

FEDERAL RESERVE BANK  
OF DALLAS

Dallas, Texas, February 23, 1956

**CONDITION AND EARNINGS OF MEMBER BANKS  
ELEVENTH FEDERAL RESERVE DISTRICT**

To the Member Banks in the  
Eleventh Federal Reserve District:

On December 31, 1955, total assets of all member banks in the Eleventh Federal Reserve District rose to the record level of \$10,251,568,000, aided by a substantial seasonal increase in the last quarter of the year. Total earning assets, capital accounts, and aggregate deposits also advanced to new peak levels at the year end. Net operating earnings for 1955 reached an all-time high, although net profits were below the 1954 level, largely as a result of lower profits from securities transactions.

Bank loans at the year end amounted to \$3,951,223,000, reflecting a substantial \$474,184,000 gain for the year — with the fourth-quarter rise accounting for more than half of this gain. The most substantial increase in loan accommodation was in commercial and industrial loans, followed by the gains in real-estate credits and consumer loans — all of which are indicative of the growth these various sectors of the economy enjoyed during the year. District member banks reduced their holdings of agricultural loans guaranteed by the Commodity Credit Corporation, more than offsetting the rise in other loans to farmers. The loan-to-deposit ratio on December 31, 1955, was 41.6 percent, or significantly higher than at the end of 1954 but somewhat lower than at the beginning of the fourth quarter of 1955. The loan accounts provided the largest source of increase in bank income for the year.

Deposit liabilities of Eleventh District member banks advanced again to an unprecedented level. Individuals' demand and time accounts paced the rise in deposit accounts; while time deposits had the more rapid percentage gain, the larger dollar advance was recorded in demand deposits. Total deposits on December 31, 1955, were \$9,488,828,000, having risen \$348,135,000 — or 4 percent — for the year.

Total capital accounts improved significantly during 1955, expanding \$74,736,000 to the new record of \$681,214,000. The ratio of capital accounts to risk assets remained approximately unchanged, as the increase in capital accounts was about proportional to the growth in total assets less cash and United States Governments.

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, 1955	October 5, 1955 <sup>r</sup>	December 31, 1954
Loans (net), including overdrafts.....	3,951,223	3,694,782	3,477,039
U. S. Government obligations, direct and guaranteed	2,368,923	2,306,061	2,642,771
Obligations of states and political subdivisions.....	448,179	451,962	408,578
Other securities .....	125,919	127,651	105,159
<b>TOTAL LOANS (NET) AND INVESTMENTS.....</b>	<b>6,894,244</b>	<b>6,580,456</b>	<b>6,633,547</b>
Cash and balances due from banks.....	3,159,035	2,556,398	3,014,298
<b>TOTAL ASSETS.....</b>	<b>10,251,568</b>	<b>9,329,628</b>	<b>9,833,310</b>
Individual — Demand deposits .....	5,834,600	5,471,283	5,671,531
Individual — Time deposits .....	1,027,210	1,033,501	942,829
Deposits of U. S. Government, including postal savings .....	168,427	147,127	186,313
Deposits of states and political subdivisions.....	802,510	684,389	723,243
Deposits of banks.....	1,477,597	1,147,911	1,464,911
Other deposits .....	178,484	91,066	151,866
<b>TOTAL DEPOSITS.....</b>	<b>9,488,828</b>	<b>8,575,277</b>	<b>9,140,693</b>
<b>TOTAL CAPITAL ACCOUNTS.....</b>	<b>681,214</b>	<b>671,503</b>	<b>606,478</b>
Borrowings from Federal Reserve Bank.....	2,000	12,446	0
All other borrowings.....	0	770	0
Ratio of loans to total deposits.....	41.6%	43.1%	38.0%
Ratio of cash and balances due from banks to total deposits.....	33.3%	29.8%	33.0%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets)	14.4%	15.0%	14.5%
Number of banks.....	634	634	632

r—Revised.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS  
1945, 1950-55**

**ELEVENTH FEDERAL RESERVE DISTRICT**

(In thousands of dollars)

December 31	Total Deposits	Total Loans (Net)	Total Investments	Total Loans (Net) 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	9,140,693	3,477,039	3,156,508	6,633,547	2,642,771	606,478
1955	9,488,828	3,951,223	2,943,021	6,894,244	2,368,923	681,214

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

(Amounts in thousands of dollars)

Item	1955 <sup>p</sup>	1954	Net Change 1955 over 1954
Interest and dividends on securities.....	65,625	62,142	3,483
Interest and discount on loans.....	179,581	155,528	24,053
Service charges on deposit accounts.....	12,875	11,961	914
All other earnings.....	30,537	27,107	3,430
<b>TOTAL EARNINGS FROM CURRENT OPERATIONS..</b>	<b>288,618</b>	<b>256,738</b>	<b>31,880</b>
Salaries and wages.....	82,529	77,075	5,454
Taxes other than net income.....	15,242	14,097	1,145
All other expenses.....	76,046	67,117	8,929
<b>TOTAL CURRENT OPERATING EXPENSES.....</b>	<b>173,817</b>	<b>158,289</b>	<b>15,528</b>
<b>NET EARNINGS FROM CURRENT OPERATIONS.....</b>	<b>114,801</b>	<b>98,449</b>	<b>16,352</b>
Total recoveries, transfers from valuation reserves, and profits.....	8,990	26,432	—17,442
Total losses and charge-offs, and transfers to valuation reserves.....	29,136	26,579	2,557
Profits before income taxes.....	94,655	98,302	— 3,647
Taxes on net income.....	39,390	40,038	— 648
<b>NET PROFITS.....</b>	<b>55,265</b>	<b>58,264</b>	<b>— 2,999</b>
Cash dividends declared <sup>1</sup> .....	26,707	22,973	3,734
Number of banks.....	634	632	2

<sup>p</sup>—Preliminary.

<sup>1</sup> Includes interest on capital notes and debentures.

**PRINCIPAL ITEMS OF EARNINGS AND EXPENSES OF MEMBER BANKS  
1945, 1950-55**

**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 <sup>1</sup>	Total Losses and Charge-Offs <sup>1</sup>	Net Profits	Cash Dividends Declared <sup>2</sup>	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	256,738	158,289	98,449	26,432	26,579	58,264	22,973	632
1955 <sup>p</sup>	288,618	173,817	114,801	8,990	29,136	55,265	26,707	634

<sup>p</sup>—Preliminary.

<sup>1</sup> Beginning with 1948 includes transfers from and to reserves.

<sup>2</sup> Includes interest on capital notes and debentures.