
FEDERAL RESERVE statistical release



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

H.3 (502)

October 27, 2011

SPECIAL NOTICE

Data on reserves and the monetary base have been revised to reflect the result of annual reviews of seasonal factors and break factors. Revisions to seasonal factors start in January 1999, while revisions to break factors begin in January 2010. Break factors remove discontinuities (or “breaks”) associated with regulatory changes in reserve requirements, such as the annual indexations 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 \$2.0 billion; most revisions were less than \$700 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 2011, the low-reserve tranche is \$58.8 million, rising to \$71.0 million for maintenance periods ending in 2012.

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 2011, the reserve requirement exemption is \$10.7 million, rising to \$11.5 million for maintenance periods ending in 2012.

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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

October 27, 2011

Date	Reserves of depository institutions				Monetary base ⁵	Total borrowings from the Federal Reserve, NSA
	Total ²	Nonborrowed ³	Required	Excess, NSA ⁴		
Month⁶						
2010-Sep.	1047965	995444	67134	980831	1963094	52521
Oct.	1040098	991525	66577	973521	1962024	48573
Nov.	1038829	992140	66834	971995	1967156	46689
Dec.	1077351	1031863	70213	1007138	2008050	45488
2011-Jan.	1106539	1074293	69465	1037074	2041484	32246
Feb.	1262706	1240773	71410	1191296	2206251	21933
Mar.	1436134	1416253	73456	1362678	2389800	19882
Apr.	1526475	1508632	74354	1452121	2490858	17842
May	1587572	1572427	74871	1512702	2561972	15146
June	1666349	1653106	77541	1588808	2647108	13243
July	1696479	1684084	78292	1618187	2681832	12395
Aug.	1666963	1655129	83446	1583517	2658711	11834
Sep.	1642728	1631153	91697	1551031	2639178	11575
Two weeks ending⁷						
2011-Aug. 24	1659783	1647951	81982	1577801	2652031	11833
Sep. 7	1658435	1646750	89880	1568554	2652758	11685
21	1640436	1628822	92130	1548306	2637181	11614
Oct. 5	1634078	1622650	92438	1541640	2631723	11429
19p	1662854	1651537	90959	1571895	2661664	11317

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	Borrowings from the Federal Reserve ¹						
	Total	Primary	Secondary	Seasonal	Credit extended to American International Group, Inc., net ²	Term Asset-Backed Securities Loan Facility ³	Other credit extensions
Month⁴							
2010-Sep.	52521	32	0	77	19791	32620	0
Oct.	48573	37	0	46	19478	29012	0
Nov.	46689	89	0	23	19912	26665	0
Dec.	45488	41	3	26	20394	25025	0
2011-Jan.	32246	51	0	10	8368	23818	0
Feb.	21933	28	0	3		21902	0
Mar.	19882	11	0	6		19864	0
Apr.	17842	14	0	8		17820	0
May	15146	10	1	20		15115	0
June	13243	24	0	42		13178	0
July	12395	7	0	73		12315	0
Aug.	11834	5	0	92		11737	0
Sep.	11575	19	0	81		11474	0
Two weeks ending⁵							
2011-Aug. 24	11833	4	0	99		11731	0
Sep. 7	11685	5	0	87		11594	0
21	11614	21	0	78		11515	0
Oct. 5	11429	28	0	83		11318	0
19p	11317	21	1	52		11244	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. As a result of the closing of the American International Group, Inc. (AIG) recapitalization plan on January 14, 2011, the credit extended to AIG was fully repaid and the Federal Reserve's commitment to lend any further funds was terminated. Before the closing of the AIG recapitalization plan, this borrowing category included outstanding principal and capitalized interest under the revolving credit facility net of unamortized deferred commitment fees and allowance for loan restructuring, and it excluded 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									
2010-Sep.	1047860	995339	67028	1960414	1006743	53072	41117	11955	
Oct.	1039673	991100	66151	1961337	998509	53648	41164	12485	
Nov.	1038637	991948	66643	1970691	997744	53389	40893	12496	
Dec.	1078000	1032511	70862	2016284	1035080	56127	42920	13207	
2011-Jan.	1110353	1078106	73279	2047854	1066218	56093	44135	11959	
Feb.	1263700	1241767	72404	2210870	1219258	56618	44442	12176	
Mar.	1434880	1414998	72202	2394705	1391362	55365	43518	11847	
Apr.	1527982	1510140	75861	2496500	1484154	55378	43828	11550	
May	1589826	1574680	77124	2566394	1546515	54784	43311	11473	
June	1665942	1652699	77134	2647993	1622467	55293	43475	11818	
July	1696691	1684296	78504	2683808	1652348	56052	44343	11708	
Aug.	1666710	1654875	83193	2656922	1621212	56783	45497	11286	
Sep.	1643602	1632027	92571	2637048	1597078	56920	46523	10397	
Two weeks ending¹⁰									
2011-Aug. 24	1658670	1646838	80869	2648808	1613530	56406	45141	11265	2586
Sep. 7	1660264	1648579	91709	2652539	1613756	56731	46508	10223	2844
21	1638849	1627235	90542	2633282	1592879	56834	45970	10864	3297
Oct. 5	1638037	1626609	96397	2630860	1590640	57202	47397	9804	3227
19p	1658331	1647014	86436	2659392	1612335	58879	45996	12883	3511

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 BASEAdjusted 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				
2010-Sep.	1047558	995037	66727	1957773
Oct.	1039350	990777	65829	1958708
Nov.	1038275	991586	66281	1968068
Dec.	1077624	1032136	70486	2013663
2011-Jan.	1110273	1078027	73199	2045422
Feb.	1263570	1241637	72274	2208453
Mar.	1434653	1414771	71975	2392149
Apr.	1527598	1509756	75477	2493691
May	1589294	1574148	76592	2563469
June	1665317	1652074	76509	2645019
July	1695931	1683536	77744	2680753
Aug.	1665787	1653953	82270	2653789
Sep.	1642554	1630979	91523	2633811
Two weeks ending⁶				
2011-Aug. 24	1657753	1645921	79952	2645680
Sep. 7	1659258	1647573	90704	2649356
21	1637829	1626215	89523	2630064
Oct. 5	1636911	1625483	95271	2627550
19 ^p	1657245	1645928	85350	2656132

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).

1. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements.
2. Break-adjusted total reserves equal break-adjusted required reserves (table 3, column 3) plus excess reserves NSA (table 1, column 4).
3. 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.
4. 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.
5. Prorated averages of biweekly averages.
6. Averages of daily figures.

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