

**FEDERAL RESERVE BANK  
OF DALLAS**

Dallas, Texas, February 9, 1946

**CONDITION OF MEMBER BANKS, DECEMBER 31, 1945**

To the Member Banks of the  
Eleventh Federal Reserve District:

There is presented on the opposite page a statement of condition of all member banks in the Eleventh Federal Reserve District as of December 31, 1945, with comparative figures for June 30, 1945 and December 30, 1944. This statement reveals that the amount of change in the principal items of assets and liabilities of member banks in this district was greater during the year 1945 than during any previous year in the history of banking.

On December 31, 1945 the aggregate deposits of member banks totaled \$5,739,000,000, representing a net increase of \$1,218,000,000 during the year or substantially more than the gain of \$964,000,000 in the preceding year. During the six years that World War II was in progress the deposits of member banks in this district showed a net expansion of approximately \$4,200,000,000, and at the end of 1945, were nearly four times as large as deposits at the end of 1939. Approximately \$728,000,000 of the total expansion in deposits during 1945 occurred in the demand and time deposits of individuals, partnerships, and corporations and nearly \$250,000,000 in deposits of the United States Government, consisting chiefly of the Treasury's war loan deposits at depository banks. The increase in interbank deposits totaled approximately \$162,000,000. During the year member banks utilized the increase in deposits to increase their loans and investments by approximately \$914,000,000 and their cash reserves, including reserves with the Federal Reserve Bank and balances due from correspondent banks, by \$334,000,000. It should be stated, however, that approximately \$110,000,000 of that expansion represented an increase in required reserves of member banks resulting from the growth in deposits.

Except for a moderate decline during 1942, the loans of member banks have shown a steady expansion throughout the war period, and the total of \$1,138,000,000 on December 31, 1945 was the highest of record and more than double that at the end of 1939. The increase in loans during 1945, amounting to \$322,000,000, was slightly larger than the total net expansion that occurred during the preceding five years.

The increase in investments during the war years has been very pronounced, and aggregate investments of \$2,864,000,000 on December 31, 1945 were nearly seven times the total six years earlier. This increase has occurred almost entirely in holdings of direct and guaranteed securities of the United States Government, which rose from \$280,000,000 on December 31, 1939 to \$2,704,000,000 at the end of 1945. During 1945, holdings of Government securities by member banks in this district were increased by \$554,000,000, or by approximately the same amount as in the preceding year.

The total capital accounts of member banks increased approximately 50 percent during the six-year period, but the expansion has not kept pace, proportionally, with the increase in deposits. Total capital accounts on December 31, 1945 aggregated \$254,000,000, as compared with \$222,000,000 a year earlier and \$167,000,000 on December 31, 1939.

Yours very truly,

**R. R. GILBERT**

President

**COMPARATIVE STATEMENT OF CONDITION OF MEMBER BANKS  
IN THE ELEVENTH FEDERAL RESERVE DISTRICT**

ITEM	December 31, 1945 (Preliminary)	June 30, 1945 (Revised)	December 30, 1944 (Revised)
Member banks in Eleventh District.....	585	586	579
Loans, including overdrafts.....	1,138,244,000	921,048,000	815,977,000
U. S. Government obligations direct and guaranteed.....	2,703,671,000	2,386,686,000	2,149,906,000
Obligations of States and political sub- divisions.....	131,801,000	112,633,000	100,822,000
Other securities.....	28,984,000	24,046,000	21,807,000
<b>TOTAL LOANS AND INVESTMENTS</b> .....	<b>4,002,700,000</b>	<b>3,444,413,000</b>	<b>3,088,512,000</b>
Individual—Demand deposits.....	3,303,859,000	2,906,973,000	2,674,727,000
Individual—Time deposits.....	414,431,000	369,217,000	315,464,000
Deposits of U. S. Government, including postal savings.....	767,272,000	659,191,000	518,519,000
Deposits of States and political sub- divisions.....	281,041,000	223,902,000	207,819,000
Deposits of banks.....	870,819,000	735,511,000	709,120,000
Other deposits.....	101,101,000	39,161,000	95,352,000
<b>TOTAL DEPOSITS</b> .....	<b>5,738,523,000</b>	<b>4,933,955,000</b>	<b>4,521,001,000</b>
<b>TOTAL CAPITAL ACCOUNTS</b> .....	<b>253,684,000</b>	<b>245,669,000</b>	<b>222,182,000</b>
Cash and balances due from banks.....	1,951,266,000	1,698,416,000	1,616,970,000
Borrowings from Federal Reserve Bank.....	—0—	75,000	200,000
All other borrowings.....	—0—	150,000	—0—
Ratio of loans to total loans and invest- ments.....	28.4%	26.7%	26.4%
Ratio of cash and exchange to total deposits.....	34.0%	34.4%	35.8%

**PRINCIPAL ASSET AND LIABILITY ITEMS OF ALL MEMBER BANKS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT AS OF DECEMBER 31  
OF EACH YEAR 1939 TO 1945, INCLUSIVE  
(Thousands of dollars)**

December 31,	Total Deposits	Total Loans	Total Investments	Total Loans and Investments	Total U. S. Gov. Secs.	Total Capital Accounts
1939	1,576,744	496,359	425,330	921,689	279,450	167,220
1940	1,738,390	579,639	445,887	1,025,526	294,480	175,880
1941	2,051,770	663,215	532,411	1,195,626	369,689	183,916
1942	2,867,889	599,354	1,092,898	1,692,252	939,929	188,169
1943	3,557,172	666,375	1,726,506	2,392,881	1,588,403	200,785
1944	4,521,001	815,977	2,272,535	3,088,512	2,149,906	222,182
1945	5,738,525	1,138,244	2,864,456	4,002,700	2,703,671	253,684