Y(C.1)

The Federal Reserve Bank of St. Louis

Annual Report 1984

The Federal Reserve Bank of St. Louis, one of 12 regional Federal Reserve Banks in the United States, serves the Eighth Federal Reserve District. The Eighth District comprises the state of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee. In addition to the head office in St. Louis, there are three branch offices located in Little Rock, Louisville and Memphis.

Table of Contents

1984: A Year of Strategic Planning

Nineteen eighty-four was a year in which the Federal Reserve Bank of St. Louis took stock of itself and made careful plans for the future. After three years of transition to a new financial environment following the Monetary Control Act of 1980, we took a long-term look at our role within the Federal Reserve System and our responsibility to our various constituencies.

This process began with a strategic planning conference in May, a two-day event that emphasized a multi-year approach to planning for the future. That conference mapped out the long-term path along which the Bank will travel in the years ahead.

To make the path smoother, some major improvements in the organization were put into place. Most fundamental among the changes was a Bankwide structural reorganization that established more direct lines of authority and instituted greater efficiencies in our operations. These structural modifications, designed to minimize the distance between organizational decision-making levels, permit Bank management to designate responsibility, authority and accountability more clearly for each Bank function. In addition, the new structure has improved the effectiveness of the District's performance appraisal process.

Cost control measures were also strengthened in 1984. To facilitate tighter budget accountability, the Financial Services Division installed new management information software to assist in the preparation of the District's budget. The system will be used in 1985 to control ongoing expenses and to prepare monthly accountability reports for Bank management. In other cost containment measures, the District's health plan was redesigned and the program was placed on a self-insurance basis. In addition, several activities were consolidated over the year at the St. Louis, Little Rock, Louisville and Memphis offices to make optimal use of space and to permit leasing of excess space.

Maintenance of the highest level of professionalism among our staff was advanced through the establishment in 1984 of a Quality Assurance Program that refocused our energies on the constituencies we serve. Quality measures were established throughout the District and cash awards instituted for those employees who provide outstanding service to our customers.

To enhance the St. Louis office as an inviting place for outsiders to visit and employees to work, an extensive renovation and refurbishing program was undertaken. The Bank renovated the dining and lounge facilities, the executive offices and the Board Room. A conference center, including an auditorium and seminar rooms, was also constructed.

1984: A Year of Strategic Planning

The new facilities were put to good use in 1984 as our expanded outreach program unfolded. The outreach program consisted of a far-ranging schedule of luncheons, meetings, workshops, press seminars and special events designed to enhance the Bank's close relationship with the business and financial community in the District. These events fulfilled a twofold purpose: to facilitate public understanding of the Federal Reserve and to gather input from the diverse elements of our District economy.

Economic conditions in the District received a greater share of the Bank's attention in 1984. Two economists specializing in regional analysis joined the St. Louis Fed this year. They have begun developing a regional data base and have established informational contacts around the District in order to enhance the quality of regional analysis that we publish.

Economically, the District fared relatively well in 1984. Business activity expanded for the second year in a row, although the expansion shows preliminary signs of slowing. Although there were pockets of poor performance, particularly in the farm sector, overall the major economic indicators for most industries painted a bright picture. Inflation remained low, while unemployment and interest rates declined.

The supervision of banking continued to be a complex task as new banking legislation and a revision of holding company regulation fueled the trend to bank merger and acquisition. Another trend – this one to regional interstate banking – took hold in the Eighth District in 1984. In general, it was a good, though not spectacular, year for most banks.

Four directors, one from each office, retired in 1984, and we wish to acknowledge a debt of gratitude to them: George M. Ryrie, St. Louis; Gordon E. Parker, Little Rock; Sister Eileen M. Egan, Louisville; and William M. Matthews, Jr., Memphis.

We would also like to welcome the four new directors who will join us in 1985: H. L. Hembree, chairman of the board and chief executive officer, Arkansas Best Corporation, and director of The Merchants National Bank of Fort Smith, Fort Smith, Arkansas; Wayne Hartsfield, president and chief executive officer, First National Bank, Searcy, Arkansas; Raymond M. Burse, president, Kentucky State University, Frankfort, Kentucky; and John P. Dulin, president, First Tennessee Bank N.A., Memphis, Tennessee.

In official changes over the year, Ben C. Wade was designated senior vice president in charge of Administration, Patricia A. Tarbutton arrived from the San Francisco Fed to head Human Resources as vice president, and there were several functional officer promotions.

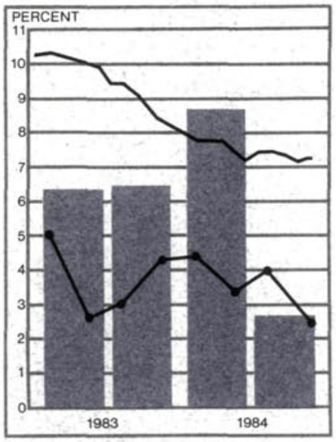
Although official changes in the Bank in 1984 were few, there was an important change at the top. At year-end Theodore H. Roberts resigned to accept the position of president and chief executive officer of a major financial institution in Chicago.

Once again, the year was a challenging one for the Federal Reserve Bank of St. Louis. How we met these challenges and what plans we made for the future are detailed in the remainder of this report.

December 31, 1984

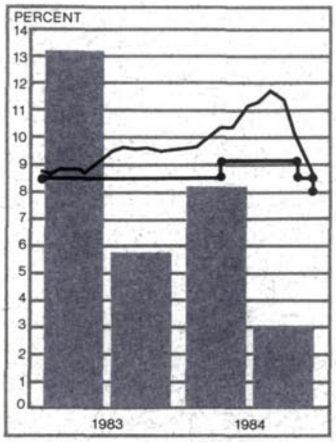
"Economically, the District fared relatively well in 1984. Business activity expanded for the second year in a row, although the expansion shows preliminary signs of slowing."

The Economy and Monetary Policy



REAL GROWTH, UNEMPLOYMENT AND INFLATION

Real GNP Growth
Inflation
Unemployment Rate



M1 GROWTH AND SHORT-TERM INTEREST RATES

M1 Growth
Discount Rate
Federal Funds Rate

The expansion continued in 1984, at an even more rapid pace than last year. The course of the expansion this year was decidedly uneven: the economy surged ahead strongly during the first half and then slowed significantly over the last half. For 1984 as a whole, the real gross national product grew at a 6.8 percent rate, substantially higher than its growth last year when it was initially recovering from the 1981-82 recession.

Inflation remained moderate in 1984: prices rose 3.7 percent over the year. These increases were only slightly lower than those in 1983 but considerably below the 8 percent annual inflation rate from 1980 to 1982.

The pattern of interest rate movements in financial markets in 1984 followed closely the ups and downs in the rest of the economy. The continuing strength of the recovery in the first half of 1984 produced upward pressure on rates; by the end of June, both short- and long-term interest rates were nearly 200 basis points higher than they had been at the start of the year. The slowing in the economy in the second half of 1984, however, was accompanied by declining interest rates; by the end of the year, interest rates had fallen below their beginning-of-the-year levels.

In February 1984, the Federal Reserve announced the following annual target ranges for growth of the monetary aggregates in 1984: M1 – 4 to 8 percent; M2 – 6 to 9 percent; M3 – 6 to 9 percent. M1, which had grown by 10 percent in 1983, rose by only 5 percent in 1984, near the bottom of its target range. Its growth over the year was reflected in the pattern displayed by financial and real sector activity, rising swiftly during half of the year and slowing sharply thereafter.

The adjusted monetary base, a key determinant of the growth of M1, moved in a similar pattern, growing 9 percent in the first half and 5.6 percent in the last half of the year. M2 and M3 growth were much steadier over the year: M2 ended the year in the middle of its targeted range while M3 somewhat exceeded its 1984 target.

Movements in the discount and federal funds rates paralleled those in market interest rates over the year. The Federal Reserve raised the discount rate from 8.5 percent to 9 percent in April, during a period in which interest rates were generally rising, then lowered it back to 8 percent at the end of the year, when rates were generally declining.

The economic expansion in the Eighth District reflected that in the nation, although, like last year, it grew at a somewhat slower rate. The District unemployment rate averaged about 1 percentage point above that for the United States; payroll employment in the District grew 1.7 percent through November, compared with 4 percent for the nation.

Agricultural output remains one of the principal weak spots in both the District and the nation. There were major reductions in acres planted and declines in crop production nationwide for all crops during the current marketing year. District farmer crop and livestock receipts declined from their 1983 levels; these declines were nearly twice as large as those for U.S. farmers as a whole.

Next year will be a crucial one for the U.S. economy. The recovery is now two years old and, as usual for this stage of the expansion, economic growth is receding toward its "normal" longer-run range of 3 to 4 percent annual growth in real GNP.

Whether such growth can be maintained depends on the policies that will be pursued and on the absence of economic shocks that may materialize from non-policy sources. Clearly, federal government deficits cannot continue at current levels for an indefinite period of time without causing damage to economic growth. Nor can balance of trade deficits of recent magnitude be sustained for years to come. The resolution of these problems, accompanied by steady and non-inflationary monetary policy, will substantially increase the probability that economic growth will continue without interruption, and that inflation will be slowly eliminated.

Reflecting the expanding economy, earnings of District banks showed definite improvement in 1984. Although the number of problem banks increased, the industry as a whole appeared healthier, with the average return on assets moderately higher than in 1983.

Deregulation of financial institutions has reached a plateau. Most of the legislation permitting payment of market interest rates has been implemented. Meanwhile, legislation proposing expanded powers was considered but not passed by the 98th Congress. Lacking statutory authorization to enter new lines of business, banks are aggressively enhancing and marketing existing products.

The trend to variable-rate lending continued strong over the year in response to reluctance of depositors to commit funds for long periods of time. Since banks must more closely match their assets and liabilities in both maturity and rate to reduce risk, they will most likely be unwilling to offer long-term loans at fixed interest rates for some time to come.

Many banks controlled costs in 1984 through merger. High "brick and mortar" costs, plus the costs of additional personnel, discouraged the building of new branches. Faced with these high costs and spurred on by new banking legislation, many banks applied for mergers, consolidating their loan, accounting and automation at the head office, while converting many acquired banks into branches.

Mergers and acquisitions were made easier by two factors in 1984: new banking legislation and the revision of Regulation Y. Several pieces of major legislation, passed in Eighth District states over the past one and one-half years, affected the industry this year: revised merger and branching laws in Tennessee and Missouri, new multibank holding company laws in Arkansas and Kentucky, and new regional interstate banking legislation in Kentucky. The latter trend could prove to be the prelude to nationwide interstate banking if it continues.

As part of a long-term regulatory improvement project, the Federal Reserve Board revised Regulation Y early in 1984 to simplify and abbreviate the process of applying for a bank holding company. These changes lessened the burden on bank holding company applicants. The Regulation Y revisions also lessened some of the restrictions on nonbank activities.

Supervision

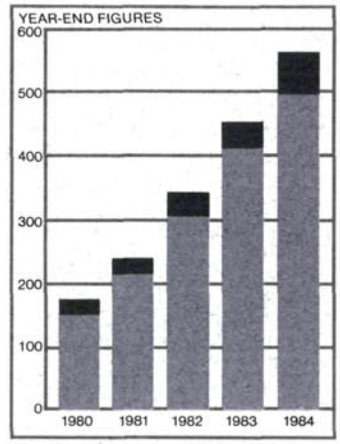
As a result, the volume of bank holding company applications continued at a high level. In 1984, bank holding company applications filed in the Eighth District totaled 243.

The number of one-bank holding companies in the District increased from 413 to 498, while multibank holding companies increased from 47 to 66, mostly as a result of new legislation in Arkansas and Kentucky. In total, the number of bank holding companies increased 23 percent to 564. To handle the increased workload, the bank holding company staff was increased, and microcomputers were used more extensively in analyzing existing and proposed bank holding companies.

With the rapid pace of bank holding company formations in recent years, bank holding company inspections also jumped in 1984. Over 120 holding companies were inspected in 1984, with about 170 inspections projected for 1985. Despite the increase, our supervision staff has kept pace with Systemwide inspection frequency guidelines.

In general, since the Eighth District is diversified economically, banks performed well over the year. There were pockets of problem banks, however, usually in areas with substantial agricultural loans. Four District banks failed in 1984.

The Federal Reserve discount window was busier in 1984 than in recent years. Both the number of borrowers and the amount of borrowing increased. Much of this increase came from nonmember banks, who continue to exercise the borrowing privilege granted them by the Monetary Control Act of 1980. The amount of seasonal borrowing at the discount window also increased in 1984.



BANK HOLDING COMPANY FORMATION

Multibank holding companies

One-bank holding companies

Services

Check Processing

We processed more than 532 million checks in 1984, with a value of approximately $336 billion. Also, after being chosen as the national processing site for postal money orders, we processed an additional 119 million items.

During the year, we made virtually no price increases in the check collection service and no further price increases are anticipated for 1985. Funds availability was enhanced by improved transportation arrangements and the development of new products.

In the St. Louis area, improved check deposit deadlines provide up to two more hours for depository institutions to collect country checks and still receive the same availability. A low-dollar deposit program provides for a more cost-effective means of collecting small dollar checks. Another new service, offered currently on a pilot basis, provides for the accelerated reclearing of returned checks valued under $100.

We also initiated a Systemwide program in 1984 to reduce float and streamline the payments mechanism. This service, known as the high-dollar group sort, offers an accelerated collection service for high value checks drawn on institutions outside our city zones.

"ACH vied with the noncash collection service for the fastest-growing Fed service over the year."

Also during 1984, MICRsort, a cash management service for payor institutions, was expanded. As a subscriber to the custom-tailored MICRsort service, customers receive timely account-total information and increased operating and cost efficiencies. In 1985, we will extend and accelerate the delivery of funds-related information available through MICRsort.

Transfers of Funds

Transfers of funds continued to grow in 1984, registering close to 3 million transfers, with a dollar value of $2.6 trillion. Also in 1984, the number of direct, computer-to-computer hook-ups for banks with large funds transfer volume was expanded.

By the end of its second year, FEDNET, our dial-up, on-line funds transfer network, had almost 200 customers. One modification in the basic FEDNET service in 1984 was the elimination of minimum volume requirements, a change that enabled small customers to subscribe to the service in greater numbers.

Also over the year, three new FEDNET applications were added. An economic broadcast service provides each customer with up-to-date statistics on important economic indicators, both national and District, such as interest rates, money growth, deposit and loan totals, unemployment and gross national product. The Treasury Tax and Loan call notification service electronically provides customers with information on current and pending calls from the Treasury that will affect their reserve account balances. Both these services are free of charge to FEDNET and other on-line customers. A third new FEDNET application, the cash management service, offers timely account information on a variety of transactions, such as selected cash letter and automated clearinghouse debits and credits.

Scheduled for next year are several new FEDNET applications – including electronic delivery of ACH transactions – and software enhancements to keep FEDNET a state-of-the-art electronic service.

Services

Automated Clearinghouse

ACH vied with the noncash collection service for the fastest-growing Fed service over the year. The volume of ACH items processed was up almost 24 percent in 1984.

The most important improvement in ACH services, begun this year, was the automation of data delivery. An electronic, dial-up data link that transmits ACH data was successfully piloted over the year and will be expanded further next year. This electronic transmission of ACH data, developed to reduce the dependency on ground delivery, will also be offered next year as part of the FEDNET service.

Another improvement occurred in ACH deposit deadlines. Deadlines were improved Districtwide allowing for up to six-hours-later deposit on certain types of ACH items. These deadlines, moreover, were made consistent across the entire Federal Reserve System.

Finally, we offered ACH originators the option to deposit items on Sunday.

Cash

Volumes were up substantially in the cash services area in 1984. Over 470 million pieces of currency, with a dollar value of $4.5 billion, were processed and delivered to District depository institutions. In addition, 713 million pieces of coin with a dollar value of $182 million were processed.

After a study showed that the private sector was providing an efficient cash transportation service, we withdrew from this service, effective at year-end.

Securities

In securities services, the biggest news was a remarkable increase in noncash collection volume. The number of coupons collected this year was over 320,000, up 100 percent from last year. This volume increase, in part, was the result of a new noncash mixed deposit option and improved availability on coupon collections.

The year also witnessed the final phase on the automation of the savings bond processing system. The new system improves both the quality and the efficiency of the savings bond service.

In our definitive safekeeping service, prices were lowered, and, as a result, significant gains were made in attracting new customers.

Automation

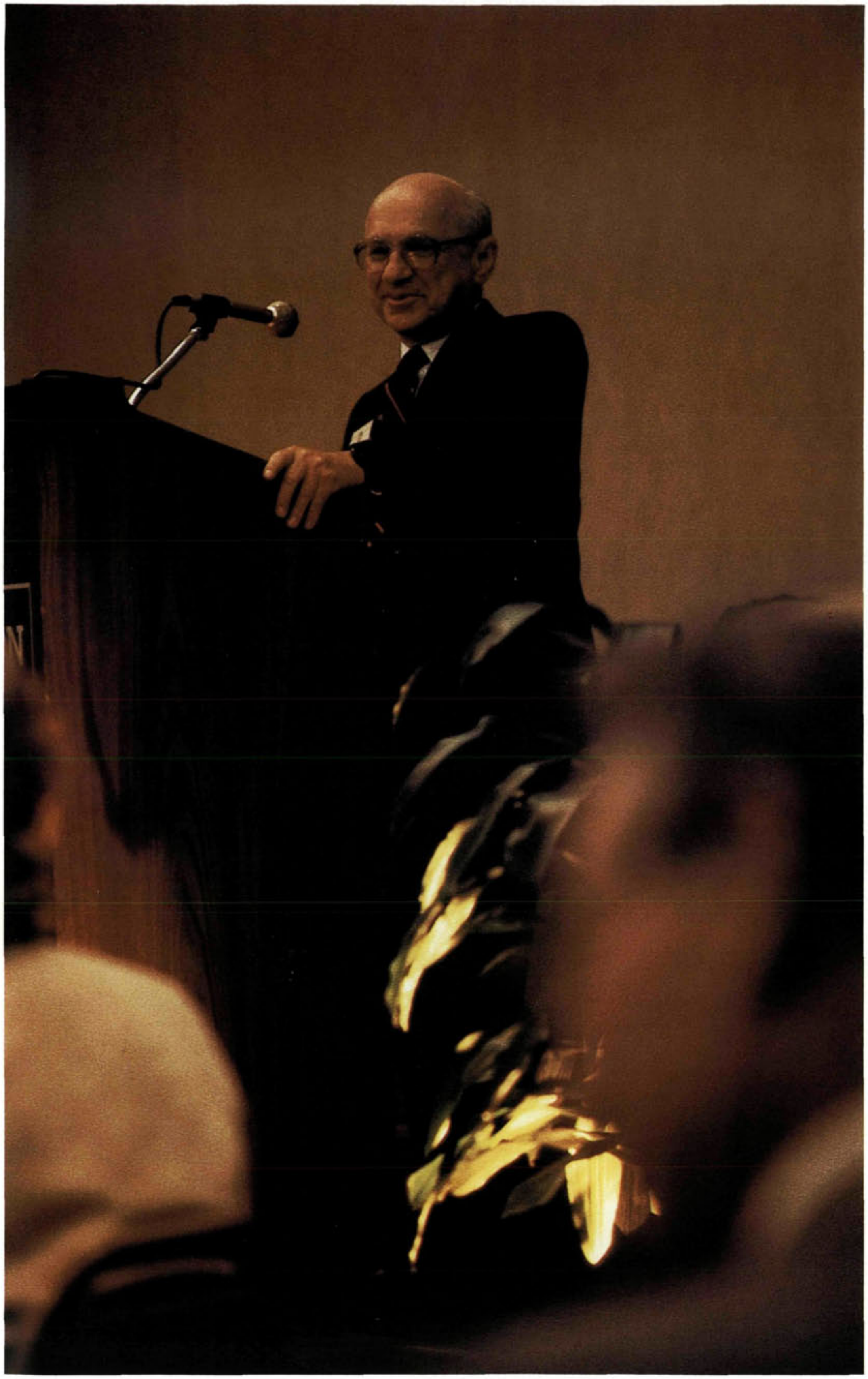
To support priced services, we spent much of 1984 developing an advanced delivery system designed to speed electronic communications between the Bank and our customers. This system is scheduled for implementation in 1985. Also during the year, on-line storage facilities were upgraded at all four offices to provide for future data growth.

In addition, we were chosen as the development site for the Customer Information System, a major component of the Federal Reserve's resource-shared automation program. The system, which provides a central repository of information about all financial institutions that are Fed customers, will reduce the duplication of customer data collection across Federal Reserve districts. Also during the year, we became the development site for a new Treasury Tax and Loan system, which will automate the maintenance of depository institution TT&L accounts.

"To support priced services, we spent much of 1984 developing an advanced delivery system designed to speed electronic communications between the Bank and our customers."

^
Federal Reserve Board Chairman Paul A. Volcker greets St. Louis business leaders at a September gathering.

>
To keep abreast of economic and business trends around the District, we hosted numerous meetings for community leaders throughout 1984.



^

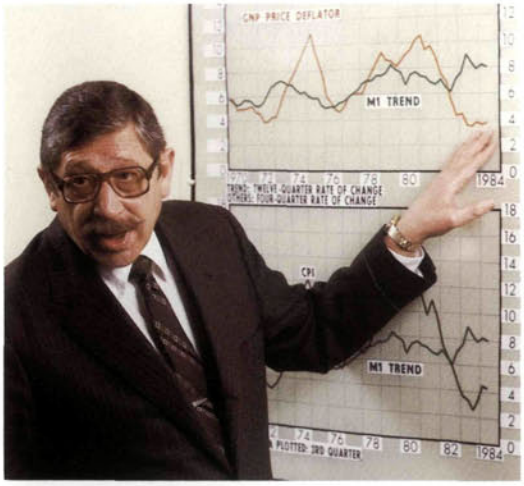
From left to right, First Vice President Joseph P. Garbarini, President Theodore H. Roberts and Chairman of the Board W. L. Hadley Griffin lead the discussion at a monthly Board of Directors meeting.

<

Milton Friedman, Nobel prize winner in economics, addresses luncheon guests at our annual economic policy conference.

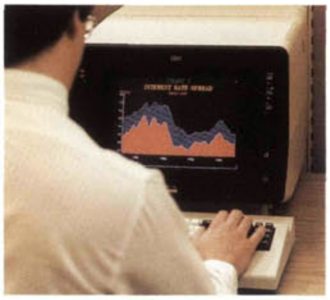
>

Senior Vice President Anatol B. Balbach explains the trends in money growth over the recent past.



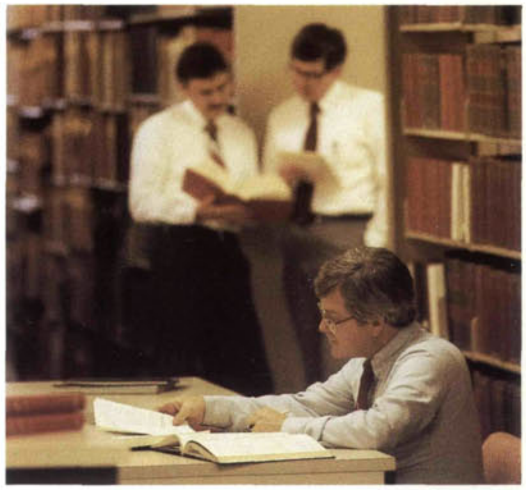
"Inflationary expectations are the main driving force behind interest rate movements."

Anatol B. Balbach
Senior Vice President
Research and
Public Information



∧

A research analyst calls up the latest interest rate data on the computer terminal.



>>

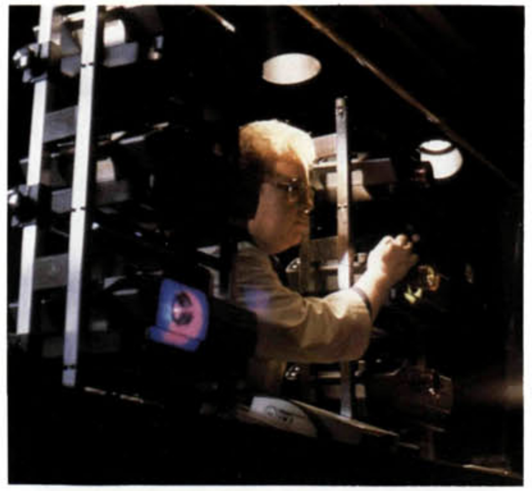
In researching articles for our economic publications, economists (far right) have access to the Bank's library, housing over 15,000 volumes and 800 periodicals.

>

Regional economists spend time in the field, analyzing the prevailing trends in the Eighth District.

"Our goal is to be the best provider of high-quality services in the District."

Robert E. Matthews
Senior Vice President
Operations



<
Our new audiovisual facilities will support a broader range of public programs in 1985.

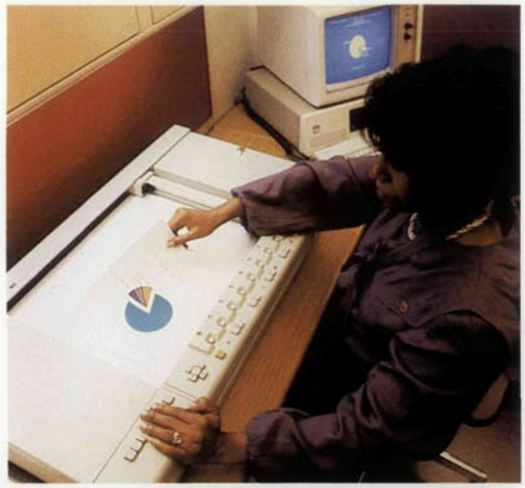
V
Senior Vice President Robert E. Matthews presents the Quality Assurance Program to Fed employees.

>
Savings bonds are now printed and processed electronically.

>
The withdrawal of sacks of currency for use by depository institutions is a daily occurrence at all four Eighth District offices.

"Attention to the customer's service needs, a positive attitude, and a personal interest can make the difference in attracting new business relationships."

Ben C. Wade
Senior Vice President
Administration



A marketing analyst transforms up-to-date figures on the Bank's service volumes into charts.

Senior Vice President Ben C. Wade discusses our recent progress in meeting customer service goals.

Our staff holds regular training sessions in the operation of FEDNET, a dial-up funds transfer network.

>

High-speed equipment sorts more than 100,000 checks an hour.

>

Incoming requests from customers to transfer funds to other institutions keep the phones in our wire room busy.

V

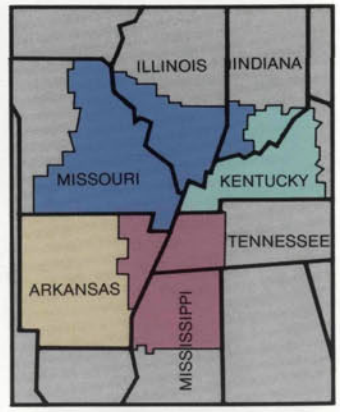
New equipment sorts rejected postal money orders three times faster than previous manual processing.

"We anticipate that, during 1985, bank holding company activity will continue to increase, and interstate banking will be substantially expanded."

Harold E. Uthoff
Senior Vice President
Banking Supervision and Regulation

<

In 1984, our examiners visited 43 banks and trust companies throughout the District.



EIGHTH FEDERAL RESERVE DISTRICT
- St. Louis Zone
- Little Rock Zone
- Louisville Zone
- Memphis Zone

∧

The St. Louis Fed supervises institutions in the Eighth Federal Reserve District, a seven-state area shown above.

<

Senior Vice President Harold E. Uthoff (center) discusses the current status of several bank holding company applications.

Statement of Condition

Assets	December 31, 1984	December 31, 1983
Gold certificate account [1]	$ 357,000,000	$ 468,000,000
Special Drawing Rights certificate account [2]	170,000,000	170,000,000
Coin	23,900,960	22,447,327
Loans to depository institutions	34,280,000	92,825,000
Securities:		
Federal agency obligations	240,673,010	245,033,434
U.S. government securities	4,567,794,734	4,267,387,980
Total securities	$4,808,467,744	$4,512,421,414
Cash items in process of collection	688,274,477	678,497,720
Bank premises (net)	16,864,418	15,555,042
Other assets	202,524,110	227,523,313
Interdistrict settlement account	357,148,740	0
TOTAL ASSETS	$6,658,460,449	$6,187,269,816
Liabilities		
Federal Reserve notes	$5,245,594,904	$4,873,441,625
Deposits:		
Depository institutions	575,525,978	474,844,993
Due to other Federal Reserve Banks – collected funds	0	0
Foreign	4,050,000	4,200,000
Other	13,122,727	11,280,067
Total deposits	$5,838,293,609	$ 490,325,060
Deferred availability cash items	652,733,235	579,252,538
Other liabilities	75,539,405	67,443,446
Interdistrict settlement account	0	96,563,147
TOTAL LIABILITIES	$6,566,566,249	$6,107,025,816
Capital Accounts		
Capital paid in	$ 45,947,100	$ 40,122,000
Surplus	45,947,100	40,122,000
TOTAL CAPITAL ACCOUNTS	$ 91,894,200	$ 80,244,000
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$6,658,460,449	$6,187,269,816

1/ This Bank's share of gold certificates deposited by the U.S. Treasury with the Federal Reserve System.

2/ This Bank's share of Special Drawing Rights certificates deposited by the U.S. Treasury with the Federal Reserve Bank of New York.

Earnings and Expenses

	1984	1983[1]
Current Earnings		
Interest on loans to depository institutions	$ 5,252,164	$ 3,044,091
Interest on government securities	474,799,584	452,105,131
Earnings on foreign currency	5,872,289	7,666,265
Revenue from priced services	28,680,466	24,693,959
All other earnings	415,144	326,068
Total current earnings	$515,019,647	$487,835,514
Current Expenses		
Current operating expenses	$ 54,505,572	$ 53,806,039
Cost of earnings credits	5,616,758	3,063,683
Federal Reserve currency	5,038,807	5,514,625
Total current expenses	$ 65,161,137	$ 62,384,347
Less expenses reimbursed or recovered	(5,438,842)	(4,042,018)
Current net expenses	$ 59,722,295	$ 58,342,329
CURRENT NET EARNINGS	$455,297,352	$429,493,185
Profit and Loss		
Additions to current net earnings:		
Profit on sales of government securities (net)	$ 1,388,237	$ 668,104
All other additions	1,370	26,283
Total additions	$ 1,389,607	$ 694,387
Deductions from current net earnings:		
Loss of foreign exchange transactions (net)	$ 12,280,017	$ 12,776,327
All other deductions	452,135	56,608
Total deductions	$ 12,732,152	$ 12,832,935
Net additions or deductions	(11,342,545)	(12,138,548)
Assessment for expenses of Board of Governors	$ (2,245,400)	$ (1,996,900)
NET EARNINGS AVAILABLE FOR DISTRIBUTION	$441,709,407	$415,357,737
Distribution of Net Earnings		
Dividends paid	$ (2,524,330)	$ (2,344,760)
Payments to the U.S. Treasury (interest on F. R. notes)	(433,359,977)	(410,970,627)
Transferred to surplus	5,825,100	2,042,350
Surplus, January 1	40,122,000	38,079,650
Surplus, December 31	$ 45,947,100	$ 40,122,000

1/ Final figures as of March 8, 1984

Volume of Operations

	Number Handled		Dollar Amount (thousands)	
	1984	1983	1984	1983
Currency received and counted	474,433,000	424,075,000	$ 4,474,600	$ 4,757,800
Coin received and counted	713,397,000	659,967,000	182,200	84,200
Food stamps redeemed	186,838,000	200,543,000	581,007	827,700
Transfer of funds	2,838,784	2,670,334	$2,630,490,000	$2,795,485,000
Checks handled:				
U.S. government checks	34,458,000	35,673,800	$ 27,448,400	26,923,800
Postal money orders	118,795,000	6,191,000	8,093,000	423,800
All other	532,987,000	550,071,000	335,816,500	341,970,200
ACH items handled:				
Commercial	12,795,000	8,844,000	$ 78,665,600	$ 35,972,500
U.S. government	12,970,000	11,984,000	6,210,300	5,375,600
Collection items handled:				
U.S. government coupons paid	210,000	267,000	120,037	122,400
All other	323,148	161,923	485,900	267,200
Issues, redemptions, and exchanges of U.S. government securities:				
Definitive	6,771,944	6,330,181	$ 1,834,200	$ 8,091,400
Book entry	252,559	229,935	436,637,400	336,038,500
Loans	1,944	1,124	$ 5,400,000	$ 4,047,500

DIRECTORS *(December 31, 1984)*
St. Louis Board of Directors

Chairman
W. L. Hadley Griffin
Chairman of the Board
Brown Group, Inc.
St. Louis, Missouri

Deputy Chairman
Mary P. Holt
President
Clothes Horse
Little Rock, Arkansas

Clarence C. Barksdale
Chairman of the Board
Centerre Bank NA
St. Louis, Missouri

Donald L. Hunt
President
First National Bank of Marissa
Marissa, Illinois

Frank A. Jones, Jr.
President
Dietz Forge Company
Memphis, Tennessee

George M. Ryrie
President
First National Bank and
Trust Company
Alton, Illinois

Jesse M. Shaver
President
JMS Corporation
Louisville, Kentucky

Robert J. Sweeney
President and Chief Executive
Officer
Murphy Oil Corporation
El Dorado, Arkansas

Robert L. Virgil, Jr.
Dean
School of Business
Washington University
St. Louis, Missouri

Federal Advisory Council Member

William H. Bowen
Chairman of the Board and
Chief Executive Officer
First Commercial Bank, N.A.
Little Rock, Arkansas

Executive Committee

W. L. Hadley Griffin, Chairman
Donald L. Hunt
Jesse M. Shaver
Robert L. Virgil, Jr.

Audit Committee

Robert L. Virgil, Jr., Chairman
Donald L. Hunt
Frank A. Jones, Jr.
Robert J. Sweeney

Human Resources Committee

Jesse M. Shaver, Chairman
Clarence C. Barksdale
Mary P. Holt
George M. Ryrie

Little Rock Board of Directors

Chairman
Sheffield Nelson
House, Wallace, Nelson and
Jewell, P.A.
Little Rock, Arkansas

D. Eugene Fortson
Chairman of the Board and
Chief Executive Officer
Worthen Bank and Trust
Company, N.A.
Little Rock, Arkansas

Wilbur P. Gulley, Jr.
Chairman of the Board and
Chief Executive Officer
Savers Federal Savings and
Loan Association
Little Rock, Arkansas

William H. Kennedy, Jr.
Chairman of the Executive
Committee
National Bank of Commerce of
Pine Bluff
Pine Bluff, Arkansas

Gordon E. Parker
President
First Commercial Corporation
Little Rock, Arkansas

Shirley J. R. Pine, Ph.D.
Department of Communicative
Disorders
University of Arkansas at
Little Rock
Little Rock, Arkansas

Richard V. Warner
Group Vice President
Wood Products Group
Potlatch Corporation
Warren, Arkansas

Louisville Board of Directors

Chairman
Sister Eileen M. Egan
President
Spalding University
Louisville, Kentucky

William C. Ballard, Jr.
Executive Vice President
Finance and Administration
Humana, Inc.
Louisville, Kentucky

John E. Darnell, Jr.
Chairman of the Board
The Owensboro National Bank
Owensboro, Kentucky

Henry F. Frigon
President and Chief
Operating Officer
BATUS, Inc.
Louisville, Kentucky

Allan S. Hanks
President
The Anderson National Bank
Lawrenceburg, Kentucky

Frank B. Hower, Jr.
Chairman of the Board and
Chief Executive Officer
Liberty National Bank and
Trust Company
Louisville, Kentucky

R. I. Kerr, Jr.
Chairman of the Board,
President and Chief
Executive Officer
Great Financial Federal
Louisville, Kentucky

Memphis Board of Directors

Chairman
Patricia W. Shaw
President and Chief Executive Officer
Universal Life Insurance Company
Memphis, Tennessee

Edgar H. Bailey
Chairman and Chief Executive Officer
Leader Federal Savings and Loan Association
Memphis, Tennessee

William H. Brandon, Jr.
President
First National Bank of Phillips County
Helena, Arkansas

William M. Matthews, Jr.
Memphis, Tennessee

G. Rives Neblett
Neblett, Bobo, Chapman and Heaton
Shelby, Mississippi

Wayne W. Pyeatt
President
Memphis Fire Insurance Company
Memphis, Tennessee

Donald B. Weis
President
Tamak Transportation Corporation
West Memphis, Arkansas

OFFICERS
Federal Reserve Bank of St. Louis

Senior Management
Theodore H. Roberts
President and Chief Executive Officer
Joseph P. Garbarini
First Vice President

Administration
Ben C. Wade
Senior Vice President

Financial Services
Martha L. Perine
Vice President and Controller
John W. Druelinger
Assistant Vice President
Leslie F. Schmeding
Assistant Vice President

Human Resources
Patricia A. Tarbutton
Vice President
Judie A. Courtney
Human Resources Officer

Marketing
Jean M. Lovati
Assistant Vice President

Support Services
William J. Sneed
Vice President
Gregory S. Pusczek
General Services Officer

Banking Supervision and Regulation
Harold E. Uthoff
Senior Vice President

Bank Holding Companies
Delmer D. Weisz
Vice President
Harry L. Rea
Assistant Vice President
Dennis W. Blase
Supervisory Officer

Consumer Affairs, Trust, and Credit
Randall C. Sumner
Vice President
Harold E. Slingerland
Credit Officer

Member Banks
Charles R. Halbrook
Vice President
Jerome R. Rodgers
Assistant Vice President
Harold H. Rieker
Supervisory Officer

Operations
Robert E. Matthews
Senior Vice President
Walter W. Jacobs
Assistant Vice President

Information Systems
James R. Kennedy
Vice President
Jerome J. McGunnigle
Assistant Vice President
John P. Merker
Assistant Vice President
Frances E. Sibley
Systems Officer

Payments
Robert W. Thomas
Vice President
Robert J. Taylor
Assistant Vice President

Valuables Processing
Michael T. Moriarty
Vice President
Edward R. Schott
Assistant Vice President
Darwin W. Stephens
Assistant Vice President

Research and Public Information
Anatol B. Balbach
Senior Vice President

Economic Analysis
Albert E. Burger
Vice President
Keith M. Carlson
Assistant Vice President
R. Alton Gilbert
Assistant Vice President
John A. Tatom
Assistant Vice President
Dallas S. Batten
Research Officer
Rik W. Hafer
Research Officer

Public Information
Ruth A. Bryant
Vice President

Statistics
Michael E. Trebing
Research Officer

Support
Hillary B. Debenport
Research Officer

Staff Functions

Audit
Richard E. Kay
General Auditor
Alan C. Wheeler
Assistant General Auditor

Legal
F. Garland Russell, Jr.
Senior Vice President, General Counsel and Secretary
Joan P. Cronin
Vice President, Deputy General Counsel and Assistant Secretary

Little Rock Branch
John F. Breen
Vice President and Manager
David T. Rennie
Assistant Vice President

Louisville Branch
James E. Conrad
Vice President and Manager
George E. Reiter, Jr.
Assistant Vice President

Memphis Branch
Paul I. Black, Jr.
Vice President and Manager
Anthony C. Cremerius, Jr.
Assistant Vice President

Federal Reserve Bank of St. Louis
Post Office Box 442
St. Louis, Missouri 63166

Little Rock Branch
Post Office Box 1261
Little Rock, Arkansas 72203

Louisville Branch
Post Office Box 32710
Louisville, Kentucky 40232

Memphis Branch
Post Office Box 407
Memphis, Tennessee 38101