
FEDERAL RESERVE statistical release



For release at 4:30 p.m. Eastern Time

H.3 (502)

November 18, 2010

SPECIAL NOTICE

Data on reserves and the monetary base have been revised to reflect the annual review of seasonal and break factors. Revisions to seasonal factors start in January 1999, while revisions to break factors begin in January 2009. Break factors remove discontinuities (or “breaks”) associated with regulatory changes in reserve requirements, such as the annual indexation of the low reserve tranche and the reserve requirement exemption.¹ The maximum revision to total reserves, nonborrowed reserves, required reserves, and the monetary base in any maintenance period was \$1.1 billion; most revisions were less than \$600 million.

A more detailed description of the methods for constructing break factors and seasonal factors is available under “Annual review of break and seasonal factors” on the Federal Reserve’s website (<http://www.federalreserve.gov/releases/h3/hist/>). Historical data, updated each week, are available there as well.

1. The Monetary Control Act of 1980 established a reserve ratio of 3 percent against the first \$25 million in net transaction deposits (low reserve tranche) at each depository institution. Since 1982, the low reserve tranche has been indexed each January by 80 percent of the previous year’s (June 30 to June 30) growth rate of net transaction deposits at all depository institutions. For all reserve maintenance periods ending in 2010, the low reserve tranche is \$55.2 million, rising to \$58.8 million for maintenance periods ending in 2011.

Under the Garn-St Germain Depository Institutions Act of 1982, the first \$2 million of reservable liabilities of each depository institution was exempted from reserve requirements. Since 1983, this exemption amount has been indexed each year by 80 percent of the rate of increase of the reservable liabilities at all depository institutions over the preceding year (June 30 to June 30). For all reserve maintenance periods ending in 2010, the reserve requirement exemption is \$10.7 million, and it remains at \$10.7 million for maintenance periods ending in 2011.

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Table 1

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Adjusted for changes in reserve requirements¹

Seasonally adjusted unless noted otherwise

Millions of dollars

For release at 4:30 p.m. Eastern Time

November 18, 2010

Date	Reserves of depository institutions				Monetary base ⁵	Total borrowings from the Federal Reserve, NSA
	Total ²	Nonborrowed ³	Required	Excess, NSA ⁴		
Month⁶						
2009-Oct.	1056642	791584	62044	994598	1936686	265058
Nov.	1140795	923488	63653	1077143	2019194	217307
Dec.	1139002	969075	63668	1075335	2018027	169927
2010-Jan.	1108995	966852	63060	1045935	1986885	142142
Feb.	1224790	1113563	62792	1161998	2109173	111227
Mar.	1185964	1094320	65447	1120517	2074878	91644
Apr.	1116368	1036143	66029	1050339	2009933	80225
May	1109412	1033787	64505	1044908	2007201	75626
June	1099258	1029361	64227	1035031	1998986	69897
July	1087162	1021315	65449	1021714	1989991	65847
Aug.	1085607	1025524	66023	1019584	1994241	60083
Sep.	1048360	995839	67504	980855	1963303	52521
Oct.	1040253	991680	66749	973504	1963412	48573
Two weeks ending⁷						
2010-Sep. 22	1042932	990290	67028	975904	1957460	52642
Oct. 6	1031408	981517	67896	963512	1950429	49892
20	1046876	998025	65910	980966	1969355	48852
Nov. 3	1036648	989149	67190	969457	1962931	47499
17p	1033099	986465	66885	966214	1963011	46634

1. Reserves and monetary base figures incorporate adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (For more information, refer to table 3.)

2. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves plus unadjusted excess reserves. (Also, refer to footnote 2 in table 2 and footnote 2 in table 3.)

3. Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves less unadjusted total borrowings from the Federal Reserve.

4. Excess reserves NSA equals unadjusted total reserves (table 2, column 1) less unadjusted required reserves (table 2, column 3).

5. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves plus (2) the seasonally adjusted currency component of the money stock plus (3), for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves, the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements. (Also, refer to footnote 3 in table 2 and footnote 4 in table 3.)

6. Prorated averages of biweekly averages.

7. Averages of daily figures.

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Table 1a

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Not seasonally adjusted

Millions of dollars

Date	Total borrowings from the Federal Reserve	Term auction credit	Other borrowings from the Federal Reserve ¹						
			Primary	Secondary	Seasonal	Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility	Credit extended to American International Group, Inc., net ²	Term Asset-Backed Securities Loan Facility ³	Other credit extensions
Month⁴									
2009-Oct.	265058	155396	25163	402	82	28	41222	42765	0
Nov.	217307	110049	20434	38	67	0	43222	43497	0
Dec.	169927	82014	19025	518	37	0	22023	46310	0
2010-Jan.	142142	54209	16407	965	5	0	23213	47342	0
Feb.	111227	23677	14258	873	1	0	25544	46874	0
Mar.	91644	7286	11136	658	7	0	25252	47306	0
Apr.	80225	796	6468	583	22	0	25739	46617	0
May	75626	0	4198	423	42	0	26397	44565	0
June	69897	0	288	212	59	0	25937	43401	0
July	65847	0	39	1	75	0	24185	41548	0
Aug.	60083	0	22	0	85	0	22064	37913	0
Sep.	52521	0	32	0	77	0	19791	32620	0
Oct.	48573	0	37	0	46	0	19478	29012	0
Two weeks ending⁵									
2010-Sep. 22	52642	0	25	0	78	0	19917	32621	0
Oct. 6	49892	0	57	0	69	0	19403	30363	0
20	48852	0	24	0	50	0	19702	29077	0
Nov. 3	47499	0	44	0	28	0	19235	28194	0
17p	46634	0	19	1	20	0	19553	27043	0

1. The Federal Reserve Bank of New York (FRBNY) has extended credit to Maiden Lane LLC, Maiden Lane II LLC, and Maiden Lane III LLC, as discussed in the notes to the Board's H.4.1 statistical release, "Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks." Consistent with generally accepted accounting principles, the assets and liabilities of these LLCs have been consolidated with the assets and liabilities of the FRBNY because the FRBNY is the primary beneficiary of the LLCs. As a consequence of this consolidation, the extensions of credit from the FRBNY to these LLCs are eliminated from the Federal Reserve's balance sheet, and, thus, the loans are not included in borrowed reserves.

2. Includes outstanding principal and capitalized interest net of unamortized deferred commitment fees and allowance for loan restructuring. Excludes credit extended to consolidated LLCs as described in footnote 1 above.

3. Includes credit extended by the Federal Reserve Bank of New York to eligible borrowers through the Term Asset-Backed Securities Loan Facility.

4. Prorated averages of biweekly averages.

5. Averages of daily figures.

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Table 2

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASENot adjusted for changes in reserve requirements¹

Not seasonally adjusted

Millions of dollars

Date	Reserves of depository institutions			Monetary base ³	Reserve balances with F.R. Banks ⁴	Vault cash ⁵			Net carryover of reserve balances ⁸
	Total ²	Nonborrowed	Required			Total	Used to satisfy required reserves ⁶	Surplus ⁷	
Month⁹									
2009-Oct.	1056728	791670	62130	1935901	1017784	52974	38944	14030	
Nov.	1141608	924301	64466	2022323	1102468	52750	39141	13610	
Dec.	1140463	970536	65129	2026233	1099855	55198	40609	14589	
2010-Jan.	1112379	970236	66444	1994859	1070726	55828	41653	14174	
Feb.	1225472	1114245	63474	2114536	1183771	56656	41701	14955	
Mar.	1184489	1092845	63972	2079784	1143656	55644	40833	14811	
Apr.	1117439	1037214	67100	2014653	1076482	53782	40957	12825	
May	1111363	1035737	66455	2011298	1070841	52726	40522	12204	
June	1099199	1029302	64169	2001543	1058787	53044	40412	12632	
July	1087696	1021849	65982	1994095	1046940	53943	40756	13187	
Aug.	1085018	1024935	65434	1993690	1044124	53969	40894	13075	
Sep.	1047826	995305	66970	1960398	1006741	53071	41084	11987	
Oct.	1039637	991064	66133	1961360	998516	53642	41121	12521	
Two weeks ending¹⁰									
2010-Sep. 22	1041727	989086	65823	1954472	1001206	52974	40521	12453	2195
Oct. 6	1032487	982595	68975	1946862	990253	53772	42234	11538	2164
20	1043161	994309	62194	1967000	1002685	54663	40476	14186	2253
Nov. 3	1039052	991553	69595	1962092	997718	52273	41334	10939	2041
17p	1028545	981911	62330	1961034	988713	54127	39832	14295	2308

1. Reflects actual required reserves, with no adjustments to eliminate the effects of discontinuities, or "breaks," associated with regulatory changes in reserve requirements.

2. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements.

3. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks plus (3) the currency component of the money stock plus (4), for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves, the difference between current vault cash and the amount applied to satisfy current reserve requirements. Currency and vault cash figures are measured over computation periods ending on Mondays.

4. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.

5. Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrifts that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.

6. All vault cash held during the lagged computation period by "bound" institutions (i.e., those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (i.e., those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.

7. Total vault cash eligible to satisfy reserve requirements, held by depository institutions not exempt from reserve requirements, minus the amount used to satisfy reserve requirements.

8. Consists of carryover only at depository institutions maintaining reserves on the basis of two-week maintenance periods. Reflects excess (+) or deficit (-) reserves eligible to be carried forward into the two-week reserve maintenance period ending on the date shown.

9. Prorated averages of biweekly averages.

10. Averages of daily figures.

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Table 3

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Adjusted for changes in reserve requirements¹

Not seasonally adjusted

Millions of dollars

Date	Reserves of depository institutions			Monetary base ⁴
	Total ²	Nonborrowed	Required ³	
Month⁵				
2009-Oct.	1055594	790536	60996	1931746
Nov.	1140311	923004	63168	2018296
Dec.	1139068	969141	63733	2022150
2010-Jan.	1112257	970114	66322	1991872
Feb.	1225432	1114205	63434	2111762
Mar.	1184415	1092771	63898	2077025
Apr.	1117322	1037097	66983	2011871
May	1111214	1035589	66307	2008539
June	1099025	1029127	63994	1998905
July	1087478	1021631	65764	1991476
Aug.	1084765	1024682	65181	1991061
Sep.	1047539	995018	66683	1957777
Oct.	1039331	990758	65827	1958753
Two weeks ending⁶				
2010-Sep. 22	1041447	988805	65543	1951854
Oct. 6	1032178	982286	68666	1944240
20	1042880	994029	61914	1964415
Nov. 3	1038716	991217	69259	1959465
17 ^p	1028224	981590	62010	1958457

Note: Current and historical H.3 data are available each week on the Federal Reserve Board's website (<http://www.federalreserve.gov/>). Monthly data are available back to January 1959, and weekly data are available back to January 1975 for most series. For information about individual copies or subscriptions, contact Publications Services at the Federal Reserve Board (phone 202-452-3245, fax 202-728-5886).

- Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements.
- Break-adjusted total reserves equal break-adjusted required reserves (table 3, column 3) plus excess reserves NSA (table 1, column 4).
- To adjust required reserves for discontinuities due to regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves are equal to break-adjusted required reserves against transactions deposits.
- The break-adjusted monetary base equals (1) break-adjusted total reserves plus (2) the (unadjusted) currency component of the money stock plus (3), for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves, the break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.
- Prorated averages of biweekly averages.
- Averages of daily figures.

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