

FEDERAL RESERVE statistical release



H.4.1

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

December 30, 2010

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 29, 2010
	Week ended Dec 29, 2010	Change from week ended		
		Dec 22, 2010	Dec 30, 2009	
Reserve Bank credit	2,407,735	+ 19,239	+ 190,406	2,403,418
Securities held outright ¹	2,159,177	+ 16,457	+ 313,140	2,155,703
U.S. Treasury securities	1,010,285	+ 23,740	+ 233,702	1,016,102
Bills ²	18,423	0	0	18,423
Notes and bonds, nominal ²	937,566	+ 22,251	+ 229,917	943,377
Notes and bonds, inflation-indexed ²	48,125	+ 1,388	+ 3,482	48,125
Inflation compensation ³	6,172	+ 102	+ 303	6,178
Federal agency debt securities ²	147,460	- 61	- 12,419	147,460
Mortgage-backed securities ⁴	1,001,432	- 7,222	+ 91,857	992,141
Repurchase agreements ⁵	0	0	0	0
Term auction credit	0	0	- 75,918	0
Other loans	45,112	- 459	- 43,021	45,084
Primary credit	52	+ 24	- 18,691	58
Secondary credit	15	+ 15	- 941	17
Seasonal credit	24	- 4	- 15	23
Credit extended to American International Group, Inc., net ⁶	20,278	- 347	- 493	20,282
Term Asset-Backed Securities Loan Facility ⁷	24,743	- 147	- 22,881	24,704
Other credit extensions	0	0	0	0
Net portfolio holdings of Commercial Paper Funding Facility LLC ⁸	0	0	- 14,061	0
Net portfolio holdings of Maiden Lane LLC ⁹	26,935	+ 19	+ 338	26,974
Net portfolio holdings of Maiden Lane II LLC ¹⁰	16,157	+ 12	+ 559	16,197
Net portfolio holdings of Maiden Lane III LLC ¹¹	23,131	+ 9	+ 480	23,142
Net portfolio holdings of TALF LLC ¹²	665	+ 12	+ 367	665
Preferred interests in AIA Aurora LLC and ALICO Holdings LLC ¹³	26,057	0	+ 1,057	26,057
Float	-1,412	+ 182	+ 410	-1,624
Central bank liquidity swaps ¹⁴	75	0	- 10,197	75
Other Federal Reserve assets ¹⁵	111,838	+ 3,007	+ 17,251	111,146
Gold stock	11,041	0	0	11,041
Special drawing rights certificate account	5,200	0	0	5,200
Treasury currency outstanding ¹⁶	43,567	+ 14	+ 877	43,567
Total factors supplying reserve funds	2,467,544	+ 19,254	+ 191,284	2,463,227

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 Dec 29, 2010
	Week ended Dec 29, 2010	Change from week ended		
		Dec 22, 2010	Dec 30, 2009	
Currency in circulation ¹⁶	983,700	+ 3,212	+ 54,161	984,980
Reverse repurchase agreements ¹⁷	55,763	+ 4,507	- 9,951	59,246
Foreign official and international accounts	55,763	+ 4,507	- 9,951	59,246
Others	0	0	0	0
Treasury cash holdings	184	+ 6	- 49	177
Deposits with F.R. Banks, other than reserve balances	300,234	- 3,282	+ 153,054	300,388
Term deposits held by depository institutions	5,113	0	+ 5,113	5,113
U.S. Treasury, general account	87,472	- 4,007	- 31,051	88,905
U.S. Treasury, supplementary financing account	199,963	+ 2	+ 188,535	199,963
Foreign official	4,149	- 60	+ 1,809	3,670
Service-related	2,359	0	- 666	2,359
Required clearing balances	2,359	0	- 666	2,359
Adjustments to compensate for float	0	0	0	0
Other	1,179	+ 784	- 10,684	378
Funds from American International Group, Inc. asset dispositions, held as agent ¹⁸	26,896	+ 58	+ 26,896	26,896
Other liabilities and capital ¹⁹	73,457	+ 285	+ 6,623	72,962
Total factors, other than reserve balances, absorbing reserve funds	1,440,235	+ 4,786	+ 230,735	1,444,649
Reserve balances with Federal Reserve Banks	1,027,309	+ 14,468	- 39,451	1,018,578

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.

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

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1A. Memorandum Items

Millions of dollars

Averages of daily figures				
Memorandum item	Week ended Dec 29, 2010	Change from week ended		Wednesday Dec 29, 2010
		Dec 22, 2010	Dec 30, 2009	
Marketable securities held in custody for foreign official and international accounts ¹	3,350,325	- 741	+ 395,031	3,351,408
U.S. Treasury securities	2,616,387	- 3,978	+ 430,104	2,617,917
Federal agency securities ²	733,938	+ 3,237	- 35,074	733,491
Securities lent to dealers	10,630	+ 669	+ 1,316	14,930
Overnight facility ³	10,630	+ 669	+ 1,316	14,930
U.S. Treasury securities	9,381	+ 625	+ 832	13,450
Federal agency debt securities	1,249	+ 44	+ 485	1,480

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, December 29, 2010

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 ¹	98	0	0	44,986	0	...	45,084
U.S. Treasury securities ²							
Holdings	19,603	15,044	55,980	433,903	332,500	159,070	1,016,102
Weekly changes	+ 2,156	- 2,156	+ 1	+ 6,783	+ 4	+ 2,076	+ 8,865
Federal agency debt securities ³							
Holdings	1,129	13,836	28,501	71,050	30,597	2,347	147,460
Weekly changes	+ 1,129	+ 6,370	- 6,797	- 702	0	0	0
Mortgage-backed securities ⁴							
Holdings	0	0	0	24	20	992,097	992,141
Weekly changes	0	0	0	- 1	- 1	- 16,258	- 16,259
Asset-backed securities held by TALF LLC ⁵	0	0	0	0	0	0	0
Repurchase agreements ⁶	0	0	...	...	...	...	0
Central bank liquidity swaps ⁷	75	0	0	0	0	0	75
Reverse repurchase agreements ⁶	59,246	0	...	...	...	...	59,246
Term deposits	5,113	0	0	...	...	...	5,113

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 Dec 29, 2010
Mortgage-backed securities held outright ¹	992,141
Commitments to buy mortgage-backed securities ²	0
Commitments to sell mortgage-backed securities ²	0
Cash and cash equivalents ³	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 Dec 29, 2010
Net portfolio holdings of Maiden Lane LLC ¹	26,974
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York ²	25,228
Accrued interest payable to the Federal Reserve Bank of New York ²	617
Outstanding principal amount and accrued interest on loan payable to JPMorgan Chase & Co. ³	1,314

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 Dec 29, 2010
Net portfolio holdings of Maiden Lane II LLC ¹	16,197
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York ²	13,034
Accrued interest payable to the Federal Reserve Bank of New York ²	450
Deferred payment and accrued interest payable to subsidiaries of American International Group, Inc. ³	1,071

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 Dec 29, 2010
Net portfolio holdings of Maiden Lane III LLC ¹	23,142
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York ²	13,526
Accrued interest payable to the Federal Reserve Bank of New York ²	545
<u>Outstanding principal amount and accrued interest on loan payable to American International Group, Inc.³</u>	<u>5,365</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 Dec 29, 2010
Asset-backed securities holdings ¹	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 ²	0
Accrued interest payable to the Federal Reserve Bank of New York ²	0
<u>Funding provided by U.S. Treasury to TALF LLC, including accrued interest payable³</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.

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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 Dec 29, 2010
Preferred interests in AIA Aurora LLC and ALICO Holdings LLC ¹	26,057
Accrued dividends on preferred interests in AIA Aurora LLC and ALICO Holdings LLC ²	321
Preferred interests in AIA Aurora LLC ¹	16,676
Accrued dividends on preferred interests in AIA Aurora LLC ²	206
Preferred interests in ALICO Holdings LLC ¹	9,380
Accrued dividends on preferred interests in ALICO Holdings LLC ²	116

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.

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9. Consolidated Statement of Condition of All Federal Reserve Banks

Millions of dollars

Assets, liabilities, and capital	Eliminations from consolidation	Wednesday Dec 29, 2010	Change since	
			Wednesday Dec 22, 2010	Wednesday Dec 30, 2009
Assets				
Gold certificate account		11,037	0	0
Special drawing rights certificate account		5,200	0	0
Coin		2,164	+ 16	+ 117
Securities, repurchase agreements, term auction credit, and other loans		2,200,787	- 7,411	+ 190,448
Securities held outright ¹		2,155,703	- 7,394	+ 310,981
U.S. Treasury securities		1,016,102	+ 8,865	+ 239,515
Bills ²		18,423	0	0
Notes and bonds, nominal ²		943,377	+ 8,850	+ 235,728
Notes and bonds, inflation-indexed ²		48,125	0	+ 3,482
Inflation compensation ³		6,178	+ 16	+ 305
Federal agency debt securities ²		147,460	0	- 12,419
Mortgage-backed securities ⁴		992,141	- 16,259	+ 83,884
Repurchase agreements ⁵		0	0	0
Term auction credit		0	0	- 75,918
Other loans		45,084	- 17	- 44,615
Net portfolio holdings of Commercial Paper Funding Facility LLC ⁶		0	0	- 14,072
Net portfolio holdings of Maiden Lane LLC ⁷		26,974	+ 45	+ 307
Net portfolio holdings of Maiden Lane II LLC ⁸		16,197	+ 46	+ 500
Net portfolio holdings of Maiden Lane III LLC ⁹		23,142	+ 13	+ 482
Net portfolio holdings of TALF LLC ¹⁰		665	0	+ 367
Preferred interests in AIA Aurora LLC and ALICO Holdings LLC ¹¹		26,057	0	+ 1,057
Items in process of collection	(104)	225	- 272	- 52
Bank premises		2,229	+ 3	- 20
Central bank liquidity swaps ¹²		75	0	- 10,197
Other assets ¹³		108,707	+ 247	+ 17,264
Total assets	(104)	2,423,457	- 7,315	+ 186,199

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 Dec 29, 2010	Change since	
			Wednesday Dec 22, 2010	Wednesday Dec 30, 2009
<i>Liabilities</i>				
Federal Reserve notes, net of F.R. Bank holdings		943,749	+ 1,327	+ 54,071
Reverse repurchase agreements ¹⁴		59,246	+ 8,112	- 11,204
Deposits	(0)	1,318,755	- 16,758	+ 109,620
Term deposits held by depository institutions		5,113	0	+ 5,113
Other deposits held by depository institutions		1,020,726	- 14,798	- 4,545
U.S. Treasury, general account		88,905	- 1,008	- 60,914
U.S. Treasury, supplementary financing account		199,963	+ 2	+ 194,962
Foreign official		3,670	- 911	+ 1,401
Other	(0)	378	- 43	- 26,396
Deferred availability cash items	(104)	1,850	- 367	- 383
Other liabilities and accrued dividends ¹⁵		43,256	+ 177	+ 29,614
Total liabilities	(104)	2,366,855	- 7,510	+ 181,716
<i>Capital accounts</i>				
Capital paid in		26,525	+ 51	+ 880
Surplus		25,951	+ 6	+ 4,469
Other capital accounts		4,126	+ 138	- 867
Total capital		56,602	+ 195	+ 4,483

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.

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10. Statement of Condition of Each Federal Reserve Bank, December 29, 2010

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	11,037	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	2,164	47	68	172	162	352	187	335	35	59	159	236	353
Securities, repurchase agreements, term auction credit, and other loans	2,200,787	54,554	924,629	50,359	73,242	245,523	203,991	162,529	55,537	29,529	73,959	90,520	236,416
Securities held outright ¹	2,155,703	54,554	879,641	50,342	73,242	245,511	203,989	162,511	55,527	29,511	73,949	90,519	236,408
U.S. Treasury securities	1,016,102	25,714	414,623	23,729	34,523	115,723	96,151	76,600	26,173	13,910	34,856	42,667	111,432
Bills ²	18,423	466	7,517	430	626	2,098	1,743	1,389	475	252	632	774	2,020
Notes and bonds ³	997,679	25,248	407,106	23,299	33,897	113,625	94,408	75,211	25,698	13,658	34,224	41,893	109,412
Federal agency debt securities ²	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 ⁴	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 ⁵	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	45,084	0	44,988	17	0	12	2	18	10	18	10	1	8
Net portfolio holdings of Commercial Paper Funding Facility LLC ⁶	0	0	0	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane LLC ⁷	26,974	0	26,974	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane II LLC ⁸	16,197	0	16,197	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane III LLC ⁹	23,142	0	23,142	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of TALF LLC ¹⁰	665	0	665	0	0	0	0	0	0	0	0	0	0
Preferred interests in AIA Aurora LLC and ALICO Holdings LLC ¹¹	26,057	0	26,057	0	0	0	0	0	0	0	0	0	0
Items in process of collection	329	6	0	54	93	6	29	33	14	29	27	21	19
Bank premises	2,229	126	257	68	141	239	218	210	136	107	265	248	214
Central bank liquidity swaps ¹²	75	3	22	8	6	21	5	2	1	2	1	1	5
Other assets ¹³	108,707	3,061	41,537	4,764	4,726	16,595	9,382	6,802	2,376	1,872	3,039	3,830	10,721
Interdistrict settlement account	0	- 3,413	+ 210,577	+ 14,435	- 23,202	- 20,632	- 47,683	- 35,363	- 17,670	- 7,541	- 17,921	- 4,174	- 47,412
Total assets	2,423,562	54,949	1,275,980	70,474	55,867	243,362	168,167	135,859	40,902	24,350	59,978	91,615	202,059

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

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10. Statement of Condition of Each Federal Reserve Bank, December 29, 2010 (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	1,122,842	41,168	383,870	45,539	45,933	90,128	142,128	86,476	32,371	19,938	33,224	76,012	126,055
Less: Notes held by F.R. Banks	179,094	4,669	64,682	4,827	7,108	12,735	21,139	11,868	4,268	5,755	3,478	11,704	26,861
Federal Reserve notes, net	943,749	36,499	319,189	40,712	38,826	77,393	120,989	74,608	28,103	14,183	29,746	64,309	99,194
Reverse repurchase agreements ¹⁴	59,246	1,499	24,175	1,384	2,013	6,747	5,606	4,466	1,526	811	2,032	2,488	6,497
Deposits	1,318,755	14,778	877,171	22,434	10,510	145,570	37,737	54,791	10,549	7,059	27,404	23,623	87,132
Term deposits held by depository institutions	5,113	20	1,978	800	15	414	12	17	5	5	14	15	1,818
Other deposits held by depository institutions	1,020,726	14,752	582,465	21,626	10,491	145,080	37,721	54,754	10,490	7,049	27,388	23,607	85,303
U.S. Treasury, general account	88,905	0	88,905	0	0	0	0	0	0	0	0	0	0
U.S. Treasury, supplementary financing account	199,963	0	199,963	0	0	0	0	0	0	0	0	0	0
Foreign official	3,670	1	3,642	4	3	11	2	1	0	1	0	1	3
Other	378	4	218	3	1	65	2	19	53	3	1	0	8
Deferred availability cash items	1,954	68	0	250	284	71	90	138	58	487	92	75	341
Other liabilities and accrued dividends ¹⁵	43,256	204	39,399	264	283	796	516	420	179	149	187	265	594
Total liabilities	2,366,959	53,048	1,259,933	65,043	51,915	230,578	164,938	134,423	40,414	22,688	59,461	90,759	193,758
<i>Capital</i>													
Capital paid in	26,525	917	7,682	2,569	1,968	5,439	1,520	673	216	819	239	402	4,082
Surplus	25,951	946	7,744	2,804	1,911	7,142	1,581	621	238	712	210	353	1,689
Other capital	4,126	37	621	57	73	204	128	142	33	132	68	101	2,529
Total liabilities and capital	2,423,562	54,949	1,275,980	70,474	55,867	243,362	168,167	135,859	40,902	24,350	59,978	91,615	202,059

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, December 29, 2010 (continued)

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. 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 Dec 29, 2010
Federal Reserve notes outstanding		1, 122, 842
Less: Notes held by F.R. Banks not subject to collateralization		179, 094
Federal Reserve notes to be collateralized		943, 749
Collateral held against Federal Reserve notes		943, 749
Gold certificate account		11, 037
Special drawing rights certificate account		5, 200
U.S. Treasury, agency debt, and mortgage-backed securities pledged ^{1,2}		927, 512
Other assets pledged		0
<i>Memo:</i>		
Total U.S. Treasury, agency debt, and mortgage-backed securities ^{1,2}		2, 155, 703
Less: Face value of securities under reverse repurchase agreements		52, 956
U.S. Treasury, agency debt, and mortgage-backed securities eligible to be pledged		2, 102, 747

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.