

Statement of Condition

The First National Bank, Gastonia, N. C.

At the Close of Business, June 30, 1910

Condensed from report to the Comptroller of the Currency, and at the expiration of twenty years of continued growth and prosperity; with explanatory notations

Resources

Loans and Discounts:

Our active Vice-President and Cashier use their combined judgment in passing on the loans of this bank, making only such loans as good business and their long experience might justify. In addition, a discount Committee, composed of three members of our Board of Directors, meets at regular intervals and passes on all important paper. Our board of directors is divided into two committees serving six months each; these committees also meet at regular intervals and inspect every note in the bank, giving our officers the benefit of their information and wide experience. These precautions give an added assurance as to the safety of our loans. Our loans amount to **\$539,631.37**

Overdrafts:

It is well nigh impossible to run a banking business without that troublesome factor known as the overdraft. However, we feel that we are usually in much better shape in this regard than the average bank, and strive to keep our overdrafts reduced to a minimum. At the present time our overdrafts amount to **\$ 383.36**

U. S. Bonds to Secure Circulation:

According to law all National banks are required to invest a portion of their funds in United States Government Bonds, which are manifestly a gilt-edge security. Our holdings in Government Bonds amount to **\$100,000.00**

Banking House and Fixtures:

We take great pride in our investment in real estate and banking house and fixtures, feeling sure that Gastonia's future growth will materially increase its value, and thus furnish further protection for our depositors. Our real estate investment is very conservatively estimated as being worth over \$40,000.00, but is held on our books at **\$ 20,000.00**

Redemption Fund:

The National Banking Act specifies that all banks issuing money shall deposit with the Treasurer of the United States funds to the amount of five per cent. of their circulation. As we have placed in circulation one hundred thousand dollars of our own money, the amount we have on deposit with the Government is accordingly **\$ 5,000.00**

Cash:

All National banks are required by law to keep a certain per cent. of their deposits in their own vaults and a certain other per cent. with specially designated depositories in commercial centers, known as Reserve Banks. These banks are selected by the Government for their strength and are hedged about with extra precautions and restrictions, making funds deposited with them especially secure. The amount of cash we have in our vaults at the present time is \$44,018.88 and with Reserve Agents is \$85,961.14. Total **\$130,000.02**

We also have funds on deposit with other good banks, not Reserve Agents, subject to our check at any time amounting to **\$ 58,168.87**

Total \$853,183.62

Liabilities

Capital Stock:

A bank's capital stock should be of sufficient size to enable the bank to operate smoothly and economically; in other words, taken in conjunction with the deposits, it should be of a size sufficient to meet all reasonable and just demands for money made upon the bank. Also by reason of the fact that all stockholders are liable for an amount equal to the amount of stock they hold, the Capital should be large enough to furnish adequate protection to the depositors. Our Capital Stock is distributed among a large number of stockholders, being some of the best citizens of the county and State and able financially and otherwise to aid the bank in any possible financial stringency. Our Capital is **\$100,000.00**

Surplus and Undivided Profits:

Every well-managed bank should pass to its Surplus and Undivided Profit account each year a certain amount over and above the amount paid out in the shape of dividends. A surplus of imposing proportions is a sign of strength, and is a tribute to good business judgment on the part of a bank's officers. Not only does it give additional protection to the depositors, but also it gives an air of safety and soundness that is essential to a bank's continued growth and prosperity. This bank has paid out to its stockholders **\$125,000** in the shape of cash dividends, and now has a surplus and undivided profit account amounting to **\$ 50,801.50**

Interest Reserve:

This bank issues certificates of deposit bearing interest, not subject to check, of course, and as is customary among a great many banks, a certain amount is set aside, or reserved, known as the Interest Reserve account, and which approximates the amount of interest due on the outstanding certificates. This account on our books now stands at **\$ 6,000.00**

Circulation:

All National banks are required to buy Government Bonds to the amount of one-fifth of their Capital Stock, against which they issue a like amount of their own bank notes. A large number of banks believe this to be profitable, and as the National Banking Act also provides that the Circulation may be increased to an amount equal to the Capital Stock, they frequently issue their own money up to the limit. Our circulation is **\$ 100,000.00**

Bills Payable and Rediscounted Notes:

The bills payable, or borrowed money, account is a variable one. Nearly all banks find it profitable and convenient to borrow money at times, usually from the large Eastern banks, in order to meet the legitimate demands for money made upon them. This is especially true in communities such as ours where large investments have been, and are being made, and where consequently there is a comparatively small amount of idle money. Banks are manifestly the best agencies for the up-building of the communities in which they are located, and no bank is carrying out the function which properly belongs to it if it does not do its share along this line in the section which it represents. The demand for money is naturally more active in the Spring months and it is at this time that the borrowed money account is largest. In the Fall, with the harvesting of the crops, notes are being paid, and the banks are enabled to reduce their Bills Payable. Our borrowed money at the present time amounts to **\$ 109,500.00**

Deposits:

The deposits of a bank clearly and convincingly indicate the confidence and esteem in which it is held by the general public. Our patrons have shown their confidence in us and in the ability of our officers to manage the Bank wisely and well, and we in turn have tried to show our appreciation by taking care of our customers first, and after them the outside demands that banking institutions are customarily called upon to meet. Our total deposits at present amount to:

Subject to check	\$238,204.04	
Certificates	177,839.32	
Banks	70,838.76	\$486,882.12

Total \$853,183.62

FIRST NATIONAL BANK

GASTONIA, NORTH CAROLINA

L. L. Jenkins, Pres.

J. Lee Robinson, R. R. Ray, Vice-Presidents

S. N. Boyce, Cashier