

**FEDERAL RESERVE BANK OF DALLAS**  
**DALLAS, TEXAS 75222**

Circular No. 70-178  
August 5, 1970

**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 1969. This annual statement includes 19 operating ratios not previously reported. Moreover, substantive definition changes for certain items on the 1969 Report of Condition and on the Consolidated Report of Income preclude comparison of many of the previously reported operating ratios with those reported in 1969. Consequently, 1968 operating ratios are not included. The notes on the back page of this letter elaborate on the changes that have been made in the 1969 reports. 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

**OPERATING RATIOS OF MEMBER BANKS FOR THE YEAR 1969 — ELEVENTH FEDERAL RESERVE DISTRICT**

	BANKS WITH AVERAGE DEPOSITS (In thousands of dollars)							
	Under \$5,000	\$5,000-\$10,000	\$10,000-\$25,000	\$25,000-\$50,000	\$50,000-\$100,000	\$100,000-\$500,000	Over \$500,000	
	1969	1969	1969	1969	1969	1969	1969	
Number of banks in group	181	178	171	46	28	27	6	
<b>PROFITABILITY</b>								
<b>Percentage of Equity Capital Including All Reserves:</b>								
1. Income after taxes and before securities gains or losses <sup>1</sup>	8.23	10.82	11.64	10.43	10.32	9.87	10.45	1
2. Net income	8.36	10.68	11.39	10.50	10.05	9.67	9.93	2
<b>Percentage of Net Income:</b>								
3. Cash dividends paid	28.00	25.05	29.16	32.30	35.38	33.53	48.96	3
<b>SOURCES AND DISPOSITION OF INCOME</b>								
<b>Percentage of Total Assets:</b>								
4. Total operating income	5.90	6.06	6.06	6.00	5.53	5.54	5.10	4
5. Salaries, wages, and fringe benefits	1.84	1.52	1.40	1.32	1.11	1.13	.75	5
6. Interest on deposits	1.22	1.71	1.83	1.89	1.86	1.72	1.35	6
7. Net occupancy expense of bank premises	.23	.25	.24	.26	.20	.17	—	7
8. All other operating expenses	1.38	1.27	1.26	1.31	1.14	1.30	1.54	8
9. Total operating expense	4.69	4.76	4.73	4.80	4.33	4.32	3.64	9
10. Income after taxes and before securities gains or losses <sup>2</sup>	.86	.95	.92	.84	.84	.80	.92	10
11. Net income	.88	.94	.91	.86	.83	.78	.88	11
<b>Percentage of Total Operating Income:</b>								
12. Interest on U.S. Treasury securities	17.85	12.93	11.28	8.35	12.55	9.31	5.52	12
13. Interest on securities of U.S. Government agencies and corporations	5.81	5.27	4.54	3.98	3.28	1.37	.05	13
14. Interest on obligations of states and political subdivisions	4.37	7.04	8.45	8.62	8.58	6.72	8.62	14
15. Interest and dividends on all other securities	.37	.21	.31	.40	.52	.21	.41	15
16. Interest and fees on loans <sup>3</sup>	63.03	65.05	65.79	67.68	66.50	72.48	76.38	16
17. All other operating income	8.53	9.47	9.60	10.95	8.55	9.87	8.98	17
18. Total operating income	100.00	100.00	100.00	100.00	100.00	100.00	100.00	18
19. Service charges on deposit accounts (Included in item 17) <sup>4</sup>	4.61	6.46	6.34	6.24	3.93	2.74	1.14	19
20. Trust department income (Included in item 17) <sup>5</sup>	.01	.04	.32	1.18	1.48	3.26	4.29	20
21. Salaries and wages	29.61	23.07	20.96	19.46	17.64	17.87	12.76	21
22. Officer and employee benefits	1.88	2.12	2.21	2.50	2.61	2.58	1.98	22
23. Interest on deposits	20.75	28.53	30.45	31.76	33.74	31.16	26.74	23
24. Interest on borrowed money	.04	.18	.35	.94	2.37	5.43	14.95	24
25. Net occupancy expense of bank premises	4.12	4.19	4.05	4.47	3.78	3.09	—1.16	25
26. Provision for loan losses	4.67	3.26	3.81	3.69	3.15	2.32	1.03	26
27. All other operating expenses	17.77	16.87	16.13	16.69	14.90	15.40	13.90	27
28. Total operating expense	78.88	78.26	77.99	79.55	78.21	77.87	71.22	28
29. Interest on capital notes and debentures (Included in item 27) <sup>6</sup>	—	—	.03	.15	.02	.22	—	29
30. Income before taxes and securities gains or losses	21.11	21.73	22.00	20.44	21.78	22.12	28.78	30
31. Income after income taxes and before securities gains or losses	15.98	16.48	16.23	14.99	15.42	14.61	18.34	31
32. Net securities gains (+) or losses (-), after tax effect	—52	—55	—81	—1.79	.06	—41	—78	32
33. All other additions and subtractions, net, including minority interest, if any	—09	—05	—	1.78	—35	.15	—	33
34. Net income	15.35	15.85	15.36	14.97	15.13	14.35	17.56	34
<b>RATES OF RETURN ON SECURITIES AND LOANS</b>								
<b>Return on Securities:<sup>4</sup></b>								
35. Interest on U.S. Treasury securities	5.97	5.60	5.59	5.71	5.45	5.21	4.55	35
36. Interest on securities of U.S. Government agencies and corporations <sup>5</sup>	4.98	4.71	4.60	4.92	5.03	4.98	—	36
37. Interest on obligations of states and political subdivisions	3.38	3.18	3.74	3.54	3.68	3.70	3.93	37
38. Interest and dividends on all other securities	3.70	4.38	5.24	5.90	5.87	5.56	5.55	38
<b>Return on Loans:<sup>2</sup></b>								
39. Interest and fees on loans	8.27	8.48	8.38	8.30	7.65	7.79	7.61	39
40. Net losses (-) or recoveries (+) on loans	—09	—22	—37	—33	—38	—31	—06	40
<b>DISTRIBUTION OF TOTAL ASSETS</b>								
<b>Percentage of Total Assets:</b>								
41. U.S. Treasury securities <sup>4</sup>	17.57	13.41	11.88	8.65	12.68	9.83	6.24	41
42. Securities of other U.S. Government agencies and corporations <sup>5</sup>	5.20	5.17	4.30	3.63	2.61	1.05	—	42
43. Obligations of states and political subdivisions	6.93	11.25	13.97	14.48	12.73	10.06	11.21	43
44. All other securities	.29	.35	.37	.28	.61	.22	.39	44
45. Gross loans <sup>3</sup>	48.40	51.00	50.62	51.83	50.63	54.14	52.91	45
46. Cash assets	19.80	16.42	16.34	17.44	17.52	20.61	24.22	46
47. Real estate	1.47	1.96	1.91	2.69	2.09	2.18	2.44	47
<b>DISTRIBUTION OF LOANS</b>								
<b>Percentage of Gross Loans:<sup>3</sup></b>								
48. Real estate loans	12.20	13.80	15.84	17.46	12.86	11.79	9.14	48
49. Loans to farmers	29.52	20.46	13.43	3.48	4.88	3.94	.36	49
50. Commercial and industrial loans	19.41	24.32	30.08	36.53	44.32	41.23	53.28	50
51. Consumer loans to individuals	28.46	31.42	31.65	35.03	25.49	24.46	14.02	51
52. All other loans <sup>3</sup>	10.38	9.97	8.98	7.48	12.43	18.55	23.19	52
<b>OTHER RATIOS</b>								
53. Total capital accounts and reserves to total assets <sup>6</sup>	10.96	8.94	8.41	8.43	8.48	8.38	9.40	53
54. Time and savings deposits to total deposits	32.83	44.22	45.88	46.40	45.33	41.44	33.38	54
55. Interest on time and savings deposits to total time deposits	3.74	4.29	4.42	4.59	4.67	4.84	5.11	55
56. Income taxes to net income plus income taxes	16.27	17.45	20.99	21.67	24.22	25.05	30.11	56
57. Interest and fees on loans to other loans	7.72	7.71	7.81	7.76	7.28	7.39	7.24	57

For notes see back page.

## NOTES FOR TABLE

There are 19 new ratios contained in this report. They are ratios 3, 5-9, 11, 24, 26, 29, 32-33, 48-52, and 56-57. There are no previous ratios that can be compared with those listed in this report.

In addition, there are a number of ratios based on the 1969 Call Report of Condition and Report of Income that are no longer comparable with similar items on previous reports. There are three primary changes in the reports for 1969 that account for this lack of comparability. These are:

(1) Valuation reserves are currently listed on the liability side of a bank's Call Report of Condition and all asset items are now listed on a "GROSS" basis. Prior to June 30, 1969, valuation reserves were listed as a negative item on the asset side of the balance sheet, and all loans and securities were reported "NET" of valuation reserves.

(2) Federal funds purchased and securities sold under agreements to repurchase are currently listed as a separate item on a bank's Call Report of Condition. Prior to June 30, 1969, these funds were included in the "Other Loans" category.

(3) Currently, commercial banks determine "Applicable Income Taxes" before adding or subtracting "Securities Gains (or Losses)." Prior to December 31, 1969, these gains or losses were added or charged-off to "Net Current Operating Earnings" before income taxes were determined. Consequently, "Net Income" determined at year-end 1968 is no longer comparable with "Net Income" determined at year-end 1969.

<sup>1</sup> Excludes minority interest in operating income, if any.

<sup>2</sup> Loans include Federal funds sold and securities purchased under agreements to resell.

<sup>3</sup> Banks reporting zero amounts were excluded in computing this average.

<sup>4</sup> Excludes trading account securities.

<sup>5</sup> Figures are not shown where there were fewer than three banks in a group.

<sup>6</sup> Includes capital notes and debentures and all valuation reserves.

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