

<i>(in millions)</i>	<i>December 31</i> 1997	<i>December 31</i> 1996
ASSETS		
Gold certificates	\$ 965	\$ 919
Special drawing rights certificates	792	835
Coin	63	113
Items in process of collection	474	1,064
U.S. government and federal agency securities, net	41,294	32,694
Investments denominated in foreign currencies	1,177	1,416
Accrued interest receivable	391	295
Interdistrict settlement account	—	3,821
Bank premises and equipment, net	217	259
Other assets	86	94
Total assets	\$45,459	\$41,510
LIABILITIES		
Federal Reserve notes outstanding, net	\$32,459	\$38,736
Deposits:		
Depository institutions	2,062	1,275
Other deposits	40	40
Deferred credit items	650	698
Statutory surplus transfer due U.S. Treasury	47	58
Interdistrict settlement account	8,468	—
Accrued benefit cost	59	55
Other liabilities	23	20
Total liabilities	43,808	40,882
CAPITAL ACCOUNTS		
Capital paid-in	833	318
Surplus	818	310
Total capital	1,651	628
Total liabilities and capital	\$45,459	\$41,510

These statements are prepared by Bank management. Copies of full and final financial statements, complete with footnotes, are available by contacting the Federal Reserve Bank of Richmond, Public Affairs Division, P.O. Box 27622, Richmond, Virginia 23261, or by accessing the Bank's website at <http://www.rich.frb.org>.

<i>(in millions)</i>	<i>For Years Ended</i>	
	1997	1996
INTEREST INCOME		
Interest on U.S. government securities	\$2,309	\$1,920
Interest on foreign currencies	26	33
Total interest income	2,335	1,953
OTHER OPERATING INCOME		
Income from services	62	62
Reimbursable services to government agencies	26	24
Foreign currency losses, net	(179)	(123)
Government securities gains, net	1	3
Other income	2	3
Total other operating income	(88)	(31)
OPERATING EXPENSES		
Salaries and other benefits	141	141
Occupancy expense	24	24
Equipment expense	104	111
Cost of unreimbursed Treasury services	6	4
Assessments by Board of Governors	48	47
Other expenses	(57)	(70)
Total operating expenses	266	257
Net income prior to distribution	\$1,981	\$1,665
DISTRIBUTION OF NET INCOME		
Dividends paid to member banks	\$ 34	\$ 18
Transferred to surplus	515	27
Payments to U.S. Treasury as interest on Federal Reserve notes	—	1,168
Payments to U.S. Treasury as required by statute	1,432	452
Total income distributed	\$1,981	\$1,665

Statement of Changes in Capital

For years ended December 31, 1997 and
December 31, 1996
(in millions, except shares)

	<i>Capital Paid-in</i>	<i>Surplus</i>	<i>Total Capital</i>
Balance at January 1, 1996 (5,830,320 shares)	\$291	\$291	\$ 582
Net income transferred to surplus	—	27	27
Statutory surplus transfer to U.S. Treasury	—	(8)	(8)
Net change in capital stock issued (530,126 shares)	27	—	27
Balance at December 31, 1996 (6,360,446 shares)	\$318	\$310	\$ 628
Net income transferred to surplus	—	515	515
Statutory surplus transfer to U.S. Treasury	—	(7)	(7)
Net change in capital stock issued (10,304,552 shares)	515	—	515
Balance at December 31, 1997 (16,664,998 shares)	\$833	\$818	\$1,651

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	<i>Dollar Amount</i>		<i>Volume</i>	
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
CASH				
Currency received and counted	35.8 Billion	33.5 Billion (r)	2.5 Billion	2.3 Billion
Currency destroyed	8.2 Billion	9.4 Billion	711.9 Million	665.4 Million
Coin bags received and counted	106.7 Million	116.6 Million	184.4 Thousand	176.8 Thousand
NONCASH PAYMENTS				
Commercial checks processed	1,015.0 Billion	974.8 Billion	1.5 Billion	1.5 Billion
Commercial checks, packaged items handled	274.3 Billion	207.9 Billion (r)	578.1 Million	294.4 Million (r)
U.S. government checks processed	76.3 Billion	82.4 Billion	43.6 Million	49.4 Million
Automated Clearing House transactions:				
Commercial	586.2 Billion	NC	150.8 Million	NC
Government	382.1 Billion	NC	17.6 Million	NC
Fedwire funds transfers	18.5 Trillion	14.7 Trillion	7.8 Million	7.5 Million
LOANS TO DEPOSITORY INSTITUTIONS				
Discount window loans made	3.5 Billion	673.0 Million	33	44
SECURITIES SERVICES				
December 31 safekeeping balance of book-entry securities	180.1 Billion	162.4 Billion	NA	NA
Fedwire securities transfers	5.2 Trillion	4.1 Trillion	489.5 Thousand	457.8 Thousand
SERVICES TO U.S. TREASURY AND GOVERNMENT AGENCIES				
Issues, redemptions, and exchanges of U.S. savings bonds	935.0 Million	963.0 Million	8.6 Million	9.1 Million (r)
Federal tax deposits processed	263.5 Million	514.5 Million	12.4 Thousand	15.2 Thousand
Food stamps redeemed	1.1 Billion	1.3 Billion	211.2 Million	252.3 Million

(r) = revised
NC = not comparable
NA = not applicable