

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 68-197  
September 11, 1968

## CONDITION OF MEMBER BANKS, JUNE 29, 1968 ELEVENTH FEDERAL RESERVE DISTRICT

To All Member Banks

in the Eleventh Federal Reserve District:

Total loans and investments at the District's member banks expanded \$185 million, or 1.2 percent, during the first half of 1968. This increase is considerably below the \$296 million, or 2.2-percent, rise in the first half of 1967. Changes in the major asset and liability items at these banks were heavily influenced by the surge in economic activity, the associated monetary restraint, and the high interest rates of the first half of the current year. The rapid expansion in the District's economy produced an increase in loan demand, particularly for consumer and real estate loans. At the same time, however, monetary restraint resulted in considerably less strength in both demand and time and savings deposits. With deposits declining and with moderately heavy loan demand, member banks in the District reduced their holdings of investments.

The \$185 million gain in total loans and investments at the District's member banks in the first half of this year was entirely the result of a \$288 million rise in loans, an increase which exceeded the \$210 million advance in the corresponding 1967 period. Business loans expanded \$100 million, only slightly more than in the first half of 1967, although these loans were quite strong at the larger banks. Consumer loans rose \$96 million, and real estate loans, \$78 million; combined, these advances were more than three times the rate of increase in the previous year. In mid-1968, real estate loans, led by loans secured by nonfarm, nonresidential property, were nearly 18 percent above a year earlier. In contrast, total investments fell \$102 million, as a substantial decline of \$217 million in holdings of U.S. Government issues more than offset the \$114 million gain in the non-Government securities portfolio.

During the first 6 months of 1968, deposits of individuals, partnerships, and corporations fell \$220 million, compared with a nominal decline in the first half of 1967. The reduction in IPC deposits was entirely in demand deposits, which fell \$540 million, or 6.8 percent; but in mid-1968, these deposits were 9.7 percent above a year earlier. Although advancing \$321 million, or 5.6 percent, IPC time and savings deposits also showed less strength than in the same period in 1967. This relative weakness primarily reflected the competition from high market interest rates.

The basic midyear trends of the past few years persisted, with the ratio of loans to total deposits edging slightly higher and the ratio of capital accounts to risk assets slipping steadily lower. Of special note is the continued rise in borrowings, much of which reflected Federal funds purchases. These borrowings reached \$490.6 million at mid-1968, or \$95.0 million more than a year earlier and nearly \$200.0 million above the mid-1966 level.

Yours very truly,

P. E. Coldwell

President

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

(Amounts in thousands of dollars)

Item	June 29, 1968p	Dec. 30, 1967	June 30, 1967
Loans (net), including overdrafts <sup>1</sup> .....	10,063,339	9,775,383	9,218,284
U.S. Government obligations.....	2,393,217	2,610,139	2,266,988
Obligations of states and political subdivisions.....	2,256,740	2,135,273	1,988,990
Other securities.....	522,764	529,792	449,197
<b>TOTAL LOANS (NET) AND INVESTMENTS.....</b>	<b>15,236,060</b>	<b>15,050,587</b>	<b>13,923,459</b>
Cash and balances due from banks.....	3,713,293	4,279,773	3,456,519
<b>TOTAL ASSETS.....</b>	<b>19,549,194</b>	<b>19,906,830</b>	<b>17,909,610</b>
Individual — Demand deposits.....	7,413,910	7,954,181	6,756,825
Individual — Time deposits.....	6,070,481	5,749,849	5,447,052
Deposits of U.S. Government, including postal savings....	205,877	199,880	212,199
Deposits of states and political subdivisions.....	1,771,419	1,735,222	1,718,002
Deposits of banks.....	1,510,588	1,845,026	1,465,903
Certified and officers' checks, etc.....	176,654	224,574	161,200
<b>TOTAL DEPOSITS.....</b>	<b>17,148,929</b>	<b>17,708,732</b>	<b>15,761,181</b>
<b>TOTAL CAPITAL ACCOUNTS.....</b>	<b>1,601,547</b>	<b>1,539,474</b>	<b>1,511,731</b>
Borrowings from Federal Reserve Bank.....	16,233	5,800	3,435
All other borrowings.....	474,371	375,201	392,439
Ratio of loans to total deposits.....	58.7%	55.2%	58.5%
Ratio of cash and balances due from banks to total deposits.....	21.7%	24.2%	21.9%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets).....	11.9%	11.8%	12.4%
Number of member banks.....	663	667	671

<sup>1</sup> Includes Federal funds sold.  
p—Preliminary.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS  
AS OF SELECTED CALL DATES  
ELEVENTH FEDERAL RESERVE DISTRICT**

(In thousands of dollars)

Date	Total Deposits	Total Loans (Net) <sup>1</sup>	Total Investments	Total Loans (Net) and Investments	Total U.S. Gov. Secs.	Total Capital Accounts
June 10, 1959	9,864,995	4,632,461	3,400,541	8,033,002	2,576,445	902,267
June 15, 1960	9,815,514	4,877,424	3,206,915	8,084,339	2,387,143	953,245
June 30, 1961	10,653,569	5,089,470	3,576,367	8,665,837	2,645,929	1,006,705
June 30, 1962	11,612,983	5,709,653	3,823,628	9,533,281	2,756,538	1,084,510
June 29, 1963	12,544,624	6,301,403	4,114,110	10,415,513	2,834,081	1,154,072
June 30, 1964	13,131,582	7,214,565	4,078,522	11,293,087	2,564,231	1,238,498
June 30, 1965	14,026,491	8,141,491	4,169,763	12,311,254	2,418,691	1,359,843
June 30, 1966	14,958,226	<sup>2</sup> 8,697,580	<sup>2</sup> 4,454,270	13,151,850	2,282,741	1,436,338
June 30, 1967	15,761,181	9,218,284	4,705,175	13,923,459	2,266,988	1,511,731
June 29, 1968p	17,148,929	10,063,339	5,172,721	15,236,060	2,393,217	1,601,547

<sup>1</sup> Includes Federal funds sold.

<sup>2</sup> Commodity Credit Corporation certificates of interest and Export-Import Bank participations are henceforth included in "Total Investments," rather than "Total Loans (Net)."

p—Preliminary.