

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS 75222

Circular No. 75-59
April 25, 1975

OPERATING RATIOS OF MEMBER BANKS
ELEVENTH FEDERAL RESERVE DISTRICT

To All Member Banks
in the Eleventh Federal Reserve District:

The annual statement of operating ratios of member banks in the Eleventh Federal Reserve District is shown in the inside pages of this release reflecting the 1974 data compared to that of 1973. A separate tabulation giving the relevant ratios for your bank has been enclosed in the statement sent to the chief executive officer of your bank.

Additional copies of this report are available upon request.

Sincerely yours,

Ernest T. Baughman
President

Enclosure

WTG:bb:jc
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OPERATING RATIOS OF MEMBER BANKS FOR THE YEARS 1974 AND 1973 — 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	
	1974	1973	1974	1973	1974	1973	1974	1973	1974	1973	1974	1973		1974	1973
Number of banks in group	84	93	125	122	234	234	102	90	40	42	41	36	9	9	
PROFITABILITY															
Percentage of Equity Capital Including All Reserves:															
1. Income after taxes and before securities gains or losses ¹	10.93	12.52	13.11	14.62	14.50	14.46	13.53	13.76	12.21	12.58	11.12	10.95	13.08	11.94	1
2. Net income	10.96	12.51	13.35	14.53	14.60	14.63	13.67	13.93	12.30	12.57	11.04	10.83	12.94	11.73	2
Percentage of Net Income															
3. Cash dividends paid	22.98	22.27	19.54	19.19	24.60	21.05	27.77	25.54	23.65	27.86	33.89	32.06	28.99	36.47	3
SOURCES AND DISPOSITION OF INCOME															
Percentage of Total Assets:															
4. Total operating income	7.83	6.91	7.39	6.74	7.45	6.79	7.44	6.76	7.36	6.46	7.34	6.32	7.64	6.31	4
5. Salaries, wages, and fringe benefits	2.13	1.93	1.69	1.52	1.48	1.40	1.31	1.28	1.21	1.14	1.09	1.08	.89	.86	5
6. Interest on deposits	1.87	1.59	2.28	2.03	2.73	2.38	3.00	2.52	3.31	2.56	3.28	2.52	2.89	2.14	6
7. Net occupancy expense of bank premises	.33	.25	.25	.22	.23	.23	.23	.23	.22	.22	.18	.15	.05	.03	7
8. All other operating expenses	1.74	1.58	1.43	1.27	1.41	1.29	1.46	1.29	1.55	1.37	1.83	1.71	2.59	2.18	8
9. Total operating expense	6.16	5.35	5.66	5.04	5.86	5.30	6.02	5.32	6.31	5.29	6.39	5.46	6.44	5.21	9
10. Income after taxes and before securities gains or losses ¹	1.17	1.21	1.19	1.27	1.19	1.14	1.10	1.09	.87	.91	.81	.79	.92	.84	10
11. Net income	1.17	1.21	1.21	1.26	1.20	1.15	1.11	1.11	.87	.92	.80	.78	.91	.82	11
Percentage of Total Operating Income:															
12. Interest on U.S. Treasury securities	11.47	12.70	9.68	11.44	7.42	9.00	5.46	6.08	5.38	8.32	5.43	7.36	3.88	4.67	12
13. Interest on securities of U.S. Government agencies and corporations	6.33	6.61	7.60	7.32	6.69	6.30	4.45	5.11	6.24	5.16	2.02	2.35	.57	.84	13
14. Interest on obligations of states and political subdivisions	3.38	3.63	7.33	7.47	9.60	9.49	10.30	9.67	9.59	10.43	9.50	8.92	7.85	8.47	14
15. Interest and dividends on all other securities	1.05	1.19	.72	.69	.42	.29	.55	.37	.54	.56	.63	.94	.23	.36	15
16. Interest and fees on loans ²	69.12	68.36	67.61	65.59	67.62	66.57	71.14	70.37	70.64	66.93	74.84	71.86	78.90	75.14	16
17. All other operating income	8.65	7.51	7.06	7.49	8.25	8.35	8.10	8.40	7.61	8.60	7.58	8.57	8.57	10.52	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	4.60	4.28	4.06	4.76	4.81	5.27	4.50	4.86	3.35	3.68	1.82	2.01	.76	.87	19
20. Trust department income (Included in item 17) ⁴	—	—	1.28	1.86	.93	.78	.86	.84	1.56	1.91	2.07	2.44	3.13	4.13	20
21. Salaries and wages	25.01	25.69	20.65	20.69	17.25	18.07	15.40	16.47	14.07	15.29	12.72	14.55	9.86	11.43	21
22. Officer and employee benefits	2.21	2.19	2.10	2.03	2.50	2.49	2.31	2.41	2.49	2.43	2.22	2.52	1.88	2.18	22
23. Interest on deposits	23.79	23.00	30.78	30.00	36.91	35.32	40.47	37.54	45.01	39.90	44.71	39.85	38.09	34.09	23
24. Interest on borrowed money	.46	.10	.10	.19	.47	.31	.79	.87	3.18	2.94	9.36	8.57	20.70	20.16	24
25. Net occupancy expense of bank premises	3.77	3.49	3.42	3.29	3.25	3.42	3.20	3.40	3.10	3.43	2.57	2.46	.77	.65	25
26. Provision for loan losses	3.29	2.59	2.85	2.46	3.10	2.80	3.55	2.61	3.44	2.75	2.35	2.07	2.17	1.70	26
27. All other operating expenses	18.30	17.98	15.53	15.34	14.88	15.34	14.59	15.36	14.20	15.12	12.91	14.20	10.83	12.34	27
28. Total operating expense	77.68	75.04	75.86	74.00	78.36	77.75	80.71	78.66	85.51	81.86	86.88	84.22	84.33	82.55	28
29. Interest on capital notes and debentures (Included in item 27) ⁵	1.61	1.13	1.56	1.09	1.53	1.37	1.37	1.31	1.39	1.32	.95	.86	.58	.60	29
30. Income before taxes and securities gains or losses	22.37	24.96	24.58	26.00	21.64	22.25	19.28	21.34	14.48	18.14	13.11	15.78	15.66	17.45	30
31. Income after income taxes and before securities gains or losses	15.83	18.31	17.47	19.44	16.53	17.12	15.25	16.36	12.02	14.41	11.23	12.68	12.14	13.37	31
32. Net securities gains (+) or losses (-), after tax effect	-.08	-.04	-.12	-.07	-.16	.07	-.05	.05	-.06	-.12	-.13	-.17	-.11	-.20	32
33. All other additions and subtractions, net, including minority interest, if any	.02	.03	.08	-.07	.14	.14	.03	.18	.15	.15	.08	.07	—	—	33
34. Net income	15.61	18.30	17.43	19.30	16.41	17.33	15.24	16.59	12.11	14.44	11.16	12.58	12.03	13.17	34
RATES OF RETURN ON SECURITIES AND LOANS															
Return on Securities:⁴															
35. Interest on U.S. Treasury securities	7.05	6.17	7.07	6.39	6.91	6.31	6.77	6.15	6.50	6.34	6.77	6.18	6.04	5.34	35
36. Interest on securities of U.S. Government agencies and corporations	4.66	4.40	5.48	4.74	6.04	5.13	6.09	5.61	6.83	5.89	6.55	5.86	5.59	4.90	36
37. Interest on obligations of states and political subdivisions	2.97	3.68	4.05	3.95	4.53	4.33	4.51	4.21	4.65	4.40	4.60	4.17	4.44	4.03	37
38. Interest and dividends on all other securities	4.98	4.43	6.70	5.60	6.02	5.18	6.96	5.45	5.78	5.42	5.93	6.32	6.12	5.55	38
Return on Loans:²															
39. Interest and fees on loans	13.75	11.15	12.17	10.44	11.17	10.17	10.81	9.60	10.70	9.25	11.45	9.05	12.44	9.79	39
40. Net losses (-) or recoveries (+) on loans	-.04	-.06	-.18	-.20	-.31	-.32	-.38	-.32	-.39	-.33	-.33	-.20	-.25	-.08	40
DISTRIBUTION OF TOTAL ASSETS															
Percentage of Total Assets:															
41. U.S. Treasury securities ⁴	11.02	13.70	9.96	11.85	7.49	9.38	5.39	6.32	5.88	8.23	5.97	7.56	4.68	5.29	41
42. Securities of other U.S. Government agencies and corporations	7.04	7.10	7.80	7.86	6.74	7.11	4.74	5.29	6.20	5.44	2.08	2.34	.68	.86	42
43. Obligations of states and political subdivisions	5.59	5.59	11.51	11.11	14.93	14.20	16.72	15.17	14.85	14.85	14.89	13.50	13.40	13.30	43
44. All other securities	.61	.75	.48	.50	.54	.46	.41	.52	.48	.47	.61	.70	.33	.42	44
45. Gross loans ²	55.50	52.75	52.51	50.87	52.95	51.99	55.17	54.93	53.35	51.61	55.96	55.42	57.35	56.73	45
46. Cash assets	16.27	17.85	15.50	15.91	14.04	14.97	13.79	14.50	15.51	15.77	16.99	16.97	17.96	17.96	46
47. Real estate	1.90	1.54	1.67	1.43	1.81	1.74	2.03	2.06	2.23	2.23	1.78	1.92	2.50	2.50	47
DISTRIBUTION OF LOANS															
Percentage of Gross Loans:²															
48. Real estate loans	9.93	9.92	12.46	13.75	15.87	15.23	17.86	17.14	18.53	15.66	14.96	16.25	12.36	11.61	48
49. Loans to farmers	20.66	24.69	22.61	21.27	15.20	14.44	11.07	11.03	3.99	3.80	4.37	6.00	1.37	1.73	49
50. Commercial and industrial loans	14.48	14.68	18.03	19.36	22.50	22.60	27.58	29.82	36.40	38.63	36.22	36.67	38.06	38.29	50
51. Consumer loans to individuals	27.46	27.60	25.37	26.74	30.36	31.27	29.76	29.84	27.81	28.22	20.98	20.29	12.18	12.96	51
52. All other loans ²	27.47	23.11	21.53	18.88	16.07	16.46	13.73	12.17	13.27	13.69	23.47	20.79	36.03	35.41	52
OTHER RATIOS															
53. Total capital accounts and reserves to total assets ⁵	11.73	11.08	9.53	9.00	8.49	8.16	8.54	8.16	7.64	7.74	7.41	7.49	7.55	7.52	53
54. Time and savings deposits to total deposits	37.75	36.23	44.92	43.81	51.50	50.23	53.48	51.61	54.26	51.35	52.13	49.63	48.71	45.61	54
55. Interest on time and savings deposits to total time deposits	5.70	4.96	5.72	5.16	5.93	5.26	6.34	5.51	6.92	5.65	7.42	5.98	7.87	6.26	55
56. Income taxes to net income plus income taxes	22.98	19.43	24.02	20.55	19.79	19.47	15.54	17.95	13.22	18.45	11.71	15.24	21.71	17.28	56
57. Interest and fees on loans to other loans	9.32	8.86	9.10	8.64	9.22	8.67	9.42	8.62	9.66	8.43	9.69	8.35	10.64	8.62	57

For notes see back page.

NOTES FOR BANKS

Each of the 1974 ratios represents an average of the ratios of individual banks computed from data taken from Call Reports of Condition as of December 31, 1973; June 30, 1974; and December 31, 1974; and from Consolidated Reports of Income for the year 1974. Figures used as a basis for the 1973 ratios are averages of amounts taken from Call Reports of Condition as of December 31, 1972; June 30, 1973; and December 31, 1973; and from Consolidated Reports of Income for the year 1973.

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.

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

Prepared by
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Federal Reserve Bank
of Dallas