

**FEDERAL RESERVE BANK  
OF DALLAS**

Dallas, Texas, February 24, 1960

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

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

Assets of member banks in the District rose \$167 million in 1959, reaching a new high of \$11.8 billion on December 31. The annual increase of 1.4 percent compared with a gain of 9.4 percent in 1958. Net earnings from current operations were almost 14 percent higher than in the previous year, but net profits were lower, partly as a result of losses on securities transactions.

Asset expansion during 1959 stemmed principally from larger borrowings and additions to capital accounts. Deposits rose only nominally, as an advance in time deposits was almost offset by a year-to-year decline in demand balances. Although less than 1 percent above the deposit level for December 31, 1958, total deposits of \$10.7 billion at the end of 1959 represented a record high.

Loan demand was strong during 1959, and member banks added \$249 million to gross loan accounts. Most of this gain was concentrated in consumer loan and business loan categories. Moderate investment liquidation was required to finance the loan expansion. Total investments declined \$75 million, although a somewhat larger decrease occurred in holdings of Government securities.

The ratio of loans to deposits on December 31, 1959, was 45.5 percent, compared with 43.3 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, 1959p	October 6, 1959	December 31, 1958
Loans (net), including overdrafts.....	4,856,930	4,744,362	4,617,590
U. S. Government obligations, direct and guaranteed.....	2,594,509	2,469,212	2,711,203
Obligations of states and political subdivisions.....	700,798	698,467	644,179
Other securities.....	173,752	163,827	188,644
<b>TOTAL LOANS (NET) AND INVESTMENTS.....</b>	<b>8,325,989</b>	<b>8,075,868</b>	<b>8,161,616</b>
Cash and balances due from banks.....	3,145,213	2,714,973	3,189,959
<b>TOTAL ASSETS.....</b>	<b>11,799,566</b>	<b>11,061,300</b>	<b>11,632,620</b>
Individual — Demand deposits.....	6,106,156	5,816,201	6,197,784
Individual — Time deposits.....	1,804,599	1,784,418	1,724,067
Deposits of U. S. Government, including postal savings.....	216,626	207,242	170,914
Deposits of states and political subdivisions.....	923,522	758,273	936,054
Deposits of banks.....	1,458,679	1,201,037	1,459,943
Other deposits.....	158,512	105,945	171,123
<b>TOTAL DEPOSITS.....</b>	<b>10,668,094</b>	<b>9,873,116</b>	<b>10,659,885</b>
<b>TOTAL CAPITAL ACCOUNTS.....</b>	<b>909,149</b>	<b>920,230</b>	<b>849,568</b>
Borrowings from Federal Reserve Bank.....	8,650	47,900	750
All other borrowings.....	41,638	122,760	0
Ratio of loans to total deposits.....	45.5%	48.1%	43.3%
Ratio of cash and balances due from banks to total deposits.....	29.5%	27.5%	29.9%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets).....	15.0%	15.7%	14.8%
Number of banks.....	633	635	631

p—Preliminary.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS**

1950-59

**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
1958	10,659,885	4,617,590	3,544,026	8,161,616	2,711,203	849,568
1959p	10,668,094	4,856,930	3,469,059	8,325,989	2,594,509	909,149

p—Preliminary.

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

(Amounts in thousands of dollars)

Item	1959p	1958	Net Change 1959 over 1958
Interest and dividends on securities.....	95,817	85,811	10,006
Interest and discount on loans.....	269,390	236,898	32,492
Service charges on deposit accounts.....	20,120	17,995	2,125
All other earnings.....	39,157	37,363	1,794
<b>TOTAL EARNINGS FROM CURRENT OPERATIONS</b> .....	<b>424,484</b>	<b>378,067</b>	<b>46,417</b>
Salaries and wages.....	108,470	101,820	6,650
Taxes other than net income.....	20,719	18,892	1,827
All other expenses.....	139,759	120,580	19,179
<b>TOTAL CURRENT OPERATING EXPENSES</b> .....	<b>268,948</b>	<b>241,292</b>	<b>27,656</b>
<b>NET EARNINGS FROM CURRENT OPERATIONS</b> .....	<b>155,536</b>	<b>136,775</b>	<b>18,761</b>
Total recoveries, transfers from valuation reserves, and profits.....	9,697	19,610	-9,913
Total losses and charge-offs, and transfers to valuation reserves.....	43,169	29,947	13,222
Profits before income taxes.....	122,064	126,438	-4,374
Taxes on net income.....	51,321	50,315	1,006
<b>NET PROFITS</b> .....	<b>70,743</b>	<b>76,123</b>	<b>-5,380</b>
Cash dividends declared <sup>1</sup> .....	37,781	34,315	3,466
Number of banks.....	633	631	2

p—Preliminary.

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

**PRINCIPAL ITEMS OF EARNINGS AND EXPENSES OF MEMBER BANKS**

1950-59

**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 <sup>1</sup>	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
1958	378,067	241,292	136,775	19,610	29,947	76,123	34,315	631
1959p	424,484	268,948	155,536	9,697	43,169	70,743	37,781	633

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

p—Preliminary.