

The Central Bank Balance Sheet

Observation:
2020-02-05: 4,166,707 (+ more)
Updated: Feb 6, 2020

Units:
Millions of U.S. Dollars,
Not Seasonally Adjusted

Frequency:
Weekly,
As of Wednesday

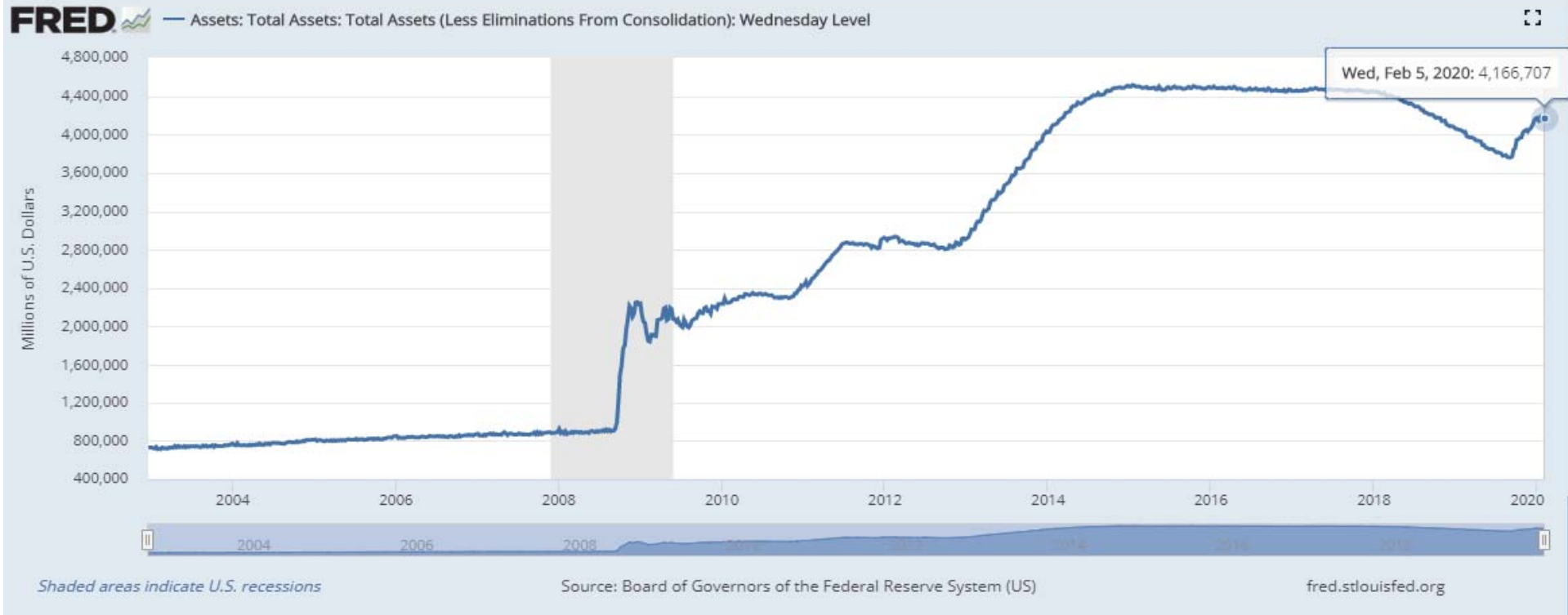
1Y | 5Y | 10Y | Max

2002-12-18

to

2020-02-05

EDIT GRAPH



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NOTES

Source: Board of Governors of the Federal Reserve System (US)

Release: H.4.1 Factors Affecting Reserve Balances

Units: Millions of U.S. Dollars, Not Seasonally Adjusted

Frequency: Weekly, As of Wednesday

Suggested Citation:

Board of Governors of the Federal Reserve System (US), Assets: Total Assets: Total Assets (Less Eliminations From Consolidation): Wednesday Level [WALCL], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WALCL>, February 9, 2020.



FEDERAL RESERVE statistical release

H.4.1

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

May 29, 2014

8. Consolidated Statement of Condition of Federal Reserve Banks

Millions of dollars

Assets, liabilities, and capital	Wednesday May 28, 2014
Assets	
Gold certificate account	11,037
Special drawing rights certificate account	5,200
Coin	1,864
Securities, unamortized premiums and discounts, repurchase agreements, and loans	4,254,380
Securities held outright ¹	4,062,788
U.S. Treasury securities	2,370,724
Bills ²	0
Notes and bonds, nominal ²	2,259,446
Notes and bonds, inflation-indexed ²	96,068
Inflation compensation ³	15,210
Federal agency debt securities ²	44,082
Mortgage-backed securities ⁴	1,647,982
Unamortized premiums on securities held outright ⁵	209,412
Unamortized discounts on securities held outright ⁵	-17,958
Repurchase agreements ⁶	0
Loans	137
Net portfolio holdings of Maiden Lane LLC ⁷	1,656
Net portfolio holdings of Maiden Lane II LLC ⁸	63
Net portfolio holdings of Maiden Lane III LLC ⁹	22
Net portfolio holdings of TALF LLC ¹⁰	91
Items in process of collection	129
Bank premises	2,271
Central bank liquidity swaps ¹¹	174
Foreign currency denominated assets ¹²	23,954
Other assets ¹³	21,813
Total assets	4,322,654

Millions of dollars

Assets, liabilities, and capital	Wednesday May 28, 2014
Liabilities	
Federal Reserve notes, net of F.R. Bank holdings	1,237,978
Reverse repurchase agreements ¹⁴	278,205
Deposits	2,742,018
Term deposits held by depository institutions	27,575
Other deposits held by depository institutions	2,677,298
U.S. Treasury, General Account	22,950
Foreign official	7,788
Other ¹⁵	6,406
Deferred availability cash items	951
Other liabilities and accrued dividends ¹⁶	7,162
Total liabilities	4,266,313
Capital accounts	
Capital paid in	28,171
Surplus	28,171
Other capital accounts	0
Total capital	56,342

Note: Components may not sum to totals because of rounding

Commercial Banks Balance Sheet

(in %)

Assets (Uses of Funds)*		Liabilities (Sources of Funds)	
Reserves and Cash Items	1	Checkable deposits	10
		Nontransaction deposits	
		Small-denomination time deposits	
		(< \$100,000) + savings deposits	48
		Large-denomination time deposits	11
Securities		Borrowings	23
U.S. government and agency	15	Bank capital	8
State and local government and			
other securities	7		
Loans			
Commercial and industrial	18		
Real estate	35		
Consumer	6		
Interbank	11		
Other	2		
Other assets (for example,	5		
physical capital)			
Total	<u>100</u>	Total	<u>100</u>

*In order of decreasing liquidity.
Source: Federal Reserve *Bulletin*.

Non-Banks (Public) Balance Sheet

Assets (Uses of Funds)*	Liabilities (Sources of Funds)
<p data-bbox="352 558 516 591">MONEY</p> <p data-bbox="373 607 781 646">CASH (Notes + Coins)</p> <p data-bbox="373 656 583 695">DEPOSITS</p> <p data-bbox="352 812 583 850">Other Assets</p>	<p data-bbox="1115 558 1262 591">LOANS</p>

(1) OPEN MARKET OPERATION

Note: Monetary Base (H) = CU + R

Purchase of securities (=gov. bonds) from commercial banks

Commercial Banks		Central Bank	
Assets	Liabilities	Assets	Liabilities
Securities - \$100	Deposits	Securities + \$100	Reserves + \$100
Reserves + \$100	Discount Loans	Discount Loans	Currency
Loans			

Result: H ↑ \$100

(2) DISCOUNT LOANS

Decrease of discount interest rate (on loans to commercial banks)

Commercial Banks		Central Bank	
Assets	Liabilities	Assets	Liabilities
Securities	Deposits	Securities	Currency
Reserves + \$100	Discount loan + \$100	Discount loan + \$100	Reserves + \$100
Loans			

Result: H ↑ \$100

Conclusion: Fed can control H

Next step: H determines Ms

(2) DISCOUNT LOANS

Note: Monetary Base (H) = $CU + R$

Banking System

Assets

Reserves

+ \$100

Liabilities

Discount

loan + \$100

Central Bank

Assets

Discount

loan + \$100

Liabilities

Reserves

+ \$100

Result: $H \uparrow$ \$100

Conclusion: Fed has better ability to control H

Next step: H determines M_s (Money Creations)

(3) REQUIRED RESERVE RATIO ($\theta = 10\%$)

First National Bank

Assets		Liabilities
Reserves	+ \$100	Deposits
Securities	- \$100	
Loans		

Bank A


Assets		Liabilities
Reserves		Deposits
Loans		

Bank B

Assets		Liabilities
Reserves		Deposits
Loans		

(3) REQUIRED RESERVE RATIO ($\theta = 10\%$)

First National Bank		Bank A		Bank B			
Assets		Liabilities		Assets		Liabilities	
Reserves	\$\$\$100	Reserves	+	Deposits		Deposits	
Securities	- \$100	Loans		Deposits	+\$100	Loans	
Loans	+ \$100						



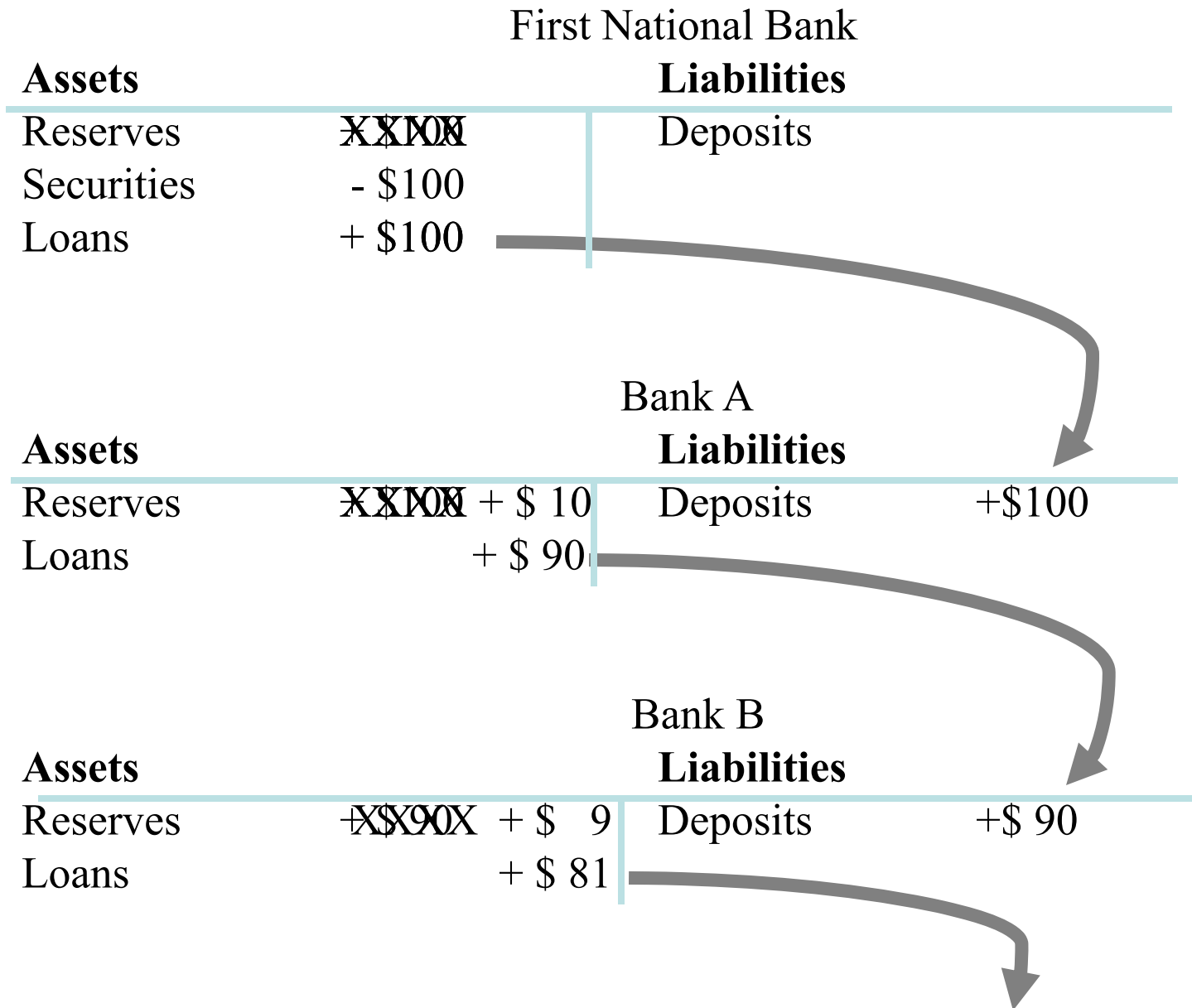
(3) REQUIRED RESERVE RATIO ($\theta = 10\%$)

First National Bank			
Assets		Liabilities	
Reserves	XXX	Deposits	
Securities	- \$100		
Loans	+ \$100		

Bank A			
Assets		Liabilities	
Reserves	XXX + \$10	Deposits	+\$100
Loans	+ \$90		

Bank B			
Assets		Liabilities	
Reserves	+ \$90	Deposits	+\$90
Loans			

(3) REQUIRED RESERVE RATIO ($\theta = 10\%$)



Deposit Creation

Creation of Deposits (assuming 10% reserve requirement and a \$100 increase in reserves)

Bank	Increase in Deposits (\$)	Increase in Loans (\$)	Increase in Reserves (\$)
First National	0.00	100.00	0.00
A	100.00	90.00	10.00
B	90.00	81.00	9.00
C	81.00	72.90	8.10
D	72.90	65.61	7.29
E	65.61	59.05	6.56
F	59.05	53.14	5.91
.	.	.	.
.	.	.	.
.	.	.	.
Total for all banks	1000.00	1000.00	100.00

Banking System As a Whole

Commercial Banks

Assets	Liabilities
Securities– \$100	Deposits + \$1000
Reserves + \$100	
Loans + \$1000	

Critique of a Simple Model

Deposit creation stops if

- 1. Proceeds from loan kept in cash**
- 2. Bank holds excess reserves**

Money Multiplier (H => Ms)

Equations:

$$\text{Monetary base (H)} = \text{Currency (Cu)} + \text{Reserves (R)}$$

$$\text{Money (Ms)} = \text{Currency (Cu)} + \text{Deposits (D)}$$

$$\text{Reserves (R)} / \text{Deposits (D)} = \theta$$

$$\text{Currency (Cu)} / \text{Money (Ms)} = c$$

$$\text{Monetary base (H)} = \text{Currency (Cu)} + \text{Reserves (R)}$$

$$= c \text{ Ms} + \theta \text{ D}$$

$$= c \text{ Ms} + \theta (1-c) \text{ Ms}$$

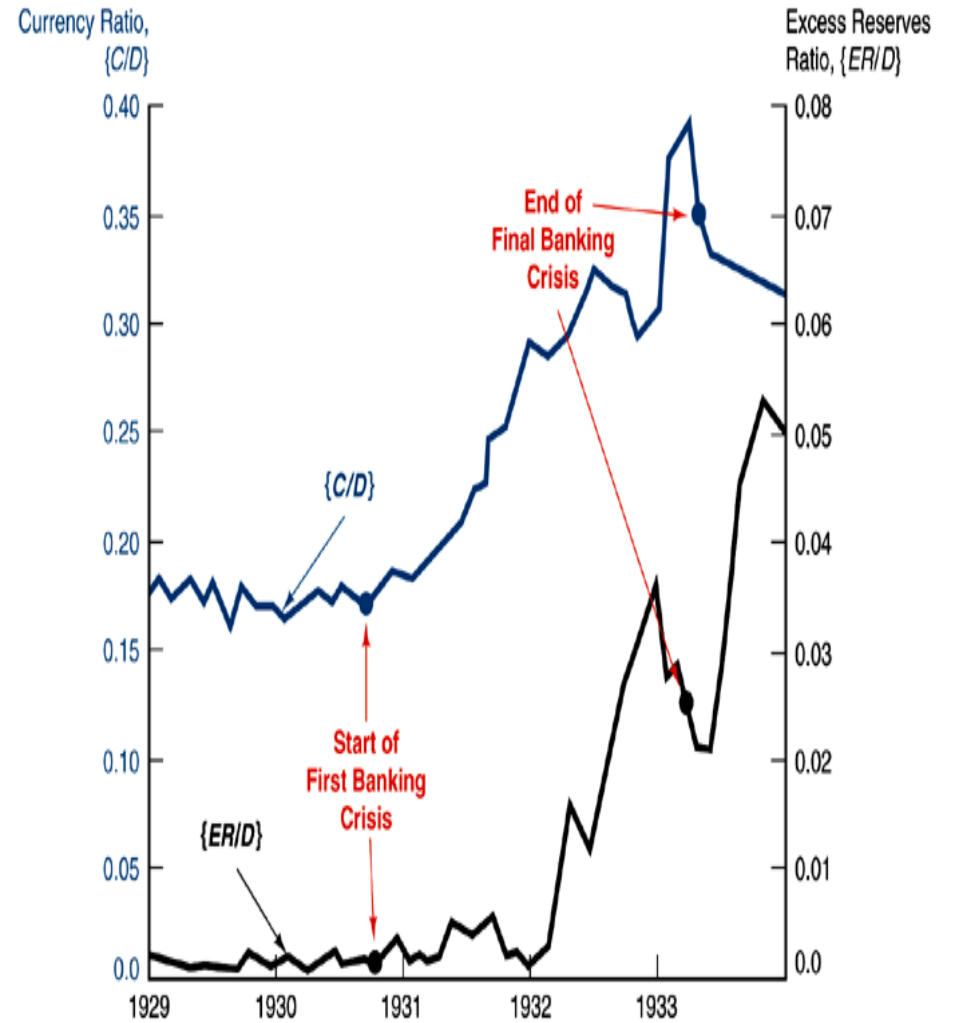
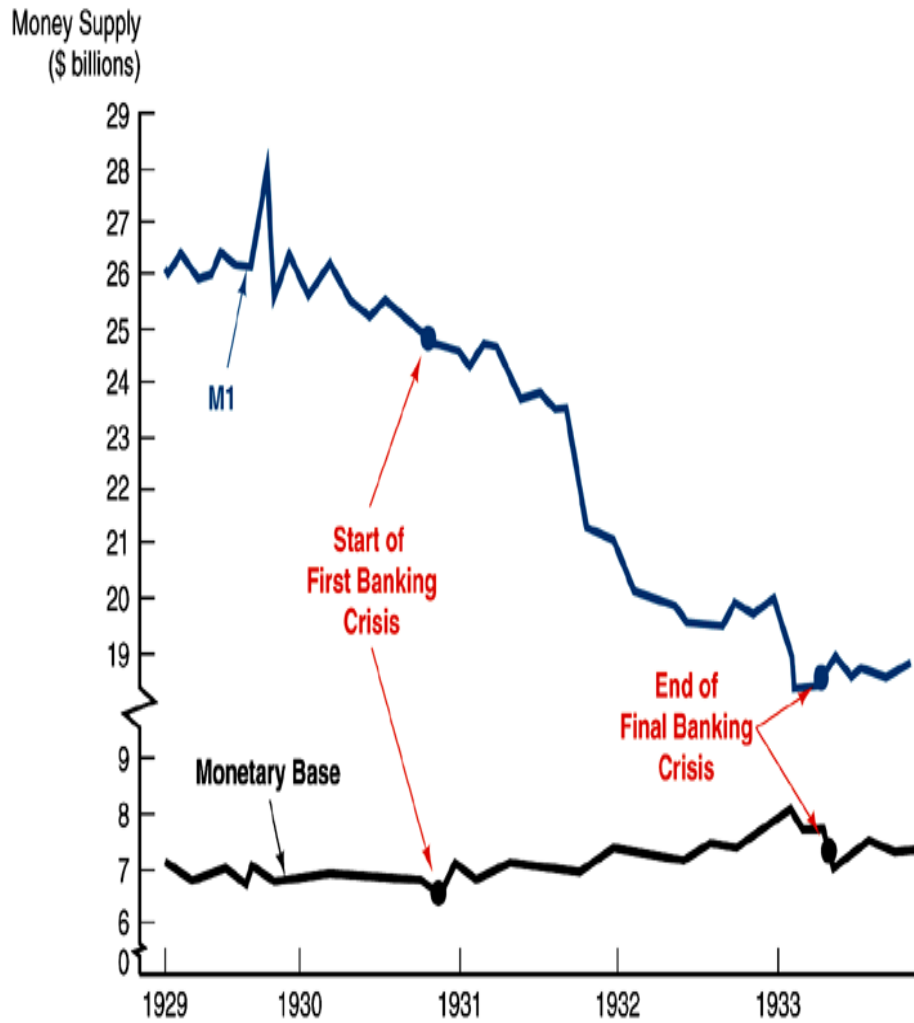
$$= [c + \theta (1-c)] \text{ Ms}$$

$$\text{Money (Ms)} = \text{Monetary base (H)} * \text{Money Multiplier}$$

$$\text{Ms} = \text{H} * 1 / [c + \theta (1-c)]$$

$$\text{Money (M)} = \text{Monetary base (H)} * \text{Money Multiplier}$$

$$M = H * \frac{1}{[c + \theta(1-c)]}$$



Reserves = Required Reserves + Excess Reserves