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NATIONAL TRUST AND SAVINGS ASSOCIATION

**SAN FRANCISCO  
CALIFORNIA**

TO EDITORS...

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BANK of AMERICA**NEWS DISPATCH**

The year end statement of condition of Bank of America reveals the achievement of new all-time high marks in virtually all of the bank's activities. This satisfactory result is attributed by L. M. Giannini, president, to expansion of business in the territory served and increasing public acceptance and use of the facilities and services of California's only statewide branch bank.

As of December 31, 1940, Bank of America deposits totaled \$1,632,228,000, an increase of \$149,436,000 during the year. Total resources stood at \$1,817,535,000, a gain of \$188,948,000 in the same period.

The aggregate of loans and discounts outstanding was \$778,295,000, which is \$67,240,000 more than a year ago. Cash and bonds amounted to \$977,032,000, an increase of \$124,497,000.

With the \$30,000,000 of preferred stock subscribed by stockholders on June 19, 1940, capital funds, including capital, surplus, undivided profits and reserves, now total \$156,337,000, an increase of \$37,484,000 during the year. This total includes the unallocated reserve of \$6,900,000 which was set up on June 10, 1940, out of previously accumulated undivided profits.

Earnings for the year were \$29,007,000, the largest for any one year in the history of the bank. From this total \$4,370,000 was reserved for depreciation of bank premises and amortization of bond premiums and \$5,709,000 in reserves was set up and applied to the reduction of the carrying value of assets. After payment of \$10,265,000 in dividends at the annual rate of \$2.40 per share on the common stock and four per cent on the issue price of the preferred stock, and after \$1,176,000 in profit-sharing bonus to employees, capital funds were increased from earnings for the year by \$7,484,000 which amount was credited to undivided profits and other reserves.

President Giannini announced that on January 2, 1941, the preferred stock retirement fund will be increased to \$3,473,000 by a transfer from the undivided profits account and \$3,000,000 of the fund will then be used for purchase and retirement of 10 per cent of the entire outstanding issue of preferred stock. Thus

in the period of approximately six months since Bank of America's preferred stock

was issued the bank will have made provision for the first four full years of retirement fund requirements. ✓

The President also pointed out that taxes of \$7,767,000 paid and accrued during the year, including social security and Federal Deposit Insurance Corporation assessments, were much greater than ever before.

"Recent figures show California to be second among the states in value of defense contracts received. Employment here is steadily increasing, retail trade is running at a high level, volume of building of all types is increasing," Giannini said. "These basic factors of business advance are expected to expand during 1941 and spread activity into all other related lines. We have laid the groundwork for handling this great expansion of business by starting construction of our new \$2,000,000 head office building. ✓

"As we enter the New Year, Bank of America again pledges itself to further the national defense program by aiding and serving all types of business, small and large, through its 495 branches in 307 California communities," the banker concluded.