DIRECTORS

J. P. Morgan
Thomas W. Lamont
Junius S. Morgan
George Whitney
R. C. Leffingwell
Francis D. Bartow
Arthur M. Anderson
Thomas S. Lamont
H. P. Davison
Charles D. Dickey
Henry C. Alexander
I. C. R. Atkin
W. A. Mitchell
Condensed Statement of Condition March 30, 1940
Condensed Statement of Condition March 30, 1940

**ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand and on Deposit in Banks</td>
<td>$147,163,050.87</td>
</tr>
<tr>
<td>United States Government Securities, Direct and Fully Guaranteed</td>
<td>387,093,168.12</td>
</tr>
<tr>
<td>State and Municipal Bonds and Notes</td>
<td>49,853,014.60</td>
</tr>
<tr>
<td>Other Bonds and Securities (including Shares of Morgan Grenfell &amp; Co. Limited)</td>
<td>15,498,138.21</td>
</tr>
<tr>
<td>Loans and Bills Purchased</td>
<td>28,651,629.70</td>
</tr>
<tr>
<td>Accrued Interest, Accounts Receivable, etc.</td>
<td>1,862,075.56</td>
</tr>
<tr>
<td>Investment in Banking Premises</td>
<td>4,000,000.00</td>
</tr>
<tr>
<td>Liability of Customers on Letters of Credit and Acceptances</td>
<td>$11,360,366.16</td>
</tr>
<tr>
<td>Less Prepayments</td>
<td>1,411,750.98</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$643,539,883.24</td>
</tr>
</tbody>
</table>

**LIABILITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>$591,963,666.29</td>
</tr>
<tr>
<td>Accounts Payable and Miscellaneous Liabilities</td>
<td>213,450.79</td>
</tr>
<tr>
<td>Acceptances Outstanding and Letters of Credit Issued</td>
<td>11,360,366.16</td>
</tr>
<tr>
<td>Capital</td>
<td>$20,000,000.00</td>
</tr>
<tr>
<td>Surplus</td>
<td>20,000,000.00</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$643,539,883.24</td>
</tr>
</tbody>
</table>

United States Government securities carried at $7,331,562.50 in the above statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

April 2, 1940
DIRECTORS

J. P. Morgan
Thomas W. Lamont
Junius S. Morgan
George Whitney
R. C. Leffingwell
Francis D. Bartow
Arthur M. Anderson
Thomas S. Lamont
H. P. Davison
Charles D. Dickey
Henry C. Alexander
I. C. R. Atkin
W. A. Mitchell
Condensed Statement of Condition June 29, 1940
# J. P. Morgan & Co.

**INCORPORATED**

**NEW YORK**

## Condensed Statement of Condition June 29, 1940

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand and on Deposit in Banks</td>
<td>$256,015,246.22</td>
<td>Deposits</td>
</tr>
<tr>
<td>United States Government Securities, Direct and Fully Guaranteed</td>
<td>338,346,236.31</td>
<td>Accounts Payable and Miscellaneous Liabilities</td>
</tr>
<tr>
<td>State and Municipal Bonds and Notes</td>
<td>47,937,589.01</td>
<td>Acceptances Outstanding and Letters of Credit Issued</td>
</tr>
<tr>
<td>Other Bonds and Securities (including Shares of Morgan Grenfell &amp; Co. Limited)</td>
<td>15,438,148.46</td>
<td>Capital</td>
</tr>
<tr>
<td>Loans and Bills Purchased</td>
<td>28,162,561.03</td>
<td>Surplus</td>
</tr>
<tr>
<td>Accrued Interest, Accounts Receivable, etc.</td>
<td>1,254,687.10</td>
<td></td>
</tr>
<tr>
<td>Investment in Banking Premises</td>
<td>4,000,000.00</td>
<td></td>
</tr>
<tr>
<td>Liability of Customers on Letters of Credit and Acceptances</td>
<td>$11,143,459.07</td>
<td></td>
</tr>
<tr>
<td>Less Prepayments</td>
<td>337,732.35</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,805,726.72</td>
<td>Total Liabilities</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$701,960,194.88</td>
<td></td>
</tr>
</tbody>
</table>

United States Government securities carried at $7,289,153.00 in the above statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

July 2, 1940
DIRECTORS

J. P. MORGAN
THOMAS W. LAMONT
JUNIUS S. MORGAN
GEORGE WHITNEY
R. C. LEFFINGWELL
FRANCIS D. BARTOW
ARTHUR M. ANDERSON
THOMAS S. LAMONT
H. P. DAVISON
CHARLES D. DICKEY
HENRY C. ALEXANDER
I. C. R. ATKIN
W. A. MITCHELL
J. P. MORGAN & CO.
INCORPORATED
NEW YORK

Condensed Statement
of Condition December 31, 1940
### J. P. MORGAN & CO.
#### INCORPORATED
#### NEW YORK

**Condensed Statement of Condition December 31, 1940**

#### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand and on Deposit in Banks</td>
<td>$271,914,851.05</td>
</tr>
<tr>
<td>United States Government Securities, Direct and Fully Guaranteed</td>
<td>361,333,143.77</td>
</tr>
<tr>
<td>State and Municipal Bonds and Notes</td>
<td>67,623,066.01</td>
</tr>
<tr>
<td>Other Bonds and Securities (including Shares of Morgan Grenfell &amp; Co. Limited)</td>
<td>19,666,749.73</td>
</tr>
<tr>
<td>Loans and Bills Purchased</td>
<td>35,849,992.40</td>
</tr>
<tr>
<td>Accrued Interest, Accounts Receivable, etc.</td>
<td>1,433,777.36</td>
</tr>
<tr>
<td>Investment in Banking Premises</td>
<td>4,000,000.00</td>
</tr>
<tr>
<td><strong>Liability of Customers on Letters of Credit and Acceptances</strong></td>
<td>$11,503,829.19</td>
</tr>
<tr>
<td>Less Prepayments</td>
<td>461,216.78</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$772,864,192.73</strong></td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>$719,913,403.17</td>
</tr>
<tr>
<td>Accounts Payable and Miscellaneous Liabilities</td>
<td>1,132,471.08</td>
</tr>
<tr>
<td>Acceptances Outstanding and Letters of Credit Issued</td>
<td>11,503,829.19</td>
</tr>
<tr>
<td>Capital</td>
<td>$20,000,000.00</td>
</tr>
<tr>
<td>Surplus</td>
<td>20,000,000.00</td>
</tr>
<tr>
<td>Undivided Profits</td>
<td>314,489.29</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$772,864,192.73</strong></td>
</tr>
</tbody>
</table>

United States Government securities carried at $9,947,837.25 in the above statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

January 6, 1941
Guaranty Trust Company of New York

Statement of Condition
March 31, 1940
# Guaranty Trust Company of New York

## Condensed Statement of Condition, March 31, 1940

**RESOURCES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers</td>
<td>$1,239,001,641.16</td>
</tr>
<tr>
<td>U. S. Government Obligations</td>
<td>840,110,253.69</td>
</tr>
<tr>
<td>Public Securities</td>
<td>59,312,264.25</td>
</tr>
<tr>
<td>Stock of the Federal Reserve Bank</td>
<td>7,800,000.00</td>
</tr>
<tr>
<td>Other Securities and Obligations</td>
<td>24,475,823.91</td>
</tr>
<tr>
<td>Loans and Bills Purchased</td>
<td>439,735,064.43</td>
</tr>
<tr>
<td>Credits Granted on Acceptances</td>
<td>12,678,194.92</td>
</tr>
<tr>
<td>Bullion Abroad and in Transit</td>
<td>4,231,395.00</td>
</tr>
<tr>
<td>Accrued Interest and Accounts Receivable</td>
<td>9,862,511.60</td>
</tr>
<tr>
<td>Real Estate Bonds and Mortgages</td>
<td>2,994,323.17</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$2,653,187,645.96</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>$2,331,183,523.34</td>
</tr>
<tr>
<td>Checks Outstanding</td>
<td>12,051,117.74</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$2,343,234,641.08</strong></td>
</tr>
<tr>
<td>Acceptances</td>
<td>$23,294,148.50</td>
</tr>
<tr>
<td>Less: Own Acceptances Held for Investment</td>
<td>10,615,953.58</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$2,378,033,184.02</strong></td>
</tr>
<tr>
<td>Liability as Endorser on Acceptances and Foreign Bills</td>
<td>4,008,198.00</td>
</tr>
<tr>
<td>Agreements to Repurchase Securities Sold</td>
<td>158,056.00</td>
</tr>
<tr>
<td>Dividend Payable April 1, 1940</td>
<td>2,700,000.00</td>
</tr>
<tr>
<td>Items in Transit with Foreign Branches</td>
<td>3,046,808.54</td>
</tr>
<tr>
<td>Miscellaneous Accounts Payable, Accrued Taxes, etc.</td>
<td>12,207,285.48</td>
</tr>
<tr>
<td><strong>Total Capital Funds</strong></td>
<td><strong>275,154,461.94</strong></td>
</tr>
</tbody>
</table>

Securities carried at $18,267,714.30 in the above Statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

*Member Federal Deposit Insurance Corporation*
Chairman
WILLIAM C. POTTER

President
W. PALEN CONWAY

Vice-President
EUGENE W. STETSON

DIRECTORS

GEORGE G. ALLEN
Director, British-American Tobacco Company, Limited, and President, Duke Power Company

P. W. CHARSKIE
Chairman, Executive Committee, Union Pacific Railroad Company

W. PALEN CONWAY
President

CHARLES P. COOPER
Vice-President, American Telephone & Telegraph Company

JOHN W. DAVIS
of Davis Polk Wardwell Gardiner & Reed

ARTHUR C. DORRANCE
President, Campbell Soup Company

CHARLES E. DUNLAP
President, Berwind-White Coal Mining Company

LEWIS GAWTRY
President, The Bank for Savings in the City of New York

ROBERT W. GOBLET
Real Estate

PHILIP G. GOSSLER
Chairman of the Board, Columbia Gas & Electric Corporation

(Continued on next page)
DIRECTORS—(Continued)

W. A. HARRIMAN
of Brown Brothers Harriman & Co.

JOHN A. HARTFORD
President, The Great Atlantic & Pacific
Tea Company

DAVID P. HOUSTON
Chairman of the Board, The Mutual Life
Insurance Company of New York

CORNELIUS F. KELLEY
President, Anaconda Copper Mining Co.

MORRIS W. KELLOGG
President, The M. W. Kellogg Company

FREDERICK P. KEPPEL
President, Carnegie Corporation of New York

THOMAS W. LAMONT
of J. P. Morgan & Co.

CHARLES S. MUNSON
President, Air Reduction Company, Inc.

WILLIAM C. POTTER
Chairman of the Board

GEORGE E. ROOSEVELT
of Roosevelt & Son

EUGENE W. STETSON
Vice-President

CORNELIUS VANDERBILT WHITNBY
Banker

CHARLES E. WILSON
President, General Electric Company

L. EDMUND ZACHER
President, The Travelers Insurance Company
Guaranty Trust Company

of New York

MAIN OFFICE
140 Broadway
REctor 2-6400

FIFTH AVENUE OFFICE
Fifth Avenue at Forty-fourth Street
MUrray Hill 2-1200

MADISON AVENUE OFFICE
Madison Avenue at Sixtieth Street
REgent 4-3920

LONDON OFFICES
Main Office—32 Lombard Street, E.C. 3
Kingsway Office—Bush House, W.C. 2

LIVERPOOL OFFICE
27 Cotton Exchange Buildings

PARIS OFFICE
4 Place de la Concorde

HARRE OFFICE
122 Boulevard de Strasbourg

BRUSSELS OFFICE
27 Avenue des Arts

ANTWERP OFFICE
36 Rue des Tanneurs

PRINTED IN U. S. A.
Guaranty Trust Company of New York

Statement of Condition
June 30, 1940
# GUARANTY TRUST COMPANY OF NEW YORK

## Condensed Statement of Condition, June 30, 1940

This Statement includes the assets and liabilities of London and Liverpool Branches as of June 30, 1940; Paris, Havre and Brussels Branches as of April 30, 1940; and Antwerp Branch as of March 31, 1940.

<table>
<thead>
<tr>
<th>RESOURCES</th>
<th>LIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers</td>
<td>Deposits ( \cdot ) $2,292,946,973.64</td>
</tr>
<tr>
<td></td>
<td>Checks Outstanding ( \cdot ) $9,847,098.96</td>
</tr>
<tr>
<td>U. S. Government Obligations</td>
<td>( \cdot ) $1,134,793,036.68</td>
</tr>
<tr>
<td>Public Securities</td>
<td>Acceptances ( \cdot ) $15,749,931.23</td>
</tr>
<tr>
<td>Stock of the Federal Reserve Bank</td>
<td>Less: Own Acceptances Held for Investment ( \cdot ) 6,669,450.88</td>
</tr>
<tr>
<td>Other Securities and Obligations</td>
<td>Liability as Endorser on Acceptances and Foreign Bills ( \cdot ) 681,040.00</td>
</tr>
<tr>
<td>Loans and Bills Purchased</td>
<td>Agreements to Repurchase Securities Sold ( \cdot ) 218,000.00</td>
</tr>
<tr>
<td>Credits Granted on Acceptances</td>
<td>Dividend Payable July 1, 1940 ( \cdot ) 2,700,000.00</td>
</tr>
<tr>
<td>Accrued Interest and Accounts Receivable</td>
<td>Items in Transit with Foreign Branches and Net Difference in Balances Between Various Offices Due to Different Statement Dates of Some Foreign Branches ( \cdot ) 221,636.76</td>
</tr>
<tr>
<td>Real Estate Bonds and Mortgages</td>
<td>Miscellaneous Accounts Payable, Accrued Taxes, etc. ( \cdot ) 9,389,394.80</td>
</tr>
</tbody>
</table>

| | Total Resources \( \cdot \) $2,600,724,024.70 |
| | Total Liabilities \( \cdot \) $2,600,724,024.70 |

Securities carried at $20,595,624.13 in the above Statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

*Member Federal Deposit Insurance Corporation*
Chairman
WILLIAM C. POTTER

President
W. PALEN CONWAY

Vice-Presidents
EUGENE W. STETSON
J. LUTHER CLEVELAND

DIRECTORS

GEORGE G. ALLEN
Director, British-American Tobacco Company, Limited, and President, Duke Power Company

P. W. CHARSKIE
Chairman, Executive Committee, Union Pacific Railroad Company

W. PALEN CONWAY
President

CHARLES P. COOPER
Vice-President, American Telephone & Telegraph Company

JOHN W. DAVIS
of Davis Polk Wardwell Gardiner & Reed

ARTHUR G. DORRANCE
President, Campbell Soup Company

CHARLES E. DUNLAP
President, Berwind-White Coal Mining Company

LEWIS GAWTRY
President, The Bank for Savings in the City of New York

PHILIP G. GOSSLER
Chairman of the Board, Columbia Gas & Electric Corporation

(Continued on next page)
DIRECTORS — (Continued)

JOHN A. HARTFORD
President, The Great Atlantic & Pacific
Tea Company

DAVID P. HOUSTON
Chairman of the Board, The Mutual Life
Insurance Company of New York

CORNELIUS P. KELLEY
Chairman of the Board, Anaconda
Copper Mining Company

MORRIS W. KELLOGG
President, The M. W. Kellogg Company

FREDERICK P. KEPPEL
President, Carnegie Corporation of New York

CHARLES S. MUNSON
President, Air Reduction Company, Inc.

WILLIAM C. POTTER
Chairman of the Board

GEORGE P. ROOSEVELT
of Roosevelt & Son

EUGENE W. STETSON
Vice-President

CORNELIUS VANDERHILT WHITNEY
Banker

CHARLES E. WILSON
President, General Electric Company

L. EDMUND ZACHER
President, The Travelers Insurance Company
Guaranty Trust Company

of New York

MAIN OFFICE
140 Broadway
REctor 2-6400

FIFTH AVENUE OFFICE
Fifth Avenue at Forty-fourth Street
MUrray Hill 2-1200

MADISON AVENUE OFFICE
Madison Avenue at Sixtieth Street
REGent 4-3920

LONDON OFFICES
Main Office—32 Lombard Street, E.C. 3
Kingsway Office—Bush House, W.C. 2

LIVERPOOL OFFICE
27 Cotton Exchange Buildings

PARIS OFFICE
4 Place de la Concorde

HAVRE OFFICE
122 Boulevard de Strasbourg

BRUSSELS OFFICE
27 Avenue des Arts

ANTWERP OFFICE
36 Rue des Tanneurs

PRINTED IN U.S.A.
Statement of Condition
September 30, 1940
## GUARANTY TRUST COMPANY OF NEW YORK

### Condensed Statement of Condition, September 30, 1940

#### RESOURCES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers</td>
<td>$1,031,937,049.23</td>
</tr>
<tr>
<td>U. S. Government Obligations</td>
<td>1,045,273,926.86</td>
</tr>
<tr>
<td>Public Securities</td>
<td>64,658,785.56</td>
</tr>
<tr>
<td>Stock of the Federal Reserve Bank</td>
<td>7,800,000.00</td>
</tr>
<tr>
<td>Other Securities and Obligations</td>
<td>21,843,044.42</td>
</tr>
<tr>
<td>Loans and Bills Purchased</td>
<td>381,819,597.22</td>
</tr>
<tr>
<td>Credits Granted on Acceptances</td>
<td>5,466,683.46</td>
</tr>
<tr>
<td>Items in Transit with Foreign Branches and Net Difference in Balances Between Various Offices Due to Different Statement Dates of Some Foreign Branches</td>
<td>236,659.08</td>
</tr>
<tr>
<td>Accrued Interest and Accounts Receivable</td>
<td>9,001,476.25</td>
</tr>
<tr>
<td>Real Estate Bonds and Mortgages</td>
<td>3,901,877.39</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$2,584,742,898.05</strong></td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>$2,277,839,697.10</td>
</tr>
<tr>
<td>Checks Outstanding</td>
<td>13,171,789.30</td>
</tr>
<tr>
<td>Acceptances</td>
<td>$11,881,677.24</td>
</tr>
<tr>
<td>Less: Own Acceptances Held for Investment</td>
<td>6,414,993.78</td>
</tr>
<tr>
<td>Liability as Endorser on Acceptances and Foreign Bills</td>
<td>5,466,683.46</td>
</tr>
<tr>
<td>Agreements to Repurchase Securities Sold</td>
<td>454,632.00</td>
</tr>
<tr>
<td>Foreign Funds Borrowed</td>
<td>328,932.00</td>
</tr>
<tr>
<td>Dividend Payable October 1, 1940</td>
<td>2,700,000.00</td>
</tr>
<tr>
<td>Miscellaneous Accounts Payable, Accrued Taxes, etc.</td>
<td>7,507,534.26</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$2,584,742,898.05</strong></td>
</tr>
</tbody>
</table>

Securities carried at $20,556,180.53 in the above Statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

This Statement includes the assets and liabilities of London, Liverpool and Paris Branches as of September 30, 1940; Brussels and Antwerp Branches as of August 31, 1940; and Havre Branch as of June 30, 1940.

*Member Federal Deposit Insurance Corporation*
Chairman
WILLIAM C. POTTER

President
W. PALEN CONWAY

Vice-Presidents
EUGENE W. STETSON
J. LUTHER CLEVELAND

DIRECTORS

GEORGE G. ALLEN
Director, British-American Tobacco Company, Limited, and President, Duke Power Company

F. W. CHARSKIE
Chairman, Executive Committee, Union Pacific Railroad Company

W. PALEN CONWAY
President

CHARLES P. COOPER
Vice-President, American Telephone & Telegraph Company

WINTHROP M. CRANE, JR.
President, Crane & Co., Inc., Dalton, Mass.

JOHN W. DAVIS
of Davis Polk Wardwell Gardiner & Reed

ARTHUR C. DORRANCE
President, Campbell Soup Company

CHARLES E. DUNLAP
President, Berwind-White Coal Mining Company

GANO DUNN
President, The J. G. White Engineering Corporation

(Continued on next page)
DIRECTORS— (Continued)

LEWIS GAWTRY
President, The Bank for Savings in the
City of New York

PHILIP C. GOSSLER
Chairman of the Board, Columbia Gas &
Electric Corporation

JOHN A. HARTFORD
President, The Great Atlantic & Pacific
Tea Company

CORNELIUS F. KELLEY
Chairman of the Board, Anaconda
Copper Mining Company

MORRIS W. KELLOGG
President, The M. W. Kellogg Company

FREDERICK P. KEPPEL
President, Carnegie Corporation of New York

CHARLES S. MUNSON
President, Air Reduction Company, Inc.

WILLIAM C. POTTER
Chairman of the Board

GEORGE E. ROOSEVELT
of Roosevelt & Son

EUGENE W. STEETSON
Vice-President

CORNELIUS VANDERBILT WHITNEY
Banker

CHARLES E. WILSON
President, General Electric Company

L. EDMUND ZACHER
President, The Travelers Insurance Company
Guaranty Trust Company

MAIN OFFICE
140 Broadway
RE ctor 2-6400

FIFTH AVENUE OFFICE
Fifth Avenue at Forty-fourth Street
Murray Hill 2-1200

MADISON AVENUE OFFICE
Madison Avenue at Sixtieth Street
RE gent 4-3920

LONDON OFFICES
Main Office—32 Lombard Street, E.C. 3
Kingsway Office—Bush House, W.C. 2

LIVERPOOL OFFICE
27 Cotton Exchange Buildings

PARIS OFFICE
4 Place de la Concorde

HAVRE OFFICE
122 Boulevard de Strasbourg

VICHY OFFICE
Hotel Lutetia

BRUSSELS OFFICE
27 Avenue des Arts

ANTWERP OFFICE
36 Rue des Tanneurs

PRINTED IN U. S. A.
Guaranty Trust Company of New York
140 Broadway

Statement of Condition
December 31, 1940
Guaranty Trust Company of New York

A MERGER OF

National Bank of Commerce in New York
Organized 1839

Guaranty Trust Company of New York
Organized 1864

New York Offices

140 Broadway
Fifth Avenue at 44th Street
Madison Avenue at 60th Street

Foreign Branches

London
Liverpool
Vichy
Paris
Brussels

Member Federal Deposit Insurance Corporation
DIRECTORS

GEORGE G. ALLEN
Director, British-American Tobacco Company, Limited, and President, Duke Power Company

LEWIS COWTRY
President, The Bank for Savings in the City of New York

P. W. CHARIKE
Chairman, Executive Committee, Union Pacific Railroad Company

PHILIP G. COSLER
Chairman of the Board, Columbia Gas & Electric Corporation

J. LUTHER CLEVELAND
Vice-President

JOHN A. HARTFORD
President, The Great Atlantic & Pacific Tea Company

W. P. CONWAY
President

W. KELLOGG
President, The M. W. Kellogg Company

CHARLES P. COOPER
Vice-President, American Telephone & Telegraph Company

FREDERICK P. KEPPLE
President, Carnegie Corporation of New York

WINTHROP M. CRANE, Jr.
President, Crane & Co., Inc., Dalton, Mass.

MORRIS W. KELLOGG
President, The M. W. Kellogg Company

JOHN W. DAVIS
of Davis Polk Wardwell Gardiner & Reed

CHARLES S. MUNSON
President, Air Reduction Company, Inc.

ARTHUR C. DORRANCE
President, Campbell Soup Company

WILLIAM C. POTTER
Chairman of the Board

CHARLES E. DUNLAP
President, Berwind-White Coal Mining Company

GEORGE E. ROOSEVELT
of Roosevelt & Son

CHARLES E. DUNN
President, The J. G. White Engineering Corporation

EUGENE W. STETSON
Vice-President

WALTER S. FRANKLIN
Vice-President, The Pennsylvania Railroad Company

L. EDMUND ZACHER
President, The Travelers Insurance Company

CHARLES E. WILSON
President, General Electric Company
OFFICERS

MAIN OFFICE:
140 BROADWAY, NEW YORK, N. Y.
Telephone: REctor 2-6400
Cable Address: Fidelitas

Chairman
WILLIAM C. POTTER

President
W. PALEN CONWAY

Vice-Presidents
EUGENE W. STETSON
J. LUTHER CLEVELAND

BANKING

Vice-Presidents
ROBERT R. BROOMES
ZAY D. CURTIS
W. SPRUEILL GRAVES
BRODERICK HASKELL
WILLIAM L. KLEITZ
ELLIOTT H. LEE
WILLIAM A. McGREROG
ARCHIBALD P. MAXWELL
JAMES M. NICE
ROY H. PASMORE
EDWARD H. RAWLS
RALPH A. STEPHENSON
HENRY C. STEVENS

Vice-President and Treasurer
ROBERT L. GARNER

Secretary
MATTHEW T. MURRAY, Jr.

Second Vice-Presidents
ELSWORTH C. BISSELL
JAY E. BOTTOMLEY
HARRY J. CARPENTER
ROBERT H. CRAFF
HOWARD C. DAVIS
MARSHALL B. HALL
ARTHUR B. HATCHER
ROBERT D. MENAPACE
JAMES D. ORR
FREDERICK B. PARKER
ARTHUR C. VOGT

Assistant Treasurers
IRA W. ALDOM
HERBERT W. L. BEAUMONT
JAMES V. CARR
FRANK J. CAVANAUGH
DAVID B. CULLEN
THOMAS P. JERMAN
WILLIAM C. LANG
WILLIAM S. LaFONTE
GEORGE W. McEWEN
CHARLES L. MILLER
GEORGE A. MISSBACH
ROBERT W. MERRY
CHARLES S. PARKER, Jr.
WALTER H. POTTER
CLIFFORD R. ROHRBERG
HAROLD M. SHERMAN, Jr.
WALTER N. STAFFORD
WILLIAM B. STALKER
J. BROUGHAM WALLACE, Jr.
JOHN WILLIS
PARKER WILSON

Assistant Secretaries
EUGENE McCABE
FREDERICK C. THEIN

Credit Manager
EDWARD K. BRASS

Assistant Credit Manager
WALTER H. ZULCH

U. S. GOVERNMENT BOND DEPARTMENT

Second Vice-President
ARTHUR H. KIENDL

Assistant Secretary
WILLIAM RICHMOND
FOREIGN DEPARTMENT

Vice-Presidents
ROBERT F. LORRE
J. WESLEY CONN
RALPH DAWSON

Second Vice-Presidents
SAMUEL D. POST
WILLIAM R. STRELOW

HAROLD P. ANDERSON
J. PAUL HUBER
RUSSELL L. WARDBURGH

ASSISTANT MANAGERS

EZRA G. BROWNELL
KENT G. COLWELL
IRVING V. SCOTT
PHILIP P. SWART, JR.

Assistant Secretaries
EDMUND G. O'BRIEN
JOHN H. SCHWOON

Assistant Treasurer
JOHN L. TIMONEY

FIDUCIARY DEPARTMENTS

TRUST, CUSTODY, TRANSFER AND COUPON DEPARTMENTS

Vice-Presidents
MERREL P. CALLAWAY

EPHRAIM L. BRICKHOUSE
ARTHUR E. BURKE
ROWLAND E. COCKS

KINGSLY KUNHARDT
CHARLES M. SCHMIDT
HENRY A. THIPS
A. NYE VAN VIECK

Trust Officers
HARRY J. KELLY
WILLIAM A. MURCHIE

DALE F. SHARP,
Investment Trust Officer
HERBERT H. TWYFORT

WINFRED C. BLOOM
OLIVER N. BROOKS
ROBERT A. JONES,
Personal Trust Officer

ERNEST L. COLGENROVE
EDWARD DONLAN, Jr.

WALTON P. DATER
JOHN R. DOUGLAS
KARL R. HINRICH
WILLIAM C. LAXO

WINFRED C. BLOOM
OLIVER N. BROOKS
ROBERT A. JONES,
Personal Trust Officer

ERNEST L. COLGENROVE
EDWARD DONLAN, Jr.

WALTON P. DATER
JOHN R. DOUGLAS
KARL R. HINRICH
WILLIAM C. LAXO

Assistant Trust Officers
ALFRED W. TEAGASICK
JOHN W. MOXON
B. FRANK PATTON

LAWRENCE D. SCHLU
DONALD M. STREET
ELMER G. TIWES
PERCY WIESNAUER

Assistant Secretaries
THEODORE V. KRUCKEL
FRANK H. KUHN
RAYMOND J. LEWIS
WILLIAM MCK. LEWIS
FRANCIS J. MCGOLDRICK
WILLIAM W. MERKER
HFRMAN W. WARNKEN
WILLIAM J. WPI
RICHARD M. WILCOX
THOMAS ZABRINZIE

Real Estate Trust Officer
DAVID E. LYNN

Assistant Real Estate Trust Officers
DONALD B. ANTHONY
JABISH HOLMES, Jr.
COMPTROLLER'S DEPARTMENT

Comptroller
WILLIAM WIDMAYER

Assistant Comptrollers
PAUL B. HOLMES
G. M. POWELL, JR.

HAROLD MALESARDI

Assistant Comptroller, Foreign Offices
ROBERT SPEERHE

Auditor
JOSEPH E. GLASS

Assistant Auditors
ALBERT L. GOTTMAN
JOHN F. LAGAN

GENERAL ORGANIZATION

Vice-President
JAMES L. O'NEILL

Second Vice-President
HARRY V. RUSSELL

Assistant Secretary
C. O. PANCAKE

Chief Clerk
MANUEL MARTINEZ

Assistant Treasurer
ALPIONSB J. LEVEQUE

Insurance Manager
COOPER D. WINN, JR.

PUBLICITY DEPARTMENT

Manager
HENRY W. CARLISLE

Assistant Managers
SAMUEL CULVINER, JR.
CECIL G. LESCHER
## Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand, in Federal Reserve Bank, and due from</td>
<td>$1,044,582,220</td>
</tr>
<tr>
<td>banks and bankers</td>
<td>86</td>
</tr>
<tr>
<td>U. S. Government obligations</td>
<td>1,137,212,692 63</td>
</tr>
<tr>
<td>Public Securities</td>
<td>49,235,460 91</td>
</tr>
<tr>
<td>Stock of the Federal Reserve Bank</td>
<td>7,800,000 00</td>
</tr>
<tr>
<td>Other Securities and Obligations</td>
<td>21,191,471 98</td>
</tr>
<tr>
<td>Loans and Bills purchased</td>
<td>431,135,085 50</td>
</tr>
<tr>
<td>Credits granted on acceptances</td>
<td>5,961,372 98</td>
</tr>
<tr>
<td>Accrued interest and accounts receivable</td>
<td>7,468,230 20</td>
</tr>
<tr>
<td>Real estate bonds and mortgages</td>
<td>1,759,337 81</td>
</tr>
<tr>
<td></td>
<td>2,706,345,872 87</td>
</tr>
<tr>
<td>Bank buildings</td>
<td>11,258,541 69</td>
</tr>
<tr>
<td>Other real estate</td>
<td>1,361,599 32</td>
</tr>
</tbody>
</table>
| **Total Resources**                                   | **$2,718,966,013**| 88

Securities carried at $17,614,042.68 in the affiduciary powers, to secure public monies as

This statement includes the assets and liabilities of December 31, 1940; Paris, Havre and Brus.
Company of New York  
Condition, December 31, 1940

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>$2,389,928,981 83</td>
</tr>
<tr>
<td>Checks Outstanding</td>
<td>33,294,970 40</td>
</tr>
<tr>
<td></td>
<td>$2,423,223,952 23</td>
</tr>
<tr>
<td>Acceptances</td>
<td>$14,928,817 73</td>
</tr>
<tr>
<td>Less: Own Acceptances Held for Investment</td>
<td>8,967,444 75</td>
</tr>
<tr>
<td></td>
<td>5,961,372 98</td>
</tr>
<tr>
<td>Liability as Endorser on Acceptances and Foreign Bills</td>
<td>248,398 00</td>
</tr>
<tr>
<td>Agreements to Repurchase Securities Sold</td>
<td>228,741 00</td>
</tr>
<tr>
<td>Items in Transit with Foreign Branches and Net Difference in Balances Between Various Offices Due to Different Statement Dates of Some Foreign Branches</td>
<td>751,643 95</td>
</tr>
<tr>
<td>Dividend Payable January 2, 1941</td>
<td>2,700,000 00</td>
</tr>
<tr>
<td>Miscellaneous Accounts Payable, Accrued Taxes, etc.</td>
<td>8,905,406 11</td>
</tr>
<tr>
<td></td>
<td>2,442,019,514 27</td>
</tr>
<tr>
<td>Capital</td>
<td>$90,000,000 00</td>
</tr>
<tr>
<td>Surplus Fund</td>
<td>170,000,000 00</td>
</tr>
<tr>
<td>Undivided Profits</td>
<td>16,946,499 61</td>
</tr>
<tr>
<td>Total Capital Funds</td>
<td>276,946,499 61</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$2,718,966,013 88</td>
</tr>
</tbody>
</table>

The above Statement are pledged to qualify for the requirements required by law, and for other purposes. The liabilities of London and Liverpool Branches as of Brussels Branches as of November 30, 1940.
# Branch Offices in New York

**Fifth Avenue Office:**
Fifth Avenue at 44th Street  
Telephone: Murray Hill 2-1200  
Cable Address: Notoranco

## General Banking

**Vice-Presidents**

<table>
<thead>
<tr>
<th>Name</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>James S. Alexander</td>
<td>O. Jarvis Orr</td>
</tr>
<tr>
<td>Herbert W. Hill</td>
<td>Edgar Lockwood</td>
</tr>
</tbody>
</table>

**Second Vice-Presidents**

<table>
<thead>
<tr>
<th>Name</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanford T. Bennett</td>
<td>Frank E. Dan</td>
</tr>
<tr>
<td>Jere D. Buckley</td>
<td>Heroy M. Dyckman</td>
</tr>
<tr>
<td>George D. Burrows</td>
<td>William R. Parvin</td>
</tr>
</tbody>
</table>

**Assistant Treasurers**

<table>
<thead>
<tr>
<th>Name</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan C. Abell</td>
<td>John P. Gately</td>
</tr>
<tr>
<td>Laurence E. Dalton</td>
<td>William R. Hoge</td>
</tr>
<tr>
<td>Stuart C. Dubreuil</td>
<td>Daniel J. Moore</td>
</tr>
</tbody>
</table>

**Assistant Secretaries**

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frederic K. Bullard</td>
</tr>
</tbody>
</table>

**Assistant Auditor**

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>John D. Humela</td>
</tr>
</tbody>
</table>

**Assistant Credit Manager**

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stanley H. Brown</td>
</tr>
</tbody>
</table>

## Trust Department

**Trust Officer**

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>James A. Powers</td>
</tr>
</tbody>
</table>

**Assistant Trust Officers**

<table>
<thead>
<tr>
<th>Name</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noah B. Brooks</td>
<td>Jamie H. Kerr</td>
</tr>
<tr>
<td>Dana D. Crocker</td>
<td>William P. Lackman</td>
</tr>
</tbody>
</table>

**Assistant Secretaries**

<table>
<thead>
<tr>
<th>Name</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theodore P. Barber</td>
<td>Joseph D. Dent</td>
</tr>
<tr>
<td>Joseph A. Bucher</td>
<td>John J. Moran</td>
</tr>
</tbody>
</table>

## Madison Avenue Office:

**Madison Avenue at 60th Street**  
Telephone: Regent 4-3920  
Cable Address: Guarnados

**Second Vice-President**  
William P. Cost

**Trust Officer**

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter C. Baker</td>
</tr>
</tbody>
</table>

**Assistant Treasurers**

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joseph V. Leroy</td>
</tr>
</tbody>
</table>

**Assistant Secretaries**

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter H. Scott</td>
</tr>
</tbody>
</table>
FOREIGN OFFICES

Vice-President
DANIEL B. GRANT

OFFICES IN ENGLAND

Joint Manager
ERNEST O. HUMPHREYS

London Offices:
Main Office:
11 Birchin Lane, E.C. 3
(Entrance through 67 Lombard Street)
Cable Address: Grillitus

Assistant Managers
ARTHUR W. J. DONALDSON
REGINALD HALB

Secretary
HAROLD A. LAYCOCK

Assistant Secretaries
WILLIAM G. HACKER
L. G. KRÄLHEIMER
LEONARD A. LEWINTON
SYLVESTER J. MURLEY
JOHN THOMSON

Kingsway Office:
Bush House, W.C. 2
Cable Address: Grillings

Joint Managers
ARTHUR T. PETERSON
H. STUART GOLDEY

Assistant Secretaries
REGINALD T. W. CLEAVE
RICHARD G. A. STEEL

Liverpool Office:
27 Cotton Exchange Buildings
Cable Address: Grillitus

Manager
LUIGI SOLAINI

Auditor
CHARLES W. STANTON

Acting Assistant Manager
WILFRED G. SOLTAU
OFFICES IN FRANCE

Vichy Office:
Hotel Lutetia, Vichy (Allier), France
Cable Address: Garritus

Joint Managers
H. Michoud
R. T. Tupper Barrett

Assistant Managers
Jules Bellot
Theodore Roumeau

Maurice G. St. Germain
Auditor
Gustave Pressac

Assistant Secretary
John Hussy

Paris Office:
4 Place de la Concorde
Cable Address: Garritus

Assistant Manager
Joshua G. B. Campbell

Secretary
Charles F. Brown

Havre Office:
Temporary Address Paris Office

Manager
Georges A. Vernier

Assistant Manager
Paul Giroud

Auditor
Rene H. Masson

OFFICE IN BELGIUM

Brussels Office:
27 Avenue des Arts
Cable Address: Garritus

Manager
Leon de Waele

Assistant Manager
Omer V. Claiborne

Treasurer
Victor Guilmin

Secretary
Elie Delville

Auditor
John Hall
GUARANTY SAFE DEPOSIT COMPANY
(An Affiliated Safe Deposit Company)

Fifth Avenue at 44th Street
Telephone: MUrrey Hill 2-1200

Madison Avenue at 60th Street
Telephone: REgent 4-3920

President
ALFRED C. HOWELL

Vice- Presidents
JAMES B. ALEXANDER
WILLIAM F. GOST

Treasurer
C. E. JOHNSON

Secretary
JOSEPH N. DENT

EDGAR LOCKWOOD

Assistant Secretaries
WILLIAM R. PARVIN

Assistant Treasurers
JOSEPH V. LEROY

GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED
(An Affiliated British Trust Corporation)

Ullenwood, Cheltenham, Gloucestershire

Directors
GEORGE ROWLAND BERKELEY
ARTHUR W. J. DONALDSON
H. STUART GOLDEY

DANIEL B. GRANT
REGINALD HALE
ERNEST G. HUMPHREYS

Harold A. Laycock
Leonard A. Lewinton
Andrew F. Patterson

Manager
GEORGE ROWLAND BERKELEY

Secretary
CYRIL R. GREENE

Assistant Secretary
JOHN THOMSON
January 15, 1941.

To the Stockholders of the Guaranty Trust Company of New York:

The earnings of your Company for the year 1940, as compared with those of the preceding year, are presented herewith:

**Earnings**

<table>
<thead>
<tr>
<th></th>
<th>1940</th>
<th>1939</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Earnings of the Company were</td>
<td>$13,546,666</td>
<td>$13,018,955</td>
<td>$527,711</td>
</tr>
<tr>
<td>Out of which were paid Dividends of</td>
<td>10,800,000</td>
<td>10,800,000</td>
<td></td>
</tr>
<tr>
<td>Leaving</td>
<td>2,746,666</td>
<td>2,218,955</td>
<td>527,711</td>
</tr>
<tr>
<td>During the period there were set aside as reserves, and for various charges—net...</td>
<td>502,121</td>
<td>325,421</td>
<td>176,700</td>
</tr>
<tr>
<td>Resulting in a credit to Undivided Profits of...</td>
<td>$2,244,545</td>
<td>$1,893,534</td>
<td>$351,011</td>
</tr>
</tbody>
</table>

**Memorandum Regarding Profits on Securities and Amortization Fund**

**Profits on Securities**

<table>
<thead>
<tr>
<th></th>
<th>1940</th>
<th>1939</th>
</tr>
</thead>
<tbody>
<tr>
<td>During the year profits from sale of securities amounted to...</td>
<td>$7,070,492</td>
<td>$5,178,541</td>
</tr>
<tr>
<td>Deferred profits carried over from previous year............</td>
<td>2,693,117</td>
<td>2,635,929</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$9,763,609</td>
<td>$7,814,470</td>
</tr>
</tbody>
</table>

These profits were disposed of, as follows:

- Included in current earnings for year .................. | $845,541  | 1,182,291  |
- Credited to the Amortization Fund (to provide in part for amortization of bonds bought at a premium, thereby increasing the annual yield from such securities) | 6,151,057  | 3,939,062  |
- To deferred profits account .................................. | 2,767,011  | 2,693,117  |
- **Total as above** ........................................... | $9,763,609  | $7,814,470  |

**Amortization Fund**

The operation of the Amortization Fund was as follows:

- Credit balance in Fund at beginning of year ............ | $6,601,698  | $4,109,336  |
- Part of profits on securities sold during year credited to this Fund—as above........................................ | 6,151,057  | 3,939,062  |
|                                                         | 12,752,755  | 8,048,398  |
- Proportion of bond premiums charged against this Fund during the year | 2,601,700  | 1,446,700  |
- Credit Balance in Fund at end of year ........................ | $10,151,055 | $6,601,698  |

Money rates during the year continued to decline, and rates applicable to commercial loans are at the lowest levels in our history. Similarly, rates on brokers' loans continue low and, due to the lack of activity in the stock markets, the aggregate of such loans is relatively small.

[1]
TRUST DEPARTMENT

In your Company's Trust Department, the Custody Division has shown the greatest rate of growth in volume of business handled. The service rendered by this division has become widely known and recognized.

On February 3, 1940, the Trust Indenture Act of 1939 (Barkley Act) became effective. The Act imposes new duties and responsibilities on trustees under corporate indentures and sets up new requirements as to eligibility of trustees. The Act does not affect indentures executed prior to the date the law became effective, except that in the case of additional issues of securities under an indenture executed prior to the effective date of the Act, the SEC may require the indenture to be amended to conform to the Act, except to the extent that conforming would require consent of holders of the outstanding securities or would impose an undue burden on the issuing company. It does apply to all indentures executed following the effective date of the Act, except that certain securities enumerated in the Act are exempt. Compliance with the provisions of this Act will result in increased costs to your Company.

FOREIGN DEPARTMENT

Prior to the beginning of the war certain factors, such as exchange restrictions and import quotas, hampered the free flow of international trade. Since the start of actual hostilities, further obstacles have been interposed, the nature of which requires no comment here. All of these factors have made more difficult the work of your Company's Foreign Department. The operations of this department have, however, been active, and in the financing of American foreign trade during 1940 your Company has had an important share.

OPERATION OF FOREIGN BRANCHES

The branches in London and Liverpool have continued to function with reduced volume under difficult conditions. The building in which the Main London branch was located was demolished, fortunately without loss of life to any of the London staff. While the building was destroyed, the vault used for custody of cash and securities remained intact. Within three days, through the friendly cooperation of one of the English banks, the Main London branch was enabled to rent quarters at 11 Birchin Lane, at which address the business of the branch is now being conducted. The Pall Mall Office was evacuated September 3, 1939, and its business has since been transacted at the Kingsway Office in Bush House. The business of the Antwerp Office was transferred to Brussels shortly after Belgium was invaded, and the Brussels Office has continued to operate, but on a restricted basis. When the invasion of Paris became imminent, the securities in the Paris Office were transported to the vaults of the Bank of France at Nantes, France, such securities remaining under control of the Guaranty Trust Company. Nantes subsequently became "occupied" territory, and the securities later were returned to your Company's vaults in Paris. When the evacuation of Paris took place, all of the records and most of the staff of the Paris branch were removed, under great difficulties of transportation, to Vichy, and the principal business of the Paris branch continues to be conducted from there. Two officers and a few clerks were left in charge of the Paris Office. The branch at Havre operated for a time, but subsequently was closed, in order that the staff might not be subjected to unnecessary risk. Too much praise cannot be given to the courage and faithfulness of the officers and staffs of your foreign branches, and in some instances acts of heroism have been performed.

[2]
From the latest statements available, the liabilities of the Foreign Branches are $66,254,389. These are located in the different countries as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>$53,232,270</td>
</tr>
<tr>
<td>France</td>
<td>9,947,004</td>
</tr>
<tr>
<td>Belgium</td>
<td>3,075,115</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$66,254,389</strong></td>
</tr>
</tbody>
</table>

The liabilities representing this amount are:

<table>
<thead>
<tr>
<th>Liability Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>$64,958,933</td>
</tr>
<tr>
<td>Acceptances outstanding</td>
<td>738,659</td>
</tr>
<tr>
<td>Liability as endorser on acceptances and foreign bills</td>
<td>95,103</td>
</tr>
<tr>
<td>Sundry liabilities</td>
<td>466,634</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$66,254,389</strong></td>
</tr>
</tbody>
</table>

These liabilities are represented by resources as follows:

<table>
<thead>
<tr>
<th>Resource Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from Head Office in New York</td>
<td>$26,082,981</td>
</tr>
<tr>
<td>Cash on hand and due from banks</td>
<td>4,691,266</td>
</tr>
<tr>
<td>Foreign Government securities</td>
<td>5,194,699</td>
</tr>
<tr>
<td>Loans and bills purchased</td>
<td>28,908,840</td>
</tr>
<tr>
<td>Credits granted on acceptances</td>
<td>733,659</td>
</tr>
<tr>
<td>Sundry assets</td>
<td>642,944</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$66,254,389</strong></td>
</tr>
</tbody>
</table>

It will be seen from the above figures that about 39 per cent. of the liabilities is due from the Head Office in New York, being mostly dollar deposits made with it by the branches; 7 per cent. is in cash or due from banks; and 45 per cent. is represented by loans, bills purchased, and credits granted on acceptances. A substantial part of this 45 per cent. is secured by collateral in the United States or guaranteed by responsible firms and companies in the United States.

FOREIGN BRANCH BUILDINGS

Three of the European branches are located in buildings owned by your Company. The cost of these buildings has been amortized or written off, and all of the furniture and equipment is carried on the books at no value. The latest reports are that none of these buildings has been damaged. The branches in London, Liverpool, and Havre are in rented quarters, and the furniture, fixtures, and equipment in those offices have also been amortized or written off and show on the books as of no value.

CHANGES IN THE BOARD OF DIRECTORS

We regret to report that David F. Houston died on September 2, 1940, and the following Directors resigned during 1940:

*Robert W. Goelot, May 29, 1940
Eugene G. Grace, February 1, 1940
*W. A. Harriman, May 29, 1940
*Thomas W. Lamont, April 1, 1940
Cornelius Vanderbilt Whitney, October 10, 1940
*George Whitney, March 21, 1940

(*In accordance with provisions of the Banking Act of 1933.)
The following Directors were elected to the Board:

Charles E. Wilson, February 7, 1940
Gano Dunn, August 7, 1940
Winthrop M. Crane, Jr., September 18, 1940
J. Luther Cleveland, November 6, 1940
Walter S. Franklin, November 22, 1940

On January 2, 1941, Thomas J. Watson and Matthew T. Murray, Jr., were elected Directors.

PERSONNEL

Beginning October 24, 1940, under the Fair Labor Standards Act of 1938, employers were required to establish a maximum work week of 40 hours, unless overtime is paid for additional hours of work within the work week.

With reference to the effect of the Selective Service Act, it is the desire of your management to make equitable reemployment and financial arrangements for employees who may go into military or naval service. In general, the arrangements made provide that such employees will be returned to their former positions, or positions of similar seniority, status, and pay, if they apply for reinstatement within a period of one year and forty days after leaving your Company’s employ. Upon entering the service, each employee who has been with your Company a year or more will receive one month’s full salary, and in addition, will receive a vacation allowance if, because of induction into the service, he has been unable to avail himself of a vacation for which he is eligible. The Group Insurance will be continued for the benefit of the employee for a period of not more than a year and forty days, without cost to the employee. Pension benefits will not lapse, although during the employee’s absence no contributions will be required from him or made by your Company to the Pension Fund for his account—the period of his absence will merely be deducted in computing his credited service. It is believed, based on advance estimates of the number of men who will be called, that the operations of your Company will not be seriously affected by the withdrawal of men as a consequence of the draft call.

Your Company, although a private institution, renders a public service, and the degree to which your Company succeeds in maintaining that service at a high standard is dependent in large measure on the cooperation and loyalty of its staff of 3,920 employees and officers, of whom 3,365 are located in the United States and 555 in the offices abroad. The employment policy of your Company, in the formulation of which stockholders have had an important part through voting their approval from time to time of proposals submitted to them, has been liberally designed to promote the well-being, comfort, and security of the staff in every reasonable way. This policy, plus care in the selection of new employees, has kept the staff turnover low, building up over many years the reserve of experience in key positions that is so vital to the successful conduct of your Company’s business.

More than 125 officers and members of the staff have been actively connected with the Company for 25 years or more. Many of the officers formerly held clerical positions with your Company and have been promoted to the executive staff from within the organization.

RETIREMENT SYSTEM

The new contributory Retirement System of your Company, approved by vote of the stockholders at the last annual meeting, became effective on March 1, 1940, replacing a plan that had been in existence since 1914. The immediate favor with which the staff accepted the new system is indicated by the fact that 94.74 per cent. of those eligible
joined at the outset, and as of the close of December 31, 1940, there were 2,437 members, who represented 97.05 per cent. of the total eligible employees on that date. Twenty-nine members have retired on pension since the new system became effective, and the total pension roll now numbers 121.

GROUP INSURANCE

Your Company's contributory Group Insurance Plan, which continues in effect and is not connected in purpose or operation with the Retirement System, has completed its 14th year. Since its establishment in 1926, claims for death or permanent disability have been allowed in 270 cases, amounting to an aggregate payment of $2,037,309. The amount of insurance coverage at the close of December 31, 1940, was $19,117,802, with 3,510 employees participating. The excellent experience with this insurance has made possible, for several years past, increased benefits at no extra cost to employees or your Company, and for the year ending June 1, 1941, such additional protection equal to 30 per cent. of the amount of insurance in force on June 1, 1939, will be afforded. Not only has the Group Insurance Plan been of great value to the families of deceased members of the staff, but it has also proved to be on a satisfactory basis to your Company and the insurance company and has permitted the accumulation of reserve funds for future availability.

MEDICAL AND OTHER SERVICES

Your Company for many years has maintained a number of other services designed to promote mutually advantageous employee relationships. A well-equipped medical department, staffed by resident physicians and nurses, not only conducts routine physical examinations and treats thousands of minor cases annually without charge, but also cooperates with employees and their families in arranging medical and surgical care, hospitalization, convalescent leaves of absence, and other matters connected with safeguarding the health of the staff.

Annual vacations with pay are three weeks for employees with more than five years' service, and two weeks for others. Separate club rooms are provided for the men and women of the staff, and the Guaranty Club, sponsored jointly by your Company and the employees, manages social, athletic, and other recreational activities in which the staff participates. A monthly staff magazine, with distribution limited to the organization and contents confined to staff news, has been published regularly for 29 years.

Your Company maintains its own restaurants at two New York offices, where luncheon is provided without charge to the clerical staff, and where other meals, including one at midnight, are served to those whose working hours are irregular.

In briefly reviewing these matters pertaining to your Company's staff, we should like to emphasize that none of these employee plans or services reflect any recent change in your Company's policy. Your Company has had a pension system, medical service, and restaurants for more than 25 years, and the insurance plan is in its 15th year.

LITWIN et al. v. ALLEN, et al. and Guaranty Trust COMPANY

In May, 1937, Eva Litwin, a holder of 10 shares of the stock of Guaranty Trust Company instituted an action against most of the directors and certain officers of your Company and of its former subsidiary, Guaranty Company, and the firm of J. P. Morgan & Co. Thereafter David Hirsh and David Feiner holders respectively of 16 and 10 additional shares joined in the prosecution of the action.

[5]
Those actions were presumptively brought for the benefit of the Company. Accordingly, your management retained to advise your Company and protect its interests in the action the firm of Root, Clark, Buckner & Ballantine, who had no connection with any of the transactions involved. The Board of Directors also appointed a committee of directors, not parties to the action, to look after the interests of your Company and its stockholders generally, with the advice of counsel. The counsel so retained made an independent and thorough examination of the facts and reported to the Board of Directors and to the committee that, in their opinion, there should be no liability on the part of the defendants. They followed all the proceedings in the case and advised from time to time with the committee. Your Company denied any bad faith on the part of its directors or officers but otherwise submitted its interests to the Court and maintained an impartial position throughout.

In the actions it was charged that profits were improperly made by directors and officers on the purchase and resale of certain stock of Alleghany Corporation in 1929; that your Company and the Guaranty Company had improperly purchased certain Missouri Pacific bonds from Alleghany Corporation in 1930, subject to a repurchase option; that your Company had improperly participated in loans to two Van Sweringen companies in 1930, and that the auction sale of the collateral for these loans in 1935 had been improperly conducted; all to the detriment of your Company. In addition, various general charges were made of undue influence upon the directors by J. P. Morgan & Co., excessive salaries, negligent loans and other improper contracts and dealings, conspiracies to waste the funds of your Company, and failure, generally, on the part of the directors and officers to perform their duties during the period from 1927 to the date of the institution of the suits.

In the legal proceedings the general charges made against the directors and officers were abandoned and at the trial the plaintiffs' counsel acknowledged that, apart from the specific transactions involved in the case, the directors and officers had performed their duties with an unusual degree of care. The specific charges remaining in the case were tried before Mr. Justice Shientag, without a jury, in May and June, 1940, and a decision was rendered by the Court on December 18, 1940, copies of which are available for distribution to stockholders upon request.

In summarizing the decision the Court stated:

"Since the affairs of a trust company are involved, it is well to repeat the stipulation of plaintiffs referred to at the beginning of this opinion, that in all but the four specific questioned transactions out of many thousands carried on by a reputable institution over many years, the officers and directors 'exercised an unusual degree of care in the management of the Bank,' a circumstance which is reflected in its present sound financial condition, its dividend record, and its capital, surplus and undivided profits. Of the four questioned transactions, three have been decided in favor of the directors and a limited liability imposed against them in the fourth."

The transaction in respect of which limited liability was so found by the Court was the purchase in 1930 from Alleghany Corporation of $3,000,000 principal amount of Missouri Pacific bonds, subject to an option to repurchase required by the seller. The Court concluded that this purchase was made in entire good faith, but that the option should not have been granted and that certain of the defendants were liable to your Company in damages, to be fixed by a Referee at the difference between the purchase price of the bonds (100) and the price at which the bonds could have been sold after the expiration of the option on April 16, 1931, at which date the market quotations were approximately 82. The trial judge has not yet signed the final papers, and so the time to appeal has not commenced to run.

[6]
GENERAL COMMENT

The war has brought sweeping changes in economic and financial conditions and has confronted our banking system with a new set of problems and uncertainties. In the field of international exchange, it has disrupted long-established relationships and has resulted in the virtual disappearance of many foreign currencies from exchange markets. Ten countries are now on the list of those whose funds in the United States cannot be withdrawn or transferred without permission from the Treasury, and it is impossible to tell how much longer the list may grow. As was the case during the World War, the dollar has been placed in a new position of leadership as an international standard of value.

The movement of vast quantities of foreign gold into the United States has continued, and our monetary gold stock has reached an unprecedented volume. The gold movement has carried the excess reserves of member banks to a total of nearly seven billion dollars, which represents a potential base for credit expansion of forty or fifty billions. No such figure is, of course, likely to materialize, at least in the near future. But as long as this enormous store of credit exists, the question of legitimate outlets for the surplus funds will remain, together with the possibility that, sooner or later, expansion may tend to develop along unsound lines.

So far, our foreign trade as a whole has been stimulated by the war, but its composition and its geographical distribution have been drastically altered, and it is uncertain from day to day what further changes the future may bring. Many of our European markets and sources of supply have been virtually cut off, and our trade with other parts of the world has been affected by embargoes, trade restrictions, and exchange regulations in various countries. Trade with Latin America has increased substantially, but any further large-scale expansion in this direction will face serious difficulties, and Latin-American trade cannot be expected to make up for possible losses in Europe and the Far East.

FINANCING THE DEFENSE PROGRAM

Today the United States faces perhaps the greatest test in its history in its efforts to solve the problem of adequate national defense. In this vital work the cooperation of every group—industry, agriculture, labor, banking—is necessary. The banks of the country are able and ready to render a highly important service to the Nation in financing defense. As a means of facilitating their participation in the program, the Government has taken an important step in the adoption of a standard form of contract for the construction of additional plant facilities and through legislation permitting the assignment to lending banks of payments from the Government under such contracts. The banks may also be called upon to meet the needs of industry for additional working capital, as well as to supply credit for plant additions, alterations, and the installation of machinery. Whatever may be the character and volume of these requirements and whatever forms the financing may take, the banks are in a strong position to meet any demands that are likely to be made upon them and are eager to play their full part. However, it remains to be seen whether the bulk of the financial demand in connection with the defense program will be satisfied through advances by Government agencies and the sale of new issues of Government securities, or whether the ample credit facilities of the banks will be more largely utilized through the medium of commercial loans. Your Company, by direct contact with all its customers and through its publicity, has indicated its desire to cooperate fully with concerns throughout the country, and with their local banks to the extent desired, in furthering the Nation's defense program.

William C. Potter,
Chairman of the Board.

W. Palen Conway,
President.
## Comparative Condensed Statement of Condition, December 31st

### RESOURCES

|                        | 1940               | 1939               | Increase/Decrease*
|------------------------|--------------------|--------------------|----------------------
| Cash on hand, in Federal Reserve Bank, and due from Banks and Bankers: |                   |                    |                      
| Legal reserve          | $486,358,462.00    | $428,627,220.00    | $57,731,242.00       |
| Exchanges for clearing house, etc. | 139,075,059.58    | 72,173,729.69     | 66,901,330.99        |
| Surplus cash           | 417,148,689.38    | 540,100,814.56    | 122,952,125.18       |
| **Total**              | $1,044,582,220.66 | $1,040,901,764.23 | 3,680,456.33         |
| Loans and bills purchased | 431,195,085.50    | 500,360,310.08    | 69,225,224.58        |
| Consisting of commercial loans, secured loans, commodity loans, own acceptances held for investment, and loans by Foreign Branches of Company | 1,137,212,692.63  | 729,600,979.13    | 407,611,713.50        |
| **Total assets**       | 4,841,841,902.69  | 3,865,456,465.33  |                      |
| U.S. Government obligations | 49,225,460.01     | 57,848,398.56     | 8,623,938.65         |
| Direct and guaranteed obligations of U.S. Government |                    |                    |                      |
| Consisting of municipal bonds and notes (largely short term), and investments of branches in foreign government securities | 44,100,412.97     | 59,802,368.23     | 15,621,945.26        |
| **Total Liabilities**  | $2,718,966,013.88 | $2,401,634,265.01 | $317,331,748.87      |

### LIABILITIES

|                        | 1940               | 1939               | Increase/Decrease*
|------------------------|--------------------|--------------------|----------------------
| Deposits               | 2,389,828,981.83  | 2,074,898,693.39  | 315,030,288.44       |
| Checks outstanding     | 33,294,970.40     | 13,528,652.49     | 19,766,317.91        |
| Other Liabilities—total detailed below | 2,423,232,952.23  | 2,088,427,345.88  | 334,796,606.35       |
| **Total Liabilities**  | $2,718,966,013.88 | $2,401,634,265.01 | $317,331,748.87      |

### CAPITAL FUNDS

|                        | 1940               | 1939               | Increase/Decrease*
|------------------------|--------------------|--------------------|----------------------
| Capital                | $90,000,000.00     | $90,000,000.00     |                      |
| Surplus Fund           | 170,000,000.00     | 170,000,000.00     |                      |
| Undivided Profits      | 16,946,499.61     | 14,701,954.35     | 2,244,545.26         |
| **Total Capital Funds**| 276,946,499.61    | 274,701,954.35    | 2,244,545.26         |

### DETAILS OF SUNDARY ASSETS

|                        | 1940               | 1939               | Increase/Decrease*
|------------------------|--------------------|--------------------|----------------------
| Stock of Federal Reserve Bank | $7,500,000.00     | $7,500,000.00     |                      |
| Stocks and Bonds of various Corporations | 21,191,471.93     | 26,376,812.54     | 5,185,340.61         |
| Items in Transit with Foreign Branches | 147,948.35        | 147,948.35        |                      |
| Credits granted on Acceptances | 5,991,727.95      | 14,260,349.24     | 8,268,621.29         |
| Due for Exchange Sold.     | 140,380.48         | 2,033,210.00      | 1,892,829.52         |
| Accrued Interest and Sundry Accounts Receivable | 7,321,423.72     | 6,119,095.77     | 1,202,327.95         |
| Real Estate Bonds and Mortgages | 1,766,337.81      | 1,862,142.33     | 95,804.52            |
| **Total**                | $44,180,412.97    | $50,802,355.23    | $6,621,942.26        |

### DETAILS OF OTHER LIABILITIES

|                        | 1940               | 1939               | Increase/Decrease*
|------------------------|--------------------|--------------------|----------------------
| Acceptances            | $14,928,517.73     | $21,716,699.57     | $6,788,181.84        |
| Less: Own Acceptances held for investment | 5,957,444.75      | 7,065,259.35     | 1,107,814.62         |
| Liability as Endorser on Acceptances and Foreign Bills | 5,301,372.95      | 14,580,349.24     | 9,279,976.29         |
| Agreements to Repurchase Securities Sold | 235,741.00        | 2,201,978.09      | 1,966,237.00         |
| Items in Transit with Foreign Branches | 751,643.95         | 751,643.95        |                      |
| Due for Exchange Purchased | 87,722.50         | 1,906,439.00      | 1,818,716.50         |
| Guaranty Trust Co. Dividends Payable January 2 | 2,709,930.00      | 2,709,930.00      |                      |
| Sundry Accounts Payable, Accrued Taxes, etc. | 8,517,653.01      | 17,016,198.54     | 8,517,545.54         |
| **Total**               | $18,795,562.04    | $38,504,964.78    | $19,709,402.74       |