

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

**Circular No. 77-78**  
**July 14, 1977**

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

**To All Member Banks**  
**in the Eleventh Federal Reserve District:**

The annual statement of operating ratios of commercial banks in the Eleventh Federal Reserve District for 1976 is shown in the inside pages of this release. The statement has been modified to reflect the changes in the Reports of Condition and Income introduced in March 1976. In addition, these ratios were computed from the reports consolidating foreign and domestic operations, for those banks having foreign operations. As a result of these substantive changes, we were unable to calculate fully comparable statistics for 1975. So, we are not including comparative ratios for the previous year, as has been our custom in the past. 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**

**OPERATING RATIOS OF COMMERCIAL BANKS FOR THE YEAR 1976 — 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	
	1976	1976	1976	1976	1976	1976	1976	
Number of banks in group	249	305	530	254	96	68	10	
<b>PROFITABILITY</b>								
<b>Percentage of Equity Capital:</b>								
1. Income after taxes and before securities gains or losses <sup>1</sup>	5.85	9.46	12.06	13.24	12.37	12.07	13.99	1
2. Net Income	6.24	10.21	12.70	13.66	13.89	12.09	14.05	2
<b>Percentage of Net Income:</b>								
3. Cash dividends paid	33.78	26.56	26.94	27.08	27.33	32.36	41.77	3
<b>SOURCES AND DISPOSITION OF INCOME</b>								
<b>Percentage of Total Assets:</b>								
4. Total operating income	7.36	7.66	7.57	7.54	7.33	6.95	6.42	4
5. Salaries, wages and fringe benefits	2.06	1.77	1.55	1.44	1.34	1.16	.89	5
6. Interest on deposits	2.24	2.76	2.95	3.05	3.12	3.00	2.65	6
7. Interest on borrowed money and subordinated notes and debentures	.02	.02	.03	.05	.08	.25	.65	7
8. Net occupancy expense of bank premises	.41	.35	.29	.29	.29	.22	.08	8
9. All other operating expenses	1.94	1.77	1.59	1.57	1.44	1.33	1.04	9
10. Total operating expenses	6.67	6.67	6.41	6.40	6.27	5.96	5.31	10
11. Income after taxes and before securities gains or losses <sup>1</sup>	.54	.86	.97	.99	.89	.83	.84	11
12. Net income	.63	.93	1.03	1.04	.95	.83	.84	12
<b>Percentage of Total Operating Income:</b>								
13. Interest on U.S. Treasury securities	12.69	10.26	8.69	7.30	7.97	9.23	9.81	13
14. Interest on securities of U.S. Government agencies and corporations	5.39	6.72	6.18	4.97	4.90	4.21	.72	14
15. Interest on obligations of states and political subdivisions	3.77	6.93	9.63	10.70	10.32	9.99	7.96	15
16. Interest and dividends on all other securities	.52	.39	.43	.43	.66	.25	.28	16
17. Interest and fees on loans	57.79	60.60	61.06	62.86	63.39	62.05	61.01	17
18. Income on Federal funds sold and securities purchased to resell	7.10	4.84	4.32	3.49	3.05	4.94	5.31	18
19. All other operating income	12.74	10.26	9.69	10.25	9.71	9.33	14.91	19
20. Total operating income	100.00	100.00	100.00	100.00	100.00	100.00	100.00	20
21. Trust Department income (included in item 19) <sup>2</sup>	—	1.45	.47	.67	1.43	2.21	3.44	21
22. Salaries and employee benefits	30.24	23.21	20.45	19.03	18.24	16.74	13.74	22
23. Interest on deposits	33.37	36.71	39.44	40.78	42.71	43.36	41.39	23
24. Interest on borrowed money	.33	.22	.23	.48	.81	3.45	9.72	24
25. Interest on subordinated notes and debentures	.04	.08	.14	.25	.38	.30	.54	25
26. Net occupancy expense of bank premises	6.64	4.56	3.92	3.89	3.95	3.22	1.30	26
27. Provision for loan losses	4.33	4.62	3.83	4.51	4.14	3.95	3.53	27
28. All other operating expenses	18.32	17.03	16.59	15.98	15.26	14.75	12.48	28
29. Total operating expenses	93.27	86.43	84.60	84.92	85.49	85.77	82.70	29
30. Income before income taxes and securities gains or losses <sup>1</sup>	6.73	13.57	15.40	15.08	14.51	14.23	17.30	30
31. Income after income taxes and before securities gains or losses <sup>1</sup>	4.86	10.90	13.03	12.78	12.19	11.94	13.07	31
32. Net securities gains (+) or losses (-), after tax effect	.71	.82	.63	.60	.53	-.01	.07	32
33. Net income	5.65	11.77	13.54	13.45	12.94	11.97	13.14	33
<b>RATE OF RETURN ON SECURITIES AND LOANS</b>								
<b>Return on Securities:<sup>3</sup></b>								
34. Interest on U.S. Treasury securities <sup>2</sup>	6.55	6.85	6.78	6.86	6.60	6.64	6.34	34
35. Interest on securities of U.S. Government agencies and corporations <sup>2</sup>	6.91	7.28	7.38	7.53	7.12	6.91	7.11	35
36. Interest on obligations of states and political subdivisions <sup>2</sup>	5.29	5.34	5.12	5.01	5.06	4.84	4.83	36
37. Interest and dividends on all other securities <sup>2</sup>	6.89	7.17	6.61	6.51	6.49	6.23	6.57	37
<b>Return on Loans (excluding unearned income and Federal funds sold):</b>								
38. Interest and fees on loans	9.09	9.68	9.64	9.62	9.46	9.12	9.27	38
39. Net losses (-) or recoveries (+) on loans	-.49	-.57	-.49	-.60	-.55	-.51	-.53	39
<b>DISTRIBUTION OF TOTAL ASSETS</b>								
<b>Percentage of Total Assets:</b>								
40. Cash assets	15.95	14.11	12.77	12.49	12.91	13.83	20.60	40
41. U.S. Treasury securities <sup>3</sup>	13.21	10.87	9.47	8.15	8.53	9.48	9.69	41
42. Securities of other U.S. Government agencies and corporations	5.75	7.16	6.30	5.05	5.05	3.98	.64	42
43. Obligations of states and political subdivisions	5.25	9.77	14.04	16.12	15.29	14.24	10.71	43
44. All other securities	.77	.51	.57	.46	.70	.43	.25	44
45. Net loans including Federal funds sold	54.86	54.29	53.60	53.67	53.17	53.99	53.08	45
46. Real estate	2.97	2.24	2.05	2.30	2.64	2.31	2.27	46
47. All other assets	1.24	1.05	1.20	1.76	1.71	1.74	2.76	47
<b>DISTRIBUTION OF LOANS AT DOMESTIC OFFICES</b>								
<b>Percentage of Gross Loans:</b>								
48. Real estate loans	13.16	15.51	17.97	19.87	21.92	16.29	12.80	48
49. Loans to farmers	17.13	16.57	13.32	8.20	3.59	4.00	1.09	49
50. Commercial and industrial loans	20.04	21.59	24.19	28.50	35.04	37.02	42.00	50
51. Consumer loans to individuals	28.61	31.02	30.83	30.79	27.95	23.11	12.76	51
52. Federal funds sold with agreements to repurchase	17.01	11.93	10.46	8.44	7.47	12.17	13.34	52
53. All other loans	4.05	3.38	3.23	4.20	4.03	7.41	18.01	53
<b>OTHER RATIOS</b>								
54. Total capital accounts to total assets <sup>4</sup>	13.22	9.45	8.42	8.01	7.64	7.10	6.61	54
55. Time and savings deposits to total deposits (domestic offices)	49.18	54.26	56.70	58.12	59.04	58.45	51.42	55
56. Interest on time and savings deposits to total time and savings deposits (domestic offices)	5.05	5.58	5.73	5.81	5.86	5.85	5.77	56
57. Interest on large CD's to large CD's (domestic offices) <sup>5</sup>	6.27	6.48	6.39	6.35	6.69	6.34	6.02	57
58. Income taxes to net income plus income taxes	11.28	13.25	13.98	14.30	14.12	14.44	22.17	58
59. Interest and fees on loans to total loans	9.08	9.72	9.63	9.60	9.40	9.05	8.38	59

## **NOTES FOR BANKS**

Each of the 1976 ratios represents an average of the ratios of individual banks computed from data taken from Call Reports of Condition as of March 31, 1976; June 30, 1976; September 30, 1976; and December 31, 1976; and from Consolidated Reports of Income for the year 1976. For those banks having foreign operations, the reports consolidating foreign and domestic subsidiaries were used in the calculation of these ratios. In all other cases, the reports consolidating domestic subsidiaries only were used in the computations.

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

<sup>2</sup> Banks reporting zero amounts were excluded in computing this average. Figures are not shown where there were fewer than three banks in a group.

<sup>3</sup> Excludes trading account securities.

<sup>4</sup> Includes capital notes and debentures.

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

Prepared by  
Research Department

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Federal Reserve Bank  
of Dallas