

ADVANCE - FOR RELEASE A. M. PAPERS FRIDAY, MAY 14, 1948

## FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON 25, D. C.

Assets and liabilities of all operating banks compiled by the Federal Deposit Insurance Corporation in accordance with the agreement reached by the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Board of Directors of the Federal Deposit Insurance Corporation.

"Total deposits of all operating banks in the United States and possessions increased nearly \$9 billion during the six months ended December 31, 1947," Chairman Maple T. Harl of the Federal Deposit Insurance Corporation announced today. "Nearly all of this increase," Mr. Harl pointed out, "was in individual, partnership, and corporate accounts, thus continuing the inflationary pressure exerted by an expanding money supply. This growth in business and personal deposits was in contrast to the stability of such accounts during the first half of 1947, repeating the pattern of the previous year when deposits advanced sharply after remaining almost constant during the first quarter. Preliminary figures indicate that deposits have shown little change in the early months of 1948. From past experience it would be unwise to regard this as indicative of future developments."

Total deposits of \$163 billion at the end of 1947 were nearly \$4 billion below the peak reached at the end of 1945. Chairman Harl commented that this decline did not, however, remove the inflationary pressure. The decline was due entirely to the reduction in deposits of the Federal Government which had become largely inactive at the end of the war when Government purchases were drastically reduced. Meanwhile, the active deposits of business and individuals expanded during the two years by 15 percent. Individual, partnership, and corporate accounts constituted 86 percent of total bank deposits at the end of 1947 as compared with 73 percent at the end of 1945. United States Government deposits, on the other hand, declined from 15 percent of the total at the end of 1945 to 1 percent at the end of 1947.

"At the end of 1947," Chairman Harl said, "total bank loans reached \$43 billion, the highest level on record." Loans and discounts constituted 25 percent of the assets of all banks at the end of 1947, as compared with 17 percent two years earlier. In the 2-year period since 1945, consumer loans have increased 140 percent; commercial and industrial loans, 90 percent; and real estate loans, 60 percent. All other principal types of loans showed substantial increases with the exception of loans on securities which declined 70 percent.

"Bank holdings of U. S. Government obligations," Chairman Harl observed, "continued their decline from the 1945 peak, but still maintained their position as the banks' largest earning asset." Although bank holdings of U. S. Government obligations have been reduced 20 percent since the end of 1945, the \$82 billion total at the end of 1947 still constituted nearly half of all bank assets. "Other securities" held by banks have increased steadily since the war; thus, holdings of nearly \$11 billion on December 31, 1947, represented a 26 percent advance in this type of asset during the last two years.

Total capital accounts increased to almost \$12 billion at the end of 1947, about 13 percent greater than two years earlier. However, Chairman Harl emphasized that the rapid growth in risk assets has neutralized the improvement in the capital cushion. Although the ratio of total capital accounts to total assets advanced from 5.9 percent at the end of 1945 to 6.8 percent at the end of 1947, the ratio of capital accounts to assets other than cash and U. S. Government obligations shrunk from 26 percent to 22 percent during the same period. Moreover, the ratio of capital accounts to total assets declined during the last half of 1947, in contrast to the increase during the previous 18 months. "In view of the decline of the capital cushion in relation to risk assets," Chairman Harl concluded, "banks with ratios below the national average should give immediate consideration to increasing their capital structures to a point whereby they will be in line with the other banks throughout the nation."

SUMMARY OF ASSETS AND LIABILITIES OF ALL OPERATING BANKS IN THE UNITED STATES AND POSSESSIONS,  
DECEMBER 31, 1947

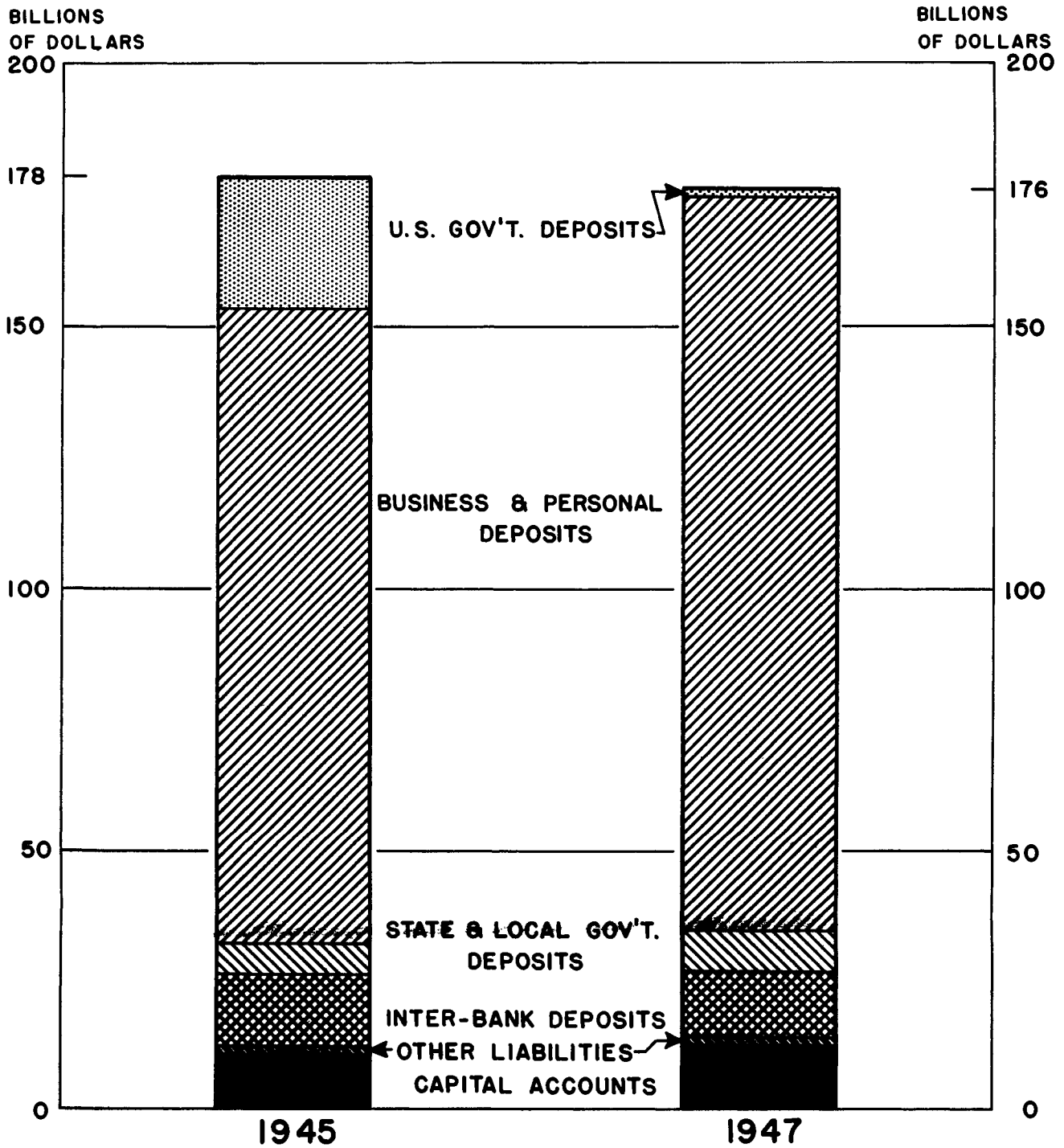
(in thousands of dollars)

	All banks	Commercial and stock savings banks	Mutual savings banks	Nondeposit trust companies
<b>ASSETS</b>				
<u>Cash, balances with other banks, and cash items in process of collection - total</u>	<u>38,559,197</u>	<u>37,612,616</u>	<u>886,280</u>	<u>60,301</u>
Currency and coin	2,392,862	2,286,763	104,699	1,400
Reserve with Federal Reserve banks	17,796,687	17,795,450	1,124	113
Demand balances with banks in the United States (except private banks and American branches of foreign banks)	10,779,212	10,172,103	552,685	54,424
Other balances with banks in the United States	278,708	63,327	211,856	3,525
Balances with banks in foreign countries	31,121	31,121	---	---
Cash items in process of collection	7,280,607	7,263,852	15,916	839
<u>Securities - total</u>	<u>92,383,673</u>	<u>78,570,101</u>	<u>13,696,206</u>	<u>117,366</u>
United States Government obligations, direct and guaranteed	81,623,382	69,559,927	11,978,420	85,035
Obligations of States and political subdivisions	5,361,993	5,288,153	64,816	9,024
Other bonds, notes, and debentures	4,897,998	3,385,862	1,506,576	5,560
Corporate stocks	500,300	336,159	146,394	17,747
<u>Loans, discounts, and overdrafts (including re-discounts) - total</u>	<u>43,228,562</u>	<u>38,260,906</u>	<u>4,944,408</u>	<u>23,248</u>
Commercial and industrial loans (including open market paper)	18,299,481	18,268,785	30,314	382
Loans to farmers directly guaranteed by the Commodity Credit Corporation	68,168	68,168	---	---
Other loans to farmers (excluding loans on real estate)	1,610,450	1,609,548	714	188
Loans to brokers and dealers in securities	830,545	830,520	---	25
Other loans for the purpose of purchasing or carrying securities	1,243,966	1,236,344	2,287	5,335
Real estate loans:				
On farm land	850,272	821,982	27,580	710
On residential properties	10,869,869	6,922,368	3,936,557	10,944
On other properties	2,580,684	1,687,002	890,954	2,728
Other loans to individuals	5,791,111	5,743,774	46,169	1,168
Loans to banks	116,154	116,154	---	---
All other loans (including overdrafts)	967,862	956,261	9,833	1,768
<u>Miscellaneous assets - total</u>	<u>1,835,479</u>	<u>1,629,351</u>	<u>187,051</u>	<u>19,077</u>
Bank premises owned, furniture and fixtures	1,059,571	954,805	92,804	11,882
Real estate owned other than bank premises	34,424	22,856	10,603	965
Investments and other assets indirectly representing bank premises or other real estate	66,812	62,951	3,612	249
Customers' liability to this bank on acceptances outstanding	167,134	167,129	---	5
Other assets	507,538	421,610	79,952	5,976
<b>Total assets</b>	<b><u>176,006,911</u></b>	<b><u>156,072,974</u></b>	<b><u>19,713,945</u></b>	<b><u>219,992</u></b>
<b>LIABILITIES</b>				
<u>Deposits - total</u>	<u>162,712,856</u>	<u>144,868,543</u>	<u>17,762,806</u>	<u>81,507</u>
Demand deposits of individuals, partnerships, and corporations	85,301,818	85,210,746	11,225	79,847 <sup>1/</sup>
Time deposits of individuals, partnerships, and corporations	52,437,998	34,694,392	17,743,554	52
States and political subdivisions	7,787,973	7,784,150	2,252	1,571
United States Government	1,539,100	1,536,291	2,784	25
Interbank	13,044,914	13,044,289	625	---
Certified and officers' checks, cash letters of credit, etc.	2,601,053	2,598,675	2,366	12
<u>Miscellaneous liabilities - total</u>	<u>1,298,029</u>	<u>1,205,831</u>	<u>62,054</u>	<u>30,144</u>
Bills payable and other liabilities for borrowed money	74,614	73,132	163	1,319
Acceptances executed by or for account of this bank and outstanding	191,234	191,229	---	5
Other liabilities	1,032,181	941,470	61,891	28,820
<b>CAPITAL ACCOUNTS</b>				
<u>Capital accounts - total</u>	<u>11,996,026</u>	<u>9,998,600</u>	<u>1,889,085</u>	<u>108,341</u>
Capital stock, notes, and debentures	3,341,740	3,291,665	4,953	45,122
Surplus	5,754,446	4,412,728	1,284,288	37,430
Undivided profits	2,246,289	1,696,108	532,118	18,063
Reserves and retirement account for preferred capital	673,551	598,099	67,726	7,726
<b>Total liabilities and capital accounts</b>	<b><u>176,006,911</u></b>	<b><u>156,072,974</u></b>	<b><u>19,713,945</u></b>	<b><u>219,992</u></b>
<b>Number of banks</b>	<b>14,767<sup>2/</sup></b>	<b>14,159<sup>2/</sup></b>	<b>533</b>	<b>75</b>

<sup>1/</sup> Uninvested trust funds.

<sup>2/</sup> includes 12 banks for which asset and liability data are not available.

# LIABILITIES AND CAPITAL ACCOUNTS OF ALL BANKS IN THE UNITED STATES AND POSSESSIONS DECEMBER 31, 1945 AND 1947



FEDERAL DEPOSIT INSURANCE CORPORATION  
DIVISION OF RESEARCH AND STATISTICS