

FEDERAL RESERVE statistical release



H.4.1

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

December 11, 2008

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 10, 2008
	Week ended Dec 10, 2008	Change from week ended		
		Dec 3, 2008	Dec 12, 2007	
Reserve Bank credit	2,241,457	+ 123,701	+1,377,632	2,245,083
Securities held outright	489,392	+ 947	- 285,336	492,058
U.S. Treasury ¹	476,286	- 103	- 298,442	476,246
Bills ²	18,423	0	- 243,596	18,423
Notes and bonds, nominal ²	410,491	0	- 60,493	410,491
Notes and bonds, inflation-indexed ²	41,071	0	+ 4,160	41,071
Inflation compensation ³	6,300	- 103	+ 1,486	6,261
Federal agency ²	13,106	+ 1,049	+ 13,106	15,812
Repurchase agreements ⁴	80,000	0	+ 34,357	80,000
Term auction credit	447,959	+ 41,451	+ 447,959	447,959
Other loans	240,590	- 14,983	+ 237,543	233,115
Primary credit	90,161	- 172	+ 87,152	89,952
Secondary credit	78	- 80	+ 75	0
Seasonal credit	2	- 2	- 34	2
Primary dealer and other broker-dealer credit ⁵	52,802	- 4,396	+ 52,802	51,594
Asset-backed commercial paper money market mutual fund liquidity facility	40,826	- 11,110	+ 40,826	34,425
Credit extended to American International Group, Inc. ⁶	56,723	+ 779	+ 56,723	57,143
Other credit extensions	0	0	0	0
Net portfolio holdings of Commercial Paper Funding Facility LLC ⁷	308,518	+ 10,942	+ 308,518	312,414
Net portfolio holdings of LLCs funded through the money market investor funding facility ⁷	0	0	0	0
Net portfolio holdings of Maiden Lane LLC ⁷	27,054	+ 60	+ 27,054	26,889
Net portfolio holdings of Maiden Lane III LLC ⁷	20,957	- 196	+ 20,957	19,600
Float	-1,042	- 75	- 260	-1,315
Other Federal Reserve assets	628,030	+ 85,556	+ 586,841	634,363
Gold stock	11,041	0	0	11,041
Special drawing rights certificate account	2,200	0	0	2,200
Treasury currency outstanding ⁸	38,815	+ 14	+ 71	38,815
Total factors supplying reserve funds	2,293,513	+ 123,715	+1,377,703	2,297,139

Note: Components may not sum to totals because of rounding. Footnotes appear on the following page.

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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 10, 2008
	Week ended Dec 10, 2008	Change from week ended		
		Dec 3, 2008	Dec 12, 2007	
Currency in circulation ⁸	871,957	- 583	+ 53,697	874,495
Reverse repurchase agreements ⁹	91,954	- 4,771	+ 53,982	92,092
Foreign official and international accounts	66,954	- 4,771	+ 28,982	67,092
Dealers	25,000	0	+ 25,000	25,000
Treasury cash holdings	241	0	- 15	226
Deposits with F.R. Banks, other than reserve balances	493,527	- 19,369	+ 481,772	494,399
U.S. Treasury, general account	49,529	- 11,520	+ 44,698	41,646
U.S. Treasury, supplementary financing account	404,123	- 36,405	+ 404,123	404,123
Foreign official	188	- 2	+ 91	188
Service-related	4,593	- 367	- 1,959	4,593
Required clearing balances	4,592	- 365	- 1,947	4,592
Adjustments to compensate for float	1	- 2	- 12	1
Other	35,095	+ 28,927	+ 34,820	43,850
Other liabilities and capital ¹⁰	58,207	+ 4,688	+ 15,143	62,710
Total factors, other than reserve balances, absorbing reserve funds	1,515,885	- 20,036	+ 604,579	1,523,923
Reserve balances with Federal Reserve Banks	777,628	+ 143,751	+ 773,124	773,216

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

1. Includes securities lent to dealers under the overnight and term securities lending facilities; 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. Cash value of agreements.
5. Includes credit extended through the Primary Dealer Credit Facility and credit extended to certain other broker-dealers.
6. Excludes credit extended to consolidated LLCs.
7. Refer to table 3 through table 6 and the note on consolidation accompanying table 8.
8. Estimated.
9. Cash value of agreements, which are collateralized by U.S. Treasury securities.
10. Includes the liabilities of Commercial Paper Funding Facility LLC, the LLCs funded through the Money Market Investor Funding Facility, Maiden Lane LLC, and Maiden Lane III 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 3 through table 6 and the note on consolidation accompanying table 8.

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

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1A. Memorandum Items

Millions of dollars

Memorandum item	Averages of daily figures			Wednesday Dec 10, 2008
	Week ended Dec 10, 2008	Change from week ended		
		Dec 3, 2008	Dec 12, 2007	
Marketable securities held in custody for foreign official and international accounts ¹	2,493,778	- 1,020	+ 453,475	2,491,435
U.S. Treasury	1,634,946	+ 8,236	+ 406,332	1,642,928
Federal agency	858,833	- 9,255	+ 47,145	848,507
Securities lent to dealers	189,966	- 7,113	+ 182,047	190,536
Overnight facility ²	4,820	- 1,367	- 3,099	5,390
Term facility ^{3,4}	185,146	- 5,746	+ 185,146	185,146

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.
2. Fully collateralized by U.S. Treasury securities.
3. Fully collateralized by U.S. Treasury securities, federal agency securities, and other highly rated debt securities.
4. On December 10, 2008, option contracts on draws on the Term Securities Lending Facility totaling \$ 49,999 million were outstanding. The exercise date for the options is December 22, 2008, and the draws have a term of December 23, 2008 through January 5, 2009.

2. Maturity Distribution of Term Auction Credit, Other Loans, and Securities, December 10, 2008

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
Term auction credit	104,458	343,501	...	...	...	...	447,959
Other loans ¹	160,791	34,289	1,392	36,643	...	...	233,115
U.S. Treasury securities ²							
Holdings	9,678	30,820	65,200	171,667	96,916	101,964	476,246
Weekly changes	- 6,285	+ 6,278	0	- 34	- 24	- 43	- 108
Federal agency securities							
Holdings	4,965	3,353	2,524	4,970	0	0	15,812
Weekly changes	+ 3,014	- 3,774	+ 30	+ 4,970	0	0	+ 4,240
Commercial paper held by Commercial Paper Funding Facility LLC ³	0	313,152	0	...	...	...	313,152
Money market instruments held by LLCs funded through the money market investor funding facility ⁴	0	0	0	...	...	...	0
Repurchase agreements ⁵	40,000	40,000	...	...	...	...	80,000
Reverse repurchase agreements ⁵	92,092	0	...	...	...	...	92,092

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 Commercial Paper Funding Facility LLC, the LLCs funded through the Money Market Investor Funding Facility, Maiden Lane LLC, and Maiden Lane III LLC. The loans were eliminated when preparing the FRBNY's statement of condition consistent with consolidation under generally accepted accounting principles.
2. 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.
3. Face value of commercial paper held by Commercial Paper Funding Facility LLC.
4. Face value of money market instruments held by LLCs funded through the Money Market Investor Funding Facility.
5. Cash value of agreements.

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3. Information on Principal Accounts of Maiden Lane LLC

Millions of dollars

Account name	Wednesday Dec 10, 2008
Net portfolio holdings of Maiden Lane LLC ¹	26,889
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York ²	28,820
Accrued interest payable to the Federal Reserve Bank of New York ²	256
Outstanding principal amount and accrued interest on loan payable to JPMorgan Chase & Co. ³	1,184

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, 2008.
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 8.
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 7 and table 8.

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.

4. Information on Principal Accounts of Maiden Lane III LLC

Millions of dollars

Account name	Wednesday Dec 10, 2008
Net portfolio holdings of Maiden Lane III LLC ¹	19,600
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York ²	15,134
Accrued interest payable to the Federal Reserve Bank of New York ²	16
Outstanding principal amount and accrued interest on loan payable to American International Group, Inc. ³	5,010

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 November 25, 2008.
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 8.
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 7 and table 8.

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 the 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.

5. Information on Principal Accounts of Commercial Paper Funding Facility LLC

Millions of dollars

Account name	Wednesday Dec 10, 2008
Commercial paper holdings, net ¹	311,124
Other investments, net	1,290
Net portfolio holdings of Commercial Paper Funding Facility LLC	312,414
Memorandum: Commercial paper holdings, face value	313,152
Outstanding principal amount of loan extended by the Federal Reserve Bank of New York ²	311,294
Accrued interest payable to the Federal Reserve Bank of New York ²	396

1. Book value, which includes amortized cost and related fees.
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 8.

Note: On October 27, 2008, the Federal Reserve Bank of New York began extending loans under the authority of section 13(3) of the Federal Reserve Act to Commercial Paper Funding Facility LLC. This LLC is a limited liability company formed to purchase three-month U.S. dollar-denominated commercial paper from eligible issuers and thereby foster liquidity in short-term funding markets and increase the availability of credit for businesses and households.

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6. Information on Principal Accounts of LLCs Funded through the Money Market Investor Funding Facility

Millions of dollars

Account name	Wednesday Dec 10, 2008
Money market instrument holdings, net ¹	0
Other investments, net	0
Net portfolio holdings of LLCs funded through the money market investor funding facility	0
Memorandum: Money market instrument holdings, face value	0
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
Commercial paper issued by LLCs funded through the money market investor funding facility, net of related discounts	0

1. Book value, which includes amortized cost.

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 8.

Note: On November 24, 2008, the Federal Reserve Board authorized the Federal Reserve Bank of New York to extend credit under the authority of section 13(3) of the Federal Reserve Act to a series of limited liability companies funded through the Money Market Investor Funding Facility. These limited liability companies were established to purchase short-term U.S. dollar-denominated certificates of deposit, bank notes, and outstanding asset-backed commercial paper from eligible issuers. Such purchases are designed to foster liquidity in short-term money markets.

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7. Consolidated Statement of Condition of All Federal Reserve Banks

Millions of dollars

Assets, liabilities, and capital	Eliminations from consolidation	Change since		
		Wednesday Dec 10, 2008	Wednesday Dec 3, 2008	Wednesday Dec 12, 2007
Assets				
Gold certificate account		11,037	0	0
Special drawing rights certificate account		2,200	0	0
Coin		1,661	+ 21	+ 452
Securities, repurchase agreements, term auction credit, and other loans		1,253,132	+ 29,946	+ 426,100
Securities held outright		492,058	+ 4,132	- 282,677
U.S. Treasury ¹		476,246	- 108	- 298,489
Bills ²		18,423	0	- 243,596
Notes and bonds, nominal ²		410,491	0	- 60,493
Notes and bonds, inflation-indexed ²		41,071	0	+ 4,160
Inflation compensation ³		6,261	- 108	+ 1,440
Federal agency ²		15,812	+ 4,240	+ 15,812
Repurchase agreements ⁴		80,000	0	+ 32,250
Term auction credit		447,959	+ 41,451	+ 447,959
Other loans		233,115	- 15,636	+ 228,568
Net portfolio holdings of Commercial Paper Funding Facility LLC ⁵		312,414	+ 8,534	+ 312,414
Net portfolio holdings of LLCs funded through the money market investor funding facility ⁵		0	0	0
Net portfolio holdings of Maiden Lane LLC ⁵		26,889	- 193	+ 26,889
Net portfolio holdings of Maiden Lane III LLC ⁵		19,600	- 1,583	+ 19,600
Items in process of collection	(445)	1,010	- 502	- 1,403
Bank premises		2,176	+ 1	+ 56
Other assets ⁶		632,220	+ 87,656	+ 593,133
Total assets	(445)	2,262,339	+ 123,881	+1,377,242
Liabilities				
Federal Reserve notes, net of F.R. Bank holdings		837,563	+ 1,734	+ 55,050
Reverse repurchase agreements ⁷		92,092	+ 98	+ 54,328
Deposits	(0)	1,267,649	+ 112,602	+1,249,038
Depository institutions		777,842	+ 122,663	+ 763,953
U.S. Treasury, general account		41,646	- 15,699	+ 37,313
U.S. Treasury, supplementary financing account		404,123	- 29,984	+ 404,123
Foreign official		188	+ 2	+ 91
Other	(0)	43,850	+ 35,620	+ 43,558
Deferred availability cash items	(445)	2,325	- 104	- 1,060
Other liabilities and accrued dividends ^{8,9}		19,444	+ 9,100	+ 13,497
Total liabilities	(445)	2,219,073	+ 123,431	+1,370,853
Capital accounts				
Capital paid in		21,009	+ 147	+ 2,727
Surplus		17,180	+ 5	+ 1,719
Other capital accounts		5,077	+ 298	+ 1,944
Total capital		43,267	+ 452	+ 6,390

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

1. Includes securities lent to dealers under the overnight and term securities lending facilities; 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. Cash value of agreements, which are collateralized by U.S. Treasury and federal agency securities.
5. Refer to table 3 through table 6 and the note on consolidation accompanying table 8.
6. Includes assets denominated in foreign currencies and any exchange-translation assets, which are revalued daily at market exchange rates.
7. Cash value of agreements, which are collateralized by U.S. Treasury securities.
8. Includes any exchange-translation liabilities, which are revalued daily at market exchange rates.
9. Includes the liabilities of Commercial Paper Funding Facility LLC, the LLCs funded through the Money Market Investor Funding Facility, Maiden Lane LLC, and Maiden Lane III 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 3 through table 6 and the notes on consolidation accompanying table 8.

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8. Statement of Condition of Each Federal Reserve Bank, December 10, 2008

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	424	3,935	453	423	891	1,221	913	344	199	349	636	1,249
Special drawing rights certificate acct.	2,200	115	874	83	104	147	166	212	71	30	66	98	234
Coin	1,661	59	76	129	132	230	212	193	47	55	112	176	241
Securities, repurchase agreements, term auction credit, and other loans	1,253,132	78,590	579,038	56,355	38,654	147,407	78,052	56,802	23,757	16,223	28,261	29,099	120,893
Securities held outright	492,058	20,639	175,071	21,484	18,659	44,619	48,959	43,429	17,004	9,290	18,067	20,411	54,427
U.S. Treasury ¹	476,246	19,976	169,445	20,794	18,059	43,185	47,386	42,033	16,457	8,991	17,487	19,755	52,678
Bills ²	18,423	773	6,555	804	699	1,671	1,833	1,626	637	348	676	764	2,038
Notes and bonds ³	457,823	19,203	162,891	19,989	17,360	41,515	45,553	40,407	15,821	8,643	16,810	18,991	50,640
Federal agency ²	15,812	663	5,626	690	600	1,434	1,573	1,396	546	299	581	656	1,749
Repurchase agreements ⁴	80,000	3,356	28,464	3,493	3,034	7,254	7,960	7,061	2,765	1,510	2,937	3,318	8,849
Term auction credit	447,959	20,050	187,257	31,300	16,958	95,070	20,791	4,869	3,888	5,362	2,360	4,833	55,222
Other loans	233,115	34,546	188,247	78	4	463	343	1,444	101	62	4,896	537	2,395
Net portfolio holdings of Commercial Paper Funding Facility LLC ⁵	312,414	0	312,414	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of LLCs funded through the money market investor funding facility ⁵	0	0	0	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane LLC ⁵	26,889	0	26,889	0	0	0	0	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane III LLC ⁵	19,600	0	19,600	0	0	0	0	0	0	0	0	0	0
Items in process of collection	1,455	60	0	202	202	73	298	217	26	65	-42	124	230
Bank premises	2,176	123	209	64	150	223	225	206	130	111	274	251	210
Other assets ⁶	632,220	35,850	160,105	61,342	43,759	168,652	48,902	28,515	6,483	12,140	7,077	12,739	46,659
Interdistrict settlement account	0	- 14,059	+ 201,772	- 66,692	+ 677	- 195,205	+ 3,639	+ 32,271	+ 1,469	- 9,968	+ 8,643	+ 5,250	+ 32,204
Total assets	2,262,784	101,162	1,304,912	51,936	84,102	122,417	132,715	119,329	32,327	18,855	44,739	48,372	201,920

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

1. Includes securities lent to dealers under the overnight and term securities lending facilities; 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. Cash value of agreements, which are collateralized by U.S. Treasury and federal agency securities.
5. Refer to table 3 through table 6 and the note on consolidation on the following page.
6. Includes assets denominated in foreign currencies and any exchange-translation assets, which are revalued daily at market exchange rates.
7. Cash value of agreements, which are collateralized by U.S. Treasury securities.
8. Includes any exchange-translation liabilities, which are revalued daily at market exchange rates.
9. Includes the liabilities of Commercial Paper Funding Facility LLC, the LLCs funded through the Money Market Investor Funding Facility, Maiden Lane LLC, and Maiden Lane III 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 3 through table 6 and the note on consolidation on the following page.

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8. Statement of Condition of Each Federal Reserve Bank, December 10, 2008 (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	1,017,536	38,750	354,579	41,789	46,969	81,683	124,494	83,774	29,603	17,634	30,340	54,508	113,413
Less: Notes held by F.R. Banks	179,973	5,913	49,032	5,715	7,581	11,952	25,792	13,821	3,638	2,925	3,896	21,781	27,926
Federal Reserve notes, net	837,563	32,837	305,548	36,074	39,388	69,731	98,702	69,953	25,964	14,708	26,444	32,726	85,487
Reverse repurchase agreements ⁷	92,092	3,863	32,766	4,021	3,492	8,351	9,163	8,128	3,182	1,739	3,381	3,820	10,186
Deposits	1,267,649	62,313	938,519	6,453	37,422	31,593	21,002	39,077	2,563	1,402	14,212	10,675	102,417
Depository institutions	777,842	62,293	448,856	6,449	37,418	31,503	20,998	39,075	2,550	1,402	14,211	10,674	102,414
U.S. Treasury, general account	41,646	0	41,646	0	0	0	0	0	0	0	0	0	0
U.S. Treasury, supplementary financing account	404,123	0	404,123	0	0	0	0	0	0	0	0	0	0
Foreign official	188	2	158	4	3	11	3	2	0	1	0	1	3
Other	43,850	18	43,736	0	1	80	0	0	12	0	1	0	0
Deferred availability cash items	2,770	74	0	459	428	179	174	291	26	198	142	308	491
Other liabilities and accrued dividends ^{8,9}	19,444	173	16,602	224	216	588	384	311	157	112	130	188	358
Total liabilities	2,219,518	99,259	1,293,435	47,230	80,945	110,443	129,425	117,761	31,893	18,160	44,310	47,717	198,940
Capital													
Capital paid in	21,009	784	5,602	2,315	1,552	5,978	1,614	703	210	324	207	270	1,450
Surplus	17,180	1,049	3,343	1,815	1,291	4,999	1,426	816	180	354	193	364	1,351
Other capital	5,077	70	2,532	576	314	997	250	49	44	17	30	21	179
Total liabilities and capital	2,262,784	101,162	1,304,912	51,936	84,102	122,417	132,715	119,329	32,327	18,855	44,739	48,372	201,920

Note: Components may not sum to totals because of rounding. Footnotes appear on the previous page.

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 October 27, 2008, the FRBNY began extending loans to Commercial Paper Funding Facility LLC, which was formed to purchase three-month U.S. dollar-denominated commercial paper from eligible issuers. On November 24, 2008, the Federal Reserve Board authorized the FRBNY to extend credit to a series of LLCs funded through the Money Market Investor Funding Facility, which were established to purchase short-term U.S. dollar-denominated certificates of deposit, bank notes, and commercial paper from eligible issuers. 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.

The FRBNY is the sole beneficiary of Commercial Paper Funding Facility LLC and the primary beneficiary of the other LLCs cited above. 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 7), 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 7).

H.4.1**9. Collateral Held against Federal Reserve Notes: Federal Reserve Agents' Accounts**

Millions of dollars

Federal Reserve notes and collateral	Wednesday Dec 10, 2008
Federal Reserve notes outstanding	1,017,536
Less: Notes held by F.R. Banks not subject to collateralization	179,973
Federal Reserve notes to be collateralized	837,563
Collateral held against Federal Reserve notes	837,563
Gold certificate account	11,037
Special drawing rights certificate account	2,200
U.S. Treasury and agency securities pledged ¹	487,945
Other assets pledged	336,381
Memo:	
Total U.S. Treasury and agency securities ¹	572,058
Less: Face value of securities under reverse repurchase agreements	84,113
U.S. Treasury and agency securities eligible to be pledged	487,945

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 effect of inflation on the original face value of inflation-indexed securities, and cash value of repurchase agreements.