F E D E R A L   R E S E R V E   B O A R D

STATEMENT FOR THE PRESS   X-4491

For Immediate Release.   January 4, 1926.

Gross earnings of the Federal reserve banks during 1925 were $41,800,000, or about $3,500,000 more than in the preceding year, while current expenses amounted to $27,500,000 or $900,000 less than in 1924. Net deductions from current net earnings to cover depreciation charges, reserves for losses on paper of failed banks, etc., amounted to $4,800,000 as compared with $6,200,000 the year before, and net earnings to $9,400,000 as against $3,700,000 in 1924.

Earnings of the Atlanta and St. Louis banks were not sufficient to fully cover expense and dividend requirements, and these two banks were authorized by the Federal Reserve Board to pay dividends, totaling approximately $557,000, out of accumulated surplus.

The Federal Reserve Banks of Minneapolis and Kansas City were the only ones to pay a franchise tax to the United States Treasury. The amount of the tax aggregated $59,300.37, and the balance of the net earnings of these two banks, $6,588.93, was transferred to their surplus accounts in accordance with Section 7 of the Federal Reserve Act. As the subscribed capital of all other reserve banks is materially in excess of accumulated surplus, the balance of their net earnings ($3,118,000), remaining after the payment of dividends, was transferred to surplus account. The surplus account of all Federal reserve banks now aggregates $220,311,000 or $2,474,000 more than last year.

Full details as to the disposition of the gross earnings of each Federal reserve bank will appear in the forthcoming Annual Report of the Federal Reserve Board.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis