

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS 75222

Circular No. 71-127
June 8, 1971

**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 1970, with comparative ratios for 1969.

Enclosed in the statement sent to the chief executive officer of your bank is a separate tabulation giving the 1970 and 1969 operating ratios for your bank.

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 YEARS 1970 AND 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 | |
| | 1970 | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 | 1969 | | 1970 | 1969 |
| Number of banks in group | 157 | 181 | 178 | 178 | 176 | 171 | 46 | 46 | 31 | 28 | 29 | 27 | 6 | 6 | |
| PROFITABILITY | | | | | | | | | | | | | | | |
| Percentage of Equity Capital Including All Reserves: | | | | | | | | | | | | | | | |
| 1. Income after taxes and before securities gains or losses ¹ | 9.73 | 8.23 | 10.44 | 10.82 | 12.25 | 11.64 | 12.70 | 10.43 | 10.81 | 10.32 | 10.07 | 9.87 | 11.12 | 10.45 | 1 |
| 2. Net income | 9.82 | 8.36 | 10.57 | 10.68 | 12.46 | 11.39 | 12.69 | 10.50 | 11.13 | 10.05 | 9.89 | 9.67 | 11.21 | 9.93 | 2 |
| Percentage of Net Income: | | | | | | | | | | | | | | | |
| 3. Cash dividends paid | 33.82 | 28.00 | 24.82 | 25.05 | 29.15 | 29.16 | 33.19 | 32.30 | 31.05 | 35.38 | 36.40 | 33.53 | 46.25 | 48.96 | 3 |
| SOURCES AND DISPOSITION OF INCOME | | | | | | | | | | | | | | | |
| Percentage of Total Assets: | | | | | | | | | | | | | | | |
| 4. Total operating income | 6.23 | 5.90 | 6.58 | 6.06 | 6.50 | 6.06 | 6.52 | 6.00 | 6.07 | 5.53 | 5.95 | 5.54 | 5.45 | 5.10 | 4 |
| 5. Salaries, wages, and fringe benefits | 1.89 | 1.84 | 1.64 | 1.52 | 1.46 | 1.40 | 1.43 | 1.32 | 1.21 | 1.11 | 1.19 | 1.13 | .82 | .75 | 5 |
| 6. Interest on deposits | 1.32 | 1.22 | 1.84 | 1.71 | 2.00 | 1.83 | 2.03 | 1.89 | 2.11 | 1.86 | 1.87 | 1.72 | 1.51 | 1.35 | 6 |
| 7. Net occupancy expense of bank premises | .23 | .23 | .25 | .25 | .23 | .24 | .28 | .26 | .22 | .20 | .17 | .17 | .02 | — | 7 |
| 8. All other operating expenses | 1.35 | 1.38 | 1.50 | 1.27 | 1.37 | 1.26 | 1.40 | 1.31 | 1.23 | 1.14 | 1.48 | 1.30 | 1.59 | 1.54 | 8 |
| 9. Total operating expense | 4.81 | 4.69 | 5.24 | 4.76 | 5.08 | 4.73 | 5.16 | 4.80 | 4.79 | 4.33 | 4.73 | 4.32 | 3.96 | 3.64 | 9 |
| 10. Income after taxes and before securities gains or losses ¹ | 1.02 | .86 | .95 | .95 | 1.00 | .92 | 1.00 | .84 | .92 | .84 | .79 | .80 | .99 | .92 | 10 |
| 11. Net income | 1.04 | .88 | .97 | .94 | 1.01 | .91 | 1.00 | .86 | .94 | .83 | .78 | .78 | 1.00 | .88 | 11 |
| Percentage of Total Operating Income: | | | | | | | | | | | | | | | |
| 12. Interest on U.S. Treasury securities | 17.74 | 17.85 | 11.14 | 12.93 | 10.17 | 11.28 | 7.04 | 8.35 | 11.55 | 12.55 | 8.05 | 9.31 | 5.34 | 5.52 | 12 |
| 13. Interest on securities of U.S. Government agencies and corporations | 5.81 | 5.81 | 4.99 | 5.27 | 4.40 | 4.54 | 3.49 | 3.98 | 2.72 | 3.28 | 1.73 | 1.37 | .02 | .05 | 13 |
| 14. Interest on obligations of states and political subdivisions | 4.69 | 4.37 | 7.73 | 7.04 | 9.31 | 8.45 | 9.67 | 8.62 | 8.71 | 8.58 | 6.92 | 6.72 | 9.56 | 8.62 | 14 |
| 15. Interest and dividends on all other securities | .34 | .37 | .14 | .21 | .26 | .31 | .29 | .40 | .36 | .52 | .30 | .21 | .46 | .41 | 15 |
| 16. Interest and fees on loans ² | 63.95 | 63.03 | 66.57 | 65.05 | 66.49 | 65.79 | 68.86 | 67.68 | 67.44 | 66.50 | 72.81 | 72.48 | 74.39 | 76.38 | 16 |
| 17. All other operating income | 7.45 | 8.53 | 9.40 | 9.47 | 9.35 | 9.60 | 10.63 | 10.95 | 9.18 | 8.55 | 10.17 | 9.87 | 10.21 | 8.98 | 17 |
| 18. Total operating income | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 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) ³ | 4.05 | 4.61 | 6.49 | 6.46 | 6.06 | 6.34 | 6.35 | 6.24 | 3.99 | 3.93 | 2.52 | 2.74 | 1.08 | 1.14 | 19 |
| 20. Trust department income (Included in item 17) ³ | .05 | .01 | .07 | .04 | .33 | .32 | .92 | 1.18 | 1.62 | 1.48 | 3.12 | 3.26 | 4.39 | 4.29 | 20 |
| 21. Salaries and wages | 28.74 | 29.61 | 22.78 | 23.07 | 20.24 | 20.96 | 19.05 | 19.46 | 17.39 | 17.64 | 17.65 | 17.87 | 13.09 | 12.76 | 21 |
| 22. Officer and employee benefits | 1.91 | 1.88 | 2.20 | 2.12 | 2.31 | 2.21 | 2.94 | 2.50 | 2.60 | 2.61 | 2.57 | 2.58 | 2.13 | 1.98 | 22 |
| 23. Interest on deposits | 21.05 | 20.75 | 28.18 | 28.53 | 31.13 | 30.45 | 31.50 | 31.76 | 34.84 | 33.74 | 31.75 | 31.16 | 27.72 | 26.74 | 23 |
| 24. Interest on borrowed money | .05 | .04 | .25 | .18 | .29 | .35 | 1.03 | .94 | 2.08 | 2.37 | 5.48 | 5.43 | 14.37 | 14.95 | 24 |
| 25. Net occupancy expense of bank premises | 3.68 | 4.12 | 3.89 | 4.19 | 3.68 | 4.05 | 4.46 | 4.47 | 3.84 | 3.78 | 2.97 | 3.09 | .59 | — | 25 |
| 26. Provision for loan losses | 4.31 | 4.67 | 4.89 | 3.26 | 3.79 | 3.81 | 3.31 | 3.69 | 2.73 | 3.15 | 3.19 | 2.32 | 1.66 | 1.03 | 26 |
| 27. All other operating expenses | 16.89 | 17.77 | 16.81 | 16.87 | 16.57 | 16.13 | 16.96 | 16.69 | 15.28 | 14.90 | 15.85 | 15.40 | 13.13 | 13.90 | 27 |
| 28. Total operating expense | 76.66 | 78.88 | 79.03 | 78.26 | 75.67 | 77.99 | 79.27 | 79.55 | 78.78 | 78.21 | 79.49 | 77.87 | 72.71 | 71.22 | 28 |
| 29. Interest on capital notes and debentures (Included in item 27) ⁴ | — | — | .01 | — | .07 | .03 | .18 | .15 | .03 | .02 | .24 | .22 | — | — | 29 |
| 30. Income before taxes and securities gains or losses | 23.33 | 21.11 | 20.96 | 21.73 | 21.94 | 22.00 | 20.72 | 20.44 | 21.21 | 21.78 | 20.50 | 22.12 | 27.28 | 28.78 | 30 |
| 31. Income after income taxes and before securities gains or losses | 17.45 | 15.98 | 15.60 | 16.48 | 15.96 | 16.23 | 15.43 | 14.99 | 15.37 | 15.42 | 13.58 | 14.61 | 18.33 | 18.34 | 31 |
| 32. Net securities gains (+) or losses (—), after tax effect | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 32 |
| 33. All other additions and subtractions, net, including minority interest, if any | .03 | — | — | — | — | — | — | — | .06 | — | — | — | — | — | 33 |
| 34. Net income | 17.07 | 15.35 | 15.31 | 15.85 | 15.85 | 15.36 | 15.46 | 14.97 | 15.82 | 15.13 | 13.38 | 14.35 | 18.51 | 17.56 | 34 |
| RATES OF RETURN ON SECURITIES AND LOANS | | | | | | | | | | | | | | | |
| Return on Securities:⁴ | | | | | | | | | | | | | | | |
| 35. Interest on U.S. Treasury securities | 5.84 | 5.97 | 5.77 | 5.60 | 5.48 | 5.59 | 5.44 | 5.71 | 5.63 | 5.45 | 5.38 | 5.21 | 4.87 | 4.55 | 35 |
| 36. Interest on securities of U.S. Government agencies and corporations ⁵ | 3.58 | 4.98 | 4.94 | 4.71 | 4.84 | 4.60 | 4.72 | 4.92 | 4.33 | 5.03 | 4.57 | 4.98 | — | — | 36 |
| 37. Interest on obligations of states and political subdivisions | 3.76 | 3.38 | 4.03 | 3.18 | 4.10 | 3.74 | 4.11 | 3.54 | 3.95 | 3.68 | 4.08 | 3.70 | 4.22 | 3.93 | 37 |
| 38. Interest and dividends on all other securities | 3.70 | 3.70 | 3.51 | 4.38 | 4.40 | 5.24 | 5.48 | 5.90 | 5.34 | 5.87 | 5.39 | 5.56 | 4.98 | 5.55 | 38 |
| Return on Loans:² | | | | | | | | | | | | | | | |
| 39. Interest and fees on loans | 8.91 | 8.27 | 9.48 | 8.48 | 9.36 | 8.38 | 9.05 | 8.30 | 8.55 | 7.65 | 8.73 | 7.79 | 8.33 | 7.61 | 39 |
| 40. Net losses (—) or recoveries (+) on loans | —0.06 | —0.09 | —0.34 | —0.22 | —0.53 | —0.37 | —0.57 | —0.33 | —0.39 | —0.38 | —0.62 | —0.31 | —0.30 | —0.06 | 40 |
| DISTRIBUTION OF TOTAL ASSETS | | | | | | | | | | | | | | | |
| Percentage of Total Assets: | | | | | | | | | | | | | | | |
| 41. U.S. Treasury securities ⁴ | 17.98 | 17.57 | 12.22 | 13.41 | 11.49 | 11.88 | 8.01 | 8.65 | 12.02 | 12.68 | 8.86 | 9.83 | 6.02 | 6.24 | 41 |
| 42. Securities of other U.S. Government agencies and corporations ⁵ | 4.88 | 5.20 | 4.91 | 5.17 | 4.07 | 4.30 | 3.54 | 3.63 | 2.23 | 2.61 | 1.58 | 1.05 | — | — | 42 |
| 43. Obligations of states and political subdivisions | 7.17 | 6.93 | 11.70 | 11.25 | 14.38 | 13.97 | 14.70 | 14.48 | 13.24 | 12.73 | 10.35 | 10.06 | 12.15 | 11.21 | 43 |
| 44. All other securities | .39 | .29 | .32 | .35 | .35 | .37 | .34 | .28 | .65 | .61 | .30 | .22 | .43 | .39 | 44 |
| 45. Gross loans ² | 47.48 | 48.40 | 51.22 | 51.00 | 50.49 | 50.62 | 52.26 | 51.83 | 50.75 | 50.63 | 54.34 | 54.14 | 53.50 | 52.91 | 45 |
| 46. Cash assets | 20.30 | 19.80 | 17.22 | 16.42 | 16.61 | 16.34 | 17.24 | 17.44 | 17.68 | 17.52 | 20.48 | 20.61 | 22.17 | 24.22 | 46 |
| 47. Real estate | 1.34 | 1.47 | 1.93 | 1.96 | 1.92 | 1.91 | 2.65 | 2.69 | 2.27 | 2.09 | 2.14 | 2.18 | 2.63 | 2.44 | 47 |
| DISTRIBUTION OF LOANS | | | | | | | | | | | | | | | |
| Percentage of Gross Loans:² | | | | | | | | | | | | | | | |
| 48. Real estate loans | 11.80 | 12.20 | 13.46 | 13.80 | 15.66 | 15.84 | 15.88 | 17.46 | 13.50 | 12.86 | 11.43 | 11.79 | 8.79 | 9.14 | 48 |
| 49. Loans to farmers | 28.87 | 29.52 | 19.41 | 20.46 | 13.31 | 13.43 | 5.01 | 3.48 | 4.40 | 4.88 | 3.74 | 3.94 | .33 | .36 | 49 |
| 50. Commercial and industrial loans | 18.88 | 19.41 | 24.08 | 24.32 | 29.69 | 30.08 | 36.44 | 36.53 | 42.66 | 44.32 | 41.19 | 41.23 | 49.45 | 53.28 | 50 |
| 51. Consumer loans to individuals | 27.19 | 28.46 | 30.79 | 31.42 | 30.65 | 31.65 | 33.38 | 35.03 | 27.38 | 25.49 | 22.30 | 24.46 | 13.43 | 14.02 | 51 |
| 52. All other loans ² | 13.24 | 10.38 | 12.24 | 9.97 | 10.66 | 8.98 | 9.26 | 7.48 | 12.03 | 12.43 | 21.30 | 18.55 | 27.98 | 23.19 | 52 |
| OTHER RATIOS | | | | | | | | | | | | | | | |
| 53. Total capital accounts and reserves to total assets ⁶ | 10.80 | 10.96 | 9.15 | 8.94 | 8.53 | 8.41 | 8.26 | 8.43 | 8.67 | 8.48 | 8.30 | 8.38 | 9.41 | 9.40 | 53 |
| 54. Time and savings deposits to total deposits | 33.10 | 32.83 | 44.03 | 44.22 | 46.51 | 45.88 | 46.20 | 46.40 | 46.29 | 45.33 | 41.88 | 41.44 | 34.55 | 33.38 | 54 |
| 55. Interest on time and savings deposits to total time deposits | 4.00 | 3.74 | 4.63 | 4.29 | 4.79 | 4.42 | 4.98 | 4.59 | 5.18 | 4.67 | 5.24 | 4.84 | 5.59 | 5.11 | 55 |
| 56. Income taxes to net income plus income taxes | 21.47 | 16.27 | 27.32 | 17.45 | 24.63 | 20.99 | 20.83 | 21.67 | 24.75 | 24.22 | 28.86 | 25.05 | 29.55 | 30.11 | 56 |
| 57. Interest and fees on loans to other loans | 8.50 | 7.72 | 8.62 | 7.71 | 8.58 | 7.81 | 8.63 | 7.76 | 8.10 | 7.28 | 7.92 | 7.39 | 7.61 | 7.24 | 57 |

For notes see back page.

NOTES FOR TABLE

Each of the 1970 ratios represents an average of the ratios of individual banks computed from data taken from Call Reports of Condition as of December 31, 1969; June 30, 1970; and December 31, 1970; and from Consolidated Reports of Income for the year 1970. Figures used as a basis for the 1969 ratios are averages of amounts taken from Call Reports of Condition as of June 30, 1969 and December 31, 1969, and from Consolidated Reports of Income for the year 1969.

¹ Excludes minority interest in operating income, if any.

² Loans include Federal funds sold and securities purchased under agreements to resell.

³ Banks reporting zero amounts were excluded in computing this average.

⁴ Excludes trading account securities.

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

⁶ Includes capital notes and debentures and all valuation reserves.

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

Prepared by
Research Department

Federal Reserve Bank
of Dallas