

FEDERAL RESERVE BANK

OF DALLAS

Dallas, Texas, February 18, 1955

CONDITION AND EARNINGS OF MEMBER BANKS ELEVENTH FEDERAL RESERVE DISTRICT

To the Member Banks in the

Eleventh Federal Reserve District:

Total resources of member banks in the Eleventh Federal Reserve District were \$9,833,474,000 on December 31, 1954, exceeding by 7.1 percent the previous record of \$9,184,766,000 established on December 31, 1953. Loans, investments, deposits, and capital accounts rose to record levels at the end of the year. Net profits of the member banks for 1954 were \$57,644,000, representing an increase of 37.6 percent over 1953.

Banking growth in the District occurred in a business environment characterized by recession in the early months of the year, a tendency toward stability during the spring and summer, and marked recovery in the last quarter of 1954. Monetary and credit policies were designed to provide banks with an adequate volume of reserves to assure that the credit needs of the economy could be met readily and thus contribute to the resumption of orderly economic growth. Consequently, member banks in the District were able to satisfy the credit demands of business, agriculture, and consumers and to increase substantially their investments.

Net loans of the member banks amounted to \$3,476,359,000 on December 31, a growth of \$377,243,000 — or 12.2 percent — for the year. This expansion, which was more than one and one-half times the gain of \$242,185,000 that occurred in 1953, resulted principally from increases of \$177,349,000 in commercial and industrial loans, \$66,641,000 in CCC loans and certificates of interest, \$46,708,000 in loans on securities, and \$47,229,000 in real estate loans.

Member banks increased their investments \$270,756,000, or 9.4 percent, in 1954 to a record total of \$3,157,331,000. This expansion contrasts with a growth in 1953 of only \$13,699,000, or less than 1 percent. Slightly more than 80 percent of the increase in investments in 1954 consisted of United States Government securities.

Total deposits of member banks in the District were at a record level of \$9,140,830,000 on December 31, reflecting a growth of \$584,573,000, or 6.8 percent. Most of the increase was in the form of demand and time deposits of individuals and businesses, which rose \$471,972,000 as compared with an expansion of only \$179,162,000 in 1953. Individual time deposits increased more or less steadily throughout the year, but the gain in demand deposits was concentrated in the period of seasonal loan expansion during the last 3 months of 1954.

Member banks increased their capital accounts 8.7 percent to reach \$606,702,000 in 1954. Retained earnings accounted for about 71 percent of the increase, with the remainder reflecting the sale of stock.

Yours very truly,

WATROUS H. IRONS

President

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

(Amounts in thousands of dollars)

Item	December 31, 1954 ^p	October 7, 1954 ^r	December 31, 1953
Loans, including overdrafts.....	3,476,359	3,116,911	3,099,116
U. S. Government obligations, direct and guaranteed..	2,643,721	2,668,820	2,427,003
Obligations of states and political subdivisions.....	408,648	410,780	381,635
Other securities	104,962	97,915	77,937
TOTAL LOANS AND INVESTMENTS.....	6,633,690	6,294,426	5,985,691
Cash and balances due from banks.....	3,014,299	2,578,219	3,040,350
TOTAL ASSETS	9,833,474	9,036,849	9,184,766
Individual — Demand deposits	5,671,530	5,297,295	5,344,633
Individual — Time deposits	943,027	913,141	797,952
Deposits of U. S. Government, including postal savings	187,099	260,564	172,493
Deposits of states and political subdivisions.....	722,258	605,071	743,360
Deposits of banks.....	1,464,930	1,201,942	1,341,479
Other deposits	151,986	72,819	156,340
TOTAL DEPOSITS	9,140,830	8,350,832	8,556,257
TOTAL CAPITAL ACCOUNTS.....	606,702	617,169	558,071
Borrowings from Federal Reserve Bank.....	0	239	0
All other borrowings.....	0	250	0
Ratio of loans to total deposits.....	38.0%	37.3%	36.2%
Ratio of cash and balances due from banks to total deposits.....	33.0%	30.9%	35.5%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets)	14.5%	16.3%	15.0%
Number of banks.....	632	636	635

p—Preliminary.

r—Revised.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS
1945, 1950-54**

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
1945	5,738,464	1,138,936	2,863,853	4,002,789	2,702,604	253,741
1950	7,198,467	2,406,188	2,643,066	5,049,254	2,274,935	418,483
1951	7,742,798	2,570,429	2,768,680	5,339,109	2,362,881	464,027
1952	8,191,531	2,856,931	2,872,876	5,729,807	2,446,220	516,276
1953	8,556,257	3,099,116	2,886,575	5,985,691	2,427,003	558,071
1954 ^p	9,140,830	3,476,359	3,157,331	6,633,690	2,643,721	606,702

p—Preliminary.

**COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES OF MEMBER BANKS
ELEVENTH FEDERAL RESERVE DISTRICT**

(Amounts in thousands of dollars)

Item	1954 ^p	1953	Net Change 1954 over 1953
Interest and dividends on securities.....	61,962	57,510	4,452
Interest and discount on loans.....	155,205	147,643	7,562
Service charges on deposit accounts.....	11,907	10,285	1,622
All other earnings.....	27,103	24,071	3,032
TOTAL EARNINGS FROM CURRENT OPERATIONS	256,177	239,509	16,668
Salaries and wages.....	76,865	72,741	4,124
Taxes other than net income.....	14,050	12,739	1,311
All other expenses.....	67,004	60,901	6,103
TOTAL CURRENT OPERATING EXPENSES	157,919	146,381	11,538
NET EARNINGS FROM CURRENT OPERATIONS	98,258	93,128	5,130
Total recoveries, transfers from valuation reserves, and profits.....	26,156	8,116	18,040
Total losses and charge-offs, and transfers to valuation reserves.....	26,744	22,613	4,131
Profits before income taxes.....	97,670	78,631	19,039
Taxes on net income.....	40,026	36,753	3,273
NET PROFITS	57,644	41,878	15,766
Cash dividends declared ¹	23,057	21,157	1,900
Number of banks.....	632	635	—3

¹ Includes interest on capital notes and debentures.

^p—Preliminary.

PRINCIPAL ITEMS OF EARNINGS AND EXPENSES OF MEMBER BANKS

1945, 1950-54

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 ¹	Total Losses and Charge-Offs ¹	Net Profits	Cash Dividends Declared ²	Number of Member Banks
1945	84,576	53,860	30,716	11,299	8,515	24,078	9,715	585
1950	173,424	101,975	71,449	7,399	16,932	41,995	15,081	630
1951	193,010	112,833	80,177	6,172	20,191	39,393	17,531	633
1952	219,811	130,646	89,165	5,955	20,882	41,058	20,006	634
1953	239,509	146,381	93,128	8,116	22,613	41,878	21,157	635
1954 ^p	256,177	157,919	98,258	26,156	26,744	57,644	23,057	632

^p—Preliminary.

¹ Beginning with 1948 includes transfers from and to reserves.

² Includes interest on capital notes and debentures.