

REPORT

OF THE

JOINT COMMITTEE**TO EXAMINE INTO THE CONDITION OF THE BANKS.**

The joint committee of the senate and house of delegates, appointed to examine into the condition of the bank of Virginia, and the Farmers' bank of Virginia, have discharged the duties assigned them, and respectfully present for the consideration of the legislature, the following report and statements, shewing the conditions of these institutions on the first day of January, 1832 :

In taking into consideration the condition of these banks, your committee have endeavoured to ascertain, as clearly as they could, under the restrictions and limitations imposed upon their examinations, by the bank charters, what is the probable condition of each bank, in relation to its intercourse and connection with the community at large ; and secondly, what would be its condition in relation to its stockholders, were it required to wind up its concerns.

Document No. 1, exhibits a detailed statement, shewing the condition of the bank of Virginia and its branches, as they stood on the first day of January, 1832, together with statements, shewing the annual profit upon its capital, and the condition of that portion of its outstanding debt which has been contracted during the year 1831, and which has been required to be specially stated to the joint committee, by a resolution of the legislature, passed on the 21st of last March.

In document numbered 2, will be found a statement of the whole outstanding debt, shewing what portion thereof is deemed good, and what part deemed bad and doubtful ; also the amount of surplus profits, which form a contingent fund, subject to the payment of any losses the bank may have sustained.

From an examination of these papers, it will be seen that the bank of Virginia has an outstanding debt due to her, of \$4,390,966 22. Of this debt, it has been found, by a recent and more rigid scrutiny by the board of directors, that the bad and doubtful debts amount to \$366,400, leaving an outstanding debt, supposed to be unquestionably good, of \$4,024,566 22. The recent examination having increased the amount of said debt known to be bad and deemed doubtful, by the sum of \$45,833 04.

If to the outstanding debt that is good, you add specie, \$373,719 65 ; debts due from other banks, \$349,217 83 ; bills of exchange, bank stock, and loans to James river company, and to the corporation of Richmond, making \$319,446 10 cents ; the contingent fund, consisting of surplus profits and profits on stock, amounting to \$158,037 29, you have the whole available means of the bank, amounting to \$5,224,987 09. The debts due from the bank are, for original stock, \$2,740,000 ; notes in circulation, \$1,906,005, and deposits, \$1,146,164 08 ; making the aggregate amount of debts \$5,792,169 08, and the deficit of the bank, (after deducting the real estate at cost, viz.: \$358,819 28,) \$208,362 09. In like manner, the deficiency of the bank in 1831, was \$252,576 38, and on the first of January, 1830, \$283,048 15 ; so that the bank presents itself in a better condition than formerly, although its bad and doubtful debts have been increased by recent examination.

In making this estimate, due allowance should be made for the loss which will be sustained by the bank, in the depreciation and necessary decay of real property, consisting of buildings, which it is presumed must be considerable. On the other hand, the bank will probably gain considerably, by the destruction of the notes in circulation, although the committee have no data on which to form a calculation.

It may be also proper to observe, that the committee have taken no notice of the class of debts considered doubtful, all these being estimated as bad, although many of them may prove good.

As it regards the community, this deficiency is a matter of no moment, because the bank will be found to have available funds of more than five millions of dollars, to pay for its notes in circulation, and its deposits, which amount to little more than three millions.

It will be seen, that the profits on the capital of the bank of Virginia were, for 1830, \$3 46 per centum, for six months ; whereas by the present report, they will be found to be for 1831, nearly 8 per cent. When in connection with

the increased profits, it is considered, that in the loans made during the last year, amounting to \$ 1,625,214 05, no bad debts have been created, it will, in the opinion of your committee, present a flattering view of the healthy and vigorous condition of the commerce of the state.

The committee has pursued the same process of examination in relation to the Farmers' bank of Virginia; and from the statements herewith submitted, it will be found that the bank owes for stock, deposits, and notes in circulation, \$ 5,057,034 40. To pay which, she has an outstanding debt of \$ 3,811,225 69. From which must be taken for bad debts, \$ 201,561 04, and for debts considered doubtful, \$ 155,231 26, making an aggregate of \$ 356,792 30, and leaving the outstanding debt, unquestionably good, at \$ 3,454,433 69. If to this be added the surplus profits of the bank, constituting a contingent fund of \$ 150,254 76, and specie, \$ 371,876 80; foreign notes, \$ 176,188 52; debts of other banks, \$ 321,290 10; and bank stock purchased, \$ 106,361 50, you have an aggregate of funds, exclusive of real estate, amounting to \$ 4,580,405 37: and if to this you add the real estate, \$ 270,091 79, you have a total of means, amounting to \$ 4,850,497 16, leaving a balance against the bank, of \$ 206,537 24. On the first of January, 1831, the deficiency of the bank was \$ 240,967 78, shewing an improved condition of the bank.

In relation to the community, the bank stands indebted for deposits, \$ 1,234,739 40, and for its notes in circulation, \$ 1,822,295, making its debts in relation to the community, amount to \$ 3,057,034 40. To pay which, it has means to the amount of \$ 4,850,497 16, leaving its ability undoubted, to meet all the demands that can be made upon it.

The profits upon the capital stock of the bank during the year 1831, amount to \$ 7 40 per cent.; whereas in 1830, the profits were \$ 6 55. The amount of debts created by the bank during the year 1831, amounts to \$ 1,602,719 64 cents, of which \$ 500 contracted at Lynchburg, is reported as doubtful.

[Doc. No. 27.]

(No. 2.)

Statement of the outstanding debt of the BANK OF VIRGINIA, and the Contingent Fund.

Last year the bad and doubtful debts were estimated at,	-	<u>\$ 320,566 96</u>
The directors on a more rigid scrutiny of the <i>old</i> debts at Norfolk, now estimate the bad and doubtful debts, at	-	366,400 00
Deduct the present surplus profits,	124,078 41	
And gain between the cost of 780 bank shares, and the present current value,	<u>83,958 88</u>	158,037 29
Shows the amount of loss in bad and doubtful debts,	-	<u>\$ 203,362 71</u>

From this will be deducted, whatever may be recovered from the debts now considered doubtful, and the gain by the destruction of bank notes during 28 years.

State of the **FARMERS' BANK OF VIRGINIA**, including the Branches, 2d January, 1892.

Debt outstanding,			Stock,	2,000,000 00
Richmond,	1,181,297 48		Notes in circulation,	
Norfolk,	571,522 86		Richmond,	673,870 00
Petersburg,	539,178 42		Norfolk,	122,245 00
Fredericksburg,	524,395 60		Petersburg,	218,505 00
Lynchburg,	524,641 72		Fredericksburg,	236,190 00
Winchester,	413,116 61		Lynchburg,	321,845 00
Danville,	57,073 00		Winchester,	249,640 00
	<hr/>	3,811,225 69		<hr/>
				1,822,295 00
Specie,			Deposit money,	
Richmond,	218,735 76		Richmond,	827,698 85
Norfolk,	17,833 99		Norfolk,	73,671 11
Petersburg,	37,099 41		Petersburg,	145,302 79
Fredericksburg,	36,759 33		Fredericksburg,	73,619 14
Lynchburg,	38,106 77		Lynchburg,	82,707 15
Winchester,	22,074 79		Winchester,	30,760 86
Danville,	1,266 75		Danville,	979 50
	<hr/>	371,876 80		<hr/>
				1,234,739 40
Foreign notes,				
Richmond,	59,776 09			
Norfolk,	12,574 71			
Petersburg,	6,795 00			
Fredericksburg,	17,070 00			
Lynchburg,	26,866 00			
Winchester,	53,106 72			
	<hr/>	176,188 52		
Due from other banks,				
Richmond,	227,812 58			
Norfolk,	6,469 75			
Petersburg,	60,444 58			
Fredericksburg,	27,872 67			
Lynchburg,	5,720 13			
Winchester,				
Danville,	58,607 81			
	1,548 18			
	<hr/>	354,882 90		
	33,592 80			
	<hr/>	321,290 10		
Bank stock,				
Richmond,	89,765 50			
Norfolk,	5,720 00			
Fredericksburg,	10,876 00			
	<hr/>	106,361 50		
Real estate,				
Richmond,	103,736 77			
Norfolk,	59,272 85			
Petersburg,	36,156 44			
Fredericksburg,	18,532 31			
Lynchburg,	27,903 24			
Winchester,	24,490 18			
	<hr/>	270,091 79		
		<hr/>		
		85,057,034 40		<hr/>
				85,057,034 40

[Doc. No. 27.]

(No. 4.)

State of the *FARMERS' BANK OF VIRGINIA*, including the Branches, 2d January, 1832.

Debt outstanding,	3,811,225 09	Stock,	2,000,000 00
Specie,	371,876 80	Notes in circulation,	1,822,205 00
Foreign notes,	176,188 52	Deposit money,	1,234,739 40
Due from other banks,	321,290 10		
Bank stock,	106,361 50		
Real estate,	270,091 79		
	<u>\$ 5,057,034 40</u>		<u>\$ 5,057,034 40</u>

Profits of Richmond,	10 43	per cent.
Norfolk,	2 57	"
Petersburg,	9 18	"
Fredericksburg,	8 95	"
Lynchburg,	9 18	"
Winchester,	6 89	"
Danville,	2 79	"
Aggregate profits,	7 40	"

(No. 5.)

STATEMENT of *Mother Bank*, and returns from Branches, under resolution of Assembly of March 21, 1831, as to loans made during the year 1831, and outstanding.

Mother bank,	-	-	-	-	607,983 44
Lynchburg,	-	-	-	-	306,670 85
Petersburg,	-	-	-	-	261,888 74
Norfolk,	-	-	-	-	250,415 11
Fredericksburg,	-	-	-	-	127,304 44
Winchester,	-	-	-	-	33,082 06
Danville,	-	-	-	-	15,375 00
					<u>\$ 1,602,719 64</u>

The whole of this debt is reported at the different banks to be good, except that at Lynchburg : 500 dollars of its debt contracted during the past year, is said to be doubtful.

(No. 6.)

FARMERS' BANK OF VIRGINIA.

The whole amount of bad and doubtful debt, estimated to be due to the institution on the 1st of January, 1832.

Bad debt, - - - - -	-	-	-	-	-	201,561 04
Doubtful, - - - - -	-	-	-	-	-	155,231 26
						<u>356,792 30</u>
Deduct contingent fund,	-	-	-	-	97,216 26	
“ profit on stock,	-	-	-	-	53,038 50	
						<u>150,254 76</u>
Total bad and doubtful debt,	-	-	-	-	-	<u>\$ 206,537 54</u>

From which should be deducted whatever may be recovered from debts reported doubtful, and any gain by loss of notes in circulation.

1830-31

Part 12

Foreign Phone Calls

Originator:

Ext.

To Whom:

City/State:

Phone #:

DATE:

⊗ TIME:

◆ *PURPOSE OF CALL*

Research

Other

Conference

Personal

◆ *JUSTIFICATION: (Why this form of communication?)*