

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS 75222

Circular No. 68-84
April 5, 1968

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

**To All 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 1967, with comparative ratios for 1966. 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,

P. E. Coldwell
President

Enclosure

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OPERATING RATIOS OF MEMBER BANKS FOR THE YEARS 1967 and 1966¹ — ELEVENTH FEDERAL RESERVE DISTRICT

	BANKS WITH AVERAGE DEPOSITS (In thousands of dollars)																					
	Under \$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-\$200,000			\$200,000-\$500,000		Over \$500,000		
	1967	1966	1967	1966	1967	1966	1967	1966	1967	1966	1967	1966	1967	1966	1967	1966		1967	1966	1967	1966	1967
Number of banks in group	19	23	61	66	185	207	183	167	128	118	38	39	24	23	18	17	4	4	6	6		
SUMMARY RATIOS																						
Percentage of Total Capital Accounts:																						
1. Net current earnings.....	10.0	9.8	10.3	9.6	12.8	12.9	15.3	16.0	17.2	18.1	16.8	16.9	15.7	16.9	17.8	16.4	16.5	15.2	15.4	14.1		1
2. Net income before related taxes.....	8.4	7.9	8.1	7.6	9.1	8.9	11.6	12.1	12.9	12.9	13.0	13.2	11.7	12.4	14.4	12.1	13.6	11.6	13.0	12.2		2
3. Net income after taxes.....	6.9	6.6	6.3	6.2	7.3	7.4	9.1	9.7	10.1	10.2	10.1	9.9	8.2	8.2	10.1	8.0	9.0	7.8	8.8	8.4		3
4. Cash dividends declared.....	2.6	2.2	2.5	2.3	2.6	2.6	3.7	3.7	3.6	3.6	3.9	3.9	3.5	3.6	4.2	4.3	3.8	3.4	5.5	5.2		4
Percentage of Total Assets:																						
5. Total operating revenue.....	5.31	5.20	5.46	5.39	5.82	5.64	5.46	5.30	5.71	5.39	5.38	4.99	5.15	4.87	4.87	4.67	4.62	4.31	4.31	4.11		5
6. Net current earnings.....	1.33	1.27	1.20	1.09	1.31	1.31	1.29	1.32	1.33	1.34	1.17	1.20	1.18	1.24	1.33	1.26	1.11	1.01	1.40	1.27		6
7. Net income after taxes.....	.95	.85	.73	.89	.76	.74	.75	.80	.77	.77	.71	.70	.62	.61	.74	.61	.61	.52	.81	.76		7
SOURCES AND DISPOSITION OF EARNINGS																						
Percentage of Total Operating Revenue:																						
8. Interest and dividends on:																						8
a. U.S. Government securities.....	16.5	18.9	20.2	19.8	18.3	17.3	16.3	17.5	13.5	13.5	11.8	12.9	13.2	13.7	12.6	14.2	16.4	16.8	8.7	9.3		a
b. Other securities.....	5.6	5.1	5.7	5.9	8.0	7.2	11.1	9.2	10.4	10.2	11.1	10.0	8.8	7.5	8.8	8.6	9.1	8.2	9.7	8.9		b
9. Revenue on loans.....	70.1	68.7	66.5	65.2	63.3	64.7	63.3	64.1	65.5	65.4	66.1	66.6	68.5	68.7	69.6	67.9	64.9	65.7	72.4	73.2		9
10. All other revenue.....	7.8	7.3	7.6	9.1	10.4	10.8	9.3	9.2	10.6	10.9	11.0	10.5	9.5	10.1	9.0	9.3	9.6	9.3	9.2	8.6		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	5.8	5.0	5.0	6.4	7.8	8.0	6.7	6.7	7.8	7.6	5.5	5.5	4.2	4.6	3.6	4.0	2.4	2.4	1.2	1.1		12
13. Trust department revenue (Included in item 10) ²	—	—	—	—	—	—	.2	.2	.3	.4	1.8	1.8	2.2	2.5	2.9	2.9	5.3	5.3	4.4	4.3		13
14. Salaries and wages.....	40.0	37.6	34.2	34.7	29.3	29.6	25.9	26.6	23.3	23.8	21.4	22.8	20.3	21.1	19.7	20.4	18.1	18.7	13.8	13.6		14
15. Pension, hospitalization, social security taxes, etc.....	2.6	2.0	1.9	1.8	2.1	2.0	2.3	2.3	2.4	2.2	2.7	2.7	3.0	3.0	2.7	2.9	2.3	2.4	2.4	2.2		15
16. Interest on time and savings deposits.....	10.4	10.4	16.6	15.3	20.7	19.0	26.4	24.2	30.1	27.4	33.0	28.7	32.0	29.5	31.4	29.8	36.9	36.4	32.9	33.3		16
17. Net occupancy expense of bank premises.....	5.8	6.4	5.7	5.8	5.8	6.1	5.3	5.2	4.9	5.2	5.0	5.8	4.4	4.4	3.9	4.5	2.2	3.6	.4	1.3		17
18. All other expenses.....	16.8	19.2	19.1	20.0	18.2	18.6	15.9	16.1	16.3	16.4	15.9	15.8	17.1	16.7	14.8	15.4	16.4	15.6	17.8	18.5		18
19. Total operating expenses.....	75.6	75.6	77.5	77.6	76.1	75.3	75.8	74.4	77.0	75.0	78.0	75.8	76.8	74.7	72.5	73.0	75.9	76.7	67.3	68.9		19
20. Net current earnings.....	24.4	24.4	22.5	22.4	23.9	24.7	24.2	25.6	23.0	25.0	22.0	24.2	23.2	25.3	27.5	27.0	24.1	23.3	32.7	31.1		20
21. Net recoveries (losses —) ³	-1.7	-4.6	-3.0	-5.3	-5.6	-5.3	-3.8	-4.6	-4.5	-5.4	-2.6	-4.0	-3.8	-5.8	-2.6	-6.4	-1.9	-3.5	-2.9	-3.4		21
22. Net decrease (increase —) in valuation reserves.....	-8	-3	-1.2	—	-5	-1.2	-1.7	-1.2	-1.3	-1.4	-2.1	-1.4	-1.6	-1.7	-2.6	-8	-2.6	-1.9	-2.0	-5		22
23. Taxes on net income.....	4.1	4.1	4.1	3.4	3.6	3.0	4.3	4.2	3.9	3.6	3.9	4.6	5.5	6.3	7.0	6.6	6.4	5.9	9.0	8.7		23
24. Net income after taxes.....	17.8	15.4	14.2	13.7	14.2	15.2	14.4	15.6	13.3	14.6	13.4	14.2	12.3	12.5	15.3	13.2	13.2	12.0	18.8	18.5		24
RATES OF EARNINGS ON SECURITIES AND LOANS																						
Percentage of Securities:																						
25. Interest and dividends on U.S. Government securities.....	4.54	4.31	4.94	4.56	4.98	4.63	4.95	4.70	4.94	4.48	4.48	4.32	4.86	4.28	4.59	4.43	4.64	4.03	3.93	3.42		25
26. Interest and dividends on other securities.....	4.29	4.38	3.51	3.72	3.64	3.40	3.50	3.22	3.38	3.16	3.67	3.33	3.64	3.22	3.35	3.29	3.65	3.28	3.90	3.51		26
27. Net recoveries and profits (losses —) on securities ³	—	.01	.01	-.04	-.04	-.06	-.05	-.16	-.06	-.14	-.04	-.13	.21	-.24	.14	-.49	.06	-.15	-.02	-.34		27
Percentage of Total Loans (Net):																						
28. Revenue on loans.....	7.96	7.88	7.88	7.68	7.75	7.71	7.50	7.44	7.60	7.37	7.09	6.70	7.00	6.55	6.59	6.10	6.12	5.87	6.03	5.86		28
29. Net recoveries (losses —) on loans ³	-.33	-.40	-.28	-.72	-.62	-.56	-.37	-.38	-.40	-.43	-.32	-.29	-.41	-.37	-.26	-.32	-.18	-.18	-.23	-.13		29
DISTRIBUTION OF TOTAL ASSETS																						
Percentage of Total Assets:																						
30. U.S. Government securities.....	18.7	22.1	20.8	21.2	18.9	18.8	17.0	18.8	14.2	15.6	13.1	14.8	14.7	15.5	13.2	14.6	16.5	18.0	9.5	11.0		30
31. Other securities.....	6.0	5.5	9.8	8.7	12.5	12.0	16.6	14.8	17.5	17.0	16.4	14.8	12.4	11.4	12.8	12.2	11.5	10.8	11.1	10.5		31
32. Loans (net).....	47.5	46.2	46.2	45.1	47.1	47.4	46.4	45.9	49.4	48.2	50.1	49.8	50.4	51.4	51.7	52.1	49.2	48.4	51.7	51.3		32
33. Cash assets.....	27.0	25.2	21.4	23.1	19.2	19.4	17.9	18.4	16.4	16.8	17.2	17.7	19.8	19.1	19.6	18.4	19.9	19.8	24.0	23.5		33
34. Real estate assets.....	.7	.9	1.6	1.8	2.1	2.2	1.9	1.9	2.2	2.1	2.7	2.5	2.2	2.2	2.0	2.1	2.1	2.3	2.5	2.4		34
35. All other assets.....	.1	.1	.2	.1	.2	.2	.2	.2	.3	.3	.5	.4	.5	.4	.7	.6	.8	.7	1.2	1.3		35
OTHER RATIOS																						
36. Total capital accounts to total assets.....	13.6	13.9	12.6	13.2	10.7	10.9	8.6	8.5	7.8	7.7	7.3	7.5	7.5	7.3	7.7	7.9	6.8	6.6	9.2	9.1		36
37. Total capital accounts to total assets less Government securities and cash assets.....	26.2	28.3	22.9	25.4	18.4	18.1	13.7	14.2	11.4	11.6	10.6	11.2	11.7	11.5	11.6	11.8	10.7	10.7	13.8	13.9		37
38. Total capital accounts to total deposits.....	15.9	16.5	14.7	15.7	12.1	12.4	9.6	9.4	8.6	8.5	8.0	8.3	8.3	8.0	8.6	8.8	7.6	7.4	10.7	10.5		38
39. Time deposits to total deposits.....	17.5	16.5	26.4	25.7	33.7	31.6	38.0	35.0	44.7	41.2	43.8	39.6	40.2	38.5	40.8	39.0	44.8	43.4	36.5	36.6		39
40. Interest on time deposits ²	3.89	3.89	3.95	3.87	4.08	3.82	4.16	3.97	4.13	3.85	4.42	3.93	4.39	4.05	4.19	3.98	4.25	4.02	4.54	4.35		40

For notes see back page.

NOTES FOR TABLE

- ¹ Each of the 1967 ratios represents an average of the ratios of individual banks computed from data taken from reports of condition as of December 31, 1966, and June 30, 1967, and from reports of income and dividends for the year 1967. Figures used as a basis for the 1966 ratios are averages of amounts taken from reports of condition as of December 31, 1965, and June 30, 1966, and from reports of income and dividends for the year 1966.
- 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.