FEDERAL RESERVE BANK OF NEW YORK

[Circular No. 4442
March 22, 1957]

Operating Ratios of Member Banks in the Second Federal Reserve District for the Year 1956

To all Member Banks in the Second Federal Reserve District:

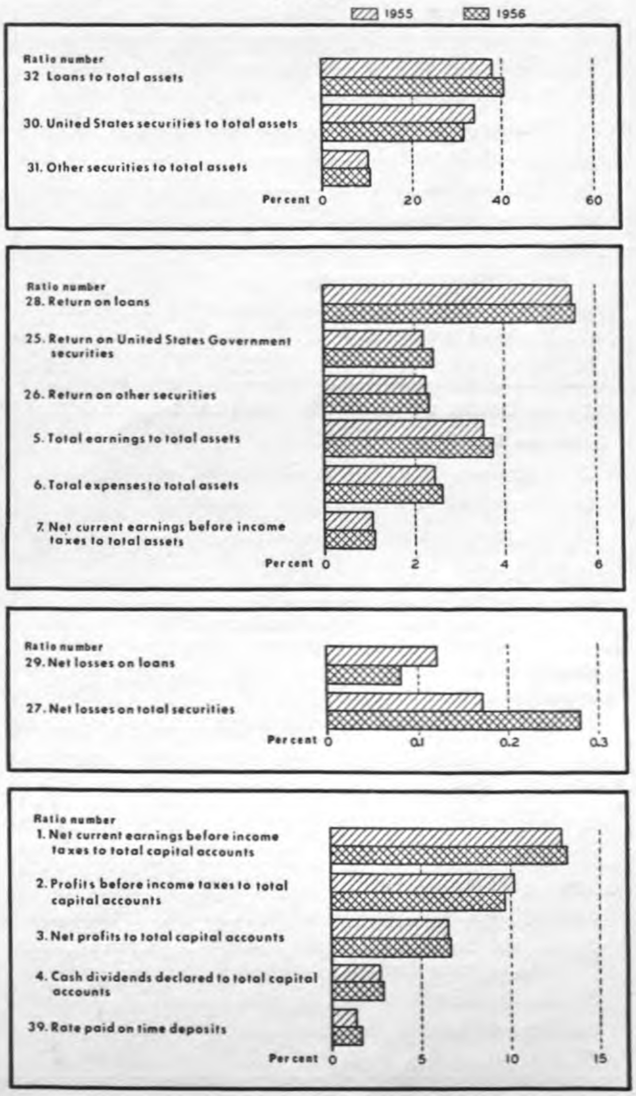
The annual compilation of operating ratios of member banks in the Second Federal Reserve District is presented for your information and use. The principal ratios for all member banks in this District as a whole, for the years 1955 and 1956, are highlighted in the accompanying chart. In the accompanying tables, the ratios are presented for groups of banks classified by deposit size and ratio of loans to total assets so that you may compare your bank's operating results with those of other banks of comparable size and type.

Most banks in the District had moderately higher earnings and profits in 1956 and were able to strengthen their reserve and capital positions. But there were marked differences in the trend of operating ratios among the different size-groups. The largest banks, for example, expanded their loan portfolios and income from loans substantially more than other groups, but these banks sustained greater losses on the sale of securities and made larger additions to reserves. Consequently, changes in net profits did not vary greatly among the different groups of banks.

Average net profits for all member banks in this District increased slightly in 1956, as the chart indicates, to 6.6 per cent of capital funds from 6.5 per cent in 1955. Net operating earnings before income taxes, nonrecurring charges, and additions to reserves also increased moderately from 12.8 per cent in 1955 to 13.1 per cent of capital funds in 1956, the highest level since 1929. The peak operating earnings reflected primarily the growth in loans and the higher level of interest rates prevailing during the year on both loans and investments. The ratio of loans to total assets (ratio number 32) for all member banks increased from an average of 37.8 per cent in 1955 to 40.3 per cent in 1956. Average total assets, however, increased only 2.0 per cent because the continuing expansion in bank loans was not supported by a proportionate increase in the reserve base, and many banks had to sell some of their securities to obtain funds to meet their customers' loan demands. Reflecting this situation, the ratio of United States Government securities to total assets (number 30) declined from 34.1 per cent in 1955 to 31.5 per cent in 1956. In addition to Government securities, banks in three of the larger size-groups also sold State and municipal obligations, but the more numerous smaller banks made net purchases of these obligations. The District average of "other securities" to total assets, therefore, increased slightly in 1956 to 10.4 per cent.

The average return on loans (ratio 28) at all member banks increased slightly from 5.47 per cent in 1955 to 5.56 per cent in 1956, but the year-to-year increases were especially pronounced in the New York City banks where rates to "prime" business borrowers rose from $3\frac{1}{2}$ per cent to 4 per cent during the year. In the groups of banks outside the City, where rates are generally somewhat higher but less responsive to money market developments, the year-to-year increases in the return on loans were small and reflected in part a larger relative increase in higher-yielding mortgage and consumer loans, rather than increases in the rates charged to customers. The average return on United States Government securities at all banks moved up from 2.19 per cent in 1955 to 2.41 per cent in 1956 because the banks sold more of their short-term, lower-yielding securities and also replaced maturing obligations at higher yields. Service charges on deposit accounts also rose above 1955 levels and bolstered total earnings. The ratio (5) of total earn-

SELECTED OPERATING RATIOS OF SECOND DISTRICT MEMBER BANKS
1955 AND 1956



ings to total assets, which averaged 3.47 per cent in 1955, moved up to 3.69 per cent in 1956, the highest level in eighteen years.

Total current operating expenses for all District member banks combined continued to increase in 1956, and the ratio of total expenses to total assets (6) rose from 2.42 per cent the year before to 2.61 per cent in 1956, the highest level since 1939. The most important factor in the increased expenses was the higher rates paid on time deposits. These rates were one-fifth higher in 1956, averaging 1.67 per cent for the District as a whole, compared with 1.39 per cent in 1955. Salary and wage payments, the most important item of expense, rose in dollar terms but relative to gross income (ratio 16) actually declined in all groups of banks.

The record high net current operating earnings also is reflected in the ratio (7) of net earnings before taxes to total assets—which increased from 1.05 per cent to 1.08 per cent. The relatively small increase in this District ratio in view of the substantial rise in net earnings among the larger banks (New York City banks and those outside the City with deposits of over 20 million dollars) may appear surprising. However, these large banks are comparatively few in number and the ratio for net earnings of the many smaller banks either increased very little or declined.

In dollar terms, losses on loans rose sharply in 1956, but the losses were confined to a few large New York City banks. Many Second District banks actually had smaller losses on loans in 1956 than they did the year before, and the ratio (29) of net losses on loans to total loans for all banks dropped from 0.12 per cent in 1955 to 0.08 per cent in 1956. Losses on sales of securities, however, were much more general. Banks in all size-groups sustained greater losses on securities in 1956 because investment portfolios were reduced in a falling market in order to expand loans. The ratio (27) of net security losses to total securities held rose from an average of 0.17 per cent to 0.28 per cent for all member banks. The large size-groups of banks sustained relatively larger losses than the small size-groups because they had to liquidate a larger proportion of their securities to meet the year's loan demand. The small size-groups of banks, on the other hand, generally held some excess reserves during the course of the year and were able to expand their loans with less security liquidation.

Average ratios for all member banks of earnings, profits, and dividends to total capital accounts showed only small changes between 1955 and 1956, but these small changes conceal some fairly substantial changes in some bank size-groups. Larger banks expanded their total loan portfolios relatively more than small banks and raised their interest charges more. Consequently, the ratio of net current earnings to total capital accounts rose relatively faster at the larger banks. The record of the largest banks—those with deposits of over 1 billion dollars—was especially impressive. Their average ratio (1) of net current earnings to capital funds increased from 14.6 per cent in 1955 to 17.0 per cent in 1956. In contrast, this ratio was unchanged in the smallest size-group, declined slightly in Group II (banks with total deposits of 2 to 5 million dollars) and was only slightly higher than a year ago in Groups III, IV, and V (deposits of 5 to 100 million dollars).

On the other hand, although banks in all size-groups sustained losses on sales of securities, the losses tended to be directly related to the size of the bank. In addition, large banks increased their transfers to valuation reserves more than did small banks, and losses on loans at the largest banks rose sharply while loan losses were nominal elsewhere in the District. Therefore, although the larger banks' net current earnings rose more than earnings of small banks, after deductions for nonrecurring items and reserve account items, changes during 1956 in profits before taxes did not vary greatly among banks of different size-groups. In relation to total capital accounts, however, profits before income taxes were again generally higher at banks in the larger size-groups (ratio 2).

Net profits after taxes as a percentage of total capital accounts (ratio 3) were at about 1955 levels. The principal exceptions were the banks in the smallest size-group, where net profits rose more than average, and banks in Groups IV and V, where profits fell below the 1955 level. In contrast to the policies followed by a majority of Second District banks, the banks in the smallest size-group (total deposits of less than 2 million dollars) added to their investments in 1956, enjoyed a higher return on them, and had little or no security and loan losses. Moreover, they transferred less to their reserves than they did in 1955. Since these nonrecurring charges were relatively small, net profits rose even though net current earnings did not. In Groups IV and V, where the net profits of a majority of the banks declined, transfers to reserves rose substantially in both groups, and losses on security sales and charge-offs on loans were substantially higher among Group V banks.

Although their number continues to decline, many smaller banks in the Second District still do not maintain valuation reserves for losses on loans and securities. Consequently, when banks with and without reserves are combined in the smaller size-groups, the average increase in reserves for these groups of banks is relatively small (ratio 22), and their indicated net profits are somewhat higher than they would have been if more banks had made transfers to reserves.

It is apparent that nearly all Second District banks improved their positions in 1956 and shared in the country's continuing prosperity. Even among those banks that recorded lower net profits or, in a few cases, net losses, the decline in profits was in large part a result of nonrecurring charges which often included the bolstering of reserves against future contingencies.

Since most banks found that they improved their positions in 1956, they increased the cash dividends paid to stockholders. Cash dividends declared as a percentage of total capital accounts (ratio 4) rose from 2.7 per cent in 1955 to 2.8 per cent in 1956 for all member banks. The highest ratio of dividends to capital and the largest year-to-year increase was recorded by the New York City banks with deposits of over 1 billion dollars.

Alfred Hayes,
President.

1956 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 1956 ratios are averages of amounts reported for December 31, 1955, April 10, 1956, June 30, 1956, September 26, 1956, and December 31, 1956.

	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—1956					Group average		Loans to total assets, per cent—1956				
	1955	1956	1955	1956	Under 20 A	20–29.9 B	30–39.9 C	40 and up D	YOUR BANK	1955	1956	Under 20 A	20–29.9 B	30–39.9 C	40 and up D	YOUR BANK
SUMMARY RATIOS Number of banks....	623	586	80	70	5	10	22	33		178	154	9	19	48	78	
Percentage of Total Capital Accounts																
1. Net current earnings before income taxes	12.8	13.1	9.7	9.7	6.3	7.1	9.5	11.2		11.5	11.2	9.1	10.6	11.1	11.8	
2. Profits before income taxes	10.1	9.7	7.0	8.3	6.5	6.1	9.7	8.4		9.8	9.1	8.1	8.4	9.6	9.2	
3. Net profits	6.5	6.6	4.4	6.3	5.3	4.7	7.8	5.8		6.6	6.5	5.7	6.0	7.1	6.3	
4. Cash dividends declared	2.7	2.8	2.2	2.0	1.6	1.7	1.9	2.3		2.4	2.4	2.3	2.2	2.5	2.4	
Percentage of Total Assets																
5. Total earnings	3.47	3.69	3.57	3.71	2.92	3.21	3.50	4.11		3.45	3.66	2.76	3.18	3.49	3.99	
6. Total expenses	2.42	2.61	2.53	2.65	2.13	2.36	2.54	2.90		2.39	2.61	1.98	2.21	2.47	2.87	
7. Net current earnings before income taxes	1.05	1.08	1.04	1.05	0.79	0.85	0.96	1.21		1.06	1.05	0.79	0.97	1.02	1.12	
8. Net profits	0.53	0.55	0.48	0.66	0.67	0.57	0.72	0.64		0.62	0.61	0.48	0.56	0.66	0.61	
SOURCES AND DISPOSITION OF EARNINGS																
Percentage of Total Earnings																
9. Interest on United States Government securities	22.7	21.5	21.8	23.7	44.1	32.1	26.3	16.3		23.7	23.3	51.3	33.5	25.6	16.1	
10. Interest and dividends on other securities	6.7	6.6	6.6	6.5	12.6	11.1	6.1	4.4		6.8	6.8	9.1	10.6	7.4	5.2	
11. Earnings on loans[1]	58.5	59.8	63.3	61.6	33.7	47.4	58.2	72.4		60.3	60.7	29.9	46.0	57.0	70.2	
12. Service charges on deposit accounts	7.1	7.3	5.3	5.6	6.3	6.6	5.9	4.9		6.3	6.5	6.5	7.1	7.0	6.0	
13. Other current earnings	5.0	4.8	3.0	2.6	3.3	2.8	3.5	2.0		2.9	2.7	3.2	2.8	3.0	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)*	3.2	3.0	1.4	†	0	†	†	0		0.9	1.2	0.9	0.7	1.7	1.2	
16. Salaries and wages	30.7	29.9	32.4	31.5	39.6	31.6	32.0	29.7		30.1	29.9	28.9	30.5	30.1	29.7	
17. Interest on time deposits	16.8	18.8	17.3	19.1	13.7	23.2	19.2	18.7		18.2	20.1	25.3	19.3	19.6	19.9	
18. Other current expenses	22.3	22.1	21.5	21.3	19.5	18.8	21.4	22.3		21.1	21.2	17.1	20.1	20.9	22.3	
19. Total expenses	69.8	70.8	71.2	71.9	72.8	73.6	72.6	70.7		69.4	71.2	71.3	69.9	70.6	71.9	
20. Net current earnings before income taxes	30.2	29.2	28.8	28.1	27.2	26.4	27.4	29.3		30.6	28.8	28.7	30.1	29.4	28.1	
21. Net profits and recoveries or losses(–)[3]	– 3.8	– 4.3	– 6.7	– 3.6	1.8	– 3.3	– 2.4	– 5.4		– 2.2	– 3.5	– 4.7	– 5.6	– 2.3	– 3.6	
22. Net increase(–) or decrease(+) in valuation reserves[4]	– 2.3	– 2.8	– 1.3	– 0.2	– 1.0	– 0.3	1.5	– 1.2		– 1.9	– 1.6	1.3	– 0.5	– 1.6	– 2.2	
23. Taxes on net income	8.5	7.0	7.8	6.1	4.9	5.3	5.8	6.8		8.5	6.9	7.8	6.7	6.5	7.0	
24. Net profits	15.6	15.1	13.0	18.2	23.1	17.5	20.7	15.9		18.0	16.8	17.5	17.3	19.0	15.3	
RATES OF RETURN ON SECURITIES AND LOANS																
Return on Securities																
25. Interest on United States Government securities	2.19	2.41	2.22	2.52	2.57	2.51	2.48	2.53		2.23	2.51	2.41	2.47	2.50	2.54	
26. Interest and dividends on other securities	2.24	2.31	2.60	2.46	2.66	2.54	2.56	2.34		2.25	2.39	2.69	2.62	2.22	2.40	
27. Net profits and recoveries or losses(–) on total securities[5]	– 0.17	– 0.28	– 0.02	– 0.13	0.11	– 0.02	– 0.13	– 0.20		– 0.11	– 0.16	– 0.05	– 0.20	– 0.10	– 0.21	
Return on Loans																
28. Earnings on loans[1]	5.47	5.56	5.98	5.99	5.88	5.89	5.73	6.22		5.66	5.68	5.65	5.56	5.60	5.76	
29. Net losses(–) or recoveries on loans[6]	– 0.12	– 0.08	– 0.58	– 0.17	0.03	– 0.14	– 0.03	– 0.30		– 0.05	– 0.07	– 0.32	0.03	0.01	– 0.11	
DISTRIBUTION OF ASSETS																
Percentage of Total Assets																
30. United States Government securities	34.1	31.5	33.3	33.3	49.8	40.7	37.1	26.1		34.8	32.5	59.0	42.9	35.7	25.1	
31. Other securities	10.2	10.4	8.9	9.4	14.3	14.5	8.6	7.6		10.2	10.1	9.7	13.2	11.2	8.8	
32. Loans	37.8	40.3	38.5	38.7	16.9	25.8	35.6	48.0		37.6	39.9	14.6	26.3	35.6	48.8	
33. Cash assets	16.6	16.5	18.4	17.6	18.6	18.3	17.8	17.1		16.3	16.2	16.0	16.8	16.6	15.9	
34. Real estate assets	1.1	1.1	0.9	0.9	0.4	0.6	0.8	1.0		1.0	1.1	0.6	0.8	0.9	1.4	
CAPITAL AND DEPOSIT RATIOS																
35. Capital accounts to total assets	8.6	8.7	11.2	11.0	12.1	12.3	10.3	10.9		9.5	9.8	8.8	9.4	9.6	10.1	
36. Capital accounts to total assets, less United States Government securities and cash assets	18.5	17.5	24.5	23.7	41.3	30.2	23.2	19.3		21.0	20.5	39.7	24.0	20.4	17.4	
37. Capital accounts to total deposits	9.6	9.6	12.7	12.5	13.9	14.3	11.7	12.4		10.7	11.0	9.7	10.5	10.8	11.5	
38. Time to total deposits	44.4	44.4	45.7	46.5	37.5	48.4	44.7	48.5		47.7	47.0	44.7	41.4	46.7	48.9	
39. Interest on time deposits	1.39	1.67	1.45	1.63	1.02	1.60	1.66	1.72		1.43	1.69	1.68	1.46	1.65	1.77	
AVERAGE BANK IN GROUP—In thousands of dollars																
40. Total deposits	63,396	68,406	1,355	1,391	1,277	1,349	1,482	1,359		3,310	3,283	3,369	3,181	3,304	3,285	
41. Capital accounts	5,853	6,404	170	173	174	185	178	166		347	355	315	326	348	371	

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—1956					Group average		Loans to total assets, per cent—1956				
	1955	1956	Under 20 A	20–29.9 B	30–39.9 C	40 and up D	YOUR BANK	1955	1956	Under 20 A	20–29.9 B	30–39.9 C	40 and up D	YOUR BANK
Number of banks	237	226	5	32	90	99		104	112	1*	6	35	70	
1	13.3	13.5	9.4	12.3	12.6	14.9		16.1	16.4		14.8	15.6	17.0	
2	10.6	10.0	4.8	9.6	9.6	10.7		11.4	10.3		10.6	10.3	10.3	
3	6.7	6.7	3.9	6.8	6.9	6.6		7.3	6.7		8.1	6.8	6.5	
4	2.6	2.7	2.2	2.4	2.8	2.8		3.4	3.6		2.8	3.4	3.8	
5	3.46	3.68	2.84	3.13	3.57	4.00		3.53	3.79		3.13	3.43	4.05	
6	2.44	2.64	2.04	2.26	2.60	2.82		2.46	2.66		2.19	2.38	2.86	
7	1.02	1.05	0.80	0.87	0.97	1.18		1.07	1.13		0.94	1.04	1.19	
8	0.51	0.52	0.27	0.49	0.53	0.53		0.49	0.46		0.52	0.46	0.46	
9	23.7	22.1	49.3	31.4	23.6	16.3		20.1	18.0		27.9	22.4	14.7	
10	6.7	6.9	12.0	10.0	8.1	4.5		6.9	6.6		14.0	8.6	4.6	
11	56.2	57.9	28.1	44.3	54.6	66.9		57.9	60.7		43.6	54.1	66.1	
12	8.2	8.3	7.6	9.1	8.6	7.8		7.8	8.1		8.5	7.7	8.2	
13	5.2	4.8	3.0	5.2	5.1	4.5		7.3	6.6		6.0	7.2	6.4	
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
15	2.3	2.0	†	3.0	1.9	2.0		3.5	3.1		3.2	3.6	2.8	
16	30.2	29.2	32.1	29.2	29.2	29.0		31.1	30.3		29.8	29.9	30.7	
17	17.2	20.2	18.4	21.9	20.7	19.3		15.1	16.8		20.1	16.9	16.3	
18	23.0	22.2	21.1	21.1	22.5	22.4		23.4	23.2		19.7	22.8	23.8	
19	70.4	71.6	71.6	72.2	72.4	70.7		69.6	70.3		69.6	69.6	70.8	
20	29.6	28.4	28.4	27.8	27.6	29.3		30.4	29.7		30.4	30.4	29.2	
21	– 3.4	– 4.8	–12.6	– 4.4	– 4.0	– 5.2		– 4.9	– 4.7		– 3.2	– 5.7	– 4.3	
22	– 2.4	– 2.4	– 2.8	– 1.6	– 2.3	– 2.7		– 3.7	– 6.1		– 5.4	– 4.4	– 7.0	
23	8.6	6.9	3.5	6.2	6.0	8.1		7.8	6.5		4.9	6.8	6.6	
24	15.2	14.3	9.5	15.6	15.3	13.3		14.0	12.4		16.9	13.5	11.3	
25	2.19	2.38	2.53	2.34	2.35	2.42		2.14	2.32		2.40	2.35	2.29	
26	2.12	2.19	3.18	2.09	2.23	2.13		2.12	2.21		2.30	2.11	2.26	
27	– 0.18	– 0.33	– 0.46	– 0.22	– 0.24	– 0.43		– 0.33	– 0.35		– 0.16	– 0.32	– 0.39	
28	5.40	5.54	5.10	5.26	5.58	5.63		5.21	5.36		5.17	5.09	5.52	
29	– 0.06	– 0.06	– 0.25	– 0.05	– 0.03	– 0.07		– 0.06	– 0.07		0.08	– 0.06	– 0.08	
30	35.4	32.6	54.6	42.0	34.6	26.6		31.8	28.5		36.5	32.5	25.6	
31	10.8	11.2	13.6	14.3	12.8	8.5		11.3	10.9		19.5	13.5	8.4	
32	36.5	39.0	15.8	26.4	35.2	47.7		39.6	43.2		26.5	36.4	48.5	
33	16.0	15.9	15.1	16.3	16.0	15.7		15.8	15.9		16.4	16.0	15.7	
34	1.1	1.2	0.6	0.9	1.2	1.4		1.2	1.2		1.0	1.2	1.3	
35	7.9	8.0	9.4	7.5	7.9	8.1		6.8	7.0		6.7	6.8	7.1	
36	17.0	16.1	37.3	18.5	16.2	14.2		13.2	12.8		14.5	13.4	12.3	
37	8.7	8.8	10.6	8.2	8.6	9.0		7.4	7.7		7.2	7.4	7.9	
38	46.2	46.9	41.5	46.3	46.4	47.9		40.3	40.3		46.7	37.7	41.1	
39	1.35	1.67	1.26	1.61	1.65	1.73		1.42	1.69		1.49	1.65	1.73	
40	9,956	10,165	7,860	9,102	10,322	10,482		78,814	79,590		26,653	76,424	86,529	
41	857	881	786	725	882	935		5,780	6,078		1,895	5,726	6,675	

	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		YOUR BANK	Line Number
	1955	1956	1955	1956	1955	1956		
Number of banks	9	9	7	7	8	8		
	10.5	11.4	16.6	20.0	14.6	17.0		1
	8.5	8.2	12.8	15.5	12.1	12.7		2
	5.5	4.4	6.9	7.8	7.1	7.0		3
	2.8	2.9	3.7	3.8	4.5	4.9		4
	3.16	3.48	3.13	3.65	2.69	3.09		5
	2.44	2.68	1.64	1.85	1.45	1.62		6
	0.72	0.80	1.49	1.80	1.24	1.47		7
	0.38	0.32	0.62	0.70	0.60	0.59		8
	22.9	19.0	16.1	13.1	18.4	13.6		9
	4.0	3.8	4.2	3.9	5.3	4.3		10
	56.2	61.5	51.9	56.7	57.5	63.8		11
	8.6	8.1	1.8	1.6	2.5	2.6		12
	8.3	7.6	26.0	24.7	16.3	15.7		13
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	14
	5.5	4.7	19.5	19.3	9.1	8.8		15
	36.7	35.0	31.5	29.1	29.3	27.4		16
	12.7	11.0	2.0	2.6	4.8	5.7		17
	27.6	31.1	19.3	18.9	19.6	19.3		18
	77.0	77.1	52.8	50.6	53.7	52.4		19
	23.0	22.9	47.2	49.4	46.3	47.6		20
	– 2.6	– 0.4	– 7.5	– 6.9	– 5.0	– 6.6		21
	– 2.1	– 6.6	– 2.7	– 4.0	– 2.3	– 5.2		22
	6.4	6.9	17.3	19.2	16.6	16.6		23
	11.9	9.0	19.7	19.3	22.4	19.2		24
	1.94	2.07	1.90	2.08	2.00	2.17		25
	3.06	3.06	2.49	3.35	2.20	2.45		26
	– 0.16	– 0.41	– 0.66	– 0.75	– 0.42	– 0.68		27
	4.75	5.13	3.56	4.21	3.66	4.11		28
	– 0.06	– 0.14	†	– 0.03	– 0.01	– 0.16		29
	34.9	30.5	26.3	22.5	24.5	19.1		30
	4.8	4.9	5.0	4.5	6.6	5.6		31
	38.2	42.4	43.3	46.7	42.4	48.0		32
	20.7	20.8	23.7	24.4	24.3	24.9		33
	0.8	0.9	0.3	0.5	0.6	0.6		34
	7.0	7.3	9.2	9.4	8.6	8.8		35
	18.2	16.9	18.5	17.5	16.8	15.7		36
	7.7	8.1	10.7	10.9	9.9	10.1		37
	24.9	24.5	13.8	14.3	11.6	11.5		38
	1.59	1.77	0.84	1.13	1.20	1.65		39
	50,266	51,268	404,128	412,945	3,104,158	3,114,921		40
	3,847	4,083	41,036	42,410	302,129	309,043		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.

* Averages are not shown when fewer than three banks are in a group.

† Ratios too small to be shown.

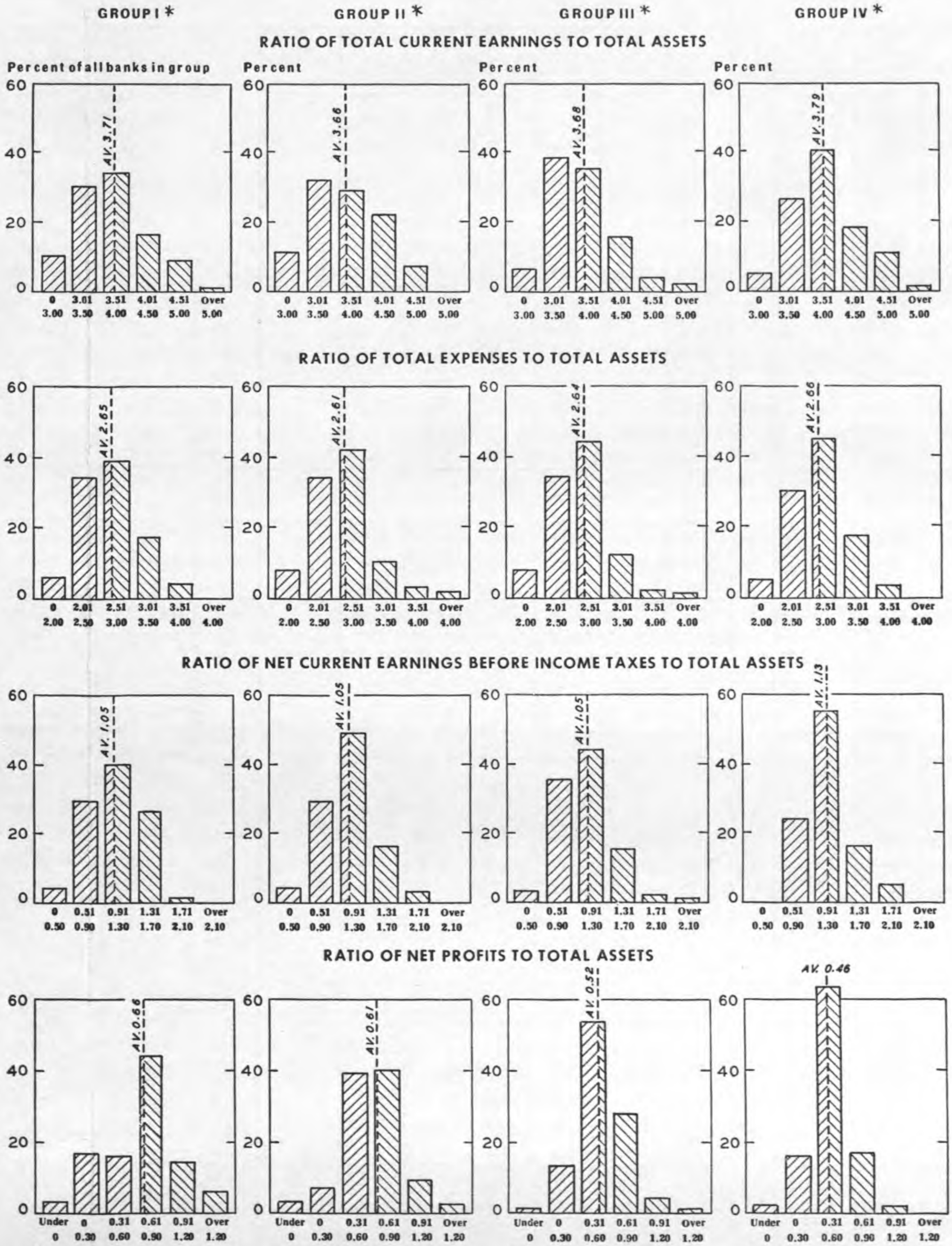
Note: Year-to-year comparisons by size-groups may be affected by mergers and shifts of banks from one size-group to another.

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
1956



* 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