§ 244. Earnings; how and when to be computed; transfers to surplus fund. 1. Every savings bank shall close its books no less frequently than quarterly. To determine the amount of gross earnings for any such accounting period the following items shall be included:

(a) All earnings actually received, less interest accrued and uncollected included in a previous computation of earnings;

(b) Interest accrued and uncollected upon debts owing to it, exclusive of debts or portions of debts, which its board of trustees or the superintendent shall have directed to be excluded from the computation of the accrual;

(c) Amounts added to cost for the purpose of amortizing bonds, promissory notes or other interest-bearing obligations purchased for less than par;

(d) Any profits actually received from the sale of securities, real estate or other property owned by it;

(e) Amounts recovered on assets previously charged off, including amounts allowed by the superintendent on account of assets previously disallowed by him and other amounts allowed by the board of trustees on account of assets previously disallowed by it. For the purpose of this paragraph amounts transferred to valuation reserves shall be considered as amounts charged off;

(f) Provided the superintendent shall have approved, and only to the extent of such approval, any increase in the book value of the real estate and building or buildings thereon used by it as its place or places of business;

(g) Such other items as the superintendent, in his discretion and upon his written consent, may permit to be included.

2. To determine the amount of net earnings for such accounting period, the following items shall be deducted from gross earnings:

(a) Any expenses paid or incurred, both ordinary and extraordinary, in the transaction of its business, the collection of debts owing to it and the management of its affairs, less expenses incurred and deducted in a previous computation of earnings;

(b) Interest paid or accrued and unpaid upon deposits held by it and upon debts owing by it, less interest accrued upon such deposits and debts and deducted in a previous computation;

(c) Amounts deducted from cost for the purpose of amortizing bonds, promissory notes or other interest-bearing obligations purchased for more than par;

(d) Any losses sustained by it, except to the extent that such losses have been charged against the surplus fund or valuation reserves. Losses to be deducted from gross earnings shall include all deductions from the book value of assets made pursuant to the directions of the board of trustees or by reason of the disallowance of assets by the superintendent, and shall include amounts transferred to a valuation reserve, other than amounts transferred to the surplus fund under subdivision three of this section. With the approval of the superintendent, any items referred to in this paragraph may be excluded. For the purposes of this paragraph, provision for disallowances may be effected by charge off or by establishment of valuation reserve and any existing valuation reserve may be deducted from the related asset in determining the amount of loss sustained.

The balance thus obtained shall constitute the net earnings of such savings bank for such period.

3. If at the close of any accounting period the net worth of any savings bank, including the net earnings for that period, is less than ten per centum of the amount due to depositors, including all interest accrued and credited for that period, such per centum of its net earnings for such period as may be determined by the superintendent of financial services shall be credited to its surplus fund.

4. For purposes of this article, the term "net worth" shall mean the excess of assets at book value, less allocated reserves, over known liabilities.