

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, February 28, 1947.

CONDITION OF MEMBER BANKS, DECEMBER 31, 1946

To All Member Banks of the

Eleventh Federal Reserve District:

There is presented on the inside pages a statement of the condition of all member banks in the Eleventh Federal Reserve District as of December 31, 1946, with comparative figures for September 30, 1946 and December 31, 1945. There is also shown a comparative statement of earnings and expenses of member banks for the years 1946 and 1945.

The total deposits of member banks on December 31, 1946, aggregated \$5,385,000,000, representing a net decline of \$353,000,000 during the year. War loan deposits at depository banks declined by \$675,000,000 as the result of Treasury withdrawals in connection with the partial redemption of outstanding Government securities; and interbank deposits decreased by \$123,000,000, but the shrinkage in these deposits was partly offset by a substantial expansion in other classes of deposits. The sharp increase, amounting to \$331,000,000, occurred in the demand and time deposits of individuals, partnerships, and corporations.

During 1946, there was a noticeable shift in the composition of earning assets of member banks in this district; and at the end of the year, total loans and investments, amounting to \$3,789,000,000, were \$214,000,000 smaller than on December 31, 1945. In contrast with the upward trend during other recent years, holdings of Government securities declined by \$459,000,000 during 1946, largely as a result of the Treasurer's debt retirement program. Holdings of other securities, however, were increased by approximately \$65,000,000. The loans of member banks, which had increased sharply in 1945, continued to expand at a substantial rate during 1946. On December 31, 1946, loans of member banks were at a new peak of \$1,318,000,000, representing an increase of \$180,000,000 during the year.

Total earnings of member banks from current operations during 1946 rose to \$106,865,000, or about \$22,300,000 higher than in 1945. Expenses during the year, amounting to \$63,157,000, were \$9,300,000 greater than in 1945. Taxes on net income, amounting to \$12,414,000 in 1946, were about one-third higher than in 1945. Net profits after income taxes during 1946 rose to \$32,840,000, or \$8,762,000 higher than in 1945. During 1946, total dividend payments of \$10,353,000 were only slightly larger than in 1945 and constituted approximately one-third of total net profits.

Yours very truly,

R. R. GILBERT

President

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

ITEM	December 31, 1946 (Preliminary)	September 30, 1946 (Revised)	December 31, 1945 (Revised)
Member banks in Eleventh District.....	595	592	585
Loans, including overdrafts.....	1,318,458,000	1,215,435,000	1,138,936,000
U. S. Government obligations direct and guaranteed.....	2,244,066,000	2,493,675,000	2,702,604,000
Obligations of States and political sub- divisions.....	179,080,000	166,484,000	132,142,000
Other securities.....	47,155,000	44,468,000	29,107,000
TOTAL LOANS AND INVESTMENTS	3,788,759,000	3,920,062,000	4,002,789,000
Individual—Demand deposits.....	3,584,976,000	3,596,677,000	3,303,687,000
Individual—Time deposits.....	464,266,000	453,011,000	414,298,000
Deposits of U. S. Government, including postal savings.....	92,243,000	262,233,000	767,306,000
Deposits of States and political sub- divisions.....	374,759,000	318,947,000	281,304,000
Deposits of banks.....	747,362,000	670,779,000	870,818,000
Other deposits.....	121,376,000	48,066,000	101,051,000
TOTAL DEPOSITS	5,384,982,000	5,349,713,000	5,738,464,000
TOTAL CAPITAL ACCOUNTS	292,015,000	292,813,000	253,741,000
Cash and balances due from banks.....	1,851,288,000	1,683,011,000	1,951,263,000
Borrowings from Federal Reserve Bank	—0—	—0—	—0—
All other borrowings.....	—0—	—0—	—0—
Ratio of loans to total loans and invest- ments.....	34.8%	31.0%	28.5%
Ratio of cash and exchange to total deposits.....	34.4%	31.5%	34.0%

**PRINCIPAL ASSET AND LIABILITY ITEMS OF ALL MEMBER BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT AS OF DECEMBER 31
OF EACH YEAR 1939 TO 1946 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	5,738,464r	1,138,936r	2,863,853r	4,002,789r	2,702,604r	253,741r
1946	5,384,982p	1,318,458p	2,470,301p	3,788,759p	2,244,066p	292,015p

r—Revised
p—Preliminary

PRINCIPAL ITEMS OF EARNINGS AND EXPENSES 1939-1946
ELEVENTH FEDERAL RESERVE DISTRICT

(In Thousands of Dollars)

	Total Earnings from Current Operations	Total Current Operating Expenses*	Net Earnings from Current Operations*	Total Recoveries and Profits	Total Losses and Charges-Offs	Net Profits after Income Taxes	Cash Dividends Declared	Number of Banks
1939	\$ 46,535	\$31,518	\$15,017	\$10,744	\$10,591	\$15,170	\$6,821	547
1940	48,376	33,700	14,676	7,123	7,649	14,150	7,381	568
1941	53,716	37,367	16,349	6,905	8,273	14,981	7,606	573
1942	53,973	40,165	13,808	5,533	7,293	12,048	7,196	570
1943	60,829	45,010	15,819	7,728	5,940	17,607	7,635	575
1944	72,343	46,000	26,343	7,734	6,540	21,334	8,298	580
1945	84,576	53,860	30,716	11,299	8,515	24,078	9,715	585
1946	106,865	63,157	43,708	10,256	8,710	32,840	10,353	595

*Taxes paid on net income were included in expenses prior to 1944 but for 1944 and subsequent years were treated as a deduction from total profits; hence, the data on current operating expenses and net earnings from current operations after 1943 are not strictly comparable with those for prior years.

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES
OF MEMBER BANKS—1946 AND 1945
ELEVENTH FEDERAL RESERVE DISTRICT

(In Thousands of Dollars)

ITEMS	1946	1945	Net Change 1946 over 1945
Interest and dividends on securities.....	\$ 41,552	\$ 36,313	\$ 5,239(+)
Interest and discount on loans.....	47,500	32,050	15,450(+)
Service charges on deposit accounts.....	5,458	4,949	509(+)
All other earnings.....	12,355	11,264	1,091(+)
Total earnings from current operations.....	106,865	84,576	22,289(+)
Salaries and wages.....	30,986	25,597	5,389(+)
Taxes other than net income.....	5,373	5,350	23(+)
All other expenses.....	26,798	22,913	3,885(+)
Total current operating expenses.....	63,157	53,860	9,297(+)
Net earnings from current operations.....	43,708	30,716	12,992(+)
Total recoveries and profits.....	10,256	11,299	1,043(—)
Total losses and charge-offs.....	8,710	8,515	195(+)
Profits before income taxes.....	45,254	33,500	11,754(+)
Taxes on net income.....	12,414	9,422	2,992(+)
Net profits after income taxes.....	32,840	24,078	8,762(+)
Total dividends paid.....	10,353	9,715	638(+)
Number of banks.....	595	585	10(+)