

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, April 15, 1965

**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 1964, with comparative ratios for 1963. Ratios for your bank for these years, as well as for 1962, 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 1964 and 1963¹ — ELEVENTH FEDERAL RESERVE DISTRICT

	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		\$100,000 - \$250,000			Over \$250,000	
	1964	1963	1964	1963	1964	1963	1964	1963	1964	1963	1964	1963	1964	1963	1964	1963	1964	1963		1964	1963
Number of banks in group	4	6	31	28	90	78	196	197	154	155	100	85	29	30	20	17	12	13	9	9	
SUMMARY RATIOS																					
Percentage of Total Capital Accounts:																					
1. Net current earnings.....	7.5	8.1	8.9	8.8	9.6	10.4	13.0	13.5	15.2	14.6	17.0	16.9	12.3	12.8	17.5	16.7	15.4	14.9	15.9	16.7	1
2. Net income before related taxes.....	5.7	5.0	7.0	6.5	7.3	9.5	10.1	11.0	11.8	12.2	12.4	12.7	9.1	10.6	13.0	12.6	11.4	12.2	13.4	15.6	2
3. Net income after taxes.....	4.2	3.6	5.4	4.7	5.7	7.3	7.9	8.3	8.7	9.0	9.3	9.0	6.2	7.1	8.1	8.3	7.2	7.3	7.8	8.4	3
4. Cash dividends declared.....	3.6	.5	2.3	2.7	2.5	2.8	3.1	3.3	3.8	3.4	3.5	3.6	3.4	3.4	3.4	3.3	4.3	4.1	4.5	4.7	4
Percentage of Total Assets:																					
5. Total operating revenue.....	5.11	5.49	5.40	4.92	5.46	4.85	4.97	4.75	4.84	4.62	5.08	4.94	4.39	4.26	4.44	4.22	4.38	4.05	3.91	3.77	5
6. Net current earnings.....	1.05	1.04	1.16	1.19	1.17	1.25	1.31	1.31	1.28	1.22	1.28	1.25	.96	1.00	1.26	1.17	1.20	1.09	1.29	1.41	6
7. Net income after taxes.....	.59	.29	.64	.70	.66	.87	.78	.80	.74	.75	.71	.67	.49	.55	.59	.57	.57	.54	.63	.71	7
SOURCES AND DISPOSITION OF EARNINGS																					
Percentage of Total Operating Revenue:																					
8. Interest and dividends on:																					8
a. U. S. Government securities.....	20.3	14.8	16.9	19.8	18.5	20.3	19.8	20.7	19.6	20.2	14.5	15.9	16.2	17.2	17.3	17.1	14.9	19.8	16.6	16.6	a
b. Other securities.....	.5	.6	2.3	2.5	5.5	7.0	8.4	8.3	9.3	8.8	9.1	8.5	8.5	7.9	5.5	5.1	6.5	6.2	6.4	5.5	b
9. Revenue on loans.....	71.8	76.8	71.7	69.1	66.8	64.5	63.0	62.1	61.5	61.3	64.9	63.6	65.4	64.6	67.5	68.3	69.0	63.8	68.7	69.6	9
10. All other revenue.....	7.4	7.8	9.1	8.6	9.2	8.2	8.8	8.9	9.6	9.7	11.5	12.0	9.9	10.3	9.7	9.5	9.6	10.2	8.3	8.3	10
11. Total operating revenue.....	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	11
12. Service charges on deposit accounts (Included in item 10) ²	—	7.7	6.1	6.0	6.7	5.7	6.2	6.2	7.0	7.0	8.0	8.6	5.5	6.1	4.7	4.5	4.6	4.5	1.5	1.6	12
13. Trust department revenue (Included in item 10) ²	—	—	—	—	—	—	.2	.2	.1	.1	.5	.5	2.1	2.1	2.5	2.7	2.8	2.9	4.7	4.7	13
14. Salaries and wages.....	43.3	39.1	37.9	38.8	34.9	35.0	31.1	31.8	28.2	29.0	26.3	27.1	25.2	26.3	23.5	24.8	23.4	24.0	16.7	17.8	14
15. Pension, hospitalization, social security taxes, etc.....	1.6	1.3	1.6	2.0	1.7	1.8	1.8	1.9	2.0	2.0	2.4	2.4	2.9	2.9	3.2	3.6	3.1	2.9	2.5	2.9	15
16. Interest on time and savings deposits.....	8.9	6.4	9.2	8.2	12.8	12.8	16.3	14.6	20.7	19.7	23.5	21.9	28.0	25.3	22.8	21.7	24.5	24.0	29.0	23.9	16
17. Net occupancy expense of bank premises.....	6.8	10.7	7.0	6.3	7.0	5.9	5.7	5.5	5.4	5.7	5.4	5.6	5.5	5.1	4.9	4.8	5.1	5.0	2.4	1.8	17
18. All other expenses.....	20.2	21.3	22.3	20.8	20.5	18.5	17.7	17.7	16.7	16.8	17.1	17.6	16.6	17.1	17.2	17.1	16.3	17.0	16.3	16.1	18
19. Total operating expenses.....	80.8	78.8	78.0	76.1	76.9	74.0	72.6	71.5	73.0	73.2	74.7	74.6	78.2	76.7	71.6	72.0	72.4	72.9	66.9	62.5	19
20. Net current earnings.....	19.2	21.2	22.0	23.9	23.1	26.0	27.4	28.5	27.0	26.8	25.3	25.4	21.8	23.3	28.4	28.0	27.6	27.1	33.1	37.5	20
21. Net recoveries (losses —) ³	-4.4	-8.1	-4.9	-4.8	-3.1	-1.1	-4.2	-2.9	-3.4	-2.3	-5.1	-2.9	-3.3	-2.0	-4.6	-2.4	-3.0	-1.5	-1.8	-.3	21
22. Net decrease (increase —) in valuation reserves.....	—	—	-.2	-.1	-2.1	-.7	-1.5	-1.8	-2.2	-1.8	-1.3	-3.2	-2.1	-2.2	-2.3	-4.1	-3.5	-2.7	-3.4	-1.9	22
23. Taxes on net income.....	3.9	4.8	4.3	4.8	4.2	5.8	5.1	6.1	5.7	6.0	4.7	5.6	5.1	6.2	8.0	7.6	8.0	9.2	11.6	16.8	23
24. Net income after taxes.....	10.9	8.3	12.6	14.2	13.7	18.4	16.6	17.7	15.7	16.7	14.2	13.7	11.3	12.9	13.5	13.9	13.1	13.7	16.3	18.5	24
RATES OF EARNINGS ON SECURITIES AND LOANS																					
Percentage of Securities:																					
25. Interest and dividends on U. S. Government securities.....	4.32	3.46	3.61	3.36	4.14	3.82	4.00	3.76	3.97	3.90	3.77	3.51	3.54	3.31	3.63	3.41	3.67	3.30	3.35	3.20	25
26. Interest and dividends on other securities.....	6.15	6.82	4.91	5.02	3.96	3.66	3.46	3.29	3.12	2.98	2.97	3.02	2.94	2.97	2.91	2.86	2.82	2.88	3.35	3.22	26
27. Net recoveries and profits (losses —) on securities ³	—	—	—	.02	—	.07	—	—	.02	.05	.03	.10	-.07	.07	.07	.01	-.01	.06	-.17	.17	27
Percentage of Total Loans (Net):																					
28. Revenue on loans.....	7.68	6.67	8.29	8.25	7.97	7.75	7.54	7.58	7.24	7.22	7.19	7.35	6.21	6.34	6.30	6.13	5.99	5.80	5.57	5.54	28
29. Net recoveries (losses —) on loans ³	-.33	-1.04	-.66	-.37	-.36	-.19	-.40	-.24	-.35	-.26	-.49	-.32	-.24	-.19	-.23	-.19	-.23	-.23	-.13	-.09	29
DISTRIBUTION OF TOTAL ASSETS																					
Percentage of Total Assets:																					
30. U. S. Government securities.....	24.3	21.7	23.6	25.8	22.6	24.7	23.1	24.7	22.8	23.8	18.9	21.8	19.6	22.2	20.8	20.3	17.5	23.5	18.3	18.2	30
31. Other securities.....	.4	.5	3.7	3.2	8.0	9.7	12.4	12.2	14.2	13.8	15.0	13.5	12.9	11.4	8.2	7.8	10.2	9.0	7.7	6.5	31
32. Loans (net).....	48.1	47.9	45.3	42.6	45.2	41.2	42.1	39.4	41.8	39.9	46.3	43.3	46.3	43.7	48.1	47.0	50.4	44.6	48.2	47.5	32
33. Cash assets.....	26.5	28.8	25.7	26.7	22.3	23.0	20.4	22.0	19.1	20.6	17.5	19.2	18.1	19.9	20.5	22.5	18.9	20.2	22.6	24.7	33
34. Real estate assets.....	.5	1.0	1.6	1.5	1.8	1.3	1.9	1.6	1.9	1.7	2.0	1.9	2.8	2.5	2.1	2.0	2.4	2.0	2.2	2.2	34
35. All other assets.....	.2	.1	.1	.2	.1	.1	.1	.1	.2	.2	.3	.3	.3	.3	.3	.4	.6	.7	1.0	.9	35
OTHER RATIOS																					
36. Total capital accounts to total assets.....	15.4	19.6	16.3	14.7	14.3	12.5	10.7	10.2	8.5	8.4	7.9	7.7	8.2	8.2	7.2	7.1	8.0	7.5	8.1	8.5	36
37. Total capital accounts to total assets less Government securities and cash assets.....	33.6	43.0	34.8	32.7	27.2	25.2	19.5	19.9	15.9	16.2	12.6	13.4	13.3	14.6	12.8	12.5	12.7	13.5	13.9	15.0	37
38. Total capital accounts to total deposits.....	18.4	27.2	21.0	18.4	17.2	14.7	12.2	11.5	9.4	9.2	8.7	8.5	9.1	9.1	8.0	7.7	9.1	8.4	9.2	9.6	38
39. Time deposits to total deposits.....	16.0	11.9	16.3	13.8	22.6	19.6	25.7	22.5	30.5	28.2	36.8	34.9	37.2	33.5	32.4	30.2	34.9	34.4	35.1	28.9	39
40. Interest on time deposits ²	3.64	4.39	3.94	3.58	3.56	3.45	3.57	3.50	3.61	3.49	3.52	3.36	3.63	3.49	3.41	3.30	3.45	3.06	3.67	3.53	40

For notes see back page.

NOTES FOR TABLE

¹ Each of the 1964 ratios represents an average of the ratios of individual banks computed from data taken from reports of condition as of December 20, 1963, April 15, 1964, and June 30, 1964, and from reports of income and dividends for the year 1964. Figures used as a basis for the 1963 ratios are averages of amounts taken from reports of condition as of December 28, 1962, March 18, 1963, and June 29, 1963, and from reports of income and dividends for the year 1963.

² 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.

³ 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 Income and Dividends.

NOTE: Details may not add to totals because of rounding.