

JANUARY 6, 1966

To the Member Banks of the  
Twelfth Federal Reserve District.

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, 1965, and December 31, 1964, together with a comparison of earnings and expenses for 1965 and 1964.

Yours very truly,

A handwritten signature in cursive script, reading "Eliot L. Swan".

*President.*

## COMPARATIVE STATEMENT OF CONDITION

<b>ASSETS</b>	<u>Dec. 31, 1965</u>	<u>Dec. 31, 1964</u>
Gold certificates - - - - -	\$1,255,297,609.81	\$1,946,389,254.89
Redemption fund for Federal Reserve notes - - - - -	203,931,449.57	181,517,879.57
<b>Total gold certificate reserves - - - - -</b>	<b>\$1,459,229,059.38</b>	<b>\$2,127,907,134.46</b>
Federal Reserve notes of other Federal Reserve banks - - - - -	89,906,415.00	65,054,330.00
Other cash - - - - -	17,129,138.57	21,158,583.39
 <b>Discounts and advances:</b>		
Secured by United States Government obligations - - - - -	—0—	—0—
Other discounts and advances - - - - -	5,494,000.00	12,520,000.00
<b>Total discounts and advances - - - - -</b>	<b>\$ 5,494,000.00</b>	<b>\$ 12,520,000.00</b>
 <b>United States Government securities:</b>		
Bills - - - - -	1,243,942,000.00	791,799,000.00
Certificates - - - - -	—0—	—0—
Notes - - - - -	3,393,577,000.00	3,299,616,000.00
Bonds - - - - -	895,259,000.00	690,970,000.00
<b>Total United States Government securities - - - - -</b>	<b>\$5,532,778,000.00</b>	<b>\$4,782,385,000.00</b>
<b>Total loans and securities - - - - -</b>	<b>\$5,538,272,000.00</b>	<b>\$4,794,905,000.00</b>
 Cash items in process of collection - - - - -	 847,195,173.88	 887,037,176.87
Bank premises - - - - -	9,812,996.17	9,753,076.00
Other assets - - - - -	128,566,830.54	72,964,757.47
<b>Total assets - - - - -</b>	<b>\$8,090,111,613.54</b>	<b>\$7,978,780,058.19</b>
 <b>LIABILITIES</b>		
Federal Reserve notes - - - - -	\$4,313,003,926.00	\$3,962,978,508.00
 <b>Deposits:</b>		
Member bank — reserve accounts - - - - -	2,864,347,674.57	3,021,446,480.05
United States Treasurer — general account - - - - -	56,166,101.97	59,932,462.23
Foreign - - - - -	20,100,000.00	29,480,000.00
Other deposits - - - - -	71,361,613.11	67,840,063.49
<b>Total deposits - - - - -</b>	<b>\$3,011,975,389.65</b>	<b>\$3,178,699,005.77</b>
Deferred availability cash items - - - - -	595,999,690.22	612,464,684.49
Other liabilities - - - - -	24,523,007.67	84,346,359.93
<b>Total liabilities - - - - -</b>	<b>7,945,502,013.54</b>	<b>\$7,838,488,558.19</b>
 <b>CAPITAL ACCOUNTS</b>		
Capital paid in - - - - -	\$ 72,304,800.00	\$ 70,145,750.00
Surplus - - - - -	\$ 72,304,800.00	\$ 70,145,750.00
<b>Total liabilities and capital accounts - - - - -</b>	<b>\$8,090,111,613.54</b>	<b>\$7,978,780,058.19</b>
Contingent liability on acceptances purchased for foreign correspondents - - - - -	\$ 19,242,400.00	\$ 16,455,200.00

EARNINGS AND EXPENSES

<b>CURRENT EARNINGS</b>	<u>1965</u>	<u>1964</u>
Discounts and advances - - - - -	\$ 1,820,577.55	\$ 949,974.85
United States Government securities - - - - -	209,743,657.01	177,004,595.15
Foreign currencies - - - - -	1,872,472.68	853,092.47
All other - - - - -	43,188.29	38,355.51
<b>Total current earnings - - - - -</b>	<u>\$213,479,895.53</u>	<u>\$178,846,017.98</u>
 <b>CURRENT EXPENSES</b>		
<b>Total current expenses - - - - -</b>	\$ 23,637,407.67	\$ 23,454,497.64
<b>Less Reimbursement for certain fiscal agency and other expenses - - -</b>	2,017,533.50	2,056,488.68
<b>Net expenses - - - - -</b>	<u>\$ 21,619,874.17</u>	<u>\$ 21,398,008.96</u>
 <b>PROFIT AND LOSS</b>		
<b>Current net earnings - - - - -</b>	\$191,860,021.36	\$157,448,009.02
<b>Additions to current net earnings:</b>		
Profits on sales of United States Government securities (net) - - -	—0—	83,021.71
All other - - - - -	144,304.68	33,375.22
<b>Total additions - - - - -</b>	<u>\$ 144,304.68</u>	<u>\$ 116,396.93</u>
 <b>Deductions from current net earnings:</b>		
Loss on sales of United States Government securities - - - - -	\$ 1,846.43	—0—
All other - - - - -	5,604.16	\$ 8,066.19
<b>Total deductions - - - - -</b>	<u>\$ 7,450.59</u>	<u>\$ 8,066.19</u>
<b>Net additions - - - - -</b>	<u>\$ 136,854.09</u>	<u>\$ 108,330.74</u>
 <b>Net earnings before payments to United States Treasury - - - - -</b>	 \$191,996,875.45	 \$157,556,339.76
<b>Dividends paid - - - - -</b>	4,285,861.63	4,110,355.78
<b>Payments to United States Treasury (interest on Federal Reserve notes) -</b>	185,551,963.82	215,619,333.98
 <b>Transferred to Surplus - - - - -</b>	 \$ 2,159,050.00	 \$-62,173,350.00
<b>Surplus January 1 - - - - -</b>	70,145,750.00	132,319,100.00
<b>Surplus December 31 - - - - -</b>	<u>\$ 72,304,800.00</u>	<u>\$ 70,145,750.00</u>

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December 31, 1965

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