

**FEDERAL RESERVE BANK  
OF DALLAS**

Dallas, Texas, March 6, 1959

**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 1958, with comparative figures for 1957. Each of the 1958 ratios represents an average of the ratios of individual banks computed from data taken from reports of condition as of December 31, 1957, June 23, 1958, and September 24, 1958, and from reports of earnings and expenses for the year 1958. 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 1958 and 1957 — ELEVENTH FEDERAL RESERVE DISTRICT**

	Your bank		BANKS WITH AVERAGE DEPOSITS (In thousands of dollars)																		
			\$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		
	1958	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958	1957	
Number of banks in group			11	13	38	42	106	110	209	210	139	132	61	64	25	22	20	20	16	14	
<b>SUMMARY RATIOS</b>																					
<b>Percentage of Total Capital Accounts</b>																					
1. Net current earnings before income taxes.....			7.7	8.0	11.7	11.2	11.9	12.6	13.4	14.3	15.5	17.0	15.9	18.5	15.0	16.2	15.2	17.4	17.2	18.1	1
2. Profits before income taxes.....			8.3	7.0	10.0	8.0	10.0	9.8	11.6	11.2	12.7	12.8	13.1	12.7	14.1	12.8	13.0	14.1	17.3	16.5	2
3. Net profits.....			6.6	4.8	8.0	6.1	7.6	7.3	8.7	8.4	8.7	8.7	8.6	7.8	8.9	7.8	7.1	8.4	9.5	9.4	3
4. Cash dividends declared.....			3.0	2.8	2.9	2.8	3.4	3.2	3.5	3.6	3.6	3.6	3.4	3.2	3.1	3.3	3.7	4.0	4.1	4.2	4
<b>Percentage of Total Assets</b>																					
5. Total earnings.....			3.86	4.11																	
6. Net current earnings before income taxes.....			.99	1.14	4.22	4.12	3.87	3.73	3.79	3.68	3.78	3.67	3.87	3.87	3.76	3.61	3.50	3.44	3.37	3.31	5
7. Net profits.....			.89	.65	1.39	1.35	1.22	1.28	1.17	1.22	1.18	1.23	1.09	1.22	1.10	1.12	1.07	1.19	1.30	1.35	6
7. Net profits.....					.97	.73	.79	.76	.76	.71	.67	.63	.59	.50	.65	.54	.49	.58	.73	.70	7
<b>SOURCES AND DISPOSITION OF EARNINGS</b>																					
<b>Percentage of Total Earnings</b>																					
8. Interest on U. S. Government securities.....			13.7	17.4	16.4	17.9	20.2	22.8	21.3	23.7	21.9	24.3	17.3	18.4	18.0	20.1	18.1	19.0	18.3	18.6	8
9. Interest and dividends on other securities.....			2.9	2.6	4.0	4.8	6.9	5.3	8.2	7.3	8.2	6.5	6.7	6.3	6.3	5.0	4.5	4.8	5.0	4.5	9
10. Earnings on loans.....			76.3	71.7	71.3	69.2	64.6	63.7	60.4	59.1	59.0	58.4	61.2	60.4	58.6	60.0	65.0	63.6	61.9	62.6	10
11. Other current earnings.....			7.1	8.3	8.3	8.1	8.3	8.2	10.1	9.9	10.9	10.8	14.8	14.9	17.1	14.9	12.4	12.6	14.8	14.3	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> .....			3.6	4.6	4.5	5.0	5.5	5.3	6.7	6.4	7.2	6.9	9.3	9.2	7.0	6.5	5.8	5.5	2.7	2.3	13
14. Trust department earnings (Included in item 11) <sup>1</sup> .....			—	—	—	—	1.1	.9	.5	1.4	.9	1.2	1.4	1.4	1.5	1.8	1.7	1.5	3.4	3.4	14
15. Salaries and wages.....			44.7	45.7	38.5	38.2	36.9	37.3	36.1	36.0	33.4	33.6	33.1	32.6	30.9	31.1	29.9	29.4	22.7	22.9	15
16. Interest on time deposits.....			2.8	2.3	4.1	4.1	6.3	4.0	7.4	5.3	9.7	7.5	12.6	10.4	12.8	12.2	11.6	9.0	14.0	12.0	16
17. Other current expenses.....			29.6	25.7	25.2	25.3	25.1	24.4	25.4	24.9	24.8	24.6	26.2	25.4	26.9	25.3	27.6	26.6	24.9	24.6	17
18. Total expenses.....			77.1	73.7	67.8	67.6	68.3	65.7	68.9	66.2	67.9	65.7	71.9	68.4	70.6	68.6	69.1	65.0	61.6	59.5	18
19. Net current earnings before income taxes.....			22.9	26.3	32.2	32.4	31.7	34.3	31.1	33.8	32.1	34.3	28.1	31.6	29.4	31.4	30.9	35.0	38.4	40.5	19
20. Actual net losses (recoveries +).....			+ 5.6	3.8	1.6	6.2	2.5	5.6	1.5	5.2	2.7	5.5	2.0	7.0	+ 1.5	3.3	.5	2.2	+ 3.0	2.9	20
21. Net increase (decrease +) in valuation reserves.....			—	—	2.4	2.1	1.6	1.2	2.0	1.8	2.6	2.6	2.8	3.4	3.3	2.9	3.9	4.5	2.7	.6	21
22. Taxes on net income.....			5.5	6.9	5.7	5.9	6.5	7.0	7.1	6.8	8.4	8.5	8.2	8.1	10.0	10.0	12.4	11.3	17.0	15.7	22
23. Net profits.....			23.0	15.6	22.5	18.2	21.1	20.5	20.5	20.0	18.4	17.7	15.1	13.1	17.6	15.2	14.1	17.0	21.7	21.3	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.....			2.17	3.09	2.93	2.70	3.00	2.87	2.87	2.82	2.76	2.71	2.61	2.64	2.46	2.58	2.45	2.51	2.47	2.55	24
<b>Percentage of Other Securities</b>																					
25. Interest and dividends on other securities.....			3.62	3.98	3.65	3.48	2.99	2.74	2.66	2.56	2.74	2.50	2.60	2.60	2.48	2.31	2.42	2.90	2.59	2.33	25
<b>Percentage of Total Securities</b>																					
26. Actual net losses (recoveries and profits +) on total securities <sup>2</sup> .....			+ .09	—	+ .08	.07	+ .02	.05	+ .05	.09	+ .04	.10	+ .32	.18	+ .45	.14	+ .64	—	+ .46	.20	26
<b>Percentage of Total Loans</b>																					
27. Earnings on loans.....			8.93	8.01	7.81	7.65	7.23	7.29	7.02	7.12	6.78	6.74	6.51	6.60	6.08	5.88	5.55	5.55	5.10	4.99	27
28. Actual net losses (recoveries +) on loans <sup>2</sup> .....			+ .31	.35	.23	.58	.17	.44	.06	.34	.22	.36	.21	.34	.12	.14	.35	.16	.11	.09	28
<b>DISTRIBUTION OF TOTAL ASSETS</b>																					
<b>Percentage of Total Assets</b>																					
29. U. S. Government securities.....			21.7	22.9	24.4	26.5	25.6	28.5	27.3	30.0	28.3	30.8	25.1	25.8	26.7	27.3	25.2	25.7	24.0	23.1	29
30. Other securities.....			3.2	3.3	5.3	5.9	9.3	8.7	11.5	10.8	11.3	9.6	10.0	9.3	9.4	8.0	6.5	6.0	6.3	5.5	30
31. Loans.....			34.1	38.7	39.1	38.1	35.6	33.5	33.3	31.3	33.8	32.7	36.8	35.9	36.5	36.5	41.1	39.5	40.9	41.4	31
32. Cash assets.....			40.2	34.4	30.4	28.6	28.5	28.4	26.5	26.6	25.3	25.6	26.1	27.1	25.1	26.3	25.2	26.9	26.2	27.4	32
33. Real estate assets.....			.7	.6	.7	.8	.9	.8	1.3	1.2	1.2	1.2	1.8	1.8	2.1	1.8	1.8	1.7	1.8	1.6	33
34. All other assets.....			.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.2	.1	.2	.1	.2	.2	.8	1.0	34
<b>OTHER RATIOS</b>																					
35. Total capital accounts to total assets.....			13.5	14.5	12.1	12.1	10.4	10.3	9.0	8.7	7.8	7.5	7.1	6.9	7.5	7.1	7.1	7.0	7.6	7.5	35
36. Total capital accounts to total assets less Government securities and cash assets.....			37.5	36.2	28.2	28.5	24.0	25.7	20.3	21.3	17.7	18.4	15.0	15.0	15.8	15.7	14.6	15.1	15.3	15.1	36
37. Total capital accounts to total deposits.....			15.7	17.1	13.8	13.9	11.7	11.6	9.9	9.7	8.5	8.2	7.7	7.4	8.1	7.7	7.8	7.6	8.3	8.2	37
38. Time deposits to total deposits.....			5.3	4.9	8.6	8.8	11.1	8.4	12.7	9.8	16.8	13.8	22.8	20.4	22.6	20.8	20.5	17.2	22.3	18.6	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 averages of amounts reported as of December 31, 1957, June 23, 1958, and September 24, 1958.