

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS 75222

Circular No. 71-262
November 3, 1971

**CONDITION OF MEMBER BANKS, JUNE 30, 1971
ELEVENTH FEDERAL RESERVE DISTRICT**

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

Total loans and investments at member banks in the Eleventh Federal Reserve District rose by \$686 million, or 3.5 percent, in the first six months of 1971, as compared with a \$260 million decline in the first half of 1970. The difference reflected mainly the somewhat improved economic activity and the sharp advance in available funds stemming from the easier stance of monetary policy in the first half of this year. Bank deposits rose in the first six months of 1971, in contrast to the decline in deposits in the first half of last year, and on June 30, 1971, were more than 16 percent above a year earlier. Member banks employed most of these funds to add to their holdings of securities — particularly obligations of states and political subdivisions — as loan demands remained rather subdued.

Total loans at member banks rose by only \$205 million, or 1.5 percent, in the first half of this year. This increase represented just 30 percent of the total rise in bank credit during this period. The weakness in loans reflected mainly declines in net sales of Federal funds and in business loans, which fell by 6.6 percent and 2.4 percent, respectively. Other major types of loans increased substantially, however. Real estate loans rose sharply, by 17.6 percent, as construction activity in the District picked up. Farm loans also advanced considerably, by 12.3 percent, and consumer loans increased by 4.2 percent.

With the rather limited overall loan demand, District member banks employed most of their funds to enlarge their holdings of securities. About 90 percent of the net increase in bank holdings of securities in the first half of this year represented net acquisitions of obligations of states and political subdivisions — which rose by \$429 million, or 13.8 percent. The large volume of such securities coming to market and their relatively profitable yields made them particularly attractive investments. Holdings of U.S. Government issues rose by \$176 million, or 8.0 percent, while holdings of other securities declined by \$124 million, or 14.0 percent.

Total deposits increased by \$178 million in the first half of 1971. Most of this rise came from inflows of time and savings deposits of individuals and of deposits by states and political subdivisions, which rose 6.8 percent and 6.0 percent, respectively. Deposits of the U.S. Government advanced moderately, by 1.3 percent, while demand deposits of individuals fell by 1.9 percent and interbank deposits dropped a sharp 10.2 percent. Banks supplemented deposit inflows by borrowing \$25 million from the Federal Reserve Bank of Dallas and by increasing their borrowings from other sources by \$204 million. The Federal funds market was the major source for these borrowed funds.

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 30, 1971	Dec. 31, 1970	June 30, 1970
Loans (gross), including overdrafts ¹	13,701,508	13,496,198	11,848,383
U.S. Treasury securities	2,369,956	2,194,238	1,949,988
Obligations of states and political subdivisions.....	3,544,866	3,115,573	2,915,439
Other securities	763,153	887,014	487,595
TOTAL LOANS (GROSS) AND INVESTMENTS	20,379,483	19,693,023	17,201,405
Cash and balances due from banks.....	4,650,472	4,877,358	4,179,507
TOTAL ASSETS	25,917,324	25,424,845	22,240,020
Individual — Demand deposits	8,683,296	8,852,029	7,874,158
Individual — Time deposits	7,847,728	7,350,691	6,249,486
Deposits of U.S. Government	343,967	339,469	349,647
Deposits of states and political subdivisions.....	2,381,468	2,246,860	2,032,264
Deposits of banks	2,012,958	2,241,465	1,745,080
Certified and officers' checks, etc.	219,172	280,361	195,562
TOTAL DEPOSITS	21,488,589	21,310,875	18,446,197
TOTAL CAPITAL ACCOUNTS	1,951,947	1,872,565	1,809,987
Borrowings from Federal Reserve Bank	25,320	0	5,625
All other borrowings	1,605,881	1,401,813	1,086,668
Ratio of loans to total deposits	63.8%	63.3%	64.2%
Ratio of cash and balances due from banks to total deposits	21.6%	22.9%	22.7%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets)	10.3%	10.2%	11.2%
Number of member banks	633	634	634

¹ Includes Federal funds sold.

**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 (Gross) ¹	Total Investments	Total Loans (Gross) and Investments	Total U.S. Treasury Securities	Total Capital Accounts
June 30, 1962	11,612,983	5,817,362	3,823,628	9,640,990	2,756,538	1,084,510
June 29, 1963	12,544,624	6,422,131	4,114,110	10,536,241	2,834,081	1,154,072
June 30, 1964	13,131,582	7,351,208	4,078,522	11,429,730	2,564,231	1,238,498
1965	14,026,491	8,292,375	4,169,763	12,462,138	2,418,691	1,359,843
1966	14,958,226	² 8,856,218	² 4,454,270	13,310,488	2,282,741	1,436,338
1967	15,761,181	9,383,796	4,705,175	14,088,971	2,266,988	1,511,731
June 29, 1968	17,148,944	10,246,381	5,172,916	15,419,297	2,393,234	1,601,550
June 30, 1969	18,505,827	11,597,414	5,304,234	16,901,648	2,111,304	1,717,697
1970	18,446,197	11,848,383	5,353,022	17,201,405	1,949,988	1,809,987
1971	21,488,589	13,701,508	6,677,975	20,379,483	2,369,956	1,951,947

¹ Includes Federal funds sold.

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