

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, March 5, 1949

CONDITION OF MEMBER BANKS, DECEMBER 31, 1948

**To Member Banks of the
Eleventh Federal Reserve District:**

There is presented a statement of the condition of all member banks in the Eleventh Federal Reserve District as of December 31, 1948, with comparative figures for June 30, 1948, and December 31, 1947. There is also shown a comparative statement of earnings and expenses of member banks for the years 1948 and 1947.

The aggregate deposits of member banks increased in 1948, though by a smaller amount than in 1947. On December 31, 1948, total deposits amounted to approximately \$6,139,000,000, representing a net increase of \$198,000,000 during the year, as compared with a net expansion of \$555,000,000 in 1947. The principal increases in deposits during 1948 occurred in the demand deposits of individuals, partnerships, and corporations and in deposits of states and political subdivisions, although time deposits and United States Government deposits increased moderately. On the other hand, deposits of banks and "other" deposits showed declines.

Total loans and investments of member banks increased further during 1948, reflecting a substantial increase in loans which more than offset the decline in investments. The increase of \$256,000,000 in loans compares with an expansion of \$261,000,000 during 1947. On December 31, 1948, total loans of \$1,836,000,000 constituted 43 percent of total earning assets, as compared with 38 percent on December 31, 1947. Investments in Government securities, which had increased moderately in 1947, declined \$158,000,000 in 1948, reducing the year-end total to the lowest level since 1943. Since holdings of other securities increased moderately during 1948, the net decline in total investments amounted to \$129,000,000, which contrasts with a net increase of \$90,000,000 in 1947.

The upward trend in the total capital accounts of member banks continued during 1948 and on December 31 amounted to approximately \$343,000,000. This amount represents an increase of \$24,000,000 during 1948, as compared with an increase of \$27,000,000 in 1947.

Total earnings of member banks from current operations during 1948 rose to a new peak of \$139,500,000, an increase of \$19,600,000 over those in 1947. This increase reflects chiefly the larger earnings derived from interest and discount on loans. Total current operating expenses of member banks, amounting to \$83,400,000, were \$10,300,000 higher than in 1947. In consequence, net earnings from current operations amounted to \$56,100,000, an increase of \$9,200,000 over those in 1947. Total losses and charge-offs, including transfers to reserves for bad debt losses on loans authorized by a ruling of the Bureau of Internal Revenue in December 1947, were \$21,300,000, as compared with \$10,000,000 in the previous year. Taxes on net income, which amounted to \$12,400,000 during 1948, were about \$500,000 less than in 1947. Net profits for the year 1948 totaled \$29,000,000, a decrease of about \$2,000,000 from those of 1947. Total dividend payments of approximately \$13,000,000 were \$1,000,000 larger than the 1947 figure, and the rate of payments on total capital accounts was slightly higher.

Yours very truly,

R. R. GILBERT

President

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

Item	December 31, 1948 ^p	June 30, 1948 ^r	December 31, 1947 ^r
Member banks in Eleventh District.....	618	616	613
Loans, including overdrafts.....	1,835,671,000	1,640,494,000	1,579,758,000
U. S. Government obligations, direct and guaranteed.....	2,122,766,000	2,162,598,000	2,280,836,000
Obligations of states and political sub- divisions.....	249,472,000	235,476,000	224,282,000
Other securities.....	61,220,000	58,820,000	57,789,000
TOTAL LOANS AND INVESTMENTS	4,269,129,000	4,097,388,000	4,142,665,000
Individual—Demand deposits.....	4,055,432,000	3,911,126,000	3,968,128,000
Individual—Time deposits.....	506,415,000	497,714,000	490,910,000
Deposits of U. S. Government, including postal savings.....	71,806,000	69,070,000	50,229,000
Deposits of states and political sub- divisions.....	562,313,000	494,760,000	459,824,000
Deposits of banks.....	809,995,000	673,822,000	828,327,000
Other deposits.....	132,928,000	58,439,000	143,083,000
TOTAL DEPOSITS	6,138,889,000	5,704,931,000	5,940,501,000
TOTAL CAPITAL ACCOUNTS	342,623,000	333,954,000	318,953,000
Cash and balances due from banks.....	2,164,640,000	1,895,574,000	2,074,938,000
Borrowings from Federal Reserve Bank	—o—	300,000	—o—
All other borrowings.....	—o—	—o—	—o—
Ratio of loans to total loans and invest- ments.....	43.0%	40.0%	38.1%
Ratio of cash and exchange to total deposits.....	35.3%	33.2%	34.9%

r—Revised.

p—Preliminary.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS, 1939-48
ELEVENTH FEDERAL RESERVE DISTRICT**

(In thousands of dollars)

December 31	Total Deposits	Total Loans	Total Investments	Total Loans and Investments	Total U. S. Gov. Secs.	Total Capital Accounts
1939	1,576,444	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
1946	5,385,973	1,319,153	2,472,547	3,791,700	2,246,267	292,167
1947 ^r	5,940,501	1,579,758	2,562,907	4,142,665	2,280,836	318,953
1948 ^p	6,138,889	1,835,671	2,433,458	4,269,129	2,122,766	342,623

r—Revised.

p—Preliminary.

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES OF MEMBER BANKS
ELEVENTH FEDERAL RESERVE DISTRICT
(Amounts in thousands of dollars)

Item	1948 ^p	1947 ^r	Net change 1948 over 1947
Interest and dividends on securities.....	39,468	38,487	981
Interest and discount on loans.....	77,336	61,164	16,172
Service charges on deposit accounts.....	7,009	6,248	761
All other earnings.....	15,672	14,030	1,642
TOTAL EARNINGS FROM CURRENT OPERATIONS	139,485	119,929	19,556
Salaries and wages.....	41,216	36,045	5,171
Taxes other than on net income.....	7,767	7,419	348
All other expenses.....	34,379	29,551	4,828
TOTAL CURRENT OPERATING EXPENSES	83,362	73,015	10,347
NET EARNINGS FROM CURRENT OPERATIONS	56,123	46,914	9,209
Total recoveries and profits.....	6,630	7,006	— 376
Total losses and charge-offs.....	21,336	10,000	11,336
Profits before income taxes.....	41,417	43,920	— 2,503
Taxes on net income.....	12,391	12,925	— 534
NET PROFITS	29,026	30,995	— 1,969
Total dividends paid.....	12,968	11,939	1,029
Number of member banks.....	618	613	5

r—Revised.

p—Preliminary.

PRINCIPAL ITEMS OF EARNINGS AND EXPENSES OF MEMBER BANKS, 1939-48
ELEVENTH FEDERAL RESERVE DISTRICT
(Amounts in thousands of dollars)

Year	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	Cash Dividends Declared	Number of Member 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 ^r	53,973	38,598	15,375	5,533	5,673	12,048	7,196	570
1943 ^r	60,829	40,839	19,990	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	105,947	62,574	43,373	10,261	8,708	32,635	11,078	595
1947 ^r	119,929	73,015	46,914	7,006	10,000	30,995	11,939	613
1948 ^p	139,485	83,362	56,123	6,630	21,336	29,026	12,968	618

*Taxes paid on net income were included in expenses prior to 1942 but for 1942 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 1941 are not strictly comparable with those for prior years.

r—Revised.

p—Preliminary.