

FINANCIAL STATEMENT



STATEMENT OF INCOME

	<u>1996</u>	<u>1995</u>
<u>INTEREST INCOME:</u>		
Interest on U.S. government securities	\$ 783,759,786	\$ 935,626,475
Interest on foreign currencies	16,927,827	29,612,743
Interest on loans to depository institutions	1,132,022	932,450
TOTAL INTEREST INCOME	\$ 801,819,635	\$ 966,171,668
<u>OTHER OPERATING INCOME:</u>		
Income from services	50,787,341	47,833,700
Reimbursable services to government agencies	19,087,772	17,715,058
Foreign currency gains (losses), net	(63,832,062)	37,964,390
Government securities gains, net	1,129,151	158,280
Other income	260,678	303,876
TOTAL OTHER OPERATING INCOME	\$ 7,432,880	\$ 103,975,304
<u>OPERATING EXPENSES:</u>		
Salaries and other benefits	78,308,205	72,789,991
Occupancy expense	7,337,158	6,879,114
Equipment expense	6,980,082	5,237,404
Cost of unreimbursed Treasury services	2,624,738	2,910,429
Assessments by Board of Governors	18,685,611	19,627,114
Other expenses	50,394,333	44,839,532
TOTAL OPERATING EXPENSES	\$ 164,330,127	\$ 152,283,584
Income before cumulative effect of accounting change	644,922,388	917,863,388
Cumulative effect of change in accounting principle	0	(3,296,385)
NET INCOME PRIOR TO DISTRIBUTION:	\$ 644,922,388	\$ 914,567,003
<u>DISTRIBUTION OF NET INCOME:</u>		
Dividends paid to member banks	\$ 10,052,800	\$ 8,645,518
Transferred to surplus	23,005,650	12,585,700
Payments to U.S. Treasury as interest on Federal Reserve notes	457,250,081	893,335,785
Payments to U.S. Treasury as required by statute	154,613,857	0
TOTAL ALLOCATION OF NET INCOME	\$ 644,922,388	\$ 914,567,003



STATEMENT OF CONDITION

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Gold certificates	\$ 321,000,000	\$ 382,000,000
Special drawing rights certificates	280,000,000	342,000,000
Coin	55,804,100	41,236,643
Items in process of collection	843,294,858	361,283,695
Loans to depository institutions	7,115,000	3,230,000
U.S. government and federal agency securities, net	12,349,450,830	14,590,732,674
Investments denominated in foreign currencies	737,300,775	797,467,315
Accrued interest receivable	111,403,267	148,407,525
Bank premises and equipment, net	78,489,286	72,858,964
Other assets	12,916,394	13,616,596
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TOTAL ASSETS	\$ 14,796,774,510	\$ 16,752,833,412
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<u>LIABILITIES AND CAPITAL</u>		
<u>LIABILITIES:</u>		
Federal Reserve notes outstanding, net	\$ 12,434,974,495	\$ 12,266,820,996
Deposits:		
Depository institutions	816,865,472	1,119,211,431
Other deposits	9,148,673	7,825,622
Deferred credit items	462,596,938	361,337,791
Statutory surplus transfer due U.S. Treasury	17,510,696	23,158,864
Interdistrict settlement account	650,155,425	2,610,097,299
Accrued benefit cost	54,305,603	52,088,189
Other liabilities	5,720,599	8,751,920
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TOTAL LIABILITIES	\$ 14,451,277,901	\$ 16,449,292,112
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<u>CAPITAL:</u>		
Capital paid-in	174,776,300	151,770,650
Surplus	170,720,309	151,770,650
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TOTAL CAPITAL	345,496,609	303,541,300
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TOTAL LIABILITIES AND CAPITAL	\$ 14,796,774,510	\$ 16,752,833,412
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FINANCIAL STATEMENT & OPERATIONAL HIGHLIGHTS



STATEMENT OF CHANGES IN CAPITAL

For the Years Ended December 31, 1996 and December 31, 1995

	<u>CAPITAL PAID-IN</u>	<u>SURPLUS</u>	<u>TOTAL CAPITAL</u>
Balance at January 1, 1995 (2,783,699 shares)	\$ 139,184,950	\$ 139,184,950	\$ 278,369,900
Net income transferred to surplus	-	12,585,700	12,585,700
Net change in capital stock issued (251,714 shares)	<u>12,585,700</u>	<u>-</u>	<u>12,585,700</u>
Balance at December 31, 1995 (3,035,413 shares)	\$ 151,770,650	\$ 151,770,650	\$ 303,541,300
Net income transferred to surplus	-	23,005,650	23,005,650
Net change in capital stock issued (460,113 shares)	23,005,650	-	23,005,650
Surplus Transfer to the U. S. Treasury	<u>\$ -</u>	<u>\$ (4,055,991)</u>	<u>\$ (4,055,991)</u>
Balance at December 31, 1996 (3,495,526 shares)	<u>\$ 174,776,300</u>	<u>\$ 170,720,309</u>	<u>\$ 345,496,609</u>

These statements are prepared by Bank management.

Copies of full financial statements complete with footnotes are available by contacting the Public Affairs Department of the Federal Reserve Bank of Kansas City, 925 Grand Boulevard, Kansas City, Missouri, 64198-0001.

VOLUME OF PRINCIPAL OPERATIONS

	<u>1996</u>	<u>1995</u>
Loans and Discounts, Daily Average	\$ 21,239,000	\$ 16,204,000
Number of Institutions Borrowing	156	187
Commercial Checks	\$ 751,239,000,000	\$ 684,528,000,000
Commercial Checks Collected	1,289,297,000	1,254,747,000
Currency Receipts and Payments	\$ 30,785,785,000	\$ 25,379,871,000
Pieces	2,261,408,000	2,075,621,000
Coin Receipts and Payments	\$ 710,610,000	\$ 600,122,000
Bags	1,139,000	1,054,000
Issues and Redemptions of U.S. Government Securities	\$ 56,196,978,000	\$ 101,175,080,000
Funds Transfers	\$ 9,822,872,000,000	\$ 10,058,915,000,000
Numbers	6,531,000	6,146,000

This annual report is also available on the Federal Reserve Bank of Kansas City's web site located at <http://www.kc.frb.org>.