

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, March 28, 1966

**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 1965, with comparative ratios for 1964. 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 1965 and 1964¹ — 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		
	1965	1964	1965	1964	1965	1964	1965	1964	1965	1964	1965	1964	1965	1964	1965	1964	1965	1964		1965	1964	
Number of banks in group	3	4	28	33	81	85	209	201	161	151	104	101	36	31	19	20	16	11	9	9		
SUMMARY RATIOS																						
Percentage of Total Capital Accounts:																						
1. Net current earnings	8.9	7.4	8.7	8.5	10.4	9.9	11.6	13.0	15.2	15.1	16.7	17.0	15.1	13.1	17.3	17.1	15.6	15.4	14.6	16.0	1	
2. Net income before related taxes	-2.3	5.6	6.0	6.6	7.9	7.4	8.6	11.1	11.6	11.6	11.9	12.5	10.7	9.8	13.6	12.3	11.7	11.5	12.1	13.4	2	
3. Net income after taxes	-2.8	4.2	4.8	5.1	6.6	5.7	7.0	7.8	9.0	8.6	9.2	9.3	8.4	6.8	8.7	7.9	8.2	7.2	8.1	8.3	3	
4. Cash dividends declared	1.2	3.5	2.3	2.2	2.2	2.5	3.0	3.1	3.7	3.8	3.5	3.5	3.9	3.5	3.9	3.4	4.2	4.3	4.5	4.5	4	
Percentage of Total Assets:																						
5. Total operating revenue	5.48	5.09	5.67	5.47	5.69	5.53	5.28	4.99	5.10	4.84	5.27	5.09	4.73	4.44	4.49	4.41	4.40	4.40	3.90	3.89	5	
6. Net current earnings	1.20	1.05	.89	1.12	1.26	1.19	1.18	1.31	1.28	1.28	1.26	1.28	1.09	1.02	1.22	1.21	1.19	1.21	1.20	1.28	6	
7. Net income after taxes	-.33	.59	.38	.60	.76	.66	.70	.78	.76	.73	.68	.72	.62	.52	.62	.56	.60	.57	.67	.66	7	
SOURCES AND DISPOSITION OF EARNINGS																						
Percentage of Total Operating Revenue:																						
8. Interest and dividends on:																						8
a. U.S. Government securities	18.1	20.3	15.4	16.7	17.6	18.8	17.4	19.6	17.4	19.6	13.1	14.7	14.3	16.6	16.0	16.4	13.3	14.4	15.1	16.6	a	
b. Other securities	.5	.5	3.5	2.2	5.2	5.3	7.7	8.5	9.3	9.4	9.0	9.1	9.1	8.3	6.3	5.8	7.1	6.4	7.1	6.4	b	
9. Revenue on loans	76.6	71.8	70.8	72.2	67.9	66.5	65.3	63.2	63.6	61.4	66.9	64.8	66.0	65.3	66.8	68.2	70.6	69.6	68.9	68.7	9	
10. All other revenue	4.8	7.4	10.3	8.9	9.3	9.4	9.6	8.7	9.7	9.6	11.0	11.4	10.6	9.8	10.9	9.6	9.0	9.6	8.9	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	—	—	7.1	6.0	6.3	6.8	7.0	6.2	7.0	7.1	7.6	8.0	5.7	5.6	4.7	4.4	4.2	4.5	1.4	1.5	12	
13. Trust department revenue (Included in item 10) ²	—	—	—	—	—	—	—	.2	.2	.1	.5	.5	1.8	2.0	2.8	2.6	2.8	2.9	4.8	4.7	13	
14. Salaries and wages	45.9	43.3	37.7	37.5	35.2	34.9	30.8	31.3	27.8	28.1	25.5	26.4	23.8	25.0	22.8	23.3	21.8	23.7	15.9	16.8	14	
15. Pension, hospitalization, social security taxes, etc.	1.6	1.6	1.7	1.6	1.5	1.6	1.8	1.9	2.1	2.0	2.3	2.4	2.7	2.8	3.1	3.4	3.1	3.0	2.4	2.5	15	
16. Interest on time and savings deposits	6.4	8.9	11.9	9.4	13.5	13.1	18.4	16.0	22.2	20.8	25.8	23.5	29.3	27.4	25.6	23.3	27.4	24.2	31.0	29.0	16	
17. Net occupancy expense of bank premises	7.2	6.8	8.8	7.1	6.6	6.9	6.0	5.7	5.5	5.4	5.6	5.4	5.5	5.5	4.5	4.9	5.0	5.2	2.6	2.4	17	
18. All other expenses	16.9	20.2	21.7	23.2	20.4	20.2	19.3	17.7	16.9	16.7	16.9	17.0	15.7	16.3	16.9	17.5	15.5	16.1	17.0	16.2	18	
19. Total operating expenses	78.0	80.8	81.8	78.8	77.2	76.7	76.3	72.6	74.5	73.0	76.1	74.7	77.0	77.0	72.9	72.4	72.8	72.2	68.9	66.9	19	
20. Net current earnings	22.0	19.2	18.2	21.2	22.8	23.3	23.7	27.4	25.5	27.0	23.9	25.3	23.0	23.0	27.1	27.6	27.2	27.8	31.1	33.1	20	
21. Net recoveries (losses —) ³	-25.3	-4.3	-5.1	-4.8	-4.0	-3.2	-4.3	-4.4	-4.0	-3.5	-4.9	-4.9	-3.6	-3.5	-4.2	-4.7	-3.7	-2.9	-2.5	-1.8	21	
22. Net decrease (increase —) in valuation reserves	—	—	-4	-3	-1.3	-2.2	-1.2	-1.4	-1.2	-2.1	-2.1	-1.5	-2.7	-2.2	-1.6	-2.6	-3.4	-3.4	-2.2	-3.4	22	
23. Taxes on net income	1.4	3.9	3.0	4.1	3.1	4.3	3.6	5.1	4.8	5.7	4.0	4.7	3.5	5.4	7.6	7.3	6.3	8.3	9.0	10.8	23	
24. Net income after taxes	-4.7	11.0	9.7	12.0	14.4	13.6	14.6	16.5	15.5	15.7	12.9	14.2	13.2	11.9	13.7	13.0	13.8	13.2	17.4	17.1	24	
RATES OF EARNINGS ON SECURITIES AND LOANS																						
Percentage of Securities:																						
25. Interest and dividends on U.S. Government securities	3.90	4.47	4.09	3.63	4.11	4.15	4.17	4.05	4.22	3.96	4.20	3.84	3.93	3.58	3.95	3.67	3.90	3.64	3.45	3.30	25	
26. Interest and dividends on other securities	5.74	6.06	4.95	5.02	4.07	4.08	3.41	3.44	3.22	3.12	3.13	3.00	3.12	2.96	3.06	2.90	3.19	2.90	3.42	3.41	26	
27. Net recoveries and profits (losses —) on securities ³	—	—	.01	—	-.09	.01	.01	-.01	-.04	.02	-.05	.03	-.12	-.06	.02	.07	—	-.01	-.12	-.17	27	
Percentage of Total Loans (Net):																						
28. Revenue on loans	8.88	7.76	8.27	8.17	7.95	7.93	7.63	7.55	7.34	7.26	7.29	7.21	6.55	6.37	6.18	6.13	5.93	5.96	5.43	5.55	28	
29. Net recoveries (losses —) on loans ³	-2.00	-.34	-.60	-.68	-.45	-.39	-.45	-.41	-.40	-.36	-.41	-.48	-.27	-.24	-.29	-.24	-.27	-.22	-.11	-.13	29	
DISTRIBUTION OF TOTAL ASSETS																						
Percentage of Total Assets:																						
30. U.S. Government securities	21.8	23.4	20.6	23.4	20.1	22.8	20.4	22.8	19.9	22.7	16.2	18.9	17.4	20.2	17.7	19.6	15.0	17.1	16.2	18.5	30	
31. Other securities	.5	.4	3.4	3.5	7.4	7.4	11.5	12.5	14.1	14.2	15.1	15.0	13.7	12.5	9.4	8.6	10.0	9.6	8.3	7.5	31	
32. Loans (net)	49.2	47.5	46.9	44.9	47.5	44.6	45.4	42.1	44.7	41.7	48.6	46.1	47.9	45.8	49.0	49.1	52.4	51.2	49.5	48.2	32	
33. Cash assets	27.5	27.9	26.4	26.2	23.0	23.3	20.3	20.5	19.1	19.4	17.7	17.7	18.3	18.6	21.1	20.3	19.6	18.9	22.7	22.5	33	
34. Real estate assets	.7	.6	2.4	1.9	1.9	1.8	2.2	1.9	2.0	1.9	2.1	2.0	2.4	2.6	2.3	2.2	2.4	2.5	2.2	2.2	34	
35. All other assets	.3	.2	.3	.1	.1	.1	.2	.2	.2	.1	.3	.3	.3	.3	.5	.2	.6	.7	1.1	1.1	35	
OTHER RATIOS																						
36. Total capital accounts to total assets	15.8	15.5	16.1	16.8	14.5	14.3	11.1	10.8	8.6	8.6	7.8	7.9	7.6	8.2	7.1	7.1	7.9	8.2	8.2	8.0	36	
37. Total capital accounts to total assets less Government securities and cash assets	34.2	34.2	30.6	35.8	26.7	27.8	19.2	19.7	15.1	16.0	12.0	12.7	12.0	13.7	11.9	12.0	12.2	12.8	13.6	13.8	37	
38. Total capital accounts to total deposits	18.9	18.5	21.1	21.7	17.9	17.2	12.7	12.3	9.5	9.4	8.6	8.7	8.3	9.1	7.8	7.9	8.8	9.2	9.4	9.1	38	
39. Time deposits to total deposits	13.5	16.1	20.7	16.5	24.6	22.6	28.6	25.4	32.1	30.5	39.0	36.7	39.8	36.7	33.7	32.8	35.7	34.8	36.0	34.7	39	
40. Interest on time deposits ²	—	3.63	3.89	3.88	3.62	3.57	3.76	3.56	3.81	3.61	3.78	3.54	3.80	3.64	3.72	3.44	3.77	3.41	3.83	3.68	40	

For notes see back page.

NOTES FOR TABLE

¹Each of the 1965 ratios represents an average of the ratios of individual banks computed from data taken from reports of condition as of December 31, 1964, and June 30, 1965, and from reports of income and dividends for the year 1965. Figures used as a basis for the 1964 ratios are averages of amounts taken from reports of condition as of December 30, 1963, and June 30, 1964, and from reports of income and dividends for the year 1964.

²Banks reporting zero amounts were excluded in computing this average, and figures are not shown where there were fewer than three banks in a group.

³Computed 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.