

X-9782

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

For immediate release

January 7, 1937.

Preliminary figures received by the Board of Governors from the Federal Reserve banks indicate that current earnings of the Federal reserve banks during 1936 amounted to \$37,898,000. Of total current earnings \$35,180,000 were on U. S. Government securities, and the remainder, \$2,718,000, on discounted and purchased bills, industrial advances and miscellaneous items. Operating expenses of the Federal reserve banks during 1936, after deducting reimbursements received for certain fiscal agency and other expenses, amounted to \$26,017,000.

Cost of Federal Reserve currency amounted to \$2,177,000, and assessments for expenses of the Board of Governors amounted to \$1,678,000. Because of additional duties and responsibilities placed upon the Board by the Banking Act of 1933, the Securities Exchange Act of 1934, and the Banking Act of 1935, expenses of the Board have been increasing during the past few years. The addition of assessments for current expenses of the Board and the cost of Federal Reserve currency to net operating expenses gives total net expenses of \$29,872,000, a decrease as compared with the year 1935 of \$567,000.

Current earnings of \$37,898,000 less total net expenses of \$29,872,000 leaves current net earnings from normal operations for the year of \$8,026,000, as compared with \$12,235,000 in 1935. Additions to current net earnings during the year amounted to \$9,434,000, of which \$8,900,000 came from profits on sales of U. S. Government securities. Deductions from current net earnings include an assessment of \$2,008,000 to apply on the cost of the building for the Board of Governors, authorized by the Act of June 19, 1934, which is scheduled to be completed and occupied by the Board during this year; \$2,523,000 for prior service contributions to the Retirement System, which will be completed under the present schedule by the end of 1939; and \$315,000 for other miscellaneous purposes. Making these additions to and deductions from current net earnings leaves a balance for the year of \$12,664,000 available for special reserves, charge-offs, dividends and surplus. This amount was distributed as follows: Dividends to member banks, \$7,829,000; payments to the Treasury of the United States under provisions of Section 13b of the Federal Reserve Act, relating to industrial advances, \$226,000; special charge-offs on bank premises, in addition to regular depreciation, \$734,000; additions to reserves for contingencies, \$3,418,000; net additions to surplus accounts, \$457,000.