



OPERATING RATIOS EARNINGS AND EXPENSES 1961

OF SECOND DISTRICT MEMBER BANKS

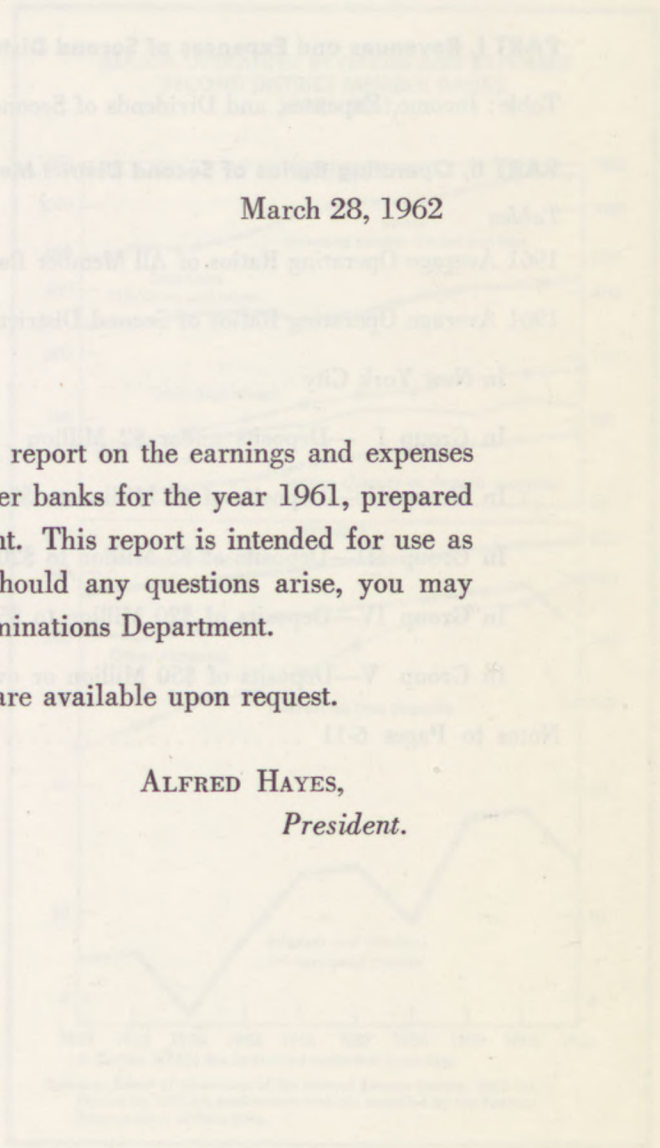
March 28, 1962

To All Member Banks of the Second
Federal Reserve District:

We are pleased to send you this report on the earnings and expenses and the operating ratios of our member banks for the year 1961, prepared by our Bank Examinations Department. This report is intended for use as a management tool at your bank. Should any questions arise, you may direct your inquiries to the Bank Examinations Department.

Additional copies of this report are available upon request.

ALFRED HAYES,
President.



1961

OPERATING RATIOS
EARNINGS AND EXPENSES
OF SECOND DISTRICT MEMBER BANKS

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Federal Reserve Bank of New York

PART I

Revenues and Expenses of Second District Member Banks in 1961*

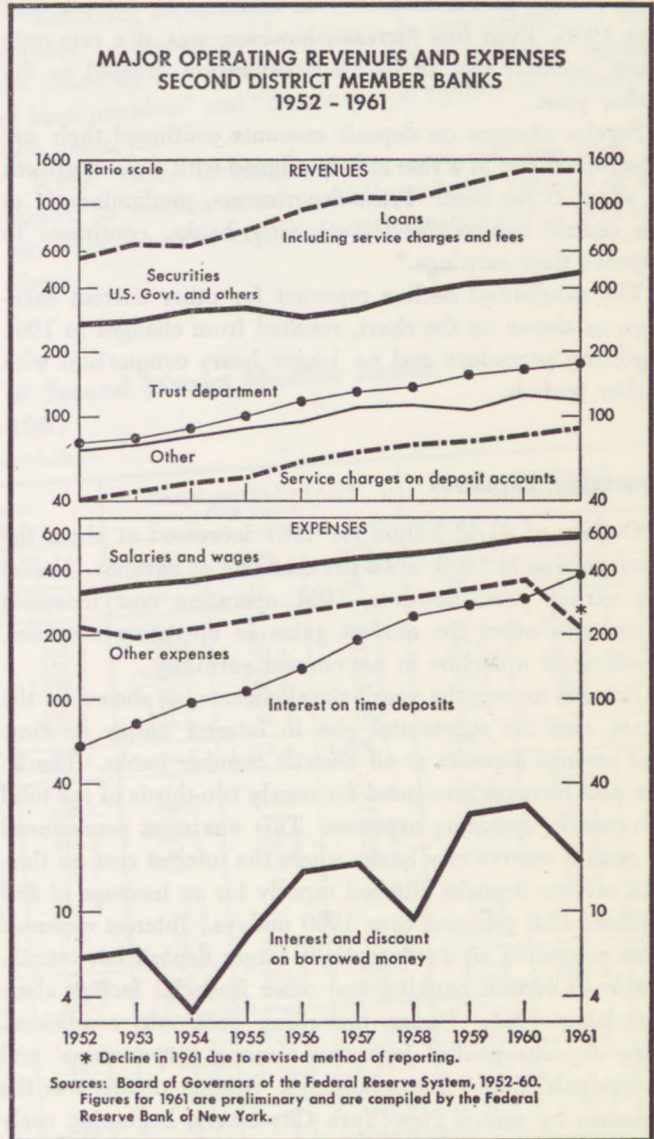
Summary

Net current operating earnings for the 475 Second District member banks fell off \$54 million in 1961 from the record level set in 1960. The 5.9 per cent decline to \$862.5 million was the third contraction in the post-war period and contrasted sharply with the 14.5 per cent gain made between 1959 and 1960. Decline, however, was limited to the central reserve city bank group, while reserve city and country banks' net earnings showed a slight increase. For the District as a whole, the continuing rise in operating expenses (interest on time and savings deposits being the major factor) outweighed the moderate gains in total operating earnings and resulted in the lower operating net. Sizeable securities profits failed to offset the net operating earnings decline and nonoperating deductions so that net income before taxes decreased by 4.4 per cent from the previous year. Lighter tax outlays on the lower taxable base, however, restored net income to the same level reported for 1960. Dividends on capital exceeded those of 1960 by 8.1 per cent, resulting in a decrease of 7.6 per cent in net income after dividends.

Operating Revenue

Total operating revenue rose to \$2,293 million, 3.0 per cent above the 1960 level. At the central reserve city banks, revenue remained relatively constant, in contrast to the 6.9 per cent improvement at banks elsewhere in the District. The 1961 results reflected major shifts from operations of the previous year: the 12.9 per cent increase in income on U. S. Government and other securities far exceeded the modest 2.1 per cent gain reported for 1960 over 1959. Such income accounted for 81 per cent of the total increase in revenues, whereas earnings on loans remained relatively constant. These improved earnings on securities reflected Federal Reserve policy of maintaining credit ease throughout a year of economic recovery, enabling banks to add to their securities holdings in the absence of heavy loan demand. Reapportionment of loanable funds to securities investments

* Changes instituted in the banks' reporting form for 1961 affect precise comparability of data with the previous year. See Technical Notes on page 3 for details.



was particularly evident at the central reserve city banks where average holdings of U. S. Government securities rose by more than \$2 billion over 1960.

Income from loans at all District banks leveled off at \$1.4 billion, approximately identical with 1960's yield from

this source. Central reserve city banks registered a 2.6 per cent decline. While loan assets averaged only a slight rise over 1960, effective yields on loans originating at these banks were down, reflecting, after normally expected time lags, the reduction in the prime rate from 5 to 4½ per cent initiated at New York City banks in August 1960. Other banks in the District, where responses to changing credit conditions tend to be slower, increased their loan earnings by 6.0 per cent over 1960. Even this increase, however, was at a rate only about one-half that of earnings expansion grossed in the earlier year.

Service charges on deposit accounts continued their uninterrupted rise at a rate closely aligned with deposit growth of about 6 per cent. Trust departments, predominantly at the central reserve New York City banks, continued to improve their earnings.*

The substantial decline reported for other current earnings, as shown on the chart, resulted from changes in 1961 reporting procedure and no longer bears comparison with earlier periods.

Operating Expenses

Outlays of \$1.43 billion for 1961 increased at about the same pace as in 1960, a 9.3 per cent rate of advance. Unlike the earlier year, however, 1961 operating cost increases more than offset the modest gains in operating revenues, resulting in a decline in net current earnings.

Notable among the year's developments, as shown on the chart, was the substantial rise in interest outlay on time and savings deposits at all District member banks. The 26 per cent increase accounted for nearly two-thirds of the total advance in operating expenses. This was most pronounced at central reserve city banks where the interest cost on time and savings deposits climbed rapidly for an increase of \$56 million, 42.6 per cent over 1960 outlays. Interest expenses were computed on a substantially larger deposit base attributable to certain banking and other financial factors characterizing 1961. Under prevailing economic conditions, time deposits proved important among corporations' and individuals' liquid assets holdings. Adding to this was the issuance by several New York City banks, beginning early

* Trust department earnings of central reserve New York City and other banks, as shown in this report, have been sharply affected by the reclassification of one central reserve city bank to a country bank category. Further trust department data are analyzed in detail in the Bank Examinations Department's *Annual Survey of Trust Department Income and Expense*, copies of which will be available about June 1, 1962.

in the year, of a large volume of bearer time certificates of deposits, which were well received by nonfinancial corporations. Also making for higher total interest outlays was the widening practice by banks of computing savings deposit interest on a daily basis. Interest cost on time and savings deposits at all other banks rose by 13.5 per cent, indicating a trend that has not yet fully run its course toward higher effective rates of interest on these deposits.

Interest and discount expense on borrowed money, always a small percentage of total operating expenses, dropped to approximately half the dollar outlays made in 1960, further pointing to the general bank liquidity characterizing the 1961 reporting year.

Further detailed comparisons in operating expenses between 1961 and the year before are not feasible because of changes introduced in the 1961 reporting form. Statistics of salaries and wages, although slightly understated as indicated in the Technical Notes, continued their long-term rise. It is noteworthy, moreover, to observe from statistics published for the first time that fringe benefits are equivalent to nearly one-fifth of cash outlays for salaries and wages.

Nonrecurring Items, Taxes, Dividends, and Retained Earnings

Deductions resulting from the netting of security transactions, other profit and loss adjustments, and changes in valuation reserves, amounted to \$78.3 million, compared to \$96.4 million in 1960. The net deductions in 1961 were smaller than in the year before because of capital gains on securities that substantially offset the large transfer of earnings to valuation reserves. The 1961 circumstances differed from those of the previous economic upswing of 1959, when banks absorbed heavy securities losses in acquiring loanable funds to finance loans and shifts into other higher yielding assets.

Provisions for income taxes on the smaller net income were 10.1 per cent lower than in 1960 with the result that 1961 profits of \$459.5 million after taxes differed only slightly from the year before. Central reserve New York City banks' net after taxes showed a mild shrinkage, while reserve city and country banks reported a 7.6 per cent improvement.

Cash dividends declared totaled \$242.8 million, an 8.1 per cent increase over 1960, accounting for 52.8 per cent of net profits after taxes compared with 48.9 per cent in the earlier year. As a result, net income available for additions to total capital accounts fell 7.6 per cent below that of 1960.

Technical Notes

The comparability of certain 1961 statistics with those of previous years is affected somewhat by changes introduced in 1961 in the form on which banks report *Income and Dividends*, the source of the data in this annual report. Apart from changes in terminology, only the items making up "Total Current Operating Revenue" and "Total Operating Expenses" have been changed, as follows:

Banks' rental income and other credits, formerly included with "Other current operating revenue," are now netted against the new expense account, "Net occupancy expense of bank premises."

Compensation to personnel engaged in maintenance of banking quarters is now reflected in "Net occupancy expense of bank premises," rather than in "Salaries and wages—officers and employees."

"Pension, hospitalization, social security taxes, etc." is a new expense classification that includes so-called "fringe" benefits formerly included with "Other current operating expenses."

"Taxes other than on net income" has been discontinued; such tax expense is now charged to the appropriate related expense item, for example, taxes on bank premises.

"Recurring depreciation on banking house, furniture, and fixtures," a discontinued category, is now subdivided into the following two new categories: "Net occupancy expense of bank premises" and "Furniture and equipment—depreciation, rents, etc."

While "Other current operating expenses" has been retained, its content is substantially reduced because of the inclusion of certain expenses in other categories as indicated above.

Income, Expenses, and Dividends of Second District Member Banks 1959-1961

(In millions of dollars)

| Item | All Second District member banks | | | Central reserve New York City banks | | | Reserve city and country banks | | |
|--|----------------------------------|----------------|----------------|-------------------------------------|----------------|----------------|--------------------------------|--------------|--------------|
| | 1961 | 1960 | 1959 | 1961 | 1960 | 1959 | 1961 | 1960 | 1959 |
| Number of banks..... | 475 | 492 | 508 | 13 | 15 | 16 | 462 | 477 | 492 |
| Current Operating Revenue: | | | | | | | | | |
| On United States Government securities..... | 338.3 | 299.8 | 295.9 | 215.4 | 187.0 | 181.8 | 122.9 | 112.8 | 114.1 |
| On other securities..... | 139.4 | 123.2 | 118.5 | 81.4 | 70.4 | 68.5 | 58.0 | 52.8 | 50.0 |
| On loans (including service charges and fees on loans) .. | 1,432.3 | 1,427.3 | 1,248.1 | 917.9 | 942.1 | 812.2 | 514.4 | 485.2 | 435.9 |
| Service charges on deposit accounts..... | 86.9 | 81.7 | 76.3 | 33.2 | 30.9 | 27.0 | 53.7 | 50.8 | 49.3 |
| Trust department earnings..... | 177.1 | 167.7 | 156.1 | 143.0 | 146.9 | 136.9 | 34.1 | 20.8 | 19.2 |
| Other current operating revenue..... | 118.8 | 125.5 | 106.3 | 100.8 | 98.5 | 79.7 | 18.0 | 27.0 | 26.6 |
| Total current operating revenue..... | 2,292.8 | 2,225.2 | 2,001.2 | 1,491.7 | 1,475.8 | 1,306.1 | 801.1 | 749.4 | 695.1 |
| Current Operating Expenses: | | | | | | | | | |
| Salaries and wages—officers and employees..... | 564.4 | 542.6 | 502.8 | 360.3 | 345.4 | 314.9 | 204.1 | 197.2 | 187.9 |
| Pension, hospitalization, social security taxes, etc..... | 101.6 | — | — | 73.1 | — | — | 28.5 | — | — |
| Interest on time and savings deposits..... | 377.8 | 299.1 | 276.5 | 187.7 | 131.6 | 122.9 | 190.1 | 167.5 | 153.6 |
| Interest and discount on borrowed money..... | 17.5 | 31.2 | 28.6 | 16.1 | 28.5 | 25.1 | 1.4 | 2.7 | 3.5 |
| Taxes other than on net income..... | — | 40.0 | 33.7 | — | 22.0 | 17.6 | — | 18.0 | 16.1 |
| Recurring depreciation on banking house, furniture, and fixtures..... | — | 34.1 | 31.3 | — | 16.1 | 14.3 | — | 18.0 | 17.0 |
| Net occupancy expense of bank premises..... | 121.2 | — | — | 81.2 | — | — | 40.0 | — | — |
| Furniture and equipment—depreciation, rents, etc..... | 36.3 | — | — | 18.7 | — | — | 17.6 | — | — |
| Other current operating expenses..... | 211.5 | 361.7 | 328.0 | 111.2 | 231.5 | 204.2 | 100.3 | 130.2 | 123.8 |
| Total current operating expenses..... | 1,430.3 | 1,308.7 | 1,200.9 | 848.3 | 775.1 | 699.0 | 582.0 | 533.6 | 501.9 |
| Net current operating earnings..... | 862.5 | 916.5 | 800.3 | 643.4 | 700.7 | 607.1 | 219.1 | 215.8 | 193.2 |
| Net recoveries (+) or charge-offs (-) on loans..... | - 40.1 | - 76.4 | - 6.4 | - 25.6 | - 67.9 | - 0.1 | - 14.5 | - 8.5 | - 6.3 |
| Securities profits and recoveries (+) or charge-offs (-) .. | + 77.6 | + 6.5 | -240.1 | + 65.2 | + 2.8 | -188.7 | + 12.4 | + 3.7 | - 51.4 |
| All other recoveries (+) or charge-offs (-)..... | - 9.6 | + 21.0 | + 10.8 | - 7.7 | + 23.0 | + 14.9 | - 1.9 | - 2.0 | - 4.1 |
| Net additions to (-) or deductions from (+) valuation reserves for: | | | | | | | | | |
| Loan losses..... | - 92.3 | - 33.0 | - 59.9 | - 74.4 | - 12.6 | - 41.7 | - 17.9 | - 20.4 | - 18.2 |
| Securities losses..... | - 13.9 | - 14.5 | + 26.2 | - 7.5 | - 8.1 | + 19.7 | - 6.4 | - 6.4 | + 6.5 |
| Net income before related taxes..... | 784.2 | 820.1 | 530.9 | 593.4 | 637.9 | 411.2 | 190.8 | 182.2 | 119.7 |
| Taxes on net income..... | 324.7 | 361.1 | 204.9 | 257.0 | 293.3 | 171.4 | 67.7 | 67.8 | 33.5 |
| Net income..... | 459.5 | 459.0 | 326.0 | 336.4 | 344.6 | 239.8 | 123.1 | 114.4 | 86.2 |
| Dividends on capital..... | 242.8 | 224.6 | 216.9 | 182.5 | 174.6 | 166.3 | 60.3 | 50.0 | 50.6 |
| Net income after dividends..... | 216.7 | 234.4 | 109.1 | 153.9 | 170.0 | 73.5 | 62.8 | 64.4 | 35.6 |

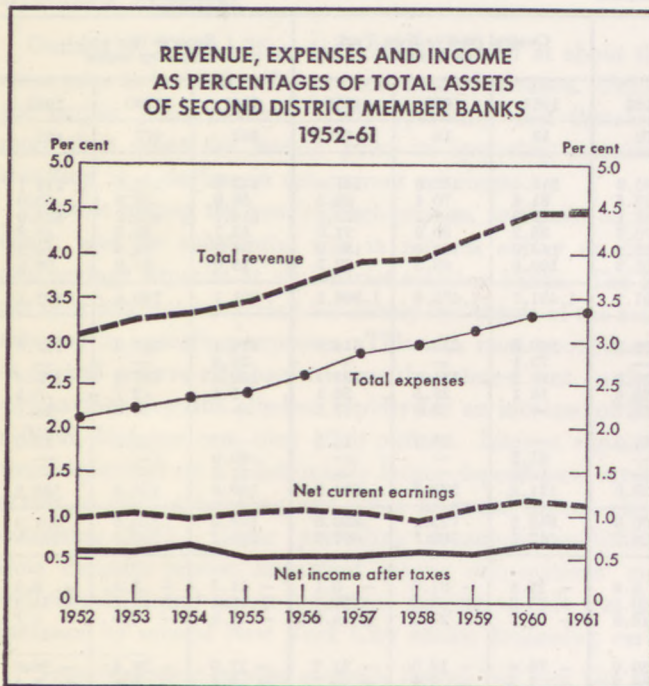
Sources: Board of Governors of the Federal Reserve System, 1959, 1960; 1961 figures are preliminary and were compiled by the Federal Reserve Bank of New York.

PART II

Operating Ratios of Second District Member Banks for the Year 1961

Summary

The 1961 ratio of total current operating revenue to assets (#5) remained stable for the Second District member banks. Operating expenses (#6), however, continued to rise, resulting in a decline in net current operating earnings on total assets (#7) and capital accounts (#1). Even though below the 1960 record, the 1961 net operating earnings were nonetheless the second highest in the postwar period. After adjustments for nonoperating items and income tax, the net income ratio (#8) was restored to approximately the 1960 level. Dividends declared as a percentage of total capital accounts (#4) continued to advance for the third consecutive year, leaving net income after dividends (#3 minus #4) slightly lower than the 1960 ratio.



Sources and Disposition of Revenues

The portion of 1961 total operating revenues derived from interest on U.S. Governments and other securities (#9 and #10) was slightly below 1960 for the District. The larger

New York City banks, Groups VII and VIII, on the other hand, actually increased their revenue from this source. This followed from their increased holdings of securities relative to other assets (#30 and #31).

For the District as a whole, revenue from loan earnings (#11) increased over 1960. The modest decline in average yields (#28) was more than offset by the rise in loans as a percentage of total assets (#32), with the exception of the two largest New York City groups where results were again at variance with the other bank groups.

Districtwide earnings from service charges on deposit accounts (#12) checked a two-year decline and evened off at the 1960 level. Trust department income continued to rise but is still a minor part of total operating revenues for District banks as a whole.

Total operating expenses (#19) absorbed a greater portion of total revenues in 1961 than in the year before, although falling short of the previous postwar high in 1958. (It merits a reminder here that the ratio of expenses to total earnings may be as much affected by higher or lower earnings levels as by changes in expense dollar outlays.) The aggregated expense ratio of the two largest New York City groups showed the sharpest increase for the District, but still displayed the lowest cost ratios by a wide margin when contrasted with groups elsewhere in the District.

Salaries and wages at the Second District banks, while continuing to increase in dollar outlays, again accounted for a smaller portion of total earnings (#16) than in 1960, with the exception of the largest New York City banks. Interest on time and savings deposits (#17) edged higher, although, here again, the change was more extreme at the New York City banks. This is explained by increases at these banks in both the ratios of time to total deposits (#38) and interest paid on time deposits (#39). The ratio of other current expenses (#18) for all District banks indicated a moderate advance.

Despite lower net operating earnings (#20), the ratio of net profits (#24) remained approximately even with that of the previous year. Capital gains on securities transactions restricted charge-offs and losses (included with #21) to a minor deduction from operating revenues. The decline in net profits was greater at banks in New York City than at

others. By the same token, the tax assessment (#23) on the former's income declined markedly, whereas the latter's increased slightly.

Rates of Return on Securities and Loans

The yield on U.S. Government securities (#25) declined, while the return on other securities (#26) ran ahead of 1960's by a small margin. At the same time, the 1961 net profits and recoveries or losses on securities transactions (#27) reflected the gains netted by banks' selective sell-offs of securities at higher capital values. This result was in contrast to the net losses reported in seven of the past ten years, the sharpest in 1959, when banks were under pressure to liquidate investments for funds to accommodate reviving loan demand.

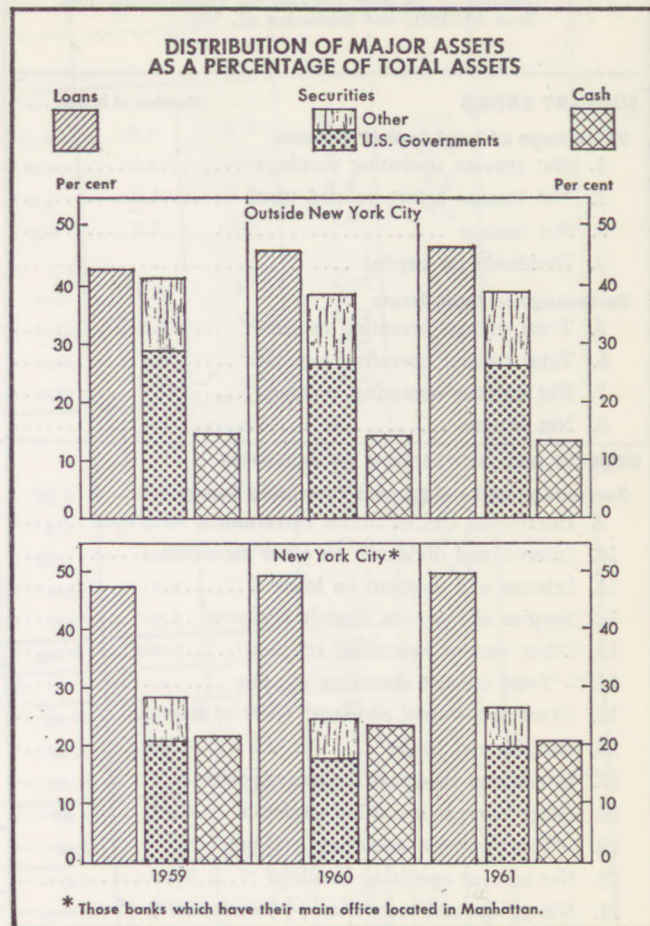
The average rate of return on loans, including service charges and other fees (#28), receded slightly from that prevailing in 1960, but results varied among different groups: rates increased at two groups (II and IV); showed fairly sharp declines in effective yields at New York City banks; while those for the smaller banks adhered more closely to the rates of return prevailing in 1960.

Distribution of Assets

For the first time in the postwar period, holdings of U.S. Government securities as a portion of total assets (#30) came close to reversing their lengthy downward course and virtually remained at 1960 levels. "Other" securities (#31), less volatile than U.S. Governments in their relation to assets, also remained about on a par with the ratios prevailing since 1958. Loans (#32) rose by one percentage point above 1960, a netting of minor increases at most groups, a leveling off at another, and a decline at the New York City banks with deposits over \$1 billion. Cash assets (#33) were again pared, declining to another new low.

Capital and Deposit Ratios

No change occurred in District member banks' 1961 ratios of capital accounts to total assets (#35) or in relation to total deposits (#37). The "risk-asset" ratio (#36), on



the other hand, continued in its uninterrupted decline, indicating the lag in capital additions relative to loan expansion.

As referred to earlier, the proportion of time to total deposits (#38) increased over 1960, when the Districtwide ratio, for the first time in nearly twenty years again reached the 50 per cent mark. The swing toward time deposits was sharpest at the New York City banks. Average interest payments on time deposits (#39) continued to increase, although the advance may well accelerate in 1962, which would reflect the effects of the 1961 year-end increase in the Federal Reserve ceiling rate on these deposits.

1961 Average Operating Ratios of All Member Banks in the Second District

(All ratios in this table and in the tables on the following pages 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 1961 ratios are averages of amounts reported for December 31, 1960, June 30, 1961, and September 27, 1961. | All Second District Banks | | BANKS IN NEW YORK CITY* | | | | | | YOUR BANK | |
|--|---------------------------|--------|---------------------------------------|--------|---|---------|--------------------------------------|-----------|-----------|-------|
| | | | GROUP VI Deposits under \$100 million | | GROUP VII Deposits \$100 million to \$1 billion | | GROUP VIII Deposits over \$1 billion | | | |
| | 1961 | 1960 | 1961 | 1960 | 1961 | 1960 | 1961 | 1960 | | |
| SUMMARY RATIOS | Number of banks..... | | 472 | 489 | 5 | 5 | 7 | 7 | 7 | 8 |
| Percentage of Total Capital Accounts | | | | | | | | | | |
| 1. Net current operating earnings | 13.5 | 14.1 | 15.5 | 15.1 | 21.5 | 22.9 | 18.1 | 20.7 | | |
| 2. Net income before related taxes | 11.8 | 11.6 | 11.2 | 12.9 | 19.1 | 21.0 | 17.0 | 19.3 | | |
| 3. Net income | 8.1 | 8.1 | 7.5 | 8.5 | 9.7 | 10.8 | 9.7 | 10.4 | | |
| 4. Dividends on capital | 3.2 | 3.1 | 2.3 | 1.4 | 4.8 | 4.8 | 5.1 | 4.9 | | |
| Percentage of Total Assets | | | | | | | | | | |
| 5. Total current operating revenue | 4.46 | 4.46 | 4.60 | 4.60 | 4.72 | 4.76 | 3.73 | 3.90 | | |
| 6. Total current operating expenses | 3.35 | 3.29 | 3.34 | 3.34 | 2.79 | 2.67 | 2.09 | 2.00 | | |
| 7. Net current operating earnings | 1.11 | 1.17 | 1.26 | 1.26 | 1.93 | 2.09 | 1.64 | 1.90 | | |
| 8. Net income | 0.67 | 0.68 | 0.62 | 0.71 | 0.89 | 1.02 | 0.87 | 0.96 | | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | | | | |
| 9. Interest on United States Government securities | 18.8 | 19.0 | 14.4 | 15.1 | 12.1 | 10.9 | 14.7 | 12.9 | | |
| 10. Interest and dividends on other securities | 7.9 | 8.0 | 6.1 | 7.0 | 4.0 | 3.7 | 5.3 | 4.4 | | |
| 11. Interest and discount on loans ¹ | 62.7 | 61.8 | 65.6 | 62.6 | 59.5 | 61.4 | 61.8 | 65.1 | | |
| 12. Service charges on deposit accounts | 7.0 | 7.0 | 5.9 | 6.3 | 3.2 | 3.2 | 2.0 | 2.0 | | |
| 13. Other current operating revenue | 3.6 | 4.2 | 8.0 | 9.0 | 21.2 | 20.8 | 16.2 | 15.6 | | |
| 14. Total current operating revenue | 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 | 11.4 | 12.0 | 19.2 | 18.2 | 9.7 | 9.0 | | |
| 16. Salaries and wages | 25.9 | 26.1 | 28.7 | 29.3 | 28.3 | 28.8 | 24.6 | 23.9 | | |
| 17. Interest on time and savings deposits | 27.8 | 26.9 | 22.1 | 19.6 | 7.9 | 5.1 | 12.2 | 8.2 | | |
| 18. Other current operating expenses | 21.5 | 21.0 | 21.6 | 23.4 | 22.8 | 22.0 | 19.5 | 19.4 | | |
| 19. Total current operating expenses | 75.2 | 74.0 | 72.4 | 72.3 | 59.0 | 55.9 | 56.3 | 51.5 | | |
| 20. Net current operating earnings | 24.8 | 26.0 | 27.6 | 27.7 | 41.0 | 44.1 | 43.7 | 48.5 | | |
| 21. Net profits and recoveries (+) or losses (-) ³ | - 0.8 | - 2.5 | - 2.7 | - 3.4 | - 0.8 | + 0.6 | + 2.6 | - 2.3 | | |
| 22. Net increase (-) or decrease (+) in valuation reserves ⁴ | - 2.3 | - 2.0 | - 4.7 | - 0.4 | - 3.8 | - 3.6 | - 5.2 | - 0.6 | | |
| 23. Taxes on net income | 6.7 | 6.3 | 6.6 | 8.2 | 17.8 | 20.1 | 17.7 | 21.0 | | |
| 24. Net profits | 15.0 | 15.2 | 13.6 | 15.7 | 18.6 | 21.0 | 23.4 | 24.6 | | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | | | | |
| Return on Securities | | | | | | | | | | |
| 25. Interest on United States Government securities | 3.09 | 3.13 | 3.11 | 3.01 | 3.01 | 3.03 | 2.84 | 3.28 | | |
| 26. Interest and dividends on other securities | 2.89 | 2.86 | 3.83 | 3.56 | 3.38 | 3.24 | 3.13 | 3.06 | | |
| 27. Net profits & recoveries (+) or losses (-) on total securities ⁵ | + 0.14 | - 0.05 | + 0.26 | a | + 0.29 | + 0.60 | + 0.65 | + 0.18 | | |
| Return on Loans | | | | | | | | | | |
| 28. Interest and discount on loans ¹ | 6.06 | 6.08 | 5.71 | 5.99 | 5.23 | 5.52 | 4.98 | 5.12 | | |
| 29. Net losses (-) or recoveries (+) on loans ⁶ | - 0.15 | - 0.15 | - 0.45 | - 0.30 | - 0.17 | - 0.13 | - 0.12 | - 0.32 | | |
| DISTRIBUTION OF ASSETS | | | | | | | | | | |
| Percentage of Total Assets | | | | | | | | | | |
| 30. United States Government securities | 26.2 | 26.3 | 22.1 | 23.0 | 18.4 | 16.8 | 19.2 | 15.3 | | |
| 31. Other securities | 12.0 | 12.1 | 7.6 | 9.2 | 5.9 | 6.0 | 6.3 | 5.6 | | |
| 32. Loans | 46.5 | 45.5 | 53.3 | 48.0 | 50.6 | 50.5 | 46.3 | 49.5 | | |
| 33. Cash assets | 13.6 | 14.5 | 15.2 | 18.0 | 22.5 | 24.4 | 23.3 | 25.5 | | |
| 34. Real estate assets | 1.4 | 1.3 | 1.1 | 1.2 | 0.6 | 0.6 | 0.9 | 0.8 | | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | | | | |
| 35. Capital accounts to total assets | 8.6 | 8.6 | 8.3 | 8.4 | 9.2 | 9.4 | 9.2 | 9.3 | | |
| 36. Capital accounts to total assets, less United States Government securities and cash assets | 14.8 | 15.1 | 13.5 | 15.0 | 15.6 | 16.0 | 15.9 | 15.6 | | |
| 37. Capital accounts to total deposits | 9.6 | 9.6 | 9.2 | 9.4 | 10.7 | 10.8 | 11.1 | 11.1 | | |
| 38. Time to total deposits | 50.8 | 50.0 | 39.5 | 36.9 | 22.3 | 18.0 | 18.8 | 13.9 | | |
| 39. Interest on time deposits | 2.67 | 2.60 | 2.80 | 2.67 | 2.12 | 1.96 | 2.85 | 2.63 | | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | | | | |
| 40. Total deposits | 101,708 | 93,295 | 47,350 | 42,681 | 290,931 | 267,062 | 4,330,916 | 3,609,817 | | |
| 41. Capital accounts | 9,763 | 9,480 | 4,356 | 4,129 | 31,130 | 29,213 | 480,732 | 403,164 | | |

1961 Average Operating Ratios of Second District Member Banks in Group I — Deposits under \$2 Million

| Note: Balance-sheet figures used as a basis for the 1961 ratios are averages of amounts reported for December 31, 1960, June 30, 1961, and September 27, 1961. | | Group average | | Loans to total assets, per cent—1961 | | | | YOUR BANK |
|--|--|---------------|--------|--------------------------------------|--------------|--------------|----------------|-----------|
| | | 1961 | 1960 | 0-34.9 A | 35-44.9 B | 45-54.9 C | 55 and up D | |
| SUMMARY RATIOS | | | | | | | | |
| | Number of banks..... | 31 | 38 | 7 | 10 | 9 | 5 | |
| Percentage of Total Capital Accounts | | | | | | | | |
| 1. | Net current operating earnings | 10.9 | 11.3 | 8.5 | 10.5 | 11.1 | 14.5 | |
| 2. | Net income before related taxes | 9.7 | 9.0 | 8.4 | 9.4 | 9.7 | 12.0 | |
| 3. | Net income | 7.6 | 6.7 | 6.6 | 7.7 | 7.4 | 9.2 | |
| 4. | Dividends on capital | 1.8 | 2.0 | 1.7 | 1.3 | 1.8 | 3.1 | |
| Percentage of Total Assets | | | | | | | | |
| 5. | Total current operating revenue | 4.48 | 4.48 | 3.88 | 4.32 | 4.62 | 5.42 | |
| 6. | Total current operating expenses | 3.31 | 3.25 | 2.86 | 3.30 | 3.42 | 3.76 | |
| 7. | Net current operating earnings | 1.17 | 1.23 | 1.02 | 1.02 | 1.20 | 1.66 | |
| 8. | Net income | 0.83 | 0.71 | 0.78 | 0.78 | 0.80 | 1.06 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | | |
| 9. | Interest on United States Government securities | 22.1 | 23.2 | 33.7 | 24.0 | 18.2 | 9.2 | |
| 10. | Interest and dividends on other securities | 7.3 | 8.7 | 10.6 | 9.4 | 3.7 | 5.1 | |
| 11. | Interest and discount on loans ¹ | 62.4 | 59.7 | 46.5 | 58.9 | 71.0 | 76.3 | |
| 12. | Service charges on deposit accounts | 6.4 | 6.3 | 6.9 | 6.4 | 5.5 | 7.1 | |
| 13. | Other current operating revenue | 1.8 | 2.1 | 2.3 | 1.3 | 1.6 | 2.3 | |
| 14. | Total current operating revenue | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 15. | Trust department earnings ² (part of item 13) | b | b | b | b | b | b | |
| 16. | Salaries and wages | 28.6 | 28.2 | 31.4 | 27.3 | 29.2 | 26.3 | |
| 17. | Interest on time and savings deposits | 25.8 | 24.7 | 25.2 | 30.8 | 23.7 | 20.1 | |
| 18. | Other current operating expenses | 19.9 | 20.0 | 17.4 | 18.4 | 21.9 | 23.1 | |
| 19. | Total current operating expenses | 74.3 | 72.9 | 74.0 | 76.5 | 74.8 | 69.5 | |
| 20. | Net current operating earnings | 25.7 | 27.1 | 26.0 | 23.5 | 25.2 | 30.5 | |
| 21. | Net profits and recoveries (+) or losses (-) ³ | - 2.5 | - 5.9 | - 0.2 | - 1.9 | - 2.5 | - 7.3 | |
| 22. | Net increase (-) or decrease (+) in valuation reserves ⁴ | - 0.1 | + 0.3 | - 0.1 | - 0.3 | - 0.6 | + 1.5 | |
| 23. | Taxes on net income | 4.9 | 5.6 | 6.5 | 3.1 | 5.2 | 5.8 | |
| 24. | Net profits | 18.2 | 15.9 | 19.2 | 18.2 | 16.9 | 18.9 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | | |
| Return on Securities | | | | | | | | |
| 25. | Interest on United States Government securities | 3.34 | 3.33 | 3.38 | 3.39 | 3.34 | 3.17 | |
| 26. | Interest and dividends on other securities | 2.95 | 3.06 | 2.78 | 3.62 | 2.46 | 2.73 | |
| 27. | Net profits & recoveries (+) or losses (-) on total securities ⁵ | + 0.03 | - 0.21 | + 0.04 | + 0.05 | a | + 0.06 | |
| Return on Loans | | | | | | | | |
| 28. | Interest and discount on loans ¹ | 6.42 | 6.46 | 6.32 | 6.06 | 6.60 | 6.96 | |
| 29. | Net losses (-) or recoveries (+) on loans ⁶ | - 0.24 | - 0.36 | - 0.10 | - 0.23 | - 0.15 | - 0.63 | |
| DISTRIBUTION OF ASSETS | | | | | | | | |
| Percentage of Total Assets | | | | | | | | |
| 30. | United States Government securities | 28.7 | 30.2 | 39.7 | 30.5 | 25.1 | 16.1 | |
| 31. | Other securities | 10.7 | 11.4 | 14.9 | 11.2 | 7.5 | 9.4 | |
| 32. | Loans | 43.8 | 41.9 | 28.2 | 41.9 | 49.3 | 59.6 | |
| 33. | Cash assets | 15.8 | 15.5 | 16.6 | 15.5 | 17.0 | 13.3 | |
| 34. | Real estate assets | 0.9 | 0.9 | 0.2 | 0.8 | 1.0 | 1.4 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | | |
| 35. | Capital accounts to total assets | 11.0 | 11.0 | 12.1 | 10.1 | 10.6 | 11.6 | |
| 36. | Capital accounts to total assets, less United States Government securities and cash assets | 20.6 | 21.4 | 29.2 | 18.7 | 18.3 | 16.4 | |
| 37. | Capital accounts to total deposits | 12.5 | 12.7 | 13.9 | 11.5 | 12.1 | 13.3 | |
| 38. | Time to total deposits | 47.6 | 47.4 | 40.3 | 54.8 | 45.8 | 46.4 | |
| 39. | Interest on time deposits | 2.69 | 2.45 | 2.80 | 2.71 | 2.61 | 2.69 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | | |
| 40. | Total deposits | 1,506 | 1,479 | 1,685 | 1,377 | 1,581 | 1,381 | |
| 41. | Capital accounts | 188 | 185 | 234 | 158 | 191 | 184 | |

**1961 Average Operating Ratios of Second District Member Banks
in Group II — Deposits of \$2 Million to \$5 Million**

| Note: Balance-sheet figures used as a basis for the 1961 ratios are averages of amounts reported for December 31, 1960, June 30, 1961, and September 27, 1961. | Group average | | Loans to total assets, per cent—1961 | | | | YOUR BANK |
|--|---------------|--------|--------------------------------------|--------------|--------------|----------------|-----------|
| | 1961 | 1960 | 0-34.9 A | 35-44.9 B | 45-54.9 C | 55 and up D | |
| SUMMARY RATIOS Number of banks..... | 105 | 110 | 15 | 34 | 37 | 19 | |
| Percentage of Total Capital Accounts | | | | | | | |
| 1. Net current operating earnings | 10.8 | 11.8 | 9.6 | 10.5 | 10.7 | 12.3 | |
| 2. Net income before related taxes | 9.5 | 9.9 | 10.0 | 9.5 | 9.0 | 9.9 | |
| 3. Net income | 6.8 | 7.3 | 7.6 | 7.0 | 6.3 | 6.4 | |
| 4. Dividends on capital | 2.6 | 2.7 | 2.5 | 2.6 | 2.7 | 2.4 | |
| Percentage of Total Assets | | | | | | | |
| 5. Total current operating revenue | 4.40 | 4.41 | 3.79 | 4.26 | 4.56 | 4.86 | |
| 6. Total current operating expenses | 3.37 | 3.29 | 2.95 | 3.24 | 3.53 | 3.67 | |
| 7. Net current operating earnings | 1.03 | 1.12 | 0.84 | 1.02 | 1.03 | 1.19 | |
| 8. Net income | 0.64 | 0.70 | 0.67 | 0.68 | 0.61 | 0.61 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | |
| 9. Interest on United States Government securities | 20.6 | 21.5 | 36.5 | 22.8 | 17.0 | 11.4 | |
| 10. Interest and dividends on other securities | 7.5 | 7.2 | 10.9 | 9.3 | 6.4 | 3.6 | |
| 11. Interest and discount on loans ¹ | 63.4 | 62.8 | 43.5 | 59.1 | 68.2 | 77.7 | |
| 12. Service charges on deposit accounts | 6.5 | 6.3 | 7.5 | 6.6 | 6.3 | 5.9 | |
| 13. Other current operating revenue | 2.0 | 2.2 | 1.6 | 2.2 | 2.1 | 1.4 | |
| 14. Total current operating revenue | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 15. Trust department earnings ² (part of item 13) | 0.2 | 1.5 | b | 0.3 | 0.2 | b | |
| 16. Salaries and wages | 26.1 | 26.2 | 25.6 | 27.4 | 26.1 | 24.4 | |
| 17. Interest on time and savings deposits | 29.6 | 28.5 | 32.7 | 27.9 | 29.6 | 29.9 | |
| 18. Other current operating expenses | 21.1 | 20.3 | 19.6 | 20.7 | 21.8 | 21.6 | |
| 19. Total current operating expenses | 76.8 | 75.0 | 77.9 | 76.0 | 77.5 | 75.9 | |
| 20. Net current operating earnings | 23.2 | 25.0 | 22.1 | 24.0 | 22.5 | 24.1 | |
| 21. Net profits and recoveries (+) or losses (-) ³ | - 1.6 | - 2.6 | + 1.8 | - 1.3 | - 2.3 | - 3.4 | |
| 22. Net increase (-) or decrease (+) in valuation reserves ⁴ | - 1.2 | - 1.2 | - 0.8 | - 1.4 | - 1.4 | - 1.1 | |
| 23. Taxes on net income | 5.8 | 5.5 | 5.7 | 5.5 | 5.5 | 7.0 | |
| 24. Net profits | 14.6 | 15.7 | 17.4 | 15.8 | 13.3 | 12.6 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | |
| Return on Securities | | | | | | | |
| 25. Interest on United States Government securities | 3.14 | 3.81 | 3.21 | 3.14 | 3.19 | 2.99 | |
| 26. Interest and dividends on other securities | 3.02 | 2.94 | 3.04 | 2.96 | 2.93 | 3.30 | |
| 27. Net profits & recoveries(+) or losses(-) on total securities ⁵ | + 0.07 | - 0.08 | + 0.16 | + 0.09 | + 0.03 | + 0.05 | |
| Return on Loans | | | | | | | |
| 28. Interest and discount on loans ¹ | 6.19 | 6.18 | 6.00 | 6.18 | 6.25 | 6.25 | |
| 29. Net losses (-) or recoveries (+) on loans ⁶ | - 0.18 | - 0.15 | - 0.14 | - 0.14 | - 0.18 | - 0.26 | |
| DISTRIBUTION OF ASSETS | | | | | | | |
| Percentage of Total Assets | | | | | | | |
| 30. United States Government securities | 27.8 | 28.0 | 42.4 | 30.7 | 24.1 | 18.4 | |
| 31. Other securities | 11.0 | 10.8 | 14.4 | 13.4 | 10.1 | 6.1 | |
| 32. Loans | 45.6 | 45.6 | 27.8 | 40.7 | 49.6 | 60.6 | |
| 33. Cash assets | 13.9 | 14.1 | 14.2 | 14.0 | 14.3 | 12.9 | |
| 34. Real estate assets | 1.5 | 1.4 | 1.1 | 1.0 | 1.8 | 1.9 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | |
| 35. Capital accounts to total assets | 9.8 | 9.8 | 9.1 | 9.9 | 10.1 | 9.8 | |
| 36. Capital accounts to total assets, less United States Government securities and cash assets | 17.7 | 17.8 | 24.3 | 18.1 | 16.5 | 14.3 | |
| 37. Capital accounts to total deposits | 11.0 | 11.0 | 10.1 | 11.1 | 11.4 | 11.0 | |
| 38. Time to total deposits | 53.0 | 52.5 | 50.6 | 49.7 | 54.4 | 58.2 | |
| 39. Interest on time deposits | 2.69 | 2.60 | 2.70 | 2.60 | 2.75 | 2.75 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | |
| 40. Total deposits | 3,446 | 3,448 | 3,523 | 3,380 | 3,380 | 3,633 | |
| 41. Capital accounts | 379 | 371 | 356 | 375 | 385 | 400 | |

¹ See page 12 for this note and other note references in this table.

1961 Average Operating Ratios of Second District Member Banks in Group III — Deposits of \$5 Million to \$20 Million

| Note: Balance-sheet figures used as a basis for the 1961 ratios are averages of amounts reported for December 31, 1960, June 30, 1961, and September 27, 1961. | | Group average | | Loans to total assets, per cent—1961 | | | | YOUR BANK |
|--|--|---------------|--------|--------------------------------------|--------------|--------------|----------------|-----------|
| | | 1961 | 1960 | 0-34.9 A | 35-44.9 B | 45-54.9 C | 55 and up D | |
| SUMMARY RATIOS | | | | | | | | |
| | Number of banks..... | 198 | 201 | 26 | 66 | 75 | 31 | |
| Percentage of Total Capital Accounts | | | | | | | | |
| 1. | Net current operating earnings | 12.7 | 13.4 | 12.4 | 12.2 | 13.4 | 12.4 | |
| 2. | Net income before related taxes | 11.2 | 10.8 | 12.0 | 10.9 | 11.6 | 10.8 | |
| 3. | Net income | 7.9 | 8.0 | 9.7 | 8.0 | 7.8 | 6.7 | |
| 4. | Dividends on capital | 3.0 | 2.9 | 3.2 | 3.0 | 2.9 | 3.1 | |
| Percentage of Total Assets | | | | | | | | |
| 5. | Total current operating revenue | 4.40 | 4.40 | 3.89 | 4.18 | 4.60 | 4.81 | |
| 6. | Total current operating expenses | 3.38 | 3.33 | 2.95 | 3.22 | 3.53 | 3.71 | |
| 7. | Net current operating earnings | 1.02 | 1.07 | 0.94 | 0.96 | 1.07 | 1.10 | |
| 8. | Net income | 0.63 | 0.64 | 0.72 | 0.63 | 0.63 | 0.57 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | | |
| 9. | Interest on United States Government securities | 19.5 | 19.8 | 31.1 | 22.1 | 16.3 | 11.8 | |
| 10. | Interest and dividends on other securities | 8.4 | 8.7 | 13.2 | 9.5 | 6.9 | 5.3 | |
| 11. | Interest and discount on loans ³ | 61.7 | 60.4 | 43.5 | 57.5 | 66.4 | 74.7 | |
| 12. | Service charges on deposit accounts | 7.6 | 7.6 | 8.7 | 8.0 | 7.4 | 6.1 | |
| 13. | Other current operating revenue | 2.8 | 3.5 | 3.5 | 2.9 | 3.0 | 2.1 | |
| 14. | Total current operating revenue | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 15. | Trust department earnings ² (part of item 13) | 0.7 | 1.7 | 0.6 | 0.8 | 1.0 | 0.1 | |
| 16. | Salaries and wages | 25.3 | 25.4 | 25.8 | 25.2 | 25.4 | 24.9 | |
| 17. | Interest on time and savings deposits | 29.9 | 29.5 | 30.1 | 30.8 | 29.3 | 29.4 | |
| 18. | Other current operating expenses | 21.6 | 21.0 | 19.8 | 21.0 | 22.2 | 23.0 | |
| 19. | Total current operating expenses | 76.8 | 75.9 | 75.7 | 77.0 | 76.9 | 77.3 | |
| 20. | Net current operating earnings | 23.2 | 24.1 | 24.3 | 23.0 | 23.1 | 22.7 | |
| 21. | Net profits and recoveries (+) or losses (-) ³ | - 0.5 | - 2.5 | + 0.4 | + 0.2 | - 1.4 | - 0.4 | |
| 22. | Net increase (-) or decrease (+) in valuation reserves ⁴ | - 2.3 | - 2.0 | - 1.5 | - 2.7 | - 1.7 | - 3.7 | |
| 23. | Taxes on net income | 6.0 | 5.1 | 4.7 | 5.4 | 6.5 | 6.7 | |
| 24. | Net profits | 14.4 | 14.5 | 18.5 | 15.1 | 13.5 | 11.9 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | | |
| Return on Securities | | | | | | | | |
| 25. | Interest on United States Government securities | 3.07 | 3.09 | 3.13 | 3.05 | 3.04 | 3.12 | |
| 26. | Interest and dividends on other securities | 2.80 | 2.82 | 2.92 | 2.77 | 2.76 | 2.84 | |
| 27. | Net profits & recoveries (+) or losses (-) on total securities ⁵ | + 0.15 | - 0.07 | + 0.11 | + 0.12 | + 0.14 | + 0.24 | |
| Return on Loans | | | | | | | | |
| 28. | Interest and discount on loans ³ | 6.02 | 6.05 | 5.78 | 5.90 | 6.16 | 6.13 | |
| 29. | Net losses (-) or recoveries (+) on loans ⁶ | - 0.12 | - 0.13 | - 0.05 | - 0.07 | - 0.20 | - 0.11 | |
| DISTRIBUTION OF ASSETS | | | | | | | | |
| Percentage of Total Assets | | | | | | | | |
| 30. | United States Government securities | 27.3 | 27.3 | 38.6 | 30.2 | 24.5 | 18.2 | |
| 31. | Other securities | 12.8 | 13.1 | 18.0 | 14.2 | 11.4 | 9.0 | |
| 32. | Loans | 45.4 | 44.1 | 29.3 | 40.7 | 49.6 | 58.5 | |
| 33. | Cash assets | 12.9 | 13.9 | 12.9 | 13.2 | 12.8 | 12.7 | |
| 34. | Real estate assets | 1.4 | 1.4 | 0.9 | 1.4 | 1.5 | 1.4 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | | |
| 35. | Capital accounts to total assets | 8.2 | 8.2 | 7.9 | 8.0 | 8.2 | 8.8 | |
| 36. | Capital accounts to total assets, less United States Government securities and cash assets | 14.3 | 14.5 | 19.1 | 14.3 | 13.2 | 12.7 | |
| 37. | Capital accounts to total deposits | 9.1 | 9.1 | 8.8 | 8.9 | 9.1 | 9.8 | |
| 38. | Time to total deposits | 54.0 | 53.7 | 51.4 | 53.3 | 54.2 | 57.3 | |
| 39. | Interest on time deposits | 2.65 | 2.61 | 2.43 | 2.63 | 2.72 | 2.71 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | | |
| 40. | Total deposits | 11,125 | 10,758 | 10,783 | 11,692 | 11,098 | 10,295 | |
| 41. | Capital accounts | 1,012 | 959 | 949 | 1,041 | 1,010 | 1,107 | |

**1961 Average Operating Ratios of Second District Member Banks
in Group IV — Deposits of \$20 Million to \$50 Million**

| Note: Balance-sheet figures used as a basis for the 1961 ratios are averages of amounts reported for December 31, 1960, June 30, 1961, and September 27, 1961. | | Group average | | Loans to total assets, per cent—1961 | | | | YOUR BANK |
|--|--|---------------|--------|--------------------------------------|--------------|--------------|----------------|-----------|
| | | 1961 | 1960 | 0-34.9 A | 35-44.9 B | 45-54.9 C | 55 and up D | |
| SUMMARY RATIOS | Number of banks..... | 60 | 64 | 6 | 10 | 31 | 13 | |
| Percentage of Total Capital Accounts | | | | | | | | |
| 1. | Net current operating earnings | 15.5 | 16.0 | 12.8 | 17.4 | 15.0 | 16.4 | |
| 2. | Net income before related taxes | 13.7 | 13.3 | 11.6 | 15.5 | 12.7 | 15.5 | |
| 3. | Net income | 8.9 | 9.5 | 8.6 | 10.8 | 8.7 | 8.3 | |
| 4. | Dividends on capital | 3.8 | 3.5 | 2.5 | 4.2 | 3.8 | 3.9 | |
| Percentage of Total Assets | | | | | | | | |
| 5. | Total current operating revenue | 4.52 | 4.48 | 3.67 | 4.42 | 4.50 | 5.06 | |
| 6. | Total current operating expenses | 3.35 | 3.31 | 2.62 | 3.18 | 3.34 | 3.86 | |
| 7. | Net current operating earnings | 1.17 | 1.17 | 1.05 | 1.24 | 1.16 | 1.20 | |
| 8. | Net income | 0.67 | 0.70 | 0.70 | 0.77 | 0.67 | 0.58 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | | |
| 9. | Interest on United States Government securities | 16.3 | 15.9 | 26.9 | 18.9 | 15.2 | 12.0 | |
| 10. | Interest and dividends on other securities | 8.9 | 9.1 | 15.1 | 13.0 | 8.5 | 3.9 | |
| 11. | Interest and discount on loans ¹ | 63.1 | 62.5 | 44.8 | 54.7 | 65.3 | 72.8 | |
| 12. | Service charges on deposit accounts | 7.8 | 7.9 | 11.0 | 8.6 | 7.2 | 6.9 | |
| 13. | Other current operating revenue | 3.9 | 4.6 | 2.2 | 4.8 | 3.8 | 4.4 | |
| 14. | Total current operating revenue | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 15. | Trust department earnings ² (part of item 13) | 2.0 | 2.4 | 0.7 | 2.7 | 2.2 | 1.7 | |
| 16. | Salaries and wages | 25.0 | 25.8 | 26.4 | 22.9 | 24.6 | 26.8 | |
| 17. | Interest on time and savings deposits | 28.1 | 27.0 | 26.4 | 28.3 | 29.1 | 26.4 | |
| 18. | Other current operating expenses | 21.0 | 21.1 | 18.7 | 20.9 | 20.6 | 23.1 | |
| 19. | Total current operating expenses | 74.1 | 73.9 | 71.5 | 72.1 | 74.3 | 76.3 | |
| 20. | Net current operating earnings | 25.9 | 26.1 | 28.5 | 27.9 | 25.7 | 23.7 | |
| 21. | Net profits and recoveries (+) or losses (-) ³ | - 0.7 | - 1.5 | - 2.5 | + 0.3 | - 0.7 | - 0.5 | |
| 22. | Net increase (-) or decrease (+) in valuation reserves ⁴ | - 2.6 | - 2.7 | - 0.3 | - 3.6 | - 3.4 | - 1.4 | |
| 23. | Taxes on net income | 7.6 | 6.1 | 6.2 | 7.3 | 6.8 | 10.3 | |
| 24. | Net profits | 15.0 | 15.8 | 19.5 | 17.3 | 14.8 | 11.5 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | | |
| Return on Securities | | | | | | | | |
| 25. | Interest on United States Government securities | 3.03 | 2.95 | 2.93 | 3.12 | 3.07 | 2.88 | |
| 26. | Interest and dividends on other securities | 2.82 | 2.75 | 2.71 | 3.07 | 2.82 | 2.64 | |
| 27. | Net profits & recoveries (+) or losses (-) on total securities ⁵ | + 0.13 | - 0.08 | - 0.04 | + 0.35 | + 0.04 | + 0.28 | |
| Return on Loans | | | | | | | | |
| 28. | Interest and discount on loans ¹ | 6.01 | 6.00 | 5.70 | 5.91 | 5.93 | 6.43 | |
| 29. | Net losses (-) or recoveries (+) on loans ⁶ | - 0.11 | - 0.08 | - 0.12 | - 0.06 | - 0.09 | - 0.20 | |
| DISTRIBUTION OF ASSETS | | | | | | | | |
| Percentage of Total Assets | | | | | | | | |
| 30. | United States Government securities | 23.8 | 23.6 | 33.4 | 26.6 | 22.3 | 20.8 | |
| 31. | Other securities | 14.0 | 14.3 | 20.7 | 18.7 | 13.9 | 7.5 | |
| 32. | Loans | 47.7 | 46.8 | 28.8 | 40.9 | 49.5 | 57.2 | |
| 33. | Cash assets | 12.7 | 13.5 | 16.0 | 11.9 | 12.5 | 12.3 | |
| 34. | Real estate assets | 1.4 | 1.5 | 1.0 | 1.4 | 1.4 | 1.7 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | | |
| 35. | Capital accounts to total assets | 7.7 | 7.6 | 8.3 | 7.4 | 7.8 | 7.5 | |
| 36. | Capital accounts to total assets, less United States Government securities and cash assets | 12.3 | 12.1 | 16.3 | 12.1 | 12.0 | 11.2 | |
| 37. | Capital accounts to total deposits | 8.6 | 8.4 | 9.1 | 8.1 | 8.7 | 8.4 | |
| 38. | Time to total deposits | 51.3 | 49.9 | 44.2 | 49.4 | 52.2 | 53.8 | |
| 39. | Interest on time deposits | 2.71 | 2.64 | 2.31 | 2.76 | 2.75 | 2.76 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | | |
| 40. | Total deposits | 32,800 | 31,661 | 27,225 | 36,513 | 31,701 | 35,140 | |
| 41. | Capital accounts | 2,821 | 2,622 | 2,477 | 2,958 | 2,758 | 2,952 | |

¹ See page 12 for this note and other note references in this table.

1961 Average Operating Ratios of Second District Member Banks in Group V—Deposits of \$50 Million or over

| Note: Balance-sheet figures used as a basis for the 1961 ratios are averages of amounts reported for December 31, 1960, June 30, 1961, and September 27, 1961. | Group average | | Loans to total assets, per cent—1961 | | | | YOUR BANK |
|--|---------------|---------|--------------------------------------|--------------|--------------|----------------|-----------|
| | 1961 | 1960 | 0-34.9 A | 35-44.9 B | 45-54.9 C | 55 and up D | |
| SUMMARY RATIOS | | | | | | | |
| Number of banks..... | 59 | 56 | 0 | 18 | 22 | 19 | |
| Percentage of Total Capital Accounts | | | | | | | |
| 1. Net current operating earnings | 18.4 | 19.2 | | 16.7 | 17.9 | 20.6 | |
| 2. Net income before related taxes | 15.5 | 15.2 | | 14.7 | 15.4 | 16.5 | |
| 3. Net income | 9.9 | 9.1 | | 10.3 | 9.9 | 9.6 | |
| 4. Dividends on capital | 5.0 | 4.7 | | 4.3 | 5.4 | 5.3 | |
| Percentage of Total Assets | | | | | | | |
| 5. Total current operating revenue | 4.76 | 4.73 | | 4.30 | 4.71 | 5.24 | |
| 6. Total current operating expenses | 3.48 | 3.39 | | 3.20 | 3.46 | 3.74 | |
| 7. Net current operating earnings | 1.28 | 1.34 | | 1.10 | 1.25 | 1.50 | |
| 8. Net income | 0.69 | 0.64 | | 0.68 | 0.69 | 0.71 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | |
| 9. Interest on United States Government securities | 15.4 | 14.6 | | 21.1 | 14.3 | 11.1 | |
| 10. Interest and dividends on other securities | 7.0 | 6.5 | | 9.4 | 7.9 | 3.8 | |
| 11. Interest and discount on loans ¹ | 65.1 | 65.3 | | 56.6 | 65.8 | 72.3 | |
| 12. Service charges on deposit accounts | 7.0 | 7.0 | | 6.9 | 7.5 | 6.7 | |
| 13. Other current operating revenue | 5.5 | 6.6 | | 6.0 | 4.5 | 6.1 | |
| 14. Total current operating revenue | 100.0 | 100.0 | | 100.0 | 100.0 | 100.0 | 100.0 |
| 15. Trust department earnings ² (part of item 13) | 3.5 | 3.5 | | 4.0 | 2.6 | 4.0 | |
| 16. Salaries and wages | 26.6 | 27.2 | | 26.5 | 26.5 | 26.8 | |
| 17. Interest on time and savings deposits | 23.5 | 21.5 | | 25.1 | 23.9 | 21.6 | |
| 18. Other current operating expenses | 23.0 | 23.2 | | 22.8 | 23.2 | 23.1 | |
| 19. Total current operating expenses | 73.1 | 71.9 | | 74.4 | 73.6 | 71.5 | |
| 20. Net current operating earnings | 26.9 | 28.1 | | 25.6 | 26.4 | 28.5 | |
| 21. Net profits and recoveries (+) or losses (-) ³ | - 0.2 | - 1.1 | | + 1.3 | - 0.1 | - 1.5 | |
| 22. Net increase (-) or decrease (+) in valuation reserves ⁴ | - 3.7 | - 4.5 | | - 4.1 | - 3.4 | - 3.7 | |
| 23. Taxes on net income | 8.3 | 9.1 | | 6.9 | 8.2 | 9.8 | |
| 24. Net profits | 14.7 | 13.4 | | 15.9 | 14.7 | 13.5 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | |
| Return on Securities | | | | | | | |
| 25. Interest on United States Government securities | 3.09 | 3.01 | | 3.08 | 3.07 | 3.11 | |
| 26. Interest and dividends on other securities | 2.82 | 2.70 | | 2.81 | 2.81 | 2.83 | |
| 27. Net profits & recoveries (+) or losses (-) on total securities ⁵ | + 0.24 | + 0.09 | | + 0.30 | + 0.17 | + 0.26 | |
| Return on Loans | | | | | | | |
| 28. Interest and discount on loans ¹ | 6.10 | 6.15 | | 5.77 | 6.14 | 6.37 | |
| 29. Net losses (-) or recoveries (+) on loans ⁶ | - 0.16 | - 0.10 | | - 0.14 | - 0.10 | - 0.24 | |
| DISTRIBUTION OF ASSETS | | | | | | | |
| Percentage of Total Assets | | | | | | | |
| 30. United States Government securities | 23.1 | 22.5 | | 29.4 | 21.9 | 18.5 | |
| 31. Other securities | 11.3 | 10.8 | | 14.0 | 13.0 | 6.9 | |
| 32. Loans | 50.8 | 50.3 | | 42.1 | 50.3 | 59.6 | |
| 33. Cash assets | 12.9 | 14.5 | | 12.8 | 13.0 | 12.8 | |
| 34. Real estate assets | 1.4 | 1.4 | | 1.2 | 1.3 | 1.6 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | |
| 35. Capital accounts to total assets | 7.0 | 7.0 | | 6.7 | 7.0 | 7.4 | |
| 36. Capital accounts to total assets, less United States Government securities and cash assets | 11.1 | 11.2 | | 11.6 | 10.8 | 10.8 | |
| 37. Capital accounts to total deposits | 7.8 | 7.8 | | 7.3 | 7.8 | 8.2 | |
| 38. Time to total deposits | 45.5 | 43.6 | | 44.2 | 45.8 | 46.3 | |
| 39. Interest on time deposits | 2.69 | 2.56 | | 2.66 | 2.71 | 2.69 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | |
| 40. Total deposits | 183,642 | 179,219 | | 163,078 | 172,672 | 215,825 | |
| 41. Capital accounts | 14,324 | 13,874 | | 12,720 | 13,468 | 17,698 | |

NO BANKS IN THIS LOAN TO ASSET CATEGORY

NOTES TO PAGES 6-11

* New York City banks include only those banks which have their main office located in Manhattan. One trust company was not included in the computation of average ratios.

1 Includes service charges and other fees on loans.

2 Excludes banks not reporting this item or reporting negligible amounts.

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 income and dividends report at the end of the preceding year from the balance on hand at the end of the current year.

5 Excludes transfers to and from valuation reserves for losses on securities.

6 Excludes transfers to and from valuation reserves for losses on loans.

a Less than 0.01 per cent.

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

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