

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, March 3, 1961

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

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

Total assets of the District member banks rose \$535 million in 1960, reaching a new high of \$12.3 billion on December 31, 1960, or 4.5 percent over the previous year. Net earnings from current operations were 8.9 percent above the preceding year; but net profits were 25.9 percent higher, largely as a result of a reduction in total losses and charge-offs and transfers to valuation reserves.

The growth in assets during 1960 resulted primarily from an increase in loans and an expansion in holdings of United States Government securities. Individual demand deposits advanced 1 percent, while individual time deposits showed a 14-percent increase during the year. Total deposits rose 5 percent above a year earlier, attaining a new record of \$11.2 billion on December 31, 1960.

Loan demand was relatively strong in the early part of 1960 but weakened considerably after midyear. Nevertheless, member banks added \$303 million to gross loan accounts, which represented a 6-percent increase. This loan expansion was concentrated in business loans, loans for purchasing or carrying securities, and consumer-type loans. Moreover, with increased availability of reserves, especially in the final 6 months of the year, total investments rose \$32.3 million.

The ratio of loans to deposits on December 31, 1960, was 45.9 percent, compared with 45.5 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, 1960 ^p | October 3, 1960 | December 31, 1959 |
|---|-----------------------------------|--------------------|----------------------|
| Loans (net), including overdrafts..... | 5,153,613 | 4,956,005 | 4,857,870 |
| U. S. Government obligations, direct and guaranteed | 2,621,353 | 2,397,623 | 2,594,655 |
| Obligations of states and political subdivisions..... | 733,901 | 709,154 | 706,785 |
| Other securities | 146,588 | 121,921 | 168,114 |
| TOTAL LOANS (NET) AND INVESTMENTS..... | 8,655,455 | 8,184,703 | 8,327,424 |
| Cash and balances due from banks..... | 3,357,949 | 2,749,517 | 3,145,330 |
| TOTAL ASSETS | 12,336,254 | 11,229,209 | 11,801,199 |
| Individual — Demand deposits | 6,168,438 | 5,699,006 | 6,107,873 |
| Individual — Time deposits | 2,052,448 | 1,949,121 | 1,804,630 |
| Deposits of U. S. Government, including postal savings..... | 212,128 | 245,257 | 216,804 |
| Deposits of states and political subdivisions..... | 1,034,106 | 834,562 | 923,429 |
| Deposits of banks..... | 1,597,645 | 1,204,309 | 1,458,206 |
| Other deposits | 151,124 | 76,781 | 159,043 |
| TOTAL DEPOSITS | 11,215,889 | 10,009,036 | 10,669,985 |
| TOTAL CAPITAL ACCOUNTS..... | 973,457 | 974,867 | 909,042 |
| Borrowings from Federal Reserve Bank..... | 350 | 13,313 | 8,650 |
| All other borrowings..... | 283 | 103,378 | 41,638 |
| Ratio of loans to total deposits..... | 45.9% | 49.5% | 45.5% |
| Ratio of cash and balances due from banks to total deposits..... | 29.9% | 27.5% | 29.5% |
| Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets) | 15.3% | 16.0% | 15.0% |
| Number of banks..... | 632 | 633 | 633 |

^p—Preliminary.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS
1951-60**

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 |
|-------------------|-------------------|-------------------------|----------------------|---|--------------------------|------------------------------|
| 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 |
| 1959 | 10,669,985 | 4,857,870 | 3,469,554 | 8,327,424 | 2,594,655 | 909,042 |
| 1960 ^p | 11,215,889 | 5,153,613 | 3,501,842 | 8,655,455 | 2,621,353 | 973,457 |

^p—Preliminary.

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

(Amounts in thousands of dollars)

| Item | 1960p | 1959 | Net Change 1960 over 1959 |
|---|----------------|----------------|------------------------------|
| Interest and dividends on securities..... | 102,227 | 95,923 | 6,304 |
| Interest and discount on loans..... | 293,401 | 269,515 | 23,886 |
| Service charges on deposit accounts..... | 21,983 | 20,148 | 1,835 |
| All other earnings..... | 40,563 | 39,141 | 1,422 |
| TOTAL EARNINGS FROM CURRENT OPERATIONS | 458,174 | 424,727 | 33,447 |
| Salaries and wages..... | 115,571 | 108,603 | 6,968 |
| Taxes other than net income..... | 22,795 | 20,750 | 2,045 |
| All other expenses..... | 150,378 | 139,765 | 10,613 |
| TOTAL CURRENT OPERATING EXPENSES | 288,744 | 269,118 | 19,626 |
| NET EARNINGS FROM CURRENT OPERATIONS | 169,430 | 155,609 | 13,821 |
| Total recoveries, transfers from valuation reserves, and profits..... | 10,867 | 9,638 | 1,229 |
| Total losses and charge-offs, and transfers to valuation reserves..... | 31,856 | 43,381 | -11,525 |
| Profits before income taxes..... | 148,441 | 121,866 | 26,575 |
| Taxes on net income..... | 59,552 | 51,236 | 8,316 |
| NET PROFITS | 88,889 | 70,630 | 18,259 |
| Cash dividends declared ¹ | 40,233 | 37,623 | 2,610 |
| Number of banks..... | 632 | 633 | -1 |

p—Preliminary.

¹ Includes interest on capital notes and debentures.

**PRINCIPAL ITEMS OF EARNINGS AND EXPENSES OF MEMBER BANKS
1951-60**

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 |
|-------|---|---|---|------------------------------------|------------------------------------|----------------|--|---------------------------------|
| 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 |
| 1959 | 424,727 | 269,118 | 155,609 | 9,638 | 43,381 | 70,630 | 37,623 | 633 |
| 1960p | 458,174 | 288,744 | 169,430 | 10,867 | 31,856 | 88,889 | 40,233 | 632 |

p—Preliminary.

¹ Includes interest on capital notes and debentures.