

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, March 21, 1955

**OPERATING RATIOS OF MEMBER BANKS
ELEVENTH FEDERAL RESERVE DISTRICT**

**To the Member Banks in the
Eleventh Federal Reserve District:**

There is presented on the inside pages of this letter the annual statement of operating ratios of member banks in the Eleventh Federal Reserve District for 1954, with comparative figures for 1953. Each of the 1954 ratios represents an average of the ratios of individual banks computed from data taken from reports of condition as of December 31, 1953, June 30, 1954, and October 7, 1954, and from reports of earnings and expenses for the year 1954. Ratios for your bank are included for your convenience in making comparisons.

If you should like to have additional copies of this report, we will be glad to send them to you.

Sincerely yours,

WATROUS H. IRONS
President

OPERATING RATIOS OF MEMBER BANKS FOR THE YEAR 1954 AND 1953 — ELEVENTH FEDERAL RESERVE DISTRICT

	Your bank		BANKS WITH AVERAGE DEPOSITS (In thousands of dollars)																	
	1954	1953	\$500 and under		\$500 - \$1,000		\$2,000	\$2,000 - \$5,000		\$5,000 - \$10,000		\$10,000 - \$25,000		\$25,000 - \$50,000		\$50,000 - \$100,000		Over \$100,000		
			1954	1953	1954	1953	1953	1954	1953	1954	1953	1954	1953	1954	1953	1954	1953	1954	1953	
Number of banks in group			14	14	44	47	124	221	216	128	120	56	57	24	29	16	12	14	13	
SUMMARY RATIOS																				
Percentage of Total Capital Accounts																				
1. Net current earnings before income taxes.....			8.6	9.3	12.4	12.1	15.0	15.2	16.4	17.2	18.7	17.4	18.8	18.6	18.3	16.4	18.5	16.7	17.6	1
2. Profits before income taxes.....			5.2	7.1	9.1	9.5	.5	12.7	12.6	14.1	13.9	16.1	15.7	19.6	15.0	16.4	17.3	18.0	15.9 ^r	2
3. Net profits.....			3.3	4.7	7.1	6.7	8.4	9.0	8.6	9.2	8.0	10.0	8.8	11.7	8.0	9.0	9.3	10.1	7.6	3
4. Cash dividends declared.....			3.5	2.9	3.1	2.5	3.5	3.6	3.6	3.7	3.5 ^r	3.0	3.1	3.5	3.5	3.2	2.8	4.0	4.1	4
Percentage of Total Assets																				
5. Total earnings.....			3.40	3.67	3.52	3.63	3.38	3.15	3.16	3.14	3.15	3.17	3.16	2.87	2.78	2.78	2.86	2.58	2.59	5
6. Net current earnings before income taxes.....			1.06	1.19	1.26	1.30	1.27	1.14	1.19	1.11	1.18	1.03	1.06	1.11	1.05	.91	1.00	1.03	1.07	6
7. Net profits.....			.43	.63	.73	.77	.72	.68	.63	.59	.51	.57	.50	.70	.45	.50	.49	.62	.46	7
SOURCES AND DISPOSITION OF EARNINGS																				
Percentage of Total Earnings																				
8. Interest on U. S. Government securities.....			12.4	12.4	14.1	15.1	20.0	21.5	23.1	22.0	23.3	19.5	20.5	24.8	24.0	22.1	19.4	21.0	21.2	8
9. Interest and dividends on other securities.....			1.3	1.8	3.6	3.3	5.1	6.3	6.2	6.1	5.9	5.3	4.9	5.1	5.5	3.8	2.4	4.8	4.3	9
10. Earnings on loans.....			77.9	75.6	74.1	73.6	65.6	61.7	60.4	60.2	59.6	58.5	59.5	55.3	56.9	62.0	64.8	58.4	59.8	10
11. Other current earnings.....			8.4	10.2	8.2	8.0	9.3	10.5	10.3	11.7	11.2	16.7	15.1	14.8	13.6	12.1	13.4	15.8	14.7	11
12. Total earnings.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	11
13. Service charges on deposit accounts (Included in item 11) ¹			4.4	4.6	5.1	4.3	5.2	6.4	6.0	6.9	6.4	9.0	8.0	6.0	4.7	5.4	5.1	2.6	1.9	12
14. Trust department earnings (Included in item 11) ¹			—	—	—	—	—	2.3	2.6	1.1	2.1	2.3	2.4	1.4	1.5	1.6	1.6	3.3	3.0	13
15. Salaries and wages.....			41.5	41.1	38.2	38.3	35.9	36.5	35.8	34.8	34.1	35.7	35.4	30.6	31.2	33.7	32.1	26.0	25.5	14
16. Interest on time deposits.....			1.1	.7	2.4	2.2	1.8	2.6	2.0	4.6	3.9	5.5	4.8	5.4	4.4	6.6	5.3	7.3	5.7	15
17. Other current expenses.....			26.4	25.6	24.0	24.1	24.4	24.4	24.1	24.6	23.7	26.3	26.0	25.1	25.7	26.7	27.7	27.0	27.3	16
18. Total expenses.....			69.0	67.4	64.6	64.6	62.1	63.5	61.9	64.0	61.7	67.5	66.2	61.1	61.3	67.0	65.1	60.3	58.5	17
19. Net current earnings before income taxes.....			31.0	32.6	35.4	35.4	29	36.5	38.1	36.0	38.3	32.5	33.8	38.9	38.7	33.0	34.9	39.7	41.5	18
20. Actual net losses (recoveries +).....			12.0	4.9	8.0	7.2	8.3	4.7	8.1	4.5	9.6	1.1	6.1	+3.9	8.0	+4.5	5.3	+8.4	6.4 ^r	19
21. Net increase (decrease +) in valuation reserves.....			.4	—	1.0	.6	+1	.6	—	1.5	+1	2.2	+7	1.8	+7	4.2	+2.8	4.9	+1.7	20
22. Taxes on net income.....			6.8	8.1	5.8	8.5	8.1	9.0	9.4	10.5	11.8	11.4	12.3	16.2	14.8	15.0	15.0	19.1	19.6 ^r	21
23. Net profits.....			11.8	19.6	20.6	19.1	21.6	22.2	20.6	19.5	17.0	17.8	16.1	24.8	16.6	18.3	17.4	24.1	17.2	22
RATES OF EARNINGS ON SECURITIES AND LOANS																				
Percentage of U. S. Government Securities																				
24. Interest on U. S. Government securities.....			1.68	1.82	2.10	1.96	2.12	2.08	2.08	2.11	2.05	2.04	2.06	2.12	2.02	2.02	1.92	1.89	2.00	24
Percentage of Other Securities																				
25. Interest and dividends on other securities.....			5.03	5.42	3.48	3.76	3.31	2.85	2.84	2.46	2.65	2.33	2.41	2.36	2.48	2.52	2.44	2.49	2.86	25
Percentage of Total Securities																				
26. Actual net losses (recoveries and profits +) on total securities ²			—	—	+0.08	+0.02	—	+0.05	.02	+0.10	.05	+0.29	.13	+0.38	.14 ^r	+0.98	.06	+0.58	.37	26
Percentage of Total Loans																				
27. Earnings on loans.....			8.55	8.20	7.24	7.64	7.38	6.61	6.89	6.38	6.58	5.97	6.20	5.45	5.28	4.92	5.11	4.35	4.32	27
28. Actual net losses (recoveries +) on loans ²			1.34	.47	.68	.81	.80	.52	.77	.40	.83	.23	.37	.10	.40	.33	.32	.01	.09	28
DISTRIBUTION OF TOTAL ASSETS																				
Percentage of Total Assets																				
29. U. S. Government securities.....			21.4	21.9	23.7	26.0	30.2	30.1	32.8	30.5	32.8	29.0	29.9	32.4	30.7	29.6	29.0	27.7	26.7	29
30. Other securities.....			1.5	1.5	4.0	3.8	5.9	7.8	7.6	7.8	7.6	7.1	6.6	6.5	6.3	4.5	3.3	5.0	4.7	30
31. Loans.....			32.6	34.9	37.7	35.9	30.8	30.4	28.5	30.7	29.6	31.6	30.9	29.6	30.4	35.2	36.3	34.8	35.9	31
32. Cash assets.....			44.0	41.2	34.0	33.8	32.3	30.6	30.1	29.9	28.9	30.7	31.0	30.2	31.3	29.0	29.8	30.7	30.9	32
33. Real estate assets.....			.4	.4	.4	.4	.7	1.0	.9	1.0	1.0	1.5	1.5	1.2	1.1	1.5	1.5	1.1	1.3	33
34. All other assets.....			.1	.1	.2	.1	.1	.1	.1	.1	.1	.1	.1	.1	.2	.2	.1	.7	.5	34
OTHER RATIOS																				
35. Total capital accounts to total assets.....			12.7	13.4	10.5	11.0	8.8	7.7	7.4	6.5	6.4	6.2	6.0	6.1	5.9	5.6	5.4	6.1	6.2	35
36. Total capital accounts to total assets less Government securities and cash assets.....			39.1	38.6	26.6	28.6	24.4	21.2	21.7	17.7	18.4	16.1	15.9	16.7	16.4	13.9	13.3	14.9	14.7	36
37. Total capital accounts to total deposits.....			14.6	15.5	11.8	12.4	9.7	8.4	8.1	7.0	6.9	6.7	6.5	6.5	6.3	6.0	5.8	6.6	6.7	37
38. Time deposits to total deposits.....			1.7	2.0	5.5	5.6	4.5	5.9	5.1	10.3	9.5	15.5	14.3	13.4	12.2	16.2	15.3	13.7	12.2	38

¹Banks reporting zero amounts were excluded in computing this average, and figures are not shown where there were fewer than 10 banks in a group.

²Computed on the basis of actual net losses or recoveries (after adjustments for transfers to and from reserves for bad debts), rather than on the basis of figures furnished on the face of the Report of Earnings and Dividends.

NOTE: Balance sheet figures used as the basis for ratios are averages of amounts reported as of December 31, 1953, June 30, 1954, and December 31, 1954.