

At 5965



OPERATING RATIOS INCOME AND DIVIDENDS OF SECOND DISTRICT MEMBER BANKS

1966

March 31, 1967

*To All Member Banks of the Second
Federal Reserve District:*

We are pleased to send you this report on the income and dividends and the operating ratios of our member banks for the year 1966, prepared by our Bank Examinations Department. The report is intended for use by your management in analyzing and making comparisons of your operations with those of banks in the same deposit grouping. If you should have any questions that arise from this report, you may direct your inquiries to the Bank Examinations Department.

Additional copies of this report are available upon request.

ALFRED HAYES,
President.

Federal Reserve Bank of New York

CONTENTS

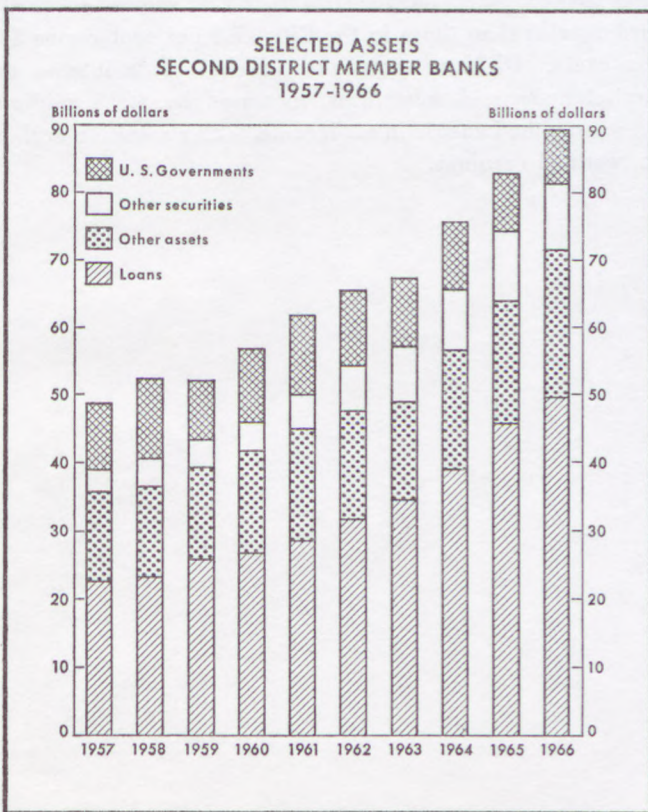
| | <i>Page</i> |
|--|-------------|
| Second District Member Banks Earnings and Condition Reports | 1 |
| <i>Tables</i> | |
| Income, Expenses, and Dividends of Second District Member Banks, 1964-1966 | 3 |
| 1966 Average Operating Ratios of All Member Banks in the Second District | 4 |
| 1966 Average Operating Ratios of Second District Member Banks— | |
| In New York City | 4 |
| Outside New York City | |
| With Deposits under \$5 Million | 5 |
| With Deposits of \$5 Million to \$20 Million | 6 |
| With Deposits of \$20 Million to \$50 Million | 7 |
| With Deposits of \$50 Million and over | 8 |
| Notes to Pages 4-8 | 9 |

Second District Member Banks Earnings and Condition Reports

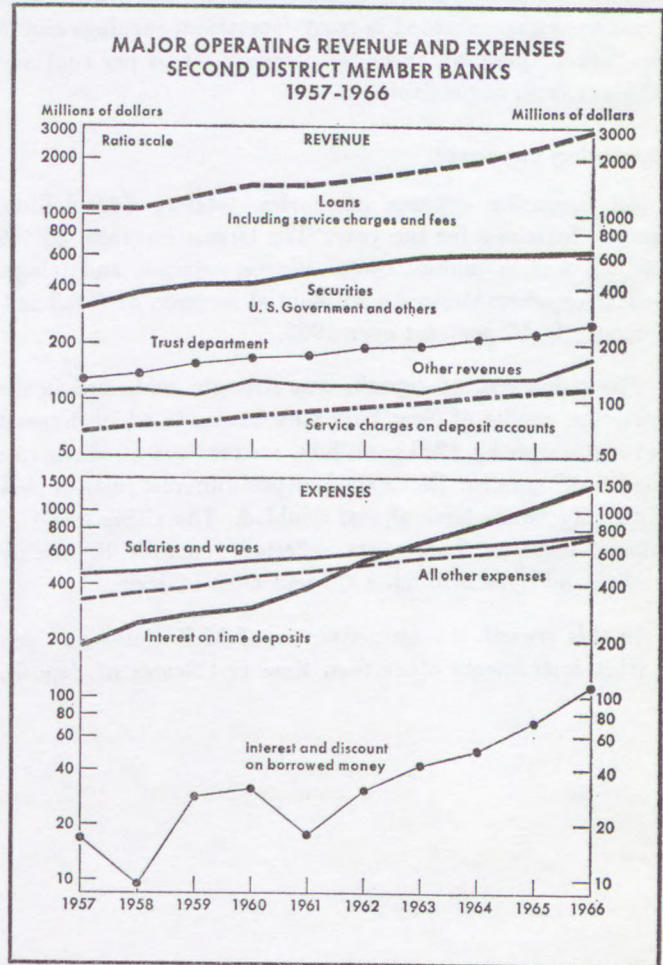
Summary

During 1966 net current operating earnings of Second District member banks registered their largest gain of the 1960's, rising 16.3 per cent above 1965 to almost \$1.1 billion. The major factor contributing to this rise was a \$551.1 million increase in earnings on loans, which reflected both rising loan portfolios and higher loan rates. The total revenue gain of \$650.3 million more than offset a sharp increase in costs of \$500 million, about three fifths of which represented rising interest costs.

The improvement in the net current operating earnings of New York City banks* was particularly notable, rising 17.3 per cent in 1966, compared with 2.2 per cent in 1965. Mem-



* This and all other references to "New York City banks" are to member banks that are classified reserve city banks. In prior years "New York City banks" referred to member banks that had been classified central reserve city banks before July 28, 1962, when that classification was abolished.



ber banks outside the City showed gains in net earnings of 13.3 per cent, compared with the 6.0 per cent gain recorded in 1965.

Operating revenues

All revenue categories showed advances except earnings on U. S. Government securities, which declined by \$6.3 million. Earnings on U. S. Government securities of Second District member banks have been contracting steadily since 1962, as holdings of such securities were reduced in order to accommodate the rising demands for credit from the private sector of the economy. During 1966, for example, the loan portfolios of Second District banks increased by more than

\$4 billion and the effective rate of return on loans reached a high of 6.46 per cent. Earnings on loans for the 399 member banks in the District advanced 23.9 per cent in 1966; they had risen 17.3 per cent a year earlier. The rise in loan earnings represented nearly 85 per cent of the total gain in current operating revenue achieved during the year. Large gains were also recorded in trust department earnings and in the "other operating revenue" category—13.4 per cent and 29.3 per cent, respectively.

Operating expenses

All operating expense categories, totaling \$3.0 billion, showed increases for the year. The largest increase, \$305.9 million, was in interest costs. Wages, salaries, and fringe-benefit expenses showed a substantial increase of \$80.3 million, nearly 10 per cent over 1965.

The rising cost of deposits was strongly evidenced in the operating results of New York City banks, in which interest payments rose by \$241.0 million, an increase of about one third in 12 months. Since 1964, deposit-interest costs of New York City banks have almost doubled. The rising trend of interest costs in these years reflected generally tightening credit conditions through 1965 and most of 1966.

In this regard, the attractiveness of high yields on open market instruments other than time certificates of deposit,

such as Treasury bills, limited the growth of time and savings accounts during 1966. For all Second District banks such deposits grew by only 0.9 per cent from year-end 1965 to year-end 1966.

Net income, taxes, dividends, and retained earnings

In spite of substantial transfers to valuation reserves (\$67.3 million) and charge-offs on securities (\$160.6 million) and on loans (\$88.0 million), District member banks gained \$45.3 million, or 6.4 per cent, in net income before taxes. New York City banks' net income before taxes increased 7.2 per cent although these banks incurred substantial security charge-offs as they reduced their securities portfolios to meet the strong loan demand of business customers during the year.

Net income after taxes increased by \$23.2 million, or 4.3 per cent, over 1965. This gain was about equal to that experienced a year earlier. In contrast to net operating earnings and net income before taxes, net income after taxes of District member banks outside New York City showed relatively larger gains than those in the City (7.4 per cent versus 3.0 per cent). Dividend payments, which include interest on capital notes and debentures, increased by \$27.1 million, more than the increase in net income, with a resulting decline in retained earnings.

Income, Expenses, and Dividends of Second District Member Banks

1964-1966

(In millions of dollars)

| Item | All Second District member banks | | | New York City reserve city banks | | | All other Second District member banks | | |
|---|----------------------------------|----------------|----------------|----------------------------------|----------------|----------------|--|----------------|--------------|
| | 1966 | 1965 | 1964 | 1966 | 1965 | 1964 | 1966 | 1965 | 1964 |
| Number of banks..... | 399 | 409 | 419 | 12 | 12 | 13 | 387 | 397 | 406 |
| Current Operating Revenue: | | | | | | | | | |
| On United States Government securities..... | 304.6 | 310.9 | 350.8 | 175.9 | 178.9 | 214.4 | 128.7 | 132.0 | 136.4 |
| On other securities..... | 336.1 | 305.6 | 257.6 | 212.0 | 203.6 | 170.9 | 124.1 | 102.0 | 86.7 |
| On loans (including service charges and fees on loans)..... | 2,855.4 | 2,804.3 | 1,964.5 | 1,996.6 | 1,558.2 | 1,299.4 | 858.8 | 746.1 | 665.1 |
| Service charges on deposit accounts..... | 116.3 | 109.5 | 102.5 | 48.2 | 46.7 | 43.8 | 68.1 | 62.8 | 58.7 |
| Trust department earnings..... | 258.1 | 227.7 | 211.4 | 220.7 | 194.2 | 181.6 | 37.4 | 33.5 | 29.8 |
| Other current operating revenue..... | 166.9 | 129.1 | 127.8 | 139.3 | 106.0 | 106.5 | 27.6 | 23.1 | 21.3 |
| Total current operating revenue..... | 4,037.4 | 3,887.1 | 3,014.6 | 2,792.7 | 2,287.6 | 2,016.6 | 1,244.7 | 1,099.5 | 998.0 |
| Current Operating Expenses: | | | | | | | | | |
| Salaries and wages—officers and employees..... | 752.8 | 687.4 | 656.4 | 484.5 | 438.2 | 420.9 | 268.3 | 249.2 | 235.5 |
| Pension, hospitalization, social security taxes, etc..... | 144.5 | 129.6 | 119.5 | 101.8 | 92.1 | 84.6 | 42.7 | 37.5 | 34.9 |
| Interest on time and savings deposits..... | 1,379.5 | 1,073.6 | 826.5 | 951.7 | 710.7 | 514.6 | 427.8 | 362.9 | 311.9 |
| Interest and discount on borrowed money..... | 112.3 | 70.7 | 50.1 | 99.7 | 63.4 | 45.8 | 12.6 | 7.3 | 4.3 |
| Net occupancy expense of bank premises..... | 176.7 | 161.0 | 151.4 | 118.1 | 106.8 | 101.9 | 58.6 | 54.2 | 49.5 |
| Furniture and equipment—depreciation, rents, etc..... | 67.7 | 60.6 | 56.3 | 37.2 | 33.5 | 31.9 | 30.5 | 27.1 | 24.4 |
| Other current operating expenses..... | 329.0 | 279.6 | 258.1 | 195.0 | 156.7 | 145.5 | 134.0 | 122.9 | 112.6 |
| Total current operating expenses..... | 2,962.5 | 2,462.5 | 2,118.3 | 1,988.0 | 1,601.4 | 1,345.2 | 974.5 | 861.1 | 773.1 |
| Net current operating earnings..... | 1,074.9 | 924.6 | 896.3 | 804.7 | 686.2 | 671.4 | 270.2 | 238.4 | 224.9 |
| Net recoveries (+) or charge-offs (-) on loans..... | - 88.0 | - 59.1 | - 43.1 | - 59.3 | - 40.1 | - 20.0 | - 28.7 | - 19.0 | - 23.1 |
| Securities profits and recoveries (+) or charge-offs (-)..... | -160.6 | - 3.6 | - 28.8 | -143.0 | + 0.8 | - 21.0 | - 17.6 | - 4.4 | - 7.8 |
| All other recoveries (+) or charge-offs (-)..... | - 3.1 | - 0.6 | + 3.9 | + 0.2 | - 2.3 | + 1.3 | - 3.3 | + 1.7 | + 2.6 |
| Net additions to (-) or deductions from (+) valuation reserves for: | | | | | | | | | |
| Loan losses..... | - 74.3 | -172.0 | - 76.7 | - 60.8 | -154.0 | - 51.5 | - 13.5 | - 18.0 | - 25.2 |
| Securities losses..... | + 7.0 | + 21.3 | + 0.8 | + 2.4 | + 17.0 | + 0.5 | + 4.6 | + 4.3 | + 0.3 |
| Net income before related taxes..... | 755.9 | 710.6 | 752.4 | 544.2 | 507.6 | 580.7 | 211.7 | 203.0 | 171.7 |
| Taxes on net income..... | 195.9 | 174.8 | 241.1 | 155.0 | 129.9 | 199.0 | 41.9 | 44.9 | 42.1 |
| Net income..... | 559.0 | 535.8 | 511.3 | 389.2 | 377.7 | 381.7 | 169.8 | 158.1 | 129.6 |
| Dividends declared (including interest on debt capital)..... | 342.1 | 315.0 | 278.0 | 259.4 | 240.3 | 212.9 | 82.7 | 74.7 | 65.1 |
| Net income after dividends..... | 216.9 | 220.8 | 233.3 | 129.8 | 137.4 | 168.8 | 87.1 | 83.4 | 64.5 |

Note: Data excludes those banks that have merged during the year for which the continuing institutions have not submitted consolidated year-end reports.

1966 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 1966 ratios are averages of amounts reported for December 31, 1965, April 5, 1966, June 30, 1966, September 20, 1966, and December 31, 1966. Ratios for 1965 have been recomputed by using a similar base. | BANKS IN NEW YORK CITY* | | | | | | | | YOUR BANK |
|--|---------------------------|---------|------------------------------|--------|--|---------|---------------------------|-----------|-----------|
| | All Second District Banks | | Deposits under \$100 million | | Deposits of \$100 million to \$1 billion | | Deposits over \$1 billion | | |
| | 1966 | 1965 | 1966 | 1965 | 1966 | 1965 | 1966 | 1965 | |
| SUMMARY RATIOS | Number of banks..... | | | | | | | | |
| | 388 | 400 | 3 | 4 | 6 | 5 | 8 | 8 | |
| Percentage of Total Capital Accounts | | | | | | | | | |
| 1. Net current operating earnings | 13.83 | 12.75 | 16.91 | 14.78 | 19.79 | 17.39 | 16.14 | 14.80 | |
| 2. Net income before related taxes | 10.50 | 10.28 | 9.02 | 10.73 | 16.85 | 14.15 | 10.39 | 10.79 | |
| 3. Net income (after taxes) | 8.29 | 7.74 | 5.02 | 7.67 | 12.13 | 9.66 | 7.19 | 7.87 | |
| 4. Dividends declared | 3.28 | 3.19 | 3.45 | 3.31 | 4.03 | 4.20 | 5.31 | 5.04 | |
| Percentage of Total Assets | | | | | | | | | |
| 5. Total current operating revenue..... | 5.21 | 4.93 | 5.46 | 4.77 | 5.33 | 4.66 | 4.45 | 3.98 | |
| 6. Total current operating expenses | 4.11 | 3.92 | 4.20 | 3.61 | 3.91 | 3.39 | 3.17 | 2.76 | |
| 7. Net current operating earnings | 1.10 | 1.01 | 1.26 | 1.16 | 1.41 | 1.26 | 1.28 | 1.21 | |
| 8. Net income (after taxes) | .66 | .61 | .37 | .61 | .88 | .73 | .58 | .65 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | | | |
| 9. Interest on U. S. Government obligations | 15.20 | 16.24 | 8.97 | 10.23 | 9.22 | 11.85 | 6.91 | 8.46 | |
| 10. Interest and dividends on other securities | 8.78 | 8.23 | 3.11 | 7.15 | 11.17 | 7.61 | 6.88 | 8.21 | |
| 11. Earnings on loans ¹ | 66.65 | 66.02 | 71.62 | 67.89 | 68.82 | 66.59 | 71.81 | 68.18 | |
| 12. Service charges on deposit accounts | 5.95 | 6.17 | 3.77 | 3.71 | 3.31 | 3.85 | 1.50 | 1.75 | |
| 13. All other current operating revenue | 3.42 | 3.35 | 12.54 | 11.03 | 7.48 | 10.11 | 12.91 | 13.41 | |
| 14. Total current operating revenue | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 15. Trust department earnings ² (part of item 13) | 2.67 | 2.75 | b | b | 5.81 | 7.08 | 7.93 | 8.68 | |
| 16. Salaries and wages (officers and employees) | 22.08 | 23.13 | 23.14 | 22.45 | 20.69 | 25.40 | 17.95 | 19.92 | |
| 17. Pension, hospitalization, and other benefits | 2.89 | 2.84 | 4.03 | 3.61 | 3.33 | 3.79 | 3.35 | 3.61 | |
| 18. Interest on time and savings deposits | 36.29 | 35.06 | 33.09 | 32.86 | 32.37 | 24.50 | 32.38 | 29.54 | |
| 19. Net occupancy expense of bank premises | 4.19 | 4.47 | 4.08 | 3.97 | 4.69 | 6.13 | 4.16 | 4.54 | |
| 20. All other current operating expenses | 13.59 | 14.06 | 12.48 | 12.56 | 12.86 | 13.32 | 13.41 | 11.94 | |
| 21. Total current operating expenses | 78.99 | 79.56 | 76.83 | 75.45 | 73.95 | 73.19 | 71.25 | 69.55 | |
| 22. Net current operating earnings | 21.01 | 20.44 | 23.17 | 24.55 | 26.05 | 26.81 | 28.75 | 30.46 | |
| 23. Net recoveries and profits (+) or losses (-) ³ | - 3.37 | - 2.32 | - 6.49 | - 3.31 | - 2.72 | - 2.22 | - 7.52 | - 2.53 | |
| 24. Net increase (-) or decrease (+) in valuation reserves ⁴ | - 1.57 | - 1.60 | - 4.75 | - 3.54 | - .63 | - 1.71 | - 2.64 | - 5.63 | |
| 25. Taxes on net income | 3.37 | 4.12 | 5.18 | 4.67 | 6.13 | 7.24 | 5.71 | 6.08 | |
| 26. Net income | 12.69 | 12.41 | 6.74 | 13.04 | 16.58 | 15.63 | 12.88 | 16.22 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | | | |
| Return on Securities | | | | | | | | | |
| 27. Interest on U. S. Government obligations | 4.33 | 3.83 | 3.55 | 3.25 | 3.79 | 3.73 | 3.81 | 3.52 | |
| 28. Interest and dividends on other securities | 3.23 | 3.05 | 2.68 | 2.66 | 3.82 | 3.13 | 3.61 | 3.22 | |
| 29. Net recoveries & profits (+) or losses (-) on total securities ⁵ | - .24 | - .06 | - .77 | - .21 | - .33 | + .06 | - 1.49 | - .09 | |
| Return on Loans | | | | | | | | | |
| 30. Earnings on loans ¹ | 6.46 | 6.27 | 6.20 | 5.62 | 6.60 | 5.60 | 5.71 | 5.12 | |
| 31. Net losses (-) or recoveries (+) on loans ⁶ | - .18 | - .17 | - .34 | - .14 | - .24 | - .23 | - .17 | - .16 | |
| DISTRIBUTION OF ASSETS | | | | | | | | | |
| Percentage of Total Assets | | | | | | | | | |
| 32. U. S. Government obligations | 18.07 | 20.50 | 14.27 | 14.56 | 12.80 | 15.14 | 7.91 | 9.38 | |
| 33. Other securities | 14.17 | 13.25 | 3.92 | 8.13 | 14.91 | 11.37 | 8.55 | 10.11 | |
| 34. Loans | 54.03 | 52.30 | 62.96 | 57.39 | 55.03 | 54.95 | 55.99 | 52.96 | |
| 35. Cash assets | 11.59 | 11.85 | 16.58 | 17.83 | 14.92 | 15.85 | 22.26 | 22.36 | |
| 36. Real estate assets | 1.43 | 1.46 | .65 | .68 | .80 | .99 | 1.06 | 1.02 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | | | |
| 37. Capital accounts to total assets | 8.21 | 8.41 | 7.60 | 7.89 | 7.13 | 7.34 | 8.02 | 8.28 | |
| 38. Capital accounts to total assets, less U. S. Government securities and cash assets | 12.29 | 13.07 | 11.03 | 11.86 | 9.95 | 10.69 | 11.45 | 12.07 | |
| 39. Capital accounts to total deposits | 9.25 | 9.51 | 8.52 | 8.82 | 8.00 | 8.26 | 9.87 | 10.02 | |
| 40. Time and savings to total deposits | 56.69 | 55.55 | 44.47 | 43.75 | 39.95 | 32.97 | 35.22 | 34.05 | |
| 41. Interest on time and savings deposits | 3.69 | 3.43 | 4.44 | 3.94 | 4.65 | 3.73 | 5.01 | 4.13 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | | | |
| Total deposits | 181,199 | 164,901 | 80,042 | 78,304 | 299,588 | 293,402 | 5,773,652 | 5,429,338 | |
| Capital accounts | 17,791 | 16,182 | 6,984 | 6,957 | 26,654 | 26,926 | 608,509 | 571,292 | |

* New York City banks include only those banks that have their main office located in Manhattan.

¹ See page 9 for the note to "Earnings on loans" and other notes referred to in this table.

1966 Average Operating Ratios of Second District Member Banks

Outside New York City with Deposits under \$5 Million

| Note: Balance-sheet figures used as a basis for the 1966 ratios are averages of amounts reported for December 31, 1965, April 5, 1966, June 30, 1966, September 20, 1966, and December 31, 1966. Ratios for 1965 have been recomputed by using a similar base. | Group average | | Loans to total assets, per cent—1966 | | | | YOUR BANK |
|--|---------------|--------|--------------------------------------|--------|--------|---------|-----------|
| | 1966 | 1965 | Under 40 | 40-50 | 50-60 | Over 60 | |
| SUMMARY RATIOS | | | | | | | |
| Number of banks..... | 63 | 81 | 9 | 16 | 22 | 16 | |
| Percentage of Total Capital Accounts | | | | | | | |
| 1. Net current operating earnings | 11.25 | 9.86 | 8.43 | 10.96 | 12.66 | 11.19 | |
| 2. Net income before related taxes | 8.90 | 8.07 | 7.56 | 9.92 | 10.24 | 6.79 | |
| 3. Net income (after taxes) | 6.83 | 5.95 | 6.47 | 7.74 | 7.80 | 4.81 | |
| 4. Dividends declared | 2.19 | 2.03 | 2.66 | 2.46 | 2.40 | 1.36 | |
| Percentage of Total Assets | | | | | | | |
| 5. Total current operating revenue..... | 5.22 | 4.92 | 4.48 | 5.04 | 5.29 | 5.70 | |
| 6. Total current operating expenses | 4.08 | 3.96 | 3.55 | 3.83 | 4.10 | 4.61 | |
| 7. Net current operating earnings | 1.13 | .96 | .92 | 1.21 | 1.19 | 1.09 | |
| 8. Net income (after taxes) | .68 | .56 | .71 | .87 | .73 | .42 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | |
| 9. Interest on U. S. Government obligations | 20.81 | 19.61 | 38.04 | 25.24 | 18.14 | 10.36 | |
| 10. Interest and dividends on other securities | 6.43 | 6.46 | 9.13 | 6.90 | 6.95 | 3.73 | |
| 11. Earnings on loans ¹ | 64.90 | 66.21 | 43.62 | 61.16 | 66.89 | 77.86 | |
| 12. Service charges on deposit accounts | 5.68 | 5.83 | 7.35 | 5.12 | 5.84 | 5.10 | |
| 13. All other current operating revenue | 2.17 | 1.88 | 1.81 | 1.57 | 2.17 | 2.96 | |
| 14. Total current operating revenue | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 15. Trust department earnings ² (part of item 13) | b | .83 | c | b | c | c | |
| 16. Salaries and wages (officers and employees) | 24.14 | 25.69 | 24.70 | 24.79 | 23.20 | 24.46 | |
| 17. Pension, hospitalization, and other benefits | 2.41 | 2.38 | 1.56 | 2.54 | 2.79 | 2.25 | |
| 18. Interest on time and savings deposits | 34.67 | 32.66 | 37.86 | 33.48 | 35.46 | 32.98 | |
| 19. Net occupancy expense of bank premises | 3.44 | 4.58 | 2.99 | 3.27 | 3.45 | 3.87 | |
| 20. All other current operating expenses | 13.76 | 15.60 | 12.56 | 12.51 | 12.65 | 17.20 | |
| 21. Total current operating expenses | 78.43 | 80.90 | 79.70 | 76.59 | 77.53 | 80.78 | |
| 22. Net current operating earnings | 21.57 | 19.09 | 20.30 | 23.40 | 22.47 | 19.21 | |
| 23. Net recoveries and profits (+) or losses (-) ³ | - 3.30 | - 2.52 | - 1.59 | - 1.07 | - 3.01 | - 6.90 | |
| 24. Net increase (-) or decrease (+) in valuation reserves ⁴ | - 1.03 | - 1.09 | - .42 | - 1.04 | - 1.00 | - 1.40 | |
| 25. Taxes on net income | 3.96 | 4.24 | 2.69 | 4.67 | 4.43 | 3.34 | |
| 26. Net income | 13.27 | 11.24 | 15.62 | 16.62 | 14.01 | 7.59 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | |
| Return on Securities | | | | | | | |
| 27. Interest on U. S. Government obligations | 4.44 | 3.79 | 4.69 | 4.58 | 4.30 | 4.38 | |
| 28. Interest and dividends on other securities | 3.30 | 3.39 | 3.17 | 2.96 | 3.60 | 3.31 | |
| 29. Net recoveries & profits (+) or losses (-) on total securities ⁵ | - .17 | - .05 | - .08 | a | - .17 | - .37 | |
| Return on Loans | | | | | | | |
| 30. Earnings on loans ¹ | 6.69 | 6.54 | 6.63 | 6.63 | 6.67 | 6.77 | |
| 31. Net losses (-) or recoveries (+) on loans ⁶ | - .24 | - .20 | - .08 | - .11 | - .21 | - .51 | |
| DISTRIBUTION OF ASSETS | | | | | | | |
| Percentage of Total Assets | | | | | | | |
| 32. U. S. Government obligations | 24.14 | 24.85 | 40.22 | 28.19 | 22.25 | 13.64 | |
| 33. Other securities | 10.72 | 9.79 | 16.49 | 11.64 | 11.18 | 5.91 | |
| 34. Loans | 51.25 | 50.56 | 30.18 | 46.14 | 53.10 | 65.69 | |
| 35. Cash assets | 12.21 | 12.73 | 11.83 | 12.56 | 11.83 | 12.59 | |
| 36. Real estate assets | 1.23 | 1.64 | .70 | 1.17 | 1.17 | 1.66 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | |
| 37. Capital accounts to total assets | 10.48 | 10.93 | 11.54 | 10.57 | 9.98 | 10.48 | |
| 38. Capital accounts to total assets, less U. S. Government securities and cash assets | 18.36 | 19.04 | 33.76 | 17.98 | 15.29 | 14.29 | |
| 39. Capital accounts to total deposits | 12.02 | 12.67 | 13.52 | 12.04 | 11.32 | 12.12 | |
| 40. Time and savings to total deposits | 56.24 | 53.83 | 55.45 | 52.02 | 58.27 | 58.09 | |
| 41. Interest on time and savings deposits | 3.49 | 3.28 | 3.17 | 3.35 | 3.61 | 3.65 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | |
| Total deposits | 3,140 | 3,184 | 3,581 | 2,740 | 3,149 | 3,279 | |
| Capital accounts | 369 | 394 | 487 | 316 | 344 | 392 | |

¹ See page 9 for the note to "Earnings on loans" and other notes referred to in this table.

1966 Average Operating Ratios of Second District Member Banks Outside New York City with Deposits of \$5 Million to \$20 Million

| Note: Balance-sheet figures used as a basis for the 1966 ratios are averages of amounts reported for December 31, 1965, April 5, 1966, June 30, 1966, September 20, 1966, and December 31, 1966. Ratios for 1965 have been recomputed by using a similar base. | | Group average | | Loans to total assets, per cent.—1966 | | | | YOUR BANK |
|--|--|---------------|--------|---------------------------------------|--------|--------|------------|--------------|
| | | 1966 | 1965 | Under 40 | 40-50 | 50-60 | Over 60 | |
| SUMMARY RATIOS | Number of banks..... | 149 | 153 | 13 | 38 | 52 | 46 | |
| Percentage of Total Capital Accounts | | | | | | | | |
| 1. | Net current operating earnings | 13.39 | 12.55 | 12.45 | 12.35 | 13.64 | 14.22 | |
| 2. | Net income before related taxes | 9.86 | 9.76 | 10.36 | 8.73 | 10.75 | 9.65 | |
| 3. | Net income (after taxes) | 7.85 | 7.10 | 8.61 | 7.17 | 8.56 | 7.41 | |
| 4. | Dividends declared | 2.82 | 2.86 | 3.07 | 2.75 | 2.94 | 2.66 | |
| Percentage of Total Assets | | | | | | | | |
| 5. | Total current operating revenue | 5.14 | 4.88 | 4.35 | 4.82 | 5.16 | 5.59 | |
| 6. | Total current operating expenses | 4.06 | 3.88 | 3.39 | 3.84 | 4.09 | 4.39 | |
| 7. | Net current operating earnings | 1.08 | 1.00 | .95 | .99 | 1.07 | 1.20 | |
| 8. | Net income (after taxes) | .64 | .57 | .67 | .58 | .68 | .63 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | | |
| 9. | Interest on U. S. Government obligations | 17.46 | 18.13 | 37.79 | 22.01 | 15.29 | 10.40 | |
| 10. | Interest and dividends on other securities | 8.55 | 8.01 | 14.43 | 11.27 | 8.39 | 4.81 | |
| 11. | Earnings on loans ¹ | 65.88 | 65.31 | 39.90 | 57.41 | 68.17 | 77.62 | |
| 12. | Service charges on deposit accounts | 5.91 | 6.28 | 5.39 | 6.58 | 5.97 | 5.43 | |
| 13. | All other current operating revenue | 2.21 | 2.26 | 2.49 | 2.73 | 2.19 | 1.73 | |
| 14. | Total current operating revenue | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 15. | Trust department earnings ² (part of item 13) | 1.22 | 1.30 | .78 | 1.80 | .98 | .78 | |
| 16. | Salaries and wages (officers and employees) | 21.52 | 22.27 | 19.82 | 22.08 | 21.89 | 21.12 | |
| 17. | Pension, hospitalization, and other benefits | 2.63 | 2.62 | 1.70 | 2.83 | 2.84 | 2.47 | |
| 18. | Interest on time and savings deposits | 37.89 | 37.34 | 40.60 | 37.86 | 37.98 | 37.06 | |
| 19. | Net occupancy expense of bank premises | 3.97 | 3.96 | 3.67 | 4.06 | 3.86 | 4.09 | |
| 20. | All other current operating expenses | 13.07 | 13.45 | 12.18 | 12.86 | 12.70 | 13.92 | |
| 21. | Total current operating expenses | 79.07 | 79.65 | 77.96 | 79.70 | 79.27 | 78.65 | |
| 22. | Net current operating earnings | 20.93 | 20.35 | 22.04 | 20.30 | 20.73 | 21.35 | |
| 23. | Net recoveries and profits (+) or losses (-) ³ | - 2.99 | - 2.43 | - 2.34 | - 3.74 | - 2.55 | - 3.07 | |
| 24. | Net increase (-) or decrease (+) in valuation reserves ⁴ | - 2.32 | - 1.86 | - 1.39 | - 1.95 | - 1.62 | - 3.67 | |
| 25. | Taxes on net income | 3.17 | 4.31 | 2.91 | 2.52 | 3.48 | 3.43 | |
| 26. | Net income | 12.44 | 11.75 | 15.40 | 12.08 | 13.09 | 11.18 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | | |
| Return on Securities | | | | | | | | |
| 27. | Interest on U. S. Government obligations | 4.51 | 3.86 | 4.67 | 4.65 | 4.37 | 4.51 | |
| 28. | Interest and dividends on other securities | 3.18 | 2.94 | 3.50 | 3.16 | 3.13 | 3.15 | |
| 29. | Net recoveries & profits (+) or losses (-) on total securities ⁵ | - .20 | - .05 | - .12 | - .30 | - .19 | - .15 | |
| Return on Loans | | | | | | | | |
| 30. | Earnings on loans ¹ | 6.39 | 6.24 | 6.03 | 6.12 | 6.44 | 6.66 | |
| 31. | Net losses (-) or recoveries (+) on loans ⁶ | - .15 | - .17 | - .10 | - .12 | - .16 | - .19 | |
| DISTRIBUTION OF ASSETS | | | | | | | | |
| Percentage of Total Assets | | | | | | | | |
| 32. | U. S. Government obligations | 19.95 | 22.42 | 38.24 | 24.29 | 18.35 | 13.01 | |
| 33. | Other securities | 13.79 | 12.99 | 19.37 | 17.67 | 14.10 | 8.66 | |
| 34. | Loans | 53.25 | 51.54 | 28.88 | 45.15 | 54.66 | 65.25 | |
| 35. | Cash assets | 10.98 | 11.17 | 12.06 | 11.08 | 10.99 | 10.60 | |
| 36. | Real estate assets | 1.54 | 1.48 | 1.06 | 1.29 | 1.49 | 1.93 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | | |
| 37. | Capital accounts to total assets | 8.32 | 8.21 | 7.98 | 8.20 | 8.13 | 8.72 | |
| 38. | Capital accounts to total assets, less U. S. Government securities and cash assets | 12.45 | 12.79 | 18.35 | 12.83 | 11.57 | 11.46 | |
| 39. | Capital accounts to total deposits | 9.30 | 9.20 | 8.83 | 9.09 | 9.06 | 9.88 | |
| 40. | Time and savings to total deposits | 59.39 | 59.06 | 55.98 | 57.50 | 59.14 | 62.19 | |
| 41. | Interest on time and savings deposits | 3.60 | 3.39 | 3.46 | 3.48 | 3.65 | 3.70 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | | |
| | Total deposits | 10,783 | 11,133 | 10,195 | 11,402 | 11,241 | 9,920 | |
| | Capital accounts | 976 | 984 | 903 | 1,005 | 984 | 964 | |

¹ See page 9 for the note to "Earnings on loans" and other notes referred to in this table.

1966 Average Operating Ratios of Second District Member Banks Outside New York City with Deposits of \$20 Million to \$50 Million

| Note: Balance-sheet figures used as a basis for the 1966 ratios are averages of amounts reported for December 31, 1965, April 5, 1966, June 30, 1966, September 20, 1966, and December 31, 1966. Ratios for 1965 have been recomputed by using a similar base. | Group average | | Loans to total assets, per cent—1966 | | | | YOUR BANK |
|--|---------------|--------|--------------------------------------|--------|--------|------------|--------------|
| | 1966 | 1965 | Under 40 | 40-50 | 50-60 | Over 60 | |
| SUMMARY RATIOS | | | | | | | |
| Number of banks..... | 77 | 70 | 4 | 17 | 34 | 22 | |
| Percentage of Total Capital Accounts | | | | | | | |
| 1. Net current operating earnings | 14.04 | 13.17 | 13.55 | 13.74 | 13.81 | 14.70 | |
| 2. Net income before related taxes | 10.44 | 10.63 | 10.52 | 11.05 | 10.29 | 10.17 | |
| 3. Net income (after taxes) | 8.34 | 8.28 | 9.59 | 8.80 | 8.48 | 7.56 | |
| 4. Dividends declared | 3.19 | 3.28 | 3.57 | 3.36 | 2.97 | 3.33 | |
| Percentage of Total Assets | | | | | | | |
| 5. Total current operating revenue..... | 5.27 | 5.05 | 4.45 | 4.90 | 5.45 | 5.44 | |
| 6. Total current operating expenses | 4.26 | 4.08 | 3.50 | 3.90 | 4.46 | 4.38 | |
| 7. Net current operating earnings | 1.01 | .97 | .95 | .99 | .99 | 1.06 | |
| 8. Net income (after taxes) | .60 | .61 | .66 | .64 | .61 | .55 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | |
| 9. Interest on U. S. Government obligations | 13.13 | 14.83 | 22.76 | 20.02 | 10.89 | 9.52 | |
| 10. Interest and dividends on other securities | 9.78 | 9.06 | 15.70 | 11.00 | 10.48 | 6.69 | |
| 11. Earnings on loans ¹ | 66.92 | 65.75 | 51.04 | 57.70 | 68.09 | 75.12 | |
| 12. Service charges on deposit accounts | 6.86 | 6.95 | 8.53 | 6.68 | 7.55 | 5.64 | |
| 13. All other current operating revenue | 3.31 | 3.41 | 1.98 | 4.61 | 3.00 | 3.04 | |
| 14. Total current operating revenue | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 15. Trust department earnings ² (part of item 13) | 2.04 | 2.19 | .29 | 4.11 | 1.75 | 1.25 | |
| 16. Salaries and wages (officers and employees) | 22.15 | 22.78 | 24.32 | 22.33 | 22.53 | 21.01 | |
| 17. Pension, hospitalization, and other benefits | 3.05 | 2.98 | 3.19 | 2.99 | 3.11 | 2.98 | |
| 18. Interest on time and savings deposits | 37.11 | 36.32 | 32.01 | 37.98 | 36.65 | 38.07 | |
| 19. Net occupancy expense of bank premises | 4.48 | 4.71 | 4.89 | 4.18 | 4.83 | 4.11 | |
| 20. All other current operating expenses | 14.05 | 13.96 | 14.07 | 12.27 | 14.62 | 14.54 | |
| 21. Total current operating expenses | 80.84 | 80.75 | 78.47 | 79.76 | 81.73 | 80.72 | |
| 22. Net current operating earnings | 19.16 | 19.25 | 21.53 | 20.24 | 18.27 | 19.28 | |
| 23. Net recoveries and profits (+) or losses (-) ³ | - 3.03 | - 2.14 | - 4.36 | - 2.42 | - 2.97 | - 3.34 | |
| 24. Net increase (-) or decrease (+) in valuation reserves ⁴ | - 1.76 | - 1.49 | - 1.09 | - 1.42 | - 1.51 | - 2.52 | |
| 25. Taxes on net income | 2.86 | 3.40 | 1.47 | 3.36 | 2.40 | 3.43 | |
| 26. Net income | 11.52 | 12.22 | 14.61 | 13.04 | 11.38 | 10.00 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | |
| Return on Securities | | | | | | | |
| 27. Interest on U. S. Government obligations | 4.16 | 3.83 | 3.84 | 4.15 | 4.14 | 4.24 | |
| 28. Interest and dividends on other securities | 3.22 | 2.96 | 3.37 | 2.98 | 3.23 | 3.38 | |
| 29. Net recoveries & profits (+) or losses (-) on total securities ⁵ | - .22 | - .07 | - .15 | - .21 | - .13 | - .38 | |
| Return on Loans | | | | | | | |
| 30. Earnings on loans ¹ | 6.49 | 6.35 | 6.04 | 6.31 | 6.69 | 6.40 | |
| 31. Net losses (-) or recoveries (+) on loans ⁶ | - .14 | - .14 | - .03 | - .08 | - .20 | - .12 | |
| DISTRIBUTION OF ASSETS | | | | | | | |
| Percentage of Total Assets | | | | | | | |
| 32. U. S. Government obligations | 16.40 | 19.25 | 26.29 | 23.16 | 14.35 | 12.54 | |
| 33. Other securities | 15.75 | 15.19 | 20.72 | 17.88 | 17.31 | 10.80 | |
| 34. Loans | 54.58 | 52.59 | 37.42 | 44.68 | 55.55 | 63.86 | |
| 35. Cash assets | 11.08 | 10.91 | 13.95 | 12.39 | 10.54 | 10.39 | |
| 36. Real estate assets | 1.60 | 1.54 | 1.00 | 1.34 | 1.65 | 1.83 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | |
| 37. Capital accounts to total assets | 7.33 | 7.45 | 7.32 | 7.38 | 7.27 | 7.38 | |
| 38. Capital accounts to total assets, less U. S. Government securities and cash assets | 10.20 | 10.78 | 12.36 | 11.48 | 9.72 | 9.55 | |
| 39. Capital accounts to total deposits | 8.17 | 8.28 | 8.23 | 8.18 | 8.10 | 8.27 | |
| 40. Time and savings to total deposits | 58.05 | 57.33 | 50.18 | 54.51 | 59.39 | 60.13 | |
| 41. Interest on time and savings deposits | 3.72 | 3.51 | 3.03 | 3.74 | 3.73 | 3.81 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | |
| Total deposits | 29,856 | 30,237 | 31,806 | 26,040 | 29,695 | 32,698 | |
| Capital accounts | 2,465 | 2,527 | 2,741 | 2,112 | 2,404 | 2,780 | |

¹ See page 9 for the note to "Earnings on loans" and other notes referred to in this table.

1966 Average Operating Ratios of Second District Member Banks Outside New York City with Deposits of \$50 Million and Over

| Note: Balance-sheet figures used as a basis for the 1966 ratios are averages of amounts reported for December 31, 1965, April 5, 1966, June 30, 1966, September 20, 1966, and December 31, 1966. Ratios for 1965 have been recomputed by using a similar base. | Group average | | Loans to total assets, per cent—1966 | | | | YOUR BANK |
|--|---------------|---------|--------------------------------------|---------|---------|---------|-----------|
| | 1966 | 1965 | Under 40 | 40-50 | 50-60 | Over 60 | |
| SUMMARY RATIOS | 82 | 79 | 2 | 8 | 45 | 27 | |
| Number of banks..... | | | | | | | |
| Percentage of Total Capital Accounts | | | | | | | |
| 1. Net current operating earnings | 15.64 | 15.12 | | 15.87 | 15.96 | 15.08 | |
| 2. Net income before related taxes | 12.53 | 12.91 | | 13.01 | 12.66 | 12.32 | |
| 3. Net income (after taxes) | 10.11 | 10.20 | | 11.49 | 10.06 | 9.77 | |
| 4. Dividends declared | 4.77 | 4.71 | | 4.31 | 4.85 | 4.77 | |
| Percentage of Total Assets | | | | | | | |
| 5. Total current operating revenue..... | 5.34 | 5.05 | | 5.07 | 5.27 | 5.58 | |
| 6. Total current operating expenses | 4.21 | 3.97 | | 3.90 | 4.11 | 4.50 | |
| 7. Net current operating earnings | 1.13 | 1.08 | | 1.16 | 1.16 | 1.08 | |
| 8. Net income (after taxes) | .73 | .72 | | .85 | .73 | .70 | |
| SOURCES AND DISPOSITION OF EARNINGS | | | | | | | |
| Percentage of Total Current Operating Revenue | | | | | | | |
| 9. Interest on U. S. Government obligations | 10.20 | 11.73 | | 14.03 | 10.55 | 7.97 | |
| 10. Interest and dividends on other securities | 10.29 | 9.80 | | 14.28 | 10.72 | 7.59 | |
| 11. Earnings on loans ¹ | 68.33 | 67.09 | | 59.44 | 67.98 | 73.02 | |
| 12. Service charges on deposit accounts | 6.07 | 6.33 | | 8.11 | 5.90 | 5.58 | |
| 13. All other current operating revenue | 5.12 | 5.05 | | 4.13 | 4.85 | 5.84 | |
| 14. Total current operating revenue | 100.00 | 100.00 | | 100.00 | 100.00 | 100.00 | 100.00 |
| 15. Trust department earnings ² (part of item 13) | 3.28 | 3.23 | | 2.12 | 3.01 | 4.01 | |
| 16. Salaries and wages (officers and employees) | 21.67 | 22.72 | | 20.80 | 21.18 | 22.90 | |
| 17. Pension, hospitalization, and other benefits | 3.48 | 3.42 | | 3.55 | 3.50 | 3.41 | |
| 18. Interest on time and savings deposits | 34.65 | 33.33 | | 34.06 | 34.43 | 34.74 | |
| 19. Net occupancy expense of bank premises | 4.85 | 5.03 | | 5.09 | 4.68 | 5.16 | |
| 20. All other current operating expenses | 14.11 | 14.06 | | 13.24 | 14.19 | 14.54 | |
| 21. Total current operating expenses | 78.75 | 78.56 | | 76.73 | 77.98 | 80.75 | |
| 22. Net current operating earnings | 21.25 | 21.44 | | 23.27 | 22.02 | 19.25 | |
| 23. Net recoveries and profits (+) or losses (-) ³ | - 3.96 | - 1.99 | | - 4.33 | - 4.24 | - 3.27 | |
| 24. Net increase (-) or decrease (+) in valuation reserves ⁴ | - .80 | - 1.19 | | + .20 | - .33 | - .35 | |
| 25. Taxes on net income | 3.26 | 3.83 | | 2.17 | 3.62 | 3.23 | |
| 26. Net income | 13.72 | 14.43 | | 16.98 | 13.83 | 12.40 | |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | |
| Return on Securities | | | | | | | |
| 27. Interest on U. S. Government obligations | 4.19 | 3.87 | | 4.13 | 4.28 | 4.06 | |
| 28. Interest and dividends on other securities | 3.19 | 2.99 | | 3.06 | 3.22 | 3.18 | |
| 29. Net recoveries & profits (+) or losses (-) on total securities ⁵ | - .25 | - .10 | | - .27 | - .28 | - .19 | |
| Return on Loans | | | | | | | |
| 30. Earnings on loans ¹ | 6.48 | 6.20 | | 6.49 | 6.48 | 6.48 | |
| 31. Net losses (-) or recoveries (+) on loans ⁶ | - .20 | - .15 | | - .23 | - .21 | - .20 | |
| DISTRIBUTION OF ASSETS | | | | | | | |
| Percentage of Total Assets | | | | | | | |
| 32. U. S. Government obligations | 13.06 | 15.21 | | 17.03 | 13.39 | 10.91 | |
| 33. Other securities | 16.91 | 16.26 | | 23.46 | 17.41 | 13.15 | |
| 34. Loans | 56.49 | 54.80 | | 46.33 | 55.32 | 62.91 | |
| 35. Cash assets | 11.24 | 11.50 | | 11.15 | 11.50 | 10.72 | |
| 36. Real estate assets | 1.34 | 1.29 | | 1.15 | 1.37 | 1.38 | |
| CAPITAL AND DEPOSIT RATIOS | | | | | | | |
| 37. Capital accounts to total assets | 7.24 | 7.17 | | 7.33 | 7.27 | 7.16 | |
| 38. Capital accounts to total assets, less U. S. Government securities and cash assets | 9.61 | 9.83 | | 10.25 | 9.71 | 9.16 | |
| 39. Capital accounts to total deposits | 8.12 | 8.03 | | 8.16 | 8.18 | 7.99 | |
| 40. Time and savings to total deposits | 54.61 | 53.12 | | 48.97 | 54.40 | 56.43 | |
| 41. Interest on time and savings deposits | 3.76 | 3.50 | | 3.93 | 3.71 | 3.81 | |
| AVERAGE BANK IN GROUP—In thousands of dollars | | | | | | | |
| Total deposits | 219,209 | 210,982 | | 158,459 | 259,227 | 180,429 | |
| Capital accounts | 18,235 | 17,474 | | 13,492 | 21,481 | 15,043 | |

¹ See page 9 for the note to "Earnings on loans" and other notes referred to in this table.

NOTES TO PAGES 4-8

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.

^c No banks in this group have trust department earnings.

NOTE: Ratios do not add exactly in every case to their respective totals because of rounding. Year-to-year comparisons by size groups may be affected by mergers and shifts of banks from one size group to another.