

Comparative Financial Statements

STATEMENTS OF CONDITION

(in millions)

	December 31, 2004	December 31, 2003
ASSETS		
Gold certificates	\$ 452	\$ 477
Special drawing rights certificates	104	104
Coin	52	33
Items in process of collection	814	595
U.S. government securities, net	31,004	31,655
Investments denominated in foreign currencies	1,757	1,665
Accrued interest receivable	217	237
Bank premises and equipment, net	183	180
Interest on Federal Reserve notes due from U.S. Treasury	234	—
Other assets	85	69
Total assets	\$ 34,902	\$ 35,015
LIABILITIES AND CAPITAL		
Liabilities:		
Federal Reserve notes outstanding, net	\$ 29,103	\$ 28,375
Securities sold under agreements to repurchase	1,315	1,202
Deposits:		
Depository institutions	1,272	1,260
Other deposits	3	4
Deferred credit items	505	521
Interest on Federal Reserve notes due U.S. Treasury	—	24
Interdistrict settlement account	495	2,103
Accrued benefit costs	65	61
Other liabilities	14	11
Total liabilities	\$ 32,772	\$ 33,561
Capital:		
Capital paid-in	1,065	727
Surplus	1,065	727
Total capital	2,130	1,454
Total liabilities and capital	\$ 34,902	\$ 35,015

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF INCOME

(in millions)

	For the year ended December 31, 2004	For the year ended December 31, 2003
Interest income:		
Interest on U.S. government securities	\$ 963	\$ 1,097
Interest on investments denominated in foreign currencies	22	22
Total interest income	985	1,119
Interest expense:		
Interest expense on securities sold under agreements to repurchase	—	11
Net interest income	985	1,108
Other operating income:		
Income from services	61	56
Reimbursable services to government agencies	43	32
Foreign currency gains, net	88	227
Other income	3	4
Total other operating income	195	319
Operating expenses:		
Salaries and other benefits	103	93
Occupancy expense	13	13
Equipment expense	13	13
Assessments by Board of Governors	45	52
Other expenses	48	49
Total operating expenses	222	220
Net income prior to distribution	\$ 958	\$ 1,207
Distribution of net income:		
Dividends paid to member banks	\$ 45	\$ 42
Transferred to surplus	338	25
Payments to U.S. Treasury as interest on Federal Reserve notes	575	1,140
Total distribution	\$ 958	\$ 1,207

STATEMENTS OF CHANGES IN CAPITAL

(in millions)

For the years ended December 31, 2004 and December 31, 2003

	Capital Paid-in	Surplus	Total Capital
Balance at January 1, 2003 (14 million shares)	\$ 702	\$ 702	\$ 1,404
Transferred to surplus	—	25	25
Net change in capital stock issued (0.5 million shares)	25	—	25
Balance at December 31, 2003 (14.5 million shares)	\$ 727	\$ 727	\$ 1,454
Transferred to surplus	—	338	338
Net change in capital stock issued (6.8 million shares)	338	—	338
Balance at December 31, 2004 (21.3 million shares)	\$ 1,065	\$ 1,065	\$ 2,130

The accompanying notes are an integral part of these financial statements.