We acknowledge our public interest responsibilities and our national trust as part of the country's central banking system.
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Our Corporate Philosophy

Business Philosophy
The staff of the Sixth Federal Reserve District is committed to the highest standards of responsible and effective business management. We will be foresighted and prudent in our management of Bank resources, and fair and reasonable in the exercise of our authority. We will regard quality and responsive service as our most important business priorities and in carrying out our responsibilities we will regard people as more important than process. Our business decisions will be weighed against a comprehensive business plan that outlines our organizational goals and priorities, and these decisions always will be made with careful regard for the long-run health of the Bank and the constituencies we serve. We acknowledge our public interest responsibilities and our national trust as part of the country's central banking system. We intend to provide exemplary service to our government, the business community, and the general public.

Management Philosophy
Since effective teamwork is the key to accomplishing our goals, the Bank's organizational structure and overall management style will reflect an open and participative approach. Bank managers will be people-oriented, visible, and accessible at all levels. Employees will be kept informed regarding plans, decisions, events and problems affecting them, and their suggestions will be actively encouraged.

Employee Relations
We will strive to attract, train, motivate, and retain a staff of individuals who are highly effective in carrying out their responsibilities, who are committed to Bank goals, who have the highest standards of personal integrity, and who genuinely enjoy their careers at the Federal Reserve. The relationship between Bank management and other staff members will be characterized by mutual respect, fairness, and equal opportunity and treatment for every individual.

Pride in Work
Excellence is our goal, and the staff members of the Federal Reserve Bank take pride in their professionalism and in providing the highest quality of service possible to the clients we serve. The Bank encourages continual innovation, creativity, and involvement to improve productivity and the quality of services we offer. Staff members are recognized and rewarded for their contributions to our success.

Community Involvement
We take seriously the responsibilities of our corporate citizenship and actively encourage and support the civic and community involvement of our staff.
With a new management team in place at the beginning of 1984, the Federal Reserve Bank of Atlanta adopted a corporate philosophy statement that identifies and articulates the Bank's mission and goals. That document commits us to be prudent and foresighted in managing Bank resources and fair and reasonable in exercising our authority as a unit of the nation's central bank.

As a key section of the statement summarizes: "We acknowledge our public interest responsibilities and our national trust as part of the country's central banking system. We intend to provide exemplary service to our government, the business community, and the general public."

In addition, we developed a strategic business plan for 1985-1987 to guide the implementation of our primary responsibilities with careful attention to the long-run health of the Bank and the constituencies it serves.

Perhaps the most visible of these responsibilities relates to helping formulate national monetary policy. In this regard, we have focused more intently on contributing to national goals through quality economic research. Atlanta Fed President Robert P. Forrestal participates on the policymaking Federal Open Market Committee (FOMC) with the seven governors of the Federal Reserve System and the 11 other Federal Reserve Bank presidents. He became a voting member of the FOMC in March 1985, as our Bank's president does every third year.

A second responsibility spelled out in the business plan involves our activities relating to supervision and regulation. We commit ourselves to providing highly professional supervision of financial institutions, emphasizing minimal interference consistent with safety and soundness, while standing ready as a lender of last resort to support supervisory and monetary policy objectives.

Our third responsibility, which actually requires most of our resources, is providing financial and central banking services to the public, depository institutions, the U.S. government, and the business community. We are dedicated to offering superior service in a way that promotes the efficiency and integrity of the payments mechanism.

Our three corporate missions are distinct, yet we see them as being complementary and mutually supportive. By achieving our strategic goals, we can help encourage a strong, low-inflation economic environment, and contribute
to a stable, efficient financial services industry.

We are pleased with our accomplishments of last year, and this annual report details the operations and achievements of our various departments.

This annual report also will take a close look at the economy of the Sixth Federal Reserve District and how it relates to that of the nation. The District includes Alabama, Florida, and Georgia, as well as parts of Louisiana, Mississippi, and Tennessee. Despite lingering areas of weakness and the increasing concern over the vast federal budget deficit, the regional economy and the national economy so important to its health remain generally strong. As you'll see, we consider the outlook encouraging for the months ahead.

We'll discuss the positive but sometimes traumatic evolution of the financial services industry. With depository institutions still feeling the pressures of a changing market, our role as a supervisor and regulator proved to be an active one during the year just past; it promises to be no less important in 1985.

Looking ahead, we are aware of our obligations not only to our constituents but to our employees as well. We plan to build upon past accomplishments in human relations through a comprehensive program to improve management's accessibility and responsiveness to employee concerns. Our efforts include a broadened District-wide program to enhance employee relations and an intensified dedication to the Bank's affirmative action program. We are committed to identifying individuals with promise and to helping them progress in their careers.

We also intend to sharpen the Bank's focus on community affairs. This report details programs that our offices have undertaken to improve their respective communities, particularly in the area of education. And it will spotlight some of the employees who have given their own time to help make their communities better places to live.

The Atlanta Fed will seek to improve ties with congressional, business, and community leaders in the District through such initiatives as the distinguished lecturer series that has brought leading speakers to address our directors and guests. Prominent economists, government officials, and bankers spoke during the Atlanta series last year. In addition, our directors heard Federal Reserve Board Chairman Paul Volcker address a joint meeting of our boards in New Orleans.

We want to thank our directors for their valuable counsel during the year, with a special thanks to Guy W. Botts, former board chairman of Barnett Banks of Florida. Mr. Botts stepped down from our head office board at year-end after completing six years on that body and three previously with the Jacksonville Branch board. We want to welcome E.B. Robinson, Jr., chairman and chief executive officer of Deposit Guaranty National Bank in Jackson, Mississippi, who recently joined our head office board.

And finally, we would like to say "thank you" to the 2,000 employees whose dedication and hard work helped us meet the challenges of a demanding year in 1984.
Economic Expansion Continues in the Southeast

The southeastern economy turned in a good performance in 1984, with considerable employment and output expansion and little upward pressure on prices. After a slowdown in the third quarter, the area's economy regained momentum toward year-end. We look for continued growth in 1985 at a moderate pace.

Naturally, the outlook for the region's economic health depends on developments in national and international markets in which many of the region's goods and services are sold. While weak energy prices and the strength of the dollar in foreign exchange markets are likely to dampen activity in some sectors, vigor in others—such as auto-related manufacturing, services industries, and defense contracting—should be more than sufficient to maintain growth for the regional economy in coming months. And some parts of the region, continuing to enjoy significant business and population immigration, again are likely to grow faster than the nation as a whole.

Thanks partly to the manufacturing expansion and growth in service-related employment, the region's total employment advanced at a rate averaging nearly 4 percent during 1984 compared with only 2 percent the previous year. The number of jobs increased by more than a half million, 200,000 more than were added during 1983. Although job growth continued through most of last year, the rate dropped in the fourth quarter, reflecting the more moderate expansion in the second half.

The region's unemployment similarly mirrored the year's generally positive developments. The rate dropped to 8 percent in February 1984, after averaging nearly 10 percent during 1983, and remained close to the 8 percent level in the months that followed. Average unemployment rates for Georgia and Florida declined well below the national and regional levels, but in Mississippi and Alabama double-digit jobless rates persisted throughout 1984. The problems in those two states, plus weak growth in Louisiana, could make it difficult for the region to reduce its joblessness significantly this year. In fact, the region's anticipated economic strength in 1985 is likely to continue varying sharply among individual states and sectors.

The construction sector is expected to continue driving the Southeast's economy. Following a jump in the second quarter of 1984, interest rates declined substantially through the rest of the year and residential housing sales accelerated. Even though much of the pent-up demand for housing was satisfied by late 1984, the construction industry expects activity to remain reasonably strong during 1985. In multifamily housing, simply maintaining last year's pace—the strongest since 1973—would constitute an impressive performance.

Nonresidential construction also grew energetically in 1984. In this sector, too, activity reached a level not exceeded since the early 1970s. Accelerated depreciation write-offs and other tax laws favorable to investment contributed to this burst of activity. Some geographic markets have been saturated with new buildings and, in fact, may now be overbuilt. Although growth is unlikely to maintain its current pace through 1985, nonresidential construction may still achieve impressive levels if economic expansion proceeds as expected.

Consumer spending typically encoun-
ters a lull after a period of rapid growth, such as the nation enjoyed through 1983 and into early 1984. Therefore, it isn't surprising that the nation's economy slowed last summer when residential housing sales and construction tailed off. As the summer progressed, consumer demand weakened for a broad array of products including furniture, appliances, and other household furnishings.

The national pause in consumer spending proved to be only a temporary lull during another year of expansion, with a strong fourth quarter that provided a running start for 1985. With that renewed momentum, the Southeast's outlook for the remainder of 1985 is encouraging.

Retail sales in the Southeast held up better than in the country as a whole at that time. The Sixth District states continued to outperform the national average, with Florida and Georgia leading the way. In the first 11 months of the year, for instance, Florida posted a 13.3 percent gain over the same months of 1983, compared with a 10.9 percent gain for the nation as a whole. Tennessee exceeded the national average slightly for those 11 months, while Louisiana lagged slightly behind.

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The flow of businesses and residents into the region should heighten demand partly because of lackluster performance in the tourist sector. Many in the region's tourist industry look for improvement this year. Last year, the number of visitors to the region was curtailed by competition from the Los Angeles Olympics and the strong dollar, which encouraged U.S. citizens to travel abroad. The New Orleans World's Fair proved to be a disappointing money-loser for its sponsors although it clearly boosted tourism revenue in neighboring states.

Defense-related manufacturing, especially electrical and electronic machinery and equipment, should exhibit solid growth this year as will the region's substantial paper manufacturing industry. Unfortunately, not all the region's manufacturers will fare as well. Much of the apparel and textile manufacturing sector is suffering because of keen competition from imported products, their prices discounted in our outlets because of the dollar's strength in foreign exchange markets. Unless the dollar continues its early 1985 decline against other currencies, pressures on the domestic textile industry will mount. The displacement of textile workers will pose a lingering absorption problem for the southeastern labor market.

Virtually every industry heavily dependent on foreign sales has seen its market share shrink in recent years. The agricultural sector has been especially troubled by reduced foreign demand. Low prices for farm products, heavy debt service requirements, and declining land prices remain major hurdles for farmers.

The nation's economic expansion scarcely touched the Southeast's energy-producing sector in 1984 and the new year promises little improvement. The worldwide market for petroleum and natural gas is abundantly supplied, even though some producers have slashed output to shore up prices. Growth in foreign economies has been far less robust than ours and conservation efforts have restrained demand. Regional oil and gas production cannot rebound until global market conditions improve.
Southeastern seaport facilities and businesses dependent on export marketing find themselves hurt by the declining exports. Rising imports have bolstered a number of seaports and trade-related businesses, but a realignment of the dollar with other world currencies appears to be a prerequisite to restoring the health of most of the Southeast's international trade sector.

In the financial services industry, a continuing evolution in 1984 laid the groundwork for additional changes in the new year. Geographic barriers to competition among banks and savings and loan associations eroded further during 1984, while loan losses hastened the failure of additional depository institutions.

In another development typifying the transition in financial services, Georgia consumers gained access to almost all of the state's automated teller machines late in the year through the creation of Avail, a statewide ATM system modeled after Florida's Honor system.

The barriers to interstate competition were reduced significantly in the Southeast by four states' approval of reciprocal regional interstate banking legislation, by the opening of the "nonbank bank" loophole, and by a large New York bank holding company's acquisition of a failing S&L in Florida.

A change with great potential for banking in the Southeast was the passage of regional reciprocal interstate banking legislation in Florida, Georgia, North Carolina, and South Carolina. These four legislatures voted to allow banking organizations in other southern states to acquire their institutions if the other states provide reciprocal privileges. All four state laws, which became effective in 1985 or 1986, prohibit banks outside the South from acquiring institutions in these states.

The constitutionality of regional interstate banking bills like those passed in the Southeast was challenged in New England early in 1984. The regional bills were upheld in the federal Court of Appeals, but the Supreme Court has agreed to review the legislation.

The first merger proposed under the reciprocal laws would link Sun Banks of Florida, the second largest banking organization in the Sunshine State, and Atlanta-based Trust Company of Georgia, the third largest banking organization in that state.

Another major development in interstate banking came when the Federal Reserve Board approved U.S. Trust Corporation of New York's proposal to convert its trust company in Florida into a "nonbank bank." A nonbank, or limited-service bank, is insured and regulated but, because it does not meet the definition of a bank in the Bank Holding Company Act, it is not subject to commercial banks' customary geographic restrictions.

In February 1985 a federal district court ordered the Comptroller of the Currency not to issue any final approvals for limited-service banks pending a final court decision. The comptroller had begun approving nonbank bank charters after Congress failed to revise the Bank Holding Company Act in 1984. He had imposed a moratorium earlier to give Congress time to revise that act.

Many proposed nonbank banks are expected to be opened in the Sixth District states if Congress and the courts permit holding companies to exploit the loophole aggressively. Ninety-five applications had been filed as of mid-January for the Sixth District states. Florida leads the list with 42 proposed nonbank banks, while 22 applications have been filed for Georgia. Both states' legislatures have voted to prohibit the nonbank institutions.

Still another banking development was Citicorp's acquisition of a financially troubled savings and loan association in Miami, approved by the Federal Reserve Board early in 1984. Acquisition of the Florida S&L, arranged by the Federal Savings and Loan Insurance Corporation under provisions of the Garn-St Germain Act, gave the nation's largest banking organization an entry into one of the fastest-growing states.

Barriers to intrastate competition in Louisiana were lowered by the passage of a bill permitting multi-parish bank holding companies. The legislation could prompt the reorganization of many chain banking organizations into bank holding companies, as well as holding companies' purchase of some previously unrelated banks.

![Value of U.S. Dollar Trade-Weighted Against 10 Currencies](chart)
In the Bank's control room, guards monitor the closed-circuit television screens that enable our Protection Department to maintain surveillance essential to a central bank.
Atlanta Fed Activities: A Commitment to Efficiency, Integrity, and Excellence

The evolving financial services environment has brought major changes not only to our priced-services operations but to more traditional Bank activities such as those involved with supervising, regulating, and lending to commercial banks. Other departments, including Accounting and Statistical Reports, also have been affected.

At the same time, developments in our national and regional economies pose new challenges for our specialists dedicated to researching economic trends and counseling President Robert P. Forrestal on monetary policy.

We have come to feel at home in the new operating environment that was thrust on us by "MCA-80"—the Monetary Control Act of 1980. The act required us to sell, at explicit prices, services that we had for years provided free to member banks—services such as check processing, securities and noncash collection, wire transfers, and net settlements. We were also to make those services available to nonmember banks, savings and loan associations, and credit unions.

Throughout 1984, our 2,000 employees continued the high operating efficiency that has kept us in the forefront of the 12-Bank Federal Reserve System. That efficiency helped us to comply with the congressional mandate, enunciated in MCA-80, that the Reserve Banks match operating costs with revenues.

Despite our efficiency, a growing workload continued to tax our physical facilities. In Jacksonville, one of the fastest-growing economies in the nation, has prompted the construction of a new Branch building. The growing volume of business at the Jacksonville Branch has inundated our present building, which dates to 1952, with more work than its limited space can accommodate.

The new 208,000-square-foot building, well suited to the electronic age, is rising just west of Jacksonville's business district.

On the following pages we comment briefly on our operations in 1984, noting a few of our plans for further improvements in the years to come. Data on the volume of our operations appear on page 26.

Financial Services

One of the Bank's most important missions is to serve the public interest by providing superior financial services. This meshes well with our dedication to promoting the efficiency and integrity of the payments mechanism—another major ongoing mission of this District and the Federal Reserve System.

Since enactment of MCA-80, we have sought to cover our costs of providing priced services by continuing the District's emphasis on low cost/high quality operations. In 1984 we covered costs, met our volume targets, and remained a leader in the Federal Reserve's measures of production costs.

Because the industry we serve is changing rapidly, we have concentrated our longer range planning on developing new services. From 1981 to
Assistant Vice President James L. Brown confers with Barbara Tyson on a securities services transfer between the Atlanta Fed and a District financial institution.

Department Manager Edwina Taylor responds to a call in Statistical Reports, which processes 1,705 detailed reports every week from Sixth District depository institutions.
1983, we received approval from the Board of Governors to offer 21 new or improved services; in 1984 we obtained approval for 19 more. The following sections highlight our 1984 accomplishments and preview some of our future plans.

Check Collection

Check collection, a mature product line, generates 85 percent of the Atlanta Fed's revenue from financial services. The future seems to promise fewer checks to be processed and fewer check processors. This trend is likely because of consolidations among regional correspondent banks, a reduction in endpoints served due to mergers, and continued interest by financial institutions in direct local and regional exchanges. In 1984, the District processed 2.14 billion checks or 8 percent more than during 1983. This is the largest volume of any Federal Reserve District.

We continue to explore other needs in the marketplace. We hope to develop cooperative ventures in which we would provide specialized processing for other large processors, and to employ technology that can make our service more efficient. In 1984, we took further steps toward serving an increasingly electronic payments mechanism by providing microfilming services for commercial checks either for a depositor prior to check sorting or for a check receiver following sorting. In 1985 we will continue moving toward a less paper-dependent system by piloting a program for truncation of checks at the Federal Reserve. Truncated checks are held at a deposit point rather than being returned to the check-writer. This service could permit even greater savings for the payments process.

Wire Transfer/ACH

As the nation's payments system evolves further toward electronic transfers, the Fed also will move in that direction, continuing to be a state-of-the-art payments processor. Electronic payment generally is recognized as the medium of the future, particularly as point-of-sale (POS), automated teller machine (ATM), automated clearinghouse (ACH), and other electronic payment and settlement functions gain popularity; therefore, we plan to use advanced technology to make wire transfer and ACH services broader and more cost-efficient through faster processing and improved data communications.

As a major step in this program, the Bank last year began employing the latest technology to implement an upgraded, on-line, multi-service electronic network to deliver Federal Reserve services to Sixth District financial institutions. As a further step, we expanded ACH night-cycle processing and offered new electronic delivery options. During the past year, the number of commercial ACH transactions processed at our six offices increased by about 44 percent while the dollar volume more than doubled.

Securities Services

With the new requirement that all securities be registered and the national trend toward book-entry of registered securities, our existing definitive safekeeping and coupon collection services have limited long-term potential. However, while adapting to long-run needs of the marketplace, we intend to pursue near-term service opportunities. As part of this strategy, a standard securities services software package using a new microcomputer network was implemented in December. It offers substantial improvements over our previous system, and allows on-line institutions to gain advantages for security transfers and safekeeping.

Our safekeeping pilot program for definitive securities—conventional paper documents—became a standard offering in 1984. The program employs volume discount pricing to meet better the needs of large depositors. We already have attracted one very large corporate customer for which we perform custodial services. Furthermore, the offering of a "nominee feature," which originated in our Jacksonville Branch in 1984, is expected to increase the attractiveness of our safekeeping services to current and potential depositors.

In noncash collection services, the mixed deposit/fine-sort pilot program
One of the Atlanta Fed's massive vault doors symbolizes the strength of the institution.

first introduced in mid-1983 was continued successfully last year, with the District handling more than one-fourth of total Systemwide noncash volume. This program appeals to financial institutions that prefer not to sort their noncash items but rather to deposit a mixture of items payable both locally and in other Federal Reserve Districts.

Cash and Other Non-Priced Activities

In addition to the innovations in priced services, the Sixth District continues to improve the efficiency of cash operations and to support the System's efforts to provide increasingly automated and higher quality services to the government. The District is working with the Treasury Department on new cash management services and on converting additional securities to book-entry form. Over the past few years, new high-speed currency processing machines and standards have improved the quality of currency in circulation. A redesigned fitness sensor is now being installed on all existing equipment. We also are participating in the test of a second generation currency system, with the prototype to be installed in Atlanta during the second quarter of 1985.

Economic Research and Public Information

Our Research Department is committed to helping formulate and implement monetary policy and adding to our understanding of macroeconomic policy issues through high quality research. Top priorities are the evaluation of how monetary policy influences the regional, domestic, and international economies, and the development of policy alternatives. We continue our long-term interest in the impact of a changing financial structure on regulatory and monetary policies. Last year, the research effort was deepened through greater use of quantitative methods, including work with a structural model of the U.S. economy.
Meanwhile, the Bank is working to communicate to the public effectively through its publications, conferences, President Forrestal's regular newspaper column, and presentations delivered to civic and professional groups by senior officers and economists. We seek to foster public understanding of Bank and System responsibilities and objectives through the press as well as through our contacts with and publications for the academic and business communities.

The department's Economic Review, which won a national communications award in 1984, and our Southeastern Economic Insight newsletter have proved to be popular conduits for channeling such information to the public. Those publications analyze economic, financial, and business conditions nationally and in the region.

**Discount and Credit**

In addition to performing its normal function of supplying seasonal and short-term adjustment credit, the Discount and Credit Department worked in concert with other regulatory agencies during the year for the orderly resolution of problems at eight failing institutions. That was one more than the seven institutions assisted in 1983, when a number of related problems arose in eastern Tennessee. In the Sixth District, all such cases in recent years have been handled through what is generally called the “purchase and assumption” procedure, which provides virtually uninterrupted service to depositors.

**Supervision and Regulation**

Our activities in this segment of our business have been shaped by the continuing evolution of the nation’s financial system and the rules governing it. Critical to this evolution is the continued restructuring of the system through the bank holding company form of organization, which the Federal Reserve alone has responsibility for regulating. In the Sixth District, bank holding company activity was at record levels last year. We processed 150 applications from institutions seeking to form new holding companies and 165 applications relating to other changes such as mergers and acquisitions of commercial banks or nonbank firms.

Twelve new state-chartered banks and one existing bank in the Sixth District were admitted to membership in the Federal Reserve System in 1984, with 13 applications still pending at year-end. Since MCA-80 diminished the reserve requirement disadvantages of membership, the number of state member banks in the Sixth District has risen to 98, the most in recent history.

On the international banking scene, foreign debt problems and a rising dollar brought a slowdown after several years of rapid growth. The number of Edge Act banks and branches and agencies of foreign banks doing business in the Sixth District changed little during the year. At year-end there were 106 international banking institutions in the District, 24 of them in Atlanta and 79 in the Miami area.
Kathy Clements of Corporate Accounting shares a book with six-year-old Joey Bryan at Henrietta Egleston Hospital for Children in Atlanta, where Kathy pitches in as a volunteer on weekends.
We at the Atlanta Fed view ourselves as partners in various civic-minded corporate undertakings in the six southeastern cities where we have offices. In fact, our corporate philosophy statement notes, "We take seriously the responsibilities of our corporate citizenship and actively encourage and support the civic and community involvement of our staff."

While there are limitations on the role that a quasi-public entity can play, both social and business considerations support the concept of community involvement. The importance of corporate interest in community affairs has been heightened in recent years because private businesses and citizens have been called upon along with local governments to assume a large share of support previously provided through federal government expenditures.

Individual employees are free of the strictures that often limit an institution in its desire to "do good." Bank employees in Birmingham, Jacksonville, Miami, Nashville, and New Orleans, as well as Atlanta, have involved themselves in projects as diverse as performing volunteer work for a children's hospital, serving on emergency rescue units, helping feed the needy, counseling prison inmates, teaching illiterate adults to read, and coaching youth sports teams.

We feel that a clearly legitimate area for community involvement, both on the part of the Bank and its individual employees, is in the realm of education—encouraging and working to promote excellence among superior students as well as potential dropouts struggling with average classwork. Therefore, much of the Bank's community activity is directed toward this end.

Fostering excellence in educational systems can benefit everybody. Employees can gain a better qualified labor market to draw upon, and improved access to jobs through schooling may even reduce crime. To date, the Bank has become involved in such programs as the Harper Magnet School for Financial Services, Inroads, Adopt-a-Student, and the Atlanta Chamber of Commerce Task Force on Education.

In the widely praised Harper Magnet School program, which the Atlanta Fed helped create in 1982, high school students with proven academic competence and a desire to enter the financial field are given special support by
Two students with the Inroads program, Melissa Brookins, left, and Andrea Adair, check a computer printout during their Atlanta Fed internship.
"Inroads" is a national organization that identifies, trains, and develops talented minority college students interested in corporate careers in business or engineering. The program's objectives are to provide experience and increase business opportunities for the youths, while giving corporations an opportunity to develop future employees. We employed two Inroads interns last summer. One student completed her third summer of internship at the Bank, while the other finished her first summer work experience and entered college in the fall.

The Bank also recruited volunteer employees qualified to work one-on-one with teenagers as part of the Adopt-a-Student program. In this program, high school seniors in the lowest quartile of their classes are "adopted" by individuals in business who encourage and help them after hours. The object is to motivate students to improve their grades, graduate from high school, and find employment. Ten Atlanta Fed employees made commitments to the program for the 1984-85 school year.

The Atlanta Fed also took part in an Education Task Force created by Atlanta's Chamber of Commerce. In one task force project, schoolteachers who lacked a computer background were given an eight-week course in the basics to help them more effectively instruct students who were already computer-knowledgeable.

One member of our staff lectures at workshops sponsored by the Georgia Council on Education and serves as a trustee of the council, which develops techniques and materials to help teachers give students an understanding of basic economics. And, during 1984, high school vocational and career counselors toured the Bank on Educators' Day, part of a program designed to encourage young people to continue their studies.

Not all of the Bank's community involvement energy is channeled into education. Our community affairs function was expanded during the past year through the activities of a community affairs officer who serves as liaison between the District's financial institutions and cities and various local organizations.

Our designated officer seeks to familiarize himself with economic and community development needs and programs within the District, and to inform financial institutions how they might involve themselves in relevant programs in their markets. He works with the District's 20 Neighborhood Housing Services corporations, partnerships of financial institutions, neighborhood residents, and city governments created to revitalize urban neighborhoods. He has helped several organizations by attending fund-raising events for the contributing financial institutions; one such affair was hosted by the Miami Branch. A related initiative is publishing "Opportunities," a bimonthly newsletter designed to inform banks of opportunities for participation in local economic and community development programs.

Our offices support such respected programs as United Way campaigns and Red Cross blood drives. Again, the Bank's involvement must be limited, since our charter precludes making corporate gifts to charitable organizations. Yet for years the Bank has supported the United Way and the many community agencies under its umbrella.
Officers and other staff members in our various offices participate in the annual fund-raising campaign, serving as group and division managers. The Miami and New Orleans Branches both provided two "loaned executives" for the 1984 fund drive, and the Atlanta office contributed one for that city's drive. Bank officers serve on agency relations committees, overseeing the programs and expenditures of various organizations. Bank employees contribute generously to the United Way in six cities, establishing a level of giving that has captured many awards. More than 87 percent of our Atlanta office staff participates in the Charity Parity plan, a payroll deduction plan for charitable giving. Total 1984 pledges increased by 15 percent and fair share giving rose by 24 percent. Employees responded with similar enthusiasm in the Bank's other offices.

An officer of the Birmingham Branch served as chairman of the Alabama Youth Football State Championship, which involved 1,200 youngsters and raised funds for King's Ranch, which shelters mistreated children and unwed mothers.

Individual employees in Jacksonville spend off-duty hours working with such organizations as the American Red Cross, the Boy Scouts of America, the Salvation Army, and the Special Olympics. Employees serve on volunteer fire departments and perform in community theater groups.

In Miami, employees enter into activities ranging from chairing the West Dade Chamber of Commerce—an organization with more than 100 participating businesses—to working as a Big Brother or Big Sister in a program that fosters a personal relationship between an adult and a one-parent child. Various employees give their time to such organizations as the Urban League of Greater Miami, the Inner City Children's Touring Dance Company, and the Sierra Club of South Florida.

The Nashville Branch has been honored as an outstanding employer of the deaf, employing several deaf men and women. To enhance communication with deaf employees, sign language classes are conducted periodically by interpreters from the League for the Hearing Impaired.

In New Orleans, Branch employees coordinate a child abuse and battered women's program, conduct fund-raising activities for a retarded children's special school, and counsel adolescents troubled by family problems or drug addiction. One employee serves with the Land, Air and Sea Emergency Rescue Unit, responding to disasters and emergency situations ranging from plane crashes to hostage negotiations.

Why do we encourage such off-hours activism by our employees? Community involvement's long-term benefits to an institution or a corporation often are uncertain in the beginning. Yet, some advantages are obvious. For example, involvement benefits the society in which we work and live. Community projects also help us identify talented, competent employees. Furthermore, if an institution and its employees can help raise educational standards, upgrade the lives of the underprivileged and afflicted, and contribute to the overall well-being of a locality's economy, everyone will benefit.
Robert E. Heck, an officer in Supervision and Regulation shown here in uniform to referee a high school football game, also coaches girls softball teams in his off hours.
Directors and Senior Officers

Board of Directors, 1984

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Chairman and Chief Executive Officer
Richway
Atlanta, Georgia

BRADLEY CURREY, JR.
DEPUTY CHAIRMAN
President
Rock-Tenn Company
Norcross, Georgia

DAN B. ANDREWS
President
First National Bank
Dickson, Tennessee

HAROLD B. BLACH, JR.
President
Blach's, Inc.
Birmingham, Alabama

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President
Horatio Thompson Investment, Inc.
Baton Rouge, Louisiana

MARY W. WALKER
President
The National Bank of Walton County
Monroe, Georgia

New Director for 1985

E.B. ROBINSON, JR.
Chairman and Chief Executive Officer
Deposit Guaranty National Bank
Jackson, Mississippi

Federal Advisory Council

PHILIP F. SEARLE
Chairman
Sun Banks, Inc.
Orlando, Florida
Senior Officers

ROBERT P. FORRESTAL
President

JACK GUYNN
First Vice President

B. H. HARGETT
Executive Vice President

W. R. CALDWELL
Senior Vice President

CHARLES D. EAST
Senior Vice President and Comptroller

HARRY C. SCHIERING
General Auditor

H. TERRY SMITH
Senior Vice President

SHEILA TSCHINKEL
Senior Vice President and Director of Research

PATRICK K. BARRON
Vice President and Miami Branch Manager

WARDLYN BASSLER
Vice President

HENRY BOURGAUX
Vice President and New Orleans Branch Manager

HARRY BRANDT
Corporate Secretary and Assistant to the President

FRANK J. CRAVEN
Vice President

W. M. DAVIS
Vice President

DELMAR HARRISON
Vice President and Atlanta Branch Manager

JAMES D. HAWKINS
Vice President and Jacksonville Branch Manager

ROBERT E. HECK
Vice President

FREDERICK R. HERR
Vice President and Birmingham Branch Manager

Management Committee

JACK GUYNN
First Vice President

B. H. HARGETT
Executive Vice President

W. R. CALDWELL
Senior Vice President

CHARLES D. EAST
Senior Vice President and Comptroller

HARRY C. SCHIERING
General Auditor

H. TERRY SMITH
Senior Vice President

SHEILA TSCHINKEL
Senior Vice President and Director of Research

Management Committee: Seated, left to right, Tschinkel, Guynn, and Smith; standing, Schiering, Caldwell, East, and Hargett.
Branch Directors, 1984

Birmingham

MARTHA McINNIS
CHAIRMAN
President
EnviroSouth, Inc.
Montgomery, Alabama

G. MACK DOVE
President
AAA Cooper Transportation Company
Dothan, Alabama

GRADY GILLAM
Chairman
AmSouth Bank, N.A.
Gadsden, Alabama

SAMUEL RICHARDSON HILL, JR.
President
University of Alabama at Birmingham
Birmingham, Alabama

CHARLES LEE PEERY
Chairman
The First National Bank of Florence
Florence, Alabama

WILLIAM M. SCHROEDER
Chairman and President
Central State Bank
Calera, Alabama

LOUIS J. WILLIE
Executive Vice President
Booker T. Washington Insurance Company
Birmingham, Alabama

Jacksonville

JEROME P. KEUPER
CHAIRMAN
President
Florida Institute of Technology
Melbourne, Florida

GEORGE C. BOONE, JR.
President and Chief Executive Officer
Security First Federal Savings
and Loan Association
Daytona Beach, Florida

LEWIS A. DOMAN
President
Citizens and Peoples National Bank
Pensacola, Florida

E. F. KEEN, JR.
Vice Chairman
NCNB Bancorporation, Inc.
Bradenton, Florida

E. WILLIAM NASH, JR.
President
South-Central Operations
Prudential Life Insurance
Company of America
Jacksonville, Florida

JO ANN DOKE SMITH
Co-Owner
Smith Brothers
Micanopy, Florida

JOHN D. UIBLE
Chairman and Chief Executive Officer
Florida National Banks of Florida, Inc.
Jacksonville, Florida

New Directors for 1985

WILLARD L. HURLEY
Chairman and Chief Executive Officer
First Alabama Bancshares, Inc.
Birmingham, Alabama

A. G. TRAMMELL
President
Alabama Labor Council—AFL-CIO
Birmingham, Alabama

Miami

SUE McCOURT COBB
CHAIRMAN
Attorney
Greenberg, Traurig, Askew, Hoffman,
Lipoff, Rosen and Quentel, P.A.
Miami, Florida

EUGENE E. COHEN
Chief Financial Officer and Treasurer
Howard Hughes Medical Institute
Coconut Grove, Florida

D. S. HUDSON, JR.
Chairman
First National Bank and
Trust Company of Stuart
Stuart, Florida

ROBERT D. RAPAPORT
Principal
The Rapaport Companies
Palm Beach, Florida

ROY VANDEGRIFT, JR.
President
Roy Van, Inc.
Pahokee, Florida

STEPHEN G. ZAHORIAN
President
Barnett Bank of Lee County, N.A.
Fort Myers, Florida

New Directors for 1985

ANDREW A. ROBINSON
Dean, College of Education
and Human Services
University of North Florida
Jacksonville, Florida

JOEL R. WELLS, JR.
President and Chief Executive Officer
Sun Banks, Inc.
Orlando, Florida

JAMES P. HERMES
President and Chief Executive Officer
Bank of the Islands
Sanibel, Florida
In a scene repeated daily at our six Branch offices, an operator prepares money for processing on a high-speed currency machine that will verify the amount and screen out unfit bills and counterfeits.

New Orleans

SHARON A. PERLIS
CHAIRMAN
Attorney
Metairie, Louisiana

JERRY W. BRENTS
President and Chief Executive Officer
First Louisiana Holding Company
Lafayette, Louisiana

CARL E. JONES, JR.
Chairman, President, and
Chief Executive Officer
Merchants National Bank of Mobile
Mobile, Alabama

New Director for 1985

WILL A. HILDRETH
President and Chief Executive Officer
First National Bank of Loudon County
Lenoir City, Tennessee

ROOSEVELT STEPTOE
Professor of Economics
Southern University
Baton Rouge Campus
Baton Rouge, Louisiana

PHILIP K. LIVINGSTON
Vice Chairman, President, and
Chief Executive Officer
Citizens National Bank
Hammond, Louisiana

TOM B. SCOTT, JR.
President and Chief Executive Officer
Unifirst Bank for Savings, F.A.
Jackson, Mississippi

ROSEVELT STEPTOE
Professor of Economics
Southern University
Baton Rouge Campus
Baton Rouge, Louisiana

New Director for 1985

JAMES G. BOYER
Chairman, President, and
Chief Executive Officer
Gulf National Bank at Lake Charles
Lake Charles, Louisiana

PHILIP K. LIVINGSTON
Vice Chairman, President, and
Chief Executive Officer
Citizens National Bank
Hammond, Louisiana

TOM B. SCOTT, JR.
President and Chief Executive Officer
Unifirst Bank for Savings, F.A.
Jackson, Mississippi

ROSEVELT STEPTOE
Professor of Economics
Southern University
Baton Rouge Campus
Baton Rouge, Louisiana

New Director for 1985

JAMES G. BOYER
Chairman, President, and
Chief Executive Officer
Gulf National Bank at Lake Charles
Lake Charles, Louisiana
# Statement of Condition

<table>
<thead>
<tr>
<th>Assets</th>
<th>December 31, 1983</th>
<th>December 31, 1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold Certificate Account</td>
<td>$371,000,000</td>
<td>$360,000,000</td>
</tr>
<tr>
<td>Special Drawing Rights Certificate Account</td>
<td>161,000,000</td>
<td>161,000,000</td>
</tr>
<tr>
<td>Coin</td>
<td>42,238,437</td>
<td>49,655,950</td>
</tr>
<tr>
<td>Loans and Securities</td>
<td>3,870,336,372</td>
<td>4,018,821,491</td>
</tr>
<tr>
<td>Cash Items in Process of Collection</td>
<td>1,209,887,887</td>
<td>541,108,045</td>
</tr>
<tr>
<td>Bank Premises</td>
<td>34,189,340</td>
<td>39,275,879</td>
</tr>
<tr>
<td>Other Assets</td>
<td>394,674,961</td>
<td>437,619,842</td>
</tr>
<tr>
<td>Interdistrict Settlement Account</td>
<td>35,376,273</td>
<td>2,276,666,836</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$6,118,703,270</strong></td>
<td><strong>$7,884,168,043</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Reserve Notes</td>
<td>$3,155,985,661</td>
<td>$5,216,469,381</td>
</tr>
<tr>
<td>Deposits*</td>
<td>1,578,055,351</td>
<td>1,756,695,061</td>
</tr>
<tr>
<td>Deferred Availability Cash Items</td>
<td>1,074,442,781</td>
<td>545,785,769</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>67,137,577</td>
<td>96,905,432</td>
</tr>
<tr>
<td>Interdistrict Settlement Account</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$5,875,621,370</strong></td>
<td><strong>$7,615,855,643</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Accounts</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Paid In</td>
<td>$121,540,950</td>
<td>$134,156,200</td>
</tr>
<tr>
<td>Surplus</td>
<td>121,540,950</td>
<td>134,156,200</td>
</tr>
<tr>
<td><strong>Total Capital Accounts</strong></td>
<td><strong>$243,081,900</strong></td>
<td><strong>$268,312,400</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Capital Accounts</strong></td>
<td><strong>$6,118,703,270</strong></td>
<td><strong>$7,884,168,043</strong></td>
</tr>
</tbody>
</table>

*Includes Depository Institution Accounts, Collected Funds Due to Other F.R. Banks, U.S. Treasurer - General Account.
# Statement of Earnings

<table>
<thead>
<tr>
<th>Earnings and Expenses</th>
<th>1983</th>
<th>1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Current Income</td>
<td>$450,121,579</td>
<td>$481,819,985</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$83,676,158</td>
<td>$88,577,516</td>
</tr>
<tr>
<td>Cost of Earnings Credit (Deduct)</td>
<td>$8,175,346</td>
<td>$12,044,659</td>
</tr>
<tr>
<td>Current Net Income</td>
<td>$358,270,075</td>
<td>$381,197,810</td>
</tr>
<tr>
<td>Net Additions (+) Deductions (−)*</td>
<td>$−36,075,852</td>
<td>$−37,009,013</td>
</tr>
<tr>
<td>Assessment of Expenses of Board of Governors</td>
<td>$5,772,600</td>
<td>$6,826,100</td>
</tr>
<tr>
<td>F. R. Currency Cost</td>
<td>$6,037,702</td>
<td>$3,261,034</td>
</tr>
<tr>
<td>Net Income Before Payment to U.S. Treasury</td>
<td>$310,383,921</td>
<td>$334,101,663</td>
</tr>
</tbody>
</table>

## Distribution of Net Earnings

<table>
<thead>
<tr>
<th>Description</th>
<th>1983</th>
<th>1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends Paid</td>
<td>$6,665,126</td>
<td>$7,686,605</td>
</tr>
<tr>
<td>Payments to U.S. Treasury (Interest on F.R. Notes)</td>
<td>$290,842,695</td>
<td>$313,799,808</td>
</tr>
<tr>
<td>Transferred to Surplus Account</td>
<td>$+12,676,100</td>
<td>$+12,615,250</td>
</tr>
<tr>
<td>Total Income Distributed</td>
<td>$310,383,921</td>
<td>$334,101,663</td>
</tr>
</tbody>
</table>

## Surplus Account

<table>
<thead>
<tr>
<th>Description</th>
<th>1983</th>
<th>1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus January 1</td>
<td>$108,864,850</td>
<td>$121,540,950</td>
</tr>
<tr>
<td>Transferred to Surplus—as above</td>
<td>$12,676,100</td>
<td>$12,615,250</td>
</tr>
<tr>
<td>Surplus December 31</td>
<td>$121,540,950</td>
<td>$134,156,200</td>
</tr>
</tbody>
</table>

## Summary of Operations

<table>
<thead>
<tr>
<th>Services to Depository Institutions</th>
<th>1983</th>
<th></th>
<th>1984</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>items</td>
<td>$</td>
<td>items</td>
</tr>
<tr>
<td></td>
<td>(millions)</td>
<td>(thousands)</td>
<td>(millions)</td>
<td>(thousands)</td>
</tr>
<tr>
<td>Clearing and Collection Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checks handled:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Government checks</td>
<td>57,426</td>
<td>80,053</td>
<td>54,928</td>
<td>77,161</td>
</tr>
<tr>
<td>Postal money orders</td>
<td>1,195</td>
<td>17,978</td>
<td>1,004</td>
<td>15,088</td>
</tr>
<tr>
<td>All other</td>
<td>1,187,182</td>
<td>1,980,246</td>
<td>1,307,228</td>
<td>2,138,020</td>
</tr>
<tr>
<td>ACH payments processed</td>
<td>115,660</td>
<td>58,315</td>
<td>263,037</td>
<td>72,067</td>
</tr>
<tr>
<td>Wire transfers of funds</td>
<td>6,322,569</td>
<td>5,771</td>
<td>6,890,627</td>
<td>6,139</td>
</tr>
<tr>
<td>Cash Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash receipts</td>
<td>20,473</td>
<td>4,819,283</td>
<td>23,995</td>
<td>5,821,102</td>
</tr>
<tr>
<td>Total cash payments</td>
<td>15,192</td>
<td>7,089,589</td>
<td>16,954</td>
<td>7,833,511</td>
</tr>
<tr>
<td>Currency processed</td>
<td></td>
<td>1,453,459</td>
<td></td>
<td>1,679,140</td>
</tr>
<tr>
<td>Coin processed</td>
<td></td>
<td>2,793,798</td>
<td></td>
<td>3,159,478</td>
</tr>
<tr>
<td>Loans to depository institutions daily average</td>
<td></td>
<td></td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Securities Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wire transfer of securities</td>
<td>735,843</td>
<td>244</td>
<td>579,000</td>
<td>553</td>
</tr>
<tr>
<td>Noncash collection</td>
<td>986</td>
<td>858</td>
<td>1,431</td>
<td>1,282</td>
</tr>
<tr>
<td>Services to U.S. Treasury</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. savings bonds issued, redeemed by Federal Reserve Bank</td>
<td>370</td>
<td>2,186</td>
<td>293</td>
<td>2,121</td>
</tr>
<tr>
<td>U.S. savings bonds issued and redeemed by qualified issuing and paying agents</td>
<td>897</td>
<td>10,035</td>
<td>964</td>
<td>9,866</td>
</tr>
<tr>
<td>Other Treasury securities issued, serviced and redeemed</td>
<td>106,855</td>
<td>228</td>
<td>26,609</td>
<td>198</td>
</tr>
<tr>
<td>Deposits to Treasury Tax and loan accounts</td>
<td>20,819</td>
<td>898</td>
<td>51,238</td>
<td>936</td>
</tr>
<tr>
<td>Food coupons destroyed</td>
<td>1,517</td>
<td>395,380</td>
<td>1,414</td>
<td>368,631</td>
</tr>
</tbody>
</table>
Branches:

Atlanta Branch
104 Marietta St., N.W.
Atlanta, Georgia 30303

Birmingham Branch
1801 Fifth Avenue, North
Birmingham, Alabama 35283

Jacksonville Branch
515 Julia Street
Jacksonville, Florida 32231

Miami Branch
9100 N.W. 36th Street Extension
Miami, Florida 33178

Nashville Branch
301 Eighth Avenue, North
Nashville, Tennessee 37203

New Orleans Branch
525 St. Charles Avenue
New Orleans, Louisiana 70161

Photos:

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New Orleans—p. 3

Hefner Productions,
Atlanta—p. 6

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Miami—p. 18