

FEDERAL RESERVE BANK

OF DALLAS

Dallas, Texas, August 12, 1955

CONDITION OF MEMBER BANKS, JUNE 30, 1955 ELEVENTH FEDERAL RESERVE DISTRICT

To the Member Banks in the
Eleventh Federal Reserve District:

On June 30, 1955, all major categories of assets and liabilities of member banks in the Eleventh Federal Reserve District showed substantial gains over the comparable year-earlier totals. Active credit demands, stimulated by the strong upward movement in business and other economic activity, increased total loans to a record level at midyear. Cash assets, investments, and deposits — although down somewhat from the December 31, 1954 amounts — remained well above the mid-1954 figures. Reflecting these balance sheet changes, total resources of the District's member banks rose \$569,103,000 to a total of \$9,433,037,000 on June 30. In more recent months, between April 11 and June 30, most of the principal asset and liability items also showed increases.

Loan expansion during the 12 months ended June 30 amounted to \$380,391,000, with total loans rising to a record \$3,571,326,000. Except for the reduction of \$174,866,000 in loans to farmers directly guaranteed by the Commodity Credit Corporation, all major loan categories showed increases. Borrowings for commercial and industrial purposes rose sharply under the stimulus of expanding business activity and represented the major factor in the over-all loan increase. Substantial gains also occurred in real estate and consumer-type credits, reflecting principally the high levels of construction activity and consumer purchases of automobiles and other durables.

Between April 11 and June 30, loans expanded \$103,983,000, with commercial and industrial type borrowings accounting for slightly more than two-thirds of the increase. Gains in real estate, consumer, and security loans more than offset the reduction in CCC-guaranteed loans, loans to banks, and "all other" loans.

Member banks increased their investment holdings by \$135,904,000 during the 12 months ended June 30, with non-Government securities accounting for most of the change. However, between April 11 and June 30, investments were reduced sharply — by \$122,961,000 — principally to provide funds in view of the prevailing strong demand for credit. The recent reduction in security holdings stemmed entirely from sales or redemption of Governments, inasmuch as moderate additions were made to investments in other securities.

Deposit expansion between mid-1954 and mid-1955 totaled \$506,979,000, with increases of \$263,291,000 in the demand and \$153,955,000 in the time accounts of individuals, partnerships, and corporations accounting for 82 percent of the over-all rise. Deposits of the United States Government declined moderately, but all other categories of deposits showed gains for the year. Between April 11 and June 30 a reduction in the demand accounts of individuals and businesses was more than offset by increases in other types of deposits, and total deposits rose \$58,343,000.

On June 30, total capital accounts of the District's member banks amounted to \$645,166,000, or \$57,546,000 in excess of the year-earlier figure and \$8,343,000 above the April 11 total.

Yours very truly,

Watrous H. Irons

President

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

(Amounts in thousands of dollars)

Item	June 30, 1955	April 11, 1955r	June 30, 1954
Loans, including overdrafts	3,571,326	3,467,343	3,190,935
U. S. Government obligations, direct and guaranteed	2,385,886	2,513,482	2,334,203
Obligations of states and political sub- divisions	431,095	429,599	387,833
Other securities	121,525	118,386	80,566
TOTAL LOANS AND INVESTMENTS	6,509,832	6,528,810	5,993,537
Cash and balances due from banks.....	2,748,322	2,676,894	2,722,498
TOTAL ASSETS	9,433,037	9,385,421	8,863,934
Individual — Demand deposits	5,444,479	5,496,423	5,181,188
Individual — Time deposits	1,034,587	996,891	880,632
Deposits of U. S. Government, including postal savings	212,237	193,336	215,964
Deposits of states and political sub- divisions	721,262	703,986	666,340
Deposits of banks	1,231,495	1,205,882	1,198,618
Other deposits	90,435	79,634	84,774
TOTAL DEPOSITS	8,734,495	8,676,152	8,227,516
TOTAL CAPITAL ACCOUNTS	645,166	636,823	587,620
Borrowings from Federal Reserve Bank	2,069	11,100	449
All other borrowings	0	0	0
Ratio of loans to total deposits.....	40.9%	40.0%	38.8%
Ratio of cash and balances due from banks to total deposits.....	31.5%	30.9%	33.1%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets).....	15.0%	15.2%	15.4%
Number of banks.....	632	631	637

r—Revised.

PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS

1945, 1950-55

ELEVENTH FEDERAL RESERVE DISTRICT

(In thousands of dollars)

June 30,	Total Deposits	Total Loans	Total Investments	Total Loans and Investments	Total U. S. Gov. Secs.	Total Capital Accounts
1945	4,933,955	921,048	2,523,365	3,444,413	2,386,686	245,669
1950	6,393,189	2,062,161	2,604,037	4,666,198	2,274,896	403,312
1951	6,626,367	2,420,237	2,428,316	4,848,553	2,045,383	453,235
1952	7,370,121	2,648,569	2,680,629	5,329,198	2,278,406	505,772
1953	7,662,256	2,883,439	2,703,596	5,587,035	2,271,259	550,985
1954	8,227,516	3,190,935	2,802,602	5,993,537	2,334,203	587,620
1955	8,734,495	3,571,326	2,938,506	6,509,832	2,385,886	645,166