

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, February 9, 1959

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

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

The year 1958 was a period of marked expansion for member banks in the Eleventh Federal Reserve District, and at the end of the year, total assets stood at a record high of \$11.6 billion. Net profits during the year, at \$76 million, also surpassed all previous records.

Asset expansion of \$1.0 billion in 1958 featured large gains in both loan and investment accounts. Influenced by easier reserve positions and more aggressive bank lending policies, as well as by persistent strength in loan demand, gross loans advanced \$463 million during the year. Slightly more than half of this gain reflected expansion in business loans, and the remainder of the increase was concentrated in real-estate loans, loans to farmers, and securities loans. Member banks increased their investments by \$445 million, placing primary emphasis upon issues in the intermediate- and longer-term maturity range. Of the increase in Government securities holdings, almost two-thirds consisted of obligations having maturities beyond 5 years.

Deposits advanced to a record level of \$10.7 billion on December 31, or almost \$960 million above the year-earlier amount. Both demand accounts and time deposits showed large gains, but time deposits registered a much larger percentage increase.

At the end of 1958, the ratio of cash accounts to total deposits was 29.9 percent, compared with 32.0 percent a year earlier.

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, 1958p	September 24, 1958	December 31, 1957
Loans (net), including overdrafts.....	4,617,615	4,322,313	4,163,708
U. S. Government obligations, direct and guaranteed	2,712,189	2,640,485	2,397,877
Obligations of states and political subdivisions.....	634,982	603,420	520,495
Other securities	196,864	184,907	180,610
TOTAL LOANS (NET) AND INVESTMENTS.....	8,161,650	7,751,125	7,262,690
Cash and balances due from banks.....	3,189,960	2,678,498	3,107,915
TOTAL ASSETS	11,632,730	10,689,015	10,634,061
Individual — Demand deposits	6,197,633	5,721,584	5,749,607
Individual — Time deposits	1,723,807	1,727,560	1,347,342
Deposits of U. S. Government, including postal savings	170,928	169,713	159,850
Deposits of states and political subdivisions.....	936,498	770,644	885,043
Deposits of banks.....	1,459,943	1,230,368	1,395,257
Other deposits	171,319	87,575	164,344
TOTAL DEPOSITS	10,660,128	9,707,444	9,701,443
TOTAL CAPITAL ACCOUNTS.....	849,611	851,937	798,713
Borrowings from Federal Reserve Bank.....	750	28,969	14,565
All other borrowings.....	0	2,519	452
Ratio of loans to total deposits.....	43.3%	44.5%	42.9%
Ratio of cash and balances due from banks to total deposits.....	29.9%	27.6%	32.0%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets)	14.8%	15.9%	15.6%
Number of banks.....	631	630	634

p—Preliminary.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS
1950-58**

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
1957	9,701,443	4,163,708	3,098,982	7,262,690	2,397,877	798,713
1958p	10,660,128	4,617,615	3,544,035	8,161,650	2,712,189	849,611

p—Preliminary.

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

(Amounts in thousands of dollars)

Item	1958p	1957	Net Change 1958 over 1957
Interest and dividends on securities.....	85,518	80,662	4,856
Interest and discount on loans.....	236,627	218,915	17,712
Service charges on deposit accounts.....	17,944	16,124	1,820
All other earnings.....	37,305	34,141	3,164
TOTAL EARNINGS FROM CURRENT OPERATIONS.....	377,394	349,842	27,552
Salaries and wages.....	101,561	96,342	5,219
Taxes other than net income.....	18,845	17,795	1,050
All other expenses.....	120,258	102,792	17,466
TOTAL CURRENT OPERATING EXPENSES.....	240,664	216,929	23,735
NET EARNINGS FROM CURRENT OPERATIONS.....	136,730	132,913	3,817
Total recoveries, transfers from valuation reserves, and profits.....	19,465	7,751	11,714
Total losses and charge-offs, and transfers to valuation reserves.....	29,716	29,262	454
Profits before income taxes.....	126,479	111,402	15,077
Taxes on net income.....	50,432	44,093	6,339
NET PROFITS.....	76,047	67,309	8,738
Cash dividends declared ¹	34,346	31,577	2,769
Number of banks.....	631	634	—3

p—Preliminary.

¹ Includes interest on capital notes and debentures.

**PRINCIPAL ITEMS OF EARNINGS AND EXPENSES OF MEMBER BANKS
1950-58**

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
1957	349,842	216,929	132,913	7,751	29,262	67,309	31,577	634
1958p	377,394	240,664	136,730	19,465	29,716	76,047	34,346	631

¹ Includes interest on capital notes and debentures.

p—Preliminary.