Number 30.

TO THE MEMBER BANK ADDRESSED:

Relative to the earnings of Federal Reserve Banks, Section 7 of the Federal Reserve Act provides that -

"After all necessary expenses of a Federal Reserve Bank have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of six per centum on the paid-in capital stock, which dividend shall be cumulative."

While the earnings of this bank for the first year of its existence have not been sufficient to enable us to pay this dividend in full, the Board of Directors, at their meeting on last Friday, after carefully considering our annual report, declared a dividend to our stockholders at the rate of 6% per annum from the date of the first call for capital stock payments on November 2, 1914, up to and including June 30, 1915.

The method of determining the amount of dividends due to each stockholder is as follows:

Interest at the rate of 6% per annum has been allowed on all capital stock payments from the dates on which such payments were received by this bank, to June 30, 1915, both dates inclusive, except that in case of payments made prior to the dates due, interest has been allowed only from those dates, which were November 2, 1914, February 2, 1915, and May 3, 1915. This is in accord with a ruling of the Federal Reserve Board.

The dividends of the bank being cumulative, member banks are still entitled to a dividend at the rate of 6% per annum for the last six months of the year 1915, which will be paid out of future earnings.

The amount payable to your bank, computed in accordance with the foregoing, has been credited to your account, and the entry is shown on your transcript of today.

Respectfully,

R. L. VAN ZANDT,
Governor.