

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, March 11, 1966

CONDITION AND INCOME OF MEMBER BANKS
ELEVENTH FEDERAL RESERVE DISTRICT

To the Member Banks in the
Eleventh Federal Reserve District:

Total assets of member banks in the Eleventh District rose slightly more than \$1.0 billion during 1965 and reached a level of \$17.2 billion on December 31. This 6.4-percent expansion in total assets reflects principally a 9.9-percent advance in loans and a 5.0-percent gain in investments. All major categories of loans recorded increases during the year. Bank portfolios of U.S. Government securities declined 6.4 percent to a level of \$2.5 billion; however, member banks added heavily to holdings of the obligations of states and political subdivisions, increasing their investments in these securities by 24.2 percent.

Total deposits rose 6.0 percent for the year, reflecting a 2.0-percent gain in demand deposits of individuals, an 11.8-percent expansion in time deposits of individuals, and an 18.0-percent increase in deposits of states and political subdivisions. Deposits of the U.S. Government decreased 18.2 percent.

Net income for the year was up 17.4 percent. Operating results included a 14.1-percent gain in current operating revenue, a 7.3-percent decline in taxes on net income, and a 15.6-percent expansion in current operating expenses.

On December 31, 1965, the ratio of total loans to total deposits was 55.4 percent — up 2.0 percent from December 31, 1964, but down 2.6 percent from June 30, 1965. The ratio of total capital accounts to risk assets declined from 13.2 percent on December 31, 1964, to 12.6 percent on December 31, 1965.

Yours very truly,

Watrous H. Irons
President

**COMPARATIVE STATEMENT OF CONDITION OF MEMBER BANKS
ELEVENTH FEDERAL RESERVE DISTRICT**

(Amounts in thousands of dollars)

Item	Dec. 31, 1965p	June 30, 1965	Dec. 31, 1964
Loans (net), including overdrafts.....	8,509,806	8,141,491	7,740,423
U.S. Government obligations, direct and guaranteed.....	2,498,524	2,418,691	2,669,966
Obligations of states and political subdivisions.....	1,690,329	1,493,243	1,360,527
Other securities.....	292,728	257,829	237,865
TOTAL LOANS (NET) AND INVESTMENTS.....	12,991,387	12,311,254	12,008,781
Cash and balances due from banks.....	3,730,667	3,061,440	3,690,481
TOTAL ASSETS.....	17,209,481	15,849,225	16,166,888
Individual — Demand deposits.....	7,032,134	6,299,423	6,894,418
Individual — Time deposits.....	4,608,183	4,479,308	4,121,682
Deposits of U.S. Government, including postal savings.....	186,556	401,556	228,096
Deposits of states and political subdivisions.....	1,610,945	1,371,709	1,365,470
Deposits of banks.....	1,743,411	1,349,048	1,684,173
Certified and officers' checks, etc.....	184,850	125,447	195,649
TOTAL DEPOSITS.....	15,366,079	14,026,491	14,489,488
TOTAL CAPITAL ACCOUNTS.....	1,379,053	1,359,843	1,298,084
Borrowings from Federal Reserve Bank.....	19,646	21,401	20,100
All other borrowings.....	231,443	229,185	157,454
Ratio of loans to total deposits.....	55.4%	58.0%	53.4%
Ratio of cash and balances due from banks to total deposits.....	24.3%	21.8%	25.5%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets).....	12.6%	13.1%	13.2%
Number of member banks.....	675	677	672

p—Preliminary.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS
1956-65**

ELEVENTH FEDERAL RESERVE DISTRICT

(In thousands of dollars)

Date	Total Deposits	Total Loans (Net)	Total Investments	Total Loans (Net) and Investments	Total U.S. Gov. Secs.	Total Capital Accounts
Dec. 31,						
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	11,215,770	5,154,181	3,501,845	8,656,026	2,620,601	973,089
1961	12,167,914	5,645,684	3,893,949	9,539,633	2,904,526	1,034,789
Dec. 28,						
1962	12,456,678	6,167,837	4,099,016	10,266,853	2,910,190	1,132,235
Dec. 20,						
1963	12,968,887	6,854,157	4,200,729	11,054,886	2,767,547	1,202,411
Dec. 31,						
1964	14,489,488	7,740,423	4,268,358	12,008,781	2,669,966	1,298,084
1965p	15,366,079	8,509,806	4,481,581	12,991,387	2,498,524	1,379,053

p—Preliminary.

**COMPARATIVE STATEMENT OF INCOME AND DIVIDENDS OF MEMBER BANKS
ELEVENTH FEDERAL RESERVE DISTRICT**

(Amounts in thousands of dollars)

Item	1965p	1964	Net Change, 1965 from 1964
Interest and dividends on securities	154,956	141,550	13,406
Interest and discount on loans	494,501	429,191	65,310
Service charges on deposit accounts	30,909	27,737	3,172
All other revenue	46,553	38,552	8,001
TOTAL CURRENT OPERATING REVENUE	726,919	637,030	89,889
Salaries and wages	153,745	140,700	13,045
Interest on time and savings deposits	194,703	158,675	36,028
All other expenses	174,463	152,995	21,468
TOTAL CURRENT OPERATING EXPENSES	522,911	452,370	70,541
NET CURRENT OPERATING EARNINGS	204,008	184,660	19,348
Total recoveries, transfers from valuation reserves, and profits	13,449	14,330	—881
Total losses, charge-offs, and transfers to valuation reserves	56,667	51,096	5,571
Net income before related taxes	160,790	147,894	12,896
Taxes on net income	48,156	51,952	—3,796
NET INCOME	112,634	95,942	16,692
Cash dividends declared ¹	59,024	50,956	8,068
Number of member banks	675	672	3

¹ Includes interest on capital notes and debentures.
p—Preliminary.

**PRINCIPAL ITEMS OF INCOME AND DIVIDENDS OF MEMBER BANKS
1956-65**

ELEVENTH FEDERAL RESERVE DISTRICT

(Amounts in thousands of dollars)

Year	Total Current Operating Revenue ¹	Total Current Operating Expenses ¹	Net Current Operating Earnings	Total Recoveries, Transfers, and Profits	Total Losses, Charge-offs, and Transfers	Net Income	Cash Dividends Declared ²	Number of Member Banks
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
1960	458,798	289,110	169,688	10,665	32,038	88,765	40,702	632
1961	459,019	295,129	163,890	19,768	35,737	88,748	42,164	630
1962	516,727	344,023	172,704	13,765	38,872	89,803	44,167	632
1963	573,061	396,221	176,840	15,714	39,873	90,545	46,668	656
1964	637,030	452,370	184,660	14,330	51,096	95,942	50,956	672
1965p	726,919	522,911	204,008	13,449	56,667	112,634	59,024	675

¹ Beginning in 1961, income and expenses related to bank premises are reported net (plus or minus) under current operating expenses.

² Includes interest on capital notes and debentures.
p—Preliminary.