

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, March 7, 1958

CONDITION AND EARNINGS OF MEMBER BANKS
ELEVENTH FEDERAL RESERVE DISTRICT

To the Member Banks in the
Eleventh Federal Reserve District:

Net profits of member banks in the Eleventh Federal Reserve District rose to a record high of \$67,626,000 during 1957, reflecting a gain of almost 20 percent over the preceding year. The year-end volume of earning assets also reached a record level in 1957, but total assets declined slightly.

The year's expansion in earning assets occurred primarily in loan accounts, which rose \$143,803,000 to a total of \$4,164,572,000. Increased lending to individuals accounted for slightly more than half of the loan expansion, while the remainder of the loan increase was concentrated in commercial and industrial borrowings. Agricultural loans, real-estate loans, and securities loans showed only modest growth. Loan expansion during the year was paralleled by a \$27,485,000 increase in investments, with the addition to non-Government securities more than offsetting the decline in holdings of Government obligations. Notwithstanding the increase in loans and investments, total assets declined \$33,742,000, as cash and balances due from banks were reduced \$208,995,000.

Most demand deposit categories contracted during 1957. The demand balances of individuals and businesses showed the largest decline, and this decrease was accompanied by a substantial reduction in interbank accounts. The reduction in demand balances more than offset a \$235,119,000 increase in time accounts, producing a \$101,114,000 decline in total deposits.

Capital accounts continued to rise during 1957. Additions to these accounts during the year amounted to \$62,647,000, raising year-end capital accounts to \$799,080,000.

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, 1957p	October 11, 1957	December 31, 1956
Loans (net), including overdrafts.....	4,164,572	3,998,353	4,020,769
U. S. Government obligations, direct and guaranteed.....	2,397,842	2,425,896	2,455,219
Obligations of states and political subdivisions.....	519,659	517,371	469,712
Other securities	181,451	157,498	146,536
TOTAL LOANS (NET) AND INVESTMENTS.....	7,263,524	7,099,118	7,092,236
Cash and balances due from banks.....	3,107,901	2,625,497	3,316,896
TOTAL ASSETS	10,635,033	9,973,230	10,668,775
Individual — Demand deposits	5,749,732	5,522,518	5,945,126
Individual — Time deposits	1,348,370	1,338,349	1,113,251
Deposits of U. S. Government, including postal savings	159,849	210,575	185,302
Deposits of states and political subdivisions.....	884,556	756,963	828,317
Deposits of banks.....	1,395,283	1,116,324	1,551,025
Other deposits	164,500	86,631	180,383
TOTAL DEPOSITS	9,702,290	9,031,360	9,803,404
TOTAL CAPITAL ACCOUNTS	799,080	798,016	736,433
Borrowings from Federal Reserve Bank	14,565	21,616	0
All other borrowings	452	15,035	40
Ratio of loans to total deposits.....	42.9%	44.3%	41.0%
Ratio of cash and balances due from banks to total deposits	32.0%	29.1%	33.8%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets)	15.6%	16.2%	15.0%
Number of banks	634	634	634

p—Preliminary.

PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS
1950-57

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
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	9,488,708	3,951,231	2,943,022	6,894,253	2,368,923	680,996
1956	9,803,404	4,020,769	3,071,467	7,092,236	2,455,219	736,433
1957p	9,702,290	4,164,572	3,098,952	7,263,524	2,397,842	799,080

p—Preliminary.

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

(Amounts in thousands of dollars)

Item	1957p	1956	Net Change 1957 over 1956
Interest and dividends on securities.....	80,656	69,443	11,213
Interest and discount on loans.....	218,867	202,798	16,069
Service charges on deposit accounts.....	16,118	14,093	2,025
All other earnings.....	34,220	30,772	3,448
TOTAL EARNINGS FROM CURRENT OPERATIONS.....	349,861	317,106	32,755
Salaries and wages.....	96,343	90,626	5,717
Taxes other than net income.....	17,787	16,463	1,324
All other expenses.....	102,826	86,176	16,650
TOTAL CURRENT OPERATING EXPENSES.....	216,956	193,265	23,691
NET EARNINGS FROM CURRENT OPERATIONS.....	132,905	123,841	9,064
Total recoveries, transfers from valuation reserves, and profits.....	6,995	8,102	—1,107
Total losses and charge-offs, and transfers to valuation reserves.....	28,493	38,735	—10,242
Profits before income taxes.....	111,407	93,208	18,199
Taxes on net income.....	43,781	36,660	7,121
NET PROFITS.....	67,626	56,548	11,078
Cash dividends declared ¹	32,223	29,473	2,750
Number of banks.....	634	634	0

¹ Includes interest on capital notes and debentures.

p—Preliminary.

PRINCIPAL ITEMS OF EARNINGS AND EXPENSES OF MEMBER BANKS

1950-57

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 ¹	Number of Member Banks
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	288,345	173,762	114,583	8,950	29,356	54,874	26,771	634
1956	317,106	193,265	123,841	8,102	38,735	56,548	29,473	634
1957p	349,861	216,956	132,905	6,995	28,493	67,626	32,223	634

¹ Includes interest on capital notes and debentures.

p—Preliminary.