

JANUARY 1, 1941

To the Stockholders of the

Federal Reserve Bank of San Francisco.

DEAR SIRs:

There is presented herewith a condensed comparative statement of condition of the Federal Reserve Bank of San Francisco, including its branches, at the close of business December 31, 1940 and December 31, 1939, together with a comparison of earnings and expenses for 1940 and 1939.

Reconciliation of the capital and surplus accounts of the bank for 1940 is also shown.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Anna Day".

President.

COMPARATIVE STATEMENT OF CONDITION

ASSETS	Dec. 31, 1940	Dec. 31, 1939
Gold certificates on hand and due from United States Treasury - - - -	\$1,135,193,217.07	\$808,290,295.62
Redemption fund—Federal Reserve notes - - - -	1,387,871.46	1,335,821.04
Other cash - - - - - - - - - - - - - - - -	31,885,602.22	30,621,051.43
Total reserves - - - - - - - - - - - - - -	1,168,466,690.75	840,247,168.09
 Bills discounted:		
Secured by United States Government obligations, direct and guaranteed -	—0—	35,000.00
Other bills discounted - - - - - - - - - - -	69,131.00	361,440.00
Total bills discounted - - - - - - - - - - -	69,131.00	396,440.00
 Industrial advances - - - - - - - - - - - - -	 545,372.06	 908,219.81
 United States Government securities, direct and guaranteed:		
Bonds - - - - - - - - - - - - - - - - - -	107,406,500.00	111,015,500.00
Notes - - - - - - - - - - - - - - - - - -	75,209,000.00	93,115,500.00
Total United States Government securities, direct and guaranteed - - -	182,615,500.00	204,131,000.00
Total bills and securities - - - - - - - - - -	183,230,003.06	205,435,659.81
Due from foreign banks - - - - - - - - - -	3,409.59	3,361.69
Federal Reserve notes of other banks - - - - -	3,863,520.00	4,504,140.00
Uncollected items - - - - - - - - - - - -	45,637,395.67	33,097,181.42
Bank premises - - - - - - - - - - - - - -	2,848,691.56	2,955,865.23
Other assets - - - - - - - - - - - - - - -	4,249,267.66	5,120,593.07
Total assets - - - - - - - - - - - - - - -	<u>1,408,298,978.29</u>	<u>1,091,363,969.31</u>
 LIABILITIES		
Federal Reserve notes in actual circulation - - - - - - - - - - -	492,512,380.00	388,039,130.00
 Deposits:		
Member bank—reserve account - - - - - - - -	754,095,437.41	583,593,684.46
United States Treasurer—general account - - - -	16,583,415.36	18,643,225.67
Foreign bank - - - - - - - - - - - - - - -	56,589,520.73	29,320,734.20
Other deposits - - - - - - - - - - - - - - -	24,458,946.81	20,141,531.11
Total deposits - - - - - - - - - - - - - - -	851,727,320.31	651,699,175.44
Deferred availability items - - - - - - - - -	36,530,973.64	26,649,491.48
Other liabilities - - - - - - - - - - - - - -	3,403.53	3,491.17
Total liabilities - - - - - - - - - - - - - -	<u>1,380,774,077.48</u>	<u>1,066,391,288.09</u>
 CAPITAL ACCOUNTS		
Capital paid in - - - - - - - - - - - - - -	11,619,450.00	10,627,700.00
Surplus (Section 7) - - - - - - - - - - - -	10,784,558.86	10,224,089.27
Surplus (Section 13b) - - - - - - - - - - -	2,120,891.95	2,120,891.95
Other capital accounts - - - - - - - - - - -	3,000,000.00	2,000,000.00
Total liabilities and capital accounts - - - - -	<u>1,408,298,978.29</u>	<u>1,091,363,969.31</u>
 Commitments to make industrial advances - - - - -	 2,441,073.81	 2,960,059.63

EARNINGS AND EXPENSES

	<u>1940</u>	<u>1939</u>
CURRENT EARNINGS		
Discounted bills - - - - -	\$ 2,272.70	\$ 5,620.03
Purchased bills - - - - -	—0—	167.25
United States Government securities - - - - -	3,495,198.84	3,050,130.65
Industrial advances - - - - -	33,353.07	52,371.52
Commitments to make industrial advances - - - - -	55,417.31	54,827.00
All other - - - - -	51,632.39	54,070.44
Total current earnings - - - - -	<u>3,637,874.31</u>	<u>3,217,186.89</u>
CURRENT EXPENSES		
Total operating expenses (including normal depreciation on bank premises) - - - - -	2,601,187.17	2,569,962.03
Law Reimbursements for certain fiscal agency and other expenses - - - - -	367,342.49	345,377.45
Net operating expenses - - - - -	2,233,844.68	2,224,584.58
Assessment for expenses of Board of Governors - - - - -	127,155.83	117,451.54
Federal Reserve currency:		
Original cost - - - - -	116,793.54	109,099.15
Cost of redemption - - - - -	14,765.45	15,931.10
Total current expenses - - - - -	<u>2,492,559.50</u>	<u>2,467,066.37</u>
PROFIT AND LOSS ACCOUNT		
Current earnings - - - - -	3,637,874.31	3,217,186.89
Current expenses - - - - -	2,492,559.50	2,467,066.37
Current net earnings - - - - -	<u>1,145,314.81</u>	<u>750,120.52</u>
Additions to current net earnings:		
Profits on sales of United States Government securities - - - - -	985,473.31	372,768.09
All other - - - - -	137,232.75	31,715.05
Total additions to current net earnings - - - - -	<u>1,122,706.06</u>	<u>404,483.14</u>
Deductions from current net earnings:		
Reserves for losses - - - - -	30,966.08	34,193.63
Special reserves and charge-offs on bank premises - - - - -	—0—	223,865.49
All other - - - - -	4,803.22	3,183.69
Total deductions from current net earnings - - - - -	<u>35,769.30</u>	<u>261,242.81</u>
Net additions to current net earnings - - - - -	<u>1,086,936.76</u>	<u>143,240.33</u>
Net earnings - - - - -	<u>2,232,251.57</u>	<u>893,360.85</u>
Dividends paid - - - - -	671,781.98	634,122.57
Transferred to Surplus (Section 7) - - - - -	1,560,469.59	259,238.28
Transferred to Surplus (Section 13b) - - - - -	—0—	—0—

RECONCILEMENT OF CAPITAL AND SURPLUS ACCOUNTS

CAPITAL STOCK ACCOUNT (Representing amount paid in, which is 50% of amount subscribed)		
Balance December 31, 1939 - - - - -		\$10,627,700.00
Issued during 1940 - - - - -		1,068,050.00
		<u>11,695,750.00</u>
Canceled during 1940 - - - - -		76,300.00
Balance December 31, 1940 - - - - -		<u>11,619,450.00</u>
SURPLUS ACCOUNT (Section 7)		
Balance December 31, 1939 - - - - -		10,224,089.27
Net earnings, after dividends, transferred in 1940 - - - - -		1,560,469.59
		<u>11,784,558.86</u>
Withdrawn in 1940 to increase reserves for contingencies - - - - -		1,000,000.00
Balance December 31, 1940 - - - - -		<u>10,784,558.86</u>

DIRECTORS AND OFFICERS

December 31, 1940

DIRECTORS

R. C. FORCE, San Leandro, California, Chairman and Federal Reserve Agent
ST. GEORGE HOLDEN, San Francisco, California, Deputy Chairman
CARROLL F. BYRD, Willows, California
CARLYLE THORPE, Los Angeles, California
ELMER H. COX, San Francisco, California
C. K. MCINTOSH, San Francisco, California
WILLIAM G. VOLKMANN, San Francisco, California
RENO ODLIN, Tacoma, Washington
REESE H. TAYLOR, Los Angeles, California

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PAUL S. DICK, Portland, Oregon

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CHESTER D. PHILLIPS, Assistant Cashier
H. N. MANGELS, Assistant Cashier
E. C. MAILLIARD, Assistant Cashier
J. M. OSMER, Assistant Cashier
H. F. SLADE, Assistant Cashier
R. T. HARDY, Assistant Cashier
F. H. HOLMAN, General Auditor

ALBERT C. AGNEW, General Counsel

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HENRY D. NICHOLS
WALTER A. STARR

(Vacancy in the office of Chairman)

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H. M. CRAFT, Assistant Manager
M. McRITCHIE, Assistant Manager
L. C. MEYER, Assistant Manager

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C. E. BROUSE
W. S. ROSECRANS, Chairman
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PORTLAND BRANCH

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S. A. MACEachRON, Assistant Manager
J. P. BLANCHARD, Assistant Manager

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A. E. ENGBRETSON, Chairman
GEORGE T. GERLINGER

SALT LAKE CITY BRANCH

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JOS. M. LEISNER, Assistant Manager
W. M. SCOTT, Assistant Manager

Directors:

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FREDERICK P. CHAMP
R. C. RICH, Chairman
HERBERT S. AUERBACH

SEATTLE BRANCH

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FRED C. BOLD, Assistant Manager
B. A. RUSSELL, Assistant Manager
R. E. EVERSON, Acting Assistant Manager

Directors:

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