
FEDERAL RESERVE statistical release



For Release at
4:30 P.M. Eastern time
December 19, 2002

The H.4.1 Statistical Release (“Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks”) has been reformatted to accommodate the Federal Reserve’s switch from arranging matched sale-purchase transactions to arranging reverse repurchase agreements.

The Federal Reserve began using reverse repurchase agreements, instead of matched sale-purchase transactions, on December 13. Reverse repurchase agreements—sales of securities under agreements to repurchase—are fundamentally equivalent to matched sale-purchase transactions, and they are commonly used in financial markets. Like matched sale-purchase transactions, reverse repurchase agreements will be arranged with foreign official and international accounts and with primary dealers.

The accounting treatment of reverse repurchase agreements differs from that of matched sale-purchase transactions. Matched sale-purchase transactions were accounted for as an outright sale, and the securities sold under these agreements were removed from securities held outright. In contrast, reverse repurchase agreements are accounted for as financing transactions in which the securities pledged remain in total outright holdings of securities by the Federal Reserve Banks, and a liability is recognized until the transaction matures.

For the week ended December 18, the weekly average data for Treasury bills held outright incorporate the depressing effect of the matched sale-purchase transaction arranged on December 12 and the shift to reverse repurchase agreements for the remaining days in the statement week. One-week and one-year changes shown in table 1 and in table 2 for Treasury bills held outright and other measures that include these holdings are quite large relative to typical movements because of the accounting changes.

FEDERAL RESERVE statistical release



H.4.1

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

December 19, 2002

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 Dec 18, 2002
	Week ended Dec 18, 2002	Change from week ended		
		Dec 11, 2002	Dec 19, 2001	
Reserve Bank credit	692,654	+ 21,905	+ 65,300	698,649
Securities held outright	626,479	+ 16,564	+ 72,238	629,407
U.S. Treasury ¹	626,469	+ 16,564	+ 72,238	629,397
Bills ²	223,757	+ 16,558	+ 37,582	226,682
Notes and bonds, nominal ²	389,219	0	+ 31,813	389,219
Notes and bonds, inflation-indexed ²	12,242	0	+ 2,531	12,242
Inflation compensation ³	1,250	+ 5	+ 311	1,253
Federal agency ²	10	0	0	10
Repurchase agreements ⁴	28,179	+ 6,179	- 8,414	30,000
Loans to depository institutions	55	- 154	+ 8	45
Adjustment credit	6	- 158	- 6	2
Seasonal credit	49	+ 3	+ 14	43
Extended credit	0	0	0	0
Float	-61	- 1,535	- 791	994
Other Federal Reserve assets	38,003	+ 853	+ 2,261	38,202
Gold stock	11,043	0	- 2	11,043
Special drawing rights certificate account	2,200	0	0	2,200
Treasury currency outstanding ⁵	34,469	+ 14	+ 1,471	34,469
Total factors supplying reserve funds	740,365	+ 21,918	+ 66,768	746,360
Currency in circulation ⁵	675,416	+ 1,126	+ 44,989	678,678
Reverse repurchase agreements ⁶	18,202	+ 18,202	+ 18,202	21,905
Foreign official and international accounts	18,202	+ 18,202	+ 18,202	21,905
Dealers	0	0	0	0
Treasury cash holdings	370	- 6	- 70	360
Deposits with F.R. Banks, other than reserve balances	17,217	+ 2,210	+ 1,707	17,880
U.S. Treasury, general account	5,959	+ 1,852	+ 95	6,595
Foreign official	148	+ 10	- 142	172
Service-related	10,900	+ 346	+ 1,766	10,900
Required clearing balances	10,450	+ 168	+ 1,869	10,450
Adjustments to compensate for float	450	+ 177	- 103	450
Other	210	+ 2	- 11	213
Other liabilities and capital	20,203	+ 404	+ 2,237	19,907
Total factors, other than reserve balances, absorbing reserve funds	731,409	+ 21,937	+ 67,066	738,729
Reserve balances with Federal Reserve Banks	8,957	- 18	- 297	7,631
Memo (off-balance-sheet items):				
Marketable securities held in custody for foreign official and international accounts ^{2,7}	846,299	+ 10,830	...	847,705
U.S. Treasury	685,293	+ 5,307	...	685,673
Federal agency	161,005	+ 5,522	...	162,032
Securities lent to dealers	151	+ 98	- 2,775	675

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

... not available.

1. Includes securities lent to dealers, which are fully collateralized by other U.S. Treasury securities. Daily average data for U.S. Treasury bills held outright were net of \$ 2,926 million in matched sale-purchase transactions, all of which were with foreign official and international accounts. No matched sale-purchase transactions were outstanding on the Wednesday statement date.
2. Face value of the securities.
3. Compensation that adjusts for the effects of inflation on the original face value of inflation-indexed securities.
4. Cash value of agreements, which are collateralized by U.S. Treasury and federal agency securities.
5. Estimated.
6. Cash value of agreements, which are collateralized by U.S. Treasury securities.
7. Includes U.S. Treasury STRIPS and other zero coupon bonds at face value.

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

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2. Consolidated Statement of Condition of All Federal Reserve Banks

Millions of dollars

Assets, liabilities, and capital	Eliminations from consolidation	Change since		
		Wednesday Dec 18, 2002	Wednesday Dec 11, 2002	Wednesday Dec 19, 2001
Assets				
Gold certificate account		11,039	0	- 6
Special drawing rights certificate account		2,200	0	0
Coin		1,035	+ 3	- 44
Securities, repurchase agreements, and loans		659,452	+ 18,624	+ 66,114
Securities held outright		629,407	+ 20,450	+ 73,813
U.S. Treasury ¹		629,397	+ 20,450	+ 73,813
Bills ²		226,682	+ 20,444	+ 40,198
Notes and bonds, nominal ²		389,219	0	+ 30,765
Notes and bonds, inflation-indexed ²		12,242	0	+ 2,531
Inflation compensation ³		1,253	+ 6	+ 318
Federal agency ²		10	0	0
Repurchase agreements ⁴		30,000	- 750	- 7,700
Loans		45	- 1,076	+ 1
Items in process of collection	(1,219)	8,800	- 1,316	- 301
Bank premises		1,534	+ 2	+ 16
Other assets ⁵		36,540	+ 661	+ 1,013
Total assets	(1,219)	720,601	+ 17,976	+ 66,794
Liabilities				
Federal Reserve notes, net of F.R. Bank holdings		645,599	+ 3,155	+ 42,663
Reverse repurchase agreements ⁶		21,905	+ 21,905	+ 21,905
Deposits	(0)	24,923	- 6,948	+ 148
Depository institutions		17,943	- 8,082	+ 1,171
U.S. Treasury, general account		6,595	+ 1,089	- 579
Foreign official		172	+ 33	- 450
Other	(0)	213	+ 12	+ 5
Deferred availability cash items	(1,219)	8,266	- 257	- 132
Other liabilities and accrued dividends ⁷		2,418	- 33	- 187
Total liabilities	(1,219)	703,111	+ 17,821	+ 64,397
Capital accounts				
Capital paid in		8,376	+ 17	+ 1,021
Surplus		7,312	0	+ 587
Other capital accounts		1,802	+ 138	+ 790
Total capital		17,489	+ 154	+ 2,396

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

1. Includes securities lent to dealers, which are fully collateralized by other U.S. Treasury securities.
2. Face value of the securities.
3. Compensation that adjusts for the effects of inflation on the original face value of inflation-indexed securities.
4. Cash value of agreements, which are collateralized by U.S. Treasury and federal agency securities.
5. Includes assets denominated in foreign currencies, which are revalued daily at market exchange rates.
6. Cash value of agreements, which are collateralized by U.S. Treasury securities.
7. Includes exchange-translation account reflecting the daily revaluation at market exchange rates of foreign exchange commitments.

3. Maturity Distribution of Loans and Securities, December 18, 2002

Millions of dollars

Maturity	Loans	U.S. Treasury securities ¹		Federal agency securities		Repurchase agreements ²	Reverse repurchase agreements ²
		Holdings	Weekly changes	Holdings	Weekly changes		
Within 15 days	43	47,253	+ 27,298	0	0	23,000	21,905
16 days to 90 days	3	134,262	- 7,573	0	0	7,000	0
91 days to 1 year	0	140,816	+ 719	10	+ 10
Over 1 year to 5 years	...	173,935	0	0	- 10
Over 5 years to 10 years	...	53,295	+ 2	0	0
Over 10 years	...	79,836	+ 3	0	0
All	45	629,397	+ 20,450	10	0	30,000	21,905

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

... Not applicable.

1. Includes the original face value of inflation-indexed securities and compensation that adjusts for the effects of inflation on the original face value of such securities.
2. Cash value of agreements classified by remaining maturity of the agreements.

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4. Statement of Condition of Each Federal Reserve Bank on December 18, 2002

Millions of dollars

Assets, liabilities, and capital	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Assets													
Gold certificate account	11,039	533	4,364	430	522	819	926	1,080	346	179	309	485	1,046
Special drawing rights certificate acct.	2,200	115	874	83	104	147	166	212	71	30	66	98	234
Coin	1,035	48	34	63	47	147	111	131	61	37	69	168	119
Securities, repurchase agreements, and loans	659,452	36,062	277,647	24,202	34,727	49,089	44,822	74,071	22,393	9,848	18,615	13,973	54,001
Securities held outright	629,407	36,062	247,647	24,202	34,727	49,089	44,816	74,069	22,380	9,839	18,605	13,969	54,001
U.S. Treasury ¹	629,397	36,061	247,643	24,202	34,727	49,088	44,816	74,068	22,380	9,839	18,605	13,968	54,000
Bills ²	226,682	12,988	89,191	8,717	12,507	17,680	16,141	26,676	8,060	3,544	6,701	5,031	19,448
Notes and bonds ³	402,715	23,073	158,453	15,486	22,220	31,409	28,675	47,392	14,320	6,295	11,904	8,938	34,551
Federal agency ²	10	1	4	0	1	1	1	1	0	0	0	0	1
Repurchase agreements ⁴	30,000	0	30,000	0	0	0	0	0	0	0	0	0	0
Loans	45	0	0	0	0	0	6	2	13	9	10	5	1
Items in process of collection	10,019	541	1,071	520	585	934	950	489	631	486	647	332	2,833
Bank premises	1,534	91	185	49	152	130	279	116	43	126	50	140	173
Other assets ⁵	36,540	1,907	12,776	1,162	2,473	5,443	2,444	3,738	960	626	951	800	3,261
Interdistrict settlement account	0	- 6,192	+29,305	- 5,243	- 5,555	- 1,991	- 4,059	-16,025	- 3,540	+ 4,004	- 2,765	+13,829	- 1,768
Total assets	721,820	33,105	326,255	21,266	33,056	54,718	45,640	63,812	20,965	15,335	17,942	29,824	59,900

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

1. Includes securities lent to dealers, which are fully collateralized by other U.S. Treasury securities.
2. Face value of the securities.
3. Includes the original face value of inflation-indexed securities and compensation that adjusts for the effects of inflation on the original face value of such securities.
4. Cash value of agreements, which are collateralized by U.S. Treasury and federal agency securities.
5. Includes assets denominated in foreign currencies, which are revalued daily at market exchange rates.

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4. Statement of Condition of Each Federal Reserve Bank on December 18, 2002 (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
Liabilities													
Federal Reserve notes outstanding	762,435	33,280	330,896	25,599	32,861	54,768	58,851	64,873	22,181	15,157	20,091	36,703	67,177
Less: notes held by F.R. Banks	116,836	4,674	28,286	7,451	4,772	9,889	18,189	8,654	3,490	1,998	4,249	9,028	16,156
Federal Reserve notes, net	645,599	28,605	302,609	18,149	28,089	44,879	40,662	56,219	18,691	13,159	15,842	27,674	51,021
Reverse repurchase agreements ¹	21,905	1,255	8,619	842	1,209	1,708	1,560	2,578	779	342	648	486	1,879
Deposits	24,923	1,513	9,439	1,190	1,590	2,930	1,301	2,177	625	412	514	707	2,525
Depository institutions	17,943	1,509	2,546	1,188	1,586	2,871	1,298	2,173	623	411	512	704	2,521
U.S. Treasury, general account	6,595	0	6,595	0	0	0	0	0	0	0	0	0	0
Foreign official	172	2	148	1	3	7	2	3	1	1	1	1	3
Other	213	2	149	1	2	51	1	1	1	0	1	3	1
Deferred availability cash items	9,485	672	1,005	471	571	693	864	798	347	678	424	479	2,483
Other liabilities and accrued dividends ²	2,418	146	738	105	143	263	193	255	104	83	96	91	200
Total liabilities	704,330	32,191	322,410	20,757	31,601	50,473	44,579	62,028	20,545	14,675	17,524	29,438	58,109
Capital													
Capital paid in	8,376	436	1,801	242	702	2,073	475	851	199	340	201	186	870
Surplus	7,312	418	1,504	221	665	1,757	535	793	149	118	191	164	796
Other capital	1,802	59	541	46	88	415	51	140	72	202	26	37	126
Total liabilities and capital	721,820	33,105	326,255	21,266	33,056	54,718	45,640	63,812	20,965	15,335	17,942	29,824	59,900

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

1. Cash value of agreements, which are collateralized by U.S. Treasury securities.
2. Includes exchange-translation account reflecting the daily revaluation at market exchange rates of foreign exchange commitments.

5. Collateral Held against Federal Reserve Notes: Federal Reserve Agents' Accounts

Millions of dollars

Federal Reserve notes and collateral	Wednesday Dec 18, 2002
Federal Reserve notes, net of F.R. Bank holdings	645,599
Collateral held against Federal Reserve notes	645,599
Gold certificate account	11,039
Special drawing rights certificate account	2,200
U.S. Treasury and agency securities pledged ¹	632,361
Other eligible assets	0
Memo:	
Total U.S. Treasury and agency securities ¹	659,407
Less: face value of securities under reverse repurchase agreements	21,913
U.S. Treasury and agency securities eligible to be pledged	637,494

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

1. Includes face value of U.S. Treasury and agency securities held outright, compensation to adjust for the effects of inflation on the original face value of inflation-indexed securities, and cash value of repurchase agreements.