FEDERAL RESERVE BANK OF NEW YORK

[Circular No. 4321
March 16, 1956]

Operating Ratios of Member Banks in the Second Federal Reserve District for the Year 1955

To all Member Banks in the Second Federal Reserve District:

Net profits of all member banks in the Second Federal Reserve District, after all charges but before dividend payments (item 3), declined from an average of 8.3 per cent of capital funds in 1954 to 6.5 per cent in 1955 despite a substantial increase in current operating income. The decline in net profits was general, and it affected banks in all size-groups. At most banks this decline resulted primarily from losses on securities and additions to valuation reserves; however, a few banks in the smallest size-group, those with deposits under 2 million dollars, also had larger losses on loans in 1955 than in 1954.

The security-sales losses in 1955 reflected the growing pressure of credit demands against the available supply of funds, which was limited by the shift in Federal Reserve credit policy during the year from ease to restraint. As credit conditions tightened, interest rates rose, security prices declined, and many banks found it necessary to sell securities in a declining market in order to meet the heavy demand for loans. Also, some of the losses on securities resulted from "switching" operations, undertaken to establish losses for tax purposes; banks sold securities at a loss and used the proceeds to buy other, comparable issues at comparable prices.

OPERATING INCOME

Total earnings of most member banks in the Second Federal Reserve District increased substantially in 1955. The ratio of total earnings to total assets (item 5) rose from a District average of 3.33 per cent in 1954 to 3.47 per cent in 1955, the highest level reached since 1939 when the ratio was 3.50 per cent. Banks in all size-groups had an increase in total earnings in 1955.

The most important source of increased earnings was the rise in earnings on loans. Banks in the Second District expanded their loan portfolios by an average of 12 per cent in 1955, compared with 1954, and income from loans increased 15 per cent. Although many banks raised the interest and discount rates charged borrowers during 1955, the increases generally came in the latter part of the year, and the expansion of earnings from loans was due less to the increase in rates and more to increased lending activity and a shift in the composition of loan portfolios to a relatively higher proportion of higher-yielding loans, such as consumer and real estate. Although many banks in all size-groups had a higher effective rate of return on loans in 1955 (item 28), New York City (Manhattan) banks and banks outside New York City in the 2-5 million dollar deposit size-group increased earnings on loans more than the District average.

Average holdings of United States Government securities decreased in all but the smallest size-group of banks outside New York City. Most of the net sales of Government securities were made by New York City banks. The total amount of Government securities held by these banks averaged 9 per cent less in 1955 than in 1954, while banks outside New York City reduced their portfolios of Government securities an average of less than 1 per cent. Reductions in the size of portfolios of Government securities did not result in a corresponding loss of income, however. The rate of return on Government securities (item 25) rose in all size-groups of banks except Group I, and the increase more than compensated for the decline in average holdings of Government securities. Consequently, income from this source increased moderately for most banks, including the New York City banks where security portfolio reductions were relatively great. But interest on Government securities accounted for a smaller percentage of total earnings (item 9) among banks in all size-groups in 1955 than in 1954.

Member banks' average holdings of "other securities", principally municipal obligations, increased throughout the District in 1955, but the rise was small among New York City banks. Measured as a percentage of total assets (item 31), average holdings of "other securities" declined for Groups V and VI New York City banks and at the smallest size-group of banks in the District. Rates of return on "other securities" (item 26) showed mixed changes in 1955, and for the District as a whole the average rate showed only a minor change, decreasing from 2.28 per cent in 1954 to 2.24 per cent in 1955.

OPERATING EXPENSES

Total operating expenses of member banks in the Second District increased by 10 per cent in 1955. Banks generally paid higher wages and salaries, higher interest rates on time deposits and borrowed money, and higher taxes other than income taxes. Total operating expenses (item 6) in 1955 averaged 2.42 per cent of total assets, compared with 2.35 per cent in 1954. Since total earnings expanded more than total expenses, however, the average ratio of total expenses to total earnings (item 19) declined slightly, from 70.3 per cent in 1954 to 69.8 per cent in 1955. The decrease in the ratio of total expenses to total earnings tended to be greater among New York City banks in Groups V and VII, while the ratio actually increased for banks in the smallest size-group outside New York City and in Group VI in New York City.

The New York City banks' expenditures for wages and salaries rose 8.6 per cent in 1955 and those of other Second District banks, 7.8 per cent. Since the number of bank employees was up only slightly in 1955, the rise in wage and salary expenses was due primarily to higher rates of pay.

Interest paid on time deposits continued to increase in 1955, but especially at banks outside New York

City. Interest on time deposits averaged 16.8 per cent of total earnings for the Second District member banks in 1955, compared with 16.1 per cent in 1954. The 1955 ratio was the largest since 1940. The average effective rate paid on time deposits (item 39) by Second District banks rose from 1.29 per cent in 1954 to 1.39 per cent in 1955.

NONRECURRING ITEMS

Although net current earnings rose in 1955 (item 7), net profits (item 8) declined for Second District banks in all size-groups, mainly because of losses on security transactions and additions to valuation reserves, although a limited number of banks experienced greater loan losses in 1955 than in 1954.

Generally, banks that took profits on securities in 1954 took losses in 1955. As reflected in item 27 (net profits and recoveries or losses on total securities), average losses on securities of Second District member banks were 0.17 per cent of total securities in 1955, compared with profits and recoveries of 0.28 per cent the year before. The change from profit to loss on securities transactions, measured as a percentage of total earnings, tended to vary directly with the size of the bank. Total net profits and recoveries or losses (item 21), of which security profits or losses are the main component, fell from an average profit of 2.3 per cent of total earnings in 1954 to an average loss of 3.8 per cent in 1955. The change was most marked among the larger New York City banks (Group VII) where the ratio changed from a profit of 7.8 per cent in 1954 to a loss of 5.0 per cent in 1955. Some of the losses sustained on securities transactions resulted from portfolio liquidation to obtain funds to expand loans, while some resulted from "switching" operations undertaken to establish losses for tax purposes; this was especially true in the case of the larger banks. Net losses on loans (item 29) generally were less in 1955 than in 1954, except in the smallest size-group of banks, where substantial losses by a few banks increased the group average significantly. In addition, banks in Group IV, the largest size-group outside New York City, tended to have slightly higher loan losses in 1955 than in 1954.

Although their number is decreasing, many smaller banks in the Second District do not maintain valuation reserves for losses on loans and securities. Consequently, their average increase in reserves was relatively small (item 22), and their indicated net profits are somewhat higher than they would have been if larger transfers to reserves had been made. To permit banks to make a more accurate comparison of selected ratios with the group averages, a supplementary table of selected ratios is provided for all member banks outside New York City. Banks with and without valuation reserves have been divided into separate categories in this table.

The table shows that all but the largest size-group of banks outside New York City added larger amounts to their reserves in 1955 than they did the year before. However, most banks in Group IV and the banks in New York City made smaller net additions to reserves in 1955, because these banks took relatively large losses on securities which were charged to their reserves.

Many member banks continued in 1955 to take advantage of the more liberal provisions of the 1954 revision of the Internal Revenue Service's special method for computing reasonable additions to the reserve for bad debts. Under this revision, banks are permitted to increase their reserves to the new maximum by spreading charges against income over a three-year period.

TAXES, DIVIDENDS, AND RETAINED EARNINGS

Income tax liabilities of member banks were generally lower throughout the District in 1955 because of the reduction in net profits before taxes. Measured as a percentage of total earnings, income taxes fell from 9.8 per cent in 1954 to 8.5 per cent in 1955.

Selected Ratios of Banks Outside Manhattan, New York City
With and Without Valuation Reserves—1955

Group average	Number of banks		In per cent of total earnings									
			Net current earnings before income taxes		Net profits and recoveries (+) or losses (−)		Net increase (−) or decrease (+) in valuation reserves		Taxes on net income		Net profits	
Banks With Valuation Reserves at Year End	*1954*	*1955*	*1954*	*1955*	*1954*	*1955*	*1954*	*1955*	*1954*	*1955*	*1954*	*1955*
Group I—Deposits under $2 million	41	35	31.9	30.0	−1.6	−2.7	−0.8	−3.0	8.8	7.2	20.7	17.1
Group II—Deposits of $2-5 million	119	107	29.9	31.1	+0.9	−2.5	−1.6	−3.2	8.4	8.7	20.8	16.7
Group III—Deposits of $5-20 million	212	197	28.7	29.3	+3.6	−3.4	−2.2	−2.9	10.0	8.5	20.1	14.5
Group IV—Deposits over $20 million	101	101	29.1	30.4	+3.7	−4.9	−4.4	−3.8	10.9	7.8	17.5	13.9
Banks Without Valuation Reserves at Year End												
Group I—Deposits under $2 million	53	45	27.9	28.0	*	−9.8	0	0	8.1	8.3	19.8	9.9
Group II—Deposits of $2-5 million	79	71	30.0	29.9	+1.2	−1.9	+0.2	0	8.1	8.1	23.3	19.9
Group III—Deposits of $5-20 million	42	40	29.7	30.9	+1.6	−3.5	0	+0.2	10.2	9.2	21.1	18.4
Group IV—Deposits over $20 million	4	3	31.2	30.3	+4.7	−5.7	0	0	11.8	7.6	24.1	17.0

* Ratio less than 0.05 per cent.

In spite of reduced profits, dividend payments continued to rise moderately in 1955. However, measured as a percentage of capital accounts (item 4), there was little change from the previous year, the ratio remaining at 2.7 per cent of total capital for all Second District banks. The average ratio of capital funds to deposits (item 37) increased slightly from 9.5 per cent in 1954 to 9.6 per cent in 1955, but capital funds as a percentage of "risk" assets (total assets less United States Government securities and cash—item 36) declined from a District average of 19.1 per cent in 1954 to a new postwar low of 18.5 per cent in 1955, owing to the substantial increase in loans. The decrease in this latter ratio was most marked among New York City banks.

Allan Sproul,
President.

1955 Average Operating Ratios of Member Banks in the Second District, Grouped According to Size of Deposits and Proportion of Loans to Total Assets

(All ratios are expressed in percentages and are arithmetical averages of the ratios of individual banks in each group, rather than ratios based on aggregate dollar figures.)

Note: Balance sheet figures used as a basis for the 1955 ratios are averages of amounts reported for December 31, 1954, April 11, 1955, June 30, 1955, October 5, 1955, and December 31, 1955.

	ALL BANKS Second District		BANKS OUTSIDE MANHATTAN, NEW YORK CITY — GROUP I—Deposits under $2 million							GROUP II—Deposits of $2 million to $5 million						
			Group average		Loans to total assets, per cent—1955					Group average		Loans to total assets, per cent—1955				
	1954	1955	1954	1955	Under 20 A	20-29.9 B	30-39.9 C	40 and up D	YOUR BANK	1954	1955	Under 20 A	20-29.9 B	30-39.9 C	40 and up D	YOUR BANK
SUMMARY RATIOS Number of banks....	678	623	94	80	4	14	24	38		198	178	12	31	61	74	
Percentage of Total Capital Accounts																
1. Net current earnings before income taxes	12.1	12.8	9.9	9.7	5.4	7.7	10.0	10.7		11.0	11.5	9.4	10.7	11.4	12.2	
2. Profits before income taxes	12.3	10.1	9.3	7.0	4.5	7.4	6.1	7.7		11.0	9.8	9.0	9.5	9.6	10.1	
3. Net profits	8.3	6.5	6.6	4.4	3.5	5.5	3.7	4.6		8.0	6.6	6.2	6.8	6.4	6.7	
4. Cash dividends declared	2.7	2.7	2.1	2.2	1.7	1.9	2.5	2.1		2.4	2.4	2.1	2.2	2.6	2.5	
Percentage of Total Assets																
5. Total earnings	3.33	3.47	3.54	3.57	2.71	3.06	3.48	3.91		3.30	3.45	2.61	3.04	3.40	3.81	
6. Total expenses	2.35	2.42	2.48	2.53	2.09	2.17	2.46	2.76		2.32	2.39	1.78	2.07	2.35	2.67	
7. Net current earnings before income taxes	0.98	1.05	1.06	1.04	0.62	0.89	1.02	1.15		0.98	1.06	0.83	0.97	1.05	1.14	
8. Net profits	0.67	0.53	0.70	0.48	0.41	0.63	0.39	0.49		0.71	0.62	0.56	0.63	0.60	0.63	
SOURCES AND DISPOSITION OF EARNINGS																
Percentage of Total Earnings																
9. Interest on United States Government securities	23.4	22.7	22.4	21.8	40.0	32.6	23.3	14.9		24.9	23.7	49.3	32.7	24.1	15.3	
10. Interest and dividends on other securities	6.9	6.7	7.1	6.6	14.0	11.7	6.7	3.9		7.4	6.8	10.0	9.8	7.2	4.7	
11. Earnings on loans[1]	57.4	58.5	62.1	63.3	35.0	47.6	60.7	73.8		57.8	60.3	29.9	47.0	59.3	71.6	
12. Service charges on deposit accounts	7.2	7.1	5.5	5.3	6.9	5.6	5.7	4.8		6.5	6.3	7.0	7.4	6.3	5.9	
13. Other current earnings	5.1	5.0	2.9	3.0	4.1	2.5	3.6	2.6		3.4	2.9	3.8	3.1	3.1	2.5	
14. Total earnings	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
15. *Trust department earnings[2] (part of item 13)*	3.0	3.2	1.3	1.4	0	0	0	1.4		1.2	0.9	1.4	0.9	0.7	1.2	
16. Salaries and wages	31.2	30.7	32.0	32.4	43.3	32.6	33.0	30.8		30.5	30.1	31.1	30.6	30.4	29.5	
17. Interest on time deposits	16.1	16.8	16.1	17.3	12.9	18.6	16.0	18.2		17.6	18.2	18.6	16.5	17.8	19.2	
18. Other current expenses	23.0	22.3	22.3	21.5	20.6	19.7	21.7	22.0		21.9	21.1	18.7	21.0	21.0	21.5	
19. Total expenses	70.3	69.8	70.4	71.2	76.8	70.9	70.7	71.0		70.0	69.4	68.4	68.1	69.2	70.2	
20. Net current earnings before income taxes	29.7	30.2	29.6	28.8	23.2	29.1	29.3	29.0		30.0	30.6	31.6	31.9	30.8	29.8	
21. Net profits and recoveries or losses (-)[3]	2.3	- 3.8	- 0.7	- 6.7	- 3.3	- 0.2	- 9.3	- 7.8		1.0	- 2.2	- 0.9	- 2.2	- 2.6	- 2.3	
22. Net increase (-) or decrease (+) in valuation reserves[4]	- 1.8	- 2.3	- 0.3	- 1.3	0	- 1.3	- 1.1	- 1.5		- 0.9	- 1.9	- 0.3	- 1.1	- 2.1	- 2.4	
23. Taxes on net income	9.8	8.5	8.4	7.8	4.4	7.0	7.5	8.7		8.3	8.5	9.1	7.8	8.6	8.5	
24. Net profits	20.4	15.6	20.2	13.0	15.5	20.6	11.4	11.0		21.8	18.0	21.3	20.8	17.5	16.6	
RATES OF RETURN ON SECURITIES AND LOANS																
Return on Securities																
25. Interest on United States Government securities	2.09	2.19	2.25	2.22	2.22	2.36	2.21	2.18		2.16	2.23	2.17	2.27	2.26	2.21	
26. Interest and dividends on other securities	2.28	2.24	2.61	2.60	2.82	3.66	2.42	2.30		2.38	2.25	2.71	2.25	2.13	2.26	
27. Net profits and recoveries or losses(-) on total securities[5]	0.28	- 0.17	0.10	- 0.02	- 0.02	0.03	- 0.07	- 0.01		0.17	- 0.11	- 0.03	- 0.09	- 0.09	- 0.15	
Return on Loans																
28. Earnings on loans[1]	5.38	5.47	5.90	5.98	6.09	5.75	6.03	6.03		5.49	5.66	5.78	5.56	5.70	5.65	
29. Net losses (-) or recoveries on loans[6]	- 0.09	- 0.12	- 0.19	- 0.58	- 1.00	- 0.02	- 0.76	- 0.62		- 0.09	- 0.05	- 0.03	- 0.01	- 0.08	- 0.05	
DISTRIBUTION OF ASSETS																
Percentage of Total Assets																
30. United States Government securities	35.3	34.1	32.9	33.3	47.9	42.3	36.3	26.3		36.1	34.8	59.1	43.5	36.2	26.1	
31. Other securities	9.9	10.2	9.1	8.9	14.6	13.2	9.3	6.5		10.0	10.2	9.7	13.1	11.3	8.0	
32. Loans	36.2	37.8	38.2	38.5	15.6	25.4	35.0	47.9		35.6	37.6	13.6	25.7	35.4	48.4	
33. Cash assets	17.4	16.6	18.9	18.4	21.3	18.2	18.3	18.2		17.1	16.3	16.8	16.7	16.1	16.1	
34. Real estate assets	1.0	1.1	0.9	0.9	0.5	0.7	0.8	0.9		1.0	1.0	0.7	1.0	0.9	1.2	
CAPITAL AND DEPOSIT RATIOS																
35. Capital accounts to total assets	8.5	8.6	11.2	11.2	11.7	12.0	10.7	11.0		9.2	9.5	8.9	9.5	9.6	9.6	
36. Capital accounts to total assets, less United States Government securities and cash assets	19.1	18.5	24.9	24.5	43.8	31.7	24.1	20.0		21.3	21.0	41.1	24.4	20.3	16.9	
37. Capital accounts to total deposits	9.5	9.6	12.8	12.7	13.3	13.9	12.2	12.5		10.3	10.7	9.9	10.6	10.7	10.8	
38. Time to total deposits	44.3	44.4	45.2	45.7	34.7	47.2	42.7	48.2		47.2	47.7	41.8	43.3	48.7	49.6	
39. Interest on time deposits	1.29	1.39	1.36	1.45	0.93	1.31	1.40	1.60		1.34	1.43	1.14	1.25	1.35	1.61	
AVERAGE BANK IN GROUP—in thousands of dollars																
40. Total deposits			1,332	1,355	1,306	1,295	1,465	1,314		3,340	3,310	3,219	3,276	3,453	3,222	
41. Capital accounts			167	170	168	172	181	164		337	347	309	335	365	344	

Line Number	BANKS OUTSIDE MANHATTAN, NEW YORK CITY — GROUP III—Deposits of $5 million to $20 million							GROUP IV—Deposits over $20 million						
	Group average		Loans to total assets, per cent—1955					Group average		Loans to total assets, per cent—1955				
	1954	1955	Under 20 A	20-29.9 B	30-39.9 C	40 and up D	YOUR BANK	1954	1955	Under 20 A	20-29.9 B	30-39.9 C	40 and up D	YOUR BANK
	254	237	10	52	91	84		105	104	3	11	37	53	
1	12.7	13.3	9.5	12.1	12.8	15.2		15.0	16.1	11.2	15.2	15.1	17.3	
2	13.3	10.6	9.0	10.5	10.2	11.4		14.7	11.4	9.1	11.0	10.9	12.0	
3	8.9	6.7	6.7	7.0	6.6	6.7		9.1	7.3	7.7	7.5	7.4	7.2	
4	2.8	2.6	2.0	2.4	2.7	2.7		3.4	3.4	3.1	2.8	3.2	3.6	
5	3.30	3.46	2.66	2.97	3.43	3.88		3.38	3.53	2.72	2.92	3.29	3.87	
6	2.35	2.44	1.92	2.09	2.46	2.68		2.39	2.46	1.84	2.02	2.29	2.70	
7	0.95	1.02	0.74	0.88	0.97	1.20		0.99	1.07	0.88	0.90	1.00	1.17	
8	0.66	0.51	0.51	0.52	0.51	0.52		0.60	0.49	0.60	0.45	0.48	0.49	
9	24.4	23.7	45.9	31.1	23.5	16.8		20.2	20.1	30.2	31.2	22.8	15.4	
10	6.7	6.7	13.8	9.7	6.9	3.8		6.5	6.9	25.6	9.3	8.2	4.3	
11	55.4	56.2	27.0	45.8	55.0	67.5		58.0	57.9	28.3	44.9	52.9	65.8	
12	8.3	8.2	8.3	8.6	9.1	6.7		7.8	7.8	10.4	8.2	8.3	7.3	
13	5.2	5.2	5.0	4.8	5.5	5.2		7.5	7.3	5.5	6.4	7.8	7.2	
14	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
15	2.0	2.3	2.0	1.6	2.2	2.8		3.5	3.5	2.6	3.3	4.2	3.1	
16	30.7	30.2	33.9	29.7	31.0	29.2		32.5	31.1	31.2	31.3	31.2	31.1	
17	16.8	17.2	15.5	18.6	16.3	17.5		14.0	15.1	15.2	15.3	15.3	14.9	
18	23.7	23.0	22.9	22.1	23.8	22.7		24.3	23.4	21.2	22.5	23.3	23.8	
19	71.2	70.4	72.3	70.4	71.1	69.4		70.8	69.6	67.6	69.1	69.8	69.8	
20	28.8	29.6	27.7	29.6	28.9	30.6		29.2	30.4	32.4	30.9	30.2	30.2	
21	3.3	- 3.4	- 1.5	- 1.9	- 3.3	- 4.7		3.7	- 4.9	- 3.6	- 4.9	- 5.5	- 4.5	
22	- 1.8	- 2.4	*	- 1.8	- 2.3	- 3.1		- 4.2	- 3.7	- 2.3	- 3.6	- 2.9	- 4.3	
23	10.0	8.6	7.4	8.5	8.1	9.5		10.9	7.8	4.1	7.0	7.0	8.7	
24	20.3	15.2	18.8	17.4	15.2	13.3		17.8	14.0	22.4	15.4	14.8	12.7	
25	2.06	2.19	2.33	2.16	2.20	2.19		1.97	2.14	2.22	2.22	2.17	2.11	
26	2.13	2.12	3.11	2.05	2.03	2.15		2.11	2.12	2.35	1.91	1.97	2.26	
27	0.32	- 0.18	- 0.04	- 0.07	- 0.17	- 0.29		0.43	- 0.33	- 0.11	- 0.15	- 0.29	- 0.40	
28	5.35	5.40	4.75	5.22	5.39	5.60		5.18	5.21	4.79	4.92	5.00	5.45	
29	- 0.08	- 0.06	- 0.19	- 0.02	- 0.04	- 0.10		- 0.04	- 0.06	0.09	- 0.16	- 0.01	- 0.07	
30	36.7	35.4	51.8	42.7	35.4	29.0		33.5	31.8	36.9	41.4	34.1	27.9	
31	10.4	10.8	15.6	14.0	11.8	7.1		10.5	11.3	30.6	14.4	13.6	7.9	
32	34.9	36.5	15.5	26.1	35.1	47.0		38.2	39.6	16.2	26.7	34.9	46.9	
33	16.8	16.0	16.3	16.1	16.5	15.4		16.3	15.8	15.7	16.3	15.8	15.7	
34	1.1	1.1	0.6	1.0	1.2	1.3		1.2	1.2	0.4	1.1	1.2	1.2	
35	7.8	7.9	8.3	7.6	7.8	8.2		6.7	6.8	7.8	6.1	6.7	6.9	
36	17.6	17.0	31.0	19.0	16.5	14.8		13.7	13.2	16.6	14.8	13.6	12.4	
37	8.5	8.7	9.2	8.3	8.6	9.0		7.3	7.4	8.5	6.5	7.3	7.6	
38	46.7	46.2	42.3	46.2	44.9	48.0		39.5	40.3	42.0	42.6	38.3	41.1	
39	1.25	1.35	1.01	1.27	1.29	1.52		1.28	1.42	1.07	1.15	1.38	1.52	
40	9,894	9,956	9,070	8,803	10,629	10,046		71,954	78,814	57,196	47,463	63,338	97,348	
41	832	857	783	722	896	906		5,153	5,780	4,767	3,152	4,673	7,156	

BANKS IN MANHATTAN, NEW YORK CITY	GROUP V Deposits under $100 million		GROUP VI Deposits $100 million to $1 billion		GROUP VII Deposits over $1 billion			Line Number
	1954	1955	1954	1955	1954	1955	YOUR BANK	
Number of banks	9	9	9	7	9	8		
	8.9	10.5	13.6	16.6	13.8	14.6		1
	10.9	8.5	14.2	12.8	14.6	12.1		2
	6.5	5.5	7.5	6.9	8.1	7.1		3
	2.6	2.8	3.7	3.7	4.3	4.5		4
	3.01	3.16	2.80	3.13	2.45	2.69		5
	2.43	2.44	1.47	1.64	1.35	1.45		6
	0.58	0.72	1.33	1.49	1.10	1.24		7
	0.43	0.38	0.73	0.62	0.65	0.60		8
	22.8	22.9	18.0	16.1	20.8	18.4		9
	4.3	4.0	6.4	4.2	5.0	5.3		10
	54.8	56.2	51.3	51.9	55.1	57.5		11
	9.3	8.6	2.6	1.8	2.8	2.5		12
	8.8	8.3	21.7	26.0	16.3	16.3		13
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	14
	6.3	5.5	15.6	19.5	8.6	9.1		15
	38.8	36.7	31.2	31.5	30.3	29.3		16
	12.5	12.7	2.1	2.0	5.3	4.8		17
	28.9	27.6	18.5	19.3	19.6	19.6		18
	80.2	77.0	51.8	52.8	55.2	53.7		19
	19.8	23.0	48.2	47.2	44.8	46.3		20
	7.6	- 2.6	5.8	- 7.5	7.8	- 5.0		21
	- 2.5	- 2.1	- 3.8	- 2.7	- 4.6	- 2.3		22
	10.2	6.4	23.6	17.3	21.4	16.6		23
	14.7	11.9	26.6	19.7	26.6	22.4		24
	1.82	1.94	1.76	1.90	1.77	2.00		25
	2.81	3.06	2.37	2.49	2.26	2.20		26
	0.58	- 0.16	0.61	- 0.66	0.59	- 0.42		27
	4.67	4.75	3.41	3.56	3.51	3.66		28
	- 0.08	- 0.06	- 0.02	*	- 0.03	- 0.01		29
	35.4	34.9	28.0	26.3	28.7	24.5		30
	5.5	4.8	6.5	5.0	5.9	6.6		31
	36.4	38.2	40.1	43.3	38.8	42.4		32
	21.3	20.7	23.9	23.7	24.4	24.3		33
	0.8	0.8	0.4	0.3	0.6	0.6		34
	6.8	7.0	10.3	9.2	8.1	8.6		35
	19.1	18.2	21.6	18.5	17.4	16.8		36
	7.4	7.7	12.1	10.7	9.2	9.9		37
	24.9	24.9	12.1	13.8	11.9	11.6		38
	1.49	1.59	0.84	0.84	1.16	1.20		39
	47,299	50,266	419,811	404,128	2,621,287	3,104,158		40
	3,432	3,847	51,488	41,036	240,802	302,129		41

YOUR NOTES

FOOTNOTES

1 Includes service charges and other fees on loans.

2 Banks not reporting this item or reporting negligible amounts were excluded in computing this average.

3 Includes recoveries, charge-offs, profits, or losses charged or credited to either undivided profits or valuation reserves.

4 Represents the net increase or decrease for the year in valuation reserves against loans and investments. Calculated by deducting the balances in Schedule D of the earnings and dividends report at the end of the preceding year from the balance on hand at the end of the current year.

5 Transfers to and from valuation reserves for losses on securities excluded.

6 Transfers to and from valuation reserves for losses on loans excluded.

* Ratios too small to be shown.

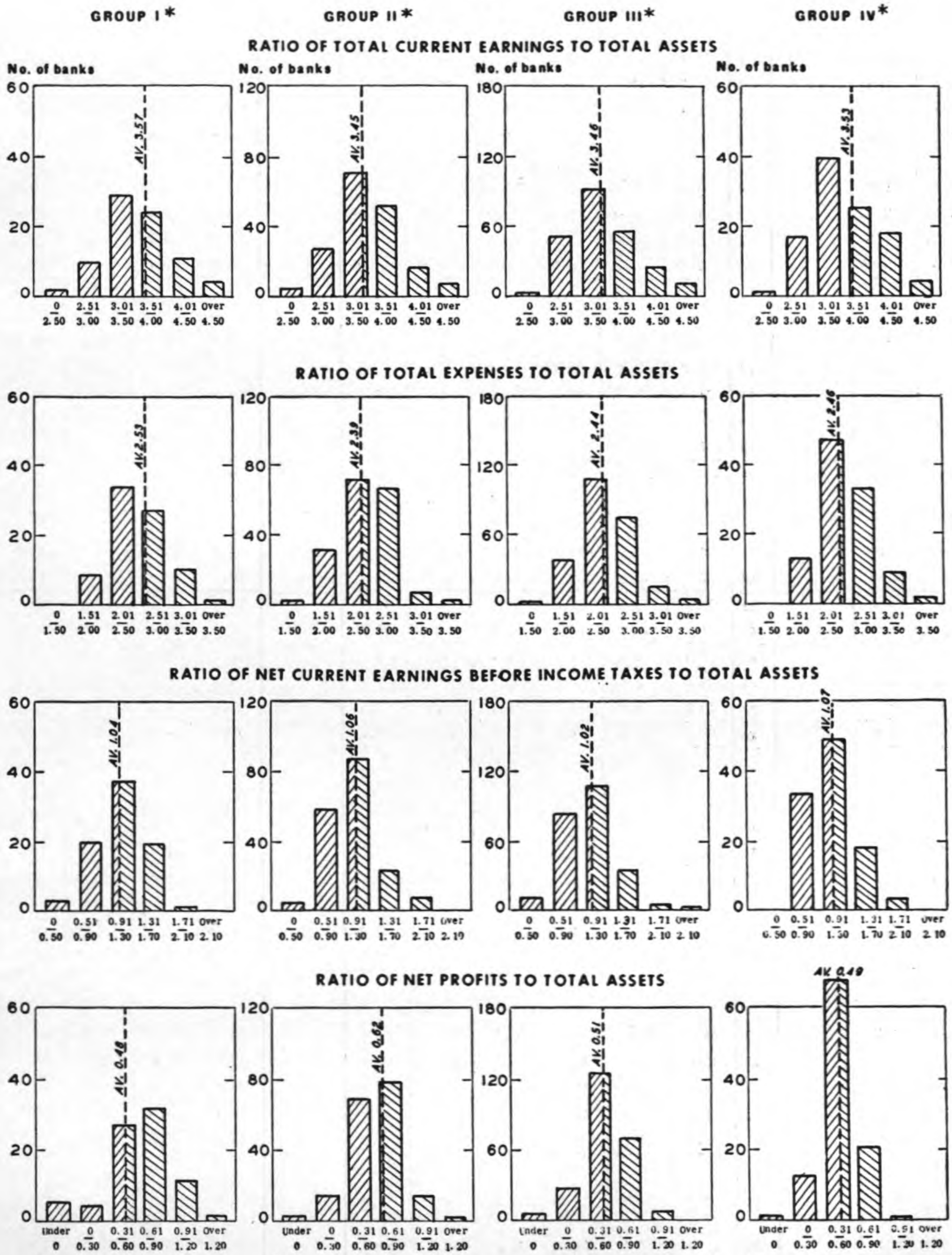
Note: Year-to-year comparisons by size-groups may be affected by mergers and shifts of banks from one size-group to another.

Prepared by
FINANCIAL AND TRADE STATISTICS DIVISION
RESEARCH DEPARTMENT

DISTRIBUTION OF SECOND DISTRICT MEMBER BANKS OUTSIDE NEW YORK CITY

ACCORDING TO SIZE OF CERTAIN KEY RATIOS

1955



* Banks with total deposits under $2 million

* Banks with total deposits $2 million to $5 million

* Banks with total deposits $5 million to $20 million

* Banks with total deposits over $20 million