FEDERAL RESERVE BANK OF DALLAS

1982 ANNUAL REPORT

Federal Reserve Bank of Dallas

The Federal Reserve Bank of Dallas, which is one of 12 regional Federal Reserve Banks in the United States, serves the Eleventh Federal Reserve District. The Eleventh District encompasses approximately 363,000 square miles and is composed of the State of Texas, northern Louisiana, southern New Mexico, and southeastern Oklahoma. There are three branch offices of the Federal Reserve Bank of Dallas located in El Paso, Houston, and San Antonio.

The Federal Reserve System is the central banking system of the United States with the basic purpose of providing a flow of money and credit that will foster orderly economic growth and a stable dollar. In addition to this major function, Federal Reserve Banks issue Federal Reserve notes and hold deposits of and make loans to financial institutions. Reserve Banks also perform various services for financial institutions, act as Fiscal Agent for the United States, regulate and supervise banks, and assemble, analyze and distribute economic and banking data.

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MESSAGE FROM THE PRESIDENT

The year 1982 was characterized by a number of changes for Federal Reserve Bank of Dallas operations and by new challenges for financial institutions in the Eleventh Federal Reserve District. An increased momentum toward deregulation of the banking industry, spurred by such steps as the recently-enacted Garn-St. Germain Depository Institutions Act of 1982, brought about changes for our operations as well as for those of financial institutions. In addition, our staff worked throughout the year to refine the services we provide for institutions in this District and to develop new services which are appropriate in light of the changing scope of the financial environment.

The District's economy provided other challenges for all financial institutions, businesses, and individuals in this region of the country, as the effects of a national recession first appeared. Situations affecting the area's energy industry, retail activities with the country of Mexico, and regional agricultural difficulties were the primary areas of concern in this Federal Reserve District. However, the region's relative strength in other industries, levels of employment generally above those of the rest of the nation, and strong bank holding company growth allowed us to remain optimistic as the year came to an end. I am also confident that we at the Federal Reserve, through monetary policy actions, have established the groundwork for an end to high levels of inflation in this country.

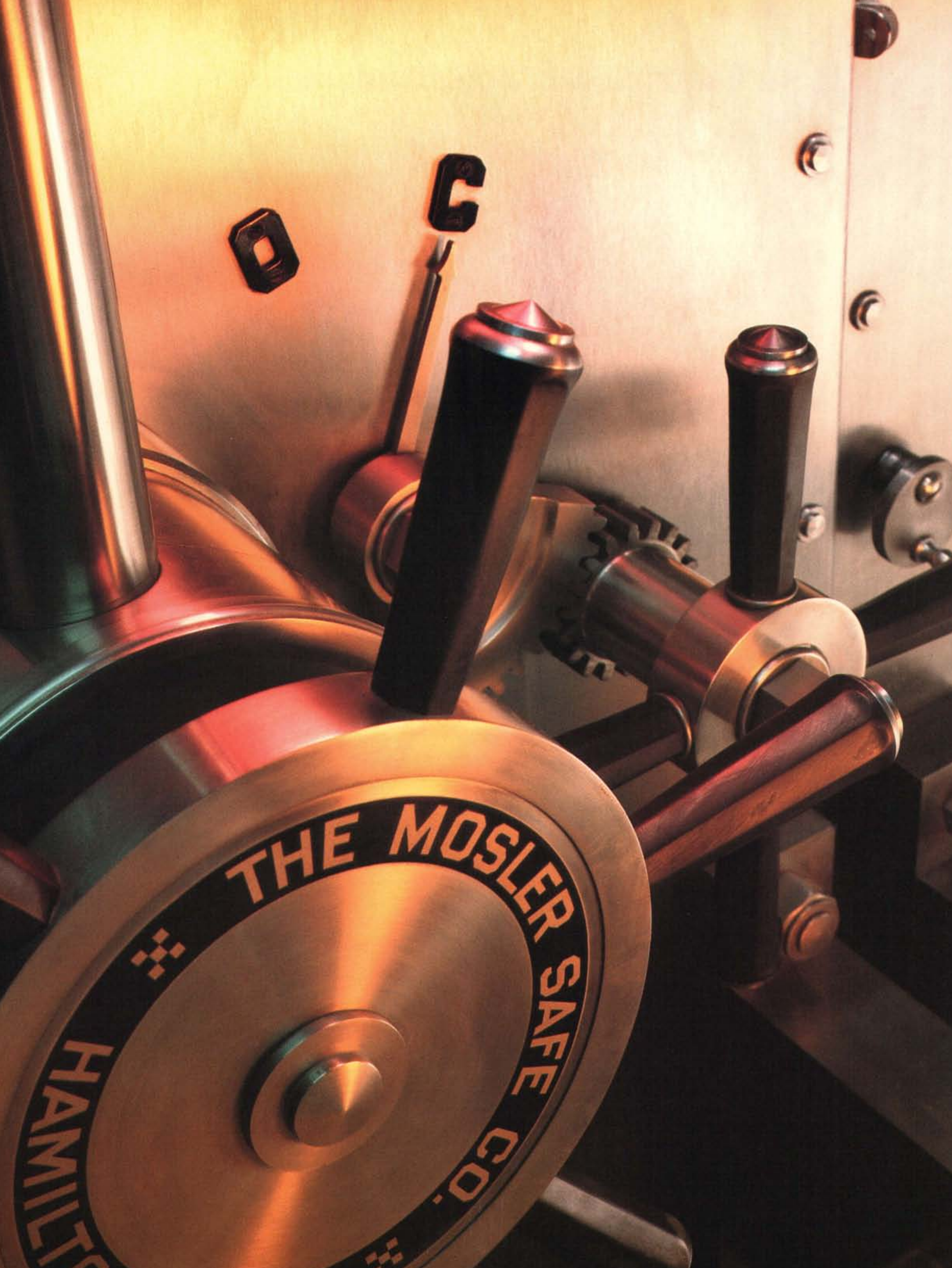
I am quite proud of our staff at the Federal Reserve Bank of Dallas and at our three branch offices. These people have shown dedication and commitment to their work at the Federal Reserve throughout this past year and have allowed our efforts in Bank operations, supervisory activities, and monetary policy decisions to be that much more effective. The directors of this Bank and its branch offices have also enhanced our work by bringing to us the concerns of their particular businesses and communities as well as overall management expertise. For this reason, we are taking a personal approach to our 1982 Annual Report and are focusing on a few people in key areas of our endeavors at the Federal Reserve Bank of Dallas. I hope this approach will provide a new insight to the work we do here.

I have enjoyed very much working with the financial institutions and community organizations in the Eleventh District this past year, and I look forward to hearing your suggestions and concerns in 1983. These relationships are very important to my work because they keep me in touch with developments in the financial community and throughout the District. I hope your interaction with the people of this Bank and your input to our activities will continue to grow throughout 1983.

Sincerely,

Robert H. Boykin

Robert H. Boykin
President


THE MOSLER SAFE CO.

PEOPLE: OUR PRIMARY ASSET

Every business day of the year, the Federal Reserve Bank of Dallas and its branch offices are alive with the activity of hundreds of people. Some help provide important services to the financial community, such as the processing of checks. Others help regulate the vast and complex system of financial institutions in this region through such procedures as monitoring the performance of bank holding companies. Some study economic trends and provide vital input to national monetary policy decisions. Still others bring a variety of outside interests and expertise to Federal Reserve operations through their work as directors and advisors. These people, along with many others who perform a variety of other functions, serve the national interest by carrying out central banking activities with commercial banks and other types of financial institutions throughout the country. The people of the Dallas Fed are the only means through which accomplishments in the areas of operations, supervision, and monetary policy can be achieved. They are the Bank's primary asset.

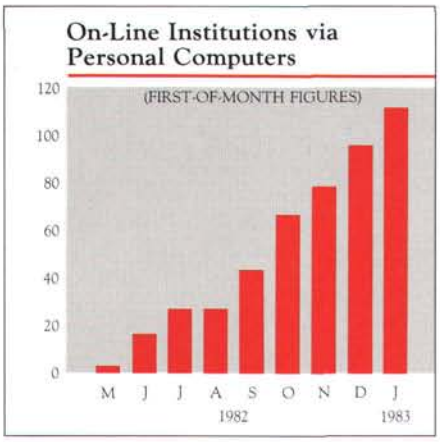

STAFFORD-LOWDON FORM C-1
VOID AFTER 90 DAYS

OPERATIONS

Freda Mize works while most people sleep. As a Proof Machine Operator in the Payments Mechanism Department, Freda works from 9 p.m. to 6 a.m. as a member of the check processing night shift, also known as the Regional Check Processing Center or RCPC staff. The Federal Reserve System developed RCPCs in the early 1970s to provide 24-hour check processing and thus more efficient service nationwide. Currently, the RCPC staff handles about 80 percent of all checks processed by the Dallas Fed. "I think much more goes on at night than during the day," Freda said. "I very seldom have any free time at all." Freda works in the area of the department responsible for processing non-machineable items, those checks which are too damaged to be processed by computers. She has worked for 22 years in the checks area and has worked at night since the inception of the RCPC in Dallas. During that time, she has become accustomed to night work and finds avoiding downtown traffic a plus. "I love working at night," Freda says. "I wouldn't go back to the day shift unless I absolutely had to."

"I have always worked in the checks area, but it's the people of the Fed I enjoy the most."

OPERATIONS



Operations at the Federal Reserve Bank of Dallas during 1982 were highlighted by changes in services offered financial institutions, especially those provided over the Fed's computer communications network, and by changes in general to the nation's financial industry. Several refinements and enhancements were made to Dallas Fed services during the year to offer institutions additional services which are flexible and adaptable to their needs. Also, the Federal Reserve Bank of Dallas announced a major program of increased on-line computer access for institutions wishing to use Fed services which was greeted with immediate success. Changes affecting the country's commercial banks and other types of financial institutions due to increased deregulatory efforts brought about further changes to Fed operations in many other areas of the Bank.

Federal Reserve Banks provide a variety of services to the financial community. These services, which help institutions conduct their day-to-day operations, include the processing of commercial and government checks, the transferring of funds by wire, currency and coin processing and transportation, automated clearinghouse operations, and various securities services. Other areas of the Fed process loans to financial institutions, collect and provide certain types of statistical information, provide legal and regulatory advice when necessary, and perform public and consumer information services.

SERVICE ENHANCEMENTS

The Federal Reserve Bank of Dallas worked to enhance and improve several of its services during 1982 in the areas of securities and noncash collection, check processing, automated clearinghouse (ACH) operations, and currency and coin. The securities safekeeping service at the Federal Reserve Bank of Dallas was broadened to include three new categories of definitive securities which can be held in Fed vaults. The new categories of securities are equity securities such as stocks and bonds, certificates of deposit, and bankers' acceptances. In addition, general securities safekeeping services were expanded during the year to include financial institutions located in Federal Reserve cities which were previously not eligible for this service. Collection of municipal or corporate coupons and securities payable in the same city as the owning institution is another service which was implemented during 1982. The Bank also began offering a magnetic tape including information about all securities an institution chooses to hold with the Federal Reserve Bank of Dallas. Noncash collection services were enhanced during the year to provide improved availability for certain types of these items and to reduce the amount of presorting required for the deposit of noncash items.

Changes were implemented for the check processing service to add a 12:00 noon mixed cash letter option which allows institutions next-day availability for many items. In addition, improved availability was implemented for selected items in mixed cash letters deposited before a 12:01 a.m. deadline. Other mixed cash letter options and special sort programs for particular offices within the District were also implemented. ACH operations were enhanced during 1982 with the establishment of seven data links between financial institutions and the Fed to provide electronic delivery of ACH items.

Coin wrapping services were announced by the Federal Reserve Bank of Dallas September 1. This new service allows institutions to choose between wrapped coin and bulk coin, in addition to allowing a later payment of service charges for wrapped coin.

RESPONSE

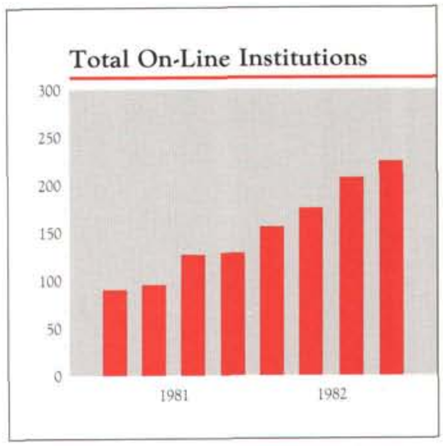
In May, the Federal Reserve Bank of Dallas announced the inauguration of its RESPONSE communications network and the installation of the first IBM Personal Computer as an additional method for accessing the network. RESPONSE is an on-line linkage between financial institutions and the computer at the Dallas Fed. The system is used for speed and efficiency in using Federal Reserve services, such as wire transfers and securities transactions, and in other applications such as receiving interest rate information. The computer at the Dallas Fed is connected to all other Federal Reserve Banks through the new Federal Reserve Communications System for the Eighties, a general purpose data communications network which was first put into operation June 28.

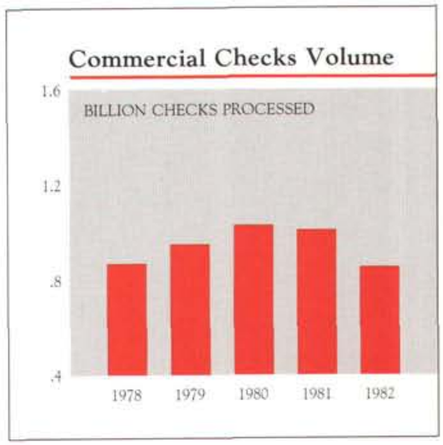
Before the IBM Personal Computer was initiated as an on-line option for the RESPONSE network, two other methods were already in place as alternatives for the service. These include a direct computer-to-computer link, primarily for large volume users of Fed services, and a link using various configurations of terminals, keyboards and printers with dedicated communications lines, primarily for moderate volume users of Fed services. The IBM Personal Computer option represented the first alternative which was especially designed for smaller financial institutions which have a lower volume of Fed service usage. The personal computer uses dial-up telephone procedures for making the connection with the Federal Reserve computer, so it has the advantage of being available for other uses when it is not being used to connect with the Fed. Institutions which have as few as three funds transfers each day could cost-justify subscribing to RESPONSE through the personal computer.

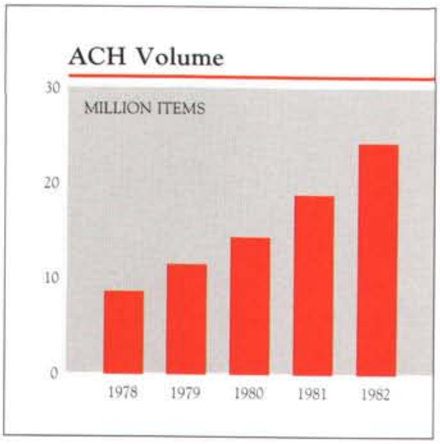
After the first IBM Personal Computer was installed for use with the RESPONSE network, interest in the on-line service and participation increased steadily through the remainder of 1982. By the end of the year, there were 113 financial institutions in the District on-line with the Dallas Fed through the personal computer. Total on-line participation had increased to 226 institutions using one of the three options for access. The Federal Reserve Bank of Dallas began holding one-day training sessions for institutions subscribing to the personal computer to provide instructions for its use.

VOLUME OF OPERATIONS

Offices of the Federal Reserve Bank of Dallas processed almost one billion checks during 1982 with an associated dollar value of over $600 billion. Of these, almost 900 million checks processed were commercial checks with an associated dollar value of over







$560 billion. Automated clearinghouse operations, which process payments electronically instead of by paper check, continued to be affected by the significant growth trend of the past several years. Commercial ACH items processed by the Federal Reserve Bank of Dallas increased approximately 75 percent from 1981 to 1982, growing from 5.5 million items to 9.6 million items. The dollar amount associated with commercial ACH items increased almost 150 percent, growing from $14.6 billion in 1981 to $36.2 billion in 1982. In addition, the Bank processed over 15 million U.S. Government ACH items with an associated dollar value of $7.5 billion. In the wire transfer of funds area, close to five million items were handled during the year, with a dollar value of $6.6 trillion.

Securities services provided by the Federal Reserve Bank of Dallas during the year included the processing of issues, redemptions, and exchanges of U.S. Government securities in both definitive and book-entry form. Over eight million definitive securities were processed with a dollar value of over $3 billion, while approximately 150,000 book-entry securities were processed with a dollar value of over $226 billion. The Bank received and counted almost 600 million pieces of currency and over one billion pieces of coin during 1982. Loans to financial institutions processed during the year decreased to 667 from 891 processed in 1981, but the dollar value associated with these loans increased from almost $7 billion to over $10 billion.

PRICING

Federal Reserve System pricing policy was discussed in an official overview presented July 29 by E. Gerald Corrigan, president of the Federal Reserve Bank of Minneapolis and chairman of the System Pricing Policy Committee. Corrigan's statement explained revisions in the method to be used for pricing Federal Reserve services in the future. The revised pricing technique will recognize that the value of a particular service might be different from its cost and will take into account prevailing market practices. The extent to which this new pricing flexibility will be used, however, is limited. The most important and widespread use of the technique, Corrigan said, will be reflected in prices for certain types of cash letter deposits where the Fed has made major improvements in availability and has thereby vastly enhanced the value of the service.

New prices for certain check services went into effect at the Dallas Fed April 1. In addition, a major reconfiguration of the Fed's Interdistrict Transportation Network was underway throughout 1982 which was planned to greatly accelerate the check collection process and help eliminate Federal Reserve float. This acceleration was also planned to allow institutions to receive earlier availability for their deposits. The Interdistrict Transportation Network is the method the Fed uses to move checks between Federal Reserve offices around the country. Other major changes to the check collection service, float reduction plans, and new prices resulting from implementation of these changes were planned for early 1983.

Also in 1982, the Federal Reserve Board announced plans for a gradual phase-out of "incentive pricing" for the ACH service by 1985. New ACH prices effective December 30 were designed to recover 40 percent of current Fed costs plus the private sector adjustment factor which takes into account imputed taxes and financing costs which would have been incurred by a private firm. Price changes for the wire transfer and net settlement services were effective April 29. The wire transfer pricing schedule was changed to split the charge between the originator and receiver of a transfer. Pricing for the currency and coin transportation service originally went into effect January 28.

DEREGULATION

Other areas of the Federal Reserve Bank of Dallas spent much of the year keeping up with an increased momentum toward deregulation of the banking industry initiated largely through new accounts established by the Depository Institutions Deregulation Committee (DIDC). This committee has been assigned the task of eliminating interest rate ceilings on deposits at the various types of financial institutions by the Monetary Control Act of 1980. The Dallas Fed's regulatory, legal, and public information areas kept track of the changes announced through the year to make certain that financial institutions and the public remained informed. The Bank's statistical area geared up for handling reports of deposit from financial institutions which include new categories of accounts.

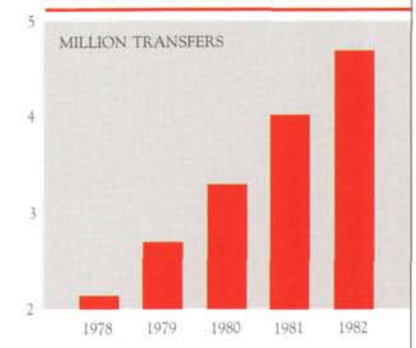
In its March 22 meeting, the DIDC announced a new short-term deposit instrument with an interest rate tied to the 91-day Treasury bill rate to be effective May 1. This new account joined the six-month certificate of deposit and the 2½-year minimum certificate, two previously-authorized accounts which already had interest rate ceilings tied to market rates. At the same meeting, the DIDC eliminated interest rate ceilings on any time deposits with maturities of greater than 3½ years.

On June 29, the committee authorized another new account with an interest rate ceiling tied to the 91-day Treasury bill and with a maturity of seven to 31 days. This deposit account was effective September 1.

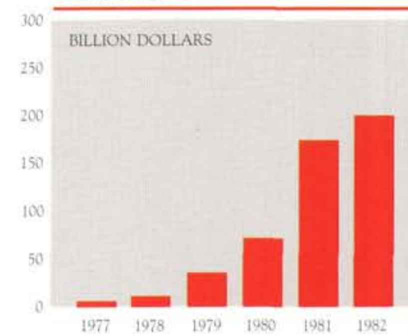
President Reagan later signed into law an act some financial industry personnel termed the most important institutional legislation in 50 years. Known as the Garn-St. Germain Depository Institutions Act of 1982, the legislation authorized, among other provisions, a money market deposit account for commercial banks and savings and loan associations to be "directly equivalent to and competitive with money market mutual funds." Assets in the money market mutual funds, which many persons felt had attracted deposits away from the nation's banks and savings and loans, had reached approximately $210 billion by the end of 1982.

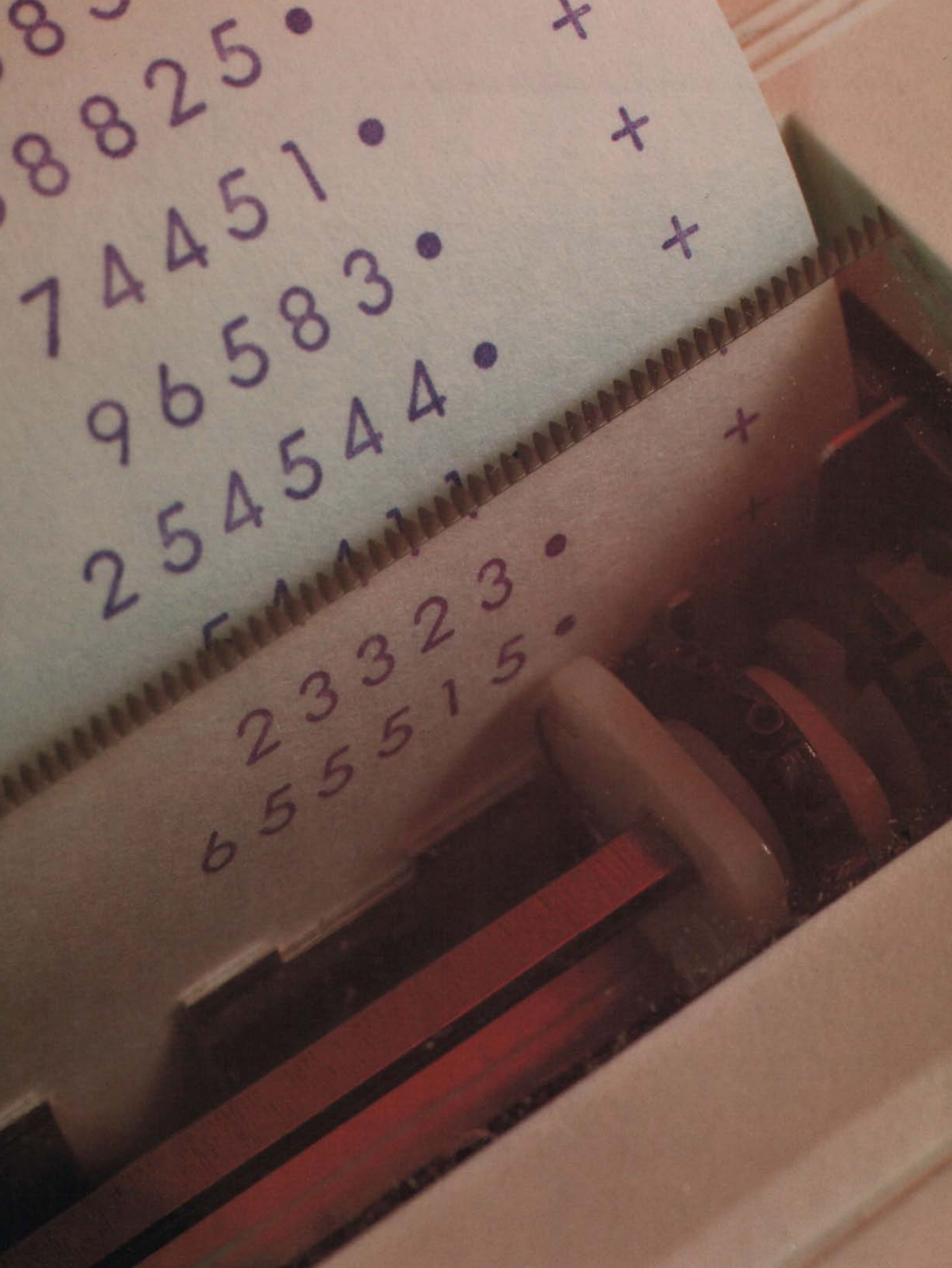
The new money market deposit account, which was effective December 14, has no interest rate ceiling and allows up to six preauthorized transfers each month, three of which may be by check. The DIDC December 6 authorized still another new account which has no interest rate ceiling. This account, which is generally called the "super NOW account", has similar features to the money market deposit account with the addition of allowing unlimited transactions. The super NOW account was authorized to be effective January 5, 1983.

Transfers of Funds Volume



Money Market Mutual Funds Total Assets

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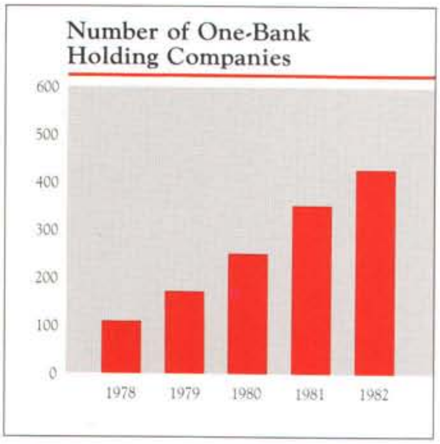
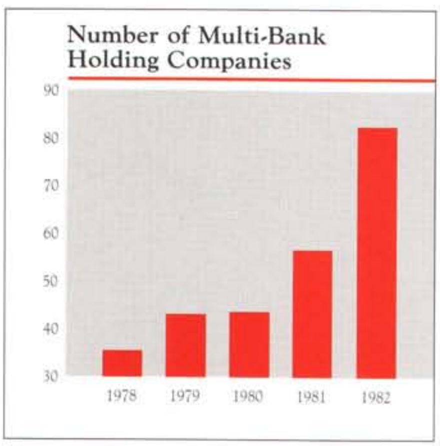
SUPERVISION

Ann Worthy thinks of a potential bank merger as more than just a news item. As a Senior Financial Analyst in the Holding Company Supervision Department, Ann is responsible for monitoring the financial condition of bank holding companies and their subsidiaries and identifying potential problem areas within these institutions. She is also responsible for analyzing the financial soundness and strength of holding companies preparing to make expansionary acquisitions and, in a few instances, for making such assessments about holding companies wishing to rescue institutions in trouble. "The downturn in the energy industry and the situation in Mexico both had an effect on banks in the area," Ann said. The workload in the Holding Company Supervision Department grew in 1982 not only as a result of the economic situation but also because of the continuing increase in one-bank holding company applications and formations, an increase Ann feels is due to the tax advantages of such an organization. But the variety of work in the department keeps Ann interested as well as busy. "Everything we do is a challenge," she says. "Especially now."

"The Fed is a very stimulating place. In the last year or two, people have become more aware of our supervisory role."

SUPERVISION





The economic climate in 1982 had a significant impact on the supervision of banks and bank holding companies in the Eleventh District by the Federal Reserve Bank of Dallas. A general downturn in the energy industry in the United States and other conditions caused some banks in the area to experience new kinds of problems. A few were faced with increased nonperforming loans and subsequent liquidity problems. At the same time, however, continued growth for the District's bank holding companies attested to the relative strength of the banking industry in this region. All these events led to increased supervisory responsibilities for the Federal Reserve Bank of Dallas.

Federal Reserve Banks share responsibilities for bank supervision and regulation with the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and state banking authorities. The Fed is the primary Federal supervisor of state-chartered Federal Reserve member banks and all bank holding companies. Members of the Fed examination staff regularly go to banks and bank holding companies to examine and ensure their safety and soundness and their compliance with regulations. In addition, applications are submitted to the Federal Reserve by banks wishing to form one-bank or multi-bank holding companies and by bank holding companies expanding through acquisitions of additional institutions. Some Fed staff members process these applications, and others monitor the condition of banks and bank holding companies to prevent problems from developing.

CONDITIONS IN 1982

In 1982, the energy industry and its impact on bank lending played a significant role in the area's economy. The drilling rig count, for example, peaked in December 1981 and then continually declined during the first half of 1982. During the five-month period from December 1981 to May 1982, weakness in the oil and gas industry was accompanied by rapid increases in the dollar amount of energy loans made by financial institutions in the Southwest.

While the energy industry created an impact on banking in this region, other conditions were significant as well. A few financial institutions experienced liquidity deficiencies which required subsequent supervisory action. In March, the first closing of a Texas bank since 1976 occurred, and several additional such closings took place before the end of the year. Nationally, the rate of bank closings was at its highest level since 1940. There were also a few instances in the Eleventh District where bank acquisitions took place to prevent closings or to correct serious banking problems. The Federal Reserve Bank of Dallas was involved if a bank holding company in the District decided to apply to acquire a bank experiencing problems. In these applications, the Fed staff sought to examine the financial conditions of the holding companies to determine if they had the financial and management strength to assume new situations.

CALL REPORTS

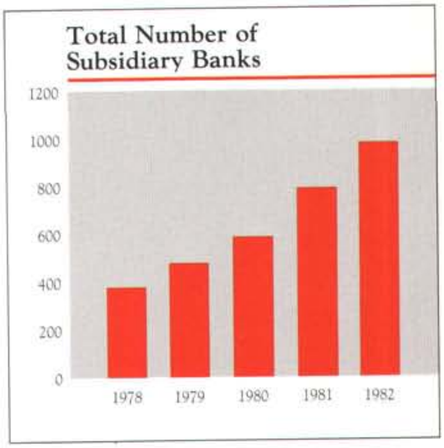
Federal Reserve Bank of Dallas operations were also affected by revisions to the quarterly Reports of Condition and Income required of federally-insured commercial banks by federal regulators and known as Call Reports by the industry. It was announced by the Federal Financial Institutions Examination Council (FFIEC) that major revisions to these reports would take effect in 1984 but that revisions to certain key sections of the reports would be implemented in 1982. Beginning with the December 31, 1982 reports, institutions were required to report data on certain nonperforming loans such as past due, nonaccrual and renegotiated loans as well as lease financing receivables. The new information will be made available to the public beginning with the June 30, 1983 reports. The FFIEC felt that the additional information was necessary to effectively monitor and supervise the nation's banks in light of the current economy.

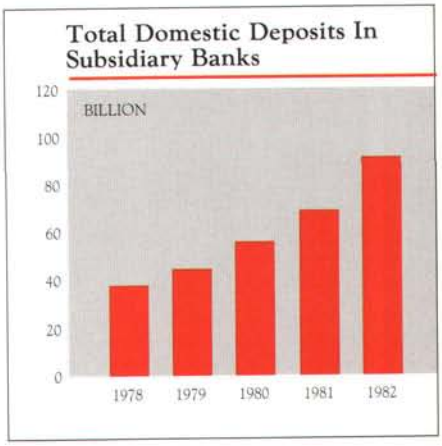
HOLDING COMPANY GROWTH

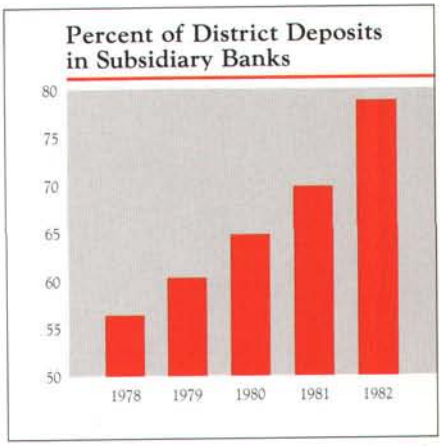
In spite of economic conditions in the District, bank holding companies continued to experience the rapid growth trend of the past several years. There were 135 bank holding company formations in the District during 1982, 125 of which were organized as one-bank holding companies. In addition, there were 129 acquisitions of additional banks by holding companies, a 43 percent increase over such activity in 1981.

The major reason for most one-bank holding company formations is reduction of Federal income taxes. Interest payments to service the debt incurred by a holding company to acquire a bank's stock are totally tax deductible, while interest deductions by an individual shareholder are limited. Also, if a consolidated income tax return is filed, the holding company's interest deduction can be used to offset the taxable income of the bank, resulting in a lower overall tax bill for the organization. Because a holding company saves taxes, it can redirect cash to the servicing of its debt and, at the same time, reduce the dividends needed from its subsidiary bank. This allows the bank to retain more earnings, augment its capital, and become a stronger institution. The major reason for the multi-bank holding company type of organization, on the other hand, is to allow growth and expansion throughout the state into new market areas and into permissible nonbanking activities which a bank alone could not undertake.

Since 1978, the growth in bank holding companies and their activities has been extraordinary. At year-end 1982, there were 431 one-bank holding companies in the District, 307 percent more than the 106 such firms which were in existence at year-end 1978. In addition, there were 83 multi-bank holding companies compared to 36 such institutions in 1978. Subsidiary banks of holding companies totaled 988 by the end of 1982, 161 percent more than the 379 existing at year-end 1978. Deposits in subsidiary banks of District bank holding companies reached $90.472 billion in 1982, compared with $38.404 billion in 1978. Subsidiaries of multi-bank holding companies held 64.6 percent of the District's deposits, while those of one-bank holding companies held 14.6 percent. Overall, 79.2 percent of the District's bank deposits were held in banks affiliated with some type of bank holding company by the end of 1982. This percentage was only 56.7 in 1978.







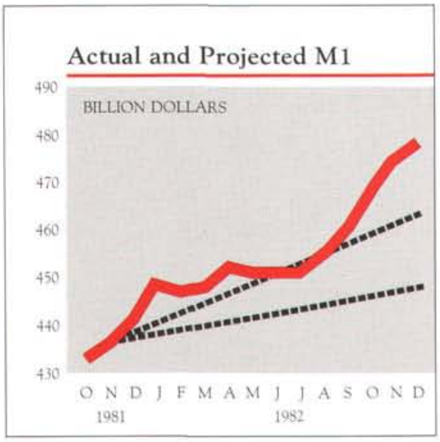

FEDERAL RESERVE BANK – №2

MONETARY POLICY

Bill Gruben performs daily tasks realizing they may have a direct effect on the nation's economy. As a Senior Economist in the Research Department, Bill studies the economy of the Eleventh Federal Reserve District by focusing on key industries and geographic areas and by keeping in close contact with bankers and persons in other industries. He, along with the other Fed economists, is also responsible for briefing Dallas Fed President Robert Boykin for his meetings in Washington with the Federal Open Market Committee, the arm of the Fed which determines national monetary policy. "The Eleventh District did not feel the full force of the recession until the second quarter of 1982," Bill said. "And, because of the types of industries in the District, the recession was less severe when it did hit." Working at the Fed has placed Bill in an environment where he and the other economists benefit from each other's work and one where his own scholarly interests are encouraged. According to Bill, "Part of the excitement of being at the Fed is belonging to a group that really does play a significant role in shaping our economy."

"This has been a very dramatic year for the District economy. But it has not been a comedy."

MONETARY POLICY



The nation's economy was a major topic of discussion during 1982. Many persons turned toward the Federal Reserve with interest as the Fed went before Congress to present its views on the course of monetary policy for the year and to provide updated reports as the year progressed. Actions taken by the Federal Reserve were, in general, watched more closely than in the past by the news media, by those in the financial industries, and by the general public. At the District level, an unstable situation in Mexico and events affecting the energy industry added to the effects of a national recession which had an increasing impact on this area in 1982. The Federal Reserve Bank of Dallas was involved in keeping up with these and other economic trends and seeing that the concerns of the District were considered as input to national policy decisions.

One of the major functions of the Federal Reserve System is to develop and carry out monetary policy for the nation. The Federal Open Market Committee (FOMC), composed of five Federal Reserve Bank presidents, four of which serve on a rotating basis, and the seven members of the Board of Governors, is assigned this task. This committee meets at least two times each quarter to study reports from regional Federal Reserve Bank presidents and economists as input to its decision-making process. In addition, a written report on the state of the economy and the course of monetary policy is required twice each year of the Federal Reserve Board by the Full Employment and Balanced Growth Act of 1978. Federal Reserve Board Chairman Paul A. Volcker delivered oral presentations to Congress twice during 1982, in February and July, in conjunction with the submission of these written reports.

MONETARY TARGETS

"The Federal Reserve remains committed to restraint on the growth of money and credit in order to exert continuing downward pressure on the rate of inflation," Volcker stated in the report given February 10 and 11. "Such a policy is essential if the groundwork is to be laid for sustained economic expansion." At that time, the Board adopted a target growth range of 2.5 to 5.5 percent for the monetary aggregate M1 in 1982, reaffirming the tentative range it set in its mid-1981 report. Other 1982 target growth ranges adopted were 6 to 9 percent for M2, 6.5 to 9.5 percent for M3, and 6 to 9 percent for commercial bank credit.

By July, however, M1 and the other aggregates had generally grown to levels somewhat above the target ranges established at the beginning of the year. Volcker told Congress in his July 20 and 21 testimony that the Fed had allowed growth toward the upper ends of the target ranges during the first half of 1982 because of an increased desire by individuals and businesses to hold assets in relatively liquid forms due to the uncertain state of the economy. The assets affected were part of the various definitions of the money supply, Volcker said. "Moreover—and I would emphasize this—growth somewhat above the targeted ranges would be tolerated for a time in circumstances in which it appeared that precautionary or liquidity motivations, during a period of economic uncertainty and turbulence, were leading to stronger than anticipated demands for money," Volcker said.

By the end of 1982, M1 was close to $480 billion, well above the targeted range of approximately $450 to $465 billion. Volcker stated in an October 9 talk to the Business Council at Hot Springs, Virginia, that M1 would tend to be distorted toward the end of the year and into 1983 due to shifts of funds from maturing all savers certificates and because of shifts to newly-authorized money market deposit and super NOW accounts. Volcker added, however, that the fact that some of the aggregates had tended to run somewhat above their targeted ranges was fully acceptable to the FOMC. "In the circumstances, I do not believe that, in actual implementation of monetary policy we have any alternative but to attach much less than usual weight to movements in M1 over the period immediately ahead," he said.

ECONOMIC CONDITIONS

The Federal Reserve may have attracted the most attention during 1982 after it lowered the discount rate July 20 and subsequently lowered the rate six additional times before the end of the year. The discount rate had been 12 percent during the first half of 1982 but finished the year at 8.5 percent. Volcker and the other Fed governors emphasized throughout the year that small reductions in the discount rate represent "no change in the basic thrust of policy."

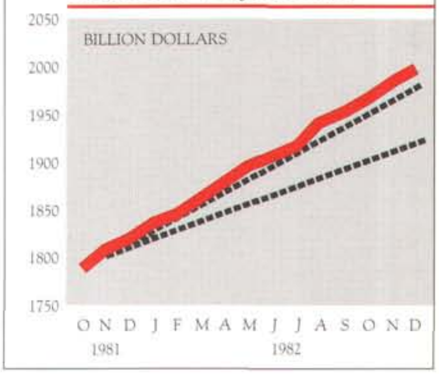
The national economy did show certain signs of an upturn during the second half of 1982. Short-term interest rates generally declined by five to six percentage points, while mortgage and most other long-term rates dropped by three to four percentage points. In addition, further shifts in the course of economic activity were evident as the stock market experienced substantial gains. The Dow Jones Industrial Average reached an all-time record closing level of 1070.55 December 27, having climbed almost 300 points since summer.

DISTRICT ECONOMY

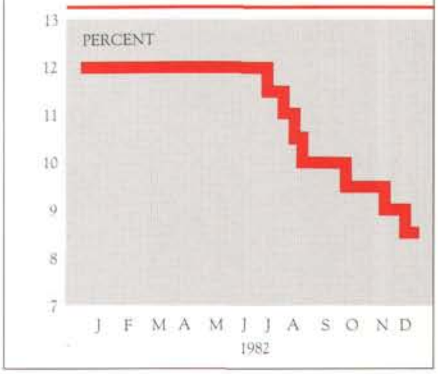
In the Eleventh Federal Reserve District, important economic events centered around an unstable situation in Mexico, a slowing of the energy industry, and depressed agricultural conditions. Three devaluations of the Mexican peso in 1982 disrupted economic activity along the Texas border, drastically reducing retail sales in the area, and had notable effects elsewhere in the District as well. The oil and gas industry showed evidence of greater exposure to market forces and exhibited cyclical behavior during much of the year. Extreme weather conditions, crop diseases, and low commodity prices reduced 1982 income prospects for the District's farmers.

Although the United States experienced an economic downturn beginning in July 1981, evidence of a significant recession did not appear in the Eleventh District until late in the first quarter of 1982. The effects of the recession were less severe when they did emerge, however, because certain industries key to this District, such as defense, continued to experience relative strength. The District's unemployment rate in December, although high at 8.8 percent, was well below the national figure of 10.8 percent.

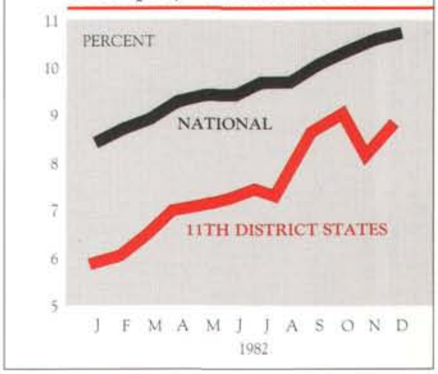
Actual and Projected M2



Federal Reserve Discount Rate



Unemployment Rate 1982



BOARD OF DIRECTORS

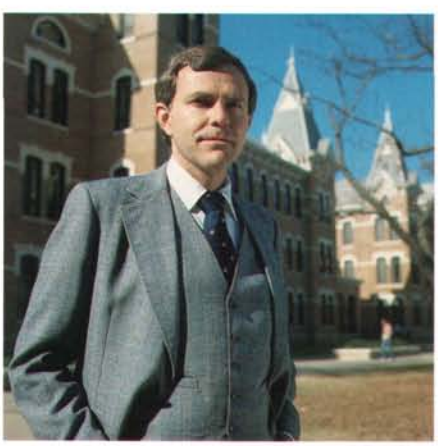
Gerald D. Hines is more closely involved with Federal Reserve policy than many other businessmen. As Chairman of the Board of the Federal Reserve Bank of Dallas and Federal Reserve Agent for the District, his responsibilities range from general management of the Bank to making recommendations on monetary policy. Because 1982 was a year in which Federal Reserve monetary policy was a major news item, Chairman Hines found that these responsibilities carried more weight than usual. "I had to continually look at economic activity in the District, keep alert to public attitudes, and stay abreast of all changes in legislation which might affect the Fed as well as changes in monetary policy," he said. In addition to bringing his business acumen to the Federal Reserve Bank of Dallas, Hines found serving on the Board of Directors helpful in his own work as Owner of Gerald D. Hines Interests, an internationally-recognized development firm based in Houston. "Having a clear understanding of monetary policy gives you a different perspective," he says. "It gives you a much better understanding regarding financial decisions and much better business judgment."

"I think the Federal Reserve has a very good relationship with the financial industry in the Eleventh District."

John V. James, Deputy Chairman
Chairman of the Board,
Dresser Industries, Inc., Dallas, Texas

J. Wayland Bennett
Charles C. Thompson Professor of Agricultural Finance and Associate Dean, College of Agricultural Sciences, Texas Tech University, Lubbock, Texas

Lewis H. Bond
Chairman of the Board and Chief Executive Officer, Texas American Bancshares Inc., Fort Worth, Texas



Kent Gilbreath
Associate Dean, Hankamer School of Business, Baylor University, Waco, Texas

The Federal Reserve Bank of Dallas and its branches each have a board of directors which provides outside economic information and management guidance. During 1982, these directors were concerned with significant events affecting some major industries in the Eleventh Federal Reserve District, and they brought these concerns with them as they met each month to discuss the economy and Federal Reserve Bank management. Those directors with agricultural backgrounds were able to advise the other board members about low commodity prices and severe weather which had an important effect on farming and ranching in the District during 1982. A general slowing of oil and gas production was discussed by those directors with backgrounds in the energy industry. The bankers were aware of the economic situation in each major area of this diverse Federal Reserve District. Those directors with backgrounds in education, small business, and other areas brought to each board, and to the head office collectively, concerns faced by financial institutions, industries, businesses, and consumers in each community of this region. Although from varied backgrounds and a diversity of geographic areas, all of the directors found serving on a Federal Reserve Bank board an opportunity to provide input to national policy decisions as well as to have a direct influence on management policies of the Federal Reserve Bank of Dallas.

Each Federal Reserve Bank has a nine-member board of directors which oversees operations under the general supervision of the Board of Governors of the Federal Reserve System. These directors are chosen to represent various interests and concerns within the district and bring to the boards a broad range of expertise. The nine directors of the head office board are divided into three classes of three each—Classes A, B, and C. Class A directors are representative of the member commercial banks throughout the particular district and are usually bankers. Class B and Class C directors are selected to represent the general public and come from such backgrounds as agriculture, commerce, industry, service, labor and consumer groups, among others. Class A and Class B directors are elected by member banks in the district, while Class C directors are appointed by the Board of Governors in Washington. The chairman and deputy chairman are chosen from the Class C directors by the Board of Governors to serve one-year terms.

Although directors can be chosen to represent all parts of the district's economy, they cannot be members of Congress. In addition, Class B and Class C directors cannot be officers, directors, or employees of a bank. Nor can Class C directors own stock in a bank. For the purposes of electing Class A and Class B directors, member banks are divided into three groups representing large, medium, and small banks. Each group elects one Class A and one Class B director.

Directors who serve on Federal Reserve branch office boards are not elected, but are appointed by either the head office board of directors or the Board of Governors. These seven-member boards consist of four members appointed by the head office board and three members appointed by the Board of Governors. The branch office board members are also chosen to represent banking as well as public and business interests.

Directorships of the head office and the branches are generally limited to one or two full three-year terms. In this way, a wider range of experience and a diversity of information about community needs are provided to the Reserve Banks.

Each board meets once a month, and the members confer on Reserve Bank management decisions as well as discussing economic conditions and monetary policy. Board members play a direct role in the Bank's management because they are responsible for appointing the Reserve Bank president and first vice president, subject to the approval of the Board of Governors in Washington, and for

John P. Gilliam
President and Chief Executive Officer,
First National Bank in Valley Mills,
Valley Mills, Texas

Robert D. Rogers
President, Texas Industries, Inc.,
Dallas, Texas

Margaret S. Wilson
Chairman of the Board and Chief Executive
Officer, Scarbroughs Stores,
Austin, Texas

Miles D. Wilson
Chairman of the Board and President
The First National Bank of Bellville,
Bellville, Texas

EL PASO BRANCH BOARD

A. J. Losee, Chairman
Shareholder,
Losee, Carson, & Dickerson, P.A.,
Artesia, New Mexico

Chester J. Kesey, Chairman Pro Tem
C. J. Kesey Enterprises,
Pecos, Texas

Stanley J. Jarmiolowski
Chairman of the Board and Chief Executive Officer, InterFirst Bank El Paso, National Association,
El Paso, Texas

the appointment of all officers of the Bank. They are also responsible for the Bank's budget and expenditures, in addition to reviewing the annual internal audit program.

Directors have a vital role in the formulation of monetary policy through their advice and counsel to the Reserve Bank president. They provide first-hand economic and financial information as input for meetings of the Federal Open Market Committee—the top monetary policy-making unit of the Federal Reserve System. In addition, directors determine the discount rate charged by each Federal Reserve Bank.

ELEVENTH DISTRICT

In the Eleventh Federal Reserve District, the area's particular industries and concerns are well-represented by the members of the boards of directors. Since the District covers a large and diverse area, the Dallas Federal Reserve and its branches are able to have individuals from a wide variety of occupations and geographic areas serving as directors.

Agricultural expertise is represented by Chester Kesey, owner of Kesey Enterprises, on the El Paso Branch Board and by Joe Barbee, who runs an implement company in South Texas, on the San Antonio Branch Board. Head office board member J. Wayland Bennett has both an agricultural and a financial background. George Brannies, chairman of the board of The Mason National Bank, also runs a ranch in the Mason area. These men bring to their respective boards insights into the conditions of the agricultural industry and also help point out financial concerns, potential problem areas, and solutions.

Barbee feels that the farm industry has been through some difficult times in 1982. He feels that low commodity prices combined with the financial situation in the Republic of Mexico have contributed to agricultural problems in the Texas and Mexico border area. "I'm not sure that the people of the United States have a clear understanding of how serious the situation is in Mexico and how we are affected by it," he said.

According to Bennett, associate dean and professor of agricultural finance at Texas Tech University in Lubbock, "This area is closely tied to both the agricultural and oil industries. Both of these industries have experienced problems this past year, and these problems have a far-reaching effect on all types of businesses. Even though we are off the boom, we still have a substantial economy here because of the diversity of the businesses in this region." Bennett feels that being a director for the Federal Reserve Bank of Dallas "is an honor, but it carries a tremendous responsibility—a responsibility to know what is happening in the area and to convey those activities clearly to the people who can affect monetary policy decisions."

The energy industry has been another important area of concern to this District's economy. Directors who have backgrounds in this field are John James of Dresser Industries, Paul Howell of the Howell Corporation, and George Smith of Smith Pipe and Supply. Each of these board members found 1982 to be an unusual year for the oil industry. Although the industry experienced a downturn in 1982, Howell stated, "We are still at a level higher than 1978. We are just coming back down after the prosperity experienced from 1979 through 1981."

Several members of the boards

Claude E. Leyendecker
President, Mimbres Valley Bank,
Deming, New Mexico

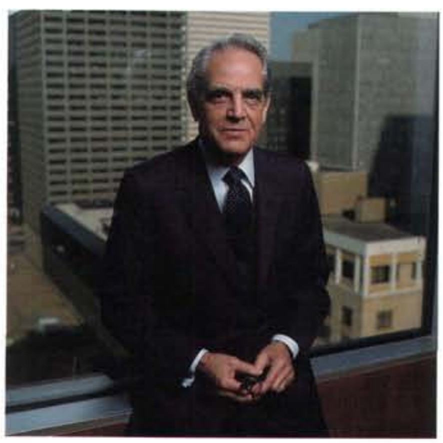
Mary Carmen Saucedo
Associate Superintendent, Central Area,
El Paso Independent School District,
El Paso, Texas

Ernest M. Schur
Chairman of the Executive Committee,
InterFirst Bank Odessa, National Association,
Odessa, Texas

Gerald W. Thomas
President, New Mexico State University,
Las Cruces, New Mexico

HOUSTON BRANCH BOARD

Jerome L. Howard, Chairman
Chairman of the Board and Chief Executive Officer, Mortgage and Trust, Inc., Houston, Texas



Paul N. Howell, Chairman Pro Tem
Chairman of the Board, Howell Corporation, Houston, Texas

Raymond L. Britton
Labor Arbitrator and Professor of Law, University of Houston, Houston, Texas

come from academia. In addition to Bennett, Lawrence Crum, a professor of banking and finance at the University of Texas at Austin; Kent Gilbreath, associate dean of Baylor University's Hankamer School of Business; Raymond Britton, labor arbitrator and professor of law at the University of Houston; Gerald Thomas, president of New Mexico State University; and Mary Carmen Saucedo all bring to their respective boards expertise in educational as well as financial, agricultural, and legal areas. Saucedo, who is an associate superintendent of the El Paso Independent School District, expressed her reaction to being a director. "It's a tremendous experience," she said. "The Federal Reserve is interested in knowing what's going on at the grassroots level and that's what we bring to the board."

The concerns of independent businesses are brought to the boards through such members as A. J. Losee of Losee, Carson, and Dickerson, Robert Rogers of Texas Industries, Margaret Wilson of Scarbroughs Stores in Austin, Pat Legan of Legan Properties, Jerome Howard of Mortgage and Trust Incorporated, and Carlos Zuniga. Zuniga, who manages a freight shipping company in Laredo, expressed concern about the effects of the border economy on small businesses in his community. "Because of the devaluation of the peso and exchange controls, business in this area has slowed down tremendously," he said. "Our economy here is very related to the Mexican economy. If they are experiencing good financial times, so are we." Other independent businesses in the District, however, did not experience the same kinds of problems because their interests are not as closely tied to the Mexican economy.

The financial industry in the Eleventh District also experienced many changes during the year. A trend toward increased deregulation brought about a new environment for financial institutions in addition to any effects of the recession they experienced. Members of the head office board who represent banking in this District are Lewis Bond of Texas American Bancshares, Miles Wilson of The First National Bank of Bellville, and John Gilliam of the First National Bank of Valley Mills, who represent large, medium, and small banks respectively. According to Wilson, "This District has seen a stable and growing economy over the past year, but it is one which did not grow as rapidly as had been anticipated." About his duties as director he said, "It's very exciting to be a director. Not only am I exposed to the Fed and its people, I am also exposed to the members of the boards—principally people I would not have known otherwise."

Ralph David of First Freeport National Bank serves on the Houston Branch Board. He explained what a director considers when bringing banking issues before the board. "We spend time reviewing what is going on in our own geographical areas," he said. "We look at employment, wholesale and retail sales, transportation, and any other economic concerns that are pertinent to our area's economy." Research into these areas, combined with insights into the banking industry's needs, are expressed at the monthly meetings. Other Houston Branch Board members, such as Thomas McDade of Texas Commerce Bancshares and Will Wilson of First Security Bank of Beaumont, bring similar expertise to the board.

Banking concerns in South Central Texas are often expressed by board members George Brannies of The

Ralph E. David
President, First Freeport National Bank, Freeport, Texas

Thomas B. McDade
Vice Chairman, Texas Commerce Bancshares, Inc., Houston, Texas

George V. Smith, Sr.
President, Smith Pipe & Supply, Inc., Houston, Texas

Will E. Wilson
Chairman of the Board and Chief Executive Officer, First Security Bank of Beaumont, N.A., Beaumont, Texas

SAN ANTONIO BRANCH BOARD

Pat Legan, Chairman
Owner, Legan Properties,
San Antonio, Texas

Lawrence L. Crum, Chairman Pro Tem
Professor of Banking and Finance,
The University of Texas at Austin,
Austin, Texas

Joe D. Barbee
President and Chief Executive Officer,
Barbee-Neuhaus Implement Company,
Weslaco, Texas

Mason National Bank, Charles Cheever of Broadway National Bank, and John Garner of Corpus Christi National Bank, who all serve on the San Antonio Branch Board. Banking in the western parts of the District is represented by Stanley Jarmiolowski of InterFirst Bank El Paso, Claude Leyendecker of Mimbres Valley Bank in Deming, New Mexico, and Ernest Schur of InterFirst Bank Odessa. These individuals represent both the categories of financial institutions from which they were appointed and their area's concerns, economy, and people.

ADVISORY COMMITTEE

In addition to its directors, the Federal Reserve Bank of Dallas established an Advisory Committee of Financial Institutions to provide a liaison between the Bank's board and the financial institutions in the District. Established in 1981, this 17-member committee is composed of representatives from banks, savings and loan associations, and credit unions throughout the District. Through the Advisory Committee, a greater diversity of input to decisions at the Federal Reserve Bank of Dallas and of the Federal Reserve System can be achieved.

The Federal Reserve System has experienced many changes since implementation of the Monetary Control Act of 1980. These have involved offering Fed services to all types of financial institutions and holding reserves for them. By forming the Advisory Committee, the Dallas Fed established a forum for constructive and meaningful dialogue between the Bank and all types of financial institutions on matters of mutual interest and concern.

DIRECTOR CHANGES FOR 1983

Toward the end of 1982, several changes to the Federal Reserve Bank of Dallas Board of Directors were announced to be effective January 1, 1983. Robert Ted Enloe, III, president of Lomas & Nettleton Financial Corporation, was elected a Class B director succeeding Robert D. Rogers. Rogers was appointed a Class C director by the Board of Governors to replace Margaret S. Wilson whose term expired December 31, 1982. John P. Gilliam was reelected a Class A director for another three-year term beginning January 1, 1983.

The branch office boards also announced appointments and reappointments. At the El Paso Branch, S. Lee Ware, Jr., an investor in real estate and oil ventures, was appointed by the Board of Governors to replace A. J. Losee whose term expired at the end of 1982. Stanley J. Jarmiolowski was reappointed a director by the head office board for a three-year term.

In Houston, Will E. Wilson was reappointed by the head office board and Robert T. Sakowitz, chairman of the board and president of Sakowitz, Inc., was appointed by the Board of Governors to serve a three-year term beginning January 1, 1983. Sakowitz succeeds Jerome L. Howard whose term expired December 31.

George Brannies was reappointed by the head office board to continue in his duties as director for the San Antonio Branch. Succeeding Pat Legan, whose term expired at the end of 1982, is Robert F. McDermott, chairman of the board and president of United Services Automobile Association, who was appointed by the Board of Governors to serve as a director for the San Antonio Branch.

George Brannies
Chairman of the Board and President,
The Mason National Bank,
Mason, Texas

Charles E. Cheever, Jr.
Chairman of the Board,
Broadway National Bank,
San Antonio, Texas

John H. Garner
President and Chief Executive Officer,
Corpus Christi National Bank,
Corpus Christi, Texas

Carlos A. Zuniga
Zuniga Freight Services, Inc.,
Laredo, Texas

FEDERAL ADVISORY COUNCIL MEMBER

Tom C. Frost
Chairman of the Board,
Cullen/Frost Bankers, Inc.,
San Antonio, Texas

Each year, the Board of Directors of the Federal Reserve Bank of Dallas selects an individual to represent the Eleventh District on the Federal Advisory Council. This council was established as part of the Federal Reserve Act which was passed in 1913. Composed of individuals representing the banking industry from all 12 Federal Reserve Districts, the council meets at least four times during the year in Washington, D.C. to discuss a pre-arranged agenda. Council members decide upon certain issues they feel are relevant and important to monetary policy decisions. On the day following these meetings, they meet with the Board of Governors of the Federal Reserve System and discuss issues relating to financial concerns, general business trends, and economic conditions and how they relate to recommendations on matters regarding credit and monetary policy.

In 1981, and again in 1982, the individual selected by the Federal Reserve Bank of Dallas Board of Directors to serve on the council was Tom C. Frost, chairman of the board of Cullen/Frost Bankers, Inc., in San Antonio. Frost feels that, while it is important that the Federal Reserve is an independent agency of the government, it is also equally important that the members of the Board of Governors are not isolated from the public. According to Frost, "Independence within government is the basic key to proper administration of monetary policy." He feels that the decision process the Board must go through in relation to monetary policy is enhanced by input from council members. "Regular contact with people from the banking industry helps insure that the Board of Governors is not isolated from the concerns of the general public," he said.

Serving on the Advisory Council is "one of the more enlightening things I do," according to Frost. "Meeting with people from all parts of the country gives me a better understanding of conditions throughout the United States, and not just in my own particular area. I hope that same impact is felt by the Board of Governors—and I'm convinced it is."

FINANCIAL SUMMARY

STATEMENT OF CONDITION

ASSETS	December 31, 1982	December 31, 1981
Gold certificate account[1]	$ 743,000,000	$ 628,000,000
Special Drawing Rights certificate account[2]	310,000,000	192,000,000
Coin	31,811,551	26,213,483
Loans to depository institutions	159,700,000	57,100,000
Securities:		
Federal agency obligations	605,772,700	570,911,942
U.S. Government securities	9,191,977,299	7,991,694,105
Total securities	$ 9,797,749,999	$ 8,562,606,047
Cash items in process of collection	1,404,085,127	1,525,865,794
Bank premises (net)	16,015,519	14,252,282
Other assets	577,918,963	565,012,704
Interdistrict settlement account	91,373,584	1,541,916,341
TOTAL ASSETS	$13,131,654,743	$13,112,966,651
LIABILITIES		
Federal Reserve notes	$ 9,316,417,905	$8,665,487,923
Deposits:		
Depository institutions	2,408,406,887	2,929,625,161
Due to other Federal Reserve Banks—collected funds	763,616	–
Foreign	13,650,000	19,459,000
Other	44,391,053	22,256,664
Total deposits	$ 2,467,211,556	$ 2,971,340,825
Deferred availability cash items	1,024,365,314	1,149,144,779
Other liabilities	135,144,768	159,460,124
TOTAL LIABILITIES	$12,943,139,543	$12,945,433,651
CAPITAL ACCOUNTS		
Capital paid in	$ 94,257,600	$ 83,766,500
Surplus	94,257,600	83,766,500
TOTAL CAPITAL ACCOUNTS	$ 188,515,200	$ 167,533,000
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$13,131,654,743	$13,112,966,651

[1]This Bank's share of gold certificates deposited by the U.S. Treasury with the Federal Reserve System.

[2]This Bank's share of Special Drawing Rights certificates deposited by the U.S. Treasury with the Federal Reserve Bank of New York.

EARNINGS AND EXPENSES

CURRENT EARNINGS	1982	1981
Interest on loans to depository institutions	$ 15,125,041	$ 8,847,852
Interest on government securities	1,019,659,201	891,720,713
Earnings on foreign currency	27,925,967	34,586,775
Revenue from priced services	26,088,093	10,149,890
All other earnings	621,310	509,962
Total current earnings	$1,089,419,612	$ 945,815,192
CURRENT EXPENSES		
Current operating expenses	$ 61,399,571	$ 54,004,198
Federal Reserve currency	4,755,151	5,904,801
Total current expenses	$ 66,154,722	$ 59,908,999
Less expenses reimbursed or recovered	(3,786,618)	(2,757,377)
Current net expenses	$ 62,368,104	$ 57,151,622
CURRENT NET EARNINGS	$1,027,051,508	$ 888,663,570
PROFIT AND LOSS		
Additions to current net earnings:		
Profit on sales of government securities (net)	$ 5,851,259	$ –
All other additions	40,300	709,075
Total additions	$ 5,891,559	$ 709,075
Deductions from current net earnings:		
Loss on sales of government securities (net)	$ –	$ 7,574,644
Loss on foreign exchange transactions (net)	9,724,794	18,665,503
All other deductions	688,177	226,836
Total deductions	$ 10,412,971	$ 26,466,983
Net additions or deductions	(4,521,412)	(25,757,908)
Assessment for expenses of Board of Governors	(4,074,500)	(3,900,200)
NET EARNINGS AVAILABLE FOR DISTRIBUTION	$1,018,455,596	$ 859,005,462
DISTRIBUTION OF NET EARNINGS		
Dividends paid	$ (5,368,824)	$ (4,745,886)
Payments to the U.S. Treasury (interest on F.R. notes)	(1,002,595,672)	(844,020,676)
Transferred to surplus	10,491,100	10,238,900
Surplus, January 1	83,766,500	73,527,600
Surplus, December 31	$ 94,257,600	$ 83,766,500

VOLUME OF OPERATIONS

HEAD OFFICE AND BRANCHES COMBINED

	Number of Pieces Handled[1]		Dollar Amount (thousands)	
	1982	1981	1982	1981
Currency received and counted	577,006,000	495,958,000	6,594,283	5,472,280
Coin received and counted	1,015,807,000	890,874,000	185,917	162,387
Food stamps redeemed	166,927,000	183,657,000	672,126	707,160
Transfers of funds	4,718,020	4,030,119	6,662,648,673	5,610,298,909
Checks handled:				
U.S. Government checks	41,964,000	43,146,000	40,081,037	36,684,881
Postal money orders	9,792,000	10,076,000	777,917	772,158
All other[2]	870,519,000	1,008,304,000	567,757,147	427,390,197
ACH items handled:				
Commercial	9,613,336	5,489,424	36,240,667	14,561,544
U.S. Government	15,170,201	13,371,141	7,556,324	5,198,098
Collection items handled:				
U.S. Government coupons paid	99,810	113,000	60,167	66,879
All other	104,761	178,264	771,126	351,176
Issues, redemptions, and exchanges of U.S. Government securities:				
Definitive	8,318,206	9,733,192	3,305,149	6,544,909
Book-entry	149,182	186,710	226,064,506	159,475,156
Loans	667	891	10,527,170	6,862,835

[1]Packaged items handled as a single item are counted as one piece.

[2]Exclusive of checks drawn on the Federal Reserve Banks.

BANK HOLDING COMPANY ACTIVITY

NUMBER OF BANK HOLDING COMPANIES, BANK AND NONBANK SUBSIDIARIES

	December 31, 1982	December 31, 1981
COMPANIES		
One-bank holding companies	431	350
Multibank holding companies	83	57
Total bank holding companies	520	407
SUBSIDIARY BANKS		
One-bank holding companies	403*	346*
Multibank holding companies	585	448
Total subsidiary banks	988	794
NONBANK SUBSIDIARIES		
One-bank holding companies	68	71
Multibank holding companies	243	191
Total nonbank subsidiaries	311	262

* These figures are adjusted to reflect ownership of the same subsidiary bank by two bank holding companies.

DEPOSIT DATA FOR SUBSIDIARY BANKS OF BANK HOLDING COMPANIES

	December 31, 1982	December 31, 1981
DOMESTIC DEPOSITS IN SUBSIDIARY BANKS (millions)		
One-bank holding companies	$16,701	$12,619
Multibank holding companies	73,771	56,097
Total	$90,472	$68,716
SUBSIDIARY BANKS, PERCENT OF DISTRICT DEPOSITS		
One-bank holding companies	14.6	12.9
Multibank holding companies	64.6	57.4
Total	79.2	70.3

OFFICERS

Head Office

Robert H. Boykin
President

William H. Wallace
First Vice President

Joseph E. Burns
Senior Vice President

George C. Cochran, III
Senior Vice President

Jay K. Mast
Senior Vice President

Harry E. Robinson, Jr.
Senior Vice President

Neil B. Ryan
Senior Vice President

Tony J. Salvaggio
Senior Vice President

Jack A. Clymer
Vice President

Billy J. Dusek
Vice President

Anthony J. Montelaro
Vice President

Larry J. Reck
Vice President

Sammy T. Schulze
Vice President

Phillip E. Sellers
Vice President

Robert Smith, III
Vice President and Secretary

James L. Stull
Vice President and General Auditor

Millard E. Sweatt, Jr.
Vice President and General Counsel

E. W. Vorlop, Jr.
Vice President and Controller

Carla M. Warberg
Vice President

Uzziah Anderson
Assistant Vice President

Richard L. Barnes
Assistant Vice President

T. Guy Brown
Assistant Vice President

Terry B. Campbell
Assistant Vice President

Lyne H. Carter
Assistant Vice President

Forrest E. Coleman
Assistant Vice President

Robert D. Hankins
Assistant Vice President

Richard D. Ingram
Assistant Vice President

Donald L. Jackson
Assistant Vice President

Johnny L. Johnson
Assistant Vice President

Billy B. Musgrave
Assistant Vice President

James E. Pearce
Assistant Vice President

William M. Rettie
Assistant Vice President

Mary M. Rosas
Assistant Vice President

Thomas H. Rust
Assistant Vice President

Jesse D. Sanders
Assistant Vice President

Larry M. Snell
Assistant Vice President

William A. Tribble
Assistant General Counsel,
Assistant Secretary, and
Public Information Officer

C. L. Vick
Assistant Vice President

Robert L. Whitman
Assistant Vice President

El Paso Branch

Joel L. Koonce, Jr.
Vice President in Charge

Robert W. Schultz
Assistant Vice President

William L. Wilson
Assistant Vice President

Houston Branch

J. Z. Rowe
Senior Vice President in Charge

Vernon L. Bartee
Assistant Vice President

Sammie C. Clay
Assistant Vice President

Andrew W. Hogwood, Jr.
Assistant Vice President

Luther E. Richards
Assistant Vice President

San Antonio Branch

Thomas H. Robertson
Vice President in Charge

John A. Bullock
Assistant Vice President

Thomas C. Cole
Assistant Vice President

Antonio G. Valencia, Jr.
Assistant Vice President

January 1, 1983