

FEDERAL RESERVE BANK

OF DALLAS

Dallas, Texas, March 3, 1948

CONDITION OF MEMBER BANKS, DECEMBER 31, 1947

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, 1947, with comparative figures for October 6, 1947, and December 31, 1946. There is also shown a comparative statement of earnings and expenses of member banks for the years 1947 and 1946.

After declining substantially during 1946, aggregate deposits of member banks increased during 1947 and on December 31 totaled \$5,941,000,000, or \$555,000,000 higher than a year earlier. Although United States Government deposits declined approximately \$42,000,000 during the year, all other classes of deposits increased. The principal increase, amounting to \$382,000,000, occurred in the demand deposits of individuals, partnerships, and corporations. Interbank deposits rose to \$828,000,000 on December 31, 1947, an increase of \$81,000,000 during the year.

During 1947, total loans and investments of member banks more than recovered the decline experienced in 1946. The total on December 31, 1947, amounted to \$4,143,000,000, or \$351,000,000 greater than on December 31, 1946. Holdings of United States Government securities increased slightly during 1947, but the total on December 31, 1947, was substantially lower than at the end of 1945. The loans of member banks continued to show the rapid expansion characteristic of other recent years. Total loans on December 31, 1947, aggregated \$1,580,000,000, an increase of \$261,000,000 during the year.

Total earnings of member banks from current operations during 1947 rose to a new peak of \$119,900,000, an increase of \$14,000,000 over those in 1946, while expenses of \$73,000,000 were only \$10,500,000 greater than in the preceding year. Hence, net earnings from current operations, amounting to \$46,900,000, were \$3,500,000 greater than in 1946. During 1947, total losses and charge-offs amounted to nearly \$10,000,000, the highest since 1939, and exceeded recoveries and profits for the first time in five years. Taxes on net income, amounting to \$12,900,000, were only slightly larger than during 1946. Net profits after income taxes amounted to \$31,000,000 in 1947, a decrease of \$1,600,000 from those in 1946. Total dividend payments of \$12,000,000 in 1947 were \$900,000 larger than in 1946, but the rate of payments on total capital accounts was slightly smaller than during 1946.

Yours very truly,

R. R. GILBERT

President

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

ITEM	December 31, 1947 (Preliminary)	October 6, 1947 (Revised)	December 31, 1946 (Revised)
Member banks in Eleventh District.....	613	610	595
Loans, including overdrafts.....	1,579,712,000	1,427,525,000	1,319,153,000
U. S. Government obligations direct and guaranteed.....	2,281,254,000	2,257,746,000	2,246,267,000
Obligations of States and political sub- divisions.....	224,271,000	211,293,000	179,256,000
Other securities.....	57,803,000	57,368,000	47,024,000
TOTAL LOANS AND INVESTMENTS	4,142,540,000	3,953,932,000	3,791,700,000
Individual—Demand deposits.....	3,968,138,000	3,839,202,000	3,585,888,000
Individual—Time deposits.....	490,914,000	482,654,000	464,297,000
Deposits of U. S. Government, including postal savings.....	50,150,000	73,992,000	92,087,000
Deposits of States and political sub- divisions.....	459,722,000	373,120,000	375,024,000
Deposits of banks.....	828,456,000	727,117,000	747,362,000
Other deposits.....	143,214,000	49,773,000	121,315,000
TOTAL DEPOSITS	5,940,594,000	5,545,858,000	5,385,973,000
TOTAL CAPITAL ACCOUNTS	319,083,000	320,737,000	292,167,000
Cash and balances due from banks.....	2,074,929,000	1,869,591,000	1,851,564,000
Borrowings from Federal Reserve Bank.....	—0—	300,000	—0—
All other borrowings.....	—0—	—0—	2,000,000
Ratio of loans to total loans and invest- ments.....	38.1%	36.1%	34.8%
Ratio of cash and exchange to total deposits.....	34.9%	33.7%	34.4%

**PRINCIPAL ASSET AND LIABILITY ITEMS OF ALL MEMBER BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT AS OF DECEMBER 31
OF EACH YEAR 1939 TO 1947 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	5,738,464	1,138,936	2,863,853	4,002,789	2,702,604	253,741
1946r	5,385,973	1,319,153	2,472,547	3,791,700	2,246,267	292,167
1947p	5,940,594	1,579,712	2,562,828	4,142,540	2,281,254	319,083

r—Revised
p—preliminary

PRINCIPAL ITEMS OF EARNINGS AND EXPENSES 1939-1947
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 Charge-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
1946r	105,947	62,574	43,373	10,261	8,708	32,635	11,078	595
1947p	119,938	73,046	46,892	7,037	9,968	31,050	11,993	613

*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.

r—Revised

p—Preliminary

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES
OF MEMBER BANKS—1947 AND 1946
ELEVENTH FEDERAL RESERVE DISTRICT

(In Thousands of Dollars)

ITEMS	1947 Preliminary	1946 (Revised)	Net Change 1947 over 1946
Interest and dividends on securities.....	\$ 38,492	\$ 41,211	\$ 2,719(—)
Interest and discount on loans.....	61,167	46,992	14,175(+)
Service charges on deposit accounts.....	6,245	5,407	838(+)
All other earnings.....	14,034	12,337	1,697(+)
Total earnings from current operations.....	119,938	105,947	13,991(+)
Salaries and wages.....	36,023	30,660	5,363(+)
Taxes other than net income.....	7,403	5,349	2,054(+)
All other expenses.....	29,620	26,565	3,055(+)
Total current operating expenses.....	73,046	62,574	10,472(+)
Net earnings from current operations.....	46,892	43,373	3,519(+)
Total recoveries and profits.....	7,037	10,261	3,224(—)
Total losses and charge-offs.....	9,968	8,708	1,260(+)
Profits before income taxes.....	43,961	44,926	965(—)
Taxes on net income.....	12,911	12,291	620(+)
Net profits after income taxes.....	31,050	32,635	1,585(—)
Total dividends paid.....	11,993	11,078	915(+)
Number of banks.....	613	595	18(+)