	15.4	9.3	11.6	4.0
Other service charges, commissions, and fees	9.4	50.8	30.4	48.2	13.3	31.9	6.2
Other operating income	7.7	38.8	34.9	39.6	4.6	22.8	2.7
Total operating income	508.1	1,688.7	2,020.1	1,220.0	335.3	903.2	195.7
Operating expenses:							
Salaries and employee benefits	103.3	291.9	357.2	177.0	57.9	143.9	31.8
Interest on time certificates of $100,000 or more, issued by domestic offices	30.5	143.4	190.6	152.6	48.6	110.2	14.2
Interest on deposits in foreign offices	19.1	394.1	95.1	42.0	0	19.3	0
Interest on other deposits	129.6	163.2	619.6	297.7	89.2	161.0	71.5
Expense of Federal funds purchased and securities sold under agreements to repurchase	45.3	206.2	88.3	139.2	23.6	169.8	5.4
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	2.9	36.1	40.4	20.2	0.6	5.0	0.5
Interest on subordinated notes and debentures	0.3	2.6	8.4	9.5	0.8	1.5	1.4
Occupancy expense of bank premises, net, and furniture and equipment expense	33.0	87.8	107.6	42.3	19.8	46.9	8.2
Provision for possible loan losses	18.8	53.2	45.3	31.3	13.4	23.4	2.4
Other operating expenses	57.1	153.8	192.3	136.4	39.3	101.2	23.7
Total operating expenses	439.9	1,532.4	1,743.7	1,048.2	293.2	782.2	159.1
Income before income taxes and securities gains or losses	68.2	156.3	276.4	171.8	42.1	121.0	36.5
Applicable income taxes	18.7	61.9	59.0	36.7	4.6	27.1	9.6
Income before securities gains or losses	49.5	94.4	217.4	135.2	37.5	93.9	26.9
Securities gains (losses), gross	−2.0	−4.3	−10.1	−4.7	−0.9	−3.3	−1.0
Applicable income taxes	−0.9	−2.4	−4.8	−2.2	−0.4	−1.5	−0.5
Securities gains (losses), net	−1.0	−1.9	−5.2	−2.5	−0.5	−1.8	−0.5
Income before extraordinary items	48.5	92.5	212.1	132.7	37.0	92.2	26.4
Extraordinary items, net	—	1.6	0.9	1.4	0	0.1	0.2
Net income	48.5	94.1	213.1	134.1	37.0	92.3	26.6

Cash dividends declared on common stock	18.6	41.6	92.8	43.7	12.7	37.5	8.8
Cash dividends declared on preferred stock	0	0	0	0	0	0.1	0
Total cash dividends declared	18.6	41.6	92.8	43.7	12.7	37.6	8.8
Recoveries credited to allowance for possible loan losses	3.5	24.2	18.0	4.8	4.0	9.7	2.9
Losses charged to allowance for possible loan losses	18.7	61.9	45.0	21.2	13.6	25.0	3.8
Net loan losses	15.2	37.7	27.0	16.4	9.6	15.3	0.9
Ratio to total operating income:							
Interest on deposits	35.3	41.5	44.8	40.4	41.1	32.2	43.8
Other interest expense	9.5	14.5	6.8	13.8	7.5	19.5	3.7
Salaries and employee benefits	20.3	17.3	17.7	14.5	17.3	15.9	16.2
Other non-interest expense	21.4	17.5	17.1	17.2	21.6	19.0	17.5
Total operating expenses	86.6	90.7	86.3	85.9	87.4	86.6	81.3
Ratio of net income to total equity capital (end of period)	12.0	9.0	12.4	13.1	12.9	11.7	15.9

See note at end of table.

Table B–22—Continued

Income and expenses of foreign and domestic offices and subsidiaries of national banks, by states, year ended December 31, 1978

(Dollar amounts in millions)

	Nebraska	*Nevada*	*New Hampshire*	*New Jersey*	*New Mexico*	*New York*	*North Carolina*
Number of banks	117	4	39	96	40	124	27
Operating income:							
Interest and fees on loans	$298.2	$109.2	$93.2	$939.2	$154.7	$9,198.4	$656.7
Interest on balances with depository institutions	0.8	0	0.3	14.1	1.7	1,503.9	70.1
Income on Federal funds sold and securities purchased under agreements to resell	27.1	3.6	3.0	40.0	11.1	136.0	40.9
Interest on U.S. Treasury securities and on obligations of other U.S. government agencies and corporations	33.2	20.5	10.3	199.5	25.7	331.6	70.8
Interest on obligations of States and political subdivisions in the U.S.	29.8	9.6	8.9	127.7	16.3	245.8	60.7
Income from all other securities (including dividends on stock)	1.2	0.2	0.2	24.0	0.4	261.7	2.4
Income from lease financing	3.7	6.4	—	10.0	0.3	192.0	10.4
Income from fiduciary activities	8.3	2.9	2.8	22.5	3.0	151.6	27.8
Service charges on deposit accounts	7.6	7.2	2.6	30.3	6.8	55.3	28.8
Other service charges, commissions, and fees	19.5	2.8	2.5	28.7	9.5	475.7	24.8
Other operating income	8.3	2.2	1.0	23.6	1.7	518.9	29.5
Total operating income	437.5	164.6	124.8	1,459.5	231.2	13,070.9	1,023.0
Operating expenses:							
Salaries and employee benefits	73.3	35.9	26.4	292.2	43.0	1,753.2	198.7
Interest on time certificates of $100,000 or more, issued by domestic offices	33.7	18.3	7.6	106.8	38.6	899.8	87.6
Interest on deposits in foreign offices	0	0	0	11.7	0	4,798.3	74.5
Interest on other deposits	132.9	35.2	37.7	480.8	55.6	896.9	210.5
Expense of Federal funds purchased and securities sold under agreements to repurchase	29.1	4.5	3.3	72.0	7.5	711.5	89.8
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	3.4	0.3	0.7	4.8	0.7	536.2	5.6
Interest on subordinated notes and debentures	2.0	0	0.2	4.5	1.4	32.8	10.3
Occupancy expense of bank premises, net, and furniture and equipment expense	26.9	9.3	9.3	99.0	16.3	484.6	58.2
Provision for possible loan losses	8.9	3.6	4.4	38.2	6.6	472.0	28.7
Other operating expenses	52.3	19.4	21.0	170.0	25.8	1,034.3	107.2
Total operating expenses	362.5	126.4	110.6	1,279.9	195.3	11,619.8	871.1
Income before income taxes and securities gains or losses	75.0	38.2	14.2	179.6	35.9	1,451.1	151.9
Applicable income taxes	18.5	12.0	1.9	19.7	8.9	602.2	40.9
Income before securities gains or losses	56.5	26.1	12.3	159.9	27.0	848.9	111.0
Securities gains (losses), gross	−0.3	−0.4	−0.2	−3.2	—	−35.1	−10.9
Applicable income taxes	−0.1	−0.2	−0.1	−1.6	—	−17.9	−5.6
Securities gains (losses), net	−0.2	−0.2	−0.1	−1.7	0	−17.2	−5.3
Income before extraordinary items	56.3	25.9	12.2	158.3	27.0	831.7	105.7
Extraordinary items, net	0.5	0.1	0.3	0.2	0.2	0.5	1.6
Net income	56.8	26.0	12.5	158.5	27.2	831.3	107.3

Cash dividends declared on common stock	17.8	8.9	4.3	71.7	6.9	342.5	30.5
Cash dividends declared on preferred stock	—	0	0	0.1	0	—	0
Total cash dividends declared	17.8	8.9	4.3	71.8	6.9	342.5	30.5
Recoveries credited to allowance for possible loan losses	4.5	1.2	1.0	11.8	2.6	199.9	8.3
Losses charged to allowance for possible loan losses	11.3	2.3	4.1	42.1	7.9	522.3	27.6
Net loan losses	6.8	1.1	3.1	30.3	5.3	322.4	19.3
Ratio to total operating income:							
Interest on deposits	38.1	32.5	36.3	41.1	40.7	50.5	36.4
Other interest expense	7.9	2.9	3.4	5.6	4.2	9.8	10.3
Salaries and employee benefits	16.8	21.8	21.2	20.0	18.6	13.4	19.4
Other non-interest expense	20.1	19.6	27.8	21.0	21.1	15.2	19.2
Total operating expenses	82.9	76.8	88.6	87.7	84.5	88.9	85.2
Ratio of net income to total equity capital (end of period)	14.2	16.3	10.6	12.2	14.1	11.1	13.2

See note at end of table.

Table B-22—Continued

Income and expenses of foreign and domestic offices and subsidiaries of national banks, by states, year ended December 31, 1978

(Dollar amounts in millions)

	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina
Number of banks	43	217	191	6	226	5	18
Operating income:							
Interest and fees on loans	$110.6	$1,414.4	$564.9	$451.2	$2,510.1	$208.5	$185.1
Interest on balances with depository institutions	0.4	78.6	3.9	30.5	204.1	3.3	0.8
Income on Federal funds sold and securities purchased under agreements to resell	3.0	82.9	38.5	14.9	149.0	3.2	14.2
Interest on U.S. Treasury securities and on obligations of other U.S. government agencies and corporations	12.9	221.1	78.5	27.5	407.3	29.7	21.3
Interest on obligations of States and political subdivisions in the U.S.	12.9	196.7	73.8	45.4	211.0	18.6	19.2
Income from all other securities (including dividends on stock)	0.5	9.0	2.9	1.0	34.7	1.3	0.2
Income from lease financing	—	1.54	2.0	3.9	19.6	8.0	1.2
Income from fiduciary activities	1.0	52.6	12.9	12.7	97.2	12.4	6.2
Service charges on deposit accounts	2.3	56.4	19.7	28.2	32.7	3.6	14.9
Other service charges, commissions, and fees	4.5	55.3	16.9	12.4	70.6	3.7	8.8
Other operating income	1.1	24.3	18.2	9.9	120.4	14.3	6.3
Total operating income	149.2	2,206.6	832.1	637.6	3,856.6	306.7	278.1
Operating expenses:							
Salaries and employee benefits	23.4	387.6	136.2	127.0	601.4	50.1	75.7
Interest on time certificates of $100,000 or more, issued by domestic offices	7.3	189.6	164.3	60.6	475.3	54.3	10.0
Interest on deposits in foreign offices	0	21.8	2.4	12.9	305.3	12.9	0.3
Interest on other deposits	63.7	627.6	188.6	163.4	883.5	68.3	55.7
Expense of Federal funds purchased and securities sold under agreements to repurchase	2.3	170.9	43.2	45.6	409.4	31.8	19.0
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	0.8	5.3	3.3	5.2	57.3	0.5	1.8
Interest on subordinated notes and debentures	1.1	2.8	4.8	11.2	19.2	1.6	0.8
Occupancy expense of bank premises, net, and furniture and equipment expense	6.6	120.1	36.7	30.1	186.1	14.0	21.7
Provision for possible loan losses	2.7	57.8	32.3	12.7	120.0	8.6	8.1
Other operating expenses	15.8	257.6	90.4	62.3	319.9	32.8	39.1
Total operating expenses	123.5	1,841.1	702.3	531.1	3,377.4	275.0	232.1
Income before income taxes and securities gains or losses	25.7	365.5	129.8	106.5	479.2	31.7	46.0
Applicable income taxes	6.4	72.3	22.3	32.1	86.9	5.3	12.0
Income before securities gains or losses	19.3	293.2	107.6	74.4	392.3	26.4	34.0
Securities gains (losses), gross	−0.7	−21.1	−2.3	−5.7	−24.9	−1.2	−0.6
Applicable income taxes	−0.3	−10.1	−0.9	−2.9	−11.7	−0.6	−0.3
Securities gains (losses), net	−0.3	−11.0	−1.4	−2.7	−13.1	−0.6	−0.3
Income before extraordinary items	19.0	282.2	106.2	71.7	379.2	25.9	33.7
Extraordinary items, net	—	0.5	0.7	0	—	0	0.1
Net income	19.0	282.7	106.9	71.7	379.1	25.9	33.8

Cash dividends declared on common stock	5.7	117.5	28.9	28.2	156.2	11.0	1.07
Cash dividends declared on preferred stock	0	—	—	0	—	0	0
Total cash dividends declared	5.7	117.5	28.9	28.2	156.2	11.0	1.07
Recoveries credited to allowance for possible loan losses	0.5	20.5	10.5	3.3	34.1	3.1	3.4
Losses charged to allowance for possible loan losses	2.3	62.3	30.9	8.0	115.1	8.4	8.9
Net loan losses	1.8	41.8	20.4	4.7	81.0	5.3	5.5
Ratio to total operating income:							
Interest on deposits	47.6	38.0	42.7	37.2	43.1	44.2	23.7
Other interest expense	2.8	8.1	6.2	9.7	12.6	11.1	7.8
Salaries and employee benefits	15.7	17.6	16.4	19.9	15.6	16.3	27.2
Other non-interest expense	16.8	19.7	19.2	16.5	16.2	18.1	24.8
Total operating expenses	82.8	83.4	84.4	83.3	87.6	89.7	83.5
Ratio of net income to total equity capital (end of period)	13.9	12.9	13.2	16.0	12.2	11.5	13.1

See note at end of table.

Table B–22—Continued

Income and expenses of foreign and domestic offices and subsidiaries of national banks, by states, year ended December 31, 1978

(Dollar amounts in millions)

	South Dakota	*Tennessee*	*Texas*	*Utah*	*Vermont*	*Virginia*	*Washington*
Number of banks	32	72	609	10	13	88	20
Operating income:							
Interest and fees on loans	$148.9	$507.0	$2,883.8	$187.1	$32.7	$676.6	$945.8
Interest on balances with depository institutions	0.4	7.5	304.9	1.5	0.1	16.8	27.7
Income on Federal funds sold and securities purchased under agreements to resell	2.7	35.0	214.5	7.9	1.0	31.4	63.5
Interest on U.S. Treasury securities and on obligations of other U.S. government agencies and corporations	12.3	89.5	393.4	17.2	2.8	74.8	42.9
Interest on obligations of States and political subdivisions in the U.S.	15.9	43.3	324.3	10.4	3.0	71.5	51.7
Income from all other securities (including dividends on stock)	0.7	2.0	17.0	0.3	0.3	1.5	2.3
Income from lease financing	0.3	5.3	9.6	2.6	—	3.0	37.7
Income from fiduciary activities	1.1	15.6	87.3	3.3	0.3	19.3	23.4
Service charges on deposit accounts	3.9	24.7	87.5	6.8	0.8	13.7	43.7
Other service charges, commissions, and fees	6.2	31.2	95.6	8.4	0.8	27.8	31.2
Other operating income	1.6	13.2	60.5	1.5	0.5	15.2	28.1
Total operating income	193.9	774.3	4,478.5	247.0	42.4	951.6	1,298.1
Operating expenses:							
Salaries and employee benefits	30.2	146.8	612.4	38.7	8.9	171.7	280.6
Interest on time certificates of $100,000 or more, issued by domestic offices	11.7	92.7	740.1	50.0	1.5	77.9	136.1
Interest on deposits in foreign offices	0	2.8	425.7	0	0	0.6	55.3
Interest on other deposits	82.9	206.1	810.7	51.9	18.3	286.0	274.1
Expense of Federal funds purchased and securities sold under agreements to repurchase	2.9	51.5	397.7	12.5	0.1	44.3	113.8
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	0.4	1.9	20.1	0.7	0.1	5.2	9.9
Interest on subordinated notes and debentures	1.8	2.0	21.1	4.0	0.3	3.9	10.1
Occupancy expense of bank premises, net, and furniture and equipment expense	8.4	53.3	169.0	12.7	2.7	55.7	75.9
Provision for possible loan losses	5.2	34.0	127.5	6.1	0.9	28.8	30.7
Other operating expenses	19.3	93.2	450.0	31.0	4.9	156.5	141.1
Total operating expenses	162.8	684.4	3,774.3	207.7	37.7	830.7	1,127.6
Income before income taxes and securities gains or losses	31.1	90.0	704.2	39.3	4.7	120.9	170.4
Applicable income taxes	7.7	22.4	166.8	13.0	0.6	20.7	51.8
Income before securities gains or losses	23.4	67.5	537.4	26.3	4.1	100.2	118.7
Securities gains (losses), gross	−0.7	−0.9	−10.1	−2.1	−0.1	−6.6	−1.6
Applicable income taxes	−0.4	−0.4	−4.9	−1.1	—	−3.2	−0.8
Securities gains (losses), net	−0.3	−0.5	−5.2	−1.0	−0.1	−3.4	−0.8
Income before extraordinary items	23.1	67.0	532.1	25.3	4.1	96.8	117.9
Extraordinary items, net	—	2.7	3.1	0	—	−0.3	0.1
Net income	23.1	69.8	535.2	25.3	4.1	96.5	117.9

Cash dividends declared on common stock	8.0	23.1	160.7	9.6	1.5	35.8	30.9
Cash dividends declared on preferred stock	0	0	0.2	0	0	0	0.4
Total cash dividends declared	8.0	23.1	160.9	9.6	1.5	35.8	31.3
Recoveries credited to allowance for possible loan losses	1.5	16.6	42.6	1.2	0.2	8.5	11.9
Losses charged to allowance for possible loan losses	5.4	40.3	106.2	4.4	1.1	30.0	24.6
Net loan losses	3.9	23.7	63.6	3.2	0.9	21.5	12.7
Ratio to total operating income:							
Interest on deposits	48.8	39.0	44.1	41.3	46.7	38.3	35.9
Other interest expense	2.6	7.2	9.8	7.0	1.2	5.6	10.3
Salaries and employee benefits	15.6	19.0	13.7	15.7	21.0	18.0	21.6
Other non-interest expense	17.0	23.3	16.7	20.2	20.0	25.3	19.1
Total operating expenses	84.0	88.4	84.3	84.1	88.9	87.3	86.9
Ratio of net income to total equity capital (end of period)	13.6	10.6	14.2	16.8	12.1	12.1	13.9

See note at end of table.

Table B–22—Continued

Income and expenses of foreign and domestic offices and subsidiaries of national banks, by states, year ended December 31, 1978

(Dollar amounts in millions)

	West Virginia	*Wisconsin*	*Wyoming*	*District of Columbia non-national*
Number of banks	106	129	46	1
Operating income:				
Interest and fees on loans	$228.6	$533.0	$104.3	$1.9
Interest on balances with depository institutions	1.6	31.0	0.2	0
Income on Federal funds sold and securities purchased under agreements to resell	17.5	24.7	3.6	0.2
Interest on U.S. Treasury securities and on obligations of other U.S. government agencies and corporations	56.4	72.6	14.9	1.7
Interest on obligations of States and political subdivisions in the U.S.	36.6	45.3	11.7	0.2
Income from all other securities (including dividends on stock)	1.2	5.0	0.4	0.2
Income from lease financing	1.2	5.5	0.3	0
Income from fiduciary activities	5.4	14.2	1.3	0
Service charges on deposit accounts	3.6	9.8	4.0	0.2
Other service charges, commissions, and fees	6.3	29.1	2.3	0.1
Other operating income	2.8	28.8	1.5	—
Total operating income	361.1	799.0	144.6	4.5
Operating expenses:				
Salaries and employee benefits	57.6	126.4	24.8	1.0
Interest on time certificates of $100,000 or more, issued by domestic offices	22.9	74.2	13.8	0.5
Interest on deposits in foreign offices	0	34.9	0	0
Interest on other deposits	138.2	233.0	46.0	1.1
Expense of Federal funds purchased and securities sold under agreements to repurchase	19.3	76.7	3.4	0.2
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	2.1	5.3	1.3	0
Interest on subordinated notes and debentures	0.7	4.4	0.7	—
Occupancy expense of bank premises, net, and furniture and equipment expense	18.1	42.4	6.9	0.2
Provision for possible loan losses	6.6	11.5	4.7	0.3
Other operating expenses	39.2	94.2	15.5	0.6
Total operating expenses	304.7	703.0	117.1	3.9
Income before income taxes and securities gains or losses	56.4	96.0	27.5	0.6
Applicable income taxes	7.0	25.1	7.0	0.2
Income before securities gains or losses	49.4	70.8	20.5	0.4
Securities gains (losses), gross	−1.3	−3.6	−0.1	—
Applicable income taxes	−0.5	−1.8	—	—
Securities gains (losses), net	−0.8	−1.8	−0.1	—
Income before extraordinary items	48.6	69.1	20.4	0.4
Extraordinary items, net	0.2	—	—	0.2
Net income	48.8	69.1	20.4	0.6

Cash dividends declared on common stock	12.4	25.3	6.3	0.1
Cash dividends declared on preferred stock	0	0	0	0
Total cash dividends declared	12.4	25.3	6.3	0.1
Recoveries credited to allowance for possible loan losses	2.9	5.7	1.3	—
Losses charged to allowance for possible loan losses	6.6	12.1	4.6	0.3
Net loan losses	3.7	6.4	3.3	0.3
Ratio to total operating income:				
Interest on deposits	44.6	42.8	41.4	35.6
Other interest expense	6.1	10.8	3.7	4.4
Salaries and employee benefits	16.0	15.8	17.2	22.2
Other non-interest expense	17.7	18.5	18.7	24.4
Total operating expenses	84.4	88.0	81.0	86.7
Ratio of net income to total equity capital (end of period)	11.6	11.3	14.9	16.0

NOTE: Dashes indicate amounts of less than $50,000. Data may not add to totals because of rounding.

Table B–23

National banks engaged in lease financing, December 31, 1978
(Dollar amounts in thousands)

	Total number of national banks	Number of banks engaged in lease financing	Amount of lease financing at domestic offices
All national banks	4,564	864	$5,560,946
Alabama	99	9	28,845
Alaska	6	2	10,293
Arizona	3	1	19,752
Arkansas	69	9	8,918
California	53	19	1,946,546
Colorado	137	39	57,044
Connecticut	19	1	8,969
Delaware	5	0	0
District of Columbia	16	4	27,891
Florida	236	45	51,508
Georgia	64	15	53,778
Hawaii	2	1	7,984
Idaho	6	3	33,988
Illinois	419	79	155,148
Indiana	121	26	145,657
Iowa	99	21	5,014
Kansas	151	26	4,411
Kentucky	79	15	97,689
Lousiana	54	11	29,254
Maine	17	0	0
Maryland	34	3	46,754
Massachusetts	73	11	152,802
Michigan	125	23	124,636
Minnesota	205	29	170,623
Mississippi	37	6	653
Missouri	101	25	69,438
Montana	56	17	4,882
Nebraska	117	26	42,744
Nevada	4	3	76,218
New Hampshire	39	2	7
New Jersey	96	9	115,866
New Mexico	40	11	1,958
New York	124	15	581,596
North Carolina	27	6	89,532
North Dakota	43	9	1,402
Ohio	217	66	169,753
Oklahoma	191	92	29,842
Oregon	6	2	34,536
Pennsylvania	226	13	277,844
Rhode Island	5	3	93,945
South Carolina	18	2	15,190
South Dakota	32	5	2,172
Tennessee	72	12	49,663
Texas	609	71	174,028
Utah	10	3	40,311
Vermont	13	2	103
Virginia	88	4	31,236
Washington	20	9	416,025
West Virginia	106	19	11,049
Wisconsin	129	25	41,217
Wyoming	46	15	2,232
District of Columbia — all*	17	4	27,891

*Includes the non-national bank in the District of Columbia, which is also supervised by the Comptroller of the Currency.

Table B–24

Assets and equity capital, net income, and dividends of national banks, 1967-1978

(Dollars in millions)

Year	Number of banks	Total assets* (foreign and domestic)	Capital stock (par value)			Total equity capital*	Net income before dividends	Cash dividends on capital stock	Ratios (percent)			
			Preferred	Common	Total				Net income before dividends to total assets	Net income before dividends to total equity capital	Cash dividends to net income before dividends	Cash dividends to total equity capital
1967	4,758	NA	$55	$5,312	$5,367	$18,495	$1,757	$ 796	NA	9.50	45.30	4.30
1968	4,716	NA	58	5,694	5,752	20,268	1,932	897	NA	9.53	46.43	4.43
1969	4,669	NA	62	6,166	6,228	22,134	2,534	1,068	NA	11.45	42.15	4.83
1970	4,621	NA	63	6,457	6,520	23,714	2,829	1,278	NA	11.93	45.17	5.39
1971	4,600	NA	43	6,785	6,828	25,624	3,041	1,390	NA	11.87	45.71	5.42
1972	4,614	$489,403	42	7,458	7,500	28,223	3,308	1,310	.68	11.72	39.60	4.64
1973	4,661	569,451	37	7,904	7,941	30,935	3,768	1,449	.66	12.18	38.46	4.68
1974	4,708	629,568	13	8,336	8,349	33,572	4,044	1,671	.64	12.05	41.32	4.98
1975	4,744	658,751	14	8,809	8,823	36,688	4,259	1,821	.65	11.61	42.76	5.00
1976	4,737	704,329	19	9,106	9,125	41,325	4,591	1,821	.65	11.11	39.66	4.41
1977	4,655	796,851	25	9,552	9,577	44,999	5,139	1,994	.64	11.42	38.80	4.43
1978	4,564	892,272	29	9,912	9,941	49,207	6,173	2,196	.69	12.54	35.57	4.46

* Data are not exactly comparable because assets through 1975 are net of reserves on loans and securities and since then are net of valuation reserves and unearned discount of loans. Also, equity capital beginning for 1976 is reported including certain portions of the reserves on loans and securities which were not reported separately for the years 1969-1975.

Table B–25

Loans losses and recoveries of national banks, 1970-1978

Year	Total loans at domestic offices, end of year, net	Net loan losses at domestic offices	Ratio of net losses to loans, net (Percent)	Total loans, foreign and domestic, end of year, net*	Total net loan losses†	Ratio of net losses to loans, net (Percent)
1970	$173,456,091	$601,734	0.35			
1971	190,308,412	666,190	0.35			
1972	226,354,896	545,473	0.24			
1973	266,937,532	731,633	0.27			
1974	292,732,965	1,193,730	0.41			
1975	287,362,220	2,047,643	0.71			
1976	299,833,480	1,819,748	0.61	$372,458,078	$2,105,582	0.57
1977	340,605,630	1,380,261	0.41	429,317,723	1,670,903	0.39
1978	390,104,999	1,277,398	0.33	490,142,134	1,438,705	0.29

* Loans used in *all* years are net of reserves; after 1975 loans are also net of unearned discount.
† Beginning in 1976 national banks report consolidated loan losses and recoveries including those on loans at foreign offices.
NOTE: For earlier data, see *Annual Reports of the Comptroller of the Currency*, 1947, p. 100; 1968, p. 233 and 1975, p. 161.

Table B–26

Assets and liabilities of national banks, date of last report of condition, 1972-1978

(Dollar amounts in millions)

Year	Number of banks	Consolidated foreign and domestic assets: Total assets*	Cash and due from banks	Total securities*	Loans, net*	Other assets	Liabilities: Total deposits	Other liabilities†	Total equity capital
1972	4,614	$485,181	$ 91,345	$105,195	$253,538	$35,103	$412,316	$44,499	$28,366
1973	4,661	564,714	108,128	106,833	303,931	45,822	470,143	63,675	30,896
1974	4,708	624,300	112,790	109,376	345,527	56,607	519,536	71,191	33,573
1975	4,744	648,350	117,715	128,163	347,686	54,786	540,492	71,204	36,654
1976	4,737	704,329	126,437	139,472	372,458	65,962	582,246	80,758	41,325
1977	4,655	796,851	150,508	143,219	429,318	73,806	654,057	97,795	44,999
1978	4,564	892,272	170,146	146,155	490,142	85,829	717,057	126,008	49,207

* For years 1972-1975, data are net of securities and loan reserves. Since 1975 data are net of valuation reserves and unearned discount on loans.

† Includes subordinated capital notes and debentures.

NOTE: For earlier data on domestic office assets and liabilities, see *Annual Report of the Comptroller of the Currency*, 1977, p. 200.

Table B–27

Consolidated assets and liabilities of national banks with foreign operations, December 31, 1978
(Dollar amounts in millions)

	Foreign and domestic offices*	*Domestic offices*
Cash and due from depository institutions	$131,885	$64,343
U.S. Treasury securities	20,148	20,122
Obligations of other U.S. government agencies and corporations	8,604	8,600
Obligations of states and political subdivisions in the United States	28,774	28,580
Other bonds, notes, and debentures	5,754	1,049
Federal Reserve stock and corporate stock	774	644
Trading account securities	4,220	3,626
Federal funds sold and securities purchased under agreements to resell	19,005	18,854
Loans, total (excluding unearned income)	324,705	224,479
Less: Allowance for possible loan losses	3,060	2,872
Loans, net	321,645	221,607
Lease financing receivables	5,505	4,483
Bank premises, furniture and fixtures, and other assets representing bank premises	6,694	5,972
Real estate owned other than bank premises	1,219	1,102
Investments in unconsolidated subsidiaries and associated companies	787	1,660
Customers' liability on acceptances outstanding	14,685	11,698
Other assets	14,160	21,532
Total assets	583,859	413,872
Demand deposits of individuals, partnerships, and corporations	94,844	94,844
Time and savings deposits of individuals, partnerships and corporations	147,082	147,082
Deposits of United States government	1,143	1,143
Deposits of States and political subdivisions in the United States	19,940	19,940
Deposits of foreign governments and official institutions	4,473	4,473
Deposits of commercial banks	24,834	24,834
Certified and officers' checks	4,412	4,412
Total deposits in domestic offices	296,728	296,728
Total demand deposits	124,124	124,124
Total time and savings deposits	172,604	172,604
Total deposits in foreign offices*	156,090	NA
Total deposits	452,818	296,728
Federal funds purchased and securities sold under agreements to repurchase	52,018	51,937
Interest bearing demand notes issued to the U.S. Treasury	5,227	5,227
Other liabilities for borrowed money	11,845	4,484
Mortgage indebtedness and liabilities for capitalized leases	814	772
Banks' liability on acceptances executed and outstanding	14,826	11,801
Other liabilities	17,152	14,011
Total liabilities	554,700	384,960
Subordinated notes and debentures	2,143	1,896
Preferred stock	—	—
Common stock	5,226	5,226
Surplus	9,798	9,798
Undivided profits	11,594	11,594
Reserve for contingencies and other capital reserves	398	398
Total equity capital	27,016	27,016
Total liabilities and equity capital	583,859	413,872
Number of banks	104	

* For reporting purposes foreign offices include Edge and Agreement subsidiaries located in the U.S. and branches in Puerto Rico, Virgin Islands and Trust Territories.

NOTE: Dashes indicate amounts less than $500,000.

Table B–28

Foreign branches of national banks, by region and country, December 31, 1978

Region and country	Number	Region and country	Number
Central America	46	Europe — Continued	
El Salvador	2	Switzerland	6
Guatemala	3	Africa	18
Honduras	3	Egypt	4
Mexico	5	Gabon	1
Nicaragua	4	Ivory Coast	2
Panama	29	Kenya	2
South America	94	Liberia	4
Argentina	32	Mauritius	1
Bolivia	6	Senegal	1
Brazil	19	Seychelles	1
Chile	3	Sudan	1
Ecuador	13	Tunisia	1
Guyana	1	Middle East	26
Paraguay	5	Bahrain	4
Peru	3	Jordan	3
Uruguay	8	Lebanon	4
Venezuela	4	Oman	2
West Indies — Caribbean	160	Qatar	1
Antigua	1	Saudi Arabia	2
Bahamas	60	United Arab Emirates	9
Barbados	5	Yemen Arab Republic	1
British Virgin Islands	2	Asia and Pacific	118
Cayman Islands	50	Brunei	3
Dominican Republic	19	Fiji Islands	4
French West Indies	2	Hong Kong	29
Haiti	4	India	10
Jamaica	5	Indonesia	5
Netherlands Antilles	4	Japan	22
St. Lucia	1	Korea	7
Trinidad Tobago	6	Malaysia	5
West Indies Federation of States	1	Pakistan	4
Europe	130	Philippines	9
Austria	1	Republic of China	4
Belgium	8	Singapore	14
Denmark	3	Thailand	2
England	34	U.S. overseas areas and trust territories	54
France	13	Canal Zone (Panama)	2
Germany	19	Caroline Islands	1
Greece	17	Guam	3
Ireland	4	Marianas Islands	1
Italy	9	Marshall Islands	1
Luxembourg	5	Puerto Rico	24
Monaco	1	Virgin Islands	22
Netherlands	6		
Northern Ireland	1		
Scotland	3	Total	646

Table B–29

Total foreign branch assets of national banks, year-end 1953-1978*
(Dollar amounts in thousands)

1953	$1,682,919	1966	$ 9,364,278
1954	1,556,326	1967	11,856,316
1955	1,116,003	1968	16,021,617
1956	1,301,883	1969	28,217,139
1957	1,342,616	1970	38,877,627
1958	1,405,020	1971	50,550,727
1959	1,543,985	1972	54,720,405
1960	1,628,510	1973	83,304,441
1961	1,780,926	1974	99,810,999
1962	2,008,478	1975r	111,514,147
1963	2,678,717	1976	134,790,497
1964	3,319,879	1977	161,768,609
1965	7,241,068	1978	180,712,782

* Includes military facilities operated abroad by national banks from 1966 through 1971.
r Revised.

Table B–30

Foreign branch assets and liabilities of national banks, December 31, 1978

(Dollar amounts in thousands)

ASSETS	
Cash and cash items in process of collection	$ 705,640
Balances with all banks in the U.S. and non-U.S. branches of U.S. banks	13,204,982
Balances with non-U.S. banks outside the U.S.	42,845,811
Securities	3,025,930
Loans, discounts and overdrafts	82,443,202
Customers' liability on acceptances outstanding	2,593,936
Premises, furniture and fixtures	378,386
Accruals — interest earned, foreign exchange profits, etc.	3,384,170
Due from other non-U.S. branches of this bank	20,212,487
Due from head office and U.S. branches of this bank	4,576,620
Due from consolidated subsidiaries of this bank	6,251,011
Other assets	1,090,607
Total assets	$180,712,782

LIABILITIES	
Deposits of all banks in the U.S. and non-U.S. branches of U.S. banks	$ 20,381,613
Deposits of non-U.S. banks outside the U.S.	50,185,028
Other deposits	64,301,769
Liabilities for borrowed money	5,006,333
Acceptances executed and outstanding	2,607,656
Accrued taxes and other expenses	3,164,050
Due to other non-U.S. branches of this bank	21,062,695
Due to head office and its U.S. branches of this bank	11,513,680
Due to consolidated subsidiaries of this bank	1,892,144
Other liabilities	597,814
Total liabilities	$180,712,782
MEMORANDA	
Standby letters of credit	$ 5,148,810
Commercial letters of credit issued and outstanding	3,172,930
Guarantees and letters of indemnity	1,478,589
Contracts to buy foreign exchange and bullion	79,755,566
Contracts to sell foreign exchange and bullion	78,225,796

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