§ 107. Reserves against deposits. 1. Every bank and trust company shall maintain total reserves against its demand and time deposits in such ratios as the superintendent of financial services shall by regulation impose. If the principal office or any branch of such bank or trust company is located in a special requirement area, as designated in or pursuant to subdivision two of this section said bank or trust company shall maintain such additional reserves as may be prescribed by the superintendent of financial services.

2. The cities of Albany and Buffalo and the boroughs of Brooklyn, Manhattan and The Bronx are hereby designated as special requirement areas. The superintendent of financial services may at any time add to the number of cities or boroughs designated as special requirement areas, or may terminate the designation of any city or borough as such.

3. Any part of total reserves may be deposited, subject to call, with a federal reserve bank in the district in which such bank or trust company is located, or with reserve depositaries, and the reserves on hand not so deposited shall consist of any form of currency authorized by the laws of the United States. Any bank or trust company which is or shall become a member of the federal reserve system shall maintain such reserves with a federal reserve bank as are required by or pursuant to the federal reserve act and so long as it complies with the requirements of such federal reserve act with reference to reserves shall be exempt from the preceding provisions of this section.

4. If any bank or trust company shall fail to maintain its total reserves in the manner prescribed and authorized by this section, it shall be liable to, and shall pay any assessment or assessments levied by the superintendent pursuant to the provisions of article two of this chapter.