



FEDERAL RESERVE BANK
OF DALLAS

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

DALLAS, TEXAS
75265-5906

January 21, 2000

Notice 2000-05

TO: The Chief Operating Officer of each
financial institution and others concerned
in the Eleventh Federal Reserve District

SUBJECT

**Preliminary Figures on the Operating Income
of Federal Reserve Banks**

DETAILS

The Board of Governors of the Federal Reserve System has announced preliminary figures on the operating income of the Federal Reserve Banks during 1999. Federal Reserve System income is derived primarily from interest earned on U.S. government securities that the Federal Reserve has acquired through open market operations.

ATTACHMENT

A copy of the Board's press release announcing the preliminary figures is attached.

MORE INFORMATION

For further information, please contact Claude Davis at (214) 922-5607. For additional copies of this Bank's notice, contact the Public Affairs Department at (214) 922-5254 or access our web site at <http://www.dallasfed.org/banking/notices/index.html>.

Sincerely,

A handwritten signature in cursive script that reads "Helen E. Holcomb".

Federal Reserve Release



For immediate release

January 6, 2000

Preliminary figures indicate that operating income of the Federal Reserve Banks amounted to \$29.347 billion during 1999. Net income before payment of dividends, additions to surplus, and payments to the Treasury totaled \$26.255 billion. About \$25.400 billion of this net income was distributed to the U.S. Treasury during 1999.

Federal Reserve System income is derived primarily from interest earned on U.S. government securities that the Federal Reserve has acquired through open market operations. Income from the provision of financial services amounted to \$836 million.

Operating expenses of the 12 Reserve Banks totaled \$1.904 billion. In addition, the cost of earnings credits granted to depository institutions under the Monetary Control Act of 1980 amounted to \$322 million. Assessments against Reserve Banks for Board expenditures totaled \$214 million and the cost of currency amounted to \$485 million.

Net deductions from income amounted to \$526 million, resulting primarily from unrealized losses on assets denominated in foreign currencies revalued to reflect current market exchange rates. Statutory dividends to member banks were \$375 million.

Under the policy established by the Board of Governors at the end of 1964, all net income after the statutory dividend to member banks and the amount necessary to equate surplus to paid-in capital is transferred to the U.S. Treasury.