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# FEDERAL RESERVE statistical release

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For release at  
4:30 P.M. EST  
January 6, 2011

The Board's H.4.1 statistical release, "Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks," has been modified to reflect an accounting policy change that will result in a more transparent presentation of each Federal Reserve Bank's capital accounts and distribution of residual earnings to the U.S. Treasury. Although the accounting policy change does not affect the amount of residual earnings that the Federal Reserve Banks distribute to the U.S. Treasury, it may affect the timing of the distributions. Consistent with long-standing policy of the Board of Governors, the residual earnings of each Federal Reserve Bank, after providing for the costs of operations, payment of dividends, and the amount necessary to equate surplus with capital paid-in, are distributed weekly to the U.S. Treasury. The distribution of residual earnings to the U.S. Treasury is made in accordance with the Board of Governor's authority to levy an interest charge on the Federal Reserve Banks based on the amount of each Federal Reserve Bank's outstanding Federal Reserve notes.

Effective January 1, 2011, as a result of the accounting policy change, on a daily basis each Federal Reserve Bank will adjust the balance in its surplus account to equate surplus with capital paid-in and, in addition, will adjust its liability for the distribution of residual earnings to the U.S. Treasury. Previously these adjustments were made only at year-end. Adjusting the surplus account balance and the liability for the distribution of residual earnings to the U.S. Treasury is consistent with the existing requirement for daily accrual of many other items that appear in the Board's H.4.1 statistical release. The liability for the distribution of residual earnings to the U.S. Treasury will be reported as "Interest on Federal Reserve notes due to U.S. Treasury" on table 10. Previously, the amount necessary to equate surplus with capital paid-in and the amount of the liability for the distribution of residual earnings to the U.S. Treasury were included in "Other capital accounts" in table 9 and in "Other capital" in table 10.

# FEDERAL RESERVE statistical release



H.4.1

## Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks

January 6, 2011

### 1. Factors Affecting Reserve Balances of Depository Institutions

Millions of dollars

Reserve Bank credit, related items, and reserve balances of depository institutions at Federal Reserve Banks	Averages of daily figures			Wednesday Jan 5, 2011
	Week ended Jan 5, 2011	Change from week ended		
		Dec 29, 2010	Jan 6, 2010	
Reserve Bank credit	2,410,816	+ 3,081	+ 194,474	2,418,014
Securities held outright <sup>1</sup>	2,163,563	+ 4,386	+ 318,610	2,170,586
U.S. Treasury securities	1,023,962	+ 13,677	+ 247,371	1,030,985
Bills <sup>2</sup>	18,423	0	0	18,423
Notes and bonds, nominal <sup>2</sup>	950,990	+ 13,424	+ 243,341	956,554
Notes and bonds, inflation-indexed <sup>2</sup>	48,356	+ 231	+ 3,713	49,743
Inflation compensation <sup>3</sup>	6,194	+ 22	+ 317	6,265
Federal agency debt securities <sup>2</sup>	147,460	0	- 12,419	147,460
Mortgage-backed securities <sup>4</sup>	992,141	- 9,291	+ 83,658	992,141
Repurchase agreements <sup>5</sup>	0	0	0	0
Term auction credit	0	0	- 75,918	0
Other loans	44,707	- 405	- 45,420	44,615
Primary credit	100	+ 48	- 19,353	10
Secondary credit	0	- 15	- 954	0
Seasonal credit	16	- 8	- 5	10
Credit extended to American International Group, Inc., net <sup>6</sup>	19,919	- 359	- 2,247	19,961
Term Asset-Backed Securities Loan Facility <sup>7</sup>	24,673	- 70	- 22,859	24,634
Other credit extensions	0	0	0	0
Net portfolio holdings of Commercial Paper Funding Facility LLC <sup>8</sup>	0	0	- 14,067	0
Net portfolio holdings of Maiden Lane LLC <sup>9</sup>	26,974	+ 39	+ 268	27,009
Net portfolio holdings of Maiden Lane II LLC <sup>10</sup>	16,125	- 32	+ 465	15,942
Net portfolio holdings of Maiden Lane III LLC <sup>11</sup>	23,152	+ 21	+ 478	23,202
Net portfolio holdings of TALF LLC <sup>12</sup>	665	0	+ 367	665
Preferred interests in AIA Aurora LLC and ALICO Holdings LLC <sup>13</sup>	26,338	+ 281	+ 1,232	26,385
Float	-1,696	- 284	+ 586	-2,205
Central bank liquidity swaps <sup>14</sup>	75	0	- 10,197	75
Other Federal Reserve assets <sup>15</sup>	110,913	- 925	+ 18,069	111,739
Gold stock	11,041	0	0	11,041
Special drawing rights certificate account	5,200	0	0	5,200
Treasury currency outstanding <sup>16</sup>	43,581	+ 14	+ 890	43,581
<b>Total factors supplying reserve funds</b>	<b>2,470,638</b>	<b>+ 3,094</b>	<b>+ 195,364</b>	<b>2,477,836</b>

Note: Components may not sum to totals because of rounding. Footnotes appear at the end of the table.

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**1. Factors Affecting Reserve Balances of Depository Institutions (continued)**

Millions of dollars

Reserve Bank credit, related items, and reserve balances of depository institutions at Federal Reserve Banks	Averages of daily figures			Wednesday Jan 5, 2011
	Week ended Jan 5, 2011	Change from week ended		
		Dec 29, 2010	Jan 6, 2010	
Currency in circulation <sup>16</sup>	982,756	- 944	+ 55,492	981,520
Reverse repurchase agreements <sup>17</sup>	59,416	+ 3,653	- 15,685	57,555
Foreign official and international accounts	59,416	+ 3,653	- 15,685	57,555
Others	0	0	0	0
Treasury cash holdings	177	- 7	- 64	180
Deposits with F.R. Banks, other than reserve balances	327,207	+ 26,973	+ 112,098	311,870
Term deposits held by depository institutions	0	- 5,113	0	0
U.S. Treasury, general account	115,386	+ 27,914	- 62,957	105,713
U.S. Treasury, supplementary financing account	199,964	+ 1	+ 194,963	199,964
Foreign official	3,378	- 771	+ 766	3,430
Service-related	2,378	+ 19	- 642	2,378
Required clearing balances	2,378	+ 19	- 642	2,378
Adjustments to compensate for float	0	0	0	0
Other	6,102	+ 4,923	- 20,032	385
Funds from American International Group, Inc. asset dispositions, held as agent <sup>18</sup>	26,896	0	+ 26,896	26,896
Other liabilities and capital <sup>19</sup>	72,430	- 1,027	+ 8,962	69,070
<b>Total factors, other than reserve balances, absorbing reserve funds</b>	<b>1,468,882</b>	<b>+ 28,647</b>	<b>+ 187,698</b>	<b>1,447,091</b>
<b>Reserve balances with Federal Reserve Banks</b>	<b>1,001,756</b>	<b>- 25,553</b>	<b>+ 7,665</b>	<b>1,030,745</b>

Note: Components may not sum to totals because of rounding.

- Includes securities lent to dealers under the overnight securities lending facility; refer to table 1A.
- Face value of the securities.
- Compensation that adjusts for the effect of inflation on the original face value of inflation-indexed securities.
- Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. Current face value of the securities, which is the remaining principal balance of the underlying mortgages.
- Cash value of agreements.
- Includes outstanding principal and capitalized interest net of unamortized deferred commitment fees and allowance for loan restructuring. Excludes credit extended to consolidated LLCs.
- Includes credit extended by the Federal Reserve Bank of New York to eligible borrowers through the Term Asset-Backed Securities Loan Facility.
- Includes the book value of the commercial paper, net of amortized costs and related fees, and other investments held by the Commercial Paper Funding Facility LLC.
- Refer to table 4 and the note on consolidation accompanying table 10.
- Refer to table 5 and the note on consolidation accompanying table 10.
- Refer to table 6 and the note on consolidation accompanying table 10.
- Refer to table 7 and the note on consolidation accompanying table 10.
- Refer to table 8.
- Dollar value of foreign currency held under these agreements valued at the exchange rate to be used when the foreign currency is returned to the foreign central bank. This exchange rate equals the market exchange rate used when the foreign currency was acquired from the foreign central bank.
- Includes other assets denominated in foreign currencies, which are revalued daily at market exchange rates, accrued dividends on the Federal Reserve Bank of New York's (FRBNY) preferred interests in AIA Aurora LLC and ALICO Holdings LLC, and the fair value adjustment to credit extended by the FRBNY to eligible borrowers through the Term Asset-Backed Securities Loan Facility.
- Estimated.
- Cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and mortgage-backed securities.
- Pending the closing of the recapitalization plan announced by American International Group, Inc. (AIG) on September 30, 2010, the cash proceeds from the disposition of certain AIG assets will be held by the FRBNY as agent. At the closing of the recapitalization plan, the proceeds will be used first to repay in full the credit extended to AIG by the FRBNY under the revolving credit facility and then to retire a portion of the FRBNY's preferred interests in AIA Aurora LLC and ALICO Holdings LLC (preferred interests). Alternatively, if the recapitalization plan is terminated under the terms of the plan, then the proceeds from the initial public offering of AIA and the sale of ALICO will be used to redeem the preferred interests in accordance with the AIA Aurora LLC and ALICO Holdings LLC limited liability company agreements, and any excess proceeds from these transactions, as well as proceeds from the disposition of other assets, will be used to repay the credit extended to AIG under the revolving credit facility.
- Includes the liabilities of Maiden Lane LLC, Maiden Lane II LLC, Maiden Lane III LLC, and TALF LLC to entities other than the Federal Reserve Bank of New York, including liabilities that have recourse only to the portfolio holdings of these LLCs. Refer to table 4 through table 7 and the note on consolidation accompanying table 10. Also includes the liability for interest on Federal Reserve notes due to U.S. Treasury. Refer to table 9 and table 10.

Sources: Federal Reserve Banks and the U.S. Department of the Treasury.

#### H.4.1

### 1A. Memorandum Items

Millions of dollars

Memorandum item	Averages of daily figures			Wednesday Jan 5, 2011
	Week ended Jan 5, 2011	Change from week ended		
		Dec 29, 2010	Jan 6, 2010	
Marketable securities held in custody for foreign official and international accounts <sup>1</sup>	3,344,257	- 6,068	+ 382,614	3,354,852
U.S. Treasury securities	2,610,287	- 6,100	+ 415,043	2,620,512
Federal agency securities <sup>2</sup>	733,969	+ 31	- 32,430	734,340
Securities lent to dealers	19,459	+ 8,829	+ 1,865	13,613
Overnight facility <sup>3</sup>	19,459	+ 8,829	+ 1,865	13,613
U.S. Treasury securities	17,988	+ 8,607	+ 1,362	12,306
Federal agency debt securities	1,471	+ 222	+ 503	1,307

Note: Components may not sum to totals because of rounding.

1. Face value of the securities. Includes U.S. Treasury STRIPS and other zero-coupon bonds at face value and mortgage-backed securities at original face value.
2. Includes debt and mortgage-backed securities.
3. Fully collateralized by U.S. Treasury securities.

### 2. Maturity Distribution of Securities, Loans, and Selected Other Assets and Liabilities, January 5, 2011

Millions of dollars

Remaining maturity	Within 15 days	16 days to 90 days	91 days to 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	All
Other loans <sup>1</sup>	10	10	0	44,595	0	...	44,615
<i>U.S. Treasury securities<sup>2</sup></i>							
Holdings	13,584	21,035	54,254	439,596	342,546	159,970	1,030,985
Weekly changes	- 6,019	+ 5,991	- 1,726	+ 5,693	+ 10,046	+ 900	+ 14,883
<i>Federal agency debt securities<sup>3</sup></i>							
Holdings	1,575	13,390	28,501	71,050	30,597	2,347	147,460
Weekly changes	+ 446	- 446	0	0	0	0	0
<i>Mortgage-backed securities<sup>4</sup></i>							
Holdings	0	0	0	24	22	992,095	992,141
Weekly changes	0	0	0	0	+ 2	- 2	0
Asset-backed securities held by TALF LLC <sup>5</sup>	0	0	0	0	0	0	0
Repurchase agreements <sup>6</sup>	0	0	...	...	...	...	0
Central bank liquidity swaps <sup>7</sup>	75	0	0	0	0	0	75
Reverse repurchase agreements <sup>6</sup>	57,555	0	...	...	...	...	57,555
Term deposits	0	0	0	...	...	...	0

Note: Components may not sum to totals because of rounding.

... Not applicable.

1. Excludes the loans from the Federal Reserve Bank of New York (FRBNY) to Maiden Lane LLC, Maiden Lane II LLC, Maiden Lane III LLC, and TALF LLC. The loans were eliminated when preparing the FRBNY's statement of condition consistent with consolidation under generally accepted accounting principles.
2. Face value. For inflation-indexed securities, includes the original face value and compensation that adjusts for the effect of inflation on the original face value of such securities.
3. Face value.
4. Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. Current face value of the securities, which is the remaining principal balance of the underlying mortgages.
5. Face value of asset-backed securities held by TALF LLC, which is the remaining principal balance of the underlying assets.
6. Cash value of agreements.
7. Dollar value of foreign currency held under these agreements valued at the exchange rate to be used when the foreign currency is returned to the foreign central bank. This exchange rate equals the market exchange rate used when the foreign currency was acquired from the foreign central bank.

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### 3. Supplemental Information on Mortgage-Backed Securities Purchase Program

Millions of dollars

Account name	Wednesday Jan 5, 2011
Mortgage-backed securities held outright <sup>1</sup>	992,141
Commitments to buy mortgage-backed securities <sup>2</sup>	0
Commitments to sell mortgage-backed securities <sup>2</sup>	0
Cash and cash equivalents <sup>3</sup>	0

1. Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. Current face value of the securities, which is the remaining principal balance of the underlying mortgages.
2. Current face value. Generally settle within 180 days and include commitments associated with outright transactions, dollar rolls, and coupon swaps.
3. This amount is included in other Federal Reserve assets in table 1 and in other assets in table 9 and table 10.

### 4. Information on Principal Accounts of Maiden Lane LLC

Millions of dollars

Account name	Wednesday Jan 5, 2011
Net portfolio holdings of Maiden Lane LLC <sup>1</sup>	27,009
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York <sup>2</sup>	25,228
Accrued interest payable to the Federal Reserve Bank of New York <sup>2</sup>	620
Outstanding principal amount and accrued interest on loan payable to JPMorgan Chase & Co. <sup>3</sup>	1,316

1. Fair value. Fair value reflects an estimate of the price that would be received upon selling an asset if the transaction were to be conducted in an orderly market on the measurement date. Revalued quarterly. This table reflects valuations as of September 30, 2010. Any assets purchased after this valuation date are initially recorded at cost until their estimated fair value as of the purchase date becomes available.
2. Book value. This amount was eliminated when preparing the Federal Reserve Bank of New York's statement of condition consistent with consolidation under generally accepted accounting principles. Refer to the note on consolidation accompanying table 10.
3. Book value. The fair value of these obligations is included in other liabilities and capital in table 1 and in other liabilities and accrued dividends in table 9 and table 10.

Note: On June 26, 2008, the Federal Reserve Bank of New York (FRBNY) extended credit to Maiden Lane LLC under the authority of section 13(3) of the Federal Reserve Act. This limited liability company was formed to acquire certain assets of Bear Stearns and to manage those assets through time to maximize repayment of the credit extended and to minimize disruption to financial markets. Payments by Maiden Lane LLC from the proceeds of the net portfolio holdings will be made in the following order: operating expenses of the LLC, principal due to the FRBNY, interest due to the FRBNY, principal due to JPMorgan Chase & Co., and interest due to JPMorgan Chase & Co. Any remaining funds will be paid to the FRBNY.

### 5. Information on Principal Accounts of Maiden Lane II LLC

Millions of dollars

Account name	Wednesday Jan 5, 2011
Net portfolio holdings of Maiden Lane II LLC <sup>1</sup>	15,942
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York <sup>2</sup>	12,777
Accrued interest payable to the Federal Reserve Bank of New York <sup>2</sup>	454
Deferred payment and accrued interest payable to subsidiaries of American International Group, Inc. <sup>3</sup>	1,072

1. Fair value. Fair value reflects an estimate of the price that would be received upon selling an asset if the transaction were to be conducted in an orderly market on the measurement date. Revalued quarterly. This table reflects valuations as of September 30, 2010. Any assets purchased after this valuation date are initially recorded at cost until their estimated fair value as of the purchase date becomes available.
2. Book value. This amount was eliminated when preparing the Federal Reserve Bank of New York's statement of condition consistent with consolidation under generally accepted accounting principles. Refer to the note on consolidation accompanying table 10.
3. Book value. The deferred payment represents the portion of the proceeds of the net portfolio holdings due to subsidiaries of American International Group, Inc. in accordance with the asset purchase agreement. The fair value of this payment and accrued interest payable are included in other liabilities and capital in table 1 and in other liabilities and accrued dividends in table 9 and table 10.

Note: On December 12, 2008, the Federal Reserve Bank of New York (FRBNY) began extending credit to Maiden Lane II LLC under the authority of section 13(3) of the Federal Reserve Act. This limited liability company was formed to purchase residential mortgage-backed securities from the U.S. securities lending reinvestment portfolio of subsidiaries of American International Group, Inc. (AIG subsidiaries). Payments by Maiden Lane II LLC from the proceeds of the net portfolio holdings will be made in the following order: operating expenses of Maiden Lane II LLC, principal due to the FRBNY, interest due to the FRBNY, and deferred payment and interest due to AIG subsidiaries. Any remaining funds will be shared by the FRBNY and AIG subsidiaries.

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### 6. Information on Principal Accounts of Maiden Lane III LLC

Millions of dollars

Account name	Wednesday Jan 5, 2011
Net portfolio holdings of Maiden Lane III LLC <sup>1</sup>	23,202
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York <sup>2</sup>	13,526
Accrued interest payable to the Federal Reserve Bank of New York <sup>2</sup>	548
<u>Outstanding principal amount and accrued interest on loan payable to American International Group, Inc.<sup>3</sup></u>	<u>5,368</u>

1. Fair value. Fair value reflects an estimate of the price that would be received upon selling an asset if the transaction were to be conducted in an orderly market on the measurement date. Revalued quarterly. This table reflects valuations as of September 30, 2010. Any assets purchased after this valuation date are initially recorded at cost until their estimated fair value as of the purchase date becomes available.
2. Book value. This amount was eliminated when preparing the Federal Reserve Bank of New York's statement of condition consistent with consolidation under generally accepted accounting principles. Refer to the note on consolidation accompanying table 10.
3. Book value. The fair value of these obligations is included in other liabilities and capital in table 1 and in other liabilities and accrued dividends in table 9 and table 10.

Note: On November 25, 2008, the Federal Reserve Bank of New York (FRBNY) began extending credit to Maiden Lane III LLC under the authority of section 13(3) of the Federal Reserve Act. This limited liability company was formed to purchase multi-sector collateralized debt obligations (CDOs) on which the Financial Products group of American International Group, Inc. (AIG) has written credit default swap (CDS) contracts. In connection with the purchase of CDOs, the CDS counterparties will concurrently unwind the related CDS transactions. Payments by Maiden Lane III LLC from the proceeds of the net portfolio holdings will be made in the following order: operating expenses of Maiden Lane III LLC, principal due to the FRBNY, interest due to the FRBNY, principal due to AIG, and interest due to AIG. Any remaining funds will be shared by the FRBNY and AIG.

### 7. Information on Principal Accounts of TALF LLC

Millions of dollars

Account name	Wednesday Jan 5, 2011
Asset-backed securities holdings <sup>1</sup>	0
Other investments, net	665
Net portfolio holdings of TALF LLC	665
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York <sup>2</sup>	0
Accrued interest payable to the Federal Reserve Bank of New York <sup>2</sup>	0
<u>Funding provided by U.S. Treasury to TALF LLC, including accrued interest payable<sup>3</sup></u>	<u>106</u>

1. Fair value. Fair value reflects an estimate of the price that would be received upon selling an asset if the transaction were to be conducted in an orderly market on the measurement date.
2. Book value. This amount was eliminated when preparing the Federal Reserve Bank of New York's statement of condition consistent with consolidation under generally accepted accounting principles. Refer to the note on consolidation accompanying table 10.
3. Book value. The fair value of these obligations is included in other liabilities and capital in table 1 and in other liabilities and accrued dividends in table 9 and table 10.

Note: On November 25, 2008, the Federal Reserve announced the creation of the Term Asset-Backed Securities Loan Facility (TALF) under the authority of section 13(3) of the Federal Reserve Act. The TALF is a facility under which the Federal Reserve Bank of New York (FRBNY) extends loans with a term of up to five years to holders of eligible asset-backed securities. The TALF is intended to assist financial markets in accommodating the credit needs of consumers and businesses by facilitating the issuance of asset-backed securities collateralized by a variety of consumer and business loans. The loans provided through the TALF to eligible borrowers are non-recourse, meaning that the obligation of the borrower can be discharged by surrendering the collateral to the FRBNY. The loans are extended for the market value of the security less an amount known as a haircut. As a result, the borrower bears the initial risk of a decline in the value of the security.

TALF LLC is a limited liability company formed to purchase and manage any asset-backed securities received by the FRBNY in connection with the decision of a borrower not to repay a TALF loan. TALF LLC has committed, for a fee, to purchase all asset-backed securities received by the FRBNY in conjunction with a TALF loan at a price equal to the TALF loan plus accrued but unpaid interest. Losses on asset-backed securities held by TALF LLC will be offset in the following order: by the commitment fees collected by TALF LLC, by the interest received on investments of TALF LLC, by up to \$4.3 billion in subordinated debt funding provided by the U.S. Treasury, and finally, by senior debt funding provided by the FRBNY. Payments by TALF LLC from the proceeds of its net portfolio holdings will be made in the following order: operating expenses of TALF LLC, principal due to the FRBNY, principal due to the U.S. Treasury, interest due to the FRBNY, and interest due to the U.S. Treasury. Any remaining funds will be shared by the FRBNY and the U.S. Treasury.

#### H.4.1

### 8. Supplemental Information on the Federal Reserve Bank of New York's Preferred Interests in AIA Aurora LLC and ALICO Holdings LLC

Millions of dollars

Account name	Wednesday Jan 5, 2011
Preferred interests in AIA Aurora LLC and ALICO Holdings LLC <sup>1</sup> Accrued dividends on preferred interests in AIA Aurora LLC and ALICO Holdings LLC <sup>2</sup>	26,385 18
Preferred interests in AIA Aurora LLC <sup>1</sup> Accrued dividends on preferred interests in AIA Aurora LLC <sup>2</sup>	16,887 12
Preferred interests in ALICO Holdings LLC <sup>1</sup> Accrued dividends on preferred interests in ALICO Holdings LLC <sup>2</sup>	9,499 7

Note: Components may not sum to totals because of rounding.

1. Book value.
2. This amount is included in other Federal Reserve assets in table 1 and in other assets in table 9 and table 10.

Note on preferred interests:

In conjunction with the restructuring of the government's assistance to American International Group, Inc. (AIG) announced March 2, 2009, the outstanding balance and amount available of revolving credit provided to AIG by the FRBNY has been reduced in exchange for preferred interests in two special purpose vehicles, AIA Aurora LLC and ALICO Holdings LLC. These two limited liability companies were created to directly or indirectly hold all of the outstanding common stock of American International Assurance Company Ltd. (AIA) and American Life Insurance Company (ALICO), two life insurance subsidiaries of AIG. AIG will retain control of AIA Aurora LLC and ALICO Holdings LLC, and the FRBNY will have certain consent, disposition, and conversion rights with respect to its preferred interests.

Dividends accrue as a percentage of the FRBNY's preferred interests in AIA Aurora LLC and ALICO Holdings LLC. On a quarterly basis, the accrued dividends are capitalized and added to the FRBNY's preferred interests in AIA Aurora LLC and ALICO Holdings LLC.

## H.4.1

**9. Consolidated Statement of Condition of All Federal Reserve Banks**

Millions of dollars

Assets, liabilities, and capital	Eliminations from consolidation	Wednesday Jan 5, 2011	Change since	
			Wednesday Dec 29, 2010	Wednesday Jan 6, 2010
<i>Assets</i>				
Gold certificate account		11,037	0	0
Special drawing rights certificate account		5,200	0	0
Coin		2,191	+ 27	+ 127
Securities, repurchase agreements, term auction credit, and other loans		2,215,201	+ 14,414	+ 204,252
Securities held outright <sup>1</sup>		2,170,586	+ 14,883	+ 325,375
U.S. Treasury securities		1,030,985	+ 14,883	+ 254,390
Bills <sup>2</sup>		18,423	0	0
Notes and bonds, nominal <sup>2</sup>		956,554	+ 13,177	+ 248,905
Notes and bonds, inflation-indexed <sup>2</sup>		49,743	+ 1,618	+ 5,100
Inflation compensation <sup>3</sup>		6,265	+ 87	+ 384
Federal agency debt securities <sup>2</sup>		147,460	0	- 12,419
Mortgage-backed securities <sup>4</sup>		992,141	0	+ 83,404
Repurchase agreements <sup>5</sup>		0	0	0
Term auction credit		0	0	- 75,918
Other loans		44,615	- 469	- 45,206
Net portfolio holdings of Commercial Paper				
Funding Facility LLC <sup>6</sup>		0	0	- 14,076
Net portfolio holdings of Maiden Lane LLC <sup>7</sup>		27,009	+ 35	+ 273
Net portfolio holdings of Maiden Lane II LLC <sup>8</sup>		15,942	- 255	+ 280
Net portfolio holdings of Maiden Lane III LLC <sup>9</sup>		23,202	+ 60	+ 445
Net portfolio holdings of TALF LLC <sup>10</sup>		665	0	+ 367
Preferred interests in AIA Aurora LLC and ALICO Holdings LLC <sup>11</sup>		26,385	+ 328	+ 1,279
Items in process of collection	(98)	280	+ 55	- 442
Bank premises		2,219	- 10	- 21
Central bank liquidity swaps <sup>12</sup>		75	0	- 10,197
Other assets <sup>13</sup>		109,566	+ 859	+ 18,186
<b>Total assets</b>	<b>(98)</b>	<b>2,438,972</b>	<b>+ 15,515</b>	<b>+ 200,473</b>

Note: Components may not sum to totals because of rounding. Footnotes appear at the end of the table.



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**9. Consolidated Statement of Condition of All Federal Reserve Banks (continued)**

Millions of dollars

Assets, liabilities, and capital	Eliminations from consolidation	Wednesday Jan 5, 2011	Change since	
			Wednesday Dec 29, 2010	Wednesday Jan 6, 2010
<i>Liabilities</i>				
Federal Reserve notes, net of F.R. Bank holdings		940,305	- 3,444	+ 55,856
Reverse repurchase agreements <sup>14</sup>		57,555	- 1,691	- 10,017
Deposits	(0)	1,342,661	+ 23,906	+ 123,997
Term deposits held by depository institutions		0	- 5,113	0
Other deposits held by depository institutions		1,033,169	+ 12,443	+ 8,671
U.S. Treasury, general account		105,713	+ 16,808	- 60,842
U.S. Treasury, supplementary financing account		199,964	+ 1	+ 194,963
Foreign official		3,430	- 240	+ 281
Other	(0)	385	+ 7	- 19,076
Deferred availability cash items	(98)	2,484	+ 634	- 1,249
Other liabilities and accrued dividends <sup>15</sup>		42,918	- 338	+ 30,985
<b>Total liabilities</b>	<b>(98)</b>	<b>2,385,924</b>	<b>+ 19,069</b>	<b>+ 199,573</b>
<i>Capital accounts</i>				
Capital paid in		26,524	- 1	+ 873
Surplus		26,524	+ 573	+ 1,358
Other capital accounts		0	- 4,126	- 1,330
<b>Total capital</b>		<b>53,048</b>	<b>- 3,554</b>	<b>+ 900</b>

Note: Components may not sum to totals because of rounding.

1. Includes securities lent to dealers under the overnight securities lending facility; refer to table 1A.
2. Face value of the securities.
3. Compensation that adjusts for the effect of inflation on the original face value of inflation-indexed securities.
4. Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. Current face value of the securities, which is the remaining principal balance of the underlying mortgages.
5. Cash value of agreements, which are collateralized by U.S. Treasury and federal agency securities.
6. Includes the book value of the commercial paper, net of amortized costs and related fees, and other investments held by the Commercial Paper Funding Facility LLC.
7. Refer to table 4 and the note on consolidation accompanying table 10.
8. Refer to table 5 and the note on consolidation accompanying table 10.
9. Refer to table 6 and the note on consolidation accompanying table 10.
10. Refer to table 7 and the note on consolidation accompanying table 10.
11. Refer to table 8.
12. Dollar value of foreign currency held under these agreements valued at the exchange rate to be used when the foreign currency is returned to the foreign central bank. This exchange rate equals the market exchange rate used when the foreign currency was acquired from the foreign central bank.
13. Includes other assets denominated in foreign currencies, which are revalued daily at market exchange rates, accrued dividends on the Federal Reserve Bank of New York's (FRBNY) preferred interests in AIA Aurora LLC and ALICO Holdings LLC, and the fair value adjustment to credit extended by the FRBNY to eligible borrowers through the Term Asset-Backed Securities Loan Facility.
14. Cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and mortgage-backed securities.
15. Includes the liabilities of Maiden Lane LLC, Maiden Lane II LLC, Maiden Lane III LLC, and TALF LLC to entities other than the Federal Reserve Bank of New York, including liabilities that have recourse only to the portfolio holdings of these LLCs. Refer to table 4 through table 7 and the note on consolidation accompanying table 10. Also includes funds from American International Group, Inc. asset dispositions, held as agent. Also includes the liability for interest on Federal Reserve notes due to U.S. Treasury. Refer to table 10.

## H.4.1

## 10. Statement of Condition of Each Federal Reserve Bank, January 5, 2011

Millions of dollars

Assets, liabilities, and capital	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
<b>Assets</b>													
Gold certificate account	11,037	369	4,038	404	463	846	1,385	887	324	203	296	652	1,170
Special drawing rights certificate acct.	5,200	196	1,818	210	237	412	654	424	150	90	153	282	574
Coin	2,191	46	70	175	165	355	188	340	36	60	161	240	356
Securities, repurchase agreements, term auction credit, and other loans	2,215,201	54,930	930,308	50,689	73,747	247,206	205,404	163,634	55,911	29,715	74,471	91,144	238,040
Securities held outright <sup>1</sup>	2,170,586	54,930	885,714	50,689	73,747	247,206	205,397	163,633	55,910	29,715	74,460	91,144	238,040
U.S. Treasury securities	1,030,985	26,091	420,696	24,076	35,028	117,418	97,560	77,722	26,556	14,114	35,367	43,292	113,064
Bills <sup>2</sup>	18,423	466	7,517	430	626	2,098	1,743	1,389	475	252	632	774	2,020
Notes and bonds <sup>3</sup>	1,012,562	25,625	413,179	23,646	34,403	115,320	95,816	76,333	26,082	13,862	34,735	42,518	111,044
Federal agency debt securities <sup>2</sup>	147,460	3,732	60,171	3,444	5,010	16,794	13,954	11,116	3,798	2,019	5,058	6,192	16,171
Mortgage-backed securities <sup>4</sup>	992,141	25,108	404,846	23,169	33,709	112,994	93,884	74,794	25,556	13,582	34,034	41,660	108,804
Repurchase agreements <sup>5</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0
Term auction credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Other loans	44,615	0	44,595	0	0	0	7	1	1	0	11	0	0
Net portfolio holdings of Commercial Paper Funding Facility LLC <sup>6</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane LLC <sup>7</sup>	27,009	0	27,009	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane II LLC <sup>8</sup>	15,942	0	15,942	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane III LLC <sup>9</sup>	23,202	0	23,202	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of TALF LLC <sup>10</sup>	665	0	665	0	0	0	0	0	0	0	0	0	0
Preferred interests in AIA Aurora LLC and ALICO Holdings LLC <sup>11</sup>	26,385	0	26,385	0	0	0	0	0	0	0	0	0	0
Items in process of collection	377	7	0	47	73	15	99	65	-34	31	26	26	22
Bank premises	2,219	126	255	68	140	239	218	208	136	107	265	245	213
Central bank liquidity swaps <sup>12</sup>	75	3	22	8	6	21	5	2	1	2	1	1	5
Other assets <sup>13</sup>	109,566	3,087	41,596	4,771	4,759	16,712	9,518	6,911	2,420	1,886	3,091	3,969	10,847
Interdistrict settlement account	0	- 3,354	+ 205,476	+ 12,929	- 18,973	- 22,076	- 47,731	- 35,160	- 17,054	- 7,567	- 13,898	- 5,267	- 47,325
<b>Total assets</b>	<b>2,439,070</b>	<b>55,411</b>	<b>1,276,788</b>	<b>69,300</b>	<b>60,616</b>	<b>243,731</b>	<b>169,739</b>	<b>137,309</b>	<b>41,890</b>	<b>24,526</b>	<b>64,566</b>	<b>91,291</b>	<b>203,902</b>

Note: Components may not sum to totals because of rounding. Footnotes appear at the end of the table.

## H.4.1

## 10. Statement of Condition of Each Federal Reserve Bank, January 5, 2011 (continued)

Millions of dollars

Assets, liabilities, and capital	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
<i>Liabilities</i>													
Federal Reserve notes outstanding	1,120,748	41,109	383,269	45,475	45,934	90,094	141,227	86,382	32,428	19,927	33,190	75,842	125,872
Less: Notes held by F.R. Banks	180,443	4,727	64,067	4,770	7,859	13,082	20,778	12,148	4,435	5,768	3,652	11,946	27,211
Federal Reserve notes, net	940,305	36,382	319,203	40,705	38,075	77,012	120,449	74,233	27,993	14,159	29,538	63,895	98,661
Reverse repurchase agreements <sup>14</sup>	57,555	1,457	23,486	1,344	1,955	6,555	5,446	4,339	1,483	788	1,974	2,417	6,312
Deposits	1,342,661	15,465	879,283	21,667	15,928	148,585	40,131	56,727	11,708	7,416	32,213	23,794	89,743
Term deposits held by depository institutions	0	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits held by depository institutions	1,033,169	15,457	569,982	21,662	15,924	148,533	40,127	56,700	11,652	7,412	32,209	23,794	89,717
U.S. Treasury, general account	105,713	0	105,713	0	0	0	0	0	0	0	0	0	0
U.S. Treasury, supplementary financing account	199,964	0	199,964	0	0	0	0	0	0	0	0	0	0
Foreign official	3,430	1	3,401	4	3	11	2	1	0	1	0	1	3
Other	385	7	222	0	2	41	1	27	56	3	4	0	23
Deferred availability cash items	2,582	92	0	303	505	115	134	208	78	407	142	113	486
Interest on Federal Reserve notes due to U.S. Treasury <sup>15</sup>	613	7	379	-36	-4	-31	69	65	22	-1	13	51	80
Other liabilities and accrued dividends <sup>16</sup>	42,305	176	39,074	180	222	618	470	393	176	119	171	247	460
<b>Total liabilities</b>	<b>2,386,021</b>	<b>53,579</b>	<b>1,261,423</b>	<b>64,162</b>	<b>56,681</b>	<b>232,853</b>	<b>166,699</b>	<b>135,965</b>	<b>41,460</b>	<b>22,887</b>	<b>64,052</b>	<b>90,518</b>	<b>195,742</b>
<i>Capital</i>													
Capital paid in	26,524	916	7,682	2,569	1,968	5,439	1,520	672	215	819	257	387	4,080
Surplus	26,524	916	7,682	2,569	1,968	5,439	1,520	672	215	819	257	387	4,080
Other capital	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and capital</b>	<b>2,439,070</b>	<b>55,411</b>	<b>1,276,788</b>	<b>69,300</b>	<b>60,616</b>	<b>243,731</b>	<b>169,739</b>	<b>137,309</b>	<b>41,890</b>	<b>24,526</b>	<b>64,566</b>	<b>91,291</b>	<b>203,902</b>

Note: Components may not sum to totals because of rounding. Footnotes appear at the end of the table.

**10. Statement of Condition of Each Federal Reserve Bank, January 5, 2011 (continued)**

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1. Includes securities lent to dealers under the overnight securities lending facility; refer to table 1A.
2. Face value of the securities.
3. Includes the original face value of inflation-indexed securities and compensation that adjusts for the effect of inflation on the original face value of such securities.
4. Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. Current face value of the securities, which is the remaining principal balance of the underlying mortgages.
5. Cash value of agreements, which are collateralized by U.S. Treasury and federal agency securities.
6. Includes the book value of the commercial paper, net of amortized costs and related fees, and other investments held by the Commercial Paper Funding Facility LLC.
7. Refer to table 4 and the note on consolidation below.
8. Refer to table 5 and the note on consolidation below.
9. Refer to table 6 and the note on consolidation below.
10. Refer to table 7 and the note on consolidation below.
11. Refer to table 8.
12. Dollar value of foreign currency held under these agreements valued at the exchange rate to be used when the foreign currency is returned to the foreign central bank. This exchange rate equals the market exchange rate used when the foreign currency was acquired from the foreign central bank.
13. Includes other assets denominated in foreign currencies, which are revalued daily at market exchange rates, accrued dividends on the Federal Reserve Bank of New York's (FRBNY) preferred interests in AIA Aurora LLC and ALICO Holdings LLC, and the fair value adjustment to credit extended by the FRBNY to eligible borrowers through the Term Asset-Backed Securities Loan Facility.
14. Cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and mortgage-backed securities.
15. Represents the estimated weekly remittances to U.S. Treasury as interest on Federal Reserve notes or, in those cases where the Reserve Bank's net earnings are not sufficient to equate surplus to capital paid-in, the deferred asset for interest on Federal Reserve notes. The amount of any deferred asset, which is presented as a negative amount in this line, represents the amount of the Federal Reserve Bank's earnings that must be retained before remittances to the U.S. Treasury resume. The amounts on this line are calculated in accordance with Board of Governors policy, which requires the Federal Reserve Banks to remit residual earnings to the U.S. Treasury as interest on Federal Reserve notes after providing for the costs of operations, payment of dividends, and the amount necessary to equate surplus with capital paid-in.
16. Includes the liabilities of Maiden Lane LLC, Maiden Lane II LLC, Maiden Lane III LLC, and TALF LLC to entities other than the Federal Reserve Bank of New York, including liabilities that have recourse only to the portfolio holdings of these LLCs. Refer to table 4 through table 7 and the note on consolidation below. Also includes funds from American International Group, Inc. asset dispositions, held as agent.

**Note on consolidation:**

The Federal Reserve Bank of New York (FRBNY) has extended loans to several limited liability companies under the authority of section 13(3) of the Federal Reserve Act. On June 26, 2008, a loan was extended to Maiden Lane LLC, which was formed to acquire certain assets of Bear Stearns. On November 25, 2008, a loan was extended to Maiden Lane III LLC, which was formed to purchase multi-sector collateralized debt obligations on which the Financial Products group of the American International Group, Inc. has written credit default swap contracts. On December 12, 2008, a loan was extended to Maiden Lane II LLC, which was formed to purchase residential mortgage-backed securities from the U.S. securities lending reinvestment portfolio of subsidiaries of American International Group, Inc. On November 25, 2008, the Federal Reserve Board authorized the FRBNY to extend credit to TALF LLC, which was formed to purchase and manage any asset-backed securities received by the FRBNY in connection with the decision of a borrower not to repay a loan extended under the Term Asset-Backed Securities Loan Facility.

The FRBNY is the primary beneficiary of TALF LLC, because of the two beneficiaries of the LLC, the FRBNY and the U.S. Treasury, the FRBNY is primarily responsible for directing the financial activities of TALF LLC. The FRBNY is the primary beneficiary of the other LLCs cited above because it will receive a majority of any residual returns of the LLCs and absorb a majority of any residual losses of the LLCs. Consistent with generally accepted accounting principles, the assets and liabilities of these LLCs have been consolidated with the assets and liabilities of the FRBNY in the preparation of the statements of condition shown on this release. As a consequence of the consolidation, the extensions of credit from the FRBNY to the LLCs are eliminated, the net assets of the LLCs appear as assets on the previous page (and in table 1 and table 9), and the liabilities of the LLCs to entities other than the FRBNY, including those with recourse only to the portfolio holdings of the LLCs, are included in other liabilities in this table (and table 1 and table 9).

H.4.1

**11. Collateral Held against Federal Reserve Notes: Federal Reserve Agents' Accounts**

Millions of dollars

Federal Reserve notes and collateral	Wednesday Jan 5, 2011
Federal Reserve notes outstanding	1,120,748
Less: Notes held by F.R. Banks not subject to collateralization	180,443
Federal Reserve notes to be collateralized	940,305
Collateral held against Federal Reserve notes	940,305
Gold certificate account	11,037
Special drawing rights certificate account	5,200
U.S. Treasury, agency debt, and mortgage-backed securities pledged <sup>1,2</sup>	924,068
Other assets pledged	0
<i>Memo:</i>	
Total U.S. Treasury, agency debt, and mortgage-backed securities <sup>1,2</sup>	2,170,586
Less: Face value of securities under reverse repurchase agreements	51,371
U.S. Treasury, agency debt, and mortgage-backed securities eligible to be pledged	2,119,215

Note: Components may not sum to totals because of rounding.

1. Includes face value of U.S. Treasury, agency debt, and mortgage-backed securities held outright, compensation to adjust for the effect of inflation on the original face value of inflation-indexed securities, and cash value of repurchase agreements.
2. Includes securities lent to dealers under the overnight securities lending facility; refer to table 1A.