
FEDERAL RESERVE statistical release



For Release at
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March 1, 2018

Publication Note

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 the policies under which Federal Reserve Banks make payments of their residual net earnings to the U.S. Treasury. The "Bipartisan Budget Act of 2018" ("Budget Act"), which was enacted on February 9, 2018, requires that aggregate Federal Reserve Bank capital surplus not exceed \$7.5 billion. Therefore, any amount of aggregate Federal Reserve Bank capital surplus that exceeds this limit will be remitted to the U.S. Treasury.

The amounts of the line items "Other liabilities and capital" on table 1, and "Surplus" on tables 5 and 6 reflect the lump-sum payment of approximately \$2.5 billion to the Treasury on February 22, 2018, which was necessary to reduce aggregate Reserve Bank capital surplus to the \$7.5 billion limitation in the Budget Act.

FEDERAL RESERVE statistical release



H.4.1

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

March 1, 2018

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 Feb 28, 2018
	Week ended Feb 28, 2018	Change from week ended		
		Feb 21, 2018	Mar 1, 2017	
Reserve Bank credit	4,366,093	- 3,060	- 60,562	4,352,250
Securities held outright ¹	4,200,714	- 2,999	- 45,242	4,188,604
U.S. Treasury securities	2,431,015	- 1,056	- 32,450	2,424,242
Bills ²	0	0	0	0
Notes and bonds, nominal ²	2,302,129	- 1,374	- 38,976	2,293,885
Notes and bonds, inflation-indexed ²	109,743	+ 330	+ 4,535	111,220
Inflation compensation ³	19,143	- 12	+ 1,990	19,137
Federal agency debt securities ²	4,391	0	- 8,938	4,391
Mortgage-backed securities ⁴	1,765,308	- 1,942	- 3,853	1,759,972
Unamortized premiums on securities held outright ⁵	156,309	- 396	- 14,411	156,044
Unamortized discounts on securities held outright ⁵	-14,093	+ 21	+ 934	-14,128
Repurchase agreements ⁶	0	0	0	0
Loans	23	0	- 28	27
Primary credit	8	+ 1	- 41	13
Secondary credit	0	0	0	0
Seasonal credit	14	- 2	+ 12	14
Other credit extensions	0	0	0	0
Net portfolio holdings of Maiden Lane LLC ⁷	1,710	- 5	+ 5	1,708
Float	-371	- 232	+ 244	-807
Central bank liquidity swaps ⁸	72	+ 5	- 1,032	72
Other Federal Reserve assets ⁹	21,731	+ 547	- 1,029	20,729
Foreign currency denominated assets ¹⁰	22,136	- 173	+ 2,262	22,089
Gold stock	11,041	0	0	11,041
Special drawing rights certificate account	5,200	0	0	5,200
Treasury currency outstanding ¹¹	49,493	+ 14	+ 810	49,493
Total factors supplying reserve funds	4,453,964	- 3,218	- 57,489	4,440,074

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

H.4.1

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 Feb 28, 2018
	Week ended Feb 28, 2018	Change from week ended		
		Feb 21, 2018	Mar 1, 2017	
Currency in circulation ¹¹	1,623,177	+ 3,820	+ 107,687	1,627,259
Reverse repurchase agreements ¹²	255,334	- 3,168	- 164,952	277,458
Foreign official and international accounts	232,828	- 1,531	- 18,334	232,948
Others	22,506	- 1,638	- 146,618	44,510
Treasury cash holdings	295	+ 14	+ 42	304
Deposits with F.R. Banks, other than reserve balances	297,149	- 10,933	+ 31,427	281,688
Term deposits held by depository institutions	0	0	- 16,625	0
U.S. Treasury, General Account	202,620	- 12,057	+ 27,124	199,390
Foreign official	5,254	0	+ 84	5,255
Other ¹³	89,275	+ 1,124	+ 20,843	77,043
Other liabilities and capital ¹⁴	45,062	- 2,518	- 3,018	45,057
Total factors, other than reserve balances, absorbing reserve funds	2,221,017	- 12,785	- 28,813	2,231,766
Reserve balances with Federal Reserve Banks	2,232,947	+ 9,567	- 28,676	2,208,308

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. The current face value shown is the remaining principal balance of the securities.
5. Reflects the premium or discount, which is the difference between the purchase price and the face value of the securities that has not been amortized. For U.S. Treasury securities, Federal agency debt securities, and mortgage-backed securities, amortization is on an effective-interest basis.
6. Cash value of agreements.
7. Refer to table 4 and the note on consolidation accompanying table 6.
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.
9. Includes accrued interest, which represents the daily accumulation of interest earned, and other accounts receivable. Also, includes Reserve Bank premises and equipment net of allowances for depreciation.
10. Revalued daily at current foreign currency exchange rates.
11. Estimated.
12. Cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and mortgage-backed securities.
13. Includes deposits held at the Reserve Banks by international and multilateral organizations, government-sponsored enterprises, designated financial market utilities, and deposits held by depository institutions in joint accounts in connection with their participation in certain private-sector payment arrangements. Also includes certain deposit accounts other than the U.S. Treasury, General Account, for services provided by the Reserve Banks as fiscal agents of the United States.
14. Includes the liability for earnings remittances due to the U.S. Treasury.

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 Feb 28, 2018
	Week ended Feb 28, 2018	Change from week ended		
		Feb 21, 2018	Mar 1, 2017	
Securities held in custody for foreign official and international accounts	3,418,332	+ 5,881	+ 242,552	3,423,019
Marketable U.S. Treasury securities ¹	3,074,405	+ 4,703	+ 228,339	3,078,504
Federal agency debt and mortgage-backed securities ²	263,472	+ 1,366	- 3,199	264,291
Other securities ³	80,455	- 188	+ 17,412	80,223
Securities lent to dealers	26,485	- 405	+ 7,227	25,925
Overnight facility ⁴	26,485	- 405	+ 7,227	25,925
U.S. Treasury securities	26,485	- 405	+ 7,278	25,925
Federal agency debt securities	0	0	- 51	0

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

1. Includes securities and U.S. Treasury STRIPS at face value, and inflation compensation on TIPS. Does not include securities pledged as collateral to foreign official and international account holders against reverse repurchase agreements with the Federal Reserve presented in tables 1, 5, and 6.
2. Face value of federal agency securities and current face value of mortgage-backed securities, which is the remaining principal balance of the securities.
3. Includes non-marketable U.S. Treasury securities, supranationals, corporate bonds, asset-backed securities, and commercial paper at face value.
4. Face value. Fully collateralized by U.S. Treasury securities.

2. Maturity Distribution of Securities, Loans, and Selected Other Assets and Liabilities, February 28, 2018

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 year to 10 years	Over 10 years	All
Loans	27	0	0	0	0	...	27
<i>U.S. Treasury securities¹</i>							
Holdings	0	92,002	326,901	1,081,426	297,846	626,067	2,424,242
Weekly changes	- 32,047	0	+ 12,529	+ 12,261	- 2,369	+ 1,802	- 7,824
<i>Federal agency debt securities²</i>							
Holdings	0	0	1,982	62	0	2,347	4,391
Weekly changes	0	0	0	0	0	0	0
<i>Mortgage-backed securities³</i>							
Holdings	0	0	1	170	36,089	1,723,712	1,759,972
Weekly changes	0	0	0	- 6	- 627	- 8,693	- 9,326
Repurchase agreements ⁴	0	0	...	...	...	...	0
Central bank liquidity swaps ⁵	72	0	0	0	0	0	72
Reverse repurchase agreements ⁴	277,458	0	...	...	...	...	277,458
Term deposits	0	0	0	...	...	...	0

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

...Not applicable.

1. 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.
2. Face value.
3. Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. The current face value shown is the remaining principal balance of the securities.
4. Cash value of agreements.
5. 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.

H.4.1

3. Supplemental Information on Mortgage-Backed Securities

Millions of dollars

Account name	Wednesday Feb 28, 2018
Mortgage-backed securities held outright ¹	1,759,972
Commitments to buy mortgage-backed securities ²	13,714
Commitments to sell mortgage-backed securities ²	0
Cash and cash equivalents ³	10

1. Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. The current face value shown is the remaining principal balance of the securities.

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 5 and table 6.

4. Information on Principal Accounts of Maiden Lane LLC

Millions of dollars

Account name	Wednesday Feb 28, 2018
Net portfolio holdings of Maiden Lane LLC ¹	1,708
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
Outstanding principal amount and accrued interest on loan payable to JPMorgan Chase & Co. ³	0

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. Assets are revalued quarterly.

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 6.

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 5 and table 6.

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. The remaining outstanding balances of the senior loan from FRBNY to Maiden Lane LLC, and the subordinated loan from JPMorgan Chase & Co. to Maiden Lane LLC were repaid in full, with interest.

H.4.1

5. Consolidated Statement of Condition of All Federal Reserve Banks

Millions of dollars

Assets, liabilities, and capital	Eliminations from consolidation	Wednesday Feb 28, 2018	Change since	
			Wednesday Feb 21, 2018	Wednesday Mar 1, 2017
Assets				
Gold certificate account		11,037	0	0
Special drawing rights certificate account		5,200	0	0
Coin		1,919	- 15	- 23
Securities, unamortized premiums and discounts, repurchase agreements, and loans		4,330,547	- 17,741	- 64,839
Securities held outright ¹		4,188,604	- 17,151	- 51,399
U.S. Treasury securities		2,424,242	- 7,824	- 39,246
Bills ²		0	0	0
Notes and bonds, nominal ²		2,293,885	- 9,618	- 46,526
Notes and bonds, inflation-indexed ²		111,220	+ 1,807	+ 5,319
Inflation compensation ³		19,137	- 12	+ 1,962
Federal agency debt securities ²		4,391	0	- 8,938
Mortgage-backed securities ⁴		1,759,972	- 9,326	- 3,214
Unamortized premiums on securities held outright ⁵		156,044	- 561	- 14,390
Unamortized discounts on securities held outright ⁵		-14,128	- 23	+ 924
Repurchase agreements ⁶		0	0	0
Loans		27	- 6	+ 25
Net portfolio holdings of Maiden Lane LLC ⁷		1,708	- 2	+ 3
Items in process of collection	(0)	99	- 31	+ 20
Bank premises		2,206	+ 3	+ 10
Central bank liquidity swaps ⁸		72	+ 5	- 1,060
Foreign currency denominated assets ⁹		22,089	- 17	+ 2,334
Other assets ¹⁰		18,523	- 461	- 1,062
Total assets	(0)	4,393,401	- 18,259	- 64,617

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

H.4.1

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

Millions of dollars

Assets, liabilities, and capital	Eliminations from consolidation	Wednesday Feb 28, 2018	Change since	
			Wednesday Feb 21, 2018	Wednesday Mar 1, 2017
<i>Liabilities</i>				
Federal Reserve notes, net of F.R. Bank holdings		1,579,985	+ 5,589	+ 104,873
Reverse repurchase agreements ¹¹		277,458	- 2,712	- 127,430
Deposits	(0)	2,489,995	- 19,919	- 40,286
Term deposits held by depository institutions		0	0	- 16,625
Other deposits held by depository institutions		2,208,308	- 7,031	- 99,646
U.S. Treasury, General Account		199,390	- 9,427	+ 51,005
Foreign official		5,255	0	+ 91
Other ¹²	(0)	77,043	- 3,459	+ 24,889
Deferred availability cash items	(0)	906	+ 597	+ 453
Other liabilities and accrued dividends ¹³		5,893	+ 603	- 857
Total liabilities	(0)	4,354,237	- 15,842	- 63,247
<i>Capital accounts</i>				
Capital paid in		31,664	+ 83	+ 1,130
Surplus		7,500	- 2,500	- 2,500
Other capital accounts		0	0	0
Total capital		39,164	- 2,417	- 1,370

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. The current face value shown is the remaining principal balance of the securities.
5. Reflects the premium or discount, which is the difference between the purchase price and the face value of the securities that has not been amortized. For U.S. Treasury securities, Federal agency debt securities, and mortgage-backed securities, amortization is on an effective-interest basis.
6. Cash value of agreements, which are collateralized by U.S. Treasury and federal agency securities.
7. Refer to table 4 and the note on consolidation accompanying table 6.
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.
9. Revalued daily at current foreign currency exchange rates.
10. Includes accrued interest, which represents the daily accumulation of interest earned, and other accounts receivable.
11. Cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and mortgage-backed securities.
12. Includes deposits held at the Reserve Banks by international and multilateral organizations, government-sponsored enterprises, designated financial market utilities, and deposits held by depository institutions in joint accounts in connection with their participation in certain private-sector payment arrangements. Also includes certain deposit accounts other than the U.S. Treasury, General Account, for services provided by the Reserve Banks as fiscal agents of the United States.
13. Includes the liability for earnings remittances due to the U.S. Treasury.

H.4.1

6. Statement of Condition of Each Federal Reserve Bank, February 28, 2018

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	349	3,592	348	553	776	1,520	737	341	191	292	916	1,422
Special drawing rights certificate acct.	5,200	196	1,818	210	237	412	654	424	150	90	153	282	574
Coin	1,919	57	49	196	130	275	196	306	37	52	113	202	307
Securities, unamortized premiums and discounts, repurchase agreements, and loans	4,330,547	84,375	2,438,481	111,812	125,581	253,732	254,910	182,148	57,747	33,766	61,426	173,364	553,208
Securities held outright ¹	4,188,604	81,610	2,358,569	108,148	121,466	245,413	246,557	176,167	55,854	32,656	59,404	167,682	535,079
U.S. Treasury securities	2,424,242	47,233	1,365,071	62,593	70,301	142,038	142,700	101,960	32,327	18,901	34,381	97,050	309,688
Bills ²	0	0	0	0	0	0	0	0	0	0	0	0	0
Notes and bonds ³	2,424,242	47,233	1,365,071	62,593	70,301	142,038	142,700	101,960	32,327	18,901	34,381	97,050	309,688
Federal agency debt securities ²	4,391	86	2,473	113	127	257	258	185	59	34	62	176	561
Mortgage-backed securities ⁴	1,759,972	34,291	991,026	45,442	51,038	103,118	103,598	74,022	23,469	13,722	24,960	70,457	224,830
Unamortized premiums on securities held outright ⁵	156,044	3,040	87,867	4,029	4,525	9,143	9,185	6,563	2,081	1,217	2,213	6,247	19,934
Unamortized discounts on securities held outright ⁵	-14,128	-275	-7,955	-365	-410	-828	-832	-594	-188	-110	-200	-566	-1,805
Repurchase agreements ⁶	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans	27	0	0	0	0	4	0	12	0	3	9	0	0
Net portfolio holdings of Maiden Lane LLC ⁷	1,708	0	1,708	0	0	0	0	0	0	0	0	0	0
Items in process of collection	99	0	0	0	0	0	99	0	0	0	0	0	0
Bank premises	2,206	112	452	74	121	197	203	203	109	87	235	221	192
Central bank liquidity swaps ⁸	72	3	23	4	6	16	4	3	1	0	1	1	11
Foreign currency denominated assets ⁹	22,089	957	7,085	1,187	1,798	4,770	1,288	924	241	93	214	282	3,250
Other assets ¹⁰	18,523	392	9,874	472	543	1,279	1,105	777	538	157	324	737	2,326
Interdistrict settlement account	0 +	4,232 -	50,470 -	272 -	3,578 +	15,598 +	16,345 +	46,936 +	170 +	2,638 +	4,989 +	514 -	37,101
Total assets	4,393,401	90,673	2,412,612	114,031	125,390	277,054	276,323	232,457	59,333	37,075	67,747	176,519	524,188

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

H.4.1

6. Statement of Condition of Each Federal Reserve Bank, February 28, 2018 (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	1,765,751	56,881	602,335	53,950	83,992	119,139	243,141	114,974	52,262	30,842	47,562	139,985	220,686
Less: Notes held by F.R. Banks	185,766	6,968	49,824	6,958	9,843	14,750	25,815	12,693	5,258	3,648	6,294	17,514	26,201
Federal Reserve notes, net	1,579,985	49,913	552,511	46,992	74,148	104,389	217,326	102,281	47,004	27,194	41,268	122,471	194,485
Reverse repurchase agreements ¹¹	277,458	5,406	156,234	7,164	8,046	16,256	16,332	11,670	3,700	2,163	3,935	11,107	35,444
Deposits	2,489,995	33,513	1,688,922	57,363	39,818	147,361	39,928	116,512	7,896	6,573	22,005	42,182	287,921
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	2,208,308	33,507	1,462,589	57,361	39,815	147,149	39,919	61,407	7,890	6,573	22,003	42,181	287,915
U.S. Treasury, General Account	199,390	0	199,390	0	0	0	0	0	0	0	0	0	0
Foreign official	5,255	2	5,228	2	3	9	2	2	0	0	0	1	6
Other ¹²	77,043	5	21,715	0	0	204	7	55,104	6	0	2	0	1
Deferred availability cash items	906	0	0	0	0	0	87	0	0	819	0	0	0
Earnings remittances due to the U.S. Treasury ¹³	1,435	29	776	34	46	68	115	52	24	12	20	73	187
Other liabilities and accrued dividends	4,458	157	1,824	190	192	502	293	292	131	134	133	209	401
Total liabilities	4,354,237	89,018	2,400,268	111,743	122,250	268,577	274,082	230,806	58,755	36,896	67,361	176,042	518,439
<i>Capital</i>													
Capital paid in	31,664	1,336	9,980	1,861	2,535	6,856	1,808	1,332	470	145	312	384	4,645
Surplus	7,500	319	2,364	426	605	1,620	433	318	108	34	74	93	1,104
Other capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and capital	4,393,401	90,673	2,412,612	114,031	125,390	277,054	276,323	232,457	59,333	37,075	67,747	176,519	524,188

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

H.4.1

6. Statement of Condition of Each Federal Reserve Bank, February 28, 2018 (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. The current face value shown is the remaining principal balance of the securities.
5. Reflects the premium or discount, which is the difference between the purchase price and the face value of the securities that has not been amortized. For U.S. Treasury securities, Federal agency debt securities, and mortgage-backed securities, amortization is on an effective-interest basis.
6. Cash value of agreements, which are collateralized by U.S. Treasury and federal agency securities.
7. Refer to table 4 and the note on consolidation below.
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.
9. Revalued daily at current foreign currency exchange rates.
10. Includes accrued interest, which represents the daily accumulation of interest earned, and other accounts receivable.
11. Cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and mortgage-backed securities.
12. Includes deposits held at the Reserve Banks by international and multilateral organizations, government-sponsored enterprises, designated financial market utilities, and deposits held by depository institutions in joint accounts in connection with their participation in certain private-sector payment arrangements. Also includes certain deposit accounts other than the U.S. Treasury, General Account, for services provided by the Reserve Banks as fiscal agents of the United States.
13. Represents the estimated weekly remittances due to U.S. Treasury. The amounts on this line represent the residual net earnings that the Federal Reserve Banks remit to the U.S. Treasury after providing for the costs of operations, payment of dividends, and the amount necessary to maintain a \$7.5 billion surplus.

Note on consolidation:

On June 26, 2008, the Federal Reserve Bank of New York (FRBNY) extended a loan to Maiden Lane LLC (ML) under the authority of section 13(3) of the Federal Reserve Act. ML was formed to acquire certain assets of Bear Stearns. On June 14, 2012, the remaining outstanding balance of the senior loan from FRBNY to ML was repaid in full, with interest. On November 15, 2012, the remaining outstanding balance of the subordinated loan from JPMorgan Chase & Co. to ML was repaid in full, with interest. FRBNY was the primary beneficiary of ML because it received any residual returns and could have absorbed any residual losses should they have occurred. Consistent with generally accepted accounting principles, the assets and liabilities of ML were consolidated with the assets and liabilities of FRBNY in the preparation of the statements of condition shown on this release. As a consequence of the consolidation, the extension of credit from FRBNY to ML was eliminated, the net assets of ML appeared as assets on the previous page (and in table 1 and table 5), and the liabilities of ML to entities other than FRBNY, including those with recourse only to the ML portfolio holdings, were included in other liabilities in this table (and table 1 and table 5).

H.4.1

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

Millions of dollars

Federal Reserve notes and collateral	Wednesday Feb 28, 2018
Federal Reserve notes outstanding	1,765,751
Less: Notes held by F.R. Banks not subject to collateralization	185,766
Federal Reserve notes to be collateralized	1,579,985
Collateral held against Federal Reserve notes	1,579,985
Gold certificate account	11,037
Special drawing rights certificate account	5,200
U.S. Treasury, agency debt, and mortgage-backed securities pledged ^{1,2}	1,563,748
Other assets pledged	0
<i>Memo:</i>	
Total U.S. Treasury, agency debt, and mortgage-backed securities ^{1,2}	4,188,604
Less: Face value of securities under reverse repurchase agreements	278,733
U.S. Treasury, agency debt, and mortgage-backed securities eligible to be pledged	3,909,871

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.