



SHEILA D. HARRIS
Deputy Chairman (2004)

JANET L. YELLEN
President

GEORGE M. SCALISE
Chairman

JOHN F. MOORE
First Vice President

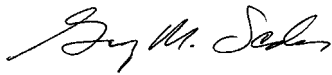
Not Pictured:
DAVID K. Y. TANG
Deputy Chairman (2005)

NOTE FROM THE CHAIRMAN

THE YEAR 2004 MARKED A MAJOR TRANSITION in leadership for the Twelfth District. We said goodbye to President and Chief Executive Officer Robert Parry after 18 years of service. I think I can speak for everyone who worked with Bob when I say we all appreciated Bob's dedication and commitment and the contribution he made both to our Reserve Bank and the Federal Reserve System.

During 2004, we also welcomed Dr. Janet Yellen as the new head of the Federal Reserve Bank of San Francisco. Janet, who took office in June, was appointed after an extensive, nationwide search. She brings an extraordinary combination of expertise and experience to the position. Although she is new to our Reserve Bank, she is not new to the Federal Reserve System, in that she served as a Governor from August 1994 through February 1997. She also was Chair of President Clinton's Council of Economic Advisers and has an extensive and well-recognized academic career.

Janet already has developed a solid rapport with the many constituencies throughout our region and with employees as well. It has been a pleasure to work with her during the past six months, and I look forward to working with her in the future.



George M. Scalise