



FEDERAL RESERVE BANK
OF DALLAS

ROBERT D. McTEER, JR.
PRESIDENT
AND CHIEF EXECUTIVE OFFICER

February 5, 1992

DALLAS, TEXAS 75222

Notice 92-11

TO: The Chief Executive Officer of each
member bank and others concerned in
the Eleventh Federal Reserve District

SUBJECT

**Preliminary Figures on the Operating Income
of the Federal Reserve Banks**

DETAILS

The Board of Governors of the Federal Reserve System has announced preliminary figures on the operating income of the Federal Reserve Banks during 1991. Federal Reserve System income is derived primarily from interest earned on U.S. government securities that the Federal Reserve has acquired through open market operations.

ATTACHMENT

A copy of the Board's press release announcing the preliminary figures is printed on the reverse of this notice.

MORE INFORMATION

For further information, please contact B. Gail DeLong at (214) 698-4318. For additional copies of this Bank's notice and the Board's press release, please contact the Public Affairs Department at (214) 651-6289.

Sincerely yours,

Robert D. McTeer, Jr.

FEDERAL RESERVE press release



For immediate release

January 9, 1992

Preliminary figures indicate that operating income of the Federal Reserve Banks amounted to \$22.551 billion during 1991. Net income before payment of dividends, additions to surplus, and payments to the Treasury totaled \$21.158 billion. About \$20.778 billion was paid to the U.S. Treasury during 1991.

Federal Reserve System income is derived primarily from interest earned on U.S. government securities that the Federal Reserve has acquired through open market operations. Income from the provision of financial services amounted to \$737 million.

Operating expenses of the 12 Reserve Banks and branches totaled \$1.268 billion. In addition, \$160 million for earnings credits were granted to depository institutions under the Monetary Control Act of 1980. Assessments to Reserve Banks for Board expenditures totaled \$110 million and the cost of currency amounted to \$261 million.

Net additions to income amounted to \$496 million, primarily resulting from realized and unrealized gains on assets denominated in foreign currencies and gains on the sales of securities from the System Open Market Account portfolio. Statutory dividends to member banks were \$153 million.

Under the policy established by the Board of Governors at the end of 1964, all net income after the statutory dividend to member banks and the amount necessary to equate surplus to paid-in capital is transferred to the U.S. Treasury as interest on Federal Reserve notes.