

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS 75222

Circular No. 73-69
April 12, 1973

**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 1972, with comparative ratios for 1971.

Enclosed in the statement sent to the chief executive officer of your bank is a separate tabulation giving the 1972 and 1971 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 1972 AND 1971 — 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		
		1972	1971	1972	1971	1972	1971	1972	1971	1972	1971	1972	1971		1972	1971	
Number of banks in group		110	139	139	160	222	198	66	62	39	24	35	37	8	6		
PROFITABILITY																	
Percentage of Equity Capital Including All Reserves:																	
1. Income after taxes and before securities gains or losses ¹		9.05	8.52	10.76	9.00	11.96	11.17	12.13	10.71	11.36	10.57	10.01	9.44	11.60	11.54	1	
2. Net income		9.30	9.10	11.12	9.75	12.86	12.30	12.62	11.54	11.78	11.31	10.24	10.26	11.69	11.83	2	
Percentage of Net Income:																	
3. Cash dividends paid		28.21	27.55	22.99	25.49	24.36	27.35	25.37	32.03	29.50	30.14	32.27	34.26	45.01	48.42	3	
SOURCES AND DISPOSITION OF INCOME																	
Percentage of Total Assets:																	
4. Total operating income		6.09	6.14	6.20	6.33	6.35	6.34	6.30	6.34	5.91	5.88	5.52	5.61	5.07	5.07	4	
5. Salaries, wages, and fringe benefits		1.81	1.87	1.54	1.60	1.39	1.41	1.31	1.37	1.13	1.15	1.10	1.12	.85	.79	5	
6. Interest on deposits		1.56	1.47	1.97	2.00	2.25	2.16	2.27	2.22	2.21	2.17	1.99	1.99	1.56	1.51	6	
7. Net occupancy expense of bank premises		.24	.22	.21	.22	.24	.24	.22	.24	.23	.22	.16	.16	.01	-.01	7	
8. All other operating expenses		1.27	1.39	1.28	1.43	1.25	1.31	1.29	1.42	1.24	1.19	1.32	1.36	1.48	1.41	8	
9. Total operating expense		4.88	4.97	5.00	5.26	5.13	5.14	5.09	5.27	4.81	4.75	4.57	4.65	3.90	3.71	9	
10. Income after taxes and before securities gains or losses ¹		.93	.85	.94	.79	.94	.90	.95	.80	.85	.86	.73	.71	.86	.95	10	
11. Net income		.95	.91	.97	.86	1.01	.98	.99	.86	.88	.91	.74	.77	.87	.98	11	
Percentage of Total Operating Income:																	
12. Interest on U.S. Treasury securities		15.01	16.71	12.00	11.78	10.07	11.36	6.55	6.98	10.24	12.18	8.02	9.44	5.27	5.46	12	
13. Interest on securities of U.S. Government agencies and corporations		7.54	7.18	7.12	6.19	6.05	5.20	4.81	4.34	4.91	4.12	2.31	2.26	.49	.15	13	
14. Interest on obligations of states and political subdivisions		5.14	4.95	8.48	8.76	10.05	10.18	10.31	9.70	10.61	10.28	8.94	8.08	10.43	9.76	14	
15. Interest and dividends on all other securities		1.30	.58	.73	.56	.44	.21	.40	.46	.94	.61	.53	.61	.46	.53	15	
16. Interest and fees on loans ²		63.09	62.87	63.04	63.45	64.08	63.73	67.99	67.89	63.53	63.70	68.98	68.42	70.51	71.35	16	
17. All other operating income		7.92	7.68	8.63	9.23	9.31	9.28	9.94	10.59	9.77	9.07	11.22	11.17	12.84	12.73	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		4.51	4.38r	5.75	6.35r	5.96	6.12r	5.79	6.08	4.04	4.04	2.48	2.63	.87	.94	19	
20. Trust department income (Included in item 17) ³		—	—	1.16	.98r	.93	.95r	1.21	1.09r	2.09	2.05r	3.02	2.92	5.29	4.90	20	
21. Salaries and wages		28.24	28.92	22.78	23.06	19.37	19.95	18.33	19.10	16.67	17.24	17.09	17.39	14.25	13.47	21	
22. Officer and employee benefits		1.99	1.93	2.19	2.26	2.45	2.43	2.45	2.56	2.52	2.56	2.82	2.67	2.50	2.23	22	
23. Interest on deposits		25.56	23.74	31.86	31.79	35.77	34.33	36.16	35.37	37.49	36.97	36.11	35.62	30.68	29.86	23	
24. Interest on borrowed money		.07	.06	.11	.09	.20	.16	.55	.38	1.19	1.12	3.84	3.53	11.81	12.08	24	
25. Net occupancy expense of bank premises		3.69	3.68	3.41	3.58	3.82	3.88	3.61	4.07	4.09	3.91	3.05	3.04	.40	-.34	25	
26. Provision for loan losses		2.90	4.07	3.12	4.26	2.72	3.53	3.17	3.78	2.96	3.19	3.20	3.78	2.41	1.97	26	
27. All other operating expenses		17.41	17.64	16.60	16.80	16.28	16.55	16.46	16.80	16.47	15.61	16.58	16.84	14.83	14.01	27	
28. Total operating expense		79.86	80.07	80.07	81.88	80.61	80.86	80.73	82.08	81.39	80.62	82.69	82.90	76.88	73.30	28	
29. Interest on capital notes and debentures (Included in item 27) ⁴		—	—	—	—	1.15	1.06r	1.54	1.18r	1.46	—	1.03	1.06r	—	—	29	
30. Income before taxes and securities gains or losses		20.14	19.92	19.93	18.11	19.39	19.13	19.27	17.91	18.61	19.37	17.31	17.09	23.12	26.69	30	
31. Income after income taxes and before securities gains or losses		15.69	14.90	15.82	13.96	15.58	14.78	15.23	14.26	14.63	14.85	13.43	12.88	17.24	18.85	31	
32. Net securities gains (+) or losses (-), after tax effect		.22	.37	.41	.78	.64	1.04	.35	.79	.54	.85	.40	1.20	.19	.42	32	
33. All other additions and subtractions, net, including minority interest, if any		.04	.17	.04	.18	.06	.01	.27	-.06	-.03	.04	-.04	-.12	-.04	.06	33	
34. Net income		15.95	15.45	16.27	14.94	16.28	15.84	15.86	14.99	15.14	15.76	13.79	13.96	17.39	19.34	34	
RATES OF RETURN ON SECURITIES AND LOANS																	
Return on Securities: ¹																	
35. Interest on U.S. Treasury securities		5.52	5.58	5.85	5.77	5.69	5.85	5.49	5.63	5.89	5.77	5.39	5.55	5.00	5.23	35	
36. Interest on securities of U.S. Government agencies and corporations		4.03	4.74	4.71	5.05	4.79	4.87	5.08	5.13	5.87	5.59	5.46	4.94	4.73	3.28	36	
37. Interest on obligations of states and political subdivisions		3.63	3.74	3.91	4.04	4.19	4.18	4.12	4.04	4.15	4.12	3.83	3.85	3.82	3.98	37	
38. Interest and dividends on all other securities		4.05	3.89	4.34	3.79	4.48	4.30	5.43	5.42	4.79	5.67	5.54	5.85	5.26	5.45	38	
Return on Loans: ²																	
39. Interest and fees on loans		9.21	9.28	9.09	9.15	9.14	9.05	8.95	9.08	8.33	8.22	7.89	7.81	7.64	8.55	39	
40. Net losses (-) or recoveries (+) on loans		-.09	-.01	-.23	-.31	-.23	-.36	-.26	-.74	-.23	-.60	-.28	-.47	-.27	-.38	40	
DISTRIBUTION OF TOTAL ASSETS																	
Percentage of Total Assets:																	
41. U.S. Treasury securities ⁴		15.56	16.92	12.04	12.52	10.79	12.02	7.13	7.51	10.43	12.28	8.38	9.61	5.46	5.49	41	
42. Securities of other U.S. Government agencies and corporations		7.32	6.31	7.43	5.88	6.71	5.26	4.91	4.03	4.63	3.52	2.03	1.77	.46	.14	42	
43. Obligations of states and political subdivisions		6.76	6.88	11.82	12.24	14.43	14.78	15.64	15.21	14.82	14.75	13.08	12.05	13.97	12.43	43	
44. All other securities		.68	.71	.59	.63	.49	.40	.44	.44	.83	.72	.41	.40	.52	.49	44	
45. Gross loans ²		48.39	47.14	49.46	49.14	50.17	49.17	52.98	52.17	49.37	49.03	54.10	53.36	54.47	54.59	45	
46. Cash assets		19.40	20.07	16.63	17.28	14.87	15.82	15.44	16.63	16.19	16.48	18.14	18.92	19.71	20.87	46	
47. Real estate		1.38	1.40	1.56	1.78	1.81	1.88	2.27	2.63	2.42	2.12	2.12	2.13	2.51	2.60	47	
DISTRIBUTION OF LOANS																	
Percentage of Gross Loans: ²																	
48. Real estate loans		10.57	11.56	12.77	13.15	15.42	15.50	16.59	15.58	13.43	13.09	14.91	12.04	11.27	9.80	48	
49. Loans to farmers		29.50	28.92	23.13	20.96	13.90	13.31	8.32	6.48	4.19	4.42	5.17	3.98	1.68	.27	49	
50. Commercial and industrial loans		15.83	18.19	21.93	22.17	24.66	27.86	32.55	35.63	40.74	40.81	37.88	41.03	40.33	42.66	50	
51. Consumer loans to individuals		27.11	26.80	28.34	30.18	32.29	31.02	32.17	31.85	28.18	28.95	20.98	21.06	14.79	12.14	51	
52. All other loans ²		16.97	14.50	13.81	13.52	13.70	12.28	10.34	10.43	13.42	12.71	21.03	21.87	31.92	35.11	52	
OTHER RATIOS																	
53. Total capital accounts and reserves to total assets ⁵		10.68	10.90	8.94	9.06	8.17	8.32	8.15	8.03	7.86	8.33	7.62	7.82	8.05	8.79	53	
54. Time and savings deposits to total deposits		36.25	35.47	44.95	45.94	50.59	48.42	50.28	48.90	50.38	49.02	47.08	45.47	41.47	37.53	54	
55. Interest on time and savings deposits to total time deposits		4.81	4.14	4.89	4.83	5.55	4.94	5.07	5.10	4.93	4.98	4.91	5.09	4.85	5.24	55	
56. Income taxes to net income plus income taxes		17.08	26.51	16.51	20.10	16.77	17.46	15.48	19.83	17.59	25.00	19.48	26.06	21.45	27.24	56	
57. Interest and fees on loans to other loans		8.59	8.68	8.31	8.48	8.52	8.52	8.34	8.49	7.92	7.84	7.30	7.40	6.89	7.01	57	

NOTES FOR TABLE

Each of the 1972 ratios represents an average of the ratios of individual banks computed from data taken from Call Reports of Condition as of December 31, 1971; June 30, 1972; and December 31, 1972; and from Consolidated Reports of Income for the year 1972. Figures used as a basis for the 1971 ratios are averages of amounts taken from Call Reports of Condition as of December 31, 1970; June 30, 1971; and December 31, 1971; and from Consolidated Reports of Income for the year 1971.

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

⁴ Excludes trading account securities.

⁵ Includes capital notes and debentures and all valuation reserves.

r—Revised.

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

Prepared by
Research Department

Federal Reserve Bank
of Dallas