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**FIRST NATIONAL BANK**  
**OF**  
**NEVADA**

**HEAD OFFICE**

**RENO, NEVADA**  
**January 26, 1943**

Mr. A. P. Giannini  
Brazilian Court  
Palm Beach, Florida

Dear Mr. A. P. :

Just to be certain that your idle moments are well occupied, I am enclosing a copy of my report which was presented to the stockholders at their annual meeting. I thought it might contain some facts which would be of interest to you.

Please destroy the copy after your perusal - with no response.

Kind regards!

Very truly yours,



W. W. Hopper,  
President

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Enclosure

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Mr. Giannini*

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FIRST NATIONAL BANK OF NEVADA  
Reno, Nevada

January 12, 1943

To the Shareholders  
First National Bank of Nevada  
Reno, Nevada

Gentlemen:

This is the fortieth annual meeting of the stockholders of this institution, the first meeting of the predecessor National bank being held in January, 1904.

The institution has made unusually satisfactory progress during the past few years and in 1942 we had the peak of all years in deposit growth, a gain of \$20,373,063.51, our total presently represented as \$60,637,605.26. The deposits have averaged throughout the year \$49,123,537 as compared with \$37,193,283 for the year 1941. A splendid testimonial as to the services which the First National Bank of Nevada has rendered the people of Nevada is reflected in the customer accounts which, as of December 31, 1942, totaled 43,936, a gain of 5,323 for the twelve-month period.

There has been some change in our loan portfolio, a shrinkage of \$1,910,785.46 in loans and discounts since January 1, 1942 being represented. This is the opposite of what was reflected in 1941, when we had an increase of \$1,911,186.94 in loans. Normal business throughout the year has been more and more restricted, and many of our customers who were not engaged in war work have had less need to borrow from us. As a result, our loans have shown a constant decline since the first of the year, both in number and in total amount. Residential and other building construction, other than in the Las Vegas defense area, has practically ceased. This institution, with the participation of the Bank of America, N. T. & S. A., has financed the greater portion of all Title VI loans in Clark County. At this time substantial construction is in progress under commitments made by the F.H.A. which will not be completed until the spring of 1943. Automobile, equipment, and other instalment loans, which were a source of considerable earnings, decreased \$1,270,931.24 during the year, the balance of said loans at this time being \$1,127,012.83. While we have extended substantial credit to many of our customers in order to finance construction of defense projects for the government in the State of Nevada, at the same time there has not been the demand for livestock and agricultural credit as has prevailed in years past. Conversely, however, the livestock men particularly, and many of our farmer borrowers, have not only paid down their loans substantially, in many cases effecting complete retirement, but, as well, have available budget and operating requirements to carry them through 1943 without the necessity of resorting to bank credit.

Since January 1, 1942, our investment portfolio of United States Government obligations has increased \$14,437,345.18 which, as a matter of fact, represents practically the entire increase in our securities, the total of which is \$28,870,745.02 as compared with \$14,319,709.87 a year ago. State of Nevada, other state municipals and other holdings amount to \$2,945,184.27. While United States Government bonds represent 40.3% of our total assets, it may be noted that the average maturity of said holdings is seven years five months, 40% maturing within five years, 31.5% from five to ten years, and 28.5% over ten years. As a matter of comparison, our report of a year ago disclosed that 56.11% of government holdings matured after ten years. I desire also to call attention to the fact that as to the United States Government bonds, the call date average is six years and one month, with 46.5% callable within five years, 37.7% from five to ten years, and 15.8% over ten years. This latter figure in the 1941 report was 25.22% so that there has been a very definite decrease in the holdings maturing over ten years.

The progress of our Trust Department continues satisfactorily. We have had the cooperation of the Nevada attorneys, as a result of which the wills have increased from 5 at the time the Trust Department was established in 1937 to 158 as at the end of 1942. Similarly, the prospective executor's fees have increased from \$60,240, with an estimated estate value of \$3,000,000, to \$547,374, with a \$27,746,000 estimated estate value. The record of trust accounts shows a similar substantial increase from 14, with a trust asset carry value of \$627,899, to 129 as of December 31, 1942, valued at \$15,407,000. During 1942 we had an increase of 25 wills and 44 trust accounts. On the earning side, we have increased from a net income gain of \$12,088.10 to \$73,140.03 for the twelve-month period.

The Trust Committee of five members, three of whom are members of the Board of Directors, has been meeting once a month to review the activities of the Trust Department. The increased activity will now require a meeting twice a month. We are gratified by the number of persons who are appointing us as executor and trustee under their wills and by the increased use of the various other facilities of our trust division.

The operating earnings in 1942 were most satisfactory but did not, however, approach those of 1941 which were the most outstanding of any year in the bank's history. Our normal net profit less losses, plus recoveries, was \$456,014.93 for the year. Of this amount \$223,834.06 was reflected in the June thirtieth Profit and Loss statement, while \$232,180.87 was the December thirty-first figure. These figures, however, do not include substantial reserves which were set up as additional amounts necessary to meet our tax requirements, the write-off of our Tahoe Branch investment, and \$15,000 which was taken as a depreciation on bank buildings and furniture and fixtures.

This institution has made a real contribution to the war effort through the sale of Defense and War Bonds exceeding \$7,500,000, including, as well, the financing of many sub-contractors in connection with the various defense projects throughout the State. While this was our indirect contribution, many of the bank's former employees have made a more direct contribution through their services to the armed forces. I take this opportunity to pay

tribute to the forty-five splendid young employees of our staff who have gone forth to take their places in the Army, Navy and Air Force. All of these young men have been given temporary leaves of absence to fill more important positions which the war has required that they assume. We shall look forward to their return to active duty with us as soon as their work is completed.

With our Nation engaged in the greatest of all conflicts and no one able to measure the duration of this war or the amount of effort or degree of sacrifice that will be required of everyone before it is brought to a successful conclusion, this institution will continue to contribute everything in its power to the winning of the war through the uncertain months that lie ahead. In everything that we are doing to further the war effort there is nothing inconsistent with what we regard as safe and sound for our bank.

To the official staff of this institution we pay our respects, for their efforts have been ceaseless in constantly supervising the ever-changing junior staff, and to our directors for their devotion and untiring zeal for the continued remarkable progress of this institution which so splendidly serves eighty per cent of the people of this great State.

Respectfully submitted,

W. W. Hopper,  
President