

**FEDERAL RESERVE BANK**  
**OF DALLAS**

Dallas, Texas, March 26, 1958

**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 1957, with comparative figures for 1956. Each of the 1957 ratios represents an average of the ratios of individual banks computed from data taken from reports of condition as of December 31, 1956, June 6, 1957, and October 11, 1957, and from reports of earnings and expenses for the year 1957. 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.

Yours very truly,

**Watrous H. Irons**  
President

**OPERATING RATIOS OF MEMBER BANKS FOR THE YEARS 1957 and 1956 — ELEVENTH FEDERAL RESERVE DISTRICT**

	BANKS WITH AVERAGE DEPOSITS (In thousands of dollars)																				
	Your bank		\$500 and under		\$500 - \$1,000		\$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		
	1957	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957	1956	
Number of banks in group			13	11	42	44	110	114	210	209	132	131	64	63	22	22	20	19	14	14	
<b>SUMMARY RATIOS</b>																					
<b>Percentage of Total Capital Accounts</b>																					
1. Net current earnings before income taxes.....			8.0	10.3	11.2	11.1	12.6	12.9	14.3	14.9	17.0	18.3	18.5	17.9	16.2	18.6	17.4	17.9	18.1	18.2	1
2. Profits before income taxes.....			7.0	8.0	8.0	6.6	9.8	10.2	11.2	11.3	12.8	12.7	12.7	13.4	12.8	14.4	14.1	11.3	16.5	14.8	2
3. Net profits.....			4.8	6.6	6.1	4.8	7.3	7.6	8.4	8.4	8.7	8.5	7.8	8.6	7.8	8.3	8.4	6.1	9.4	8.4	3
4. Cash dividends declared.....			2.8	2.3	2.8	2.4	3.2	3.2	3.6	3.6	3.6	3.4	3.2	3.1	3.3	3.3	4.0	3.7	4.2	4.1	4
<b>Percentage of Total Assets</b>																					
5. Total earnings.....			4.11	4.12	4.12	3.90	3.73	3.54	3.68	3.48	3.67	3.52	3.87	3.56	3.61	3.34	3.44	3.17	3.31	2.97	5
6. Net current earnings before income taxes.....			1.14	1.43	1.35	1.29	1.28	1.23	1.22	1.22	1.23	1.25	1.22	1.14	1.12	1.24	1.19	1.12	1.35	1.24	6
7. Net profits.....			.65	.90	.73	.56	.76	.74	.71	.69	.63	.58	.50	.54	.54	.56	.58	.39	.70	.57	7
<b>SOURCES AND DISPOSITION OF EARNINGS</b>																					
<b>Percentage of Total Earnings</b>																					
8. Interest on U. S. Government securities.....			17.4	13.0	17.9	16.8	22.8	21.2	23.7	22.7	24.3	22.6	18.4	18.1	20.1	21.2	19.0	19.9	18.6	16.9	8
9. Interest and dividends on other securities.....			2.6	1.5	4.8	5.1	5.3	5.3	7.3	6.6	6.5	6.6	6.3	5.6	5.0	4.9	4.8	4.0	4.5	4.7	9
10. Earnings on loans.....			71.7	77.6	69.2	69.8	63.7	65.5	59.1	60.9	58.4	59.5	60.4	61.1	60.0	59.0	63.6	63.3	62.6	64.3	10
11. Other current earnings.....			8.3	7.9	8.1	8.3	8.2	8.0	9.9	9.8	10.8	11.3	14.9	15.2	14.9	14.9	12.6	12.8	14.3	14.1	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	100.0	12
13. Service charges on deposit accounts (Included in item 11) <sup>1</sup> .....			4.6	4.7	5.0	5.0	5.3	5.0	6.4	6.2	6.9	7.3	9.2	8.6	6.5	6.1	5.5	5.5	2.3	2.1	13
14. Trust department earnings (Included in item 11) <sup>1</sup> .....			—	—	—	—	.9	—	1.4	1.0	1.2	1.2	1.4	1.5	1.8	1.0	1.5	1.5	3.4	3.3	14
15. Salaries and wages.....			45.7	40.3	38.2	38.6	37.3	37.4	36.0	36.3	33.6	34.0	32.6	34.2	31.1	31.1	29.4	30.8	22.9	24.2	15
16. Interest on time deposits.....			2.3	.3	4.1	3.1	4.0	3.0	5.3	3.4	7.5	5.1	10.4	6.9	12.2	6.5	9.0	6.9	12.0	8.6	16
17. Other current expenses.....			25.7	27.0	25.3	25.6	24.4	24.5	24.9	24.5	24.6	24.5	25.4	26.7	25.3	25.2	26.6	26.9	24.6	25.4	17
18. Total expenses.....			73.7	67.6	67.6	67.3	65.7	64.9	66.2	64.2	65.7	63.6	68.4	67.8	68.6	62.8	65.0	64.6	59.5	58.2	18
19. Net current earnings before income taxes.....			26.3	32.4	32.4	32.7	34.3	35.1	33.8	35.8	34.3	36.4	31.6	32.2	31.4	37.2	35.0	35.4	40.5	41.8	19
20. Actual net losses (recoveries +).....			3.8	8.6	6.2	8.1	5.6	6.6	5.2	6.7	5.5	7.7	7.0	5.4	3.3	5.4	2.2	6.1	2.9	3.4	20
21. Net increase (decrease +) in valuation reserves.....			—	—	2.1	4.2	1.2	.2	1.8	1.4	2.6	3.0	3.4	2.7	2.9	2.7	4.5	6.4	.6	4.4	21
22. Taxes on net income.....			6.9	5.3	5.9	5.7	7.0	6.9	6.8	7.3	8.5	8.4	8.1	8.4	10.0	12.2	11.3	10.6	15.7	14.7	22
23. Net profits.....			15.6	18.5	18.2	14.7	20.5	21.4	20.0	20.4	17.7	17.3	13.1	15.7	15.2	16.9	17.0	12.3	21.3	19.3	23
<b>RATES OF EARNINGS ON SECURITIES AND LOANS</b>																					
<b>Percentage of U. S. Government Securities</b>																					
24. Interest on U. S. Government securities.....			3.09	2.59	2.70	2.66	2.87	2.63	2.82	2.60	2.71	2.46	2.64	2.37	2.58	2.39	2.51	2.34	2.55	2.20	24
<b>Percentage of Other Securities</b>																					
25. Interest and dividends on other securities.....			3.98	4.45	3.48	3.54	2.74	2.98	2.56	2.58	2.50	2.44	2.60	2.37	2.31	2.23	2.90	2.68	2.33	2.39	25
<b>Percentage of Total Securities</b>																					
26. Actual net losses (recoveries and profits +) on total securities <sup>2</sup> .....			—	.02	.07	.08	.05	.04	.09	.15	.10	.31	.18	.19	.14	.17	—	.31	.20	.40	26
<b>Percentage of Total Loans</b>																					
27. Earnings on loans.....			8.01	8.20	7.65	7.24	7.29	6.84	7.12	6.62	6.74	6.49	6.60	6.11	5.88	5.61	5.55	5.20	4.99	4.64	27
28. Actual net losses (recoveries +) on loans <sup>2</sup> .....			.35	.80	.58	.63	.44	.57	.34	.41	.36	.33	.34	.26	.14	.27	.16	.19	.09	.11	28
<b>DISTRIBUTION OF TOTAL ASSETS</b>																					
<b>Percentage of Total Assets</b>																					
29. U. S. Government securities.....			22.9	17.2	26.5	24.4	28.5	26.9	30.0	29.2	30.8	29.9	25.8	26.3	27.3	28.7	25.7	26.1	23.1	21.8	29
30. Other securities.....			3.3	2.8	5.9	6.5	8.7	7.4	10.8	9.8	9.6	9.4	9.3	8.4	8.0	7.4	6.0	5.1	5.5	5.2	30
31. Loans.....			38.7	42.0	38.1	38.8	33.5	34.9	31.3	32.9	32.7	33.3	35.9	36.0	36.5	35.8	39.5	38.6	41.4	40.9	31
32. Cash assets.....			34.4	37.5	28.6	29.6	28.4	29.9	26.6	26.9	25.6	26.2	27.1	27.5	26.3	26.4	26.9	28.4	27.4	29.9	32
33. Real estate assets.....			.6	.5	.8	.6	.8	.8	1.2	1.1	1.2	1.1	1.8	1.7	1.8	1.6	1.7	1.6	1.6	1.5	33
34. All other assets.....			.1	—	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.2	.2	1.0	.7	34
<b>OTHER RATIOS</b>																					
35. Total capital accounts to total assets.....			14.5	13.9	12.1	11.7	10.3	9.9	8.7	8.4	7.5	7.0	6.9	6.6	7.1	6.8	7.0	6.4	7.5	6.8	35
36. Total capital accounts to total assets less Government securities and cash assets.....			36.2	32.8	28.5	26.5	25.7	24.5	21.3	20.3	18.4	17.2	15.0	14.8	15.7	15.8	15.1	14.4	15.1	14.2	36
37. Total capital accounts to total deposits.....			17.1	16.3	13.9	13.3	11.6	11.1	9.7	9.3	8.2	7.6	7.4	7.1	7.7	7.4	7.6	7.0	8.2	7.5	37
38. Time deposits to total deposits.....			4.9	1.3	8.8	7.2	8.4	7.1	9.8	7.9	13.8	12.4	20.4	17.8	20.8	16.7	17.2	15.9	18.6	16.7	38

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

<sup>2</sup> Computed 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 average of amounts reported as of December 31, 1956, June 6, 1957, and October 11, 1957.