

JANUARY 1, 1943

*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 branches, at the close of business December 31, 1942 and December 31, 1941, together with a comparison of earnings and expenses for 1942 and 1941.

Reconciliation of the capital and surplus accounts of the bank for 1942 is also shown.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Anna Day", with a long, sweeping flourish extending to the right.

President.

COMPARATIVE STATEMENT OF CONDITION

ASSETS	Dec. 31, 1942	Dec. 31, 1941
Gold certificates on hand and due from United States Treasury - - - -	\$1,967,283,436.92	\$1,547,778,446.52
Redemption fund—Federal Reserve notes - - - - -	7,132,673.87	1,292,855.97
Other cash - - - - -	35,995,085.30	26,532,530.74
Total reserves - - - - -	2,010,411,196.09	1,575,603,833.23
Bills discounted:		
Secured by United States Government obligations, direct and guaranteed -	10,000.00	—0—
Other bills discounted - - - - -	190,000.00	—0—
Total bills discounted - - - - -	200,000.00	—0—
Industrial advances - - - - -	4,034,240.54	123,641.01
United States Government securities, direct and guaranteed:		
Bonds - - - - -	288,968,000.00	125,770,000.00
Notes - - - - -	139,185,500.00	66,650,000.00
Certificates - - - - -	107,719,000.00	—0—
Bills - - - - -	78,606,000.00	889,000.00
Total United States Government securities, direct and guaranteed -	614,478,500.00	193,309,000.00
Total bills and securities - - - - -	618,712,740.54	193,432,641.01
Due from foreign banks - - - - -	3,551.34	3,550.40
Federal Reserve notes of other banks - - - - -	7,251,310.00	3,396,265.00
Uncollected items - - - - -	155,453,971.51	66,962,705.87
Bank premises - - - - -	2,691,322.13	2,766,176.30
Other assets - - - - -	9,605,789.83	4,083,581.15
Total assets - - - - -	2,804,129,881.44	1,846,248,752.96
LIABILITIES		
Federal Reserve notes in actual circulation - - - - -	1,279,379,550.00	699,739,135.00
Deposits:		
Member bank—reserve accounts - - - - -	1,232,212,180.63	930,407,793.80
United States Treasurer—general account -	85,287,596.49	45,966,863.08
Foreign - - - - -	53,328,238.14	58,080,877.25
Other deposits - - - - -	41,615,238.65	30,693,412.98
Total deposits - - - - -	1,412,443,253.91	1,065,148,947.11
Deferred availability items - - - - -	83,984,654.37	53,614,361.57
Other liabilities - - - - -	75,955.23	5,919.35
Total liabilities - - - - -	2,775,883,413.51	1,818,508,363.03
CAPITAL ACCOUNTS		
Capital paid in - - - - -	12,081,250.00	11,827,200.00
Surplus (Section 7) - - - - -	11,044,325.98	10,792,297.98
Surplus (Section 13b) - - - - -	2,120,891.95	2,120,891.95
Other capital accounts - - - - -	3,000,000.00	3,000,000.00
Total liabilities and capital accounts - - - - -	2,804,129,881.44	1,846,248,752.96
Commitments to make industrial advances - - - - -	3,892,366.97	3,063,124.04

EARNINGS AND EXPENSES

	1942	1941
CURRENT EARNINGS		
Discounted bills - - - - -	\$ 1,327.70	\$ 540.82
United States Government securities - - - - -	4,747,120.07	3,323,975.97
Industrial advances - - - - -	39,591.47	13,242.25
Commitments to make industrial advances - - - - -	45,822.10	45,699.42
All other - - - - -	13,654.66	41,728.38
Total current earnings - - - - -	<u>4,847,516.00</u>	<u>3,425,186.84</u>
CURRENT EXPENSES		
Total operating expenses (including normal depreciation on bank premises) - - - - -	5,408,546.70	3,160,840.97
Less Reimbursements for certain fiscal agency and other expenses - - - - -	2,445,329.42	721,853.42
Net operating expenses - - - - -	2,963,217.28	2,438,987.55
Assessment for expenses of Board of Governors - - - - -	132,114.83	139,884.76
Federal Reserve currency:		
Original cost - - - - -	603,599.35	215,804.85
Cost of redemption - - - - -	22,087.00	18,561.73
Total current expenses - - - - -	<u>3,721,018.46</u>	<u>2,813,238.89</u>
PROFIT AND LOSS		
Current earnings - - - - -	4,847,516.00	3,425,186.84
Current expenses - - - - -	3,721,018.46	2,813,238.89
Current net earnings - - - - -	1,126,497.54	611,947.95
Additions to current net earnings:		
Profits on sales of United States Government securities - - - - -	281,766.70	111,515.24
All other - - - - -	15.25	4,790.01
Total additions to current net earnings - - - - -	<u>281,781.95</u>	<u>116,305.25</u>
Deductions from current net earnings:		
Reserves for losses - - - - -	49,981.86	13,284.23
Retirement System (Interest Base Adjustment) - - - - -	385,241.00	—0—
All other - - - - -	4,097.95	3,466.25
Total deductions from current net earnings - - - - -	<u>439,320.81</u>	<u>16,750.48</u>
Net additions to or deductions from current net earnings - - - - -	—157,538.86	+99,554.77
Net earnings - - - - -	968,958.68	711,502.72
Dividends paid - - - - -	716,930.68	703,763.60
Transferred to Surplus (Section 7) - - - - -	252,028.00	7,739.12
Transferred to Surplus (Section 13b) - - - - -	—0—	—0—

RECONCILEMENT OF CAPITAL AND SURPLUS ACCOUNTS**CAPITAL PAID IN** (Which is 50% of amount subscribed)

Balance December 31, 1941 - - - - -	\$11,827,200.00
Issued during 1942 - - - - -	267,000.00
	12,094,200.00
Canceled during 1942 - - - - -	12,950.00
Balance December 31, 1942 - - - - -	<u>12,081,250.00</u>

SURPLUS ACCOUNT (Section 7)

Balance December 31, 1941 - - - - -	10,792,297.98
Net earnings, after dividends, transferred in 1942 - - - - -	252,028.00
Balance December 31, 1942 - - - - -	<u>11,044,325.98</u>

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December 31, 1942

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